

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8: Service Reviews for the Joshua Tree Community

INITIATED BY:

San Bernardino Local Agency Formation Commission

INTRODUCTION

San Bernardino LAFCO has chosen to undertake its Service Reviews on a regional basis. By action taken in February 2002, the Commission divided the county into five separate regions. In November 2007, the Commission initiated the service reviews for the South Desert Region, generally encompassing the communities of Morongo Valley, Yucca Valley, Joshua Tree, Twentynine Palms, Homestead Valley, Needles, Big River, and Baker.

The Commission has adopted policies related to its sphere of influence program determining that it will utilize a community-by-community approach to sphere of influence identification. This report contains service reviews and sphere of influence updates for the Joshua Tree community which includes the community-based agencies of the Joshua Basin Water District and County Service Area 20. This report also includes service reviews for zones to County Service Area 70 that provide road and television services within the community (R-19 and TV-5).

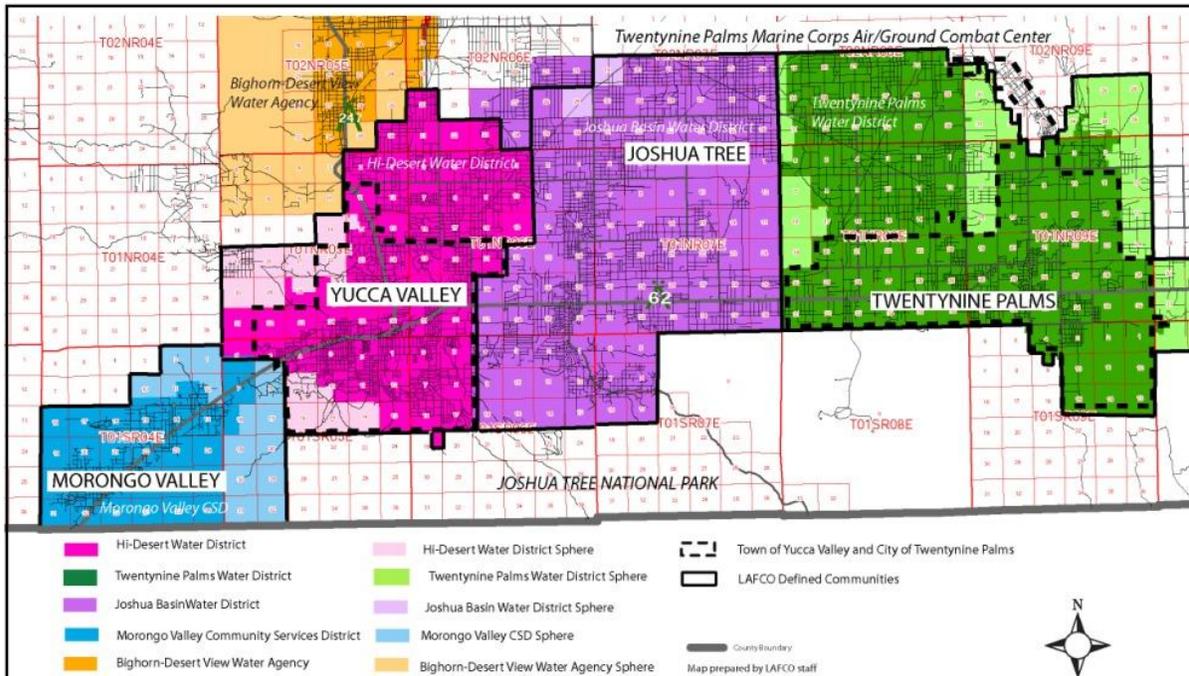
LOCATION:

The Joshua Tree community is located in the South Desert region of the county in the Morongo Basin, approximately 36 miles from Palm Springs and 70 miles from San Bernardino and Apple Valley by car. Joshua Tree lies between the Yucca Valley and Twentynine Palms communities and is situated along State Highway 62 (Twentynine Palms Highway) which parallels the east-west Pinto Mountain Fault that runs through the center of the community. Of major significance to the community is the Joshua Tree National Park which the community serves as an entry point to the park. As stated in the *Joshua Tree*

Community Plan, the Joshua Tree plant grows abundantly in this area, is a defining characteristic of the community, and is classified as a federally protected plant.

The overall service review and sphere study area is generally east of the Yucca Valley community, south of the Twentynine Palms Marine Corps Air/Ground Combat Center, west of the Twentynine Palms community, and north of the Joshua Tree National Park. Below is a map illustrating the Joshua Tree community in a regional context, a copy of which is included in Attachment #1.

CURRENT LAFCO DEFINED MORONGO BASIN COMMUNITIES



The Joshua Tree community is served by multiple public agencies. The public agencies providing direct services to the residents and landowners within the community are:

- Joshua Basin Water District
- County Service Area 20 (streetlights and park and recreation)
- County Service Area 70 Zones R-19 (roads) and TV-5 (television)

Regional service providers include:

- County Service Area 70 (multi-function, unincorporated county-wide)
- Hi-Desert Memorial Healthcare District
- Mojave Desert Resource Conservation District
- Mojave Water Agency
- San Bernardino County Fire Protection District and its South Desert Service Zone
- San Bernardino Flood Control District

COMMUNITY HISTORY

The following narrative provides a historical perspective of the community as described in the *Joshua Tree Community Plan*¹.

The first known inhabitants of the Joshua Tree area were the hunting and gathering Serrano Tribes. Although the Spanish and the Mormons both explored the area in later years, neither group settled permanently. The 1850s brought settlements by ranchers and miners as the area continued to be a primary cattle drive route to Arizona. Development began to accelerate somewhat when an access route to the Morongo Basin was developed. In 1963, this access route grew to its current highway status (now the Twentynine Palms Highway) and opened up the area to continued development. In the past several decades, the community has continued to grow with the help of increased recreational travel on the Twentynine Palms Highway to the Colorado River and the nearby Joshua Tree National Park, which was established in 1936 as a National Monument.

Joshua Tree National Monument, now a well known tourist attraction, became a wilderness area airshed station in 1977 and a world biosphere reserve in 1984. In 1994 it was named a National Park, resulting in an additional 234,000 acres and 163,000 wilderness acres being added to the park's holdings. Total holdings are approximately 800,000 acres.

Other developments from the 1900s include the: Hi-Desert Airport established in 1928-29, Joshua Tree Branch of the County Library established in 1945, the Joshua Tree Chamber of Commerce formed in 1947, and the establishment of the Joshua Tree Fire Protection District in 1948. The Joshua Basin Water District was chartered in 1963. The 1970s brought the Joshua Tree Community Center and Hi-Desert Playhouse. In 1984, the Joshua Tree Campus of College of the Desert, now known as Copper Mountain College, was built in the Panorama Heights area. While development has gradually increased in the Joshua Tree community, it has been slow; with growth from 7,439 residents in 1990 to about 8,016 in 2000.

A brief history of the major governmental events for this community and its relationship with the Local Agency Formation Commission is described below, listed chronologically by end date:

- | | |
|------|---|
| 1948 | The County Board of Supervisors and the electorate approved the formation of the Joshua Tree Fire Protection District as a board-governed special district. |
| 1951 | The County Board of Supervisors and the electorate approved the formation of the Joshua Tree Park and Recreation District as a board-governed special district. |
| 1963 | The County Board of Supervisors and the electorate approved the formation of the Joshua Basin County Water District as an independent water district. |

¹ County of San Bernardino. General Plan. *Joshua Tree Community Plan*. 12 April 2007.

- 1964 The County Board of Supervisors and the electorate approved the formation of County Service Area 20, a board-governed special district, to provide road and streetlighting services to Joshua Tree.
- 1972 LAFCO established the spheres of influence for the Joshua Tree community-based districts as that of the boundaries of the Joshua Basin County Water District because the boundaries of the water district included the various other Joshua Tree districts: (Joshua Basin County Water District - LAFCO 1220, Joshua Tree Park and Recreation District - LAFCO 1221, Joshua Tree Fire Protection District - LAFCO 1222, and County Service Area 20 - LAFCO 1223). The southern sphere boundary was established as the southern boundary of the water district – the northern boundary of the Joshua Tree National Monument. The western and eastern boundaries of the spheres of influence generally coincided with the Yucca Valley and Twentynine Palms communities, respectively. Whereas the northern boundary of the water district was not bordered by another agency, the spheres were not expanded northerly beyond the water district's boundary due to two studies that were being conducted at that time regarding the provision of water service to this area. Pending the recommendations of the study, the Commission decided not to include this area within the sphere of influence of any water provider at that time.

LAFCO and the County Board of Supervisors approved a reorganization of the Joshua Tree Fire Protection District, Joshua Tree Park and Recreation District, and County Service Area 20 to make their boundaries coterminous with those of the Joshua Basin County Water District (LAFCO 1250). The reason for the proposal, as stated in the LAFCO resolution, was that the area of Joshua Tree had a community identity and it would be beneficial that the entire area could utilize the same services providing for equality of service and lower tax rates.

- 1976 When special districts were seated on San Bernardino LAFCO, all special districts were limited to the functions/services actively provided at that time. The affected districts responded to LAFCO's request to list their active functions and services by providing the following:

- The County identified to LAFCO that the active function for:
 - County Service Area 20 was streetlighting and roads.
 - Joshua Tree Park and Recreation District was park and recreation.
 - Joshua Tree Fire Protection District was fire protection.
- The Joshua Basin Water District identified to LAFCO that the active function was water.

Pursuant to adoption of the *Rules And Regulations of The Local Agency Formation Commission Of San Bernardino County Affecting Functions And Services Of Special Districts* in 1976 and amendments thereafter, the

functions and services active for districts have been specified on the document entitled "Exhibit A" and the procedures required to apply to the Commission for activation of any other latent powers have been defined.

- 1980-81 In 1980 the County adopted a new community plan for Joshua Tree. Because the community plan boundaries were not the same as the spheres of influence for the Joshua Tree districts, the Joshua Tree Municipal Advisory Council requested that LAFCO review its sphere designations for the community. After consultation with the Joshua Tree MAC, the Commission expanded the Joshua Tree community spheres by approximately 20 square miles to conform with the Joshua Tree Community Plan area (LAFCO 2103), which included the Copper Mountain Mesa area.
- 1985-86 In 1985, the Joshua Basin Water District board adopted a policy to eventually prohibit the hauling of water to areas outside District boundaries. This policy was in direct response to a provision in County Water District Law stating that unless a district declares a surplus of water, water could not be sold, delivered, or transported outside its boundaries. The District notified the residents of the Copper Mountain Mesa area that they must annex to the District if they wished to continue hauling the District's water. The District also conducted a survey of residents and landowners within the area to determine support for annexation. Of those responding, roughly three out of four favored annexation to the District. Given the support from the residents and landowners, the District initiated an application to LAFCO to annex 14 square miles of the Copper Mountain Mesa area (LAFCO 2352). The application did not include the concurrent annexation of the other Joshua Tree community-based districts (fire, park, and streetlighting) because the Copper Mountain Mesa area wished to retain its relationship with County Service Area 38 for fire protection and the area would not benefit from park and streetlighting services. The Commission approved the annexation application.
- 1986-87 The Joshua Basin Water District submitted an application for a sphere expansion and annexation at the request of landowners and registered voters in the area of County Service Area 70 Improvement Zone W-9 (East Landers/Northwest Joshua Tree), which extended beyond the Joshua Tree Community Plan area (LAFCO 2405 and 2407). CSA 70 Zone W-9 provided the funding mechanism for a study regarding water delivery in the area. As with the previous annexation to the water district, the application did not include the concurrent annexation (or sphere expansion) of the other Joshua Tree community-based districts (fire, park, and streetlighting) because the area wished to retain its relationship with County Service Area 38 for fire protection and the area would not benefit from park and streetlighting services. Further, the area did not wish to be associated with the Joshua Tree community, as it identified itself with the Landers community, but annexation to the water district would provide the availability of hauled water. The Commission approved the sphere expansion and annexation applications totaling five square miles.

As a follow-up action to the annexation, the County Board of Supervisors dissolved CSA 70 Zone W-9 and transferred the proceeds of service charges collected for CSA 70 Zone W-9 to the Joshua Basin Water District to benefit the area of the former zone.

1989-90 An application was submitted by the Hi-Desert Water District and the Joshua Basin Water District to consolidate the spheres of influence and boundaries of the districts into a single county water district to be known as the Monument Water District (LAFCO 2549 and 2550). The primary reasons for consolidation were to encourage a coordinated approach to solving water quantity issues in the area and to promote more effective and efficient management of water resources.

The LAFCO hearing was continued due to a pending recall of several of the directors of the Joshua Basin Water District and to allow time for the reorganized board of directors to formally express an opinion on the consolidation. The recall was successful; both districts requested withdrawal of the consolidation application and the Commission accepted the request.

1993 The County Board of Supervisors initiated an application to reorganize all the Joshua Tree board-governed districts (County Service Area 20, Joshua Tree Recreation and Park District, and Joshua Tree Fire Protection District) with CSA 20 as the successor agency (LAFCO 2746). The stated reasons for reorganization were for more effective and efficient delivery of services and to achieve economies of scale in administration and delivery of the services. The possibility of including the independent Joshua Basin Water District in the reorganization proposal was evaluated but there was a lack of interest in transferring water service responsibility to the County. The Commission and the County Board of Supervisors approved the application which included the expansion of powers for CSA 20 to include fire protection and park and recreation services.

1993-94 In 1993 the Commission received a landowner petition containing 186 valid signatures initiating an application to detach 22 square miles of the area commonly known as Copper Mountain Mesa from the Joshua Basin Water District (LAFCO 2765). The staff report for this proposal identified the applicant's reasons for detachment as:

1. The residents were excessively taxed under the District's special assessment district,
2. The residents did not derive any benefit through the establishment of the special assessment district, and
3. Land values declined as a result of not deriving any benefit through the establishment of the special assessment district.

The Commission denied the detachment request because State law does not allow for detachments from county water districts if the district benefits the area. The Commission determined that the benefits to the area from the Joshua Basin Water District included: the study and planning for extension of

water lines into the area, the preparation of funding applications with the Farmers' Home Administration for development of a water system to ultimately serve the area, and the use of District facilities for acquisition of water for hauling to the Copper Mountain Mesa area.

1990-95 In June 1990, voters within the Morongo Basin portion of the Mojave Water Agency approved a measure to form Improvement District M and approved a \$66.5 million bond to fund a pipeline to deliver supplemental water for replenishment purposes and formed Improvement District M. Approval of this measure obligated the landowners within the area to pay for their fair share (75%) of the extension of the pipeline. Construction on the approximately 71 mile Morongo Pipeline began in 1992 and was completed in 1995 and serves the areas of Johnson Valley, Joshua Tree, Landers, and Yucca Valley. The Pipeline delivers water from Hesperia to a five million gallon reservoir in Landers. From there, water is delivered to percolation ponds in the Yucca Valley area that act as natural filtration systems where water seeps back into the ground to recharge the aquifer.

1994-95 In 1994, the Commission received a landowner initiated application to detach 390 acres of the area commonly known as the Institute of Mentalphysics Spiritual Center from the Joshua Basin Water District (LAFCO 2783). The proponents for the detachment outlined their rationale as the desire to reduce the stand-by charges assessed by the District against their properties. The Commission denied the detachment request, for the following reasons:

1. The detachment would have an adverse effect upon the financing of the Morongo Pipeline.
2. State law that does not allow for detachments from county water districts if the district benefits the area.
3. The detachment would have created a three parcel island.

Following the Commission's denial of the proponent's application for detachment, the proponents submitted a request for reconsideration. The request did not present any new information or show that important information was overlooked by the Commission in its decision, and the Commission denied the reconsideration request.

2006-07 The Joshua Basin Water District initiated an application for the addition of sewer powers (LAFCO 3074). The District's request was in response to new directives from the Colorado River Basin Regional Water Quality Control Board regarding the use of septic systems and the preservation of the groundwater basin in this region. LAFCO approved the District's request for the addition of the sewer function, but LAFCO limited the service description to planning and engineering for regional sewer service and operation of package treatment plants.

2008 The reorganization of the San Bernardino County Fire Protection District (LAFCO 3000), effective July 1, 2008, included the transfer of responsibility for fire services from CSA 20 (serving the Joshua Tree community) to the

South Desert Service Zone of the newly reorganized San Bernardino County
Fire Protection District.

JOSHUA TREE COMMUNITY DISCUSSION

The Commission's policy guidelines for spheres of influence outline its strategy as a "community-by-community" consideration. This practice employs looking at the whole of the community as defined by the existence of inter-related economic, environmental, geographic and social interests. The Commission's concept is to define a community through the spheres of influence for all related service providers.

School districts are social focal points for many communities. The Joshua Tree community is within the boundaries of the Morongo Unified School District. Because of its regional nature, the boundaries of the Morongo Unified School District do not provide information related to the specific community for Joshua Tree. However, the District coordinates with the School District to match the curriculum of CSA 20's Recreational Preschool Program with the educational development needs for school age children.

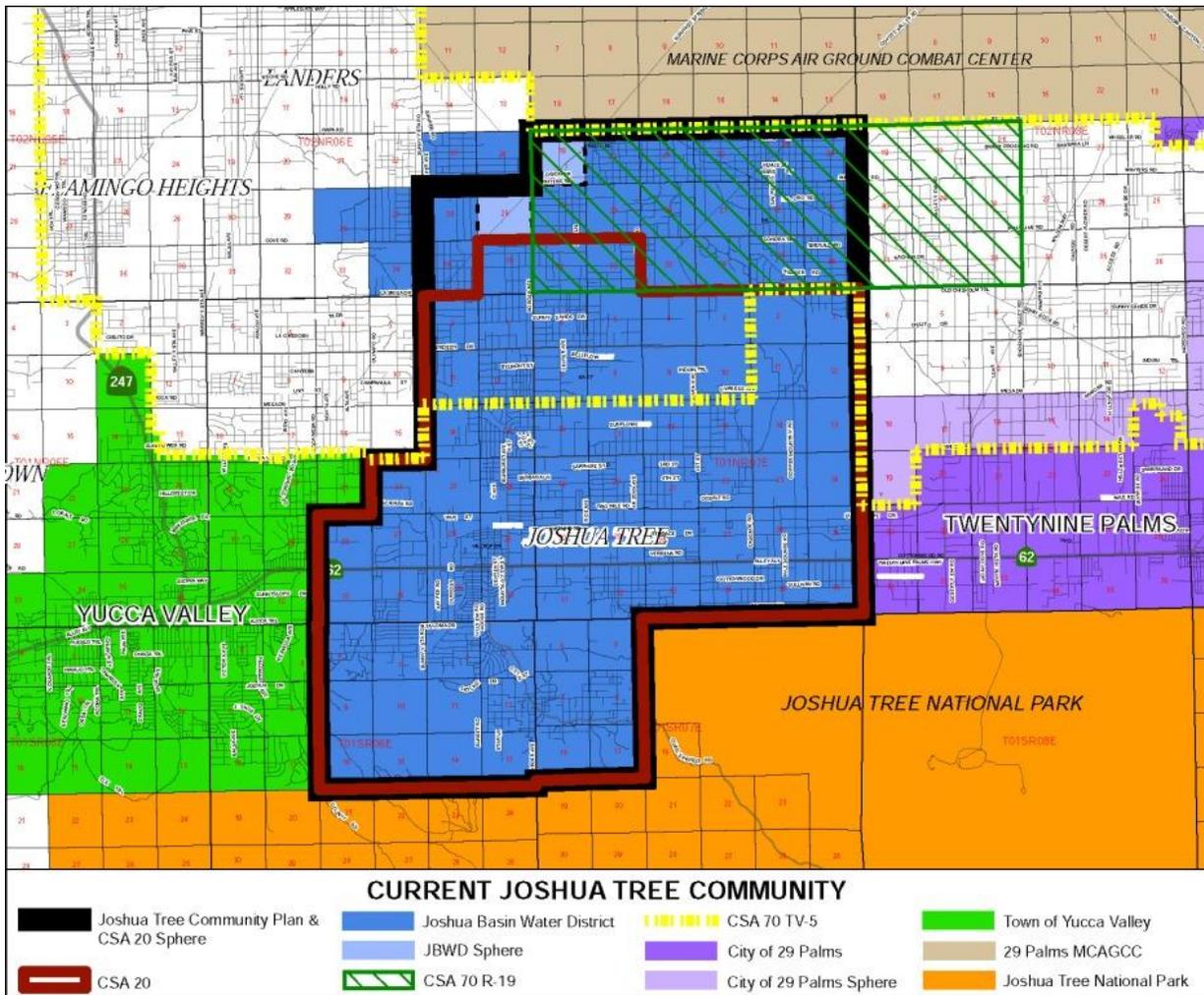
Since 1980 the spheres of influence of the Joshua Tree agencies conformed to the Joshua Tree Community Plan area, which in turn was recognized as the Joshua Tree community by the Commission.² In 1987, the Commission approved a five-square mile sphere expansion and annexation to the Joshua Basin Water District. This action did not include the concurrent sphere expansions of the three board-governed districts and expanded the water district's sphere of influence and boundaries beyond the Joshua Tree Community Plan area on the basis of service need and rejection of further services from the area. As a result, the LAFCO community definition for Joshua Tree remained coterminous spheres of the three board-governed districts (CSA 29, Joshua Tree Fire and Joshua Tree Park).

In 1993, the County Board of Supervisors initiated an application to reorganize the three Joshua Tree board-governed districts (CSA 20, Joshua Tree Recreation and Park District, and Joshua Tree Fire Protection District) with CSA 20 as the successor agency. Therefore, since 1993 the LAFCO definition of the community of Joshua Tree has been the sphere of influence of CSA 20.

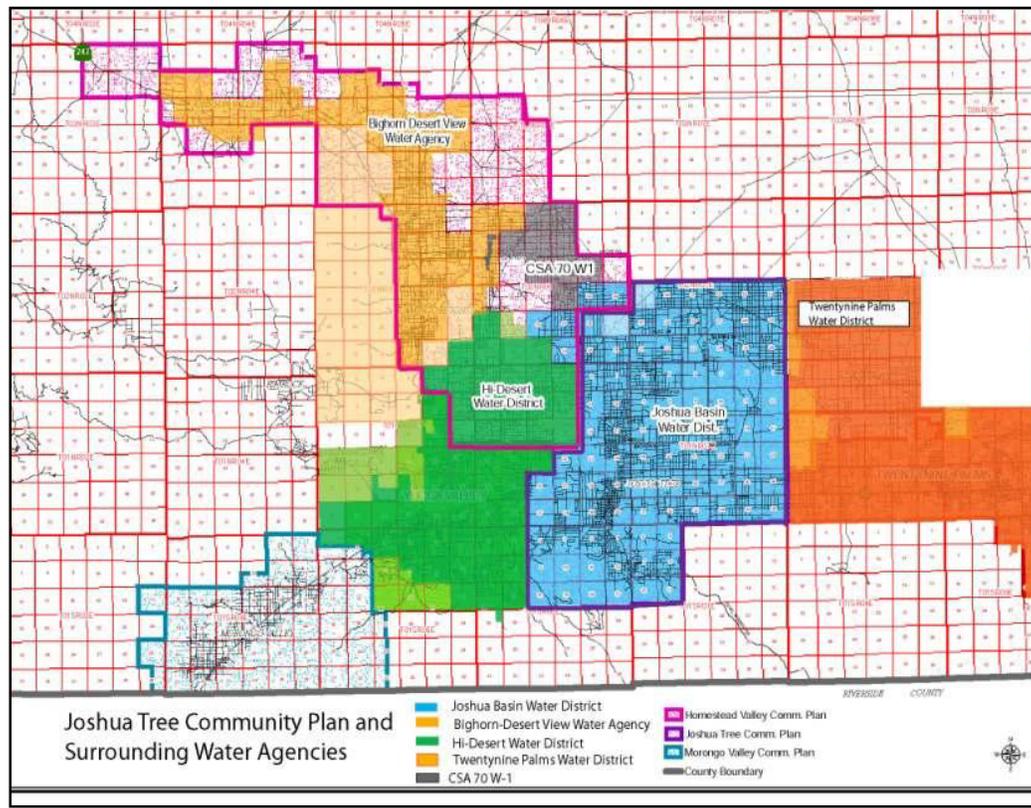
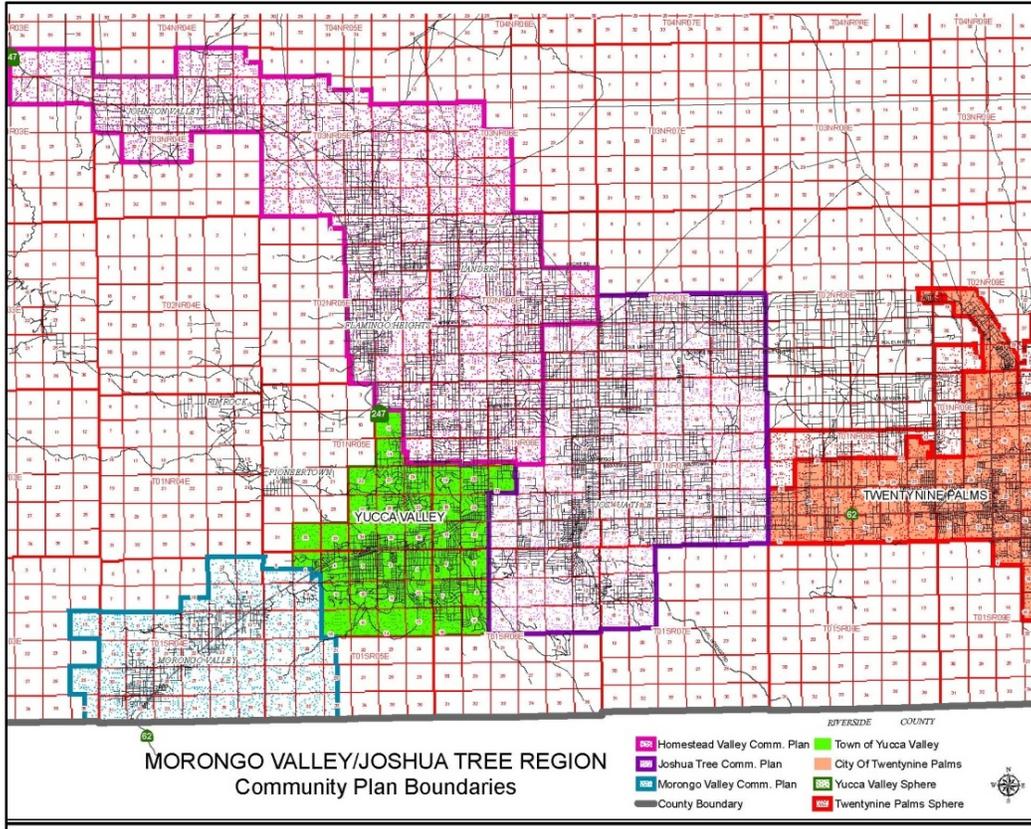
However, in 2007 when the Community Plan program was reinstated as a part of the County's General Plan Update, the area of the Joshua Tree Community Plan was adopted the same as the 1980 community plan. Similar to the 1980 community plan, the formulation of the 2007 community plan boundaries did not take into account service provision. This has resulted in the Joshua Basin Water District boundary and sphere extending into the newly defined adjacent Homestead Valley Community Plan area by five square miles.

Currently, the CSA 20 boundary and sphere is coterminous with the Joshua Tree Community Plan area. The sphere study area includes the Joshua Basin Water District and CSA 20. Additionally, two zones of County Service Area 70 extend into the northern portion of the community for road service (R-19) and television services (TV-5). The map below is of the Joshua Tree community and its agencies including the Zones of CSA 70 which extend into the community.

² The 1989 County General Plan update proposed that comprehensive community plans be incorporated into the General Plan and Development Code, however full incorporation was not completed due to budget and staff constraints (Joshua Tree Community Plan, pg 11).



The map above identifies the five square miles of the Joshua Basin Water District that extends beyond the Joshua Tree Community into the adjacent Homestead Valley Community Plan. The first map below shows the County community plans in the Morongo Basin with the Town of Yucca Valley and City of Twentynine Palms identified. The second map shows the community plans and the overlaying water agencies that are adjacent to the Joshua Tree community.



To reflect the Commission's policy direction to address its sphere of influence program on a community-by-community approach and to address actual service provision within the community of Joshua Tree, a discussion of the Joshua Tree community definition should take place. LAFCO staff's analysis indicates there are two options for Commission consideration:

Option #1:

The Commission could determine to refine the community definition to include the boundaries of the Joshua Basin Water District sphere of influence. Such a definition would provide for a division of community based upon the needs and provision of water service to the territory; it would acknowledge the agency with the greater ability to address issues of growth; and it would allow for the voters which participate in local elections to determine the potential for the future of the community as a whole.

Option #2:

The Commission could determine that the existing community definition reflecting the use of County Service Area 20's sphere of influence without recognition of the service providers should be retained.

Staff's Recommendation:

As has been outlined to the Commission in the recent discussions of the Crest Forest and Lake Arrowhead communities, the formulation of the County Community Plan boundaries in 2007 did not take into account service provision. Therefore, utilizing the Community Plan boundary does not adhere to Commission policy and practice. This would eliminate support for approval of Option #2.

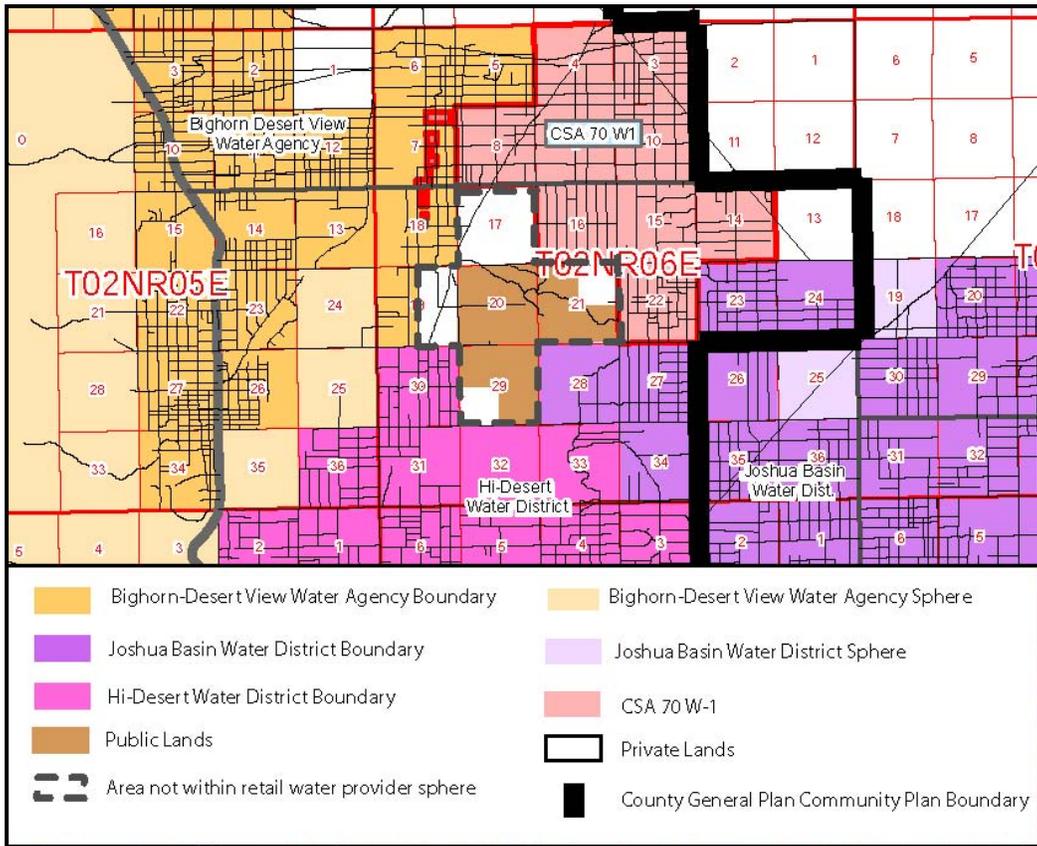
Therefore, staff's recommendation is that the Commission redefine its community definition for Joshua Tree to be the sphere of influence of the water service provider for the community – the Joshua Basin Water District, which the following section of this report proposes to modify to the northwest.

Spheres of Influence

Joshua Basin Water District

1. Generally, there is little room to expand the District's sphere due to surrounding geography and bordering agencies. During the Yucca Valley community service review that was presented to the Commission in February 2010, staff identified an area northwest of the District that is completely surrounded by a retail water agency boundary and/or sphere of influence. The surrounding agencies are the Hi-Desert Water District, Bighorn-Desert View Water Agency, Joshua Basin Water District, and County Service Area 70 Zone W-1. This area, which includes Sections 17, 19 (portion), 20, 21, and 29 of Township 2 North, Range 6 East, SBM, encompasses approximately 4.5 square miles that is not within the boundaries or sphere of influence of any water provider (shown on the map below in hatched outline). The area is within the Homestead Valley Community

Plan and has County of San Bernardino General Plan land use designations of Rural Living, Institutional (portion of the Landers Landfill), and Resource Conservation.

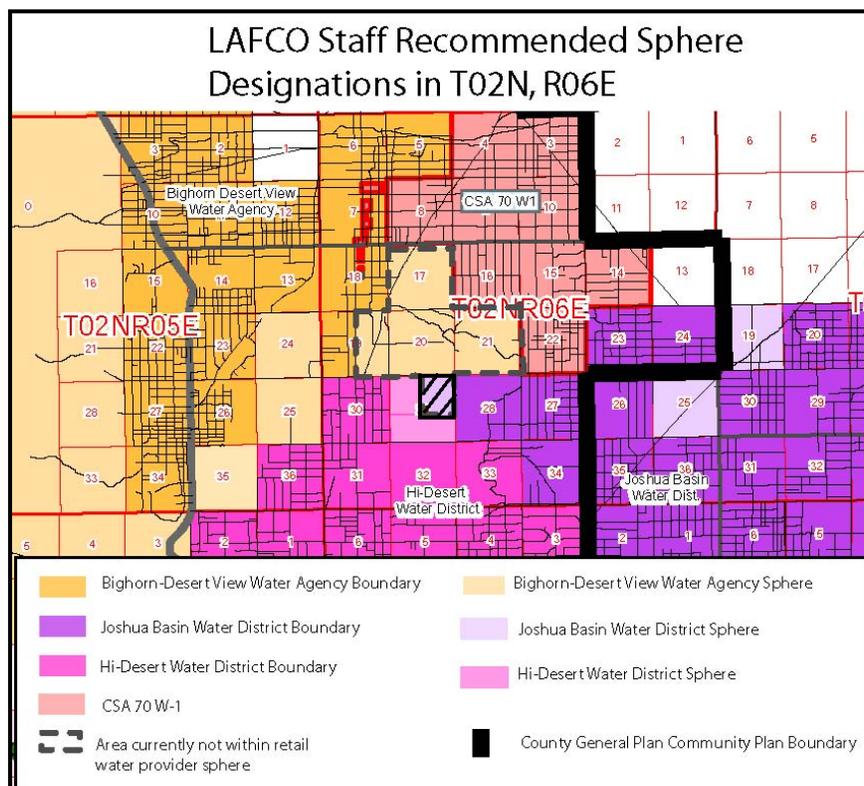


In looking at this area, staff identified its position that it should be within the sphere of influence of a water service provider to eliminate potential service confusion. It is important to note that CSA 70 W-1 does not have a sphere of influence because zones of county service areas are not under the purview of LAFCO. Staff's overall recommended sphere designations for this area are shown on the map below. The Commission has agreed with staff's overall recommendations for this area, and in February 2010 took action to expand the Hi-Desert Water District's sphere of influence by 480 acres. The only action that can be taken as a part of this report would be limited to the Joshua Basin Water District. The basis for staff's recommendations is as follows:

- Joshua Basin Water District.** Looking at the map above, there are five square miles of the Joshua Basin Water District that are included in the Homestead Valley Community Plan. However, as identified on numerous occasions by LAFCO staff, the formulation of the community plan boundaries did not take into account the boundaries of existing service providers. In addition, in this case, the Landers Landfill includes the northwest $\frac{1}{4}$ of Section 28 and the northeast $\frac{1}{4}$ of Section 29. Staff believes that the landfill should be within the sphere of influence of one retail water provider. Since the northwest $\frac{1}{4}$ of Section 28 is currently within the Joshua Basin Water District, the northeast $\frac{1}{4}$ of Section 29 should be within the sphere of Joshua Basin Water District as well. Staff's recommended sphere expansion for the Joshua Basin Water District is identified by diagonal hatch lines on the map below.

The District has provided written correspondence stating that it has no objection to the proposed modification to its sphere of influence (included as a part of Attachment #3).

- **Hi-Desert Water District.** In February 2010, the Commission approved the expansion of the Hi-Desert Water District's sphere of influence to include a portion of Section 29 (west ½ of Section 29 together with the southeast ¼ of said Section 29, approximately 480 acres). The southwest ¼ of said Section 29 includes private lands encompassing approximately 160 acres.
- **Bighorn-Desert View Water Agency.** For the remainder of the area identified, Sections 17, 20, 21, and the east ½ of Section 19, staff's opinion is that they should be within Bighorn-Desert View Water Agency since the drainage patterns and social identification are more aligned with that Agency than any of the other surrounding communities. Bighorn-Desert View Water Agency was provided a copy of the Hi-Desert Service Review/Sphere Update in February 2010 and has been provided a copy of this report. As of the date of this report, no comment from the District has been received regarding the proposed sphere modifications.



Therefore, as a part of this report, staff is recommending that the Commission expand the sphere of influence of the Joshua Basin Water District by approximately 160 acres to include the northeast ¼ of Section 29, Township 2 North, Range 6 East.

2. Outside of the area described above, the Joshua Basin Water District's sphere of influence is generally bordered by the Yucca Valley and Twentynine Palms

communities, the Twentynine Palms Marine Corps Air/Ground Combat Center, and the Joshua Tree National Park. With no additional room for growth, staff recommends that the Commission affirm the remainder of the existing sphere of influence for Joshua Basin Water District.

County Service Area 20

Since 1993, LAFCO has defined the Joshua Tree community as the sphere of influence of CSA 20. As an outgrowth of the community discussion, in the staff view there are two options for discussion and consideration by the Commission related to the sphere of influence of CSA 20.

Option #1 – Expand the Sphere of Influence to Match that of the Joshua Basin Water District Sphere of Influence

The Joshua Basin Water District sphere of influence extends beyond the CSA 20 sphere by five plus square miles. The Commission's policy guidelines for spheres of influence are through a "community-by-community". Expansion of CSA 20's sphere to coincide with the Joshua Basin Water District sphere would result in coterminous spheres of influence for all Joshua Tree based special districts.

Option #2 – Affirm the Existing Sphere of Influence

Due to bordering agencies and restricted public lands, the only direction for sphere expansion is to the northwest. At this time, no expression of interest from the residents for streetlighting services northwest of CSA 20's existing sphere of influence. Further, streetlighting service has been altered through the County's adoption of a Night Sky Ordinance, which outlines the need for streetlighting for public safety issues.

Government Code Section 56076 defines a sphere of influence as a "plan for the probable physical boundaries and service area of a local agency, as determined by the commission". Any of the options identified above regarding sphere modifications would not affect any agency's current boundary or the services that they actively provide.

Staff's Recommendation

Based upon a review of the materials submitted to the Commission during this service review, additional information gathered by LAFCO staff, prior Commission considerations, and the policies for spheres of influence adopted by the Commission, it is the staff's position that the Commission should expand the existing sphere of influence for CSA 20 to match that of the Joshua Basin Water District's sphere of influence (Option #1) based of the following:

- If the Commission accepts staff's recommendation to redefine its community definition of Joshua Tree as that of the Joshua Basin sphere of influence, then the Commission's "community-by-community" approach is to adhere to contiguous spheres of influence for the community-based service districts.

REGIONAL SERVICES TRAFFIC CIRCULATION AND FIRE PROTECTION

The Joshua Tree Community Plan states that, “residents understandably want to ensure that quality services and amenities are provided to meet the needs of a growing full-time population. Residents are particularly concerned about water supply, water quality, and traffic circulation.” Additionally, the community has historically valued fire protection services being provided by the County. A review of water is provided in the Joshua Basin Water District service review section of this report. A review of traffic circulation and fire protection services is provided below.

TRAFFIC CIRCULATION

The following information regarding traffic circulation within the community is taken from the Circulation section of the Joshua Tree Community Plan.

One of the overriding goals expressed by residents of Joshua Tree is to maintain the existing character of the community. The character of the community can be significantly impacted by roads and the traffic generated from the region and the community.

Twentynine Palms Highway (SR-62) provides access from both the Yucca Valley to the west and Twentynine Palms to the east. Old Woman Springs Road (SR-247) is located in close proximity to the western boundary of the plan area and provides access to Lucerne Valley. The vast majority of travel trips in the plan area are made by automobile, using the existing network of state highways and County roads.

Identifying and implementing future improvements will be a challenge that will have to address: a) a lack of local control over state-highway improvements and b) improvements that may be in conflict with the community’s desire to maintain the area’s scenic and natural resources and rural desert character. In addition, residents articulated the need for maintenance and improvements to the existing roadway system, particularly for those roads that are currently subject to frequent flooding. However, residents also emphasized their primary concern, to maintain the rural character of the community. Improvements to the circulation system within the community will need to be compatible with the community’s goal of maintaining the area’s character and scenic and natural resources.

Table 4 provides the existing and future 2030 roadway operating conditions for major County roads and highways within the Joshua Tree Community Plan area.

Table 4: Mobility Statistics

Facility	Begin-End	Existing 2004 Operating Condition			Future 2030 Operating Conditions		
		ADT	V/C	LOS	ADT	V/C	LOS
Alta Loma Drive	Sunny Vista Rd – Park Blvd	3,050	0.244	A	3,890	0.311	A
Border Avenue	Aberdeen Dr – Golden St	300	0.026	A	1,798	0.156	A
Golden Street	Sunburst Ave – Border Ave	1,450	0.116	A	1,497	0.120	A
La Contenta Road	SR-62 – Yucca Tr	2,250	0.180	A	2,976	0.238	A
Park Boulevard	SR-62 - Alta Loma Dr	2,450	0.196	A	2,562	0.205	A
Quail Springs Road	Alta Loma Dr – Rainbow Ridge Rd	1,200	0.096	A	1,527	0.122	A
Sunburst Avenue	Golden St – Crestview Dr	2,900	0.232	A	2,948	0.236	A
	Crestview Dr – SR-62	1,100	0.110	B	1,980	0.163	B
Sunfair Road	Broadway – SR 62	900	0.078	A	3,607	0.336	A
Sunny Vista Road	SR-62 – Prescott Tr	1,000	0.071	A	1,233	0.088	A
Yucca Mesa Road	Buena Vista Dr – SR-62	3,500	0.230	A	3,935	0.315	A
State Highways							
SR-62	Yucca Mesa Rd – Sunfair Rd	16,600	0.553	C	23,600	0.787	D

Source: Meyer, Mohaddes Associates

According to Table 4, most roads within the Community Plan area are operating at a level of service A. A level of service A is described as low-volume, free-flow traffic conditions with little or no delay throughout the day. Future 2030 conditions for the Joshua Tree Community Plan Area indicate that major County roads within the plan area are projected to continue to operate at levels of service A. Sunburst Avenue, between Crestview Drive and State Route 62 is projected to continue to operate at a level of service B. Traffic conditions on State Route 62 are projected to worsen to a level of service D. A level of service D is described as approaching unstable flow with poor yet tolerable delays experienced throughout the day. During peak hours, significant congestion and delays may be experienced.

FIRE PROTECTION

Fire protection and emergency medical response services in Joshua Tree were previously provided by CSA 20 through contract with CSA 38 until July 1, 2008, the effective date of the County Fire reorganization (LAFCO 3000). Since then, fire protection and emergency medical response services are provided by the board-governed San Bernardino County Fire Protection District (hereafter shown as County Fire) and its South Desert Service Zone. Administrative offices for the South Desert Service Zone are located in the Town of Yucca Valley.

For the Joshua Tree community, the following fire stations serve the area:

- Station 35 - 6562 Sierra Avenue (Panorama Heights Station) formerly a part of CSA 20
This station is home to paid call crews from the local community that houses one type II/III Engine Company and one Water Tender.
- Station 36 – 6715 Park Boulevard (Joshua Tree Station) formerly a part of CSA 20
This station is home to six career firefighters (one Captain, two Engineers, and three LT firefighters) working a 48/96-hour work shift that houses one Type I Engine Company,

one Squad vehicle and one reserve engine. In addition, a staff of seven paid-call firefighters augment the on-duty crews.

- Station 44 - 6562 Sierra Avenue (Copper Mountain Mesa Station) formerly a part of CSA 20

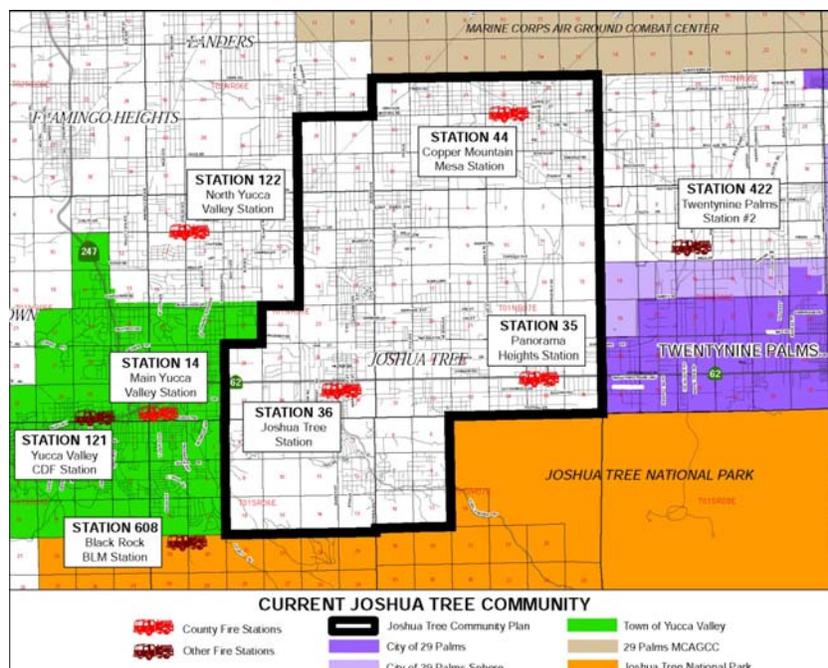
This station is currently inactive due to staffing shortages.

- Station 122 –North Yucca Valley Station

This station is generally associated with the Yucca Mesa community but would provide for service into the northwestern Copper Mountain Mesa area through County Fire. This station was a part of the former Yucca Valley Fire Protection District facilities transferred to County Fire.

As a result of the County Fire reorganization, ownership of Station 35 was transferred from CSA 20 to County Fire and Station No. 36 is being leased by County Fire from CSA 20. The 20-year lease agreement commenced on July 1, 2008, and will expire June 30, 2028. On the other hand, Station 44 is owned by the Copper Mountain Mesa Community Association, a non-profit organization, and County Fire continues to lease this facility from the organization. No information was provided regarding the long-term viability of this station.

County Fire and its South Desert Service Zone has automatic and/or mutual aid agreements with the California Department of Forestry and Fire Protection - Station 14, National Park Service - Black Rock Interagency Fire Center, Twentynine Palms Water District (fire provider for the Twentynine Palms community), and the Marine Corps Air/Ground Combat Training Center - Combat Center Fire Department. Below is a map of the Joshua Tree community and the fire stations located within and around the area.



The table below (taken from the Joshua Tree Community Plan) provides a detail description of the two fire stations within the community.

Fire Stations	Fire District /Agency	Area Served	Equipment	Personnel (number and title)	EMT Response Capabilities	Availability of ambulance services	Nearest Medical Facilities
Joshua Tree Station 36	SBCFD	Fire crews from the Joshua Tree station routinely assist the National Park Service, Twentynine Palms Fire, and the Marine Corps Fire Services	The station houses one ICS Type I Engine Company, one Squad vehicle and one reserve engine.	Staffed daily with one Full-time Captain, and one Limited Term Firefighter (L.T.). A staff of paid-call firefighters (PCFs) augment the on-duty crews.	EMT-D	Morongo Basin Ambulance (Private)	Hi-Desert Medical Center - Joshua Tree
Panorama Heights Station 35	SBCFD	Panorama Heights and adjacent area	The station houses one Type II/III Engine Company and one Water Tender.	Fire Station 35 is home to our paid call crews from the local community .	EMT-D	Morongo Basin Ambulance (Private)	Hi-Desert Medical Center - Joshua Tree

As mentioned previously, the Copper Mountain Mesa Station (Station 44) is currently inactive due to staffing shortages.

JOHNSUA BASIN WATER DISTRICT Service Review and Sphere of Influence Update

INTRODUCTION:

LAFCO 3111 consists of a service review pursuant to Government Code Section 56430 and sphere of influence update pursuant to Government Code 56425 for the Joshua Basin Water District (“District”).

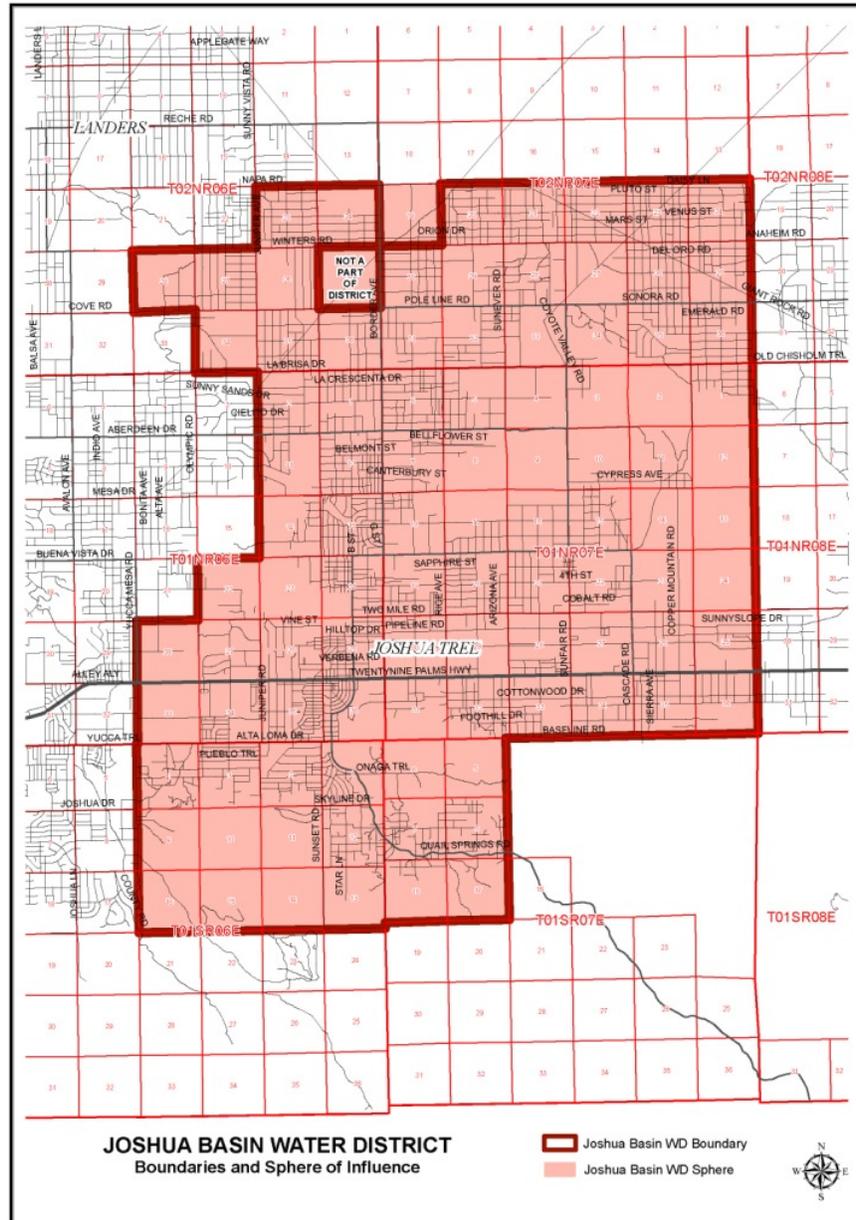
The District was formed in 1963 to provide retail water to the Joshua Tree community. The District is an independent special district with a five-member board of directors and operates under *County Water District Law*, Water Code Section 30000 et seq. Currently, the District is authorized by LAFCO to provide water and limited sewer pursuant to the *Rules and Regulations of the Local Agency Formation Commission of San Bernardino County Affecting Functions and Services of Special Districts*.

As discussed in detail in this report, staff is recommending that the Commission:

- Expand the District’s sphere of influence by approximately 160 acres to include the northeast portion of Section 29, T02N, R06E.
- Affirm the authorized functions and service descriptions for the District.

LOCATION AND BOUNDARIES:

The service review and sphere of influence update study area is located in the South Desert Region of the county and comprises approximately 98 square miles. The area is generally bordered by the Joshua Tree National Park on the south, primarily the Town of Yucca Valley and the Hi-Desert Water District on the west, County Service Area 70 Zone W-1 (Goat Mountain) on the northwest, the Twentynine Palms Marine Corps Air Ground Combat Center on the north, and the City of Twentynine Palms and Twentynine Palms Water District on the east. A map of the District and its current sphere is shown below and is included as a part of Attachment #4.



JOSHUA BASIN WATER DISTRICT SERVICE REVIEW

At the request of LAFCO staff, the District prepared a service review pursuant to San Bernardino LAFCO policies and procedures. The response to LAFCO’s original and updated requests for materials includes, but is not limited to, the narrative response to the factors for a service review, response to LAFCO staff’s request for information, and financial documents (included as Attachment #3). LAFCO staff responses to the mandatory factors for consideration for a service review (as required by Government Code 56430) are identified below and incorporate the District’s response and supporting materials.

I. Growth and population projections for the affected area.

The rural desert character of the Joshua Tree Community is defined in part by the geographic location, desert environment and low-density residential development. Residential development within the plan area is characterized by large lots, the varied placement of homes, and open spaces around the homes. The character of the community is further defined by the natural environment and by the limited commercial and industrial uses.

The District overlays all of the Joshua Community Plan area (County Service Area 20 boundary and sphere of influence) representing 95% of the District's boundary and sphere. With considerable land use and population projections available for the Joshua Tree Community Plan area, staff provides land use and population projections for the community plan area and build upon these figures where necessary.

Land Use

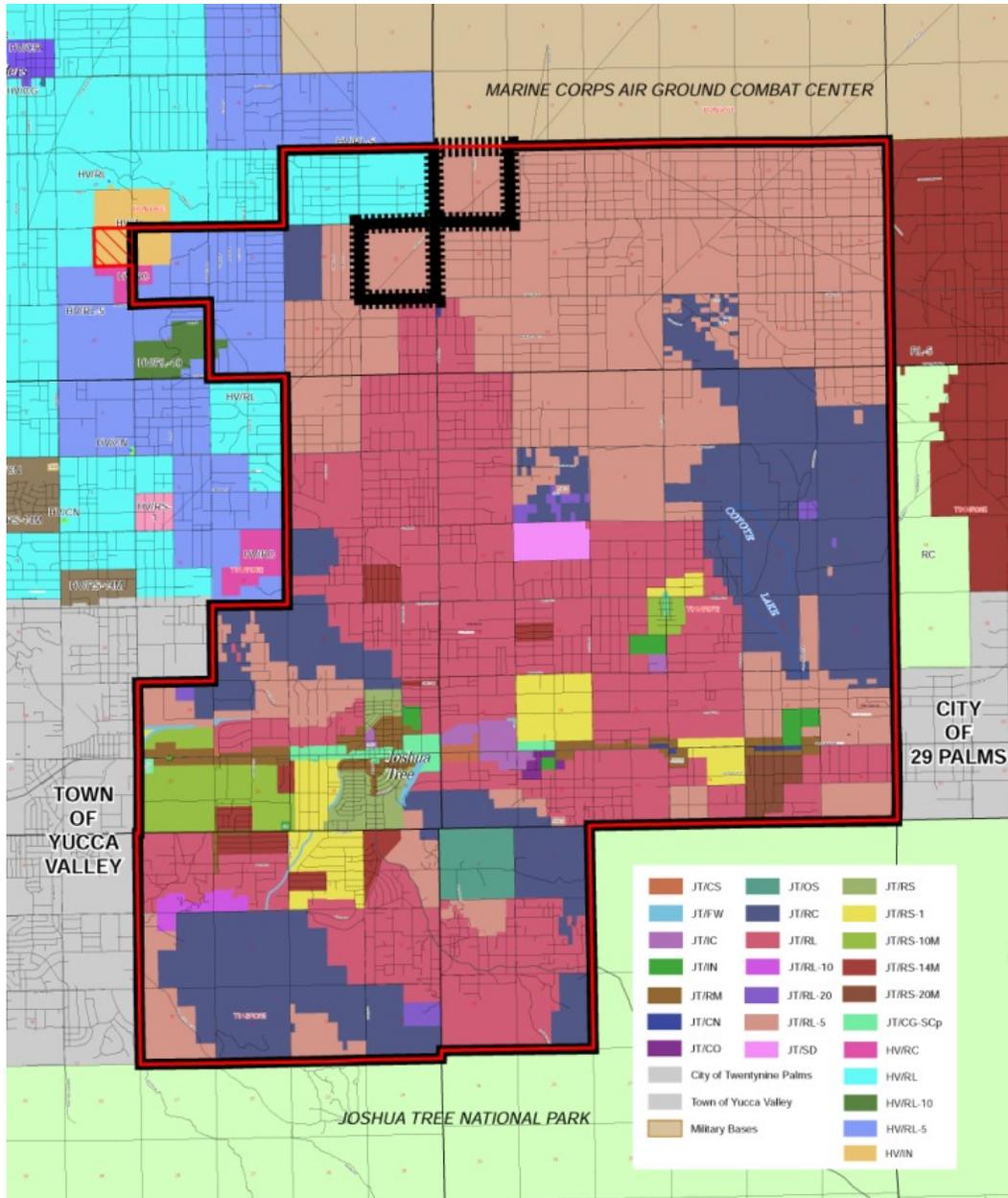
The table below (taken from the Joshua Tree Community Plan) contains the general plan land use district distribution for the community plan area. As shown, the most prominent County land use designation within the plan area is Rural Living (RL), which makes up approximately 74% or 37,101 acres of the total land area. The second and third most prominent land use districts within the plan area are Resource Conservation (RC) and Single Residential (RS), which make up approximately 12% and 10% of the total land area, respectively. The Joshua Tree plan area also contains Multiple Residential, Community Industrial, Institutional (IN), and several commercial land use districts; however these land use districts only make up a small percentage of the total plan area. The Joshua Tree Community plan area contains some Bureau of Land Management (BLM) lands. Those portions of BLM lands that are within the Joshua Tree Community Plan area comprise 10,199 acres, which equates to approximately 17% of the total land area within the plan area. The majority of the commercial and industrial land use districts are concentrated along Highway 62 in the southwestern portion of the plan area.

Table 2: Land Use Policy Map Maximum Potential Build-Out

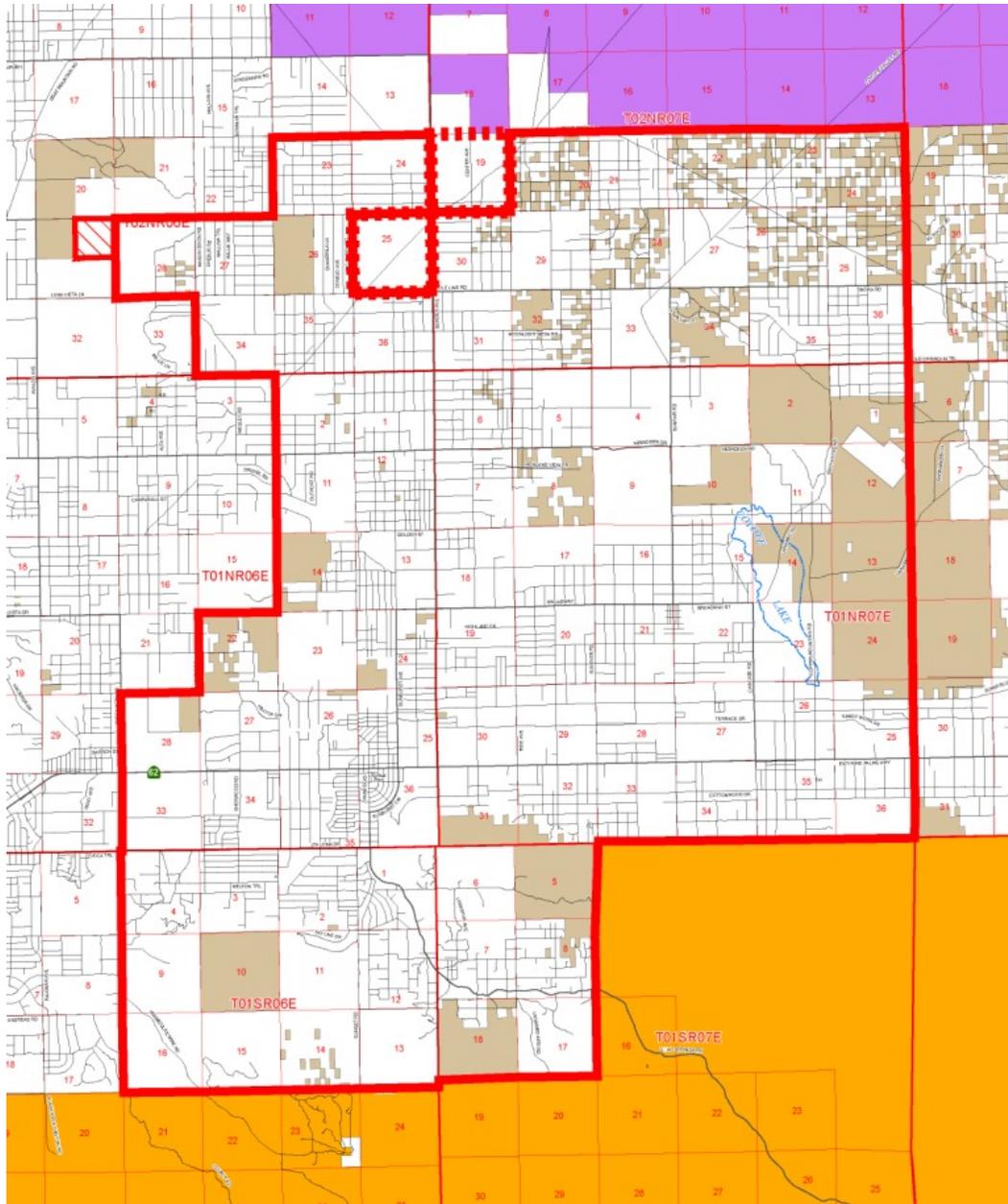
Land Use Designation	Land Use Policy Map Maximum Potential Build-Out		
	Area (Acres)	Density (D.U. Per Acre)	Maximum Policy Map Build-Out (D.U. 's)
Residential Land Use Districts			
Resource Conservation (RC)	5,886	0.025	147
Rural Living (RL)	17,636	0.4	7,055
Rural Living 5 (RL-5)	18,882	0.2	3,776
Rural Living 10 (RL-10)	205	0.1	21
Rural Living 20 (RL-20)	378	0.05	19
Single Residential (RS)	670	6	2,678
Single Residential 10,000 (RS-10M)	1,259	4	5,038
Single Residential 14,000 (RS-14M)	710	3	2,131
Single Residential 20,000 (RS-20M)	324	2.18	647
Single Residential 1 (RS-1)	1,787	1.0	1787
Multiple Residential	895	16.0	14,320
Total Residential	48,632	--	37,619
Non-Residential Land Use Districts		FAR¹	SQUARE FEET²
Office Commercial (CO)	64	.5:1	1,393,920
Neighborhood Commercial (CN)	44	.25:1	479,160
General Commercial (CG)	363	.5:1	7,906,140
Service Commercial (CS)	88	.3:1	1,149,984
Community Industrial (IC)	350	.4:1	6,098,400
Institutional (IN)	261	.5:1	5,684,580
Floodway (FW)	128	.3:1	1,672,704
Total Non-Residential	1,298		24,385,148
Source: Stanley R. Hoffman Associates, Inc. and URS Corp.			
Notes:			
(1) Floor Area Ratio (FAR) is a measure of development intensity. FAR is defined as the gross floor area of a building permitted on a site divided by the total area of the lot. For instance, a one-story building that covers an entire lot has an FAR of 1. Similarly, a one-story building that covers 1/2 of a lot has an FAR of 0.5. A two story building that covers 1/2 of a lot has an FAR 1.0.			
(2) The total square feet for the non-residential land use designations was calculated by multiplying the area (acres) by the FAR and then converting the total acres to square feet. 43,560 square feet = 1 acre			

The District's boundary and sphere extends an additional five square miles to the northwest into the Homestead Valley Community Plan area. The land use designations for the additional five square miles include 1,690 acres designated as HV/RL-5 (Rural Living, 5 acres minimum lot size), 1,280 acres designated as HV/RL (Rural Living, 2.5 acres minimum lot size), 30 acres designated as HV/RL-10 (Rural Living, 10 acres minimum lot size), 40 acres designated as HV/RC (Resource Conservation), and approximately 160 acres designated as HV/IN (Industrial), which is where the District's boundary extends into the Landers Landfill located at the northwest portion of Section 28.

The LAFCO staff proposed sphere expansion area of the northeast portion of Section 29, comprising approximately 160 acres designated also as HV/IN, which includes the remaining portion of the Landers Landfill that is currently not within a sphere of influence of a retail water provider. The map below illustrates the different land use designations within the Joshua Basin Water District and its sphere of influence.



The map below illustrates the private and public land by color within the District and its sphere of influence: tan represents government lands managed by BLM, purple represents the Twentynine Palms MCAGCC military base, orange represents government lands managed by the U.S. National Park Service, and white represents all the private lands.



Residential build-out for the community is estimated to be 37,619 units based on San Bernardino County General Plan current zoning and maximum densities. The additional five square miles is estimated to have a residential build-out of approximately 853 units. These residential build-out projections are not expected to occur within the 2030 horizon of this report.

Population Projections

The Joshua Tree Community Plan provides population projections that are based on historic and expected growth trends (see figure below from the Joshua Tree Community Plan). The County projections estimate a population range of between 9,387 and 15,500 people by 2030. The larger projections are based on regional permit data. These numbers

imply that the plan area will reach between 11 to 16 percent of its potential population capacity by 2030.

Table 3: Population, Households and Employment Projection 2000-2030

	1990	2000	Projection 2030	Average Annual Growth Rate: 1990-2000	Projected Average Annual Growth Rate: 2000-2030	Maximum Policy Map Build-Out	Ratio of 2030 Projection to Land Use Policy Map Build-Out
Population	7,675	8,103	9,387 to 15,500	0.5%	0.5% to 0.9%	88,405	0.11 to 0.16
Households	3,230	3,465	4,170 to 6,625	0.7%	0.6% to 0.9%	37,619	0.11 to 0.20
	1991	2002		1991-2002	2002-2030		
Employment	545	1,426	1,651 to 2,728	9.1%	0.5% to 0.9%	27,725	0.06

Source: Stanley R. Hoffman Associates, Inc. 2-17-05 (rev 11-10-05)

Note: The population estimates for 1990 and 2000 were based on the U.S. Census. The employment estimates for 1991 and 2002 were based on data from the California Employment Development Department (EDD).

The Southern California Association of Governments (SCAG) in its *2008 Regional Transportation Plan Growth Forecast* projected the population and the number of households within the unincorporated community of Joshua Tree to be similar to projections used for the Joshua Tree Community Plan. SCAG projections assume that growth potential is not constrained by a lack of public services or utilities. As such, the population estimates are not target levels, but rather reasonably foreseeable levels, based on the current trends.

SCAG PROJECTIONS 2008

Location	2010	2015	2020	2025	2030	2035	Change 2010-2035
Joshua Tree							
Population	9,873	11,284	12,482	13,617	14,696	15,717	5,844
Households	3,907	4,664	5,275	5,854	6,393	6,896	2,989

SOURCE: SCAG, 2008.

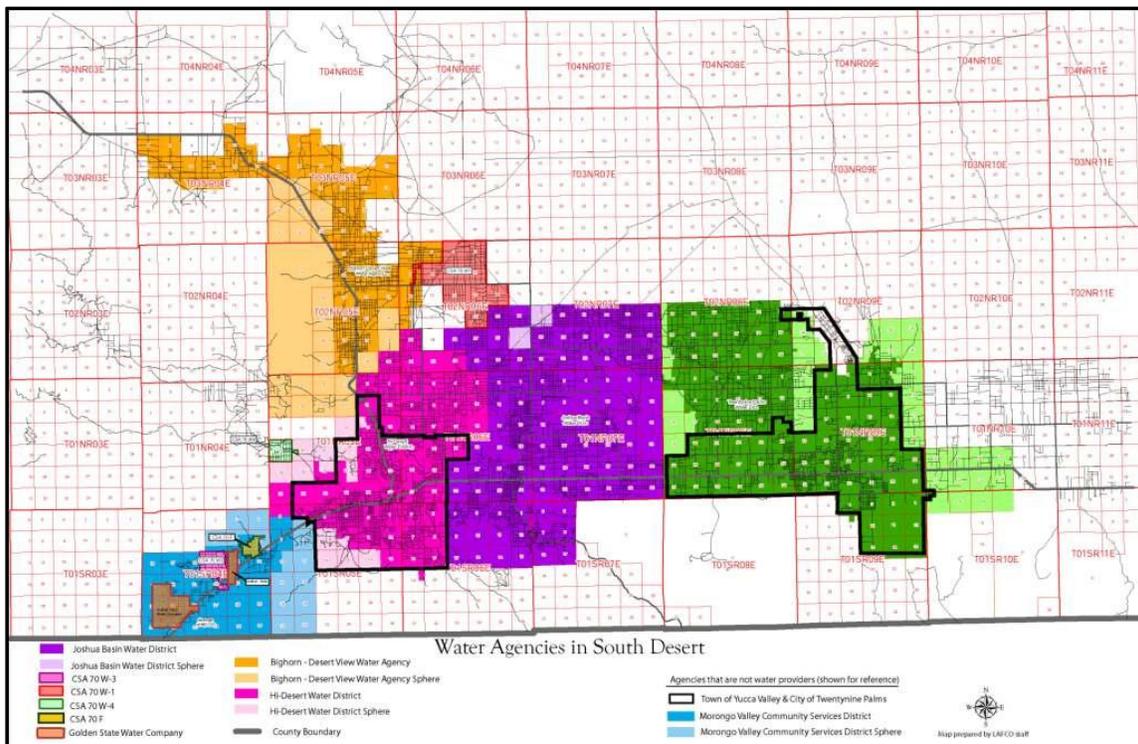
Given the similar projections of the Joshua Tree Community Plan and Southern California Association of Governments, LAFCO staff's opinion is that these projections are likely to occur.

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

The District actively provides retail water service to residential and commercial customers (no agricultural use is reported) and is authorized to operate wastewater package treatment plants that are limited to a specific area. This section of the report first provides an overview of regional water issues and follows with a discussion on local water conditions and a review of the District's water and wastewater activities.

REGIONAL WATER

The Joshua Tree community is located in the Colorado River Hydrologic Region, and is in the South Mojave Watershed as designated by the California Department of Water Resources.³ The community is also within the boundaries of the Mojave Water Agency (MWA), a state water contractor.⁴ The map below shows the public and major private retail water providers in the South Desert Region, which is included as a part of Attachment #1.



³ California Water Plan, Update 2009, Integrated Water Management, DWR, Bulletin 160-09, Vol. 3, Colorado River.

⁴ For more information on the Mojave Water Agency, please see LAFCO 3033 – Service Review and Sphere of Influence Update for MWA. (Agenda Item 9 from July 2008 LAFCO hearing).

State Water Project

As LAFCO staff has stated on many occasions, water is the lifeblood for communities in the desert regions due to its limited nature. The availability of water will ultimately determine whether or not a community will prosper in the desert environs of San Bernardino County. Therefore, the most significant regional issue for the Joshua Tree community is present and future water supply. The *2007 State Water Project Delivery Reliability Report* indicates that SWP deliveries will be impacted by two significant factors. First, it is projected that climate change is altering hydrologic conditions in the State. Second, a ruling by the Federal Court in December 2007 imposed interim rules to protect delta smelt which significantly affects the SWP. Further, the *Report* shows, "...a continued eroding of SWP delivery reliability under the current method of moving water through the Delta" and that "annual SWP deliveries would decrease virtually every year in the future..." The *Report* assumes no changes in conveyance of water through the Delta or in the interim rules to protect delta smelt.

The Department of Water Resources prepares biennial SWP water delivery reliability reports in order to provide the public with reliability estimates for both current and projected 20 year conditions. This is accomplished by modeling the effects of current hydrologic and SWP facility conditions and changes that are projected to occur. The table below summarizes the history of the current and future MWA contractual maximum annual amount from the SWP and the SWP reliability factors that have been and are being used for water supply planning purposes since 2005.

Year	MWA Table A ⁽¹⁾ Annual Maximum	SWP Reliability Factor (long-term)	Average Annual SWP Yield (Acre-feet)
2005	75,800	77%	58,366
2007	75,800	66-69%	50,028 – 52,302
2009	75,800	61%	46,238
2010	82,800	61%	50,508
2015	85,800	61% ⁽²⁾	52,338 ⁽²⁾
2020	89,800	61% ⁽²⁾	54,778 ⁽²⁾

- (1) Table A refers to the section within the MWA contract with DWR which specifies the maximum annual amount of water that the MWA can receive from the State Water Project.
- (2) Reliability estimates will be updated again in 2011. The 2009 Reliability Report estimated an average reliability of 60% for the SWP, but also modeled reliability for each Contractor, concluding that the average annual supply for MWA would be 61%. The 2009 Reliability Report estimate is the only known reliability variable at this time and is used for the purposes of this discussion and for water supply estimates in the MWA 2010 UWMP currently under preparation. Current court proceedings and efforts to address issues in the Delta (supply source for the SWP) may result in future changes to SWP supply reliability.

Source: Mojave Water Agency

The 2007 Reliability Report concluded that contractors to the SWP could anticipate average reliability of 66-69% through the year 2027. The range was provided to account for variable impact associated with different conclusions about the potential effects of modeled climate change. The average assumes that in some years contractors are likely to be allocated less than the stated average and in some years contractors are likely to be allocated more than the stated average.

In 2009 the DWR provided an updated reliability report incorporating new biological opinions in place of the referenced interim rules promulgated by the Federal Court. The new biological opinions were significantly more restrictive than the interim rules and consequently the 2009 reliability analysis indicated a reduction in reliability to 61% for long-term (2029) conditions. MWA has subsequently acquired additional contractual amounts to SWP water, increasing the maximum annual amount from 75,800 acre-feet to 82,800 acre-feet in 2010, 85,800 acre-feet in 2015 and 89,800 acre-feet in 2020. Considering the DWR modeling results, the average annual yield to MWA would be 50,508 acre-feet in 2010 and 54,778 acre-feet in 2029.

Since preparation of the 2009 Reliability Report, the same Federal Court has found the new biological opinions to be unacceptable (and inappropriately restrictive to Delta water exports) and has ordered them to be redone. As of this writing yet another set of interim operational guidelines are being developed with the Court and are expected to be less restrictive to water exports than the biological opinions that were included in the DWR modeling for the 2009 Reliability Report. There is also a major effort underway to develop a habitat conservation plan to address the myriad of issues impacting water supply exports from the Delta. That effort, if accomplished in a manner consistent with the “co-equal goals” of ecosystem restoration and water supply reliability envisioned by the State Legislature’s 2009 Comprehensive Water Package, is anticipated to significantly increase reliability of the SWP water supply. The eventual success and/or resulting increase to reliability are unknown at this time; however, the outcome will eventually be reflected in the biennial DWR reliability assessments.

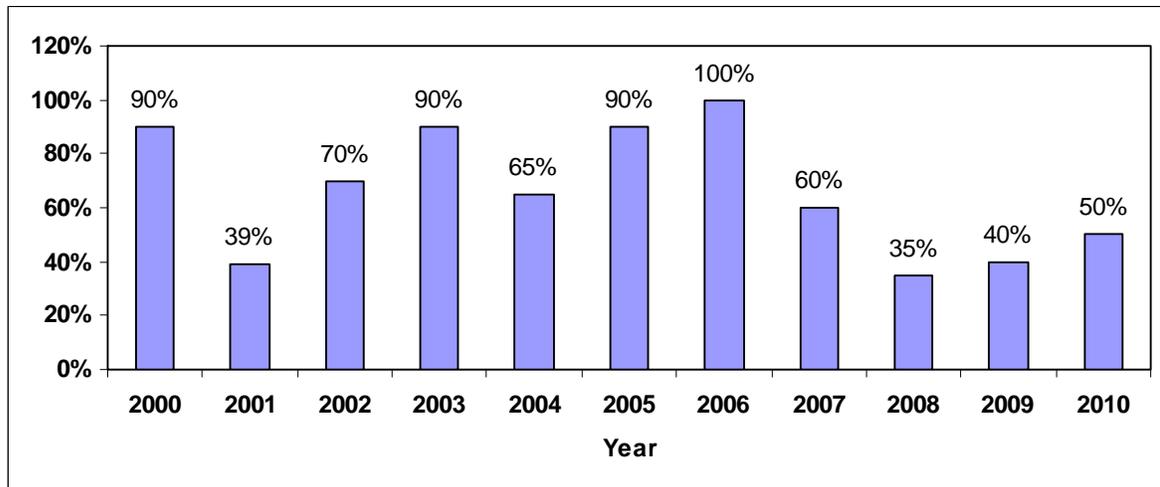
MWA operates under the guidance of a Board adopted integrated regional water management plan and is also required by State law to submit an Urban Water Management Plan (UWMP) to the State of California every 5 years ending in “0” and “5”. The MWA UWMP compiles information on all known water supplies and demand on a sub-regional scale for the entire MWA. Future water supplies and demand (population growth) are also projected for at least the ensuing 20 years. The MWA 2005 UWMP utilized the DWR SWP reliability report available at the time, which assumed a long-term reliability factor of 77%. Given that assumption the UWMP concluded that there would be sufficient water supply (natural and imported) within the MWA to meet the projected demand within the requisite 20 year period.

MWA is currently in the process of developing its 2010 UWMP. The UWMP will incorporate the most recent reliability information provided by DWR (2009), which indicates a reliability of 61% on average. Although development of the 2010 UWMP is incomplete, initial analysis indicates that given projected growth rates, the modeled decrease in reliability for the SWP by DWR, and the acquisition of additional SWP contractual amounts by MWA, there will be sufficient supply to meet anticipated increased demands through the required 20 year planning horizon (2030).

The figure below shows the allocation percentage that State Water Contractors were allowed to purchase since 1998, which averages 67% over the 11 years summarized. For example, MWA is entitled to purchase up to 82,800 acre-feet of imported water per year.

For 2010, the allocation percentage was 50%⁵; therefore, MWA could purchase up to 41,400 acre-feet. MWA mitigates for this variability in supply by utilizing the significant water storage capability within the agency ground water basins to take delivery of SWP water when it is available. Water available from the SWP in excess of local demand is delivered and stored in the ground water basins to be used to meet demand during those years when the amount of water available from the SWP is less than the annual demand.

**Department of Water Resources State Water Project
Final Allocation Percentages Statewide (1998-2010)**



source: Department of Water Resources

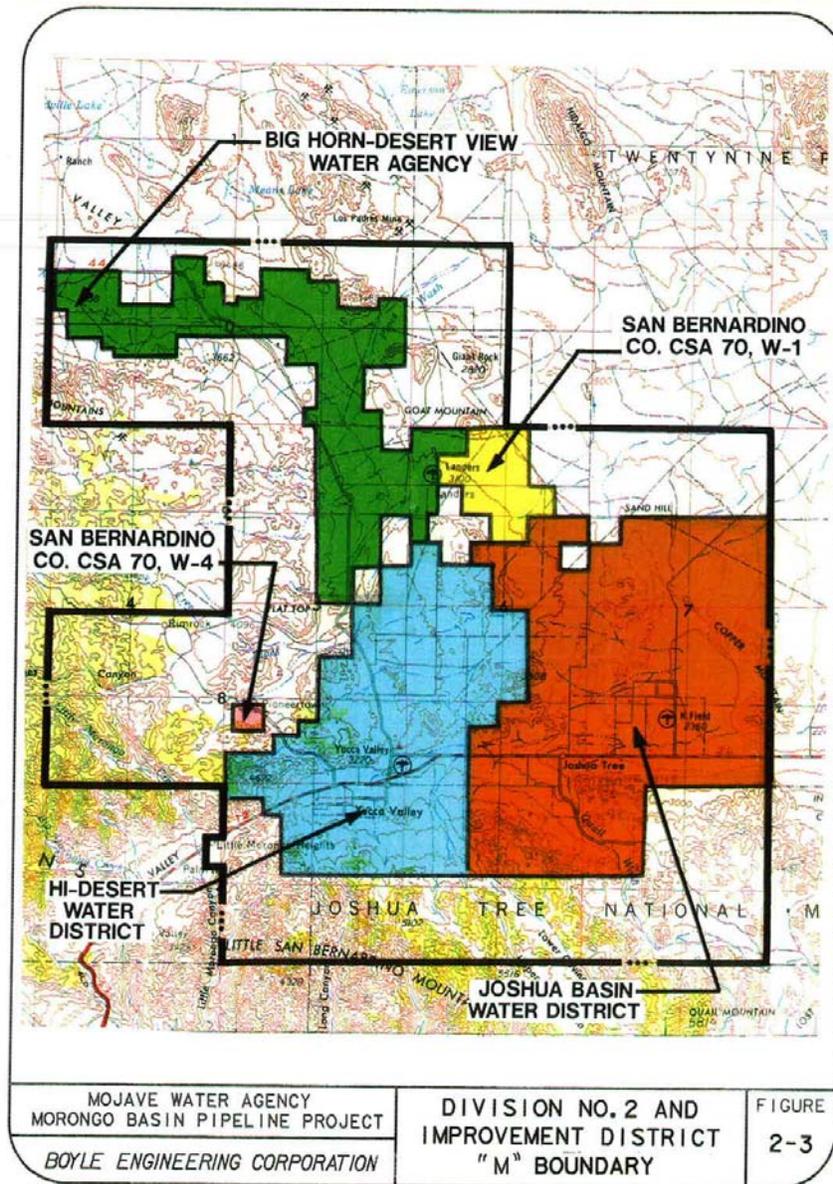
The allocation percentage for 2011 is 50%; therefore the amount that MWA can purchase for 2011 is 41,400 acre-feet.⁶ According to the MWA press release cited, DWR is conservative in estimating water deliveries since farmers and others can suffer if expected amounts cannot be delivered. It is likely that the 50 percent allocation will be increased as rain and snowfall totals continue to increase.

Morongo Basin Pipeline (Mojave Water Agency Improvement District M)

In 1990, the southeastern portion of the Mojave Water Agency's territory voted in favor of forming Improvement District M and to incur bonded indebtedness of \$66.5 million to finance the construction costs of the Morongo Basin Pipeline. Construction on the approximately 71 mile Morongo Pipeline began in 1992 and was completed in 1995 and serves the areas of Johnson Valley, Joshua Tree, Landers, and Yucca Valley. The Pipeline delivers water from Hesperia to a five million gallon reservoir in Landers. From there, water is delivered to percolation ponds in the Yucca Valley area that act as natural filtration systems where water seeps back into the ground to recharge the aquifer. A map of MWA Improvement District M and its recharge facilities are shown on the map below.

⁵ State of California. Department of Water Resources. "Late Spring Weather Allows DWR to Increase Water Allocation", Press Release. 23 June 2010.

⁶ State of California. Department of Water Resources. "State Water Project Allocation Increased", Press Release. 17 December 2010.



The landowners of the improvement district are obligated to pay for 75% of the costs for construction of the Pipeline, and the participating agencies are obligated to pay the remaining 25%. The participating agencies each pay a share of the 25% as follows:

Improvement District M - Participating Agency Share

Agency	Original Share	Current Share
Hi-Desert Water District	59%	59%
Joshua Basin Water District	27%	27%
Bighorn-Desert View Water Agency	9%	9%
CSA 70 Zone W-1 (Goat Mountain)	4%	1%
CSA 70 Zone W-4 (Pioneertown)	1%	0%
MWA	0%	4%

Originally, CSA 70 Zone W-1 was obligated to pay 4% and CSA 70 W-4 to pay 1%. However, in 1995, MWA acquired 3% of the rights from CSA 70 W-1 and 1% from CSA W-4. According to County Special Districts Department staff, MWA was requested by the County Board of Supervisors to buy CSA 70 W-1 and W-4 shares due to lack of utilization of the water. The percentage share identified for each participating agency also reflects the percentage of water which they are entitled. The Board of Supervisors action relinquished its rights to purchase supplemental water from the Pipeline when they sold the W-1 and W-4 shares.

Improvement District M has entitlement of up to 7,257 acre-feet per year (AFY) of MWA's State Water Project water. The Joshua Basin Water District has a 27% share of the Improvement District M entitlement, or 1,959 AFY (the community uses roughly 1,700 AFY of groundwater). At the time the Morongo Basin Pipeline agreement was executed among the participants and MWA in 1990, MWA's SWP allotment was 50,800 AFY. Subsequently, MWA has acquired additional allotment, currently at 82,800 AFY. Discussion continues as to whether the Joshua Basin Water District and others within Improvement District M are entitled to a proportionate share of MWA's SWP allotment above 50,800.

The chart below shows the amount of supplemental water sent through the Morongo Basin Pipeline (Improvement District M) from 1998 to September 2009. Subsequent data is not yet available. Currently, the District does not utilize State Water Project resources but an extension of the Morongo Basin Pipeline is planned to connect to Joshua Tree in the future. However, the entitlement listed below extends only until 2022, at which time all agencies participating in Improvement District M will have access to supplemental water in the same manner as all other municipal water customers.

Mojave Water Agency Morongo Pipeline Deliveries

Year	Improvement District M Entitlement	JBWD Share (27%)	SWP Allocation	JBWD Share times SWP Allocation	Improvement District M Delivery
1998	7,257	1,959	100%	1,959	2,121
1999	7,257	1,959	100%	1,959	2,412
2000	7,257	1,959	90%	1,763	3,786
2001	7,257	1,959	39%	764	2,878
2002	7,257	1,959	70%	1,372	2,390
2003	7,257	1,959	90%	1,763	2,427
2004	7,257	1,959	65%	1,274	4,821
2005	7,257	1,959	90%	1,763	2,041
2006	7,257	1,959	100%	1,959	3,451
2007	7,257	1,959	60%	1,176	4,779
2008	7,257	1,959	35%	686	3,195
2009	7,257	1,959	40%	784	2,137
Total				17,223	36,438
source: Department of Water Resources, Mojave Water Agency units in acre-feet unless otherwise noted Data for 2009 is through September					

Additionally, MWA has a four percent entitlement share of the Morongo Pipeline. MWA delivers water through the pipeline for storage in the Warren Basin (Yucca Valley area) for potential sale at a later date. The Joshua Basin Water District could purchase the water when there is not sufficient water to deliver because of reductions to the State Water Project allocation. The chart below shows the MWA storage from 1998 through 2008.

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Delivery	236	270	144	0	0	0	0	919	1,216	0	0	0
source: Mojave Water Agency units in acre-feet Data for 2009 is through September												

Bulk Hauled Water

In remote areas of the south desert, the hauling of domestic water is the sole means for water acquisition. In a joint letter to county planning and building departments in 2003, the California Department of Health Services⁷ and the California Conference of Directors of Environmental Health specify that, "bulk hauled water does not provide the equivalent level of public health protection nor reliability as that provided from a permanent water system or from an approved onsite source of water supply." This statement is based on five potential public health risks for hauled water:

1. The potential for contamination exists when water is transferred from tanker trucks to water storage tanks.
2. Storage tanks are often the source of bacterial contamination.
3. There is no assurance that licensed water haulers follow State guidelines at all times.
4. The future reliability of hauled water is susceptible to economic conditions.
5. There is generally a higher risk for contamination.

The letter further states that hauled water for domestic purposes should only be allowed to serve existing facilities due to a loss of quantity or quality and where an approved source cannot be acquired. A copy of this letter is on-file at the LAFCO staff office.

The County of San Bernardino recognizes the potential health hazards with hauled water. Future development will be restricted unless there is access to an individual well or domestic water system. County Code of San Bernardino Section 33.0623 (last amended in 1996) under Health and Sanitation and Animal Regulations reads:

Water furnished by a domestic hauler shall not be used as a source of water by any public water supply system unless it has been demonstrated to DEHS [Department of Environmental Health Services] that there are no reasonable means of obtaining an acceptable quality and quantity of groundwater, and that water treatment methods have been approved by DEHS. Exception: During an officially declared state or local emergency, a public water system may utilize hauled water as a temporary source of supply.

⁷ The California Department of Health Services has been reorganized since 2003 and water related health issues are coordinated under the California Department of Public Health.

However, those without connection to a domestic water system or without individual wells on their property must rely on hauled water for domestic and other uses.

Water Rates

Due to the limited size and type of outdoor landscaping that is prevalent throughout the South Desert, the average water usage is comparatively lower than other water agencies in the San Bernardino County area. A comparison of the residential water rates charged by the agencies within the Morongo Basin is identified in the chart below.

Water Agency Rate Comparison (as of July 2010)
(rates measured in units, or one hundred cubic feet)

Agency	Water Use Fee				Monthly Meter Charge (3/4" Meter)	Monthly Average Cost (10 units of water)
	Tier One	Tier Two	Tier Three	Tier Four		
Bighorn-Desert View Water Agency	\$3.00	-	-	-	\$27.50	\$57.50
CSA 70 Zone F (Morongo Valley)	\$4.51	\$5.02	\$5.73	-	\$57.25	\$102.35
CSA 70 Zone W-1 (Landers)	\$3.76	\$4.18	\$5.38	-	\$23.17	\$60.77
CSA 70 Zone W-3 (Morongo Valley)	\$3.00	\$3.34	\$3.41	-	\$38.17	\$67.17
CSA 70 Zone W-4 (Pioneertown)	\$5.38	\$6.71	\$9.06	\$9.97	\$31.05	\$84.85
Golden State Water Company (Morongo)	\$2.47	-	-	-	\$28.15	\$52.85
Hi-Desert Water District	\$3.40	\$5.30	\$6.41	\$8.56	\$11.10	\$56.50
Joshua Basin Water District	\$1.97	\$2.19	\$2.32	\$2.42	\$21.84	\$42.64
Twentynine Palms Water District	\$2.15	-	-	-	\$11.00 ¹	\$32.50

¹ Charge is for 5/8" meter

JOSHUA BASIN WATER DISTRICT

Currently, the Joshua Basin Water District is the sole retail water provider within the community. Not all areas in the community have direct access to a piped retail water service; therefore, it is understood that water service to those developed properties is provided through on-site wells or through hauling of domestic water.

Urban Water Management Plan

Pursuant to the *Urban Water Management Planning Act*⁸, each urban water supplier shall update its plan at least once every five years on or before December 31, in years ending in five and zero, and shall file with the Department of Water Resources (DWR) a copy of the plan. In years ending in six and one, DWR submits a report to the State Legislature summarizing the status of the plans and identifies the outstanding elements of the individual plans. LAFCO staff has reviewed the DWR report to the Legislature for the 2005 urban water management plans, and the report identifies that the District submitted its review but that the DWR did not finish its review of the District's plan as of the date of the report to the

⁸ California Water Code, Division 6, Part 2.6, Section 10610, et seq.

State Legislature⁹. Subsequent to its review, the DWR requested additional information from the District. The 2005 urban water management plan was updated in August 2009 and is included as a part of Attachment #3.

Facilities

The water system presently consists of five wells, approximately 270 miles of mainlines, 17 reservoirs, 11 booster pump stations, and roughly 1,300 fire hydrants. The District service area historically has been a residential community with few commercial and institutional customers. Currently, there are approximately 5,683 water service connections (4,422 active and 227 inactive) with roughly 10% of the customer base being commercial and/or industrial. In addition, there are approximately 1,034 vacant parcels with purchased but not yet installed water meters. The District installed two new customer -funded meters for the year ended June 30, 2010, a decrease of 78% over the previous year. In prior years, new service installations were nine for 2009, 24 for 2008, 105 for 2007, 192 in 2006 and 147 in 2005. Also, the District has a temporary tie-in to the Hi-Desert Water District for emergency situations through hydrant transfer via pump and hose connections.

The District's maximum day demand identified in its *Water Master Plan* is approximately 2.77 million gallons, or 1,920 gallons per minute, which indicates that there is ample supply to meet current demands. The District is required by the State Department of Health to maintain one day (24 hours) of storage based on the maximum daily demand. This storage is required in order to continue service during power outages, pump malfunctions, or other emergency situations. The District has adequate existing storage to meet the emergency storage requirement in most of the pressure zones.

The District is fully metered for all customers, and customers pay the sector rate for each billing unit consumed. Since 1995, more than 3,800 new meters have been installed to replace older, less efficient meters within the service area. The new water meter retrofits have the capability to detect low-flow leaks and in turn reduce water losses. The District has also installed radio read meters for more accurate meter reading operations. Within the past few years, the District has upgraded the existing systems including the installation of three new wells, the replacement of nearly 58,000 feet of old pipeline, and replacement of much of the old four-inch steel pipe for better water delivery and fire protection. The District states that replacement of the remaining four-inch pipes are a high priority. The District also worked closely with the County of San Bernardino to relocate water lines at Alta Loma and Sunnyhill, enabling the realignment of the street for safer traffic conditions. For FY 2009-10, the District completed \$770,000 in capital projects, including land purchase for future facilities, new accounting software, and waste water feasibility study.

⁹ California. Department of Water Resources, "Summary of the Status of 2005 Urban Water Management Plans", Report to the Legislature. 31 December 2006.

Supply and Demand

Groundwater

The current water supply is from the Joshua Tree Groundwater Basin and the Copper Mountain Valley Groundwater Basin. The basins are not adjudicated basins and, as such, there are no entitlements to withdraw water. Overall management of water resources is the responsibility of the District. According to the District's Urban Water Management Plan, the water stored in groundwater is estimated to be well over 625,000 acre feet based upon a 2005 study. However, both basins are in overdraft conditions. While the groundwater may be extracted at a rate greater than recharge, the quantity of withdrawals relative to the stored amounts is small. Since the District relies on groundwater as its source of supply, it is not subject to short-term shortages caused by periodic drought. As a result the groundwater basins are capable of absorbing the effects of multiple dry years without seriously hindering the water supply.

Joshua Tree Groundwater Basin

The Department of Water Resource's Bulletin 118 (last updated February 2004) describes the Joshua Tree Groundwater Basin as follows:

The Joshua Tree Basin is located in the northwestern portion of the Colorado Desert Hydrologic Study Area at an average elevation of about 2,400 feet. This basin includes the water-bearing sediments south of the Pinto Mountain fault beneath the town of Joshua Tree, eastward to immediately south of the town of Twentynine Palms, which is outside the boundaries of the basin. The northern boundary of the basin is the Pinto Mountain fault, and the southern boundary is exposed consolidated basement of the Little San Bernardino Mountains within Joshua Tree National Park. The western boundary of the basin is coincident with a basement constriction located between the towns of Yucca Valley and Joshua Tree that causes a change in the groundwater level gradient. The eastern boundary of the basin lies along a line extending from the southern tip of the Mesquite fault to a basement outcrop of the Little San Bernardino Mountains.

Copper Mountain Valley Groundwater Basin

Bulletin 118 states natural recharge in the basin is derived mainly from direct percolation of precipitation. Percolation of septic tank effluent also contributes to recharge of groundwater. Water levels in the basin have generally remained unchanged for more than 50 years. In 1975, the DWR reported that failing septic tanks may be threatening water quality in parts of the basin. The following description of the Copper Mountain Valley Groundwater Basin is taken from Bulletin 118.

The Copper Mountain Valley Groundwater Basin underlies an alluvial valley in the northwestern Colorado Desert Region. This basin, which is about one mile north of the town of Joshua Tree, includes the water-bearing sediments below and adjacent to Coyote Lake (dry). The northern boundary of the basin is coincident with the surface drainage divide between this basin and the Ames Valley Groundwater Basin.

The southern boundary of the basin is the Pinto Mountain fault. The contact of alluvium with consolidated rocks forming Copper Mountain and the San Bernardino Mountains mark the east and west boundaries, respectively. Average annual precipitation is about 4 inches for lower elevation, eastern part of the basin to 10 inches in the higher elevation, western part of the basin.

In 2004, the District implemented a resolution that provides for special water conservation provisions. Resolution 04-665 limits the use of water and includes penalties for excessive use. It also has several provisions for conservation ethics for all district customers. As stated in the 2005 Urban Water Management Plan (updated in 2009), the District further intends to implement a resolution for the 2010 UWMP that includes the following language, *"Joshua Basin Water District shall prevent water waste resulting from inefficient landscape irrigation by prohibiting runoff from leaving the target landscape due to low head drainage, overspray, or other similar conditions where water flows onto adjacent property, non-irrigated areas, walks, roadways, parking lots, or other impervious structure."*

Groundwater Recharge and Discharge

Under present conditions, pumping of ground water by the District for domestic and commercial use is the main discharge from the Joshua Tree ground-water subbasin.

According to a 2004 USGS report¹⁰, the sources of ground-water inflow to the subbasins are infiltration of stormflow runoff, ground-water underflow from the neighboring Warren groundwater subbasin, and septage. The study indicates little to no recharge has reached the water table since 1952 resulting in a water-level decline of about 35 feet from the late 1950s to 1998 in the south-central part of the Joshua Tree groundwater subbasin. Further, the report states that the cumulative volume of water pumped from the groundwater subbasins between 1958–2001 was 42,210 acre-feet; of this total pumpage, a model simulated that 99 percent was removed from ground-water storage.

Recharge Project

The District participated in the construction of the Morongo Basin Pipeline to convey State Water Project (SWP) water from the California Aqueduct in the Mojave River watershed to the area of Improvement District M. The Morongo Basin Pipeline is currently entitled to supply up to 7,250 acre-feet per year (afy) of SWP water to Improvement District M; however, annual deliveries are currently going to the Hi-Desert Water District. In order for the District to benefit from the Morongo Pipeline, the District is planning to construct a water recharge basin and connect the existing Morongo Basin Pipeline to the new basin.

The proposed recharge basin would be designed to achieve an annual average recharge of approximately 2,000 afy, which is more than what is required to replace the amount that is pumped from the groundwater basin on an annual basis. Currently, the District has an agreement in place with the Mojave Water Agency (MWA) in which the District is entitled up to 1,959 afy of SWP water until the year 2022. However, the District cannot access the

¹⁰ U.S. Geological Survey, (2004) *Evaluation of Geohydrologic Framework, Recharge Estimates, and Ground-Water Flow of the Joshua Tree Area*, San Bernardino County, California

SWP water without the extension of the Morongo Pipeline and construction of recharge facilities that would occur under the proposed project. SWP water that would be delivered to the District under the proposed project would provide some relief of the overdraft condition, eliminate ongoing overdraft by enabling the district to meet current water demands, or provide recharge water by bringing in slightly more water than the demand.

Because septic tanks are currently the primary form of wastewater treatment in this area, the District is concerned with nitrate from existing development reaching the water table and the possible mixing of septage into ground water with rising ground-water levels. In response to this concern, the USGS is conducting a study to determine the effects of recharging water into the groundwater basin.¹¹

Wastewater

The Joshua Tree community area is located within the Colorado River Water Basin regulated by the Colorado River Regional Water Quality Control Board (Regional Board). The regulating document for this region is the Water Quality Control Plan that was adopted by the Regional Board in 1993 and last amended in November 2002. The Regional Board is currently in the process of developing and updating various regulatory requirements concerning urban runoff, septic systems, groundwater and surface waters in their jurisdiction.

Current regulations do not require a single-family residence of less than five units to report on domestic sewage use and maintenance. If a property is more than five single-family units, 20 mobile home spaces, 50 recreational vehicle spaces or exceeds 5,000 gallons per day, then an annual waste discharge report is required.

Currently, for larger, non-residential systems, the Regional Board requires that “no part of the subsurface disposal systems shall be closer than 150 feet to any water well or closer than 100 feet to any stream, channel, or other water source.” The Regional Board also requires that a sufficient amount of land shall be reserved for a possible 100 percent replacement of the septic system. There is no density restriction at the present time, but it is under review by the Regional Board. The County Department of Environmental Health utilizes the requirements developed by each particular Regional Board.

The Regional Board has issued directives regarding the use of septic systems and the preservation of the groundwater basin in this region. The Regional Board has adopted waste discharge requirements which have resulted in the requirement for installation of package treatment plants for developments approved within the District’s boundaries and in other areas under its jurisdiction.

Sewer Authorization

In response to the regional discharge requirements, in 2006 the District requested that the Commission authorize it the “Sewer” function. In 2007 the Commission authorized the District the “Sewer” function but limited the services of that function to operation of

¹¹ For more information on this pending study, please see the USGS project website <http://ca.water.usgs.gov/projects/joshua.html>.

wastewater package treatment plants and planning and engineering related to regional sewer service (LAFCO 3074). LAFCO staff and the Commission did not believe that the sewer function and service should include the ability to operate a regional wastewater facility at that time based upon the direction of the Community Plan and that such a requirement should be considered on a regional basis and not until such a requirement is mandated in the future. Further consideration by the Commission is required for the District to expand the services to include the actual provision of collection, treatment and disposal of wastewater.

Wastewater Treatment Strategy

In 2009 the District adopted a Wastewater Treatment Strategy (included as a part of Attachment #3) in order to plan for a long-term and regional approach to protecting the groundwater. The strategy identifies 7,000 parcels in one third of the District (35 square miles), mostly along Twentynine Palms Highway, where densities are currently zoned at rates that would require new development to provide wastewater treatment.

The District has summarized its Wastewater Treatment Strategy as follows:

1) In compliance with the orders of the Colorado River Basin Regional Water Quality Control Board, local "package waste water treatment plants" would be installed by developers in projects exceeding 15 units. They would be designed to JBWD specifications, and would be owned and operated by JBWD. A "community facilities district" would be established only for those properties served by the package treatment plant to provide an annual fee that will pay for replacement of the package plant. The cost would vary depending on the size of the project and type of package plant, but could be \$200 to \$500 per year range, with a typical life of 15 years. If the customers within the community facilities district later connect to a central waste water treatment plant, funds remaining in the community facilities district could be used to help connect to the new plant.

1.a) Depending on location, size, and other factors, the package treatment plants may have the flexibility of being tied into larger future package plants. For example, two small package plants might be moved or eliminated and tied into a larger package plant that becomes available in the same vicinity at a later time. The system needs to be flexible because there is no way to know in advance, what areas will develop and to what extent.

2) Eventually it is expected that there will be enough users on package treatment plants to justify eliminating the package plants and connecting to a centralized waste water treatment plant. In order to pay for the central treatment plant, every property within the waste water zone would pay a development impact, or capacity fee at the time they develop. The fee would be placed in a fund until it is time to construct the central plant. Currently the cost is expected to be in the range of \$5,000 per parcel. This would pay for the central plant and main transmission lines. Smaller lines would be paid by developers and/or from funds remaining in the community facilities district accounts (number 1 above).

3) *Customers on a new waste water system would receive a monthly fee for maintenance of the package treatment plant and collection system. The cost would vary significantly depending on size, from \$15 per month to \$70 per month, in addition to administrative and billing costs.*

This strategy provides for an equitable way for future development to pay for the costs of wastewater treatment, assuring that the ground water is protected, and in a way that doesn't force existing customers to pay unless they later connect to the system. While this adds a cost to new builders, the cost of not addressing wastewater early leaves fewer, more onerous options for future Boards to consider.

As stated in the quoted text above, every property within the wastewater zone will pay the charge at the time the property is developed. The capacity fee identified above as \$5,000 per parcel has been clarified by the District to be \$5,270 per equivalent dwelling unit for 2010 (*Wastewater Treatment Strategy*, page 50). To date the District has collected two charges, totaling \$10,540. The charge has an automatic adjustment provision and shall increase every January 1 based upon the increase in the Engineering News-Record Construction Cost Index—Los Angeles. The charge as of January 1, 2011 is \$5,370 per edu. The District has indicated to LAFCO staff that all charges collected will be kept separate from the District's other funds, are to be used only for its stated purpose, and that an annual report will be issued detailing the funds collected, and interest earned providing a fund balance.

III. Financial ability of agencies to provide services.

For this section of the report, staff has reviewed the District's budgets, audits, and State Controller reports for special districts.

In reviewing the financial documents, the District's net assets have increased by 15% since FY 2005-06 as shown on the chart below. As of June 30, 2010, the District had \$28.03 million in net assets. Of this amount \$5.56 million is unrestricted, which has decreased each year primarily due to an increase in the District's investment in capital assets.

	2005-06	2006-07	2007-08	2008-09	2009-10
Net Assets					
Invested in capital assets – net of related debt	14,738,947	17,450,068	19,666,213	21,229,577	22,465,168
Restricted for debt service	381	0	0	0	0
Unrestricted	9,776,741	8,977,200	7,654,348	6,639,001	5,556,234
Total Net Assets	\$24,516,069	\$26,427,268	\$27,320,561	\$27,868,578	\$28,031,402

Revenues

Operating revenue includes revenues from water sales and services. Non operating revenues include taxes and assessments, investment income, and grants. The District's operating revenues for the year ended June 30, 2010 were \$2,818,039. The majority of revenues came from water sales to customers. The second-largest source of revenue was \$1,071,511 in standby charges. In FY 2009-10, although operating revenues increased two

percent, non-operating revenues such as property taxes and investment income have decreased more than ten percent.

1. *Water Sales*

Rates for water use are comprised of a consumptive component and a monthly charge. The monthly charge is charged to all active water accounts in an attempt to equally spread the fixed costs of the District to all customers. The District implemented a six percent water rate increase during the mid-year and has a three-percent increase scheduled for January 2011. This will be the final increase authorized by the District as a result of a 2007 rate study, which is designed to provide for the capital needs of the District with small, regular rate increases. The District intends to initiate another rate study during FY 2010-11.

2. *Water Availability (Standby) Charges*

Water Availability Charges are authorized under the State Uniform Standby Charge Procedures Act. The Water Availability Charges are imposed on each non-exempt parcel of land within the District's boundaries. The District's Water Availability Charges are used to pay long-term indebtedness incurred by the District for the purpose of ensuring an adequate supply of water.

In 1982, the State Legislature added specific legislation regarding the District to the Water Code (Stats.1982, c.267, §4) that restricts all funds derived from the assessment for improvements to the water system within the improvement district; i.e., new water mains, fire hydrants, service laterals, upgrading of storage tanks, etc. The language from the Water Code is as follows:

31031.5. Notwithstanding Sections 31031 and 31032.1, in any improvement district situated within the Joshua Basin Water District, the water standby or availability charge or assessment shall not exceed thirty dollars (\$30) per acre per year for land on which the charge or assessment is levied or thirty dollars (\$30) per year for a parcel less than one acre. In any such improvement district, the proceeds from any water standby or availability charge or assessment in excess of ten dollars (\$10) per acre per year or ten dollars (\$10) per year for a parcel less than one acre shall only be used for the purposes of the improvement district. This section, applicable only to the Joshua Basin Water District, is necessary because of the unique and special water management and financing problems of the area included within the district.

In 1990, the voters approved a \$70 million bond issue to construct the 71 - mile long Morongo Basin Pipeline plus four miles to the Joshua Tree turnout, in order to bring State Project Water to the District. The District is responsible for paying a portion of the debt service on the bond measure, and Water Availability Charges are utilized for that purpose. The amount, or rate, of the charge and the methodology by which it is calculated is adopted each year by the Board and has remained unchanged since. The total number of parcels within the District boundaries subject to the Water Availability charge is approximately 11,782, with a total adopted Water Availability charge of approximately \$1,163,600.

3. *Property Taxes*

In 1977-78, before Proposition 13, the District levied the following taxes, as identified in the County's 1977-78 tax rate book:

- All landowners within the boundaries of the District paid a tax rate of \$1.00 per \$100 of assessed valuation.
- Bonded indebtedness was paid by those within Improvement District #1 at a tax rate of \$3.75 per \$100 of assessed valuation.
- Bonded indebtedness was paid by those within Improvement District #2 at a tax rate of \$0.40 per \$100 of assessed valuation.

Following Proposition 13, the Legislature enacted statutes to implement its provisions. Under these statutes, a local government's share of the one percent general levy was based on the share of the property tax going to that local government before Proposition 13. The FY 2009-10 County Tax Rate book identifies that the District receives a share of the one percent general tax levy and levies a tax for Improvement District #2 at a rate of \$0.0258 per \$100 of assessed valuation. The bond for Improvement District #1 has been retired and is not shown on the FY 2009-10 County Tax Rate book. LAFCO staff understands that the tax rate for Improvement District #1 was converted to the District's share of the general ad valorem tax.

The FY 2009-10 audit identifies that the District received \$868,967 in property taxes for FY 2009-10. The District has identified that of this amount, \$450,804 is attributable to its share of the one percent general levy.

Assessed values decreased 7% in the District for the year ending June 30, 2010. This is compared to increases of 12%, 16%, 15%, 29%, and 14% for the years ended June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, and June 30, 2005, respectively.

The figure below is taken from the FY 2009-10 financial statements and provides a breakdown of the revenues and expenditures for FY 2008-09 and FY 2009-10.

Statements of Revenues, Expenses and Changes in Net Assets For the Years Ended June 30, 2010 and 2009		
	2010	2009
OPERATING REVENUES	\$ 2,818,039	\$ 2,775,396
OPERATING EXPENSES		
Customer accounts	146,421	136,945
Fringe benefits	469,228	447,217
General and administrative	1,540,847	1,668,409
Pumping plant	321,937	314,608
Source of supply	41,725	56,279
Transmission and distribution	356,280	300,207
Vehicle and equipment	109,995	120,421
Depreciation	1,195,062	1,167,607
Total operating expenses	4,181,495	4,211,693
OPERATING LOSS	(1,363,456)	(1,436,297)
NON-OPERATING REVENUES (EXPENSES)		
Standby charges	1,071,511	1,159,817
Property taxes	868,967	915,878
Investment income	39,446	163,854
Grant revenue	73,250	31,750
Interest expense	(251,738)	(278,940)
Inter-agency payments	(219,763)	(219,594)
Other non-operating revenue/(expense)	(62,133)	(56,004)
Total non-operating revenues (expenses)	1,519,540	1,716,761

Long-Term Debt

The District's total net long-term liabilities at June 30, 2010, including the 1974 General Obligation Bonds, the 1997 Refunding Revenue Bonds, and the Copper Mountain Mesa Limited Obligation Bonds, are \$4,008,113.

The \$4.5 million Copper Mountain Mesa Limited Obligation Bonds were issued by the District in 1996 to finance the installation and construction of a water distribution system and two booster pumping stations. The \$5.9 million Revenue Refunding Bonds, issued in 1991 and refinanced in 1997 for \$5.4 million by the Basin – Hi-Desert Financing Authority (described below), were sold to finance capital improvements to the current system; specifically, to change existing four-inch mainlines to six-inch. The figure below, taken from the FY 2009-10 audit, shows the breakdown of the long-term debt.

	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>Net Change</u>
General Obligation Bonds - 1974	\$ 525,000	\$ 615,000	\$ (90,000)
Refunding Revenue Bonds - 1997	515,000	1,005,000	(490,000)
Rural Development - CCM	3,703,438	3,778,438	(75,000)
Less current portion	(688,000)	(655,000)	(33,000)
Less deferred amounts	<u>(47,325)</u>	<u>(97,079)</u>	<u>49,754</u>
	<u>\$ 4,008,113</u>	<u>\$ 4,646,359</u>	<u>\$ (638,246)</u>

Other Information

Budgets

In reviewing the district's budgets submitted for this review, the budgets include at least one year's worth of actual financial data, as recommended by the *Best Practices* of the Government Finance Officers Association.

Regular Audits

Government Code Section 26909 requires all districts to provide for regular audits; the Agency conducts annual audits and meets this requirement. Section 26909 also requires districts to file a copy of the audit with the State Controller and county auditor within 12 months of the end of the fiscal year. According to records from the County Auditor, as of December 20, 2010 the last audit received was for FY 2008-09 on October 23, 2009. However, in December 2010 the District accepted the FY 2009-10 audit with filing of the document with the appropriate agencies likely to occur in the first part of 2011.

Pension Obligations

A review of the most current financial statements available identifies that there is a zero net pension obligation. In August, 2008 the District transitioned from a defined contribution plan to a defined benefit pension plan, Public Employees' Retirement System (PERS) that provides retirement and disability benefits, annual cost - of - living adjustments, and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees' Retirement System, (CalPERS), a cost-sharing multiple - employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers with the State of California.

Joshua Basin-Hi Desert Financing Authority

In February 1991, the District and Hi-Desert Water District created the Joshua Basin – Hi-Desert Financing Authority (the "Authority") pursuant to the laws of the State of California. The Authority is a joint exercise of powers agreement by and between Joshua Basin Water District and Hi-Desert Water District. The Authority has a five-member Board of Directors comprised of: (a) three members of the Board of Directors of Joshua Basin Water District and (b) two members of the Board of Directors of Hi-Desert Water District. Participation in the joint venture gives the District the ability to finance the cost of the installation and

construction of any building, facility, structure, or other improvement which may be used to provide water to the lands and inhabitants of the District. As provided in the law, the Authority shall be a public entity separate from Joshua Basin Water District and Hi-Desert Water District. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of Joshua Basin Water District or Hi-Desert Water District. The debts, liabilities and obligations of either Joshua Basin Water District or Hi-Desert Water District shall not constitute debts, liabilities or obligations of the other agency.

In November 1997, the Joshua Basin-Hi Desert Financing Authority (the "Authority") issued \$5,400,000 in revenue refunding bonds. The proceeds of this issue, together with other lawfully available monies, were used to establish irrevocable escrows to advance refund and defease in their entirety the District's outstanding 1991 Revenue Bonds and the 1978 and 1979 State Safe Drinking Water Act Loans.

The 1997 Revenue Bonds are limited obligations of the Authority. They are payable from and secured by a first pledge of certain payments received by the Authority from the District under an installment agreement and from interest and other income derived from any funds and accounts held under the indenture of trust. The obligation of the District to make such payments is payable solely from all gross income and revenue received by the District. The 1997 Revenue Bonds bear interest from 3.8% to 5.05% and mature from May 1, 1998 through May 1, 2011.

IV. Status of, and opportunities for, shared facilities.

At this time the District has no facilities that are shared with other entities. There are no overlapping services that would make it beneficial to have shared facilities.

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

Local Government Structure and Community Service Needs

The District is an independent special district governed by a five-member board elected at-large. Elections are held every two years on odd numbered years. The November 2, 2010 election had 4,068 registered voters within the District with a 63% voter turnout. The current board, their positions, and terms of office are shown below:

Board Member	Title	Term
Mickey Luckman	President	2012
Michael Reynolds	Vice President	2012
William Long	Director	2012
Michael Luhrs	Director	2014
Gary Wilson	Director	2014

Regular Board meetings occur on the first and third Wednesdays of each month at 7:00 p.m. at the District office. The District regularly communicates with its customers by including a newsletter with its water bills.

The District board in 2005 authorized a Citizens Advisory Committee (CAC). The CAC was initially established by the Board of Directors in 2005 as an informal “blue ribbon” committee, when the District was developing its Urban Water Management Plan. When the Plan was finished, members showed a willingness to continue to assist the District. Since that time, the CAC has been instrumental in advising the Board on many issues, including: establishing water conservation programs; implementing a sound financial plan; establishing waste water strategies; and planning for and reviewing the District website. The Public is encouraged to attend the CAC meetings. Meetings are held at the District offices, but not on a regular basis. Intended to be broad-based, the committee can include as many as 15 representatives. Current members of the CAC include: Penny Mason, Al Marquez, Jay St. Gaudens, Robert Johnson, Karen Tracy, Steven Whitman and Victoria Fuller.

2008-09 Grand Jury Report

On September 5, 2007, a citizen’s complaint was submitted to the 2007-2008 San County Bernardino Grand Jury against the District. The complaint made two allegations against the District: (1) the District expended public money on engineering and planning studies for sewer construction in Joshua Tree prior to receiving authorization from LAFCO, and (2) the District expended public money in an attempt to purchase county tax sale property for a sewer treatment plant, but the District did not have authority from LAFCO to purchase property for this use.

For these allegations, the 2008-09 Grand Jury found:

- The District made expenditures for feasibility studies that provided information required by LAFCO and state law as part of the application process for new authority. The expenditures by the District for the feasibility studies were reasonable and appropriate. The Grand Jury found no evidence of other expenditures by the District related to planning or engineering for sewer services.
- The District did not expend any public monies to purchase property for a sewer treatment plant. The district board of directors did not have authority from LAFCO to purchase property for a sewer treatment plant when the board of directors approved the April 4, 2007 resolution. However, the board’s approval of the resolution did not materially violate any law warranting further investigation or action.

Operational Efficiency

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

- Beginning in 2008, the District contributes to the California Public Employees Retirement System (“PERS”), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investments and administrative agent for participating public entities with the State of California.

- In FY 2008-09, the District joined a planning effort for the Integrated Regional Wastewater Management Plan with the City of Twentynine Palms, Hi-Desert Water District, Bighorn Desert View Water Agency, Twentynine Palms Water District, Town of Yucca Valley, and County of San Bernardino. This is currently a joint planning effort, and one of the goals is to collaborate on a regional strategy for Wastewater Management which, in the future, could lead to shared facilities or closer coordination of services and activities.
- The District is a member of the Alliance for Water Awareness and Conservation. This alliance promotes water conservation throughout the High Desert and operates on an adopted memorandum of understanding. The three goals of AWAC are to:
 - Educate the community of the importance of water conservation.
 - Provide the local community with the tools to effectively reduce per capita consumption to targeted areas.
 - Reduce regional water use by 10 percent gross per capita by 2010 and 15 percent gross per capita by 2015 (5 percent in the Morongo Basin by 2015), and 20 percent by 2020 to achieve a sustainable, reliable supply to meet regional water demands.
- In the past few years, the District also worked closely with the County of San Bernardino to relocate water lines at Alta Loma and Sunnyhill, enabling the realignment of the street for safer traffic conditions.
- The District has cooperated with Copper Mountain College to extend a mainline for two miles to the campus.

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:

Since 1996, the District has provided water service outside of its boundary and sphere of influence to the small visitors comfort station at the Joshua Tree National Park. Service outside an agency’s boundaries is subject to LAFCO approval, per Government Code Section 56133. However, this section does not apply to an extended service that an agency was provided on or before January 1, 2001. The District has provided a copy of correspondence from 1996 to the U.S. Department of the Interior regarding service provision to the Park. Therefore, this service review will acknowledge this long-standing service delivery issue noting that it is grandfathered without requirement for LAFCO review and approval.

Government Structure Options:

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

- Reorganization of Joshua Basin Water District and County Service Area 20 into a single agency:
 - Consolidation of JBWD and CSA 20 with CSA 20 as Successor Agency. As a county service area, CSA 20 could provide water service to the community through assumption of the water service provided by Joshua Basin Water District. LAFCO staff is not aware of any community interest in this option.
 - Consolidation of JBWD and CSA 20 through Formation of a Community Services District. The option of forming an independent single, multi-purpose special district, through reorganization of the existing service providers, is a preferred form of government that is feasible for the Joshua Tree community. The agencies within the community could 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 (Joshua Basin Water District and County Service Area 20). The new CSD could 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. Formation of a CSD could also include the detachment of Joshua Tree portion of CSA 70 R-19 with the CSD assuming responsibility for road service.

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 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 Joshua Tree community such a distinction could be achieved for the area. The establishment of the community designation for Joshua Tree is a potential first step in this process.

A few years ago, the District reviewed this possibility based upon resident interest. While the District board has not taken a position on this possibility, the Citizen Advisory Committee reviewed the structure and found no reason for the District not to support forming a CSD. However, the major hurdle to formation of a CSD would be local political differences and the support of the registered voters.

- Annexation of sphere territory. The District has two areas within its sphere of influence that are outside of its boundaries. However, the residents within these two areas requested to be excluded from the District when standby charges were put in place some years ago. The District states that upon payment of back fees and installation of infrastructure, the District would provide water service to the properties. Therefore, annexation of these areas at this time seems unlikely.
- Consolidation with one of the bordering water districts.
 - Consolidation with the Twentynine Palms Water District could not take place since Twentynine Palms Water District is not within the boundaries of the Mojave Water Agency and its Improvement District M. The delivery of supplemental water to recharge the basin would be required to be retained within the boundaries of the Joshua Basin Water District.
 - Consolidation with the neighboring Bighorn-Desert View Water Agency and/or Hi-Desert Water District, would allow for economies of scale and allow for a more consolidated voice to address water issues and potentially future wastewater treatment issues. In 1989, an application was submitted by the Hi-Desert Water District and the Joshua Basin Water District to consolidate the districts into a single county water district. The LAFCO hearing was continued due to a pending recall of several of the directors of the Joshua Basin Water District and to allow time for the reorganized board of directors to formally express an opinion on the consolidation. The recall was successful; both districts requested withdrawal of the consolidation application and the Commission granted the request. LAFCO staff believes a similar sentiment would be shared with the other water districts. Therefore, this option is unlikely at this time, even if it would pose benefits to the customers and citizens of the area.
- Joint Powers Agency for Sewer Treatment. The Mojave Water Agency (MWA) is authorized by LAFCO an active sewer function (although it does not actively provide such a service at this time), and being a regional entity it could help shepherd the development of a regional wastewater treatment facility.

A similar situation occurred in the late 1970s in the Victor Valley region of the County. To meet the requirements of the federal Clean Water Act and provide wastewater treatment for the growing population, the communities of the Victor Valley requested that the Mojave Water Agency (MWA), being a regional entity, help shepherd the development of a regional wastewater treatment facility. In accepting the request, MWA was designated by the Lahontan Regional Water Quality Control Board as the responsible entity for the design of the Victor Valley Regional

Wastewater Reclamation Project. A few years later, the communities of the Victor Valley completed the creation of the joint powers authority, which became known as the Victor Valley Wastewater Reclamation Authority (VWVRA). VWVRA was expressly created for the purpose of providing the operation and management of the treatment of wastewater through a regional facility and the ultimate disposal of effluent and solids. On June 1, 1978, VWVRA assumed the assets and authority for the Project, and MWA divested itself from the Project and the provision of sewer service.¹²

A similar response could occur in the Morongo Basin portion of MWA. In 2007, LAFCO authorized the sewer function for the Joshua Basin Water District to include operation of package treatment plants. At this time, Joshua Basin Water District does not actively have collection pipelines or a treatment facility. In February 2010, the LAFCO Commission approved the Hi-Desert Water District's request to expand the service description of its sewer function in order to actively provide the service. The District is undertaking a project titled "Hi-Desert Water District Water Reclamation Facility, Wastewater Treatment Plant, and Sewer Collection System Project". The project anticipates a treatment facility to treat the collected effluent within the project's boundaries. Both districts, or more, could form a joint powers agency for treatment of wastewater from within each agency. In general, each district would collect wastewater within its own boundaries through collection systems owned independently, and transport the collected wastewater to a regional treatment plant. Governance of the joint powers agency would be the participating agencies. Such an agreement could reduce duplication of treatment plants and provide the opportunity for economies of scale while maintaining the independence of each district. The Joshua Basin Water District and the Hi-Desert Water District already have a joint powers authority for financing. At this time, both districts are planning for sewer collection and treatment within their respective boundaries, and cooperation on a regional facility could provide economies of scale.

- Maintenance of the status quo. This option would maintain the existing governmental structure of the Joshua Basin Water District.

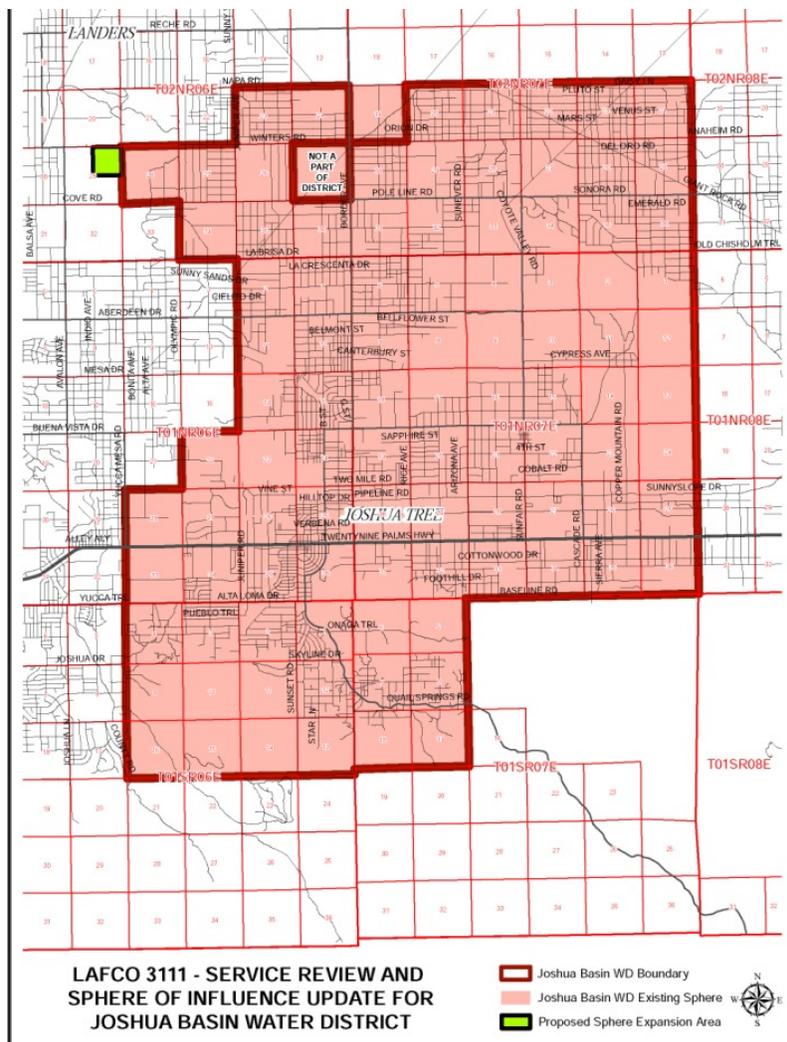
At this time, the agencies, landowners, or residents have not formally expressed interest in any of the options outlined above.

¹² For more information, see the service reviews for the Mojave Water Agency (LAFCO 3033 – Agenda Item 9, July 2008) and the Victor Valley Wastewater Reclamation Authority (Agenda Item 9, October 2009).

JOSHUA BASIN WATER DISTRICT SPHERE OF INFLUENCE UPDATE

Sphere of Influence

Looking at the map below, there are five square miles of the Joshua Basin Water District that extends into the Homestead Valley Community Plan. However, the formulation of the community plan boundaries did not take into account service provision. In this case, the Landers Landfill includes the northwest portion of Section 28 and the northeast portion of Section 29. Staff believes that the landfill should be within the sphere of influence of one retail water provider. Since the northwest portion of Section 28 is currently within the Joshua Basin Water District, the northeast portion of Section 29 should be within the sphere of Joshua Basin Water District as well. Staff's recommended sphere expansion for the Joshua Basin Water District is identified in green on the map below. The District has provided written correspondence stating that it has no objection to the proposed modification to its sphere of influence (included as a part of Attachment #3).



Therefore, as a part of this report, staff recommends that the Commission expand the sphere of influence of the Joshua Basin Water District by approximately 160 acres to include the northeast portion of Section 29, T02N, R06E.

Authorized Powers

When updating a sphere of influence for a special district, the Commission is required to establish the nature, location, and extent of any functions or classes of services provided by the district (Government Code §56425(i)).

Neither LAFCO nor District staff is requesting any changes to the District's functions or service descriptions. Therefore, staff recommends that the Commission affirm the functions and service descriptions for the District in the *Rules and Regulations of the Local Agency Formation Commission of San Bernardino County Affecting Functions and Services of Special Districts* as follows:

<u>FUNCTIONS</u>	<u>SERVICES</u>
Water	Retail, agricultural, domestic, replenishment
Sewer	Operation of Package Treatment Plans defined as consisting of units or modules designed for construction, assembly, connection and installation at the site for treatment of sewage and are to be operated for a limited area, including but not limited to a residential subdivision Planning and engineering for regional sewer service

During this service review process, the District has indicated that it desires to expand the service description of its Sewer function to allow for the future provision of wastewater collection and treatment. LAFCO staff has informed the District that the scale and scope of such a service expansion would require a separate application for Commission consideration.

FACTORS OF CONSIDERATION:

Present and Planned Uses

The rural desert character of the Joshua Tree Community is defined in part by its geographic location, desert environment and low-density residential development. Residential development within the plan area is characterized by large lots, the varied placement of homes, and open spaces around the homes. The character of the community is further defined by the natural environment and by limited commercial and industrial uses.

Land Use

The most prominent County land use within the plan area is Rural Living (RL), allowing one unit to 2.5 acres, which makes up approximately 74% or 37,101 acres of the total land area.

The second and third most prominent land use districts within the plan area are Resource Conservation (RC) and Single Residential (RS), which make up approximately 12% and 10% of the total land area, respectively. The Joshua Tree Community Plan area also contains Multiple Residential, Community Industrial, Institutional (IN), and several commercial land use districts; however these land use districts only make up a small percentage of the total plan area. The majority of the commercial and industrial land use districts are concentrated along Highway 62 in the southwestern portion of the plan area.

The Joshua Tree Community plan area contains some Bureau of Land Management (BLM) lands. Those portions of BLM lands that are within the Joshua Tree Community Plan area comprise 10,199 acres, which equates to approximately 17% of the total land area within the plan area.

The District's boundary and sphere extends an additional five square miles to the northwest into the Homestead Valley Community Plan area. This area primarily has a County of San Bernardino General Plan land use designation of Rural Living. Roughly 160 acres has a land use designation of Industrial, where the District's boundary extends into the Landers Landfill in the northwest portion of Section 28.

The LAFCO staff proposed sphere expansion area of the northeast portion of Section 29, comprising approximately 160 acres, includes the remaining portion of the Landers Landfill that is currently not within a sphere of influence of a retail water provider.

Present and Probable Need for Public Facilities and Services

The current water supply is from the Joshua Tree Groundwater Basin and the Copper Mountain Valley Groundwater Basin. The basins are not adjudicated basins and, as such, there are no entitlements to withdraw water. Overall management of water resources is the responsibility of the District. According to the District's Urban Water Management Plan, the water stored in groundwater is estimated to be well over 625,000 acre feet based upon a 2005 study. However, both basins are in overdraft conditions. While the groundwater may be extracted at a rate greater than recharge, the quantity of withdrawals relative to the stored amounts is small. Since the District relies on groundwater as its source of supply, it is not subject to short-term shortages caused by periodic drought. As a result the groundwater basins are capable of absorbing the effects of multiple dry years without seriously hindering the water supply.

The District participated in the construction of the Morongo Basin Pipeline to convey State Water Project (SWP) water from the California Aqueduct in the Mojave River watershed to the area of Improvement District M. The Morongo Basin Pipeline is currently entitled to supply up to 7,250 acre-feet per year (afy) of SWP water to Improvement District M; however, annual deliveries are currently going to the Hi-Desert Water District. In order for the District to benefit from the Morongo Pipeline, the District is planning to construct a water recharge basin and connect the existing Morongo Basin Pipeline to the new basin.

The proposed recharge basins would be designed to achieve an annual average recharge of approximately 2,000 afy, which is more than what is required to replace the amount that is pumped from the groundwater basin on an annual basis. Currently, the District has an agreement in place with the Mojave Water Agency (MWA) in which the District is entitled up

to 1,959 afy of SWP water until the year 2022, which they cannot access without the extension of the Morongo Pipeline and construction of recharge facilities that would occur under the proposed project. SWP water that would be delivered to the District under the proposed project would provide some relief of the overdraft condition, eliminate ongoing overdraft by enabling the district to meet current water demands, or provide recharge water by bringing in slightly more water than the demand.

The Colorado River Regional Water Quality Control Board (Regional Board) has issued directives regarding the use of septic systems and the preservation of the groundwater basin in this region. The Regional Board has adopted waste discharge requirements which have resulted in the requirement for installation of package treatment plants for developments approved within the District's boundaries and in other areas under its jurisdiction. In 2009 the District adopted a Wastewater Treatment Strategy in order to plan for a long-term and regional approach to protecting the groundwater. The strategy identifies 7,000 parcels in one third of the District (35 square miles), mostly along Twentynine Palms Highway, where densities are currently zoned at rates that would require new development to provide waste water treatment.

Present Capacity of Public Facilities and Adequacy of Public Services

The water system presently consists of five wells, approximately 270 miles of mainlines, 17 reservoirs, 11 booster pump stations, and roughly 1,300 fire hydrants. The District service area historically has been a residential community with few commercial and institutional customers. Also, the District has a temporary tie-in to the Hi-Desert Water District for emergency situations through hydrant transfer via pump and hose connections. The District has adequate existing storage to meet the emergency storage requirement in most of the pressure zones.

The District is fully metered for all customers, and customers pay the sector rate for each billing unit consumed. Since 1995, more than 3,800 new meters have been installed to replace older, less efficient meters within the service area. The new water meter retrofits have the capability to detect low-flow leaks and in turn reduce water losses. The District has also installed radio read meters for more accurate meter reading operations. Within the past few years, the District has upgraded the existing systems including the installation of three new wells, the replacement of nearly 58,000 feet of old pipeline, and replacement of much of the old four-inch steel pipe for better water delivery and fire protection. The District also worked closely with the County of San Bernardino to relocate water lines at Alta Loma and Sunnyhill, enabling the realignment of the street for safer traffic conditions. For FY 2009-10, the District completed \$770,000 in capital projects, including land purchase for future facilities, new accounting software, and waste water feasibility study.

Social and Economic Communities of Interest

The social and economic communities of interest are the Morongo Unified School District (which is a regional entity servicing the south desert), the properties and residents within the Joshua Tree community, and the commercial activity along Twentynine Palms Highway. Other social and economic communities of interest are the neighboring Joshua Tree National Park and the Twentynine Palms Marine Corps Air Ground Combat Center.

CONCLUSION FOR JOSHUA BASIN WATER DISTRICT:

Staff recommends that the Commission:

1. Expand the sphere of influence of the Joshua Basin Water District by approximately 160 acres to include the northeast portion of Section 29, T02N, R06E.
2. Affirm the balance of the sphere of influence.
3. Affirm the functions and service descriptions for the District.

COUNTY SERVICE AREA 20 Service Review and Sphere of Influence Update

INTRODUCTION:

LAFCO 3132 consists of a service review pursuant to Government Code Section 56430 and sphere of influence update pursuant to Government Code 56425 for County Service Area 20 (“CSA 20” or the “District”).

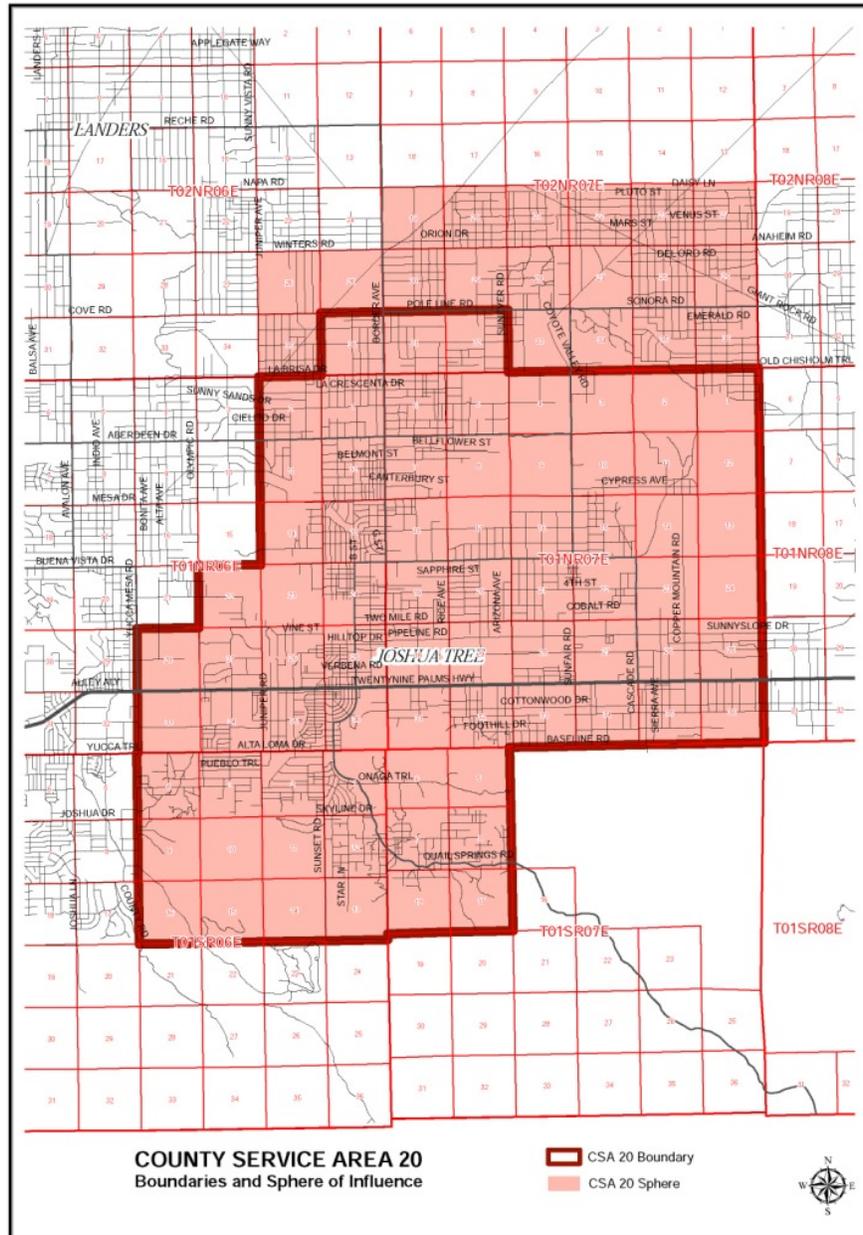
CSA 20 is a dependent, or “board-governed” special district whose governing body is the County of San Bernardino Board of Supervisors. It operates under *County Service Area Law* (Government Code Section 25210 et seq.). CSA 20 was formed in 1964 by action of the County of San Bernardino Board of Supervisors for the primary purpose of providing road and streetlighting services for the community of Joshua Tree. In 1993, the County Board of Supervisors initiated an application to reorganize all three of the Joshua Tree board-governed districts, CSA 20, the Joshua Tree Fire Protection District, and the Joshua Tree Recreation and Park District, into a single agency. CSA 20 was designated as the successor agency and its service responsibilities expanded to include fire protection and park and recreation services for the community. In 2008, the County Fire reorganization included the transfer of responsibility for fire protection services from CSA 20 to the San Bernardino County Fire Protection District and its South Desert Service Zone. Currently, CSA 20 is authorized by LAFCO to provide road, streetlighting, and park and recreation services pursuant to the *Rules and Regulations of the Local Agency Formation Commission of San Bernardino County Affecting Functions and Services of Special Districts*.

As discussed in detail in this report, staff is recommending that the Commission modify CSA 20’s sphere of influence to encompass the Joshua Tree community, matching the modified sphere of influence for Joshua Basin Water District.

LOCATION AND BOUNDARIES:

CSA 20 is located in the Joshua Tree community and its boundaries encompass approximately 74 square miles generally between the Town of Yucca Valley and the City of Twentynine Palms.

The District’s existing sphere of influence, which is the overall service review and sphere study area, encompasses approximately 93 square miles and is generally bordered by a combination of Lee and Bourland Pass Roads and parcel lines (existing Twentynine Palms Water District sphere) on the east, the Joshua Tree National Park on the south, a combination of Yucca Mesa (La Contenta Road), Olympic, and Sunny Vista Roads, Douglas Lane and parcel lines (existing Hi-Desert Water District sphere) on the west, and a combination of Winters Road, Border Avenue, parcel lines, and the Twentynine Palms Marine Corps Air Ground Combat Center (MCAGCC) on the north. A map of CSA 20 and its existing sphere of influence is shown below and included as a part of Attachment #4.



CSA 20 SERVICE REVIEW

At the request of LAFCO staff, the County Special Districts Department, administrators for board-governed special districts, prepared the service review materials pursuant to San Bernardino LAFCO policies and procedures. The response on behalf of CSA 20 to LAFCO's original and updated requests for materials includes, but is not limited to, the narrative response to the factors for a service review, response to LAFCO staff's request for information, and financial documents (included as Attachment #4). LAFCO staff responses to the mandatory factors for consideration for a service review (as required by Government Code 56430) are identified below and incorporate County Special Districts Department's response, supporting materials and LAFCO staff's analysis.

I. Growth and population projections for the affected area.

The rural desert character of the Joshua Tree Community is defined in part by the geographic location, desert environment and low-density residential development. Residential development within the plan area is characterized by large lots, the varied placement of homes, and open spaces around the homes. The character of the community is further defined by the natural environment and by the limited commercial and industrial uses.

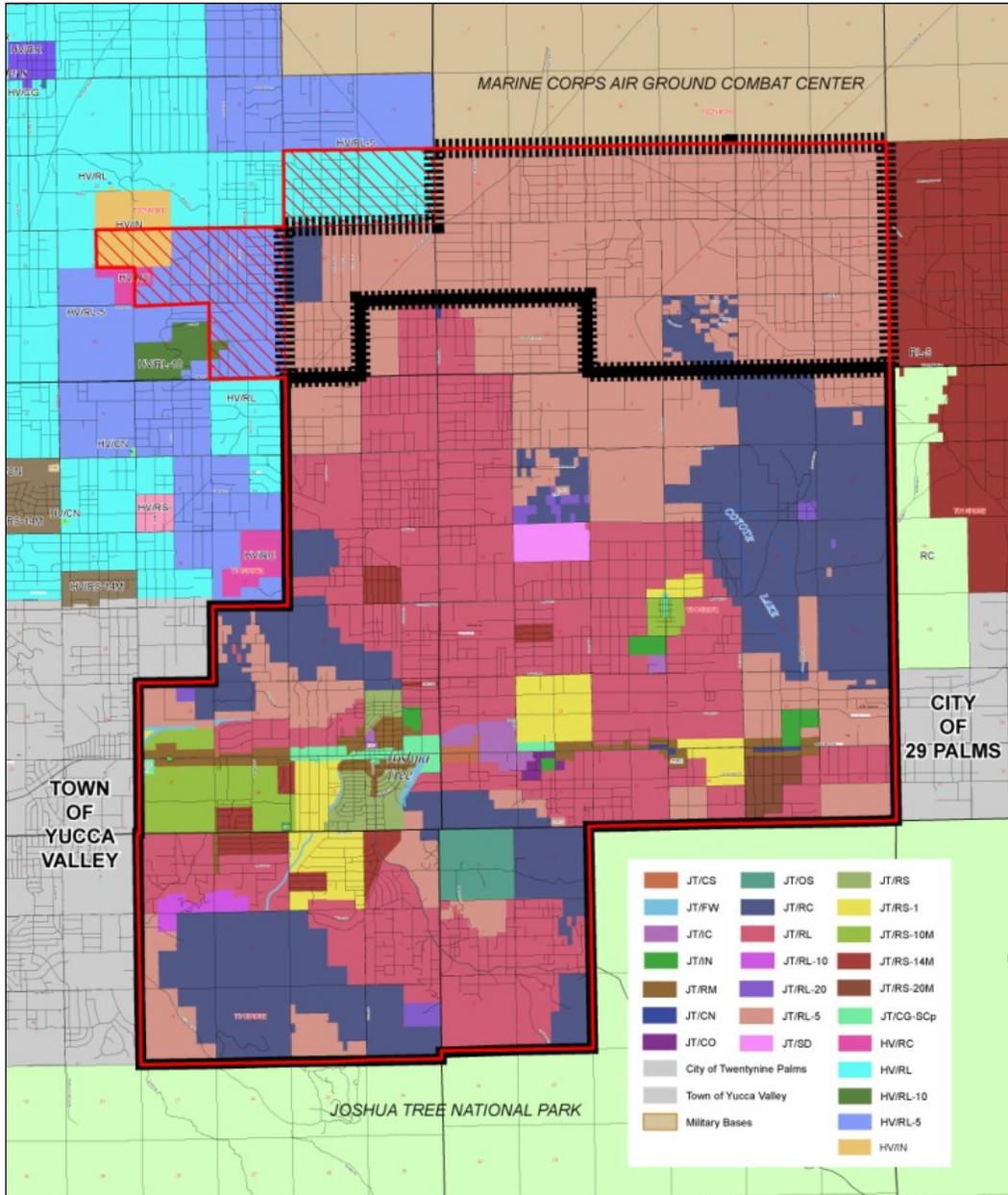
Land Use

The current sphere of influence of CSA 20 coincides with the Joshua Tree Community Plan area. The table below (taken from the Joshua Tree Community Plan) contains the general plan land use designation distribution for the community. As shown, the most prominent County land use designation within the plan area is Rural Living (RL), which makes up approximately 74% or 37,101 acres of the total land area. The second and third most prominent land use districts within the plan area are Resource Conservation (RC) and Single Residential (RS), which make up approximately 12% and 10% of the total land area, respectively. The Joshua Tree plan area also contains Multiple Residential, Community Industrial, Institutional (IN), and several commercial land use districts; however these land use districts only make up a small percentage of the total plan area. The majority of the commercial and industrial land use districts are concentrated along Highway 62 in the southwestern portion of the plan area.

Table 2: Land Use Policy Map Maximum Potential Build-Out

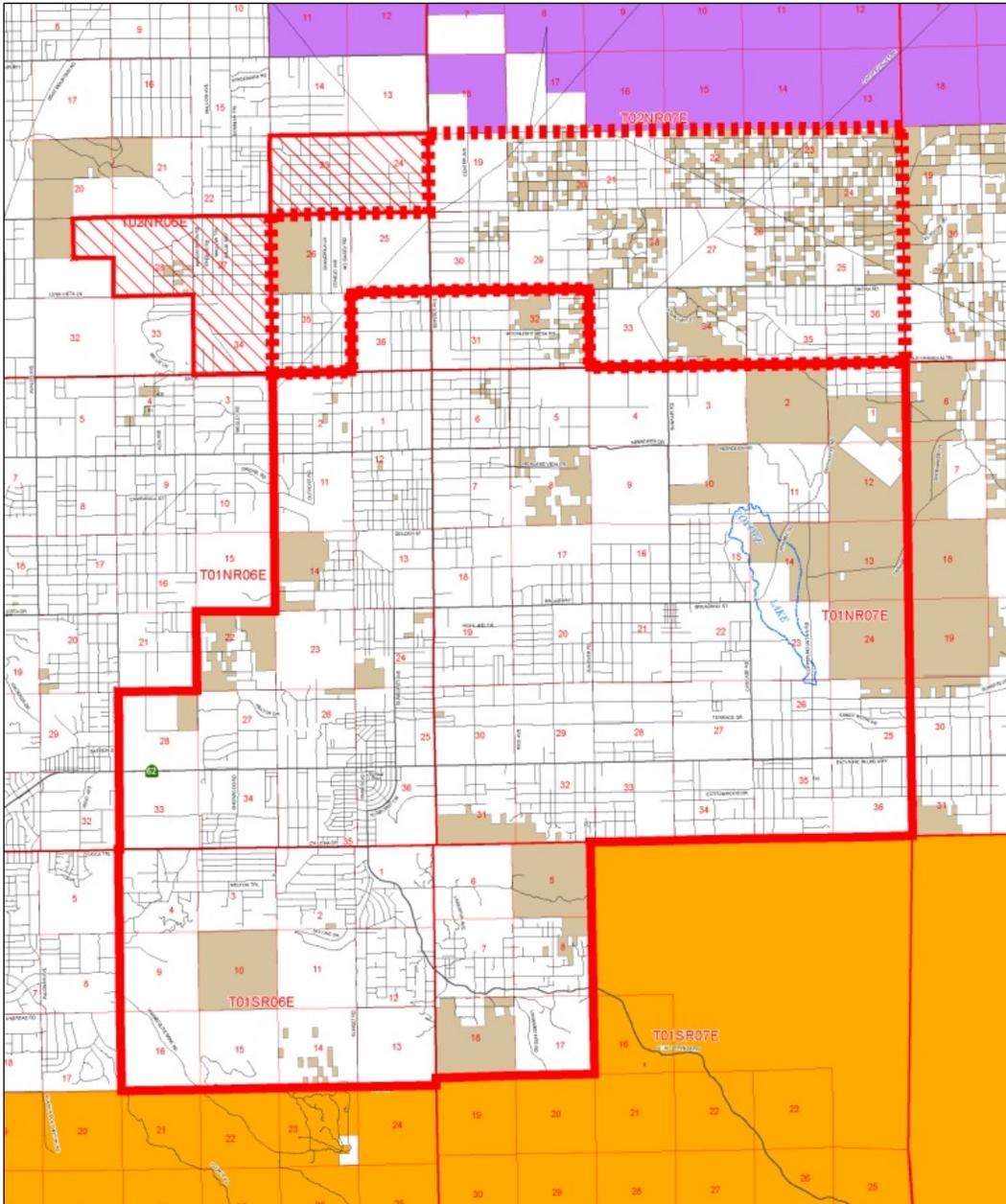
Land Use Designation	Land Use Policy Map Maximum Potential Build-Out		
	Area (Acres)	Density (D.U. Per Acre)	Maximum Policy Map Build-Out (D.U. 's)
Residential Land Use Districts			
Resource Conservation (RC)	5,886	0.025	147
Rural Living (RL)	17,636	0.4	7,055
Rural Living 5 (RL-5)	18,882	0.2	3,776
Rural Living 10 (RL-10)	205	0.1	21
Rural Living 20 (RL-20)	378	0.05	19
Single Residential (RS)	670	6	2,678
Single Residential 10,000 (RS-10M)	1,259	4	5,038
Single Residential 14,000 (RS-14M)	710	3	2,131
Single Residential 20,000 (RS-20M)	324	2.18	647
Single Residential 1 (RS-1)	1,787	1.0	1787
Multiple Residential	895	16.0	14,320
Total Residential	48,632	--	37,619
Non-Residential Land Use Districts		FAR¹	SQUARE FEET²
Office Commercial (CO)	64	.5:1	1,393,920
Neighborhood Commercial (CN)	44	.25:1	479,160
General Commercial (CG)	363	.5:1	7,906,140
Service Commercial (CS)	88	.3:1	1,149,984
Community Industrial (IC)	350	.4:1	6,098,400
Institutional (IN)	261	.5:1	5,684,580
Floodway (FW)	128	.3:1	1,672,704
Total Non-Residential	1,298		24,385,148
Source: Stanley R. Hoffman Associates, Inc. and URS Corp.			
Notes:			
(1) Floor Area Ratio (FAR) is a measure of development intensity. FAR is defined as the gross floor area of a building permitted on a site divided by the total area of the lot. For instance, a one-story building that covers an entire lot has an FAR of 1. Similarly, a one-story building that covers 1/2 of a lot has an FAR of 0.5. A two story building that covers 1/2 of a lot has an FAR 1.0.			
(2) The total square feet for the non-residential land use designations was calculated by multiplying the area (acres) by the FAR and then converting the total acres to square feet. 43,560 square feet = 1 acre			

For the LAFCO staff proposed sphere expansion, the additional 5.25 square miles (within the Homestead Valley Community Plan area) have land use designations of HV/RL-5 (approximately 1,690 acres), HV/RL (approximately 1,280 acres), HV/RL-10 (approximately 30 acres), HV/RC (approximately 40 acres) and HV/IN (approximately 320 acres wherein the Landers Landfill is located). The map below illustrates the different land use designations within CSA 20 and its sphere of influence. The LAFCO staff proposed sphere expansion is shown as red hatch lines.



The Joshua Tree Community plan area contains some Bureau of Land Management (BLM) lands. Those portions of BLM lands that are within the Joshua Tree Community Plan area comprise 10,199 acres, which equates to approximately 17% of the total land area within the plan area.

The map below illustrates the private and public land by color within CSA 20 and its sphere of influence: tan represents government lands managed by BLM, purple represents the Twentynine Palms MCAGCC military base, orange represents government lands managed by the U.S. National Park Service, and white represents all the private lands.



Residential build-out for the community is estimated to be 37,619 units based on San Bernardino County General Plan current zoning and maximum densities. The additional 5.25 square miles is estimated to have a residential build-out of approximately 853 units. These residential build-out projections are not expected to occur within the 2030 horizon of this report.

Population Projections

The Joshua Tree Community Plan provides population projections that are based on historic and expected growth trends (see figure below from the Joshua Tree Community Plan). The County projections estimate a population range of between 9,387 and 15,500 people by 2030. The larger projections are based on regional permit data. These numbers

imply that the plan area will reach between 11 to 16 percent of its potential population capacity by 2030.

Table 3: Population, Households and Employment Projection 2000-2030

	1990	2000	Projection 2030	Average Annual Growth Rate: 1990-2000	Projected Average Annual Growth Rate: 2000-2030	Maximum Policy Map Build-Out	Ratio of 2030 Projection to Land Use Policy Map Build-Out
Population	7,675	8,103	9,387 to 15,500	0.5%	0.5% to 0.9%	88,405	0.11 to 0.16
Households	3,230	3,465	4,170 to 6,625	0.7%	0.6% to 0.9%	37,619	0.11 to 0.20
	1991	2002		1991-2002	2002-2030		
Employment	545	1,426	1,651 to 2,728	9.1%	0.5% to 0.9%	27,725	0.06

Source: Stanley R. Hoffman Associates, Inc. 2-17-05 (rev 11-10-05)

Note: The population estimates for 1990 and 2000 were based on the U.S. Census. The employment estimates for 1991 and 2002 were based on data from the California Employment Development Department (EDD).

The Southern California Association of Governments (SCAG) in its *2008 Regional Transportation Plan Growth Forecast* projected the population and the number of households within the unincorporated community of Joshua Tree to be similar to projections used for the Joshua Tree Community Plan. SCAG projections assume that growth potential is not constrained by a lack of public services or utilities. As such, the population estimates are not target levels, but rather reasonably foreseeable levels, based on the current trends.

SCAG PROJECTIONS 2008

Location	2010	2015	2020	2025	2030	2035	Change 2010-2035
Joshua Tree							
Population	9,873	11,284	12,482	13,617	14,696	15,717	5,844
Households	3,907	4,664	5,275	5,854	6,393	6,896	2,989

SOURCE: SCAG, 2008.

Given the similar projections of the Joshua Tree Community Plan and Southern California Association of Governments, LAFCO staff's opinion is that these projections are likely to occur.

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

The active function and services for CSA 20 are streetlighting, park and recreation, and roads. These services were confirmed by the County Special Districts Department during the considerations for seating Special District on LAFCO in 1976. The provision of these services is confined to within the boundaries of CSA 20.

Streetlighting

CSA 20 provides streetlighting service within its boundaries. Although CSA 20's FY 2010-11 budget identifies that it funds the operation of 330 streetlights, the County Special Districts Department and Southern California Edison have provided verification that there are currently 298 streetlights funded through CSA 20, no clarification on the 32 light discrepancy was provided. In addition, staff has identified that at least five of the streetlights are outside the boundaries and current sphere for CSA 20. Four of the lights are located within the City of Twentynine Palms and should be transferred to that City while one light is within the unincorporated City of Twentynine Palms sphere.

The streetlights are classified as all night service (activated from dusk until dawn). Southern California Edison owns the streetlights and responds to problems, and CSA 20 provides for payment of the utility costs associated with the individual lights. There are no plans at this time to increase the number of the streetlights. However, if the community continues to see growth in its population, the need for streetlights will also increase. As identified in the Joshua Tree Community Plan, streetlighting in the community will be implemented in accordance with the County's Night Sky Ordinance¹³. Therefore, streetlighting shall only be provided as necessary to meet safety standards and shall be designed so as not to interfere with star-gazing opportunities within the community and in the nearby Joshua Tree National Park.

Park and Recreation

County Special Districts Department did not provide a park master plan or studies for this review. CSA 20 owns, maintains, and operates four park sites: Sunburst Park (6171 Sunburst Avenue), Community Park (6617 Easterly Drive), Friendly Hills Park (7800 Sunny Vista Road), and Desert View Conservation Area (635 acres).

- Sunburst Park is a 20-acre site with a community center, two baseball fields, playgrounds, water play area, skateboard park, basketball court, tennis and racquetball facilities, picnic shelters/sites.
- Community Park is a 5-acre park with a pre-school/community center building, basketball court, picnic shelters/sites.
- Friendly Hills Park is a 2-acre park with playground and picnic shelters/sites.

¹³ County of San Bernardino, Development Code Chapter 83.07, Adopted Ordinance 4011 (2007).

- Desert View Conservation Area is a 635-acre natural open space with walking paths and equestrian trails.

CSA 20 also offers a variety of recreation programs such as kids club, sports leagues, holiday celebrations, nutrition for seniors, day camps, including classes in art, music, self defense, aerobics, crafts, yoga, and dance.

For over 30 years, CSA 20 has operated a Recreational Preschool Program. Two morning sessions are offered: one on Mondays, Wednesdays, and Fridays and the other on Tuesday and Thursdays. According to Special Districts Department staff, CSA 20 is about to implement an afternoon program due to its high student enrollment numbers. This program is not directly affiliated with the Morongo Unified School District, but it coordinates with the School District to match the program's curriculum with the educational development needs for school age children.

Roads

CSA 20 has never provided road service. At present, road service to a portion of the Copper Mountain Mesa area is provided through Zone R-19 of CSA 70. As outlined in the Joshua Tree Community Plan, the community articulated that road maintenance is an area of concern and need for improvement.

III. Financial ability of agencies to provide services.

The primary source of revenue for CSA 20 is its share of the one percent ad valorem general levy. It also receives revenue from space rentals, lease/concession agreements and recreational programs.

As shown on the chart below taken from the FY 2010-11 Budget, CSA 20 generally has enjoyed excess revenues over expenditures. This had resulted in a beginning fund balance of roughly \$773,000 for FY 2010-11. For FY 2010-11, Operating Transfers Out of \$330,000 represents transfers to the capital improvement funds for various capital projects. Departmental revenue of \$1,028,274 represents property taxes and grant funds and is decreasing by \$27,459 due to an anticipated decline in property tax revenues. Also identified on the chart is \$120,000 listed under Other Financing Sources. Special Districts Department staff has identified that of this amount, \$100,000 was budgeted for anticipated revenue from a Prop 84 grant associated with the batting cage project. CSA 20 utilizes the County Special Districts Department for management of its operations. To pay for these functions, the FY 2010-11 Budget indicates a transfer to CSA 70 Countywide of \$165,888 for salaries and benefits and services and supplies support.

In addition the budget outlines that CSA 20 has five staff positions, identified as:

- **District Services Coordinator** – Supervises District Functions, Fiscal management, Office Operations
- **Recreation Coordinator** - Recreation Program Development and Operation, Instructor Oversight and Contracts, Sports and Recreational Activities, Preschool operations, Registrations

- **Recreation Assistant** – Assists in the planning and operation of Recreation Programs, Registration of program participants, provides fiscal support, participates in Preschool operations
- **Park Maintenance II** – Lead Worker for park and facility maintenance
- **Park Maintenance I** – Park and facility maintenance

Of the services and supplies category shown below for Fiscal Year 2010-11, approximately \$38,740 is associated with the cost for operation of the 298 streetlights (\$130 per year per light based upon a recent billing statement). The balance of this category funds professional services for recreation programs, equipment leases and vehicle charges.

CSA 20 Financial Activity – Operational Fund

	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Estimate	2009-10 Adopted Budget	2010-11 Recommended Budget
Appropriation						
Salaries and Benefits	232,809	240,382	300,247	326,039	391,204	385,514
Services and Supplies	150,505	172,609	245,908	321,681	327,773	373,110
Central Computer	584	2,461	2,700	2,521	2,521	3,724
Travel	-	-	179	2,000	-	5,000
Land and Improvements	-	-	19,050	-	100,000	50,000
Equipment	-	-	23,895	-	-	-
Transfers	503,675	605,936	195,170	166,241	166,741	165,888
Contingencies	-	-	-	-	475,008	522,994
Total Exp Authority	887,573	1,021,388	787,149	818,482	1,463,247	1,506,230
Reimbursements	-	-	-	-	(35,000)	(35,000)
Total Appropriation	887,573	1,021,388	787,149	818,482	1,428,247	1,471,230
Operating Transfers Out	-	-	195,000	40,000	305,000	330,000
Total Requirements	887,573	1,021,388	982,149	858,482	1,733,247	1,801,230
Departmental Revenue						
Taxes	1,105,593	1,059,984	853,494	683,734	738,733	683,734
Use Of Money and Prop State, Fed or Gov't Aid	30,949	59,778	53,152	48,318	42,500	37,140
Current Services	36,238	40,135	14,255	13,669	97,000	24,000
Other Revenue	18,804	5,213	34,277	27,762	102,500	163,400
Other Financing Sources	-	-	-	-	-	120,000
Total Revenue	1,191,584	1,165,110	955,178	953,483	1,055,733	1,028,274
Operating Transfers In	-	625	8,389	441	-	-
Total Financing Sources	1,191,584	1,165,735	963,567	953,924	1,055,733	1,028,274
Fund Balance					677,514	772,956
Budgeted Staffing					5	5

The FY 2010-11 Budget identifies a beginning capital improvement program reserve fund balance of \$26,628 for a Community Center room partition and Sunburst Park batting cage with the transfer of \$330,000 for FY 2010-11 to fund these improvements.

Appropriation Limit

An appropriation limit is required by Article XIIB of the State Constitution and limits the expenditure of the proceeds of taxes. By action taken on June 28, 2010 the Board of Supervisors of the County of San Bernardino established the preliminary appropriation limit for CSA 20 at \$ 3,930,948.

IV. Status of, and opportunities for, shared facilities.

The Special Districts Department consolidates the administrative operations and facilities for county service areas (and zones of CSAs) under the auspices of CSA 70.

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

Local Government Structure and Community Service Needs

CSA 20 is governed by the County Board of Supervisors and administered by the County Special Districts Department; it is within the political boundaries of the Third Supervisorial District. CSA 20's budget is prepared as a part of the County Special Districts Department's annual budgeting process. CSA 20's annual budget is presented to the County Administrative Office and Board of Supervisors for review and approval.

CSA 20 has a municipal advisory council (MAC), authorized under Government Code Section 31010, that meets each month at the community building. MAC members are appointed by the Third District Supervisor and must reside within the District. Issues and concerns regarding CSA 20's services are placed on the monthly MAC agendas. At these meetings, Special Districts Department staff and community members have the opportunity to address the issues.

Operational Efficiency

As a mechanism to control costs, the County of San Bernardino Special Districts Department has consolidated many of the administrative and technical functions necessary to manage the various services provided under County Service Area 70. Therefore, CSA 20 pays for a proportional share of salaries and benefits costs necessary to serve it for overall management and pays a proportional cost of the administrative functions of the County Special Districts Department. One regional manager oversees all streetlighting districts and another oversees all of the park districts. In the case for CSA 20, the regional manager for streetlighting districts oversee the streetlighting function for CSA 20 and the regional manager for park districts oversee the District's park and recreation function and supervises CSA 20 employees.

Government Structure Options

While the discussion of some government structure options may be theoretical, a service review should address possible options. Special Districts Department staff in preparing the service review indicated that there were no consolidations or other structure options available for the operation of CSA 20. However, LAFCO staff has identified a number of possible options for future consideration:

1. Reorganization of Joshua Basin Water District and County Service Area 20 into a single multi-function entity:
 - Consolidation of JBWD and CSA 20 with CSA 20 as Successor Agency. As a county service area, CSA 20 could provide water service to the community

through assumption of the water service provided by Joshua Basin Water District as well as other services the community may desire. LAFCO staff is not aware of any community interest in this option which would eliminate local control of service delivery (water). The option of Joshua Basin Water District as the successor is not possible as it cannot provide streetlighting services under its parent act.

- Consolidation of JBWD and CSA 20 through Formation of a Community Services District. The option of forming an independent single, multi-purpose special district, through reorganization of the existing service providers, is a preferred form of government that is feasible for the Joshua Tree community. The agencies within the community could 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 (Joshua Basin Water District and County Service Area 20 and possibly others). 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. Formation of a CSD could also include the detachment of Joshua Tree portion of CSA 70 R-19 with the CSD assuming responsibility for road service.

The preamble to CSD law, states that a CSD can be one of four mechanisms for governance for a community. They are outlined as:

- “... (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 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 Joshua Tree community such an entity could be achieved for the area. The establishment of the community designation for Joshua Tree is a potential first step in this process.

2. Expansion of boundaries (through annexation) to serve adjacent territory. Should the sphere of influence area outside of CSA 20 desire streetlighting or park service through the location of facilities within the area, one option would be to expand its boundaries through annexation. Theoretically, CSA 20 could receive a share of the general levy from a potential annexation; however, existing County policy related to annexations does not provide for a transfer of a share of the general levy to annexing special districts. Existing County Policy is to transfer the share of property

tax revenues generated by detaching special districts for service. Outside of a general levy transfer, any additional special tax or charge would be subject to the requirements of Prop 218.

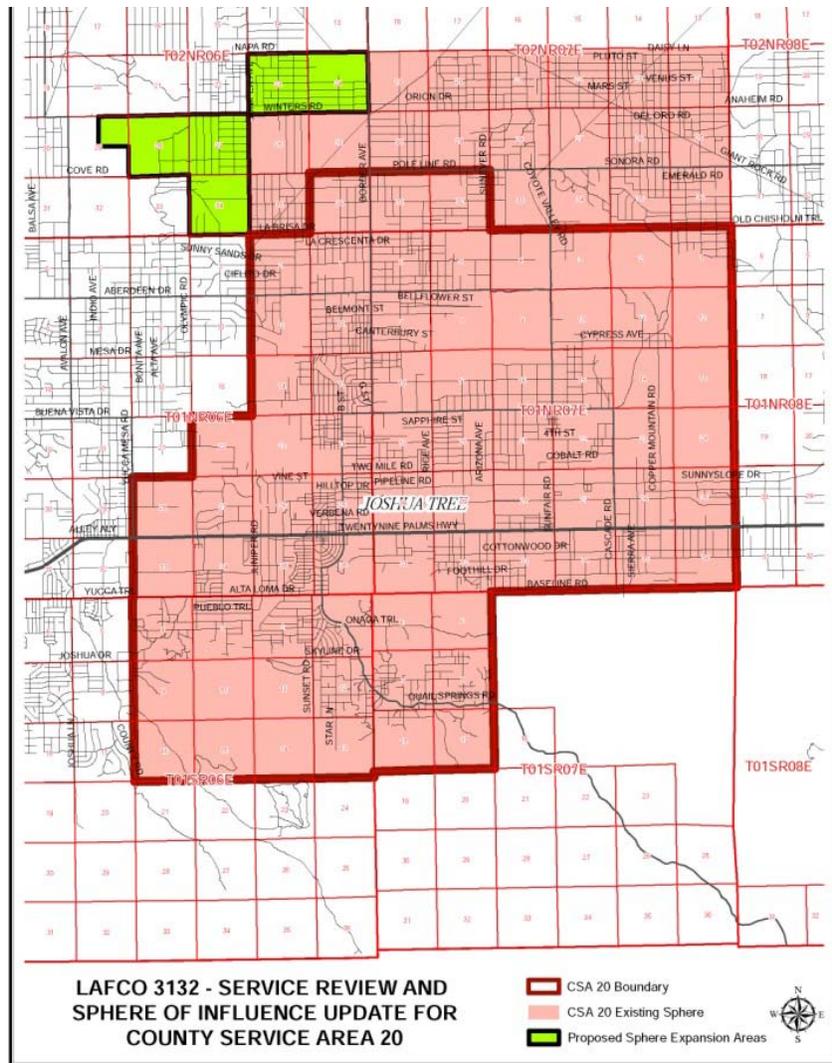
3. Maintenance of the status quo. At this time, the District, landowners, or residents have not formally expressed interest in any of the options outlined above. Maintenance of the existing organizational structure would maintain the delivery of streetlighting and/or park and recreation within the District with no additional services to be provided. Since CSA 20 has never provided road services in the past, LAFCO staff is recommending that the Roads function for CSA 20 be removed through proceedings initiated by the County Board of Supervisors (see discussion on Authorized Powers below).

With no expression of interest for a change in government structure at this time, LAFCO staff is not recommending any changes or conditions be placed upon County Service Area 20 at this time.

CSA 20 SPHERE OF INFLUENCE UPDATE

Sphere of Influence

For the District's sphere of influence update, staff is recommending that the Commission modify the sphere for CSA 20 to encompass the Joshua Tree community as defined by the Commission. This requires a sphere of influence expansion encompassing approximately 5.25 square miles to include the entirety of Sections 23, 24, 27, 28, 34, and the northeast ¼ of Section 29, Township 2 North, Range 6 East. The proposed sphere modifications are shown on the map below and included as part of Attachment #4. A letter from Special Districts Department stating no opposition is included as a part of Attachment #4.



Authorized Powers

When updating a sphere of influence for a special district, the Commission shall (1) require existing districts to file written statements with the Commission specifying the functions or classes of services provided by those districts and (2) establish the nature, location, and extent of any functions or classes of services provided by existing districts (Government Code §56425(i)). Special Districts Department has identified that CSA 20 actively provides streetlighting and park and recreation services. CSA 20 however does not utilize its authorized roads function. Therefore, LAFCO staff recommends that the Roads function should be removed since CSA 20 has never utilized this service nor does it have any plans to do so.

In previous sphere of influence updates for independent and dependent special districts, the Commission has established the functions and services that districts actively provided by initiating and updating its *Rules and Regulations of the Local Agency Formation Commission of San Bernardino County Affecting Functions and Services of Special*

Districts. Unfortunately, legislative changes effective January 1, 2009 no longer allow the Commission to initiate the activation or divestiture of a function from a special district. However, Government Code Section 25213.6 (County Service Area Law) permits the Board of Supervisors through adoption of a resolution to divest a county service area of the authority to provide a service if the proposed divestiture would not require another public agency other than the county to provide a new or higher level of service or facilities; therefore, staff is recommending that the Commission:

- Affirm the functions and related service descriptions for CSA 20 listed as follows:

<u>FUNCTIONS</u>	<u>SERVICES</u>
Streetlighting	Streetlighting
Park and Recreation	Development, operation, recreation
Roads	Street improvement, curbs, gutters

- Request the County to take the actions necessary to divest CSA 20 of its Roads function and file the appropriate resolution with the Commission, and
- Direct staff to update the *Rules and Regulations of the Local Agency Formation Commission of San Bernardino County Affecting Functions and Services of Special Districts* upon receipt of the County resolution removing Roads as an authorized function for CSA 20.

FACTORS OF CONSIDERATION:

The Special Districts Department was requested to provide information regarding the sphere of influence update as required by State law. Staff responses to the mandatory factors of consideration for a sphere of influence review (as required by Government Code Section 56425) are identified as follows:

Present and Planned Uses

Both RL (Rural Living, 2.5 acre lot size) and RL-5 (Rural Living, five acre lot size) make up majority of the residential land use for the area (approximately 74% of the total land area). The second and third most prominent land use districts within the plan area are Resource Conservation (RC) and Single Residential (RS), which make up approximately 12% and 10% of the total land area, respectively. The Joshua Tree Community Plan area also contains Resource Conservation (approximately 12%), Single Residential (approximately 10%), and other land uses such as Multiple Residential, Community Industrial, Institutional, and several commercial land use districts that make up a small percentage of the total plan area. The majority of the commercial and industrial land use districts are concentrated along Highway 62 in the southwestern portion of the plan area.

The additional 5.25 square miles to the northwest (within the Homestead Valley Community Plan area) primarily also has a County land use designation of Rural Living (one unit to 2.5

acres). Roughly 320 acres within the expansion area, where the Landers Landfill is located, has a land use designation of Industrial.

Present and Probable Need for Public Facilities and Services

CSA 20 currently provides streetlighting services within its boundaries and operates 298 streetlights. Staff has identified that at least five of the streetlights are outside the District's boundary and sphere of influence. Currently, CSA 20 meets the service needs of those within its boundaries. The future need for streetlights may increase with population growth; however, any additional streetlighting will have limitations based on the type of development and the restrictions set by the County's Night Sky ordinance for the Joshua Tree community. Four of the lights outside the boundary of CSA 20 are within the City of Twentynine Palms and need to be transferred to that City for operation. The remaining light is within the unincorporated area and there is no existing streetlight provider for the area; therefore, the option would be to cease operation of the light.

CSA 20 maintains and operates four parks: 1) Sunburst Park, a 20-acre site with a community center, ball fields, playgrounds, water play area, skateboard park, basketball court, tennis and racquetball facilities, picnic shelters/sites; 2) Community Park, a 5-acre park with a pre-school/community center building, basketball court, picnic shelters/sites; 3) Friendly Hills Park, a 2-acre park with playground and picnic shelters/sites; and 4) Desert View Conservation Area, a 635-acre natural open space with walking paths and equestrian trails. CSA 20 is in the process of applying for Prop 84 grant funding through the State of California Department of Parks and Recreation (under its Nature Education Facilities Program) for the Desert View Conservation Area Project. The project includes installation of various informational kiosks, parking facilities, and other recreational facilities.

CSA 20 has never provided road service and has no plans to actively pursue this service. At present, road service within a portion of the Copper Mountain Mesa area is provided through Zone R-19 of CSA 70.

Present Capacity of Public Facilities and Adequacy of Public Services

CSA 20 provides streetlighting within its boundaries and adequately serves the area. Revenues are generally adequate to support the current streetlighting activities. However, with electricity costs rising and property tax revenues remaining level or slightly reduced due economic conditions, the choice for the County to sustain this service would be to evaluate the location of lights and turn off those deemed of lesser priority. However, for those lights outside the boundaries CSA 20 the options are: 1) transfer the four lights currently located within the City of Twentynine Palms over to the City; and then for the remaining single light either 2) turn it over to the residents since their property taxes do not support the service, or 3) turn it off.

CSA 20 maintains and operates four park sites: Sunburst Park, Community Park, Friendly Hills Park, and the Desert View Conservation Area. These park facilities, including the recreational programs offered by the District, are adequate for the Joshua Tree community. CSA 20 has implemented a number of CIP projects for its park facilities (i.e. irrigation systems, ADA compliance projects, facility renovations and/or retrofits, etc.) and are now in

the process of applying for additional grant funding for its Desert View Conservation Area Project.

Social and Economic Communities of Interest

The social and economic communities of interest are the Morongo Unified School District, the properties and residents within the Joshua Tree community as defined by the Community Plan and service providers, and the commercial activity along Twentynine Palms Highway. Other economic communities of interest are the neighboring Joshua Tree National Park and the Twentynine Palms Marine Corps Air Ground Combat Center.

CONCLUSION FOR CSA 20:

CSA 20's park facilities and the recreational programs offered by the District are adequate for the Joshua Tree community. Likewise, streetlighting within the District is also adequate given the community's desire to limit the use of streetlights that can disrupt the night sky and obstruct star gazing opportunities but to maintain public safety.

Staff recommends that the Commission:

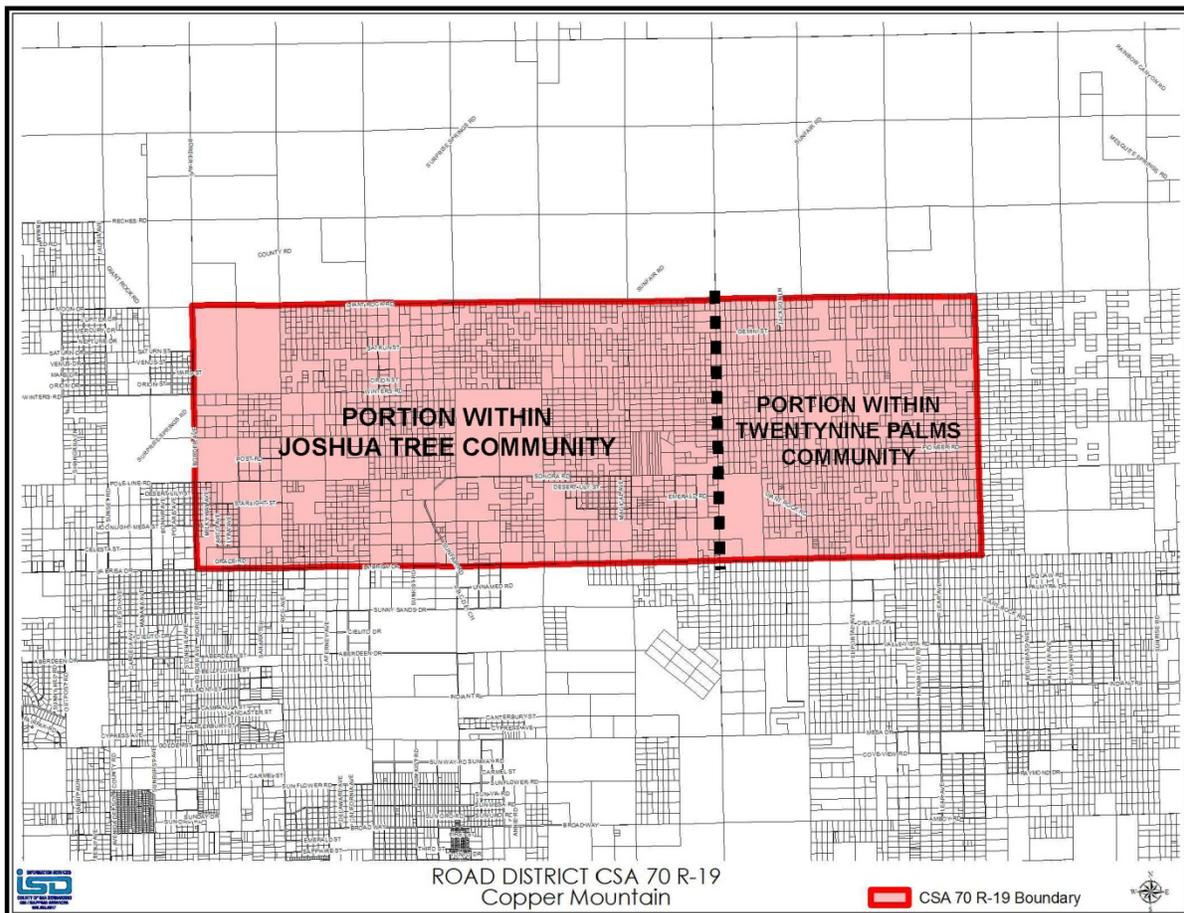
- Expand CSA 20's sphere of influence on the northwest to encompass the Joshua Tree community, making it coterminous with the modified sphere of influence for Joshua Basin Water District.
- Affirm the balance of the sphere of influence.
- Affirm the active functions and services currently authorized for CSA 20.
- Request the County to take the necessary actions to divest CSA 20 of its Roads function and file the appropriate resolution with the Commission.
- Direct staff to update the *Rules and Regulations of the Local Agency Formation Commission of San Bernardino County Affecting Functions and Services of Special Districts* upon receipt of the County's resolution divesting CSA 20 of the Roads function.

COUNTY SERVICE AREA 70 ZONE R-19 (COPPER MOUNTAIN) Service Review

INTRODUCTION:

County Service Area 70 Zone R-19 (hereafter shown as “Zone R-19”) provides road grading and maintenance service to approximately 35 miles of unpaved roads in the Copper Mountain area. Zones to County Service Areas are not under the purview of the Commission; however, information was obtained to provide the Commission and the public an outline of the broad range of municipal-type services provided within the community. Only information related to a service review for Zone R-19 is provided in this report. In addition, there is no sphere of influence assignment for a Zone to a County Service Area separate from the parent district.

Zone R-19 was formed in 1986 by action of the County of San Bernardino Board of Supervisors at the request of landowners for the primary purpose of providing road grading and maintenance service to the Copper Mountain area through payment of an annual assessment of \$20. A map showing Zone R-19 is shown below and is included as a part of Attachment #5.



CSA 70 ZONE R-19 SERVICE REVIEW

LAFCO has no direct jurisdiction over Zone R-19; therefore, there is no sphere of influence designation. This report contains only service review information. The County Special Districts Department, administrators for board-governed special districts, prepared a service review consistent with San Bernardino LAFCO policies and procedures. The Department's response on behalf of Zone R-19 to LAFCO's original and updated requests for materials includes, but is not limited to, formation and financial information. The information submitted is included as a part of Attachment #5 and are incorporated in the information below.

I. Growth and population projections for the affected area.

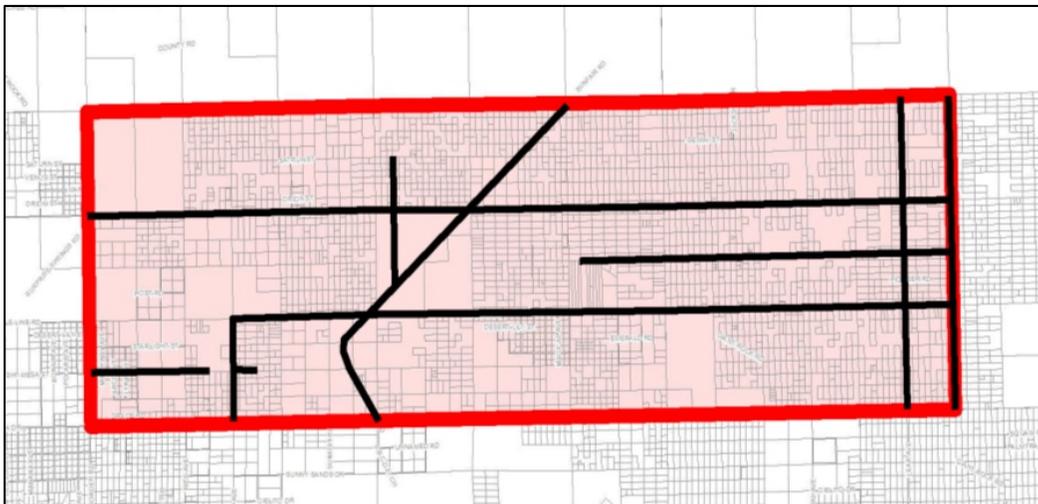
There are 2,712 parcels within Zone R-19. Of this figure, 2,051 are residential parcels. Utilizing the County General Plan coefficient of 2.68 persons in the Desert region of the county, there are roughly 5,497 persons within Zone R-19. Significant growth is not anticipated within Zone R-19.

In the other service reviews conducted for the north desert communities, staff utilized population projections of the Transportation Analysis Zones developed by the Southern California Association of Governments. However, Transportation Analysis Zone data cannot be isolated for this small area.

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

Special Districts Department grades and maintains roughly 35 miles of unpaved road within R-19. According to Special Districts Department staff, Winters Road has a soil stabilization mix that is protected with a slurry seal; however, the road remains technically a dirt road.

The roads maintained are Winters Road, Lear Avenue, Shoshone Valley Rd., Sonora (Pole Line Road), Moonlight Mesa Dr., Cody, East Tilford Way, Mount Shadow, Coyote Valley Road, Presswood Drive, and Star. The map below outlines the location of these roads:



III. Financial ability of agencies to provide services.

Zone R-19 collects a \$20 service charge per parcel and uses the funds to contract for the grading and maintenance of 35 miles of unpaved roadway. Of importance, the \$20 service charge does not have an inflation factor; therefore, it has been a static since 1986. Any increase would be subject to Prop 218 election. Expenditures consist of the annual salary and benefit share paid to County Service Area 70 and maintenance of the roads as needed. The \$50,000 identified as Operating Transfers Out for FY 2010-11 is a transfer to the Zone's Capital Improvement Fund for a slurry seal project.

As identified in the FY 2010-11 Budget, expenditures continually exceed fee revenues (identified on the chart as Current Services). Should this trend continue, Zone R-19 will experience further challenges in providing service. Should significant repairs be required, as in FY 2006-07, the current fund balance of \$95,460 may not be adequate.

CSA 70 Improvement Zone R-19 Financial Activity

	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Estimate	2009-10 Adopted Budget	2010-11 Recommended Budget
<u>Appropriation</u>						
Services and Supplies	29,059	21,783	30,359	33,372	48,518	48,504
Transfers	13,740	17,253	15,024	14,664	15,264	14,824
Contingencies	-	-	-	-	68,424	26,666
Total Appropriation	42,799	39,036	45,383	48,036	132,206	89,994
Operating Transfers Out	173,747	-	-	-	-	50,000
Total Requirements	216,546	39,036	45,383	48,036	132,206	139,994
<u>Departmental Revenue</u>						
Use Of Money and Prop	3,684	4,355	2,675	1,600	3,000	1,400
Current Services	56,423	46,226	40,639	43,838	31,148	43,134
Other Revenue	130,949	167	582	-	-	-
Total Revenue	191,056	50,748	43,896	45,438	34,148	44,534
Operating Transfers In	40,000	-	-	-	-	-
Total Financing Sources	231,056	50,748	43,896	45,438	34,148	44,534
				Fund Balance	98,058	95,460

IV. Status of, and opportunities for, shared facilities.

The Special Districts Department consolidates the administrative operations and facilities for county service areas and improvement zones under the auspices of CSA 70.

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

Local Government Structure and Community Service Needs

Zone R-19 is governed by the County Board of Supervisors and administered by the County Special Districts Department; it is within the political boundaries of the First and Third Supervisorial Districts. Zone R-19's budgets are prepared as a part of the County Special Districts Department's annual budgeting process. The annual budget is presented to the

County Administrative Office and Board of Supervisors for review and approval. Zone R-19 does not utilize an advisory commission or municipal advisory committee.

Operational Efficiency

As a mechanism to control costs, the County of San Bernardino Special Districts Department has consolidated many of the administrative and technical functions necessary to manage the various services provided under County Service Area 70. Therefore, Zone R-19 has no direct employees; it pays for a proportional share of salaries and benefits costs necessary to serve it and pays a proportional cost of the administrative functions of the County Special Districts Department. To pay for these functions, the FY 2010-11 Budget indicates a transfer to CSA 70 Countywide of \$14,824 salaries and benefits and services and supplies support.

Government Code Section 26909 allows a special district to conduct a biennial audit, conduct an audit covering a five-year period, or replace the annual audit with a financial review if certain conditions are met. This board-governed agency meets the conditions for one if not all of the above. Therefore, this agency has the potential to realize cost savings should it choose to undertake the necessary steps outlined in state law. This possibility would need to be discussed and decided between the County, its departments and the landowners and voters within the agency to maintain transparency.

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 -- Road maintenance service cannot be provided outside the boundaries of Zone R-19; therefore, no discussion is applicable to this review;
2. Other potential government structure changes such as consolidations, reorganizations, dissolutions, etc.

Government Structure Options:

While the discussion of some government structure options may be theoretical, a service review should address possible options, especially in light of Zone 29's financial challenges.

- Expansion of Zone R-19. The zone could expand to include additional territory. This would require that the landowners be included in the annual assessment and benefit from road maintenance services.
- Assumption of Service by County Service Area 20. In this scenario, the Joshua Tree portion of Zone R-19 would be detached with service responsibility assumed by CSA 20. This service would then have a voice through the Joshua Tree Municipal Advisory Council.

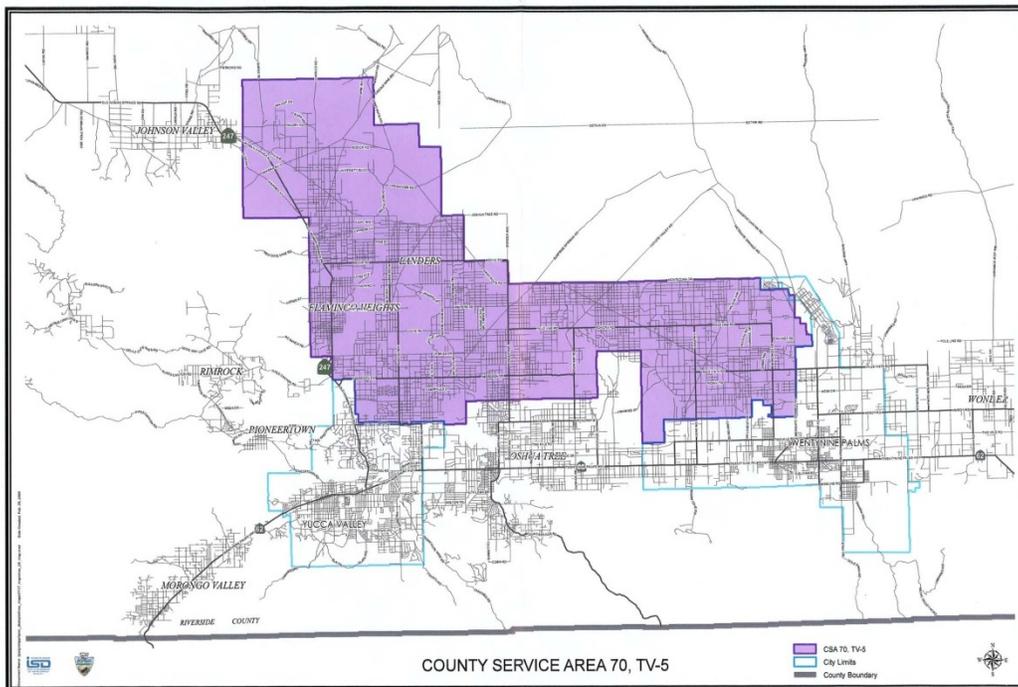
Consolidation of Joshua Basin Water District, County Service Area 20, and CSA 70 Zone R-19 through Formation of a Community Services District. The option of forming an independent single, multi-purpose special district, through reorganization of the existing service providers, is a preferred form of government that is feasible for the Joshua Tree community. The agencies within the community could 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 (Joshua Basin Water District and County Service Area 20). 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. Formation of a CSD could also include the detachment of Joshua Tree portion of CSA 70 R-19 with the CSD assuming responsibility for road service.

COUNTY SERVICE AREA 70 ZONE TV-5 (MESA) Service Review

INTRODUCTION:

County Service Area 70 Zone TV-5 (hereafter shown as “Zone TV-5”) provides low power television translator service to a 100 square mile area. Material was submitted to provide information to the Commission and the public of the broad range of municipal-type services provided within the community. Zone TV-5 is not under LAFCO purview and has no sphere of influence, therefore only information related to a service review is provided for this report.

Zone TV-5 was formed in 1995 by action of the County of San Bernardino Board of Supervisors and approved by the electorate. A special tax and appropriations limit election was held for the purpose of providing funds and expenditure authorization for the service. The tax is levied at a rate of \$25 per year per improved parcel on 6,412 parcels. Zone TV-5 provides eight UHF channels of translator service broadcast from Pinto Mountain to a 100 square mile area encompassing Copper Mesa, Desert Heights, Flamingo Heights, Landers, and Yucca Mesa. Zone TV-5 provides service to approximately 16,500 persons. A map showing Zone TV-5 is shown below and is included as a part of Attachment #6.



CSA 70 ZONE TV-5 SERVICE REVIEW

LAFCO has no direct jurisdiction over Zone TV-5; therefore, only service review information is provided. The County Special Districts Department, administrators for board-governed special districts, prepared a service review consistent with San Bernardino LAFCO policies and procedures. The Department’s response on behalf of Zone TV-5 to LAFCO’s original

and updated requests for materials includes, but is not limited to, water system and financial information. The information submitted is included as a part of Attachment #9 and are incorporated in the information below.

I. Growth and population projections for the affected area.

There are 6,412 improved parcels within Zone TV-5. Utilizing the County General Plan coefficient of 2.68 persons for the Desert region, there are roughly 16,671 persons within Zone TV-5. Significant growth is not anticipated within Zone TV-5 due to the land use designations.

In the other service reviews conducted for the north desert communities, staff utilized population projections of the Transportation Analysis Zones developed by the Southern California Association of Governments. However, Transportation Analysis Zone data does not conform to the boundaries of this large agency.

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

Zone TV-5 provides eight UHF channels of UHF translator service broadcast from Pinto Mountain to a 100 square mile area encompassing Copper Mesa, Desert Heights, Flamingo Heights, Landers, and Yucca Mesa.

As of February 19, 2009, federal law requires that all full-power broadcast stations broadcast in digital format only. Zone TV-5 is not required to transition to digital since it broadcasts a low-power signal. At this time, the Federal Communications Commission is only mandating that transmission sites with power outputs above 1000 watts convert to full digital broadcasts. The low power TV districts (<100 watts) are currently exempt from the conversion requirement. It has been speculated that the FCC will eventually require conversion of all TV transmission sites, but a target date has not been set.

III. Financial ability of agencies to provide services.

A special tax and appropriations limit election was held for the purpose of providing funds and expenditure authorization for television translator and low-power television services. The tax is levied at a rate of \$25.00 per year per improved parcel, shown on the chart below as "current services". Expenditures consist of the annual salary and benefit share to County Service Area 70 and maintenance of the translator. At the end of FY 2009-10, Zone TV-5 had an estimated fund balance of \$186,686.

Additionally, Zone TV-5 is anticipated to have a year-end fund balance of zero dollars, as identified in the budget. However, Zone TV-5 historically has not utilized the budgeted Reserves and Contingencies. If Reserves and Contingencies are not utilized during FY 2009-10, the estimated fund balance at year's end would be \$223,926.

In looking at the chart below, the Zone TV-5's expenditures increased significantly in FY 2007-08. This is due to equipment replacement of the eight translators at a total cost of \$84,996.

CSA 70 Improvement Zone TV-5 Financial Activity

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Budget
Expenditures					
Salaries & Benefits	44,316	46,732	44,508	36,966	2,741
Services & Supplies	22,124	47,397	48,851	50,810	70,526
Central Computer	117	113	52	992	1,108
Equipment/Vehicles	0	84,996	8,802	0	15,000
Transfers Out	64,396	54,923	43,453	36,981	40,872
Reimbursements	0	0	(12,000)	(7,178)	0
Contingencies	0	0	0	0	223,926
Total Expenditures	130,953	234,161	133,666	118,571	354,173
Revenue					
Use of Money	10,663	11,884	10,534	8,400	8,400
Current Services	175,413	165,647	159,481	159,087	159,087
Other Revenue	301	239	493	0	0
Total Revenue	186,377	177,770	170,508	167,487	167,487
Net	55,424	(56,391)	36,842	48,916	(186,686)
Fund Balance	157,319	\$100,928	\$137,770	\$186,686¹	\$0¹
Sources: FY 2009-10 Final Budget, FY 2010-11 Final Budget					
¹ Calculated by LAFCO staff					

Appropriation Limit

An appropriation limit is required by Article XIII B of the State Constitution and limits the expenditure of the proceeds of taxes. By action taken on June 28, 2010 the Board of Supervisors of the County of San Bernardino established the preliminary appropriation limit for Zone TV-5 at \$329,609. Should Zone TV-5 utilize its Contingencies, it would exceed its appropriation limit.

IV. Status of, and opportunities for, shared facilities.

The Special Districts Department consolidates the administrative operations and facilities for county service areas and improvement zones under the auspices of CSA 70. Additionally, the all the board-governed television districts share a TV Services Assistant and a fare share of the use of the position.

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

Local Government Structure and Community Service Needs

Zone TV-5 is governed by the County Board of Supervisors and administered by the County Special Districts Department; it is within the political boundaries of the First and Third Supervisorial Districts. Zone TV-5's budgets are prepared as a part of the County Special Districts Department's annual budgeting process. The annual budget is presented to the County Executive Office and Board of Supervisors for review and approval. Zone TV-5 does not utilize an advisory commission or municipal advisory committee.

Operational Efficiency

As a mechanism to control costs, the County of San Bernardino Special Districts Department has consolidated many of the administrative and technical functions necessary to manage the various services provided under County Service Area 70. Therefore, Zone TV-5 has no direct employees; it pays for a proportional share of salaries and benefits costs necessary to serve it and pays a proportional cost of the administrative functions of the County Special Districts Department. To pay for these functions, the FY 2010-11 Budget indicates a transfer to CSA 70 Countywide of \$40,872 for salaries and benefits and services and supplies support.

Government Code Section 26909 allows a special district to conduct a biennial audit, conduct an audit covering a five-year period, or replace the annual audit with a financial review if certain conditions are met. This board-governed agency meets the conditions for one if not all of the above. Therefore, this agency has the potential to realize cost savings should it choose to undertake the necessary steps outlined in state law. This possibility would need to be discussed and decided between the County, its departments and the landowners and voters within the agency to maintain transparency.

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:

Direct service is not provided outside the boundaries of Zone TV-5; however, the translator signal can travel outside of its boundaries to areas where parcels do not pay the annual \$25 tax rate.

Government Structure Options:

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

- Single county service area for TV translator service. This scenario would reorganize the two county service areas and three county service area zones into a single county service area that provides translator service. Normally, this option is not desirable since the distance between these districts is vast. However, a county service area need not have contiguous territory, according to County Service Area Law. One single-purpose county service area providing television translator service would reduce duplicative administration, budget, and audit costs. This is a viable option.

ADDITIONAL DETERMINATIONS

1. The Commission's Environmental Consultant, Tom Dodson and Associates, has determined the options outlined in this report for the various agencies are statutorily exempt from environmental review. Mr. Dodson's response for each of the reviews is included in their respective attachments to this report.
2. As required by State Law notice of the hearing was provided through publication in a newspaper of general circulation, the *Hi-Desert Star*. 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.
3. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. In addition, on January 6, 2011 LAFCO staff conducted a meeting with the community agencies and representatives to review the determinations made within the report.
4. Comments from landowners/registered voters and any affected agency will need to be reviewed and considered by the Commission in making its determinations.

RECOMMENDATIONS

Staff recommends that the Commission take the following actions:

1. Determine the community definition for the Joshua Tree Community to be territory within the Joshua Basin Water District sphere of influence - expanded to include the northeast quarter of Section 29.
2. Receive and file the service reviews for the Joshua Tree Community; make the findings related to the service reviews for County Service Area 20 and Joshua Basin Water District required by Government Code 56430 as outlined in the staff report.
3. For environmental review certify that the sphere of influence expansion for County Service Area 20 (LAFCO 3132) and sphere of influence expansion for Joshua Basin Water District (LAFCO 3111) are statutorily exempt from environmental review and direct the Executive Officer to file the Notices of Exemption within five (5) days.
4. For LAFCO 3111, approve the sphere of influence expansion for Joshua Basin Water District and for LAFCO 3132 approve the sphere of influence expansion for County Service Area 20 as identified in this report.
5. Adopt the appropriate resolutions reflecting the Commission's determinations:
 - a. Resolution No. 3129 for LAFCO 3132 - Service Review and Sphere of Influence Update for County Service Area 20
 - b. Resolution No. 3128 for LAFCO 3111 - Service Review and Sphere of Influence Update for Joshua Basin Water District

KRM/SM/MT

ATTACHMENTS

1. Maps
 - a. Morongo Basin Communities
 - b. County Community Plan Areas
 - c. Regional Retail Water Providers
2. Map – Current Joshua Tree Community
3. Joshua Basin Water District
 - a. Map – Current Boundary and Sphere
 - b. Map – LAFCO Staff Proposed Sphere Expansion
 - c. Service Review and Sphere Update Response
 - d. 2005 Urban Water Management Plan (Updated 2009)
 - e. Wastewater Treatment Strategy (2009)
 - f. Financial Information: Budget and Audit
 - g. Correspondence from Joshua Basin Water District Regarding LAFCO Staff Recommendations
 - h. Response from Commission’s Environmental Consultant
 - i. Draft Resolution No. 3128 for LAFCO 3111
4. County Service Area 20
 - a. Map – Current Boundary and Sphere
 - b. Map – LAFCO Staff Proposed Sphere Expansion
 - c. Service Review and Sphere Update Response
 - d. Financial Information: Budget and Audit
 - e. Letter from Special Districts Department Regarding LAFCO Staff Recommendations
 - f. Response from Commission’s Environmental Consultant
 - g. Draft Resolution No. 3129 for LAFCO 3132
5. County Service Area 70 Zone R-19
 - a. Map
 - b. Financial Information: Budget and Audit
6. County Service Area 70 Zone TV-5
 - a. Map
 - b. Financial Information: Budget and Audit