

**Draft LAFCO Resolution No. 3196**

**Attachment 7**

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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PROPOSAL NO.: LAFCO 3186

HEARING DATE: March 18, 2015

## RESOLUTION NO. 3196

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3186; APPROVING THE REORGANIZATION TO INCLUDE DISSOLUTION OF CREST FOREST FIRE PROTECTION DISTRICT AND ITS SERVICE ZONES PM-A AND PM-1, ANNEXATION TO THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, ITS MOUNTAIN SERVICE ZONE AND SERVICE ZONE PM-1 AND FORMATION OF SERVICE ZONE PM-4 OF SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT (generally representing the community of Crest Forest in the western portion of the San Bernardino Mountains).**

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

**WHEREAS**, an application for the proposed reorganization in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred as the "Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), and the Executive Officer has examined the application and executed her certificate in accordance with law, determining and certifying that the filings are sufficient; and,

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

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

**WHEREAS**, the public hearing by this Commission was held upon the date and at the time and place specified in the notice of public hearing and in order or orders continuing the hearing; and,

**WHEREAS**, at this hearing, this Commission heard and received all oral and written protests; the Commission considered all plans and proposed changes of organization, objections and evidence which were made, presented, or filed; it received evidence as to

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whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application in evidence presented at the hearing; and,

**WHEREAS**, the Commission determines to modify this proposal to exclude the formation of Service Zone FP-7 submitted as a part of the application on the basis that the outstanding supplemental payments to the San Bernardino County Employees Retirement Association (SBCERA) is not a contract;

**NOW, THEREFORE, BE IT RESOLVED**, that the Commission does hereby determine, resolve, order and find as follows:

**DETERMINATIONS:**

**SECTION 1.** The proposal is approved subject to the terms and conditions hereinafter specified:

**CONDITIONS:**

**Condition No. 1.** The boundaries of this change of organization, as modified, are approved as set forth in Exhibits attached this resolution identified as follows:

- Annexation to San Bernardino County Fire Protection District and its Mountain Service Zone And Dissolution of the Crest Forest Fire Protection District "A" and "A-1"
- Formation of Service Zone PM-4 of the San Bernardino County Fire Protection District and Dissolution of Zone PM-A of Crest Forest FPD "B" and "B-1"
- Annexation to Zone PM-1 of SBCFPD and Dissolution of Zone PM-1 of Crest Forest FPD "C" and "C-1"

**Condition No. 2.** The following distinctive short form designation shall be used through this proceeding: LAFCO 3186.

**Condition No. 3.** The effective date of this reorganization shall be no earlier than July 1, 2015 subject to completion of the terms and conditions outlined in this resolution for approval as authorized by Government Code Sections 56886(p) and 57202;

**Condition No. 4.** Upon the effective date of the reorganization, the San Bernardino County Fire Protection District (SBCFPD), Mountain Service Zone (Mountain Service Zone), as Successor District to the Crest Forest Fire Protection District (Crest Forest FPD), shall succeed and/or be assigned, all rights, duties, responsibilities, properties (both real and personal), contracts, equipment, assets, liabilities, obligations, functions, executory provisions, entitlements, permits and approvals of the dissolved Crest Forest FPD. All property tax revenues attributable to the dissolving agency, prior to calculations required by Section 96.1 of the Revenue and Taxation Code, including

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delinquent taxes and any and all other collections or assets of the dissolving Crest Forest FPD shall accrue and be transferred to the Successor District pursuant to the provisions of Government Code Section 56810. Said Successor District shall be subject to the terms and conditions contained herein;

**Condition No. 5.** Upon the effective date of the reorganization including dissolution, the newly formed Service Zone PM-4 of SBCFPD shall be the Successor District for the dissolving Crest Forest FPD Service Zone PM-A and shall receive all reserve fund balances to be held for the benefit of the ratepayers of the special tax within the dissolving service zone. Transactions utilizing these funds shall be accounted for and described in the annual audit and/or comprehensive financial reports recognizing Service Zone PM-4 of the SBCFPD. All other cash on hand or reserve funds shall transfer to the Successor District, the Mountain Service Zone for SBCFPD, for use in providing the service to the area of the dissolving Service Zone PM-A;

**Condition No. 6.** Upon the effective date of the reorganization, the Successor District for the ambulance services provided within Exclusive Operating Area (EOA) 10 by the dissolving Crest Forest FPD, the Mountain Service Zone of SBCFPD, shall function under Division 2.5 of the California Health and Safety Code for the provision of ambulance services as authorized by the Local Emergency Medical Services Agency (LEMSA), the Inland Counties Emergency Medical Authority (ICEMA) within the territory subject to this reorganization. ICEMA is authorized to grant and enforce EOAs pursuant to Section 1797.224 and 1797.226 of the California Health and Safety Code. The subject reorganization shall not reduce the geographic size, scope or boundaries of existing EOA 10 defined by ICEMA and granted to the dissolving Crest Forest FPD, through Memorandum of Understanding Agreement No. 06-1049 and all the terms and conditions outlined in said agreement shall be assigned to the Successor District. Prior to the effective date of this reorganization including dissolution, ICEMA and the Mountain Service Zone of SBCFPD shall provide to the Local Agency Formation Commission written authorization for the assignment of the responsibilities associated with EOA 10 from Crest Forest FPD to the Mountain Service Zone of the SBCFPD pursuant to the terms of Memorandum of Understanding Agreement No. 06-1049 Section XXXI

**Condition No. 7.** Upon the effective date of this reorganization including annexation, the area to be annexed to Service Zone PM-1 of the SBCFPD shall continue to pay the existing special tax for paramedic service currently in effect for that agency pursuant to Government Code Section 56886(t). All other cash on hand or reserve funds related to the operation of the Crest Forest FPD Zone PM-1 shall transfer to Service Zone PM-1 of SBCFPD;

**Condition No. 8.** Upon the effective date of the reorganization including dissolution, the Successor District shall accept all facilities transferred from the dissolved Crest Forest FPD in "as is" condition (pursuant to Government Code Section 56886(h)). All system facilities and incidental liabilities, such as accounts payables, contract obligations and customer deposits shall be transferred to the Successor District. All assets including, but not limited to, equipment (vehicles, apparatus, supplies, etc.), rolling stock, tools, office furniture, fixtures and equipment, all lands, buildings, real and personal property and appurtenances held by the dissolving Crest Forest FPD shall be transferred

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to the Successor District, Mountain Service Zone of SBCFPD;

**Condition No. 9.** The debt obligations of the dissolving Crest Forest FPD (including but not limited to bond debt and its Certificates of Participation) shall be assigned to the Successor District, the Mountain Service Zone of SBCFPD as authorized by Government Code Section 56886(c). Prior to the effective date of the reorganization a signed statement of transferability of the financial instruments related to the debts of the dissolving district shall be provided to the Local Agency Formation Commission;

**Condition No. 10.** The existing fees, taxes, assessments, and charges of the Crest Forest FPD and its Service Zones PM-A and PM-1 shall continue as the obligations of the Mountain Service Zone and Service Zones PM-1 and PM-4 of the SBCFPD respectively as authorized by Government Code Section 56886(b);

**Condition No. 11.** Upon the effective date of the reorganization, the Mountain Service Zone of SBCFPD, as Successor District, shall specifically succeed to the supplemental retirement payments identified as Section 18 of Contract 13-555 between the Crest Forest FPD and San Bernardino County FPD. Specifically, the Mountain Service Zone of SBCFPD shall pay to the San Bernardino County Employees Retirement Association (SBCERA) the remaining 18 years of payments equal to the calculation by SBCERA and its actuary based on the June 30, 2012 actuarial study, including a four percent (4%) annual compounded increase. The amounts defined as the required annual payment and the status of payments are shown on the chart below:

<b>Due December 31 of each Calendar Year</b>	<b>Payment to be transferred</b>	
2013	\$ 410,437	paid
2014	426,854	paid
2015	443,928	
2016	461,685	
2017	480,152	
2018	499,358	
2019	519,332	
2020	540,105	
2021	561,709	
2022	584,177	
2023	607,544	
2024	631,846	
2025	657,120	
2026	683,405	
2027	710,741	
2028	739,171	
2029	768,738	
2030	799,488	
2031	831,468	
2032	864,727	
<b>TOTAL</b>	<b>\$ 12,221,985</b>	

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**Condition No. 12.** The remaining payments, all rights and interests held or claimed by the dissolving Crest Forest FPD under all agreements and/or memoranda of understanding with any public agency or private entity shall transfer to the Successor District, Mountain Service Zone of SBCFPD. The Successor District, Mountain Service Zone, shall also assume all joint use, maintenance, automatic aid or mutual aid agreements held by the dissolving Crest Forest FPD [(Government Code Section 56886(r)]. Amendments of existing agreements required for successful transfer shall be completed and submitted to the Local Agency Formation Commission prior to the issuance of the Certificate of Completion to address any changes [Government Code Section 56886(r)(v)];

**Condition No. 13.** Upon the effective date of this reorganization, the appropriation limit of the dissolving Crest Forest FPD of \$7,039,517 shall be added to the appropriation limit of the Successor District, Mountain Service Zone of SBCFPD;

**Condition No. 14.** Upon the effective date of this reorganization, the newly formed Service Zone PM-4 of SBCFPD shall be assigned an appropriation limit determined to be \$1,875,000, as of July 1, 2015, and the governing body of the SBCFPD shall be required to annually update and adopt the appropriation limit pursuant to statute.

**Condition No. 15.** The defined successor districts, Mountain Service Zone and PM-4 of SBCFPD, as the case may be, shall succeed to all rights, duties, and obligations of the dissolving Crest Forest FPD with respect to the enforcement, performance or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations of the dissolved district. This reorganization shall not impair the rights of any bondholder or creditor of the dissolving Crest Forest FPD;

**Condition No. 16.** Upon the effective date of this reorganization, any funds currently deposited for the benefit of the Crest Forest FPD, its Service Zones PM-A and PM-1 which have been impressed with a public trust, use or purpose shall be transferred to the Successor Districts, Mountain Service Zone and Service zones PM-4 and PM-1 of SBCFPD respectively, and said districts shall separately maintain such funds in accordance with the provisions of Government Code Section 57462;

**Condition No. 17.** As of the date of approval of the reorganization by LAFCO through the effective date pursuant to the provisions of Government Code 56885.5(a)(4), the Board of Directors of the Crest Forest FPD shall be prohibited from taking the following actions unless it first finds an emergency situation exists as defined in Government Code Section 54956.5:

- a. **No Increase in Compensation or Benefits:** No increase in calculation for payment of benefits or compensation for employees of the Crest Forest Fire Protection District and its Board of Directors shall be allowed. Exceptions to this prohibition include planned and budgeted increases identified in the adopted budget for Fiscal Year 2014-15.

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- b. **Bound by Current Budget:** Appropriating, encumbering, expending, or otherwise obligating any revenue of the Crest Forest Fire Protection District beyond that provided in the current budget at the time of Commission approval unless agreed to by the Successor District; and,

**Condition No. 18.** The Crest Forest Fire Protection District, applicant for this change of organization, shall indemnify, defend and hold harmless the Commission from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

**SECTION 2. DETERMINATIONS.** The following determinations are noted in conformance with Commission policy and Government Code Section 56668:

1. The reorganization area has been certified by the County Registrar of Voters Office as being legally inhabited with 6,986 registered voters as of December 30, 2014.
2. The reorganization area is within the sphere of influence assigned the San Bernardino County Fire Protection District through approval of the companion proposal identified as LAFCO 3185.
3. The County Assessor's Office has determined that the total assessed valuation of land and improvements for the reorganization area is \$1,460,733,112 as of January 13, 2015. This figure is broken down as \$333,542,372 for land and \$1,127,190,740 for improvements.
4. Notice of this hearing was published as required by law in *The Sun* a newspaper of general circulation in the area. As required by State law and Commission policy a 1/8<sup>th</sup> page legal ad was provided for this consideration in-lieu of individual notice pursuant to the provisions of Government Code Section 56157. In addition, a legal ad was placed in *The Alpenhorn* a weekly paper within the community of Crestline to allow for broader notice. Individual notification has been provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notice. Comments from landowners, registered voters, and any affected local agency have been reviewed and considered by the Commission in making its determination.
5. The proposed reorganization, including annexations to the San Bernardino County Fire Protection District and its Service Zone PM-1, the formation of a Service Zone of the San Bernardino County Fire Protection District and the assumption of the functions and services previously provided by the dissolving Crest Forest Fire Protection District, does not conflict with the established County General Plan or its adopted Crest Forest Community Plan. The proposed reorganization has no direct impact on such land use designations.
6. The Southern California Associated Governments (SCAG) has adopted a Regional Transportation Plan and Sustainable Community Strategy pursuant to the provisions of Government Code Section 65352.5 and approval of LAFCO 3186 has

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no direct impact on these determinations. The Sustainable Community Strategy includes as a determination of the need to assure the ongoing availability of health and safety services which approval of LAFCO 3186 will support.

7. The Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has indicated his recommendation that the review of this reorganization proposal is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that that the proposal will not change the area in which the service is provided; therefore, no physical affect upon the environment can be seen. The Commission certifies it has reviewed and considered the environmental recommendation and finds that a General Rule Statutory Exemption as authorized under Section 15061(b) (3) of the State CEQA Guidelines is appropriate. The Commission directs the Executive Officer to file a Notice of Exemption within five (5) working days.
8. The reorganization area is presently served by the following public agencies: County of San Bernardino, Mojave Desert Resource Conservation District, Crest Forest Fire Protection District and its Service Zones PM-A and PM-1, Crestline-Lake Arrowhead Water Agency, Crestline Village Water District, Crestline Sanitation District, Lake Arrowhead Community Services District, San Bernardino Mountains Community Healthcare District (portion), County Service Areas 18, 54, and 68, and County Service Area 70 (unincorporated County-wide multi-function agency) and its Zones D-1, R-2, R-9, R-23 and R-44.

The Crest Forest Fire Protection District and its Service Zone PM-A will be dissolved through successful completion of this reorganization and their services and functions transferred to the Mountain Service Zone of SBCFPD (for the district) and the newly formed Service Zone PM-4 of SBCFPD (for PM-A) respectively. Service Zone PM-1 of the Crest Forest Fire Protection District will be dissolved and its territory annexed to the existing SBCFPD Service Zone PM-1 with retention of the existing special tax. None of the other agencies will be directly affected by the completion of this proposal through an adjustment in their boundaries as they are regional in nature.

9. Upon reorganization, the primary successor district, the Mountain Service Zone of the SBCPD, will extend its services to residents, landowners and governments within the service area. The Plans for Providing Service, submitted by the Crest Forest FPD and SBCFPD, provide a general outline of the delivery of service as mandated by Government Code Section 56653. These Plans indicates that the transfer of service to the Mountain Service Zone and the creation of a new Service Zone for paramedic funding can, at a minimum, maintain the level of service delivery currently received by the area. The Plan for Service and other information submitted by the District have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that such Plan for Service and the supplemental data submitted conform to those adopted standards and requirements.

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10. The proposal complies with Commission policies and reflects determinations made within the Crest Forest Community service review regarding questions on long-term sustainability of service. The reorganization area can benefit from the assumption of fire protection, emergency medical response and ambulance service through the Mountain Service Zone and Service Zones PM-4 and PM-1 of the SBCFPD as evidenced by the Plans for Service.
11. The reorganization area can benefit from the provision of fire protection, emergency medical response and ambulance service through a single fire entity without requirement for contractual relationships.
12. This proposal will not affect the fair share allocation of the regional house needs as the entire area is unincorporated with the Regional Housing Needs Allocation (RHNA) numbers assigned to the County of San Bernardino.
13. With respect to environmental justice, the reorganization provides for the continuation of existing fire protection, emergency medical response and ambulance services within the area and will not result in the unfair treatment of any person based upon race, culture or income.
14. The County of San Bernardino has determined the exchange of property tax revenues for this reorganization. This negotiated agreement fulfills the requirements of Section 99 of the Revenue and Taxation Code specifying that upon successfully completion of this reorganization the successor agency, Mountain Service Zone of SBCFPD, shall receive the general ad valorem taxes previously received by the Crest Forest FPD.
15. The maps and legal descriptions prepared by the County Surveyor are in substantial compliance with LAFCO and State standards.

**SECTION 3.** Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change or organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

**SECTION 4.** The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

**SECTION 5.** The Commission hereby directs that following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer is hereby directed to initiate protest proceedings in compliance with this resolution and State law (Part 4, commencing with Government Code Section 57000), set the matter for consideration of the protest proceedings, and provide notice of the hearing pursuant to Government Code Section 57025 and 57026.

**SECTION 6.** Upon conclusion of the protest proceedings, the Executive Officer shall adopt a resolution setting forth her determination on the levels of protest filed and not withdrawn and setting forth the action on the proposal considered.

**SECTION 7.** Upon adoption of the final resolution by the Executive Officer, either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

**THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:**

**AYES: COMMISSIONERS:**

**NOES: COMMISSIONERS:**

**ABSENT: COMMISSIONERS:**

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STATE OF CALIFORNIA            )  
  ) SS.  
COUNTY OF SAN BERNARDINO)

I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of March 18, 2015.

**DATED:**

\_\_\_\_\_  
KATHLEEN ROLLINGS-McDONALD  
Executive Officer