SAN DIEGO LAFCO

COMMISSION MEETING
AUGUST 3, 2026

SAN DIEGO LAFCO

Agenda Item No. 6a

Proposed SOI Actions: City of Carlsbad, Carlsbad MWD, and City of Oceanside

8/3/2026

Background

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Statutory Requirements

Government Code requires LAFCO to periodically review, and as appropriate update, the spheres of influence for cities and special districts.



Purpose of a Sphere of Influence

Reflects the Commission's determination of an agency's probable future boundary and service area — the principal planning framework for boundary changes and out-of-agency service extensions.



June 15, 2026 Service Review

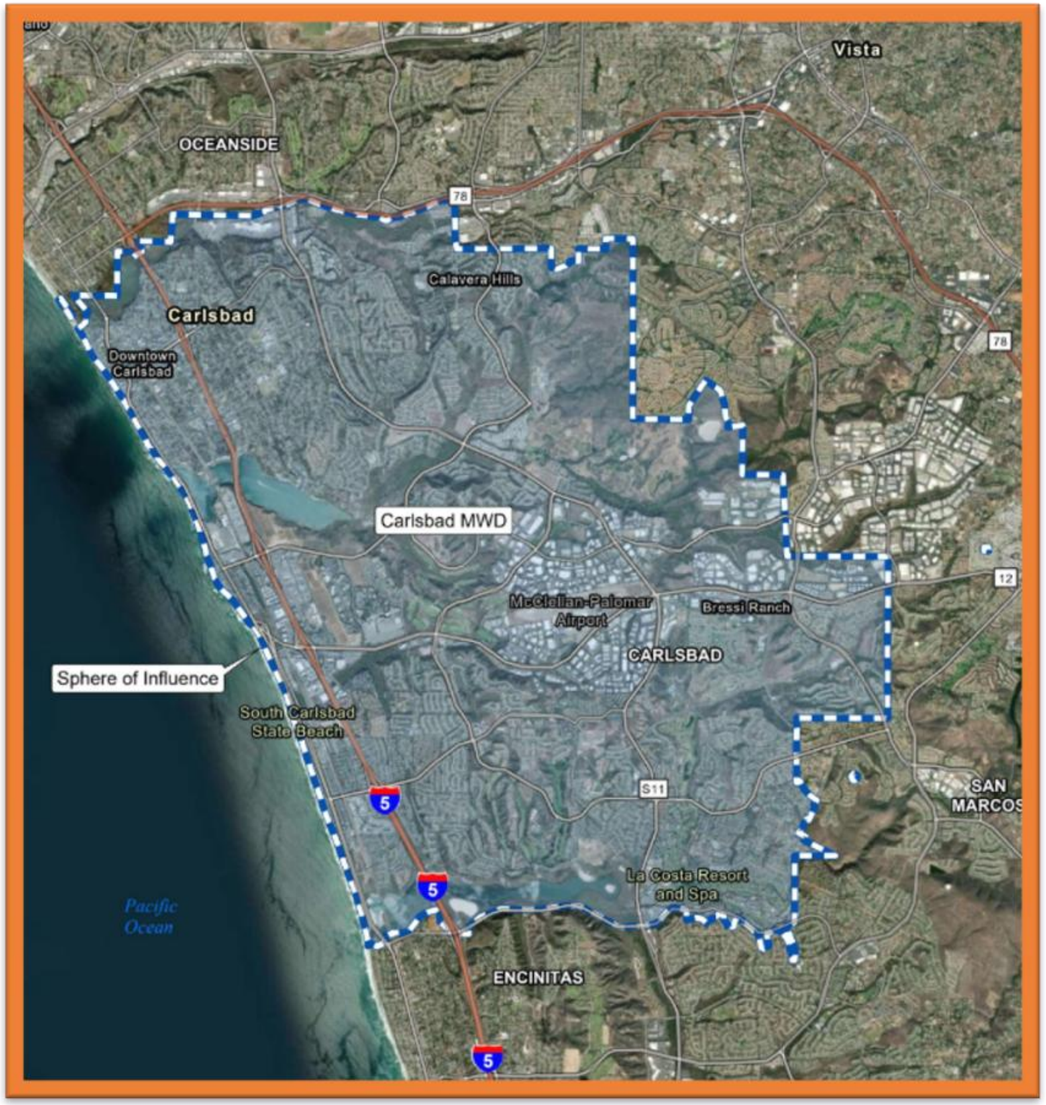
Evaluated governance, financial condition, service capacity, and future service needs of the City of Carlsbad and the Carlsbad MWD.

Staff Recommendation 1

Reaffirm Existing Spheres of Influence

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Staff Recommendation 2

Establish New Special Study Area

One Special Study Area—three subareas—identified where jurisdictional boundaries & service relationships don't align (~ 123 acres)

- Recognizes locations where future jurisdictional consideration may be appropriate.
- Does not modify jurisdictional boundaries, transfer service responsibilities, or predetermine future Commission action.
- Would allow the Commission to consider concurrent sphere and jurisdictional changes later without a new service review.

Proposed Special Study Area

(Subareas A, B, + C)





Example

The Inns at Buena Vista Creek





Staff Recommendation

CEQA: Section 15061(b)(3) — planning determinations only; no development authorized, no land use designations altered, no services extended.

1. Update, without change, the spheres of influence for the City of Carlsbad and the Carlsbad MWD.
2. Establish the proposed special study area affecting the spheres of influence of Carlsbad, CMWD, and the City of Oceanside.
3. Make a general rule exemption finding under State CEQA Guidelines Section 15061(b)(3).
4. Direct Executive Officer to administratively record the sphere actions after the 30-day reconsideration period.

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Comments/Questions?

8/3/2026

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COMMISSION MEETING
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Agenda Item No. 6b

Proposed “Turner - Oak Creek Drive Reorganization”

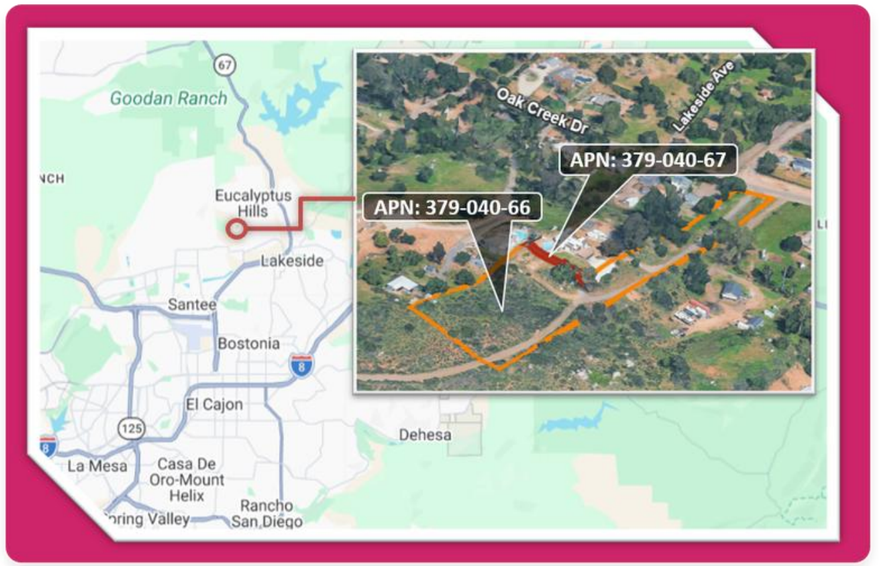
8/3/2026

Proposal Overview

Turner - Oak Creek Drive Reorganization

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Two Adjoining Parcels Totaling 2.37 Acres, Initiated by Resolution of Lakeside Water District in the Unincorporated Territory in Greater Lakeside.



10780 Oak Creek Dr

Turner – 2.32 Acres
Requesting Potable Water for One Single-Family Residence

10784 Oak Creek Dr

Youkhanna – 0.05 Acres
Boundary Enhancement to include backyard of existing residence

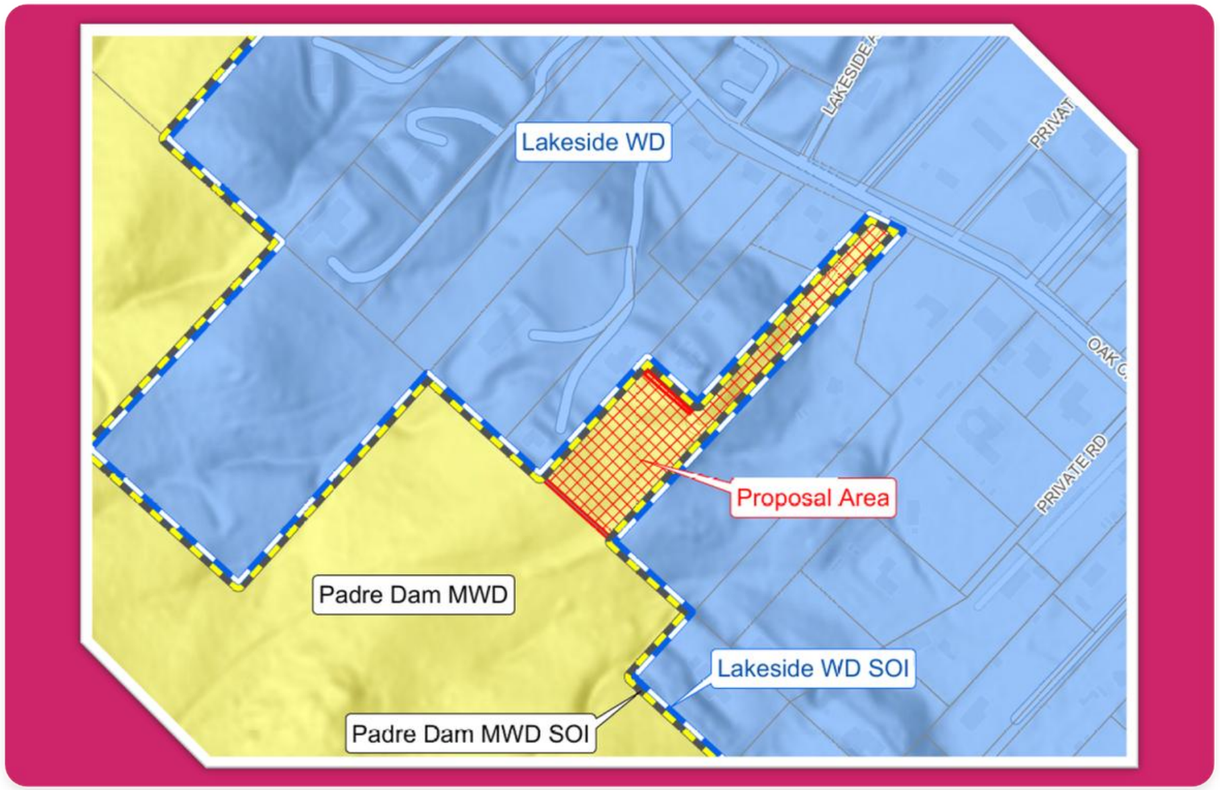
Actions Requested

Annex to Lakeside WD,
Detach Padre Dam MWD
& Conforming SOI Amendments

Proposal Timing

Turner - Oak Creek Drive Reorganization

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SERVICE NEED
Padre Dam MWD Service Not Accessible And Cost-prohibitive

SERVICE CAPACITY
Lakeside WD Main ~10 Ft From Property Line

FINANCIAL RESOURCES
Lakeside WD Has Adequate Financial Resources & Unaffected By Extending Service

ENVIRONMENTAL JUSTICE
Extends Regulated Public Drinking Water To An Area With Elevated Drinking-water Contaminant Levels

Timing: *Turner (2.32 acres) – Plans for onesingle-family residence under SR-1 zoning*

Youkhanna (0.05 acres) – To align the district boundary with the existing property

Proposal Terms

Turner – Oak Creek Drive Reorganization

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MSR Waiver

Limited Scope of Impacts
Under Policy L-106



Conforming SOI Amendments Include (+)

Contiguous to Lakeside WD's
Boundary & Sphere of Influence



Conforming SOI Amendments Exclude (-)

Contiguous to Padre Dam MWD's
Boundary & Sphere of Influence

Staff Recommendation

Recommendations

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1

Adopt the Resolution

Conditional Approval for Reorganization + Conforming Sphere Amendments

2

Waive MSR Requirement

Under Policy L-106 – Limited Scope of Sphere Amendments

3

Waive Protest Proceedings

Under Government Code Section 56662

4

Adopt CEQA Exemptions

Sections 15320 & 15061(b)(3)

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Agenda Item No. 6b
Comments/Questions?

8/3/2026

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COMMISSION MEETING
AUGUST 3, 2026

SAN DIEGO LAFCO

Agenda Item No. 7a

Outside Audit Report on Fiscal Year 2025

8/3/2026

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Outside Audit Report on Fiscal Year 2025

Prepared by Davis Farr LLP (Irvine)

Financial Statements for the year ended June 30, 2025

Keene Simonds, Executive Officer | Erica Sellen, Commission Clerk

Clean Opinion on the FY25 Statements

Davis Farr LLP audited the financial statements for the year ended June 30, 2025.

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Unmodified

Opinion on the financial statements

None

Material weaknesses in internal control

None

Instances of reportable noncompliance

The agenda item before the Commission has three parts.

3

The audited financial statements
A communication on the conduct of the audit and significant audit matters
Report on internal control and compliance under Government Auditing Standards

Fund Balance Closed at $1.58 Million

The year-end decrease is a product of Commission action, not an operating deficiency.

1 2 3 4 5 6 7 8 9

$1,577,977

Fund balance at June 30, 2025

–$129,971

Decrease from the prior fiscal year (–7.6%)

$52,407

Of the authorization left unspent

$

The draw-down on the fund balance was authorized in two parts.

$63,132 was authorized in adopting the FY 2024-25 budget to moderate the increase in member agency apportionments, and a fourth-quarter amendment authorized an additional $119,246 for professional services costs. Actual use finished $52,407 below the $182,378 authorized. The closing balance remains above the eleven-year average of $1,539,984.

Net Position and Two Uncorrected Misstatements

Neither misstatement affects the auditor's opinion or requires a change to the audited statements.

1 2 3 4 5 6 7 8 9

Net Position at June 30, 2025

–$65,228

Includes accrued long-term liabilities, primarily employee retirement costs.

- Prior audited close: –$94
- Restatement of beginning net position for GASB Statement No. 101: –$40,959
- Current-year decrease: –$24,175
- Total change: –$65,134

Uncorrected Misstatements Totaling $12,500

1 $2,500 · Accounts payable timing

An invoice recorded entirely in FY25 that covered service days in the following year. Reverses on its own in FY26.

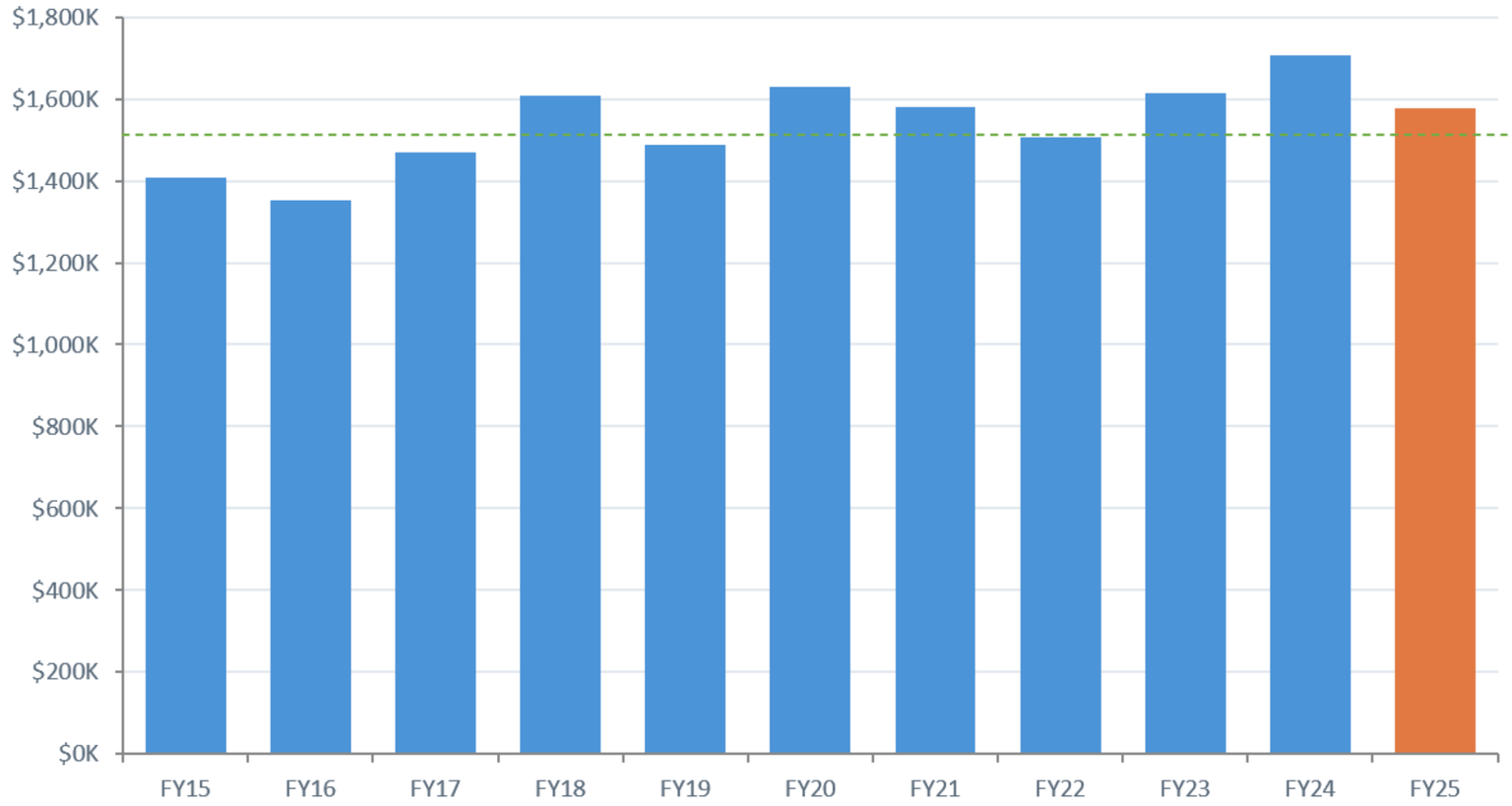
2 $10,000 · Payroll tax on accrued leave

Newly reportable under GASB Statement No. 101. Staff will record it as part of the FY26 close.

Immaterial individually, and in the aggregate as a whole.

Context: 11 Years of Fund Balance

Unrestricted fund balance, FY2015 through FY2025.



Pretty Consistent…

$1,539,984

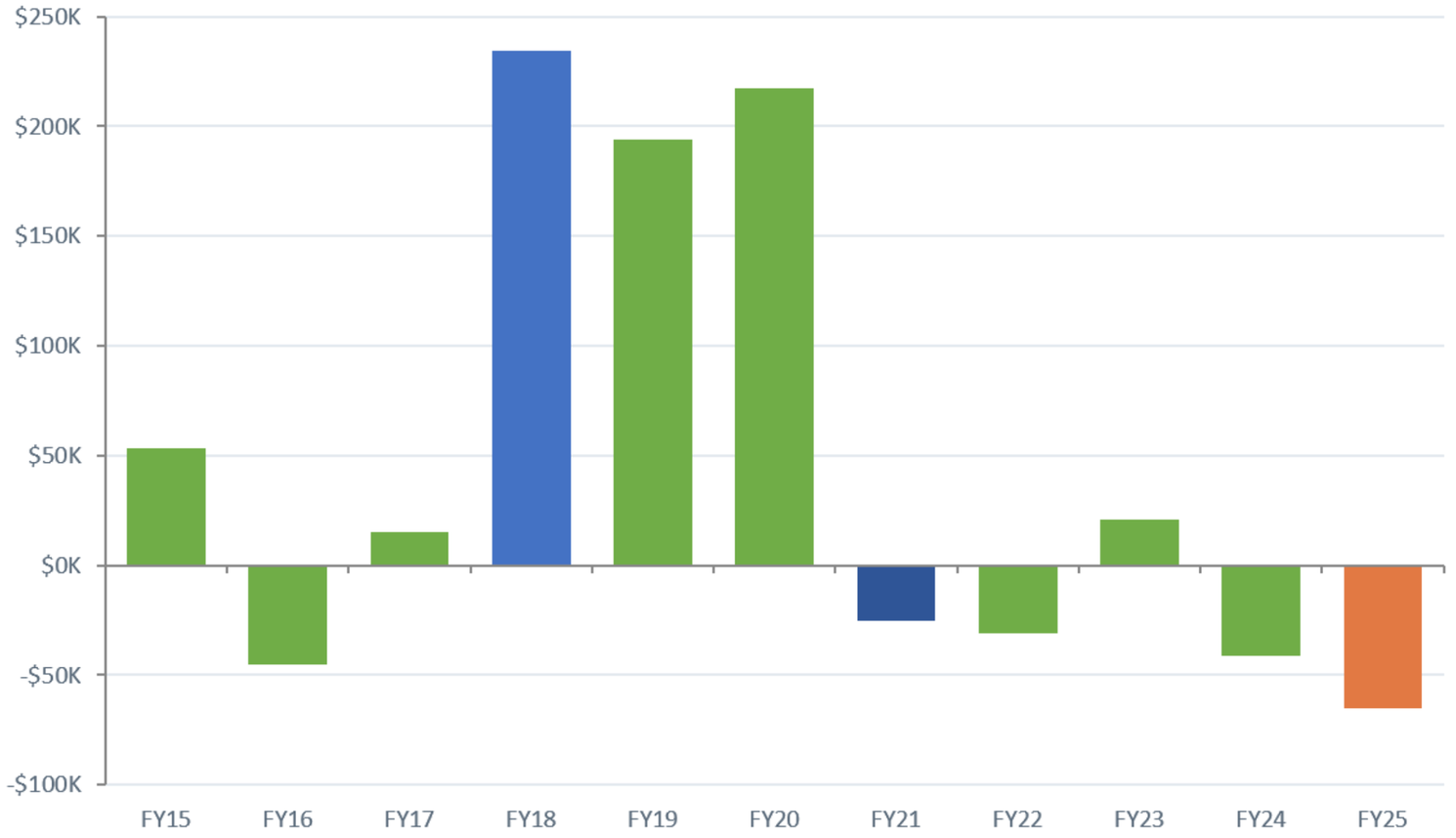
Eleven-year average

Range across 11 years:

- Low of $1,352,724 (FY16) to high of $1,707,948 (FY24)
- FY25 closes at $1,577,977 – above the eleven-year average

Context: 11 Years of Net Position

Net position moves with long-term liabilities and accounting standards more than with operations.



Key Changes

FY18 — A Sizeable Improvement

Attributed to the operating net coupled with a sizeable decrease in long-term liabilities, specifically compensated absences.

FY21 — Retiree Liabilities Reassigned

The change is attributed to a 31% increase in LAFCO's assigned portion of retiree liabilities by the San Diego County Employees Retirement Association.

FY25 — GASB 101 Implementation

A $40,959 restatement of beginning net position plus a $24,175 current-year decrease.

Alternatives for Action

Staff recommends Alternative One

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RECOMMENDED

Alternative One

1. Receive the outside audit report and accompanying communications from Davis Farr LLP for Fiscal Year 2025.
2. Accept and file the report as presented.

Alternative Two

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

Procedures

- Receive verbal presentation from staff unless waived
- Invite comments from interested audience members
- Discuss and consider the recommendation

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Agenda Item No. 7a
Comments/Questions?

8/3/2026

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COMMISSION MEETING
AUGUST 3, 2026

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Agenda Item No. 7b

Proposed Update to the Rolling Five-Year Study Schedule

8/3/2026

Proposed Draft Update to Rolling Five-Year Study Schedule

1 2 3 4 5 6 7 8 9

- **Annual** update to advance planning horizon by one year:
  - FY2026-2030 ➡ **FY2027–2031**

- Reflects:
  - FY**2026–2027 adopted workplan**
  - Recently **completed studies**
  - **Prior Commission direction**
  - **Evolving service delivery** models

- Framework Remains Unchanged:
  - **Years 1–2:**
    Authorized & funded studies
  - **Years 3–5:**
    Long-range planning horizon

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

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

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Carlsbad + Encinitas Region

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

San Marcos + Vista Region

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

San Diego County Healthcare Services

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

~~Wholesale Water Service Providers~~

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

City of San Diego

South Coast Region

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

Del Mar + Solana Beach Region

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

San Diego Association of Governments (SANDAG)

San Diego Unified Port District

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

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Continuing Studies:

- Healthcare Services
- SANDAG
- SD Unified Port District
- San Marcos/Vista
- Del Mar/Solana Beach
- Encinitas Subregion

Refinements:

- **Completed:**
  - Carlsbad Subregion completed & removed
- **Split & Reprogrammed to FY 2030 & 2031:**
  - Wholesale Water MSR → Individual MSRs: CWA + MWD
- **Expanded:**
  - Healthcare study expanded to two-part study
- **Advanced:**
  - City of San Diego & South Coast Part II advanced
- **Shifted to FY 2029:**
  - Rancho Santa Fe Region, Wastewater Joint Powers Authorities, Silver Strand Cities, and Public Transit Services reviews

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

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2028–2029: TENTATIVE

SOUTHWEST COUNTY FOCUS

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

San Diego County Wastewater JPAs
- Encinitas JPA
- San Elijo JPA
- Metro JPA

Silver Strand Cities
- City of Coronado
- City of Imperial Beach

Public Transit Services
- North County Transit District
- Metropolitan Transit Service

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

Reviews Shifted to FY 2029

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

Expanded & Advanced

- Cemetery **Services** Review

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

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2029–2030: TENTATIVE

EAST COUNTY FOCUS

Otay WD

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

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

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

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

San Diego County Sanitation District

Countywide Recycled Water Services

San Diego County Airports

Metropolitan Water District of Southern CA

Countywide Police Protection Services

2030–2031: TENTATIVE

MISCELLANEOUS

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

San Diego County Water Authority

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

San Diego County Flood Control District

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

Borrego Region
- Borrego WD
- Coachella Valley WD

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

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

Mosquito Abatement + Vector Services

New Study

- Mosquito Abatement & Vector Services

Re-programmed Studies

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

Proposed Rolling Study Schedule

BALANCED PROGRAMMING

NEAR TERM
Absorbable

Carlsbad subregion MSR completed

Wholesale review reprogrammed

Four studies shifted to FY 2029

LONG RANGE
Appropriate

SOI alignment maintained on the cycle State law contemplates

Expansion of studies respond to evolving service models

Stable wholesale boundaries

Future authorization of MSR initiation required

Today's Ask of the Commission

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Approve the proposed five-year study schedule

Subject to any desired changes.

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Agenda Item No. 7b
Comments/Questions?

8/3/2026

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COMMISSION MEETING
AUGUST 3, 2026

SAN DIEGO LAFCO

CLOSED SESSION

STREAMING WILL RESUME SHORTLY

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COMMISSION MEETING
AUGUST 3, 2026

Logo Refresh & Website Redesign

SAN DIEGO LAFCO EST. 1963



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COMMISSION MEETING
AUGUST 3, 2026



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