

**Letter from City Dated
July 25, 2011**

Attachment 6

City of Big Bear Lake



July 25, 2011

Kathleen Rollings-McDonald
Executive Officer
San Bernardino Local Agency Formation Commission
215 North "D" Street, Suite 204
San Bernardino, California 92415-0490

Re: Draft Agenda Report Re LAFCO Municipal Service Review

Dear Ms. Rollings-McDonald:

Thank you for the opportunity to respond to the draft report recently issued by the San Bernardino Local Agency Formation Commission (LAFCO) regarding Service Reviews and Spheres of Influence for the Bear Valley Community.

We appreciate the great deal of effort that has gone into compiling the information contained in the report and the level of detail it provides. We would like however to offer you with the following comments regarding the City of Big Bear Lake to ensure that all of the information is accurate and representative of the City.

1. LAFCO SHOULD HAVE ALLOWED MORE TIME FOR THE CITY TO COORDINATE ITS RESPONSE WITH OTHER VALLEY AGENCIES ESPECIALLY THE DEPARTMENT OF WATER AND POWER AND THE BIG BEAR LAKE FIRE PROTECTION DISTRICT.

As indicated to LAFCO in a letter dated June 15, 2011, the City does not feel that it was given enough time to respond to the report. In addition, many of our concerns overlap the policies and practices of other Bear Valley agency policies and practices and cannot be commented on without input from them. To be able to provide a consistent and comprehensive response to many of the comments in the report, it is necessary for the City to meet and confer with all Valley agencies. The time provided was inadequate and should be extended until a Valley-wide response can be crafted.

We are recommending therefore that this item be pulled off calendar until such time that the City of Big Bear Lake can coordinate its response with other affected Bear Valley agencies.

2. THE CITY HAS SERIOUS CONCERN WITH LAFCO'S RECOMMENDATION THAT THE CITY INCLUDE IN ITS SPHERE OF INFLUENCE 240 ACRES WEST OF THE CURRENT CITY BOUNDARY (AREA 1) AND 480 ACRES SOUTH OF THE CURRENT CITY BOUNDARY (AREA 2), TO BE COTERMINOUS WITH THE BIG BEAR LAKE FIRE PROTECTION DISTRICT'S EXISTING SPHERE.

The report fails to recognize that Areas 1 and 2 are located within National Forest service lands and therefore subject to federal regulation. Currently, there exist over one hundred single family dwellings within both areas that are subject to federal regulation. These dwellings lack sewer or a domestic water supply and fire access is extremely limited due to steep, narrow and unpaved roads within both areas. In a typical sphere of influence annexation, the City is prepared to eventually accept jurisdiction over unincorporated county lands since the County of San Bernardino has implemented and enforced similar public health and safety standards. This is not the case with National Forest service lands. National Forest service lands are subject to federal public health and safety standards that are adverse to, conflict with, and inferior to the City's existing standards.

Since Areas 1 and 2 are subject to federal law, many of the City's existing public health and safety standards can go ignored. The City is very concerned that LAFCO's recommendation could result in the City assuming responsibility for areas now subject to conflicting and inferior public health and safety standards.

We are requesting therefore that no federal lands be included in the City of Big Bear Lake's sphere of influence.

3. THE REPORT FAILS TO DISCUSS THE CITY'S SHORELINE SERVICE RESPONSIBILITIES.

The report fails to address service responsibility during shoreline fluctuations. When the City was incorporated and its northern boundary was established, the boundary was based on existing parcel lines. These parcel lines coincided with the City's boundary, the jurisdiction of the Municipal Water District and abutted what was assumed to be water inundated land. The original boundary was based on the assumption that parcel lines were commiserate with the high water mark. However, in years of drought, lake levels drop and the high water mark shifts beyond the City's northern boundary. This often results in newly created shoreline between the City's boundary and the high water mark, which is technically within the jurisdiction of the County of San Bernardino. Although this is an occurrence that routinely causes confusion between the City and County of San Bernardino, the report fails to address and analyze the scope of the City's service responsibility during shoreline fluctuations.

In addition, the report does not address what entity would have jurisdiction to regulate marinas and floating structures. The City has entered into a MOU with the Municipal Water District to provide very limited building department services but the MOU does not address land use matters, CEQA review or unpermitted construction. This conflict is ongoing and has the

potential to expose the City, County and Municipal Water District to litigation. These issues were not addressed in the report.

We are recommending therefore that the area between the northern City Boundary and MWD shoreline responsibilities be included as a discussion item in the sphere of influence study.

4. THE FOLLOWING STATEMENT AND THEME REOCCURS NUMEROUS TIMES (PAGES 6, 92 AND 134) THROUGHOUT THE REPORT AND SEEMS TO SUGGEST THAT THE CITY IS NOT SENSITIVE TO GROWTH AND INFRASTRUCTURE NEEDS. THIS STATEMENT IS INCORRECT AND MISLEADING.

As stated in the report:

“Particular to the unincorporated area, according to the Bear Valley Community Plan, several issues set Bear Valley apart from other mountain communities. Among these are the relationship to the City of Big Bear Lake, the preservation of community character and infrastructure. Incorporated residents felt that their priorities are not consistent with those of the City, particularly related to the City’s approach to development. The preservation of the community’s natural setting, small-town atmosphere and rural mountain character becomes important not only from an environmental perspective but from a cultural and economic point of view. As for infrastructure, unincorporated residents are concerned with the impacts that future growth and development have on infrastructure systems, which they sense are already strained. The unincorporated resident’s primary concerns center on water supply and traffic.”

The City enforces development standards that far exceed those that are imposed by the County of San Bernardino for the unincorporated areas of Bear Valley. The preservation of the community’s natural setting, small town atmosphere and rural mountain character are all aspects that are considered by the City in the development process. In addition the City imposes a development impact fee that addresses the need to construct infrastructure as development takes place. The County has no such fee, nor any comprehensive capital improvement program to address cumulative impacts. Therefore, any suggestion that the City is not sensitive to the growth and infrastructure needs of residents living in adjacent unincorporated areas is an incorrect representation of the current development sentiment of the City.

We are recommending therefore that any reference to the City of Big Bear Lake’s policy and practices regarding growth and infrastructure as being inadequate, unresponsive, or contrary to the policies and practices of the unincorporated area be deleted.

5. THE CITY HAS CONCERNS WITH THE REPETITIVE ASSERTION IN THE REPORT THAT THE LACK OF WATER WILL IMPEDE DEVELOPMENT (PAGES 33, 59 137).

The Department of Water and Power and the Big Bear City Community Services District have both gone on public record stating that Bear Valley has an adequate water supply to meet future demands. In fact, one could argue that Bear Valley (which is not served by the state water system) has a more reliable source of water than many outlying suburban areas of San Bernardino County, which are dependent upon policy decisions made by state legislators and cases that are decided in the courts.

We are recommending therefore that any reference to an inadequate water supply being an impediment to growth be removed from the document, as this has not been substantiated.

6. THE FOLLOWING STATEMENT ON PAGE 57 IS INCORRECT: "HOWEVER THE COMMUNITY IS A YEAR ROUND RESORT AND TOURIST DESTINATION AND ESTIMATES INDICATE THAT THE POPULATION CAN TRIPLE DURING PEAK WEEKENDS."

Based on water demand during peak weekends, the Department of Water and Power estimates a weekend population well over 50,000, which is 10 times the current City population. This substantially exceeds the peak weekend population figure contained in the report. In addition, the report appears to ignore peak weekend population within the service area of the Big Bear City Community Service District, which when combined with the City's service area, far exceeds the stated estimated peak weekend population. As a result, the City and the entire Valley has to plan as if it were a major suburban community during peak weekend periods. Not only does this have a significant impact on City services, it also has a long term economic impact on local, state and federal funding formulas that are based on permanent population and not actual demand.

We are recommending therefore that a more in-depth analysis on the true peak weekend population and its impact on all Valley agencies be included in the report.

7. MISCELLANEOUS COMMENTS.

A. Page 57: The following statement is incorrect: "*In response to the differing figures the City believes that the Department of Finance did adjust to the economic downturn while the Census accounts for the economic downturn*" and should state that the Department of Finance *did not* account for the economic downturn.

B. Page 69: The City is requesting that the discussion regarding the inability of the Department of Water and Power to issue water meters in the Fawnskin area be further informed by input from the DWP, and perhaps DWP's legal counsel, before being released to the general public. It is our understanding that the Department of Water and Power will be responding to this item and the City of Big Bear Lake would like the ability to review that response before it is published.

C. Page 79: At the end of the last paragraph before the last two sentences the following should be inserted:

"In an effort to address the fiscal impact of the existence of the Agency on the Fire District (and consistent with redevelopment law), the Agency agreed in 1992 to pay for the land (\$535,000) necessary for development of their main fire station on Big Bear Boulevard. Additionally, in 2006, the Agency agreed to pay off the remaining lease for the fire station of approximately \$905,000 thereby also saving the City approximately \$700,000 in future interest payments."

Also, the last two sentences should be deleted and the following inserted:

"Though the district receives less annual revenue the current agreement has offset a substantial amount. However in the future a draw on the general fund for subsidized support may be required."

D. Page 85: The report recommends the dissolution of the Big Bear Lake Fire Protection District, with the City as its successor. The City believes this recommendation is premature and fails to recognize the complexity of the proposed reorganization. The report fails to analyze how the parties would handle the District's assets, revenues, funds on deposit, liabilities for payment of principal and interest on contractual obligations for real property, furnishings and equipment, firefighting apparatus and equipment, operating expenses, supplies, licenses and permits, contingent liabilities for existing civil litigation, assignment of assets and liabilities, personnel, contractual obligations, operational efficiencies and existing labor agreements. More importantly, the City strongly believes it would be necessary to conduct a financial analysis to determine whether the City has the capacity to provide fire protection services. If the City is to become a successor to the Big Bear Lake Fire Protection District, all of these issues need to be addressed prior to any reorganization.

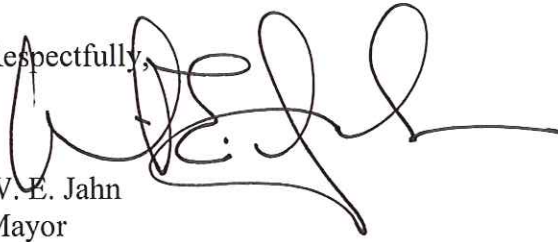
E. Page 136: The growth rate needs to be adjusted for the revised estimates per the most recent SCAG housing and population numbers for the years 2020 and 2035. A 1.8% growth rate is double of what is currently projected.

Kathleen Rollings-McDonald
July 25, 2011
Page 6

Again we appreciate the effort that has gone into this report and the great detail that it provides. However, for the reasons stated above, we believe that the draft report is incomplete and should not be presented to the LAFCO Board until such time that all of the above stated issues and concerns can be addressed.

Respectfully,

W. E. Jahn
Mayor

A handwritten signature in black ink, appearing to read 'W. E. Jahn', written over the printed name and title.