

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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DATE: SEPTEMBER 7, 2010
FROM: SAMUEL MARTINEZ, Senior LAFCO Analyst
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #10B: LAFCO 3146 – Sphere of Influence Amendment
(expansion) for County Service Area 42

Agenda Item #10C: LAFCO 3147 – Reorganization to Include
Annexations to County Service Area 42 (Oro Grande School District –
Riverside Preparatory School)

INITIATED BY:

Property owner petition

RECOMMENDATION:

The staff recommends that the Commission approve LAFCO 3146 and 3147 by taking the following actions:

1. Certify that LAFCO 3146 and 3147, are statutorily exempt from environmental review and direct the Executive Officer to file the Notices of Exemption within five (5) days;
2. Approve LAFCO 3146, sphere of influence expansion for County Service Area 42;
3. Adopt LAFCO Resolution #3109 setting forth the Commission's findings and determinations for LAFCO 3146;
4. Approve LAFCO 3147, with the standard terms and conditions;
5. Waive protest proceedings, as permitted by Government Code Section 56663(c), with 100% landowner consent to the reorganization; and,
6. Adopt LAFCO Resolution #3110 setting forth the Commission's findings, determinations, and conditions of approval concerning the reorganization proposal, LAFCO 3147.

BACKGROUND:

In November 2009, the Oro Grande School District (School District) submitted a property owner petition to LAFCO requesting a sphere of influence (sphere) expansion and annexation to CSA 42 of two of its properties, Assessor Parcel Number (APN) 0468-241-01 and 0468-222-27. On APN 0468-241-01, the School District is currently building a junior high school and a high school, which requires potable water supply and sewer connection. Therefore, LAFCO 3147 (and its companion sphere expansion proposal, LAFCO 3146) is in response to the proposed development need to connect to County Service Area (CSA) 42's water and sewer facilities.

As part of the proposed sphere expansion and reorganization, the School District is also including APN 0468-222-27, which is a part of its larger school site – currently used as a means to access a parking area and the bus loading area of the school. Although, no development is anticipated on this parcel, the School District has opted to include it as part of the overall request in case the need for services arises in the future.

LAFCO 3146 is a proposal to expand CSA 42's sphere and LAFCO 3147 is a reorganization proposal to annex two separate areas into CSA 42, which is generally located in the north desert region of the County - within the community of Oro Grande (see Figure 1 below). Location and vicinity maps are included as Attachment #1 to this report.

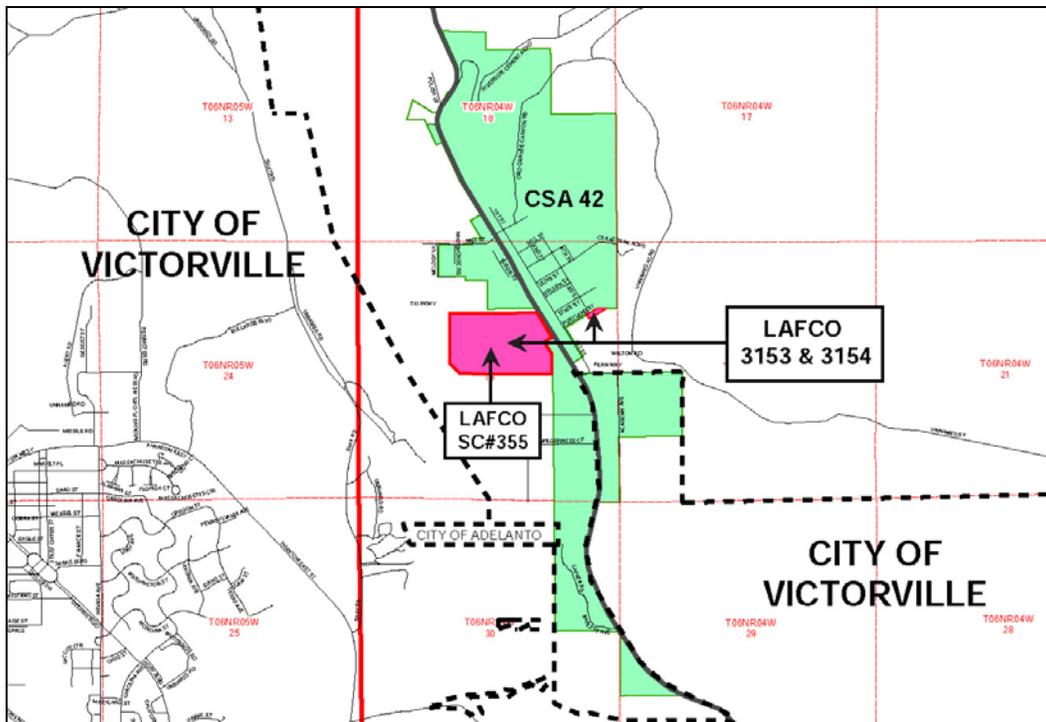


FIGURE 1 – Vicinity Map

Issue Regarding Water and Sewer Service Delivery to the School Parcel:

LAFCO Staff was recently made aware of the delivery of water and sewer to the school site parcel prior to consideration of LAFCOs 3146 and 3147. Although the school is still currently under construction, the School District began using the school premises for the current school year, which officially started August 2, 2010. In order to do so, the School District had to install temporary modular building units on the site and other improvements, including the actual connection to CSA 42's water and sewer facilities.

LAFCO staff informed the School District and CSA 42 that the extension of water and sewer service to the school site prior to approval of the sphere expansion and the reorganization was inappropriate pursuant to the provision of Government Code Section 56133. In order to correct this issue, LAFCO staff required CSA 42 to submit an out-of-agency service extension request for the school site parcel as a temporary measure, until the sphere expansion is approved and the reorganization proposal is completed. Authorization of the out-of-agency service agreement (LAFCO SC#355, Item #10A on this agenda) will allow CSA 42 to provide the service outside its boundary and/or its sphere pursuant to Government Code Section 56133(c).

Both LAFCOs 3146 and 3147 are being discussed within this single report since the areas being considered for both proposals are identical. As a result, the "factors of consideration" for the sphere of influence expansion and the required reorganization determinations are included within this single report.

BOUNDARIES:

The sphere expansion/reorganization consists of two separate areas totaling approximately 57.09 acres. The two areas are generally described as follows:

- Area 1 (shown on Figure 2 below) includes the entirety of APN 0468-241-01 and is comprised of approximately 56.36 acres generally bordered by National Trails Highway (existing CSA 42 boundaries) on the east, and parcel lines on the south, west, and north. As identified earlier, the parcel is currently being developed as a junior high and a high school facility.
- Area 2 (shown on Figure 2 below) includes the entirety of APN 0468-222-27 and is comprised of approximately 0.73 acres generally bordered by Portland Street and its natural extension along the terminus of 3rd Street (existing CSA 42 boundaries) on the north, and parcel lines on the east, south, and west. The parcel is currently vacant and is currently used as a means to access the School District's bus parking facility which is only accessible

Both areas are contiguous to CSA 42's existing boundaries and sphere.

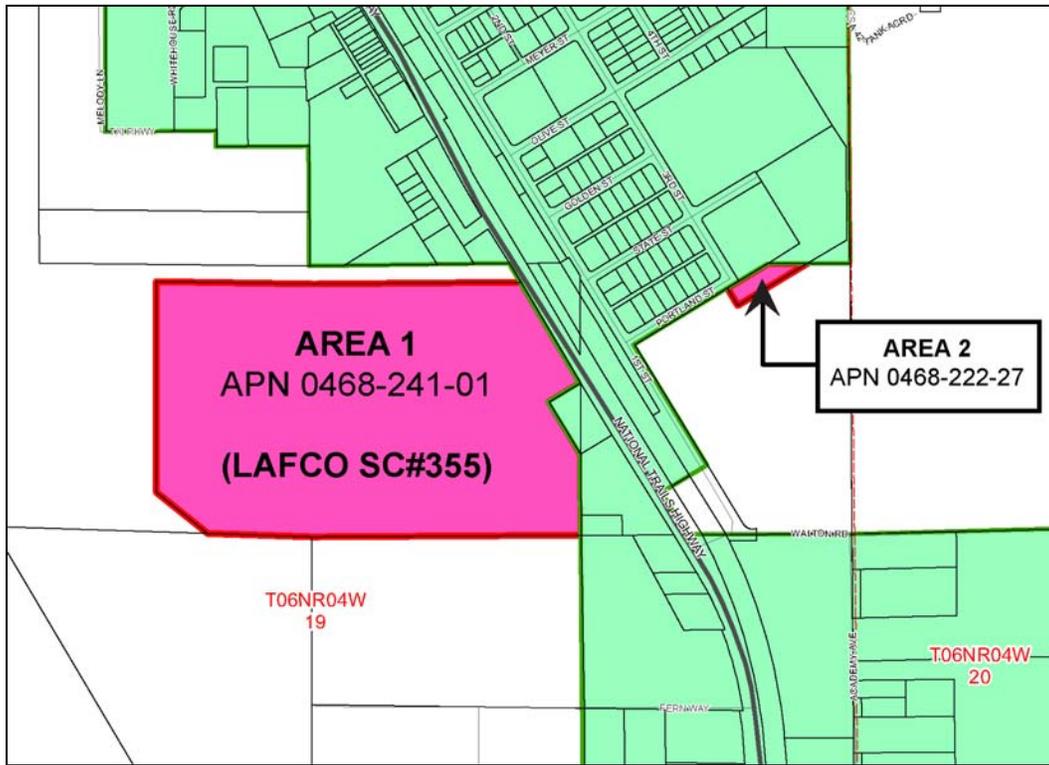


FIGURE 2 – Detail Map

ENVIRONMENTAL CONSIDERATIONS:

As the CEQA lead agency, the Commission’s Environmental Consultant, Tom Dodson from Dodson and Associates, has reviewed LAFCO 3146 and 3147 and has indicated that it is his recommendation that the review of these proposals are statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the Commission’s approval of the sphere of influence amendment and reorganization does not appear to have any potential to alter the existing physical environment in any manner different from the existing environmental circumstance; and therefore, the proposals are exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3).

SPHERE OF INFLUENCE REVIEW PROPOSAL (LAFCO 3146)

The balance of this report provides staff responses to the “factors of consideration” required by State law for sphere of influence amendment proposal as outlined in Government Code Section 56425. Pursuant to the Commission’s policy (Policy #33), LAFCO staff does not believe a Service Review for CSA 42’s minor sphere amendment is required since the subject territory is currently within a sphere of an appropriate wholesale water provider for the area (Mojave Water Agency) and no objection has been received from any agency that provides water service whose sphere underlies or is adjacent to the area.

County Service Area 42

CSA 42 is a dependent special district managed and operated by the County's Special Districts Department. CSA 42 provides water, sewer, park and recreation, and streetlighting services within the Oro Grande community.

Factors of Consideration:

The present and planned land uses in the area

The existing land uses within CSA 42 include a mix of vacant lands, agricultural, industrial (related to mining), commercial and residential development. The County's land use designations for CSA 42's service area include: IR (Regional Industrial), CN (Neighborhood Commercial), RL (Rural Living, 2.5 acres minimum lot size), RL-5 (Rural Living, 5 acres minimum lot size), and RS-10 (Single Residential, 10,000 sq. ft. minimum lot size), and AG (Agricultural).

The school proposed for Area 1 is currently under construction with modular buildings existing on-site while the parcel used for access (Area 2) is currently vacant. The County's land use designation for Area 1 is RL and the land use designation for Area 2 is RL-5. The proposed use of the area as a school is consistent with the County's existing land use for the area since the siting of a school is allowed in any residential land use district. No change in land use is anticipated and the development of a school is allowed on both existing land uses; therefore, both areas are compatible with the County's existing land use designations assigned for each area.

The present and probable need for public facilities and services in the area

Currently, CSA 42 meets the service needs of those within its service area. However, through the sphere amendment, additional service needs have been identified for the expansion area. A feasibility study was prepared for LAFCO 3146 (and its companion reorganization proposal, LAFCO 3147) that addresses the connection to CSA 42's existing water and sewer facilities and how the proposed school is to be served.

The overall sphere expansion area already receives and/or benefits from streetlighting and park and recreation services provided by CSA 42.

The present capacity of public facilities and adequacy of public services that the agency provides

The feasibility study prepared for the extension of service indicates that CSA 42 is capable of providing water and sewer service to the school site parcel subject to completion of the required on-site and off-site improvements. In general, this includes the installation of a new domestic water well, installation of additional water

pipelines, and installation of the required sewer facilities. For the parcel used to access the parking and bus loading area of the school, no development is anticipated at this time. However, CSA 42 is also capable of providing water and sewer service, if needed.

CSA 42's Free Production Allowance (FPA) in the Alto Sub-basin for the past few years has been set at 60 % of its Base Annual Production (465 acre-feet), which then translates to a FPA of 279 acre-feet annually. Of this amount, CSA 42 produces only an average of less than half of its FPA. Therefore, CSA 42 has the water availability to serve the area.

In addition, CSA 42's effluent is collected and routed to the Victor Valley Wastewater Reclamation Authority's (VWVRA) regional sewer treatment facility through an interceptor line and pump station that crosses the Mojave River. CSA 42's effluent is minimal compared to the other member agencies of VWVRA.

The existence of any social or economic communities of interest

By LAFCO's definition of the current Oro Grande community, CSA 42's boundary and sphere delineates the community of Oro Grande. The School District's boundaries are much larger than CSA 42's boundary and/or sphere. The proposed sphere expansion area is considered a part of both the Oro Grande community as well as the School District.

Economic interests include the TXI-Riverside Cement plant, which has been in the area since the early 1920s. Since the formation of CSA 42, the cement plant has been a part of its boundaries that helps finance municipal services for the area through its ad valorem property taxes.

Additional Sphere of Influence Determinations:

1. Commission review for LAFCO 3146 has been advertised in *The Daily Press*, a newspaper of general circulation within the area and individual notice has been provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notification.
2. LAFCO staff has also provided individual notices to landowners and registered voters surrounding LAFCO 3146 (totaling 203) in accordance with state law and adopted Commission policies. Comments from landowners/registered voters and any affected local agency have been reviewed and considered by the Commission in making its determinations.

REORGANIZATION PROPOSAL (LAFCO 3147)

The companion application to the sphere expansion proposal is the reorganization proposal identified as LAFCO 3147. The following discussion provides the information required to

evaluate the change in jurisdiction for service delivery, which has not been previously discussed in the sphere of influence factors:

Service Issues and Effects on Other Local Governments:

In every consideration for annexation, the Commission is required to look at the existing and proposed service providers within an area. Current County service providers within the annexation area include County Service Area 60 (Apple Valley Airport) and County Service Area 70 (multi-function entity). In addition, the Mojave Water Agency (the State Water Contractor) and the San Bernardino County Fire Protection District and its North Desert Service Zone overlay the reorganization area.

The application includes a plan for the extension of services (feasibility study) for the reorganization area as required by law and Commission policy. The feasibility study (included as part of Attachment #2 to this report) outlines how it will serve Area 1.

Water Service

The feasibility study indicates that CSA 42 is capable of providing water service to the reorganization area subject to the completion of the required on-site and off-site water improvements. The study requires the installation of a new domestic water well, an 8-inch water line extension from the existing 6-inch water line on National Trails Highway along the north side of the school parcel (approximately 2,000 linear feet) including all on-site water improvements. The study also identifies the installation of a future 12-inch water transmission line from CSA 42's existing water reservoir to the school parcel as part of second phase of the overall school project.

Sewer Service

The feasibility study also indicates that CSA 42 is capable of providing sewer service to the reorganization area subject to the completion of the required on-site and off-site sewer improvements. The study identifies two options for sewer service – Option 1, which requires connection to CSA 42's sewer facilities using a sewer lift station; and Option 2, which connects directly to VVWRA's sewer lines using a gravity line. The School District chose Option 2; however, upon actual implementation of the sewer improvements on site, Option 2 ended-up needing a sewer lift station. Therefore, the project requires the installation of a sewer lift station, a combination of a 4-inch sewer force main and an 8-inch sewer main (total of approximately 2,400 linear feet), including all on-site sewer improvements.

Costs for Water and Sewer Service

CSA 42 has identified all costs related to the extension of water and sewer service to the reorganization area. The following is the breakdown of the charges:

WATER		
CSA 42 Connection Fee	34 EDU's x \$2,314.42	\$78,690.28
Off-site piping		\$120,000.00
Sub-Total Costs for Water Service		\$198,690.28
SEWER		
CSA 42 Connection Fee	41 EDU's x 407.35	\$16,701.35
VVWRA Connection Fee	41 EDU's x \$3,750	\$153,750.00
Off-site piping		\$144,000.00
Sub-Total Costs for Sewer Service		\$214,451.35
Total		\$413,141.63

In addition, the School District will be responsible for all costs related to the construction and installation of a new water well, all on-site water improvements (i.e. piping, plumbing, fire sprinkler system, etc.), a sewer lift station, and all on-site sewer improvements (sewer collector system and laterals).

CSA 42, through a letter (included as part of Attachment #2 to this report) provided a supplemental plan for service that outlines how it will serve Area 2. Although Area 2 currently does not require any services from CSA 42, it has indicated that CSA 42 can provide water and sewer service subject to the preparation of a feasibility study for the area in the future. Based on the location of CSA 42's existing facilities, water service can be extended from an existing 8-inch water line in Third Street and sewer service can be extended from an existing 8-inch sewer line located in between State and Portland Streets,

Waiver of Protest Proceedings:

The Registrar of Voters has certified that the study area is legally uninhabited. In addition, LAFCO staff has verified that the reorganization area possesses 100% landowner consent to the reorganization. Therefore, if the Commission approves LAFCO 3147 and none of the affected agencies have submitted written opposition to a waiver of protest proceedings, staff is recommending that further protest proceedings be waived and that the Executive Officer be directed to complete the action following completion of the mandatory reconsideration period of 30-days.

DETERMINATIONS:

The following findings and determinations are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/reorganization proposal:

1. The Registrar of Voters has determined that the reorganization area is legally uninhabited, containing zero (0) registered voters as of August 16, 2010.

2. Through approval of the companion proposal, LAFCO 3146, the reorganization area will be within the sphere of influence assigned for CSA 42.
 3. The County Assessor has determined that the total assessed value of land within the reorganization area is \$175,000 as of June 7, 2010. However, the area will become exempt through the utilization of the site by the School District with a zero value for taxation purposes
 4. Commission review of this proposal has been advertised in *The Daily Press*, newspaper of general circulation within the reorganization area. Individual notice has been provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notification.
 5. LAFCO staff has provided individual notices to landowners and registered voters surrounding the reorganization area (totaling 203) in accordance with state law and adopted Commission policies. To date, no written comments in support or opposition have been received regarding the consideration of this proposal.
 6. The County's land use designations for the reorganization proposal are: RL (Area 1) and RL-5 (Area 2). This proposal does not conflict with the County's General Plan for the area.
 7. As CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed LAFCO 3147 (and its companion proposal, LAFCO 3146). Mr. Dodson has indicated that it is his recommendation that the review of LAFCO 3147 (and LAFCO 3146) is statutorily exempt from the California Environmental Quality Act (CEQA). A copy of Mr. Dodson's report is included for the Commission's review as Attachment #3.
 8. The area in question is presently served by the following local agencies:
 - County of San Bernardino
 - Mojave Water Agency and its Improvement Districts A and 1
 - San Bernardino County Fire Protection District and its North Desert Service Zone
 - County Service Area 60 (Apple Valley Airport)
 - County Service Area 70 (multi-function)
- None of these agencies will be affected by this proposal.
9. CSA 42 has submitted a plan for the extension of its services (feasibility study) as required by law and Commission policy (included as a part of Attachment #2 to this report). The feasibility study identifies all the required improvements necessary to connect to CSA 42's water and sewer facilities.

CSA 42 will extend water and sewer service upon completion of the required on-site and off-site improvements identified in the feasibility study. The feasibility study also

includes all the estimated costs associated with the improvements, including all current connection fees related to water and sewer service.

10. The reorganization area can benefit from the availability and extension of water and sewer service from CSA 42. The reorganization already receives and/or benefits from streetlighting and/or park and recreation services provided by CSA 42.
11. With respect to environmental justice, the annexation to CSA 42 will not result in the unfair treatment of any person based on race, culture or income.
12. The County of San Bernardino adopted a resolution determining there will be no transfer of property tax revenues. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.
13. The map and legal description, as revised, are in substantial compliance with LAFCO and State standards through certification by the County Surveyor's Office.

CONCLUSION:

LAFCO 3147 was submitted to provide water and sewer service to the proposed junior high and high school being developed by the Oro Grande School District. Through the sphere expansion proposal, LAFCO 3146, the reorganization area will be a part of CSA 42's sphere, a requirement for annexation.

For these reasons and those outlined in the staff report, staff recommends approval of LAFCOs 3146 and 3147.

KRM/sm

Attachments:

1. [Vicinity Maps for the Sphere of Influence Expansion/Reorganization](#)
2. [Application Materials \(Sphere of Influence Amendment/Reorganization\) Including a Water and Sewer Feasibility Study](#)
3. [Response from the Commission's Environmental Consultant, Tom Dodson and Associates for LAFCO 3146 and LAFCO 3147](#)
4. [Draft Resolution No. 3109 \(Sphere of Influence Expansion\)](#)
5. [Draft Resolution No. 3110 \(Reorganization\)](#)