

PROPOSAL NO.: LAFCO 3133

HEARING DATE: December 8, 2010

RESOLUTION NO. 3123

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 3133 – A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE CRESTLINE SANITATION DISTRICT (sphere of influence expansion by approximately 872.2+/- acres including two non-contiguous areas adjacent to the Hesperia community [32 +/- acres], reduction by approximately 928.3+/- acres, and affirmation of the balance as shown on the attached maps).

On motion of Commissioner _____, duly seconded by Commissioner _____, and carried, the Local Agency Formation Commission adopts the following resolution:

WHEREAS, a service review mandated by Government Code 56430 and a sphere of influence update mandated by Government Code Section 56425 have been conducted by the Local Agency Formation Commission of the County of San Bernardino (hereinafter referred to as “the Commission”) in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

WHEREAS, a public hearing by this Commission was called for December 8, 2010 at the time and place specified in the notice of public hearing and in an order or orders continuing the hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; the Commission considered all plans and proposed changes of organization, objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing; and,

WHEREAS, at this hearing, this Commission certified that the sphere of influence update including sphere amendments is statutorily exempt from environmental review pursuant to the provisions

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of the California Environmental Quality Act (CEQA) and such exemption was adopted by this Commission on December 8, 2010. The Commission directed its Executive Officer to file a Notice of Exemption within five working days of its adoption; and,

WHEREAS, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that the sphere of influence for the Crestline Sanitation District (hereafter shown as the "District") shall be amended as shown on the maps attached as Exhibit "A" to this resolution, defined as follows:

- (1) Expand the District's sphere of influence to include Area 2 (approximately 280+/- acres), Area 5 (approximately 320+/- acres), Area 7 (approximately 200+/- acres), Area 8 (approximately 40+/- acres), and the two District-owned parcels located adjacent to the City of Hesperia (approximately 32.2+/- acres);
- (2) Reduce the District's existing sphere of influence to exclude Area 1 (approximately 880+/- acres), Area 3 (approximately 8.05+/- acres) Area 4 (approximately 40+/- acres), and Area 6 (approximately 0.25+/- acres); and
- (3) Affirm the balance of the remaining sphere of influence.

WHEREAS, the determinations required by Government Code Section 56430 and local Commission policy are included in the report prepared and submitted to the Commission dated November 30, 2010 and received and filed by the Commission on December 8, 2010, a complete copy of which is on file in the LAFCO office. The determinations of the Commission are:

1. **Growth and population projections for the affected area:**

Development in the San Bernardino Mountains is naturally constrained by rugged terrain, limited access, and lack of support infrastructure, as well as by planning and environmental policies which place much of the area off limits to significant development. Maximum build-out potential is substantially constrained by the slope-density standards and fuel modification requirements of the County General Plan Fire Safety Overlay. The private lands within the district have land use designations of predominantly residential (RS-14M and RL-5), with scattered commercial along State Route 138 and along Lake Drive west of Lake Gregory. The public lands within the district are designated Resource Conservation. The existing sphere area outside of the district is generally residential (for the private lands) and resource conservation and/or open space (for the public lands).

Roughly 80% is privately owned with the remainder within the San Bernardino National Forest (owned by the federal government), which are devoted primarily to resource protection and recreational use. The current sphere of influence (including district) contains 60% private lands.

In general, the San Bernardino Mountains is one of the most densely populated mountain areas within the country, and is the most densely populated urban forest west of the Mississippi River. However, there is a large seasonal population component as well as a substantial influx of visitors to the mountain resort areas. The seasonal population and visitors are not reflected in available demographic statistics, which count only year-round residents. It is estimated that the seasonal factors can approximately double the peak population. By 2030, the permanent population is estimated to reach roughly 15,000. This figure does not take into account seasonal population and tourism. Even with the large increase in population, the area is not anticipated to reach its build-out population by the 2030 horizon of this report.

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Year	2000	2005	2010	2015	2020	2025	2030
Population	10,218	10,882	11,590	12,343	13,145	14,000	14,910

Source: County of San Bernardino 2007 Community Plans; County Special Districts Department; LAFCO
Notes: Does not include seasonal population or visitors
Italicized figures are calculated by LAFCO

2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies:

The District provides collection, treatment, and disposal of wastewater to residential and commercial customers in the Lake Gregory area. The District's system has 6,356 connections available, and in 2010 there were 4,854 residential and commercial properties connected to the system.

At present the District has approximately 90 miles of sewer lines ranging from 8 to 15 inches in size. Many of these lines are old and require continuous preventative maintenance. Other areas more recently sewered require increased administrative and field hours for connection permits and sewer inspections. These systems have also increased the time required to perform the necessary operation and maintenance (O&M). The District owns and operates three wastewater treatment plants known as the Huston Creek Treatment Plant, the Seeley Creek Treatment Plant, and the Cleghorn Treatment Plant. In addition, the District disposes of treated effluent from the Pilot Rock Treatment Plant (owned by the California Department of Forestry) that is pumped into the District's effluent out fall. The effluent outfall traverses around Silverwood Lake and disposal of effluent from these four facilities occurs at the Las Flores Ranch in Summit Valley north of Lake Silverwood Dam. Waste solids after processing are hauled by the District to a composting facility in Redlands.

System Challenges

In the *Crestline Sanitation District Governance Commission Report* dated February 2010, District staff indicated that the current system's limited capacity at times has difficulty meeting the needs of the community, particularly during the rainy season when a substantial amount of ground water seepage is introduced into the system. This has caused the present sewage system to operate near capacity.

The California Regional Water Quality Control Board, Lahontan Region had informed the County in 2001 that the Crestline Sanitation District needed to expand. Monthly flow rates for Huston Creek have exceeded the State permitted 75% capacity flow rate every winter (525,000 gallons per day) from 2001 through 2008, due to inflow and infiltration from winter rains. Houston Creek Plant expansion will be funded through a loan from the State Water Resources Control Board, Clean Water Revolving Fund as well as District funds.

The *Report* estimates that there are approximately 2,500 equivalent dwelling units on septic systems within the district boundaries. Areas on septic now include: Cedarpines Park, Arrowhead Highland, Dart Canyon, Horseshoe Bend and Strawberry Flats. If these dwelling units with septic tanks were to be required to be added to the District's system by the Lahontan Regional Board, then its capacity would be adversely affected. Further, if either the Strawberry Flats (Twin Peaks area) or Arrowhead Highlands (along Crest Forest Drive) were required to be connected, the District has identified that expansion of Huston Creek Treatment would be immediately necessary.

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The Las Flores Ranch located near Hesperia is where the District discharges its effluent via an outfall line since the 1970s. The outflow from all of the treatment plants travels through an outflow line that runs around Silverwood Lake and ends at the District-owned property at Las Flores Ranch. The District outflow water is used on Las Flores Ranch for irrigation purposes. The outflow line failed during the winter rains of 2004-2005 and the District was fined by the California Regional Water Quality Control Board, Lahontan Region. This is ongoing risk for the District, since the contract with Las Flores Ranch can be terminated at any time.

District System

The remainder of this section provides more detailed information on the District's system.

Pump Stations

The District has two primary sewage pump stations and one small backyard pump station serving three residences within the collection system. The Lake Gregory Pump Station is located on the east side of Lake Gregory and receives raw sewage from Assessment Districts 2, 11, 12 and the Pinecrest area. The pump station was built in 1968 and was expanded in 1988 to accommodate flows from Camp Pinecrest. The Forest Shade Pump Station was constructed in 1979 to eliminate possible sewage overflows to Lake Gregory during storm conditions and to serve future unsewered areas. It operates only when sewage backs up in the gravity trunk main along Lake Gregory and overflows into the wet well. The Bernard Drive Pump Station was constructed prior to 2000 and provides sewer service to three homes on Bernard Drive that previously had been served by gravity until the gravity pipeline was washed out and no longer provided service.

Huston Creek Treatment Plant

Originally constructed in 1952 to accommodate domestic sewage flow from Assessment District No. 1, the plant has been modified, improved and expanded several times, the latest modification occurring in 2001. The plant is the largest of the District's three treatment facilities with a design capacity of 0.7 mgd. This plant also serves as a central sludge dewatering facility for primary and secondary sludge produced at all three of the District's treatment plants and (by contract) the Pilot Rock Plant. The Huston Creek WWTP is a fixed-film secondary treatment plant. Chlorine is used to disinfect the effluent. Wastewater enters the plant through two parallel gravity sewer mains. Treated effluent is discharged to a gravity effluent outfall system.

The Huston Creek Treatment Plant is the only plant within the District that accepts septic tank wastes from local septic tank pumpers. The District receives approximately 300,000 gallons per year of septage, primarily during the summer months.

Seeley Creek Treatment Plant

The Seeley Creek WWTP is the second largest of the District's three treatment facilities with a design capacity of 0.5 mgd. This facility went through a major plant expansion in 1985 and, accordingly, it can be considered to be the newest of the three treatment plants. Seeley Creek was originally constructed in 1974 as a 0.20-mgd package activated sludge facility to treat flows from Assessment District No 5. The treatment system consisted of an in-ground circular tank containing an activated sludge aeration basin, secondary clarifier, chlorine contact chamber and digester.

As flow approached design capacity, the District constructed a 0.1 MG flow equalization basin in 1983. The flow equalization basin captured the peak flow and released it during low flow, thus

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extending the overall treatment capacity and efficiency of the treatment plant. This system served its purpose for the next two years leading up to the 1985 construction of a new 0.5-mgd facility. The new facility utilized a fixed film process to provide secondary treatment followed by chlorine disinfection. This process allowed gravity flow, increased reliability and reduced operation and maintenance costs. Solids dewatering is accomplished at the Huston Creek WWTP. Effluent is discharged to the Seeley Creek gravity outfall system.

Seeley Creek WWTP is at 30% capacity and no expansion is anticipated.

Cleghorn Treatment Plant

The Cleghorn Plant is the smallest of the District's three wastewater treatment plants with a design capacity of 0.2 mgd. The facility was originally constructed in 1974 by the District to serve the needs of the California Department of Parks and Recreation campgrounds at Lake Silverwood and the administrative and housing facilities upstream of the plant. The Cleghorn WWTP is owned and operated by the District, but is located on lands owned by the State. By agreement, the State Parks and Recreation Department reimburses the District for annual operation and maintenance costs. The State Parks and Recreation Department still maintains and operates the collection system that includes five lift stations. Only one of these pump stations has emergency power, which is supplied from the Cleghorn Plant. Periodic dewatering, cleaning and recoating is carried out on a scheduled basis to avoid failures.

The Cleghorn Wastewater Treatment Plant is an extended aeration (i.e., oxidation ditch) activated sludge plant with effluent chlorine disinfection. All wastewater flow from the majority of the park campground enters the plant through a 4-inch force main. An 8-inch gravity main serves the administration center, staff housing and group campgrounds. Final effluent is pumped via force main into the District's effluent outfall system for disposal at the Los Flores site.

Cleghorn WWTP is at 10% capacity and no expansion is anticipated.

Effluent Outfall System

Treated effluent from all three District facilities and the effluent pumped from the Pilot Rock Conservation Camp Treatment Facility (0.01-mgd capacity) are conveyed via pipeline to Las Flores Ranch north of Lake Silverwood. There, the effluent is used for pasture irrigation. The pipeline was built in 1970 to transport effluent around Lake Silverwood.

The pipeline from the Huston Creek facility is 23,400 feet in length, ranges in size from 12 to 21 inches in diameter and has accommodated up to 6.0 mgd. The Seeley Creek facility outfall line is 6,000 feet in length, ranges in size from 10 to 15 inches in diameter and connects to the pipeline from Huston Creek along Highway 138. An emergency storage pond, about 1500 feet downstream of the Seeley Plant, can store 0.20 MG during an emergency. The combined pipeline also has a capacity of 5.0 mgd, has a total length of 34,200 feet in length and ranges in size from 10 to 21 inches in diameter. The total length of outfall system from the Huston Creek plant to the effluent disposal site is approximately 11 miles.

Effluent Disposal Site

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The effluent outfall system terminates at a receiving channel and flood-irrigates a pasture area of the Las Flores Ranch in Summit Valley. During emergency, the flow can also be diverted to the adjacent sand beds for percolation. The District has an agreement with the Las Flores Ranch to accept treated effluent. Disposal is upon land owned by the District and Las Flores Ranch. The disposal facilities have one monitoring well upstream and three monitoring wells located downstream from the discharge area. Groundwater from these wells is tested quarterly. All District facilities are operated under discharge monitoring requirements issued by the Lahontan Regional Water Quality Control Board. The District has delivered reclaimed wastewater to the Mojave Basin Area for disposal in the following amounts:

Water Year	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Acre-feet	944	833	1,198	819	674	799	714

3. Financial ability of agencies to provide services:

For this section of the report, LAFCO has reviewed the District’s budgets, audits, and State Controller reports for special districts. The most recent audit conducted for the District is for FY 2007-08, completed June 30, 2009. LAFCO expresses concern that the District has not completed its FY 2008-09 within the 12 months required by Government Code Section 26909. According to the District general manager and County Special Districts Department staff, the conduct of the audit is currently taking place and will be issued by the County Auditor.

In reviewing the financial documents, net assets have increased nominally since FY 2004-05, as shown on the chart below. As of June 30, 2008, the District had \$15.11 million in net assets. Not including capital assets value and debt, the District had roughly \$5.72 million in restricted and unrestricted net assets. Of this amount \$5.67 million is unrestricted. As for restricted assets, the District issued bonds to finance certain sewer improvements. All the District’s bonds matured as of July 2, 1996. The portion of the matured bonds held by the County Treasurer amounting to \$48,939 is reported as restricted cash.

Net Assets	2004-05	2005-06	2006-07	2007-08
Invested in capital assets – net of related debt	7,793,890	7,547,220	7,440,204	9,385,098
Restricted	232,094	239,371	48,939	48,939
Unrestricted	6,635,841	6,609,369	7,425,445	5,672,806
Total Net Assets	\$14,661,825	\$14,395,960	\$14,914,588	\$15,106,843

Budgets

The County Board of Supervisors has adopted the FY 2010-11 Budget for the District. Effective October 1, the district is now independent. According to the General Manager, the District will operate from the budget that was adopted by the County Board until revised. To illustrate the revenues and expenditures of the District, LAFCO utilizes actuals and estimates from the District’s budgets since FY 2009-10 and FY 2010-11 figures are not available from an audit. Important to note, the FY 2010-11 ending fund balance is estimated to be zero. However, Contingencies historically have not been utilized. Therefore, the ending balance is budgeted to be \$1,194,084.

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Revenue primarily consists of the receipt of a share of the one percent ad valorem general levy, user fees billed to customers. The chart below includes revenue activity since FY 2006-07. Looking at the chart it seems as if property tax receipts were not received prior to FY 2009-10. However, prior to FY 2009-10, property tax receipts were deposited into the District capital fund and then transferred to the operating fund. As for expenditures, Total Expenditures have included annual swings reaching \$1 million. The reason for the large swing is due to the extensive capital improvements that have taken place in the past few years.

	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Estimate	2010-11 Recommended
Expenditures					
Services & Supplies	664,544	634,308	685,357	775,505	806,309
Central Services	110	88	86	75	71
Travel	-	-	3,883	1,500	3,600
Other Charges	107,975	107,975	107,975	107,975	107,975
Equipment	52,600	24,584	8,602	74,594	-
Transfers	2,189,731	2,352,025	2,285,240	2,187,157	2,303,968
Contingencies	-	-	-	-	1,194,084
Operating Transfers Out	995,064	702,648	1,915,070	1,427,481	829,981
Total Expenditures	\$4,010,024	\$3,821,628	\$5,006,213	\$4,574,287	\$5,245,988
Revenues					
Taxes	-	-	-	911,551	911,850
Use of Money & Property	32,203	47,195	28,796	17,605	18,500
State, Fed, or Gov't Aid	115,755	103,109	-	-	-
Current Services	2,215,306	2,112,409	2,801,109	2,589,124	2,524,311
Other Revenue	14,226	53,041	7,587	10,127	-
Operating Transfers In	2,327,820	1,088,000	2,705,888	605,000	407,975
Total Revenue	\$4,705,310	\$3,403,754	\$5,543,380	\$4,133,407	\$3,862,636
Net Gain (Loss)	695,286	(417,874)	537,167	(440,880)	(1,383,352)
Ending Fund Balance	\$1,704,939	\$1,287,065	\$1,824,232	\$1,383,352	\$0

source: FY 2010-11 Recommended Budget

Long-term debt

On January 16, 1997, the District received a revolving fund loan from the State Water Resources Control Board in the amount of \$2,159,508. The proceeds of the loan were used to fund construction of the Huston Creek treatment plant effluent storage reservoir. Of the \$2,159,508 loan amount, \$359,925 was funded by local matching funds. The loan will be repaid in March 2018. At June 30, 2008, the outstanding principal balance is \$984,324. A summary of loan payments for the remaining fiscal years is as follows:

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Year Ending June 30,	Principal	Interest	Total
2009	91,057	16,918	107,975
2010	92,622	15,353	107,975
2011	94,214	13,761	107,975
2012	95,833	12,142	107,975
2013	97,480	10,495	107,975
2014-2018	513,118	26,757	539,875
Total	\$ 984,324	\$ 95,426	\$ 1,079,750

Other Information

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the Crestline Sanitation District is subject to the Gann limit. Therefore, an agency is restricted as to the amount of annual expenditures from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund agreements. The district annually adopts an appropriation limit. The FY 2007-08 audit reviewed the proceeds of taxes received by the District during the 2007-08 fiscal year and have found the revenue to be within the guidelines established by Article XIII B.

Action taken on June 23, 2010 by the County Board of Supervisors established the Preliminary FY 2010-11 appropriation limit for Crestline Sanitation District as \$4,311,695.

4. Status of, and opportunities for, shared facilities:

Under agreement, the District currently operates the Cleghorn Treatment plant at Silverwood Lake and provides, on request, staff and equipment support on the State Parks and Recreation Department's collection system.

Under agreement, the District accepts the California Division of Forestry, Pilot Rock Conservation Camp's effluent discharge into the District outfall and dewater, disposes, and hauls the camp's waste biological solids. The District receives payment for these services on an annual basis.

5. Accountability for community service needs, including governmental structure and operational efficiencies:

Local Government Structure and Community Service Needs

Effective October 1, 2010, the District is an independent special district governed by a five-member board of directors. The first board was elected on August 3, 2010 to staggered terms. Two memberships will expire in 2012 and three will expire in 2014; however, as the writing of this report the District board has not yet chosen which members will expire in 2012 or 2014. The current board composition is shown below.

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Board Member	Title
Matthew L. Philippe	Chairman
Penny J. Shubnell	Vice Chairman
Ken Nelsen	Secretary
Sherri L. Fairbanks	Director
Jack P. Winsten	Director

The District's office is located in Crestline at 24516 Lake Drive. Regular meetings of the board are scheduled for the second Thursday of the month at 3:00p.m.

Operational Efficiency

Operational efficiencies are realized through several joint agency practices, for example:

- The District, under agreement, delivers disinfected secondary effluent to the Las Flores Ranch for irrigation on ranch property adjacent to the District-owned 15-acre site.
- The District is also active in the Water Environment Federation, California Water Environment Association, California Association of Sanitation Agencies, Southern California Alliance of Publicly Owned Treatment Works, American Water Works Association, Tri-TAC (a technical advisory committee representing three California associations: League of California Cities, California Association of Sanitation Agencies, California Water Environment Association), as well as other organizations involved in the water and wastewater industries.

Government Structure Options

There are two types of government structure options:

1. Areas served by the agency outside its boundaries through "out-of-agency" service contracts;
2. Other potential government structure changes such as consolidations, reorganizations, dissolutions, etc.

Out-of-Agency Service Agreements:

Under agreement, the District currently owns and operates the Cleghorn Treatment plant at Silverwood Lake and provides, on request, staff and equipment support on the State Parks and Recreation Department's collection system.

Under agreement, the District accepts the California Division of Forestry, Pilot Rock Conservation Camp's effluent discharge into the District outfall and hauls, dewateres and disposes of the camps waste biological solids. The District receives payment for these services on an annual basis.

Government Structure Options:

While the discussion of some government structure options may be theoretical, a service review should address possible scenarios.

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- Formation of a Community Services District. The option of forming a single, multi-purpose special district, through reorganization of the existing service providers, is a preferred form of government that is feasible for the Crest Forest community. The agencies within the community can be reorganized into a community services district (CSD), which would assume the responsibility for providing the services provided by the agencies proposed to be reorganized (i.e. Crestline Sanitation District, Crestline Village Water District, CSA 18, etc.). The new CSD would assume the responsibilities and all functions, obligations, assets, liabilities, and equipment of the agencies that are to be reorganized. This scenario would provide for an efficient service delivery pattern for the full range of services available within the community through a single agency.

In addition, such a formation would solidify the community as outlined in the preamble to CSD law, which states that a CSD is:

- “... (1) *A permanent form of governance that can provide locally adequate levels of public facilities and services.*
(2) *An effective form of governance for combining two or more special districts that serve overlapping or adjacent territory into a multifunction special district.*
(3) *A form of governance that can serve as an alternative to the incorporation of a new city.*
(4) *A transitional form of governance as the community approaches cityhood.*”

For San Bernardino LAFCO, the establishment of a Community Services District has been used to establish independent government structures that allow for the fostering and nurturing of communities for a future incorporation, maintaining their separate identity. With the support of the Crest Forest community such a distinction could be achieved for the area; however, no clear expression of interest has been conveyed to LAFCO during this consideration. However, the establishment of the community designation for Crest Forest is a potential first step in this process.

- Consolidation with the Crestline Village Water District. The Crestline Village Water District was formed under *County Water District Law* and currently only provides water service to its customers. However, the Water District and the Crestline Sanitation District could consolidate with the Water District as the successor agency (since county water districts can provide sewer, not vice versa). If this were to occur, the Water District's boundaries and sphere of influence would need to be adjusted to match Crestline Sanitation District's boundaries. This scenario could allow for scales of economy and promote a single voice for water and wastewater services in the community.
- Regional cooperation for distributing reclaimed and/or recycled water. Crestline-Lake Arrowhead Water Agency (CLAWA) does not perform reclamation services; although CLAWA Law allows for it to perform reclamation services (treatment and reclamation of sewage and storm water) within its boundaries and the request for authorization to perform the services would be subject to LAFCO approval. However, within its boundaries and sphere of influence there are three agencies that provide this service: Crestline Sanitation District (collection and treatment), Running Springs Water District (collection and treatment; also a JPA with Arrowbear Park Water District and CSA 79), and Lake Arrowhead Community Services District (collection and treatment).

As a regional agency, in cooperation with other water entities CLAWA is responsible for managing the water resources within its boundaries to ensure a sustainable supply of water for

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the benefit of its constituents. As such, CLAWA could help coordinate a regional plan for distribution of reclaimed water in the mountains. Such a structure could reduce duplication of planning efforts and provide the opportunity for economies of scale while maintaining the independence of each district.

- Annexation of sphere territory. Should any area currently within the District's sphere but outside of its current boundary require sewer service, the residents, landowners, or the District could submit an application for annexation. However, it is estimated that there are approximately 2,500 equivalent dwelling units on septic systems within the district boundaries. These areas are more likely to connect to the District's system.
- Maintenance of the status quo. The lack of interest in the scenarios listed above makes them unlikely options at this time.

Based upon the determinations outlined above, the Commission determines to maintain the existing District governance structure.

WHEREAS, the following determinations are made in conformance with Government Code Section 56425 and local Commission policy:

1. Present and Planned Uses:

Development in the San Bernardino Mountains is naturally constrained by rugged terrain, limited access, and lack of support infrastructure, as well as by planning and environmental policies which place much of the area off limits to significant development. Maximum build-out potential is substantially constrained by the slope-density standards and fuel modification requirements of the County General Plan Fire Safety Overlay. The private lands within the district have land use designations of predominantly residential (RS-14M and RL-5), with scattered commercial along State Route 138 and along Lake Drive west of Lake Gregory. The public lands within the district are designated Resource Conservation. The existing sphere area outside of the district is generally residential (for the private lands) and resource conservation and/or open space (for the public lands).

Roughly 80% is privately owned with the remainder within the San Bernardino National Forest (owned by the federal government), which are devoted primarily to resource protection and recreational use. The current sphere of influence (including district) contains 60% private lands.

2. Present and Probable Need for Public Facilities and Services:

The California Regional Water Quality Control Board, Lahontan Region has ordered areas within the District's boundary to be connected to a sewer system. With growth within its boundaries estimated to increase 37% from 2010 to 2030, it is anticipated that additional areas will be required to connect to the sewer system.

The *Crestline Sanitation District Governance Commission Report* estimates that there are approximately 2,500 equivalent dwelling units on septic systems within the district boundaries. Areas on septic now include: Cedarpines Park, Arrowhead Highland, Dart Canyon, Horseshoe Bend and Strawberry Flats. If these dwelling units with septic tanks were to be required to be added to the District's system by the Lahontan Regional Board, then its capacity would be adversely affected. Further, if either the Strawberry Flats (Twin Peaks area) or Arrowhead Highlands (along Crest

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Forest Drive) were required to be connected, the District states that expansion of Huston Creek Treatment would be immediately necessary.

3. Present Capacity of Public Facilities and Adequacy of Public Services

At present the District has approximately 90 miles of sewer lines ranging from 8 to 15 inches in size. Many of these lines are old and require continuous preventative maintenance. Other areas more recently sewered require increased administrative and field hours for connection permits and sewer inspections. These systems have also increased the time required to perform the necessary operation and maintenance (O&M).

In the *Crestline Sanitation District Governance Commission Report* dated February 2010, District staff indicated that the current system’s limited capacity at times has difficulty meeting the needs of the community, particularly during the rainy season when a substantial amount of ground water seepage is induced into the system. This has caused the present sewage system to operate at near capacity.

The California Regional Water Quality Control Board, Lahontan Region had informed the County in 2001 that the Crestline Sanitation District needed to expand. Monthly flow rates for Huston Creek have exceeded the State permitted 75% capacity flow rate every winter (525,000 gallons per day) from 2001 through 2008, due to inflow and infiltration from winter rains.

4. Social and Economic Communities of Interest:

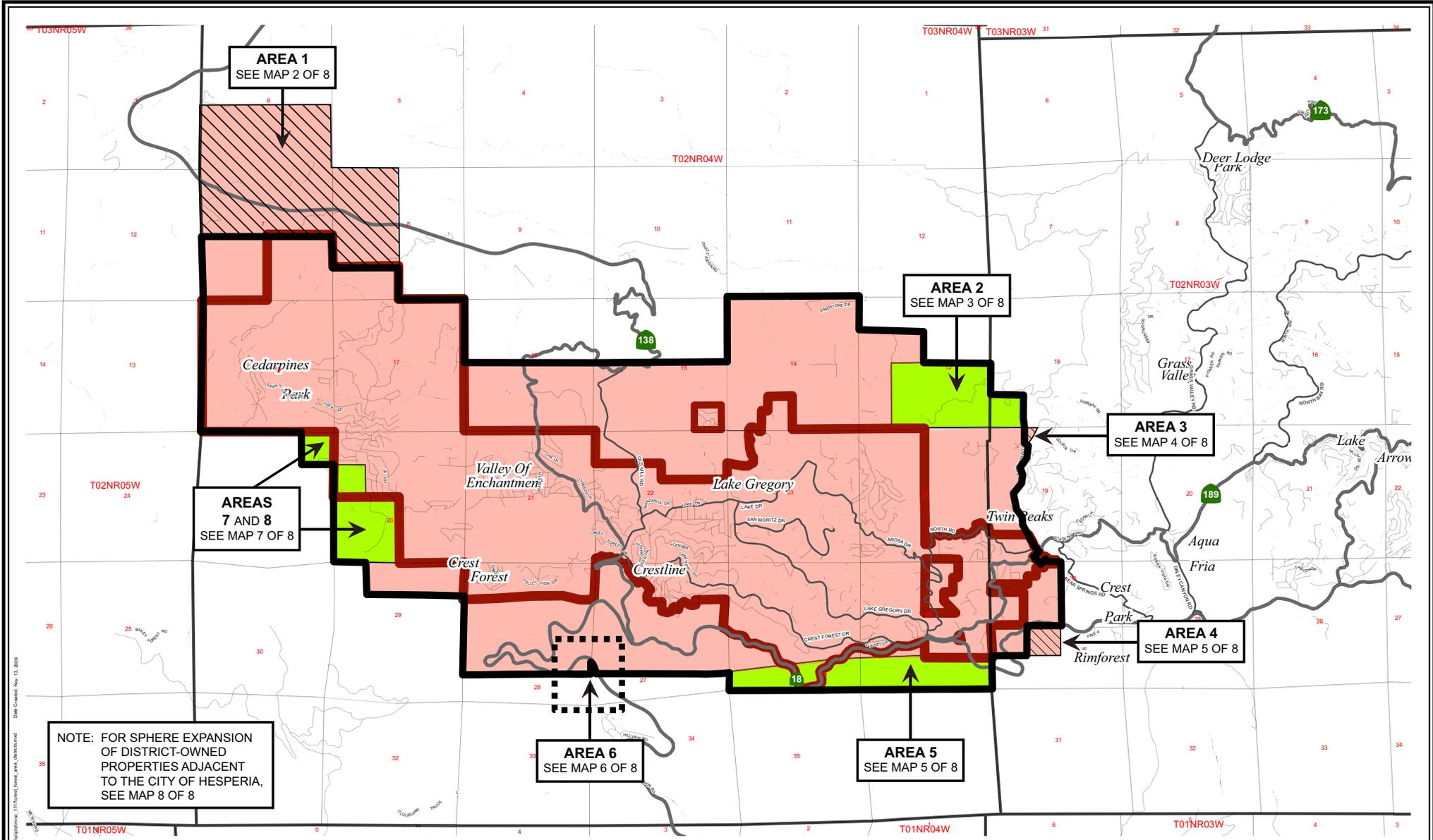
The District comprises the majority of the Crest Forest community. The social and economic communities of interest are the Rim of the World Unified School District, Lake Gregory and areas commonly known as Crestline, Valley of Enchantment, Aqua Fria, Blue Jay, Twin Peaks, Cedarpines Park, and Rim Forest.

5. Additional Determinations

- As required by State Law notice of the hearing was provided through publication in a newspaper of general circulation, *The Sun*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in Commission Policy #27, in-lieu of individual notice the notice of hearing publication was provided through an eighth page legal ad.
- As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.
- Comments from landowners/registered voters and any affected agency have been reviewed and considered by the Commission in making its determinations.

WHEREAS, pursuant to the provisions of Government Code Section 56425(i) the range of services provided by the Crestline Sanitation District shall be limited to the following:

FUNCTIONS	SERVICES
Sewer	Collection, transportation, treatment, disinfection, reclamation, disposal



NOTE: FOR SPHERE EXPANSION OF DISTRICT-OWNED PROPERTIES ADJACENT TO THE CITY OF HESPERIA, SEE MAP 8 OF 8

AREA 6
SEE MAP 6 OF 8

AREA 5
SEE MAP 5 OF 8

AREA 4
SEE MAP 5 OF 8

AREA 3
SEE MAP 4 OF 8

AREA 2
SEE MAP 3 OF 8

AREAS 7 AND 8
SEE MAP 7 OF 8

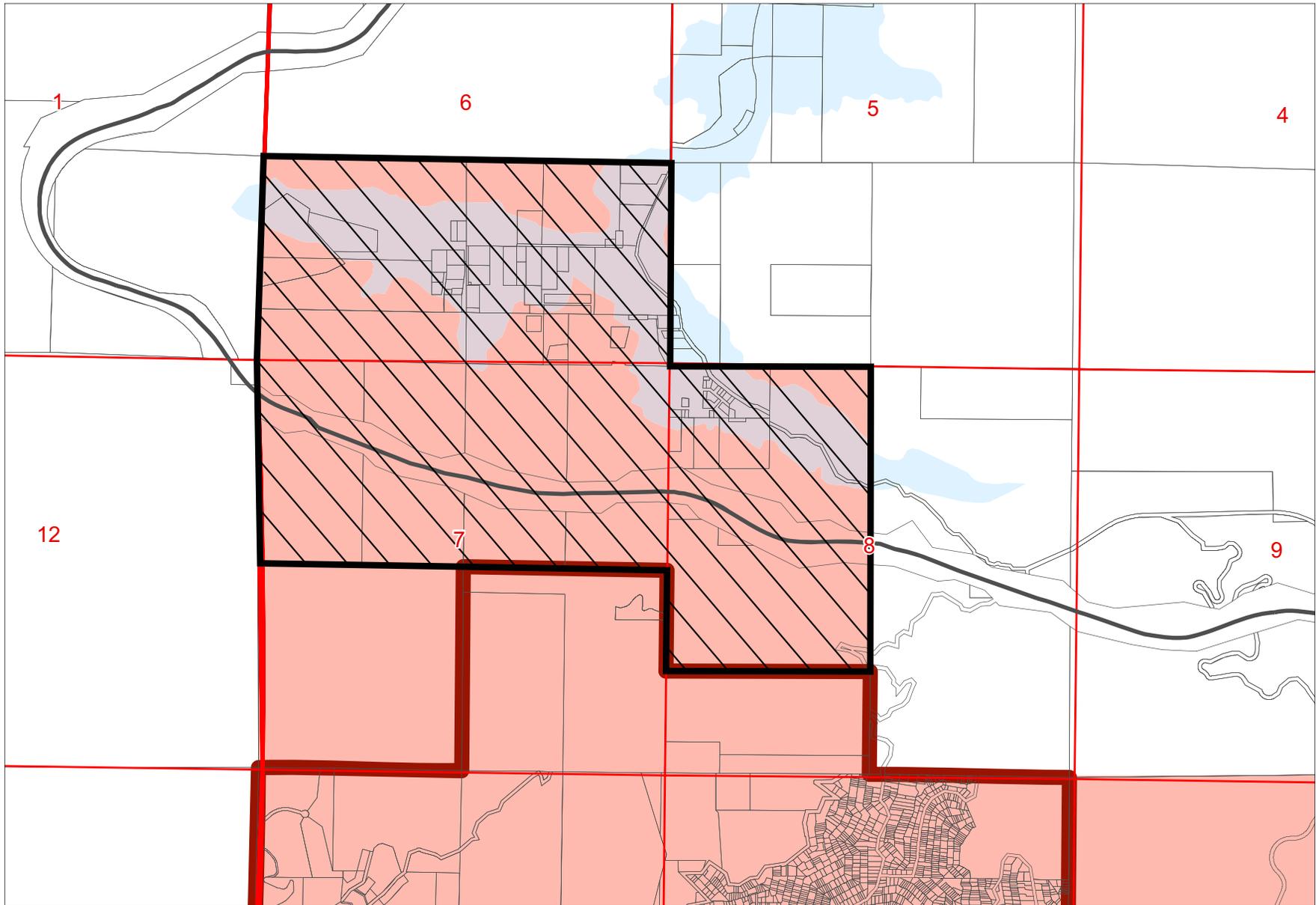
AREA 1
SEE MAP 2 OF 8

LAFCO 3133 – SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR CRESTLINE SANITATION DISTRICT

-  Crestline Sanitation District
-  Crestline Sanitation District Sphere
-  Sphere Expansion Areas
-  Sphere Reduction Areas



Document Name: \\sfr\gis\geographic\3133\lra\lra_ama_abb\lra.mxd Date Created: Nov 11, 2009

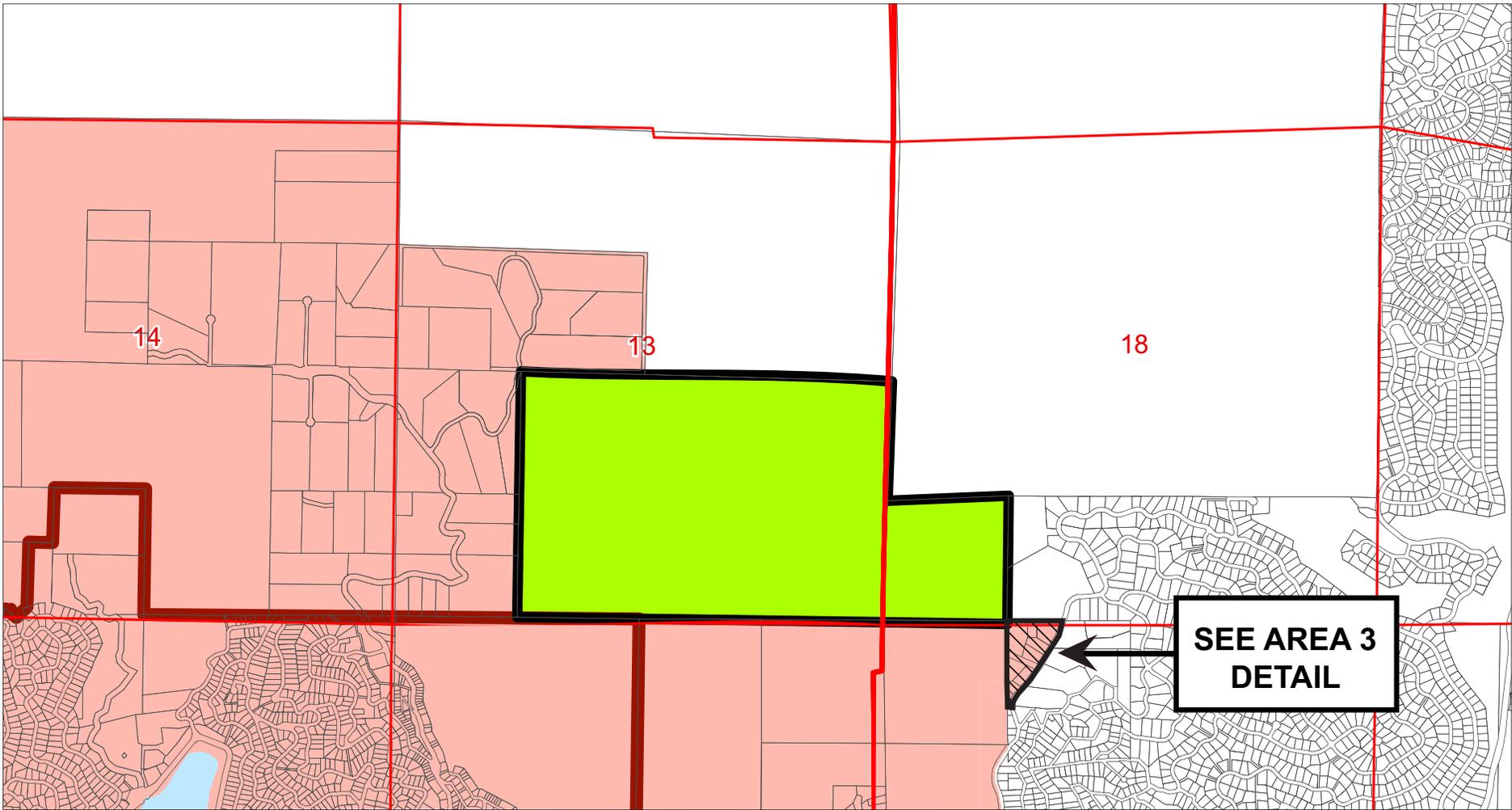


LAFCO 3133 - SPHERE OF INFLUENCE MODIFICATIONS (EXPANSIONS/REDUCTIONS) FOR CRESTLINE SANITATION DISTRICT

AREA 1 - Sphere Reduction for Crestline Sanitation District

Portions of Section 6, 7, and 8, Township 2 North, Range 4 West, San Bernardino Meridian, containing 880 acres, more or less.



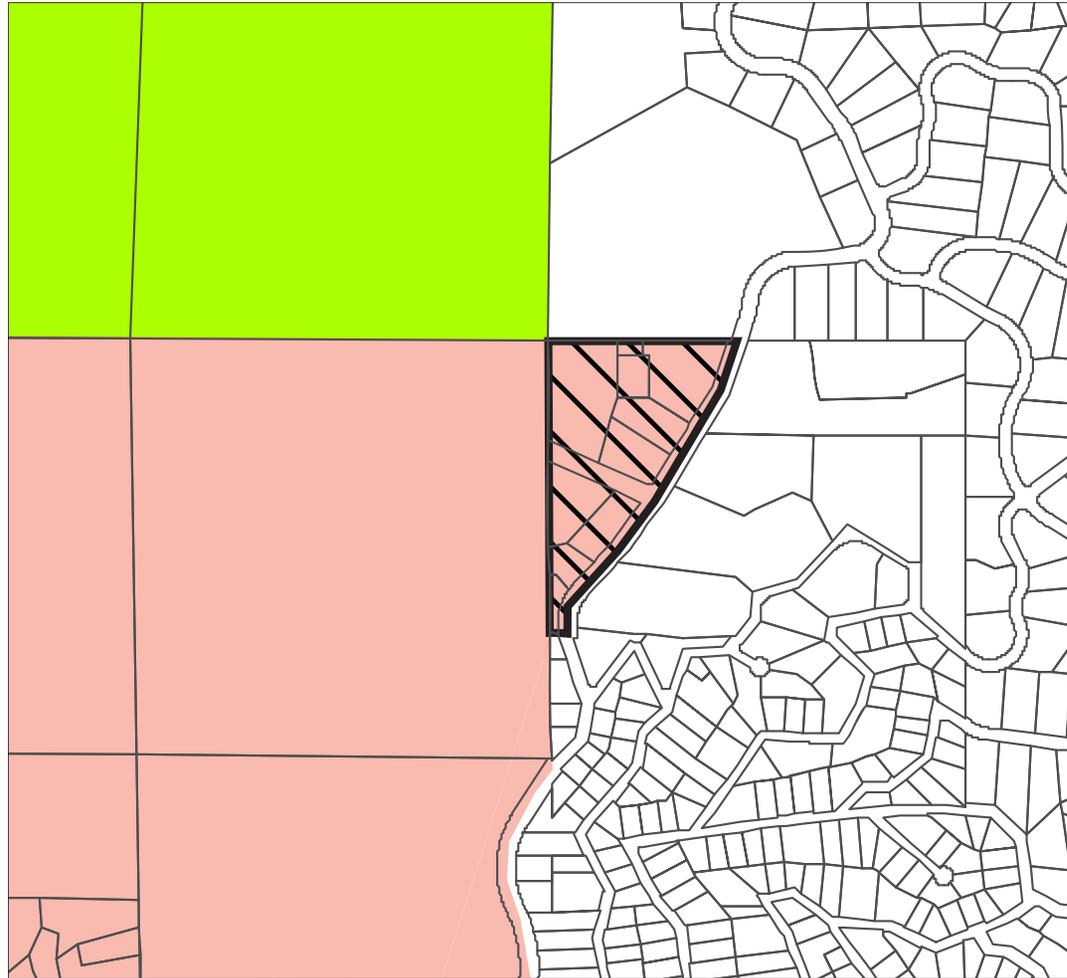


LAFCO 3133 - SPHERE OF INFLUENCE MODIFICATIONS (EXPANSIONS/REDUCTIONS) FOR CRESTLINE SANITATION DISTRICT

AREA 2 - Sphere Expansion for Crestline Sanitation District

Portion of Section 13, Township 2 North, Range 4 West, and portion of Section 18, Township 2 North, Range 3 West, San Bernardino Meridian, containing 280 acres, more or less.



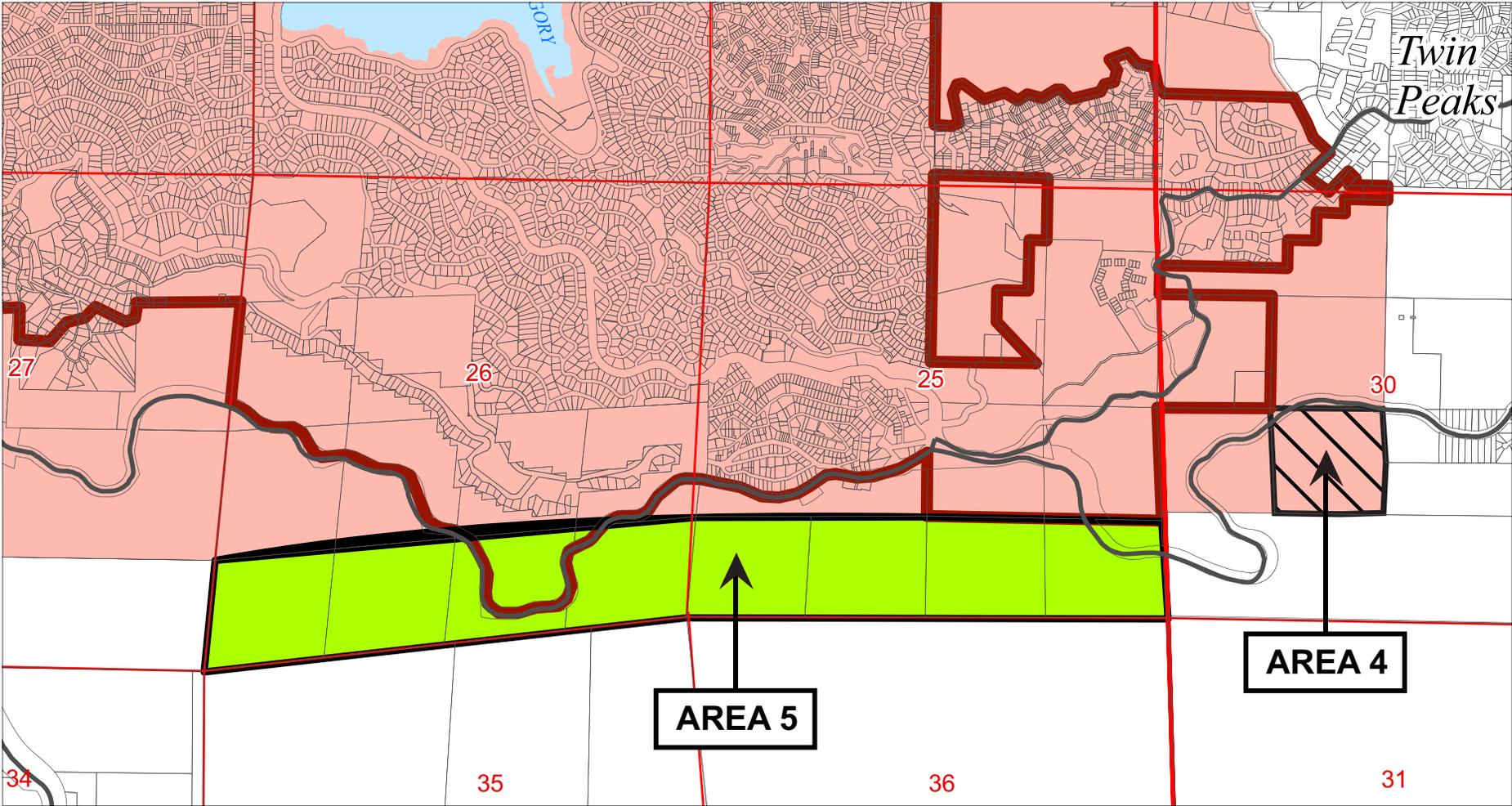


LAFCO 3133 - SPHERE OF INFLUENCE MODIFICATIONS (EXPANSIONS/REDUCTIONS) FOR CRESTLINE SANITATION DISTRICT

AREA 3 - Sphere Reduction for Crestline Sanitation District

Portion of Section 19, Township 2 North, Range 3 West, San Bernardino Meridian, containing 8.05 acres, more or less.





LAFCO 3133 - SPHERE OF INFLUENCE MODIFICATIONS (EXPANSIONS/REDUCTIONS) FOR CRESTLINE SANITATION DISTRICT

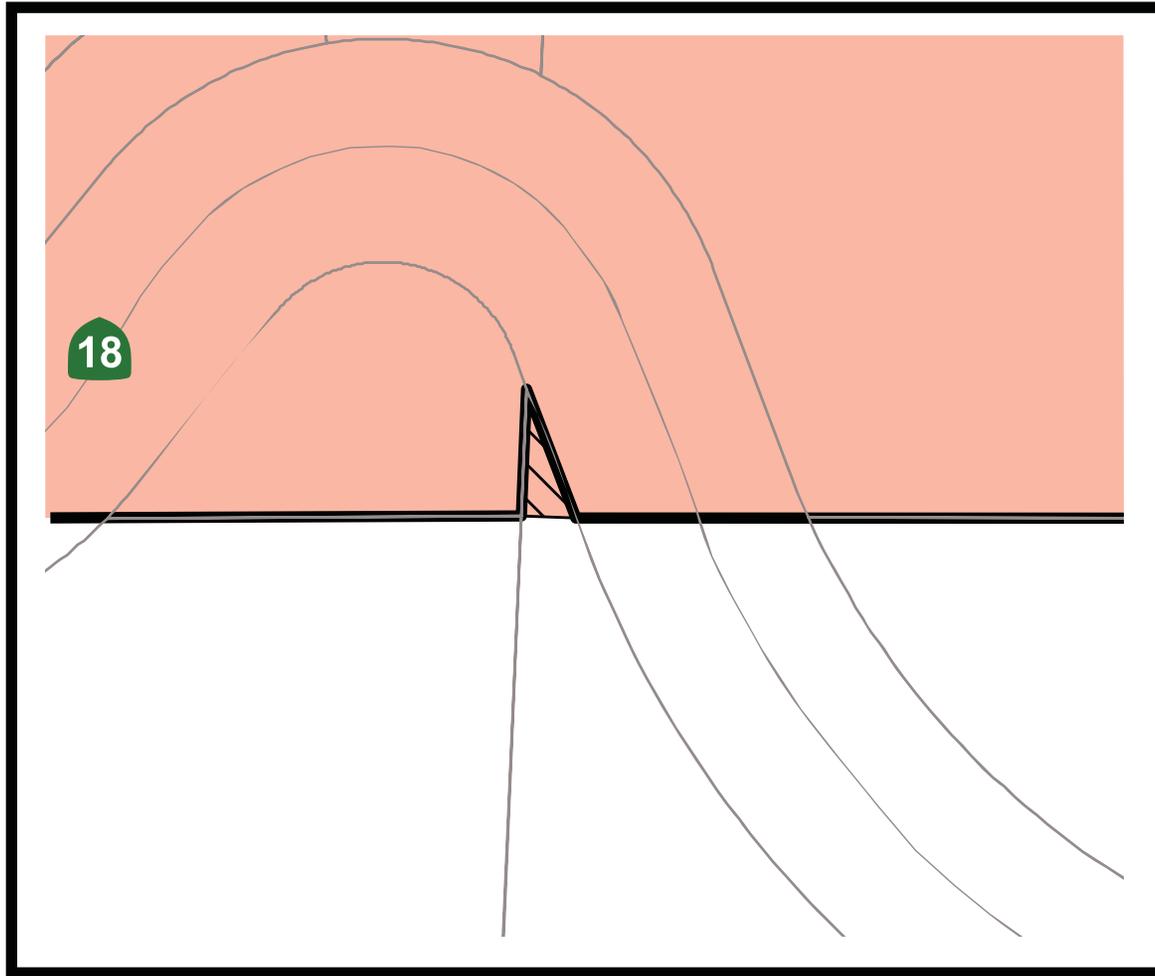
AREA 4 - Sphere Reduction for Crest Forest Fire Protection District

Portion of Section 30, Township 2 North, Range 3 West, San Bernardino Meridian, containing 40 acres, more or less.

AREA 5 - Sphere Expansion for Crest Forest Fire Protection District

Portions of Section 25 and 26, Township 2 North, Range 4 West, San Bernardino Meridian, containing 320 acres, more or less.

-  Sphere Expansion
-  Sphere Reduction
-  Existing Sphere
-  District Boundary



LAFCO 3133 - SPHERE OF INFLUENCE MODIFICATIONS (EXPANSIONS/REDUCTIONS) FOR
CRESTLINE SANITATION DISTRICT

AREA 6 - Sphere Reduction for Crestline Sanitation District

Portion of Section 27, Township 2 North, Range 4 West, San Bernardino Meridian, containing 0.25 acres, more or less.



Sphere Expansion



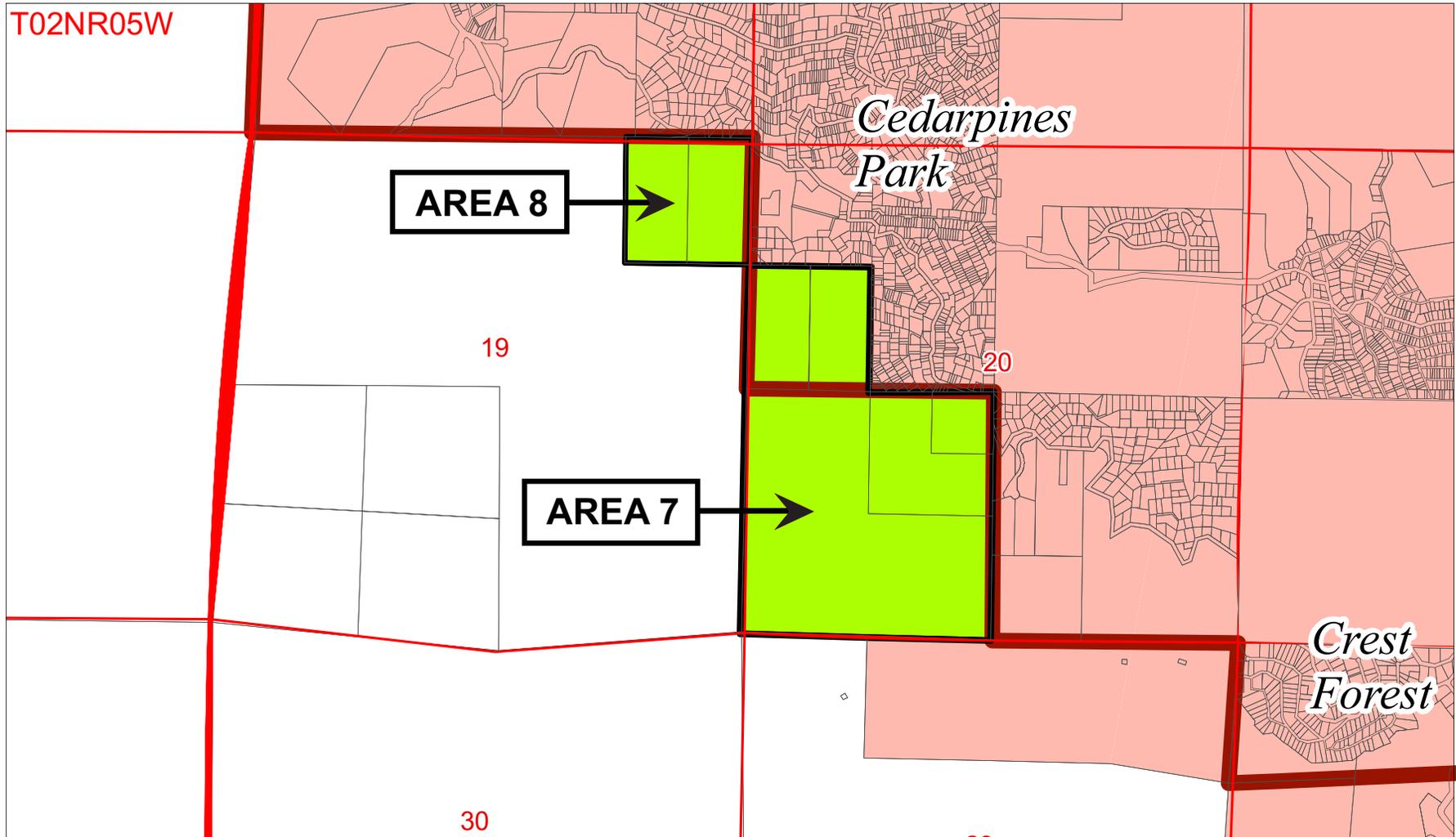
Sphere Reduction



Existing Sphere



District Boundary



LAFCO 3133 - SPHERE OF INFLUENCE MODIFICATIONS (EXPANSIONS/REDUCTIONS) FOR CRESTLINE SANITATION DISTRICT

AREA 7 - Sphere Expansion for Crestline Sanitation District

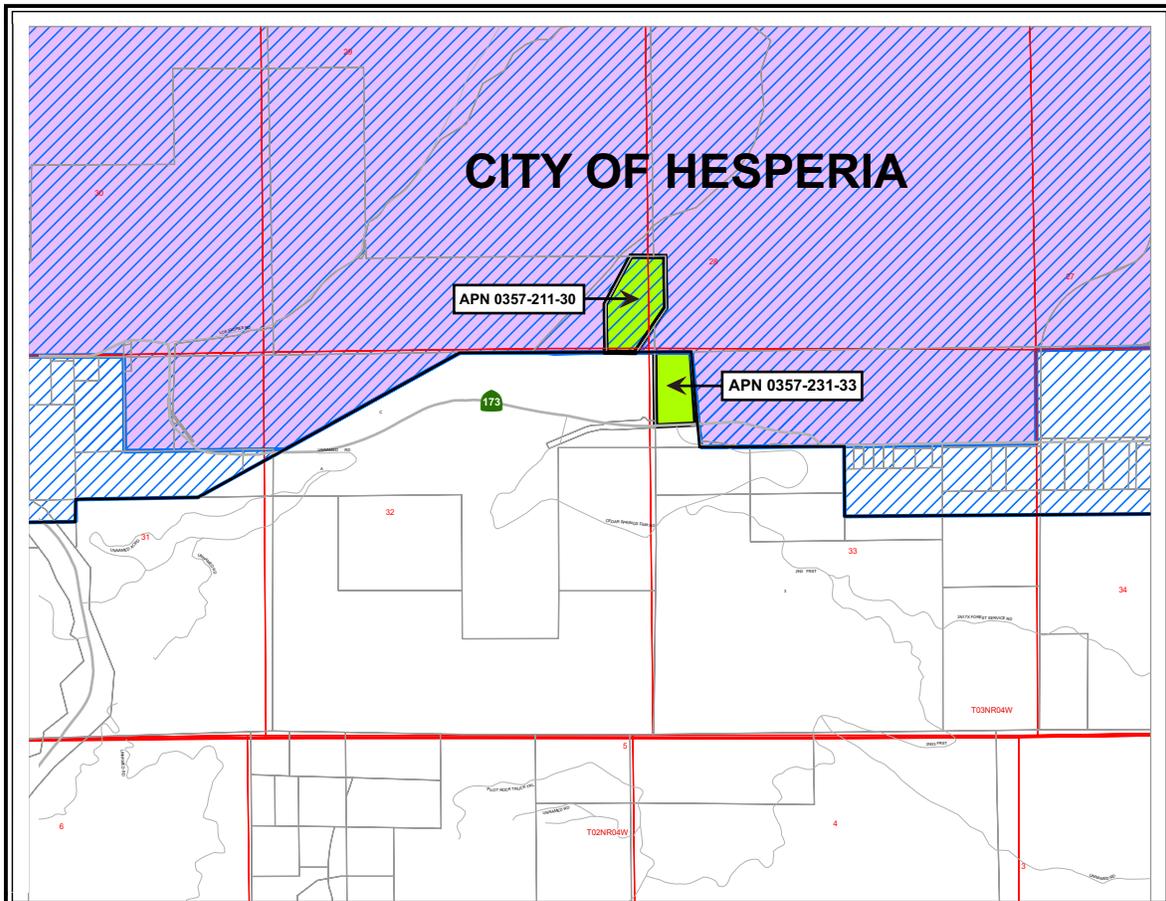
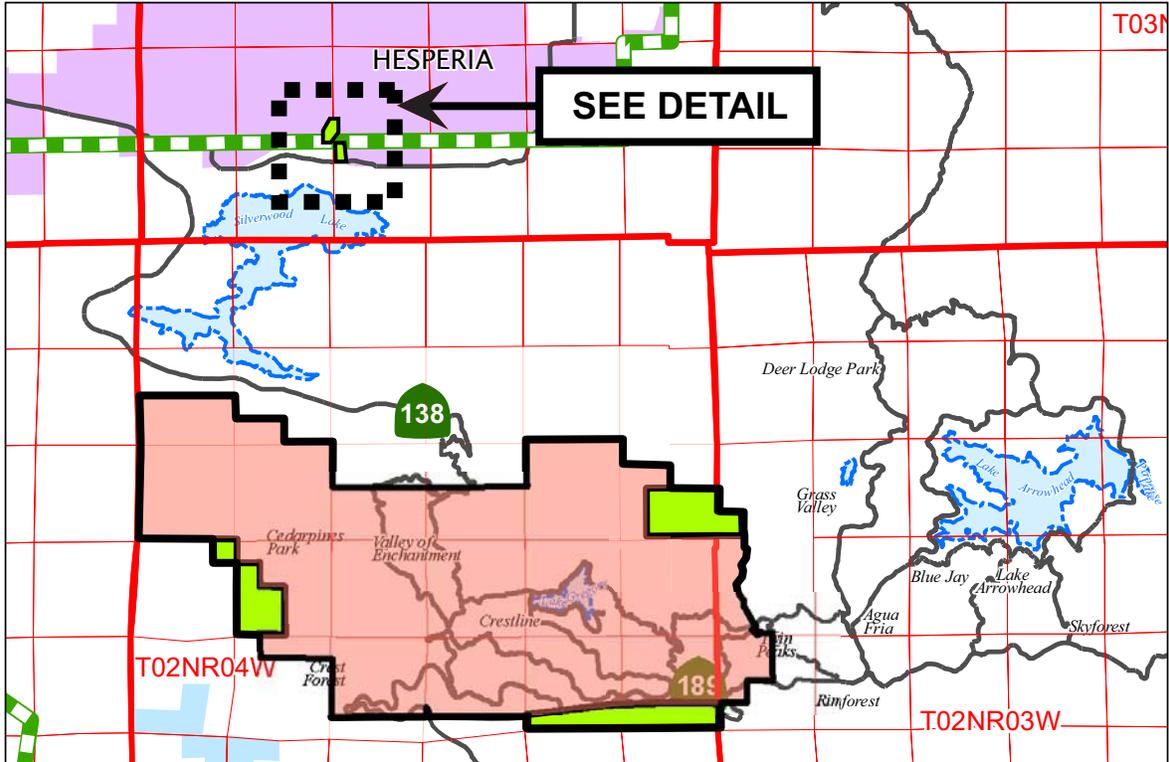
Portion of Section 20, Township 2 North, Range 4 West, San Bernardino Meridian, containing 200 acres, more or less

AREA 8 - Sphere Expansion for Crestline Sanitation District

Portion of Section 19, Township 2 North, Range 4 West, San Bernardino Meridian, containing 40 acres, more or less.



MAP 8 OF 8



LAFCO 3133 - SPHERE OF INFLUENCE MODIFICATIONS (EXPANSIONS/REDUCTIONS) FOR CRESTLINE SANITATION DISTRICT

Sphere Expansion for Crestline Sanitation District to Include Two District-Owned Properties Adjacent to the City of Hesperia (Assessor Parcel Numbers 0357-211-30 & 0357-231-33)

Portion of Sections 28, 29, and 33, Township 3 North, Range 4 West, and portion of Section 18, Township 3 North, Range 4 West, San Bernardino Meridian, containing 32.2 acres, more or less.

- Sphere Expansion
- Sphere Reduction
- Existing Sphere
- District Boundary
- City of Hesperia
- City of Hesperia's Sphere