

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF DECEMBER 8, 2010**

A Visa Justification for the Executive Officer's expense report, as well as a staff report outlining the staff recommendation for the reconciled payments and the staff reports outlining the recommendations on Items 5 and 6 have been provided, and copies of each are on file in the LAFCO office and are made a part of the record by their reference here.

Commissioner McCallon moves approval of the consent calendar, second by Commissioner Derry. Chairman Mitzelfelt calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Bagley, Coleman, Curatalo, Derry, McCallon, Mitzelfelt, Smith. Noes: None. Abstain: None. Absent: Cox (Commissioner Smith voting in her stead).

PUBLIC HEARING ITEMS:

Consent Items Deferred for Discussion - None

MOUNTAIN REGION REVIEW OF ROAD AND SNOW REMOVAL SERVICES WHICH INCLUDES THE REVIEW OF COUNTY SERVICE AREA 70 ZONES R-2, R-3, R-4, R-5, R-7, R-9, R-11, R-12, R-13, R-16; R-21, R-22, R-23, R-33, R-34, R-35, R-36, R-40, R-44, R-45, R-46, AND ROAD SERVICES FOR COUNTY SERVICE AREA 79 AND ITS ZONE R-1, COUNTY SERVICE AREA 18, AND COUNTY SERVICE AREA 53; SERVICE REVIEW AND SPHERE OF INFLUENCE

UPDATE/AMENDMENT FOR THE FOLLOWING:

CONSIDERATION OF: (A) CEQA STATUTORY EXEMPTION FOR LAFCO 3122; AND (B) LAFCO 3122 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 69 (LAKE ARROWHEAD)

CONSIDERATION OF: (A) CEQA STATUTORY EXEMPTION FOR LAFCO 3119; AND (B) LAFCO 3119 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 59 (LAKE ARROWHEAD)

CONSIDERATION OF: (A) CEQA STATUTORY EXEMPTION FOR LAFCO 3121; AND (B) LAFCO 3121 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 68

CONSIDERATION OF (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3162, AND (2) LAFCO 3162 – COUNTY SERVICE AREA 70 AFFIRMATION OF SERVICE UNDER AUTHORIZED ROADS FUNCTION TO INCLUDE SNOW REMOVAL – APPROVE STAFF RECOMMENDATION FOR CONTINUANCE TO THE MARCH 16, 2011 HEARING

LAFCO considers Mountain Region Review of Road and Snow Removal Services which includes the review of County Service Area 70 Zones R-2, R-3, R-4, R-5, R-7, R-9, R-11, R-12, R-13, R-16; R-21, R-22, R-23, R-33, R-34, R-35, R-36, R-40, R-44, R-45, R-46, and road services for County Service Area 79 and its Zone R-1, County Service Area 18 and Service Review and Sphere of Influence Updates/Amendments for LAFCO 3122, LAFCO 3119, LAFCO 3121, and LAFCO 3162. Notice of the hearing was provided through publication in a newspaper of general circulation, *The San Bernardino Sun*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in Commission Policy #27, in lieu of individual notice, the notice of hearing publication was provided through an eighth page legal ad. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. In addition, on November 17, 2010 LAFCO staff conducted a regional meeting to review the draft findings of this review with representatives from Crest Forest and Lake Arrowhead agencies.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. Ms. McDonald states that one of the most important issues that came to light during this review was the issue of road maintenance and snow removal in the overall mountain community. She says the report presents four

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different mechanisms for providing road maintenance and snow removal: CalTrans for state highways, County Transportation Department for County-maintained roads, City of Big Bear Lake for roads within that city, and County Special Districts for snow removal in county service areas (hereafter shown as CSAs) and/or zones of CSAs. She says the public can also provide for snow removal and road maintenance through homeowners associations or through cooperative banding together. She indicates on the overhead display the road service providers throughout the mountaintop. She indicates the four mountain communities, Crest Forest, Lake Arrowhead, Hilltop (Running Springs, Arrowbear and Green Valley Lake) and Bear Valley; and the Special Districts Department administers zones or CSAs within each of these communities. She says these agencies experience financial challenges and response to requests for service has been somewhat disjointed. She points out that, until county service area law was rewritten two years ago, snow removal was a separate function under extended miscellaneous services defined for county service areas. She states that none of the county service areas ever applied for that service or were designated that specific service at the time of formation. She says that today's service review will include clarification of that responsibility to correct that deficiency so that snow removal is clearly identified as an authorized service for all agencies.

Ms. McDonald states that the report includes available options and staff's evaluation. One option is designation of one single road agency for the mountain region which would include administration of funding with more transparency and potentially allow the communities to have a say in definition of those services. She says the staff report includes an option to expand County Service Area 68's sphere of influence to include the mountaintop to accomplish the option as outlined. The second option would provide for creation of a single road agency for each of the defined communities, i.e. for Crest Forest, Lake Arrowhead CSD, the Hilltop region, and for Bear Valley. She says information has been requested from the communities regarding this option and County Special Districts has provided its response in that it wishes to consider other alternatives. The question was also reviewed with the Lake Arrowhead CSD Board of Directors and the response was that there is not enough revenue to provide the service in the area. LAFCO staff reviewed with the County Public Works Department the potential for the County to create permanent road divisions and assume responsibility for the public roads. She says that the report outlines the County Public Works concerns regarding liability and risk through such a change. The staff report has identified LAFCO staff's concern regarding the issue of liability should road maintenance be eliminated due to funding restrictions. Staff is requesting further time to review the issue with legal counsel. She explains that liability is an issue, whether it is through the Public Works Department or through County Special Districts. The final option is maintenance of the existing structure. She says that staff's recommendation is that the Commission indicates its intent to adopt Option One, which expands the sphere of influence for CSA 68 to encompass the entirety of the mountain region, with the provision that community definitions are to be established for the Hilltop and Big Bear areas, as those communities have not yet been defined. Additionally, the option would identify the areas of Crest Forest and Lake Arrowhead as defined by the sphere of influence for CSA 68.

With regard to CSA 59, Ms. McDonald indicates on the overhead display the financial activity for the last four years, which shows a dwindling fund balance and reduced ability to provide ongoing service. She says County Special Districts has requested consideration of removal of maintaining roads as an active service of its road maintenance function, leaving only snow removal. County Special District has indicated that there is not enough funding to continue to provide that service, as the community has not supported a special tax. However, LAFCO staff has identified that additional information is needed to address the infrastructure that has been maintained by CSA 59 for many years and its implications for liability. She says the audits for the year ending June 30, 2009, identify that the District has capital assets. The only capital assets are the roads, which have depreciated and stand at over \$700,000. She adds that the request to divest road maintenance service will need to address what will happen following removal of road maintenance service and the potential for liability. LAFCO staff is not prepared to discuss that issue at today's hearing, so staff will request that this matter be

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continued to the March hearing.

Ms. McDonald explains that CSA 69 anticipates a major activity for this year in the range of \$567,000 in road maintenance. She says the government structure options evaluated in the review include the expansion of boundaries to serve adjacent territory, consolidation with other road districts within the unincorporated area of the mountain, assumption of road responsibility by Lake Arrowhead which has been declined and maintenance of the status quo.

For the sphere of influence update, it is staff's recommendation that the Commission indicate its intent to expand the sphere of influence for CSA 68 to encompass the mountaintop, and to continue consideration to the March 16, 2011 hearing following the discussion and development of the communities for Hilltop and Big Bear. For CSA 59, staff recommends designation of a zero sphere of influence, and continuation of the matter to the March hearing in order for staff to provide full information on the potential risk and liability for the removal of road maintenance as an active service for this district, and designation a zero sphere of influence for CSA 69. Ms. McDonald states that LAFCO staff requests clarification of all the County Service Areas to retain snow removal as an active function.

With regard to CSA 18, park and recreation and road maintenance services are provided in the Cedarpines Park area. She says this area also has financial challenges and the actual costs for road maintenance were difficult to determine versus the actual park and recreation function. She says the potential exists for structural options for expansion of boundaries and consolidation with other unincorporated areas for road service alone. Potential also exists for Rim of the World Park and Recreation District to assume park and recreation functions for the agency. This is the only part of the Rim of the World School District that is not part of Rim of the World Park and Recreation District.

Staff has initiated a change of organization for CSA 70 to address snow removal. She says that 21 of the 22 service zones that provide snow removal and road maintenance are identified under CSA 70. In order to better clarify that, LAFCO 3162 has been initiated to affirm that the roads function for CSA 70 includes snow removal. She refers to page 44 of the staff report which identifies all road maintenance and snow removal agencies on the mountaintop, date of formation, current funding structure, appropriation limits and varying possible percentages for determination of administrative support.

Ms. McDonald summarizes the staff recommendation to continue consideration of CSA 68 to the March hearing, take action to signal the Commission's intent to find a zero sphere for CSA 59 and continue the finding to limit the road function to snow removal alone; receive and file the service reviews for this region; find a zero sphere for CSA 69; determine that the changes are statutorily exempt from environmental review; confirm snow removal as an active function for CSA 70 and adopt the appropriate resolutions for those services.

She reports that staff conducted a meeting with the agencies affected in the Crest Forest and Lake Arrowhead communities and provided a draft report to those agencies. On November 22, 2010, the Special Districts department provided a written response to the report disagreeing with some of the determinations. A request was made to continue this matter in its entirety to allow time to provide additional information or alternatives to the staff's recommendation. Staff would be directed to work with Special Districts to evaluate the alternatives and present a supplemental report in March.

Chairman Mitzelfelt calls for questions from the Commission.

Commissioner McCallon moves to continue the item in its entirety to the March 16, 2011 hearing, second by Commissioner Derry. Commissioner Colven asks what defines "excessive snow." Ms. McDonald states events can be differing and events would be dependent upon agencies to respond to

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the need. She says the agencies must maintain a reserve so that they can respond when necessary. She notes that recently the County Public Works Department and CSA 79 have proposed to contract and coordinate provision of services on County-maintained roads and roads within CSA 79 R-1, so that a unified response can be achieved. She says that often agencies contract their equipment out to other agencies.

Chairman Mitzelfelt opens the public hearing and asks if there are members of the public who wish to speak on this item. Jeff Rigney, Director of Special Districts, thanks Ms. McDonald for LAFCO staff's work on this review. He appreciates continuation of this item to the March hearing. He points out that Special Districts is not opposed to change and that, unlike fire and police services, road services are not required in these areas. These areas formed specific county service areas or zones for the specific level of service desired. For example, residents of Cedarpines Park are charged for maintenance of dirt roads, paving of one or two roads a year, and 24-hour snow removal. In Big Bear's Sugarloaf area residents pay a large assessment for road paving at once and maintenance, as well as substantial snow removal. He says it is important to not dilute service levels in the individual areas. He thanks the Commission for allowing additional time.

Chairman Mitzelfelt announces that the public hearing will remain open until the March 16, 2011 hearing when the item is resumed.

Chairman Mitzelfelt calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Bagley, Coleman, Curatalo, Derry, McCallon, Mitzelfelt, Smith. Noes: None. Abstain: None. Absent: Cox (Commissioner Smith voting in her stead).

CREST FOREST AND LAKE ARROWHEAD REVIEW PROVIDING FOR COMMUNITY DEFINITION AND REVIEW OF THE REGIONAL SERVICES OF STREETLIGHTING AND FIRE PROTECTION AND SPHERE OF INFLUENCE UPDATE/ AMENDMENT FOR THE FOLLOWING:

CONSIDERATION OF: (A) CEQA STATUTORY EXEMPTION FOR LAFCO 3118; AND (B) LAFCO 3118 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 54

CONSIDERATION OF: (A) CEQA STATUTORY EXEMPTION FOR LAFCO 3120; AND (B) LAFCO 3120 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA SL-1

CONSIDERATION OF: (A) CEQA STATUTORY EXEMPTION FOR LAFCO 3127; AND (B) LAFCO 3127 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR CREST FOREST FIRE PROTECTION DISTRICT - APPROVE STAFF RECOMMENDATION

LAFCO considers Crest Forest and Lake Arrowhead Review providing for community definition and review of the regional services of streetlighting and fire protection and sphere of influence update/amendment for LAFCO 3118, LAFCO 3120, and LAFCO 3127. As required by State Law notice of the hearing was provided through publication in a newspaper of general circulation, the *San Bernardino Sun*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in Commission Policy #27, in-lieu of individual notice the notice of hearing publication was provided through an eighth page legal ad. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. In addition, on November 17, 2010 LAFCO staff conducted a meeting with the Crest Forest and Lake Arrowhead agencies to review the determinations made within the four reports.

Senior LAFCO Analyst Sam Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. Mr. Martinez states that in 2007 the County adopted its General Plan update, which included adoption of four community plans for the mountains. He points out on the overhead display the Rim of the World Unified School District