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

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION

REGULAR MEETING AGENDA
Monday, April 6, 2026

Doors Open: 8:00 A.M.
Meeting Starts: 8:15 A.M.

In-Person Participation
County Administration Center
1600 Pacific Highway, Room 302
San Diego, California

Video-Teleconference Participation
https://www.zoom.us/join
Meeting ID 895 6767 7168 | Passcode 508649
(669) 900-9128

Video Viewing Only
@sandiegolafco9909

San Diego LAFCO		
Commissioner	**Appointing Authority**	**Affiliation**
Chair Kristi Becker	Cities Selection Committee	City of Solana Beach
Vice Chair Barry Willis	Independent Special Districts	Alpine Fire Protection
Paloma Aguirre	Board of Supervisors	County of San Diego
Joel Anderson	Board of Supervisors	County of San Diego
Brigette Browning	Commission	General Public
Jo MacKenzie	Independent Special Districts	Vista Irrigation
Stephen Whitburn	Mayor of the City of San Diego	City of San Diego
Dane White	Cities Selection Committee	City of Escondido
Alternate Eileen Delaney	Commission	General Public
Alternate David A. Drake	Independent Special Districts	Rincon del Diablo MWD
Alternate John McCann	Cities Selection Committee	City of Chula Vista
Alternate Monica Montgomery Steppe	Board of Supervisors	County of San Diego
Alternate Marni von Wilpert	Mayor of the City of San Diego	City of San Diego

Participation Instructions:

In person attendance by the public is welcomed. LAFCO meets in Room 302 in the County Administration Center (1600 Pacific Highway). Three-hour visitor parking is available using the Ash Street entrance. To provide comments on any item, please turn in a speakers slip to LAFCO staff before the item commences.

Remote participation by video or telephone is welcomed through Zoom by following these instructions.

Comments by Video	Comments by Telephone
1. Click or type the link found at the top of the agenda	1. Dial + 1-669-900-9128
2. Type the Meeting ID identified on the top of this agenda followed by the Passcode	2. Dial the Meeting ID identified at the top of the agenda followed by the Passcode
3. Click the raise hand icon	3. Dial *9 to raise your hand
4. LAFCO will announce your name as it appears when it is your turn to speak	4. LAFCO will call out the last 4 digits of your phone number when it is your turn to speak
5. Click the speaker icon to unmute to speak	5. Dial *6 to unmute yourself

All comments – whether provided in person or remotely (video and telephone) – are limited to three minutes for individuals and five minutes for agencies and community organizations. The Chair may adjust the time allowance as they deem appropriate in managing the Commission's business.

Remote participation by e-mail is also welcomed by sending comments to Commission Clerk Erica Sellen at erica.sellen@sdcounty.ca.gov.

- All e-mails received before 3:00 P.M. one business day before the meeting will be forwarded to the Commission and posted online prior to the start of the meeting.
- All e-mails received after 3:00 P.M. one business day before the meeting and up until the conclusion of the item by the Commission will be noted for the record by LAFCO staff with a good-faith summary and subsequently posted online.

The Commission may proceed with the meeting, even where there is a disruption that prevents the Commission from broadcasting the meeting to members of the public or from receiving public comment from members of the public using a call-in option or internet-based service option, unless such disruption prevents a member of the Commission is participating under Government Code Section 54953, subdivision (e) or (f).

Public Accommodations:

Assistance for the disabled is available by contacting LAFCO staff prior to the meeting. To the extent possible, accommodation requests should be submitted at least 72 hours in advance.

Spanish language translation services are readily available at LAFCO meetings. Translation services covering other languages may be made available upon request at least 72 hours prior to the meeting.

Contact Information:

Erica Sellen
Commission Clerk
2550 Fifth Avenue, Suite 725
San Diego, California 92103
T: 619-321-3380
F: 619-404-6508
E: erica.sellen@sdcounty.ca.gov

1. **8:15 A.M. – CALL TO ORDER BY CHAIR**

   a) **Roll Call of Commissioners Present**
   b) **Pledge of Allegiance**

2. **STATEMENT (JUST CAUSE) AND/OR CONSIDERATION OF A REQUEST TO PARTICIPATE REMOTELY (EMERGENCY CIRCUMSTANCES) BY A COMMISSIONER, IF APPLICABLE.**

3. **AGENDA REVIEW**
   The Executive Officer will summarize the agenda, advise on any requested changes, and disclose any supplemental communications received. The Chair will also consider requests from Commissioners to rearrange agenda items.

4. **PUBLIC EXPRESSION AND**
   OPPORTUNITY FOR PUBLIC TO REQUEST DISCUSSION ON CONSENT ITEMS
   Opportunity for members of the public to speak on any subject matter within the Commission's growth management duties and interests that is not on the agenda. Speakers are limited to three minutes. This is also an opportunity to request discussion on a consent calendar item.

5. **CONSENT ITEMS**
   All items calendared as consent are considered ministerial and subject to approval by a single motion. The Chair will consider requests by Commissioners to pull items for discussion.

   a) **Approval of Meeting Minutes for March 2, 2026 (action)**
   The Commission will consider action minutes from the March 2, 2026 meeting prepared by the Commission Clerk. Staff recommends approval as presented. (Pages 7-18)

   b) **Commission Ratification | Recorded Payments for February 2026 (action)**
   The Commission will review a report of all payments made and received for February 2026. Staff recommends ratifying payments as presented. (Pages 19-24)

   c) **Progress Report on 2025-2026 Workplan (information)**
   The Commission will receive an update on the current fiscal year workplan and related staff activities involving all 30 prioritized special projects. Information only. (Pages 25-28)

   d) **Report on Applicant Proposals (information)**
   The Commission will receive a status report on active and anticipated applicant proposals. Information only. (Pages 29-40)

   e) **Proposed "Joint Jaiswal – Rio Vista Road Change of Organization" |**
   Annexation to Rancho Santa Fe Community Services District & Related Actions (CO25-15) (action)
   The Commission will consider a joint change of organization proposal petitioned by four landowners to annex 10.0 acres in the unincorporated community of San Dieguito to the Rancho Santa Fe Community Services District (CSD). The affected territory consists of four parcels — three developed with single-family residences and one undeveloped — and lies entirely within the CSD's sphere. The purpose of the proposal is to extend public wastewater to the affected territory, including service to support the planned development of a single-family residence. Staff recommends approval as submitted, including waiver of protest and adoption of findings supporting a California Environmental Quality Act exemption (15319(b)). The affected parcels are identified as 267-145-16, -19, -20 and 267-146-05. (Pages 41-70)

CONSENT ITEMS CONTINUED…

f) **Notice of Administrative Approval | "Dechner - Haas Street Out-of-Agency Wastewater Services" with City of Escondido (OAS25-17) (information)**
The Commission will receive notice of an administrative approval by the Executive Officer authorizing the City of Escondido to provide out-of-agency wastewater service to a 1.09-acre unincorporated parcel within its sphere of influence located at 2417 Haas Street. The subject parcel is identified as 239-330-66. The authorization is limited to an existing single-family residence and is based on documentation of a public health threat arising from a failed septic system. Approval waives the standard condition requiring the landowner to submit an annexation proposal to LAFCO for future processing, given local conditions as detailed. The Executive Officer has determined the project is exempt from further review under the California Environmental Quality Act Guidelines Section 15269(c). This notice is provided for informational purposes in accordance with adopted Commission policy. The Commission may also pull the item for discussion and provide related feedback. (Pages 71-92)

g) **Legislative Report (information)**
The Commission will receive an update on active legislation relevant to the agency's regulatory and planning responsibilities. Information only. (Pages 93-96)

h) **Report on Recent Committee Meeting |**
Cities Advisory Committee's March 19, 2026 Meeting (information)
The Commission will receive a report on the most recent meeting of its Cities Advisory Committee held on March 19th. Information only. (Pages 97-102)

i) **Notice of New Professional Services Agreement:**
Contract for Accounting Services with Tri-Star Advisors, Inc. (information)
The Commission will receive a copy of a new professional services agreement entered into by the Executive Officer with Tri-Star Advisors, Inc. to provide accounting and related services. The agreement became effective on February 2, 2026, and includes an initial not-to-exceed amount of $15,000 for fiscal year 2025–2026, with annual renewals thereafter unless terminated. The item is being provided for information only and part of a new administrative procedure consistent with recent Commission input to provide notice of new agreements entered into by the Executive Officer under the procurement delegation. Information only. (Pages 103-122)

6. PUBLIC HEARING ITEMS |
COMMISSIONER DISCLOSURE OF EX PARTE COMMUNICATIONS
Public hearing items require expanded public notification per provisions in State law or have been voluntarily scheduled by the Executive Officer to ensure opportunity for public input. All public hearing items require verbal disclosures by Commissions regarding any material communications.

a) **Combined Public Hearing |**
Draft Municipal Service Review on City of Carlsbad- Encinitas Region (Part I): City of Carlsbad and Carlsbad Municipal Water District (discussion)
The Commission will hold a combined public hearing on a draft municipal service review covering two agencies within the Carlsbad subregion: the City of Carlsbad and Carlsbad Municipal Water District (MWD). The study represents Part I of a broader regional municipal service review encompassing the Carlsbad-Encinitas region and is advanced as part of the Commission's adopted workplan. The hearing combines two procedural items under Commission policy for administrative ease. The City of Carlsbad portion is a continued hearing

PUBLIC HEARING ITEMS CONTINUED…

Item 6a Continued…

originally opened on March 2, 2026, and continued at the City's request to allow additional time to review substantive revisions made by LAFCO staff following the 60-day administrative review period. The Carlsbad MWD portion is a new hearing being opened for the first time. Both agencies have completed their respective administrative reviews, and the draft report has been updated accordingly. This combined public hearing is presented for Commission discussion and feedback to assess whether the scope and content meet expectations in advance of staff initiating a formal 45-day noticed public review and comment period and proceeding with preparing a final document. (Pages 123-336)

7. BUSINESS CALENDAR

Business items involve regulatory, planning, or other items that do not require a noticed hearing.

a) **Lower Sweetwater Fire Protection District Request for Commission Review of Administrative Determination Regarding LAFCO Policy L-107 (discussion)**
The Commission will review Policy L-107, which establishes procedures for early consultation with affected agencies and interested parties regarding proposed changes of organization or reorganization. At the request of the Lower Sweetwater Fire Protection District, the Chair has asked for this agenda item to review the policy and LAFCO staff's administrative determination in connection with a pending reorganization proposal to the City of National City ("Delgado-Andrade – 24th Street Outside-of-Agency Service Agreement"). This item provides the Commission an opportunity to review Policy L-107, consider staff's implementation in the context of the District's correspondence, and provide feedback, as appropriate. (Pages 337-390)

b) **Alliance of LAFCOs Update and Proposed Next Steps (action)**
The Commission will receive an update on the ongoing efforts of the Alliance of Local Agency Formation Commissions (Alliance). Staff recommends the Commission affirm its continued participation in the Alliance under the existing Memorandum of Understanding framework and reappoint Chair Becker and Vice Chair Willis as the Commission's representatives. Staff also recommends the Commission authorize the Executive Officer to engage, on the Commission's behalf, in the formation of a new nonprofit organization along with the three partnering LAFCOs (Los Angeles, Orange and San Bernardino). Additionally, staff requests conceptual approval of the proposed governance and administrative structure, dues model, and a two-year funding commitment of $30,000 divided equally between Fiscal Year 2027 and Fiscal Year 2028. (Pages 391-398)

8. EXECUTIVE OFFICER REPORT

9. COMMISSIONER ANNOUNCEMENTS & REQUESTS FOR FUTURE ITEMS

10. ADJOURNMENT

Attest to Posting:

Erica Sellen
Commission Clerk

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5a

AGENDA REPORT
Consent | Action

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Erica Sellen, Commission Clerk

SUBJECT: **Approval of Meeting Minutes | Regular Meeting of March 2, 2026**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider draft minutes prepared for the regular meeting held on March 2, 2026. The minutes are in action form and being presented for formal Commission approval.

BACKGROUND

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and – among other items – requires public agencies to maintain records for qualifying meetings.

DISCUSSION

This item is for San Diego LAFCO to consider approving action minutes for the March 2, 2026 regular meeting. The attendance record for the meeting follows.

- All regular Commissioners were present except Paloma Aguirre (County of San Diego).
- All alternate Commissioners were present except Monica Montgomery Steppe (County of San Diego) and Marni von Wilpert (City of San Diego).

Administration
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, California 92103
T 619.321.3380
E lafco@sdcounty.ca.gov
www.sdlafco.org

ANALYSIS

The attached draft minutes for the March 2, 2026 regular meeting accurately reflect San Diego LAFCO's deliberations as recorded by the Commission Clerk. A video recording of the meeting has also been posted on the Commission's website (www.sdlafco.org).

RECOMMENDATION

It is recommended San Diego LAFCO approve the draft minutes prepared for the March 2, 2026 regular meeting as presented. This recommendation is consistent with Alternative One outlined in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):
Approve the attached draft minutes prepared for the March 2, 2026 regular meeting with any requested corrections or clarifications.

Alternative Two:
Continue the item to the next regular meeting and provide direction as needed.

PROCEDURES

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

Respectfully,

Erica A. Sellen

Erica Sellen
Commission Clerk

Attachment:

1) Draft Meeting Minutes for March 2, 2026

DRAFT MINUTES
SAN DIEGO LAFCO REGULAR MEETING
March 2, 2026

1. 8:15 A.M. – CALL TO ORDER BY CHAIR

Item 1a
ROLL CALL OF COMMISSIONERS PRESENT

The regular meeting was called to order at 8:15 a.m. by Chair Becker. The Commission Clerk performed the roll call with the following attendance recorded.

Regulars Present:	Joel Anderson, County of San Diego (arrived at 8:51 a.m.) Kristi Becker, City of Solana Beach (CHAIR) Brigette Browning, Public Jo MacKenzie, Vista Irrigation District Stephen Whitburn, City of San Diego (arrived at 8:39 a.m.) Dane White, City of Escondido Barry Willis, Alpine Fire Protection District (VICE CHAIR)
Alternates Present:	Eileen Delaney, Public David Drake, Rincon del Diablo Municipal Water District John McCann, City of Chula Vista
Members Absent:	Paloma Aguirre, County of San Diego (regular) Monica Montgomery Steppe, County of San Diego (alternate) Marni von Wilpert, City of San Diego (alternate)

The Commission Clerk confirmed a quorum with five voting members present. After roll call, Commissioners Anderson and Whitburn arrived, assembling seven voting members.

Also present at the time of roll call were the following LAFCO staff members: Executive Officer Keene Simonds, Assistant Executive Officer Priscilla Mumpower, Commission Counsel Aleks Giragosian, Local Government Analyst II Michaela Peters, Local Government Analyst I Joelle Burila, Local Government Analyst I Meghan Traynor, Communications Associate Aiden Velasquez, GIS Analyst Dieu Ngu, and Commission Clerk Erica Sellen.

The following Commissioners left the meeting: Commissioner Browning at 9:43 a.m.; Commissioner Whitburn at 10:15 a.m.; and Commissioner McCann at 10:24 a.m.

Item 1b
PLEDGE OF ALLEGIANCE

Alternate Commissioner McCann led the Pledge of Allegiance.

2. STATEMENT (JUST CAUSE) AND/OR CONSIDERATION OF A REQUEST TO PARTICIPATE REMOTELY (EMERGENCY CIRCUMSTANCES) BY A COMMISSIONER, IF APPLICABLE

None.

3. AGENDA REVIEW

Chair Becker asked Executive Officer Simonds if there were any requests to remove or rearrange items on the agenda. Executive Officer Simonds requested Item 6b be heard before Item 6a. Mr. Simonds separately noted there were two supplemental correspondence items for Item 6a.

4. PUBLIC COMMENT AND OPPORTUNITY FOR PUBLIC TO REQUEST DISCUSSION ON CONSENT ITEMS

Chair Becker invited anyone from the public to address the Commission on a matter not directly related to an agenda item.

The Commission Clerk confirmed there were no other registered speakers (audience or remote) or live e-mail comments.

5. CONSENT ITEMS

Item 5a
Approval of Meeting Minutes for February 2, 2026
Item presented to approve draft action minutes prepared for the Commission's February 2, 2026 meeting. Recommendation to approve.

Item 5b
Commission Ratification | Recorded Payments for January 2026
Item presented to ratify recorded payments made and received by the Executive Officer for the month of January 2026. Recommendation to ratify.

Item 5c
Proposed "Goodwin–Pine Valley Improvement Club Change of Organization" | Annexation to San Diego County Sanitation District (CO25-13)
Item presented to consider a change of organization proposal initiated by landowner petition to annex 0.7 acres of unincorporated territory in Pine Valley to the San Diego County Sanitation District (SD). The affected territory is developed with an existing commercial facility – Pine Valley Clubhouse – and lies entirely within the County SD sphere of influence. The proposal fulfills a prior LAFCO condition authorizing a temporary outside wastewater service extension approved in July 2025 in response to a documented public health and safety threat posed by the septic system's proximity to a non-conforming well on-site. Annexation would replace the temporary service arrangement as the preferred alternative for permanent service. Recommendation to approve the proposal as submitted, including waiver of protest proceedings and adoption of California Environmental Quality Act (CEQA) exemption findings under CEQA Guidelines Section 15320.

CONSENT ITEMS CONTINUED…

Item 5d
Report on Applicant Proposals
Item presented to receive a status report on active and anticipated applicant proposals. Information only.

Item 5e
Legislative Report
Item presented to receive an update on active legislation relevant to the Commission's regulatory and planning responsibilities. Information only.

Item 5f
Approval of Multi-Year Independent Audit Contract, FY26 through FY29
Item presented to consider approval of a four-year independent audit contract with Davis Farr, LLP (Irvine) to provide financial statement auditing services beginning with fiscal year 2025-2026 through 2028-2029. The recommendation follows a competitive request for proposals process conducted jointly by San Diego and three other LAFCOs (Los Angeles, Orange, and San Bernardino) through a newly formed partnership, Alliance of LAFCOs. It also satisfies a separate workplan project. Davis Farr was the top-ranked firm among three respondents based on an evaluation of cost, work plan, qualifications, and project schedule. The proposed first-year expense for San Diego totals $12,350 with gradual yearly increases before reaching $13,620 in the final year. Recommendation to approve.

**

Commissioner MacKenzie motioned with a second from Commissioner Browning to approve the consent calendar with staff recommendations (Alternative One) as presented.

Roll call requested:

AYES:	Becker, Browning, MacKenzie, White, & Willis
NOES:	None
ABSENT:	Aguirre, Anderson, & Whitburn
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 5-0.

6. PUBLIC HEARING ITEMS | COMMISSIONER DISCLOSURE OF EX PARTE COMMUNICATIONS

At the request of the Executive Officer, Agenda Item 6a was heard after Agenda Item 6b.

Item 6a
Proposed Draft Workplan and Budget for 2026-2027
Item presented to consider the Executive Officer's recommendations to approve a proposed draft workplan and budget for FY 2026–2027. Both items largely continue current priorities and funding levels with targeted enhancements. The draft workplan largely carries-forward projects in the current workplan that are expected to remain active after June 30th. The total budget – combining operating and non-operating units – is proposed to decrease (8.2%) to $2.904 million in balanced expenses and revenues, largely attributable to the winddown of grant activities. The operating budget is set to increase 3.4% – or $90,379 – primarily driven by the addition of a ninth full-time position (Analyst I) with costs partially offset through reduced consultant usage. A preapproved cost-of-living adjustment has also been budgeted. Agency apportionments, however, are proposed to increase 18.7% – or $407,580 – over the current fiscal year, exceeding the growth in operating expenses and entirely attributable to eliminating reserves as offsetting revenues. Recommendation to adopt a resolution approving both items with any desired changes. Approval will initiate a public review period with final versions returning for Commission consideration in May.

Chair Becker invited disclosures from Commissioners on material ex parte communications. No disclosures were reported.

Executive Officer Simonds provided the staff presentation.

Chair Becker opened the hearing and invited public comments from the following registered speakers with stated positions to the staff recommendation noted in parenthesis:

- Kurt Worden, Lower Sweetwater Fire Protection District (oppose – budget)
- Alisha Morrison (support – continuing the item)

The Commission Clerk confirmed there were no other registered speakers (audience or remote) or live e-mail comments.

Chair Becker proceeded to invite questions and comments from the Commissioners. General discussion ensued.

Chair Becker proceeded to close the hearing and suggested separating the workplan and budget to take up separately.

Commissioner MacKenzie motioned with a second from Commissioner Anderson to approve the proposed draft workplan as presented.

PUBLIC HEARING ITEMS CONTINUED…

Item 6a Continued…

**

Roll call requested:

AYES:	Anderson, Becker, Browning, MacKenzie, Whitburn, & White
NOES:	Willis
ABSENT:	Aguirre
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 6-1.

**

Commissioner MacKenzie motioned with a second from Commissioner Anderson to approve the proposed draft budget as presented.

Roll call requested:

AYES:	Anderson, Becker, Browning, MacKenzie, Whitburn, & White
NOES:	Willis
ABSENT:	Aguirre
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 6-1.

Item 6b
REQUEST TO CONTINUE TO APRIL 6, 2026 |
Draft Municipal Service Review on City of Carlsbad
Item noticed for the Commission to consider a draft municipal service review covering the City of Carlsbad. Executive Officer Simonds recommended the Commission open the hearing, receive any public testimony, and continue the matter to the next regular meeting on April 6, 2026. The requested continuance will allow the City additional time to review the draft, which has been substantively updated by LAFCO staff to address comments received during the 60-day administrative review period.

Chair Becker invited disclosures from Commissioners on material ex parte communications. No disclosures were reported.

PUBLIC HEARING ITEMS CONTINUED…

Item 6b Continued…

Chair Becker opened the hearing and invited public comments from the following registered speaker with stated positions to the staff recommendation noted in parenthesis:

- Geoff Patnoe, City Manager, City of Carlsbad (support)

The Commission Clerk confirmed there were no other registered speakers (audience or remote) or live e-mail comments.

Chair Becker proceeded to invite questions and comments from the Commissioners. No discussion.

Chair Becker proceeded to close the hearing.

**

Commissioner Browning motioned with a second from Commissioner White to approve the staff recommendation (Alternative One) as listed in the agenda report.

Roll call requested:

AYES:	Becker, Browning, MacKenzie, White, & Willis
NOES:	None
ABSENT:	Aguirre, Anderson, & Whitburn
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 5-0.

7. BUSINESS ITEMS

Item 7a
Progress Report on 2025-2026 Workplan
Item presented to receive a quarterly update on the current fiscal year workplan and related staff activities. The item was elevated to the business calendar at the suggestion of the Chair to provide greater visibility into workplan status, with particular focus on high-priority projects, as part of a new quarterly review practice. Discussion only, with the opportunity for the Commission to identify potential amendments for consideration at a future meeting.

Assistant Executive Officer Mumpower introduced the item and Local Government Analyst II Peters provided the staff presentation.

Chair Becker invited comments from the public. The Commission Clerk confirmed there were no registered speakers (audience or remote) or live e-mail comments.

BUSINESS ITEMS CONTINUED…

Item 7a Continued…

Chair Becker proceeded to invite questions and comments from the Commissioners. General discussion ensued.

No action.

Item 7b
Development of Weighted Water Rate Comparisons |
Presentation of Draft Report by Kennedy Water Consulting, LLC
Item presented to receive an update on the development of water rate comparators underway by the Special Districts Advisory Committee with the assistance of Kennedy Water Consulting, LLC and support from LAFCO staff. The report's intended use is as a diagnostic tool in future municipal service reviews. The update is provided consistent with an earlier request by Commissioner MacKenzie to review the work with an opportunity for the Commission to provide feedback.

Staff presentation provided by Local Government Analyst I Burila and LAFCO Consultant Tom Kennedy.

Chair Becker invited comments from the following online speaker:

- Consuelo

The Commission Clerk confirmed there were no other registered speakers (audience or remote) or live e-mail comments.

Chair Becker proceeded to invite questions and comments from the Commissioners. General discussion ensued.

No action.

Item 7c
Request to Authorize the Cities Advisory Committee to Conduct Meetings Remotely and Related Findings
Item presented to consider authorizing its Cities Advisory Committee (CAC) to conduct meetings remotely in accordance with Senate Bill No. 707 ("SB 707") and Government Code Section 54953.8.6. Effective January 1, 2026, SB 707 permits a governing legislative body to authorize an eligible subsidiary advisory body to meet via teleconference under specified conditions. The CAC qualifies as an eligible advisory body under State law and authorization of remote meetings requires the Commission to adopt prescribed findings, including designation of a primary physical meeting location for purposes of public access and agenda posting. This item is presented for Commission consideration and action. Recommendation to approve requested authorization and adoption of required findings.

BUSINESS ITEMS CONTINUED…

Item 7c Continued…

Commission Counsel Aleks Giragosian provided the staff presentation.

Chair Becker invited public comments from the following registered speaker with stated positions to the staff recommendation noted in parenthesis:

- Dion Akers, City of Solana Beach (support)

The Commission Clerk confirmed there were no other registered speakers (audience or remote) or live e-mail comments.

Chair Becker proceeded to invite questions and comments from the Commissioners. General discussion ensued.

**

Commissioner Willis motioned with a second from Commissioner White to approve the staff recommendation (Alternative One) as listed in the agenda report.

Roll call requested:

AYES:	Anderson, Becker, Delaney (voting), MacKenzie, White, & Willis
NOES:	None
ABSENT:	Aguirre, Browning, & Whitburn
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 6-0.

Item 7d
Adoption of a Formal Parliamentary Procedure and Amendment to Article II (Meetings) of the Commission's Rules
Item presented to consider adopting a formal parliamentary procedure and amending Article II (Meetings) of the Commission's Rules to explicitly identify the procedural authority governing the conduct of Commission meetings. The Commission may consider adopting either Rosenberg's Rules of Order or Robert's Rules of Order. Historically, the Commission has operated under Rosenberg's Rules of Order as a matter of practice; however, the Commission's current Rules do not expressly designate a parliamentary authority. Deputy Commission Counsel, Aleks Giragosian, will provide a brief verbal presentation outlining key distinctions between the two frameworks for Commission consideration. Staff recommend the Commission consider both options and take action to adopt a formal parliamentary procedure, with a corresponding amendment to Article II (Meetings) to reflect the Commission's selected authority.

Commission Counsel Aleks Giragosian provided the staff presentation.

BUSINESS ITEMS CONTINUED…

Item 7d Continued…

Chair Becker invited comments from the public. The Commission Clerk confirmed there were no registered speakers (audience or remote) or live e-mail comments.

Chair Becker proceeded to invite questions and comments from Commissioners. No discussion.

**

Commissioner Willis motioned with a second from Commissioner White to approve the staff recommendation (Alternative One) as listed in the agenda report.

Roll call requested:

AYES:	Anderson, Becker, Delaney (voting), MacKenzie, White, & Willis
NOES:	None
ABSENT:	Aguirre, Browning, & Whitburn
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 6-0.

8. EXECUTIVE OFFICER REPORT

Executive Officer Simonds noted the following items:

- An updated Local Agencies Directory is available online.
- Inquiring if an alternative Commission meeting date and time is needed.

9. COMMISSIONER ANNOUNCEMENTS & REQUESTS FOR FUTURE ITEMS

None.

10. ADJOURNMENT TO NEXT MEETING

With no further business, Chair Becker adjourned the meeting at 10:25 a.m.

I hereby attest the minutes above accurately reflect the deliberations of the Commission at its March 2, 2026 meeting.

ATTEST,

Erica Sellen
Commission Clerk

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5b

AGENDA REPORT
Consent | Action

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Keene Simonds, Executive Officer
Erica Sellen, Commission Clerk

SUBJECT: **Commission Ratification | Recorded Payments for February 2026**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a financial report covering transactions for February 2026. The report documents $168,605 in total expenses authorized by the Executive Officer and $10,716 in payments received. All transactions are consistent with the adopted budget. Staff recommends the Commission ratify these payments with the option to pull the item for discussion if needed.

BACKGROUND

San Diego LAFCO's policies require the Executive Officer to maintain appropriate accounting controls for all Commission financial transactions. Competitive bidding applies for purchases between $10,000 and $124,999, unless waived due to unique circumstances. Transactions of $125,000 or more require Commission approval.

DISCUSSION

This item seeks San Diego LAFCO's ratification of all payments made and received by the Executive Officer in February 2026. Detailed transactions appear in Attachment One. The Commission may pull the item for discussion or provide feedback.

ANALYSIS

Expenses transacted by the Executive Officer for February 2026 total $168,605. More than four-fifths - $145,931 - involves reimbursing the County of San Diego for two payroll periods and administrative support services, including information technology. Professional services account for a significant portion of the remainder, totaling $9,078, and cover legal and consultant support for ongoing intergovernmental work and active municipal service reviews as separately covered in Agenda Item No. 5c. Additional details on consultant activities under contract with the Executive Officer are provided in Appendix A. Revenues collected total $10,716 primarily from three new application filing fees received in February.

RECOMMENDATION

It is recommended that San Diego LAFCO ratify the payments made and received in February 2026 as presented, consistent with Alternative One below.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):
Ratify the recorded payments received and made by the Executive Officer for February 2026 as shown in Attachment One.

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

Alternative Three:
Take no action.[1]

PROCEDURES

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

On behalf of the Executive Officer:

Erica A. Sellen

Erica Sellen
Commission Clerk

Appendix: as stated
Attachment: as stated

1 Payment ratifications are not required under LAFCO policy but are presented to the Commission per practice.

Appendix A

EO Consultant Contracts

ACTIVE CONTRACTS IN FY26; INVOICES PAID THROUGH FEBRUARY 2026

TOTAL PAID	INVOICES	CONSULTANTS
$214,583.25	40	9

	Consultant	Description	Limit	% Used	Paid	Invoices / Balance
AC	ADW Consulting LLC	Ongoing Intergovernmental Support	Limit: $124,999.00	59%	$73,350.00	7 inv · Bal: $51,649.00
AP	Arena Public Affairs	Ongoing Intergovernmental Support	Limit: $102,000.00	59%	$60,606.00	7 inv · Bal: $41,394.00
KW	Kennedy Water Consulting LLC	Water + Wastewater Services Consultant	Limit: $110,000.00	38%	$41,456.25	7 inv · Bal: $68,543.75
BF	Bill Fulton	Contract Specific to SANDAG MSR	Limit: $33,000.00	36%	$12,000.00	2 inv · Bal: $21,000.00
MS	Michael Stein	Fire Protection Consultant	Limit: $64,000.00	18%	$11,440.00	7 inv · Bal: $52,560.00
CO	Christine O'Rourke	Climate Planning + Environmental Justice Consultant	Limit: $100,303.00	5%	$5,287.50	1 inv · Bal: $95,015.50
TA	TAC	Contract Specific to Homeless Services White Paper	Limit: $19,000.00	27%	$5,082.50	2 inv · Bal: $13,917.50
RG	RGS	Human Resources Support Services	Limit: $50,000.00	7%	$3,611.00	6 inv · Bal: $46,389.00
WH	W. Michael Hanemann	Contract Specific to CWA/MET MSR	*No formal contract on file*		$1,750.00	1 inv

GRAND TOTAL — ALL CONTRACTS **$214,583.25**

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SAN DIEGO LAFCO
Expenses by Vendor Detail
January 2026

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | Ace Parking						
	2/20/2026	52530 · Office Lease	1,191.00	Monthly Parking Rent & Guest Parking Validations	electronic	1000 · County Account (44595)
E | After Effects (Adobe)						
	2/15/2026	52270 · Memberships	19.99	Monthly Adobe DC Pro Upgrade	debit card	3558 · SDCCU Checking
E | Aiden Velasquez						
	2/9/2026	52610 · Non-Travel/In-County	16.93	Reimbursement | SB 707 Training Lunch	check	3558 · SDCCU Checking
E | Amazon						
	2/24/2026	52330 · Office Expense	149.77	Annual Prime Membership Fee	credit card	3558-60 · SDCCU Visa Credit Card
E | Ambius						
	2/24/2026	52344 · Stores Unallocated	460.28	Monthly Plant Maintenance	check	3558 · SDCCU Checking
E | ARCC (Assessor Recording County)						
	2/9/2026	52490 · Publications	50.00	NOE Fee | CO25-11	check	3558 · SDCCU Checking
E | Assura Software						
	2/12/2026	52074 · Telecommunications	750.00	Online Project Tracking: Hosting + Support Services	electronic	1000 · County Account (44595)
E | BJ's Restaurant						
	2/28/2026	52330 · Office Expense	160.47	Vice Chair Briefing (EO, AEO, MP & BW)	debit card	3558 · SDCCU Checking
E | Canva						
	2/7/2026	52270 · Memberships	30.00	Monthly Subscription	credit card	3558-60 · SDCCU Visa Credit Card
E | Chase Design Inc						
	2/20/2026	52334 · Printing	2,737.50	Local Directory	electronic	1000 · County Account (44595)
E | Chili's						
	2/13/2026	52330 · Office Expense	69.49	Debriefing (EO, AEO & JM)	credit card	3558-60 · SDCCU Visa Credit Card
E | Claim Jumper						
	2/2/2026	52330 · Office Expense	92.62	Debriefing (EO, AEO, ED & Counsel)	credit card	3558-60 · SDCCU Visa Credit Card
E | Colantuono, Highsmith & Whatley						
	2/24/2026	52370.B · Professional Services	14.50	Commission Counsel Services | Special Litigation	electronic	1004 · SDCCU Holding Account
E | Corodata						
	2/24/2026	52330 · Office Expense	62.40	Monthly Document Storage	check	3558 · SDCCU Checking
E | County of San Diego						
	2/1/2026	52354 · Mail/Postage ISF	550.16	Mail/Postage Services	electronic	1000 · County Account (44595)
	2/1/2026	52178 · Vehicle Maintenance	146.89	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	2/1/2026	52182 · Vehicle Fuel	0.00	Vehicle Fuel	electronic	1000 · County Account (44595)
	2/1/2026	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	2/1/2026	52721 et al. · Communications (IT) Services	6,207.98	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	2/13/2026	52504 · Equipment Rental	3.36	County Surcharge | Xerox (Two Months)	electronic	1000 · County Account (44595)
	2/13/2026	51110 et al. · Employee Payroll	63,611.12	Payroll | Pay Period 2026-17	electronic	1000 · County Account (44595)
	2/27/2026	51110 et al. · Employee Payroll	60,061.86	Payroll | Pay Period 2026-18	electronic	1000 · County Account (44595)
	2/28/2026	52550.B · County Overhead Costs	15,173.05	A-87 1st Quarter	electronic	1000 · County Account (44595)
	2/28/2026	52550.B · County Overhead Costs	11.64	County Surcharge | A-87 1st Quarter	electronic	1000 · County Account (44595)
			145,931.55			
E | CSDA San Diego Chapter						
	2/12/2026	52610 · Non-Travel/In-County	80.00	Quarterly CSDA Dinner Meeting (JB)	debit card	3558 · SDCCU Checking
	2/22/2026	52270 · Memberships	1,872.00	Annual Membership FY25-26	debit card	3558 · SDCCU Checking
			1,952.00			
E | Dieu Ngu						
	2/9/2026	52610 · Non-Travel/In-County	61.71	Reimbursement | SB 707 Training Lunch (DN, ES, JB, MT & PB)	check	3558 · SDCCU Checking
E | Fax Plus						
	2/8/2026	52330 · Office Expense	9.26	Monthly Fax Machine Payment	debit card	3558 · SDCCU Checking
E | Jo MacKenzie						
	2/9/2026	52610 · Non-Travel/In-County	5.65	Reimbursement | Tolls for Travel to Commission Meeting	check	3558 · SDCCU Checking
E | Kennedy Water Consulting LLC						
	2/11/2026	52370.F · Professional Services	2,750.00	Consultant Services | MSR Work: Utilities	electronic	1000 · County Account (44595)
E | Michaela Peters						
	2/9/2026	52330 · Office Expense	48.00	Reimbursement | Commission Meeting Refreshments	check	3558 · SDCCU Checking
	2/9/2026	52610 · Non-Travel/In-County	15.26	Reimbursement | SB 707 Training Lunch	check	3558 · SDCCU Checking
			63.26			

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | Michael Stein						
	2/11/2026	52370.F · Professional Services	560.00	Consultant Services | MSR Work: Fire Protection	electronic	1000 · County Account (44595)
E | Miguels						
	2/13/2026	52330 · Office Expense	135.15	District 1 Briefing (EO, AEO, MP & D1-KL)	credit card	3558-60 · SDCCU Visa Credit Card
E | News Library						
	2/20/2026	52270 · Memberships	25.95	SD Tribune Archives Monthly Service	debit card	3558 · SDCCU Checking
E | Politico Group						
	2/20/2026	52270 · Memberships	4,400.00	Alliance Legislative Advocacy | Reimbursements Pending	electronic	1000 · County Account (44595)
E | Postal Annex						
	2/24/2026	52332 · Postage	24.83	Agenda Packet Postage (ED)	credit card	3558-60 · SDCCU Visa Credit Card
E | QuickBooks						
	2/3/2026	52330 · Office Expense	115.00	Monthly Service for Online QuickBooks	credit card	3558-60 · SDCCU Visa Credit Card
E | Ready Refresh Water						
	2/5/2026	52330 · Office Expense	63.46	Monthly Water Services	credit card	3558-60 · SDCCU Visa Credit Card
E | Residence Inn						
	2/20/2026	52622 · Training/Registration Out-County	378.99	Deposit | Rooms for Alliance Workshop in Orange County	credit card	3558-60 · SDCCU Visa Credit Card
E | RGS						
	2/11/2026	52370 · Professional Services	612.30	HR Services to the AEO	electronic	1000 · County Account (44595)
E | Starbucks						
	2/2/2026	52330 · Office Expense	44.00	Commission Meeting Refreshments	credit card	3558-60 · SDCCU Visa Credit Card
E | Technical Assistance Collaborative Inc						
	2/6/2026	52370 · Professional Services	5,082.50	Consultant Services | Homelessness (Two Months)	electronic	1000 · County Account (44595)
E | WP Engine						
	2/15/2026	52370.E · Professional Services	59.00	Monthly Web Hosting	debit card	3558 · SDCCU Checking
E | Xerox						
	2/18/2026	52504 · Equipment Rental	502.37	Xerox Rental (Two Months)	electronic	1000 · County Account (44595)
E | YouTube						
	2/11/2026	52270 · Memberships	22.99	Monthly Streaming Support Services	debit card	3558 · SDCCU Checking
EXPENSE TOTAL			168,604.92			

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
R | Allen						
	2/24/2026	46234 · Applications	2,021.50	Processing Fees (OAS26-05)	check	3558 · SDCCU Checking
R | Black Op Petroleum, Inc						
	2/24/2026	46234 · Applications	480.38	Processing Fees (OAS26-04)	check	3558 · SDCCU Checking
R | County of San Diego						
	2/28/2026	49200 · Interest & Dividends	49.09	Interest Payment to Account 46725	electronic	1001 · Committed - Stabilization
	2/28/2026	49200 · Interest & Dividends	75.66	Interest Payment to Account 46726	electronic	1002 · Committed - Opportunity
	2/28/2026	49200 · Interest & Dividends	99.16	Interest Payment to Account 46727	electronic	1003 · Assigned - Executive Office
			223.91			
R | Hallam						
	2/2/2026	46234 · Applications	1,585.24	Processing Fees (CO25-01)	electronic	3558 · SDCCU Checking
R | Kukkal						
	2/24/2026	46234 · Applications	6,405.00	Processing Fees (CO25-12)	check	3558 · SDCCU Checking
REVENUE TOTAL			10,716.03			

5c

AGENDA REPORT
Consent | Information

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Keene Simonds, Executive Officer
Priscilla Mumpower, Assistant Executive Officer

SUBJECT: **Progress Report on 2025-2026 Workplan**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive an update on the current fiscal year workplan and related staff activities involving all 30 prioritized special projects. Eleven projects have been substantively advanced to date, with six projects complete and an additional five nearing completion. Staff continues to advance several high-priority projects, headlined by scheduled public hearings for the draft municipal service reviews covering the Carlsbad subregion and wholesale water service providers. This item is provided for information only.

BACKGROUND

San Diego LAFCO adopted its current fiscal year workplan at a public hearing in May 2025. The workplan includes 30 special projects divided into two distinct categories – statutory and administrative – with priority assignments established by the Commission.

DISCUSSION

This item provides the Commission with an update on the adopted 2025–2026 workplan. To date, eleven projects have been substantively advanced, with six projects complete and an additional five nearing completion. These two categories involve all of the following:

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Projects Completed to Date

Alternative Membership Organization
Annual Local Agency Directory
Annual Sphere of Influence-Municipal Service Review Registry
Cities Advisory Committee Meetings
Outside Audit: RFP + Selection of Independent Auditor
Special Districts Advisory Committee Meetings

Projects Nearing Completion[1]

MSR | Wholesale Water Service Providers
MSR | Carlsbad-Encinitas Region, Part I
MSR | Carlsbad-Encinitas Region, Part II
SALC Planning Grant 2.0
Outside Audit: Complete Audit for FY25

Attachment One provides a status on all 30 projects.

ANALYSIS

None.

RECOMMENDATION

This item is presented to San Diego LAFCO for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

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

On behalf of the Executive Officer,

Priscilla Mumpower
Assistant Executive Officer

Attachment:

1) 2025-2026 Workplan Status

[1] Another project - No. 26 (Legislative Proposal | UC Berkeley Report) - has been moved from "nearing completion" to "underway" to reflect that the proposal did not advance during the current legislative session and will roll forward into the 2026-2027 workplan.

ADOPTED WORKPLAN FOR FY2025-2026
Status as of March 30, 2026

Priority	Tier	Type	Project	Description
Ongoing	…	Statutory	Applicant Proposals and Requests	Prioritize resources to address applicant proposals and related requests
Ongoing	…	Administrative	Targeted LAFCO Presentations	Coordinate timely public outreach; emphasis on informing stakeholders ahead of MSR work
Ongoing	…	Statutory	Workplan and Budget Management	Actively manage the workplan and budget resources with regular updates to the Commission

Priority	Tier	Type	Project	Description	Status
1a	Highest	Statutory	MSR | Wholesale Water Service Providers	Service-specific study on principal wholesale water suppliers – CWA (comprehensive) + MET (abbreviated)	
1b	Highest	Statutory	MSR | Healthcare Districts	Service-specific study of the four healthcare districts in San Diego County; addendum expected	
3	Highest	Statutory	MSR | SANDAG	Agency-specific study of SANDAG (transportation, housing planning, + climate adaption planning)	
4a	Highest	Statutory	MSR | Carlsbad-Encinitas Region I: Carlsbad	Region-specific study on City of Carlsbad + Carlsbad MWD	
4b	Highest	Statutory	MSR | Carlsbad-Encinitas Region II: Encinitas	Region-specific study on City of Encinitas + special districts (Olivenhain, Leucadia, San Dieguito)	
6a	High	Statutory	MSR | Vista-San Marcos Region I: San Marcos	Regional MSR on City of San Marcos + special districts (Vallecitos, San Marcos FPD, Vista ID)	
6b	High	Statutory	MSR | Vista-San Marcos Region II: Vista	Regional MSR on City of Vista + Buena SD	
8	High	Administrative	White Paper | Homeless Services	Evaluate the scope-scale of homeless services in SD County + potential governance options	
9	High	Administrative	White Paper | Public Recreation @ City Reservoirs	Assess public recreation at City of SD's unincorporated reservoirs + potential governance alternatives	
10	High	Administrative	SALC Planning Grant 2.0	Complete multi-year grant to inform + enhance small farming operations in SD County	
11a	High-Mid	Statutory	MSR | Solana Beach – Del Mar Region I: Cities	Region-specific study on mid coast I-5 municipalities (Solana Beach and Del Mar)	
11b	High-Mid	Statutory	MSR | Solana Beach – Del Mar Region II: Districts	Regional MSR on mid coast I-5 districts (Santa Fe ID + CSA 17)	
13	High-Mid	Administrative	Website Refresh + Content Expansion	Work with outside consultant to design and launch website refresh w/enhanced end-user features	
14	High-Mid	Statutory	MSR | San Diego Unified Port District	Agency-specific study of the Port (harbor, recreation, public safety, + community development)	
15	High-Mid	Statutory	Special Study | Oceanside SCHD	Prepare special study on SCHD detailing revenues/expenses + potential governance alternatives	
16	Mid	Administrative	Outside Audit | RFP + Selection	Prepare and circulate RFP and select new outside auditor per GASB best practices	
17	Mid	Administrative	Outside Audit | FY2025	Complete outside audit of financial statements for FY25 with supplemental information	
18	Mid	Administrative	Pilot Grant Program	Establish pilot program to explore grant opportunities to help fund special projects at LAFCO	
19	Mid	Administrative	Special Districts Advisory Committee	Provide administrative support to the SDAC and hold no less than three meetings in FY2026	
20	Mid	Administrative	Cities Advisory Committee	Provide administrative support to the CAC and hold no less than two meetings in FY2026	

Priority	Level	Type	Project	Description	Status
21	Mid-Low	Statutory	RCD Ad Hoc Committee: Part II	Complete part II of RCD boundary true ups to inform sphere updates for local RCDs	
22	Mid-Low	Statutory	MSR | South Coast Region I – Cities	Region-specific study on south coast Cities (Chula Vista, Coronado, Imperial Beach and National City)	
23	Mid-Low	Statutory	MSR | Healthcare Districts: Addendum	Address community healthcare needs and related resources + potential governance alternatives	
24	Mid-Low	Administrative	Alternative Membership Organization	Work with other LAFCOs to receive/provide ongoing education and legislative advocacy services	
25	Mid-Low	Administrative	Annual Local Agency Directory	Update and publish annual local agency directory subject to LAFCO oversight	
26	Low	Administrative	Legislative Proposal | UC Berkeley Report	Sponsor/facilitate legislation implementing UC report recommendations on LAFCO efficiencies	
27	Low	Administrative	Commissioner Onboarding	Create a digital toolkit for new Commissioners to help acclimatize to LAFCO	
28	Low	Administrative	Annual SOI-MSR Registry	Update and publish annual registry showing all recorded SOI and MSR actions	
29	Low	Statutory	Applicant Procedures	Update and streamline LAFCO application materials + establish related protocols	
30	Low	Administrative	Featured Work + Tutorial Videos	Produce videos featuring special projects as well as primers on LAFCO duties for online distribution	

Level	Type	Project	Description
Bullpen	Statutory	MSR | City of San Diego	Agency-specific study and core municipal service functions (water, wastewater, public safety, etc.)
Bullpen	Statutory	White Paper | Community Choice	Evaluate the scope and scale of CCAs in SD County and connectivity to LAFCO duties and interests
Bullpen	Statutory	Outreach to Sunset/Melrose "Island"	Perform targeted outreach to the island between Oceanside + Vista to assess service needs + possible annexation interests
Bullpen	Administrative	Service + Fiscal Indicators	Develop online browser feature to depict service + fiscal indicators among local agencies in SD County
Bullpen	Administrative	Liaison with Local Tribes	Establish communication protocols with local tribes with respect to shared interests in regional services + CEQA consultations
Bullpen	Statutory	Morro Hills CSD Follow Up	Coordinate and/or otherwise facilitate discussions with County Sheriff to enhance traffic enforcement within the CSD
Bullpen	Statutory	Policy Review | Health + Safety Fee Reductions	Review options to revise existing fee reductions for proposals/requests involving public health or safety threats
Bullpen	Administrative	LAFCO Meeting Room	Explore opportunities to secure a dedicated LAFCO meeting room with scaled dais and A/V enhancements
Bullpen	Statutory	White Paper | Garbage + Landfill Services	Evaluate the scope and scale of garbage collection and disposal services in SD County
Bullpen	Statutory	Legislative Proposal | G.C. 56430	Sponsor and/or facilitate amendments establishing community engagement enhancements in MSR statute
Bullpen	Statutory	White Paper | School Districts	Evaluate scope and scale of school districts and their baseline capacities for reference in municipal service reviews
Bullpen	Statutory	Policy Review | Island Annexations	Consider options to define "substantially surrounded" and provide related mapping services
Bullpen	Administrative	LAFCO Workshop	Organize a special workshop for the Commission to discuss strategic objectives over the next five-year period
Bullpen	Administrative	Public Access Television	Establish public broadcasting LAFCO meetings on local government channels
Bullpen	Administrative	Procedural Flow Charts	Create user friendly flow charts for various LAFCO statutory processes for online publication
Bullpen	Statutory	Policy | Fee Schedule Update	Review and update fee schedule to sync with current costs and related considerations
Bullpen	Statutory	Policy | CEQA Guidelines	Review and update existing CEQA Implementation guidelines relative to current statute and best practices
Bullpen	Statutory	Disadvantaged Unincorporated Communities	Update DUC mapping designations (DUC) in San Diego County based on current census information
Bullpen	Administrative	County Planning Groups	Monitor regular meetings of the County's 28 Planning and or Sponsor Groups and directly engage as appropriate
Bullpen	Administrative	Local Agency Finder Tool	Develop online feature for users to enter address to identify all overlapping local jurisdictions (cities and districts)
Bullpen	Statutory	Policy | Commission Rule No. 4	Modernize Rule No. 4 and its provisions to regulate special districts' service functions and classes
Bullpen	Statutory	Special Study | Escondido + Rincon	Study options to consolidate (functional and political) the City of Escondido and Rincon del Diablo MWD
Bullpen	Statutory	White Paper | JPAs	Evaluate the status of JPA filings in SD County relative to LAFCO's task in SB 1261
Bullpen	Administrative	Policy | Cities Advisory Committee	Coordinate with CAD in updating bylaws and related procedures to sync with current interests/priorities
Bullpen	Statutory	Legislative Proposal | G.C. 56133	Sponsor/facilitate amendments to clarify LAFCOs' authority to determine out-of-agency exemptions in (e)

Complete Near Complete Underway Pending

5d

AGENDA REPORT
Consent | Information

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Priscilla Mumpower, Assistant Executive Officer
Meghan Traynor, Analyst I

SUBJECT: **Report on Applicant Proposals**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a status report on active applicant proposals and requests currently on file as well as anticipated filings based on ongoing discussions with proponents. The item is informational and concurrently satisfies LAFCO's reporting requirement involving petition-initiated proposals.

BACKGROUND

Procedures and Timelines

Most jurisdictional changes begin with petitions filed by landowners or voters, though local agencies may also initiate through resolutions. LAFCO can independently initiate changes to form, consolidate, or dissolve special districts following approved municipal service reviews. Jurisdictional changes typically require four to six months before hearing, while out-of-agency service requests process in about two months.

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DISCUSSION

This item updates San Diego LAFCO on active proposals and previews pending submissions anticipated in the near term. The report also satisfies the Commission's statutory obligation to provide agenda notice for petition-initiated jurisdictional changes. Commissioners may pull the item for discussion and/or clarifications if needed.

Twenty-six (26) active proposals are currently on file. Twenty-two (22) are under review, pending Commission consideration, while four (4) await recordation following conditional approval.[1] Staff have identified five (5) pending proposals with prospective applicants. A complete listing of all active and pending proposals is provided in Attachment One.

ANALYSIS

None.

RECOMMENDATION

This item is presented to San Diego LAFCO for information only.

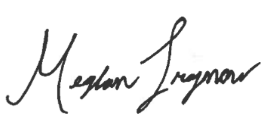
ALTERNATIVES FOR ACTION

None.

PROCEDURES

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

On behalf of the staff,



Meghan Traynor
Analyst I

Attachment:

1) Active and Pending Proposals as of March 30, 2026

[1] Six additional proposals remain on file with the Commission; however, discussions have been inactive for an extended period. The Commission anticipates taking future action to formally abandon these proposals pending adoption of related authorizing policies. All proposal files are available for public review upon request at the San Diego LAFCO office.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
ACTIVE PROPOSAL APPLICATIONS | PENDING COMMISSION ACTION				
1	CO21-09	"Otay Lakes Road Change of Organization" - City of Chula Vista: Annexation	Michaela Peters	Application submitted in October 2022 by landowner petition to annex approximately 1,870 acres of unincorporated territory to the City of Chula Vista. (The petitioners originally filed an application in October 2021 seeking approval to annex into the San Diego County Sanitation District. This previous application has since been withdrawn.) The affected territory comprises 6 parcels within the Baldwin and Moller communities and is presently undeveloped. The proposal is intended to facilitate the development of a 1,938 residential subdivision with various ancillary uses as part of the "Otay Ranch Resort Village 13" project. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant – including an agreement with LAFCO to proceed with a targeted/informing municipal service review. Staff last corresponded with the applicant in May 2024.
2	CO22-08 OAS22-08	"Martinez - North Avenue Reorganization" - City of Escondido: Annexation - County Service Area No. 135: Detachment - Deer Springs Fire Protection District: Detachment	Joelle Burila	Application submitted in April 2022 by landowner petition and involves an outside-of-agency service agreement for wastewater services to a single-family residence totaling 0.25 acres to remedy a failing septic system. The Executive Officer administratively approved the service request on May 3, 2022 with a conditional approval to annex into the City of Escondido. The application is incomplete pending receipt of additional documentation and related information. Staff last corresponded with the applicant in April 2025.
3	RO22-11	"Tummala - Rincon MWD Reorganization" - Rincon del Diablo MWD: Annexation - Metropolitan Water District: Annexation - San Diego CWA: Annexation	Michaela Peters	Application submitted in October 2022 by landowner petition involving annexation of approximately 20 acres of unincorporated territory to make available public water services. The affected territory is currently vacant and undeveloped. The proposal's purpose is to position the landowner to proceed in the future with a development plan with the County of San Diego. The application is incomplete pending receipt of additional documentation and related information. Staff last corresponded with the applicant in July 2022.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
4	CO23-11	"Nencini Associates Change of Organization" - San Diego County SD: Annexation	Joelle Burila	Application submitted in July 2023 by landowner petition and involves annexation of approximately 20.6 acres to the San Diego County Sanitation District (SD) for the primary purpose of establishing wastewater service. The affected territory is partially developed with one single-family residence, with plans to develop an additional 7 single-family residences through subdivision. Conditional approval for future annexation to the City of Chula Vista is recommended. The application is incomplete pending receipt of additional documentation and related information. Staff last corresponded with the applicant in January 2024.
5	CO23-15	"Maclachlan - Old Highway 80 Change of Organization" - San Diego County SD: Annexation	Michaela Peters	Application submitted in December 2023 by landowner petition and involves annexation of approximately 0.60 acres to the San Diego County Sanitation District for the primary purpose of establishing wastewater service. The affected territory is currently undeveloped with plans to develop a commercial building and parking lot. The application is incomplete pending receipt of CEQA documentation and related information. Staff last corresponded with the applicant in November 2024.
6	RO24-07	"Lake Wohlford Resort Reorganization" - Valley Center MWD: Annexation	Meghan Traynor	Fee submitted in March 2024 for an anticipated reorganization application involving the annexation of approximately 127 acres to the Valley Center Municipal Water District for the purpose of receiving potable water service. The affected territory is presently developed with 137 mobile homes and one restaurant currently served by an onsite water system. The application is incomplete pending receipt of a complete application and related information. Staff last corresponded with the applicant in May 2024.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
7	RO24-08 OAS24-08	"Shen – Pinecrest Ave Out-of-Agency Service Agreement" - City of Escondido: Annexation - County Service Area No. 135: Detachment	Meghan Traynor	Application submitted in August 2024 by landowner petition involving an out-of-agency service agreement to establish wastewater services to a single-family residence totaling 1.09 acres to remedy to a failing septic system. The Executive Officer administratively approved the service request on September 6, 2024. The proposal was approved as a consent (information only) item as part of the Commission's October 7, 2024 meeting. The administrative approval is conditioned on the landowner submitting a complete change of organization application to LAFCO for formal annexation into the City of Escondido within one calendar year unless a time extension is authorized. The application is incomplete pending receipt of a complete application and related information. Staff last corresponded with the applicant in February 2026.
8	RO24-12 OAS24-12	"Delgado-Andrade – 24th Street Outside-of-Agency Service Agreement" - City of National City: Annexation - City of National City: Sphere Action (+) - County Service Area No. 135: Detachment - Lower Sweetwater Fire Protection District: Detachment - South Bay Irrigation District: Detachment	Joelle Burila	Application submitted in August 2024 by landowner petition involving an out-of-agency service request for wastewater services to a developed single-family residence on less than an acre to remedy a failing septic system. The Executive Officer administratively approved the service request on October 23, 2024 and the proposal was approved as a consent item as part of the Commission's November 4, 2024 meeting. The administrative approval is conditioned on the landowner submitting a complete application to LAFCO for formal annexation into the City of National City within one calendar year unless a time extension is authorized. The application is incomplete pending receipt of a complete application and related information. Staff last corresponded with the applicant in November 2025.
9	SRO24-15	"La Jolla Incorporation" - La Jolla: Incorporation - City of San Diego: Detachment - City of San Diego: Sphere Action (-)	Priscilla Mumpower	Notice of Intent to Circulate Petition was submitted May 2024 in anticipation of a special reorganization application filing. The proposal involves the detachment of approximately 8,371 acres from the City of San Diego and the incorporation of the community of La Jolla, along with conforming sphere of influence amendments. LAFCO staff has confirmed the proponents have collected enough valid petitions equal to no less than 25% of all registered voters within the proposed municipal boundary, which covers the entirety of the 92037 zip code with an estimated population of 47,000. LAFCO staff will now proceed in initiating the administrative review on the proposal and headlined by selecting an outside consultant to prepare a comprehensive fiscal analysis evaluating the ability of La Jolla to fund a sufficient level of municipal services while assessing monetary impacts to the City of San Diego. A Request for Proposals was distributed in January 2026, with a proposal submittal deadline of March 10, 2026. Staff is currently working to set a date for interviews.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
10	CO25-01 OAS25-01	"Hallam – Lovely Lane ~~Out~~Out-of-Agency Service Agreement" - Buena Sanitation District: Annexation	Meghan Traynor	Application submitted in January 2025 by a landowner for an out-of-agency service agreement to service wastewater to a single-family residence totaling 0.67 acres to remedy a failing septic system. The Executive Officer administratively approved the service request on January 22, 2025 and the proposal was approved as a consent item as part of the Commission's February 3, 2025 meeting. The administrative approval is conditioned on the landowner submitting a complete application to annex to the Buena Sanitation District within one calendar year unless a time extension is authorized. The application is incomplete pending receipt of a complete application and related information. Staff last corresponded with the applicant in January 2026.
11	OAS25-02	"Garza – Touchstone Communities Out-of-Agency Wastewater Services" - City of Escondido: OAS	Michaela Peters	Application submitted in January 2025 by the City of Escondido for an out-of-agency service agreement involving a 10.35-acre unincorporated parcel currently developed with one single-family residence. The proposal is intended to facilitate the development of a 42-unit single-family residential subdivision by "Touchstone Communities" and abate an impending public health and safety threat given the size of the proposed development. The application is incomplete pending receipt of CEQA documentation and related information. Staff last corresponded with the applicant in March 2026.
12	OAS25-03 RO25-03	"Lopez – Bear Valley Parkway Out-of-Agency Wastewater Services" - City of Escondido: Annexation - County Service Area No. 135: Detachment	Joelle Burila	Application submitted in January 2025 by the City of Escondido on behalf of the landowner requesting an out-of-agency service agreement to establish wastewater services to remedy a failing septic system. The affected territory spans 1.37 acres and is developed with a single-family residence and ADU. The Executive Officer administratively approved the service request on February 7, 2025 and the proposal was approved as a consent item as part of the Commission's March 3, 2025 meeting. The administrative approval is conditioned on the landowner submitting a complete application to LAFCO for formal annexation into the City of Escondido within one calendar year unless a time extension is authorized. The application is incomplete pending receipt of a complete application and related information. Staff last corresponded with the applicant in January 2026.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
13	OAS25-09	"Mayer – Santa Fe Avenue Out-of-Agency Wastewater Services" - Buena Sanitation District: OAS	Joelle Burila	Application submitted in March 2025 by the Buena Sanitation District on behalf of the landowner requesting out-of-agency wastewater services to facilitate the development of a 46-unit townhouse development on approximately 2.91-acres. The affected territory includes three APNs located in the City of San Marcos. The application is incomplete pending receipt of CEQA documentation, a complete application and related information. Staff last corresponded with the applicant in December 2025.
14	CO25-12	"Kukkal – Valley Court Change of Organization" - Whispering Palms CSD: Annexation	Joelle Burila	Application submitted in May 2025 by landowner petition involving annexation of approximately 2.07 acres to the Whispering Palms Community Services District for the primary purpose of establishing wastewater services. The affected territory is currently undeveloped with plans to develop one single-family residence, one ADU and one pool house. The application is incomplete pending receipt of a complete application and related information. Staff last corresponded with the applicant in February 2026.
15	CO25-15	"Jaiswal – Rio Vista Road Change of Organization" - Rancho Santa Fe CSD: Annexation	Meghan Traynor	Application submitted in October 2025 by landowner petition involving annexation of approximately 2.6 acres of unincorporated territory in the San Dieguito community to the Rancho Santa Fe Community Services District for the primary purpose of establishing wastewater service. The affected territory consists of four parcels: three are developed with single-family residences, while one remains undeveloped with no current plans for development on any of the parcels. The proposal is currently under administrative review and considered incomplete at this time. The Commission is scheduled to consider the change of organization proposal as a consent item at its April 6, 2026 meeting.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
16	RO26-01	"Turner – Oak Creek Drive Reorganization" - Lakeside WD: Annexation - Lakeside WD: Sphere Action (+) - Padre Dam MWD: Detachment - Padre Dam MWD: Sphere Action (-)	Joelle Burila	Application submitted in January 2026 by the Lakeside Water District on behalf of the landowner involves the annexation of approximately 2.3 acres of unincorporated territory in the Lakeside community to the Lakeside Water District for the primary purpose of establishing potable water service. The affected territory consists of two parcels: both are undeveloped, with plans for the construction of a single-family residence on one parcel while the other parcel is a minor parcel adjustment to remedy an illogical boundary for jurisdictional consistency. The proposal is currently under administrative review and considered incomplete. Staff last corresponded with the applicant in March 2026.
17	RO26-02	"Tipton – Rock Springs Road Reorganization" - Vallecitos Water District: Annexation - Vista Irrigation District: Detachment	Michaela Peters	Application submitted in January 2026 by landowner petition involving annexation of 0.72 acres of unincorporated territory in Escondido to the Vallecitos Water District with a concurrent detachment from the Vista Irrigation District. The proposed annexation is intended to facilitate the provision of public wastewater service to an existing single-family residence currently served by a septic system, allowing for conversion to public sewer service. The subject parcel is presently served by the Vista Irrigation District (VID) for potable water; however, detachment from VID is required, as VWD would provide both water and wastewater services under the proposal. The proposal is currently under administrative review and considered incomplete at this time. Staff last corresponded with the applicant in March 2026.
18	CO26-03	"Palacharla – Artesian Road Change of Organization" - Rancho Santa Fe CSD: Annexation	Meghan Traynor	Application submitted in January 2026 by landowner petition involving annexation of 5 acres of unincorporated territory in the San Dieguito community to the Rancho Santa Fe Community Services District for the purpose of receiving wastewater service to facilitate the planned development of a single-family residence and attached accessory dwelling unit. The proposal is currently under administrative review and considered incomplete at this time. Staff last corresponded with the applicant in March 2026.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
19	OAS26-04	"Shallal – Jacumba Gas Out-of-Agency Water Services" - Jacumba Community Services District: OAS	Meghan Traynor	Fee submitted in January 2026 by a landowner for an out-of-agency service agreement to service potable water to 5.0 acres of unincorporated territory by the Jacumba Community Services District. The affected territory is presently developed with two gas stations, each with a commercial building, that were previously served by a private water supplier. The application is incomplete pending receipt of a complete application and related information. Staff last corresponded with the applicant in February 2026.
20	OAS26-05	"Allen and Crigger – Roadrunner Road Out-of-Agency Wastewater Services" - Buena Sanitation District: OAS	Michaela Peters	Application submitted in February 2026 by the Buena Sanitation District on behalf of the landowner requesting out-of-agency wastewater services. The 0.5-acre parcel is developed with a single-family residence and is currently receiving wastewater service from the Buena Sanitation District. The OAS agreement would formalize the existing service connection and facilitate the construction of an accessory dwelling unit. The proposal is currently under administrative review and considered incomplete at this time. Staff last corresponded with the applicant in March 2026.
21	CO26-06	"Leon – Sweetwater Road Change of Organization" - San Diego County Sanitation District: Annexation	Meghan Traynor	Application submitted in March 2026 by landowner petition involving annexation of 2.6 acres of unincorporated territory in the Bonita community to the San Diego County Sanitation District for the purpose of receiving wastewater service to facilitate the planned development of a single-family residence and attached accessory dwelling unit on both parcels. The proposal is currently under administrative review and considered incomplete at this time. Staff last corresponded with the applicant in March 2026.
22	OAS25-17	"Dechner – Haas Street Out-of-Agency Wastewater Services" - City of Escondido: OAS	Michaela Peters	Application submitted by the City of Escondido in March 2026 on behalf of the landowner requesting an out-of-agency service agreement to establish wastewater services to a single-family residence on a 1.09-acre parcel to remedy to a failing septic system. The Executive Officer administratively approved the service request on March 23, 2026. The proposal is scheduled as an information only item as part of the April 6, 2026 meeting.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
ACTIVE PROPOSALS | POST COMMISSION ACTION				
23	CO22-20	"Camino De La Fuente - Wick Change of Organization" - San Diego County SD: Annexation	Michaela Peters	Application submitted in November 2022 by landowner petition and involves annexation of approximately 35.3 acres of unincorporated and undeveloped territory to the San Diego County SD to make available public water and wastewater services. The proposal's purpose is to position the landowner to proceed in the future with a development plan to grade the land for future industrial and outdoor storage uses. The proposal was approved by the Commission on October 2nd, 2023. The applicant requested a formal extension to September 18th, 2025 to satisfy the necessary terms and conditions outlined in the adopted resolution. The applicant filed an additional extension to October 2nd, 2026.
24	RO19-26	"Valiano - Eden Valley Reorganization" - San Marcos FPD: Annexation - Rancho Santa Fe FPD: Detachment - Rancho Santa Fe FPD: Sphere Action (-) - Rancho Santa Fe FPD: Extraterritorial Fire	Michaela Peters	Application submitted in January 2025 by landowner petition and the City of Escondido involving a reorganization as part of the "Valiano" planned development in Harmony Grove. The reorganization involves the concurrent annexation of 10.8 unincorporated acres to San Marcos FPD with detachment from Rancho Santa Fe FPD and related sphere amendments. The proposal was approved by the Commission on October 6, 2025 and now pending completion of terms and conditions as set forth by the Commission.
25	CO25-11 OAS25-11	"Halstead – Olivewood Lane Change of Organization" - San Diego County Sanitation District: Annexation	Joelle Burila	Application submitted in April 2025 by the San Diego County Sanitation District on behalf of the landowner requesting out-of-agency wastewater services to accommodate an existing single-family residence to remedy a failing septic system. The Executive Officer administratively approved the service request on April 23, 2025. The administrative approval was conditioned on the landowner submitting a complete change of organization application to LAFCO for formal annexation into the San Diego County Sanitation District within one calendar year. The Commission conditionally approved the out-of-agency wastewater service agreement on June 2, 2025. The change of organization proposal was approved by the Commission on February 2, 2026 and is now pending completion of terms and conditions set forth by the Commission.
26	OAS25-13 CO25-13	"Goodwin – Pine Valley Improvement Club Out-of-Agency Wastewater Services" - San Diego County Sanitation District: Annexation	Meghan Traynor	Application submitted in July 2025 on behalf of the Pine Valley Improvement Club requesting out-of-agency wastewater services to accommodate an existing commercial building to remedy a public health risk posed by the proximity of the existing septic system to a non-conforming well on-site. The Executive Officer administratively approved the service request on July 22, 2025. The proposal was approved as a consent (information only) item as part of the Commission's August 4, 2025 meeting, conditioned on the landowner submitting a complete change of organization application to LAFCO for formal annexation into the San Diego County Sanitation District within one calendar year. The change of organization proposal was approved by the Commission on March 2, 2026 and is now pending completion of terms and conditions set forth by the Commission.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
PENDING PROPOSAL APPLICATION SUBMITTALS (No project manager; inquiries should be directed to Keene Simonds)				
	Pending	"Harvest Hills Reorganization" - City of Escondido: Annexation		This anticipated reorganization proposal is currently undergoing development and environmental review by the City of Escondido. Submittal to LAFCO anticipated for late 2026-2027 if approved by Escondido. The anticipated proposal involves annexation of approximately 1,098 acres to the City for the primary purpose of developing a 550-lot residential subdivision. All the affected territory presently lies outside the adopted Escondido sphere. Due to the scope of the proposal area a comprehensive update of the City's sphere is warranted along with preparing the supporting municipal service review document. These and other service-related issues have been communicated to the City and are currently under joint review with other local stakeholders. Project was originally titled as "Safari Highlands".
	Pending	"Rancho Lomas Verde Reorganization" - City of Vista: Annexation		This anticipated reorganization proposal is undergoing development and environmental review by the City of Vista. The proposal involves annexation of approximately 300 acres to the City of Vista and concurrent detachments from CSA 135 and the Vista FPD to facilitate a 153-lot residential development. Close to three-fourths of the project area lies outside the adopted Vista sphere. Due to the scope of the proposal area a comprehensive update of the City's sphere is warranted along with preparing the supporting municipal service review document. These and other service-related issues have been communicated to the City and are currently under joint review with other local stakeholders.
	Pending	"Sager Ranch Reorganization" - City of Escondido: Annexation		This anticipated reorganization involves annexation of approximately 1,800 unincorporated acres to the City of Escondido and concurrent detachments from CSA 135 and the Valley Center FPD. The reorganization would facilitate the proposed development of approximately 200 acres to include 203 residential units and a 225-room resort. Portions of the project area lie outside the current City sphere. Fire protection services remain a key discussion point and the source of ongoing discussions with the proponents.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
	Pending	"Harmony Grove Village South" (TM-626) - Rincon del Diablo MWD: Annexation		This anticipated reorganization involves the unincorporated Harmony Grove Village South project and specific to accommodating sewer services (among a variety of options) for the planned development of approximately 111 acres to include 453 residential units. On January 27, 2020 the San Diego Superior Court overturned the County's development approvals for the project. Appeals are pending with no update as of this report.
	Pending	"Escondido Village – Unison Communities" - City of Escondido: Annexation		This anticipated reorganization involves annexation of approximately 17 unincorporated acres to the City of Escondido. The reorganization would facilitate connectivity to public wastewater service and in doing so accommodate the proposed development of approximately 200 residential units on the affected territory. The entire project lies within the City of Escondido sphere of influence. Complete application is pending.

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AGENDA REPORT
Consent | Action

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Keene Simonds, Executive Officer
Meghan Traynor, Local Government Analyst I

SUBJECT: **Proposed "Joint Jaiswal – Rio Vista Road Change of Organization" | Annexation to Rancho Santa Fe Community Services District and Related Actions (CO25-15)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a joint change of organization proposal petitioned by four different landowners to annex 10.0 acres in the unincorporated community of San Dieguito to the Rancho Santa Fe Community Services District (CSD). The affected territory consists of four parcels — three developed with single-family residences and one undeveloped — and lies entirely within the District's sphere of influence. The purpose of the proposal is to extend public wastewater service to the affected territory, including service to support the planned development of one single-family residence and the potential future construction of an accessory dwelling unit. No other development is anticipated. Other Rancho Santa Fe CSD services — including security and underground utilities — are not part of the proposal. Staff recommends approval of the proposal as submitted, including waiver of protest proceedings and adoption of findings supporting a California Environmental Quality Act (CEQA) exemption.

Administration
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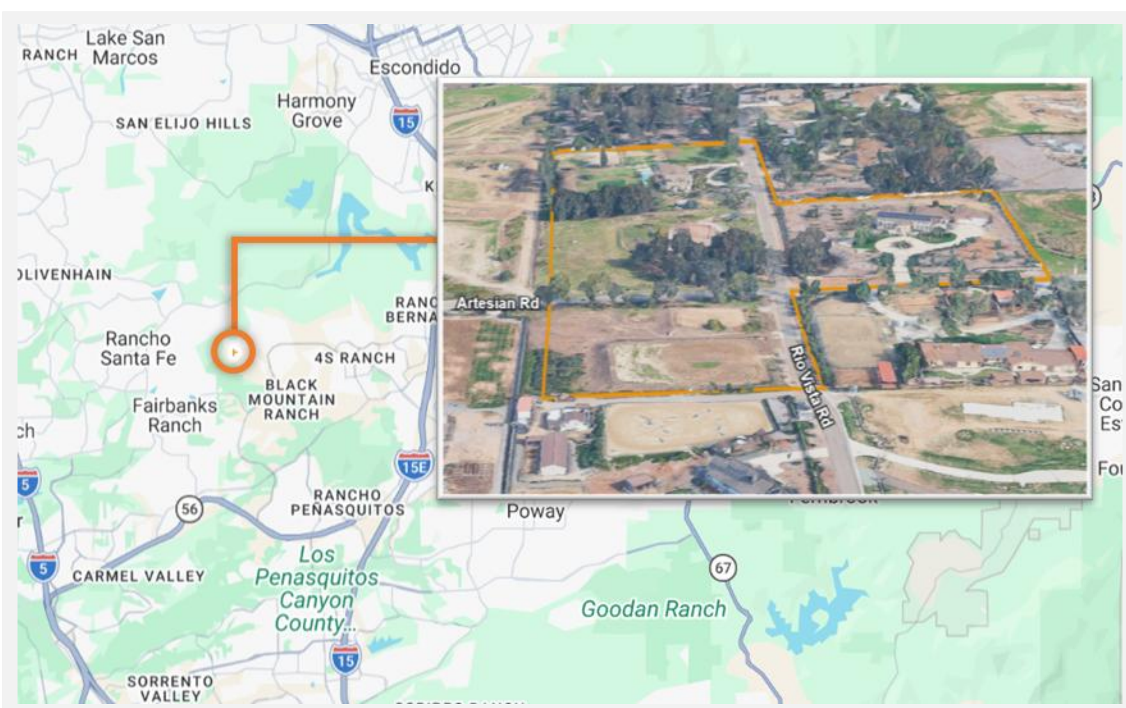
BACKGROUND

Applicant Request

San Diego LAFCO has received a joint change of organization proposal initiated by four interested landowners – Rakesh Jaiswal, Sydney Vale, Richard Bagley and Sajjad Pagarkar – requesting approval to collectively annex 10.0 acres of coterminous unincorporated territory in the San Dieguito community to the Rancho Santa Fe CSD. The four landowners have submitted a single application to economize on processing costs. The affected territory as submitted comprises a total four parcels. Three parcels are presently developed with single family residences (APNs 267-145-16, -19, and -20) and have assigned situs addresses of 7984, 7934 and 7930 Artesian Road, respectively. The fourth parcel (267-146-05) is undeveloped and located off of Rio Vista Road. All four subject parcels lie entirely within the existing sphere of influence of the Rancho Santa Fe CSD.

Regional Setting

The affected territory is located in north-central San Diego County within the unincorporated community of San Dieguito, near its eastern border with the 4S Ranch planned development. Primary access is provided by Camino del Sur via Artesian Road. The surrounding area is predominantly rural residential in character. The subject parcels lie within County Supervisorial District No. 3 (Terra Lawson-Remer), Assembly District No. 76 (Darshana Patel), and Senate District No. 40 (Brian W. Jones). An aerial map showing the affected territory and its regional setting is provided below, with a more detailed map depicting the subject parcels and its relationship to the District's jurisdictional boundary provided as Attachment One.



Google Earth

Subject Agency

The proposed change of organization filed with San Diego LAFCO involves one subject agency: Rancho Santa Fe CSD.[1] The following summarizes the subject agency's governance, demographics, municipal functions, and financial standing.

- **Rancho Santa Fe CSD** is an independent special district formed in 1981 as a byproduct of the reorganization of the Rancho Santa Fe Sanitation District. The active service functions are wastewater (collection, treatment, and disposal classes), landscape maintenance, security, and utility undergrounding services. Wastewater serves as Rancho Santa Fe CSD's main function and activated throughout the jurisdictional boundary. Landscaping services are also authorized agency-wide but currently limited to the "Village" and contracted with the Rancho Santa Fe Association (HOA) and funded through a voter-approved improvement district. Security and utility undergrounding services are organized with their own internal latent power zones. The jurisdictional boundary spans 16.4 square miles – or 10,483.2 acres – with a LAFCO estimated resident population of 8,562. LAFCO most recently updated Rancho Santa Fe CSD's sphere of influence in 2013 with a larger-than-agency designation with the inclusion of 1,814 non-jurisdictional acres (mostly in 4S Ranch and Black Mountain Ranch areas). Rancho Santa Fe CSD's audited total net position is $29.9 million as of June 30, 2025 with an unrestricted balance of $4.0 million. This includes an ending cash balance of $2.4 million. The ending figure reflects a change of (10.3%) over the last three audited years.

Affected Local Agencies

The affected territory presently lies within the jurisdictional boundaries and/or spheres of influence of 11 local agencies directly subject to San Diego LAFCO's planning and regulatory responsibilities. These agencies qualify as "affected agencies" relative to the proposed change of organization and are listed below.[2]

- County Service Area No. 17 (San Dieguito EMS Ambulance Transport)
- County Service Area No. 83 (San Dieguito Local Parks)
- County Service Area No. 135 (Regional Communications)
- Metropolitan Water District of Southern California
- Olivenhain Municipal Water District
- Resource Conservation District of Greater San Diego
- Rancho Santa Fe Community Service District (sphere only)
- Rancho Santa Fe Fire Protection District
- San Diego County Flood Control District
- San Diego County Street Lighting District
- San Diego County Water Authority

[1] State law defines "subject agency" to mean any district or city for which a change of organization or reorganization is proposed.
[2] State law defines "affected local agency" as any entity that contains, or would contain, or whose sphere contains or would contain, any territory for which a change of organization is proposed or ordered. Notice of the proposal and hearing were provided to the agencies.

The affected territory also lies within the following school and college districts and accordingly have received notice of the proposal as part of the administrative review: Solana Beach Elementary, San Dieguito Union High, and MiraCosta Community College. Notice was also voluntarily provided to the San Dieguito Community Planning Group.

DISCUSSION

San Diego LAFCO will consider approving – with or without discretionary modifications – the change of organization proposal to annex the affected territory to Rancho Santa Fe CSD for wastewater service.[3] The Commission may apply approval conditions provided they do not directly regulate land use, property development, or subdivision requirements. The following discussion addresses the applicable statutory requirements and staff's analysis.

Proposal Purpose + Timing

The purpose of the proposed change of organization is to establish public wastewater service for all four subject parcels and in doing so support existing development at 984, 7934 and 7930 Artesian Road as well as accommodating future development for the vacant parcel off of Rio Vista Avenue. The proposal's timing is tied to the owner of the vacant parcel seeking wastewater services in response to a County condition requiring confirmation of wastewater service prior to issuance of grading and building permits for the construction of a single family residence. The landowner informed the owners of neighboring parcels of his efforts, who expressed interest in jointly submitting an annexation application and sharing application costs to abandon their septic systems and connect to public wastewater. No other municipal service establishments are proposed, as the affected territory already lies within Olivenhain Municipal Water District for potable water service and Rancho Santa Fe Fire Protection District for fire protection and emergency medical services.

Current + Planned Land Uses

The affected territory is entirely unincorporated and subject to the County of San Diego's land use policies. Development standards are established under the San Dieguito Community Plan (2011), with advisory input from the San Dieguito Community Planning Group. The territory is uniformly designated Semi-Rural Residential and zoned Rural Residential with a minimum lot size of 2.0 acres. None of the four subject lots can be further divided (density) based on this zoning assignment. As mentioned, three of the four subject parcels located off of Artesian Road are already developed with single-family residences. The fourth subject parcel off of Rio Vista Avenue is expected to be developed with a single-family residence should the Commission approve the proposal All four subject lots are also eligible under current zoning for additional intensity to include one accessor dwelling unit (ADU) and one junior ADU, subject to County review and applicable development standards.[4]

[3] The District's security and underground utility functions operate as separate latent power zones and would require separate LAFCO proposals. While landscape services are authorized agency-wide, they remain limited to the "Village" area.

[4] Accessory dwelling units may be detached from the "sponsoring" single-family residence. Junior accessory dwelling units must be attached to the single-family residence.

ANALYSIS

San Diego LAFCO's current sphere of influence designation for Rancho Santa Fe CSD includes the affected territory. This designation focuses the analysis on three considerations: (a) timing of the boundary change, (b) whether discretionary modifications or terms are appropriate, and (c) other relevant statutes.

Change of Organization Timing

San Diego LAFCO's consideration of timing draws on baseline factors required by statute and applicable Commission policies. An analysis of these timing factors follows. [5]

- Timing Factor No. 1:
  Baseline Considerations: Regional Policies + Service Relationships

  State law requires consideration of multiple factors when reviewing jurisdictional changes, ranging from basic disclosures to discretionary policy analyses evaluating the proposal's relationship to community needs, service capacities, and the receiving agency's financial resources. Analysis of these core policy factors follows.

  - With respect to **need**, the present and planned urban land uses warrant public wastewater service and represents an orderly expansion of Rancho Santa Fe CSD's jurisdictional boundary and its wastewater service area – marked by accommodating a planned and otherwise modest development on APN 267-146-05 to include a single-family residence. The proposal also allows the three developed parcels to transition from on-site septic systems to permanent public wastewater service through the same coordinated boundary change. The proposal additionally advances environmental justice considerations given public wastewater service generally offers a more reliable long-term wastewater disposal method with additional details provided in the accompanying appendix. Collectively, these factors support both the need for and timing of the proposed change of organization.

  - With respect to **service availability and capacities,** Rancho Santa Fe CSD has available and sufficient wastewater treatment capacity to accommodate the projected service demands in the affected territory based on its anticipated uses. An existing Rancho Santa Fe CSD wastewater main is located north of the affected territory within the public right-of-way along Top of the Morning Way and accessible via private connection to a sewer stub approximately 1,000 feet from the northwest corner of the affected territory.[6] The average day wastewater flow generated within the affected territory following the expected development of one single family residence on APN 267-146-05, in addition to the existing three

[5] Most of the baseline factors in statute focus on disclosing compatibility issues with goals and policies of other state, regional, and local agencies, as well as assessing the ability of subject agencies to provide services. (See Government Code Section 56668).

[6] The landowners will be responsible for extending the existing sewer main located along Top of the Morning Way. The proposed extension must be constructed within a dedicated sewer easement, which must be granted to the Rancho Santa Fe CSD.

single family residences on APNs 267-145-16, -19, and -20 is estimated at 1,000 gallons per day, representing approximately 0.304% of the available system capacity.[7] Separately, under County land use policies, one accessory dwelling unit may also be permitted on all four properties and would double capacity usage to approximate 0.608% of available capacity — a negligible increase.

- With respect to **related financial considerations**, Rancho Santa Fe CSD has adequate financial resources and related administrative controls to provide wastewater services to the affected territory without adversely impacting current ratepayers. This comment is supported by staff analysis of recent audited statements, which show the Rancho Santa Fe CSD maintaining strong liquidity (short-time financial standing) and capital (long-term financial standing) levels. This is further reflected in an ending current ratio of 12 to 1 (i.e., $12.00 in current assets for every $1.00 in current liabilities) and debt ratio of 3.0% (i.e., $3.00 out of every $100.00 in net assets financed) for Fiscal Year 2024-2025.

  These measurements provide reasonable assurances of the agency's effective financial management and help lessen concerns related to recent operating losses, which have averaged a total margin of (33.8%) over the last three fiscal years.[8] Establishing actual wastewater service is premised on each landowner paying a connection fee of $10,085 to Rancho Santa Fe CSD. Ongoing service will be subject to annual service charges, collected through the County tax roll. These charges are estimated at $1,500 for FY 2026-27 and $1,610 for FY 2027-2028.

- Timing Factor No. 2:
  Consideration of Policy L-107

San Diego LAFCO adopted L-107 in May 2010 to require all applicants to disclose jurisdictional disputes or related items that are associated with their proposal filings.[9] No jurisdictional disputes have been disclosed by Rancho Santa Fe CSD through the administrative review with LAFCO. Similarly, LAFCO staff has not identified any disputes or related concerns in the administrative review.

[7] Rancho Santa Fe CSD's existing average day wastewater flow is .156 million gallons, which equals 32.1% of overall capacity at its Santa Fe Valley Reclamation Facility.

[8] The District finished FY 2023 with a total margin of (33.8%). During this year, a $257,965 increase in sewer management expenses more than doubled the $102,757 increase in property tax revenues. A $205,169 decline in sales of recycled water also impacted overall revenue. Operating losses were reduced in scale by 36.8% from FY 2024 to FY 2025, with the FY 2024 total margin being (41.3%) and the FY 2025 total margin being (26.1%). In FY 2025, total liabilities decreased by $310,718, attributed in part to a $238,918 decrease in accounts payable and the District paying down $65,000 in long-term debt.

[9] The Executive Officer retains discretion to determine the extent of consultation needed.

CONCLUSION |
MERITS OF CHANGE OF ORGANIZATION TIMING

The timing of the change of organization is warranted. Justification is supported by the preceding analysis: the proposal timely syncs an existing and planned need with available and adequate public services and presents no impacts on existing ratepayers. Additional analysis supporting the conclusion is provided in Appendix A.

Potential Modifications and Terms

No modifications to the submitted change of organization have been identified by San Diego LAFCO staff as meriting Commission consideration at this time. It is separately confirmed the annexation of the affected territory as proposed would not generate any corridors or other illogical jurisdictional features. Terms appear appropriate and include an otherwise special condition requiring the landowners to secure a necessary easement(s) with one of their northern-facing neighbors to allow physical access to the wastewater collection main located within the public right-of-way on Top of the Morning Way. This condition ensures Rancho Santa Fe CSD can provide wastewater service to the affected territory immediately following annexation and prevents a scenario in which the District collects wastewater charges via the property tax roll before service commences. Other standard terms are also recommended to ensure payment of any charges necessary to complete the proposal processing under the LAFCO fee schedule.

CONCLUSION |
MERITS OF MODIFICATIONS AND TERMS

No modifications to the proposal are warranted. Standard approval terms are recommended and include receipt of all remaining payments associated with the processing of the proposal by the Commission through recordation. Approval terms are further marked by requiring the landowner to secure an easement with a neighboring property to access the Rancho Santa Fe CSD's collection main along Top of the Morning Way.

Other Statutory Considerations

Exchange of Property Tax Revenues

San Diego LAFCO has confirmed the County of San Diego has adopted a master agreement applicable to govern the tax exchange for the proposed change of organization. The master agreement specifies no transfer of property taxes would occur following the annexation of the affected territory to Rancho Santa Fe CSD.

Environmental Review

San Diego LAFCO is obligated under CEQA to assess whether environmental impacts would result from activities approved under the Commission's authority, either as a lead or responsible agency. Accordingly, the Commission is tasked with making findings under CEQA in consideration of the proposed change of organization. Staff analysis follows.

- San Diego LAFCO serves as the lead agency for assessing potential environmental impacts under CEQA for the proposed change of organization. Staff believes the proposal qualifies as a project under CEQA but is categorically exempt from further environmental review pursuant to State CEQA Guidelines Section 15319(b) and its cross-reference to Section 15303. This exemption appropriately applies given the associated development does not exceed the creation of three new residential parcels.

Protest Proceedings

Protest proceedings for the proposed change of organization may be waived by LAFCO should the Commission proceed with approval under Government Code Section 56662. The waiver appropriately applies under this statute given all of the following: the affected territory is uninhabited as defined under LAFCO law, the subject agency has not filed an objection to the waiver, and the landowners have provided written consent.[10]

RECOMMENDATION

Staff recommends conditional approval of the change of organization proposal as submitted along with other related findings as detailed. This recommendation is consistent with the action outlined as Alternative One in the following section.

[10] LAFCO law defines uninhabited as territory in which less than 11 registered voters reside.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO:

Alternative One (recommended):
Adopt the attached draft resolution conditionally approving the change of organization proposal as submitted. Adoption of the draft resolution as presented would also include waiving protest proceedings and CEQA findings, as detailed.

Alternative Two:
Continue consideration to the next regular meeting.

Alternative Three:
Disapprove the change of organization proposal with direction to staff to return at the next regular meeting with a conforming resolution for adoption.

PROCEDURES FOR CONSIDERATION

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

On behalf of the Executive Officer,

Meghan Traynor

Meghan Traynor
Analyst I

Appendix:

A) Analysis Proposal Review Factors

Attachments:

1) Vicinity Map of the Affected Territory
2) Draft Resolution of Approval
3) Application Materials

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APPENDIX A
Government Code Section 56668
Mandatory Proposal Review Factors

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 areas, in the next 10 years.

The affected territory as submitted comprises 4 unincorporated parcels totaling 10 acres in the community of San Dieguito. Three of the subject parcels are presently developed with single family residences (APNs 267-145-16, -19, and -20), with the remaining subject parcel (267-146-05) undeveloped. The developed parcels have assigned situs addresses 7984, 7934 and 7930 Artesian Road, respectively, with the remaining undeveloped subject parcel having no assigned situs address (0 Rio Vista Road). The affected territory has a total current assessed *land* value of $3,740,271, with the most recent transaction recorded July 2024.

b) The need for municipal services; the present cost and adequacy of municipal 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.

The County of San Diego serves as the primary provider of general governmental services to the affected territory. These services include community planning, roads, drainage, and law enforcement. This proposal affects only wastewater service and is the focus of the succeeding analysis.

- **Extending Public Wastewater to Affected Territory**
  The 3 parcels developed with single-family residences are currently on septic systems, with the remaining parcel undeveloped with no active wastewater system. Connection to the Rancho Santa Fe CSD's wastewater infrastructure can be achieved through the extension of a private lateral through a neighboring property to the existing sewer main located along Top of the Morning Way. The average day wastewater flow generated within the affected territory following the development of one single family residence on APN 267-146-05 in addition to the existing three single family residences on APNs 267-145-16, -19, and -20 is estimated at 1,000 gallons per day, representing approximately 0.304% of the available system capacity.[11] Separately, under County land use policies, one accessory dwelling unit may also be permitted on all four properties and would double capacity usage to approximate 0.608% of available capacity — a less than substantive amount.

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[11] Rancho Santa Fe CSD's existing average day wastewater flow is .156 million gallons, which equals 32.1% of overall capacity at its Santa Fe Valley Reclamation Facility.

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

Approval of the change of organization proposal and annexation to Rancho Santa Fe CSD would establish and strengthen economic and social ties between the agency and the affected territory that tie back to LAFCO placing lands within its sphere of influence. This existing designation signals the explicit policy expectation that the lands will receive wastewater service from Rancho Santa Fe CSD when the timing is deemed appropriate.

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

Approving the proposed change of organization and annexation to Rancho Santa Fe CSD would facilitate the orderly expansion of the District's jurisdictional boundary consistent with its sphere of influence. The affected territory does not contain "open space" as defined under LAFCO law and no conflicts exist under Government Code Section 56377.

Additional analysis concerning conformance with germane Commission policies follows.

- San Diego LAFCO Policy L-107 requires applicants to disclose and address potential jurisdictional issues associated with their proposals, and if applicable, requires a consultation process with affected agencies, interested parties, or organizations to help discuss and potentially remedy concerns, unless waived by the Executive Officer. No jurisdictional disputes or related concerns were identified or disclosed by the applicant, affected agencies, or interested parties in the review of the proposal.

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

The affected territory does not contain "prime agricultural land", or "agricultural land" as defined under LAFCO law. Specifically, the affected territory does not contain land currently used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program. Approval of the change of organization proposal would not adversely affect the physical or economic integrity of agricultural lands.

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

LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds that appear consistent with the standards of the State Board of Equalization and conforming with lines of assessment. LAFCO approval would be conditioned on approval of the final map and geographic description by the County

Assessor's Office and address any modifications enacted by the Commission. No irregular or otherwise illogical boundary features would be generated from proposal approval.

g) A regional transportation plan adopted pursuant to Section 65080.

The proposed change of organization would provide public wastewater services to the 3 existing single family residences and facilitate the construction of one single family residence on APN 267-146-05. The proposal and its anticipated outcomes do not generate any known conflicts with the *2025 Regional Plan*, a regional transportation plan adopted by the San Diego Association of Governments.

h) Consistency with the city or county general and specific plans.

See the agenda report.

i) The sphere of influence of any local agency affected by the proposal.

See the agenda report.

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

Notice of the submitted change of organization proposal was distributed to all affected and subject agencies as required under LAFCO law. Notices were also provided to all local college and school districts. No written comments on the proposal were received ahead of preparing this agenda report for distribution on March 30, 2026.

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

Information collected and reviewed as part of this proposal indicates Rancho Santa Fe CSD has sufficient and available financial resources and administrative controls therein relative to serving the affected territory without adversely impacting existing constituents. This statement is supported by the following factors.

- Rancho Santa Fe CSD's last audit covers FY 2024-2025 and shows the District finished with strong liquidity levels with an agency-wide current ratio of 12 to 1 (i.e., $12.00 in current assets for every $1.00 in current liabilities).
- Rancho Santa Fe CSD finished FY 2024-2025 with strong capital levels and marked by a low debt ratio of 3.0% (i.e., $3.00 out of every $100.00 in net assets are financed).
- Rancho Santa Fe CSD finished FY 2024-2025 with an overall total margin of (26.1%).[12]

[12] The District finished FY 2023 with a total margin of (33.8%). During this year, a $257,965 increase in sewer management expenses more than doubled the $102,757 increase in property tax revenues. A $205,169 decline in sales of recycled water also impacted overall revenue.

l) Timely availability of adequate water supplies for projected needs as specified in G.C. Section 65352.5.

The affected territory already lies within Olivenhain Municipal Water District's (MWD) jurisdictional boundary. The three developed parcels are connected to Olivenhain MWD's potable water system and the remaining undeveloped parcel (APN 267-146-05) is eligible to proceed with a connection at any time. Similarly, the affected territory lies within the two regional wholesale providers boundaries: San Diego County Water Authority and Metropolitan Water District of Southern California.

m) 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.

The proposed change of organization does not impact any local agencies in accommodating their regional housing needs.

n) Any information or comments from the landowners, voters, or residents.

The affected territory is considered uninhabited as defined by LAFCO law (containing 11 registered voters or less). The landowners support the proposed change of organization and have provided written consent to the proceedings as the petitioner.

o) Any information relating to existing land use designations.

See above analysis for (h).

p) The extent to which the proposal will promote environmental justice.

The change of organization is expected to have a positive impact on environmental justice by enhancing wastewater services within the affected territory and for any groups that are susceptible to pollution burdens and their effects. Consideration of existing environmental justice factors within the affected territory draws on staff analyzing data available from the California Environmental Protection Agency through its online assessment tool (CalEnviroScreen 4.0). Two composite percentile rankings for the affected territory are generated within this analysis and involve (a) pollution burdens and (b) susceptible population to pollution burdens relative to all census tracts in California.

- The affected territory's **composite pollution burden ranking** falls in the 51st percentile. Six pollution burden indicators exceed the 50th percentile and are considered noteworthy and otherwise high: Pesticides, Traffic, Cleanup Sites, Groundwater Threats, Hazardous Waste and Impaired Water.

Operating losses were reduced in scale by 36.8% from FY 2024 to FY 2025, with the FY 2024 total margin being (41.3%) and the FY 2025 total margin being (26.1%). In FY 2025, total liabilities decreased by $310,718, attributed in part to a $238,918 decrease in accounts payable and the District paying down $65,000 in long-term debt.

- Notably, environmental justice indicators for groundwater threats (63.37) and impaired water bodies (99.03) each exceed the applicable threshold and collectively underscore the importance of providing permanent wastewater service to the affected territory to reduce reliance on on-site septic systems and avoid potential impacts to groundwater and local waterways.

- The affected territory's **composite susceptible population** ranking falls in the 16th percentile. Two indicators exceed the 50th percentile, with Unemployment ranked in the 54th percentile and Housing Burden ranked in the 53rd percentile, indicating higher values than the majority of communities across California.

A summary of all tracked pollution burdens and susceptible populations follows.

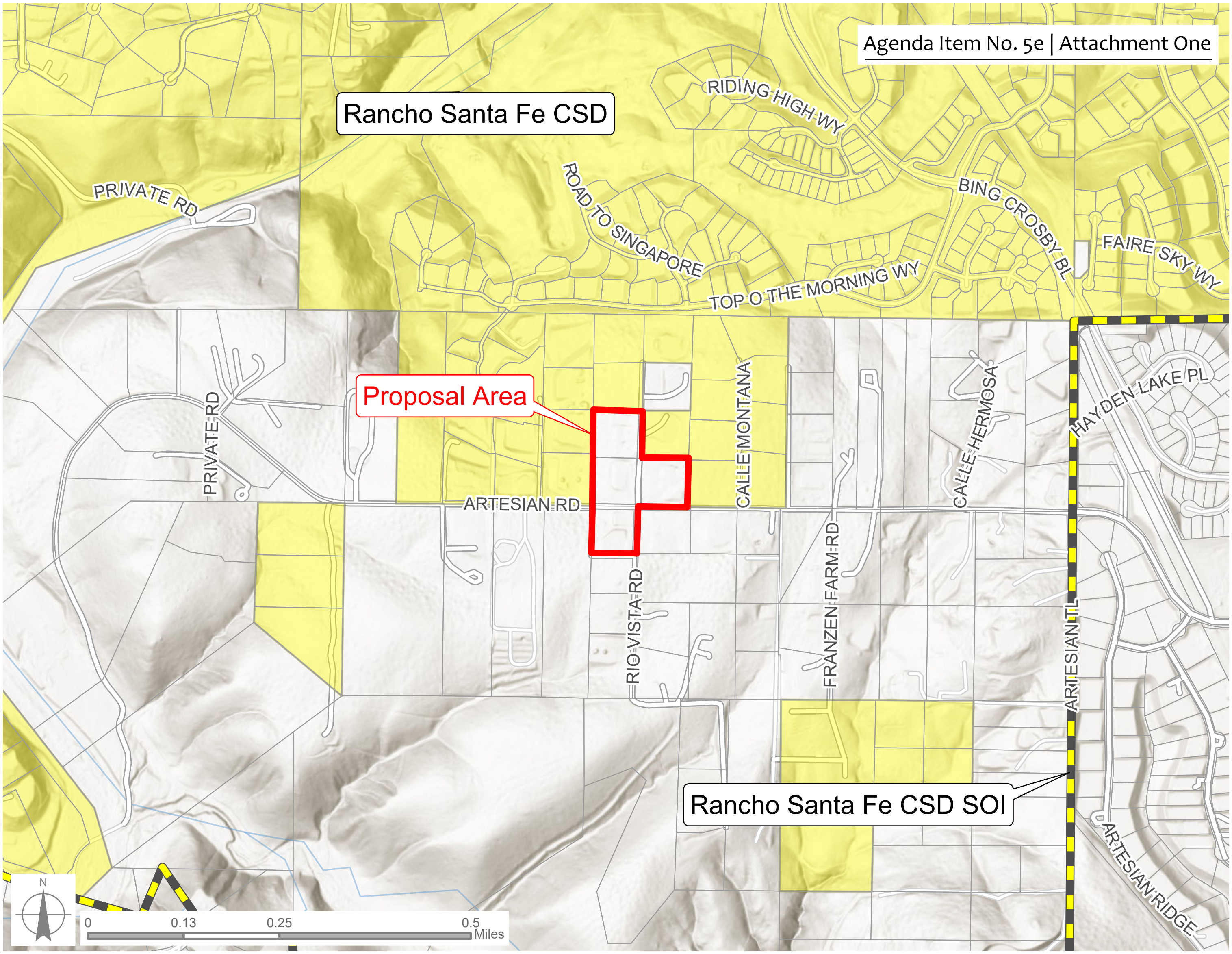
Census Tract No. 6073017030 **Pollution Burdens and Susceptible Population** (Source: California Environmental Protection Agency and SD LAFCO)	
	Affected Territory + Surrounding Lands
Census Tract No.	6073017030
Estimated Population	25,348
Pollution Burden	Weighted Percentile
… Percentile	**50.62**
Indicator | Air Quality: Ozone	48.70
Indicator | Air Quality: PM 2.5:	16.35
Indicator | Air Quality: Diesel PM:	22.74
Indicator |Pesticides:	**60.34**
Indicator | Toxic Releases:	10.34
Indicator |Traffic:	**57.76**
Indicator | Drinking Water Contaminants:	38.47
Indicator | Lead in Housing:	2.47
Effects | Cleanup Sites:	**58.19**
Effects | Groundwater Threats:	**63.37**
Effects | Hazardous Waste:	**62.48**
Effects | Impaired Water:	**99.03**
Effects | Solid Waste:	35.72
Sensitive Population	Weighted Percentile
… Percentile	15.62
Population | Asthma:	6.66
Population | Low Birth Weight:	40.47
Population | Cardiovascular Disease:	14.68
Population | Education:	8.42
Population | Linguistic Isolation:	36.97
Population | Poverty:	12.45
Population | Unemployment:	**53.89**
Population | Housing Burden:	**53.12**

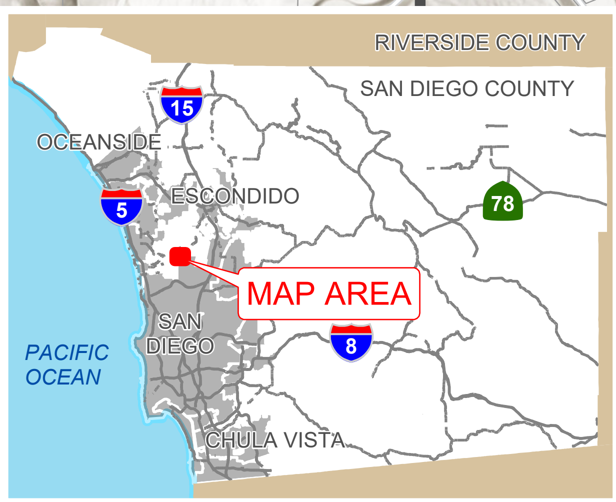
q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area, if it is determined that such information is relevant to the affected territory.

The County of San Diego General Plan includes a hazard mitigation plan addressing risks related to wildfire, flooding, and seismic activity. The affected territory is designated a "Very High" fire hazard severity zone and a "Low" earthquake hazard zone.

r) Section 56668.3(a)(1) Whether the proposed annexation will be for the interest of the landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district.

Approval of the change of organization for the affected territory would serve the best interests of current and future landowners and visitors by providing permanent access to reliable public wastewater service.





CO25-15

"JAISWAL - RIO VISTA ROAD CHANGE OF ORGANIZATION" | ANNEXATION TO THE RANCHO SANTA FE CSD

Proposal Area
Rancho Santa Fe CSD
Rancho Santa Fe CSD SOI
SOI = Sphere of Influence

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

G:\GIS\Vicinity_Maps\agendamaps2025\25-15 Jaiswal RSF CSD.aprx

Created by Dieu Ngu -- 11/5/2025

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DRAFT RESOLUTION NO. ______

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

MAKING DETERMINATIONS, APPROVING, AND ORDERING A CHANGE OF ORGANIZATION

"JOINT JAISWAL – RIO VISTA ROAD CHANGE OF ORGANIZATION"
ANNEXATION TO THE RANCHO SANTA FE COMMUNITY SERVICES DISTRICT
AND RELATED ACTIONS (LAFCO FILE NO: CO25-15)

WHEREAS, on October 2, 2025, interested landowners – Rakesh Jaiswal, Sydney Vale, Richard Bagley and Sajjad Pagarkar – jointly filed a petition to initiate proceedings and an application with the San Diego County Local Agency Formation Commission, hereinafter referred to as "Commission", pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the application seeks approval of a joint change of organization to annex 10.0 acres of unincorporated territory in the County of San Diego to the Rancho Santa Fe Community Services District (CSD); and

WHEREAS, the affected territory as submitted comprises four parcels - three developed with single family residences identified by the County of San Diego's Assessor's Office as 267-145-16, -19, and -20 with assigned situs addresses 7984, 7934 and 7930 Artesian Road, respectively, and one vacant, undeveloped parcel identified as 267-146-05 with no assigned situs address (0 Rio Vista Road); and

WHEREAS, an applicable Master Property Tax Transfer Agreement adopted September 16, 2009 will govern the property tax exchange and applies to the proposed joint change of organization of the affected territory; and

WHEREAS, the Commission's Executive Officer has reviewed the proposed joint change of organization and prepared a report with recommendations; and

WHEREAS, the Executive Officer's report and recommendations on the joint proposal have been presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a noticed public meeting on the joint proposal on April 6, 2026; and

WHEREAS, the Commission considered all the factors required by law under Government Code Section 56668 as well as adopted local policies and procedures.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. The public meeting was held on the date set therefore, and due notice of said meeting was given in the manner required by law.

2. At the public meeting, the Commission considered the Executive Officer's report.

3. With respect to considering the effects of the proposed joint change of organization under the CEQA, the Commission makes the following finding:

   - San Diego LAFCO serves as the lead agency for assessing potential environmental impacts under CEQA for the proposed joint change of organization. The Commission determines the proposal qualifies as a project under CEQA but is categorically exempt from further environmental review pursuant to State CEQA Guidelines Section 15319(b) and its cross-reference to section 15303. This exemption appropriately applies given the associated development potential does not exceed the creation of three new residential parcels.

4. The Commission CONDITIONALLY APPROVES the joint change of organization to the District without modifications subject to conditions as provided and subject to recordation of a certificate of completion for the proposal. Approval involves all the following:

   a) Annexation of the affected territory to the Rancho Santa Fe CSD as shown in "Exhibit A" and described in "Exhibit B".

   b) Approval is specific only to Rancho Santa Fe CSD's activated wastewater and landscaping functions; all other functions – whether active or latent – are expressly omitted from this approval.

5. The Commission CONDITIONS approval on the following terms being satisfied by March 2, 2027 unless an extension is requested in writing and approved by the Executive Officer:

   a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.

   b) Submittal to the Commission of final map and geographic description of the affected territory as approved by the Commission conforming to the requirements of the State Board of Equalization – Tax Services Division.

   c) Submittal to the Commission of the following payments:

      - A check made payable to LAFCO in the amount of $50.00 for the County of San Diego-Clerk Recorder to reimburse for filing one CEQA Notice of Exemption consistent with the findings in the resolution.

      - A check made payable to the State Board of Equalization for processing fees in the amount of $500.00.

d) Written confirmation from Rancho Santa Fe CSD that the landowners have secured a legal easement providing physical access to the wastewater collection main off of Top of the Morning Way.

6. The Commission assigns the proposal the following short-term designation:

   "Jaiswal – Rio Vista Road Change of Organization".

7. The affected territory as designated by the Commission is uninhabited as defined in Government Code Section 56046.

8. The Commission waives conducting authority proceedings under Government Code Section 56662.

9. The District is a registered-voter district.

10. The District utilizes the County of San Diego assessment roll.

11. The affected territory will be liable for any existing bonds, contracts, and/or obligations of the Rancho Santa Fe Community Services District as provided under Government Code Section 57328, and will be subject to any previously authorized taxes, benefit assessments, fees or charges of the District as provided under Government Code Section 57330.

12. The effective date of approval shall be the date of recordation but not before the completion of a 30-day reconsideration period and only after all terms have been completed as attested by the Executive Officer.

13. As allowed under Government Code Section 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to the resolution to address any technical defects, errors, irregularities, or omissions.

14. The Executive Officer is hereby authorized and directed to transmit copies of this resolution as provided in Sections 56880-56882 of the Government Code.

15. The Executive Officer is further authorized and directed to prepare, execute, and record a Certificate of Completion, make the required filings with the County Assessor, County Auditor, and the State Board of Equalization as required by Section 57200, et seq., of the Government Code.

**

PASSED AND ADOPTED by the Commission on April 6, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

**

ATTEST:

____
Keene Simonds
Executive Officer

EXHIBIT A
MAP OF AFFECTED TERRITORY

-Placeholder-

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EXHIBIT B
GEOGRAPHIC DESCRIPTION OF THE AFFECTED TERRITORY

-Placeholder-

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Part IVb: LANDOWNER PETITION

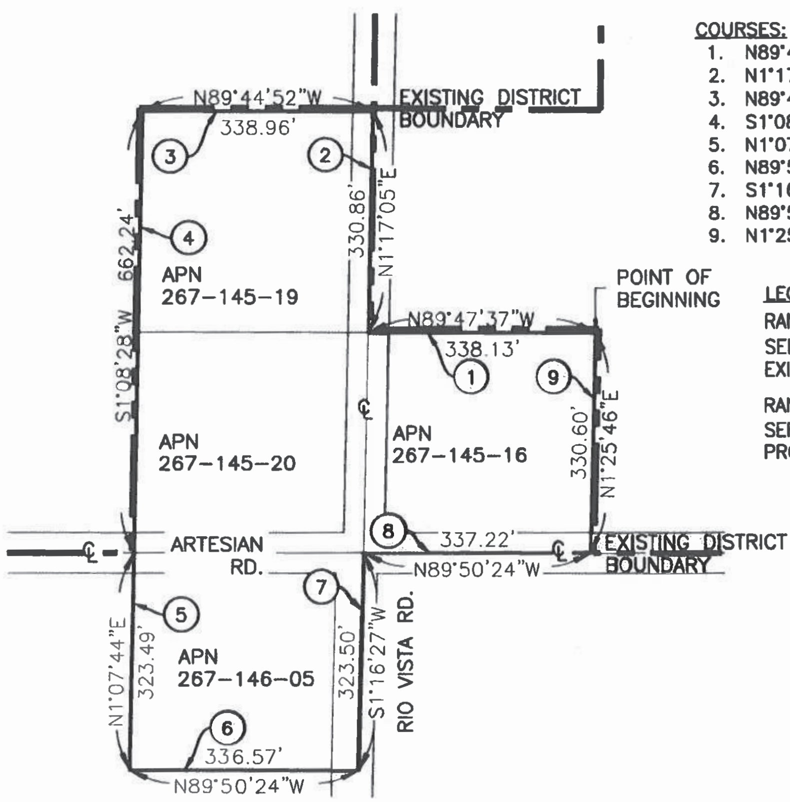
Petitions must meet minimum signature requirements (see Part V). Signatures must be secured within six months of the date on which the first signature was affixed. Petitions must be submitted to the LAFCO Executive Officer within 60 days after the last signature is affixed (Govt. Code § 56705).

Each of the undersigned states:

- I personally signed this petition.
- I am a landowner of the affected territory.
- I personally affixed hereto the date of my signing this petition and the Assessor's Parcel Number(s), or a description sufficient to identify the location of my land.

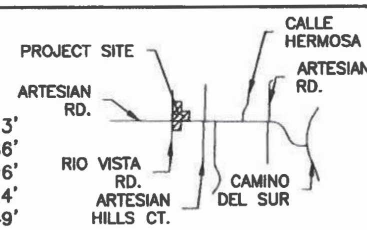
Name of Signer	Assessor's Parcel Number(s)	Date Signed	Official Use
Sign S Vale Print Sydney Vale trust	267-145-19	9/27/25	
Sign Richard D. Bagley Print RICHARD D. BAGLEY	267-146-05	9/27/25	
Sign [signature] Print SAJJAD PAGARWAK	267-145-16	9/27/25	
Sign [signature] Print Rakesh Jaiswal	267-145-20	09-27-25	
Sign Print			
Sign Print			

RANCHO SANTA FE COMMUNITY SERVICES
DISTRICT (RSFCSD) SEWER ANNEXATION



COURSES:

1.	N89°47'37"W	338.13'
2.	N1°17'05"E	330.86'
3.	N89°44'52"W	338.96'
4.	S1°08'28"W	662.24'
5.	N1°07'44"E	323.49'
6.	N89°50'24"W	336.57'
7.	S1°16'27"W	323.50
8.	N89°50'24"W	337.22'
9.	N1°25'46"E	330.60'



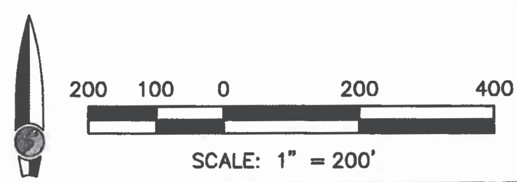
LOCATION MAP
NOT TO SCALE

LEGEND:

RANCHO SANTA FE COMMUNITY SERVICE DISTRICT (RSFCSD) EXISTING BOUNDARY

RANCHO SANTA FE COMMUNITY SERVICE DISTRICT (RSFCSD) PROPOSED BOUNDARY

DISCLAIMER:
"FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED."



SCALE: 1" = 200'

ASSESSOR'S PARCEL NUMBERS: 267-145-16, 267-145-19, 267-145-20, 267-146-05

ACREAGE: 10.20 AC
LAFCO RESOLUTION NO.________
DATE:________________

BEING A PORTION OF SECTION 26,
T. 13S, R. 3W, S.B.M
SAN DIEGO COUNTY

SAN DIEGUITO ENGINEERING, INC
1911 PALOMAR OAKS WAY, Ste. 200
CARLSBAD, CA 92008-6511
PHONE: (858) 345-1149
www.sdeinc.com
CIVIL ENGINEERING • PLANNING
LAND SURVEYING

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ANNEXATION NO. 2025-____________________.

ANNEXATION TO RANCHO SANTA FE COMMUNITY SERVICES DISTRICT

ALL THAT PROPERTY, SITUATED IN THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 13 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF PARCEL 4 OF PARCEL MAP 6583 RECORDED NOVEMBER 23, 1977 IN THE OFFICE OF THE SAID COUNTY RECORDER, ALSO BEING ON THE EXISTING RANCHO SANTA FE COMMUNITY SERVICES DISTRICT BOUNDARY;

THENCE (1)ALONG SAID BOUNDARY AND THE NORTHERLY LINE OF SAID PARCEL NORTH 89°47'37" WEST 338.13 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 4;

THENCE (2) ALONG SAID BOUNDARY AND THE WESTERLY LINE OF PARCEL 3 OF SAID PARCEL MAP NORTH 01°17'05" 330.86 FEET TO THE NORTHEAST CORNER OF SAID PARCEL;

THENCE (3) ALONG SAID BOUNDARY AND THE SOUTHERLY LINE OF PARCEL 2 OF SAID PARCEL MAP NORTH 89°44'52" WEST 338.96 FEET TO THE SOUTHWESTERLY CORNER OF SAID PARCEL, ALSO BEING THE NORTHWEST CORNER OF PARCEL 3 OF PARCEL MAP 6604 RECORDED DECEMBER 1, 1977 IN THE OFFICE SAID COUNTY RECORDER;

THENCE (4) ALONG SAID BOUNDARY AND THE WESTERLY LINE OF PARCELS 3 AND 4 OF SAID PARCEL MAP SOUTH 01°08'27" WEST 662.24 FEET TO THE SOUTHWESTERLY CORNER OF SAID PARCEL 4, ALSO BEING ON THE CENTERLINE OF ARTESIAN ROAD (PRIVATE, 60 FEET WIDE) AND THE NORTHWEST CORNER OF PARCEL 1 OF PARCEL MAP 17478 RECORDED JANUARY 26, 1995 IN THE OFFICE OF SAID COUNTY;

THENCE (5) LEAVING SAID BOUNDARY AND ALONG THE WESTERLY LINE OF SAID PARCEL SOUTH 01°07'44" WEST (RECORD SOUTH 01°37'04" WEST) 323.49 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL;

THENCE (6) ALONG THE SOUTHERLY LINE OF SAID PARCEL SOUTH 89°50'24" EAST (RECORD SOUTH 89°21'04" EAST) 336.57 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL;

THENCE (7) ALONG THE EASTERLY LINE OF SAID PARCEL NORTH 01°16'27" EAST (RECORD NORTH 01°45'47" EAST) 323.50 FEET TO THE NORTHEAST CORNER OF SAID PARCEL, SAID CORNER BEING ON THE CENTERLINE OF ARTESIAN ROAD (PRIVATE, 60 FEET WIDE);

THENCE (8) ALONG THE CENTERLINE OF ARTESIAN ROAD SOUTH 89°50'24" EAST 337.30 FEET TO THE SOUTHEAST CORNER OF PARCEL 4 OF SAID PARCEL MAP 6583, ALSO BEING ON SAID BOUNDARY;

THENCE (9) ALONG SAID BOUNDARY AND THE EASTERLY LINE OF SAID PARCEL 4 NORTH 01°25'46" EAST 330.61 TO THE POINT OF BEGINNING.

CONTAINING 10.20 ACRES, MORE OR LESS.

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

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

5f
AGENDA REPORT
Consent | Information

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Keene Simonds, Executive Officer
Michaela Peters, Analyst II

SUBJECT: **Notice of Administrative Approval | "Dechner - Haas Street Out-of-Agency Wastewater Services" with City of Escondido (OAS25-17)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive notice of an administrative approval by the Executive Officer authorizing the City of Escondido to provide out-of-agency wastewater service to a 1.09-acre unincorporated parcel within its sphere of influence located at 2417 Haas Street. The authorization is limited to an existing single-family residence and is based on documentation of a public health threat arising from a failed septic system. Approval waives the standard condition requiring the landowner to submit an annexation proposal to LAFCO for future processing, given local conditions as detailed. The Executive Officer has determined the project is exempt from further review under the California Environmental Quality Act (CEQA) Guidelines Section 15269(c). This notice is provided for informational purposes in accordance with adopted Commission policy. The Commission may also pull the item for discussion and provide related feedback.

BACKGROUND

Overseeing Out-of-Agency Services

State statute requires cities and special districts to request and receive written approval from LAFCOs before providing out-of-agency services by contract except for certain limited exemptions. The statute also provides cities and special districts may only be authorized to serve territory within their spheres of influence in anticipation of future annexation. If the affected territory lies beyond the spheres, out-of-agency services may only be authorized in response to documented threats to public health and safety.

Delegation to the Executive Officer

San Diego LAFCO's policies authorize the Executive Officer to approve out-of-agency service requests involving water and wastewater in response to documented threats to public health, safety, or welfare. In such cases, the Executive Officer is required to inform the Commission of any administrative approvals at the next available meeting for informational purposes only. All other out-of-agency service requests require Commission approval.

Applicant Request and Administrative Approval

LAFCO received a request from City of Escondido – on behalf of an interested landowner (Gilad Dechner) – on March 6, 2025 for authorization to provide new out-of-agency wastewater service to a 1.09-acre parcel at 2417 Haas Street in unincorporated Escondido. The affected territory – developed with a 3,608 square-foot single-family residence – lies within Escondido's sphere of influence but separated from City limits by an adjoining roadway segment of Haas Steet owned and maintained by the County of San Diego. The subject parcel is identified by the County Assessor as 239-330-66 and shown below.

Google Earth

Escondido's requested authorization is premised on the failure of the property's existing septic system, which is no longer functional without continuous pumping. Upon receipt of the request, LAFCO staff coordinated with Escondido and confirmed the agency is readily positioned to extend service utilizing nearby public infrastructure within Hass Street. The affected territory consists of an existing single-family residence within a developing, urbanized unincorporated area that is expected to eventually annex into Escondido. Projected wastewater demand is 250 gallons per day for the current residence, expanding to 500 gallons per day considering the allowance for an ADU. This amount plus all other existing flows contributes to projected systemwide average daily demand of 12.5 million gallons per day (MGD) and well below Escondido's 18.0 MGD capacity at the Hale Avenue Resource Recovery Facility. The need for wastewater service and available capacity support the out-of-agency agreement.

LAFCO staff also consulted with the County's Department of Environmental Health and Quality (DEHQ) and they recommended connection proceed to mitigate an ongoing threat to public health and safety. DEHQ further advised that replacing the septic system is problematic due to site constraints.[1] Based on these considerations, the Executive Officer issued conditional out-of-agency service approval on March 23, 2026.

DISCUSSION

This item is for San Diego LAFCO to receive notice of the Executive Officer's administrative approval authorizing the City of Escondido to provide wastewater service outside its jurisdictional boundary to 2417 Haas Street on a contract basis as described above. The Executive Officer's approval and conditions are final under policy. However, and as needed, the Commission is invited to pull the item for discussion to inform future actions.

ANALYSIS

San Diego LAFCO's administrative approval authorizing Escondido to provide out-of-agency wastewater service to the subject parcel at 2417 Haas Street is consistent with applicable statutes and Commission policies. This includes the Executive Officer's authority to act in response to a reasonably documented and imminent threat to public health and safety, following confirmation of the availability and adequacy of the City's wastewater system. This approval has been conditioned to limit service solely to the existing single-family residence with no accommodation for additional structures.

With respect to other Commission policies and practices, consideration has also been given to require the landowner to file an annexation proposal with LAFCO for future processing in conjunction with expediting the anticipated annexation under statute. Annexation remains the preferred method under LAFCO law and local policy for formalizing the relationship between territory and municipal service provision, unless local conditions indicate otherwise. In this case, the Executive Officer has determined annexation is not appropriate at this time given primary access to the affected territory is via a County road that does not directly connect to Escondido's boundary. Annexation would result in the Escondido assuming responsibility for only a limited segment of road frontage, while the balance of the roadway

[1] The septic system's leach field is partially obstructed by invasive root growth, preventing the system from draining properly. Additionally, there is limited space on the lot to install a compliant replacement system. A public sewer connection is available within 100 feet of the home.

would remain under County jurisdiction, resulting in an illogical and inefficient service arrangement. This assessment is consistent with the City's preference to defer annexation until future right-of-way dedications from adjacent unincorporated properties occur, associated frontage improvements are completed to current City standards, and contiguity with the City's boundary is achieved.

The Executive Officer has also determined that the project qualifies as statutorily exempt from additional environmental review under State CEQA Guidelines Section 15269(c), as the activity is intended to prevent or mitigate a verified threat to public health and safety associated with the failed septic system on the property.

RECOMMENDATION

This item is presented to San Diego LAFCO for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

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

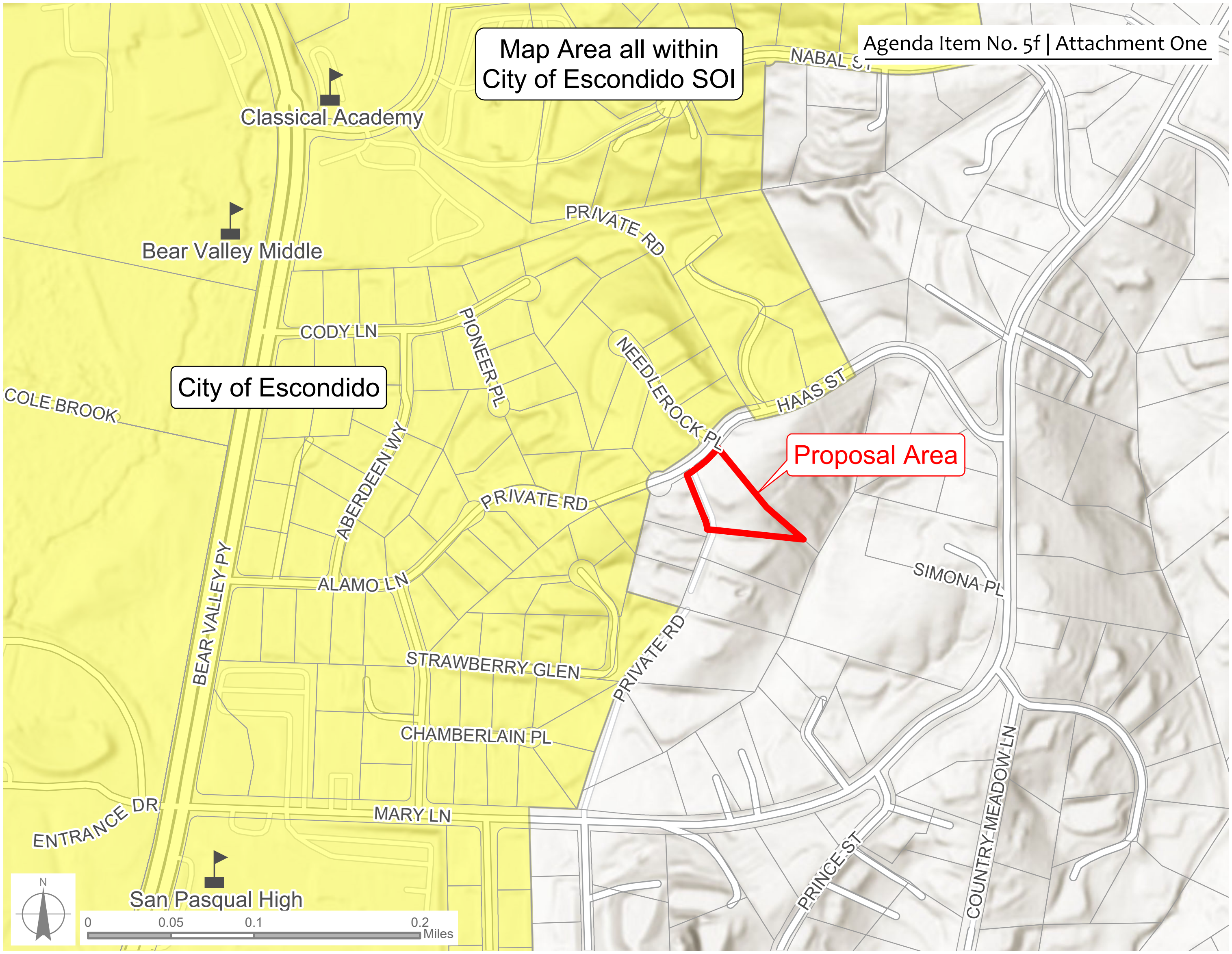
On behalf of the Executive Officer,

Michaela Peters

Michaela Peters
Analyst II

Attachments:

1) Map of the Affected Territory
2) Related Request Documents



OAS25-17

"2417 HAAS STREET OUT-OF-AGENCY WASTEWATER SERVICES" |
CITY OF ESCONDIDO

Proposal Area
City of Escondido
City of Escondido SOI
SOI = Sphere of Influence

G:\GIS\Vicinity_Maps\agendamaps2025\25-17 Haas St Escondido OAS.aprx

Created by Dieu Ngu -- 1/15/2026

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CONTRACTUAL SERVICE AGREEMENT APPLICATION FORM

In addition to the materials required for any change(s) of organization, submit the following items:

1. One copy of either an approved Resolution of the City Council/District Board of Directors or a letter from the City Manager/District General Manager requesting approval for a contractual service agreement.

2. One copy of the contract or agreement stipulating the terms and conditions of extending service to the property signed by the property owner(s) and the agency that is to provide the service.

3. LAFCO processing fee. Contact the LAFCO office or refer to fee schedule.

Print/Type Name: Itzhak Dechner

Property Address: 2417 Haas St Escondido CA 92025

Phone #: 707-318-4647 Date: 11/25/2025

This application is used by LAFCO staff to provide supplemental information for contractual service agreement requests.

1. What type or types of public service(s) will be provided? Sewer Connection

2. Why is the service needed? If the service agreement is in response to an emergency health and safety situation, such as a failed septic system, provide information documenting the circumstances (e.g., letter from the County Department of Environmental Health).

3. If a jurisdictional change, such as annexation, is not possible at this time, explain the circumstances that prevent annexation and when the jurisdictional change is anticipated. __________

4. Are there any jurisdictional issues associated with the proposed contractual service agreement? ☐ YES ☑ NO
(If yes, please complete the LAFCO Policy L-107 form)

Dechner

San Diego Local Agency Formation Commission
2550 Fifth Ave., Suite 725
San Diego, CA 92103
(619) 321-3380

Revised November 2022

Sean McGlynn
City Manager
201 North Broadway, Escondido, CA 92025
Phone: 760-839-4631 Fax: 760-839-4578

March 6, 2026

Keene Simonds, Executive Officer
San Diego LAFCO
2550 Fifth Ave, Suite 725
San Diego, CA 92103

RE: Request for LAFCO Approval of an Emergency Out-of-Agency Service Agreement – 2417 Haas St., Escondido CA 92025

Mr. Simonds:

The City of Escondido (City) has received an emergency request from an affected landowner for an extension of City sewer service to unincorporated territory outside of the City's incorporated boundaries and within the City's adopted sphere of influence. The emergency request for out-of-agency sewer service is due to an existing or impending threat to the health or safety of the public and the residents of the affected territory, and a later change of organization to annex the unincorporated property to the City is anticipated. Per Government Code Section 56133(a), your Commission's approval is hereby requested for the proposed emergency out-of-agency sewer service agreement and extension of City sewer service outside the City's incorporated boundaries.

The affected unincorporated property is located at 2417 Haas Street and includes one 1.09-acre parcel (APN 239-330-66-00) developed in 1990 with one single-family residence that utilizes an underground septic disposal system. In a letter dated November 12, 2025, the San Diego County Department of Environmental Health (DEH) confirmed that the property's septic disposal system has failed and there is limited usable area available for a compliant replacement system on the lot. The DEH letter requests connection of the property to public sewer as soon as possible. The City of Escondido has existing sewer service available to the subject property from adjacent infrastructure within Haas St. The subject property owner would be responsible for all sewer connection costs and associated City and LAFCO fees.

Attached to this request letter are copies of the DEH status letter for the property and the City's Out-of-Agency Service (OAS) Agreement template which specifies all terms and conditions for proposed extensions of City sewer service. The OAS Agreement terms and conditions include a binding Irrevocable Offer to Annex that will relinquish any right of protest by current or subsequent landowners for the future annexation of the property to Escondido.

At this time, the City requests the LAFCO emergency out-of-agency service approval be conditioned for deferral of annexation of the subject property until the City is prepared to accept the adjoining unincorporated roadway segment of Haas Street, including obtaining future right-of-way dedications from adjacent unincorporated properties and frontage improvements to current City standards, and achieving contiguity of the subject property with the City's incorporated boundary. The proposed OAS Agreement condition for deferral of annexation would allow the City to abate the documented threat to the public health and safety of the subject unincorporated residents.

After receiving LAFCO's *Certificate of Approval for an Out of Agency Service Agreement*, the emergency sewer service agreement for the subject property would proceed to the Escondido City Council for consideration. Following Council approval, the executed sewer service agreement would be recorded by the County Recorder and connection of the property to the City's sewer collection system would be allowed per the terms and conditions of the OAS Agreement. A copy of the recorded OAS Agreement would then be forwarded to the LAFCO office.

Please contact Robert Barry with the City of Escondido at 760-839-4537 or Robert.Barry@Escondido.gov should you have any questions or require additional information regarding this request.

Sincerely,

Sean McGlynn
City Manager

Enclosures

Cc: Kevin Snyder, Director of Development Services
Veronica Morones, Assistant Director of Development Services

DEPARTMENT OF ENVIRONMENTAL HEALTH AND QUALITY
P.O. Box 129261, San Diego, CA 92112-9261
(858) 505-6700 or (800) 253-9933
www.sdcdehq.org

AMY HARBERT
DIRECTOR

HEATHER BUONOMO
DIRECTOR OF ENVIRONMENTAL HEALTH

November 12, 2025

Robert Barry
Planning Division
201 N. Broadway
Escondido, CA 92025-2798

RE: Public Sewer Connection Urgency; 2417 Haas Street; APN 239-330-66

Dear Mr. Barry,

The Department of Environmental Health & Quality (DEHQ) has received notification from Tunnell Plumbing and Drains (Lic. #1102033) that the onsite wastewater treatment system (OWTS) serving the existing residence at the address referenced above has failed and is in urgent need of replacement. The leach field is partially encumbered by intrusive roots which do not allow for proper draining of the system. However, there is limited usable area available for a compliant replacement system on the lot, and public sewer exists within 100’ of the home. DEHQ requests the City of Escondido to allow this property to be annexed into to the city’s sewer district in order to connect as soon as possible.

If there are any questions, I can be reached at (619) 613-1397 and Cara.Schiksnis@sdcounty.ca.gov.

Thank you,

Cara Schiksnis

Cara Schiksnis
Environmental Health Specialist
Department of Environmental Health & Quality

C: Tunnell Plumbing and Drains, (760) 300-5327

EXEMPT FROM FEES pursuant to
Gov't Code §§ 6103, 27383, and 27388.1
(filing requested/executed by municipality)

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Planning Division
City of Escondido
201 North Broadway
Escondido, CA 92025-2798

This Space for Recorder's Use Only

APN: ____________________

OUT-OF-AGENCY SERVICE AGREEMENT

This OUT-OF-AGENCY SERVICE AGREEMENT ("**Agreement**") is made and entered into as of the last signature date set forth below ("**Effective Date**"), by and between the City of Escondido, a California municipal corporation ("**City**") and [insert owner name and entity designation, if applicable; e.g., Jane Homeowner, an individual; Property co, LLC, a California limited liability company] (collectively referred to herein as "**Owner**"). (The City and Owner may each be referred to herein as a "**Party**" and collectively as the "**Parties**.")

RECITALS

A. Owner possesses and owns that certain real property located at ___________, which is outside the jurisdictional boundary of the City, and within the unincorporated County of San Diego, as further described in Exhibit A to this Agreement, attached hereto and incorporated herein by this reference ("**Property**").

B. Pursuant to California Government Code section 56133(a), the City may provide new or extended services, as defined by California Government Code section 56074, by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the San Diego County Local Agency Formation Commission ("**LAFCO**").

C. Pursuant to California Government Code section 56133(b), LAFCO may authorize the City to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization, as defined by California Government Code section 56021.

D. Pursuant to California Government Code section 56133(c), LAFCO may authorize the City to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met: (1) The entity applying for approval has provided LAFCO with documentation of a threat to the health and safety of the public or the affected residents; and, (2) LAFCO has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with LAFCO.

E. In accordance with California Government Code section 56133(b) and San Diego LAFCO's local policies, LAFCO provided a conditional approval for the City to establish contract wastewater service to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory for one existing dwelling unit on the Property, which is within the City's sphere of influence, and in anticipation of annexation at a later date as determined to be appropriate by the City, and subject to the LAFCO conditions stated therein and in a letter dated __________, which is attached hereto as Exhibit B and incorporated herein by this reference ("**Conditional Approval Letter**"),

F. The City and the Owner desire to enter into this Agreement so the City may provide wastewater service to one (1) existing dwelling unit on the Property, subject to Owner meeting all of the LAFCO conditions and any conditions otherwise expressed in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, terms, and conditions set forth herein, the Parties hereby mutually agree as follows:

1. Recitals. The Recitals set forth above are included herein by reference as part of this Agreement and the Parties agree that said Recitals are essential facts to this Agreement.

2. Applicability of Government Code. This Agreement is made pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (California Government Code section 56000 et seq.) ("**Act**") and is subject to all of the provisions of the Act, including but not limited to Government Code section 56133.

3. Authority to Connect. Upon the Parties' execution of this Agreement and Owner's recordation of this Agreement in the County Recorder's Office for San Diego County, and subject to all other terms and conditions of this Agreement, Owner may connect to the City's sewer and water system ("**Improvements**"). Owner agrees to construct the Improvements in conformance with all applicable federal, state, and local laws and regulations. No construction of the Improvements shall occur without first securing all required permits and approvals from the City, County, or any other local agency or regulatory authority.

4. Irrevocable Offer of Annexation. Owner hereby makes an irrevocable offer of annexation of the Property to the City. Owner waives any right of protest in the annexation of the Property to the City provided for under the Act or any other law or policy. Such waiver shall be binding on Owner and its heirs, successors in interests, and assigns.

5. Conditions of Approval. Owner agrees to meet all conditions, including each of the following:

a. At a future date, at the City's sole discretion and upon the City's request, Owner shall provide LAFCO a landowner-petition application to annex the Property to the City ("**Annexation Petition**"), along with the required filing fee.

b. Owner shall provide LAFCO a signed and recorded copy of this Agreement.

c. Any other conditions required by LAFCO.

d. Within 10 days after execution of this Agreement by all Parties, Owner shall record this Agreement which shall run with the land and inure to and bind all successors in interest to the Property, with the Office of the County Recorder for San Diego County.

e. At the time Owner files an Annexation Petition, Owner shall file a formal application for prezoning with the City and shall diligently and in good faith prosecute such application to completion.

f. Owner shall be responsible for all LAFCO and City fees and charges in relation to the application for prezoning, application for annexation, Improvements, future wastewater service connection, or otherwise in relation to this Agreement.

g. This Agreement is limited to the provision of wastewater service to the existing one dwelling unit on the Property and shall not be construed to provide authority for the City's provision of any additional service in relation to the Property in advance of annexation.

6. No Pre-Commitment

a. Notwithstanding any other provision of this Agreement, nothing herein shall commit or otherwise require the City, or be interpreted as requiring the City, to issue any permit, entitlement, or other approval in relation to the Improvements. Rather, the City and Owner acknowledge and agree that the City retains full discretionary authority with respect to the Improvements, and may approve, disapprove, modify, or condition the Improvements, or any portion thereof, as otherwise authorized by law. Owner acknowledges and agrees that it is proceeding at its own risk and expense until such time as all required permits, entitlements, or other approvals are approved and without assurance that any required permits, entitlements, or other approvals will be approved.

7. Term. This Agreement shall commence on the Effective Date and shall remain in effect until the earlier of any of the following: (i) the Property is annexed into the City; or (ii) the Agreement is terminated by the City if Owner fails to meet any condition stated herein.

8. Indemnification. Owner (including Owner's agents, employees, contractors, and subcontractors, if any) shall hold harmless, defend (with counsel reasonably acceptable to the City), and indemnify the City, its boards, commissions, departments, officials, officers, agents, employees, and volunteers from and against any and all claims, demands, actions, causes of action, proceedings (including but not limited to legal and administrative proceedings of any kind), suits, fines, penalties, judgments, orders, levies, costs, expenses, liabilities, losses, damages, or injuries, in law or equity, including without limitation the payment of all consequential damages and attorney's fees and other related litigation costs and expenses (collectively, "**Claims**"), and any attorney's, consultant, or expert fees and City staff costs for investigating or responding to any Claims, incurred in connection with or arising in whole or in part from this Agreement, the use of the Improvements by the Owner (including Owner's agents, employees, invitees, contractors, and subcontractors, if any), the condition of the Improvements, or any related construction or other work undertaken on the Property, including without limitation (i) any death or bodily injury to a person; (ii) any injury to, loss, or theft of tangible or intangible property, including economic loss; or (iii) any other loss, damage, or expense sustained by the Owner in connection with any work or obligations performed in connection with this Agreement, except for any liability resulting from the active negligence, sole negligence, or willful misconduct of the City. The duty to defend the

City as described in this Paragraph 8 shall apply regardless of whether any Claims are groundless, fraudulent, or false. All obligations under this Paragraph 8 shall survive the termination of this Agreement.

9. Miscellaneous.

9.1 *Governing Law*. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California. Any litigation arising out of this Agreement shall be conducted only in the state or federal courts of San Diego County, California.

9.2 *Entire Agreement*. This Agreement, together with its attachments or other documents, if any, described or incorporated herein, contains the entire agreement and understanding concerning the subject of this Agreement and supersedes and replaces all prior negotiations, understandings, or proposed agreements, written or oral, except as otherwise provided herein. Each of the Parties hereto acknowledges that no other Party, nor the agents nor the attorneys for any Party, has made any promise, representation or warranty whatsoever, express or implied, not contained herein, to induce the execution of this Agreement and acknowledges that this Agreement has not been executed in reliance upon any promise, representation, or warranty not contained herein.

9.3 *Amendment*. This Agreement may not be amended except in a writing signed by all of the Parties hereto, and then only in the specific instance and for the specific purpose given. Any such amendment shall be recorded with the Office of the County Recorder for the County of San Diego.

9.4 *Independent Investigation*. The Parties acknowledge that they have conducted an independent investigation of the facts concerning the subject matter of this Agreement. The Parties agree that the factual recitals are correct and expressly assume the risk that the true facts concerning the foregoing may differ from those currently understood by them.

9.5 *Advice of Counsel*. The Parties hereby acknowledge that they have executed this Agreement after having the opportunity to consult with, and receive the advice of, their own counsel.

9.6 *Capacity*. Each individual signing this Agreement represents and warrants that he or she has been authorized to do so by proper action of the Party on whose behalf he or she has signed.

9.7 *Headings*. Section headings are for reference purposes only and shall not be used for interpreting the meaning of any provisions of this Agreement.

9.8 *Attorney's Fees*. In any action to enforce the terms of this Agreement, the Parties agree that the prevailing party shall be entitled to its reasonable attorney's fees and all costs, fees, and expenses, including the fees of expert witnesses and consultants, whether or not such costs, fees, and expenses are recoverable or allowed as costs under section 1033.5 of the California Code of Civil Procedure. In addition to the foregoing award of attorney's fees and costs, the prevailing party shall be entitled to its attorney's fees and costs incurred in any post-judgment proceedings to collect or enforce any judgment. This provision is separate and shall survive the merger of this provision into any judgment on this Agreement.

9.9 *Counterparts*. This Agreement may be executed on separate counterparts that, upon completion, may be assembled into and shall be construed as one document.

9.10 *Severability*. This Agreement shall be performed and shall be enforceable to the full extent allowed by applicable law, and the illegality, invalidity, waiver, or unenforceability of any provision of this Agreement shall not affect the legality, validity, applicability, or enforceability of the remaining provisions of this Agreement.

9.11 *Notice*. All notices, demands, approvals, or consents provided for in this Agreement shall be in writing and delivered to the appropriate Party at its address as follows:

If to the City:
Director of Development Services
City of Escondido
201 N. Broadway
Escondido, CA 92025

If to Owner:
[Owner Name
Owner Address
Owner Address]

Any notice, delivery, or other communication shall be effective and shall be deemed to be received by the other Party within five business days after the notice has been deposited in the U.S. Mail, duly registered or certified, with postage prepaid, and addressed as set forth above. Any Party may change the address information provided above by giving written notice to the other Party in the manner provided in this Agreement.

9.12 *Covenants Run with Land*. So long as this Agreement remains in effect, the obligations and benefits provided for in this Agreement shall run with the land obligated and benefited, respectively, and shall be binding on all parties having or acquiring any right, title, or interest in the Property or any part thereof. As such, it is the intent of the Parties that this Agreement and the promises, covenants, rights, and obligations set forth herein (i) shall be and are covenants running with the Property, encumbering the Property for the term of this Agreement, binding upon the Owner's successors in title and all subsequent owners and operators of the Property; (ii) are not merely personal covenants of the Owner; and (iii) shall bind the Owner and its respective successors and assigns during the term of this Agreement. Further, the Owner shall ensure that any future transfer of interest in the Property is made subject to the terms of this Agreement, such that any future successor in title or owner or operator of the Property shall be bound by the terms herein.

9.13 *Effective Date*. Unless a different date is provided in this Agreement, the effective date of this Agreement shall be the latest date of execution set forth by the names of the signatories below.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, this Agreement is executed by the Parties or their duly authorized representatives as of the Effective Date:

CITY OF ESCONDIDO

Date: ______________________________ By: ____

Dane White, Mayor

OWNER(s)

Date: ______________________________ By: ____

[Name, Title]

Date: ______________________________ By: ____

[Name, Title]

(ABOVE SIGNATURES MUST BE NOTARIZED; ACKNOWLEDGMENT PAGES FOLLOW)

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY
Michael R. McGuinness, City Attorney

____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA]

COUNTY OF ______________________]

On ___________________________________, before me, ______________________________,

a Notary Public, personally appeared ____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: ____ (Seal)

City of Escondido

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA]

COUNTY OF ______________________]

On ___________________________________, before me, ______________________________,

a Notary Public, personally appeared ____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: ____ (Seal)

(OWNER)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA]

COUNTY OF ______________________]

On ___________________________________, before me, ______________________________,

a Notary Public, personally appeared ____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: ____ (Seal)

(OWNER)

Exhibit A

Legal Description of Property

Exhibit B

Conditional Approval Letter

5g
AGENDA REPORT
Consent | Information

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Joelle Burila, Analyst I
Patrick Bouteller, LAFCO Consultant

SUBJECT: **Legislative Report**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive monthly legislative updates on existing and anticipated bills as part of the second-year legislative session. This report is for information only.

BACKGROUND

The California Legislature reconvened for the second year of the 2025–26 Regular Session in January 2026. The deadline for introducing new legislation passed in February 2026. Following bill introduction, measures will be referred to their respective committees, with committee hearings and initial floor action expected to occur between March and April. Legislation that advances through both houses must be passed by August 31, 2026, which is the constitutional adjournment of the 2026 legislative session.

DISCUSSION

This item is for San Diego LAFCO to receive an update on proposals of interest, divided into two categories: introduced legislation and pending legislation. The item is presented for information with an opportunity to pull for discussion and provide general direction.

Introduced Legislation

Since the 2026 legislative session reconvened in January 2026, there are seven bills currently being tracked. Two bills of interest carried over from the prior session: AB 259 and AB 356. Separately, four bills have been introduced in this legislative session meriting Commission attention, involving AB 1600, AB 2083, SB 910 and SB 1291.

Introduced Legislation | Prior Session

- **AB 259 (Rubio, Blanca)**
  Open Meetings and Continued Access to Teleconferences
  This bill is of statewide interest and would extend the authorization for legislative bodies of local agencies – including LAFCOs – to use modified teleconferencing procedures during declared emergencies through January 1, 2030. It preserves existing requirements related to public notice and agenda posting while allowing remote participation under defined emergency conditions. San Diego LAFCO adopted a support position on March 3, 2025. The bill passed the Assembly in 2025. It's currently under review by the Senate Local Government Committee.

- **AB 356 (Patel, Darshana)**
  Healthcare Districts in Northern San Diego County
  This bill is of local interest and was initially introduced to establish a state-directed working group to assess healthcare access in northern San Diego County and focusing on the Palomar Healthcare District's service area. In response to the Commission taking a support-if-amended position, the bill has been updated to include LAFCO as one of the listed stakeholders and in doing so providing connectivity to the Commission's oversight of Palomar and current municipal service review activities. LAFCO Consultant Adam Wilson provided supportive testimony for the author in conjunction with them accepting the Commission's amendments. The bill passed the Assembly in 2025. It's currently under review by the Senate Local Government Committee.

Introduced Legislation | Current Session

- **AB 1600 (Arambula, Joaquin)**
  Disadvantaged Communities: Farmworker Communities
  This bill would expand that definition of "disadvantaged communities" to include qualifying farmworker communities and require the agency, in consultation with relevant state departments, to update screening tools and guidance to ensure their inclusion in eligibility determinations and benefit calculations. For LAFCOs, this change would affect Municipal Service Reviews and Sphere of Influence updates by requiring evaluation of service needs for these newly – if passed – expanded populations. Introduced in January 2026, the bill is currently moving through the Assembly.

- **AB 2083 (Jackson, Corey)**
  Moreno Valley-Perris Childcare Special District
  The proposed *Moreno Valley-Perris Childcare Special District Act* would create a new special district covering the Cities of Moreno Valley and Perris and their spheres of influence. The district's purpose is to expand childcare capacity and operate universal childcare programs. It would be governed by a five-member board appointed by the two cities and other designated entities. The board would develop a service plan for LAFCO and oversee district operations, including authority to hire staff and operate or contract for childcare facilities. Introduced in February 2026, the bill is currently awaiting referral to the appropriate policy committee.

- **SB 802 (Ashby, Angelique)**
  Sacramento Area Housing and Homelessness Agency
  This bill proposes the joint powers authority currently operating as the Sacramento Housing and Redevelopment Agency be revamped to the Sacramento Area Housing and Homelessness Agency to orchestrate all housing and homelessness services across Sacramento County through a regional and centralized approach. This bill uniquely mandates the Sacramento LAFCO to form and appoint an independent task force to facilitate the consolidation of multiple entities into the new agency, which represents an ad hoc expansion of LAFCO duties into regional housing and homelessness governance. This bill passed the Senate in 2025 and was amended in the Assembly on January 26, 2026. It's currently under review by the Assembly Committee on Housing and Community Development. San Diego LAFCO is monitoring this bill, as its provisions may provide relevant homelessness development services and governance evaluation options given its alignment with our current workplan project on homelessness services in the San Diego region.

- **SB 910 (Seyarto, Kelly)**
  Municipal Water Districts Water Service: Indian Lands
  The bill extends existing law that allows municipal water districts, under certain conditions, to apply to LAFCO to provide water service to eligible Indian lands located outside district boundaries. The current authorization, set to expire on January 1, 2027, would be extended to January 1, 2032. The bill creates a state-mandated local program but specifies that no state reimbursement is required. Introduced in January 2026, the bill is currently awaiting referral to the appropriate policy committee.

- **SB 1291 (Gonzalez, Lena)**
  Drinking Water: Consolidation
  This bill builds on the State's efforts to address water system fragmentation in disadvantaged communities by expanding the State Water Resources Control Board's authority to order consolidations. For LAFCOs, the measure would streamline the change of organization process for affected water districts and may allow certain actions to proceed without standard protest proceedings to support the delivery of safe and affordable water. Introduced in February 2026, the bill was amended and re-referred to the Senate Committee on Rules.

Pending Legislation | UC Berkely Report Legislation

Developed under the Commission's adopted workplan and informed by a University of California, Berkeley report, the proposal sought to strengthen LAFCO authority and accountability in addressing water and wastewater-related public health and safety concerns, while expanding transparency requirements for affected agencies and mobile home park community water systems.

While the bill did not move forward this session, San Diego LAFCO staff will continue refining the proposal with stakeholders for introduction in 2027. The Commission has also tentatively directed staff to continue this effort by identifying it as a medium-priority project in the recently approved draft workplan and budget (Workplan No. 17).

ANALYSIS

None.

RECOMMENDATION

This item is presented to the Commission for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

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

On behalf of the Executive Officer,

Joelle Burila

Joelle Burila
Analyst I

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

5h

AGENDA REPORT
Consent | Information

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Erica Sellen, Commission Clerk

SUBJECT: **Report on Cities Advisory Committee Meeting | March 19, 2026**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a report on the most recent meeting of its Cities Advisory Committee held on March 19th. The report is in the form of draft minutes and is being presented for information only consistent with an earlier request by Commissioner MacKenzie.

BACKGROUND

Cities Advisory Committee

San Diego LAFCO's Cities Advisory Committee advises the Commission with specific focus on developing and implementing LAFCO's adopted work plan with increasingly input on municipal service reviews. All 18 cities in San Diego County are represented on the Committee by their city manager or designee with moderator duties assigned to the Executive Officer. The Committee meets biannually, typically in September and March. LAFCO recently authorized the Committee to conduct meetings remotely in accordance with Senate Bill No. 707 ("SB 707") and Government Code Section 54953.8.6.

Administration
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, California 92103
T 619.321.3380
E lafco@sdcounty.ca.gov
www.sdlafco.org

DISCUSSION

This item is for San Diego LAFCO to receive a report on the Cities Advisory Committee's most recent meeting held on March 19th. The Committee met using a hybrid approach recently authorized by the Commission under new legislation. The report is provided in the form of attached draft minutes and is consistent with Commissioner MacKenzie's recent request for the Commission to receive timely updates on deliberations of its two advisory committees — Special Districts and Cities.

ANALYSIS

None.

RECOMMENDATION

This item is presented to San Diego LAFCO for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

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

Respectfully,

Erica A. Sellen

Erica Sellen
Commission Clerk

Attachment:

1) DRAFT: CAC Meeting Minutes – March 19, 2026

DRAFT
SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION
AD HOC CITIES ADVISORY COMMITTEE SPECIAL MEETING
MARCH 19, 2026

REMOTE and IN PERSON ATTENDANCE
- Consistent with SB 707 -
San Diego County LAFCO
2550 Fifth Avenue, Suite 725
San Diego, California 92103

1. 1:30 P.M. – CALL TO ORDER
Executive Officer Keene Simonds called the meeting to order at 1:36 p.m.

Item 1a
ROLL CALL

Committee Secretary Erica Sellen performed the roll call with the following attendance recorded. Twelve cities were represented and a quorum was accordingly confirmed.

Regular Members Present:

Carlsbad | Paz Gomez
Chula Vista | Tiffany Allen
El Cajon | Vince DiMaggio
Encinitas | Jennifer Campbell
Imperial Beach | Tyler Foltz
La Mesa | Lynnette Santos (left at 2:41 p.m.)
National City | Martin Reeder
San Marcos | Michelle Bender
Solana Beach | Alyssa Muto (joined at 1:53 p.m.)
Vista | John Conley

Alternate Members Present:

Del Mar | Clem Brown (voting)
Escondido | Chris McKinney (voting)

Regular Members Absent:

Coronado | Tina Friend
Del Mar | Ashley Jones
Escondido | Sean McGlynn
Lemon Grove | Lydia Romero
Oceanside | Jonathan Borrego
Poway | Chris Hazeltine
San Diego | Keith Corry
Santee | Wendy Kaserman

The following members of San Diego LAFCO staff were present at roll call: Executive Officer Keene Simonds; Assistant Executive Officer Priscilla Mumpower; Local Government Analyst I Joelle Burila; Local Government Analyst I Meghan Traynor; Communications Associate Aiden Velasquez; GIS Analyst Dieu Ngu; and Commission Clerk Erica Sellen serving as Committee Secretary. LAFCO Consultant Tom Kennedy was also present at the meeting.

Item 1b
PLEDGE OF ALLEGIANCE

Christopher McKinney, Escondido, led the Pledge of Allegiance.

2. AGENDA REVIEW

Executive Officer Keene Simonds stated Agenda Item No. 3 will be moved to after the Business Items. The Executive Officer also noted the meeting was being live-streamed and provided virtual housekeeping for Committee members and instructions on how to participate for members of the public. An update on LAFCO's Commissioners and staff was also provided as part of the agenda review.

3. COMMITTEE MEMBER REPORTS (moved to after Business Calendar)

None.

4. CONSENT ITEMS

a) Approval of Meeting Minutes for September 18, 2025
The Committee considered draft summary minutes prepared for the last meeting held on September 18, 2025. Recommendation to approve as presented.

b) Progress Report on 2025-2026 Workplan
The Committee received an update on the adopted workplan and activities related to the 30 special projects scheduled for 2025-2026. Information only.

c) Legislative Report
The Committee received a legislative update on existing and anticipated bills affecting agency operations, both directly and indirectly, that are part of the second-year legislative session. Information only.

**

On motion by Martin Reeder (National City), seconded by Jennifer Campbell (Encinitas), with Paz Gomez (Carlsbad) abstaining, the Committee approved the Consent Calendar with all voting members present voting in favor.

Roll call requested:

AYES:	Chula Vista, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, National City, San Marcos, and Vista
NOES:	None
ABSENT:	Coronado, Lemon Grove, Oceanside, Poway, San Diego, Santee, and Solana Beach
ABSTAINING:	Carlsbad

The Commission Clerk confirmed the motion was approved 10-0.

5. BUSINESS ITEMS

a) Draft Workplan and Budget for 2026-2027

The Committee reviewed a draft workplan and budget for 2026-2027, which were tentatively adopted by the Commission at its March 2, 2026 meeting. Both items continue current priorities and funding levels with targeted enhancements. The draft workplan largely rolls forward the existing special project commitments from this fiscal year that are expected to remain active past July 1st, anchored by continuing high-priority municipal service reviews involving wholesale water service providers, healthcare districts, and SANDAG. The total budget – combining operating and non-operating units – is proposed to decrease overall by (8.2%) to $2.904 million in balanced expenses and revenues, largely attributable to the winddown of grant activities. The operating budget is set to increase 3.4% – or $90,379 – primarily driven by the addition of a ninth full-time position (Analyst I) and a preapproved cost-of-living adjustment, with costs partially offset through reduced consultant usage. Agency apportionments, however, are proposed to increase 18.7% – or $407,580 – over the current fiscal year, exceeding the growth in operating expenses and entirely attributable to eliminating reserves as offsetting revenues. Item was presented for review and feedback with the opportunity to forward specific recommendations for consideration ahead of final Commission action in May.

Staff presentation provided by Assistant Executive Officer Priscilla Mumpower.

Comments regarding the workplan were received from the following members:
- Alyssa Muto, Solana Beach
- Clem Brown, Del Mar
- John Conley, Vista
- Christopher McKinney, Escondido
- Lynnette Santos, La Mesa

No immediate comments from the Committee regarding the budget.

b) Development of Weighted Water Rate Comparisons
Presentation of Draft Report by Kennedy Water Consulting, LLC

The Committee received an update on the development of water rate comparator report underway by the Special Districts Advisory Committee with assistance from Kennedy Water Consulting, LLC and support from LAFCO staff. Water rates across San Diego County continue to rise, with variations among agencies often driven by factors not well understood by the public. In response to frequent discussions of water rate impacts during Municipal Service Reviews (MSR), the Commission requested LAFCO staff to conduct a study on water rates in the San Diego region. The Special Districts Advisory Committee led this effort to help the Commission and the public better understand why water rates vary among agencies, while also creating a diagnostic tool to inform future MSRs.

Staff presentation provided by Local Government Analyst I Joelle Burila and LAFCO Consultant Tom Kennedy.

BUSINESS ITEMS CONTINUED…

Item 5b Continued…

Comments were received from the following members:
- Christopher McKinney, Escondido
- Paz Gomez, Carlsbad

6. LAFCO EXECUTIVE OFFICER REPORT

None.

7. OPEN EXPRESSION

None.

8. ADJOURNMENT

The Cities Advisory Committee meeting was adjourned at 2:51 p.m.

Attest:

Erica Sellen
Committee Secretary

5i

AGENDA REPORT
Consent | Information

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Erica Sellen, Commission Clerk

SUBJECT: **Notice of New Professional Services Agreement: Contract for Accounting Services with Tri-Star Advisors, Inc.**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a copy of a new professional services agreement entered into by the Executive Officer with Tri-Star Advisors, Inc. to provide accounting and related services. The agreement follows a recommendation from LAFCO's contracted independent auditor, Davis Farr, that the agency secure specialized accounting support. The agreement became effective on February 2, 2026, and includes an initial not-to-exceed amount of $15,000 for fiscal year 2025–2026, with annual renewals thereafter unless terminated. The item is being provided for information only and part of a new administrative procedure consistent with recent Commission input to provide notice of new agreements entered into by the Executive Officer under the procurement delegation.

BACKGROUND

San Diego LAFCO's contracted independent auditor, Davis Farr, identified a need for specialized accounting support and recommended Tri-Star Advisors, Inc. to provide these services. In response, the Executive Officer executed an agreement with Tri-Star Advisors, Inc. for professional accounting services focused on both near-term audit preparation for fiscal year 2024–2025 and ongoing bookkeeping-related support. The agreement identifies Assistant Executive Officer Priscilla Mumpower as the Commission's agreement

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administrator and Brittany Ruiz as the consultant's project administrator. The agreement was approved as to form by General Counsel and executed in February 2026.

DISCUSSION

This item is for the Commission to receive a report on a recently executed professional services agreement with Tri-Star Advisors, Inc. for professional accounting services. The agreement is intended to support completion of the agency's fiscal year 2024–2025 financial close and independent audit, while also providing ongoing accounting support for LAFCO's financial operations moving forward. The agreement commenced on February 2, 2026 and automatically renews annually under the same terms unless earlier terminated. The approved fee schedule limits consultant compensation to $15,000 for fiscal year 2025–2026 – comprised of $5,000 for audit preparation and $10,000 for ongoing support – and $10,000 annually thereafter unless otherwise approved in writing. The billing rate is $150 per hour.

The Agreement is provided as Attachment One.

ANALYSIS

None.

RECOMMENDATION

This item is presented to San Diego LAFCO for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

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

On behalf of the Executive Officer,

Erica A. Sellen

Erica Sellen
Commission Clerk

Attachment:

1) Professional Services Agreement: Tri-Star Advisors, Inc.

PROFESSIONAL SERVICES AGREEMENT FOR ACCOUNTING SERVICES
(San Diego County Local Agency Formation Commission /
Tri-Star Advisors, Inc.)

1. IDENTIFICATION

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into as of the last date indicated below by and between the San Diego County Local Agency Formation Commission, a California public agency, corporate and politic ("Commission"), and Tri-Star Advisors, Inc., a California general corporation, ("Consultant") (collectively, "parties").

2. RECITALS

2.1 Commission has determined that it requires the following professional services from a consultant: audit preparation and bookkeeping.

2.2 Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, Commission and Consultant agree as follows:

3. DEFINITIONS

3.1 "Scope of Services" means such professional services as are set forth in "Exhibit A" and fully incorporated herein by this reference.

3.2 "Approved Fee Schedule" means such compensation rates as are set forth in "Exhibit B" and fully incorporated herein by this reference. This fee schedule shall remain in effect for the duration of this Agreement unless modified in writing by mutual agreement of the parties.

3.3 "Commencement Date" means February 2, 2026.

3.4 "Commission Agreement Administrator" means Assistant Executive Officer Priscilla Mumpower.

3.5 "Consultant Project Administrator" means Brittany Ruiz.

4. <u>TERM</u>

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall automatically renew per the same terms on the anniversary of the Commencement Date, unless terminated earlier in accordance with Section 18 ("Termination") below.

5. <u>CONSULTANT'S SERVICES</u>

5.1 Time is of the essence in Consultant's performance of services under this Agreement.

5.2 Consultant shall perform the services identified in the Scope of Services. Commission shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum of One Hundred Twenty Thousand Dollars ($120,000.00), inclusive of all costs and expenses, unless specifically approved in advance and in writing by Commission. Consultant shall notify the Commission Agreement Administrator, in writing, when fees and expenses incurred under this Agreement have reached eighty percent (80%) of the maximum amount payable above. Consultant shall concurrently inform the Commission Agreement Administrator, in writing, of Consultant's estimate of total expenditures required to complete its current assignments before proceeding, when the remaining work on such assignments would exceed the maximum amount payable above.

5.3 Consultant shall perform all work to the highest standards of Consultant's profession and in a manner reasonably satisfactory to Commission. Consultant shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*).

5.4 Consultant represents that it has advised Commission in writing prior to the date of signing this Agreement of any known relationships with third parties, Commissioners, or employees of Commission which would (1) present a conflict of interest with the rendering of services under this Agreement under Government Code Section 1090, the Political Reform Act (Government Code Section 81000 *et seq.*), or other applicable law, (2) prevent Consultant from performing the terms of this Agreement, or (3) present a significant opportunity for the disclosure of confidential information.

5.5 During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute and (ii) Commission has not consented in writing to Consultant's performance of such work.

5.6 Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. The Consultant Project Administrator shall have direct responsibility for management of Consultant's performance under this Agreement. No other person shall serve as Consultant Project Administrator without Commission's prior written consent.

5.7 This Agreement covers professional services of a specific and unique nature. Except as otherwise provided herein, Consultant shall not assign or transfer its interest in this Agreement or subcontract any services to be performed without amending this Agreement.

5.8 Consultant shall be responsible to Commission for all services to be performed under this Agreement. All subconsultants shall be approved by the Commission Agreement Administrator and their billing rates identified in the Approved Fee Schedule. Commission shall pay Consultant for work performed by its subconsultants (including labor) only at Consultant's actual cost plus an approved mark-up as set forth in the Approved Fee Schedule. Consultant shall be liable and accountable for any and all payments, compensation, and federal and state taxes to all subconsultants performing services under this Agreement. Commission shall not be liable for any payment, compensation, or federal and state taxes for any subconsultants.

5.9 Consultant shall notify the Commission Agreement Administrator, in writing, of any change in name, ownership or control of Consultant's firm or of any subconsultant. Change of ownership or control of Consultant's firm may require an amendment to the Agreement.

5.10 This Agreement is subject to prevailing wage law, for all work performed under the Agreement for which the payment of prevailing wages is required under the California Labor Code. In particular, Consultant acknowledges that prevailing wage determinations are available for the performance of inspection and survey work.

6. COMPENSATION

6.1 Commission agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept payment in accordance with the Approved Fee Schedule in full satisfaction for such services.

6.2 Consultant shall submit to Commission an invoice, on a monthly basis or less frequently, for services performed pursuant to this Agreement. Each invoice shall identify the maximum amount payable above, the services rendered during the billing period, the amount due for the invoice, and the total amount previously invoiced. All labor charges shall be itemized by employee name and classification/position with the firm, the corresponding hourly rate, the hours worked, a description of each labor charge, and the total amount due for labor charges. Commission shall not withhold applicable taxes or other payroll deductions from payments made to Consultant except as otherwise required by law. Consultant shall include a copy of each subconsultant invoice for which reimbursement is sought in the invoice.

6.3 The parties agree to meet and confer at mutually agreeable times to resolve any disputed amounts contained in an invoice submitted by Consultant.

6.4 Payments for any services requested by Commission and not included in the Scope of Services may be made to Consultant by Commission on a time-and-materials basis pursuant to the Approved Fee Schedule and without amendment of this Agreement, so long as such payment does not cause the maximum amount payable above to be exceeded.

7. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material, and all electronic files, including computer-aided design files, developed by Consultant in the performance of this Agreement (such written material and electronic files are collectively known as “written products”) shall be and remain the property of Commission without restriction or limitation upon its use or dissemination by Commission except as provided by law. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

8. RELATIONSHIP OF PARTIES

Consultant is, and shall at all times remain as to Commission, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of Commission or otherwise to act on behalf of Commission as an agent. Neither Commission nor any of its agents shall have control over the conduct of Consultant or any of Consultant’s employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of Commission.

Under no circumstances shall Consultant look to the Commission as its employer. Consultant shall not be entitled to any benefits. Commission makes no representation as to the effect of this independent contractor relationship on Consultant’s previously earned San Diego County Employees Retirement Association (“SDCERA”) retirement benefits, if any, and Consultant specifically assumes the responsibility for making such a determination. Consultant shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation, and other applicable federal and state taxes.

9. AGREEMENT ADMINISTRATOR

In performing services under this Agreement, Consultant shall coordinate all contact with Commission through its Commission Agreement Administrator. Commission reserves the right to change this designation upon written notice to Consultant. All services under this Agreement shall be performed at the request of the Commission Agreement Administrator, who will establish the timetable for completion of services and any interim milestones.

10. INDEMNIFICATION

10.1 The parties agree that Commission, its officers, agents, employees and volunteers should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, taxes, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the parties intend the provisions of this indemnity provision to be interpreted and construed to provide the Commission with the fullest protection possible under the law. Consultant acknowledges that Commission would not enter into this Agreement in the absence of Consultant's commitment to indemnify and protect Commission as set forth herein.

10.2 To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and when the Commission requests with respect to a claim provide a deposit for the defense of, and defend Commission, its officers, agents, employees and volunteers from and against any and all claims, losses, costs and expenses for any damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, and injury to any property arising out of or in connection with Consultant's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors, in the performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole active negligence or willful misconduct of the Commission. Such costs and expenses shall include reasonable attorneys' fees due to counsel of Commission's choice, expert fees and all other expenses of litigation. Consultant shall not be entitled to any refund of attorneys' fees, defense costs or expenses in the event that it is adjudicated to have been non-negligent.

10.3 Commission shall have the right to offset against any compensation due Consultant under this Agreement any amount due Commission from Consultant as a result of Consultant's failure to pay Commission promptly any indemnification arising under this Section 10 of this Agreement and any amount due Commission from Consultant arising from Consultant's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

10.4 The obligations of Consultant under this Section 10 of this Agreement are not limited by the provisions of any workers' compensation or similar statute. Consultant expressly waives its statutory immunity under such statutes as to Commission, its officers, agents, employees and volunteers.

10.5 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in Section 10 of this Agreement from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations from others, Consultant agrees to indemnify, hold harmless and defend Commission, its officers, agents, employees and volunteers from and against any and all claims, losses, costs and expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of Commission's choice.

10.6 Commission does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by Commission, or the deposit with Commission, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply whether or not any insurance policies apply to a claim, demand, damage, liability, loss, cost or expense.

10.7 In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or SDCERA to be eligible for enrollment in SDCERA as an employee of the Commission, Consultant shall indemnify, defend, and hold harmless Commission for the payment of any employee and/or employer contributions for SDCERA benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Commission.

10.8 Notwithstanding any federal, state, or local policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by Commission, including but not limited to eligibility to enroll in SDCERA as an employee of Commission and entitlement to any contribution to be paid by Commission for employer contribution and/or employee contributions for SDCERA benefits.

11. INSURANCE

11.1 During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement.

11.2 Any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements or limits shall be available to Commission as an Additional Insured as provided below. Furthermore, the requirements for coverage and limits shall be the greater of (1) the minimum coverage and limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named Insured.

11.3 Insurance required under this Agreement shall be of the types set forth below, with minimum coverage as described:

11.3.1. Comprehensive General Liability Insurance with coverage limits of not less than One Million Dollars ($1,000,000) including products and operations hazard, contractual insurance, broad form property damage, independent consultants, personal injury, underground hazard, and explosion and collapse hazard where applicable.

11.3.2. Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars ($1,000,000) per claimant and One Million dollars ($1,000,000) per incident.

11.3.3. Worker's Compensation insurance if and as required by the laws of the State of California.

11.3.4. Professional Errors and Omissions Insurance with coverage limits of not less than One Million Dollars ($1,000,000).

11.4 Consultant shall require each of its subconsultants to maintain insurance coverage that meets all of the requirements of this Agreement provided however, that the Commission Agreement Administrator may waive the provision of Errors and Omissions Insurance by subconsultants in his or her sole discretion.

11.5 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

11.6 Consultant agrees that if it does not keep the insurance coverages required by this Agreement in full force and effect, Commission may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay the premium(s) thereon at Consultant's expense.

11.7 At all times during the term of this Agreement, Consultant shall maintain on file with Commission's Risk Manager a certificate or certificates of insurance showing that the required coverages are in effect and naming Commission and its officers, employees, agents and volunteers as Additional Insureds. Prior to commencement of work under this Agreement, Consultant shall file with Commission's Risk Manager such certificate(s) and Forms CG 20 10 07 04 and CG 20 37 07 04 or the substantial equivalent showing Commission as an Additional Insured.

11.8 Consultant shall provide proof that policies of insurance required by this Agreement expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

11.9 The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming Commission and its officers, employees, agents and volunteers as Additional Insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to Commission. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

11.10 The insurance provided by Consultant shall be primary to any other coverage available to Commission. Any insurance or self-insurance maintained by Commission and/or its officers, employees, agents or volunteers shall be in excess of Consultant's insurance and shall not contribute with it.

11.11 All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the Commission.

11.12 Any deductibles or self-insured retentions must be declared to and approved by the Commission. At the option of Commission, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to Commission, or Consultant shall procure a bond in the amount of the deductible or self-insured retention to guarantee payment of losses and expenses.

11.13 Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 10 of this Agreement.

11.14 Consultant may be self-insured under the terms of this Agreement only with express written approval from the Commission.

11.14.1. All self-insured retentions (SIR) must be disclosed to the Commission for approval and shall not reduce the limits of liability.

11.14.2. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Insured or the Commission.

11.15 Commission reserves the right to obtain a full certified copy of any Insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of the right to exercise later.

12. MUTUAL COOPERATION

12.1 Commission shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.

12.2 If any claim, action, or proceeding is brought against Commission relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that Commission may require in the defense of that claim, action, or proceeding.

13. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by Commission. Commission shall grant such consent if disclosure is legally required. Upon request, all Commission data shall be returned to Commission upon the termination or expiration of this Agreement**.**

14. RECORDS AND INSPECTIONS

Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Commission under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such documents shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of Commission. Commission shall further have the right to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

In addition, pursuant to Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars, all such documents and this Agreement shall be subject to the examination and audit of the State Auditor, at the request of Commission or as part of any audit of Commission, for a period of three (3) years after final payment under the Agreement.

15. PERMITS AND APPROVALS

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Consultant's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.

16. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, email, or overnight courier service during Consultant's and Commission's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to Commission:	If to Consultant:
Keene Simonds Executive Officer San Diego Local Agency Formation Commission 2550 Fifth Avenue, Suite 725 San Diego, California 92103-6624 Phone: 619-321-3380 Email: Keene.Simonds@sdcounty.ca.gov	Brittany Ruiz Certified Public Accountant Tri-Star Advisors, Inc. 3953 Gaviota Avenue Long Beach, California 90807-3739 Telephone: 714-225-8734 Email: bruiz@tri-staradvisors.com

With courtesy copy to:

Holly O. Whatley
General Counsel
Colantuono, Highsmith & Whatley, PC
790 E. Colorado Blvd, Suite 8500
Pasadena, California 91101
Phone: 213-542-5700
Email: HWhatley@chwlaw.us

17. SURVIVING COVENANTS

The parties agree that the covenants contained in Sections 10, 12, 13, and 14 of this Agreement shall survive the expiration or termination of this Agreement.

18. TERMINATION

18.1 This Agreement will terminate on the Termination Date, unless Commission may terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant may terminate this Agreement for any reason on twenty-one calendar days' written notice to Commission. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All Commission data, documents, objects, materials or other tangible things shall be promptly returned to Commission upon the termination or expiration of this Agreement.

18.2 If Commission terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement as provided in Section 5.2 above and as otherwise provided in this Agreement.

19. CONFLICT OF INTEREST DISCLOSURE

Pursuant to Government Code Section 1097.6, subdivision (c)(1), "[The] [C]onsultant's duties and services under this agreement shall not include preparing or assisting the public entity with any portion of the public entity's preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with the public entity. The public entity entering this agreement shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. [C]onsultant's participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. [C]onsultant shall cooperate with the public entity to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by [Consultant] pursuant to this agreement."

20. CAMPAIGN CONTRIBUTIONS

This Agreement is subject to Government Code section 84308, as amended by Senate Bill 1439 (2022), Senate Bill 1181 (2024), and Senate Bill 1243 (2024). Consultant shall disclose any contribution to an elected or appointed Commission official's campaign or committee in an amount of more than five hundred dollars ($500) made within 12 months preceding the Commencement Date, by Consultant or Consultant's agent, or another party affiliated with Consultant. Consultant shall provide a signed copy of the attached Campaign Contribution Disclosure Form to Commission prior to, or concurrent with, Consultant's execution of this Agreement and no later than the Commencement Date.

21. GENERAL PROVISIONS

21.1 Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without Commission's prior written consent, and any attempt to do so shall be void and of no effect. Commission shall not be obligated or liable under this Agreement to any party other than Consultant.

21.2 In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability, medical condition or any other unlawful basis.

21.3 The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph shall govern construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular and vice versa, in any place or places herein in which the context requires such substitution(s).

21.4 The waiver by Commission or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by Commission or Consultant unless in writing signed by one authorized to bind the party to be charged with the waiver.

21.5 Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in Commission's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

21.6 Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance from the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any or all of such other rights, powers or remedies. If legal action shall be necessary to enforce any term, covenant or condition contained in this Agreement, the party prevailing in such action, whether or not reduced to judgment, shall be entitled to its reasonable court costs, including any accountants' and attorneys' fees expended in the action. The venue for any litigation shall be Los Angeles County, California and Consultant hereby consents to jurisdiction in Los Angeles County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.

21.7 If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to the extent necessary to, cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

21.8 This Agreement shall be governed and construed in accordance with the laws of the State of California.

21.9 All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the provisions of this Agreement and those of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between Commission and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed on behalf of the Commission and Consultant.

21.10 Consultant shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age (40 and above), medical condition (cancer-related), marital status, ancestry, or sexual orientation. Consultant shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age (40 and above), medical condition (cancer-related), marital status, ancestry, or sexual orientation. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; or in terms, conditions or privileges of employment, and selection for training, Consultant agrees to post in conspicuous places, available to employees and applicants for employment, the provisions of this nondiscrimination clause.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement as of the last date indicated below:

"COMMISSION"
San Diego County Local Agency Formation Commission

Authorized Signatories:

By: Keene Simonds
Keene Simonds
Executive Officer

Date: 2-20-26

"CONSULTANT"
Tri-Star Advisors, Inc.

Signature: Brittany Ruiz

Printed: Brittany Ruiz

Title: CEO

Date: 2/19/2026

Attest:

Signature: Erica A. Sellen

Printed: Erica Sellen

Title: Commission Clerk

Date: 2/23/26

Approved as to Form:

433968.1

By :______________________

~~Holly O. Whatley~~ Aleks Giragosian

Title: ~~General Counsel~~ Deputy General Counsel

Date: February 24, 2026

“EXHIBIT A”
SCOPE OF SERVICES

Consultant shall provide professional accounting services to support LAFCO’s 2024/2025 fiscal year audit preparation and ongoing financial operations. Services shall be performed in coordination with LAFCO staff and in a manner consistent with applicable governmental accounting standards.

1. **Part 1: FY2025 AUDIT PREPARATION**

   Consultant shall provide the following services to support LAFCO’s FY2024/2025 financial close and independent audit:

   a. **Accounts Receivable:** Work with LAFCO staff to review all payments received after June 30, 2025 through the present date to identify payments related to services or work completed during FY 2024/25 and adjust the general ledger as needed.

   b. **Accounts Payable:** Work with LAFCO staff to review all payments made after June 30, 2025 through the present date to identify payments related to services provided during FY 2024/25 and adjust the general ledger as needed.

   c. **Interests Receivable:** Work with LAFCO staff to review all interest income paid by the County after June 30, 2025 through the present date to identify amounts earned during FY 2024/25 and adjust the general ledger as needed.

   d. **Capital Assets and Rights-of-Use Assets:** Work with LAFCO staff to review the existing lease obligation for the property located at 2550 Fifth Avenue and attest to the remaining obligations owed as of June 30, 2025, consistent with applicable accounting standards.

   e. **Compensated Absences (New Standard):** Work with LAFCO staff to identify and calculate the value of compensated absences (vacation and sick leave) for employees as of June 30, 2025, consistent with applicable governmental accounting standards.

   f. **Pension and OPEB Liability Updates:** Work with LAFCO staff to identify LAFCO’s proportional share of pension liabilities (SDCERA) and Other Post-Employment Benefits (County) as of June 30, 2025 and prepare supporting schedules for audit purposes.

2. **Part 2: ONGOING SUPPORT**

   Consultant shall provide ongoing accounting support services, including:

   a. **Monthly Account Reconciliation:** Reconcile all accounts payable and accounts receivable on a monthly basis and provide reconciliation summaries to LAFCO staff.

   b. **Financial Reporting Support:** Prepare or assist in the preparation of monthly and quarterly financial summaries for management review.

   c. **Audit Preparation – FY 2025/2026 and Going Forward:** Prepare year-end schedules, supporting documentation, and work papers in advance of LAFCO’s annual independent audit.

   d. **Staff Training and Technical Assistance:** Provide guidance and training to the Commission Clerk on bookkeeping procedures, proper coding, and internal controls based on best practices for public agencies.

“EXHIBIT B”
APPROVED FEE SCHEDULE

The fees allowable under this Agreement shall not exceed $15,000 ($5,000 for audit preparation and $10,000 for ongoing support) for Fiscal Year 2025-2026 and shall not exceed $10,000 for every fiscal year thereafter. Any services to be rendered that will result in an exceedance of these cost limitations must receive prior written approval by the Commission’s Executive Officer or Assistant Executive Officer.

Consultant billing rate is $150 per hour. Consultant’s time will be recorded in 6-minute increments and rounded up.

CONFLICT OF INTEREST CODE EXEMPTION

Paragraph D (Consultants) of Exhibit A (Designated Positions) of Article VII (Conflict of Interest Code) of the San Diego County Local Agency Formation Commission's Rules states:

"D. Consultants

Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The Executive Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code."

The Commission's Executive Officer determines that the Consultant, although a "designated position" for purposes of the Commission's Conflict of Interest Code, performs work, as summarized in the attached Scope of Work (Exhibit A), that is limited in scope and thus is not required to comply with the disclosure requirements described in the Conflict of Interest Code.

By: ______________________________

Keene Simonds
Executive Officer

Date: ____________________________

6a

AGENDA REPORT
Public Hearing | Discussion

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Keene Simonds, Executive Officer
Michaela Peters, Analyst II
Adam Wilson, Consultant

SUBJECT: **Combined Public Hearing |**
Draft Municipal Service Review on Carlsbad-Encinitas Region (Part I): City of Carlsbad and Carlsbad Municipal Water District

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SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will hold a combined public hearing on a draft municipal service review covering two agencies within the Carlsbad subregion: the City of Carlsbad and Carlsbad Municipal Water District (MWD). The study represents Part I of a broader regional municipal service review encompassing the Carlsbad-Encinitas region and is advanced as part of the Commission's adopted workplan.

The hearing combines two procedural items under Commission policy for administrative ease. The City of Carlsbad portion is a continued hearing originally opened on March 2, 2026, and continued at the City's request to allow additional time to review substantive revisions made by LAFCO staff following the 60-day administrative review period. The Carlsbad MWD portion is a new hearing being opened for the first time. Both agencies have completed their respective administrative reviews, and the draft report has been updated accordingly.

The report assesses the availability, need, and adequacy of key public services underlying the subregion's growth and development and contains determinations required by statute to inform future LAFCO decision-making, including required sphere of influence updates and potential boundary changes. This combined public hearing is presented for Commission

discussion and feedback to assess whether the scope and content meet expectations in advance of staff initiating a formal 45-day noticed public review and comment period and proceeding with preparing a final document.

BACKGROUND

Municipal Service Reviews

State law directs San Diego LAFCO to regularly prepare municipal service reviews in conjunction with updating each local agency's sphere of influence. The legislative intent of the municipal service review and its five-year cycle requirement is to proactively inform the Commission regarding the availability and sufficiency of governmental services relative to current and future community needs. Municipal service reviews statutorily inform required sphere of influence updates and may also lead the Commission to take other actions under its authority, such as forming, consolidating, or dissolving one or more special districts. These documents also serve as an opportunity for the Commission to telegraph and encourage community discussion and/or action on future jurisdictional changes.

Adopted Workplan | Municipal Service Review on the Carlsbad-Encinitas Region: Parts I and II

San Diego LAFCO's FY 2025–2026 workplan was adopted at a noticed hearing in May 2025 and outlines 30 specific projects for the fiscal year, set in priority order. One of the Commission's high-priority projects involves preparing a municipal service review for the Carlsbad-Encinitas region. The review is organized in two standalone parts – the first covering the Carlsbad subregion and the second covering the Encinitas subregion – to better isolate the distinct city-special district service relationships within each area. Each part is intended to proceed independently through the Commission's hearing and decision-making processes.

Preparation and 60-Day Administrative Reviews

The draft report before San Diego LAFCO covering the Carlsbad subregion has been prepared by LAFCO staff with targeted assistance from outside consultants. This includes intergovernmental coordination provided by Adam Wilson and technical expertise provided by Tom Kennedy (water and wastewater), Mike Stein (fire protection), and Christine O'Rourke (environmental planning). Initial drafts were provided to the subject agencies beginning in December 2025 as part of the Commission's 60-day administrative review policy. The draft reflects substantive revisions made in response to comments received.

DISCUSSION

This item is for San Diego LAFCO to hold a combined public hearing on the draft municipal service review covering the City of Carlsbad and Carlsbad MWD. The combined format brings together the continued hearing on the City of Carlsbad – originally opened in March and continued at the City's request – with a new hearing on the Carlsbad MWD portion, consistent with the adopted workplan and treatment of both agencies within a single subregional study.

The combined hearing provides an opportunity for the Commission and the public to offer early input on the scope, analysis, and draft determinations, including any additional areas of interest identified by the Commission. Should the Commission conclude additional work is needed, staff will revise the document accordingly and return an updated draft at a future meeting. Should the Commission conclude the document meets expectations with respect to scope and content, staff will proceed with initiating a formal 45-day public review period and return with a final version for formal action as early as the June 2026 meeting.

ANALYSIS

See draft Municipal Service Review on the Carlsbad Subregion (Attachment One).

RECOMMENDATION

It is recommended that San Diego LAFCO hold a combined public hearing on the draft municipal service review covering the City of Carlsbad and Carlsbad MWD and provide direction on the draft's scope and content. Should the Commission conclude the draft meets expectations, staff will initiate a formal 45-day public review and comment period and return with a final version for Commission action as early as June 2026.

ALTERNATIVES FOR ACTION

This item is being presented to San Diego LAFCO for discussion and feedback only.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda as part of a combined public hearing joining two procedural tracks: (a) the continued hearing on the City of Carlsbad, originally opened and continued from the March 2, 2026 regular meeting, and (b) a new hearing on the Carlsbad MWD. The following procedures are recommended in consideration of this item:

1) Disclose any material ex-parte communications.
2) Receive verbal presentation from staff unless waived.
3) Open the hearing – noting the continued status of the City of Carlsbad portion – and invite public testimony.
4) Discuss item and provide feedback as requested.

On behalf of the Executive Officer,

Michaela Peters

Michaela Peters
Local Government Analyst II

Attachment:

1) Draft Municipal Service Review Report on the Carlsbad Subregion

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SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION

MUNICIPAL SERVICE REVIEW
CARLSBAD-ENCINITAS REGION

CARLSBAD SUBREGION, PART I
City of Carlsbad
Carlsbad Municipal Water District

PUBLIC DRAFT
April 2026

PREPARED BY:
Michaela Peters, Analyst II, Project Manager
Consultant Adam Wilson, Government Relations
Consultant Michael Stein, Fire Services
Consultant Tom Kennedy, Utilities
Consultant Christine O'Rourke, Environmental Planning

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ACKNOWLEDGEMENTS

San Diego LAFCO gratefully acknowledges the time and effort of officials and staff with the affected local agencies in the Carlsbad subregion in assisting in the preparation of this document. This includes – but not limited to – the following persons:

City of Carlsbad
Geoff Patnoe, City Manager
Sheila Cobian, Assistant City Manager
Laura Rocha, Deputy City Manager, Administrative Services
Gary Barberio, Deputy City Manager, Community Services
Paz Gomez, Deputy City Manager, Public Works
Kyle Lancaster, Director of Parks and Recreation
Jeff Murphy, Deputy City Manager, Community Services
Mike Strong, Director of Community Development
Suzanne Smithson, Director of Library & Cultural Arts
Mandy Mills, Director of Housing & Homeless Services
Zach Korach, Director of Finance
James Wood, Director of Environmental Sustainability
Michael Calderwood, Fire Chief
Nick Ordille, Assistant Fire Chief

City of Carlsbad/Carlsbad Municipal Water District
_Amanda Flesse, Utilities Director/CMWD General Manager
Dave Padilla, Assistant Utilities Director/CMWD Assistant General Manager
Stephanie Harrison, Utilities Manager
Eric Sanders, Utilities Manager

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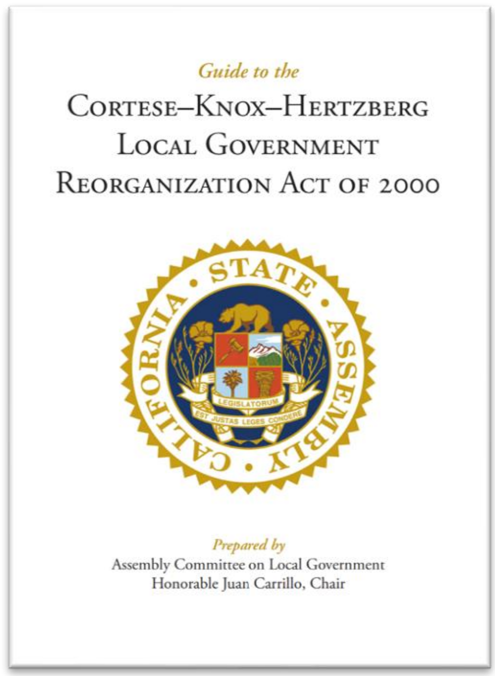
CHAPTER ONE
INTRODUCTION

1.0 LOCAL AGENCY FORMATION COMMISSIONS

1.1 Authority and Objectives

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs exercise regulatory and planning authority delegated by the Legislature to coordinate the establishment, expansion, and reorganization of cities, towns, and special districts – including their municipal service areas. Each LAFCO is comprised of locally elected and appointed officials who apply powers currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") with principal oversight provided by the Assembly Committee on Local Government. Governor Edmund "Pat" Brown Sr. established LAFCOs during his administration (1959-1967) to address the needs of California's rapidly growing and diversifying population. The underlying goal was straightforward: promote governmental efficiency by coordinating how local agencies form and evolve across the state.



LAFCOs' regulatory and planning powers are guided by specific purposes and objectives that collectively define the Legislature's regional growth management priorities, as outlined in Government Code Section 56301. This foundational statute establishes two complementary mandates for LAFCOs.

First, LAFCOs must pursue core policy goals through regulatory and planning powers:

> *"Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions.*

Second, LAFCOs serve an analytical and advisory function:

> *One of the objects of the commission is to make studies and furnish information to contribute to the logical and reasonable development of local agencies and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities."*

LAFCO decisions are legislative in nature and therefore not subject to an outside appeal process – only courts can overturn LAFCO actions. This legislative authority extends to broad conditioning powers: LAFCOs may attach terms and requirements to their regulatory and planning approvals, provided those conditions do not directly impact land use density or intensity, property development, or subdivision requirements.

1.2 Regulatory Responsibilities

LAFCOs' principal regulatory responsibility involves approving or disapproving jurisdictional changes affecting the establishment, expansion, and reorganization of cities, towns, and most special districts in California.[1] Beyond boundary decisions, LAFCOs oversee the approval process when these agencies seek to provide new or extended services beyond their jurisdictional boundaries through contracts or agreements. LAFCOs also regulate special district actions to activate new service functions and service classes or divest existing services.

Overseeing Local Governments' Boundaries + Municipal Service Areas…

LAFCOs have been responsible since 1963 to oversee formation, expansion, reorganization, and dissolution actions involving cities, towns, and most special districts in California with limited exceptions.

LAFCOs generally exercise their regulatory authority in response to applications submitted by affected agencies, landowners, or registered voters. Recent amendments to CKH have expanded this role, authorizing LAFCOs to independently initiate certain jurisdictional changes – including the formation, consolidation, and dissolution of special districts – when consistent with community needs.

[1] CKH defines "special district" to mean any state agency formed under general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts are subject to LAFCO jurisdiction except: school districts, community college districts, assessment districts, improvement districts, community facilities districts, and air pollution control districts.

1.3 Planning Responsibilities

LAFCOs inform their regulatory actions through two central planning responsibilities: sphere of influence determinations and municipal service reviews. Sphere of influence ("sphere") determinations have been a core LAFCO function since 1971, serving as the Legislature's version of urban growth boundaries by delineating the appropriate interface between urban and non-urban uses within each county. Municipal service reviews, by contrast, represent a relatively new planning tool enacted as part of CKH in 2000 to inform – among other objectives – sphere determinations as well as any associated jurisdictional changes involving the subject agencies or affected areas.

Informing + Telegraphing: Boundary and Service Changes…

LAFCOs are tasked with planning the location of future urban uses through two interrelated activities: (a) establish and update spheres of influence as gatekeepers to future jurisdictional changes and (b) prepare municipal service reviews to independently evaluate community needs.

The Legislature has established a structured relationship between these two planning tools and now requires spheres be reviewed and updated by LAFCOs every five years as appropriate and done so only after preparing new municipal service reviews covering the region or affected agencies. This framework, in effect since 2008, helps ensure LAFCOs effectively align governmental services with current and anticipated community needs. The function and role of each planning responsibility is detailed below.

Spheres of Influence

LAFCOs establish, amend, and update spheres for all cities, towns, and most special districts in California to designate territory representing the appropriate and probable future service areas and jurisdictional boundaries of each agency. Importantly, all jurisdictional changes – such as annexations and detachments – must be consistent with the affected agencies' spheres with limited statutory exceptions.[2] Spheres also play an increasingly important role in regional planning, as regional councils of governments consider them when allocating housing need assignments for counties, towns, and cities.

Gatekeeping Urban Growth + Municipal Services…

Spheres serve as the Legislature's version of urban growth boundaries and – among other items – delineate where local agencies may seek future annexations or outside service approvals with LAFCOs.

[2] Exceptions, where jurisdictional boundary changes do not require consistency with the affected agencies' spheres, include annexations of State correctional facilities or annexations to cities involving city-owned lands used for municipal purposes.

All sphere determinations – whether self-initiated as part of the five-year update cycle or in response to individual applicants – require LAFCOs to prepare written statements addressing five specific planning factors listed under Government Code Section 56425. These mandatory factors range from evaluating current and future land uses to assessing the existence of pertinent communities of interest. The written statements are intended to orient LAFCOs toward the core principles underlying the orderly development of local agencies consistent with the needs of affected communities both now and in the future. The five mandated planning factors are summarized below.

1. Present and planned land uses, including agricultural and open space.

2. Present and probable need for public facilities and services in the area.

3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.

4. Existence of any social or economic communities of interest in the area.

5. If the city or special district provides water, wastewater, or fire protection, the need for those services in any disadvantaged unincorporated communities in the sphere.

Municipal Service Reviews

Municipal service reviews serve as a centerpiece to CKH's enactment in 2001 and represent comprehensive studies on the level, range, and performance of governmental services provided within defined geographic areas. LAFCOs generally prepare municipal service reviews to explicitly inform subsequent sphere determinations. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations to obtain and furnish information to contribute to the overall orderly development of local communities.

State-Required Check-Ins…

Municipal service reviews fulfill the Legislature's interests in LAFCOs regularly assessing the adequacy and performance of local governmental services in order to inform potential future actions ranging from sphere determinations to reorganizations.

LAFCOs' municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies. Advisory guidelines on the preparation of municipal service reviews were published by the Governor's Office of Planning and Research (now known as the Governor's Office of Land Use and Climate Innovation) in 2003 and remain the lone statewide document advising LAFCOs in fulfilling this mandate. All municipal service reviews – regardless of their intended purpose – culminate with LAFCOs preparing written statements addressing specific service factors listed under G.C. Section 56430. This includes infrastructure needs or deficiencies, growth and population trends, and financial standing. The mandated service factors are summarized below in short form with additional details footnoted.[3]

1. Growth and population projections for the affected area.

2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.

4. Financial ability of agencies to provide services.

5. Status and opportunities for shared facilities.

6. Accountability for community service needs, including structure and operational efficiencies.

7. Matters relating to effective or efficient service delivery, as required by policy.

[3] Determination No. 2 was added to the municipal service review process by Senate Bill 244 effective January 1, 2012. The definition of "disadvantaged unincorporated community" is defined under G.C. Section 56330.5 to mean inhabited territory that constitutes all or a portion of an area with an annual median household income that is less than 80 percent of the *statewide* annual median household income; the latter amount currently totaling $53,735 (*emphasis*).

1.4 LAFCO Decision-Making

LAFCOs are generally governed by an 11-member appointed board comprising three county supervisors, three city council members, three independent special district members, and two representatives of the general public. Some larger LAFCOs – including San Diego – have additional board seats dedicated to specific cities through special legislation. All members serve four-year terms and are divided between "regular" and "alternate" designations. Appointments are made locally within each membership category. Members are statutorily directed to exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO commissioners are subject to standard disclosure requirements and must file annual statements of economic interests.

Appointments + Duties…

State law prescribes the appointment process for LAFCOs with county, city, and district members all appointed from among their elected ranks. Public members are appointed by the other appointed officials serving on LAFCOs. All members are tasked to independently discharge their responsibilities for the good of the region.

LAFCOs have sole authority in administering their legislative responsibilities and decisions are not subject to an outside appeal process. All LAFCOs are independent of local government with the majority employing their own staff; an increasingly smaller portion of LAFCOs, however, choose to contract with their local county government for staff support services. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the membership. All LAFCOs must also appoint their own legal counsel.

1.5 Prescriptive Funding

CKH requires local agencies to fully fund LAFCOs' annual operating costs through a prescribed funding structure. This funding arrangement stems from early negotiations during LAFCO's creation, ensuring that local officials – rather than the Legislature – retain decision-making authority over commission operations. Counties are generally responsible for one-third of LAFCO's annual operating costs, with the remaining two-thirds divided equally between cities and independent special districts. Allocations to cities and special districts are calculated using a standard formula based on total revenues as reported by the State Controller's Office, unless an alternative method has been approved by a majority of the affected local agencies. Funding proportions may differ when LAFCOs have additional representation through special legislation.

2.0 SAN DIEGO LAFCO

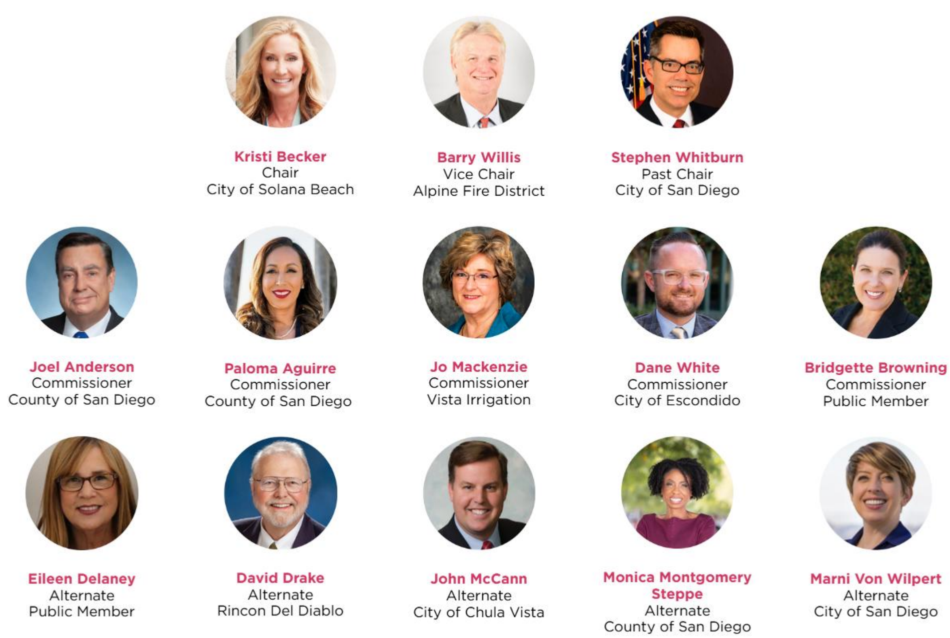
2.1 Adopted Policies and Procedures

San Diego LAFCO's existing policies and procedures were largely established in the 1970s and subsequently updated in the 2000s following CKH's enactment. These policies and procedures collectively guide the Commission in implementing LAFCO law in San Diego County consistent with local regional growth management priorities. The Commission has also established specific policies and procedures for preparing sphere updates and municipal service reviews. This includes Policy L-106, which directs the Executive Officer to regularly prepare municipal service reviews of appropriate scope and detail to inform the Commission's sphere updates at approximate five-year intervals.

2.2 Commission Information

San Diego LAFCO is governed by a 13-member "Commission" comprised of county, city, special district, and public members. The Commission is further distinguished between eight regular or voting members and five alternates. All Commissioners are appointed elected officials, except for the two public members. The Commission holds regular meetings on the first Monday of each month at the County of San Diego Administration Center located at 1600 Pacific Highway in San Diego, California. Meetings start at 8:15 A.M. in Room 302 and live streamed at www.sdlafco.org. Video recordings of past meetings are also online.

The Commission roster as of April 2026.



2.3 Administration Information

San Diego LAFCO's administrative office is located at 2550 Fifth Avenue, Suite 725, in San Diego. While LAFCO is open to the public Monday through Friday during normal business hours, appointments to discuss proposals, studies, or other matters are encouraged to ensure staff availability and can be scheduled ahead by calling 619.321.3380. Communication by e-mail is welcome and should be directed to lafco@sdcounty.ca.gov. Additional information is available online at www.sdlafco.org. LAFCO is also available on most social media platforms.

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CHAPTER TWO
EXECUTIVE SUMMARY

1.0 OVERVIEW

This report represents the first of two parts comprising San Diego LAFCO's scheduled municipal service review covering the Carlsbad-Encinitas region in northwest San Diego County. It is prepared by LAFCO staff, with technical assistance from outside consultants, in accordance with the Commission's adopted workplan and the scope of work approved by the Executive Officer pursuant to delegations established under adopted policy.[4] Consistent with this delegation, the Executive Officer has administratively organized the two parts with separate processing timelines to better focus on the distinct city-district service relationships within each subregion. This first part focuses on the Carlsbad subregion and its two local agencies: the City of Carlsbad and Carlsbad Municipal Water District (CMWD). The second part will be presented separately and will cover the Encinitas subregion and the six local agencies operating within that area.

Regional MSR,
Part I: Carlsbad Subregion…

This report represents the first of two parts of the Commission's scheduled municipal service review covering the Carlsbad-Encinitas region. This report is specific to the Carlsbad subregion and two local agencies under LAFCO's jurisdictional oversight: City of Carlsbad and Carlsbad Municipal Water District.

LAFCO will use this report in several ways. First, it satisfies LAFCO's legislative mandate to independently prepare municipal service reviews on a regular basis to "advantageously inform" the public and local decision-makers through an objective and distinct analytical lens.[5] Second, the report is expected to inform – and potentially telegraph – jurisdictional changes the Commission believes merit consideration over the next five to ten years, providing the subject agencies and stakeholders advance notice of LAFCO's assessment and direction. Third, should circumstances warrant, the Commission may use this report as initiating authority under statute to propose one or more reorganizations affecting the subject agencies and/or their service areas – including forming new special districts, consolidating existing special districts, and/or dissolving and merging special districts into successor agencies.

4 See LAFCO Policy L-106.
5 Reference to Government Code Section 56301.

1.1 Key Premises, Assumptions + Benchmarks

Consistent with Commission direction, the Executive Officer has designed this report to serve as a foundational document that LAFCO will periodically draw on and expand upon in preparing future municipal service reviews covering the Carlsbad-Encinitas region. This foundational orientation reflects a deliberate investment in documenting the subject agencies' historical evolution and assembling an extensive catalog of demographic, service, and financial information. LAFCO expects to revisit the report and its key assumptions and benchmarks approximately every five to ten years. This interval is consistent with the timetable established by the Legislature and reflected in local policy. The periodic review will enable LAFCO to assess the accuracy of earlier projections and adjust its approach accordingly.

Key premises, assumptions, and benchmarks underlying the report follow.

Defining Scope
Subject Agencies Covered

This report evaluates the two local agencies under Commission jurisdiction that provide municipal services in the Carlsbad subregion: the City of Carlsbad and CMWD. Several other local agencies also provide services within the subregion but will be evaluated as part of separate municipal service reviews under the Commission's rolling study schedule. This includes Vallecitos Water District as well as several regional entities: County Service Area No. 135 (regional communications), Tri-City Healthcare District, North County Cemetery District, Resource Conservation District of Greater San Diego County, and North County Transit District. Additionally, some agencies – such as Olivenhain Municipal Water District and Leucadia Wastewater District – serve portions of the Carlsbad subregion but largely operate within the Encinitas subregion, and accordingly will be covered in the second part of the regional municipal service review.

Who's Covered...

While numerous agencies provide services in the Carlsbad subregion, this review focuses exclusively on the two under direct Commission jurisdiction: the City of Carlsbad and Carlsbad Municipal Water District.

Defining Scale
Municipal Services Covered

This report reviews most – but not all – of the municipal service functions provided by the two subject agencies. As authorized under adopted policy, the Executive Officer has focused the review on municipal service functions most relevant to each agency's core purposes and influence on growth and development while also aligning with current and planned LAFCO activities. This targeted approach is most evident in the City of Carlsbad analysis, which focuses on five service functions: wastewater, integrated fire protection (fire, rescue, emergency medical and ambulance transport), parks and recreation, library and cultural arts, and community development. Other essential municipal services provided by Carlsbad – including police protection and solid waste – are briefly addressed with the expectation of expanded analysis in future reports. Similarly, this report focuses on CMWD's potable water service function, with its recycled water function reserved for a future regional water evaluation.

What's Covered…

Not every service gets equal attention. This review targets the municipal functions most relevant to each agency's core purposes and influence on growth and development–a strategic approach that reflects both policy priorities and available + planned resources.

Looking Back
Determining the Report Period + Data Collection Window

The report period for this analysis covers fiscal years 2019 through 2023, with limited exceptions. For example, population and housing demographics extend back to the 2010 census for additional context. This five-year data window – based on the most recently available audited financial statements at the time of commencing the analysis – aligns with the Commission's five-year review cycle and reflects a fundamental methodological premise: recent trends provide the most reliable foundation for near-term projections. Put simply, data from the last five years is most relevant for forecasting for the next five years.

Informing Years…

The analysis primarily draws on a five-year data window from 2019 through 2023, with the latter year selected based on the most recently available audited financial statements at the time of commencement. This five-year window creates a methodological mirror: what happened recently is the best guide to what's likely next.

Looking Forward
Report Timeframe + Coverage of Future Actions

The planning horizon for this report extends five years out to 2031. This creates a projection period anchored in the data collected from 2019 to 2023, consistent with the review cycle contemplated under state law. This timeframe aligns with the prescribed cycle for municipal service reviews and will directly inform all sphere of influence, boundary, and out-of-agency service decisions within the Carlsbad subregion over the next five-year period. Importantly, the Commission will evaluate any sphere, boundary, or out-of-agency proposals during this period against the analysis provided in this report. Proposals deemed inconsistent with these findings will require additional supporting analysis – either through an addendum or a new municipal service review – to merit Commission approval.

2031 Benchmark…

This report sets the standard through 2031. Any sphere, boundary change, or out-of-agency proposals deemed inconsistent with these findings will require additional analysis – either through an addendum or a new municipal service review – to merit Commission approval.

Demographics
Calculating Population, Housing, + More

Population and housing estimates in this report are derived from Esri data, which in turn draws on the American Community Survey (Census), using census tract boundaries aligned with the two agencies under review. This methodology has become standard practice for LAFCO's municipal service reviews, as Esri's mapping tools easily correspond with both city and special district boundaries. Five-year growth projections are based on trends observed since the 2010 Census. LAFCO also utilizes Esri's integration with the American Community Survey to assess broader demographic characteristics.

Data Sources…

This report uses Esri demographic data –which sources its data from the American Community Survey (Census)–rather than individual agency estimates or SANDAG projections for one key reason: Esri's mapping software readily aligns with both city boundaries and special district boundaries and ensures demographic consistency across all jurisdictions under LAFCO review.

Macro-Level
Systemwide Focus

This report focuses on systemwide service outputs when quantifying the availability, demand, and adequacy of municipal functions provided by the two subject agencies. For example, the analysis evaluates annual utility demands across entire service systems rather than breaking down performance by specific service areas or zones. This macro-level approach informs broad determinations about service capacity and trends. Where more granular analysis would be beneficial, the report identifies the need for micro-level evaluation as part of future addenda or municipal service reviews.

30,000 Foot View...

The analysis evaluates performance at the system level – total annual demands and not specific service zones. This bird's-eye approach reveals regional patterns while flagging areas where a deeper, micro-level analysis may be warranted.

Benchmarking Infrastructure Needs and Deficiencies

The report evaluates infrastructure capacity and deficiencies by analyzing average system demands across the five-year report period rather than relying on single-year snapshots. This approach provides a more reliable account of typical service demands and smooths out year-to-year outliers that might skew capacity assessments. Where the analysis prioritizes final year demands over five-year averages, these exceptions are noted accordingly.

Protecting Against Outliers...

Infrastructure assessments rely on five-year average demands, not single-year snapshots. This approach provides a more reliable picture of typical service levels and prevents year-to-year anomalies from distorting capacity evaluations.

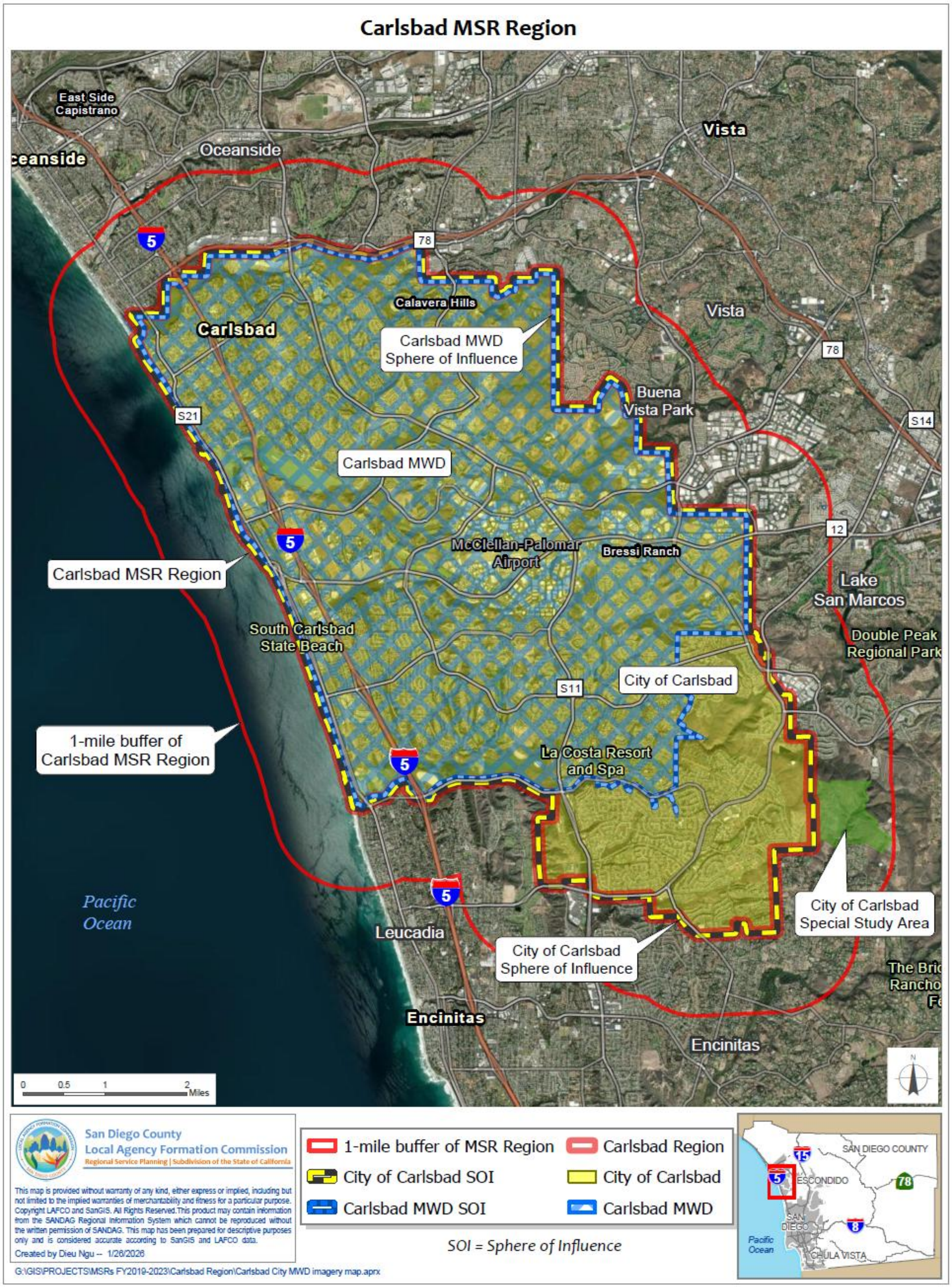
Benchmarking Fiscal Standing

The report employs several diagnostic tools to assess the financial standing of the two subject agencies. The analysis relies primarily on audited financial statements to evaluate liquidity, capital reserves, operating margins, and capital asset management – with particular attention to trends over time rather than single-year results. Financial performance is benchmarked against both industry standards and regional comparisons.

Best Practices...

The report evaluates financial health using audited statements, trend analysis, and comparative benchmarking. Each agency receives ratings – good, average, or other – based on how it performs against both industry standards and regional peers.

Map No. ES-1


Carlsbad MSR Region
East Side Capistrano
Oceanside
Vista
Calavera Hills
Carlsbad
Carlsbad MWD Sphere of Influence
Buena Vista Park
Carlsbad MWD
McClellan-Palomar Airport
Bressi Ranch
Carlsbad MSR Region
Lake San Marcos
Double Peak Regional Park
South Carlsbad State Beach
City of Carlsbad
1-mile buffer of Carlsbad MSR Region
La Costa Resort and Spa
City of Carlsbad Special Study Area
Pacific Ocean
Leucadia
City of Carlsbad Sphere of Influence
Encinitas
0 0.5 1 2 Miles
San Diego County Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California
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Created by Dieu Ngu -- 1/26/2026
G:\GIS\PROJECTS\MSRs FY2019-2023\Carlsbad Region\Carlsbad City MWD imagery map.aprx
1-mile buffer of MSR Region
Carlsbad Region
City of Carlsbad SOI
City of Carlsbad
Carlsbad MWD SOI
Carlsbad MWD
SOI = Sphere of Influence
SAN DIEGO COUNTY
ESCONDIDO
SAN DIEGO
CHULA VISTA
Pacific Ocean

2.0 REPORT ORGANIZATION

The report is organized in three chapters. The preceding chapter – Chapter One – introduces LAFCO's authority, planning responsibilities, and the San Diego Commission. This chapter – Chapter Two – serves as the Executive Summary, outlining key conclusions and recommendations drawn from the report's analysis and specific to both subject agencies in the Carlsbad subregion.[6] The next chapter – Chapter Three – provides individual agency profiles, which combine narrative descriptions of each agency's background and service area development with quantitative analysis of demographic trends, service capacities, and financial standing. Determinations addressing the mandatory service and governance factors required by the Legislature and under local policy are included at the close of each profile.

3.0 GEOGRAPHIC AREA

The geographic area designated for this municipal service review for the Carlsbad subregion is approximately 39 square miles. This area encompasses the City of Carlsbad's jurisdictional boundary and sphere of influence along with a surrounding 1.0-mile buffer zone to capture potential sphere and/or boundary changes over the next five-year period. CMWD's jurisdictional boundary and sphere of influence fall entirely within this footprint at 32 square miles. An illustration of the geographic area is provided on the preceding page.

4.0 CITY OF CARLSBAD SUMMARY

4.1 Central Themes and Conclusions

LAFCO's independent review of the City of Carlsbad shows a full-service municipality well into its transition from expansion mode – organizational development, annexations, and major infrastructure investments – to stewardship and the core task of sustaining and adjusting public services to community needs and available resources. Across the five service functions examined – wastewater, integrated fire protection, parks and recreation, library and cultural arts, and community development – the analysis confirms Carlsbad is a high-functioning agency effectively serving its constituencies. This effectiveness is marked by consistently meeting and/or surpassing performance benchmarks while finishing the five-year reporting period ending in 2023 with strong fiscal reserves and low debt obligations. LAFCO's forward-looking mandate, however, requires attention to both quantitative and qualitative

[6] The Executive Summary purposefully distinguishes between "conclusions," "determinations," and "recommendations." Conclusions refer to general policy takeaways. Recommendations address specific actions that are drawn from the determinations.

consideration of emerging pressures identified around infrastructure reinvestment, pension obligations, and housing affordability. These and other conclusions are detailed as follows.

4.1.1 Organization Mode: Expansion to Stewardship

Carlsbad represents a maturing, financially steady, and operationally disciplined coastal municipality that has purposefully transformed itself over the last several decades and is now more defined by refinement than growth. The jurisdictional boundary has remained largely stable for more than a decade, and other than a sizeable investment in expanding public safety and creating a standalone Housing and Homeless Services department, staffing levels have grown moderately through the five-year reporting period ending in 2023. Carlsbad's boundary is now approaching buildout relative to current zoning standards and largely framed by fixed geographic constraints – the Pacific Ocean to the west and mostly incorporated cities on the other three sides – marking a long-term shift from outward expansion to infill development.

4.1.2 Population Growth in Lower + Deliberate Gear

Carlsbad's population trends similarly underscore a transition from expansion to stewardship. Since 1986, Carlsbad has grown under a voter approved growth management program built around two components: capping residential units and requiring new development to fully fund supporting infrastructure. And while changes in state law have curtailed these types of local control measures – specifically reducing local discretion over housing approvals and softening the connection between new development and infrastructure funding – the effects of Carlsbad's 1986 program appear to have largely played out as intended. Carlsbad's estimated population of 116,428 at the end of the five-year report period in 2023 represents modest average annual growth of slightly less than 1% since the 2010 census — a sharp deceleration from the roughly 6% yearly average sustained between 1970 and 2000. Housing production has similarly shifted to mostly infill and redevelopment of smaller scale projects rather than master-planned subdivisions that characterized earlier growth cycles.

4.1.3 Housing Demand + Affordability Gap

Running alongside Carlsbad's transition to stewardship in step with the community's interests in controlled growth is a persistent imbalance between housing demand and supply. Carlsbad's population-to-housing ratio since the 2010 census quantifies the tightening housing market at 2.9 – unfavorably higher than the City's cumulative historical ratio of 2.4. (A modest improvement to 2.1 during the five-year reporting period between 2019 and 2023 reflects moderating population growth more than accelerating housing construction.) And while Carlsbad's sustained Housing Element work has done its part in creating the zoning environment to increase supply, it has not resolved the challenge developers face in balancing costs and returns – a dynamic that shows itself in average home values reaching $1.45 million at the close of the five-year reporting period in 2023 and a 10-to-1 price to income ratio. This suggests that, at least in theory, those who can afford to buy homes in Carlsbad are increasingly coming from outside the community, putting added pressure on long-term and lower-income residents. Regulatory efforts by Carlsbad to bridge the affordability gap – including an inclusionary housing ordinance (passed in 1993) requiring 15% affordability in new residential production to be based on total units – have been reduced as a result of a recent Attorney General opinion.[7]

4.1.4 Governance Advantage

Carlsbad's governance system appears well-aligned with meeting community needs in an open and balanced manner. All five service functions examined in this municipal service review are guided by contemporary planning documents aligned with the City's General Plan Update (2015) and harmonized through the City Council's five-year strategic plan (2022) – a structured alignment that facilitates reasoned and transparent decision-making. A comprehensive network of boards, commissions, and advisory committees provides an additional layer of public input on policy development and program priorities, contributing to decisions that appear informed and appropriately telegraphed. This optimal alignment similarly appears to extend to management and its organizational capacity – evidenced by its attentiveness to external partnerships, the orderly 2024 transition in the City Manager's Office as a product of earlier succession planning, and the measured restructuring in 2022 that elevated housing and homeless services to a standalone department.

4.1.5 High Performing + Adaptive Services

Across all five service functions examined, Carlsbad has demonstrated consistent evidence of a well-managed full-service municipality through the five-year reporting period ending in 2023 — adequately allocated resources, sufficient operational capacities, and measurable performance. Carlsbad has also shown a consistent ability to adapt and realign resources during the reporting period — expanding integrated fire protection services to meet rising emergency demand, repositioning library facilities to serve evolving community uses, and

[7] Reference to California Attorney General Opinion No. 24-501.

reorganizing administratively to elevate housing as a core municipal priority, and properly so. Existing pressures – such as elevated inflow and infiltration in the wastewater system linked to shared infrastructure with Buena Sanitation District (BSD), a capital replacement fund with a negative balance, and a persistent gap between housing production and income levels – are clearly identified and appropriately addressed by the City.

4.1.6 Service Questions Going Forward

Carlsbad's operational success and demonstrated adaptability through the five-year report period ending in 2023 does not eliminate municipal service challenges – such challenges remain and are reflected in emerging tensions as Carlsbad approaches its planned buildout with a more confined customer base to spread costs. The relevant question is not whether Carlsbad currently delivers high-quality services – the evidence confirms it does – but whether the resources required to maintain this level of service remain adequate going forward. These sustainability questions present differently across each service function, though common patterns emerge.

a) The wastewater function depends on increasingly aging infrastructure showing inflow and infiltration acceleration – especially with respect to shared interceptor with BSD that has proven susceptible during the reporting period to storm events. Compounding this dynamic, Carlsbad's 15-year, $112.0 million sewer replacement capital program is funded entirely through operating surpluses, with the dedicated replacement fund carrying a negative balance at the close of the reporting period – making continued surplus essential to keeping pace with needed improvements.

b) Recent additions to the integrated fire protection function were made to align staffing with documented demand increases and, more importantly, to address a backlog created by years of minimal workforce growth. This expansion represents a time-bound catch-up effort rather than a new ongoing growth rate, though maintaining a similar pace over the long term would warrant attention to overall fiscal capacity.

c) Carlsbad has invested substantially in parks and recreation facilities, but demographic shifts – particularly a modestly aging and active population – may change future program and facility needs. These dynamics remain fluid due to recent changes in state housing laws, which will likely result in additional family-oriented housing in areas previously planned for lower density housing.

d) The **library and cultural arts** function demonstrated responsiveness during the reporting period by expanding digital offerings in line with shifting consumer preferences while continuing to provide physical facilities as community gathering spaces. As community needs and preferences for library and arts services continue to evolve, Carlsbad's approach to delivering these services will merit attention in future reviews, particularly as municipalities seek to maximize the value of General Fund–supported services.

e) The **community development** function effectively processes applications and meets Regional Housing Needs Allocation (RHNA) compliance targets; however, the high cost of housing development and increasing regulatory complexity make the production of affordable housing increasingly difficult. In today's market, developers often pursue projects in jurisdictions where costs, requirements, and timelines allow for more viable returns, highlighting the practical limits of municipal planning authority without additional tools or incentives.

4.1.7 Strong Financial Position

Carlsbad's financial position at the close of the five-year reporting period ending in 2023 is, by most measurable standards, exceptionally strong. Markedly, the City generated operating surpluses in four of the five years, grew its General Fund balance by one-third to an amount equal to eight months of actual expenses, and finished with a debt ratio of 14% – less than a third of standardized solvency caution thresholds. These indicators reflect sustained fiscal acumen that has allowed Carlsbad – unlike other local municipalities – to navigate the pandemic and inflationary pressures present during the reporting period without resorting to budget cuts, layoffs or permanent service reductions.

4.1.8 Financial Questions Going Forward

Carlsbad's exceptional financial position at the close of the five-year reporting period in 2023 does not eliminate emerging fiscal questions meriting attention in future reviews. These questions materialize given the narrowing trend across multiple margin measurements — total operating costs grew five percentage points faster than revenues over the reporting period, and within the General Fund specifically, expenses outpaced revenues by eight percentage points, with rising public safety costs as the key driver. Pension obligations add a further layer of consideration, with Carlsbad's funded ratio approaching the 70% cautionary threshold at the report period close and liabilities growing faster than assets.[8]

4.1.9 Bottom Line

This municipal service review confirms Carlsbad is well-positioned to provide reliable, high-quality services within its jurisdictional boundary through the timeframe of the review.

4.1.10 LAFCO Interests Going Forward

Looking ahead to the upcoming sphere of influence update, boundary refinements along the State Route 78 corridor warrant Commission attention. Service and maintenance responsibilities between Carlsbad and Oceanside have become misaligned with built conditions, suggesting the establishment of one or more study areas as a productive interim step toward resolution. Separately, McClellan-Palomar Airport presents a unique governance question. The facility, owned and operated by the County of San Diego, lies entirely within Carlsbad's jurisdictional limits. The airport's presence shapes resident concerns around traffic, noise, and quality of life while influencing municipal resource deployment – particularly public safety services – without corresponding governance control. LAFCO should consider evaluating service and governance conditions at the airport ahead of the next review cycle, including opportunities to enhance alignment of public safety and utility responsibilities with resources and community needs.

4.2 Recommendations

The following recommendations identify priority actions and policy directions directed to the City of Carlsbad, LAFCO, and/or other affected agencies. Recommendations calling for LAFCO action are dependent on a subsequent directive from the Commission and through the annually adopted work plan.

1. Consistent with its legislative directive to promote orderly development, the Commission should continue to prioritize urban growth within Carlsbad – including development that might otherwise occur in adjacent unincorporated areas – recognizing the City's established and appropriate role as a full-service urban center.

8 The City of Carlsbad established a Section 115 Pension Trust in September 2023 and has since contributed $25 million, earning approximately 16% over a two-year period. These funds are available to the City to reimburse operating budgets during periods of extreme pension rate volatility and to fund potential changes in CalPERS actuarial assumptions in the future.

This growth-direction principle should be paired with deference to the City's General Plan where municipal policies advance regional efficiency and compact urban form.

2. While statute encourages the Commission to evaluate private and mutual water companies as part of its municipal service review program, the Commission should defer this topic to a future, countywide informational report. A dedicated analysis would allow for a comprehensive understanding of private system performance and regulation rather than piecemeal consideration within individual regional reviews.

3. Carlsbad maintains a unique governance relationship and oversight of Carlsbad Municipal Water District (CMWD) – a separate legal entity with its own taxing authority that is responsible for providing potable water and recycled water services to about 82% of Carlsbad. Carlsbad should consider opportunities to further enhance CMWD's separate and important status as the potable and recycled water provider in public-facing materials – including the City's website agendas and budget documents.

4. Given the overlapping service boundaries among Carlsbad, CMWD, Leucadia Wastewater District, Olivenhain Municipal Water District, Vallecitos Water District (outside the scope of this regional review), and Encina Wastewater Authority, the Commission should encourage periodic coordination meetings to advance shared-service objectives. Discussion should include opportunities for operational integration and potential functional or structural consolidation across water, wastewater, and recycled-water services consistent with Commission policy and the long-term interests of ratepayers in reliable, cost-effective service delivery.

5. The McClellan–Palomar Airport, owned and operated by the County of San Diego yet fully surrounded by Carlsbad, generates measurable impacts on local traffic, noise, water utility, and public-safety services without direct City control. LAFCO should evaluate service and governance conditions at the airport in advance of the next review cycle, including consideration of jurisdictional transfer, service agreement, or other mechanisms to better align decision-making authority with impact responsibility.

6. Jurisdictional boundaries along the State Route 78 corridor are misaligned with built roadway conditions and service responsibilities, resulting in fragmented maintenance and emergency-response accountability. Beyond service delivery concerns, this situation also raises basic governance considerations, as certain parcels fall within one jurisdiction despite being functionally accessed or served through another. LAFCO should initiate or facilitate a technical boundary review with Carlsbad and Oceanside to

reconcile illogical and inefficient jurisdictional lines with functional service delivery as appropriate.

7. LAFCO should proceed with a limited sphere of influence update for Carlsbad to reaffirm existing designations and establish one or more special study areas.

    a) One special study area has been identified to date along the State Route 78 corridor. This designation would support Recommendation 4.2.6 by enabling a focused technical review of potential boundary refinements between Carlsbad and Oceanside to better reflect built conditions and service realities.

5.0 CARLSBAD MUNICIPAL WATER DISTRICT SUMMARY

5.1 Central Themes and Conclusions

LAFCO's independent review of CMWD shows a well-managed subsidiary at the end of the five-year reporting period in 2023 delivering reliable potable water service at rates significantly below regional averages – a distinction attributable to its unique structural integration with the City of Carlsbad and its economies of scale. CMWD carries available capacity across its supply, transmission, and storage network, positioning it to readily accommodate current and future growth through the timeframe of this review. CMWD's consolidated oversight of both potable and recycled water functions represents an additional structural advantage uncommon in San Diego County with the ability to avoid service competition and manage revenue adjustments that otherwise challenge other local providers. Financially, CMWD closed the reporting period with largely positive benchmarks — high liquidity, minimal debt, and relatively young infrastructure. Looking ahead, LAFCO's principal interests center on CMWD's competitive rate position through the next review cycle, tracking the trajectory of operating margins, and encouraging efforts to elevate its visibility as a separate legal entity with its own taxing authority and distinct service responsibilities. These and other conclusions are detailed as follows.

5.1.1 Unexpected Journey

The formation of CMWD in 1954 as an independent special district reflected the community's steadfast interest in remaining separate from City control. The decades that followed brought evolving jurisdictional relationships, overlapping service territories, and even litigation between the two agencies. Nearly 75 years later, those challenges have turned into opportunities and CMWD now operates as a seamless component of Carlsbad's municipal structure — its five-member elected board replaced by the City

Council, its staff integrated into the Utilities Division, and its once-contested jurisdictional issues long resolved. The successful 1990 reorganization paved the way where earlier efforts had stalled, ultimately delivering a unified governance framework that CMWD's founders had initially resisted. While certain aspects of the current arrangement might still give those founders pause, the reorganization has largely fulfilled its promise – producing a functional and efficient structure that serves the community well. Most importantly, on the measure that would presumably matter most to those founders, CMWD delivers reliable potable water at rates well below the regional average.

5.1.2 Steady Hand

As a subsidiary district to the City of Carlsbad, CMWD is governed by the City Council with day-to-day operations skillfully managed by dedicated staff within the Public Works' Utilities Division. Like Carlsbad itself, CMWD activities tracked during the five-year reporting period ending in 2023 show financial health and operational discipline – mirroring the City's own profile as a maturing and stable municipality where the focus has shifted from expansion to refinement and strategic planning. This stability is marked by minimal volatility in CMWD's finances, customer counts, and service demands – exemplified by a period-average operating margin of 2.8% while relying on essentially the same infrastructure, staffing and their associated fixed costs even as consumption declined. CMWD's operational stability aligns with underlying demographic conditions: population growth has averaged less than 1% annually during the period with comparable growth projected into the near term.

5.1.3 Headroom Across the System

CMWD's core municipal function – potable water – carries substantial capacity across its network in supply, transmission, and storage, and comfortably exceeds demands throughout the five-year reporting period ending in 2023. This available headroom has already been proven with CMWD accommodating annual demands in the early 2000s of up to 21,200 acre-feet – long before conservation measures and recycled water conversions helped draw consumption down to a reporting period average of 13,500 acre-feet. This headroom advantageously positions CMWD to readily assist the City of Carlsbad as the land use authority in strategically accommodating future growth and development.

5.1.4 Ratepayer Value

CMWD customers enjoy significant savings on their water bills compared to those in other areas of San Diego County. A regional survey taken immediately following the five-year reporting period ending in 2023 shows the average monthly water bill across comparable agencies at $133, while CMWD's typical residential bill stands at $94 – translating to a savings of approximately $40 per month, or nearly $480 annually.[9] Additionally, specific to the reporting period, CMWD has successfully maintained this exceptional value by strategically managing costs, despite rising wholesale supply expenses that saw a double-digit increase. Rather than fully passing these costs on to customers, CMWD implemented a modest rate increase of only 5.1%, which is significantly lower than the regional inflation rate of 25.3% during the same time – demonstrating the ability to provide reliable and affordable water service while effectively navigating financial challenges.

5.1.5 Unified Service Advantage

CMWD's oversight and management of both potable water and recycled water services represents a distinctive structural advantage that is relatively rare across most urban areas in San Diego County, where these functions are typically split among separate agencies. This integrated approach allows CMWD to manage customer conversions from potable to reuse water – offering cost savings of roughly 25% – in a more coordinated and strategic manner. The unified structure also insulates CMWD from the revenue erosion that other potable providers face when customers convert to reuse, effectively leaving behind fixed costs. By keeping revenues from both services in-house, CMWD ensures financial stability and resilience – an advantage poised to grow more valuable over time as state mandates, drought conditions, and rising costs continue to drive demand for reuse.

5.1.6 Good Test Scores with Some Softening

CMWD presents a strong financial position by conventional measures through the close of the five-year reporting period in 2023, supported by high cash levels, low debt, and relatively young infrastructure with ample useful life remaining. The organization's liquidity is exceptional – CMWD maintains a remarkable 13:1 current ratio and holds roughly 34 months of operating expense coverage in liquid reserves. Debt levels are minimal, with long-term obligations constituting just 6.5% of the net position and more than 90% of assets are free of debt financing. Collectively, these indicators highlight a solid financial foundation and reflect an organization that has been well managed. While key financial metrics have narrowed during the reporting period – particularly lowering margins – the organizational strength and fiscal discipline shown over the reporting period suggest the agency is well-positioned to navigate these challenges and maintain financial stability.

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[9] Source: Olivenhain MWD.

5.1.7 Governance + Accountability

CMWD enjoys a strong governance and accountability framework through its fully integrated administration within the City of Carlsbad, with the City Council serving as the District's Board of Directors. This structure promotes policy alignment and operational efficiency, ultimately benefitting ratepayers, as evidenced by relatively low potable water rates and the absence of contested decision-making. While this arrangement functions effectively and generates no apparent public confusion or underlying governance concerns, there remains valuable opportunity to enhance CMWD's visibility as a distinct governmental entity with its own service responsibilities, financial operations, and taxing authority. Improvements to public-facing materials – including the City's website, meeting agendas, and budget documents – could better highlight the District's role as the primary provider of potable and recycled water services while strengthening transparency and reinforcing community awareness of the District's distinct identity and taxing authority.

5.1.8 LAFCO Interests Going Forward

CMWD closed the five-year reporting period ending in 2023 from a position of strength — financially stable, operationally steady, and consistently delivering reliable potable water service at rates significantly below regional averages. CMWD's integrated oversight of both potable and recycled water, combined with substantial unused capacity across major facilities, positions CMWD to effectively meet existing demands while being prepared for any strategic growth into the future and evolving community needs. Within this favorable context, certain themes merit attention and should inform LAFCO's next municipal service review, tentatively planned for the early 2030s. These include assessing CMWD's ability to maintain its competitive rate advantage while keeping pace with necessary capital reinvestment as infrastructure ages; tracking operating margins that have narrowed over the reporting period and signaling the need for ongoing calibration between declining consumption and fixed system costs; and encouraging efforts to elevate public visibility around the District's separate legal identity and taxing authority.

5.2 Recommendations

The following recommendations identify priority actions and policy directions directed to the CMWD, LAFCO, and/or other affected agencies. Recommendations calling for LAFCO action are dependent on a subsequent directive from the Commission and through the annually adopted work plan.

5.2.1 Strengthen District Visibility

Carlsbad MWD should consider additional opportunities to enhance public-facing communications – including website content, meeting agendas, and budget documents – to more clearly distinguish the District's separate legal status, taxing authority, and its role as the primary provider of potable and recycled water serving most of Carlsbad.

5.2.2 Dive into Recycled Water

LAFCO should proceed with its tentative study schedule commitment to prepare a comprehensive countywide municipal service review on recycled water. This review should include, among other features, a detailed examination of current and future demands within CMWD's jurisdictional boundary. It would also be beneficial to assess service boundary rationalization among recycled water providers in the Carlsbad-Encinitas region, including CMWD and Leucadia, to help ensure efficient service delivery and collaboration.

5.2.3 Assess Latent Power Activation

At an appropriate future juncture, LAFCO and Carlsbad MWD should evaluate the potential benefits of utilizing the District's existing latent authority under the Municipal Water District Act to provide wastewater services. This assessment could identify opportunities for governance efficiencies and improved coordination among services that may ultimately benefit Carlsbad ratepayers.

5.2.4 Reaffirm Current Sphere with Qualifier

The analysis covered in this municipal service review supports LAFCO in proceeding with a limited update to the sphere of influence, which would reaffirm Carlsbad MWD's existing designation. However, as a telegraph to potential changes in the future, it is recommended LAFCO create one or more special study areas mirroring designations being concurrently recommended for the City of Carlsbad. This approach includes capturing boundary deviations that have developed between the District and the City of Oceanside concerning their respective potable water and recycled water functions along State Route 78.

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CHAPTER THREE
AGENCY PROFILES

A. CITY OF CARLSBAD

1.0 OVERVIEW

City of Carlsbad
Carlsbad Boulevard and Carlsbad Village Drive (C 2023)

Photo Credit: Adobe Stock

The City of Carlsbad is a charter municipality incorporated in July 1952.[1] Carlsbad's incorporation was the ninth in San Diego County's history with an estimated commencing population of nearly 5,200. Interest in incorporation was first publicly advanced by community leaders in the late 1940s and done so in offering an alternative to annexation overtures from City of Oceanside and its interest in expanding south. Notable benchmarks shaping Carlsbad's early post-incorporation development include construction of the Encina Power Plant in 1954, the extension of Interstate 5 through Carlsbad beginning in the mid-1950s, and the openings of Palomar Airport in 1959, and Plaza Camino Real (now the Shoppes at Carlsbad) in 1969.

Substantial growth beginning in the 1970s signaled Carlsbad's transition into an expansive suburban community, prompting voters in 1986 to approve a City Council–sponsored growth management program. The program reflected public interest to regulate the pace and scale of housing development through, among other components, a cap on the total number of residential units and an established buildout population of 135,000. However, the housing development cap has since been preempted by changes in state law.

Sprint to a Managed Jog…

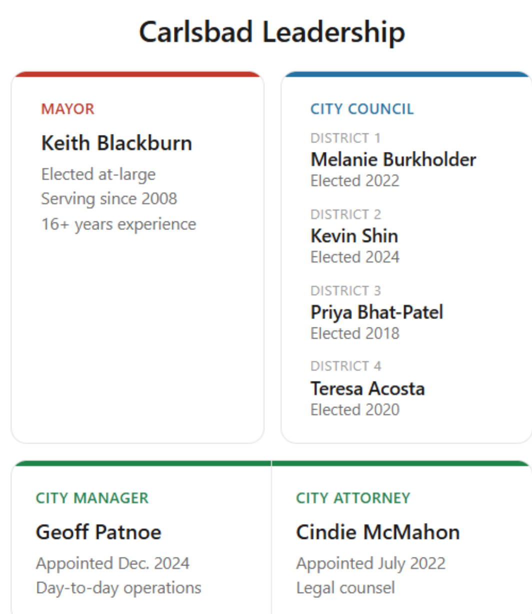
The City of Carlsbad has expanded nearly six-fold to 39 square miles since incorporation in 1952. Most of this expansion occurred over a 30-year period between 1970 and 2000, accompanied by a corresponding population surge from 15,000 to 78,000. Growth has since stabilized, consistent with the City implementing a 1986 growth management plan.

[1] Carlsbad was originally incorporated as a general law municipality. Carlsbad transitioned to a charter municipality with more home-rule powers after voters approved Proposition D in June 2008. Additional details are provided in Appendix A.

Carlsbad's jurisdictional boundary has expanded nearly six-fold since its incorporation in 1952 and now encompasses 39 square miles, ranking it as the fifth-largest municipality in San Diego County. Most of this expansion – which also eliminated several unincorporated "islands" left at the time of incorporation to accommodate preexisting agricultural uses – occurred over 30 years between 1970 and 2000, when the City's population grew by more than five times from roughly 15,000 to 78,000 residents, or nearly six new residents per day over three decades. More recently, the jurisdictional boundary has remained largely stable as Carlsbad, consistent with the voter-approved 1986 growth management plan, shifted its emphasis to infill development. The last annexation to Carlsbad was approved by LAFCO in 2014.

The Commission's most recent sphere of influence update for Carlsbad was completed in 2016 as part of a limited review of all North County cities (Carlsbad, Oceanside, Encinitas, Solana Beach, and Del Mar). The 2016 update affirmed a coterminous sphere designation matching Carlsbad's jurisdictional boundary while also establishing a special study area encompassing an approximate 374-acre unincorporated area to the southeast that lies in Encinitas' sphere. This special study area designation was created by the Commission to encourage joint planning between the two municipalities for the area's future development.

Carlsbad operates under the council-manager form of government with policy direction provided by a five-member City Council. The mayor is elected at-large while four council members represent districts of roughly 20,000 registered voters each based on 2020 census redistricting. Mayor Keith Blackburn anchors the current Council, having served continuously since 2008 though the date of this report – a 16-year tenure that spans two housing cycles and nearly complete turnover of his colleagues. The other four – Melanie Burkholder, Kevin Shin, Priya Bhat-Patel, and Teresa Acosta – all joined between 2018 and 2024. Day-to-day administration is led by City Manager Geoff Patnoe who was appointed in December 2024, after serving five years as Assistant City Manager.



Carlsbad's budgeted workforce totals 807 full-time equivalent positions at the end of the five-year report period in 2023, reflecting a 16% increase over the preceding 60 months. Public safety accounts for the largest share of Carlsbad's budgeted staffing with 310 total positions divided between police (187 positions) and fire (123 positions), collectively representing nearly 40% of the total workforce. There are 81,134 registered voters within the jurisdictional boundary.

Carlsbad operates as a comprehensive full-service municipality that directly delivers most public services within its jurisdcitonal boundary. Core service functions examined in this profile are wastewater, fire protection and emergency medical, parks and recreation, and community development functions. Additionally, Carlsbad provides water services through a subsidiary special district – Carlsbad Municipal Water District (CMWD) – which is covered separately in a stand-alone profile within this report.[2] A limited number of independent special districts also serve areas within Carlsbad and deliver targeted municipal services. Local providers include Olivenhain Municipal Water District, Vallecitos Water District, and Leucadia Wastewater District, each of which receive dedicated coverage in this report. Regional providers with jurisdiction over Carlsbad include the San Diego County Water Authority, North County Transit District, and Tri-City Healthcare District.

Direct Full Service: Everything But the Water…

Carlsbad directly provides the following services detailed in this profile: wastewater; integrated fire protection; parks + recreation; and community development. (Water is provided indirectly through Carlsbad Municipal Water District to approximately 82% of the City jurisdiction with the remainder covered by Olivenhain Municipal Water District and Vallecitos Water District.)

Carlsbad's General Fund finances most day-to-day municipal activities that are not otherwise funded through user charges. During the report period, average annual actual revenues totaled $192.457 million, reaching $225.860 million in 2023 – representing an overall period increase of 26%.[3] Property taxes constitute the single largest revenue source and account for two-fifths of all General Fund revenues during the period, while sales and hotel (transient occupancy) taxes jointly contribute another two-fifths.[4] General Fund expenditures have averaged $188.453 million with an ending amount of $205.160 million. This latter amount represents an overall period increase of 34% and translates to an average daily General Fund expense of $0.516 million. The largest single expenditure involves police services and has consumed one-fourth of all General Fund expenses during the report

Carlsbad General Fund
FIVE-YEAR SNAPSHOT • FY19 TO FY23

$192.5M
Avg Annual Revenue
+26% period growth

$188.5M
Avg Annual Expenses
+34% period growth

$138.1M
Spendable Balance at End of FY23
+40% period growth

8 Months
Equivalent of General Fund Reserves Coverage

[2] CMWD was established in 1990 as a subsidiary district of Carlsbad and provides services to 82% of the City's jurisdiction.
[3] The referenced General Fund actual revenues and expenditures draw from a review of Carlsbad's annual budget documents.
[4] The total assessed value within Carlsbad has increased over the five-year report period by 22.3% from $31.8 to $38.9 billion.

period. The overall period net margin averaged (0.1%) due to a shortfall in 2021 attributed to a one-time transfer out of the General Fund to the City's golf course ($47 million) to pay off outstanding debt for construction; all other years finished with positive margins. The total spendable balance at the end of the report period totals $138.1 million – representing an overall increase of 40% – and equivalent to covering eight months of recent actual expenses.[5]

The Commission independently estimates Carlsbad's full-time residents at 116,428 at the close of the report period, making it the fifth-largest municipality in San Diego County by population. This figure represents an overall increase of 11,568 residents since the 2010 census — an average annual gain of 890, or slightly less than 1%. The estimated population is supported by 48,434 housing units within the jurisdictional boundary. Since the 2010 census, Carlsbad has added 3,943 housing units, or the annual average of 303 annually. When compared to population growth, this translates into one new housing unit for every 2.9 new residents. This extended measurement is less favorable than Carlsbad's longer-term historical ratio of one new unit for every 2.4 residents and helps in underscoring a tightening housing supply.

Tightening Housing Supply…

The City of Carlsbad's overall population-to-housing ratio stands at 2.4 residents per unit based on LAFCO estimating 116,428 residents and 48,434 housing units at the end of the five-year report period in 2023. However, narrowing to just changes since the 2010 census, the ratio climbs to 2.9 - with 11,568 new residents competing for 3,943 new units – signaling a tightening housing market with population outpacing new supply.

Other notable housing dynamics follow.

- Carlsbad's median household income is $129,269 based on the current five-year period average, substantially exceeding the countywide average of $88,240 by nearly 50%.

- Carlsbad residents currently spend an average of 24% of their household income on rent or mortgage payments. The Commission estimates that when utilities are included, the adjusted average housing cost burden increases to 32%.[6]

- Average home values within Carlsbad increased 62% during the report period, rising from $832,749 in June 2019 to $1.45 million in June 2023.[7] This separately generates a home price-to-income ratio of 10-to-1, and above the statewide ratio of 8-to-1.

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5 The referenced spendable General Fund balance draws from the City of Carlsbad's Adopted Budget, FY26.
6 Utility costs are calculated by LAFCO based on multiplying the median monthly household income by 7.5%.
7 Average home values in Carlsbad during the five-year report period are based on Zillow analytics & City of Carlsbad (City of Carlsbad - Economic Scan FY23-24.

2.0 BOUNDARIES + RELATED CONSIDERATIONS

2.1 Jurisdictional Boundary

The City of Carlsbad's existing boundary totals 39.1 square miles spanning 25,028 acres. This equals slightly less than 1% of all of San Diego County. Approximately nine-tenths of Carlsbad's perimeter is considered fixed given it is either adjacent to the Pacific Ocean (west) or other cities: Oceanside to the north, Vista to the northeast, San Marcos to the east, and Encinitas to the south. The remaining 10% of Carlsbad's perimeter is dedicated open space primarily near the San Dieguito community. Carlsbad's topography varies considerably with elevations ranging from 10 feet above sea level near the coast to 700 feet at its highest point along Sitio Oceano in the La Costa Meadows neighborhood.

5th Largest Incorporated Community…

The City of Carlsbad's jurisdictional boundary now totals 39 square miles and makes it the fifth largest-sized municipality in San Diego County. The jurisdictional boundary is completely whole and does not include any unincorporated "islands."

Carlsbad has experienced significant territorial growth since its incorporation in 1952 with its jurisdictional boundary expanding nearly six-fold from its original footprint. Since its own establishment by Legislature in 1963, the Commission has approved approximately 100 annexations to Carlsbad. Most of these boundary expansions occurred between 1965 and 1985 as Carlsbad proceeded to absorb several unincorporated "islands" while expanding eastward and southward into adjacent areas. Annexation activity has slowed dramatically since 2000, reflecting the maturation of Carlsbad's boundary based on local conditions. The most recent annexation occurred in 2014 involving 0.8 acres as part of the "Carlsbad-San Marcos Reorganization" – a boundary adjustment involving a land swap between the two cities and concurrent sphere of influence amendments.

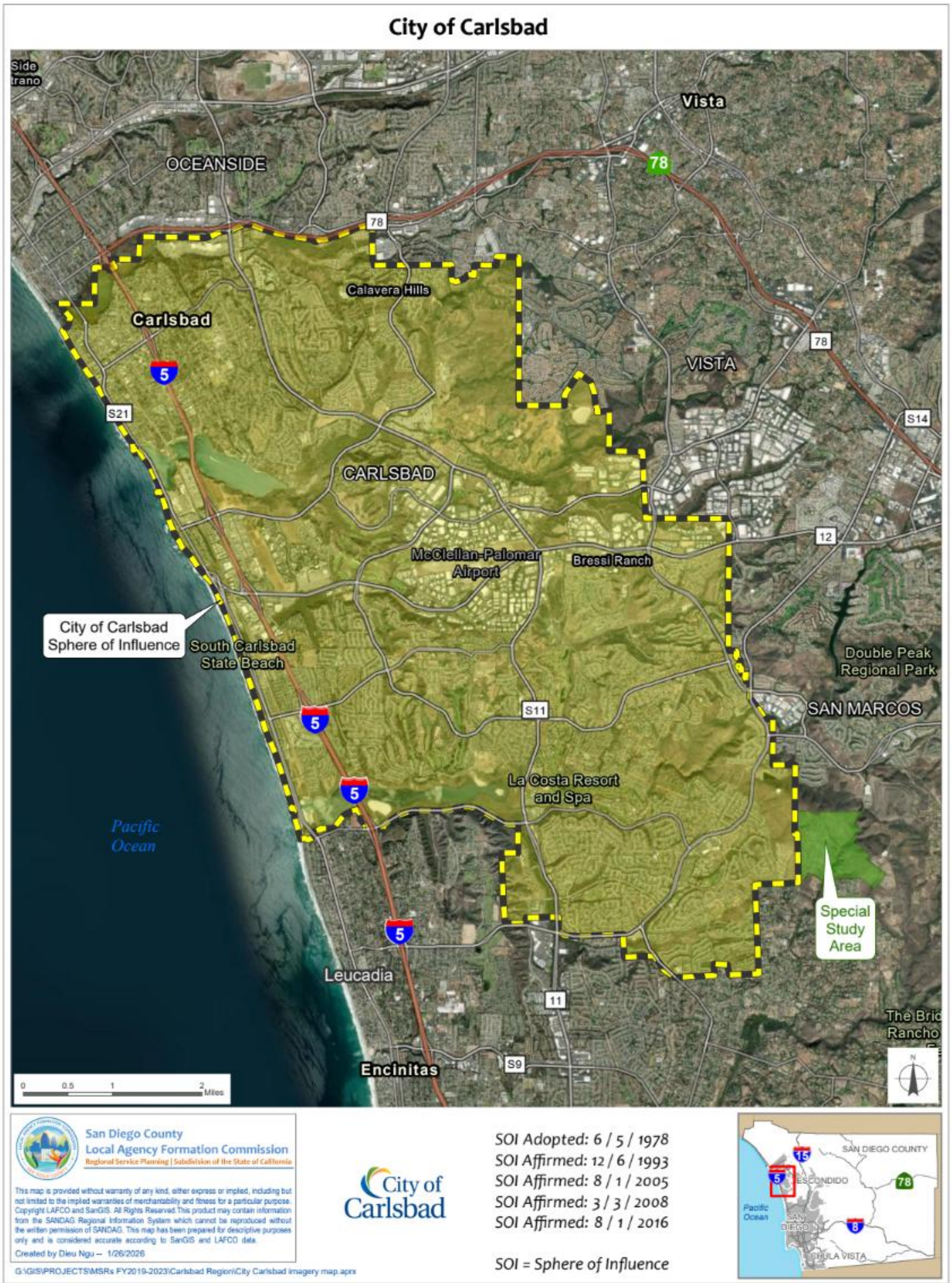
The total assessed value (land and structure) within Carlsbad has increased during the five-year report period by 23% from $32.2 billion in 2019 to $39.6 billion in 2023. The period-ending amount translates to a per-acre value ratio of $1.6 million as well as a per capita value of $0.340 million based on an estimated full-time population of 116,428. Carlsbad's overall share of the 1% property tax is

Assessed Values Rising…

Assessed property values (land and structure) in the City of Carlsbad have increased by 23% during the five-year report period ending in 2023. Carlsbad's share of the 1% property tax (AB8) is 16% and generated $64 million at the end of the period.

approximately 16% – or 0.16 cents for every $1.00 – and generated $63.9 million in the final year of the report period.[8]

Map No. A - 2.1



8 Property tax data sourced from the County of San Diego Auditor Controller's annual report on allocations and covers secured property taxes on real estate and state-assessed utilities. Additional revenue streams to Carlsbad include unsecured property taxes on personal assets and state in-lieu payments, but these are not reflected in the reported figures.

With respect to additional characteristics, Carlsbad's jurisdictional boundary is currently divided into 90,980 assessor parcels for tax purposes spanning 21,663 acres.[9] Nearly 80% of the parcel acreage is under private ownership with two-thirds of this portion already developed or improved, albeit not necessarily at the highest density allowed under zoning. The remaining private acreage in Carlsbad is undeveloped and substantively unimproved and divided into 34,616 parcels that collectively total 6,136 acres.

Built But Not Finished…

Nearly two-thirds – 64% – of all privately owned acreage in the City of Carlsbad has been developed to date, though not necessarily at the highest density. The remaining 36% of the private acreage in Carlsbad remains undeveloped and totals 6,136 acres.

Carlsbad's jurisdictional boundary is shown on the preceding page. A summary of key boundary characteristics underlying the jurisdictional boundary also follows.

City of Carlsbad:
Jurisdictional Boundary Characteristics
Table A – 2.1 | Source: San Diego LAFCO

Total Jurisdictional Size	25,028 acres
Total Jurisdictional Parcels and Acreage	90,980 parcels totaling 21,663 acres
… Publicly Owned Parcels and Acreage	709 parcels totaling 7,832 acres
… Privately Owned Parcels and Acreage	90,271 parcels totaling 17,197 acres
… Undeveloped Privately-Owned Parcels and Acreage	34,616 parcels totaling 6,136 acres
Total Number of Registered Voters	81,134
Total Assessed Value (Land and Structures)	$39.594 billion

2.2 Sphere of Influence

The Commission established the City of Carlsbad's sphere of influence in June 1978 with a larger-than-agency designation encompassing approximately 26,800 acres. This initial planning maker included all of the existing incorporated land plus an additional 8,300 unincorporated acres. This latter category largely consisted of two unincorporated areas: one located north of Palomar Airport Road adjacent to the City of Vista and the other west of Rancho Santa Fe Road adjacent to the City of San Marcos.

June 1978 Expectations…

LAFCO established the City of Carlsbad's sphere of influence in June 1978 at the same time as establishing designations for Oceanside and Vista. The initial sphere was set to explicitly facilitate future expansion with a larger-than-agency designation equal to 145% of the then City limits.

9 The remaining 3,365 jurisdictional acres within Carlsbad consists of public rights-of-way and waterways.

The Commission subsequently reviewed and updated Carlsbad's sphere of influence as part of scheduled studies in 1993, 2005, 2008, and 2016 without any changes. Additionally, by the time of the 2008 review and update, all the original unincorporated territory placed in Carlsbad's initial sphere had been annexed or rerouted to the City of Encinitas as part of its incorporation in 1986. One special study area spanning 374 acres in the Rancho Santa Fe area was added to the sphere in 2016 with additional details footnoted.[10] The substantive result of the preceding actions is the sphere being 100% coterminous with Carlsbad's limits except for the Rancho Santa Fe special study area.

August 2016 Expectations…

By the early 2000s, all excess lands included in the initial sphere designation had been incorporated – including approximately 1,000 acres rerouted to the City of Encinitas as part of its incorporation in 1986. The current sphere, last updated in August 2016, is entirely coterminous with Carlsbad's incorporated limits with the qualifier of an approximate 374-acre special study area in Rancho Santa Fe.

2.3 Relationship to General Plan: Land Use + Housing Elements

The City of Carlsbad's General Plan was last comprehensively updated in 2015 and statutorily serves as the City's core policy document in guiding land use planning and related municipal implementation. The General Plan Update spanned an approximate five-year process with a self-designated planning horizon to 2035. Nine elements – some individually having been amended by the City Council in more recent years – make up the General Plan Update and purposefully anchor to nine core community value statements marked by "small town feel, beach community character, and connectedness."

2015 Gameplan: The Carlsbad Code…

Carlsbad's General Plan was comprehensively updated in 2015 and anchors to nine core community values as abbreviated by LAFCO:

1. Small town feel + beach community
2. Recreation + active lifestyles
3. Public transportation + connectivity
4. Cultural resources
5. Neighborhood revitalization
6. Natural environment
7. Local economy + tourism
8. Sustainability
9. High quality education + services

Of particular interest to the Commission, the Land Use and Community Design Element was last amended in January 2024 and serves to direct the location, form, and character of growth and development within Carlsbad as set by the City Council. It is also paired with

[10] The municipal service review and associated sphere of influence update adopted by LAFCO in 2016 established a 374-acre special study area. The special study area currently lies adjacent to the City of Carlsbad's sphere of influence and within the sphere of influence for City of Encinitas and done so to facilitate joint planning between the two municipalities. The area appears to be in permanent open space.

implementing strategies – including cross-coordination with the Housing Element and its eight-year reset process under State law. Key policy components of the two Elements follow.

No Outward Expansion | No lands outside Carlsbad are contemplated for annexations.

Actual Densities Largely Cap at 23 Units/Acre; High of 40 Units/Acre | The density range is 1.0 to 40.0 units per acre. The predominate high density caps at 23 units per acre. The highest density range applied is R-40 and involves properties along Palomar Airport Road and in the vicinity of the Shoppes mall along State Highway 78. The Village and Barrio Master Plan allows densities up to 30 units per acre in some areas.

1.5% Annual Growth Rate Assumed | Assumes a historical annual population growth rate of 1.5% will continue, resulting in Carlsbad's resident total reaching 141,219 by 2035.

Housing Strategy | The Housing Element was updated by the City Council in April 2021 and subsequently certified by the State's Housing and Community Department in July 2021.[11] It serves as Carlsbad's official housing strategy through 2029 and premised on accommodating approximately 3,900 new housing units over the eight-year period. Slightly more than half of these units are intended via the assignment of higher densities to meet lower household income categories.[12]

2.4 Relationship to College + School District Boundaries

The City of Carlsbad's jurisdictional boundary and sphere of influence overlaps within six college and school districts: MiraCosta College; Palomar College; Carlsbad Unified; Encinitas Union; San Dieguito Union High; and San Marcos Unified. A listing summary of growth-related characteristics for each follows and – among other features – shows all six districts experiencing declines in student enrollment over the report period.

Six Districts + One Clear Trend...

All six education agencies overlapping the City of Carlsbad experienced student enrollment declines during the five-year report period ending in 2023 with no less than a (3.9%) drop.

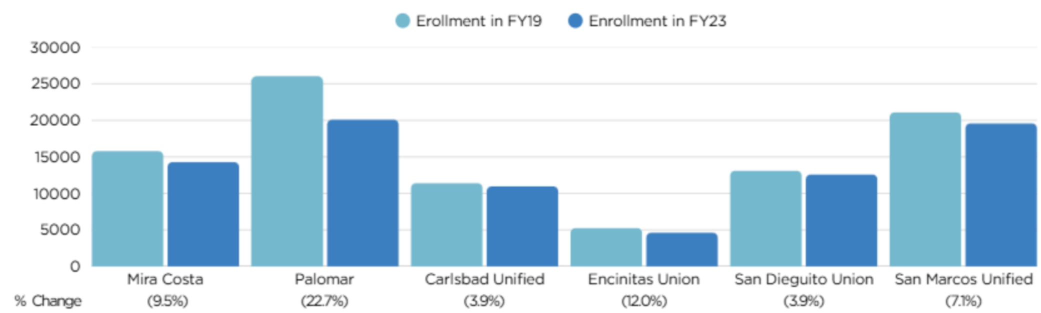
[11] The California Department of Housing and Community Development (HCD) is the State agency responsible for overseeing housing policy, administering housing programs, and ensuring local governments comply with State housing laws. Key duties include setting regional housing production goals, reviewing and certifying local housing elements, and providing funding and technical assistance to support affordable housing development. HCD must approve local housing elements to ensure they meet prescribed requirements set by the Legislature; if a housing element is not approved, the local jurisdiction loses access to certain State funding and may face increased oversight and intervention in local housing decisions.

[12] Additional details are provided in Section 5.5 (Community Development).

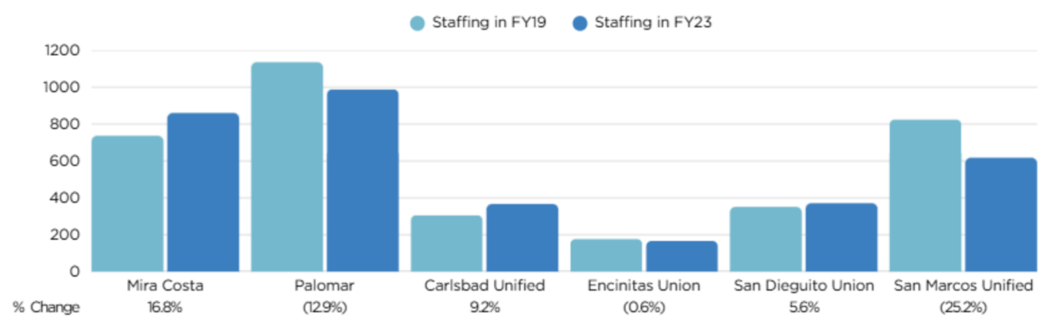
City of Carlsbad:
Overlapping College + School District Information
Table A-2.4 | Source: San Diego County Board of Education + San Diego LAFCO

	MiraCosta College	Palomar College	Carlsbad Unified School District	Encinitas Union School District	San Dieguito Union High School District	San Marcos Unified School District
Type	College	College	School	School	School	School
% within Carlsbad	91.3%	8.7%	73.5%	16.3%	16.3%	10.2%
Grades	13th - 14th	13th - 14th	K - 12th	K - 6th	7th - 12th	K - 12th
Campuses	4	3	14	10	11	19

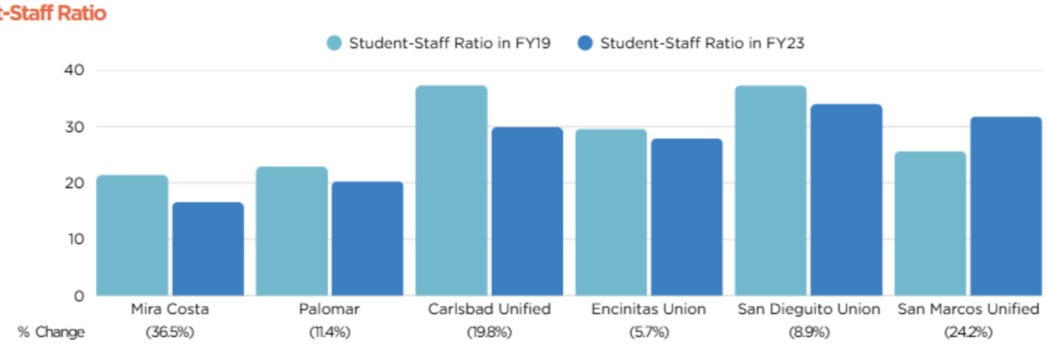
Enrollment



Staffing



Student-Staff Ratio



DEMOGRAPHICS

3.1 Population and Housing

The City of Carlsbad's total full-time resident population within its jurisdictional boundary is independently estimated by the Commission at 116,428 at the end of the five-year report period in 2023. This amount represents 3.5% of the countywide population total, separately estimated at 3,325,714. The full-time population in Carlsbad has risen overall by approximately 11.0% from 104,860 in 2010 and the prior census reset – a net increase of 11,568. This extended measurement translates to an annual average increase of 0.9% or 890 persons – the equivalent of adding an average of 17 new residents weekly. Notably, this extended measurement absorbs a sizable deceleration during the report period (2019-2023), with the average annual growth rate falling to 0.5% - the equivalent of adding 582 persons yearly, or 11 weekly.

Still Adding:
Population in Lower Gear…

LAFCO estimates the City of Carlsbad's population at 116,428 residents at the end of the report period in 2023. Since the 2010 census, the City has added 11,568 residents – an average of 890 annually, or just under 1% per year. Growth has slowed more recently with the average annual rate falling to 0.5% over five-year report period.

- The population estimate for Carlsbad at the end of the report period produces a density ratio of 4.7 residents for every jurisdictional acre, well below the ratios in neighboring municipalities with Vista, Oceanside, and Encinitas at 7.7, 6.1, and 4.9, respectively.

- The Commission projects the growth rate will revert to be consistent with the extended trend with the population expected to reach 121,453 by 2028 and 123,523 by 2030.

City of Carlsbad:
Resident Population Estimates
Table A-3.1a | Source: Esri, American Community Survey, and San Diego LAFCO

	Calendar Year	City of Carlsbad	San Diego County
	2010	104,860	3,095,305
Report Period	2019	114,100	3,258,522
Report Period	2020	114,746	3,298,625
Report Period	2021	115,307	3,307,655
Report Period	2022	115,870	3,316,709
Report Period	2023	116,428	3,325,714
	2028	121,453	3,421,087
	2030	123,523	3,460,701
		City of Carlsbad	San Diego County

Population Change, 2010-2023		
… net change	11,568 or 11.0%	230,490 or 7.4%
… annual average change	890 or 0.9%	17,724 or 0.6%
Population Change, 2019-2023 (period)		
… net change	2,328 or 2.0%	67,192 or 0.5%
… annual average change	582 or 0.5%	16,192 or 0.1%

The Commission estimates 48,434 residential housing units within Carlsbad at the end of the five-year report period in 2023 – representing an overall net increase of 3,943 units since the 2010 census, or an average annual net addition of 303 units. Relative to population growth, the additional housing during the extended measurement period translates to a ratio of adding one new unit for every 2.9 new residents – unfavorably compared to the historical ratio within Carlsbad of adding one new unit for every 2.4 new residents. The ratio improves to one new unit for every 2.1 new residents during the five-year report period (2019-2023), notable as a consequence of decelerating population growth rather than accelerating housing production. This data collectively signals the relative housing supply within Carlsbad continues to tighten as evident over the extended measurement dating back to 2010, but with relative improvements over the report period.

When Less Means More: Recent Improvement in Housing Ratios Comes with Qualifier…

LAFCO estimates City of Carlsbad's jurisdictional boundary has added 3,943 new housing units since the 2010 census, producing a ratio of one new unit for every 2.9 residents. Narrowing to just the five-year report period ending in 2023, the ratio improves to one new unit for every 2.1 new residents. This recent improvement, however, is largely a symptom of decelerating population growth rather than accelerating housing production.

Other material housing characteristics follow.

Household Types | Nearly two-thirds – or 62.2% – of housing units in Carlsbad are owner-occupied near the end of the report period. The remainder of the housing units in Carlsbad are divided between renter-occupied and vacant at 31.3% and 6.5%, respectively.

Housing Costs | The five-year average monthly median housing cost (mortgage or rent) in Carlsbad is $2,624. This monthly amount has increased by $376 – or 16.7% – compared to the prior five-year average sum of $2,248. [13]

[13] Five-year averages are specific to American Community Survey data collected for (a) 2012 to 2016 and (b) 2017 and 2021.

Housing Costs to Wallet | The five-year average monthly median housing cost (mortgage or rent) in Carlsbad equals 24.4% of median household incomes.[14] Adjusting for baseline ancillary expenses – e.g., utilities and insurance – it is projected households' real housing costs equal 29.4% of their monthly income.

Housing Costs to Salary | The average home value in Carlsbad has increased by 61.9% over the report period from $832,749 in 2019 to $1,348,491 in 2023.[15] This latter amount paired with median housing incomes generates a home price-to-income ratio of 10.4. This pattern suggests that many transactions may rely on higher-income buyers, outside arrivals, or significant cash contributions.

* Carlsbad notes the U.S. Department of Housing and Urban Development (HUD) separately shows over 6,000 low-income renters pay more than 30% of their income for rent and almost 4,000 of this grouping pay more than 50%.

3.2 Age Distribution

The median age of residents in the City of Carlsbad is 42.9 based on a recent five-year average. This figure reflects a modest increase of 3.1% from 41.6 over the preceding five-year period. The current median age also remains substantively higher than the countywide average of 36.3 – a difference of nearly one-fifth or 18%. Residents in the prime working age group, defined as ages 25 to 64 and the prime tax-generating income group, make up one-half of the total Carlsbad population at 52.8%.

Carlsbad's Seven Year Gap…

Residents in the City of Carlsbad tend to be nearly one-fourth older with a median age of 43 (Generation X) compared to the countywide median at 36 (Millennials).

City of Carlsbad:
Age Distribution
Table A-3.2a | Source: Esri, American Community Survey, and San Diego LAFCO

Factor	City of Carlsbad	San Diego County
Median Age (5-year average 2012-2016)	41.6	35.3
Median Age (5-year average 2017-2021)	42.9	36.3
… % Change	3.1%	2.8%
Prime Working Age, 25-64 (5-year average 2012-2016)	54.4%	53.7%
Prime Working Age, 25-64 (5-year average 2017-2021)	52.8%	54.1%
… % Change	(2.9%)	0.7%

14 See the preceding footnote for citation. Median household incomes have averaged $129,269 during the five-year period.
15 The average home values in Carlsbad during the five-year report period is based on Zillow analytics (www.zillow.com).

3.3 Income Characteristics

The median household income in Carlsbad is $129,269 based on a recent five-year average. This figure shows Carlsbad households are earning significantly more with the median income experiencing an overall increase of approximately 31.5% from the preceding period average of $98,315 – a growth rate that is one-third above the corresponding change in inflation measured for the San Diego-Carlsbad region over the same period.[16]

One-Third + One-Half: Incomes Continue to Separate…

City of Carlsbad residents' average median household income increased by almost one-third based on recent five-year averages, finishing at $129,269. This latter amount separately is nearly one-half higher than the countywide average.

Drawing from the same five-year averages, Carlsbad's median household income remained nearly one-half higher than the countywide median of $88,240, despite increasing at a slower pace than the county overall. Other material measurements show the average poverty rate – which for a household of four means an income below $30,000 – fell 2.2% points to 8.3%.

City of Carlsbad:
Income Characteristics
Table A-3.3a | Source: Esri, American Community Survey, and San Diego LAFCO

Factor	City of Carlsbad	San Diego County
Median Household Income (5-year average 2012-2016)	$98,315	$66,529
Median Household Income (5-year average 2017-2021)	$129,269	$88,240
… % Change	31.5%	32.6%
Poverty Rate (5-year average 2012-2016)	8.5%	14.0%
Poverty Rate (5-year average 2017-2021)	8.3%	10.7%
… % Change	(2.2%)	(23.6%)

3.4 Others: Unemployment and More

The unemployment rate – the percentage of the workforce (excluding students) jobless – within the City of Carlsbad remains comparatively low at 5.8% based on a recent five-year period average. Although the rate jumped by nearly two-thirds over the prior five-year period, it continues to fall below both the countywide rate of 6.6% and the statewide rate of 6.2%. This suggests a relatively strong local labor market, which concurrently provides the municipal benefit of

Low Unemployment…

Recent five-year averages show the unemployment rate in the City of Carlsbad has remained comparatively low at 5.8% *despite* a two-thirds increase over the prior period (emphasis).

[16] The inflation rate for the San Diego-Carlsbad region via the consumer price index is 21.1% between July 2019 and June 2023.

presumably reduced demand for safety net services such as housing assistance and healthcare programs. Additional socioeconomic indicators follow.

Less Commuting…
1/4th of Labor Force Works from Home…

The recent five-year average rate of the labor force residing in Carlsbad that work from home is nearly one-fourth at 23.6%. This amount has doubled over the prior five-year period and is double the current overall rate of 12.5% in San Diego County.[17]

Work-from-Home Hub…

Recent five-year averages show residents in the City of Carlsbad are now working from home at nearly double the countywide rate (24 to 13%).

Geared to Higher Education:
3/5ths of Adults Have Bachelor's Degrees…

The recent five-year average rate of adults in Carlsbad with bachelor's degrees is 59.3%. This figure has remained relatively stable over the prior five-year period and is nearly 20 percentage points above the overall countywide attainment level of 40.3%.

Direct Communication:
19/20ths Households Self-Identify as English Speakers…

The recent five-year average rate of households in Carlsbad self-identifying as English speaking is 94.7%, a rate that has remained relatively stable and is well above the countywide average. The corresponding non-English speaking rate of 5.3% is less than half the overall rate in San Diego County at 13.1%.

Silver Movement:
1/5th of Residents are Now Collecting Retirement…

The recent five-year average rate of adults in Carlsbad collecting retirement income – whether through an employer pension program or Social Security – is 21.4%. This figure has also increased by nearly one-fourth over the prior five-year period and now closely matches the overall rate in San Diego County, which is 21.2% - suggesting homeowners are retiring but staying put given housing market dynamics.

[17] The observed spike in the share of the labor force working from home is likely attributable to the COVID-19 pandemic, which prompted widespread public health restrictions, workplace closures, and a rapid shift to remote work arrangements.

City of Carlsbad:
Other Socioeconomic Indicators
Table A-3.4a | Source: Esri, American Community Survey, and San Diego LAFCO

Factor	City of Carlsbad	San Diego County
Unemployment Rate (5-year average 2012-2016)	3.6%	7.8%
Unemployment Rate (5-year average 2017-2021)	5.8%	6.6%
… % Change	62.0%	(15.4%)
Labor Force Working From Home (5-year average 2012-2016)	11.7%	7.0%
Labor Force Working From Home (5-year average 2017-2021)	23.6%	12.5%
… % Change	100.9%	78.9%
Non-English First Language (5-year average 2012-2016)	5.6%	15.0%
Non-English First Language (5-year average 2017-2021)	5.3%	13.1%
… % Change	(5.9%)	(12.6%)
Adults with Four-Year Degrees (5-year average 2012-2016)	56.2%	36.5%
Adults with Four-Year Degrees (5-year average 2017-2021)	59.3%	40.3%
… % Change	5.6%	10.4%
Collecting Retirement (5-year average 2012-2016)	18.4%	17.7%
Collecting Retirement (5-year average 2017-2021)	21.4%	21.2%
… % Change	16.3%	19.8%

3.5 Unhoused Demographics

The City of Carlsbad participates in annual point-in-time counts for the unhoused population administered by the region's Continuum of Care (CoC) provider – the San Diego Regional Task Force on Homelessness.[18] The count is conducted largely by volunteers and typically during the last week of January concurrently across all 18 cities as well as several unincorporated communities in San Diego County. The point-in-time count complies with federal regulations and provides data on the scope and scale of homelessness on a given day. It also categorizes the unhoused population as unsheltered (vehicles, parks, streets, etc.) or sheltered (safe havens, emergency shelters – including hotel and motel vouchers).

Counts performed during the five-year review period with adjustments to exclude 2021 given the pandemic shows the average number of homeless in Carlsbad on any given day is 133. The total number of homeless at the end of the report period in 2023 tallies 103 and concurrently represents the lowest amount tracked over each of the five years. The most recent count shows 58.3% – or 60 – of the total as unsheltered and

When 1,130 Beats 709: Lowering Homeless Intensity…

At the end of the report period in 2023, there was once counted homeless person in the City of Carlsbad for every 1,130 housed residents – a nearly two-thirds improvement from one per every 709 at the start of the period.

[18] The CoC (San Diego Regional Task Force on Homelessness) is the coordinating body that oversees homelessness services and funding throughout San Diego County. All cities in San Diego County work with CoC to access federal funding, coordinate services, and ensure their local homeless programs align with regional efforts.

residing in cars, public places, or the street. The remaining 43 counted homeless are sourced to an emergency shelter.

City of Carlsbad:
Point in Time Homeless Counts
Table A – 3.5a | Source: Regional Taskforce on Homeless in San Diego County + SD LAFCO

Sheltered Population		
January 2019		59
January 2020	-8.5%	54
January 2021	n/a	No Data
January 2022	-20.4%	43
January 2023	0.0%	43
Average	-27.1%	49.8

Unsheltered Population		
January 2019		102
January 2020	-7.8%	94
January 2021	n/a	No Data
January 2022	-20.2%	75
January 2023	-20.0%	60
Average	-41.2%	82.8

Total Homeless Count		
January 2019		161
January 2020	-8.1%	148
January 2021	n/a	No Data
January 2022	-20.3%	118
January 2023	-12.7%	103
Average	-36.0%	132.5

Homeless-to-Housed Population Ratios

2019	2020	2021	2022	2023
1:709	1:775	No Data	1:982	1:1,130

Period Summary

AVG SHELTERED	AVG UNSHELTERED	AVG TOTAL
49.8 ↓ 27.1%	82.8 ↓ 41.2%	132.5 ↓ 36.0%

Illustration Created with Anthropic

3.6 Environmental Justice

State law directs the Commission to address environmental justice whenever it considers jurisdictional changes – a factor added to statute in 2008 and defined as "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." The Commission adopted a local policy in 2022 to formally guide its consideration of environmental justice, including proactively incorporating pollution burdens and their economic impacts into the municipal service review program.

Measuring EJ:
State's Two-Factor Test…

LAFCO's consideration of environmental justice draws on the California EPA and includes statewide percentile rankings for the City of Carlsbad across two core dimensions: (a) pollution burdens and (b) at-risk population characteristics.

Drawing on this framework, the Commission's consideration of environmental justice within the City of Carlsbad uses data from the California Environmental Protection Agency through its online assessment tool (CalEnviroScreen 4.0). Two percentile rankings are generated based on a weighted calculation involving multiple census tracts covering Carlsbad as well as overlapping adjacent areas – including inhabited portions within the Oceanside and Vista municipalities. These rankings focus on two core dimensions: pollution burdens – including exposures and environmental effects – and at-risk population characteristics, which account for sensitive groups and socioeconomic factors.

The resulting scores are summarized below to provide a broader understanding of environmental conditions and equity considerations in Carlsbad.

- Carlsbad's composite pollution burden ranks in the 30th percentile relative to the state and is considered comparatively good. It also falls below the 38th percentile for San Diego County. Composite ranking aside, three individual pollution indicators exceed the 50th percentile and reflect relatively higher environmental concerns: exposure to traffic impacts, effects from hazardous waste, and effects from impaired water bodies. None, however, exceed the 66th percentile, which represents a benchmark for significance. Additional comparative distinctions follow.

  - Carlsbad enjoys relatively superior air quality as measured by ozone (smog) with its statewide percentile ranking being more than one-fifth lower (better) than all of San Diego County. The main sources of ozone are trucks, cars, planes, factories, and construction activities. Ozone exposure is known to irritate the lungs, cause inflammation, and worsen chronic illnesses.

  - Traffic impacts and their exposures in Carlsbad are relatively high with its statewide percentile ranking being almost one-fourth higher than all of San Diego County. Traffic impacts are directly tied to the number of vehicles on the roads and are a main source of air pollution via particulate matter as well as noise. It is reasonable to assume the higher ranking in Carlsbad ties directly to I-5 corridor.

  - Pesticide uses and their exposures in Carlsbad are significantly higher with its percentile ranking nearly four times greater than all of San Diego County. It is reasonable to assume the higher ranking in Carlsbad ties to its agricultural legacy.

- Carlsbad's composite **at-risk population** ranking falls in the 9th percentile relative to the rest of California and is considered comparatively excellent. It also falls well below the 37th percentile ranking for all of San Diego County. None of the at-risk measurements exceed the 50th percentile, which is a benchmark for relatively higher environmental concerns. Additional comparative distinctions follow.

  - Carlsbad residents have significantly lower levels of asthma, low birth weights, and cardiovascular disease and marked by the asthma rate percentile ranking being six-fold lower than all of San Diego County.

  - Carlsbad households are measurably more connected through a common language as evidenced by a linguistic isolation percentile ranking that is nearly three-fold lower than all of San Diego County.

A complete detailing of all population burdens and at-risk population rankings follows.

City of Carlsbad:
Environmental Justice Criteria
Table A – 3.6a | Source: California EPA + SD LAFCO

30.1	8.6	17
Pollution Burden Percentile	Sensitive Population Percentile	Census Tracts

Pollution Burdens

FACTOR	CARLSBAD	SD COUNTY	DIFFERENCE
Air Quality – Ozone	32.7	42.2	9.5% Better
Air Quality – Fine Particulate	36.3	43.1	6.8% Better
Air Quality – Diesel Particulate	48.4	49.5	1.1% Better
Pesticide Uses	46.5	11.8	34.7% Worse
Toxic Releases	18.9	32.1	13.2% Better
Traffic Impacts	58.7	48.4	10.3% Worse
Drinking Water Contaminants	20.4	33.2	12.8% Better
Lead Risk in Housing	10.9	38.7	27.8% Better
Cleanup Sites	14.3	24.2	9.9% Better
Groundwater Threats	35.2	36.8	1.6% Better
Hazardous Waste	55.0	44.9	10.1% Worse
Impaired Water Bodies	52.6	55.5	2.9% Better
Solid Waste Sites and Facilities	19.5	27.4	7.9% Better

Sensitive Population

FACTOR	CARLSBAD	SD COUNTY	DIFFERENCE
Asthma	5.7	34.6	28.9% Better
Low Birth Weight	20.1	44.5	24.4% Better
Cardiovascular Disease	19.9	28.8	8.9% Better
Education	18.6	41.3	22.7% Better
Linguistic Isolation	13.4	37.8	24.4% Better
Poverty	20.7	45.5	24.8% Better
Unemployment	38.8	50.0	11.2% Better
Housing Burden	30.1	49.0	18.9% Better

Illustration Created with Anthropic

Additional considerations of environmental justice factors can be found by analyzing elements from the Carlsbad's Climate Action Plan (CAP). First adopted in September 2015, this document serves as Carlsbad's roadmap for reducing greenhouse gas (GHG) emissions as required under the California Environmental Quality Act (CEQA). The plan is premised on State statute recognizing climate change impacts have historically and disproportionately harmed socially and economically disadvantaged communities. The CAP was updated in November 2024 and now includes more than 20 emission reduction strategies designed to streamline environmental reviews for growth and development projects. These strategies specifically focus on reducing GHG emissions through 2045 – as mandated by the State – with emphasis on limiting carbon dioxide (CO_2) output.[19] [20] These reduction strategies are grouped into six focus categories: energy, water, waste diversion, transportation, off-road equipment, and carbon sequestration

When Optional Becomes Essential…

The City of Carlsbad's Climate Action Plan (CAP) serves as the City's roadmap for reducing greenhouse gas emissions. While CAPs are voluntary planning documents, they are increasingly essential given separate State requirements for counties and cities to systematically address greenhouse gas emissions when evaluating development projects under CEQA.

Carlsbad’s CAP uses 2016 as its baseline inventory year with a communitywide source contribution estimate of 981,000 metric tons of carbon dioxide equivalent (MT CO_2e, or “metric tons”). This amount is equivalent to the electricity use of 204,436 households for one year.[21] It similarly translates to an annual generation of 8.4 metric tons per person based on an estimated population in Carlsbad of 110,933 in 2016.[22] Carlsbad’s estimated per person carbon footprint – notably and with material qualifications given use of different baseline years – is the highest among the five “North County” cities in San Diego as detailed in the accompanying footnote.[23] Carlsbad’s CAP separately estimates the baseline amount would increase on its own to 1,024,000 metric tons by 2045 absent any changes.

High Footprint + High Ambitions…

Carlsbad’s per capita carbon footprint of 8.4 metric tons exceeds all North County cities – a figure influenced by the inclusion of McClellan-Palomar Airport and a comparatively large business park presence. Carlsbad’s plan to cut community wide emissions by 85% by 2045 is also the most ambitious of the North County cities.

[19] State sets the following GHG emission reduction standards for California: a) reduce to 40 percent below 1990 levels by 2030 and b) reduce to 80 percent below 1990 levels by 2050. The State translates these reduction goals by requiring local jurisdictions to meet per capita GHG emissions of no more than 6 metric tons by 2030 and 2 metric tons by 2050.

[20] CEQA Section 15183.5 (1) requires municipalities to create comprehensive, evidence-based GHG reduction plans that quantify emissions, set defensible targets, specify implementation measures, include monitoring systems, and undergo public adoption processes.

[21] Energy emissions for households calculated via EPA online tool: www.epa.gov/energy/greenhouse-gas-equivalencies-calculator.

[22] Formula: 981,000 (metric tons) / 110,933 (population) equals 8.4.

[23] Carlsbad's carbon footprint of 8.4 metric tons per capita exceeds that of neighboring cities - Oceanside at 5.8, Vista at 6.1, Escondido at 6.2, and San Marcos at 6.3. Data reflects different baseline years (2012-2016) which may affect comparability.

Carlsbad's strategy to meet its target to reduce its baseline carbon emissions by 85% to 147,000 metric tons by 2045 largely ties to anticipated reductions from federal and state actions with the balance – 135,000 metric tons – dependent on CAP actions; an amount equivalent to avoiding 343.8 million miles driven by typical gas-powered passenger vehicles.[24]

Future reports could revisit and expand on Carlsbad's efforts to reduce GHG emissions and related efforts to address and promote environmental justice.

4.0 ORGANIZATION

4.1 Governance

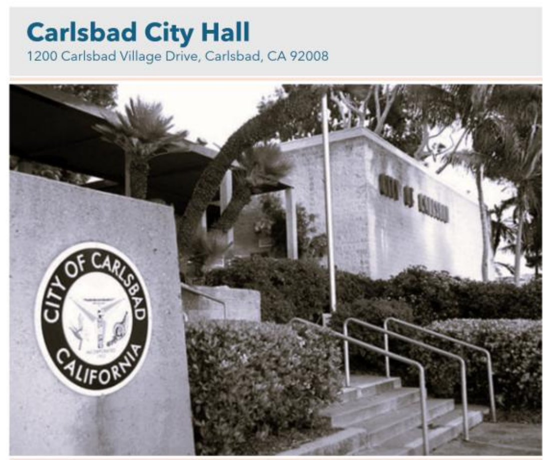


Photo Credit: City of Carlsbad

The City of Carlsbad operates as a charter-law municipality under its own locally adopted charter, also known as "home rule." Carlsbad established its charter status through Proposition D in June 2008 with 82.4% of registered voters supporting the City Council-sponsored transition. Proponents cited the benefits of retaining growth management powers and reducing costs associated with prevailing wage requirements that apply to general-law municipalities. Carlsbad's Charter largely affirms general law powers and duties while maintaining a council-manager governance format in which the Council sets policy and the City Manager implements it. Nonetheless, the Charter includes several distinct local authorizations, highlighted by the following provisions:

- Affirms the principles and intentions of Proposition E (1986) establishing a local growth management plan.
- Authorizes the expenditure of general fund monies to promote and support economic and community development.
- Allows local standards and rules to fund public improvements and services as well as setting standards for awarding related contracts.

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[24] Source: EPA greenhouse gas equivalencies calculator tool: www.epa.gov/energy/greenhouse-gas-equivalencies-calculator.

Carlsbad's five-member City Council is divided between an at-large Mayor and four Councilmembers with the latter group divided as of July 2017 into four "districts." Each district includes about 20,000 registered voters as of the 2020 census. All members receive a salary and benefits; they may also participate in the City's pension program with CalPERS.[25]

City of Carlsbad:
Council Members as of December 2025
Table A-4.1a | Source: City of Carlsbad

Member	Position	Years on Council	Background
Melanie Burkholder	District 1	2	Mental Health
Kevin Shin	District 2	<1	Public Safety/Entrepreneur/Veteran
Priya Bhat-Patel	District 3	6	Public Health
Teresa Acosta	District 4	4	Public Relations
Keith Blackburn	Mayor	16	Public Safety

* Other elected Carlsbad officials are the City Clerk and City Treasurer.

The City Council holds regular meetings generally two to three Tuesdays each month unless otherwise notified. Meetings are broadcast live on the local public access channel (Channel 24), with video recordings archived on the City website.

Carlsbad maintains more than one dozen standing boards and commissions to help inform City Council decision-making on topics of elevated policy priority. During the report period, the Planning Commission, Traffic Safety and Mobility Commission, Library Board of Trustees, and Arts Commission have been the most active, with annual average meeting totals of 16, 12, 11, and 9 meetings respectively. Summaries follow.

Governance Help…

The City of Carlsbad maintains 14 standing boards and commissions spanning topics from land use to public safety to arts and culture. During the five-year report period ending in 2023, these bodies held an average of 80 public meetings each year, led by the Planning Commission at nearly 16 per year.

- The Agricultural Conservation Mitigation Fee Citizens Advisory Committee consists of seven public members to provide advisory recommendations to the City Council on proposed expenditures from the Agricultural Conversion Mitigation Fee Fund. Established in 2005 when Carlsbad began collecting a per-acre fee from developers for converting agricultural land to urban uses, the Committee is staffed by the Housing and Homeless Services Department and has held three meetings during the period.

[25] The annual salary paid to the Mayor and Councilmembers at the end of the report period is $29,457 and $28,257, respectively. Auto allowances are also provided at $5,400 for the Mayor and $4,200 to Councilmembers.

- The Arts Commission consists of seven appointed public members to provide advisory recommendations to the City Council on implementing the Arts Element of the Carlsbad General Plan as well as the Arts & Culture Master Plan (adopted in 2018). The Commission was established in 1985 with staffing by the Library & Cultural Arts Department. This Commission has held 44 meetings during the report period.

- The Beach Preservation Commission (now the Environmental Sustainability Commission) was established in 1986 and consists of seven appointed public members to provide advisory recommendations to the City Council on shoreline protection and enhancement and related topics. Originally staffed by the Parks and Recreation Department, this Commission has held 16 meetings during the report period. The Council transitioned this body to the Environmental Sustainability Commission in July 2025, with staffing now provided by the Environmental Sustainability Department.

- The Community-Police Engagement Commission consists of five appointed public members to provide advisory recommendations to the Police Department on policies, procedures, and training. The Commission was established in 2022 and staffed by the City Clerk's Office. There were two meetings in 2023.

- The Golf Lodging Business Improvement District consists of five appointed members representing lodging and golf businesses collectively tasked with making advisory recommendations to the City Council on proposed expenditures involving collected assessments. It was established in 2012 in step with Carlsbad forming the Golf Lodging Business Improvement District and the levying of $2 per room each night to promote golf-related overnight stays in the City. Staffing is provided by the Economic Development Department. This Board has held 26 meetings during the report period. *This Board has since been disestablished with service provided by Visit Carlsbad*.

- The Historic Preservation Commission consists of five public appointed members - tasked with making advisory recommendations to City Council and Planning Commission on historic preservation initiatives and minimizing impacts to historic resources. It was established in 1997 with staffing provided by Community Development. This Commission has held 26 meetings over the report period.

- The Housing Commission consists of five appointed public members – two Housing Agency clients and three with related expertise – who provide advisory recommendations to the Community Development Commission and City Council on housing topics, including affordability objectives. The Housing Commission was established in 1999 and staffed by the Housing and Homeless Services Department. This Commission has held 35 meetings during the report period.

- The Library Board of Trustees consists of five appointed public members who provide advisory recommendations to the City Council on ongoing library operations and serve as a community forum on related topics. The Board was established in 1961 and staffed by the Library & Cultural Arts Department. This Board has held 54 meetings during the report period.

- The Parks and Recreation Commission consists of seven appointed public members who provide advisory recommendations to City Council on parks and recreation topics, including recreational programs and plantings on all public properties; it also hears appeals on planting decisions involving street trees. The Commission was established in 1953 and staffed by the Parks & Recreation Department. This Commission has held 35 meetings during the report period.

- The Planning Commission consists of seven appointed public members who provide advisory recommendations to the City Council on implementing and updating the General Plan, development projects, and related programs and plans. The Commission was established in 1952 and staffed by the Community Development Department. This Commission has held 132 meetings during the report period.

- The Senior Commission consists of five appointed public members who provide advisory recommendations to the City Council on developing and operating programs to meet the needs of elder residents. The Commission was established in 1985 and staffed by the Parks and Recreation Department. This Commission held 26 meetings during the report period.

- The Tourism Business Improvement District Board consists of seven appointed members – all from the lodging industry – who provide advisory recommendations to the City Council on proposed expenditures using collected assessments. The Board was established in 2023 when Carlsbad formed the Tourism Business Improvement District and levied a 2% assessment on gross lodging revenue to promote overnight tourism. Staffing is provided by the Economic Development Department. This Board held 30 meetings during the report period.

* *The Board has since been disestablished and reformed under another enabling statues with services provided by Visit Carlsbad.*

- The Traffic Safety and Mobility Commission consists of seven appointed public members who provide advisory recommendations to the City Council on vehicle and pedestrian circulation and safety. The Commission was originally established in 1968 with five members and later expanded to seven members and renamed the Traffic Safety Commission. The Commission is staffed by the Transportation Department and held 60 meetings during the report period.

Additional information is footnoted.[26]

4.2 Administration

The City of Carlsbad operates under a council-manager form of government with a full-time City Manager responsible for overseeing and coordinating all municipal operations in alignment with City Council-adopted policies and direction. Scott Chadwick served as Carlsbad's City Manager throughout the five-year report period ending in 2023 before voluntarily departing and being replaced by Geoff Patnoe in December 2024.[27] Under Carlsbad's Municipal Code, the City Manager is authorized to appoint, discipline, remove, promote, or demote all city officers and employees with the exception of the City Clerk, City Treasurer, City Attorney, and employees in the City Attorney's Office.[28]

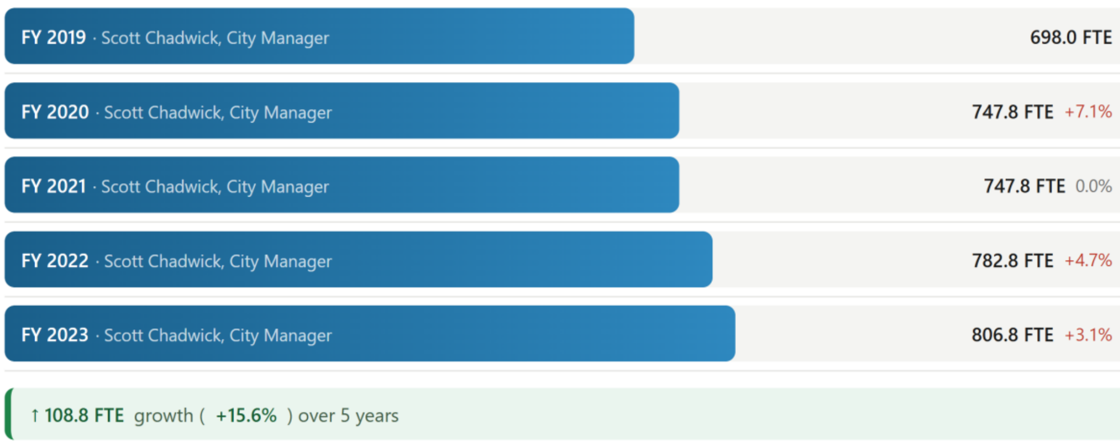
As of the end of the report period, Carlsbad budgeted a total of 806.8 full-time equivalent (FTE) positions. This total is allocated between the following five City branches with several having multiple departments or divisions: Administrative Services, Community Services, Fire, Police, and Public Works. The largest share of budgeted positions throughout the five-year report period has been allocated by the City Council to public safety functions, specifically fire and police services. Combined, these two Departments have consistently accounted for nearly two-fifths of all budgeted City positions during the report period.

[26] Subsequent to the end of the report period, the Investment Review Board was established in 2025 to regularly review Carlsbad's investment portfolio. The Board consists of the elected City Treasurer as well as four public members - all nominated by the City Treasurer and approved by the City Council. The Board works with the City Treasurer, Deputy City Treasurer, and investment staff and meets on a quarterly basis. As of the publishing of this report, the Board has met two times.

[27] City Manager Patnoe's employment agreement provides a base salary of $293,135 with 12-month severance absent cause.

[28] *Reference: Carlsbad Municipal Code Section 2.12.035.*

Budgeted Staffing



5.0 MUNICIPAL SERVICE FUNCTIONS

The City of Carlsbad provides an extended range of municipal services within its jurisdictional boundaries with limited reliance on outside special districts. This report has been scaled by the Executive Officer to focus on five specific service functions that underpin Carlsbad's growth and development as well as community needs. These are also functions that – with one notable exception relating to land use decisions – are commonly provided by special districts throughout California. These targeted functions involve (a) wastewater, (b) integrated fire protection, emergency medical, and ambulance services, (c) parks and recreation, (d) library and cultural arts, and (e) community development. Other pertinent municipal services provided by Carlsbad – including police protection and solid waste collection – are expected to be separately reviewed by LAFCO as part of future countywide studies. A summary analysis of the five targeted service functions with respect to resources and capacities, demands, and performance measurements follows.

Focused MSR:
Targeting Five for Now…

This regional municipal service review focuses on five service functions underpinning the City of Carlsbad's growth and development: (a) wastewater, (b) integrated fire, emergency medical and ambulance, (c) parks and recreation, (d) library and community arts, and (e) community development.

5.1 Wastewater Function

The City of Carlsbad's wastewater function comprises three classes – collection, treatment, and discharge – and currently covers close to four-fifths – 82% - of the City's jurisdictional boundary, serving an estimated population of 87,140. Wastewater services for the remaining developed areas in Carlsbad are provided by either the Leucadia Wastewater District (LWD) or the Vallecitos Water District (VWD), both of which were established prior to the City's incorporation in 1952. While collection is entirely performed by Carlsbad, treatment and associated discharge/reuse is provided by contract through a joint powers authority – Encina Wastewater Authority (EWA) – in partnership with five other local agencies: City of Vista, City of Encinitas, VWD, LWD, and Buena Sanitation District (BSD).[29] [30] The following analysis examines the wastewater function and its three major service classes, covering resources, capacities and demands, and performance.

Two-Tier Structure: Divided Collection + Shared Treatment...

Wastewater service in the City of Carlsbad is delivered through a collaborative framework. Collection responsibilities are divided among three agencies with Carlsbad managing nearly four-fifths of the jurisdictional boundary. Treatment and discharge are provided regionally by the Encina Wastewater Authority, which receives flows from Carlsbad, Encinitas, Vista, San Marcos, and adjacent county areas.

Resources | Budget + Staffing

Carlsbad's wastewater service function operates under the Public Works Branch's Utilities Department. It is organized as an enterprise fund with the intention of being entirely self-sufficient with any surplus re-invested into the system either directly through capital improvements or indirectly through reserves. During the five-year report period ending in 2023, actual operating revenues averaged $16.2 million annually with approximately 97% generated directly through monthly wastewater service charges. Operating expenses for the wastewater function have averaged $14.8 million annually and largely ties to covering three

Operating Actuals...

Actual operating revenues have averaged $16.2 million annually during the five-year report period ending in 2023, with a 41% overall growth compared to the start of the five-year period beginning in 2019. Actual operating expenses have averaged $14.8 million during the period with a (14.6%) overall decrease compared to the report period start.

[29] EWA is owned by six public agencies and governed by a Joint Powers Authority (JPA) that facilitates cost sharing and enables economies of scale the owners could not achieve independently. The JPA was founded in 1961 by Carlsbad and Vista. Over the next decade, the JPA was joined by the Buena Sanitation District, Vallecitos Water District, Leucadia Wastewater District and City of Encinitas.

[30] Prior to the 1960s, the City of Carlsbad treated wastewater at a small facility near Buena Vista Lagoon.

budget categories: administrative, general, and operations.[31] Overall, the wastewater function's average annual operating margin is 9.1% across the five years.[32]

City of Carlsbad:
Wastewater Function Budget Resources
Table A-5.1a | Source: City of Carlsbad + SD LAFCO

Categories	2019-2023 5-Year Averages
Actual Operating Revenues	
… Average Annual	$16.247 million
… Overall Change	41.0%
Actual Operating Expenses	
… Average Annual	$14.767 million
… Overall Change	(14.6%)
Budget Performance	
… Overall Budget to Actual Ratio	0.94

Budgeted staffing dedicated to supporting Carlsbad's wastewater function at the end of the report period in 2023 totals 21.6 FTEs. This staffing amount reflects a change of 2.0 full-time additional positions across the five-year report period.[33]

Resources |
Wastewater Rates

Carlsbad charges monthly fees for wastewater collection, treatment, and discharge services. User fee collections have accounted for 97.0% of actual revenues during the five-year period ending in 2023. The calculation method varies by customer class: single-family residential customers pay flat monthly rates, while multi-family residential, commercial, and other customer classes pay volume-based rates with different subclass tiers. A breakdown of wastewater fees across all categories through the report period follows with additional details on Carlsbad's primary customer classes – single family, multi-family, and group commercial – provided below.

Catching Up …

The City of Carlsbad's wastewater rates remained frozen from 2016 through 2019 before the City implemented four consecutive annual increases to address deferred repairs and upgrades. For single-family customers – 90% of all accounts – the monthly bill rose from $28 to $43, a 55% overall increase over the five-year report period ending in 2023.

31 The largest wastewater expense category fluctuated over the review period. In three of the five years, administrative and general expenses accounting for the highest share with an average of 67.7% of total costs. In the remaining two years, the largest expense was associated with the operation of the Encina Wastewater Treatment Plant, comprising 73.3% of costs. These shifts are primarily due to the year-to-year variability in capital expenditures at the Encina facility.
32 The net margin calculation includes all operating and non-operating revenues minus operating expenses excluding depreciation.
33 Budgeted staffing dedicated to wastewater at the end of the period equals 32.1% of the overall Carlsbad Utilities Department total.

Single-Family Residential | A flat monthly fee based on an average "return to sewer" rate of 80% calculated from the two lowest potable water demand months systemwide. The calculation is performed for the entire wastewater service area rather than individual customers. This class includes duplexes and accounts for 90% of all active accounts.

Multi-family Residential | A volume-based fee charged according to monthly water consumption and calculated individually for each customer account. This class includes apartments and mobile homes. It accounts for 6% of all active accounts.

Group Commercial | A volume-based fee is charged according to monthly water consumption and calculated individually for each customer account. It comprises several subclasses with escalating rate tiers, ranging from the lowest rate for office buildings to the highest rates for restaurants. It accounts for 4% of all active accounts.

City of Carlsbad:
Wastewater Rates, FY19 to FY23
Table A - 5.1b | Source: City of Carlsbad + SD LAFCO

Avg Residential Increase	Avg Commercial Increase	Avg All Categories
+52.7%	+47.5%	+46.9%

Residential (Flat Monthly Fee)		
Single Family	+55.0%	$27.81 → $43.11
w/ 2nd Unit	+55.0%	$41.72 → $64.67
Multi-Family	+50.8%	$3.29 → $4.96
Mobile Home	+50.8%	$3.29 → $4.96

Commercial (Per Water Unit)		
Group 2	+55.9%	$2.70 → $4.21
Industrial Pretreatment	+49.9%	$4.53 → $6.79
Group 3	+46.6%	$4.10 → $6.01
Group 4	+37.4%	$7.65 → $10.51

Educational (Per Student)		
Junior High	+54.9%	$0.82 → $1.27
Elementary	+54.5%	$0.55 → $0.85
High School	+53.6%	$1.10 → $1.69
Boarding School	+53.0%	$5.75 → $8.80

Breweries (Per Water Unit)		
Group 1	+50.4%	$2.80 → $4.21
Group 3	+33.5%	$7.87 → $10.51
Group 2	+29.2%	$9.07 → $11.72
Group 4	+28.3%	$11.26 → $14.45

A commercial connection dedicated to the City of Vista is not reflected.

Illustration Created with Anthropic

A closer review shows wastewater rates remained unchanged from 2016 through 2019, representing a four-year rate freeze prior to the report period. Beginning in 2020, Carlsbad implemented annual rate adjustments that continued through 2023, resulting in sizable cumulative increases across all rate categories in an attempt to catch up after a long period of no increases to address infrastructure repairs and upgrades. For single-family residential customers – who represent over 90% of customers – the monthly bill has increased by 55% during the report period, with the average monthly bill rising from $27.81 to $43.11.[34]

Capacities |
Collection System

Carlsbad's wastewater collection system primarily relies on gravity flow to receive and convey wastewater through a network of approximately 268 miles of sewer mains. The system is supported by 13 lift stations – 11 owned and operated by Carlsbad and two jointed owned with Vista - that transport wastewater to high points in the collection system, where it then flows by gravity to the joint-use EWA facility.[35] Other collection system features follow and further detailed in the associated table.

98% Gravity…

The City of Carlsbad's wastewater collection system spans 268 miles of sewer mains with 98% gravity-fed. Thirteen lift stations manage raising flows where needed towards the joint-use EWA facility for treatment and disposal. 70% of the collection system is less than 45-years old, with older pipelines proportionally serving Carlsbad's downtown area.

- Force mains represent approximately 1.6% of the total collection system.
- System age varies considerably. Approximately 70% of the system is less than 45 years old, reflecting suburban development following the late 1980s. Older pipelines are primarily located in the downtown area with some exceeding 80 years.
- System expansion has been minimal, with no significant expansions during the five-year report period ending in 2023. However, increased development density is anticipated in the near future and is expected to place a substantial burden on collection system capacity.
- Service area is limited to Carlsbad's jurisdictional boundary; City attests it does not provide wastewater services outside its jurisdictional boundary.

[34] Single-family residential rates are calculated as flat monthly fees based on an average "return to sewer" rate of 80% derived from the two lowest potable water demand months system-wide, rather than individual customer usage. The average monthly bill increased by $15.30 over the report period, from $27.81 to $43.11. This change represents a 55% increase compared to the original amount.

[35] The 11 Carlsbad owned-operated lift stations are smaller-capacity facilities serving localized areas throughout the City's service area. These stations lift wastewater to higher elevations to maintain gravity flow through the system, utilizing approximately 4.3 miles of force mains where needed. The two jointly-owned lift stations – Agua Hedionda and Buena Vista – have the largest capacities, with Buena Vista also used by Vista through a joint transmission line to receive and convey wastewater flows from Oceanside to the EWA facility. The jointly owned lift stations are managed by Buena Vista and the City of Carlsbad. Operations are performed by EWA, while the force mains are maintained and operated by Buena Vista rather than EWA.

Capacitiy details for Carlsbad's lift stations follow.

City of Carlsbad:
Wastewater Collection System: Lift Stations
Table A - 5.1c | Source: City of Carlsbad + SD LAFCO

JOINTLY OWNED WITH VISTA

Lift Station	Age	Year Built	Capacity
1) Agua Hedionda	60 yrs	1965	33.0 MGD
2) Buena Vista	50 yrs	1975	21.5 MGD

CARLSBAD OWNED & OPERATED

Lift Station	Age	Year Built	Capacity
7) Foxes Landing	24 yrs	2001	3.7 MGD
10) Cannon Road	20 yrs	2005	3.5 MGD
5) North Batiquitos	28 yrs	1997	3.2 MGD
4) Poinsettia	28 yrs	1997	2.2 MGD
12) Home Plant	13 yrs	2012	1.6 MGD
11) El Fuerte	16 yrs	2009	1.4 MGD
6) Knots Lane	26 yrs	1999	0.5 MGD
8) Chinquapin	24 yrs	2001	0.5 MGD
9) Sand Shell	23 yrs	2002	0.5 MGD
13) Terramar	11 yrs	2014	0.4 MGD
3) Villas	42 yrs	1983	0.2 MGD

Illustration Created with Anthropic

As noted previously, Carlsbad's wastewater services cover nearly four-fifths of the City's jurisdictional boundary with two other agencies – LWD and VWD – serving the remaining areas. Wastewater from Carlsbad and LWD converges near the North County Transit District's Carlsbad Poinsettia Station and is conveyed through a shared trunk sewer to the EWA facility. VWD operates a separate conveyance system to send most of its wastewater (primarily from San Marcos and a small portion from the southeastern part of Carlsbad) directly to EWA through trunk sewers and force mains that cross through Carlsbad's territory.[36] Carlsbad wastewater is also conveyed via direct connection to VWD's Outfall.

[36] A portion of wastewater from VWD's service area is treated locally at VWD's Meadowlark Wastewater Treatment Plant, which is located near Rancho Santa Fe Road and La Costa Meadows Drive.

Capacities |
Treatment + Disposal Facilities

Carlsbad sends all its collected wastewater to the EWA facility (Encina) for treatment and disposal via leased capacity rights in the Buena Sanitation District's Buena Outfall and the VWD's Land Outfall interceptor sewers. The Encina facility is classified as a Grade V plant by the State Water Resources Control Board and is the highest rating possible.[37] The facility was originally built in 1965 and staffed by EWA's employees. The facility has gone through five major expansions through the end of the report period and uses a variety of processes to treat the wastewater prior to ocean discharge or for recycled water production as summarized in order below:

Quarter Share of EWA...

The EWA facility – jointly owned by Carlsbad with Vista, Encinitas, Vallecitos Water District, Buena Sanitation District, and Leucadia Water District – receives all collected wastewater from Carlsbad, with the City holding approximately 10.260 million gallons of the facility's 43.3-million-gallon daily treatment capacity across liquid, solids, and ocean outfall allocations. About one-third of treated wastewater is now diverted to recycled water uses based on production during the five-year report period ending in 2023

- Influent screening & grit removal
- Sedimentation
- Aeration with return activated sludge
- Clarifiers
- Anaerobic digestion
- Biosolids dewatering, drying, & pellet production

The current total daily treatment capacity at the Encina facility is 43.3 million gallons. EWA has a detailed capacity apportionment system among its member agencies which tracks three main capacity limits at the facility – liquid sewage capacity, solids handling capacity, and ocean outfall capacity. Carlsbad's daily allocations for all three categories is set at 10.260 million gallons and represents between 24% and 25% of the overall categories. As further discussed, Carlsbad's average day wastewater deliveries now amount to 60% of their allocated capacity for liquids and solids and 62% of ocean outfall capacity.

EWA reports that the Encina facility currently diverts up to one-third of the wastewater it treats annually from ocean outfall and redirects it to two water reclamation facilities for conversion into recycled water, with the diverted volume varying based on recycled water demand. Treated wastewater is conveyed to the Carlsbad Water Recycling Facility (CWRF),

37 A Grade V plant in the context of a wastewater agency refers to a facility that requires operators to have at least a Grade IV certificate. T his classification indicates a higher level of complexity and responsibility within the wastewater treatment process. Operators in Class V plants must be certified and have qualifications to manage the advanced processes and systems involved in wastewater treatment.

which is owned by the City of Carlsbad and operated by EWA under contract, and to the Gafner Water Reclamation Plant, which is owned and operated by LWD.[38]

Demands |
Wastewater Flows

Carlsbad's average annual wastewater generation during the five-year report period ending in 2023 has been approximately 2.23 billion gallons, based on an average daily flow of 6.11 million gallons. Daily wastewater flows entering Carlsbad's collection system and conveyed to the Encina facility have increased by 7.3% over the 60-month period. A breakdown of recorded flow averages for Carlsbad across dry-weather, wet-weather, and peak-day conditions is detailed below and further shown in the associated tables.[39]

6.1 Million Gallons a Day…

The City of Carlsbad's wastewater collection system has conveyed an average of 6.110 million gallons daily to the joint-use EWA over the five-year report period ending in 2023. Peak-day demands have averaged 11.430 million gallons – nearly double the average daily.

Dry-Weather Flows | Average dry-weather flow during period is 6.01 million gallons per day, measured between May and October and captures baseline household demand. Daily flows reach 6.07 million gallons at the period close, representing a 1.9% increase.

Wet-Weather Flows | Average daily wet-weather flow during period is 6.81 million gallons, measured between November and April and captures inflow and infiltration (I&I) entering the collection system during storm events. Daily flows reach 7.53 million gallons at the end of period close, representing an increase of 16.4%.

Peak-Day Flows | Average peak-day flows during period is 11.43 million gallons, producing a peak factor of 1.87 relative to average daily flows. This value is largely influenced by a single extreme event of 18.12 million gallons recorded during a severe rain event in April 2020, and as further addressed attributable to excess flows sourced to Buena SD entering Carlsbad's collection system. Excluding this outlier, the peak factor adjusts downward to 1.59.

[38] CWRF is located next to the Encina facility and produces tertiary-treated recycled water distributed citywide for landscape irrigation, including limited areas outside Carlsbad's wastewater service area. Remaining secondary-treated effluent from Encina is discharged through EWA's 1.5-mile ocean outfall, which ends 150 feet below the surface with a 700-foot diffuser to enhance sweater mixing.

[39] Dry weather flows measure baseline sewage generation during non-rainy periods while wet weather flows include additional stormwater inflow and infiltration. This distinction is material for wastewater agencies as it enables proper infrastructure sizing, identifies system deficiencies requiring repair, ensures regulatory compliance during varying conditions, and supports accurate financial planning for both operational costs and capital improvements.

City of Carlsbad:
Wastewater Demands
Table A – 5.1d | Source: EWA + SD LAFCO

Detailed Flow Data (Million Gallons per Day)

Year	Average Daily Flow	Daily Dry Weather	Daily Wet Weather	Recorded Peak Day
2019	**5.99**	5.96	6.47	11.1
2020	**6.59**	6.52	8.2	18.12
2021	**5.97**	5.96	6.17	8.24
2022	**5.56**	5.56	5.7	6.38
2023	**6.43**	6.07	7.53	13.29
Average	**6.11**	**6.01**	**6.81**	**11.43**
% Change	+7.35%	+1.85%	+16.36%	+19.73%

Illustration Created with Anthropic

City of Carlsbad:
Wastewater Demands Comparison
Table A – 5.1e | Source: EWA + SD LAFCO

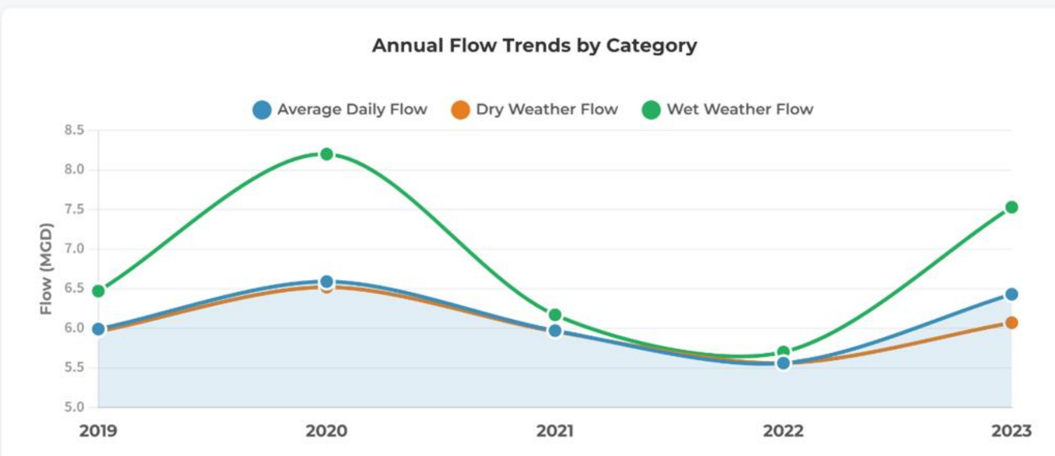


Illustration Created with Anthropic

Demands |
Connections + EDUs

Carlsbad's wastewater demands at the end of the five-year report period ending in 2023 tie to 24,079 active customer connections with nearly 90% categorized as single-family residential. The number of customer connections has modestly increased by a total of 120 – or 0.5% – during report period, despite absorbing losses in each of the final two years (2022 and 2023). All new connections to the wastewater system are associated with new construction with the notable exception of accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs), which are typically permitted to connect to existing residential service laterals without requiring separate connections.

Steady Connections With Rising EDUs…

The City of Carlsbad's wastewater customer base has been steady with less than 1% increase in physical connections over the five-year report period ending in 2023, while EDUs have increased by more than 7% and signaling demand intensification.

For capacity planning, Carlsbad measures usage in "Equivalent Dwelling Units" (EDUs) at 164 gallons per day based on its latest cost-of-service study. This assignment, paired with average year flows, results in an average EDU count within Carlsbad's wastewater system of 37,244 over the report period – or about 1.55 EDUs per connection. This is an elevated ratio for a system where over 90% of accounts are single-family residential, suggesting – and the City attests – greater intensity from growing commercial use.

City of Carlsbad:
Wastewater Demands: Connections + EDUs
Table A – 5.1f | Source: EWA + SD LAFCO

Year	Sewer Connections	Annual Change	Growth Rate	Est. EDUs (Flow-Generated)
2019	23,959	—	—	36,524
2020	24,040	+81	+0.34%	40,183
2021	24,103	+63	+0.26%	36,402
2022	24,096	-7	-0.03%	33,902
2023	24,079	-17	-0.07%	39,207
Total Change	+120	Net +120	+0.5%	Avg: 37,244

Illustration Created with Anthropic

Table Notes:
1. EDUs are measured on 164-gallon units. Carlsbad is currently updating measurement.
2. Carlsbad staff reports residential and commercial EDUs are calculated differently and assume different sewer generation rates based on development type, building size, building use, or occupancy.

Performance | Syncing Up Resources, Capacities, and Demands

The City of Carlsbad's wastewater enterprise remains financially sound, serving a largely built-out area relative to zoning where growth now centers on infill and gradual intensification. The system posted a 9% operating margin over the five-year report period, generating sufficient revenue to sustain operations and build reserves – though this stability concurrently has drawn on relatively sizable rate increases over the final four years that for most residential users has meant their monthly bills have gone up 55%, making up for an earlier four-year stretch from 2016 to 2019 with no changes. Customer growth has been minimal based on physical connections, and while demands have increased in excess portion to new develpoment, flows remain within system capacities. These and related performance themes are examined below.

1960s Growth Expectations Leave Headroom in 2020s |

Carlsbad's current average day wastewater flow during the five-year report period ending in 2023 has been 6.110 million gallons – equal to 60% of its allocated treatment and discharge capacity at Encina, based on facility plans initially developed in the 1960s. This leaves Carlsbad with the theoretical headroom to accommodate a sizeable increase in demands – upwards of 25,305 additional EDUs on paper. While existing development and current zoning make this level of growth improbable, the available capacity reflects priorities from a different era – one that anticipated and encouraged expansion on a scale later generations have chosen to moderate.

Wet Weather + Elevated Inflow |

Carlsbad's average day wet-weather flow during the five-year report period ending in 2023 has been 6.810 million gallons – equal to 66% of the City's allocated treatment and discharge capacity at Encina. Although well within system capacities, the 16% increase in average wet-weather flows compared to 2% in average dry-weather flows shows increasing inflow and infiltration entering the collection system rather than reflecting organic demand growth.

Wet Weather + Shared Infrastructure Dynamics |

Carlsbad's peak wet-weather-day demands reveal another dynamic. The period average peaking factor of 1.9 is high and largely driven by a single storm event in 2020 that produced a recorded peak of 18.120 million gallons – nearly three times the average daily flow and well beyond both Carlsbad's Encina allocation and its own collection system capacity. An April 10, 2020 overflow confirms the latter constraint with excess flows in Buena Sanitation District's (BSD) sewer main reversing into Carlsbad's connecting line, spilling approximately 95,000 gallons per State Board records. The incident underscores the vulnerability of the shared interceptor Carlsbad and BSD jointly use to convey flows to Encina – as well as the degree to which system performance can be shaped by conditions originating outside Carlsbad's control.

Effectively Managed Day-to-Day Enterprise |

Carlsbad's wastewater system has generated positive revenue surpluses in four of the five years across the report period ending in 2023, leading to a period average operating margin of 9%, or $1.481 million. The lone shortfall occurred in 2019 and was immediately cured beginning in the following year with the City Council approving consecutive rate increases to account for higher operating costs – including rising pass-throughs from EWA, which is the function's single-largest expense line.[40] These surpluses have concurrently helped rebuild the wastewater function's fund balance by more than half from $9.982 to $15.067 million over the report period.

Reserves + Funding Capital Improvements |

The ongoing replenishing of Carlsbad's wastewater fund – which has increased over the five-year report period via operating surpluses from $9.982 million in 2019 to $15.067 million in 2023 – is necessary as the sole budgeted source funding the City's 15-year sewer replacement capital program, estimated at $112.200 million at period's close. The program is dominated by Carlsbad's share of Encina facility improvements, followed by rehabilitation and replacement needs tied to an aging collection of infrastructure. Carlsbad's sewer replacement fund carries a negative balance at the close of the report period and is projected to remain in deficit through the planning horizon, all of which increases the significance and need for continued operating surpluses to keep the wastewater system operating without major breakdowns.

[40] The average year operating surplus less FY19 is $2.817 million.

Proactive Prevention Paying Off |
Carlsbad performs regular preventive maintenance across its 268-mile wastewater collection system to maximize lifespan while reducing the near-term risk of backups and overflows. Cleaning frequencies range from quarterly for high-priority segments to a full system cycle no less than every three years. The effectiveness in Carlsbad's proactive attention in preventive maintenance is evident in the City experiencing only five spills during the five-year report period ending in 2023 – one attributed to an overflow in BSD's system and the other four involving low-category findings by the State Board, none of which affected surface waters. Materially, even when counting all five spills, this translates to an exceptional ratio of 0.37 spills per 100 miles per year over the five-year report period compared to the median and average ratios for public wastewater agencies established by the State Board of 3.4 and 8.2, respectively.[41]

5.2 Integrated Fire, Emergency Medical, + Ambulance Function

The City of Carlsbad formally established fire protection services in 1955 with the formation of its own Fire Department, replacing an all-volunteer unit that had been serving the City since its incorporation in 1952.[42] By the early 1960s, Carlsbad had opened its first dedicated fire station within the newly constructed City Hall on Pio Pico Drive and began hiring full-time firefighters. In 1972, the annexation of the La Costa neighborhood significantly expanded the Fire Department's service area and responsibilities and facilitated a period of capital expansion with two new fire stations opening over the next two years – one at El Camino Real and Arenal Road and another on Elm Street (now Carlsbad Village Drive).

Three for One…

The City of Carlsbad's fire protection function has evolved since formal establishment in 1955 to encompass three integrated classes: fire protection (suppression and rescue), emergency medical (advanced life support), and ambulance transport. These integrated services account for 16% of the City's General Fund expenditures over the five-year report period ending in 2023.

Carlsbad's Fire Department now operates out of seven stations. Services now encompass three integrated classes: fire protection (suppression and rescue), emergency medical (advanced life support or ALS), and ambulance transport. Carlsbad's first-response service area also provides fire protection, emergency medical services including ambulance transport

41 Source: State Water Board, SSO Reduction Program Annual Compliance Report (2011).
42 The volunteer company had been supported by the new City through the provision of a fire engine.

to the McClellan-Palomar Airport, State lagoons, and Carlsbad State Beaches.[43] [44] Fire Chief Michael Calderwood has served in the position since July 2018. A summary of the function's core resources, capacities, demands, and performance follows.

Resources | Budget + Staffing

Carlsbad's integrated fire protection, emergency medical, and ambulance services are the responsibility of the Fire Department and resourced through the City General Fund. (A dedicated analysis of the General Fund is provided in Section 6.2.) Personnel costs represent the largest expense category, accounting for 78% of all Fire Department expenditures during the five-year report period marked by supporting 134.5 FTEs at the 2023 period close.[45] These integrated fire services account for 15.8% of total City General Fund expenditures over the five-year report period.

Investment Underway…

The City of Carlsbad has increased funding for its integrated fire protection function each year during the five-year report period ending in 2023. The cumulative budget increase totals 62%, with the Fire Department's share of the General Fund growing from 15% to 19% over the same period. This increase directly ties to implementing several planned expansions during the report period: a seventh fire station, year-round lifeguards, and additional ambulance coverage.

City of Carlsbad:
Integrated Fire Protection Function Budget Resources
Table A-5.2a | Source: City of Carlsbad + SD LAFCO

Categories	2019-2023 5-Year Averages
Budgeted Expenses	
… Average Annual	$29.5 million
… Overall Change	62.2%
Actual Expenses	
… Average Annual	$29.9 million
… Overall Change	46.8%
Budget Performance	
… Overall Budget to Actual Ratio	1.01

[43] These out-of-agency agreements expand the Fire Department's service area by an additional 44 acres. There are approximately 7 miles of linear beaches within the City of Carlsbad, 6 of which are State Beaches, with the remaining strand the City of Carlsbad.
[44] Carlsbad integrated paramedic and ambulance services into its Fire Department in 1977, further enhancing its emergency response capabilities. Carlsbad's ambulance and emergency medical functions are separately categorized by the Commission as direct and paramedic-advanced life support respectively, and since 1977, Carlsbad has continuously maintained ambulance and ALS service at not less than existing levels.
[45] Amount includes Carlsbad's lifeguard program staffed by a total of 7 FTE positions, several of whom are licensed paramedics.

A closer review of budget-to-actual expenses within the General Fund shows integrated fire protection costs tracked closely to expectations over the report period, with the overall budget-to-actual ratio totaling 1.01 - a variance of 1.9%. While actuals exceeded budget in three of the five years (2019, 2021, 2022), only one – 2021 – involved a sizable overspend, attributable to pandemic conditions.[46] Further, while budget appropriations have grown 62% in step with planned authorizations to expand services (seventh fire station, year-round lifeguards, additional ambulance coverage), actuals have increased only 47% – a widening margin suggesting spending discipline by management.

Consistent with most public safety services, Carlsbad's integrated fire protection function is primarily dependent on human resources through staffing arrangements governed by a memorandum of understanding (MOU) with the Carlsbad Firefighters' Association. The MOU includes the following key provisions:

> Work Schedule | Establishes a traditional "Kelly" schedule averaging 56 hours per week. Under this schedule, firefighters work 24-hour shifts followed by 24 hours off, alternating for eight days, then receive either four or six consecutive days off.
>
> Compensation | Sets entry-level annual pay for a first-year firefighter/paramedic at $87,804 at the end of the report period (2023).

Approximately one in seven Carlsbad employees belong to the Fire Department as of the end of the report period in 2023. Overall budgeted staffing totals 134.5 FTE at the end of the report period — an increase of 42.5 positions, or 46.2%, over the preceding five years. This staffing increase corresponds to three specific service expansions approved by the City Council: adding year-round lifeguard services, staffing two additional ambulances, and opening a seventh fire station. A breakdown of budgeted staffing via its three divisions – (a) administration, (b) emergency operations, and (c) community risk reduction and resiliency – with per 1,000 capita measurements follows.

[46] Additional factors contributing to the period-overspend tie to City Council authorizations for additional appropriations during the year and timing delays in which appropriations have been encumbered but unspent in a given fiscal year and driven by the reasons stated in the report.

City of Carlsbad:
Integrated Fire Protection, Staffing Resources
Table A - 5.2b | Source: City of Carlsbad + SD LAFCO

Division	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	5-Yr Average	Growth Trend
Fire Administration	4.0	5.0	5.0	5.5	4.5	4.8	+12.5%
Emergency Operations	80.0	86.5	86.5	103.0	117.5	94.7	+46.9%
Community Risk Reduction	8.0	11.75	11.75	12.5	12.5	11.3	+56.3%
Total FTE	**92.0**	**103.3**	**103.3**	**121.0**	**134.5**	**110.8**	**+46.2%**
Per 1,000 Residents	*0.8*	*0.90*	*0.90*	*1.05*	*1.12*	*0.96*	*+46.3%*

Illustration Created with Anthropic

Capacities |
Deployment, Facilities + Equipment

Carlsbad's integrated fire protection function is delivered from seven fire stations throughout Carlsbad under the command of the Assistant Fire Chief and supported by three shift Battalion Chiefs who oversee A, B, and C platoons. Each 24-hour shift deploys 34 public safety personnel across all stations. Every fire engine, truck company, and ambulance is staffed with at least one paramedic, ensuring that each emergency response includes a minimum of two paramedics capable of delivering advanced life support. Dispatch service is provided by North County Dispatch Joint Powers Authority (JPA).[47] Station details follow along with summarizing call volume in the associated illustration along with detailing vehicle assignments.

Capacity Floor…

The City of Carlsbad sets the following minimum deployment levels with respect to its integrated fire protection function:

Fire Engines |
Three, at least One Paramedic

Fire Trucks - Ladders |
Four, at least One Paramedic

Ambulances |
Two, at least One Paramedic

[47] North County Dispatch JPA was initially established in 1984 and provides fire and medical emergency dispatch services to cities and special districts covering an estimated population of over 700,000 spanning 448 square miles north San Diego County. These services include answering 911 emergency and business phone calls, providing Emergency Medical Dispatch (EMD) and related instructions.

Station No. 1: Downtown (1966)

This station is located at 1275 Carlsbad Village Drive, east of Interstate 5. Highest call volume of all stations with average of 10.66 responses per day – 35% of the daily total demand. Staffed with six personnel every 24-hour period.[48]

Station No. 2: La Costa Area (1969, Rebuilt in 2022)

This station is located at 1906 Arenal Road, east of Interstate 5. Third highest call volume with average of 5.13 responses per day – 17% of the daily total demand. Staffed with five personnel every 24-hour period.[49]

Station No. 3: Robertson Ranch Area (2016)

This station is located at 3465 Trailblazer Way, east of Interstate 5. Fourth highest call volume with an average of 3.19 responses per day – 11% of the daily total. Staffed with five personnel every 24-hour period.[50]

Station No. 4: Central Carlsbad (1986)

This station is located off Poinsettia Lane in Carlsbad at 6885 Batiquitos Drive, east of Interstate 5. Second highest call volume with an average of 5.63 responses per day – 19% of the daily demand. Staffed with three personnel every 24-hour period.[51]

Station No. 5: Airport Area (1988)

This station is located near the Police & Fire Headquarters at 2540 Orion Way, east of Interstate 5. Sixth highest call volume with an average of 2.72 responses per day – 9% of the daily total demand. Staffed with four personnel every 24-hour period.[52]

Station No. 6: Southeast Carlsbad (2009)

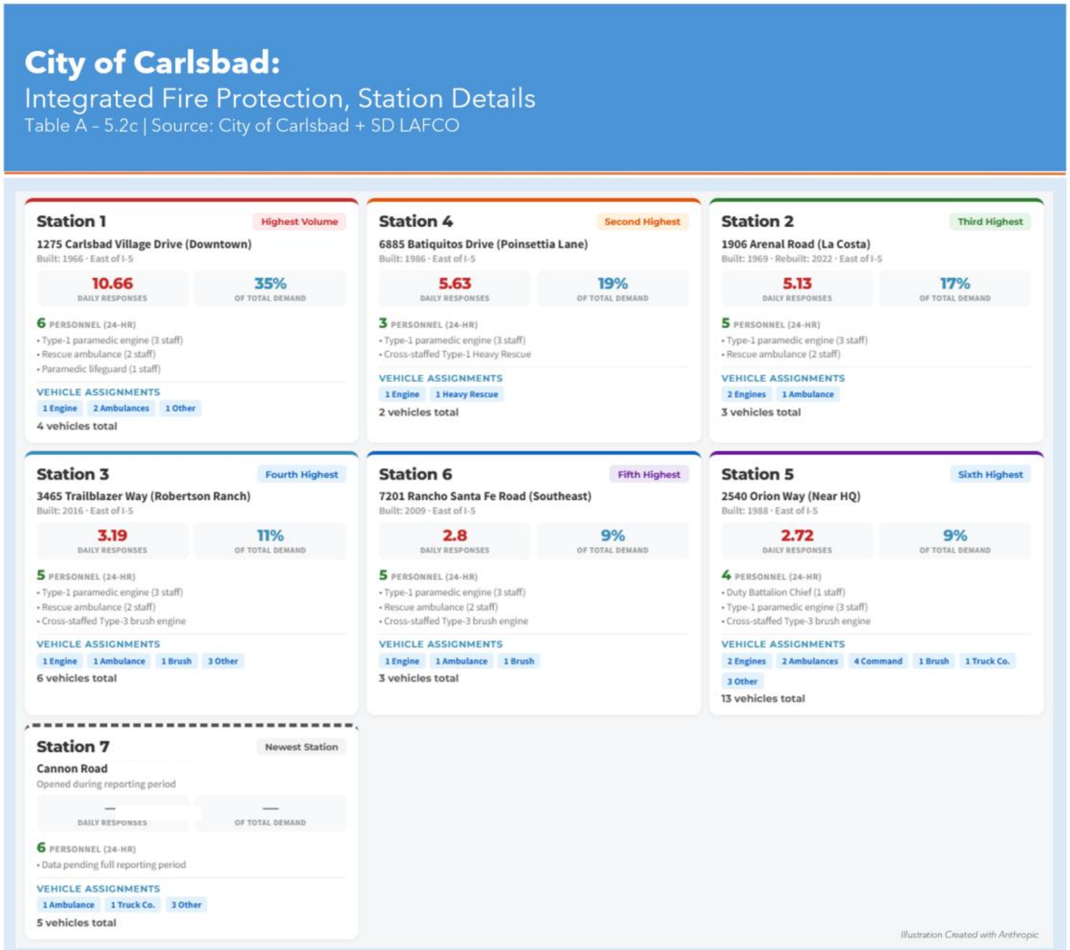
This station is located at 7201 Rancho Santa Fe Road, east of Interstate 5. Fifth highest call volume with an average of 2.8 responses per day – 9% of the daily total demand. Staffed with five personnel every 24-hour period.[53]

Station No. 7: Central Coast Carlsbad (2023)

This station is located on the site of the former Encina Power Plant at 4600 Carlsbad Blvd, west of Interstate 5. It is currently labeled a "temporary" station and opened in January

[48] No. 1 operates a Type-1 paramedic engine company staffed with 3, a rescue ambulance staffed with 2 and a paramedic lifeguard.
[49] No. 2 operates a Type-1 paramedic engine company staffed with 3, and a rescue ambulance staffed with 2.
[50] No. 3 operates a Type-1 paramedic engine company staffed with 3, and a rescue ambulance staffed with 2. It also cross staffs a Type-3 brush engine.
[51] No. 4 operates a Type-1 paramedic engine company staffed with 3. It also cross-staff's a Type-1 Heavy Rescue unit.
[52] No. 5 operates with a Duty Battalion Chief, a Type-1 paramedic engine company staffed with 3, and cross-staff's a Type-3 brush engine.
[53] No. 6 operates a Type-1 paramedic engine staffed with 3, a rescue ambulance staffed with 2, and cross-staff's a Type-3 brush engine.

2023. Daily response demands for a full fiscal year are not available for this station since it just opened. Staffed with six personnel every 24-hour period.[54]



Specific to the placement of ambulance resources, Carlsbad operates five ALS ambulances on a 24-hour basis, all of which are staffed with one firefighter/paramedic and one single-role emergency medical technician (EMT).[55]

Ambulance services are delivered out of Stations No. 1, 2, 3, 6, and 7. In addition, Carlsbad keeps three reserve ambulances to maintain readiness in the event front line ambulances are out of service or when surge capacity is needed for ambulance delivery.

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[54] No. 7 operates a truck (ladder) company staffed with 4 and a rescue ambulance staffed with 2.

[55] Advanced Life Support (ALS) is a higher level of emergency care procedures that may include defibrillation, airway management, and invasive techniques such as IV therapy, intubation, and/ or drug administration.

Map No. A - 5.2

City of Carlsbad with Fire Stations

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

Created by Dieu Ngu -- 1/26/2026

G:\GIS\PROJECTS\MSRs FY2019-2023\Carlsbad Region\City Carlsbad imagery w firestations.aprx

City of Carlsbad

SOI Adopted: 6 / 5 / 1978
SOI Affirmed: 12 / 6 / 1993
SOI Affirmed: 8 / 1 / 2005
SOI Affirmed: 3 / 3 / 2008
SOI Affirmed: 8 / 1 / 2016

SOI = Sphere of Influence

Carlsbad supplements its own integrated fire protection, emergency medical, and ambulance capacities by maintaining reciprocal automatic aid agreements with surrounding jurisdictions.[56] Most notably, Carlsbad is a signatory to the San Diego North Zone Auto Aid Agreement along with Marine Corps Base Camp Pendleton, North County Fire Protection District (FPD), Rancho Santa Fe FPD, Valley Center FPD, and the Cities of Vista, Oceanside, Encinitas, Del Mar, Solana Beach, San Marcos, and Escondido. All agencies under the North Zone Auto Aid Agreement deploy resources based on which unit is closest or upon request, including response time considerations. The substantive effect of the agreement – assuming relatively fair exchanges between agencies in deploying outside aid – is faster response times and enhanced emergency capabilities across the entire North County region. Additional details on the volume of automatic aid agreement transactions are provided in the following section on demands.

Resource Reciprocity…

The City of Carlsbad is a member of a multi-agency auto-aid agreement that includes all nearby cities and special districts' fire services in North County. This agreement provides Carlsbad with additional resources when needed; it also tasks Carlsbad to provide resources to outside jurisdictions when needed.

Demands |
Calls, Onsite Arrivals, + More

Dispatched calls represent a direct and quantifiable measure of public demand for the City of Carlsbad's integrated fire protection services. Most notably, dispatched calls serve as a core signal that drives daily operations and resource deployment decisions. During the five-year report period ending in 2023, Carlsbad's average annual dispatch call volume has been 13,510 – the equivalent of slightly more than 37 calls every day with 30 involving reported incidents within City limits.[57] Call volumes have also increased for Carlsbad during the period by 23%, accelerating the pace of emergency response demands with the final year tally reaching the equivalent of 42 per day.

Every 39 Minutes …

The City of Carlsbad's average dispatch demand for integrated fire protection during the five-year report period ending in 2023 equaled 37 calls each day — the equivalent of one emergency every 39 minutes. (30 calls involved areas within City limits.) Call volume increased during the period by 23%, accelerating the pace of emergency response demands.

[56] LAFCO recognizes automatic aid is particularly valuable in responding to larger incidents where multiple fire units and/or specialized rescue and fire suppression equipment are needed, as well as handling calls that cross jurisdictional boundaries, where units from an adjoining jurisdiction are the closest, most appropriate resource. Measuring automatic aid response includes identifying the percentage of an agency's total call volume where an outside agency was dispatched and determining the type of service the outside agency provided

[57] The remaining dispatched calls to Carlsbad involved incidents outside the City - either as a result of contracts with the County and State to cover the Palomar Airport and Carlsbad State Beach, respectively, or mutual/auto aid agreements

Less than one-tenth of all dispatched calls received by Carlsbad during the report period were cancelled typically due to duplicative reports, false alarms, or situations being resolved before arrival. The overall cancellation rate for all calls dispatched to Carlsbad during the period has averaged 7.7% while the rate for calls within City limits specifically has been 9.4%. Both cancellation rates appear within a reasonable range for fire service providers and do not merit concern with respect to indicating any systematic problems, whether sourced to dispatch or elsewhere.

Additionally, the higher cancellation rate within Carlsbad's jurisdictional limits compared to outside calls appears reasonable and affirms the system is working as intended. This pattern aligns with the greater likelihood of multiple reports and self-resolved situations in urban areas while the lower rate for outside calls indicates those represent more confirmed emergencies. The difference between dispatched calls and cancellations defines Carlsbad's actual onsite arrivals, averaging 10,974 per year, or about 30 per day. Roughly one-third of all incidents were dispatched to Station 1 (Downtown), another third to Stations 2 (La Costa) and 4 (Central), and the remainder to the City's four other stations.

A detailed breakdown of calls and onsite arrivals follows.

City of Carlsbad:
Integrated Fire Protection, Suppression, Rescue + EMT Demands
Table A – 5.2d | Source: City of Carlsbad + SD LAFCO

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Average	Trend
Total Dispatched Incidents	12,388	12,469	13,227	14,181	15,286	13,510	23.4%
Total Dispatched Incidents in Carlsbad	10,557	10,396	10,730	11,431	12,068	11,036	14.3%
Total Cancelled Calls in Carlsbad	936	961	1,099	1,104	1,107	1,041	18.3%
TOTAL ONSITE RESPONSES (Carlsbad and Outside Areas)	**10,494**	**10,346**	**10,668**	**11,359**	**11,999**	**10,974**	14.3%
Total Onsite Responses – City Limits	9,621	9,435	9,631	10,327	10,961	9,995	13.9%
Average Daily Responses – City Limits	26.4	25.8	26.4	28.3	30.0	27.4	13.6%
Responded by Carlsbad in Carlsbad	7,506	7,428	7,575	7,929	8,770	7,842	16.8%
Responded by Carlsbad + Others in Carlsbad	2,343	2,348	2,484	2,754	2,610	2,508	11.4%
Responded by Other Only	645	570	609	676	619	624	(4.0%)
% Automatic Aid Received	24.1%	23.4%	23.4%	24.2%	21.1%	23.2%	(12.4%)
% Automatic Aid Provided	19.2%	20.5%	22.5%	23.3%	24.2%	21.9%	26.0%

Illustration Created with Anthropic

Drawing from the preceding table, the following summarizing observations apply.

- Onsite Demands: Carlsbad's annual onsite arrival demand increased each year during the report period, up 14.3% overall – from one incident every 50 minutes in 2019 to one every 44 minutes in 2023.

- City-Only Incidents: Incidents within Carlsbad account for an average of 91.1% of all onsite arrivals, a share that has remained essentially unchanged with less than a 1% overall adjustment.

- Out-of-City Responses: Calls outside Carlsbad represent the remaining 8.9% of total onsite arrivals, rising modestly by 4.8% during the period.

- Operational Self-Sufficiency: Carlsbad responded without outside auto-aid to 78.5% of all onsite incidents, improving by 2.6% over the period.

The portion of onsite incidents necessitating transport during the report period has averaged 5,054 ambulance trips annually – or 13.8 per day. The final year figure represents the peak amount, equivalent to 17.4 daily ambulance trips, underscoring a significant period increase of 41.3%. While Carlsbad's recent expansion from three to five ambulances may have contributed to some increased utilization with improved availability, the magnitude of the increase in transport demand suggests genuine underlying growth in community medical needs. The substantial increase suggests the original three-ambulance deployment model was inadequate to meet actual community requirements, and the decision and investment in additional units were merited and reveal previously unmet demand – especially given Carlsbad's demographics and aging population. Information on ambluance fees is footnoted.[58]

From 3 to 5 Ambulances + Truing Up to Demand…

The City of Carlsbad's ambulance transports have increased 41% over the five-year report period ending in 2023 to 17.4 trips per day – suggesting the expansion from three to five units has been timely.

[58] Carlsbad's master fee schedule as of July 2025 provides the patient charge for a BLS/ALS trip is $2,732 plus $43.00 per mile. Carlsbad contracts with an outside firm (Wittman Enterprises, Rancho Cordova) to bill insurance companies, MediCal, and Medicare as well as patients for insurance co-pays.

A breakdown on ambulance transport during the report period follows with additional information on impacts on the General Fund footnoted.[59]

City of Carlsbad:
Integrated Fire Protection, Ambulance Transport Demands
Table A – 5.2e | Source: City of Carlsbad + SD LAFCO

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Average	Trend
Total Dispatched Incidents	7,792	8,178	8,865	10,042	11,093	9,194	42.4%
Total Cancelled Calls	3,302	3,605	4,307	4,740	4,748	4,140	43.8%
Total Onsite Incidents	**4,490**	**4,573**	**4,558**	**5,302**	**6,345**	**5,054**	41.3%
… within Carlsbad	3,891	3,846	3,811	4,379	5,190	4,223	33.4%
… outside Carlsbad	599	727	747	923	1,155	830	92.8%
Auto aid received (transports)	1,021	884	943	876	852	915	(16.6%)

Illustration Created with Anthropic

The two most frequent hospitals utilized by Carlsbad are Scripps (Encinitas) and Tri-City Hospital (Oceanside). Patients requiring a trauma center would either go to Scripps (La Jolla) or Palomar (Escondido).

A unique feature of Carlsbad's integrated fire protection services involves staffing lifeguards to provide emergency response and related public education services along the City's public beaches. Available data covers the first four years of the five-year report period and shows significant demands across the board – starting with beach attendance in Carlsbad rising nearly double with a period average of just over 842,000 visitors annually. Over this same abbreviated period, the average number of annual rescues performed by Carlsbad was 408 while absorbing its own nearly

Busier Beaches, Steady Safety…

Carlsbad's beach attendance nearly doubled over the first four years of the five-year report period, surpassing 1.2 million visitors – driving sharp increases in lifeguard service demands in water rescues (+193%), medical aids (+142%), and preventive actions (+51%). Enforcement actions increased a comparatively modest 36%, suggesting larger crowds have not translated into proportional enforcement concerns. Drowning fatalities remained rare, with just one recorded during the period. (FY2023 data are unavailable due to a server crash and are non-recoverable.)

[59] Revenue from ambulance service and transport is deposited into the General Fund and has increased from $2.5 million to $4.4 million over the report period, a 74.7% increase. This growth is likely attributable to: expanded ambulance capacity through the addition of two units and proactive use of supplemental government reimbursement programs, including Ground Emergency Medical Transportation (GEMT) and Public Provider Ground Emergency Medical Transportation (PPGEMT).

triple increase.[60] Only one drowning throughout the five-year period was recorded, although the incident occurred in an unguarded area, meaning no lifeguard was present in the swimming area at the time of the drowning as it was prior to lifeguards' scheduled duty hours. Medical aids provided by lifeguards increased by 141.8%. A breakdown of lifeguard service demands during the abbreviated report period (2019 to 2022) follows.

City of Carlsbad:
Integrated Fire Protection, Lifeguard Demands
Table A – 5.2f | Source: City of Carlsbad + SD LAFCO

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Average	Trend
Beach Attendance (est.)	619,486	699,445	845,304	1,203,950	N/A	842,046	94.4%
Water Rescues	280	213	320	820	N/A	408	193.0%
Preventive Actions	24,827	26,220	25,861	37,430	N/A	28,585	50.8%
Medical Aids	91	131	250	220	N/A	173	141.8%
Boat Rescues	0	3	16	2	N/A	5	N/A
Enforcement	370	1,053	564	502	N/A	622	35.7%

Illustration Created with Anthropic

FY23 lifeguard service demand data is unavailable due to a server crash and is non-recoverable.

Performance |
Syncing Up Resources, Capacities, + Demands

Carlsbad's integrated fire protection function appears well-resourced relative to local conditions and has been the beneficiary of additional investment by the City Council with the budget rising by just over 62% during the five-year report period ending in 2023 – now representing 16% of all General Fund monies. The Fire Department has made use of these funds by expanding capacities across all field operations – including in the form of additional front-line responders: firefighters, paramedics and lifeguards. These actions have proven strategically sound given the persistent upward trajectory in service demands documented during the report period – signaling the investments have proactively addressed real-time capacity needs rather than reactive spending. This and other key performance measurements and related themes follow.

60 The City of Carlsbad advises that lifeguard service demand is concentrated during the May–September peak season. Accordingly, a peak-season daily rate — fewer than three rescues per day — provides a more accurate representation of operational conditions than an annualized average.

Strategic Capacity Building |

Carlsbad significantly expanded its integrated fire protection function during the five-year report period ending in 2023 by increasing staffing levels 46% to 134.5 FTEs. This expansion has been a targeted investment by the City Council tied to three specific service enhancements: year-round lifeguards, two additional ambulances, and opening a seventh fire station. This disciplined approach to capacity building aligns resources directly with documented demands as substantiated in this review.

Timely True Up to Ambulance Transport Needs |

Total ambulance transport demand for Carlsbad has climbed 41% during the five-year report period ending in 2023 while auto aid received for transports declined by (16.6%). This dynamic shows Carlsbad is handling significantly more incidents while depending less on outside assistance – a pattern enabled by the recent expansion from three to five front line ambulances. A key takeaway is the investment made by the City Council appears to directly align with community needs while simultaneously strengthening operational self-sufficiency.

Self-Sufficient in Meeting Community Demands |

Carlsbad's resources and related management practices have positioned it to independently meet nearly four-fifths of all onsite fire, emergency medical, and ambulance incidents within City limits during the five-year report period ending in 2023. This measure of self-sufficiency has improved throughout the period despite sizable demand increases and helps protect Carlsbad from vulnerabilities faced by agencies that rely more heavily on outside assistance for routine operations.

Above the ISO Curve |

Carlsbad's evaluation of structural fire protection capabilities from the Insurance Services Office (ISO) was completed during this five-year report period in 2019 and resulted in a Class 3 designation.[61] This rating is considered admirable for an incorporated city and above the current average 4/4x rating among the 890 fire agencies in California reviewed by ISO.[62]

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61 In 2024, Carlsbad Fire Department was evaluated again by ISO and improved their rating to a Class 2 Fire Department.

62 The ISO classifications are ranked between 1 and 10 and designed to evaluate a fire service provider's ability to protect local communities based on uniform measurements. Fire departments use the data to help measure the effectiveness of their fire-protection services while insurance companies use it when establishing premiums for fire insurance. A Class 1 rating generally represents superior property fire protection and can lower the price of insurance within a community.

No Shortchanging Reciprocity |
Carlsbad's ratio of auto-aid received to auto-aid provided during the five-year report period closely aligns at 23.2% and 21.9%, respectively. This near-perfect balance indicates Carlsbad has achieved an optimal position with respect to receiving adequate support for onsite incidents within City limits while contributing fairly to regional emergency response capacity.

One Drowning in Five Years vs. 4.2 Million Beach Visitors |
Carlsbad's lifeguard program recorded a single drowning on the North Beach area during the five-year report period ending in 2023 – and it occurred prior to normal duty hours. This record is remarkable given the scale of activity: more than 4.2 million beach visitors over the period and annual rescues tripling to exceed 400.

5.3 Parks & Recreation Function

The City of Carlsbad's parks and recreation function dates to the time of incorporation in 1952 with ties to an initial all-volunteer group called the Park, Beach, and Recreational Commission. By 1954, the work of the volunteer group transitioned into a formal Parks and Recreation Department, which was marked by the concurrent acquisition of Carlsbad's first public park – Holiday Park. Carlsbad continued to focus its parks and recreation services throughout the next several decades on planning and developing traditional free play spaces in the form of general-purpose parks and playgrounds.

Evolving with the Community: Play Spaces to Organized Activities …

The City of Carlsbad's parks and recreation function has evolved and expanded since incorporation by transitioning from an initial focus on providing play spaces to now cultivating naturalistic open spaces and trails alongside organized recreation activities. The function consists of three overlapping classes for purposes of this report: (a) aquatics; (b) parks and open space; and (c) community recreation. These overlapping services account for 10% of the City's General Fund expenditures over the five-year report period ending in 2023.

The function began to evolve and expand in step with demographic changes in the community, headlined by the arrival of younger and more active families beginning in the 1970s and continuing through the end of the 1990s as Carlsbad transformed from a small town of 15,000 to a full municipality of 78,000. The substantive result of evolving alongside a growing and changing community is that Carlsbad's parks and recreation function began to pursue more diverse offerings – ranging from conservation-focused open space and trail systems to a comprehensive array of organized activities.

Carlsbad's parks and recreation is anchored by 42 general-purpose community parks and special use areas as of the end of the five-year report period ending in 2023. These core amenities are supplemented by five community centers – including a senior center – two aquatic complexes, several specialty parks, and over 700 acres of open space and trails, all managed through Carlsbad's Parks & Recreation Department. Director Kyle Lancaster has served in the position since April 2019. A summary of the function's core resources, capacities, demands, and performance follows.[63]

Resources | Budget + Staffing

Carlsbad's parks and recreation function's primary funding source is the City General Fund. These all-purpose monies have consistently covered close to two-thirds of the Parks and Recreation Department's average annual actual expenses during the five-year report period ending in 2023. (A dedicated analysis of the General Fund is provided in Section 6.2.) The remaining funds used to support the parks and recreation function tie to enterprise monies generated at Carlsbad's 18-hole municipal golf course ("Crossings") and – to a lesser extent – service user charges and donations.

Big Investment Continues…

The City of Carlsbad Parks and Recreation Department's consistent allocation of nearly one-tenth of all General Fund monies during the five-year report period ending in 2023 is unique among other local municipalities and demonstrates the City viewing parks and recreation as a core funding priority rather than a discretionary amenity.

Personnel costs during the period account for about 30% of actual expenses and support 59 budgeted FTEs as of the final year.[64] The balance of actual expenses – 70% of all costs – has gone to operations with nearly one-third of which covers day-to-day activities at the golf course. Overall, the Parks and Recreation Department's actual expenses account for nearly 9.7% of total City General Fund expenditures over the five-year report period.

[63] Other community services including library and cultural arts amenities will be discussed in the proceeding section.
[64] Amount does not include budgeted hourly staff.

City of Carlsbad:
Park and Recreation Function Budget Resources
Table A-5.3a | Source: City of Carlsbad + SD LAFCO

Categories	2019-2023 5-Year Averages
Total Budgeted Expenses	
…Average Annual	$29.210 million
…Overall Change	16.34%
…Portion Covered by General Fund	$18.841 million / 11.1%
Total Actual Expenses	
…Average Annual	$28.065 million
…Overall Change	21.18%
…Portion Covered by General Fund	$18.320 million / 65.3%
Budget Performance	
…Overall Budget to Actual Ratio	0.96

A closer review of budget-to-actual expenses shows Carlsbad's Parks and Recreation Department's costs remained within City Council planning expectations in four of the five years during the report period; only 2022 finished over budget, but by a relatively modest amount. The overall budget to actual ratio during the period is considered excellent at 0.96, a variance rate of (4.0%), with cumulative budget savings of $5.728 million. A portion of these savings is attributable to reduced programming and facility closures implemented by management during the pandemic in 2020 and 2021.

Overall budgeted staffing for the Parks and Recreation Department totals 59.0 FTE at the end of the report period in 2023 – an increase of four positions, or 7.3%. This increase in full-time staff corresponds to service enhancements made going into the final year to add four positions to support the aquatics activities – including converting several hourly lifeguard roles into three full-time positions. The budgeted amount produces a ratio in which slightly more than seven out of every 100 budgeted Carlsbad employees belong to the Parks and Recreation Department as of the end of the report period. (This amount does not include 71.6 budgeted hourly staff for Parks and Recreation, with a large portion associated with summer programs.)

Front-Line Service Focus…

The City of Carlsbad dedicates less than one-fifth of its Parks and Recreation full-time positions to administration, focusing the majority of staffing where residents directly experience services – in parks, recreation programs, and maintenance activities.

A breakdown of budgeted staffing across the Parks and Recreation Department's six budgeted divisions (a) Administration, (b) Recreation, (c) Parks and Trail Maintenance, (d) Street Trees Maintenance, (e) Medians Maintenance, and (f) The Crossings at Carlsbad Municipal Golf Course follows.

City of Carlsbad:
Parks + Recreation Function, Budgeted Staffing Levels
Table A - 5.3b | Source: City of Carlsbad + SD LAFCO

Division	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	5-Yr Average	Growth Trend
Administration	11.45	12.45	11.45	11.3	10.3	11.4	-10.0%
Recreation	19.25	18.25	19.25	19.4	24.4	20.1	+26.8%
Parks and Trail Maintenance	19.35	19.45	19.85	19.45	20.4	19.7	+5.4%
Street Tree Maintenance	2.7	2.65	2.45	2.65	3.9	2.9	+44.4%
Median Maintenance	2.25	2.2	2.0	2.2	0	1.7	-100.0%
Crossings	0	0	0	0	0	0	0.0%
Total FTE	**55.0**	**55.0**	**55.0**	**55.0**	**59.0**	**55.8**	+7.3%

Illustration Created with Anthropic

Capacities and Demands |
Aquatics and Parks, Open Space, + Recreation

This report organizes the evaluation of the City of Carlsbad's parks and recreation function into two overlapping classes consistent with recent municipal service reviews: (a) aquatics and (b) parks, open space and recreation. The evaluation is structured to catalog core facilities and their respective public-facing capacities with an emphasis on public-facing components. Demands are also evaluated when applicable.

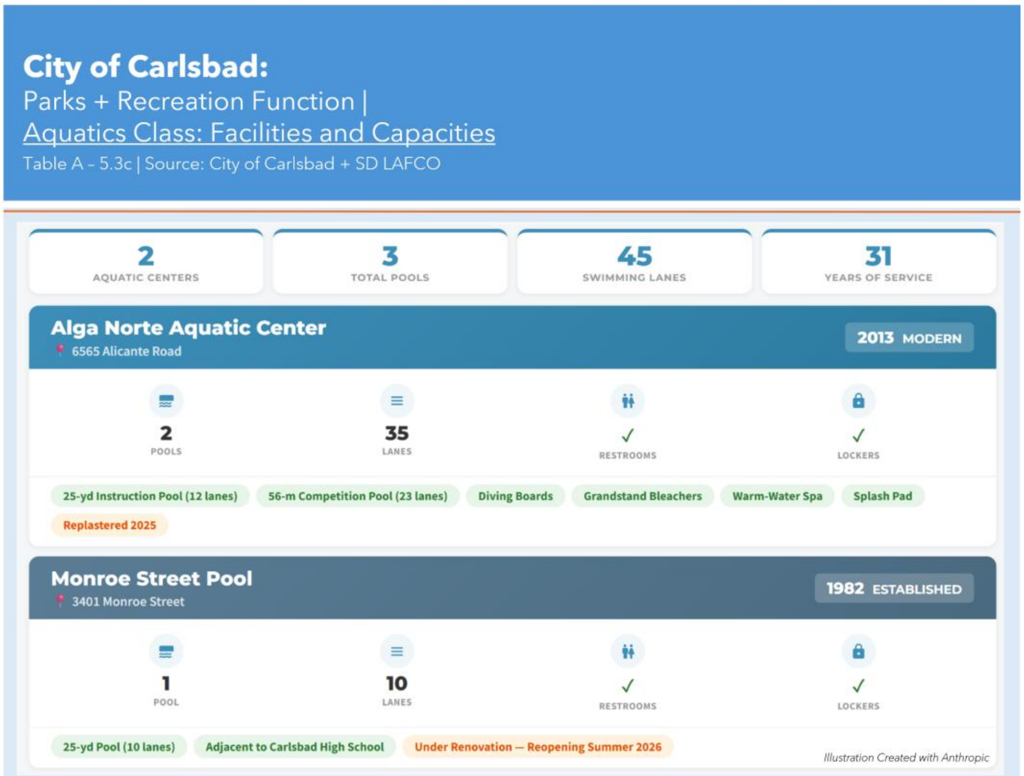
Aquatics

Carlsbad began providing aquatic services in 1982 with the opening of Monroe Street Pool, the first of two municipal swimming facilities. The original facility is in northwestern Carlsbad and adjacent to Carlsbad High School; it is also currently under renovation with plans to reopen in late summer 2026. A second facility – Alga Norte Aquatic Center – was added in late 2013

31 Years in the Making...

Carlsbad's aquatic facilities span over three decades, from the established Monroe Street Pool (41 years) to the modern Alga Norte Aquatic Center (11 years). Together, these facilities provide 45 total swimming lanes across three pools - accommodating both competitive and recreational users.

in southeastern Carlsbad. Alga Norte features a 25-yard instruction pool with 12 lanes, a 56-meter competition pool with 23 lanes complete with diving boards and grandstand bleachers, a warm-water outdoor spa, and a splash pad for children. It underwent pool replastering and restroom renovations in 2025. The Alga Norte facility represents a significant capacity expansion with 3.5 times more lanes than the Monroe Street Pool and reflects a substantial investment in meeting growing aquatic recreation demand.[65]



Aquatic class offerings are scheduled by Carlsbad based on community interest and largely influenced by recent attendance. During the five-year report period ending in 2023, the average actual number of aquatic classes offered by Carlsbad has been 998 annually. This figure translates to a per capita ratio of 8.72 classes for every 1,000 residents.[66] Consistent with adjusting to community input and other outside factors, class offerings have fluctuated over the report

Swimmingly Well...

Carlsbad's aquatic classes showed remarkable resilience and efficiency gains during the five-year report period with participant enrollment growing 62% while class offerings remained relatively stable

65 Both facilities are accessible to the public with entrance fees ranging from $3 for children to $5 for adults.
66 LAFCO estimates the five-year average population within the City of Carlsbad at 114,384.

period with a clear decline during the pandemic followed by a recovery peak in 2021. More recent trends show a brief attendance spike in 2022, followed by a pullback in 2023. While the last two years are more consistent relative to the pandemic-era volatility, class offerings remain prone to variability from external factors.

City of Carlsbad:
Parks + Recreation Function |
Aquatics Class: Demands
Table A - 5.3d | Source: City of Carlsbad + SD LAFCO

874	4,953	4.4	+64.8%
AVG CLASSES / YEAR	AVG PARTICIPANTS	PARTICIPANTS / CLASS	PARTICIPATION GROWTH

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	5-Yr Average	Growth Trend
Aquatic Class Offerings	766	911	755	1,183	756	874	(1.3%)
Aquatic Class Participants	3,312	3,274	3,609	5,645	5,381	4,953	+62.4%
Average Participants Per Class	4.3	3.6	4.8	4.9	7.1	4.4	+64.8%

Illustration Created with Anthropic

Class information – including attendance – for 2019 covered only one-half of the year. For purposes of this report, LAFCO staff believes it is reasonable to assume an equal level of classes and participants to produce full year

Parks, Open Space + Recreation

Carlsbad began providing general park services following its incorporation in 1952, albeit initially on an all-volunteer basis. The genesis traces to the work of a volunteer group called the Park, Beach, and Recreational Commission that coordinated with the new City administrators and was instrumental in developing the early framework for what would become the Parks and Recreation Department in 1954. The transition to a formal City department was marked by the concurrent acquisition that same year of Carlsbad's first community park – Holiday Park.

From Humble Beginnings…

Carlsbad's park, open space, and recreation services began modestly with the help of an all-volunteer group to open its first public park (Holiday Park) in 1954. Carlsbad's offerings have evolved from an early focus on free-play parks to a comprehensive 432-acre system that includes structured recreation opportunities and maintained open space uses.

Momentum thereafter has led to a total of 14 community parks as well as 28 special use sites (typically consistent with neighborhood parks or pocket parks within subdivisions) with a combined acreage of 432.4 acres at the end of the report period in 2023. These core class amenities are detailed below.

City of Carlsbad:
Parks + Recreation Function |
Parks , Open Space + Recreation Class: Parks + Special Use Areas

Table A - 5.3e | Source: City of Carlsbad + SD LAFCO

COMMUNITY PARKS 14

Small (Under 10 ac) | Medium (10–25 ac) | Large (25+ ac)

Park	Acres	Play Area	Basketball	Restrooms	Parking
Veterans Memorial Park	93.7 acres	●	●	●	●
Alga Norte Community Park	32.1 acres	●	●	●	●
Stagecoach Community Park	28.5 acres	●	●	●	●
Hidden Canyon Community Park	22.0 acres	●	●	●	●
Calavera Hills Community Park	17.1 acres	●	●	●	●
Zone Community Park	8.8 acres	●	○	●	●
Pine Community Park	8.5 acres	●	○	●	●
Holiday Park	7.5 acres	●	○	●	●
Carlsbad Village Community Park	6.7 acres	●	○	○	●
Oak Park	6.2 acres	○	○	○	○
Arroyo Vista Elementary	4.7 acres	●	●	●	●
El Fuerte Park	4.7 acres	●	●	●	●
Calavera Park	3.0 acres	○	○	○	○
Buena Vista Reservoir Park	2.5 acres	●	○	○	○
Pine Community Park (Annex)	0.8 acres	○	○	○	○

SPECIAL USE AREAS 28

Site Name	Acres	Play Area	Basketball	Restrooms	Parking
Leo Carrillo Ranch Historic Park	27.4	○	○	○	○
La Costa Canyon Park	14.7	●	●	●	●
Agua Hedionda Lagoon Trail	4.2	○	○	○	○
Magnolia Elementary	4.0	●	○	○	○
Carlsbad High School	3.4	○	○	○	●
Carlsbad State Park	3.4	○	○	○	●
Batiquitos Lagoon Nature Center	2.7	○	○	●	●
Monroe Elementary	2.7	○	●	●	●
Buena Vista Elementary	2.5	○	●	○	○
La Costa Heights Elementary	2.5	●	●	○	○
Magee Park	2.1	○	○	○	○
Cannon Park	1.7	●	○	○	○
Las Colonias Park	1.0	○	○	○	○
Maxton Brown Park	0.9	●	○	○	○
Calavera Hills Trailhead	0.4	○	○	○	○
Subtotal (15 Visible Sites)	73.6				

Combined Portfolio				
	42 TOTAL SITES	432.4 TOTAL ACRES	14 COMMUNITY PARKS	28 SPECIAL USE AREAS

Illustration Created with Anthropic

While adding to parklands, Carlsbad has also diversified its portfolio beginning in the 1980s to increasingly include open space and structured recreational services – ranging from community centers to specialized recreation activities and more recently an 18-hole municipal golf course. These relatively new class features are summarized below.

- Carlsbad operates five **community centers** that collectively provide a range of social engagement services for residents with one specifically dedicated to continuum of care (activities, nutrition, etc.) for senior residents. Baseline center services include providing meeting and forum spaces, hosting educational classes, and serving as alternative sites to make services available outside of traditional City offices. Center-specific amenities expand to include gymnasiums, fitness rooms, and auditoriums.

- Carlsbad operates one **municipal golf course** – Crossings. This 18-hole course opened in 2007 and hosts major professional tournaments and in doing so has earned the label "championship course." It includes 206.8 acres of habitat preserve along with 196 acres of golf course. Carlsbad residents are eligible for a discounted rate and can reserve times up to 30 days out.

- Carlsbad operates two dedicated **skateparks**: the Carlsbad Skatepark located adjacent to Fire Station No. 5 and the Alga Norte Skatepark. The latter opened in late 2013, spans approximately 0.6 acres, and was reportedly the largest skatepark in San Diego County at the time of its opening.

- Carlsbad operates a **trail system** providing hikers and cyclists with nearly 67 miles of trails with scenic access to Lake Calavera, Agua Hedionda Lagoon, and Rancho La Costa Preserve, among other natural areas.

Most of Carlsbad's park, open space, and recreational services operate as free-access facilities and allow residents and visitors to use them without registration, fees, or monitoring systems. Usage of reservable facilities and rental amenities is trackable and in Carlsbad ranges in intensity from reserving individual picnic tables to renting out entire auditoriums. Sports fields have remained the most popular facility to book with an average annual number totaling 8,981 each year during the five-year report period ending in 2023. The next most popular booking category involves multi-purpose rooms at Carlsbad's five community centers, which averaged 4,206 reservations each year.

What 24k Reservations Reveal…

While most of Carlsbad's parks and open space resources remain freely accessible, the City's 24,000+ annual facility reservations show evolving community preferences – from the pandemic's disruption and recovery to new recreational realities where basketball and community gardening are winning over more attendees while tennis courts are increasingly out of favor.

City of Carlsbad:

Parks + Recreation Function |
Parks , Open Space + Recreation Class: Demands (Reservations)

Table A - 5.3f | Source: City of Carlsbad + SD LAFCO

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Average	Trend
Sports Field Rentals	4,718	9,129	6,206	12,078	12,774	8,981	+170.8%
Pool Rentals	2,610	5,767	2,677	5,645	6,605	4,661	+153.1%
Multipurpose Room Rentals	3,341	6,602	1,190	4,196	5,745	4,206	+72.0%
Historic Park Rentals	910	1,934	643	1,688	1,898	1,414	+108.6%
Outdoor Space Rentals	643	1,318	615	1,480	1,521	1,115	+136.5%
Picnic Area Rentals	428	1,153	317	1,411	1,390	940	+224.8%
Tennis Court Rentals	823	1,295	398	1,071	285	774	-65.4%
Community Garden Rentals	366	737	728	732	731	659	+99.7%
Gymnasium Rentals	265	817	553	698	825	632	+211.3%
Auditorium Rentals	457	849	52	551	786	539	+72.0%
Skatepark Rentals	N/A	N/A	71	418	213	234	New
Basketball Court Rentals	3	14	3	31	33	17	+1,000%
Total Reservations	**14,564**	**29,615**	**13,453**	**29,999**	**32,806**	**24,087**	+125.2%

Illustration Created with Anthropic

Drawing from the preceding table, the following summarizing observations apply regarding community demands during the report period.

- The pandemic appears to have had a dramatic impact on facility rentals with most categories experiencing sharp declines in 2021 followed by strong recoveries across the board with the exception of tennis. Auditorium and multi-purpose room rentals best illustrate this pattern – dropping to their lowest points in 2021 before rebounding to near or above pre-pandemic levels.

- Basketball court rentals showed the most significant growth in rental/reservation demand at more than 1,000% and partly attributed to Carlsbad establishing new youth basketball leagues to now cover the Spring period.

- Community garden rentals nearly doubled during the report period and track with broader interest following the pandemic in developing sustainable and self-sufficient food sources. A new community garden located in the southeastern part of the city opened in Spring 2025.

- Tennis court rentals are the notable outlier, bucking the overall growth trend with a (65.4%) decline – likely resulting from the City's general approach to offering its tennis courts on a first come, first taken basis. A portion of the community likely also transitioned toward other racquet sports - specifically pickleball.

Performance Measurements |
Syncing Up Resources, Capacities, and Demands

The City of Carlsbad's parks and recreation function has measurably evolved over the last several decades, headlined by its transition from free-play parks to increasingly structured recreational programming. This evolution tracks with demographic changes and community interests beginning in the 1970s and reflected in the voter-approved initiative in 1986 reorienting City priorities toward managing growth while emphasizing quality of life. Community support for these expanded amenities is evident in sharply increasing utilization rates over the five-year report period ending in 2023 – sports field rentals more than doubled, gymnasium rentals tripled, and aquatics participation grew 64% despite pandemic-related fluctuations. Carlsbad also continues to invest in traditional unstructured play opportunities, as evidenced by the City Council's approximately $57 million commitment to the 94-acre Veterans Memorial Park project. This and other key performance measurements drawn from the report period follow.

Premium Investment in Quality of Life |
Carlsbad has demonstrated a substantial financial commitment to its parks and recreation function, with it accounting for nearly 10% of total City General Fund expenditures over the report period — a comparably significant discretionary allocation among cities that reflects the City Council's prioritization of recreational services. At the equivalent of $159 per capita in General Fund monies, Carlsbad's investment is more than four-fifths – 83% – above a national benchmark of $87 per capita for similarly size cities between 100,000 and 250,000 in population.[67]

Hitting the Mark with Expansive Recreation Menu |
Drawing from its premium investment, Carlsbad has developed a comprehensive and diverse portfolio of structured recreation facilities serving residents across age groups and activity preferences. These range from competitive aquatics at two major facilities offering nearly 1,000 annual classes to specialized amenities, including championship golf, skateparks, and five community centers with varied programming capabilities. These investments demonstrate responsiveness to evolving community interests as evidenced by dramatic growth in basketball court rentals (over 1,000% increase), near doubling of community garden participation, and robust utilization across sports fields (8,981 annual reservations) and multi-purpose spaces (4,206 annual bookings).

[67] Reference to 2024 NRPA Agency Performance Review, Figure 15: Operating Expenditures Per Capita and Size.

Parkland Acreage: Mixed Results |

Carlsbad's provision of developed public parkland presents a more complex picture depending on the measurement standard applied. At 3.8 acres of developed parkland per 1,000 residents at the end of the report period in 2023, Carlsbad falls below (45.7%) the national benchmark of 7.0 acres per 1,000 residents for peer cities (100,000-250,000 population).[68] Local and state standards paint a different picture: Carlsbad exceeds the baseline requirement of 3.0 acres per 1,000 residents under both the City General Plan and California's Quimby Act. This gap reflects an implicit policy trade-off – Carlsbad has concentrated resources on premium structured recreation amenities rather than extensive traditional park development. This approach is further shaped by RHNA obligations that prioritize land availability for residential development and constrain opportunities to set aside additional land for conventional park uses. To partially offset these constraints, Carlsbad's development standards require private projects to incorporate on-site green space and play areas. Taken together, these factors indicate that while Carlsbad performs below certain national benchmarks, its parkland strategy reflects state mandates, local standards, and community preferences.

Joint-Use Agreements: Bringing Parks to Neighborhoods |

Carlsbad uses joint-use agreements with local public school districts to extend recreational access through 37.5 acres across 10 strategically distributed sites throughout the City. These agreements enhance Carlsbad's parkland ratio from 3.8 to 4.0 acres per 1,000 residents and help address park access gaps given these contracted sites are located in residential neighborhoods within walking/biking distance of homes – especially beneficial for families with children.

Adapting to Demographic Shifts |

The transition from tennis to pickleball illustrates how quickly recreational preferences can change. As Carlsbad's demographics continue to evolve, existing facilities will need to be monitored to ensure they continue to match with community interests. Carlsbad's current projects to construct a total of 14 pickleball courts (in addition to the existing six pickleball courts) while retaining existing tennis courts demonstrates adaptability to the community's changing recreational preferences.

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[68] Reference to 2024 NRPA Agency Performance Review, Figure 2: Acres of Parkland per 1,000 Residents.

5.4 Library & Cultural Arts Function

The City of Carlsbad's consolidated library and cultural arts function predates incorporation and traces its origins to the County of San Diego's establishment of a branch library in 1916. The first collection reportedly consisted of a small set of books housed in a corner of Simpson's Store at Ivy and First Streets. Over the following decades, the collection relocated several times within the Village area before Carlsbad assumed operations in 1956 and eventually opened its first dedicated facility in 1967 as part of an annex to the City Hall complex. This facility – later renamed the Georgina Cole Library – remains in operation and has since been joined by two others: the Carlsbad City Library on Dove Lane (1999) and the Carlsbad City Library Learning Center (2008).

110 Years and Counting: Storefront to Three-Facility System…

The City of Carlsbad's consolidated library and cultural arts function draws on an initial pre-incorporation investment by the County of San Diego in establishing the community's first public library in 1916 and now features a three-facility system serving over 425,000 annual visitors and circulating more than 1.1 million items. These services account for 7% of the City's General Fund expenditures over the five-year report period ending in 2023.

While traditionally centered on literacy and information access, Carlsbad's libraries have also evolved into community resources for cultural enrichment, offering space, programming, and partnerships to foster creative expression. Carlsbad formally expanded this role in 1986 with the creation of the Cultural Arts Office.

Cultural arts functions have reported through the City's library structure since 1985. In 2009, as part of a broader municipal reorganization during the Great Recession, the department was renamed the Library and Cultural Arts Department to more formally reflect this longstanding administrative relationship. Operational input is provided by two advisory bodies: the Library Board of Trustees and the Arts Commission. Operational input is provided by two advisory bodies: the Library Board of Trustees and the Arts Commission. The Department also coordinates activities and resources with several local non-profits, including the Friends of the Carlsbad Library. Suzanne Smithson has served as Director since 2020 and for the final four years of the report period.[69] A summary of the consolidated function's core resources, capacities, demands, and performance follows.

[69] Heather Pizzuto previously served in the position before retiring in 2020

Resources |
Budget and Staffing

Carlsbad's consolidated library and cultural arts function's primary funding source is the City General Fund. These all-purpose monies have consistently covered 98% of the Library and Cultural Arts Department's average annual actual expenses during the five-year report period ending in 2023. (A dedicated analysis of the General Fund is provided in Section 6.2.) The small remaining funds used to support the library and cultural arts function tie to special revenue funds involving endowments, donations and grants. Personnel costs during the period account for about 60% of actual expenses and support 51.0 budgeted FTEs as of the final year. The balance of actual expenses – 40% of all costs – has gone to operations with nearly half of which covers interdepartmental City charges, such as information technology services. Overall, the Library and Cultural Arts Department's actual expenses have accounted for 7% of total City General Fund expenditures over the five-year report period.

Steady Investment Continues…

The City of Carlsbad Library and Cultural Arts Department has consistently received approximately 7% to 8% of General Fund monies during the five-year report period ending in 2023. Overall, just over 98% of all funding during the report period ties to the General Fund.

City of Carlsbad:
Library and Cultural Arts Function, Budget Resources
Table A-5.4a | Source: City of Carlsbad + SD LAFCO

Categories	2019-2023 5-Year Averages
Total Budgeted Expenses	
…Average Annual	$14.044 million
…Overall Change	9.9%
…Portion Covered by General Fund	$13.483 million / 98.8%
Total Actual Expenses	
…Average Annual	$13.177 million
…Overall Change	2.2%
…Portion Covered by General Fund	$12.932 million / 98.2%
Budget Performance	
…Overall Budget to Actual Ratio	0.94

A closer review of budget-to-actual expenses shows Carlsbad's Library and Cultural Arts Department remained within City Council planning expectations in all five years of the report period ending in 2023. The overall budget to actual ratio during the period is excellent at 0.94, a variance rate of (6%), with cumulative budget savings of $4.336 million. This savings appears attributable to increasing spending discipline with actual expense growth at 2.2% compared to 9.9% growth in budgeted amounts.

Budgeted staffing for the Library and Cultural Arts Department totals 51.0 FTE at the end of the report period in 2023 – a net no change.[70] This produces a ratio with more than six out of every 100 budgeted City employees are assigned to the Library and Cultural Arts Department. (This figure does not include 61.95 budgeted hourly staff.) A breakdown of budgeted staffing across Library and Cultural Arts Department's seven active budget divisions – (a) Administration, (b) Circulation, (c) Adult and Teen Services, (d) Children Services, (e) Collections and Technical Services, (f) Outreach, Literacy and Bilingual Services, and (h) Cultural Arts – through the report period follows.

One Direction with Six Divisions…

The City of Carlsbad divides its Library and Cultural Arts Department into six active divisions at the end of the report period in 2023, with 6.0 of the 51.0 budgeted positions explicitly tasked with cultural arts activities.

City of Carlsbad:
Library and Cultural Arts Function, Budgeted Staffing Levels
Table A – 5.4b | Source: City of Carlsbad + SD LAFCO

Division	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	5-Yr Average	Growth Trend
Administration	12.0	12.0	12.0	12.0	10.0	11.6	-16.7%
Circulation	4.5	4.5	4.5	4.5	5.0	4.6	+11.1%
Adult + Teen Services: Genealogy + History	11.0	11.0	11.0	11.0	11.0	11.0	0.0%
Children Services	7.0	7.0	7.0	7.0	7.0	7.0	0.0%
Collections + Technical Services	7.0	11.0	7.0	7.0	7.0	7.8	0.0%
Outreach, Literacy + Bilingual Services	3.0	3.0	4.0	4.0	5.0	3.8	+66.7%
Cultural Arts	4.0	5.0	5.0	5.0	6.0	5.0	+50.0%
Community Relations	*2.0*	*2.0*	*2.0*	*2.0*	*0.0*	*1.6*	*-100.0%*
Total FTE	**50.5**	**55.5**	**52.5**	**52.5**	**51.0**	**52.4**	**+1.0%**

Illustration Created with Anthropic

70 Carlsbad notes the Library and Cultural Arts Department had new positions approved during the report period but were later removed. The net change of 0.5 FTE reflects two 0.75 positions converting to fulltime (1.0 FTE each). One position was added in 2020 to support the Arts and Culture Master Plan and two positions were administratively transferred to the City IT budget in 2023.

Capacities and Demands |
Facilities, Programing + More

Carlsbad's library and cultural arts services are primarily delivered out of three dedicated facilities totaling nearly 100,000 square feet. The largest is the Carlsbad City Library on Dove Lane – often referred to as the "Dove Library" — which opened in September 1999 after an estimated $22 million construction investment. At approximately 64,000 square feet, the Dove Library serves a dual role as both a library and cultural arts venue. Its cultural arts features include the William D. Cannon Art Gallery, an approximate 2,000-square-foot space hosting traveling national exhibitions and local artists, and the Ruby G. Shulman Auditorium, a 215-seat venue used for plays, lectures, musical performances, and other community events.

100k Square Feet Across Three Facilities…

The City of Carlsbad's consolidated library and cultural arts function operates out of three dedicated facilities totaling nearly 100k square feet. The Dove Library anchors the system and serves a dual role as the largest branch and primary cultural arts venue featuring a 2,000-square foot art gallery and 215-seat auditorium.

The Dove Library is joined by two other facilities – the Georgina Cole Library and the Library Learning Center – in circulating approximately 1.0 million physical materials annually, including books, magazines, and digital and compact disc media. The Georgina Cole Library is the oldest of the three facilities, built in 1967 at approximately 24,600 square feet and most recently refurbished in 2015. The Library Learning Center is the newest, having opened in August 2008 following a $6.1 million construction investment. It is approximately 11,400 square feet in size and houses Carlsbad's bilingual library services and adult literacy program.

All three facilities support digital access by providing complimentary Wi-Fi as well as access to computers and printers. The facilities also offer private study rooms and meeting space rentals. All services are available free of charge to library cardholders. Cardholders are also not charged late fees provided items are returned; lost items are billed.

City of Carlsbad:
Library and Cultural Arts Function, Core Facilities + Capacities
Table A - 5.4c | Source: City of Carlsbad + SD LAFCO

	Carlsbad City Library on Dove Lane	Georgina Cole Library	Carlsbad City Library Learning Center
Size	64,000 sq ft	24,600 sq ft	11,400 sq ft
Type	Library and Cultural Arts	Library Only	Library and Educational Programming
Location	1775 Dove Lane • Opened 1999	1250 Carlsbad Village Drive • Opened 1967	3368 Eureka Place • Opened 2008
PRIMARY FUNCTION	Full-service library with integrated cultural arts programming	Traditional library services with historical focus	Specialized educational programming and literacy services
CAPACITY	Dual-use library and cultural arts venue; largest in the system	Refurbished 2015; oldest facility in the system	Houses bilingual services and adult literacy program
Special Features	• William D. Cannon Art Gallery • Ruby G. Schulman Auditorium • Friends of the Library Bookstore • On-site Cafe	• Carlsbad History Collection • Genealogy Collection • Friends of the Library Bookstore	• Spanish, English & bilingual collections for all ages • Adult literacy tutoring programs • Family literacy services

Operating Hours (All Facilities): Mon–Thu 9 a.m.–7 p.m. | Fri–Sat 9 a.m.–5 p.m. | Sunday Closed

Illustration Created with Anthropic

Additional capacity features include the following.

- Dove and Cole Libraries include year-round programs featuring adult and teen book clubs along with early literacy initiatives for children.

- Cole Library provides genealogy research support to help residents explore their family history and lineage.

- Library Learning Center provides online high school support, literacy instruction, and support to enable residents to earn an accredited high school diploma.

- The Library and Cultural Arts Department coordinates with other City Departments and local non-profit organizations in providing year-round and seasonal community art and engagement events including TGIF Concerts in the Parks.

With respect to demands, Carlsbad actively tracks usage of its library and associated cultural arts function as part of its annual reporting obligation to the California State Library. This data reveals substantive pattern changes in library usage during the five-year report period ending in 2023. Most notably, library visits show a dramatic shift pre- and

Embracing the Digital Visit…

The City of Carlsbad's libraries are serving roughly the same checkout demand with significantly fewer people walking through the doors – a shift from about 1.7 items per visit pre-pandemic to nearly 2.6 items per visit now. The pattern suggests residents have embraced digital borrowing and are making more purposeful physical visits.

post-pandemic with nearly 670,000 visits to Carlsbad's three library facilities in 2019. Visitor numbers dropped to a low of 20,214 in 2021 before rebounding – though not completely – to 426,470 in 2023; a net decline of (36.3%). This trend appears to be linked to reductions in library operating hours and indicates that although residents are returning to physical library spaces, in-person usage has shifted, with Carlsbad's library facilities currently operating at two-thirds of pre-pandemic foot traffic. These and other demand features are shown in the following table.

City of Carlsbad:
Library and Cultural Arts Function, User Demands
Table A – 5.4d | Source: California State Library + SD LAFCO

Usage Category	FY2019	FY2020	FY2021	FY2022	FY2023	5-Yr Avg	Trend
Library Visits (all walk-ins)	668,973	479,358	20,214	363,803	426,470	391,764	-36.3%
Total Annual Circulation	1,153,037	936,797	529,929	1,008,522	1,118,282	949,313	-3.0%
Physical Item Circulation	1,030,981	786,543	316,257	832,784	893,202	771,953	-13.4%
Circulation of E-Materials	122,056	150,254	213,672	175,738	225,080	177,360	+84.4%
Total Print Materials	256,531	253,724	259,075	253,356	234,538	251,445	-8.6%
Total E-Books	15,407	15,759	16,834	18,843	47,634	22,895	+209.2%
Total Audio Materials	29,448	27,613	26,678	24,864	19,843	25,689	-32.6%
Total Video Materials	16,188	14,990	15,614	15,517	7,210	13,904	-55.5%
Public Internet Computer Uses	93,633	65,611	4,825	22,029	31,962	43,612	-65.9%
Wi-Fi Logins	138,691	121,316	43,443	94,311	115,673	102,687	-16.6%
Virtual Visits to Website	492,157	570,897	450,761	388,153	445,443	469,482	-9.5%
Number of Internet Terminals	125	125	28	122	103	101	-17.6%

+209.2%	2.6	-65.9%	63.7%
E-Book Collection Growth	Items per Visit (FY2023)	Computer Usage Decline	Physical Visit Recovery (of Pre-Pandemic)

Illustration Created with Anthropic

Other notable trends in tracked usage drawn from the preceding table include:

- While foot traffic showed a measurable decline, the overall checkout demand has been steady, falling by only (3.0%) from 1.153 million in 2019 to 1.118 million in 2023.

- A substantive shift in patron usage appears to underlie checkout demands during the report period, signaling a new consumer pattern with physical checkouts declining by (13.4%) while electronic checkouts increased 84.4%.

- Public computer usage has declined by (65.9%) from 93,633 sessions in 2019 to 31,962 sessions in 2023, likely reflecting reduced library operating hours and increased access to personal devices and home internet following the pandemic.

- Wi-Fi usage has decreased more moderately at (16.6%) from 138,691 guest logins in 2019 to 115,673 in 2023. The smaller decline in Wi-Fi usage suggests visitors continue to rely on library Wi-Fi but are increasingly using their own devices.

Performance Measurements |
Syncing Up Resources, Capacities, and Demands

The City of Carlsbad's library and cultural arts function faces distinct vulnerabilities to external forces that largely extend well beyond typical management controls. Unlike core municipal services such as fire protection, wastewater, parks and recreation – where demand is relatively stable and change occurs gradually – libraries and cultural arts have the challenge of adjusting to potentially rapid shifts in behaviors and technologies. These pressures span a wide spectrum from evolving reading habits and entertainment preferences to major disruptions, such as evidenced during the report period –pandemic-driven social distancing. With this in mind, Carlsbad has demonstrated considerable adaptability during the five-year report period ending in 2023. Most notably, Carlsbad has more than tripled its e-book collection from 15,407 to 47,634 titles. This investment proved timely, enabling the library system to meet changing user needs as e-material circulation surged by 84.4% even as physical checkouts fell by (13.4%). As a result, and despite a (36.3%) decline in on-site visits, Carlsbad's libraries and cultural arts programming remains highly consequential to residents as evident by total circulation declining by only (3.0%). This and other tangible performance measurements follow.

Steady Funding + Reciprocity |
Carlsbad demonstrates steady financial commitment to its library and cultural arts function by consistently allocating 7-8% of total City General Fund expenditures each year during the five-year report period ending in 2023. This stable funding base is especially important given that nearly all Library and Cultural Arts Department expenditures are supported by the General Fund, supplemented by approximately $200,000 annually in donations from support organizations and about $45,000 in state literacy grants. Management has reciprocated this steady funding with cumulative budget savings of $4.336 million over the report period.

Focusing on Information Connector Role |

Carlsbad has been successfully evolving from a traditional information provider to a broader community connector by strategically expanding its e-book collection while maintaining robust cultural programming through integrated gallery spaces, auditorium events, and year-round community engagement initiatives. Despite a one-third decline in physical visits and a reduction of hours during the five-year report period ending in 2023, the libraries have maintained nearly identical circulation levels by adapting service delivery to meet users both digitally and physically – fostering connections between people, technology, and community resources in real time.

Rightsizing Digital Access |

Carlsbad has strategically reallocated technology resources during the five-year report period ending in 2023, modestly reducing public computer terminals by nearly one-fifth even as usage dropped by two-thirds – all the while maintaining Wi-Fi infrastructure to support the relatively consistent demand from visitors bringing personal devices.

Digital Expansion and Continued Physical Engagement |

During the five-year report period ending in 2023, usage of digital library services in Carlsbad has increased exponentially, while the size and usage of the physical collection have remained consistent. Circulation of physical items per open hour in 2023 continues to exceed circulation per open hour in 2019, demonstrating that the libraries remain heavily used community resources for both digital and traditional services..[71]

[71] The City of Carlsbad maintains an existing performance measurement specific to providing no less than 800 square feet of library space for every 1,000 residents. At the end of report period, the actual ratio equals 857 square feet for every 1,000 residents.

5.5 Community Development

The City of Carlsbad's community development function represents a foundational municipal responsibility assumed from the County of San Diego upon incorporation in 1952 when the City inherited authority over land use regulation and related services. This function initially operated under carryover County ordinances and zoning codes, providing regulatory continuity while the City embarked on the multi-year process of crafting Carlsbad-specific planning policies – a gradual transition from inherited to independent governance culminating in the adoption of the first City General Plan in August 1965. The current General Plan, seven years in the making before its 2015 adoption, continues more recent efforts to transition away from growth facilitation to growth management: emphasizing infill development, beach preservation, and "community character." This growth management framework now operates within an increasingly complex regulatory environment as state housing mandates test the balance between local control and regional obligations.

One Function, Two Departments, + Five Classes…

The City of Carlsbad's community development function spans two departments – Community Development and Housing & Homeless Services – and is categorized into five service classes: planning, building, land development engineering, code enforcement, and housing assistance. The function has accounted for 6% of annual General Fund expenditures over the five-year report period ending in 2023.

Carlsbad's community development function presently spans two organizational units – principally the Community Development Department and select programs within the Housing and Homeless Services Department – collectively delivering five service classes: (a) planning, (b) building, (c) land development engineering, (d) code enforcement, and (e) housing. The primary service agent - Community Development Department - has undergone strategic reorganization to enhance service delivery, most notably in 2022 when building and code enforcement separated into standalone divisions to improve specialization and responsiveness. The Department coordinates with multiple advisory bodies, including the Planning Commission, which the Department staff. Jeff Murphy served as Director of Community Development from January 2020 through the end of the five-year report period in 2023, overseeing four of the five service classes. Murphy has since been promoted to Deputy City Manager, Community Services, effective January 2026.[72] The Housing and Homeless Services Department was created in July 2021 out of the Community Development

[72] The previous Community Development Director – Debbie Fountain – served between 2018 to 2019.

Department and coincided with the appointment of the current director, Amanda Mills. A summary of the functions' core resources, capacities, demands, and performance follows

Resources | Budget and Staffing

The City of Carlsbad's community development function and its five service classes – planning, building, land development engineering, code enforcement, and housing – have undergone significant restructuring during the five-year report period ending in 2023. The restructuring split operations between two departments while raising overall funding levels and associated resources. Pre-reorganization (2019 to 2021), the unified cost under the Community Development Department for all five classes averaged $23.3 million annually and funded roughly equally between the General Fund and Special Revenue Fund, the latter including grants (federal and state), donations, and impact fees. Following reorganization (2022 to 2023), the combined costs covering the five classes has grown to an annual average of $27.8 million – a 19.6% increase – with $10.8 million going to Community Development and $17.0 million going to Housing and Homeless Services.

Strategic Split…

The City of Carlsbad reorganized its community development function in 2022, creating a stand-alone Housing and Homeless Services Department to oversee the housing class while planning, building, land development engineering, and code enforcement classes remain within the Community Development Department. The reorganization serves to clarify responsibilities and elevate visibility around housing issues and has been accompanied by an overall funding increase of nearly 20% for the combined function. The combined community development function accounts for 6% of total General Fund expenditures over the five-year report period ending in 2023.

Personnel costs across the two departments reflect distinctly different operating models. The Community Development Department's labor share has averaged approximately 41% of actual expenditures pre-reorganization (2019 to 2021), rising to approximately 68% post-reorganization (2022 to 2023) – a shift driven by the transfer away of grant-funded housing programs. The Housing and Homeless Services Department, by contrast, operates primarily as a pass-through for federal and state grant funding, with personnel costs accounting for approximately 10% of total expenditures since its standalone status (2022-2023). Combined, personnel costs across both departments have averaged approximately 35 to 40% of total actual expenditures over the report period. A summary of budgeted to actual expenses for the combined function follows.

City of Carlsbad:
Community Development Function, Budget Resources
Table A-5.5a | Source: City of Carlsbad + SD LAFCO

Categories	2019-2023 5-Year Averages
Total Budgeted Expenses	
…Average Annual	$24.051 million
…Overall Change	27.0%
…Portion Covered by General Fund	48.6%
Total Actual Expenses	
…Average Annual	$25.086 million
…Overall Change	39.8%
…Portion Covered by General Fund	$11.827/ 46.4%
Budget Performance	
…Overall Budget to Actual Ratio	1.04

A closer review of budget-to-actual expenses shows that Carlsbad's community development function has exceeded budgeted amounts in three of the five years during the report period ending in 2023. The overall budget-to-actual ratio during the period is 1.04, or a variance of 4%, with cumulative actuals outpacing budgeted amounts by approximately $5.175 million. When separated post-reorganization (2022 to 2023), Community Development generated a 1.04 ratio while Housing and Homeless Services posted 1.03 – suggesting the variance crosses both departments and their service activities at relatively equal proportions.

Budgeted staffing for the community development function totals 68.0 FTE at the end of the report period in 2023 – a net change of 5.25 positions, or 8.4% over 2019. The staffing changes reflect the 2022 reorganization establishing the Housing and Homeless Services Department as a standalone unit with 16.0 FTEs, while also establishing code enforcement as its own division with 4.0 dedicated positions beginning in 2022. Overall, slightly more than seven out of every 100 budgeted City employees are assigned to the community development function across both departments. (This figure does not include 10.8 budgeted hourly staff.) A breakdown of budgeted staffing across the community development function across its two departments – Community Development and Housing and Homeless Services –through the report period follows.

City of Carlsbad:
Community Development Function, Budgeted Staffing
Table A - 5.5b | Source: City of Carlsbad + SD LAFCO

Division	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	5-Yr Avg	Growth Trend
Community Development Department							
Administration	7.0	7.0	6.45	7.0	7.0	**6.9**	0.0%
Planning	20.0	20.0	20.0	20.0	20.0	**20.0**	0.0%
Building	10.0	10.0	15.0	10.0	10.0	**11.0**	0.0%
Land Development + Engineering	10.75	11.75	11.0	11.0	11.0	**11.1**	+2.3%
Code Enforcement*	—	—	—	5.0	4.0	**4.5**	-20.0%
Other/Miscellaneous	15.0	15.0	9.3	0.0	0.0	**7.9**	-100.0%
Subtotal Community Development	**62.75**	**63.75**	**61.75**	**53.0**	**52.0**	**57.5**	-17.1%
Housing & Homeless Services Department							
Housing Services	—	—	—	5.17	5.17**	**5.2**	N/A
Homeless Services	—	—	—	4.0	4.0**	**4.0**	N/A
Affordable Housing Programs	—	—	—	0.8	0.8**	**0.8**	N/A
Federal Assistance Programs	—	—	—	6.03	6.03**	**6.0**	N/A
Subtotal Housing & Homeless	—	—	—	**16.0**	**16.0**	**16.0**	N/A
Department Reorganization Implemented in FY2022							
Total FTE	**62.75**	**63.75**	**61.75**	**69.0**	**68.0**	**65.1**	+8.4%

*Code Enforcement separated from Building Division in FY2022
**FY2023 Housing & Homeless Services detail divisions maintained at FY2022 levels for illustration

Illustration Created with Anthropic

Capacities and Demands |
Planning, Building, , Code Enforcement, Engineering + Housing

This report organizes the evaluation of the City of Carlsbad's community development function by service class – planning, building, code enforcement, engineering, and housing. The evaluation is structured to account for core facilities and their respective capacities with an emphasis on public-facing components and relationship to Carlsbad's growth management goals. Demands are also evaluated when applicable.

Planning

Carlsbad's planning class activities are responsible for maintaining and updating the City's comprehensive land-use regulatory framework – including the General Plan, Local Coastal Program, and Zoning Ordinance. Activities are organized under the Planning Division and include the following core tasks:

County Maps to Coastal Plans…

Carlsbad's planning activities have evolved from inheriting County of San Diego zoning maps in 1952 to implementing regulations and policies established by the City Council. Core capacities tie to staffing levels, which have stayed flat at 20 FTE through the five-year report period ending in 2023.

long-range planning consistent with City Council direction and state mandates; current development review to ensure compliance with adopted regulations, including California Environmental Quality Act (CEQA) requirements; and technical support to the Planning Commission and City Council. [73] Major planning activities reported by Carlsbad during the five-year report period ending in 2023 are as follows.

- Completed and secured approval of the Village and Barrio Master Plan following extensive public engagement and California Coastal Commission review.

- Finalized a comprehensive update to the Local Coastal Program Land Use Plan, addressing sea-level rise and coastal resource protection.

- Adopted the 2021–2029 Housing Element, achieving state Department of Housing and Community Development (HCD) certification.

- Updated the Wireless Communications Facilities Policy to reflect evolving telecommunications infrastructure needs.

- Updated the Inclusionary Housing Ordinance and recalibrated the in-lieu fee structure to align with current market conditions.

- Deployed a customer self-service portal for online submission for Planning Sign Permits, which continues to be expanded for other plan types.

[73] The Planning Division is allocated with 20.0 FTE budgeted positions at the end of the five-year report period in 2023 – equal to 38% of total staffing within the Community Development Department. The average annual yearly expense has been $3.44 million with the portion coming from the General Fund translating to a per capita cost of $29.55.

Planning applications represent a direct intersection between Carlsbad and the public's development aspirations and municipal regulatory authority – ranging in scale from a homeowner adding an accessory dwelling unit to a developer proposing a subdivision. Overall, planning application submittals have averaged 156 each year during the five-year report period ending in 2023 with a point-to-point increase of 42%. Application types show a notable shift in Carlsbad's development patterns: traditional subdivision maps declined by (86%), from seven to just one, while discretionary permits jumped nearly 50% from 128 to 178 with the latter typically requiring higher administrative processing burdens. A listing of application type and volume over the report period follows.

Infill Demands…

Over the five-year report period ending in 2023, planning applications in Carlsbad have increased 42%, reflecting steady growth in community investment and development interest. Also of note: a major shift underlies application patterns – sharp pivot away from traditional subdivisions and a significant increase in discretionary permits. This pattern – among other items – illuminates a transition from greenfield expansion to infill development.

City of Carlsbad:
Community Development Function, Planning Applications (Demands)
Table A – 5.5c | Source: City of Carlsbad + SD LAFCO

Category	FY2019	FY2020	FY2021	FY2022	FY2023	5-Yr Avg	Trend
Discretionary Applications Received							
General Plan Amendments	1	1	2	1	1	1.2	0.0%
Zoning Changes	0	1	2	2	2	1.4	New
Subdivision Maps	7	6	3	3	1	4.0	-85.7%
Other Discretionary Permits*	120	128	145	178	178	149.8	+48.3%
Total Applications Received	**128**	**136**	**152**	**184**	**182**	**156.4**	+42.2%
Processing Actions							
Applications Approved	102	109	115	134	123	116.6	+20.6%
Applications Denied	0	3	0	0	0	0.6	N/A
Application-to-Action Ratio	*1.25:1*	*1.21:1*	*1.32:1*	*1.37:1*	*1.48:1*	*1.33:1*	+17.9%

*Other Discretionary Permits includes Conditional Use Permits, Site Development Plans, Variances, Coastal Development Permits, ADU applications requiring planning review, and other permits requiring discretionary approval.

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Building

Permission Business...

Carlsbad's building activities have evolved from straightforward residential permits since incorporation in 1952 to enforcing more complex and multi-code compliance spanning seismic, energy, and environmental standards. Core capacities remain anchored at 10.0 FTE throughout the five-year report period.

Carlsbad's building class activities are now organized as a stand-alone division within the Community Development Department following a reorganization to separate it from code enforcement beginning in 2020. The Building Division serves as the main point of contact for landowners seeking to build or modify structures in Carlsbad while complying with state and local construction standards. Core responsibilities encompass providing guidance to applicants, plan review and permit issuance for all construction projects, fee assessment, and field inspections to ensure contractor work aligns with approved plans – all while enforcing critical safety standards including seismic requirements, energy efficiency measures, stormwater management provisions, and construction waste recycling mandates.[74] Major building activities reported by Carlsbad during the five-year report period ending in 2023 are as follows.

- Updated construction waste management forms to align with state-mandated waste diversion requirments.
- Deployed a customer self-service portal for online submission of basic building permits, which continues to be expanded for other permit types.
- Continued migration of historical building records into digital archive for improved public access.
- Implemented virtual inspection processes for contractors installing residential solar systems.
- Implemented a self-certification inspection program allowing qualified professionals to verify minor improvements.

[74] The Building Division is allocated with 10.0 FTE budgeted positions at the end of the five-year report period – equal to 19% of total staffing within the Community Development Department. The average annual expense has been $1.99 million with the portion coming from the General Fund translating to a per capita cost of $17.09.

Building permits provide a view on construction activity and private investment in Carlsbad's built environment – each one representing a property owner's decision to improve, expand, or redevelop property. Overall, building permit issuances have averaged 4,556 each year during the five-year report period ending in 2023 with a point-to-point increase of 13%. Construction valuation fluctuated sharply – from a high of $252.9 million in 2019, dropping to $132.9 million during the pandemic in 2021, before rebounding to a new high of $289.1 million in 2023. Permit activity also reveals shifts in Carlsbad's construction landscape, mirroring trends in planning applications. Residential permits have climbed 22% while commercial permits declined (41%). A listing of permit issuances by type and value follows.

Residential Permits Up: Modifying, Improving + Adding…

Over the five-year report period ending in 2023, Carlsbad has processed nearly 23,000 building permits – an average of about 4,500 per year – reflecting steady and increasing investment by landowners in their Carlsbad properties. The growth has swung sharply towards residential activity, with residential permits climbing 22% while commercial permits have declined by (41%).

City of Carlsbad:
Community Development Function, Building Permits (Demands)
Table A - 5.5d | Source: City of Carlsbad + SD LAFCO

Category	FY2019	FY2020	FY2021	FY2022	FY2023	5-Yr Avg	Trend
Permits by Type							
Residential Permits	3,844	3,499	3,880	4,446	4,702	4,074	+22.3%
Commercial Permits	628	546	419	400	368	472	-41.4%
Total Permits Issued	4,472	4,045	4,299	4,846	5,070	4,546	+13.4%
Construction Valuation							
Total Valuation (Millions)	$252.9	$229.8	$132.9	$188.3	$289.1	$218.6	+14.3%
Average Value per Permit	$56,565	$56,817	$30,915	$38,856	$57,041	$48,067	+0.8%
Workload Indicators							
Permits per Inspector (10 FTE)	447	405	430	485	507	455	+13.4%

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Code Enforcement

Carlsbad's code enforcement activities have evolved considerably during the five-year report period, transitioning from a unit within the Housing Services Division to the Building Division in 2020, before establishing itself as a stand-alone division within the Community Development Department in 2022. This organizational evolution ties to a growing recognition of code compliance as a specialized service activity. Core responsibilities encompass enforcing zoning, building, and property maintenance codes; investigating resident and business complaints; educating property owners on compliance requirements; and coordinating with other enforcement agencies.[75] As a newly established standalone division, Code Enforcement is in the early stages of building its operational framework. Major code enforcement activities that have been reported to date by Carlsbad are as follows.

Complaints to Compliance...

Carlsbad's code enforcement activities have progressed to a dedicated division responsible for comprehensive zoning, building, and property maintenance compliance. Core capacities are anchored to 4.0 FTE budgeted positions at the end of the five-year report period.

- Developed a code enforcement case prioritization and process guide to standardize response protocols and ensure consistent enforcement.
- Implemented an online tracking system for case processing timelines and code violations.
- Launched the State Mobile Home Park Inspection Program in partnership with California Department of Housing and Community Development.

Code enforcement cases reflect where community standards and individual decisions intersect – typically involving concerns about property appearances, unpermitted activities, or quality-of-life issues (sounds, smells, etc.) Overall, case openings have averaged 1,445 each year during the five-year report period ending in 2023 with a point-to-point increase of 47%. Case closures have also grown but at a slower pace of 14%, resulting in the opening-to-closure ratio shifting from 0.8-to-1.0 in 2019 to slightly

[75] The Code Enforcement Division is allocated with 4.0 FTE budgeted positions at the end of the five-year report period – equal to 8% of total staffing within the Community Development Department. The average annual expense has been $724,000 with the portion coming from the General Fund translating to a per capita cost of $6.22.

over the breakeven line at 1.03-to-1.0. However, given the 47% increase in case volume against a flat four-person staffing base, workload pressures could impact future response times if demand continues to grow.

City of Carlsbad:
Community Development Function, Code Enforcement (Demands)
Table A – 5.5e | Source: City of Carlsbad + SD LAFCO

Category	2019	2020	2021	2022	2023	5-Yr Avg	Trend
Cases Opened	1,244	1,422	1,288	1,440	1,829	1,445	+47.0%
Cases Closed	1,559	1,393	1,280	1,622	1,774	1,526	+13.8%
Opening:Closure Ratio	*0.80:1*	*1.02:1*	*1.01:1*	*0.89:1*	*1.03:1*	*0.95:1*	*+28.7%*

Illustration Created with Anthropic

Engineering

Carlsbad's engineering services are housed in the Land Development Engineering Division within the Community Development Department. The Division focuses on ensuring that all grading, public improvements, and work within the public right-of-way and other public spaces – including City buildings - meet applicable state and local codes. Core responsibilities include reviewing and processing subdivision maps, plan checking and permitting for grading and infrastructure projects, administering floodplain regulations, conducting transportation impact analyses under CEQA, and providing technical assistance.[76] Major engineering activities reported by Carlsbad during the five-year report period ending in 2023 follow.

Approval to Construction…

Carlsbad's Land Development Engineering Division is where development inquiries become concrete – bridging the gap between approval and physical construction. Core engineering class capacities tie to staffing levels, which finished the five-year report period ending in 2023 with 11 FTE.

- Transitioned from printed mylars to digital submission processes for both plan submittals and right-of-way permit applications.

[76] The Land Development Engineering Division is allocated with 11.0 FTE budgeted positions at the end of the five-year report period – equal to 21% of total staffing within the Community Development Department. The average annual yearly expense has been $2.13 million with the portion coming from the General Fund translating to a per capita cost of $18.29.

- Launched a customer self-service portal to enable online processing of temporary water meter permits, which continues to be expanded for other permit types.

- Established vehicle miles traveled (VMT) evaluation policies to comply with CEQA requirements along with creating an interactive public VMT map.

- Developed a transportation demand management program to reduce single-occupancy vehicle use by promoting alternative transportation, including walking, biking, public transit, and ride sharing.

Assessing demand on municipal engineering services centers mostly on two public-facing measurements: the volume of engineering permits issued and the volume of plan reviews processed. The former captures direct permitting activity - grading, public improvements, and right-of-way work – while the latter reflects the technical oversight role in evaluating construction projects for code compliance. As for actuals, the average number of engineering permits issued by Carlsbad during the five-year report period has been 1,207 with a point-to-point change of (8%) from 1,200 in 2019 to 1,102 in 2023 – a dip that appears consistent with the City's broader shift from large-scale greenfield development to smaller infill projects. In contrast, ministerial and discretionary permit reviews have experienced a considerable jump of 340% over the same period – from 640 building permit reviews in 2019 to 2,817 in 2023. The widening gap between declining permit issuances and escalating review obligations appears to highlight a material shift in workload – one that increasingly centers on technical oversight rather than direct permitting. A listing of technical reviews permits issued, and more traditional subdivision work activities (landscape plans and grading permits) by type and value follows.

From Issuing to Advising…

Carlsbad's engineering services appear to be shifting from primarily issuing permits to providing technical reviews. While direct permit issuance declined over the five-year report period, review obligations quadrupled - going from a weekly average of 12 in 2019 to 54 in 2023.

City of Carlsbad:
Community Development Function, Engineering (Demands)
Table A - 5.5f | Source: City of Carlsbad + SD LAFCO

Category	2019	2020	2021	2022	2023	Change
Technical Reviews	640	1,230	2,225	2,059	2,817	+340%
Permits Issued	1,200	1,400	1,200	1,131	1,102	-8%
Landscape Plans	34	24	31	30	25	-26%
Grading Permits	46	38	51	50	44	-4%
Combined Traditional	**80**	**62**	**82**	**80**	**69**	-14%

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Housing

Carlsbad's housing services have experienced the most significant organizational change among all community development class functions during the five-year report period ending in 2023. Beginning the period as a single division within Community Development, it expanded into a stand-alone Housing and Homeless Services Department in FY2022, marking the City Council's decision to make homelessness reduction a core strategic priority. The Department comprises three specialized divisions: Homeless Services (prevention, outreach and intervention), Housing Services (trust fund administration, community programs, and federal/state grant management), and Housing Assistance (management of federal Section 8 vouchers).[77] Major housing class activities reported by Carlsbad during the report period follow:

From Division to Department…

Carlsbad's housing function hit a maturation milestone during the five-year report period ending in 2023, transitioning from a single division within Community Development to a full-scale Housing and Homeless Services Department. The new department consolidates homeless outreach, affordable housing programs, and federal housing assistance under one coordinated structure with 16.0 budgeted FTEs.

- Scaled homeless outreach from zero dedicated services in 2019 to engaging 749 unduplicated individuals by 2023, transitioning 62 into permanent housing.

[77] The Department is allocated 16 FTE budgeted positions at the end of the five-year report period. The average annual expense post-reorganization has been $16.6 million with 73% derived from Special Revenue Funds – primarily federal Community Development Block Grants and Housing Choice Vouchers – translating to a General Fund per capita cost of approximately $39.

- Facilitated 419 affordable dwelling units through the development pipeline, leveraging $13.4 million in trust fund commitments.

- Implemented the Affordable Housing Resale Program, acquiring and reselling 15 units to income-qualified buyers.

- Distributed $3.2 million in community development block grant funding to nonprofit providers, reaching 1,215 low-income residents annually.

Housing services have largely operated in the background of municipal government. This dynamic has been shifting as affordability challenges increasingly affect a broader cross-section of residents, pushing cities like Carlsbad to elevate housing and related safety net programs to a more prominent position. Demand trends highlight the increasing pressure on Carlsbad's affordability programs as local market conditions continue to outpace available public resources. This pressure is evident in the widening gap between Housing Choice Voucher assistance and prevailing rents. While the number of households participating declined slightly during the five-year report period – by about (2%) from 524 in 2019 to 513 in 2023 – the average monthly subsidy rose 26% from $1,061 to $1,340, meaning taxpayers are spending significantly more per household to maintain the same level of housing support.

Paying More for the Same Help…

The math behind Carlsbad's housing assistance tells a challenging dynamic: nearly the same number of households are served, but the public now spends one-quarter more to keep them housed. Rising rents and a long-closed waiting list shows the widening gap between local affordability needs and the federal resources meant to meet them.

The Section 8 waiting list provides another measure where demands exceed capacities: after being closed to new applicants for nearly 15 years and restricted to inter-agency transfers, the list contained 844 names when updated in 2021. By 2023, it had declined to 296 – not due to improved affordability, but because of administrative removals for returned mail, ineligibility, or lack of response. The continued closure of Carlsbad's waiting list for more than a decade and a half – amid a 21% rise in median rents from $2,016 to $2,440 – underscores the growing disconnect between federal housing resources and local market realities.

The most notable change within Carlsbad's housing-related activities has been the addition of direct homeless services – a class that did not exist in 2019. Carlsbad reports at the end of the five-year report period in 2023, it had engaged 565 unduplicated individuals that fiscal year, resulting in 66 shelter placements and 105 transitions into permanent housing. The increase in encampment cleanups – from 50 in fiscal year 2021 to 106 in fiscal year 2023 – further reflects the evolving scale of Carlsbad's operational approach towards homelessness.

Redefining Housing Work…

At the beginning of the five-year report period in 2019, Carlsbad's housing activities were primarily focused on planning, regulatory compliance, and affordability programs. By 2023, the scope had expanded to include active field operations – outreach, shelter placements, and encampment cleanups – reflecting the City's broader shift toward directly addressing homelessness.

A listing of voucher enrollments and related information as well as homeless engagement activities during the report period follows.

City of Carlsbad:
Community Development Function, Housing (Demands)
Table A - 5.5g | Source: City of Carlsbad + SD LAFCO

Housing Choice Voucher Metrics

Category	2019	2020	2021	2022	2023	Change
HCV Participants	524	511	501	481	513	-2%
Monthly Subsidy	$1,061	$1,213	$1,297	$1,315	$1,340	+26%
Median Rent	$2,016	$2,058	$2,100	$2,420	$2,440	+21%
Subsidy as % of Rent	52.6%	58.9%	61.8%	54.3%	54.9%	+4%
Section 8 Wait List	*Closed*	844	495	350	296	N/A

Homeless Services NEW FUNCTION

Category	2019	2020	2021	2022	2023	Growth
Individuals Engaged	—	—	605	749	565	New
Shelter Placements	—	—	49	110	66	+35%
Housed	—	—	13	62	62	+377%
Encampment Cleanups	—	—	10	50	50	+400%

Illustration Created with Anthropic

Performance Measurements |
Syncing Up Resources, Capacities, and Demands

Over the five-year report period ending in 2023, the City of Carlsbad's community development function has undergone a substantive transformation – expanding beyond conventional land use regulation to encompass dedicated housing and homeless services now elevated to their own department. This organizational evolution mirrors a broader shift across all five service classes: Carlsbad's physical landscape is maturing, and the work of community development is proceeding in step. Traditional suburban community development activities – greenfield subdivisions, large-scale grading, new commercial construction – are giving way to infill-driven demands that are smaller in scale, albeit with more complexity. This evolution shows in service demands during the report period with subdivision maps, commercial building permits, and landscape plans all sharply dropping, while discretionary planning applications, technical engineering reviews, and code enforcement cases all sharply rising. These and other function measurements follow.

Above the Mean: Meeting RHNA |

Carlsbad's housing performance has consistently outpaced regional benchmarks, achieving 74% of its overall 4,999-unit assignment during the fifth RHNA cycle (2013–2021) compared to a countywide rate of 59%. The current sixth cycle (2021–2029) shows similar momentum with 34% completion after three years, with projected attainment near 89% at current pace. Carlsbad is meeting its planning obligation to provide zoning capacity to accommodate future housing opportunities for all income levels. However, construction remains a market outcome. Most of the new housing projects that have been recently approved actually provide housing for above-moderate income levels.

Building Affordable Units in Carlsbad Remains a Challenge |

Despite outperforming the region overall, Carlsbad's housing production reveals a persistent gap between the City's meeting its obligation to zone for affordable housing and where the market chooses to build. During the fifth cycle, only 5% of very-low income requirements were met (44 of 912 units) while above-moderate income outperformed by 31% (3,056 of 2,332 units). This pattern continues in the current cycle – very-low income production sits at 7% while above-moderate income is 68% – and suggests delivering affordable housing requires more tools than currently available.

Housing Assistance + Widening Subsidy Gap |

Carlsbad's housing assistance data illustrates the growing difficulty of helping lower-income families remain in the community. The number of households receiving Housing Choice Vouchers declined slightly over the five-year report period ending in 2023 to 513 — while average monthly costs (subsidies) per household rose 26% to $1,340, all while median rents rose 21% to $2,440. The net result is nearly the same number of households receiving assistance from Carlsbad, but the public (federal, state, and local taxpayers) is spending one-quarter more to keep them housed.

Infill on the Rise |
Demands on Carlsbad's community development function over the five-year report period ending in 2023 shows the City is most definitely in maturing mode: subdivision maps dropped (86%), commercial building permits fell (41%), and landscape plans declined (26%), while discretionary planning applications increased 48% and technical engineering reviews jumped 340%. These data points all align with a municipality shifting from building out to building in.

Subtle But Concrete Infill Measurement: More Code Enforcement |
Carlsbad's code enforcement cases jumped 47% during the five-year report period ending in 2023, from 1,244 to 1,829 – an average of five cases every day. This increase parallels other measurements and appears as an outcome of the transition towards more infill development and greater proximities between residents and uses.

Housing as a Core Municipal Function |
Carlsbad's reorganization of its community development function during the five-year report period ending in 2023 signals a material shift in municipal priorities by elevating housing and homeless services to equal standing with conventional regulatory activities (planning, building, code enforcement, and engineering). In doing so, Carlsbad is – and appropriately so – making housing and its full form – from zoning and entitlements through construction oversight to affordability programs and homeless prevention – a core municipal function going forward.

6.0 FINANCES

6.1 Agency Budget

The City of Carlsbad's budgeted revenues covering all core municipal services have averaged $302.1 million annually over the five-year report period, climbing to $339.8 million in 2023 — an 18% increase. Actual revenues have consistently exceeded budgeted projections, averaging $338.8 million annually and growing to $379.9 million — a 24% increase. Carlsbad's revenue composition is led by the General Fund, which has generated 57 cents of every actual revenue dollar collected during the period, primarily from property, sales, and transient occupancy taxes. Self-supporting enterprise sources (water, wastewater, golf course, etc.) have generated another 28 cents with the remaining 15 cents coming from internal service charges, special revenue programs, and trust fund receipts.

On the expense side, Carlsbad's budgeted costs across all core municipal services during the report period have averaged $305.0 million annually, rising from $276.1 million in 2019 to $342.3 million in 2023 – a 24% increase. Actual expenses have tracked slightly higher, averaging $317.4 million and reaching $355.1 million by period's close – a 29% gain. Expense composition is paced with General Fund operations consuming 59 cents of every budget dollar citywide and covering most public-facing services like fire and police protection. Enterprise activities have accounted for another 26 cents with the remaining 15 cents flowing to more specialized purposes (affordable housing, habitat mitigation, etc.) and internal operations (information technology, workers compensation, etc.).

Comfortable Cushion, Narrowing Notwithstanding…

Over the five-year report period ending in 2023, the City of Carlsbad has collected an average of $21.4 million more than expenses each year – actual revenues averaging $338.8 million against $317.4 million in expenses. This sizeable period cushion – nonetheless – has been compressing with actual revenues growing 24% compared to expenses at 29%.

City of Carlsbad:
Citywide Operating Budget: Actuals Comparison
Table A – 6.1a | Source: City of Carlsbad (Annual Budget Documents) + SD LAFCO

Actuals by Fund Type

Revenues FY2023: $379.9M

Fund	5-Yr Avg	FY2023	Share	Growth
General Fund	$192.5M	$225.9M	57%	+26%
Enterprise	$95.3M	$90.1M	28%	+12%
Internal Service	$30.6M	$43.9M	9%	+73%
Special Revenue	$17.5M	$19.0M	5%	+8%
Trust Funds	$2.9M	$1.1M	1%	-71%
Total	**$338.8M**	**$379.9M**	100%	+24%

Expenses FY2023: $355.1M

Fund	5-Yr Avg	FY2023	Share	Growth
General Fund	$188.5M	$205.2M	59%	+34%
Enterprise	$81.5M	$86.2M	26%	+5%
Internal Service	$29.9M	$43.9M	9%	+74%
Special Revenue	$16.9M	$19.8M	5%	+49%
Trust Funds	$0.7M	$0.1M	1%	-96%
Total	**$317.4M**	**$355.1M**	100%	+29%

Illustration Created with Anthropic

6.2 General Fund

The City of Carlsbad's General Fund revenues have grown steadily over the five-year report period ending in 2023, with actuals increasing 26% reaching $225.9 million at the close – averaging $192.5 million annually. The revenue composition has been largely sourced to three tax sources: property taxes at 40%, sales taxes at 24%, and transient occupancy (hotel) taxes at 13% - which collectively have generated 77 cents of every General Fund dollar collected. All three of these core revenue geneators has increased by no less than 27% during the period, with sales tax in lead by expanding from $40.8 million to $56.2 million in 2023, an increase of 38%. The balance of General Fund revenues collected during the period ties to service charges, licenses and permits, intergovernmental transfers, investment income, and interdepartmental charges – all of which have remainined largely flat during the period.

Actual General Fund expenses have also grown steadily over the reprting period, climbing 34% from $153.1 million in 2019 to $205.2 million in 2023 – averaging $188.5 million annually. The expense composition is lead by public safety. Police costs have consumed 25% of all actual General Fund expenses during the period – averaging $46.7 million annually. Fire service follows and accounts for another 16% of all General Fund actuals at $29.9 million annually. All together, police and fire costs have accounted for 41 cents of every General Fund dollar expended during the period – they also account for close to half of the overall increase in total actual expenses. The remaining 59 cents of every General Fund dollar expended during the period spans funding for parks and recreation, libararies and cultural arts, public works, community development and adminstration.

Consistent Surpluses – Fluctuations Notwithstanding – but Under Pressure…

The City of Carlsbad's General Fund remains healthy, generating surpluses in four of the five years during the report period ending in 2023 with the outlier involving a one-time transfer. However, and like the City's overall budget, the cushion is under pressure, with actual expense growth of 34% outpacing revenue growth of 26%. The net result is the annual General Fund surplus tightening from $25.9 million in 2019 to $20.7 million in 2023.

City of Carlsbad:
General Fund Actuals

Table A – 6.2a | Source: City of Carlsbad (Annual Budget Documents) + SD LAFCO

Actuals by Source and Department

Revenues by Source FY2023: $225.9M

Source	5-Yr Avg	FY2023	Share	Growth
Property Taxes	$77.0M	$87.2M	*40.0%*	**+27.3%**
Sales Tax	$45.9M	$56.2M	*23.8%*	**+37.7%**
Transient Occupancy Tax	$25.5M	$34.3M	*13.2%*	**+30.2%**
All Other Taxes	$13.9M	$15.6M	*7.2%*	**+18.4%**
Charges for Services	$9.2M	$11.4M	*4.8%*	**+24.4%**
Investment Income	$5.8M	$7.1M	*3.0%*	**-26.2%**
Intergovernmental	$5.1M	$2.4M	*2.6%*	**+23.6%**
All Other	$10.1M	$11.8M	*5.4%*	**+22.4%**
Total	**$192.5M**	**$225.9M**	*100%*	**+26.2%**

Expenses by Department FY2023: $205.2M

Department	5-Yr Avg	FY2023	Share	Growth
Police	$46.7M	$51.1M	*24.8%*	**+31.0%**
Fire	$29.9M	$35.3M	*15.8%*	**+46.8%**
Public Works	$19.3M	$22.6M	*10.3%*	**+34.3%**
Parks & Recreation	$18.3M	$20.8M	*9.7%*	**+21.3%**
Library & Cultural Arts	$12.9M	$13.3M	*6.9%*	**+2.5%**
Community Development	$11.6M	$14.2M	*6.2%*	**+33.0%**
Administration	$11.4M	$13.0M	*6.1%*	**+38.2%**
Transfers + Other	$38.4M	$34.9M	*20.2%*	**+66.7%**
Total	**$188.5M**	**$205.2M**	*100%*	**+34.0%**

Illustration Created with Anthropic

With respect to year-end balances, Carlsbad reports the spendable unassigned portion of the General Fund closed the five-year report period in 2023 at $136.8 million – representing an overall increase of $52.7 million, or 63%.[78] The closing total is equal to covering 8.0 months of General Fund actuals.

6.3 Financial Statements

The City of Carlsbad engages independent accounting firms to externally audit its financial statements under governmental accounting standards, with Davis Farr LLP (Irvine) conducting reviews for the first three years of the five-year report period (2019, 2020, and 2021) while Lance, Soll & Lunghard LLP (Brea) covering the final two years (2022 and 2023). The audited statements for the closing year show Carlsbad's overall net position – covering all activities and associations, including the CMWD – increasing over the prior year by 0.3% from $1.868 billion to $1.873 billion. The accompanying management letter identified no material weaknesses or concerns, confirming the integrity of Carlsbad's financial reporting and internal controls. The following analysis details assets, liabilities, and net position for the report period.

Audited Assets

Carlsbad's total audited assets reached $2.087 billion at the close of the five-year report period in 2023, rising 4.9% from $1.990 billion in 2019. The ending year figure sits 1.9% above the five-year average of $2.047 billion and reflects steady but modest growth throughout the period. Current assets – those readily convertible to cash within a year – total $911.1 million or 43.6% of the portfolio and predominantly held in cash and investments. Non-current assets comprise the remaining $1.176 billion, consisting primarily of depreciable capital infrastructure with approximately one-third tied to the Carlsbad's three enterprise operations: golf, water, and wastewater. On a per capita basis, total assets increased slightly from $17,687 to $17,928 – or 1.4%%, as population growth of 3.5% outpaced asset accumulation.

Liquidity Build-Up…

The City of Carlsbad ended the five-year report period in 2023 with $2.087 billion in total assets, with nearly 44% – or $911 million – in cash and liquid investments. Total assets rose 4.9%, driven by an 8.6% increase in liquid holdings versus just 2.2% in capital infrastructure – a shift toward greater liquidity.

[78] Source: City of Carlsbad 2023-2024 Budget, Schedule of Projected Fund Balances.

City of Carlsbad
Audited Assets
Table A-6.3a | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Current *	838.963	865.447	891.683	895.588	911.088	880.554	8.6
Non-Current **	1,151.415	1,159.883	1,166.848	1,178.785	1,176.237	1.166.634	2.2
Total **	1,990.378	2,025.330	2,058.531	2,074.373	2,087.325	2.047.187	4.9
Per Capita	$17,687	$17,857	$18,007	$18,004	$17,928	$17,897	1.4%

* Amounts in millions
** Amounts in billions

Audited Liabilities

Carlsbad's total audited liabilities stand at $287.2 million at the close of the five-year report period in 2023, up 22.4% from $234.8 million in 2019. The ending-year figure sits 23.9% above the five-year average of $231.7 million, reflecting notable year-to-year volatility – particularly in 2022, when liabilities drop to $163.8 million before rebounding. Current liabilities due within one year total $60.4 million, or roughly one-fifth of all obligations, primarily involve accounts payable for payroll, vendor services, and accrued expenses. Non-current liabilities make up the remaining $226.9 million and led by long-term debt and pension obligations. On a per-capita basis, total liabilities have risen from $2,086 to $2,467 – an 18.3% increase that outpaces population growth and indicates each resident's notional share of municipal obligations grows by about $381 during the report period.

Obligations Climb…

The City of Carlsbad's $287 million in liabilities, while up 22.4% over five years, remain seven times smaller than its $2.087 billion in assets, providing a substantial cushion. Liabilities are expanding, however, nearly five times faster than assets: 22.4% versus 4.9%.

City of Carlsbad
Audited Liabilities
Table A-6.3b | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Current *	54.117	59.063	64.272	75.414	60.367	62.647	11.6
Non-Current *	180.646	167.787	181.719	88.389	226.857	169.080	25.6
Total *	234.763	226.850	245.990	163.802	287.224	231.726	22.4
Per Capita	$2,086	$2,000	$2,152	$1,422	$2,467	$2,025	18.3%

* Amounts in millions

Audited Net Position

Carlsbad's audited net position – the difference between total assets and liabilities after accounting for deferred resources – totals $1.873 billion at the close of the five-year report period in 2023, up 3.5% from $1.810 billion in 2019. The ending figure sits 1.3% above the five-year average of $1.848 billion, reflecting modest but steady growth. Capital assets dominate, comprising about three-fifths of total net position at $1.162 billion with the remainder split between restricted funds at $287.7 million and unrestricted funds at $424.0 million. The unrestricted portion shows the strongest proportional gain, rising 9.7%, followed by capital assets at 2.5%, while restricted funds edge down (1.0%). On a per-capita basis, net position remains essentially flat at $16,089, mirroring 2019 levels as balance-sheet growth parallels population change. When adjusted to exclude GASB 68 and 75 pension and OPEB obligations, net position increases to $1.989 billion, adding $116.2 million or 6.2% to the reported figure and underscoring how these accounting standards materially shape Carlsbad's balance sheet.

Steady...

The City of Carlsbad's net position has grown 3.5% over the five-year report period ending in 2023. Despite the overall increase, per-capita values have remained flat at 16,089 – showing fiscal growth keeping pace with population rather than exceeding it.

City of Carlsbad
Audited Net Position
Table X-6.3c | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Capital Assets **	1,133.593	1,142.276	1,151.813	1,164.002	1,162.577	1,150.452	2.5
Restricted *	290.440	306.608	310.562	288.218	287.667	296.699	(1.0)
Unrestricted *	386.509	380.526	399.653	415.399	423.978	401.213	9.7
Total **	1,810.524	1,829.410	1,861.028	1,867619	1,873.222	1,848.364	3.5
Per Capita	*$16,089*	*$16,129*	*$16,280*	*$16,210*	*$16,089*	*$16,159*	*0.0%*
Total Adjusted **	1,859.308	1,999.295	2,009.947	1,982.301	1,989.393	1,988.049	1.5%

"Total Adjusted" excludes GASB 68 and 75 reporting requirements
* Amounts in millions
** Amounts in billions

With respect to the unrestricted portion of Carlsbad's net position, the $424.0 million balance at the end of the report period represents the accrued, spendable share of citywide resources, subject only to internal policy designations such as commitments and assignments. When adjusted to exclude pension and other retiree-related liabilities, the available balance increases to $540.1 million, providing a more accurate long-term picture of discretionary fiscal capacity. For context, this adjusted amount is equivalent to roughly 24 months of total citywide operating expenses – across both governmental and business-type activities – based on year-end actuals.[79]

6.4 Fiscal Indicators | Liquidity, Capital, Margin + Asset Management Measurements

LAFCO's review of the City of Carlsbad's audited financial statements covering the five-year report period ending in 2023 reveals a municipality balancing substantial reserve strength with evolving capital investment strategies. As detailed, Carlsbad maintains liquidity levels that substantively exceed industry benchmarks and debt ratios well below cautionary thresholds, collectively providing the City significant financial flexibility. This flexibility has accelerated toward the end of the period as Carlsbad increased infrastructure spending. This shift toward capital investment occurred alongside steadily improving operating margins and more volatile total margins, while relatively young infrastructure that had experienced several years of below-replacement reinvestment received a concentrated jump in funding. An analysis of four central fiscal measurement categories – liquidity, capital, margin, and asset management – follow.

Liquidity (Short-Term Outlook)

Carlsbad's average **current ratio** during the report period ending in 2023 has been 14.1 to 1 and equal to nearly $14 in current assets available for every $1 in near-term obligations. While always well above the standard 2 to 1 benchmark, Carlsbad's current ratio modestly fell from 15.5 to 1 in 2019 to 15.1:1 in 2023 – still more than seven times the conventional benchmark. The **cash ratio**, which excludes less liquid assets like receivables, mirrors the current ratio with a period average of 14.5 to 1, indicating nearly all current assets are already held as cash rather than receivables or inventory. Carlsbad's **days' cash** on hand further magnifies the City's

Four Years of Cash…

The City of Carlsbad holds high liquidity levels – closing the five-year report period with 1,353 days of cash on hand, enough to operate for 3.7 years without collecting a dollar in revenue.

[79] Carlsbad's average actual monthly citywide operating expense in 2022-2023 is $22.3 million and covers all governmental and business (enterprise) activities.

high liquidity levels with a period average of 1,443 days, declining from 1,441 days in 2019 to 1,353 days in 2023. This represents roughly 3.7 years of overall operating expenses – approximately 15 times the 90-day minimum typically advised for municipalities. These collective liquidity metrics shows Carlsbad is positioned to weather even catastrophic financial disruption. While Carlsbad's liquidity levels eliminate virtually any conceivable near-term financial risk, maintaining cash reserves equivalent to nearly four years of operations raises questions about the opportunity costs.

City of Carlsbad
Liquidity Measurements
Table A-6.4a | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Current Ratio	15.5 to 1	14.7 to 1	13.9 to 1	11.9 to 1	15.1 to 1	14.1 to 1	(2.6%)
Cash Ratio	14.4 to 1	13.7 to 1	12.8 to 1	10.7 to	13.6 to 1	12.9 to 1	(5.6%)
Days' Cash	1,441	1,506	1,533	1,381	1,353	1,443	(6.1%)

The current ratio provides a macro measurement of near-term financial health by comparing current assets against current liabilities on a dollar-to-dollar basis. A higher ratio indicates stronger liquidity and greater capacity to meet short-term obligations with a standard minimum benchmark for municipalities of 2.0 to 1.0. The cash ratio is similar to current ratio but excludes receivables. The days cash metric is a micro-level measure of near-term financial health that compares an agency's available cash and cash equivalents to its average daily operating expenses, excluding depreciation. A higher value indicates stronger liquidity and greater capacity to sustain operations without new revenue with a standard minimum benchmark for municipalities of 90 days.

Capital (Long-Term Outlook)

Carlsbad's average **debt-to-net position** during the five-year report period ending in 2023 equals 10.4%, meaning total debt obligations represent one-tenth of the City's overall net worth. While this metric remained stable between the first four years – hovering between 9.3% and 10.4% – it did rise to 13.1% in the fifth year, and in doing so pushing the overall period change by 26%. Even at this elevated level, Carlsbad's debt burden remains far below the 50% cautionary threshold commonly used to assess municipal solvency, positioning more than three times below the benchmark that typically raises concerns about over-leveraging. The **debt ratio**, which separately measures the proportion of total assets financed through

Low Debt, High Capacity…

The City of Carlsbad's debt load at the end of the five-year report period in 2023 equals just one-tenth of its net position and 13% of total assets – more than five times below standard solvency caution thresholds.

borrowing, mirrors this pattern with a period average of 12.1% and a final year reading of 14.0%. This means 86% of Carlsbad's assets are equity-financed rather than debt-financed, providing substantial cushion well below the 70% cautionary threshold. These collective debt measurements show Carlsbad retaining exceptional capacity through the report period to leverage additional borrowing for capital investments when, and if, needed.

City of Carlsbad
Capital Measurements
Table A-6.4b | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Debt to Net Position	10.4%	9.4%	9.8%	9.3%	13.1%	10.4%	26.0%
Debt Ratio	11.8%	11.2%	11.7%	11.8%	14.0%	12.1%	18.8%

The debt ratio is a macro-level measure of long-term financial health that shows the percentage of an agency's assets financed by debt. A lower ratio indicates stronger solvency with 70% commonly cited as a cautionary threshold. The debt-to-net position ratio is a more micro-level measure of long-term financial health that expresses an agency's debt obligations relative to its net position. A lower ratio reflects greater financial flexibility, with 50% commonly used as a cautionary threshold.

Margin (Net Income)

Carlsbad's average **operating margin** during the five-year report period has been 7.0%, meaning the City retains seven cents of every dollar revenue after covering day-to-day operating costs. This metric started below the 5% industry benchmark at 4.5% in 2019, dipped further to 1.9% in 2020, then strengthened steadily – rising to 9.2% in 2021, 8.4% in 2022, and 10.9% in 2023. The latter figure more than doubles the industry standard and represents a 141% improvement over the period. The **total margin**, which measures fiscal sustainability across all revenues and expenditures, averaged 4.3% but showed greater volatility. It began well above the 10% industry benchmark at 12.4% in 2019, dropped sharply to 4.2% in 2020, partially recovered to 7.1% in 2021, then fell to (9.4%) in 2022 before rebounding to 6.3% in 2023. Unlike the operating margin's steady upward trajectory, the total margin declined (49%) over the

Steady Operations, Less Steady (Relative) Totals…
The City of Carlsbad's operating margin more than doubled to 10.9% by the end of the five-year report period in 2023, even as total margins fluctuated widely – highlighting durable core performance amid broader fiscal swings.

report period and, despite the 2023 rebound, ended below industry norms, underscoring the effects of nonrecurring fluctuations.

City of Carlsbad
Margin Measurements
Table A-6.4c | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Operating Margin	4.5%	1.9%	8.2%	8.4%	10.9%	7.0%	140.7%
Total Margin	12.4%	4.2%	7.1%	(9.4%)	6.3%	4.3%	(48.9%)

The operating margin measures fiscal sustainability by identifying the proportion of ratepayer revenues that remain after covering day-to-day costs. A higher percentage is favorable with an industry benchmark of no less than 5%. The total margin measures the share of all revenues – including user charges and non-operating sources such as property taxes – that remain after covering all expenses. A higher percentage is favorable with an industry benchmark of no less than 10%.

Asset Management

Carlsbad's average **capital asset age** during the five-year report period ending in 2023 is 15.7 years, placing its infrastructure in the early-to-mid stage of its expected life cycle relative to typical municipal replacement timelines. The measure has increased gradually over the first four years – from 14.9 years in 2019 to a peak of 16.8 years in 2022 – reflecting normal aging, before declining (improving) to 15.6 years in 2023 as new projects came online. Even at its highest point, Carlsbad's asset age has remained well below the 40–60-year range commonly associated with replacement needs, indicating a young and well-maintained system. The average **accumulated depreciation ratio** – which tracks how much of an asset's useful life has been consumed – during the period equals 56.9% with a final figure of 62.7% in 2023. This measurement climbed steadily during the period with an overall change of 20.9% and indicates Carlsbad's infrastructure has used roughly three-fifths of its accounting life and well below the 100% threshold where assets would be fully depreciated. The **capital asset reinvestment**

Ahead of Replacement Curve…
The City of Carlsbad's infrastructure averages just 15.7 years old through the five-year report period ending in 2023 – far below the 40–60-year replacement threshold. This relatively young asset base absorbed three years of underinvestment during the report period before Carlsbad surged to 115% reinvestment in 2022, showing infrastructure resilience that comes from staying ahead of aging cycles.

ratio, which measures how well annual capital spending keeps pace with normal wear and tear, shows the greatest change. The period average of 74.0% is considered under average, and indicates Carlsbad is reinvesting about three-quarters of the value its infrastructure depreciates each year.[80] Overall, these measures collectivley show Carlsbad with young infrastructure that has recently accelerated capital investment after several years of reinvestment below replacement levels

City of Carlsbad
Asset Management Measurements
Table A-6.4d | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Capital Assets' Age (Accounting)	14.9	15.5	16.6	16.8	15.6	15.9	4.8%
Accumulated Depreciation Ratio	51.9%	54.2%	56.7%	58.9%	62.7%	56.4%	20.9%
Capital Asset Reinvestment Ratio	68.2%	55.3%	54.5%	115.5%	76.4%	74.0%	11.9%

The capital assets' age provides a macro-level indicator of the average age of an agency's depreciable facilities, equipment, buildings, and infrastructure relative to their replacement schedule. A range between 40 and 60 years is generally considered manageable and reflects infrastructure at a mature stage – neither new or approaching the end of its useful life. The accumulated depreciation ratio offers additional context by measuring the proportion of useful life already consumed for these same assets. Ratios above 100% are considered cautionary and signals an aging asset given accumulated depreciation now exceeds the current book value of assets. The capital asset reinvestment ratio measures how much an agency is spending on renewing or replacing its infrastructure compared to the amount it is depreciating each year and shows whether it is keeping pace with the aging of its system. Ratios below 100% mean the system is aging faster than it is being renewed.

6.5 Pension Obligations

The City of Carlsbad provides a defined pension benefit to its employees through investment risk-pool contracts with the California Public Employees Retirement System (CalPERS). These pension contracts provide employees with specified post-employment benefits based on the date of hire and placement in one of two broad category types: miscellaneous and public safety. Additional pension details based on actuarial valuations for Carlsbad issued by CalPERS as part of its annual reporting process during the five-year report period follows with respect to enrollees, formulas, contributions, and funded status.

[80] More notable are the fluctuations with the ratio staying between 54.5% and 68.2% from 2019 through 2021, then spiking to 115.5% in 2022 before falling back to 76.4% in 2022. The 2022 surge indicates a catch-up cycle where Carlsbad's capital spending briefly outpaces asset depreciation.

Pension Enrollees and Funding Formulas

The annual valuation issued at the end of the five-year report period in 2023 identifies 2,509 total participants in Carlsbad's CalPERS pension program – an increase of 243 enrollees over the preceding four years in which data is readily available. This growth has occurred unevenly across enrollee categories with retirees increasing 13.3% (881 to 998) while active employees grew 5.0% (768 to 806). Separated employees – those leaving City employment before retirement but retaining vested pension benefits – jumped 25.6% (305 to 383), representing the fastest-growing category.

The internal shifts in Carlsbad's enrollee type produces an active-to-retiree ratio that has fallen from 0.87 to 1 in 2020 to 0.81 to 1 in 2023, a difference of (7.4%). This substantive change means Carlsbad finished the report period with 1.2 retirees for every active worker. As this ratio continues declining – with retirees growing more than twice as fast as active employees – the burden on the pension system will intensify with fewer current workers supporting an expanding population of benefit recipients.

5 Workers for Every 6 Retirees...

The City of Carlsbad finished the five-year report period in 2023 with 2,509 total enrollees within its two pension programs (miscellaneous and public safety) with CalPERS. The active-to-retiree ratio is 0.8 to 1.0 and means more retirees than active (and paying) workers.

Miscellaneous employees make up nearly three-fourths - or 74.7% - of all pension enrollees at the end of the report period. These employees receive defined pension payments based on their hire date, with formulas ranging from 2.0% at age 62 (for hires on or after January 1, 2013) to 3.0% at age 60 for earlier hires. The remainder of enrollees are categorized as public safety (fire and police) with higher pension formulas ranging from 2.7% at age 57 to 3.0% at age 50, the former applying to new hires.[81]

City of Carlsbad
Pension Enrollee Information
Table A-6.5a | Source: CalPERS + SDLAFCO

Type	2019	2020	2021	2022	2023	Change
Active	n/a	768	740	768	806	5.0%
Transferred	n/a	312	304	310	322	3.2%
Separated	n/a	305	328	360	383	25.6%
Retired	n/a	881	924	963	998	13.3%
Total Enrollees		2,266	2,296	2,401	2,509	10.7%
Active to Retiree Ratio		0.87 o 1	0.80 to 1	0.80 to 1	0.81 to 1	(7.4%)

81 For illustrative purposes, an employee with 30 years of service credit that retires at the designated age would receive the following percentage of their highest annual salary: 60% at 2.0% formula; 81% at 2.7% formula; and 90% at 3.0% formula.

Annual Contributions

Carlsbad's combined annual pension contribution to CalPERS at the end of the report period in 2023 totals $34.618 million. This amount includes both employer and employee shares and reflects a modest overall period change of (3.7%) compared to 2019. However, significant volatility occurred between these endpoints with contributions ranging from a low of $26.9 million to a high of $46.3 million – a gap of more than 70% with contributions nearly doubling between the lowest and highest years.

A notable cost-shifting dynamic has concurrently emerged during the period: the employee share of total contributions has increased from 14.4% to 19.6% – a relative increase of 44.6% – while the employer share fell from 85.6% to 80.4%. This cost-shifting becomes even more apparent in pension costs relative to payroll. While annual payroll increased 31.8% from $60.769 million to $80.118 million, Carlsbad's pension contribution as a share of payroll fell from 50.7% to 34.7% – a drop of (31.4%).

51 Cents to 35 Cents...

While retirees now outnumber active workers, the City of Carlsbad's pension costs during the five-year report period ending in 2023 show a sizable cost-shift. In 2019, Carlsbad paid 51 cents in pension costs for every salary dollar. By 2023, just 35 cents. This 31% improvement ties to pension reform and newer employees' less generous formulas gradually replacing legacy costs even as total payroll grew 32%.

This improvement for Carlsbad reflects the gradual replacement of legacy pension formulas with less expense benefits for newer hires, which slowly reduces the City's proportional pension burden even as the number of enrollees increases.

City of Carlsbad
Pension Contributions
Table A-6.5b | Source: CalPERS + SDLAFCO

Category	2019	2020	2021	2022	2023	Average	Trend
Carlsbad's Share *	30.790	40.866	20.959	30.805	27.840	30.252	(9.6)
Employees' Share*	5.175	5.421	5.919	6.297	6.778	5.918	31.0
Total Contribution *	35.966	46.287	26.878	37.103	34.618	36.170	(3.7)

City of Carlsbad
City Contribution v. Annual Payroll
Table A6.5c | Source: CalPERS + SDLAFCO

Category	2019	2020	2021	2022	2023	Average	Trend
Annual Payroll *	60.769	67.808	69.001	73.745	80.118	70.289	31.8
.. City Share as % of Payroll	50.7%	60.3%	30.4%	41.8%	34.7%	43.6%	(31.4%)

* Amounts in millions

Funding Status

Carlsbad's total unfunded pension liability at the end of the five-year report period in 2023 totals $241.434 million, covering both miscellaneous and public safety categories. This figure represents the accrued pension obligations owed to all employees that are not covered by the market value of Carlsbad's existing assets. It translates to a funded ratio of 73.7% - meaning the pension system holds about 74 cents in assets for every dollar of projected pension liabilities.

The 3% Gap...
The City of Carlsbad's pension liabilities have grown 28% during the five-year report period while assets increased 25% – a 3% gap, and as a result lowering the City's funded ratio down to 73.7%.

While Carlsbad's funded ratio positions above the 70% cautionary threshold commonly applied post-GASB 68, the cushion has been narrowing. The trajectory has also been uneven. The ratio began the report period at 75.5% in 2019, remained largely flat at 75.3% in 2020, then jumped to 86.0% in 2021 in step with market conditions and higher investment returns. The ratio fell back to 74.6% in 2022 and subsequently to 73.7% in 2023. Over the full period, the funded ratio has declined (2.3%) while the unfunded liability grew $65.4 million – a 37.1% increase – leaving Carlsbad just a few percentage points above the cautionary 70% threshold. Liabilities also outpaced asset growth (28.1% vs. 25.1%).

CalPERS has achieved investment returns of 9.3% and 11.6% in fiscal year 2024 and 2025, respectively. While member agencies' funded statuses are expected to increase as a result of this positive performance, pension volatility and pressures on operating budgets remain a critical challenge. The City of Carlsbad established a Section 115 Pension Trust in September 2023 and has since contributed $25 million, earning approximately 16% over a two-year period. These funds are available to the City to reimburse operating budgets during periods of extreme pension rate volatility and to fund potential changes in CalPERS actuarial assumptions in the future.

City of Carlsbad
Pension Funding Status
Table A-6.5d | Source: CalPERS

Category	2019	2020	2021	2022	2023	Change
Accrued Liabilities *	717.926	773.747	828.832	874.411	919.432	28.1
Market Value of Assets *	541.844	582.319	712.859	651.975	677.998	25.1
Unfunded Liability	(176.082)	(191.427)	(115.973)	(222.436)	(241.434)	(37.1)
... Funded Status	75.5%	75.3%	86.0%	74.6%	73.7%	(2.3%)

* Amounts in millions

6.6 Other Post-Employment Benefit Obligations

Analysis pending and will be added in a final report.

7.0 WRITTEN DETERMINATIONS

LAFCO is required to prepare written determinations to address multiple governance factors enumerated under Government Code Section 56430 as part of the municipal service review on the Carlsbad region. These determinations are specific to the City of Carlsbad and serve as independent statements based on information collected, analyzed, and presented in this report. The underlying intent of the determinations is to provide the Commission – and by extension the general public – a succinct detailing of all pertinent issues relating to the organization, delivery, and funding of municipal functions and associated classes among the three affected agencies specific to LAFCO's growth management responsibilities and interests.

MSR Determinations…

These determinations address the specific factors required in the statute and represent statements of fact or reasonable deductions made by LAFCO based on information analyzed between 2019 and 2023 and specific to the City of Carlsbad. Where appropriate, alternative data dates are utilized and noted accordingly.

7.1 Growth Projections & Related Demographics

1. Carlsbad continues to add population, albeit in a far more managed pace compared to the growth surge between 1970 and 2000 where the population grew from 15,000 to 78,000, the equivalent of a compound annual growth rate of 5.6%.

   (a) The total population in Carlsbad is estimated at 116,428 at the end of the five-year report period in 2023, representing 4% of the overall resident population estimate in San Diego County of 3,325,714.

   (b) Carlsbad's population has risen overall by an estimated 11% from 104,860 at the prior census reset in 2010 to the report period in 2023 – a net increase of 11,568. This extended measurement translates to an annual average increase of 0.9%, or 890 persons.

   (c) Specific to the report period ending in 2023, population gains in Carlsbad have slowed compared to rates going back to the 2010 census, with the annual growth rate decelerating to 0.5%, or 582 persons.

(d) A linear extension of population growth estimates for Carlsbad since the 2010 census through the timeframe of this report generates a population projection of 121,453 by 2028, and 123,523 by 2030.

2. The housing supply in Carlsbad continues to tighten, and as a result home prices significantly exceed standard affordability benchmarks.

(a) The total number of housing units in Carlsbad is estimated at 48,434 at the end of the five-year report period in 2023, representing 4% of the overall housing stock estimate in San Diego County of 1,247,863.

(b) The number of housing units within Carlsbad has risen by an estimated 9% from 44,491 at the prior census reset in 2010 to the report period's close in 2023 – a net increase of 3,943. This extended measurement translates to an annual average increase of 0.7%, or 303 units.

(c) The ratio of population gained to housing units added in Carlsbad between the 2010 census and the report period's close is 2.9 – a supply tightening of 21% compared to the cumulative ratio of 2.4.

(d) The average home value in Carlsbad has increased by approximately 62% over the five-year report period, from $832,749 in 2019 to $1.349 million in 2023. This generates a home price-to-income ratio estimate of 10-to-1 – well above the standard benchmark ceiling of 5-to-1.[82]

3. Homeless conditions in Carlsbad are substantively improving based on point-in-time counts performed during the five-year report period.

(a) The ratio of persons counted as homeless in Carlsbad during the report period has improved from one per every 707 housed residents in 2019 to one per every 1,130 in 2023 – a nearly two-thirds improvement.

4. With respect to other material demographics:

(a) Residents in Carlsbad tend to be older, with a median age of 43 at the end of the report period in 2023 – approximately 20% above the countywide median of 36.

[82] Reference to 28/36 debt-to income mortgage guidelines published by the federal Consumer Financial Protection Bureau.

(b) Households in Carlsbad tend to be more prosperous, with a median income of $129,269 at the end of the report period in 2023 – approximately 48% above the countywide median of $88,240.

7.2 Location and Characteristics of Any Disadvantaged Unincorporated Communities and Relevant Information on Water, Wastewater, and Fire Protection Services.

1. There are no unincorporated lands within Carlsbad's sphere of influence qualifying as a disadvantaged unincorporated community under LAFCO policy.

7.3 Capacity of Public Facilities, and Infrastructure Needs and Deficiencies

1. This municipal service review has been scaled by the Executive Officer to focus on examining the capacity, demand, and performance of five specific service functions underpinning Carlsbad's growth and development: (a) wastewater, (b) integrated fire protection, emergency medical, and ambulance services, (c) parks and recreation, (d) library and cultural arts, and (e) community development.

2. Carlsbad's wastewater function operates efficiently and without material deficiencies in meeting community demands, while acknowledging two emerging pressures: peak-day flow constraints given shared infrastructure dynamics with Buena SD, and a capital program that has concluded the five-year report period in 2023 with a negative sewer replacement balance and is fully dependent on operating surpluses.

   (a) Carlsbad's wastewater function encompasses three separate service classes: collection, treatment, and discharge with the latter two provided through its membership in the Encina Joint Powers Authority.

   (b) Wastewater service in Carlsbad is delivered through a collaborative framework in which Carlsbad manages collection for nearly four-fifths of the City boundary – with Leucadia Wastewater District and Vallecitos Water District serving the balance – while treatment and discharge are provided regionally by the Encina Wastewater Authority.

(c) Carlsbad's wastewater customer base has remained relatively steady with less than 1% increase in physical connections over the five-year report period, while EDUs have increased by more than 7% - the latter signaling demand intensification.

(d) Carlsbad's average day wastewater flow during the five-year report period ending in 2023 has been 6.110 million gallons – equal to 60% of its allocated treatment and discharge capacity at Encina.

(e) Carlsbad's average day wet-weather flow during the five-year report period has been 6.810 million gallons – equal to 66% of its allocated treatment and discharge capacity at Encina, with the difference between wet-weather flow growth (16%) and dry-weather flow growth (2%) indicating elevated inflow and infiltration entering the City's collection system.

(f) Carlsbad's peak wet-weather day demands during the five-year report period have generated an average peaking factor of 1.9, driven largely by a single April 2020 storm event that produced a recorded flow of 18.120 million gallons – nearly three times the average daily flow, and – pertinently – the result of external factors outside the City's control.

i. The external impact was confirmed by an April 2020 overflow in which flows originating from Buena Sanitation District's sewer main reversed due to an obstruction into Carlsbad's connecting line, spilling approximately 95,000 gallons per State Board records.

ii. Excluding the April 2020 overflow, Carlsbad's peak wet-weather day demands over the balance of the report period generated an average flow of 9.753 million gallons – an amount within its collection and allocated Encina capacities, albeit approaching capacity at 95% of its allocation.

iii. The reliability of Carlsbad's recorded peak wet-weather flows warrants qualification, as flows attributable to Carlsbad versus Buena SD are not readily distinguishable given the shared interceptor arrangement.

(g) Carlsbad's wastewater system posted a 9% operating margin over the five-year report period, generating sufficient revenues to sustain operations and build up reserves.

(h) Carlsbad’s wastewater fund balance – which grew from $9.982 to $15.067 million over the five-year report period – is the sole budgeted funding source for the City’s 15-year, $112.2 million sewer replacement capital program. The program’s dedicated replacement fund carries a negative balance at period’s close, making continued operating surpluses essential in making timely repairs and improvements.

3. Carlsbad's integrated fire protection function has kept up with rising community demands through a significant expansion of resources during the five-year report period ending in 2023 – strengthening an already high degree of operational self-sufficiency.

   (a) Carlsbad's integrated fire protection function encompasses three service classes: fire protection (suppression and rescue), emergency medical (advanced life support), and ambulance transport.

   (b) Carlsbad has significantly expanded its integrated fire protection function over the five-year report period by increasing staffing levels 46% to 134.5 FTEs, and in doing so facilitating three coordinated service enhancements: year-round lifeguards, two additional ambulances, and opening a seventh station.

   (c) Carlsbad’s annual onsite arrival for fire protection demand (suppression, rescue, and emergency medical) has increased each year during the five-year report period, up 14% overall — from the equivalent of one incident every 50 minutes in 2019 to one every 44 minutes in 2023.

      i. Incidents within Carlsbad have accounted for an average of 91% of all onsite arrivals during the report period, a share that has remained largely unchanged with less than a 1% overall adjustment.

      ii. Carlsbad responded without outside auto-aid to 79% of all onsite incidents during the report period – a net 3% increase.

   (d) Carlsbad's annual onsite ambulance transport demand has increased 41% over the five-year report period – from the equivalent of 12 roundtrips per day in 2019 to 17 roundtrips per day in 2023.

(e) Carlsbad's resources (funding, staffing, and equipment) and related management practices have positioned the City to independently and advantageously meet nearly four-fifths of all onsite demands within City limits during the five-year report period ending in 2023 with no outside assistance – a high mark of self-sufficiency.

(f) Carlsbad's ratio of auto-aid received to auto-aid provided during the five-year report period ending in 2023 is closely balanced at 23.2% and 21.9%, respectively – indicating the City has achieved an equitable position with respect to receiving adequate support within City limits while contributing fairly to regional emergency response outside the City limits.

4. Carlsbad has invested in its parks and recreation function at nearly double the national rate for comparably sized cities throughout the five-year report period ending in 2023 – a premium that has sustained ongoing expansions, and in doing so has matched rising community demand; it also provides the City a discretionary cushion that could be drawn upon to sustain core operations if needed.

(a) Carlsbad's parks and recreation function encompasses three service classes: aquatics, parks and open space, and community recreation.

(b) Carlsbad’s parks and recreation function has evolved from free-play parks to increasingly structured recreational programming – a transition tracking with demographic changes and community interests beginning in the 1970s and reinforced by the voter-approved growth management initiative in 1986 to reorient City priorities toward quality of life.

(c) Core capacities underlying Carlsbad’s parks and recreation function through the end of the five-year report period involve 14 community parks and 28 special use sites with a combined acreage of 432.4 acres.

(d) Community demand for Carlsbad’s parks and recreation function has grown sharply during the five-year report period based on trackable measurements – including sports field rentals more than doubling, gymnasium rentals tripling, and aquatics participation increasing 64%.

(e) Carlsbad has made a substantial financial commitment to its parks and recreation function at an equivalent average General Fund investment of $159 per capita through the five-year report period – almost double the national benchmark of $87 per capita for comparably sized cities.

(f) Carlsbad's provision of 3.8 acres of developed parkland per 1,000 residents at the end of the five-year report period exceeds the 3.0-acre baseline mark under the City General Plan and California's Quimby Act – though short of the national benchmark of 7.0 acres for comparably sized cities.

5. Carlsbad's library and cultural arts function has adapted to changing community needs during the five-year report period ending in 2023 – most notably by adjusting to fewer in-person visits through expanded digital offerings while also repurposing brick-and-mortar investments in conventional library facilities to meet community gathering needs.

(a) Carlsbad's consolidated library and cultural arts function encompasses two corresponding classes – library and cultural arts.

(b) Carlsbad's consolidated library and cultural arts function operates out of three dedicated facilities totaling close to 100,000 square feet – anchored by the Dove Library, which serves a dual role as the largest branch and primary cultural arts venue with a 2,000-square foot gallery and 215-seat auditorium.

(c) Carlsbad's library visits across its three branches experienced a notable shift during the five-year report period, with the net annual volume decreasing from 668,973 to 426,470 – a (36%) decline.

(d) Carlsbad has more than tripled its e-book collection over the five-year report period from 15,407 to 47,634 titles – an investment that has proven timely as e-material circulation increased 84% and in doing so helped make up for the decrease in physical checkouts, resulting in net circulation decline of only (3%) despite a one-third decrease in in-person visits.

(e) Carlsbad has effectively adapted its library facilities from collection-centered spaces to flexible community environments during the five-year report period, and in doing so filling a community need for public gathering and study spaces.

6. Trends across Carlsbad's community development function during the five-year report period ending in 2023 show a uniform demand toward building in, with

workload increasingly focused on discretionary review and technical engineering tied to infill projects – development that has – pertinently relative to state interests - disproportionately produced above-moderate income housing.

(a) Carlsbad's community development function encompasses five service classes: planning, building, code enforcement, engineering, and housing.

(b) Carlsbad achieved 74% of its fifth-cycle RHNA assignment (2013-2021) against a countywide rate of 59%, with the current sixth cycle (2021-2029) on pace for 89% attainment based on status at the end of five-year report period – all of which demonstrates the City doing its part to facilitate housing production. The City continues to identify adequate sites with appropriate zoning to meet its share of the RHNA, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development.

(c) Notwithstanding overall achievement, housing production in Carlsbad shows a persistent income-level gap: fifth cycle very-low income units met only 5% of the RHNA assignment (44 of 912) while above-moderate exceeded its target by 31%, a pattern continuing in the current sixth cycle with very-low at 7% versus above-moderate at 68%.

(d) Carlsbad's Housing Choice Voucher caseload has held steady at 513 households through the end of the five-year report period while the average monthly cost rose 26% to $1,340 to keep up with rents – meaning the public is spending one-quarter more just to maintain current assistance levels.

(e) Workload across Carlsbad's community development function during the five-year report period shows the City continues to transition from greenfield to infill development – subdivision maps down (86%), commercial permits down (41%), while discretionary applications – permits to expand, improve, and redo – rose 48% and engineering reviews jumped 340%.

(f) Carlsbad's creation of a standalone Housing and Homeless Services Department during the five-year report period elevates housing – from zoning through affordability programs and homeless prevention – to a core municipal function, and appropriately so.

7.4 Agency's Financial Ability to Provide Services

1. Carlsbad's total operating budget over the five-year report period ending in 2023 has consistently generated a surplus in actual revenues, though this financial cushion has been narrowing.

   (a) Carlsbad has collected an average of $21.4 million more than expenses each year in total agency budget transactions – actual revenues averaging $338.8 million against $317.4 million in expenses. This sizeable period cushion has nonetheless been narrowing with actual revenues growing 24% compared to expenses at 29%.

2. Carlsbad's General Fund remains healthy, generating surpluses in four of the five years during the report period ending in 2023.

   (a) General Fund surpluses have ranged between $5.2 million and $25.9 million – though compressing given expenses rose 34% compared to 26% for revenues, with the pressure led by rising public safety costs.

   (b) The General Fund year-end balance has benefitted from the consistent surpluses generated during the five-year report period, increasing 63% to $136.8 million – an amount equal to covering eight months of actual costs.

3. Consistent revenue surpluses over the five-year report period are reflected in Carlsbad's net position, which has increased each year before closing in 2023 at $1.873 billion – an overall increase of 4%.

   (a) Carlsbad closed with $2.087 billion in total assets, with nearly 44% — or $911 million — in cash and liquid investments, an overall increase of 5%.

   (b) Carlsbad closed with $287 million in total liabilities, with nearly 80% or $227 million involving longer term debt and pension obligations, an overall increase of 22%.

4. Carlsbad's audited financial statements over the five-year report period ending in 2023 show liquidity and debt levels that substantively exceed industry benchmarks, providing the City significant financial flexibility.

(a) Carlsbad holds extraordinarily high liquidity levels – closing the report period with an overall ratio of 1,353 days of cash on hand, enough to operate for 3.7 years without collecting a dollar in revenue.

(b) The debt load at the end of the report period equals just one-tenth of Carlsbad's net position and 14% of total assets – more than three times below standard solvency caution thresholds.

5. Carlsbad's infrastructure remains relatively young in accounting terms, though depreciation trends over the five-year report period ending in 2023 show assets' usage has been advancing due to deferred capital improvements.

(a) Carlsbad's average capital asset age over the report period is 15.9 years – well below the 40–60-year replacement range – but a period-average reinvestment ratio of 74% indicates the City has been reinvesting below replacement levels.

6. Carlsbad has operated within its financial means throughout the five-year report period ending in 2023, with a positive average total margin of 4.3% despite a single-year deficit in 2022 attributable to a nonrecurring transfer involving a loan to its golf enterprise fund.

7. Carlsbad maintains a funded pension ratio above the 70% cautionary threshold at the end of the five-year report period ending in 2023, though a narrowing cushion and declining active-to-retiree ratio signal growing structural pressures.

(a) Carlsbad finished the report period with 2,509 total enrollees within its two pension programs (miscellaneous and public safety) with CalPERS. The active-to-retiree ratio has steadily declined and closed the period at 0.8 to 1.0, and means active workers are disproportionately funding the system.

(b) Carlsbad's pension liabilities have grown 28% during the report period while assets increased 25% – contributing to the funded ratio declining (2.3%).

(c) Some structural relief is underway by way of a cost-shifting attributable to the State's pension reform legislation (PEPRA): the employee share of total contributions over the report period has increased 45% while Carlsbad's share has decreased (6%), and as a result the City's pension contribution as a share of payroll fell by nearly one-third.

7.5 Status of Opportunities for Shared Facilities & Resources

1. Carlsbad participation in the Encina Wastewater Joint Powers Authority continues to advantageously serve the City and other member agencies by balancing local service control with operational efficiencies that would otherwise require duplicative and costly sewer treatment and discharge infrastructure.

2. Carlsbad's participation in the San Diego North Zone Auto Aid Agreement with other agencies – including Camp Pendleton and neighboring cities and districts – enhances public safety throughout North County by deploying the closest available unit regardless of jurisdiction, ensuring residents receive the fastest possible emergency response. Carlsbad also maintains similarly beneficial service agreements with the County of San Diego for fire protection at McClellan-Palomar Airport and with the State for coverage at Carlsbad State Beach.

3. Carlsbad has strategically transformed potential service gaps into community assets through joint-use agreements with local school districts, adding 37.5 acres of recreational space across ten sites. These partnerships help ensure recreational amenities reach neighborhoods where traditional park development might be infeasible. This collaborative approach recognizes that public facilities – whether owned by cities or school districts – ultimately serve the same taxpayers.

4. The overlapping service boundaries of multiple water and wastewater providers within Carlsbad merit attention by LAFCO. These overlapping boundaries, while historically logical, now result in administrative complexities that could benefit from periodic coordination meetings focused on operational alignment and efficiency.

    (a) Options for consideration range from enhanced coordination protocols to potential consolidation – whether functional or structural – with each approach offering different pathways toward forward progress.

7.6 Local Accountability and Government Restructure Opportunities

1. Carlsbad shows accountability to the public – among other relevant measurements – by effectively meeting community needs, as evidenced by the overall performance of its core service functions examined in this municipal service review through the five-year report period ending in 2023.

    (a) All five service functions examined are guided by contemporary planning documents tied to Carlsbad’s relatively new General Plan Update (2015) and are harmonized through the City Council's five-year strategic plan (2022), showing deliberate and open decision-making.

2. Carlsbad maintains a comprehensive network of boards, commissions, and advisory committees to provide guidance on policy development, program implementation, and community priorities - bodies that have proven effective as channels for public engagement and balanced decision-making.

3. Carlsbad appears to maintain an organizational structure appropriately capacitated as measured by its demonstrated attentiveness to external partnerships, resilience in absorbing senior leadership changes, and adaptability in restructuring to meeting evolving City Council priorities.

    (a) Carlsbad senior staff have exhibited a high degree of attentiveness and collaborative engagement throughout the preparation of this report, responding promptly to information requests and working constructively with LAFCO staff to help ensure accuracy and completeness.

    (b) The 2025 transition in the City Manager's Office — from Scott Chadwick to Geoff Patnoe — is illustrative of Carlsbad’s organizational stability and a byproduct of the City Council's earlier investment in succession planning.

    (c) Carlsbad reorganized its organizational structure in 2022 to elevate housing and homeless services from a division into a standalone department – an action that, by all outside appears, has been implemented seamlessly.

4. Two governance matters merit LAFCO’s continued attention, each involving the jurisdictional and service irregularities – one along State Highway 78 corridor and one surrounding McCellan-Palomar Airport.

(a) Organic and inorganic growth patterns along the State Highway 78 corridor have created jurisdictional misalignments between Carlsbad and Oceanside where built conditions no longer match municipal boundaries, warranting the Commission's attention to facilitate more rational and orderly service areas.

(b) The McClellan-Palomar Airport exemplifies a governance complexity that merits LAFCO's review—this County-owned facility lies entirely within Carlsbad's incorporated limits yet maintains separate service arrangements inconsistent with orderly boundaries.

7.7 Environmental Justice (Adopted Policy)

1. LAFCO recognizes the connected and disproportionate effects of climate and environmental changes on marginalized – socially or economically – communities in San Diego County.

   (a) Among other outcomes, marginalized communities have historically been the first to experience displacement, illness, and death resulting from climate and environmental changes with the former headlined by weather and the latter marked by pollutants.

   (b) As appropriate, LAFCO should prioritize future proposals within the Carlsbad region that promote environmental justice and provide benefits - direct and indirect – to marginalized communities.

2. The following determinations are specific to Carlsbad and draw from data provided by the California Environmental Protection Agency:

   (a) Carlsbad's overall pollution burden ranks in the 30th percentile statewide, below San Diego County's 38th percentile, though three indictors – traffic impacts, hazardous waste effects, and impaired water bodies – exceed the 50th percentile, but below the 66th percentile threshold for significance.

      i) Traffic impacts and exposures in Carlsbad rank almost one-fourth higher than the San Diego County average, directly attributable to the I-5 corridor bisecting the community. These impacts create elevated exposure to particulate matter and noise pollution, representing the most significant localized environmental justice concern identified in the assessment.

ii) Pesticide exposures in Carlsbad rank nearly four times higher than the San Diego County average – a direct consequence of the City's agricultural heritage. While agriculture has largely transitioned to urban uses, residual soil contamination and ongoing agricultural operations continue to present elevated exposure risks in certain areas.

(b) Carlsbad's overall at-risk population ranking falls in the 9th percentile statewide – well below San Diego County's 37th percentile, and with no individual vulnerability indicators exceeding the 50th percentile threshold.

3. Other material environmental justice factors within the Carlsbad region are informed by the Climate Action Plans (CAPs) adopted by the City of Carlsbad and the County of San Diego and specific to the cascading effects of greenhouse gas emissions.

   (a) Carlsbad's Climate Action Plan (CAP) was first adopted in September 2015, updated in November 2024, and serves as the City's roadmap for reducing greenhouse gas emissions. This document estimates the community's baseline annual carbon emissions at 981,000 metric tons (2016), equivalent to 8.4 metric tons per capita.

   (b) Carlsbad's per capita measurement is the highest among the five North County cities (Carlsbad, Escondido, Vista, Oceanside, and San Marcos) and likely tie to Carlsbad's economic strengths that concurrently drive its carbon challenge: higher household incomes, prominent commercial and manufacturing activities, and a large tourism and hospitality sector.

4. Future Commission reports should revisit and expand analyses on Carlsbad's policy efforts to reduce greenhouse gas emissions and related efforts to address and promote environmental justice.

APPENDIX – A
BACKGROUND INFORMATION

Community Development

The City of Carlsbad's development traces back to the late 1700s with the establishment of Spanish colonial rule, which later transferred to Mexico. These European powers succeeded the earlier inhabitants – the Luiseño and Kumeyaay bands. The Spanish established El Camino Real (King's Highway) beginning in the early 1770s, creating a transportation corridor extending through the region from San Diego to the San Francisco Bay Area. The mission system followed with the construction of nearby Mission San Luis Rey in Oceanside in 1798. The mission's extensive landholdings encompassed much of what is now Carlsbad.

After Mexico gained independence from Spain in the 1820s, the new government reportedly awarded land grants – known as ranchos – to some Spanish soldiers who had remained loyal and stayed in the region following their service at the missions. One significant grant was awarded to Don Juan Marrón in 1842 – the Agua Hedionda Rancho, which covered a substantial portion of the community's coastline. Following the end of the Mexican-American War in 1848, the rancho underwent a series of leases and subdivisions. In 1860, Robert Kelly acquired a portion of the original ranch and proceeded to deed 40 shoreline acres to the Southern California Railroad. This land transfer facilitated the railroad connection between San Diego and Los Angeles, which was completed by the early 1880s.

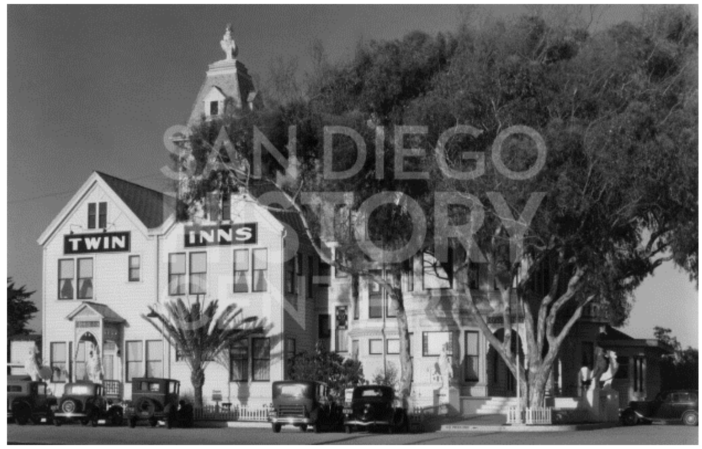
Carlsbad Hotel and Sanitarium
Early Community Tourist Attraction (C-1880)

Credit: San Diego History Center

Historical records document that the railroad's arrival in the early 1880s with concurrent improvements to El Camino Real helped to catalyze the community's evolution toward formal township status. Among the early community leaders was John Frazier, who came to serve as the first station master and established his family on approximately 160 acres south of Buena Vista Lagoon. In 1883, Frazier reportedly discovered a natural mineral spring with waters believed to possess therapeutic properties. Capitalizing on this discovery, Frazier and his business partners formed the Carlsbad Land and Water Company and in doing so imitating the famous spa town of

Karlsbad (now Karlovy Vary) in the Czech Republic. This venture culminated in the opening of the Carlsbad Hotel and Sanitarium in the late 1880s.

Twin Inns in Carlsbad
Early Restaurant + Inn Landmark (C-1930)



Credit: San Diego History Center

As the community of Carlsbad transitioned into the 20th century, it remained a lightly inhabited township with an estimated population of 155 out of a countywide total of 34,987.[83] The community remained a relative afterthought through the early 1900s until Los Angeles' businessmen formed the South Coast Land Company and began actively marketing the north county coastline with the help of locals Ed Fletcher and Frank Salmons. Throughout the 1920s, these efforts centered on purchasing and subdividing extensive land holdings between Del Mar and Oceanside – including the original Carlsbad Land and Water Company properties – while simultaneously securing crucial water rights to the San Luis Rey River. This combination of available land and reliable water sources proved highly attractive to fruit and flower farmers, establishing agriculture as the region's economic foundation. The early emphasis on farming and the growing importance of horticulture shaped residential development patterns through the 1930s, concentrating growth around the existing downtown core that had begun emerging decades earlier along Carlsbad Boulevard (original Highway 101). By 1940, this agricultural-driven expansion had moderately increased the population to an estimated 2,411 residents.[84]

The 1940s marked another pivotal transition for Carlsbad as the community began outgrowing its township status. Residents and businesses increasingly demanded higher levels of municipal services, creating momentum for discussions about cityhood that intensified toward the decade's end. Pertinently, these conversations gained urgency as the population nearly doubled from 2,411 in 1940 to 4,338 by 1950.[85] Community interest in incorporation peaked in 1952 after a devastating fire highlighted the lack of organized fire protection, police, and water services. Newspapers reported during this time the community was largely split in three: (a) those who favored incorporation, (b) those who favored annexation into neighboring City of Oceanside, and (c) those who opposed both and preferred keeping a rural setting.

83 Reference, U.S. Census, 1890.
84 Reference, U.S. Census, 1940.
85 Reference, U.S. Census, 1950.

Incorporation Proceedings

THE SAN DIEGO UNION
COUNTY NEWS

Carlsbad Voters O.K. Incorporation

CARLSBAD, June 25 (Special) —Voters here yesterday approved the proposed incorporation of this community of 5200 population.

Unofficial returns show 781 "yes" votes; 715 "no," with 53 absentee ballots to be counted.

Next step is the canvassing of the votes and official approval of the incorporation by the Board of Supervisors and the State of California.

Yesterday's ballot also carried a slate of proposed city officials subject to incorporation taking effect. Councilmen elected were Manuel M. Castorena, Raymond C. Ede, George A. Grover, C. D. McClellan and Mrs. Lena M. Sutton.

Edward Hagen was selected city clerk and W. Roy Pace as city treasurer.

On February 19, 1952, a landowner-petition formally proposing Carlsbad's incorporation was filed and accepted by the County of San Diego Boundary Commission and was done so with a competing annexation proposal to Oceanside being separately filed. The proposed incorporation spanned a seven square mile area to include most of the original Rancho Agua Hedionda territory as well as the downtown area. On June 24, 1952, and after the annexation proposal stalled due to a tie vote, a special election was held and incorporation passed with a slight majority at 781 to 714 with the effective date of July 16, 1952. The first City Council was also elected consisting of Manual Castorena, Raymond Ede, George Grober, C. Dewey McClellan, and Lena Sutton.

Timeline of Notable Post-Incorporation Events

A summary of notable activities undertaken by the City of Carlsbad and/or affecting the City's service area following incorporation in 1952 are provided below.

- Interstate 5 connecting the Cities of Oceanside and Carlsbad opens in November 1953 and provides commute relief for Carlsbad Boulevard (original Highway 101).

- Carlsbad Municipal Water District (CMWD) forms in March 1954 following voter approval – 1,189 yes to 644 no – along with later infrastructure bonds to purchase wholesale supplies from the San Diego County Water Authority.

- San Diego Gas and Electric Company completes the construction of the Encina Power Station with its prominent smokestack in October 1954 in Carlsbad at a cost of $18.0 million and becomes the City's largest property tax contributor.[86]

- Carlsbad Water Department forms in July 1958 after the City acquires Carlsbad Mutual and Terramar Water Companies with personnel becoming City and CMWD employees.

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[86] The Encina Power Plant provided energy supplies to the San Diego County region until it was decommissioned in 2018.

- County of San Diego opens Palomar Airport immediately east of the then-Carlsbad boundary in August 1959 and – among other items – facilitates the parallel building of Palomar Airport Road. Although it remains County operated, the Airport is annexed to Carlsbad in 1978 and subsequently renamed Palomar-McClellan Airport.

- U.S. Census estimates Carlsbad's population as of April 1960 at 9,253.

- Cites of Carlsbad and Vista create the Encina Wastewater Authority in January 1961 to build and operate wastewater treatment and disposal facilities and in doing so respond to directives from the Regional Water Quality Control Board.[87]

- Carlsbad adopts an inaugural General Plan in August 1965 with a future population estimate of 48,650 by 2000.

- Carlsbad and County of San Diego – via the Carlsbad Building Authority – commences development plans for the Carlsbad Civic Center in October 1967. The complex is built in separate phases over the next several years.

- Plaza Camino Real opens in May 1969 with 570,000 square feet of retail space with May Co. and J.C. Penney serving as the original anchor tenants.[88] It is subsequently rebranded as The Shoppes at Carlsbad in 2015.

- U.S. Census estimates Carlsbad's population as of April 1970 at 14,944; an increase of 62% over the prior decade.

- The Commission approves Carlsbad's proposal to annex approximately 4,500 unincorporated acres covering the La Costa Rancho area – including the La Costa Resort (now the Omni La Costa Resort & Spa)– in April 1972.

- The Commission establishes a sphere of influence for Carlsbad in June 1978. The sphere is set to include all incorporated lands along with approximately 4,800 adjacent unincorporated acres including – but not limited to – Batiquitos Lagoon.

- U.S. Census estimates Carlsbad's population as of April 1980 at 35,490; an increase of 138% over the prior decade.

[87] The regional wastewater system comes online in October 1965 at a cost of $4.6 million to serve Carlsbad, Vista, and the unincorporated area within the Buena Sanitation District.

[88] A major expansion in 1980 doubled the facility's size to 1.2 million square feet, anchored by three new department stores: Broadway, Bullocks, and Sears.

- The Commission removes more than 1,000 acres from the Carlsbad sphere as part of the City of Encinitas' approved incorporation in December 1985.

- Carlsbad sponsors Proposition E as an alternative to a citizen's initiative (Proposition G) and passes in November 1986 by 58%. It establishes a growth management plan marked by limiting the total number of housing units to 54,599; it also requires developers to contribute to public facility expansions.[89]

- Carlsbad approves the Pacific Rim Country Club and Resort Master Plan in December 1987 involving approximately 1,400 acres comprising the north side of Batiquitos Lagoon. Subsequently rescaled and renamed the Aviara Master Plan, it establishes development allowances for an upscale residential community with 2,000-plus housing units and commercially anchored by a high-end resort and an 18-hole golf course.

- In January 1990, and after an extended negotiation process between the two agencies, The Commission approves reorganizing CMWD as a subsidiary of Carlsbad. The reorganization precedes an internal restructuring by Carlsbad to convey all City water responsibilities to CMWD while changing the name back from Costa Real Municipal Water District to Carlsbad Municipal Water District.

- U.S. Census estimates Carlsbad's population as of April 1990 at 63,126; an increase of 78% over the prior decade.

- In December 1993, the Commission approves the annexation of the last remaining unincorporated area into Carlsbad, filling the original sphere of influence established in 1978 and marking the end of the City's approximate 20-year period of expansion.

- Four Seasons Resort at Aviara, not Park Hyatt Aviara, opens in September 1998 capping an on-and-off seven-year construction project on a prominent vista overlooking Batiquitos Lagoon.

- U.S. Census estimates Carlsbad's population as of April 2000 at 78,247; an increase of 24% over the prior decade.

[89] Proposition G proposed strict annual limits on new residential construction in Carlsbad: 1,000 dwelling units in 1987, 750 units in 1988, and 500 units annually from 1989 through 1996. (The measure included exceptions for replacement dwellings, remodeling projects, subsidized low-income housing, and senior citizen housing.) Voters narrowly approved Proposition G by a margin of 51% to 49%. However, courts ultimately ruled that Proposition E took precedence, having received more total votes than Proposition G.

- Carlsbad voters approve Proposition D in **November 2006** by 51% and assigns open space zoning for more than 200 acres located east of Interstate 5 and north of Cannon Road. A carve-out applies to allow future development of an approximate 50-acre area known as the U-Pick Strawberry Field.

- The Commission completes its first municipal service review covering Carlsbad as part of an all-cities study in **March 2008**. The Commission proceeds to concurrently confirm a coterminous sphere for Carlsbad.

- Carlsbad voters approve Proposition D in **June 2008** by 82% transitioning the City to a charter-law municipality. A subsequent media release by Carlsbad Mayor Bud Lewis states "the charter will make Carlsbad more self-reliant and enable the city to get important community projects done more quickly and for less money."

- U.S. Census estimates Carlsbad's population as of **April 2010** at 105,328; an increase of 35% over the prior decade.

- Poseidon Water completes construction and initiates operations at the Claude "Bud" Lewis Carlsbad Desalination Plant in **December 2015** and immediately becomes the largest desalination facility in the United States.[90]

- Carlsbad voters reject Measure A as part of a special election held in **February 2016** by 52% and in doing so disapproves the controversial "strawberry fields mall" project – a proposed high-end mall development involving agricultural land located east of Interstate 5 and north of Cannon Road.[91]

- The Commission affirms Carlsbad's coterminous sphere of influence in **August 2016** while concurrently establishing a special study area comprising an approximate 374-acre unincorporated area located within Encinitas' sphere given access issues and related fire response efforts.

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[90] The Lewis Carlsbad Desalination Plant operates under a public-private partnership established in November 2012 between the San Diego County Water Authority and Poseidon Water. This 30-year agreement commits the County Water Authority to purchasing up to 56,000 acre-feet of treated desalinated water annually from Poseidon at a predetermined rate. Upon the agreement's expiration, the County Water Authority holds an option to acquire the facility for $1.

[91] Los Angeles-based developer Rick Caruso organized the project, seeking approval for a specific plan and related entitlements covering 203 acres. The proposal designated 26 acres for high-end shopping and entertainment facilities with the remaining 177 acres dedicated to open space and agricultural uses, including the U-Pick Strawberry Field. The City Council approved the project in August 2015, but a citizens initiative subsequently forced the matter to a public vote.

B. CARLSBAD MUNICIPAL WATER DISTRICT

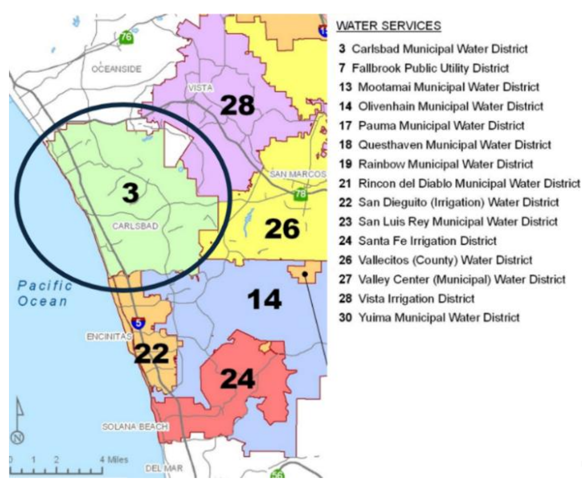
1.0 OVERVIEW

West Carlsbad
North Facing View from Batiquitos Lagoon (c 2025)

Photo Credit: Google Earth

The Carlsbad Municipal Water District (CMWD) operates today as a subsidiary district of the City of Carlsbad, a status established through a LAFCO-approved reorganization in January 1990. This pivotal decision brought closure to a decades-long governance divide that began in March 1954 when residents formed CMWD as an independent agency governed by its own elected board – a structure they believed offered the clearest route to joining the San Diego County Water Authority (CWA) and securing access to imported Colorado River supplies.

The post-formation years were initially marked by intermittent negotiations, competing jurisdictional claims, and even litigation between the two agencies. The successful reorganization of 1990 represented a significant breakthrough, achieving what previous merger attempts could not. A crucial factor in this success was the City Council's commitment to retain all CMWD employees and convert the elected board into an advisory body. The result facilitated a deliberate restructuring of local authorities effectively aligning parallel institutions under a unified governance framework which aimed to enhance the efficiency and delivery of water service in Carlsbad.



Since 1954, CMWD's jurisdictional boundary has expanded by more than two times its original size. Most of this physical expansion ties to concurrent infill annexations with Carlsbad between 1965 and 1985, accommodating large subdivisions and master-planned communities as the community transitioned from agricultural to suburban land uses. The most recent annexation occurred in 2014. Today CMWD is bounded by the Pacific Ocean to the west and adjacent water providers to the north, east, and south with limited exceptions. CMWD's boundary overlaps with most of Carlsbad except for incorporated lands south and southeast of the Omni La Costa Resort & Spa. This southern area – covering approximately one-fifth of Carlsbad's incorporated boundary – receives water service from Olivenhain Municipal Water District (OMWD) and, to a lesser degree, Vallecitos Water District (VWD) as well as wastewater and recycled water services from the Leucadia Wastewater District (LWD).

As a LAFCO-designated subsidiary district, CMWD operates under the full governance of the City of Carlsbad while retaining its status as a distinct legal entity with its own taxing authority. The five-member City Council serves dually as the CMWD Board of Directors, addressing water matters during special joint City Council meetings. Day-to-day operations fall on the City's Utilities Department within the Public Works Branch, with the Utilities Director serving simultaneously as the District's General Manager and the City Manager as the District's Executive Manager. Staffing has remained stable throughout the five-year report period ending in 2023, at 44.0 full-time equivalent positions. LAFCO estimates 61,500 registered voters within CMWD's boundary.

CMWD operates under the powers and provisions of California's Municipal Water District Act of 1911 and is one of 12 currently in San Diego County. CMWD currently provides two active municipal service functions – potable water and recycled water.

- Potable Water
  Potable water service dates to CMWD's formation in 1954 and represents CMWD's primary function by resource allocation. CMWD operates as a retail-only provider, purchasing all wholesale supplies from the CWA.[92]

- Recycled Water
  Recycled water service dates to 1991 when CMWD constructed its own recycling facility. The facility treats secondary effluent from Encina Wastewater Authority (EWA) to tertiary standards for retail distribution to local irrigation customers. CMWD also contracts with VWD for supplemental wholesale recycled water supplies.

Both of CMWD's services (potable water and recycled water) operate as enterprise funds and are designed to be self-funded through user fees and charges. During the five-year report period ending in 2023, average annual revenue across both enterprises totaled $55.0 million against corresponding expenses of $54.5 million – a net margin of 0.4%. The combined fund balance for CMWD at the report period's end is $34.9 million and is equivalent to covering 7.4 months of actual operating expenses.

92 The Executive Officer has limited this review to evaluating only CMWD's potable water system with the expectation under the adopted study schedule that a dedicated evaluation of the recycled water function will be part of an upcoming countywide study.

LAFCO estimates 90,918 full-time residents live within CMWD's jurisdictional boundary as of the end of the report period, representing 82% of Carlsbad's estimated population of 116,428. Since the 2010 census, CMWD has added an estimated 10,002 residents – an average annual growth rate of 1.0%, equivalent to 769 residents annually or 2.1 daily. The total housing stock at the end of the report period stands at 38,503 units, producing a ratio of one home for every 2.4 residents. Since 2010, the CMWD boundary has experienced the addition of 3,042 new housing units, which is well below the historical average at one home for every 3.3 new residents and highlights the evolution of the local housing landscape. Other notable demographic themes follow.

Adjusting Growth + Housing Dynamics ….

CMWD serves an estimated 90,918 residents – 82% of Carlsbad's population – though housing production has not kept pace with growth. The gap between population and housing supply appears reflected in cost pressures: despite median household incomes coming in 40% above the County average at $122,057, housing costs within CMWD consume one-third of household budgets when utilities are added.

- CMWD residents report a median household income of $122,057 based on current five-year report period averages. This amount is slightly above Carlsbad's overall median and significantly - by 40% - higher than the countywide average of $88,240.

- CMWD households spend on average 25% of their income on rent or mortgage payments alone; LAFCO estimates true housing costs rise to 33% of household income when accounting for standard utilities.[93]

2.0 BOUNDARIES + RELATED CONSIDERATIONS

2.1 Jurisdictional Boundary

CMWD's existing boundary totals 32.4 square miles spanning 20,710 acres – covering roughly 82% of Carlsbad's incorporated area and three-fourths of one percent of San Diego County. Approximately nine-tenths of CMWD's perimeter has reached its practical limits, bounded by the Pacific Ocean to the west and neighboring water providers on the remaining sides: Oceanside to the north and northeast, Vista Irrigation District (VID) and Vallecitos Water District (VWD) to the east, Olivenhain Municipal Water District (OMWD to the

Covering 4/5ths of Carlsbad …

CMWD's jurisdictional boundary largely matches the City of Carlsbad with the notable exception of excluding incorporated lands south and southeast of the Omni La Costa Resort & Spa – a variance of nearly 10 square miles.

[93] The adjusted amount does not include insurance (renters or homeowners) or property taxes (homeowners).

southeast, and San Dieguito Water District (SDWD) to the south. The remaining tenth of the CMWD perimeter lies adjacent to unincorporated lands, primarily the Rancho Santa Fe community, indicating limited potential for future annexations. Elevation ranges from approximately 10 feet to 700 feet above sea level, reaching its highest point along Sitio Oceano in the La Costa Ridge neighborhood.

Map No. B-2.1

CMWD's jurisdictional boundary has expanded more than two times its original size since its formation in 1954. The expansion – totaling approximately 11,000 acres – is the result of a series of annexations with most occurring under LAFCO oversight between 1965 and 1985. Annexation activity has slowed considerably since 2000, consistent with the downward trend in large subdivision activity in the Carlsbad community. The last annexation to CMWD was completed in 2014.[94]

Total assessed value within CMWD has increased 24% during the five-year report period, rising from $25.547 billion in 2019 to $31.621 billion in 2023. This translates to $1.5 million per acre and $348,000 per capita based on an estimated population of 90,918. CMWD's share of the 1% property tax collected within its boundary stands at approximately 1.4% – less than two cents for every dollar – generating about $4.445 million in 2023.[95]

Values Continue to Rise…

Assessed property values (land and structure) in CMWD have increased by 24% during the five-year report period. CMWD's share of the 1% property tax (AB8) is 1.4% and generated $4.5 million in 2023.

The jurisdicitonal boundary is currently divided into 82,263 assessor parcels spanning 17,979 acres.[96] Private ownership accounts for 77% of total parcel acreage. Approximately 70% of these privately owned acres are already developed or substantively improved, albeit not necessarily at the highest density as allowed under zoning. The remaining private acreage – 4,672 acres across 34,256 parcels – remains undeveloped.

Infill Opportunities Remain…

Two-thirds of all privately owned acreage in CMWD has been developed to date, though not necessarily at the highest density. The remaining one-third of private acreage in CMWD remains undeveloped and totals 4,672 acres divided among 34,256 parcels.

Carlsbad Municipal Water District Jurisdictional Boundary Characteristics
Table B-2.1 | Source: Esri, American Community Survey, and San Diego LAFCO

Total Jurisdictional Size	20,710 acres
Total Jurisdictional Parcels and Acreage	82,263 parcels totaling 17,979 acres
… Publicly Owned Parcels and Acreage	674 parcels totaling 4,181 acres
… Privately Owned Parcels and Acreage	81,589 parcels totaling 13,798 acres
… Undeveloped Privately-Owned Parcels and Acreage	34,256 parcels totaling 4,672 acres
Total Number of Registered Voters	61,513
Total Assessed Value (Secured, Land and Structures)	$31.6 billion

94 The last annexation to CMWD involved 0.8 acres and identified as the "Carlsbad-San Marcos Reorganization.
95 Amount covers only secured property taxes involving land and structures; unsecured property taxes are also paid to CMWD and include personal assets–such as boats, aircraft, and business fixtures and machinery–as well as in lieu monies from the State (vehicle license fees and excess Educational Revenue Augmentation Fund (ERAF)).
96 The remaining 2,731 jurisdictional acres in CMWD consist of public rights-of-way and waterways.

2.2 Sphere of Influence

CMWD's sphere of influence was established by LAFCO in September 1985. The initial sphere was set as a "larger-than-agency" designation to include all territory within CMWD as well as 120 acres of additional non-jurisdictional lands – all of which were unincorporated and mostly representing "island" areas surrounded by both CMWD and the City of Carlsbad. LAFCO completed subsequent sphere updates in 2005, 2007, and 2013, each time confirming the original designation without changes. Annexations since then have rendered the sphere entirely coterminous with the jurisdictional boundary. No special study areas are currently assigned to the CMWD sphere.

Maintaining Expectations...

LAFCO established CMWD's sphere of influence in September 1985 with subsequent updates in 2005, 2007, and 2013. All non-jurisdictional acreage from the original sphere has since been annexed, rendering the sphere coterminous with CMWD's boundary. No special study areas are currently assigned to the sphere.

2.3 Relationship to General Plans: Land Use and Housing Elements

CMWD's jurisdictional boundary lies entirely within Carlsbad's incorporated area and subject to the adopted land use policies established in the City's General Plan. Details regarding the Carlsbad's General Plan appear in the City profile prepared as part of this report.

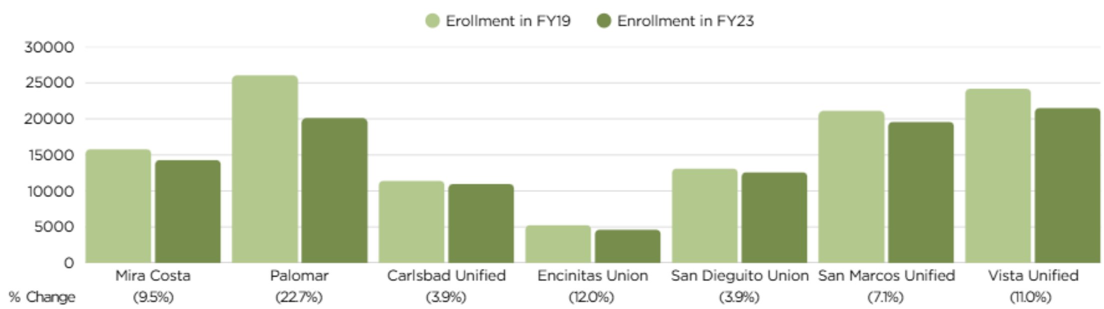
2.4 Relationship to College and School District Boundaries

CMWD's jurisdictional boundary and sphere of influence overlaps with seven college and school districts: MiraCosta College; Palomar College; Carlsbad Unified; Encinitas Union; San Dieguito Union High; San Marcos Unified; and Vista Unified. A summary of growth-related characteristics for each of these districts follows.

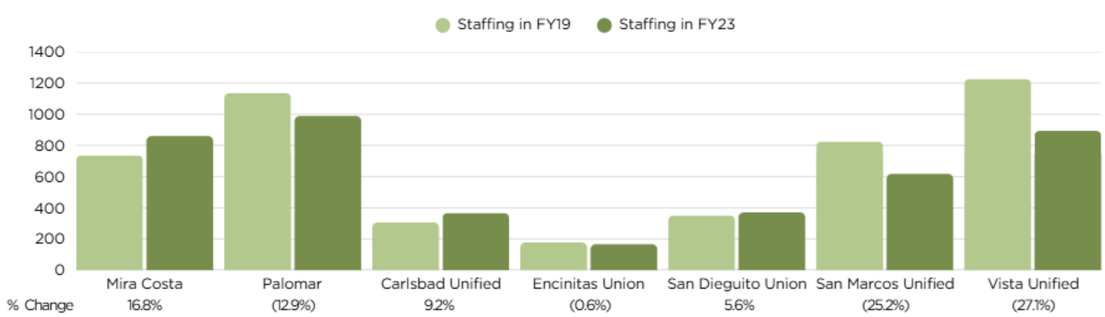
Carlsbad Municipal Water District:
Overlapping College + School District Information
Table B-2.4 | Source: San Diego County Board of Education + San Diego LAFCO

	MiraCosta College	Palomar College	Carlsbad Unified School District	Encinitas Union School District	San Dieguito Union High School District	San Marcos Unified School District	Vista Unified School District
Type	College	College	School	School	School	School	School
% within CMWD	9.0.9%	9.1%	88.4%	2.4%	2.4%	8.4%	0.8%
Grades	13th - 14th	13th - 14th	K - 12th	K - 6th	7th - 12th	K - 12th	K - 12th
Campuses	4	3	14	10	11	19	27

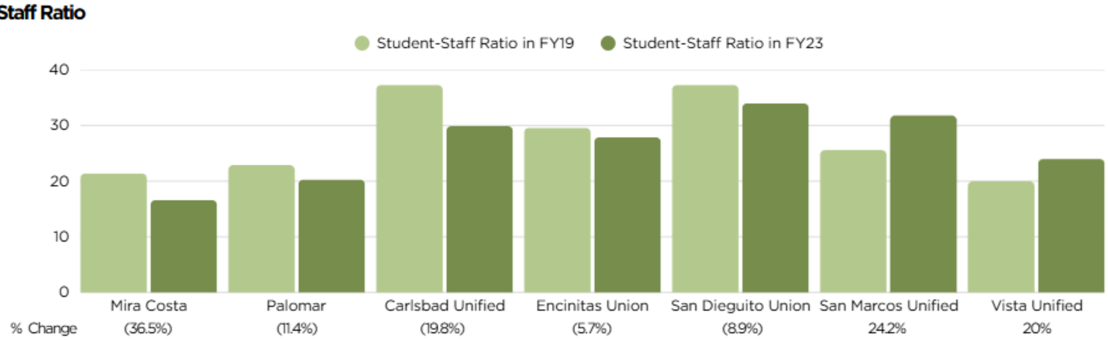
Enrollment



Staffing



Student-Staff Ratio



3.0 DEMOGRAPHICS

3.1 Population and Housing

LAFCO estimates CMWD's full-time resident population at 90,918 as of the end of the five-year report period in 2023, representing 2.7% of the countywide total. Going back to the 2010 census, CMWD is estimated to have experienced the addition of approximately 10,002 residents – a 12.4% overall increase that translates to an average annual growth rate of 1.0%, or 769 residents per year. This equates to roughly 2.1 new residents daily. Specific to the five-year report period, the growth rate has declined to 0.8% annually – a one-fifth reduction from the longer-term trend. This equates to adding 702 residents each year, or roughly 1.9 daily. Other notable population features follow.

Gentler Growth Curve…

LAFCO estimates CMWD added 3,845 net residents during the five-year report period ending in 2023, bringing the full-time resident population to 90,918. Since the 2010 census, the average annual growth rate has been 1.0%. The annual rate specific to just the five-year report period, however, has adjusted downward to 0.8%.

- The population estimate at the end of the report period produces a density ratio of 4.5 residents for every acre, slightly lower than the 4.7 ratio in Carlsbad.

- LAFCO projects the growth rate will generally hold steady relative to post-2010 patterns and result in CMWD's full-time population reaching 95,323 by 2028.

Carlsbad Municipal Water District
Resident Population Estimates
Table B-3.1a | Source: Esri, American Community Survey, and San Diego LAFCO

	Calendar Year	CMWD	San Diego County
	2010	80,916	3,095,305
Reporting Period	2019	88,110	3,258,522
	2020	88,216	3,298,625
	2021	88,919	3,307,655
	2022	89,627	3,316,709
	2023	90,918	3,325,714
	2028	95,323	3,371,483
	Population Change, 2010-2023		
	… net change	10,002 or 12.4%	230,409 or 7.4%
	… annual change (avg)	769 or 1.0%	17,724 or 0.6%
	Population Change, 2019-2023		
	… net change	2,808 or 3.2%	67,192 or 2.1%
	… annual change (avg)	702 or 0.8%	16,192 or 0.5%

LAFCO estimates 38,503 residential housing units within CMWD at the end of the report period in 2023. Going back to the 2010 census, it is estimated there have been 3,042 new housing units added to CMWD. This represents an average annual housing construction rate of 0.7%, or approximately 234 new units per year. Specific to the five-year report period, the housing construction rate in CMWD has declined to 0.6% annually — a one-seventh drop from the longer-term trend. This shorter measurement period equates to adding 220 new housing units each year. Materially, housing additions – under either the extended or shorter measurement period – have not proportionally kept pace with population growth within CMWD's jurisdictional boundary. The unit-to-resident ratio stands at 3.3 residents per unit since 2010 and 3.2 over the five-year report period starting in 2019.

Tightening Housing Math…

It is estimated that 880 new housing units have been added to CMWD's jurisdictional boundary during the five-year report period ending in 2023. When aligned with the corresponding population growth, this translates to adding one new home for every 3.2 new residents – marking approximately a one-quarter decline in relative housing construction based on the historical ratio of 2.4 residents per unit.

Other material housing characteristics follow.

Types | Slightly more than one-fifth – or 21.1% – of all housing units are categorized as traditional single-family. Another 17.6% of all housing units are categorized as multi-family. The remainder of housing units – roughly 61.3% - comprise non-traditional single-family and include townhomes, condominiums, and accessory dwelling units.

Occupancies | Three-fifths – or 58.8% – of housing units are owner-occupied. The remainder are divided between renter-occupied and vacant at 33.9% and 7.3%, respectively.

Costs | The five-year average monthly median housing cost (mortgage or rent only) is $2,547. This monthly amount has increased by $371 – or 17.0% – compared to the prior five-year average of $2,176.

Costs to Income | The five-year average monthly median housing cost (mortgage or rent) equals 25.0% of the median household income.[97] Adjusting for baseline utility expenses – e.g., utilities and insurance – it is projected households' real housing costs equal 32.5% of their monthly income.[98]

[97] Median household incomes in CMWD have averaged $122,057 (annual) during the five-year period.
[98] Utilities are calculated by LAFCO staff to equal 7.5% of the median household income and covers the following services: electricity; water; internet; natural gas; phone; and streaming/cable.

Carlsbad Municipal Water District
Housing Estimates
Table B-3.1b | Source: Esri, American Community Survey, and San Diego LAFCO

Calendar Year	CMWD	San Diego County
2010	35,461	1,164,781
2019	37,623	1,223,578
2020	37,872	1,230,291
2021	38,122	1,237,042
2022	38,373	1,243,829
2023	38,503	1,247,863
Housing Change, 2010-2023		
… net change	3,042 or 8.58%	82,123 or 7.05%
… annual change (avg)	234 or 0.66%	6,317 or 0.54%
Housing Change, 2019-2023		
… net change	880 or 2.34%	24,285 or 1.98%
… annual change (avg)	220 or 0.58%	6,071 or 0.50%

Reporting Period

Additional analysis is needed to assess seasonal populations.

3.2 Age Distribution

The median age of CMWD residents stands at 42.9 years based on the most recent available five-year report period average. This figure represents a moderate increase from 41.0 years in the previous period – a 4.4% increase reflecting an ongoing aging trend. This median also remains nearly seven years above the countywide average of 36.3 years. Residents in the prime working age group (ages 25 to 64) account for 52.7% of the CMWD's total population.

The Rising Seven Year Gap…
CMWD's median age stands at 42.9 years – nearly seven years above the county average and rising.

Carlsbad Municipal Water District
Age Distribution
Table B-3.2 | Source: Esri, American Community Survey, and San Diego LAFCO

Factor	CMWD	San Diego County
Median Age (5-year average 2012-2016)	41.0	35.3
Median Age (5-year average 2017-2021)	42.9	36.3
… % Change	4.4%	2.8%
Prime Working Age, 25-64 (5-year average 2012-2016)	54.3%	53.7%
Prime Working Age, 25-64 (5-year average 2017-2021)	52.7%	54.1%
… % Change	(3.0%)	0.7%

3.3 Income Characteristics

The median household income in CMWD is $122,057 based on the most recent available five-year report period average. This amount shows CMWD households are receiving sizable more pay with the median income experiencing an overall increase of approximately 30.2% from the preceding period average of $93,741; a difference of more than two-fifths above the corresponding change in inflation measured for the San Diego-Carlsbad region over the same period.[99] CMWD households' current median income is also more than one-third higher than the current countywide median of $88,240. Other material measurements show the poverty rate – which for a household of four means an income below $31,000 – rose by 4.5% from 8.9% to 9.3%.[100]

Incomes Continue to Increase and Separate…

CMWD residents' median household income increased by nearly one-third during the report period finishing at $122,000. This amount shows CMWD residents earn $1.38 for every $1.00 earned by countywide residents.

Carlsbad Municipal Water District
Income Characteristics
Table B-3.3 | Source: Esri, American Community Survey, and San Diego LAFCO

Factor	CMWD	San Diego County
Median Household Income (5-year average 2012-2016)	$93,741	$66,529
Median Household Income (5-year average 2017-2021)	$122,057	$88,240
… % Change	30.2%	32.6%
Poverty Rate (5-year average 2012-2016)	8.9%	14.0%
Poverty Rate (5-year average 2017-2021)	9.3%	10.7%
… % Change	4.5%	(23.6%)

3.4 Others: Unemployment and More

The unemployment rate within CMWD – defined as the percentage of the workforce 18 years or older less students that are jobless – remains comparatively low at 5.8% based on the most recent available five-year report period average. Although this rate has increased by more than two-thirds from the prior five-year report period, it continues to fall below both the countywide rate of 6.6% and the

Healthy Labor Economy…

The average unemployment rate within CMWD during the five-year report period remains low at 5.8% despite absorbing nearly a two-thirds increase over the prior period – still lower than the countywide average.

99 The inflation rate for the San Diego-Carlsbad region via the consumer price index is 21.1% between July 2019 and June 2023.
100 Federal poverty measurement only counts cash income before taxes; it excludes government subsidies (food stamps (EBT), lunch programs, Medicaid, housing, etc.) and disability assistance.

statewide rate of 6.2%. Additional socioeconomic indicators follow.

- Teleworking on the Rise:
  1/4th of Labor Force Now Working from Home…
  The current five-year average rate of the labor force residing in CMWD's jurisdiction working from home is nearly one out of every four people at 23.7%. This amount has more than doubled from the prior five-year report period average of 11.2% and is nearly twice the overall countywide rate of 12.5%.[101] Among other indicators, this suggests shifting consumer patterns and more daytime spending at local businesses.

- College-educated Residents Majority:
  3/5th of Adults Have Bachelor's Degrees…
  The current five-year average rate of adults (25 years or older) in CMWD's jurisdiction with bachelor's degrees is comparatively high at 57.8% and – among other indicators – suggests greater propensity for civic engagement and community participation. This rate has changed modestly from the prior five-year period but remains more than two-fifths above the overall countywide attainment level of 40.3%.

- Fixed Incomes and More:
  1/5th of Households are Collecting Retirement…
  The current five-year average rate of residents in CMWD's jurisdiction collecting retirement income – whether through employer pension programs or Social Security – is 21.6%. This rate has increased by almost one-fifth from the prior five-year report period and now closely aligns with the overall countywide rate of 21.2%. Among other indicators, these retirement income levels suggest that approximately one out of every five households in CMWD relies on fixed and stable incomes and likely prefers the status quo with respect to municipal service levels.

Carlsbad Municipal Water District
Other Socioeconomic Indicators
Table B-3.4 | Source: Esri, American Community Survey, and San Diego LAFCO

Factor	CMWD	San Diego County
Unemployment Rate (5-year average 2012-2016)	3.4%	7.8%
Unemployment Rate (5-year average 2017-2021)	5.8%	6.6%
… % Change	68.2%	(15.4%)
Labor Force Working From Home (5-year average 2012-2016)	11.2%	7.0%
Labor Force Working From Home (5-year average 2017-2021)	23.7%	12.5%
… % Change	112.6%	78.9%

[101] The observed spike in the share of the labor force working from home is likely attributable to the COVID-19 pandemic, which prompted widespread public health restrictions, workplace closures, and a rapid shift to remote work arrangements.

Adults with Four-Year Degrees (5-year average 2012-2016)	54.9%	36.5%
Adults with Four-Year Degrees (5-year average 2017-2021)	57.8%	40.3%
… % Change	5.3%	10.4%
Collecting Retirement (5-year average 2012-2016)	18.6%	17.7%
Collecting Retirement (5-year average 2017-2021)	21.6%	21.2%
… % Change	16.3%	19.8%

3.5 Unhoused Demographics

Addressed within City of Carlsbad agency profile.

3.6 Environmental Justice

Addressed within City of Carlsbad agency profile.

4.0 ORGANIZATION

4.1 Governance

CMWD operates as a special subsidiary district to the City of Carlsbad with governance controlled by the City Council acting as the CMWD Board of Directors. CMWD's powers and duties are enumerated under Division 20 of California Water Code (Sections 71000 to 72770), known as the Municipal Water District Act of 1911. CMWD is one of 12 water districts operating under the principal act in San Diego County and one of 37 throughout California. Notable distinctions within the principal act follow.

- Allowed to serve both incorporated and unincorporated lands.
- Allowed to comprise non-contiguous territory.
- Board may have five or seven board members.
- Electoral system based on registered voters.
- Must have appointed general manager to administer day-to-day activities.

LAFCO currently authorizes CMWD to provide two active municipal functions: potable water and recycled water. The Municipal Water District Act, however, grants substantially broader authority. With LAFCO approval, CMWD could extend its operations to include wastewater treatment, fire protection, energy and power generation, and flood and stormwater control. The Act also empowers CMWD with eminent domain

Powers Granted + Held…

CMWD operates under California's Municipal Water District Act of 1911. While currently limited to potable and recycled water service, the Act grants broader latent authority that could extend to wastewater, fire protection, energy, and stormwater services with LAFCO approval.

authority for acquiring property necessary to their authorized functions.

CMWD was formed in 1954 as an independent special district governed by its own five-member elected Board of Directors. For thirty-six years, it operated independently until Carlsbad secured LAFCO approval in 1990 to reorganize the agency – then named Costa Real Municipal Water District – as a subsidiary district. The reorganization aimed to streamline water services across the overlapping boundaries and achieve cost efficiencies.

Under the current arrangement, the City Council serves as the CMWD Board of Directors, incorporating CMWD business into the City's regular meeting schedule as a special meeting when needed.[102] The formerly elected Board was initially reconstructed as an advisory body to preserve institutional knowledge. This arrangement proved short-lived and was eventually disbanded, though the specific ending date is not known. The current Council/Board listing follows with additional details – including their baseline compensation – provided in the Carlsbad profile.

Concurrent Governance…

As a result of the 1990 reorganization, the Carlsbad City Council concurrently serves as the CMWD Board. CMWD business is incorporated into Council meetings as needed with Council meetings regularly scheduled on the first three Tuesdays each month at 5:00 P.M. in the Council Chambers located at 1200 Carlsbad, Village Drive.

Carlsbad Municipal Water District
Governing Board
Table B-4.1 | Source: City of Carlsbad

Member	Position	Years on Council	Background
Melanie Burkholder	District 1	2	Secret Service / Mental Health Counselor
Kevin Shin	District 2	<1	Public Safety/Entrepreneur/Veteran
Priya Bhat-Patel	District 3	6	Public Health
Teresa Acosta	District 4	4	Public Relations
Keith Blackburn	Mayor	16	Public Safety

102 Councilmembers receive a $100 stipend whenever conducting business for CMWD with a maximum of three stipends per month.

4.2 Administration + Staffing

The CMWD operates under an adopted Ordinance that designates the Carlsbad City Manager as the Executive Manager of CMWD to ensure efficient administration consistent with Board directives. In accordance with the ordinance, the City Manager is responsible for appointing a General Manager to oversee the District's day-to-day operations. It has been a standard practice of the City Manager to appoint the Public Works Branch's Utilities Department Director to serve as the full-time CMWD General Manager, overseeing both active service functions – potable water and recycled water. Vicki Quiram served as the General Manager throughout the entire report period of 2019-2023, with her successor – Amanda Flesse – assuming the position in July 2024.

As of the end of the report period in 2023, through its staffing relationship with the Carlsbad Utilities Department, CMWD is alloacted a total of 44.0 budgeted full-time equivalent (FTE) positions. This figure reflects a slight increase of 2.3% – or 0.5 FTEs – over the corresponding five-year report period. The largest share of budgeted positions at the close of the report period is allocated to potable water services at 30.8 FTEs with the balance of 13.3 FTEs allocated to recycled water services. A budgeted staffing breakdown for the period follows.

Carlsbad Municipal Water District
Budgeted Staffing Levels
Table B-4.2 | Source: City of Carlsbad

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Average	Change
Budgeted Staffing*	43.0	43.0	43.0	44.2	44.0	43.5	2.3%
CMWD Population	88,110	88,216	88,919	89,627	90,918	89,158	2.1%
CMWD Staffing Per 1,000	0.49	0.49	0.48	0.49	0.48	0.49	0.0%

* Figures represent full-time equivalent (FTE) based on 2,080 hours/year

5.0 MUNICIPAL SERVICE FUNCTIONS

CMWD currently provides two active municipal functions – potable water and recycled water. The LAFCO Executive Officer has limited this review to evaluating only CMWD's potable water system with the expectation under the adopted study schedule that a dedicated evaluation of the recycled water function will be part of an upcoming countywide study.

5.1 Potable Water Service

CMWD's potable water service function dates to the agency's formation in 1954. CMWD proceeded to establish access to imported wholesale water supplies by concurrently annexing into the San Diego County Water Authority (CWA) and the Metropolitan Water District of Southern California (MET) shortly thereafter. An initial distribution system was also secured by purchasing a preexisting water system that dated to the 1920s and once operated by the South Coast Land Company. An interim connection to receive CWA imported supplies was made in 1955 through a side agreement with the City of Escondido before a direct connection to the CWA aqueduct was completed in 1956.

Similar but Different...

Like most urban providers in San Diego County, CMWD relies entirely on imported water delivered through regional infrastructure operated by the CWA. However, CMWD is unique as the only local retailer with its own contractual arrangement to receive desalinated supplies from the nearby Claude "Bud" Lewis Desalination Plant.

CMWD's service area initially exceeded the City of Carlsbad to include certain unincorporated areas that required dependable water service to sustain the then-prominent agricultural operations in the community. Today, the boundary relationship has reversed with Carlsbad extending beyond the CMWD boundary now covering only 82% of the City. (The remaining 18% of Carlsbad falls within Olivenhain Municipal Water District (OMWD) and – to a lesser degree – Vallecitos Water District (VWD). LAFCO estimates CMWD's resident potable water service population at the end of the report period in 2023 at 90,918. The following analysis covers resources, capacities and demands, and performance.

Resources |
Budget + Staffing + Rates

CMWD's potable water function operates within the Public Works Branch's Utilities Department. It is organized as an enterprise fund with the structure of being entirely self-sufficient and generating surpluses to reinvest into the water system. During the five-year report period ending in 2023, actual operating revenues for CMWD's potable water function have averaged $46.869 million annually with approximately 84% (about $39.4 million) generated through water sales and other customer-oriented charges as further detailed. Actual operating expenses have averaged $45.549 million annually with

Still Up – But Narrowing Margins ...

Actual operating revenues averaged $46.9 million annually and increased by 4% over the five-year period ending in 2023. Operating expenses averaged $45.6 million and increased 11% – creating a 7-percentage-point gap as expense growth outpaced revenues by nearly 3-to-1.

the largest component – 57% - tied to wholesale water purchases. Overall, the potable water function has maintained an average operating margin of 2.8% over the period.

Carlsbad Municipal Water District
Potable Water Function: Budget Actuals, FY19 to FY23
Table B-5.1a | Source: City of Carlsbad + SD LAFCO

Categories	5-Year Averages
Actual Operating Revenues	
… Average Annual	$46.869 million
… Overall Change	4.3%
Actual Operating Expenses	
… Average Annual	$45.549 million
… Overall Change	10.7%
Average Operating Margin	2.8%

A closer review of budget-to-actual expenses reveals that CMWD's potable water function demonstrated strong financial management during the report period. The function exceeded the Board's adopted budget for only one year (2021), while successfully coming in under budget in the other four years. This strong performance, with an overall variance of 3.1%, equated to a cumulative savings of approximately $1.46 million. These efficiencies highlight CMWD's commitment to prudent fiscal stewardship.

At the end of the report period, budgeted staffing for CMWD's potable water function totals 30.75 FTEs – a slight decrease of 0.05 positions, or (0.2%).

Carlsbad MWD
Potable Water: Budgeted Staffing Levels, FY2019 to FY2023
Table X-5.1b | Source: City of Carlsbad + SD LAFCO

2019	2020	2021	2022	2023
30.8	30.0	30.0	30.8	30.8

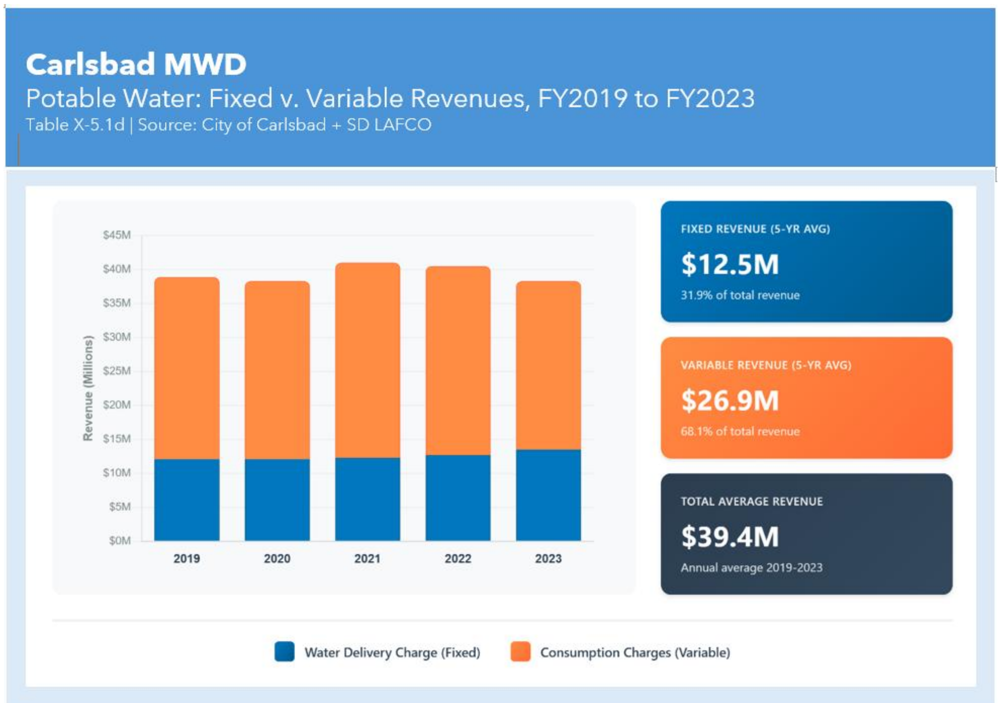
RANGE	5-YR AVERAGE	NET CHANGE
0.85 FTEs	30.44	-0.2%

As noted, customer charges accounted for nearly nine-tenths of all revenue generated during the report period. The CMWD's rate structure consists of two fees: a fixed water access charge and a tiered commodity charge, divided among five customer categories: single-family, multi-family, commercial, irrigation, and agricultural. A breakdown of rates and their adjustments during the report period follows.

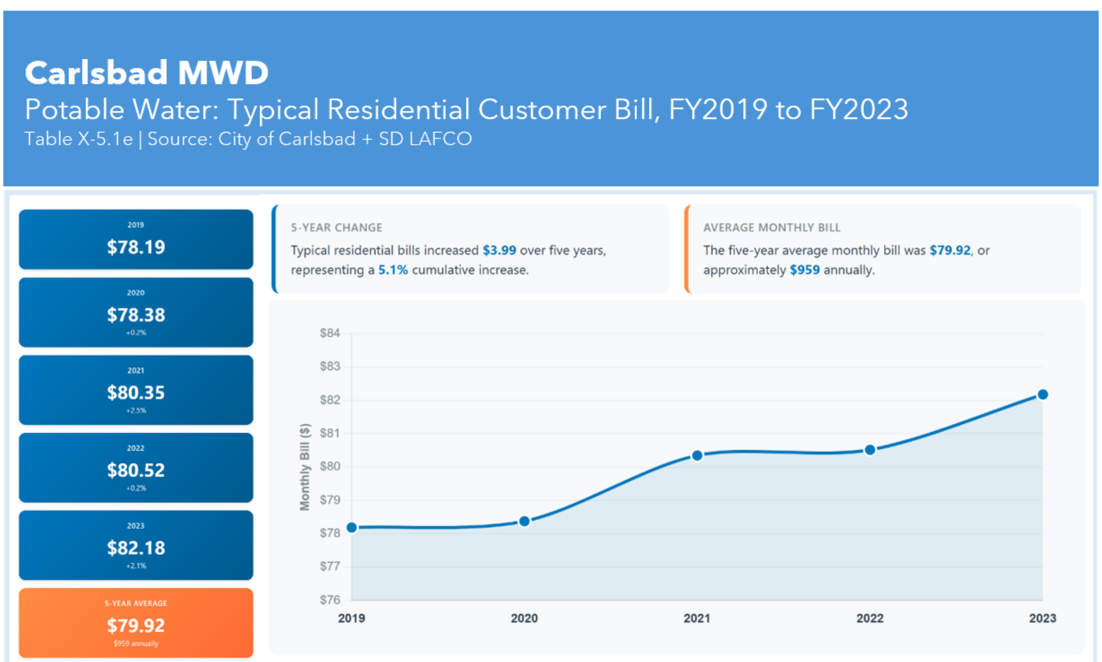
Carlsbad MWD
Potable Water Rates, FY2019 to FY2023
Table X-5.1c | Source: City of Carlsbad + SD LAFCO

CHARGE	2019	2020	2021	2022	2023
Monthly System Access Charge	$24.72	$24.72	$25.52	$27.81	$28.37 +14.8%
Commodity Charges					
Domestic					
Tier 1 (0-10 units)	$3.94	$3.94	$4.13	$3.84	$3.92 -0.5%
Tier 2 (11-18 units)	$4.69	$4.42	$4.51	$4.77	$4.87 +3.8%
Tier 3 (over 19 units)	$7.00	$7.04	$7.18	$7.39	$7.54 +7.7%
Multi-Family Residential					
Tier 1 (0-5 units)	$3.87	$3.87	$3.95	$3.79	$3.87 0.0%
Tier 2 (6-10 units)	$4.67	$4.27	$5.04	$5.89	$6.01 +28.7%
Tier 3 (over 11 units)	$6.97	–	–	–	–
Commercial					
Tier 1	$4.22	$4.27	$4.36	$4.34	$4.43 +5.0%
Irrigation					
Tier 1	$5.16	$5.31	$5.41	$5.47	$5.58 +8.1%
Agricultural	$4.53	$4.62	$4.71	$4.70	$4.80 +6.0%
PSAWR Credit	($0.94)	($0.99)	($0.97)	($1.11)	($1.17) +24.5%

During the report period, revenue generated from customer charges was split approximately 32% fixed to 68% variable and reflected in the following table.



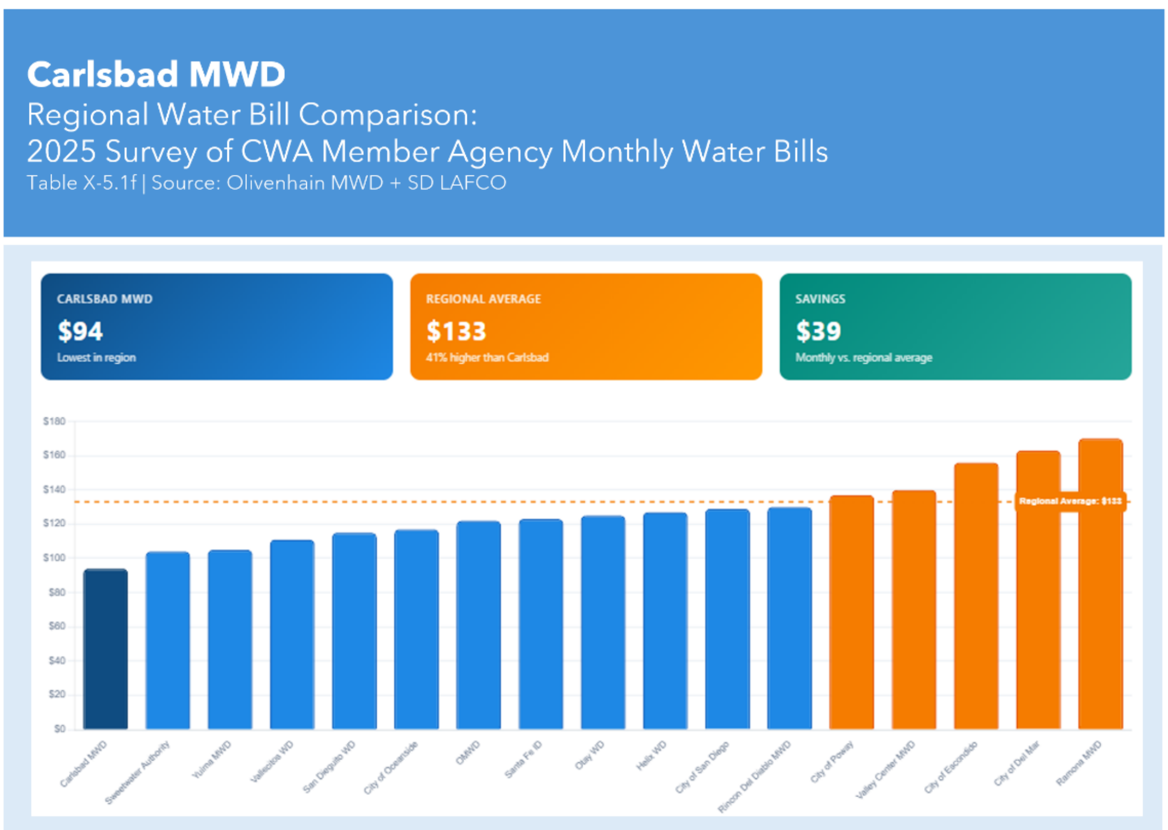
The table below includes a scenario for a typical single-family customer with a 5/8-inch meter using 13 units per month (about 9,724 gallons). The analysis shows the monthly bill at the end of the report period was $82, a 5.1% increase over the report period.



CMWD continued to maintain a rate advantage for its customers, extending beyond the report period ending in 2023. While the typical residential customer's monthly payment was approximately $82 at the end of 2023, rates have subsequently adjusted to about $94 as of early 2025, as reflected in a recent regional survey conducted by OMWD. Despite this increase, CMWD's rate of $94 for 13 units of monthly consumption remains significantly below the $133 regional average for comparable usage and substantially less than customers at neighboring agencies. This favorable rate offers substantial savings to CMWD customers, translating to approximately $40 in monthly savings for the average household. CMWD's commitment to providing cost-effective water service reinforces their dedication to protecting ratepayers.

The $40 Difference…

CMWD customers save nearly $40 monthly compared to the regional average – paying 30% less for water than most neighboring agencies based on a post-period regional survey of CWA member agencies.



Resources |
Water Supply Sources

CMWD operates without local water supplies and relies entirely on imported sources delivered through regional infrastructure operated by CWA. Additionally, CMWD maintains a contractual arrangement to receive desalinated water supplies from the Claude "Bud" Lewis Carlsbad Desalination Plant. This contractual arrangement anchors CMWD's supply portfolio and provides 2,500 acre-feet (AF) annually under a binding take-or-pay contract. CMWD does not receive the desalinated water directly; instead, it is blended with other imported supplies in CWA's regional aqueduct network before reaching local customers. This strategic arrangement ensures CMWD has a reliable allocation of drought-resistant, locally produced water, enhancing the resiliency in its portfolio.[103]

During the report period ending in 2023, CMWD operated as one of 24 CWA member agencies purchasing wholesale water. This membership subsequently dropped to 22 following the approved detachment of Fallbrook Public Utility District and Rainbow Municipal Water District in 2024. CWA, in turn, holds membership in MET – creating a two-tiered wholesale relationship. This structure ultimately connects CMWD customers to a diverse supply of water sourced from distant watersheds:

- The **Colorado River** with conveyance from Arizona via the Colorado River Aqueduct and terminal storage at Lake Mathews.

- The **Sacramento Bay Delta** with conveyance from Northern California via State Water Project and terminal storage at Lake Oroville.

Capacities |
Accessing Water Supply Sources + Treatment

CMWD's membership with CWA does not impose an obligation to take imported water deliveries. Likewise, there is no defined upper limit on deliveries – CMWD may request and receive as much water as needed to meet customer demand, subject only to the capacity constraints of its local infrastructure, as detailed below. Membership with CWA also provides CMWD access to supplies secured through separate agreements involving the All-American Canal (Imperial Irrigation District) and Carlsbad Desalination Plant (Channelside Water Resources).[104] Under these agreements, CWA must pay for the full

[103] Any CMWD demands exceeding the annual 2,500 AF from desalination supplies transition over to CWA's baseline supply portfio.
[104] As a CWA member, CMWD accesses its pro-rata share of desalination water in addition to its contractual obligations.

volume of water under contract, regardless of actual use. Collectively, these supplies provide the CWA – and, by extension, its member agencies – with approximately 328,000 AF per year, supplementing supplies received through MET.[105]

With respect to physical access, CWA – and a portion of Vallecitos Water District – delivers treated potable water to CMWD through a total of four connections called turnouts. (CMWD does not own or operate any potable water treatment facilities.)[106] All water deliveries, except for desalinated supplies, are conveyed from their sources via MET's aqueduct system: Colorado River supplies are transported through the Colorado River Aqueduct while State Water Project supplies from the Sacramento-San Joaquin Delta connect to MET's distribution system in Riverside County. The table below provides details on each turnout, including type and capacity in cubic feet per second (CFS) – where 1 CFS is approximately 449 gallons per minute (GPM).

Carlsbad Municipal Water District
Supplies Available via CWA Turnouts
Table B-5.1g | Source: Carlsbad MWD + SD LAFCO

TOTAL SYSTEM CAPACITY			
167 Acre-Feet Per Day	84 CUBIC FEET/SECOND	37,716 GALLONS/MINUTE	54.3M GALLONS/DAY

	Turnout #2 (TREATED)	Turnout #3 (TREATED)	Turnout #4 (TREATED)	Turnout #6 (TREATED)
Capacity	20 CFS	20 CFS	14 CFS	30 CFS
Flow Rate	8,977 GPM	8,977 GPM	6,284 GPM	13,465 GPM
Daily Capacity	12.9M Gal	12.9M Gal	9.0M Gal	19.4M Gal

105 The 328,000 AF of annual take-or-pay supplies is the sum of the following contracts: All American Canal Lining at 80,000 AF; Imperial Irrigation District Conservation Program at 200,000 AF; and Carlsbad Desalination Plant at 48,000 AF.

106 Treated water originates from three different plants owned and operated by others: Twin Oaks Valley Water Treatment Plant (CWA), Lake Skinner Water Treatment Plant (Metropolitan Water District of Southern California), and Claude Lewis Desalination Plant (CWA).

The precise blend of treated water delivered to CMWD varies based on a variety of factors and is entirely controlled by CWA.[107]

Capacities |
Distribution System + Pressure + Storage

CMWD's distribution infrastructure consists of approximately 457 miles of transmission and distribution pipelines – a figure that has remained relatively steady during the five-year report period ending in 2023. The system spans elevations ranging from sea-level to hillside developments reaching 700 feet above. Treated water enters the distribution system through connections (turnouts) to CWA's aqueduct system and flows into a pressurized distribution network designed around CMWD's service area topography. CMWD addresses elevation changes through 74 pressure-reducing stations that create 17 distinct pressure zones. Roughly half of the pressure-reducing stations (37 out of 74) serve as backup or emergency supply points and activated when primary stations require maintenance or are temporarily unavailable. Three potable water pump stations round out CMWD's infrastructure and are primarily used during CWA pipeline shutdowns, circulating stored water through the distribution system.

CMWD's distribution system holds the highest tier classification – "D5" – from the California State Water Resources Control Board's Division of Drinking Water. This classification reflects the relatively high level of coordination required across multiple pressure zones, elevation challenges, and redundant control systems. CMWD also holds a "T2" treatment classification, tied to chloramine disinfection operations at the Maerkle Reservoir – the agency's primary storage facility. Total storage within the distribution system is 242.5 million gallons (MG), equal to 744 acre-feet (AF).[108]

107 CMWD also maintains 11 interagency potable water connections with other local government agencies: five with Olivenhain MWD; three with Vallecitos Water District; two with the City of Oceanside; and one with Vista Irrigation District. Eight of these interconnections serve water to CMWD and the remaining three allow CMWD to serve water to Vallecitos WD and Vista ID. These connections are unmetered and for emergency uses only. If water is used between these connections the agencies estimate the water use during the emergency period.

108 A tenth storage reservoir (D-4), with a capacity of 1.5 MG, was brought online near the D-3 potable water tank and is designated as a recycled water reservoir.

Carlsbad Municipal Water District

Potable Water Distribution System

Table B-5.1h | Source: Carlsbad MWD + SD LAFCO

PIPELINE NETWORK	PRESSURE REDUCING STATIONS	PRESSURE ZONES	STORAGE FACILITIES
457 Miles	**74** Facilities	**17** Distinct Zones	**9** Reservoirs
Transmission and distribution pipelines serving 18,800 accounts	Control points managing pressure across the system at 18 to 110 psi	Separate pressure zones assigned to accommodate 1,000+ feet of elevation change	Include one 21,000 acre-foot lake/dam; reservoir capacities hit 141 million gallons

System Complexity: Carlsbad MWD holds a **D-5** classification from the California State Water Resources Control Board — the highest technical complexity rating possible for water distribution systems.

Service Area: Infrastructure serves an estimated 90,016 residents across 20,536 acres within the jurisdictional boundary (excludes annexed portions in Olivenhain community).

Storage Facilities

Nine Potable Water Reservoirs

TOTAL CAPACITY **242.5 MG** | EQUIVALENT **744 AF** | INCHES **9 IN**

		Elevation	Capacity	
Maerkle	CONCRETE	500 ft	195 MG	80.4% of Total
Maerkle Tank	CONCRETE	514 ft	10.0 MG	4.1%
Santa Fe II	CONCRETE	732 ft	9.0 MG	3.7%
La Costa HI	CONCRETE	727 ft	6.0 MG	2.5%
TAP Tank	CONCRETE	473 ft	6.0 MG	2.5%
D-3 Tank	CONCRETE	430 ft	8.5 MG	3.5%
Ellery	STEEL	352 ft	5.0 MG	2.1%
Elm	STEEL	277 ft	1.5 MG	0.6%
Skyline	STEEL	263 ft	1.5 MG	0.6%

Additional features of the distribution system follow.

- CMWD operates a hydroelectric generator on the supply line between CWA connection #3 and the Maerkle Reservoir. This facility has a capacity of 145 kilowatts and operates depending on operational demands and maintenance needs in the Maerkle Reservoir.

- CMWD maintains an asset management program including an ongoing Capital Improvement Program (CIP) focused on reservoir condition assessment and repairs. The program also incorporates a schedule for regular inspection and maintenance activities. Funding for these efforts is allocated in the budget each fiscal year.

Demands

Customers + Usage

CMWD's customer base has largely stabilized as evident by consistency in the number of service connections during the five-year report period ending in 2023. The total active service connections slightly increased 0.7% during report period from 30,236 in 2019 to 30,433 accounts in 2023.[109] The breakdown of connection types at the end of the report period is as follows:

- Domestic: 88.0%
  Residential customers include single-family and multi-family residents and dominate CMWD's connection base. Standard 5/8" meters account for 77% of domestic connections, making it the largest single customer category by a wide margin.

- Commercial: 5.5%
  The second largest account type is commercial and ranges from retail to industry.

- Fire Services: 4.0%
  Connections serving commercial fire suppression systems and residential fire protection infrastructure.

- Agricultural: <0.03%
  Minimal agricultural presence, consistent with CMWD's evolving urban and suburban service territory.

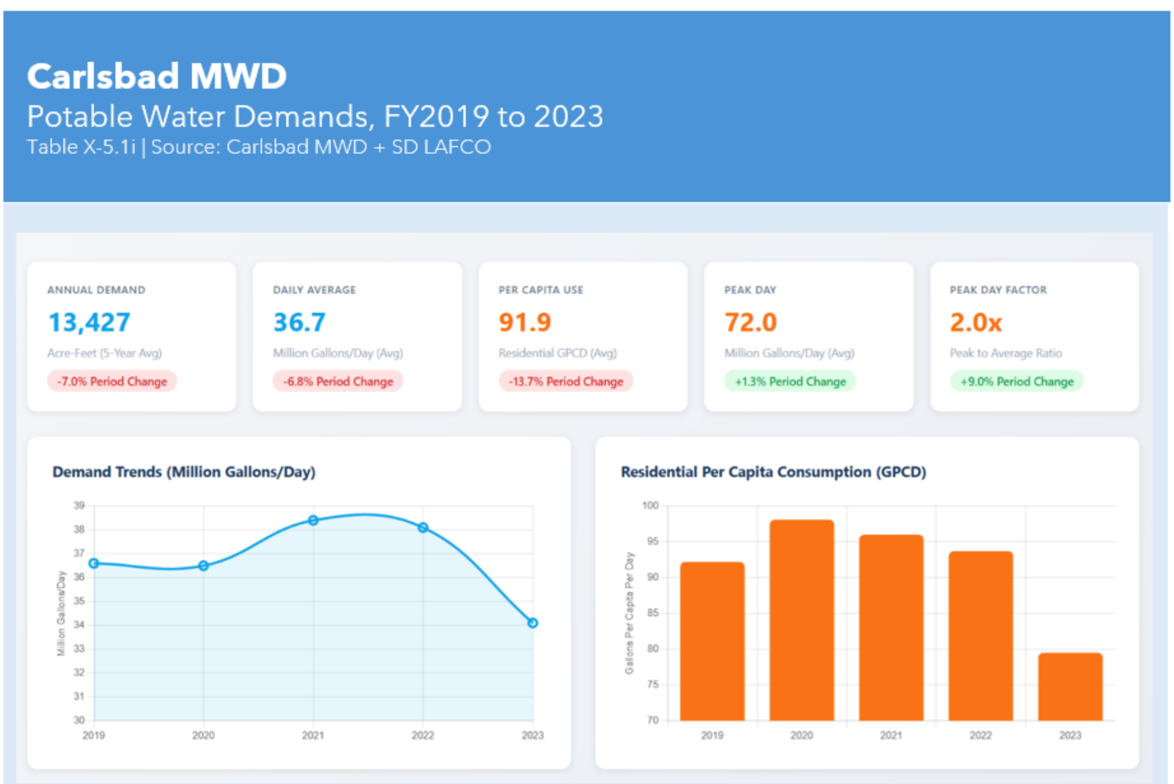
[109] The number of active accounts varies from year to year for reasons such as vacancies in commercial or residential properties and/or redevelopment.

The average age of customer water meters within CMWD is estimated at 10 years. All meters in use are integrated with an Advanced Metering Infrastructure (AMI) system. This system utilizes a network of fixed-base radio towers to collect daily data remotely.

128 Gallon Per Person ...

Average daily consumption within CMWD during the five-year report period ending in 2023: 128 gallons per person. On peak demand days, the system carries twice the baseline load.

With respect to consumption, CMWD's retail potable water usage demand has averaged 4.32 billion gallons annually during the five-year report period ending in 2023 – equivalent to 13,427 acre-feet. Total annual consumption declined (7.0%) during the report period. A breakdown of daily averages reveals a baseline demand of approximately 12.0 million gallons or 36.78 acre-feet. On a per capita basis, CMWD customers average 128 gallons of consumption daily – translating to roughly 302 gallons per day for a typical household.[110] The average peak-day demand has been 81.6 acre-feet – more than double the typical daily flow. This peaking factor of 2.0 reflects the surge in consumption during hot summer days when demand is routinely at its highest level coupled with elevated tourism.



* Amounts are measured in acre-feet (325,900 gallons equals 1 acre-foot)

[110] Based on Carlsbad CMWD data from 2024: 8,707 AF residential consumption through 25,753 residential water meters.

** R-GPCD = Average Residential Gallons Per Capita Per Day as reported by CMWD to the SWRCB[111]

Additional observations on usage as follows:

- An extended review of records beyond the five-year report period shows CMWD's annual demand peaked in 2007 at over 21,200 acre-feet. This latter amount is 57% higher than the average during the report period.

- The decrease in overall demand is attributed to a combination of water conservation measures, recycled water conversions, and the increasing costs of water, which has separately risen by nearly 150% since 2008. While this trend is expected to continue in the near future, the pace of demand reductions is expected to slow.

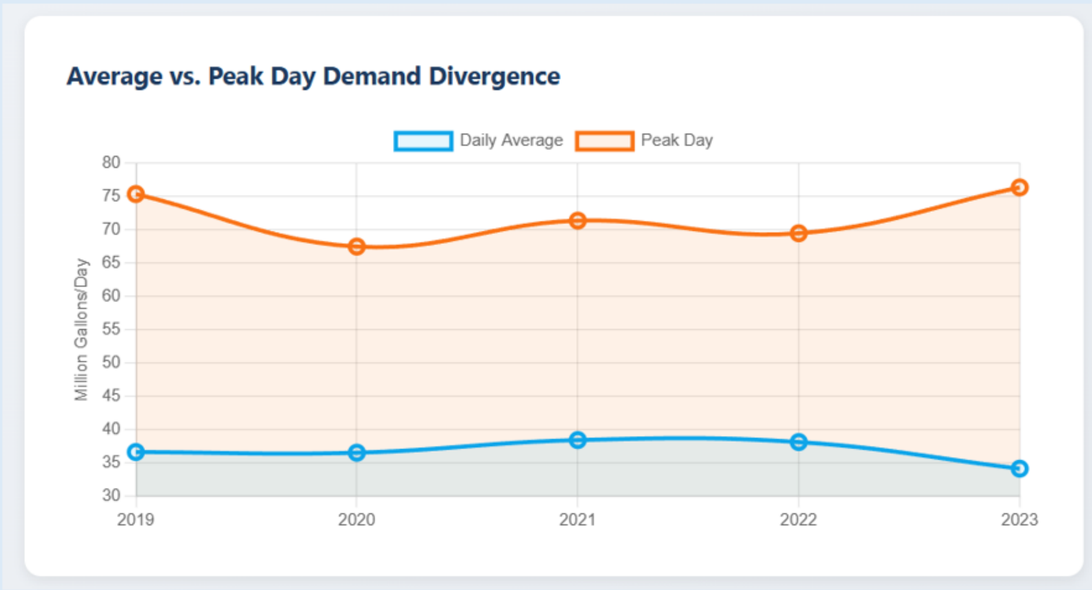
- CMWD's current Urban Water Master Plan (2020) forecasts potable water demands will total 13,519 AF in 2025 and 17,519 AF in 2040.

- The final reporting year – 2023 – shows the lowest usage across all metrics except peak-day demand. While average daily demand fell to 34.1 million gallons, peak-day demand increased to 76.4 million gallons, suggesting conservation occurs primarily in baseline usage rather than during periods of highest demand.

- The demand arc over the report period appears also influenced by COVID and the work from home order with demands starting to decrease in 2022.

[111] All water agencies are required to calculate and report the Residential Gallons Per Capita Per Day (R-GPCD) to the State Water Resources Control Board each month. For MWD, the average R-GPCD during the review period has been 113.2 gallons per capita per day.

Carlsbad MWD
Average v. Peak Potable Water Demands, FY2019 to 2023
Table X-5.1j | Source: Carlsbad MWD + SD LAFCO



Separate from retail demands, all water service providers experience some level of water loss, defined as the difference between the volume of water entering the distribution system and the volume registered at customer meters. Water loss is generally categorized into two primary components:

- Real losses - physical losses from the system, such as leakage from water mains, service laterals, or tank overflows.

- Apparent losses – non-physical losses resulting from factors such as customer metering inaccuracies, systematic data or billing errors, unauthorized consumption, and unbilled authorized uses (e.g., firefighting).

Each year, public water systems are required to complete a water loss audit in accordance with a methodology developed by the American Water Works Association Water Loss Control Committee. These audits are subject to third-party validation and must be submitted to state regulators. CMWD's most recent water audit was completed in 2023 and shows a total water loss of 4.8%. This level of loss is considered below the industry benchmark and reflects a utility that employs proactive water loss control practices.

Modest Water Losses…

CMWD's most recent water audit was completed in 2023 with results indicating a total water loss of approximately 4.8%. This level of loss is considered below the industry benchmark.

Performance |
Syncing Up Resources, Capacities, and Demands

CMWD's potable water function has operated with notable stability over the five-year report period ending in 2023 and marked by minimal volatility in finances, customer counts, and service demands. During this period, CMWD maintained an average operating margin of 2.8% while relying on essentially the same infrastructure and staffing. On average, CMWD generated $46.869 million in annual revenues and held expenditures slightly below at $45.549 million – even while absorbing a double-digit increase in its largest cost: wholesale water supplies from the CWA. This stability is further reflected in CMWD's ability to offset revenue losses tied to a (7.0%) decline in retail water demand by raising rates for most users by 5.1%. – a pattern underscoring a common tension in public water systems where consumption trend downward while fixed costs of maintaining infrastructure remain. Within this context, the symmetry between the (7%) usage decline and 5.1% rate increase highlights CMWD's effectiveness in calibrating revenues even as customers use less water. These and other current and emerging performance themes are detailed below.

Stable Service Connections |

CMWD's potable water demands mirror the character of its service area – a mature and largely built-out environment based on current zoning where growth continues but is incremental and inward-focused. Active service connections remained relatively stable over the five-year report period, from 30,236 in 2019 to 30,433 in 2023, a 0.7% increase. Retail water demand fell more sharply over the same period, down (7.0%) as users did more with less. Residential customers dominate the system at 88% of all accounts with the standard 5/8-inch meter comprising more than three-quarters of the connection base. Daily baseline consumption averages roughly 12.0 million gallons, while peak-day demand reaches 26.6 million gallons – more than double typical flows – driven by summer irrigation and tourism activity.

On a per-capita basis, CMWD customers have averaged 128 gallons of consumption daily, or approximately 302 gallons per household. The downward trends in both connections and consumption reflect sustained conservation efforts, continued expansion of recycled-water service, and the limited supply of undeveloped land under current zoning. These factors are expected to continue moderating demand, though at a slower pace going forward.

Additional Resources |

CMWD's primary role in providing potable water features significant capacity within its supply, transmission and storage networks while consistently meeting demands through the five-year report period ending in 2023. The available headroom is apparent, as CMWD successfully managed annual demands of up to 21,200 acre-feet in the early 2000s, prior to the implementation of conservation measures and recycled-water initiatives that have lowered consumption to an average of 13,500 acre-feet during this report period.

This robust system capacity enables CMWD to respond efficiently to varying demands and ensures reliable, high-quality water supply for existing customers. The alignment of accessible water supplies and current consumption patterns reinforces CMWD's commitment to sustainability and resource management, providing the community with a secure foundation for planning and development activities – now and into the future – while enhancing overall service reliability.

Operating Conditions |

CMWD operates within a set of conditions common to many coastal water service providers in San Diego County, particularly those serving largely built-out areas under current growth policies. As water use has declined over time, agencies like CMWD must continue to align revenues with the fixed costs associated with maintaining and operating essential infrastructure. During the five-year report period ending in 2023, CMWD has responded to these conditions through measured rate adjustments and prudent financial management practices that have supported continued service reliability. In addition, CMWD relies entirely on imported water supplies, which links its cost structure to regional factors outside of local control, including wholesale rate decisions made by CWA. Ongoing regional cost dynamics have contributed to variability in wholesale water rates, which are reflected in member agency rate structures, including those of CMWD.

6.0 FINANCES

6.1 Budget and Actuals

CMWD's combined potable and recycled water budgets have averaged $57.240 million annually during the five-year report period ending in 2023. By the final year, budgeted costs reached $60.922 million – a 10% increase from the period start and 6.4% above the five-year average. The allocation between the two service functions remained stable throughout the period. Potable water operations have accounted for approximately $0.82 of every budgeted dollar with recycled water operations receiving the remaining $0.18. Relative to implementation, both functions systematically underspent their adopted budget amounts over the report period with the combined annual average (unspent savings) at $54.538 million, 96.9%. This 3-4% variance remained stable across all five report years.

Potable Water Function

CMWD's potable water function has generated average actual revenues of $46.869 million annually during the report period. Nearly 80% of actual revenues tie to customer charges (water sales and availability fees), an additional 10% from connection fees and penalties, and the remaining 10% from property taxes.[112] Actual revenues reached $47.311 million at the close of the period in 2023 – a 4.3% increase from the period start. On the expense side, actual costs have averaged $45.459 million annually with services and supplies (primarily wholesale water purchases) representing 90% of total expenses while salaries and benefits account for the 10% balance. The function operates with consistent positive margins throughout the period with average annual revenues exceeding expenses of $1.320 million and producing a 2.8% operating margin. Other measurements follow.

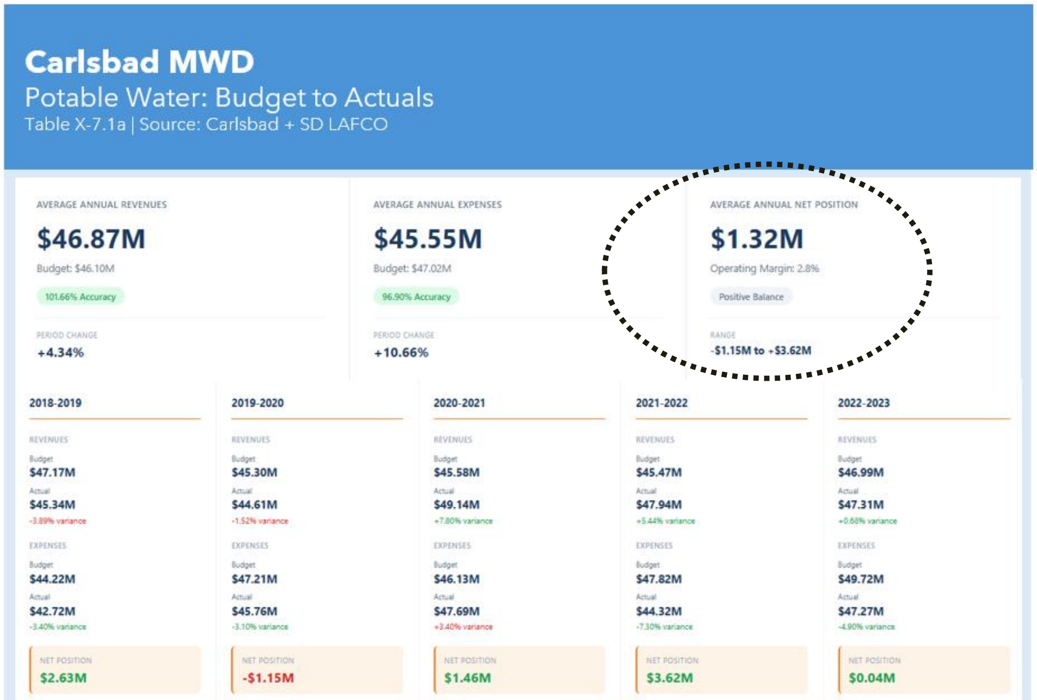
- Operating nets ranged from a $3.623 million surplus (2022) to a $1.148 million deficit (2020), with 2023 producing the narrowest margin in the period – $0.044 million.

- Revenue collections shifted from consistently falling short of budget in the first two years 2019-2020 (96.1% to 98.5% of projections) to consistently exceeding budget in years three through five 2021-2023 (100.7% to 107.8% of projections).

- Salaries and benefits increased 19.9% over the period, outpacing the 11.5% growth

[112] All potable water revenues and expenses and their budgeted and actual amounts within this section are taken from FY19-FY23 budget documents presented to the Carlsbad City Council. (Cash basis accounting.)

in wholesale water purchases and 6.9% growth in debt service.



Recycled Water Function

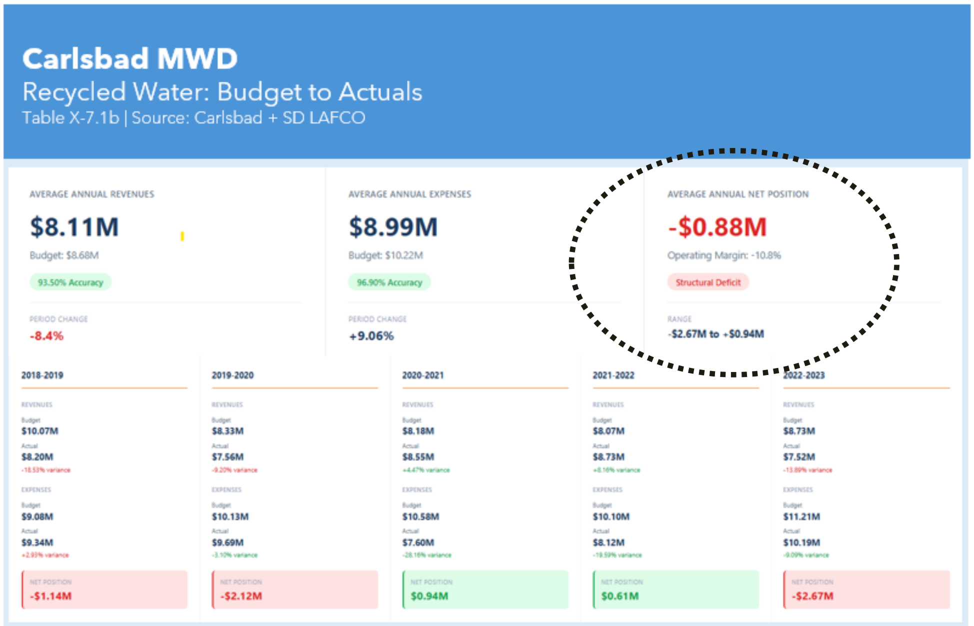
CMWD's recycled water function has generated average actual revenues of $8.112 million annually during the report period with approximately 90% drawn from billable customer charges - including recycled water sales and availability fees and the remaining 10% attributed to interest earnings and miscellaneous sources.[113] By period close in 2023, actual revenues declined to $7.517 million – a (8.4%) decrease from the period start. On the expense side, actual costs have averaged $8.676 million annually with services and supplies (primarily treatment of secondary effluent at the Encina Water Authority to achieve tertiary standards) representing more than 80% of total expenses with salaries and benefits accounting for the balance. Operating deficits were consistent throughout the period with average annual expenses exceeding revenues ($877,000) and producing a negative (10.8%) operating margin. Additional details follow.

- Revenue collections declined throughout the period from $8.203 million in 2019 to $7.517 million in 2023 – a (8.4%) decrease. Year-end deficits occurred in four of five

[113] All recycled water revenues and expenses and their budgeted and actual amounts within this section are taken from FY19-FY23 budget documents presented to the Carlsbad City Council. (Cash basis accounting.)

report years with the gap widening in 2023 to ($2.671 million).

- While revenues fell overall by (8.4%), actual expenses increased 9.1% from $9.343 million in 2019 to $10.189 million in 2023. This divergence is driven primarily by increase in supplies and materials costs as opposed to salaries and benefits.

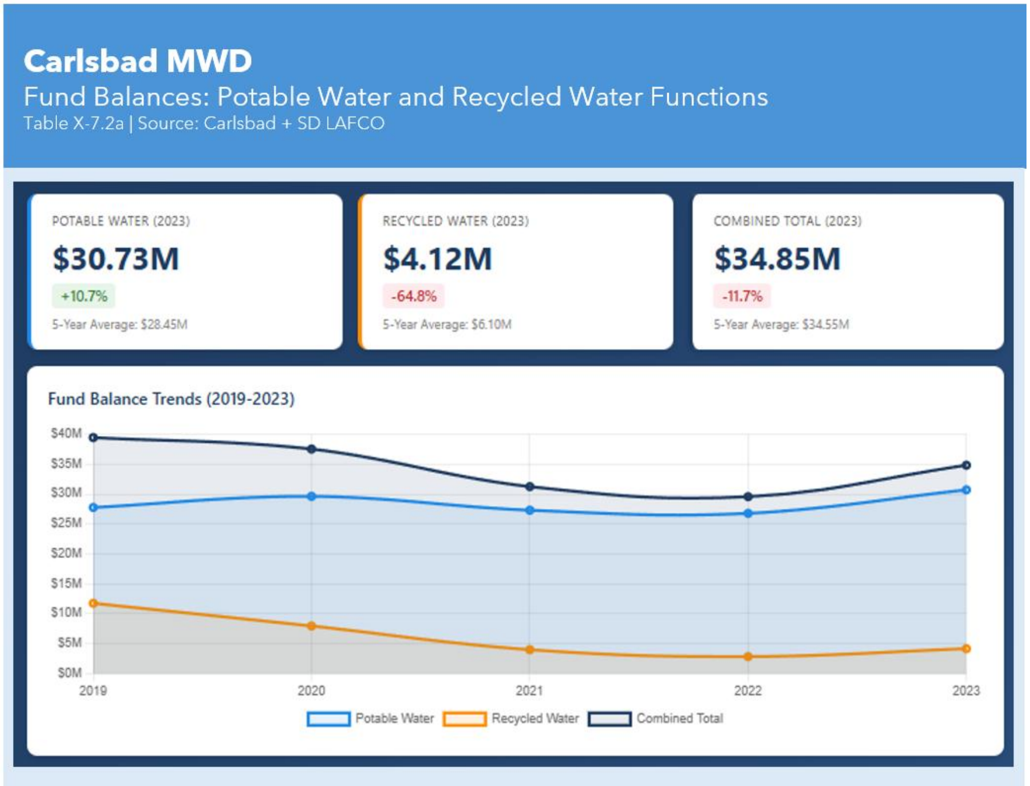


6.2 Fund Balance

CMWD concluded the five-year report period ending in 2023 with $34.849 million in combined unassigned fund balances. This ending amount closely matches the five-year average of $34.547 million with a difference of just less than 1%. Operating as a separate legal entity, CMWD retains the flexibility to transfer resources between its two enterprise operations, subject to Proposition 218 constraints. The combined unassigned fund balance currently provides approximately 7.4 months of operating expenses based on recent actual expenditures during the report period. Additional observations follow.

- The portion of the total fund balance attributed to the potable water function grew 10.7% over the report period, ending at $30.730 million. The portion of the total fund balance attributed to the recycled water function declined (64.8%) over the report period, dropping from $11.720 million to $4.120 million.

- The cumulative effect of increasing potable water funds and decreasing recycled water funds has shifted the total fund balance composition: recycled water share has fallen from 30% of the total in 2019 to 12% in 2023.



6.3 Financial Statements

CMWD's financial statements are prepared by the City of Carlsbad and incorporated into the City's annual outside audit. Two firms completed audits during the five-year report period: Davis Farr, LLP (Irvine) covered fiscal years 2019 through 2021 while Lance, Soll & Lunghard, LLP (Brea) covered 2022 through 2023. The final year audit shows CMWD's overall net position – covering all potable water and recycled water activities – increasing 0.8% over the prior year from $322.3 million to $325.0 million. When adjusted to pre-GASB 68 and GASB 75 reporting standards to exclude pension and other post-employment benefit liabilities, CMWD's overall net position rises to $333.1 million, representing a year-over-year change of $8.111 million or 2.5%.[114] The accompanying auditors' management letter identified no material weaknesses in internal controls or financial reporting. Year-end trends for assets, liabilities, and net position during the report period follow.

[114] The adjustment to the net position is calculated by LAFCO and not part of the audited financial statements.

Assets

CMWD concluded 2023 with total assets of $353.117 million and represent a 2.4% increase from the period start and slightly above the period average of $351.084 million. Assets categoried as current with the expectation they are liquidible within one calendar year represents 41.8% of the total and tally $147.727 million at period close. Modest year-to-year change shows during the period with an overall difference of less than 1%. Slightly more substantive differences show in composition with cash and investments decreasing by (3.0%) from $139.285 million to $135.104 million while inventories and prepaid costs collectively increasing by 157.0% from $0.618 million to $1.588 million. Non-current assets represent the remaining balance and tally $205.390 million at period close. Moderate year-to-year changes show during the period with an overall difference of 4.3% and headlined by the introduction of now reporting lease assets.

Measuring Cash + More…

CMWD's total assets remained stable throughout the five-year report period ending in 2023 while improving 2.4% to $353.2 million. On a per capita basis, assets declined slightly by (1.0%) from $3,913 to $3,884 and reflects population growth outpacing asset gains.

Carlsbad Municipal Water District
Audited Assets
Table B-6.3a | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Current *	147.813	149.141	147.725	145.376	147.727	147.557	(0.06)
Non-Current *	196.990	203.610	204.916	206.730	205.390	203.527	4.2
Total *	$344.804	$352.751	$352.60	$352.106	$353.118	$351.084	2.4%
Per Capita	3,913	3,999	3,966	3,929	3,884	3,938	0.7

* Amounts in millions

Liabilities

CMWD concluded 2023 with total liabilities of $28.294 million. This ending amount represents a (13.9%) decline from the start of the period and 5.1% below the five-year average of $29.828 million. Liabilities categorized as current – those expected to become due within one calendar year – represent 38.6% of the total at $10.931 million. This portion remained stable throughout the period with an overall variance of just (0.4%) and largely consisting of obligations owed to other government agencies, consistently representing approximately 70% of current liabilities and includes wholesale water payments to CWA. Non-current liabilities make up the remainder and total $17.363 million and consist primarily of long-term debt principal. This category experienced substantial reduction by declining by one-fifth (20.6%) as CMWD paid down obligations.

Measuring Debts + More...

CMWD's total liabilities decreased substantially by (13.9%) during the five-year report period ending in 2023 and largely due to debt reduction. On a per capita basis, liabilities declined faster at (16.2%) from $373 to $311 and reflects the dual impact of additional economizing population growth and lower debt loads.

Carlsbad Municipal Water District
Audited Liabilities
Table B-6.3b | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Current *	10.978	12.144	11.401	10.809	10.931	11.252	(0.4)
Non-Current *	21.873	20.342	19.582	13.718	17.363	18.576	(20.6)
Total *	**32.850**	**32.486**	**30.983**	**24.526**	**28.294**	**29.828**	**(13.8%)**
Per Capita	373	368	348	274	311	335	(16.2)

* Amounts in millions

Net Position

CMWD concluded 2023 with an overall net position of $325.022 million – representing a 3.5% improvement over the five-year report period and tracking 1.2% above the period average of $321.304 million. The net position reflects the difference between CMWD's total assets and total liabilities while adjusting for deferred pension-related resources. Most of the equity – $191.018 million or 58.8% – remains invested in capital assets with the balance divided between restricted and unrestricted funds. The composition shifted modestly during the report period. Capital assets grew 6.0% while restricted funds increased 5.2%, but unrestricted resources declined (1.6%) from $99.943 million to $98.382 million. When adjusted to exclude GASB 68 and GASB 75 reporting standards – which incorporate CMWD's proportional share of pension and other post-employment benefit liabilities – the net position rises to $333.133 million, reflecting 4.6% period growth. On a per capita basis, net position remained essentially flat at $3,575, increasing 0.3% as population growth of 3.2% nearly matched.

Steady True-Up...

CMWD's audited net position increased over the five-year report period ending in 2023 by 3.5% to $325.0 million. A per capita measurement shows the net position staying largely flat over the period between $3,563 and $3,575.

Carlsbad Municipal Water District
Audited Net Position
Table B-6.3c | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Capital Assets *	180.167	187.439	191.166	190.526	191.018	188.062	6.0%
Restricted *	33.863	36.009	36.705	34.963	35.621	35.432	5.2%
Unrestricted *	99.943	98.012	95.857	96.854	98.382	97.810	(1.6%)
Total *	$313.970	$321.460	$323.727	$322.342	$325.022	$321.304	3.5%
Net Per Capita	$3,563	$3,644	$3,641	$3,597	$3,575	$3,604	0.3%
Total Adjusted *	$318.465	$326.792	$329.046	$330.450	$333.133	$327.577	4.6%

* Amounts in millions
"Total Adjusted" excludes GASB 68 and 75 reporting requirements

CMWD's unrestricted net position totaled $98.382 million at period close in 2023, representing funds available for discretionary use subject only to internal Board designations such as commitments and assignments. When adjusted to exclude pension and other post-employment benefit obligations, the unrestricted portion rises to $106.493 million – providing a clearer picture of CMWD's actual financial flexibility under accrual accounting. This adjusted amount equals 22.7 months of combined operating expense coverage for both potable and recycled water operations based on recent actual expenditures.

6.4 Fiscal Indicators | Measuring Liquidity, Capital, Margin + Asset Management

LAFCO's review of CMWD's audited financial statements covering the five-year report period ending in 2023 reveals a healthy and stable organization, albeit with some emerging fiscal tensions meriting attention going forward. CMWD maintains exceptional liquidity reserves, minimal debt burdens, and a relatively young capital asset portfolio. However, CMWD has also experienced narrowing margins, and its capital reinvestment has declined to minimal levels. The following sections examine these four measurement categories – liquidity, capital, margin, and asset management – in detail.

Liquidity (Short-Term Outlook)

CMWD maintains exceptional liquidity levels across conventional measurements used by LAFCO as part of the municipal service review program. CMWD's **current ratio** has averaged 13-to-1 during the five-year report period closing in 2023 – equivalent to holding $13 in current assets for every $1 in current liabilities – substantially exceeding the standard 2:1 benchmark floor used for municipal utilities. This ratio also remained stable throughout the period by ending at the same 13:1 level in 2023. The **cash ratio**, which excludes less liquid assets (like receivables) mirrors the current ratio with a period average of 12:1, and shows nearly all of CMWD's current assets are already held as cash rather than receivables or inventory. A more conservative measurement further reinforces CMWD's high liquidity position. CMWD's **days' cash ratio** has averaged 1,053 days during the report period – the equivalent of covering 35 months of operating expense without any new revenue. By the end of the report period in 2023, this measurment modestly decreased to 1,026 days, or approximately 34 months of

Three-Year Cushion…

CMWD maintains 1,026 days of cash on hand at the close of the five-year report period in 2023 – nearly three years of operating expense coverage. This exceptional liquidity position provides substantial flexibility for infrastructure investment and economic uncertainty; is also raises questions about when a public agency's liquidity is too high.

coverage. Even at this lower endpoint, CMWD maintains nearly three years of operational runway in liquid reserves. Together, these measurements collectively indicate CMWD possesses significant financial flexibility.

Carlsbad Municipal Water District
Measuring Liquidity
Table B-6.4a | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Current Ratio	13.5 to 1	12.3 to 1	13.0 to 1	13.5 to 1	13.5 to 1	13.1 to 1	0.4%
Cash Ratio	12.7	11.3	11.8	12.4	12.4	12.1	(2.6%)
Days' Cash	1,109	1,118	980	1,043	1,026	1,053	(7.5%)

The current ratio provides a macro measurement of near-term financial health by comparing current assets against current liabilities on a dollar-to-dollar basis. A higher ratio indicates stronger liquidity and greater capacity to meet short-term obligations with a standard minimum benchmark for municipalities of 2.0 to 1.0. The cash ratio is similar to current ratio but excludes receivables. The days cash metric is a micro-level measure of near-term financial health that compares an agency's available cash and cash equivalents to its average daily operating expenses, excluding depreciation. A higher value indicates stronger liquidity and greater capacity to sustain operations without new revenue with a standard minimum benchmark for municipalities of 90 days.

Capital (Long-Term Outlook)

CMWD maintains exceptionally low debt levels relative to its asset base and net worth. CMWD's debt-to-net position ratio has averaged 6.5% during the five-year report period ending in 2023, meaning less than seven cents of every dollar in equity carries debt obligations. This ratio has also trended positively by improving from 7.1% in 2019 to 6.5% in 2023 as CMWD reduced long-term obligations. A complementary measurement reinforces this position. CMWD's debt ratio averaged 9.1% during the period and in doing so indicating more than 90% of the agency's assets remain free from debt financing. This metric also improved over the five years by declining from 9.6% to a close of 9.0%. These measurements collectively show CMWD having substantial debt capacity and the ability to increase borrowing without alarm.

Room to Borrow…

CMWD finished the report period in 2023 with low debt burdens. This statement is quantified with CMWD finishing the period with a debt ratio of 9%, which means 91% of the agency's assets are free from debt financing.

Carlsbad Municipal Water District
Measuring Capital
Table B-6.4b | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Debt-to-Net Position	7.1%	6.4%	6.1%	6.4%	6.5%	6.5%	(8.5%)
Debt Ratio	9.6%	9.2%	8.8%	8.9%	9.0%	9.1%	(6.3%)

The debt ratio is a macro-level measure of long-term financial health that shows the percentage of an agency's assets financed by debt. A lower ratio indicates stronger solvency with 70% commonly cited as a cautionary threshold for public utilities. The debt-to-net position ratio is a more micro-level measure of long-term financial health that expresses an agency's debt obligations relative to its net position. A lower ratio reflects greater financial flexibility, with 50% commonly used as a cautionary threshold.

Margin (Net Income)

In contrast to the strong liquidity and capital measuremets documented above, CMWD's margin performance weakend over the five-year report period ending in 2023, even though revenues continued to exceed expenses. CMWD's **operating margin** has averaged (9.4%), meaning operating revenues recovered approximately $0.91 for every $1.00 spent on day-to-day operations. The measurement fluctuated year to year before weaking sharply to (16.1%) in 2023 – nearly doubling the operating shortfall relative to the period's starting point of (8.1%). The broader **total margin** – which includes all revenues and expenses – has averaged 1.3% during the report period while undergoing a notable shift. The metric started the period at a positive 9.1% in 2019 and finished at (1.4%) in 2023. The overall period trend is (115.2%).

Margins Narrowing...

CMWD's total and operating margin measurements both finished the five-year report period in 2023 weaker than where they started in 2019. Operating margins nearly doubled their shortfall – from (8.1%) to (16.1%) – while total margins started positive at 9.1% and finished negative at (1.4%).

The average annual gap between operating revenues and operating expenses totals approximately $4.1 million and has been offset by CMWD's proportional share of property tax revenues and other non-operating income. Collectively, these measurements – and specifically the widening operating deficit and declining total margins – suggest this offsetting mechanism faces increasing pressure.

Carlsbad Municipal Water District
Measuring Margin
Table B-6.4c | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Operating Margin	(8.1%)	(10.6%)	(8.8%)	(4.4%)	(16.1%)	(9.4%)	98.2%
Total Margin	9.1%	3.6%	0.2%	(5.2%)	(1.4%)	1.3%	(115.2%)

The operating margin measures fiscal sustainability by identifying the proportion of ratepayer revenues that remain after covering day-to-day costs. A higher percentage is favorable with an industry benchmark of no less than 5%. The total margin measures the share of all revenues – including user charges and non-operating sources such as property taxes – that remain after covering all expenses. A higher percentage is favorable with an industry benchmark of no less than 10%.

Asset Management

CMWD's capital asset portfolio remains relatively young based on accounting measurements. The average **accounting age of capital assets** during the five-year report period ending in 2023 has been 6.4 years, declining to 6.1 years by period close in 2023. The average **accumulated depreciation ratio**, separately, has been 20.8% over the period and ending at 20.3%, indicating CMWD's infrastructure retains nearly 80% of its useful life. These metrics suggest CMWD maintains assets with substantial remaining service capacity. However, the **capital asset reinvestment ratio** merits attention. The measurement – which compares capital spending to depreciation expense – has averaged 2.3% during the period and declined to 1.0% in 2023, a (48.2%) reduction. This ratio indicates CMWD is spending significantly less on capital improvements than the annual depreciation of its existing infrastructure, and means assets' usage is being expended faster than it is replacing or upgrading systems.

Benefit of Youth…

CMWD's capital assets retain approximately 80% of their useful life with an average accounting age of just 6.4 years at period close in 2023. This relative youth helps mitigate CMWD's otherwise low capital reinvestment ratio, which averaged 2.3% during the period and closed at 1.0% – far below depreciation rates. Nonetheless, the low reinvestment ratio contrasts with CMWD's exceptional liquidity and substantial debt capacity, reflecting a developing tension to track between financial capacity and capital deployment.

Carlsbad Municipal Water District
Measuring Asset Management
Table B-6.4d | Source: City of Carlsbad ACFRs + SDLAFCO

Category	2019	2020	2021	2022	2023	5-yr Average	Change
Capital Assets' Age (Accounting)	7.2	5.9	6.6	5.5	6.1	6.4	(15.1%)
Accumulated Depreciation Ratio	21.9%	20.7%	20.5%	18.8%	20.3%	20.8%	(7.2%)
Capital Asset Reinvestment Ratio	1.9%	0.5%	8.2%	0.3%	1.0%	2.3%	(48.2%)

The capital assets' age provides a macro-level indicator of the average age of an agency's depreciable facilities, equipment, buildings, and infrastructure relative to their replacement schedule. A range between 40 and 60 years is generally considered manageable and reflects infrastructure at a mature stage – neither new or approaching the end of its useful life. The accumulated depreciation ratio offers additional context by measuring the proportion of useful life already consumed for these same assets. Ratios above 100% are considered cautionary and signals an aging asset given accumulated depreciation now exceeds the current book value of assets. The capital asset reinvestment ratio measures how much an agency is spending on renewing or replacing its infrastructure compared to the amount it is depreciating each year and shows whether it is keeping pace with the aging of its system. Ratios below 100% mean the system is aging faster than it is being renewed.

6.5 Pension Obligations

See analysis provided in the profile on the City of Carlsbad.

6.6 Other Post-Employment Benefit Obligations

See analysis provided in the profile on the City of Carlsbad.

7.0 WRITTEN DETERMINATIONS

San Diego LAFCO is directed to prepare written determinations to address the multiple governance factors enumerated under G.C. Section 56430 as part of the municipal service review on the Carlsbad subregion. These determinations are specific to CMWD and serve as independent statements based on information collected, analyzed, and presented in this report. The underlying intent of the determinations is to provide a succinct detailing of all pertinent issues relating to the organization, delivery, and funding of municipal functions and associated classes among the three affected agencies specific to LAFCO's growth management responsibilities and interests.

MSR Determinations…
These determinations address the specific factors required in the statute and represent statements of reasonable facts or deductions made by LAFCO based on information analyzed between 2019 and 2023 and specific to the CMWD.

7.1 Growth Projections & Related Demographics

1. With respect to full-time resident population totals and trends, LAFCO independently makes the following statements.

   (a) Population growth continues. LAFCO estimates CMWD has experienced an overall increase of 3,845 residents during the five-year report period ending in 2023, bringing the full-time population to 90,918. This equates to an average of 702 new residents per year, or almost two per day.

   (b) Since the 2010 Census, LAFCO estimates CMWD's average annual population growth has been 1.0%. The annual rate specific to the five-year report period ending in 2023 is estimated lower at 0.8%

   (c) LAFCO projects the growth rate will generally hold relative to post-2010 patterns and result in CMWD's full-time population reaching 95,323 by 2028.

2. With respect to housing supply and related growth issues, LAFCO independently makes the following statements.

   (a) LAFCO estimates 880 new housing units have been added to CMWDs jurisdictional boundary during the five-year report period ending in 2023, averaging 176 new homes each year.

(b) LAFCO estimates during the five-year report period ending in 2023, CMWD added one new housing unit for every 3.2 new residents – a one-quarter decline in relative construction activity compared to the historical rate of one unit for every 2.4 residents. It is important to note that this observation reflects market trends rather than prescriptive guidance for municipal actions.

(c) LAFCO estimates the five-year average monthly median housing cost (mortgage or rent only) within the CMWD during the report period has been $2,547 – an increase of $371, or 17.0%, compared to the prior five-year average of $2,176. While this trend may highlight housing affordability, it is essential to recognize that many factors contribute to housing costs, such as financial and economic conditions, market pressures and public policy.

(d) A third of household income goes to housing. LAFCO estimates the five-year average monthly median housing cost (mortgage or rent) plus baseline utilities within CMWD jurisdiction during the report period equals 32.5% of the typical household's monthly income. Overall, the financial challenges a household faces are influenced by a variety of economic and social factors beyond housing policy alone.

3. With respect to age distribution and related demographics, LAFCO independently makes the following statements.

   (a) CMWD serves a relatively older and aging population. LAFCO estimates the median age within the CMWD at the end of the report period is 43 years, seven years above the county average. The median age in the CMWD is also rising faster at 4.4% during the report period compared to 2.8% countywide.

4. With respect to income, unemployment, and other related characteristics, LAFCO independently makes the following statements.

   (a) The average household in CMWD earns more than most in San Diego County. LAFCO estimates that median household income in the CMWD has increased by nearly one-third during the report period ending in 2023, reaching $122,000. This translates to CMWD households earning approximately $138 for every $100 earned by the average countywide household.

(b) Although median household income is among the highest in San Diego County, the poverty rate within CMWD is estimated by LAFCO to closely align with countywide averages – 9.4% compared to 10.7% at the close of the report period. This demographic reflects economic diversity within the CMWD and recognizes there are households experiencing economic hardship at levels similar to the broader county.

(c) Teleworking continues to rise among CMWD residents. LAFCO estimates nearly one in four members of the labor force – 23.7% on a five-year average – residing in the CMWD work from home during the report period. This rate has more than doubled from the prior five-year average of 11.2% and almost twice the countywide figure of 12.5%.

(d) CMWD residents have a high share of formally educated adults. LAFCO estimates that an average of 57.8% of residents aged 25 and older within the CMWD hold a bachelor's degree, more than two-fifths higher than the countywide attainment level of 40.3%.

7.2 Location and Characteristics of Any Disadvantaged Unincorporated Communities and Relevant Information on Potable Water + Recycled Water

(a) CMWD does not have lands within its existing boundary or sphere of influence qualifying as a disadvantaged unincorporated community – or DUC – under LAFCO policy.

7.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. With respect to CMWD's potable water function:

(a) Like most urban providers in San Diego County, CMWD relies entirely on imported water delivered through regional infrastructure operated by the CWA. CMWD is unique as it is one of the few local retail agencies, along with Vallecitos Water District, that has its own contractual arrangement to receive a dedicated supply of desalinated water from the nearby Claude 'Bud' Lewis Desalination Plant.

(b) Modest increases in potable water rates. While close to 80% of CMWD's potable water funding during the five-year report period ending in 2023 came from customer payments – both fixed access charges and variable consumption charges – overall rates have remained relatively flat. For the CMWD's largest customer class, single-family homes, the average monthly bill has increased modestly by 5.1% from $78 to $82.

(c) Supply is not a concern with CMWD's infrastructure network providing daily access to up to 127 acre-feet of potable water. The average-day demand during the five-year report period ending in 2023 has been 36.7 acre-feet – less than one-third of the accessible supply.

(d) Peak-day demands within CMWD narrow the potable water supply cushion but remain well above any headroom concerns. The average peak-day demand during the five-year report period ending in 2023 has been 81.6 acre-feet – slightly less than two-thirds of the accessible supply.

(e) Customers are using less water than before. The estimated per capita daily uses within CMWD have decreased by (13.7%) over the five-year report period from 92.2 in 2019 gallons to 79.5 gallons in 2023.

(f) Storage is not a concern. CMWD's nine potable water reservoirs provide a combined storage capacity of 744 acre-feet, which – if needed – could accommodate nine consecutive days of peak-day demand based on averages recorded during the five-year report period ending in 2023.

(g) CMWD outsources all potable water treatment to CWA and does not operate any independent treatment facilities. While this reliance exposes CMWD to treatment-cost adjustments externally set by CWA, it also avoids the substantial capital and long-term operational costs associated with maintaining its own treatment plant.

2. With respect to CMWD's recycled water function:

(a) LAFCO defers a comprehensive evaluation of CMWD's recycled water function and related infrastructure and facilities to a future countywide municipal service review consistent with the Commission's adopted study schedule.

7.4 Agency's Financial Ability to Provide Services

1. With respect to budget and actuals:

    (a) Steady and predictable. During the five-year report period ending in 2023, CMWD budgeted an average of $57.24 million annually. Actual expenditures have consistently come in 3% to 4% below budget, indicating steady and predictable underspending across both potable and recycled water functions.

    (b) CMWD's potable water function operated with consistent positive margins throughout the five-year report period ending in 2023 with annual revenues exceeding expenses by an average of $1.320 million - a 2.8% margin.

    (c) CMWD's recycled water function has operated with largely negative margins throughout the five-year report period ending in 2023 with annual revenues falling short of expenses by an average of ($877,000) – a (10.8%) margin.

2. With respect to the fund balance:

    (a) CMWD closed the five-year report period in 2023 with $34.849 million in unassigned fund balances, a figure nearly identical to the five-year average. These reserves equal 7.4 months of actual operating expenses.

3. With respect to assets, liabilities, and net position:

    (a) Total assets steadying. CMWD's total assets remained stable throughout the five-year report period ending in 2023, increasing 2.4% to $353.2 million. On a per-capita basis, assets have declined slightly — by (1.0%) from $3,913 to $3,884 as population growth edges overall asset gains.

    (b) Total liabilities decreasing. CMWD's total liabilities declined (13.9%) over the five-year report period ending in 2023. On a per-capita basis, liabilities fell even more sharply by (16.2%) from $373 to $311 – underscoring the combined effects of population gains and debt reductions.

    (c) Total net position stable. CMWD's net position has increased moderately — 3.5% — over the five-year report period ending in 2023, reaching $325.0 million. On a per-capita basis, the net position has remained essentially flat across the period - ranging narrowly between $3,563 and $3,575.

(d) The flat-to-declining per-capita asset measurement warrants attention going forward as CMWD balances its ongoing efforts to limit and reduce debt while also advancing capital investment as its infrastructure ages.

4. With respect to financial performance measurements:

(a) Three-year cushion. CMWD closed the five-year report period in 2023 with 1,026 days of cash on hand – nearly three years of operating expense coverage. This exceptionally high liquidity position provides CMWD substantial flexibility for infrastructure investment and economic uncertainty.

(b) Room to borrow. CMWD closed the five-year report period in 2023 with notably low debt burdens. CMWD closed with a debt ratio of 9%, which means 91% of its assets are entirely free from debt financing.

(c) Narrowing margins. CMWD's operating margins have declined over the five-year report period ending in 2023 from 8.1% to (16.1%). Property tax revenues are now offsetting an approximate $4 million annual operating shortfall and signal increasing pressure on the CMWD's revenue-to-expense structure.

(d) Benefit of youth. CMWD's capital assets have retained roughly 80% of their useful life through the close of the five-year report period ending in 2023. This relative youth in accounting age helps offset the CMWD's low capital reinvestment ratio – which averaged 2.3% during the period and closed at 1.0%, well below annual depreciation rates.

7.5 Status of Opportunities for Shared Facilities & Resources

(a) CMWD avoids duplicative costs that would otherwise be borne through ratepayers by relying on CWA to treat potable water supplies for subsequent retail service within the CMWD's jurisdiction.

(b) While it is possible CMWD could, over time, recover and reduce costs by constructing its own treatment facilities, relying on CWA allows upfront savings to remain available to current ratepayers; it also supports investment in a regional asset owned and operated by the CWA on behalf of its 22 member agencies.

(c) CMWD maintains 11 interagency potable water connections with other local government agencies that provide reciprocal system resiliency as needed when connection to CWA is disrupted (planned or unplanned): five with OMWD; three with VWD; two with the City of Oceanside; and one with Vista Irrigation District.

(d) LAFCO should evaluate potential opportunities to streamline retail recycled-water service between CMWD and Leucadia Wastewater District, including resolving the current service overlap at the Omni La Costa Resort & Spa, which has been a source of past disagreement.

(e) A scheduled countywide municipal service review on recycled-water service would provide the appropriate venue to evaluate the preceding issue between CMWD and Leucadia Wastewater District, along with other related service and governance considerations across the region.

(f) Without quantifying a precise value – and apart from other considerations – CMWD benefits from economies of scale through its dependent relationship with the City of Carlsbad for staffing and administrative services.

7.6 Local Accountability and Government Restructure Opportunities

(a) The City of Carlsbad's dual governing and administrative role over CMWD provides clear benefits to shared constituents, most notably through cost-savings from consolidated management and the ability to align municipal policy priorities – including land-use decisions – with District operations.

(b) CMWD operates today as a fully embedded unit within the City of Carlsbad's Public Works Branch (Utilities Department). This structure has been functional and efficient since the 1990 reorganization, but it also means the CMWD's independent legal identity – as the public agency responsible for providing potable water and levying related taxes and charges across most of the City – is not always readily visible to ratepayers or the public.

(c) CMWD is its own legal entity with independent taxing authority; opportunities exist to further distinguish its public identity. Under current practice, CMWD business – and understandably on the basis of efficiencies – is folded into City Council agendas as special meetings of the CMWD Board of Directors, CMWD finances appear within City audit and budget documents, and public communications generally emphasize the City rather than the District as the service provider. Clarifying the District's separate status would strengthen public understanding of local governance and improve transparency around potable-water service.

(d) The preceding assessment is not a critique of CMWD or the City of Carlsbad; it reflects LAFCO's legislative task to facilitate transparency and effective service delivery across all special districts, independent or dependent. Improving visibility into the CMWD's legal and fiscal responsibilities would help ratepayers better understand how potable-water service is structured and funded while reinforcing the value of the City's stewardship of its subsidiary district.

(e) CMWD is authorized under its principal act to provide additional municipal services – most notably wastewater. At an appropriate future juncture, there may be value in evaluating whether activating this latent authority could enhance governance efficiency or administrative coordination for ratepayers.

(f) CMWD was proactive in responding to LAFCO inquiries during preparation of this report. This reflects a culture that prioritizes customer service and, in doing so, reinforce public trust by demonstrating residents' ongoing financial contributions are transparently managed.

7.7 Environmental Justice (Adopted Policy)

Addressed within City of Carlsbad agency profile.

Appendix B - Background Information

Community Development

Development within the present-day boundaries of CMWD began to take shape during the second half of the 19th century following California's statehood in 1850. Early growth centered around the establishment of a small downtown – or "village" – area designed to serve as a commercial hub for the region's emerging agricultural economy and wellness-focused tourism. The latter was prominently driven by the marketing of the area's mineral springs by early Carlsbad patriarch Gerhard Schutte. Infrastructure improvements, including enhancements to El Camino Real and the arrival of the Southern California Railroad in the 1880s, further supported this early growth and led to Carlsbad earning its first U.S. census listing in 1890 with an estimated 155 residents.

Specific to the CMWD's eventual role, water supplies within the Carlsbad community were largely left to residents to develop on their own through private or shared groundwater systems. This also meant an unorganized approach to addressing the increasing challenge of avoiding saltwater intrusion. The costs and technical difficulties of preventing saltwater contamination paired with droughts proved formidable and prompted many residents to leave, ultimately resulting in Carlsbad's removal from the U.S. census in 1900.

The community's dimmed water supply prospects continued well into the 20th century. It was not until the South Coast Land Company appeared in 1913 to purchase the remaining assets of an earlier investment enterprise – the Carlsbad Land and Water Company – and used their more considerable resources to develop the community's first extended water distribution system. This involved investing in a series of groundwater wells several miles upstream within the San Luis Rey River watershed and constructing distribution lines across the Buena Vista Lagoon into Carlsbad. The establishment of a secure water system proved advantageous. It reversed the community's growth fortunes and Carlsbad was once again attracting newcomers by the 1920s with several making use of the favorable climate to attract large investments in agriculture – namely citrus fruits and flowers.

Carlsbad in the 1930s
Aerial of Carlsbad Looking East from the Pacific Ocean, c 1932

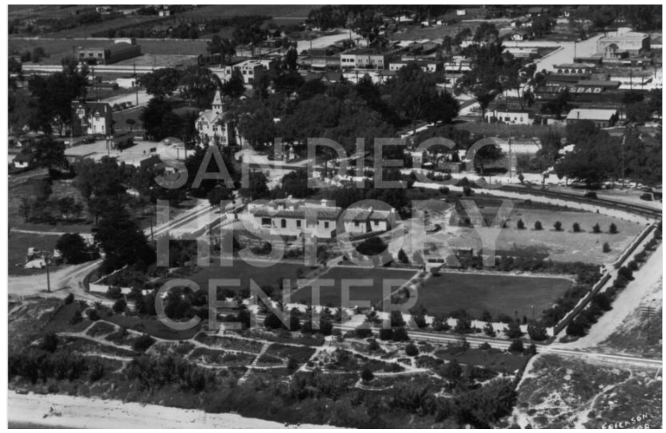
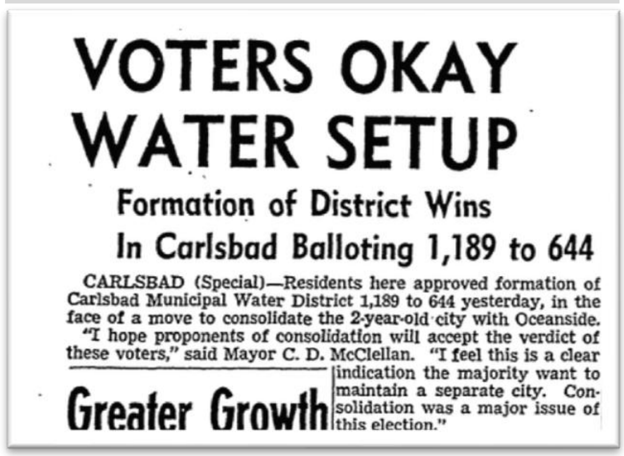


Photo Credit: San Diego History Center

The focus on agriculture helped pace and direct residential development in Carlsbad through the 1930s toward the existing village area that had begun taking form several decades earlier along Carlsbad Boulevard (originally Highway 101). Although moderate, growth within the community continued and led the area to be relisted in the U.S. census in 1940 with an estimated population of 2,411. At the same time, the water system supplying the community had been transferred to the Carlsbad Mutual Water Company, with landowners now having proportional ownership in operating the groundwater-dependent system – a transition that also meant landowners would need to agree to funding needed improvements.

Formation Proceedings

San Diego Evening Tribune
Published on March 12, 1954



VOTERS OKAY WATER SETUP

Formation of District Wins In Carlsbad Balloting 1,189 to 644

CARLSBAD (Special)—Residents here approved formation of Carlsbad Municipal Water District 1,189 to 644 yesterday, in the face of a move to consolidate the 2-year-old city with Oceanside.

"I hope proponents of consolidation will accept the verdict of these voters," said Mayor C. D. McClellan. "I feel this is a clear indication the majority want to maintain a separate city. Consolidation was a major issue of this election."

Greater Growth

Entering the 1950s, long-standing community interest in incorporating Carlsbad reached a tipping point when residents successfully organized and approved cityhood with official commencement in July 1952. Pertinently, at the time, incorporation proceedings were deliberately structured to exclude authorization for the new municipality to assume control of the Carlsbad Mutual Water System given existing community intentions to organize an independent district to fund the necessary improvements to gain access to the CWA and its newly established access to imported supplies from the Colorado River.

A voter petition to form the CMWD was ultimately filed with the County of San Diego in January 1954 and led to a special election on March 11th. Voters approved the CMWD formation with 65% of the vote.[115] An inaugural five-member Board was also elected - William Rogers, Patrick

[115] Of the 1,839 registered voters who cast ballots in the special election, 1,193 voted in support and 646 voted in opposition.

Zahler, Maxwell Ewald, Billy Fry, and Allan Kelly.

Timeline of Notable Post-Formation Events

A summary of notable activities undertaken by CMWD and/or affecting the CMWD's service area following formation in 1954 are provided below.

- Carlsbad Mutal Water Company continues operations following CMWD's formation with the expectation of selling its operations to CMWD once it establishes a direct connection to CWA.

- CMWD annexes into the CWA and the Metropolitan Water District of Southern California in June 1954.

- Pending the funding and construction of its own transmission system, CMWD enters into a lease agreement in 1955 to use available capacity within the City of Oceanside transmission to wheel CWA supplies into Carlsbad.

- CMWD voters reject an initial general obligation bond measure to fund $2.0 million to make a 15-mile connection to the CWA and ancillary facilities in August 1955 with 32% in support and 66% needed to pass.

- CMWD voters reject a second proposed general obligation bond measure to fund $1.4 million in a revised construction plans to connect to the CWA in July 1956 with 60% in support and 66% needed to pass.

- CMWD voters approve a third proposed general obligation bond measure to fund $1.3 million in construction costs to connect to the CWA in October 1956 with slightly more than the 66% needed.

- City of Carlsbad – and not the CMWD – assumes water service responsibilities for the established northwest urban City area in 1958 after purchasing the Carlsbad Mutual Water Company. Carlsbad finances the $2.2 million purchase by issuing revenue bonds.

  CMWD voters proceed to approve three additional general obligation bond measures to finance the completion of an initial water treatment, distribution and storage network totaling $2.4 million in 1957 ($0.9 million), 1960 ($0.8 million) and 1961 ($0.7 million).

- The CMWD enters into a wholesale agreement with Carlsbad in June 1972 to provide imported supplies to the City to retail within an approximate 7,000-acre service area purchased earlier from the Carlsbad Mutual Water Company.

- Officially renamed as the Costa Real Municipal Water District in October 1979.

- Carlsbad files with LAFCO to reorganize the Costa Real Municipal Water District in January 1980 to become a subsidiary of the City as a remedy to ongoing disputes over water service responsibilities within the agencies' overlapping boundaries.

- The District enters into a new water service agreement with Carlsbad in May 1983 to clarify water service responsibilities within their overlapping boundaries. The agreement links to existing litigation and – among other provisions – allocates responsibility to the District to plan, finance, and construct all major capital facilities going forward while committing to continue to provide Carlsbad wholesale water supplies.

- LAFCO establishes a sphere of influence for the Costa Real Municipal Water District in September 1985. The sphere is categorized as a "larger-than-agency" designation to include all of the District's boundary as well as approximately 120 unincorporated acres that are largely part of "islands" surrounded by Carlsbad's incorporated boundary.

- In January 1990, and after an extended negotiation process between the two agencies, LAFCO approves reorganizing the District as a subsidiary of the City of Carlsbad. The reorganization precedes an internal restructuring by Carlsbad to convey all City water responsibilities to the District while changing the name back from the *Costa Real Municipal Water District* to the *Carlsbad Municipal Water District.*

- CMWD enters into an agreement in 1991 with Leucadia Wastewater District (LWD) to purchase recycled water supplies on a wholesale basis to retail to the La Costa Resort and Spa (now the Omni La Costa Resort and Spa). The arrangement became a source of conflict beginning in 2013 until LAFCO made a final determination during a hearing in December 2019. CMWD no longer purchases recycled water from LWD.

- CMWD completes construction of the Carlsbad Water Recycling Facility (CWRF) in 2004. This facility marks the CMWD initiating recycled water service and allows the reclaiming of up to 4 million gallons daily of treated wastewater from EWA into tertiary level supplies for local irrigation within the CMWD boundary. An expansion of the CWRF took place in 2017, increasing the capacity to 7 million gallons daily.

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7a

AGENDA REPORT
Business | Discussion

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Keene Simonds, Executive Officer
Priscilla Mumpower, Assistant Executive Officer
Michaela Peters, Analyst II

SUBJECT: **Lower Sweetwater Fire Protection District Request for Commission Review of Administrative Determination Regarding LAFCO Policy L-107**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review Policy L-107, which establishes procedures for early consultation with affected agencies and interested parties regarding proposed changes of organization or reorganization. At the request of the Lower Sweetwater Fire Protection District, the Chair has asked for this agenda item to review the policy and LAFCO staff's administrative determination in connection with a pending reorganization proposal to the City of National City ("Delgado-Andrade – 24th Street Outside-of-Agency Service Agreement"). This item provides the Commission an opportunity to review Policy L-107, consider staff's implementation in the context of the District's correspondence, and provide feedback, as appropriate.

BACKGROUND

LAFCO Policy L-107

LAFCO Policy L-107 establishes a consultation process intended to promote early coordination among affected agencies and interested parties for proposals involving a

Administration
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, California 92103
T 619.321.3380
E lafco@sdcounty.ca.gov
www.sdlafco.org

change of organization or reorganization.[1] The policy is intended to encourage the applicants' early disclosure, discussion, and potential resolution of jurisdictional disputes before consideration by the Commission. The policy further provides that the Executive Officer may waive the consultation procedure "when it can be determined" that there will be no reasonable possibility that the subject proposal will result in identified and unresolved jurisdictional issues.

A copy of Policy L-107, along with the current consultation form included in LAFCO's application materials, is provided as Attachment One.

Lower Sweetwater Fire Protection District Request

On November 26, 2025, and again on February 4, 2026, the Lower Sweetwater Fire Protection District (District) submitted requests for Commission review of Policy L-107.

- In its initial letter, the District asserted that staff's practice of deferring jurisdictional consultation until an application is deemed complete and funded is inconsistent with Policy L-107, which contemplates consultation prior to application filing. The District requested the Commission reaffirm L-107, direct staff to align current practices with policy, and clarify procedures to ensure consistent and transparent implementation.

- In its follow-up letter, the District reiterated its position that Policy L-107 contains no exemption for proposals filed pursuant to a LAFCO-imposed condition, any waiver of consultation should be supported by a documented determination, and statutory noticing does not replace Policy L-107's pre-application consultation requirements. The District renewed its request that the Commission reaffirm L-107 and direct staff to bring its practices into alignment with policy.

The District's correspondence concerns a pending reorganization proposal for the affected territory at 2616 East 24th Street in Lincoln Acres (File No. OAS24-12). The proposal arises directly from a condition imposed by LAFCO in connection with its administrative authorization of an emergency out-of-agency wastewater service extension to the affected territory – rather than a discretionary filing. Authorization was issued pursuant to Government Code Section 56133 and LAFCO's adopted policies in response to a documented public health and safety concern – specifically, failure of the property's existing onsite septic system – and as an alternative to rehabilitation of the septic system by the landowner. The Commission ratified the administrative approval in November 2024 and, consistent with statute and longstanding practice, conditioned the service authorization on the property owners filing an annexation application to the City of National City as the permanent means of formalizing service responsibilities for the affected territory.

Correspondence between the District and staff are provided as Attachment Two.

[1] An alteration of government structure including: city incorporation, district formation, annexation to, or detachment from a city or district, city disincorporation, district dissolution, city or district consolidation, or merger or establishment of a subsidiary district.

DISCUSSION

This item is for San Diego LAFCO to review staff's implementation of Policy L-107 in the context of Lower Sweetwater Fire Protection District's correspondence and the anticipated reorganization proposal associated with File No. OAS24-12. Staff appreciates the District's engagement with LAFCO process and its interest in ensuring consistent application of Commission policies. The following discussion addresses the specific concerns raised and explains the basis for staff's determination.

Staff Interpretation and Application of Policy L-107

As described above, Policy L-107 establishes a pre-application consultation process with an express waiver provision. LAFCO staff believes the pre-application consultation requirements under L-107 do not readily apply to this matter for two independent reasons:

- First, the anticipated annexation filing is not a voluntary, independently initiated proposal of the type Policy L-107 was principally designed to address. Instead, it is a compliance obligation imposed by the Commission itself as a condition of a prior administrative approval. Requiring the applicant – who is filing at LAFCO's direction – to organize and fund a pre-application consultation process with third parties would be inconsistent with the policy's purpose and impose a procedural and financial burden on the landowners.

- Second, the Commission has already established the relevant jurisdictional framework for the affected territory through its adopted sphere of influence determinations. The affected territory lies within the City of National City's sphere of influence, reflecting the Commission's determination that the City is the appropriate long-term service provider. The Commission has also assigned a zero sphere of influence to the Lower Sweetwater Fire Protection District, reflecting the Commission's policy interest in the District's eventual dissolution. Together, these determinations resolve the core jurisdictional question that Policy L-107 is intended to identify and address at the outset.

Executive Officer Waiver

While staff maintains Policy L-107 did not require pre-application consultation for this proposal, the Executive Officer nonetheless exercised the waiver authority expressly provided and formally waived the pre-application consultation procedure for the anticipated reorganization proposal associated with File No. OAS24-12 in correspondence dated February 12, 2026. Key considerations supporting the waiver include:

- The Commission-imposed nature of the anticipated filing.

- The Commission's existing sphere of influence determinations – specifically including the affected territory within National City's sphere and excluding the affected territory from the District.

- The District's continued ability to fully participate in the administrative review process as an affected agency.

Further, the waiver has no bearing on the Commission's ultimate consideration of any annexation proposal if and when it is formally filed. Annexation to the City of National City – and, by extension, detachment from the District – remains a discretionary action under statute, and the District will retain the opportunity to review the proposal, submit comments, and address the Commission directly before any final action is taken. Staff has also encouraged the District to work directly with the City of National City regarding any service-related concerns, consistent with the existing service arrangement and the policy's underlying intent to promote early coordination among affected agencies.

ANALYSIS

Staff recognizes the District's interest in early coordination and shares the policy's underlying goal of identifying jurisdictional issues at the earliest practicable stage. At the same time, staff believes its implementation of Policy L-107 in this instance is reasonable and consistent with the intent of the policy. The anticipated reorganization filing is distinguishable from the type of independently initiated proposal L-107 was principally designed to address; the Commission has already established the jurisdictional framework for the affected territory through its adopted sphere of influence determinations; and the Executive Officer has exercised the policy's express waiver authority to clarify the record. Importantly, the District's procedural rights remain fully preserved through the formal application and noticing process.

RECOMMENDATION

Receive the report and provide feedback, as appropriate.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on the agenda for action as part of San Diego LAFCO's business calendar. The following procedures, accordingly, are recommended.

1) Receive verbal report from staff unless waived.
2) Commission discussion.

On behalf of the Executive Officer,

Priscilla Mumpower
Assistant Executive Officer

Attachments:

1) Consultation Form + Policy L-107 (Full Text)
2) District + Staff Correspondence

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SAN DIEGO LAFCO
JURISDICTIONAL CONSULTATION
Policy L-107 Form

Completion of this Jurisdictional Consultation Form is necessary if there are jurisdictional issues associated with a pending or future LAFCO application. The purpose of the jurisdictional consultation procedure is to encourage the early identification and resolution of jurisdictional issues and concerns. To assist LAFCO staff in the review of your LAFCO application and to determine whether adequate measures have been taken to identify and resolve issues, please respond to the following questions.

1. What jurisdictional issues pertain to the LAFCO proposal or pending LAFCO action?

   ☐ a. Differing development standards between existing and proposed service providers or jurisdictions;

   ☐ b. Existing and/or planned land uses and zoning, including densities, community character, and appropriate jurisdictional transition areas;

   ☑ c. Existing and/or planned provision of governmental services, including any potential impacts to service levels or financial ability to sustain service levels;

2. What parties (local agencies or organizations) are opposed to the proposed LAFCO action? ____________________________________

3. Are there any other local community or governmental concerns associated with the LAFCO proposal or pending LAFCO action: ☐ Yes ☐ No

Please specify: ____

4. Respond to the following for efforts that have been taken to resolve jurisdictional issues:

   a. List the dates of any meetings/discussions held to resolve jurisdictional issues: ____

   b. List the jurisdictions and organizations that participated in the meetings/discussions: ____

   ____

   c. What was the outcome of the meetings/discussions: ___________________

   ____

5. If the jurisdictional issues were not resolved, discuss whether additional consultation is needed and a preferred outcome: ____

____

6. If the parties resolved the issues associated with the pending or future LAFCO action, then sign the statement (below) and return this form and any applicable agreements that have been reached.

As a representative/proponent of the proposed LAFCO action (e.g., annexation, detachment, sphere change, etc.), I believe the jurisdictional issues associated with this LAFCO proposal:

- ☐ have been resolved
- ☐ have not been resolved

Attached is a copy of the related agreement or other document demonstrating that jurisdictional issues have been satisfactorily resolved.

______________________________ ___________________________________

Signature of proponent ***Print name***

______________________________ 11/25/2025

Telephone ***Date***

San Diego Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, CA 92103
(619) 321-3380

Subject

JURISDICTIONAL ISSUES ASSOCIATED WITH PROPOSED OR PENDING CHANGES OF ORGANIZATION OR REORGANIZATION

Purpose

To establish a procedure for cities, special districts, the County of San Diego, and other interested parties and organizations to identify and discuss potential jurisdictional issues associated with proposed or pending LAFCO discretionary actions.

Background

Proposed changes of organization or reorganization may involve issues of concern for affected local residents, property owners, registered voters, interested parties, and organizations, as well as potential jurisdictional issues for affected cities, special districts, counties, and other public agencies.

While LAFCO is prohibited by State Law from directly regulating land use density or intensity, property development, or subdivision requirements [Government Code § 56375(a)(6)], LAFCO is required to consider a number of factors in the review of a proposal, including: the effects of a proposal on adjacent areas (Government Code § 56668(c); the proposal's consistency with city or county general and specific plans (Government Code § 56668(h); the comments of any affected local agency or other public agency (Government Code § 56668(j); any information or comments from the landowner or owners, voters, or residents of the affected territory (Government Code § 56668(n); and, any information relating to existing land use designations (Government Code § 56668(o).

When there are potential jurisdictional issues associated with proposed or pending jurisdictional changes, LAFCO staff has historically encouraged the lead agency and applicant to consult with all affected jurisdictions and interested parties to identify, discuss, and resolve the jurisdictional issues prior to LAFCO submittal. Proposal-related jurisdictional issues may involve questions about community character and/or cohesion; the ability of an agency to extend public services; potential environmental impacts; appropriate transitional areas between jurisdictions; special district detachment issues; or other local community or governmental concerns.

Therefore, the following policy has been adopted to encourage and facilitate early identification, discussion and potential resolution of any jurisdictional issues associated with proposed or pending LAFCO changes of organization of reorganization. While the identified jurisdictional issues may not be ultimately resolved to the satisfaction of all interested parties, the policy requires the proposal applicant or proponent to engage the interested parties and/or jurisdictions, to address the concerns associated with the proposal, and to determine if the identified issues have been resolved, or if additional discussions would allow for resolution.

Policy

It is the policy of the San Diego Local Agency Formation Commission that:

1. Prior to submission of a proposal requesting LAFCO consideration of a change of organization or reorganization, the proposal applicant and representatives from affected public agencies, interested parties, and/or organizations, shall meet at the earliest possible stage for the purpose of identifying and attempting to resolve any issues associated with the proposed jurisdictional change(s). The Executive Officer may waive the consultation procedure outlined in this provision when it can be determined with certainty that there will be no possibility that the proposal in question will result in identified and unresolved jurisdictional issues.

2. The consultation process described in provision no. 1 should identify any jurisdictional issues or concerns related to:

    a. Differing development standards;

    b. Existing and/or planned land uses and zoning, including densities, community character, and appropriate jurisdictional transition areas;

    c. Existing and/or planned provision of governmental services, including any potential impacts to service levels or financial ability to sustain service levels; and,

    d. Any other local community or governmental concerns.

3. If an agreement is reached regarding provision no. 2, the subject proposal's LAFCO application shall include signed confirmation by representatives of the agencies or interested parties. LAFCO applications shall include signature confirmation forms documenting the agreement.

4. The Commission shall consider the agreement in its evaluation of the proposed jurisdictional change(s) to the extent that it is consistent with State Law and San Diego LAFCO policies and procedures.

5. If the parties have consulted in accordance with this policy and are unable to reach agreement, the parties shall, in writing, inform the Executive Officer of the areas in which they are unable to reach agreement and the desired outcome. Thereafter, the proposal shall proceed in accordance with State Law and applicable San Diego LAFCO policies and procedures.

6. Affected local agencies shall be encouraged to explore additional methods to improve future inter- and intra-departmental and jurisdictional communications for the purpose of discussing and commenting on proposed or pending jurisdictional changes at the earliest possible stage.

Adopted: May 3, 2010
Revised: April 4, 2016

Cross-reference:

SAN DIEGO LAFCO POLICY:
-L-100 CITY ANNEXATION OF UNINCORPORATED TERRITORY WITHIN SPECIAL DISTRICTS
-L-103 RECOGNITION OF UNINCORPORATED COMMUNITIES

SAN DIEGO LAFCO PROCEDURES:
-SPHERES OF INFLUENCE
-LAFCO-INITIATED PROPOSALS

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From: Kurt Worden <lsfpdistrict@gmail.com>
Sent: Wednesday, November 26, 2025 11:52 AM
To: Sellen, Erica A <Erica.Sellen@sdcounty.ca.gov>
Cc: Delatorre, Marianne <Marianne.Delatorre@sdcounty.ca.gov>; Traynor, Meghan C <MeghanC.Traynor@sdcounty.ca.gov>
Subject: [External] Transmittal – Resolution No. 25/26-006 and Policy Alignment Letter

Dear Mr. Simonds,

Attached are Resolution No. 25/26-006 and a companion letter from the Lower Sweetwater Fire Protection District regarding Policy L-107. These documents call for LAFCO to align current practice with the adopted policy to ensure consistent, transparent, and policy-compliant processes.

Sincerely,
Kurt Worden,
President, Lower Sweetwater Fire Protection District.

FIRE PROTECTION IS EVERYONE'S BUSINESS

LOWER SWEETWATER FIRE PROTECTION DISTRICT

2725-B Granger Avenue, Lincoln Acres, CA 91950

Keene Simonds, Executive Officer
San Diego Local Agency Formation Commission (LAFCO)
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

Subject: Policy Compliance – LAFCO Practice vs. Policy L-107

Dear Mr. Simonds,

On behalf of the Lower Sweetwater Fire Protection District, I am writing to formally address a matter of policy compliance regarding LAFCO's current practice under Policy L-107 (Jurisdictional Consultation).

As outlined in the brief provided by Meghan Traynor, Project Manager for RO24-12, LAFCO's current practice is to defer jurisdictional consultation until an application is deemed complete and funded. This approach, however, is inconsistent with the language and intent of Policy L-107, which requires consultation **prior to the filing of a formal application**. The purpose of this policy is to ensure early identification and resolution of jurisdictional issues, thereby preventing procedural defects and avoiding unnecessary disputes.

Deferring consultation until after funding undermines the policy's effectiveness and risks allowing defective applications to proceed. The recent RO24-12 matter illustrates how misidentifications and unresolved service responsibilities can enter the record when consultation is delayed. While RO24-12 is only one example, the broader concern is that LAFCO's practice does not align with its adopted policy, creating systemic risks for applicants and affected communities.

We respectfully request that LAFCO:

- **Reaffirm Policy L-107** and direct staff to conduct jurisdictional consultation prior to application completion and funding, consistent with the adopted policy language.
- **Report back to the Commission** on how current practices will be aligned with Policy L-107.

- **Clarify procedures** to ensure applicants and affected agencies can rely on consistent, transparent, and policy-compliant processes.

Our District believes that aligning practice with policy is essential to maintaining public trust, ensuring procedural integrity, and upholding LAFCO's role as a fair and transparent governance body.

Thank you for your attention to this matter. We look forward to LAFCO's response and to working collaboratively to ensure that policies are applied consistently and effectively.

Respectfully,

Kurt Worden

Kurt Worden

Board President

Lower Sweetwater Fire Protection District

FIRE PROTECTION IS EVERYONE'S BUSINESS

Lower Sweetwater Fire Protection District

2725-B Granger Avenue, Lincoln Acres, CA 91950

Resolution No. 25/26-006

A Resolution of the Board of Directors of the Lower Sweetwater Fire Protection District Calling on the San Diego Local Agency Formation Commission (LAFCO) to Align Its Practices with Adopted Policy L-107

WHEREAS, the San Diego Local Agency Formation Commission (LAFCO) has adopted Policy L-107, requiring jurisdictional consultation prior to the filing of a formal application, in order to ensure early identification and resolution of jurisdictional issues; and

WHEREAS, current LAFCO practice, as outlined by Project Manager Meghan Traynor, defers jurisdictional consultation until an application is deemed complete and funded, which is inconsistent with the language and intent of Policy L-107; and

WHEREAS, this inconsistency undermines the effectiveness of Policy L-107, risks allowing defective applications to proceed, and erodes public trust in the transparency and integrity of LAFCO's processes; and

WHEREAS, the District recognizes that the RO24-12 matter illustrates how delayed consultation can result in misidentifications and unresolved service responsibilities entering the record, but emphasizes that the broader issue is systemic and not limited to a single case;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Lower Sweetwater Fire Protection District hereby calls on LAFCO to:

1. Reaffirm Policy L-107 and direct staff to conduct jurisdictional consultation prior to application completion and funding, consistent with the adopted policy language;

2. Report back to the Commission on how current practices will be aligned with Policy L-107; and

3. Clarify procedures to ensure applicants and affected agencies can rely on consistent, transparent, and policy-compliant processes.

PASSED AND ADOPTED by the Board of Directors of the Lower Sweetwater Fire Protection District on this 25 November, by the following vote:

AYES:
- Worden
- Gonzalez
- Escamilla
- O'Quin

NOES: -

ABSENT:
- Coniff

Attest: Yolanda R Escamilla

Yolanda R. Escamilla, Board Secretary
Approved: Kurt Worden

Kurt Worden, Board President

From: Kurt Worden <lsfpdistrict@gmail.com>
Sent: Thursday, November 27, 2025 9:42 AM
To: Sellen, Erica A <Erica.Sellen@sdcounty.ca.gov>
Subject: [External] Escalation – CPRA Non-Compliance by City of National City (Request No. 25-800)

Dear Commissioners,

Attached please find formal letter from the Lower Sweetwater Fire Protection District regarding the City of National City's non-compliance with the California Public Records Act (CPRA Request No. 25-800).

The District respectfully requests your oversight and assistance to ensure transparency and statutory compliance concerning annexation and out-of-area sewer service records for 2616 East 24th Street (APN 564-010-12-00).

Thank you for your prompt attention to this matter.

Sincerely,
Kurt Worden,
President, Lower Sweetwater Fire Protection District.

LOWER SWEETWATER FIRE PROTECTION DISTRICT

November 27, 2025

To:
San Diego Local Agency Formation Commission (LAFCO)
2550 Fifth Avenue, Suite 725,
San Diego, CA 921033

Re: CPRA Non-Compliance by City of National City – Annexation and Sewer Service Records (Request No. 25-800)

Dear Commissioners:

On October 21, 2025, the Lower Sweetwater Fire Protection District submitted a Public Records Act request to the City of National City seeking records related to the annexation and out-of-area sewer service for 2616 East 24th Street (APN 564-010-12-00).

The City invoked a 14-day extension on October 30, 2025, which expired on November 13, 2025. On November 18, 2025, the City Clerk promised production of records or a determination no later than November 26, 2025. That deadline has now passed without compliance.

The District considers this a violation of the California Public Records Act (Gov. Code §§ 7922.535, 7922.540). Because the request concerns annexation and out-of-area service agreements, the District respectfully requests LAFCO's oversight and intervention to ensure transparency and statutory compliance.

Sincerely,

Kurt Worden

Kurt Worden, Board President
Lower Sweetwater Fire Protection District
lsfpdistrict@gmail.com • 619-245-4550

From: Simonds,Keene <Keene.Simonds@sdcounty.ca.gov>
Sent: Monday, December 1, 2025 7:33 AM
To: lsfpdistrict@gmail.com
Cc: Sellen, Erica A <Erica.Sellen@sdcounty.ca.gov>; Mumpower, Priscilla <Priscilla.Mumpower@sdcounty.ca.gov>; Ngu, Dieu <Dieu.Ngu@sdcounty.ca.gov>
Subject: Follow up to November 27, 2025 Communication

Hi Kurt –

Thank you for reaching out. I understand the frustration of not receiving a timely response from the City of National City regarding your Public Records Act request (attached).

As a general matter, LAFCO does not typically become involved in disputes between the agencies we oversee concerning PRA requests or related communication issues. While I sympathize with the delay you are experiencing, this is an area where we rely on the agencies themselves to work through the process.

At this point, I encourage Lower Sweetwater FPD to allow the PRA process a bit more time and to continue documenting your outreach efforts with the City. Maintaining a clear record of communication will be helpful should further follow-up be needed.

Please keep us posted if anything changes, but for now I believe it's best for the agencies to continue working together directly.

Keene

Keene Simonds

Executive Officer

On Jan 6, 2026, at 18:30, Mumpower, Priscilla <Priscilla.Mumpower@sdcounty.ca.gov> wrote:

Dear Mr. Worden,

Please find attached our correspondence in response to the Lower Sweetwater Fire Protection District's letter regarding Policy L-107.

I'm happy to discuss further if helpful.

Best regards,
Priscilla

Priscilla Mumpower

Assistant Executive Officer

San Diego Local Agency Formation Commission (LAFCO)

Subdivision of the State of California | Regional Service Planning

(858) 276-9414

2550 Fifth Avenue, Suite 725

San Diego, California 92103-6624

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

January 6, 2026

Delivered by Electronic Mail:
Kurt Worden, Board President
Lower Sweetwater Fire Protection District
2725-B Granger Avenue
National City, CA 91950
lsfpdistrict@gmail.com

SUBJECT: Response to Letter from Lower Sweetwater Fire Protection District | Re: Policy Compliance – LAFCO Practice vs Policy L-107

Dear Mr. Worden,

Thank you for your letter regarding Policy L-107 and LAFCO's administrative approval of out-of-agency wastewater service for the property at 2616 East 24th Street (LAFCO File No. OAS24-12). We appreciate the District's interest and the opportunity to clarify LAFCO's process.

The out-of-agency service authorization for OAS24-12 was issued pursuant to Government Code Section 56133 and LAFCO's adopted policies allowing the Executive Officer to act in response to documented public health and safety concerns. In this case, the record reflected a failing onsite wastewater treatment system, including confirmation from the County Department of Environmental Health and Quality that continued reliance on septic service posed a hazard. Staff also confirmed that the subject parcel lies entirely within the City of National City's sphere of influence and that municipal sewer service is available through the City. Based on these factors, the administrative approval for the City of National City to serve the existing single-family residence was issued to address an immediate health and safety concern and was limited to wastewater service for the existing residence only, with no authorization for additional development.

Additionally, and consistent with statute and Commission practice, the authorization was conditioned on the property owner filing an annexation application as the permanent means for municipal service provision. Conditioning out-of-agency

Administration
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, California 92103
T 619.321.3380
E lafco@sdcounty.ca.gov
www.sdlafco.org

services on annexation within a city's sphere of influence reflects LAFCO's policies and role in promoting orderly governance and long-term service delivery.

As noted in your letter, Policy L-107 establishes a pre-application consultation process intended to occur prior to submission of a proposal – by petition or resolution of application – requesting LAFCO consideration of a change of organization or reorganization. In this instance, the applicant would be submitting an annexation application in response to a condition imposed by the Commission. As such, the pre-application consultation provisions of Policy L-107 are not applicable. Further, Policy L-107 provides that the Executive Officer may waive the consultation procedure where it can be determined with certainty that the proposal will not result in identified and unresolved jurisdictional issues.

At this time, LAFCO has not received a complete annexation application associated with the subject property. Staff does not begin substantive review or interagency consultation until all required materials and fees are received. Should a complete annexation application be submitted and accepted, affected agencies, including the Lower Sweetwater Fire Protection District, will be formally noticed and provided an opportunity to participate consistent with state law and San Diego LAFCO policies.

We appreciate the District's engagement and its interest in ensuring the transparent and consistent application of LAFCO policies. Should the Lower Sweetwater Fire Protection District wish to further discuss OAS24-12, please let me know.

Respectfully,

Priscilla Mumpower
Assistant Executive Officer

cc:
Keene Simonds, LAFCO Executive Officer
Meghan Traynor, LAFCO Analyst
Joelle Burila, LAFCO Analyst
Kyle LaVelle, County of San Diego, District 1 Legislative Assistant

Attachment:

1) Letter from Lower Sweetwater Fire Protection District re: Policy Compliance – LAFCO Practice vs Policy L-107

From: Kurt Worden <lsfpdistrict@gmail.com>
Sent: Wednesday, January 7, 2026 4:21 AM
To: Mumpower, Priscilla <Priscilla.Mumpower@sdcounty.ca.gov>
Cc: Simonds,Keene <Keene.Simonds@sdcounty.ca.gov>; Burila, Joelle <Joelle.Burila@sdcounty.ca.gov>; Traynor, Meghan C <MeghanC.Traynor@sdcounty.ca.gov>; LaVelle, Kyle <Kyle.LaVelle@sdcounty.ca.gov>; Delatorre, Marianne <Marianne.Delatorre@sdcounty.ca.gov>
Subject: [External] Re: SD LAFCO | Response re: Policy L-107

Dear Ms. Mumpower,

Attached please find the District's follow-up correspondence regarding Policy L-107 and the alignment of LAFCO's current practices with the Commission's adopted policy.

We appreciate your January 6 response and have provided clarifications to ensure the record accurately reflects the District's concerns and the specific policy issues at hand. We respectfully request that LAFCO review the attached letter and advise on next steps toward ensuring consistent, policy-compliant procedures.

Please feel free to contact me if further discussion would be helpful.

Sincerely,
Kurt Worden,
President, Lower Sweetwater Fire Protection District.

FIRE PROTECTION IS EVERYONE'S BUSINESS

LOWER SWEETWATER FIRE PROTECTION DISTRICT

2725-B Granger Avenue, Lincoln Acres, CA 91950

Priscilla Mumpower
Assistant Executive Officer
San Diego Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

Subject: Follow-Up Regarding Policy Compliance — LAFCO Practice vs. Policy L-107

Dear Ms. Mumpower,

Thank you for your January 6 response to the District's letter regarding Policy L-107. We appreciate the clarification provided regarding the out-of-agency service authorization for OAS24-12. However, your response does not address the core issue raised by the District: **the inconsistency between LAFCO's adopted Policy L-107 and LAFCO staff's current practice.**

To ensure the record is clear, the District offers the following clarifications.

---

1. The District did not challenge the Executive Officer's authority under Government Code §56133.

Our concern is not the health and safety determination for OAS24-12.

Our concern is policy compliance, specifically the requirement in Policy L-107 for jurisdictional consultation prior to the filing of a formal application. The health and safety justification does not exempt LAFCO from following its own adopted policies.

---

2. Policy L-107 contains no exemption for "conditioned annexations."

Your letter states that L-107 does not apply because the annexation application will be submitted in response to a condition imposed by LAFCO.

Respectfully, this interpretation is not supported by the policy text.

Policy L-107 applies to any proposal for a change of organization or reorganization.

It does not distinguish between:

- voluntary applications,

- applications by resolution,
- applications by petition, or
- applications submitted pursuant to a condition of approval.

If LAFCO intends to exempt conditioned annexations from L-107, such an exemption would require a formal policy amendment, not an informal practice.

---

3. The Executive Officer's waiver authority requires a documented determination.

L-107 allows the Executive Officer to waive consultation only when it can be determined with certainty that the proposal will not result in identified and unresolved jurisdictional issues.

Your response does not indicate that:

- a waiver determination was made,
- findings were documented, or
- affected agencies were notified of a waiver.

Moreover, the OAS24-12 record contained multiple misidentifications and unresolved service responsibility issues—demonstrating that the criteria for a waiver were not met.

---

4. LAFCO's stated practice of delaying consultation until after application completeness conflicts with L-107.

Your letter confirms that staff does not begin substantive review or interagency consultation until all required materials and fees are received.

This is precisely the practice the District identified as inconsistent with Policy L-107.

L-107 requires consultation before an application is filed, not after it is deemed complete and funded.

---

5. Statutory noticing under Government Code §56658 is not a substitute for Policy L-107.

Your response references post-application noticing requirements.

These statutory requirements do not replace the pre-application consultation mandated by L-107.

The two processes serve different purposes and occur at different stages.

Request for Action

The District respectfully renews its original request that LAFCO:

Reaffirm Policy L-107 as written, without informal exemptions.

Direct staff to align practice with the adopted policy, including conducting jurisdictional consultation prior to application filing.

Report back to the Commission on how staff practices will be brought into compliance with L-107.

These steps are essential to ensuring procedural integrity, transparency, and consistent application of LAFCO policy across all jurisdictions.

The District values its working relationship with LAFCO and looks forward to resolving this matter constructively and in alignment with the Commission's adopted policies.

Respectfully,

Kurt Worden

Kurt Worden

Board President

Lower Sweetwater Fire Protection District

cc:

Keene Simonds, Executive Officer

Meghan Traynor, LAFCO Analyst

Joelle Burila, LAFCO Analyst

Kyle LaVelle, County of San Diego, District 1

From: Mumpower, Priscilla
Sent: Thursday, January 8, 2026 9:48 AM
To: Kurt Worden <lsfpdistrict@gmail.com>
Cc: Simonds,Keene <Keene.Simonds@sdcounty.ca.gov>; Burila, Joelle <Joelle.Burila@sdcounty.ca.gov>; Traynor, Meghan C <MeghanC.Traynor@sdcounty.ca.gov>; LaVelle, Kyle <Kyle.LaVelle@sdcounty.ca.gov>; Delatorre, Marianne <Marianne.Delatorre@sdcounty.ca.gov>
Subject: RE: [External] Re: SD LAFCO | Response re: Policy L-107

Dear Mr. Worden,

Thank you for your follow-up.

Policy L-107 requires that the proposal applicant engage affected agencies and interested parties at the earliest possible stage to identify and attempt to resolve issues associated with a proposed jurisdictional change. We appreciate the District's engagement in communicating early concerns with the anticipated annexation application.

As noted in LAFCO's January 6 correspondence, the annexation application is a condition of approval imposed pursuant to Commission policy and statute following the administrative out-of-agency service authorization issued in response to documented local circumstances. Importantly, the condition reflects a determination that the proposed jurisdictional change merits consideration, subject to the filing and processing of a complete application.

In terms of next steps, staff notes Lower Sweetwater Fire Protection District currently provides fire protection and emergency medical services through a contractual arrangement with the City of National City. Given this existing service relationship, together with the applicable sphere of influence designations, the District is encouraged to engage directly with the City of National City to address any service responsibility concerns and to keep LAFCO staff informed of those discussions.

Respectfully,
Priscilla

Priscilla Mumpower

Assistant Executive Officer

From: Kurt Worden <lsfpdistrict@gmail.com>
Sent: Monday, February 2, 2026 6:51 AM
To: Sellen, Erica A <Erica.Sellen@sdcounty.ca.gov>
Cc: ERNESTO CASTANEDA <ernesto.castaneda@asm.ca.gov>; Barry Willis <btwillis9@gmail.com>; Delatorre, Marianne <Marianne.Delatorre@sdcounty.ca.gov>
Subject: [External] Submission of Agenda Request Packet for March 2 Commission Meeting

Dear Ms Sellen,

Attached is the Lower Sweetwater Fire Protection District's full agenda-request packet for consideration at the Commission's March 2, 2026 meeting. The packet includes the Issue Summary and Exhibits A through F.

A hard-copy set of the same materials is also being mailed to your office for your records.

Please let me know if any additional information or formatting adjustments are needed. Thank you for confirming receipt of this submission.

Respectfully,
Kurt Worden,
President, Lower Sweetwater Fire Protection District.

FIRE PROTECTION IS EVERYONE'S BUSINESS

Lower Sweetwater Fire Protection District

2725-B Granger Avenue, Lincoln Acres, CA 91950

Date: February 4, 2026

To: Keene Simonds, Executive Officer
San Diego Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

From: Lower Sweetwater Fire Protection District

Subject: Request for Agenda Item – Review of LAFCO Policy L-107 Implementation

Dear Executive Officer Simonds,

On behalf of the Lower Sweetwater Fire Protection District, I respectfully request placement of an item on the **March 2, 2026** San Diego LAFCO agenda to consider the implementation of **Policy L-107: Jurisdictional Coordination and Early Consultation**.

This request follows documented instances in which L-107's early-consultation requirements were not applied as written, including reorganizations in 2005 and 2019 and the more recent processing of OAS24-12. These examples indicate a divergence between the adopted policy and current staff practice, including the introduction of exemptions not contained in the policy.

On **January 30, 2026**, representatives of the District met with **Assemblymember David Alvarez** to brief him on this matter as a **statewide policy-consistency issue**. During that meeting, the Assemblymember asked the District to revise its request to his office so that **his office may determine and report on whether Policy L-107 is being applied consistently**. His office has designated **Ernesto Castaneda** as the point of contact for follow-up.

In alignment with that direction, the District is requesting that the Commission place this item on the March 2 agenda so that the Commission may review the implementation of Policy L-107 and provide clarity regarding current practice.

We will provide supporting materials in advance of the staff deadline and are available to assist with any clarifications needed.

Thank you for your consideration.

Respectfully,
Kurt Worden
President
Lower Sweetwater Fire Protection District

CC: Erica Sellen (LAFCO Clerk)
Ernesto Castañeda (Assm Alverez)
Barry Willis (Vice Chair San Diego LAFCO)

ISSUE SUMMARY

Purpose of the Agenda Item

The Lower Sweetwater Fire Protection District requests that the Commission review the implementation of **Policy L-107**, which governs early jurisdictional consultation for boundary-change proposals. The District seeks clarity regarding the alignment between the adopted policy and current staff practice.

Background

Policy L-107 requires that affected agencies be notified and consulted **before** an application is filed. This ensures that all service providers can evaluate impacts early in the process.

However, San Diego LAFCO staff has adopted a practice that diverges from the policy:

- Consultation is delayed until after an application is deemed complete and funded.
- Staff asserts that “conditioned annexations” are exempt from L-107 — an exemption not found in the policy.
- No Commission action has been taken to amend or clarify the policy.

Documented Examples

The District has identified multiple reorganizations where L-107 was not applied as written:

- **RO05-07 (2005):** LSFPD detached without consultation or waiver.
- **RO19-16 (2019):** A 50.5-acre detachment proceeded without consultation, without the required DUC survey, and without notice until after recordation.
- **OAS24-12 (2024–25):** LSFPD did not become aware of the proposal until mid-2025, long after processing had begun.

These examples demonstrate a pattern of policy-practice divergence.

Additional details regarding staff’s verbal description of current consultation practices are provided in Exhibit C.

Statewide Context

On January 30, 2026, the District briefed Assemblymember Alvarez. He agreed that this is a **statewide policy-consistency matter** and asked the District to revise its request to his office so that **his office may determine and report on whether L-107 is being applied consistently**.

This elevates the importance of a clear Commission-level review.

Requested Commission Action

The District requests that the Commission:

1. **Review the implementation of Policy L-107**, including early-consultation requirements.
2. **Clarify whether current staff practice aligns with the adopted policy language.**
3. **Provide direction to staff as appropriate.**

This review will support transparency, consistency, and alignment with statewide expectations.

---

3. FACTUAL TIMELINE OF DOCUMENTED NON-COMPLIANCE

2005 – RO05-07

- LSFPD detached without early consultation.
- No waiver findings issued.
- No Commission discussion of L-107 compliance.

2019 – RO19-16 (50.5 acres)

- No L-107 consultation.
- No DUC community survey.
- LSFPD notified only after annexation was recorded.
- Created a County island.

2024–2025 – OAS24-12

- LSFPD first learns of the proposal in mid-2025.
- No early consultation.
- No waiver findings.
- Staff asserts "conditioned annexation" exemption not found in policy.

Late 2025

- LSFPD requests clarification from LAFCO staff.
- Staff maintains its practice despite policy language.

January 30, 2026

- LSFPD briefs Assemblymember Alvarez.
- Assemblymember requests LSFPD revise its ask so **his office** may determine and report on L-107 consistency.
- Ernesto Castaneda designated as POC.

March 2, 2026

- Requested Commission review of L-107 implementation.

---

4. PROPOSED COMMISSION ACTION

The District respectfully requests that the Commission take the following action:

Direct staff to review the implementation of Policy L-107, including its early-consultation requirements, and report back to the Commission regarding the alignment between the adopted policy and current practice.

This action does **not** imply legislative direction — it simply ensures clarity and transparency.

5. EXHIBIT LIST

The following exhibits will be attached to the packet:

Exhibit A – Policy L-107 (Full Text)

Highlighting early-consultation requirements.

Exhibit B – LSFPD Correspondence to LAFCO Staff

Requests for clarification regarding L-107 implementation.

Exhibit C – Staff Statements Regarding “Conditioned Annexation” Exemption

Documentation of staff’s interpretation not found in policy.

Exhibit D – RO19-16 Documentation

Record showing lack of consultation and post-recordation notice.

Exhibit E – OAS24-12 Timeline Documentation

Emails and notices showing LSFPD first learned of the proposal mid-2025.

Exhibit F – Summary of January 30 Meeting with Assemblymember Alvarez

Including designation of Ernesto Castaneda as POC.

FIRE PROTECTION IS EVERYONE'S BUSINESS

LOWER SWEETWATER FIRE PROTECTION DISTRICT

2725-B Granger Avenue, Lincoln Acres, CA 91950

Keene Simonds, Executive Officer
San Diego Local Agency Formation Commission (LAFCO)
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

Subject: Policy Compliance – LAFCO Practice vs. Policy L-107

Dear Mr. Simonds,

On behalf of the Lower Sweetwater Fire Protection District, I am writing to formally address a matter of policy compliance regarding LAFCO's current practice under Policy L-107 (Jurisdictional Consultation).

As outlined in the brief provided by Meghan Traynor, Project Manager for RO24-12, LAFCO's current practice is to defer jurisdictional consultation until an application is deemed complete and funded. This approach, however, is inconsistent with the language and intent of Policy L-107, which requires consultation **prior to the filing of a formal application**. The purpose of this policy is to ensure early identification and resolution of jurisdictional issues, thereby preventing procedural defects and avoiding unnecessary disputes.

Deferring consultation until after funding undermines the policy's effectiveness and risks allowing defective applications to proceed. The recent RO24-12 matter illustrates how misidentifications and unresolved service responsibilities can enter the record when consultation is delayed. While RO24-12 is only one example, the broader concern is that LAFCO's practice does not align with its adopted policy, creating systemic risks for applicants and affected communities.

We respectfully request that LAFCO:

- **Reaffirm Policy L-107** and direct staff to conduct jurisdictional consultation prior to application completion and funding, consistent with the adopted policy language.

- **Report back to the Commission** on how current practices will be aligned with Policy L-107.

- **Clarify procedures** to ensure applicants and affected agencies can rely on consistent, transparent, and policy-compliant processes.

Our District believes that aligning practice with policy is essential to maintaining public trust, ensuring procedural integrity, and upholding LAFCO's role as a fair and transparent governance body.

Thank you for your attention to this matter. We look forward to LAFCO's response and to working collaboratively to ensure that policies are applied consistently and effectively.

Respectfully,

Kurt Worden

Kurt Worden

Board President

Lower Sweetwater Fire Protection District

FIRE PROTECTION IS EVERYONE'S BUSINESS

LOWER SWEETWATER FIRE PROTECTION DISTRICT

2725-B Granger Avenue, Lincoln Acres, CA 91950

Priscilla Mumpower
Assistant Executive Officer
San Diego Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

Subject: Follow-Up Regarding Policy Compliance — LAFCO Practice vs. Policy L-107

Dear Ms. Mumpower,

Thank you for your January 6 response to the District's letter regarding Policy L-107. We appreciate the clarification provided regarding the out-of-agency service authorization for OAS24-12. However, your response does not address the core issue raised by the District: **the inconsistency between LAFCO's adopted Policy L-107 and LAFCO staff's current practice.**

To ensure the record is clear, the District offers the following clarifications.

---

1. The District did not challenge the Executive Officer's authority under Government Code §56133.

Our concern is not the health and safety determination for OAS24-12.

Our concern is policy compliance, specifically the requirement in Policy L-107 for jurisdictional consultation prior to the filing of a formal application. The health and safety justification does not exempt LAFCO from following its own adopted policies.

---

2. Policy L-107 contains no exemption for "conditioned annexations."

Your letter states that L-107 does not apply because the annexation application will be submitted in response to a condition imposed by LAFCO.

Respectfully, this interpretation is not supported by the policy text.

Policy L-107 applies to any proposal for a change of organization or reorganization.

It does not distinguish between:

- voluntary applications,

- applications by resolution,
- applications by petition, or
- applications submitted pursuant to a condition of approval.

If LAFCO intends to exempt conditioned annexations from L-107, such an exemption would require a formal policy amendment, not an informal practice.

---

3. The Executive Officer's waiver authority requires a documented determination.

L-107 allows the Executive Officer to waive consultation only when it can be determined with certainty that the proposal will not result in identified and unresolved jurisdictional issues.

Your response does not indicate that:

- a waiver determination was made,
- findings were documented, or
- affected agencies were notified of a waiver.

Moreover, the OAS24-12 record contained multiple misidentifications and unresolved service responsibility issues—demonstrating that the criteria for a waiver were not met.

---

4. LAFCO's stated practice of delaying consultation until after application completeness conflicts with L-107.

Your letter confirms that staff does not begin substantive review or interagency consultation until all required materials and fees are received.

This is precisely the practice the District identified as inconsistent with Policy L-107.

L-107 requires consultation before an application is filed, not after it is deemed complete and funded.

---

5. Statutory noticing under Government Code §56658 is not a substitute for Policy L-107.

Your response references post-application noticing requirements.

These statutory requirements do not replace the pre-application consultation mandated by L-107.

The two processes serve different purposes and occur at different stages.

Request for Action

The District respectfully renews its original request that LAFCO:

Reaffirm Policy L-107 as written, without informal exemptions.

Direct staff to align practice with the adopted policy, including conducting jurisdictional consultation prior to application filing.

Report back to the Commission on how staff practices will be brought into compliance with L-107.

These steps are essential to ensuring procedural integrity, transparency, and consistent application of LAFCO policy across all jurisdictions.

The District values its working relationship with LAFCO and looks forward to resolving this matter constructively and in alignment with the Commission's adopted policies.

Respectfully,

Kurt Worden

Kurt Worden

Board President

Lower Sweetwater Fire Protection District

cc:

Keene Simonds, Executive Officer

Meghan Traynor, LAFCO Analyst

Joelle Burila, LAFCO Analyst

Kyle LaVelle, County of San Diego, District 1

Exhibit C — Summary of LAFCO Video Call (Unrecorded)

(Prepared to document verbal statements referenced in Exhibit B and in LSFPD's January public comments)

Date of Call: 21 November, 2025

Format: Video call (unrecorded at LAFCO's direction)

Participants:

•**Meghan Traynor**, LAFCO Project Manager
•**Kurt Worden**, Board President, Lower Sweetwater Fire Protection District
•**Alisha Morrison**, Lincoln Acres Resident
•**Luis Sainz**, Lincoln Acres Resident
•**Doyle Morrison**, Lincoln Acres Resident

Purpose of Call

To discuss jurisdictional consultation requirements under Policy L-107 and the processing of OAS24-12.

Recording Request and LAFCO Response

•LSFPD recommended that the call be **recorded** for accuracy and transparency.
•LAFCO staff member **Meghan Traynor declined**, stating that:
○The meeting was **not a public meeting**,
○She was "meeting with constituents," and
○**Recorded notes were not required**.
This clarification is included to ensure the Commission understands why no recording exists.

Summary of Key Statements Made by LAFCO Staff

During the call, LAFCO staff stated:

•**Jurisdictional consultation is not initiated until an application is deemed complete and funded.**
•**"Conditioned annexations" are exempt from Policy L-107**, and therefore early consultation was not required for OAS24-12.
•**Statutory noticing under Government Code §56658 satisfies the requirement to notify affected agencies.**
•No **documented waiver determination** under Policy L-107 was identified for OAS24-12.

These statements were later referenced in LSFPD's written correspondence (Exhibit B) and in LSFPD's public comments at the January Commission meeting.

2019 Annexation Summary (50.5 Acres – Lincoln Acres)

Overview

On December 2, 2019, San Diego LAFCO approved the annexation of approximately 50.5 acres of unincorporated territory adjacent to National City. The annexation was recorded on February 14, 2020. The Lower Sweetwater Fire Protection District (LSFPD) was not notified of the proposal prior to approval and became aware of the annexation only after it was recorded. This annexation created a County island and raised significant questions about compliance with LAFCO's adopted policies and the Cortese-Knox-Hertzberg (CKH) Act.

Key Procedural Issues

---

1. No L-107 Consultation Occurred

Policy L-107 requires:

- **Early consultation prior to filing**
- **Engagement with affected agencies**
- **Identification and resolution of jurisdictional issues**

In 2019:

- LSFPD was not consulted at any stage.
- No meeting occurred between the applicant, National City, County staff, or LSFPD.
- No waiver findings were issued by the Executive Officer.
- No documentation exists showing any attempt to comply with L-107.

Result: The annexation proceeded without the required early-stage coordination.

---

2. No D.U.C. Community Survey Was Conducted

Under the CKH Act, annexations involving:

- **10 or more acres,** and
- **Disadvantaged Unincorporated Communities (D.U.C.s)** with
- **12 or more registered voters**
- require a **community survey** to assess resident perspectives.

In 2019:

- Lincoln Acres met the statutory definition of a D.U.C.
- The annexation exceeded 10 acres.
- No survey was conducted.
- Residents were not notified and therefore they were unaware of an opportunity to comment.

Result: Statutory community-engagement requirements were not followed.
"Under the CKH Act, annexations involving 10 or more acres that include a Disadvantaged Unincorporated Community (DUC) with 12 or more registered voters require a community survey…"

3. Annexation Created a County Island

County staff correspondence in June 2019 acknowledged that the annexation would create a **County island**.

- This is a significant jurisdictional issue under L-107.
- No consultation occurred to address service impacts, boundary coherence, or transitional issues.

Result: A foreseeable jurisdictional issue was not evaluated with affected agencies.

---

4. No Notice to LSFPD Prior to Approval or Recording

- LSFPD did not receive pre-filing notice.
- LSFPD did not receive notice prior to the December 2, 2019 hearing.
- LSFPD learned of the annexation after it was recorded on February 14, 2020.

Result: LSFPD had no opportunity to participate in the process or raise service-delivery concerns.

Relevance to Current Policy-Compliance Concerns

The 2019 annexation demonstrates a documented pattern of bypassing L-107 consultation, lack of notice to affected agencies, and absence of required waiver documentation. Similar issues have re-emerged in recent jurisdictional filings, where consultation has not occurred at the earliest possible stage and staff interpretations have diverged from the adopted policy. This pattern underscores the need for consistent statewide adherence to L-107. The 2019 annexation is therefore a documented example of L-107 not being implemented as adopted.

Statewide Implications

The 2019 annexation illustrates why policy compliance matters, especially as academic institutions such as UC Berkeley study expanded LAFCO authority over water-district consolidation.

If LAFCO authority is broadened, ensuring consistent adherence to existing policies becomes even more critical.

Exhibit E — OAS24-12 Timeline Documentation
(NOTIFICATION HISTORY AND INITIAL AWARENESS)

Overview

This exhibit documents how the Lower Sweetwater Fire Protection District first became aware of the OAS24-12 out-of-agency service authorization and subsequent annexation requirement. The District received no notice from LAFCO, the County of San Diego, or the applicant at any stage prior to late 2025.

Timeline of Awareness

23 September 2025 — Resident Testimony at LSFPD Board Meeting
The District first became aware of OAS24-12 on 23 September 2025, when Lincoln Acres residents Alisha Morrison and Luis Sainz attended an LSFPD Board meeting and verbally informed the Board of the proposal and associated jurisdictional concerns.

The September 23, 2025 LSFPD Board minutes reflect resident attendance and a general reference to an upcoming LAFCO meeting, but contain no notice or information from LAFCO regarding OAS24-12.

•No notice was provided to LSFPD by LAFCO.
•No notice was provided by the County of San Diego.
•No notice was provided by the applicant or any involved agency.
•No early consultation occurred under Policy L-107.

This resident testimony was the first and only notification received by the District prior to LSFPD's subsequent inquiries.

Absence of Required Notifications

Based on District records:
- LSFPD did not receive pre-filing notice.
- LSFPD did not receive notice of the out-of-agency service authorization.
- LSFPD did not receive notice of any pending annexation requirement.
- LSFPD did not receive any L-107 consultation request or waiver determination.

This absence of notice is consistent with the pattern documented in Exhibit D (RO19-16).

Relevance to Policy L-107

Policy L-107 requires:
- Early consultation prior to submission of a proposal
- Engagement with affected agencies
- Identification of jurisdictional issues at the earliest possible stage

The District's lack of notice and lack of consultation for OAS24-12 demonstrates that L-107 was not implemented as adopted, and that staff practice diverges from the policy's plain language.

Exhibit F — Summary of January 30, 2026 Meeting with Assemblymember Alvarez

(LEGISLATIVE CONTEXT AND RELEVANCE TO POLICY L-107)

Overview

On January 30, 2026, representatives of the Lower Sweetwater Fire Protection District and members of the Lincoln Acres community met with Assemblymember David Alvarez to brief him on concerns regarding the implementation of San Diego LAFCO Policy L-107. The discussion focused on the alignment between the adopted policy and current staff practice, as well as the broader implications for statewide consistency.

Meeting Participants

Assemblymember's Office
- Assemblymember David Alvarez, California State Assembly, District 80
- Ernesto Castañeda, District Office Representative (designated point of contact)

Lower Sweetwater Fire Protection District
- Kurt Worden, Board President
- Rodolfo Gonzalez, Director

Lincoln Acres Residents
- Alisha Morrison, Resident
- Luis Sainz, Resident
- Doyle Morrison, Resident
- Pat Sainz, Resident

Summary of Discussion

1. Purpose of the Briefing

LSFPD and Lincoln Acres residents provided an overview of concerns regarding:
- The requirement in Policy L-107 for early jurisdictional consultation prior to application filing
- The divergence between the policy text and current LAFCO staff practice
- The procedural impacts on affected agencies and the Lincoln Acres community

2. Assemblymember's Response

Assemblymember Alvarez:
- Recognized that the concerns raised relate to statewide policy consistency, not a single jurisdiction
- Requested that LSFPD revise its request to his office so his staff may determine whether Policy L-107 is being applied consistently across counties
- Designated Ernesto Castañeda as the point of contact for follow-up communication

3. No Legislative Direction Was Requested or Provided

The meeting was informational.

No legislative action was requested by LSFPD, and none was offered or implied by the Assemblymember.

Relevance to the Commission's Review

The January 30 briefing underscores:

- The importance of clear, consistent implementation of Policy L-107
- The statewide interest in ensuring that LAFCO policies are applied as adopted
- The need for a Commission-level review to confirm alignment between policy and practice

This exhibit is provided to document the legislative context and the Assemblymember's request for clarity regarding statewide consistency.

Exhibit Packet — Policy L-107 Implementation Review

Lower Sweetwater Fire Protection District

Submitted to the San Diego Local Agency Formation Commission

Purpose of Exhibits

The following exhibits provide factual documentation relevant to the District's request for a Commission-level review of the implementation of Policy L-107, which governs early jurisdictional consultation for boundary-change proposals. Each exhibit contains source materials, timelines, or summaries demonstrating how current staff practice diverges from the adopted policy language.

These materials are provided to support transparency, consistency, and alignment with statewide expectations.

Exhibit Index

Exhibit A — Policy L-107 (Full Text)
Highlights the early-consultation requirements adopted by the Commission.
Exhibit B — LSFPD Correspondence to LAFCO Staff
Documents LSFPD's requests for clarification regarding L-107 implementation.
Exhibit C — Summary of LAFCO Staff Video Call (Unrecorded)
Summarizes staff's verbal description of current consultation practices, including statements regarding "conditioned annexation" and consultation timing.
Exhibit D — RO19-16 Documentation (2019 Annexation)
Provides a factual record of the 50.5-acre annexation in which no L-107 consultation occurred, no DUC survey was conducted, and LSFPD received no notice prior to recordation.
Exhibit E — OAS24-12 Timeline Documentation
Shows that LSFPD received no notice of the proposal and first became aware of it only through resident testimony at the September 23, 2025 LSFPD Board meeting.
Exhibit F — Summary of January 30, 2026 Meeting with Assemblymember Alvarez
Documents the legislative briefing, the Assemblymember's request for clarity regarding statewide consistency, and the designation of a point of contact.

Submission Statement

These exhibits are submitted in support of the District's request that the Commission review the implementation of Policy L-107 and determine whether current staff practice aligns with the adopted policy.

From: Sellen, Erica A <Erica.Sellen@sdcounty.ca.gov>
Sent: Thursday, February 12, 2026 2:01 PM
To: Kurt Worden <lsfpdistrict@gmail.com>
Cc: Simonds,Keene <Keene.Simonds@sdcounty.ca.gov>; Mumpower, Priscilla <Priscilla.Mumpower@sdcounty.ca.gov>; Aleks R. Giragosian <agiragosian@chwlaw.us>; ernesto.castaneda@asm.ca.gov; LaVelle, Kyle <Kyle.LaVelle@sdcounty.ca.gov>
Subject: RE: [External] Submission of Agenda Request Packet for March 2 Commission Meeting

Good afternoon Mr. Worden,

On behalf of the Executive Officer, please see attached response to your request.

Our Chair & Vice Chair are being notified as well (bcc).

If you have any questions, please let us know.

Thank you,

Erica A. Sellen

Commission Clerk

San Diego County LAFCO

2550 Fifth Avenue, Suite 725

San Diego, CA 92103

Main Line: (619) 321-3380

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

February 12, 2026

<u>Delivered by Electronic Mail</u>
Kurt Worden, Board President
Lower Sweetwater Fire Protection District
2725-B Granger Avenue
Lincoln Acres, California 91950

SUBJECT: Response to Request for Agenda Placement | Applying Policy L-107 and its Jurisdictional Coordination and Early Consultation Process for LAFCO File No. OAS-24-12 (2616 E 24th Street)

Dear Mr. Worden,

Thank you for your letter dated February 4, 2026, requesting placement of an item on an upcoming agenda regarding implementation of Policy L-107: Jurisdictional Coordination and Early Consultation. I acknowledge the accompanying issue summary and supporting materials submitted by Lower Sweetwater Fire Protection District (FPD), as well as the reference to the agency's recent meeting with Assemblymember Alvarez.

As you note in your letter, LAFCO staff responded to the FPD's inquiries on this matter on January 6, 2026, explaining our administrative position regarding the applicability of Policy L-107 to the pending annexation associated with the affected territory at 2616 East 24th Street in Lincoln Acres (File No. OAS24-12). This letter builds on the earlier response and, with the benefit of additional review, provides a formal determination.

Context and Procedural Background

The pending annexation proposal is not a discretionary filing initiated independently by the property owners or by National City. Instead, the pending annexation arises directly from a condition imposed by LAFCO in connection with its administrative authorization of an emergency out-of-agency service extension for wastewater service to the affected territory. This earlier authorization was issued pursuant to Government

Code Section 56133 and LAFCO's adopted policies in response to a documented public health and safety concern – specifically, the failure of the property's existing onsite septic system, and as an alternative to the landowner rehabilitating the septic system. The Commission ratified this administrative approval in November 2024 and – consistent with statute and longstanding practice – conditioned the service authorization on the property owners filing an annexation application as the permanent means of memorializing service responsibilities to the affected territory.

Application of Policy L-107

Policy L-107 establishes a pre-application consultation process to facilitate early identification and resolution of jurisdictional issues associated with proposed changes of organization or reorganization. The operative provision (Section 1) directs that "prior to submission of a proposal requesting LAFCO consideration of a change of organization or reorganization, the proposal applicant and representatives from affected public agencies… shall meet at the earliest possible stage." The policy further provides the Executive Officer may waive the consultation procedure "when it can be determined with certainty that there will be no possibility that the proposal in question will result in identified and unresolved jurisdictional issues."

LAFCO staff has consistently maintained – and I affirm in this communication – L-107's pre-application consultation requirements do not readily apply to this proposal for two independent reasons.

- First, the annexation filing is not a voluntary, independently initiated proposal of the type L-107 was designed to address. Instead, it is a compliance obligation imposed by the Commission itself. Requiring the applicant – who is filing at LAFCO's direction – to organize and fund a pre-application consultation process with third parties would be inconsistent with the policy's intent and would impose an unreasonable procedural burden on property owners who are complying with a LAFCO directive.

- Second, the Commission has already made the foundational jurisdictional determinations relevant to this territory through its adopted sphere of influence designations, and in doing so effectively resolving any jurisdictional questions L-107 is intended to proactively mitigate. Pertinently, the affected territory lies within National City's sphere of influence, reflecting the Commission's determination the City is the appropriate long-term service provider. LAFCO also designates a "zero" sphere for the FPD – signaling the Commission's policy interest in the FPD's eventual dissolution. These sphere determinations effectively resolve the core jurisdictional question L-107's pre-submittal consultation is designed to address.

Formal Determination

Based on the foregoing and exercising the discretion expressly vested in the Executive Officer under Section 1 of Policy L-107, I am formally waiving the pre-application consultation procedure for the pending annexation proposal associated with OAS24-12. This determination is grounded in the following factors:

1. The proposal originates from a LAFCO-imposed condition on an emergency service authorization and is not a voluntary application subject to L-107's pre-application consultation framework.

2. The Commission's existing sphere of influence designations for National City and FPD establish the jurisdictional framework for the affected territory, and the proposal is not expected to result in unresolved jurisdictional issues within the meaning of the policy.

3. The annexation proposal, when filed, will necessitate consideration of concurrent detachment of the subject territory from FPD consistent with the Commission's adopted sphere determinations, statutory requirements, and existing precedent.

4. FPD will be formally noticed and provided with a full opportunity to participate in the administrative review process as an affected agency consistent with state law and LAFCO's adopted procedures.

Notwithstanding all of the above, it is important to be clear the waiver of L-107's pre-application consultation process carries no bearing on the Commission's ultimate disposition of the annexation proposal itself once it is formally filed. Annexation to National City – and by extension, detachment from FPD – remains a fully discretionary action under statute. FPD will have the opportunity to address the Commission directly and make the case for why the proposed reorganization should not proceed.

Response to Agenda Placement Request

With respect to FPD's request to place this matter on the March 2, 2026 Commission agenda, I respectfully note the application of Policy L-107 to individual proposals is an administrative function within the Executive Officer's delegated authority. The determination provided in this letter represents a final staff-level decision on the applicability of L-107 to OAS24-12. Accordingly, staff does not intend to place this item on the agenda. However, consistent with your request, I have forwarded the matter to Chair Becker with the opportunity for her to redirect as appropriate.

We appreciate FPD's continued engagement with LAFCO's process. Should you wish to discuss this matter further, please do not hesitate to contact me or Assistant Executive Officer Priscilla Mumpower.

Respectfully,

Keene Simonds
Executive Officer

Attachment:
1) Lower Sweetwater FPD February 4, 2026 Request

cc:

Chair Kristi Becker, San Diego LAFCO
Vice Chair Barry Willis, San Diego LAFCO
Priscilla Mumpower, AEO, San Diego LAFCO
Aleks Giragosian, Counsel, San Diego LAFCO
Ernesto Castaneda, Assemblymember David Alvarez's Office
Kyle LaVelle, Supervisor Paloma Aguirre's Office

From: Kurt Worden <lsfpdistrict@gmail.com>
Sent: Friday, February 13, 2026 4:32 PM
To: Sellen, Erica A <Erica.Sellen@sdcounty.ca.gov>
Cc: Barry Willis < >; Delatorre, Marianne <Marianne.Delatorre@sdcounty.ca.gov>; ERNESTO CASTANEDA <ernesto.castaneda@asm.ca.gov>
Subject: [External] Transmittal of Follow-Up Letter to Chair Becker

Dear Ms. Sellen,

Attached is the District's follow-up letter to Chair Becker regarding our February 4 agenda-request packet and the implementation of Policy L-107. I am forwarding this for inclusion in the administrative record and for distribution to the Chair.

A hard-copy version of the same letter will also be mailed to the LAFCO office.

Please confirm receipt at your convenience. Thank you for your assistance.

Sincerely,
Kurt Worden,
President, Lower Sweetwater Fire Protection District.

LOWER SWEETWATER FIRE PROTECTION DISTRICT

February 13, 2026

To:
Chair Kristi Becker
San Diego Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

Re: Request for Commission-Level Review of Policy L-107 Implementation

Dear Chair Becker,

Thank you for receiving the Lower Sweetwater Fire Protection District's February 4 agenda-request packet regarding the implementation of Policy L-107: Jurisdictional Coordination and Early Consultation.

I am writing to respectfully follow up after receiving the Executive Officer's February 12 response. While we appreciate staff's perspective, the District's request was directed to the Commission because **Policy L-107 is a Commission-adopted policy**, and only the Commission may interpret, amend, or clarify its application.

The District's request is not about the merits of any individual proposal. It concerns the **alignment between the adopted policy language and current administrative practice**, including:

- The timing of jurisdictional consultation
- The introduction of exemptions not contained in the policy
- The absence of waiver findings in cases where consultation did not occur
- The statewide consistency implications identified during our January 30 meeting with Assemblymember Alvarez

These matters fall squarely within the Commission's policy-setting authority.

At the request of local residents, I attended a meeting on February 13 with Assistant Executive Officer Mumpower and Communications Associate Sainz. The discussion focused on resident understanding of the annexation process under the **Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Policy L-107 was not addressed**, and nothing in that discussion alters the District's request for Commission-level review.

For this reason, we respectfully renew our request that the Commission place this item on an upcoming agenda so that Commissioners may review the implementation of Policy L-107 and provide direction as appropriate. The District believes that a Commission-level discussion will support transparency, consistency, and alignment with statewide expectations.

Thank you for your consideration, and we appreciate your leadership on this matter.

Sincerely,

Kurt Worden, Board President
Lower Sweetwater Fire Protection District
lsfpdistrict@gmail.com • 619-245-4550

CC:
Vice Chair Barry Willis
Commissioners
Executive Officer Simonds
Assistant Executive Officer Mumpower

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

7b
AGENDA REPORT
Business | Action

April 6, 2026

TO: Chair Becker and Commissioners

FROM: Priscilla Mumpower, Assistant Executive Officer
Joelle Burila, Analyst I

SUBJECT: **Alliance of LAFCOs Update and Proposed Next Steps**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive an update on the ongoing efforts of the Alliance of Local Agency Formation Commissions (Alliance). Staff recommends the Commission affirm its continued participation in the Alliance under the existing Memorandum of Understanding (MOU) framework and reappoint Chair Becker and Vice Chair Willis as the Commission's representatives. Staff also recommends the Commission authorize the Executive Officer to engage, on the Commission's behalf, in the formation of a new nonprofit organization along with the three partnering LAFCOs (Los Angeles, Orange and San Bernardino). Additionally, staff requests conceptual approval of the proposed governance and administrative structure, dues model, and a two-year funding commitment of $30,000 divided equally between Fiscal Year 2027 and Fiscal Year 2028.

BACKGROUND

Previous CALAFCO Membership

CALAFCO is a non-profit 501(c)(3) organization created in 1971 to assist member LAFCOs with learning and related resources as well as legislative advocacy. A 16-member Board governs

Administration
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, California 92103
T 619.321.3380
E lafco@sdcounty.ca.gov
www.sdlafco.org

CALAFCO and appoints a full-time Executive Director to manage daily operations.[1] Annual member dues serve as the organization's primary revenue source. Starting in 2024, LAFCO staff reported concerns to the Commission involving CALAFCO and increasing Board dysfunction and diminishing focus on membership services. Concerns were shared with CALAFCO but did not result in any substantive responses. As a result, in consultation with the Commission, the Executive Officer provided notice in February 2025 of San Diego LAFCO's decision to not renew its membership for FY 2025-2026.

Memorandum of Understanding for Substitute Services

Following notice of non-renewal with CALAFCO, the Commission authorized the Executive Officer to enter into an MOU in May 2025 establishing a partnership with three other southern region LAFCOs – Los Angeles, Orange, and San Bernardino – which have also paused their CALAFCO memberships. The MOU establishes a cooperative framework among the four charter members (Los Angeles, Orange, San Bernardino, and San Diego LAFCOs) – also known as the Alliance – to jointly pursue shared services such as information exchange, legislative advocacy and professional networking. Governance is carried out by a consensus-based committee of the four Executive Officers, with equal cost-sharing and an annual commitment of up to $10,000 per agency. The MOU expires at the end of this fiscal year – June 30, 2026.

Since the Alliance formed in July 2025, key milestones include:

- Initial Workshop held March 24, 2026
- Membership Listserv
- Legislative Advocacy and Lobbying Services Contract Executed with Politico Group
- Joint Request for Proposals for Audit Contract and Subsequent Selection

A copy of the agreement is provided as Attachment One.

DISCUSSION

This item is for San Diego LAFCO to receive an update on the Alliance and explore next steps in evolving the MOU partnership. The following provides a conceptual overview of the potential transition from the current MOU framework to a more formalized structure through a nonprofit organization. Remaining under an MOU presents limitations, including the absence of legal entity status, restricted ability to contract and expand services, and continued administrative inefficiencies, such as requiring one LAFCO to hold contracts on behalf of the group and seek reimbursement from partners. A nonprofit organization such as a 501(c)6 is being considered to provide a formal organizational structure for coordinated legislative advocacy and lobbying, the Alliance's primary focus, which enables direct contracting for professional services, demonstrates long-term commitment, and supports complementary educational and information-sharing activities. Additional details follow.

[1] In February 2026, the Board approved structural changes, including the elimination of board seat type categories and allowing Executive Officers as eligible voting members. Board seats are up for reelection in October 2026.

Proposed Conceptual Alliance Structure

The following summarizes the proposed conceptual structures under consideration:

Governance Structure

- Establish a 12-member board comprised of the four (4) Executive Officers (voting members) and eight (8) Commissioners (two from each participating county).
- Contemplates centralizing formal voting authority with the Executive Officers to streamline governance and preserve the Alliance's existing consensus-oriented decision-making culture.

Administrative Structure

- First two years will be supported through member agency staff contributions on a volunteer basis (i.e., analysts, associates, and clerks).
- Each LAFCO is anticipated to contribute approximately 120 staff hours annually (10 hours per month) during FY27 and FY28.
- Staff support will focus on the following key tasks:
  - Quarterly Alliance Meetings
  - Legislative Committee Meetings
  - Annual Workshop
  - Managing Legislation Contract with Politico

Financial Structure

- Equal cost-sharing contributions among four charter member LAFCOs, not to exceed an annual commitment of $15,000 per agency for FY27 and again in FY28.
- Funding will support advocacy, workshops, and professional services.

The Alliance anticipates expanding beyond the four charter LAFCOs, with membership focused on agencies aligned with its purpose and approach. These structures remain conceptual and will be refined in coordination with the Alliance of LAFCOs.

ANALYSIS

The proposed action represents a timely and measured next step building on the Alliance's successful first year under the existing MOU. The effort is envisioned as a two-year transition, during which the MOU would remain in place while the Alliance evaluates the formation of a nonprofit organizational structure. This approach provides capacity needed to advance the Alliance's core advocacy mission, while remaining complementary – rather than duplicative – to the role of CALAFCO. The Alliance is not intended to replace CALAFCO membership for any agency that chooses to maintain it, but rather to provide a focused platform for legislative advocacy among like-minded LAFCOs. Most notably, the proposed structure is intended to enhance participating agencies' collective ability to engage and contribute at a broader legislative level.

RECOMMENDATION

Staff recommends the Commission approve San Diego LAFCO's continued participation in the Alliance under the existing MOU through fiscal year 2028, including reappointment of Chair Becker and Vice Chair Willis as the Commission's representatives; authorize the general organizational framework of a nonprofit entity, such as a 501(c)(6); and approve a combined two-year funding commitment of $30,000 for fiscal years 2027 and 2028.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO:

<u>Alternative One (Recommended):</u>
Approve the proposed recommendation to include all of the following:

(1) Support continued participation in the Alliance under the existing Memorandum of Understanding – including reappointments as described; and,
(2) Authorization for the Executive Officer to participate on behalf of the Commission in forming a non-profit organization such as a 501(c)(6); and,
(3) Approve a two-year funding commitment of $15,000 annually for FY27 and FY28.

<u>Alternative Two:</u>
Continue consideration of the item to a future meeting and provide direction to staff for additional information as needed.

<u>Alternative Three:</u>
Take no action.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda for discussion and possible action as part of the business calendar. The following procedures are recommended:

1) Receive verbal presentation from staff unless waived.
2) Invite comments from interested audience members if any.
3) Discuss and provide general feedback as needed.

On behalf of the Executive Officer,

Joelle Burila

Joelle Burila
Analyst I

<u>Attachment:</u>

1) Alliance of LAFCOs Memorandum of Understanding (April 2025)

MEMORANDUM OF UNDERSTANDING

LOS ANGELES, ORANGE, SAN BERNADINO, and SAN DIEGO LOCAL AGENCY FORMATION COMMISSIONS

This Memorandum of Understanding ("MOU") is made and entered into as of July 1, 2025 ("Effective Date") by and between the Los Angeles, Orange, San Bernadino, and San Diego Local Agency Formation Commissions ("LAFCOs") and are sometimes individually referred to as "Party" and collectively as "Parties.

RECITALS

A. Los Angeles, Orange, San Bernardino, and San Diego LAFCOs are local subdivisions of public agencies in the State of California and are periodically in need of services that can be provided more efficiently or conveniently through collaboration or partnership of the Parties.

B. The Parties desire by this MOU to establish the terms for each Party to provide and receive the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. MOU Composition. The Parties agree the composition of the MOU is limited to Los Angeles, Orange, San Bernardino, and San Diego LAFCOs. Additional LAFCOs may be added to the MOU composition by amendment if unanimously approved by the MOU Committee as provided in Section 3.

2. Services. The Parties will work together to identify potential services that could be delivered more efficiently through collaboration or partnership. Some of the potential services to be provided include:

   - Information exchanges.
   - Continuing education involving LAFCO statutes.
   - Training on best practices in local government.
   - Professional networking.
   - Legislative advocacy.

3. Decision-Making. The Parties agree to an MOU Committee consisting of each Party's Executive Officer responsible for organizing all related services herein. Decision-making will be based on Committee consensus – whether by majority or unanimity of the members. The MOU Committee will hold quarterly meetings to discuss and plan services as needed. An Executive Officer may appoint a delegate from their respective LAFCO to serve as the Executive Officer's Alternate on the MOU Committee in the event the Executive Officer is unavailable.

4. Cost-Sharing. The Parties agree to equally contribute to all costs associated with services provided through the MOU. Costs will be appropriated among the Parties for their direct payments to any outside vendors and consultants and/or through reimbursements paid between the Parties.

5. Cost-Commitment. To help inform decision-making, each Party agrees to budget and otherwise make reasonably available $10,000 annually to contribute towards services provided under this MOU. All reasonable efforts shall be made by the MOU Committee to achieve unanimous decisions in providing services and generating associated costs to the Parties.

6. Sponsoring Outside Vendors. The Parties understand it may be necessary for one Party to sponsor an outside vendor (e.g., consultant, conference center, etc.) on behalf of all Parties in securing services provided under this MOU. The Parties agree to reasonably share these sponsorship needs while also making good-faith efforts to expedite reimbursement payments.

7. Maintenance of Records. Any books, documents, papers, and other evidence pertaining to costs incurred in implementing this MOU and associated services shall be maintained by each Party in line with the respective Party's appropriate local policy.

8. Retention of Employee Status. Any Party providing MOU services through their own employees shall remain employees of that Party at all times.

9. Compensation. No Party shall receive any compensation associated with implementing this MOU other than reimbursements involving the services described herein.

10. Performance of Services. The MOU Committee shall be solely responsible for determining the scope and timing of services provided through this MOU.

11. Term. The MOU shall become effective on July 1, 2025 and shall continue until termination as provided below.

    a) Any Party may terminate their participation in this MOU with or without cause upon thirty (30) calendar days' written notice to the other Parties.

b) Notwithstanding the above provision, the Parties agree to good-faith efforts to time any decision to terminate their participation in this MOU to coincide with the end of the fiscal year – June 30th.

12. Compliance with Law. Each Party shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government as applicable in implementing this MOU.

13. Notice. Any notice to be given or delivered by this MOU shall be done whenever possible by e-mail to the following Party representatives:

Los Angeles LAFCO
Paul Novak, Executive Officer
80 South Lake Ave, Suite 870
Pasadena, CA 91101
pnovak@lalafco.org

Orange LAFCO
Luis Tapia, Interim Executive Officer
2677 North Main, Suite 1050
Santa Ana, CA 92705
ltapia@oclafco.org

San Bernardino LAFCO
Samuel Martinez, Executive Officer
1601 E. 3rd Street, Suite 102
San Bernardino, CA 92415
smartinez@lafco.sbcounty.ca.gov

San Diego LAFCO
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, CA 92103
keene.simonds@sdcounty.ca.gov

IN WITNESS WHEREOF, the Parties agree to this MOU.

Los Angeles LAFCO
Paul Novak, Executive Officer

Date: April 10, 2025

Orange LAFCO
Luis Tapia, Interim Executive Officer

Date:

San Bernardino LAFCO
Samuel Martinez, Executive Officer

Date: April 16, 2025

San Diego LAFCO
Keene Simonds, Executive Officer

Date: April 10, 2025

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