

**Twentynine Palms Water District/County  
Fire Application for  
Sphere of Influence Expansion,  
Twenty-Nine Palms Band of Mission  
Indians Resolution of Consent to Overlay  
and Supplemental Data**

**Attachment 2**

**RESOLUTION NO. 15-14**

**A RESOLUTION OF APPLICATION BY THE BOARD OF DIRECTORS OF THE TWENTYNINE PALMS WATER DISTRICT, AS THE GOVERNING BODY OF THE TWENTYNINE PALMS FIRE DEPARTMENT, REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR A SPHERE OF INFLUENCE AMENDMENT AND REORGANIZATION OF THE TWENTYNINE PALMS FIRE DEPARTMENT AND SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AS MORE SPECIFICALLY DESCRIBED BELOW**

**WHEREAS**, the Board of Directors for the Twentynine Palms Fire Department ("Department") desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for:

1. A sphere of influence amendment for the San Bernardino County Fire Protection District ("SBCFPD"); and
2. A reorganization proposal to include, but not limited to, annexation to the SBCFPD and its South Desert Service Zone and Service Zone FP-5, and divestiture of the fire functions of the Twentynine Palms Water District designating SBCFPD South Desert Service Zone and Service Zone FP-5, as appropriate, as the successor agency, as more specifically described in the District's application attached hereto; and

**WHEREAS**, the territory proposed for the reorganization is legally inhabited and a description of the boundaries for all actions is set forth in the District's application attached hereto, and by this reference incorporated herein; and

**WHEREAS**, the proposed reorganization does not conflict with any existing sphere of influence as the proposed change includes an amendment to the SBCFPD's sphere of influence to accommodate the proposed reorganization; and

**WHEREAS**, it is desired that the proposed reorganization be subject to the following terms and conditions:

1. As a function of the reorganization, to include Divestiture of the fire function of the Twentynine Palms Water District (hereafter identified as the "Department"), a condition of approval shall be included designating SBCFPD South Desert Service Zone as the successor agency for all assets attributable to the dissolving entity, including delinquent taxes, and any and all other collections or assets of the Department to be dissolved, shall accrue and be transferred to the Successor District, South Desert Service Zone of SBCFPD, pursuant to the provisions of Government Code Section 56810. The Successor District shall succeed to all rights, duties, responsibilities, properties (both real and personal), contracts, equipment, assets, liabilities, obligations, functions, executory provisions, entitlements, permits and approvals of the dissolving Department, except as otherwise outlined in the Conditions of Approval by the Local Agency Formation Commission ("LAFCO").

2. As a function of the reorganization, to include Divestiture of the Fire Function of the District, a Condition of Approval shall be included addressing the repayment of the unfunded retirement liability of the Department to the California Public Employees' Retirement System ("CalPERS") from revenues solely within the boundaries of the Department through creation of a separate Service Zone.

3. As a function of the reorganization, subject to the applicable Condition of Approval to be adopted by LAFCO, it is anticipated that the Special Parcel Tax of the Department will be extinguished and replaced by annexation to an existing SBCFPD Special Tax Service Zone, referred to as FP-5, which is currently set in amount of \$143.92 and is subject to an annual 3% cost of living adjustment

4. The territory identified as the dissolving Department designating the successor agency SBCFPD South Desert Service Zone shall function under Division 2.5 of the Health and Safety Code for the provision of emergency medical services. The reorganization shall not reduce the geographic size, scope or boundaries of any existing EOA's as currently operated.

5. The appropriation limit of the SBCFPD South Desert Service Zone and Service Zone FP-5 shall be increased by the appropriation limit of the dissolving department.

6. All previously authorized charges, fees, assessments, and/or taxes currently in effect, now levied or collected by the dissolving Department, including improvement or assessment districts thereof, shall continue to be levied and collected by the successor agency.

7. Indebtedness of the Department shall remain the legal obligation of only the lands and areas that incurred such indebtedness.

8. The standard terms and conditions imposed by LAFCO upon all proposals or such additional conditions as may be deemed appropriate or necessary by LAFCO in its consideration.

**WHEREAS**, the reason for the sphere of influence amendment and proposed reorganization is to maintain the existing levels of services while providing for a sustainable revenue source to provide for said service and other related services within the territory of the former Department.

**NOW, THEREFORE, BE IT RESOLVED** that this Resolution of Application is hereby approved and adopted by the Board of Directors of the Twentynine Palms Water District, as the governing body of the Twentynine Palms Fire Department; and the Local Agency Formation Commission for San Bernardino County is hereby requested to take proceedings for the sphere of influence review and proposed reorganization as

described in the Department's application, in the manner provided by the Cortese-Know-Hertzberg Local Government Reorganization Act of 2000.

1. This Resolution of Application includes, but it not necessarily limited to, the following documents attached hereto and incorporated herein by reference: Plan For Service; Transition Plan; and Financing Plan showing at least five (5) years of projected revenues and expenditures.

2. The Secretary of the Board of Directors of the Twentynine Palms Water District, as the governing body of the Twentynine Palms Fire Department, is hereby authorized and directed to take such other actions and execute such other documents on behalf of the Department as may be necessary to accomplish the subject sphere of influence amendment reorganization.

3. The Department acknowledges and agrees to the Local Agency Formation Commission for San Bernardino County's requirement for imposing legal indemnification as outlined in Policies 10 and 11 of its Accounting and Financial Division of its Policy and Procedure Manual adopted June 2012.

4. This Resolution shall become effective upon its adoption.

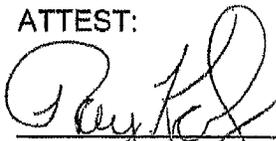
**PASSED AND ADOPTED** by the Board of Directors of the Twentynine Palms Water District, as the governing body of the Twentynine Palms Fire Department this 26th day of August, 2015 by the following vote:

Ayes:	Directors Chambers, Horn, and Shinaver
Noes:	Director Giannini
Abstain:	None
Absent:	Director Moore

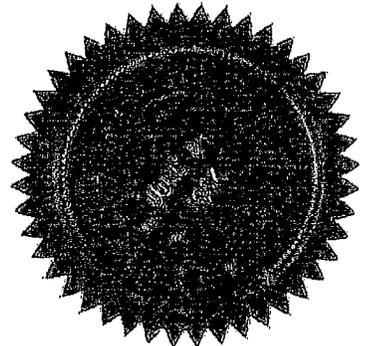


Chancey Chambers, Vice President  
Twentynine Palms Water District

ATTEST:



Ray Kolsz, Board Secretary  
Twentynine Palms Water District



**REPORT/RECOMMENDATION TO THE BOARD OF DIRECTORS  
OF THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT  
AND RECORD OF ACTION**

September 15, 2015

**FROM: MARK A. HARTWIG, Fire Chief/Fire Warden  
San Bernardino County Fire Protection District**

**SUBJECT: RESOLUTION FOR REORGANIZATION OF THE FIRE DEPARTMENT OF THE  
TWENTYNINE PALMS WATER DISTRICT WITH SAN BERNARDINO COUNTY  
FIRE PROTECTION DISTRICT**

**RECOMMENDATION(S)**

Acting as the governing body of the San Bernardino County Fire Protection District (SBCFPD), adopt **Resolution No. 2015-182** requesting the Local Agency Formation Commission to commence proceedings for reorganization of the Fire Department of the Twentynine Palms Water District for annexation to SBCFPD.

(Presenter: James Johnstone, Deputy Chief, 387-5779)

**BOARD OF SUPERVISORS COUNTY GOALS AND OBJECTIVES**

**Pursue County Goals and Objectives by Working with Other Agencies.  
Provide for the Safety, Health and Social Service Needs of County Residents.**

**FINANCIAL IMPACT**

Approval of this request for the Local Agency Formation Commission (LAFCO) to conduct the necessary proceedings for reorganization of the Fire Department of the Twentynine Palms Water District (TPWD) into SBCFPD will not result in the use of additional Discretionary General Funding (Net County Cost).

As a part of the LAFCO proceedings, an agreement will be developed to transfer a percentage of the TPWD ad valorem property tax to SBCFPD for fire protection services as required by the Revenue and Taxation Code. In addition, the territory of the annexation is proposed to be included in Service Zone FP-5 of SBCFPD subject to its existing parcel tax to ensure financial support for the agreed upon service level for the area.

**BACKGROUND INFORMATION**

On August 26, 2015, the Board of Directors of TPWD adopted a resolution requesting LAFCO to take proceedings for a sphere of influence amendment and reorganization of the Fire Department of TPWD. The reorganization proposal includes, but is not limited to, the divestiture of the fire protection functions of TPWD, as well as annexation of the subject territory into SBCFPD, its South Desert Regional Service Zone and Service Zone FP-5. On August 19, 2015, the City Council of the City of Twentynine Palms adopted a resolution in support of TPWD's action.

Page 1 of 2

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**LAFCO**  
San Bernardino County

cc: w/resolution  
SBCFPD-Hartwig  
SBCFPD-Johnstone  
LAFCO-Rollins-McDonald  
CAO-Forster  
File - SDD/SBCFPD w/attach  
9/16/15

**ITEM 79**

Record of Action of the Board of Directors  
**APPROVED (CONSENT CALENDAR)**  
**COUNTY OF SAN BERNARDINO**  
San Bernardino County Fire Protection District

MOTION	<u>MOVE</u>	<u>AYE</u>	<u>AYE</u>	<u>SECOND</u>	<u>AYE</u>
		2	3	4	5

**LAURA H. WELCH, SECRETARY**

BY \_\_\_\_\_

**DATED: September 15, 2015**

**RESOLUTION FOR REORGANIZATION OF THE FIRE DEPARTMENT OF  
THE TWENTYNINE PALMS WATER DISTRICT WITH SAN BERNARDINO  
COUNTY FIRE PROTECTION DISTRICT  
SEPTEMBER 15, 2015  
PAGE 2 OF 2**

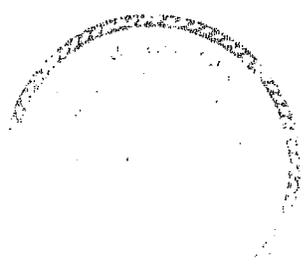
SBCFPD is required to adopt a substantially similar resolution requesting LAFCO to commence proceedings for this reorganization; the recommended resolution will serve as the formal request for LAFCO to engage in the necessary proceedings.

The proposed reorganization will permit the subject agencies to streamline fire protection services to the subject territory, primarily within the City of Twentynine Palms. The reorganization of SBCFPD and annexation of TPWD into SBCFPD would result in the complete assumption of fire protection services by SBCFPD for the TPWD. Following completion of the reorganization and annexation proceedings, and execution of the property tax reallocation agreement, the TPWD will have no further funding obligations for fire suppression or emergency services within the territory.

**PROCUREMENT**  
N/A

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Carol Greene, Deputy County Counsel, 387-5455) on August 24, 2015; LAFCO (Kathleen Rollings-McDonald, Executive Officer, 383-9900) on August 24, 2015; Finance (Tom Forster, Administrative Analyst, 387-4635), on August 27, 2015; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on August 31, 2015.



9/15/15 #79

above, and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Section 2. The San Bernardino County Fire Protection District acknowledges and agrees to the Local Agency Formation Commission for San Bernardino County's requirement for imposing legal indemnification as outlined in Section II Financial Accounting, Chapter 2 Financial Policies for Application Processing, Policy 3 -- Indemnification of its Policy and Procedure Manual adopted August 19, 2015.

PASSED AND ADOPTED by the Board of Directors of the County of San Bernardino, State of California, by the following vote:

AYES:	DIRECTORS:	Lovingood, Rutherford, Ramos, Hagman, Gonzales
NOES:	DIRECTORS:	None
ABSENT:	DIRECTORS:	None

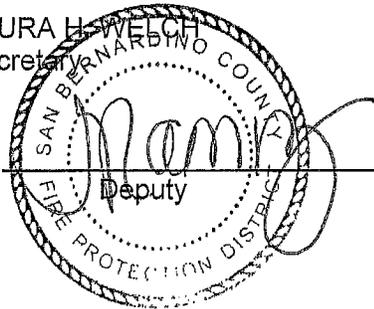
\*\*\*\*\*

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

I, **LAURA H. WELCH**, Secretary of the Board of Directors of the San Bernardino County Fire Protection District, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Directors, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of September 15, 2015. #79 jr

LAURA H. WELCH  
Secretary

By \_\_\_\_\_



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(FOR LAFCO USE ONLY)

LAFCO  
San Bernardino County

**SAN BERNARDINO LAFCO  
APPLICATION AND PRELIMINARY  
ENVIRONMENTAL DESCRIPTION FORM**

**INTRODUCTION:** The questions on this form and its supplements are designed to obtain enough data about the application to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

**GENERAL INFORMATION**

1. NAME OF PROPOSAL: Twentynine Palms Water District (hereafter known as TPWD), as the governing body of Twentynine Palms Fire Department, requesting the Local Agency Formation Commission to take proceedings for a sphere of influence amendment and reorganization of the Twentynine Palms Fire Department and San Bernardino County Fire Protection District (hereafter known as SBCFPD ) as more specifically described below:

2. NAME OF APPLICANT: Twentynine Palms Water District

APPLICANT TYPE:  Landowner  Local Agency  
 Registered Voter  Other \_\_\_\_\_

MAILING ADDRESS: 72401 Hatch Road  
Twentynine Palms CA, 92277

PHONE: (760) 367-7546

FAX: (760) 367-6612

E-MAIL ADDRESS: jthompson@29palmsfire.org

3. GENERAL LOCATION OF PROPOSAL: The TPWD boundaries as currently defined and in force. The TPWD is located in the south desert region of the County and is generally bordered by the Joshua Tree National Park on the south, the Joshua Basin Water District on the west, the Twentynine Palms Marine Corps Base on the north, and the Wonder Valley community, defined by County Service Area 70 Zone M, on the east. The City of Twentynine Palms, except that portion of the city located on the Twentynine Palms Marine Corps Base, is located within the boundaries of the TPWD.

4. Does the application possess 100% written consent of each landowner in the subject territory?  
YES  NO  If YES, provide written authorization for change.

5. Indicate the reason(s) that the proposed action has been requested. The purpose of the proposal is to maintain, or improve, the existing level of fire protection and emergency medical services while providing for a sustainable revenue source to provide for said service and other related services within the territory of the TPWD.

**LAND USE AND DEVELOPMENT POTENTIAL**

1. Total land area of subject territory (defined in acres): 56,919

2. Current dwelling units within area classified by type (single-family residential, multi-family [duplex, four-plex, 10-unit], apartments)  
Single Family Residential: 6,586  
Multi-Family (2-4 Units): 2181  
Multi-Family (5 units plus): 588  
Mobile Homes: 307  
Source: California DOF, E-5, 2014

3. Approximate current population within area: 17,974 (based on the 2010 Census)

4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s): The City of Twentynine Palms - Open Space Residential, Rural Living, Single-Family Residential, Multi-Family Residential, Commercial, Industrial, Floodway, Tribal Land, and Public.

San Bernardino County General Plan designation(s) and uses permitted by this designation(s): Rural Living, Resource Conversation, Commercial, and Institutional.

5. Describe any special land use concerns expressed in the above plans. In addition, for a City Annexation or Reorganization, provide a discussion of the land use plan's consistency with the regional transportation plan as adopted pursuant to Government Code Section 65080 for the subject territory: The proposal will have no direct effect on the land use designations.

6. Indicate the existing use of the subject territory. The proposal will have no direct effect on the existing land use designations.

What is the proposed land use? The proposal does not propose any changes to the existing land use designations.

7. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES  NO  If YES, please explain.

8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:

- |  |  |
|--|--|
| <input type="checkbox"/> Agricultural Land Uses                                      | <input type="checkbox"/> Agricultural Preserve Designation       |
| <input type="checkbox"/> Williamson Act Contract                                     | <input type="checkbox"/> Area where Special Permits are Required |
| <input type="checkbox"/> Any other unusual features of the area or permits required: |  |

9. Provide a narrative response to the following factor of consideration as identified in §56668(p): *The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services:*

With respect to environmental justice, the proposal provides for the continuation of existing fire protection and emergency medical services within the area and will not result in the unfair treatment of any person based upon race, culture or income.

### **ENVIRONMENTAL INFORMATION**

1. Provide general description of topography. The TPWD is located in the Morongo Basin which forms the southwestern corner of the Mojave Desert. This basin includes Joshua Tree National Park and

the Marine Corps Air Ground Combat Center. The Mojave Desert is separated from the Sonoran Desert to the south by the Little San Bernardino and Eagle Mountains, which are extensions of the Transverse Ranges. The western Mojave Desert is a flat, sparsely vegetated region that is interspersed with mountain ranges and dry lakes. The area is part of the high desert, large portions of which are at elevations between 2,500 and 4,000 feet above mean sea level.

2. Describe any existing improvements on the subject territory as % of total area.

Residential	28%	Agricultural	0%
Commercial	2%	Vacant	54%
Industrial	1%	Other	15%

3. Describe the surrounding land uses:

NORTH	Federal – Military Installation
EAST	Rural Living - Unincorporated
SOUTH	Federal – National Park
WEST	Rural Living - Unincorporated

4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).

N/A

5. Will service extensions accomplished by this proposal induce growth on this site? YES   
NO  Adjacent sites? YES  NO  Unincorporated  Incorporated

6. Are there any existing out-of-agency service contracts/agreements within the area? YES   
NO  If YES, please identify.

7. Is this proposal a part of a larger project or series of projects? YES  NO  If YES, please explain.

**NOTICES**

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME Kerron E. Moore, President, TPWD TELEPHONE NO. (760) 367-7546  
ADDRESS: 72401 Hatch Road, Twentynine Palms, CA 92277

NAME Ray Kolisz, General Manager, TPWD TELEPHONE NO. (760) 367-7546  
ADDRESS: 72401 Hatch Road, Twentynine Palms, CA 92277

NAME Jim Thompson, Fire Chief, TPFD TELEPHONE NO. (760) 367-2150  
ADDRESS: 6560 Adobe Road, Twentynine Palms, CA 92277

NAME Mark Hartwig, Fire Chief, SBCFPD TELEPHONE NO. (909) 387-5779  
ADDRESS: 157 West 5<sup>th</sup> St, San Bernardino, CA 92415-0451

NAME John Chamberlin, Division Chief, SBCFPD TELEPHONE NO. (760) 365-3335  
ADDRESS: 6942 Airway Avenue, Suite A, Yucca Valley, Ca. 92284

NAME Frank Luckino, City Manager, City of 29 Palms TELEPHONE NO. (760) 367-6799  
ADDRESS: 6136 Adobe Road, Twentynine Palms, CA 92277

**CERTIFICATION**

As a part of this application, the Twentynine Palms Water District (the applicant) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE 9/22/2015 \_\_\_\_\_  
SIGNATURE

Kerron E. Moore, President  
Board of Directors  
Twentynine Palms Water District

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- CITY INCORPORATION SUPPLEMENT
- FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- ACTIVATION OR DIVESTITURE OF FUNCTIONS AND/OR SERVICES FOR SPECIAL DISTRICTS SUPPLEMENT

## SUPPLEMENT SPHERE OF INFLUENCE AMENDMENT

**INTRODUCTION:** The questions on this form are designed to obtain data about the specific sphere of influence amendment application to allow the Commission, staff and others to adequately assess the application. You may also include any additional information that you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please provide an identification of the agencies involved in the proposed sphere of influence change(s):

#### SPHERE EXPANSION

San Bernardino County Fire  
Protection District  
(South Desert Service Zone)  
157 West Fifth Street  
San Bernardino, CA 92415-0451

#### SPHERE REDUCTION

Twentynine Palms Water District  
72401 Hatch Road  
Twentynine Palms, CA 92277

2. Provide a narrative description of the following factors of consideration as outlined in Government Code Section 56425. (If additional room for response is necessary, please attach additional sheets to this form.)

The present and planned land uses in the area, including agricultural and open-space lands.

Within the TPWD boundary and sphere of influence, roughly 73% of the land is privately owned and the remainder, 27%, is public, which are devoted primarily to resource protection and recreational use. Within the TPWD entire sphere area, approximately 40% is designated Rural Living, 14% Resource Conservation, and 1% a mix of Commercial, Institutional, and Floodway land uses. The remainder 45% is within the City of Twentynine Palms. Of the 45% District territory that is within the City's boundaries, approximately 46% is Rural Living, 34 % Single-Family Residential, 7% Open Space Residential, 3% Multi-Family Residential, 4% Commercial, 3% Industrial, 3% Public and Floodway.

The present and probable need for public facilities and services in the area.

The current provision of fire protection and emergency medical services was reduced from two staffed fire stations to one staffed fire station on June 1, 2013 due to the lack of a sustainable revenue source. Without a change of governance, further reductions in service will have to be implemented on July 1, 2016.

The present capacity of public facilities and adequacy of public services that the agency to be expanded provides or is authorized to provide.

The South Desert Service Zone of the San Bernardino County Fire Protection District will be capable of maintaining, or improving, the provision of fire and emergency medical services.

The existence of any social or economic communities of interest in the area.

Social and economic communities of interest include the City of Twentynine Palms, the Marine Corps Base, Joshua Tree National Park, Twentynine Palms Highway, and the Morongo Unified School District.

The present and probable need for public facilities or services related to sewers, municipal and industrial water, or structural fire protection for any disadvantaged unincorporated community, as defined by Govt. Code Section 56033.5, within the existing sphere of influence.

The current provision of fire protection and emergency medical services will be maintained, or improved by a change of governance to the South Desert Service Zone of the San Bernardino County Fire Protection District.

- 3. If the sphere of influence amendment includes a city sphere of influence change, provide a written statement of whether or not agreement on the sphere change between the city and county was achieved as required by Government Code Section 56425. In addition, provide a written statement of the elements of agreement (such as, development standards, boundaries, zoning agreements, etc.) (See Government Code Section 56425)

N/A

- 4. If the sphere of influence amendment includes a special district sphere of influence change, provide a written statement: (a) specifying the function or classes of service provided by the district(s) and (b) specifying the nature, location and extent of the functions or classes of service provided by the district(s). (See Government Code Section 56425(i))

Twentynine Palms Water District

FUNCTION	SERVICE
Water	Retail, agricultural, domestic, replenishment
Sewer	Planning and engineering
Fire Protection	Structural, watershed, first aid, rescue, prevention, inspection

San Bernardino County Fire Protection District

FUNCTION	SERVICES
Fire	Structural, watershed, prevention, inspection, suppression, weed abatement, hazardous materials services, rescue, first aid, paramedic, ambulance transportation, emergency response, and disaster preparedness planning

- 5. For any sphere of influence amendment either initiated by an agency or individual, or updated as mandated by Government Code Section 56425, the following service review information is required to be addressed in a narrative discussion, and attached to this supplemental form (See Government Code Section 56430):

- a. Growth and population projections for the affected area.

- b. Location and characteristics of disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- c. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies, including those associated with a disadvantaged unincorporated community.
- d. Financial ability of agencies to provide services.
- e. Status of, and opportunities for, shared facilities.
- f. Accountability for community service needs, including governmental structure and operational efficiencies.

To address "a" through "g", an excerpt (pages 67-104) of the LAFCO MSR of the Twentynine Palms Water District dated May 7, 2012 is attached.

If additional sheet are submitted or a separate document provided to fulfill Item #5, the narrative description shall be signed and certified by an official of the agency(s) involved with the sphere of influence review as to the accuracy of the information provided. If necessary, attach copies of documents supporting statements.

**CERTIFICATION**

As a part of this application, the Twentynine Palms Water District agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs, imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE 9/22/2015 \_\_\_\_\_  
 SIGNATURE Kerron E. Moore

Kerron E. Moore, President  
 Board of Directors  
 Twentynine Palms Water District

## **TWENTYNINE PALMS WATER DISTRICT Service Review and Sphere of Influence Update**

### **INTRODUCTION:**

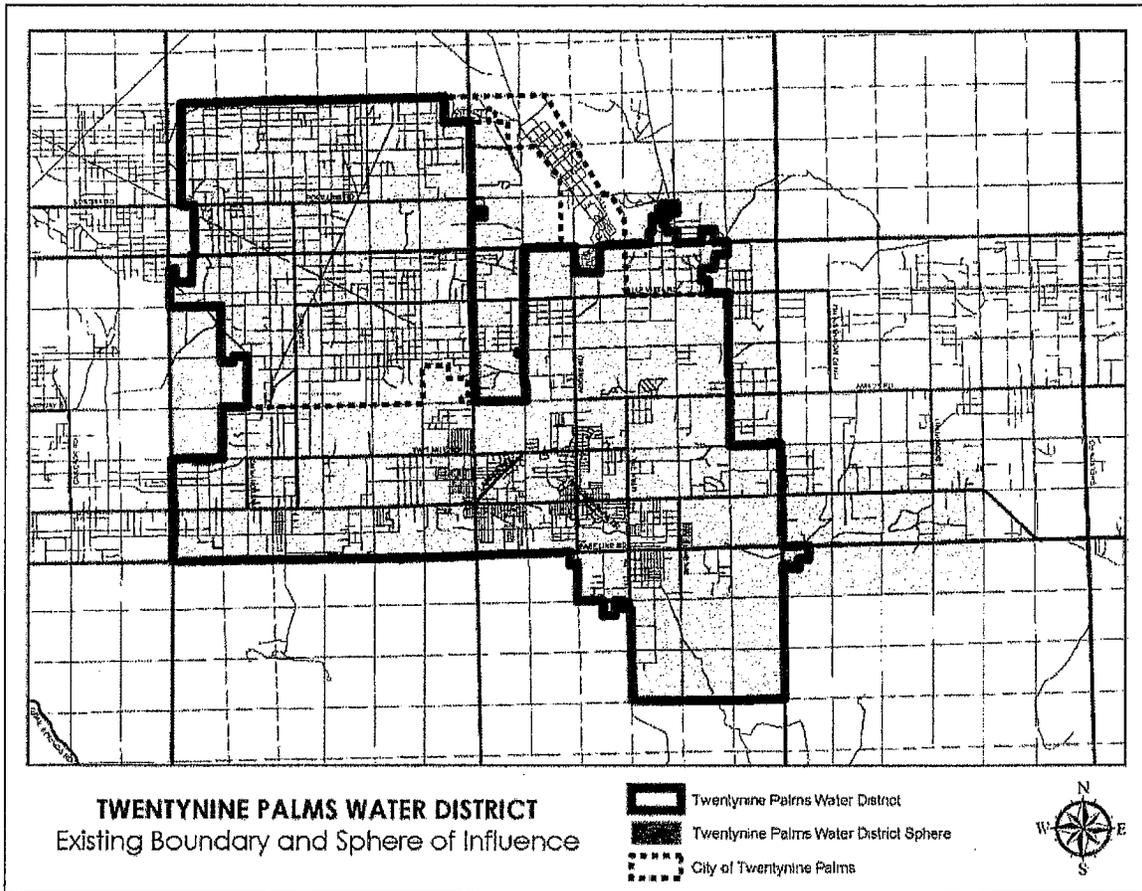
LAFCO 3104 consists of a service review pursuant to Government Code Section 56430 and sphere of influence update pursuant to Government Code 56425 for the Twentynine Palms Water District ("Water District" or "District").

The Twentynine Palms Water District was formed in 1954 under the County Water District Law, for the purpose of supplying potable water and for other statutory purposes, including fire protection. The Water District is an independent special district with a five-member board of directors and operates under County Water District Law (Division 12 of the Water Code, Sections 30000 et seq.). Currently, the Water District is authorized by LAFCO to provide the functions of water, sewer (limited to planning) and fire protection 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 the Sphere of Influence Update section in this report for the Water District, staff is recommending modification to the District's sphere of influence to coincide with the Commission's definition for the Twentynine Palms community (sphere reduction of approximately 39.5 acres).

### **LOCATION AND BOUNDARIES:**

The service review and sphere of influence update study area encompasses approximately 121 square miles. The service review and sphere study area is located in the south desert region of the County and is generally bordered by the Joshua Tree National Park on the south, the Joshua Basin Water District on the west, the Twentynine Palms Marine Corps Base on the north, and the Wonder Valley community, defined by County Service Area 70 Zone M, on the east. A map of the District and its current sphere are shown below and is included as a part of Attachment #3.



### ***TWENTYNINE PALMS WATER DISTRICT SERVICE REVIEW***

In 2003, LAFCO adopted the Governor's Office of Planning and Research (OPR) Municipal Service Review Guidelines by reference for its use during the conduct of service reviews. These Guidelines provide a step-by-step approach to understanding the service review process as set forth by Government Code Section 56430 as well as factors that LAFCO may wish to address in its service review of an agency.<sup>26</sup>

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

<sup>26</sup> State of California, Governor's Office of Planning and Research. "Local Agency Formation Commission Municipal Service Review Guidelines", August 2003.

for consideration for a service review (as required by Government Code 56430) are identified below and incorporate the district's response and supporting materials.

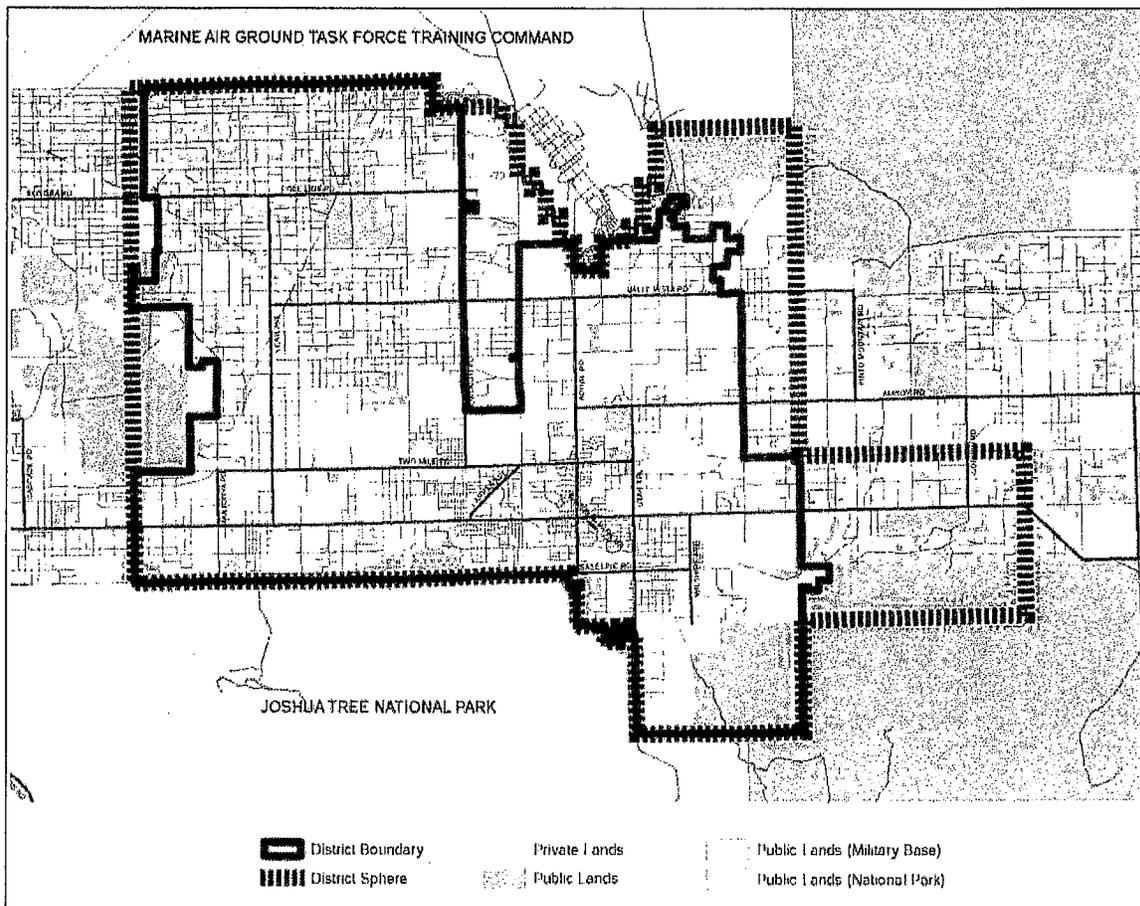
**I. Growth and population projections for the affected area.**

**Land Ownership**

The land ownership distribution and breakdown within the District's boundary and current sphere are identified on the map below. Within its entire sphere, roughly 73% of the land is privately owned and the remainder, 27%, is public, which are devoted primarily to resource protection and recreational use.

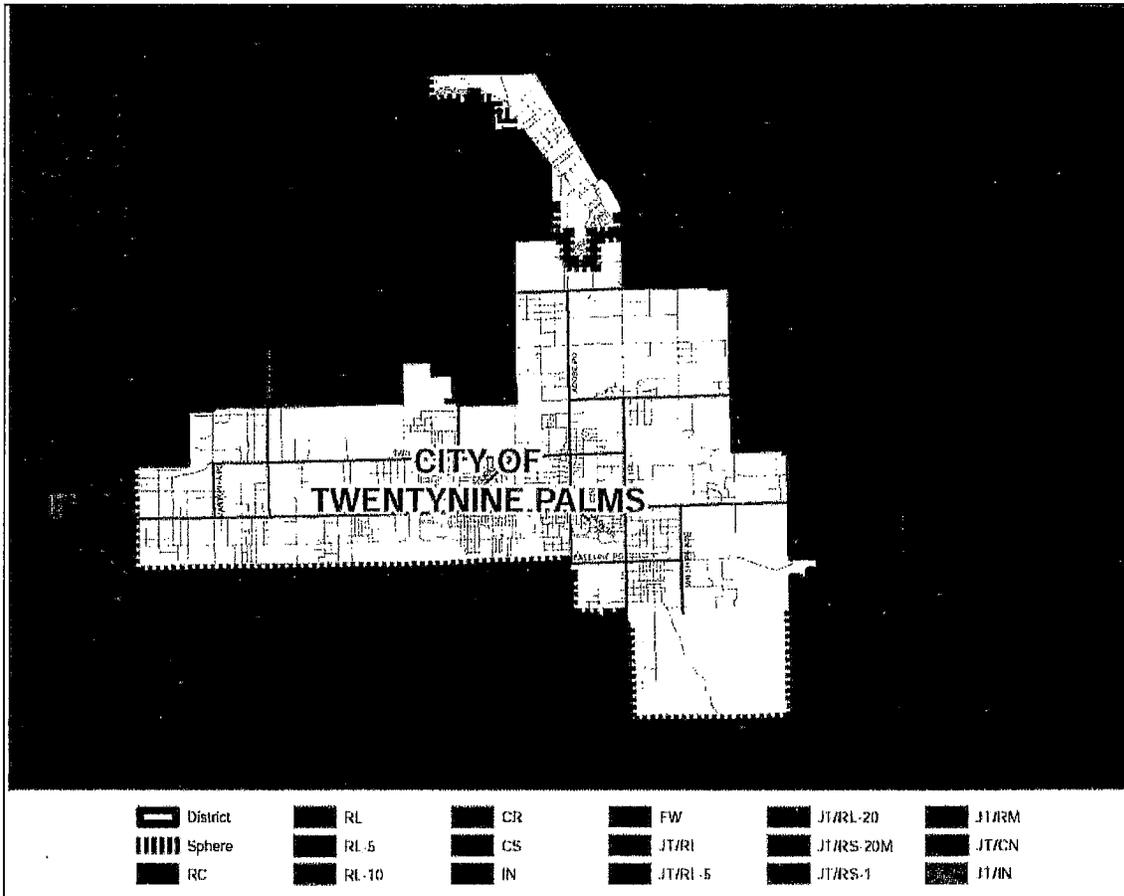
**Land Ownership Breakdown (in Acres)  
 Within Twentynine Palms Water District**

Ownership Type	Boundary	Sphere (outside boundary)	Total Area
Private	45,250	11,611	56,861
Public Lands – Federal (BLM), State, & others	11,669	8,888	20,557
<b>Total</b>	<b>56,919</b>	<b>20,499</b>	<b>77,418</b>



Land Use

The study area includes territory within the City of Twentynine Palms (portion) and the unincorporated County. Below is a map that identifies the County of San Bernardino's land use designations within the study area.



**General Plan Land Use Districts (In Acres)  
 Within Twentynine Palms Water District**

Land Use	Boundary	Sphere (outside boundary)	Total Area
City's Land Uses	35,184		35,184
County Land Use Designations			
Resource Conservation (RC)	2,680	7,821	10,501
Rural Living (RL)	4,444	2,228	6,672
RL-5	14,571	9,128	23,699
RL-10	40	930	970
Floodway (FW)		79	79
Service Commercial (CS)		10	10
Institutional (IN)		303	303
<b>Total</b>	<b>56,919</b>	<b>20,499</b>	<b>77,418</b>

Within the study area, approximately 40% is designated Rural Living, 14% Resource Conservation, and 1% a mix of Commercial, Institutional, and Floodway land uses. The remainder 45% is within the City of Twentynine Palms.

*Incorporated Portion of the Study Area*

Within the City boundaries, approximately 46% is Rural Living, 34 % Single-Family Residential, 7% Open Space Residential, 3% Multi-Family Residential, 4% Commercial, 3% Industrial, 3% Public and Floodway. The only portion within the City that is not a part of the study area is the portion within the Marine Corps Air Ground Combat Center identified in the City's General Plan as Military (approximately 2,450 acres). For a complete breakdown of the land uses with the City, please refer to the City's service review section related to land use (City's service review growth and population projections section, page 71).

**Population**

Population Projections

In 2000, the population within the Water District's boundaries was 15,827. Based on the 2010 Census, the current population for the area is 17,974. This represented an average annual growth rate of approximately 1.3 percent within the given period.

The projected growth for the Water District's boundaries was calculated utilizing a combination of the growth rates identified in the Regional Council of the Southern California Association of Governments (SCAG) Draft 2012 Regional Transportation Plan (RTP) Integrated Growth Forecast for the City of Twentynine Palms and the County's unincorporated area for the given periods, and the use of average annual growth rate (including a revision made by LAFCO staff related to City's population and the assumption of a constant population within to the Marine Corps Base). By 2040, the population within the Water District is estimated to reach 31,946. This represents a projected annual growth

rate of approximately 1.9 percent between 2010 and 2040, which also represents a total population increase of 78 percent from 2010.

**Population Projection 2010-2040  
 Within the Twentynine Palms Water District**

Census		Population Projection					
2000	2010	2015	2020	2025	2030	2035	2040
15,827 <sup>27</sup>	17,974 <sup>28</sup>	20,063 <sup>29</sup>	22,410	24,486 <sup>30</sup>	26,755	29,235	31,946

The population projections shown above may represent an unattainable growth trend based on the historic growth experienced in the region. In addition to the marginal growth experience in the last 10 years, there are other circumstances in the region that tend to restrict growth (i.e. water quality issues, potential for development restrictions related to the use of septic systems, etc.). Based on these issues, actual growth is expected to be much lower than projected.

Build-out

The table below provides the potential build-out within the Water District's territory. This build-out scenario takes into consideration the existing land use designations assigned for the area and the dwelling unit densities assigned for each residential land use<sup>31</sup>.

**Land Use Maximum Build-Out  
 Within the Twentynine Palms Water District**

Land Use	Acreage	Density (D.U. Per Acre)	Maximum Build-out (DU's)
<b>County Area Residential Land Use</b>			
Resource Conservation	2,680	0.025	67
RL-10 (Rural Living 10 acres)	40	0.1	4
RL-5 (Rural Living 5 acres)	14,571	0.2	2,914
RL (Rural Living 2.5 acres)	4,444	0.4	1,778
<b>City Area Total Residential Land Use</b>	<b>31,446</b>		<b>45,965</b>
(land use breakdown on page 23)			
<b>Water District Total Residential</b>	<b>53,181</b>		<b>50,728</b>

<sup>27</sup> 2000 population data was derived from the 2000 Census for the Twentynine Palms Water District area.

<sup>28</sup> 2010 population data was derived from the 2010 Census for the Twentynine Palms Water District area.

<sup>29</sup> 2015 and 2020 projections were calculated using Average Annual Growth Rate based on the growth rate from SCAG's 2012 RTP Revised Draft Integrated Growth Forecast (published May 2011) for the City of Twentynine Palms and the unincorporated County area between 2010 and 2020 data.

<sup>30</sup> 2025, 2030, 2035 and 2040 projections were calculated using Average Annual Growth Rate based on the growth rate from SCAG's 2012 RTP Revised Draft Integrated Growth Forecast (published May 2011) for the City of Twentynine Palms and the unincorporated County area between 2020 and 2035 data.

<sup>31</sup> The information related to densities does not take into consideration the housing units within the Marine Base.

The population projections identified earlier indicates that the population within the Water District's territory will be 31,946 by 2040. Based on the maximum residential build-out within the Water District's territory, the projected maximum population is anticipated to reach 149,546<sup>32</sup>. Likewise, based on the projected population for 2040, it is anticipated that the number of households within the Water District's territory will be 10,836 with a maximum potential build-out to reach approximately 50,728. These imply that the study area will reach 21 percent of its potential household and population capacity by 2040.

**Population and Household Projection  
 Within the Twentynine Palms Water District**

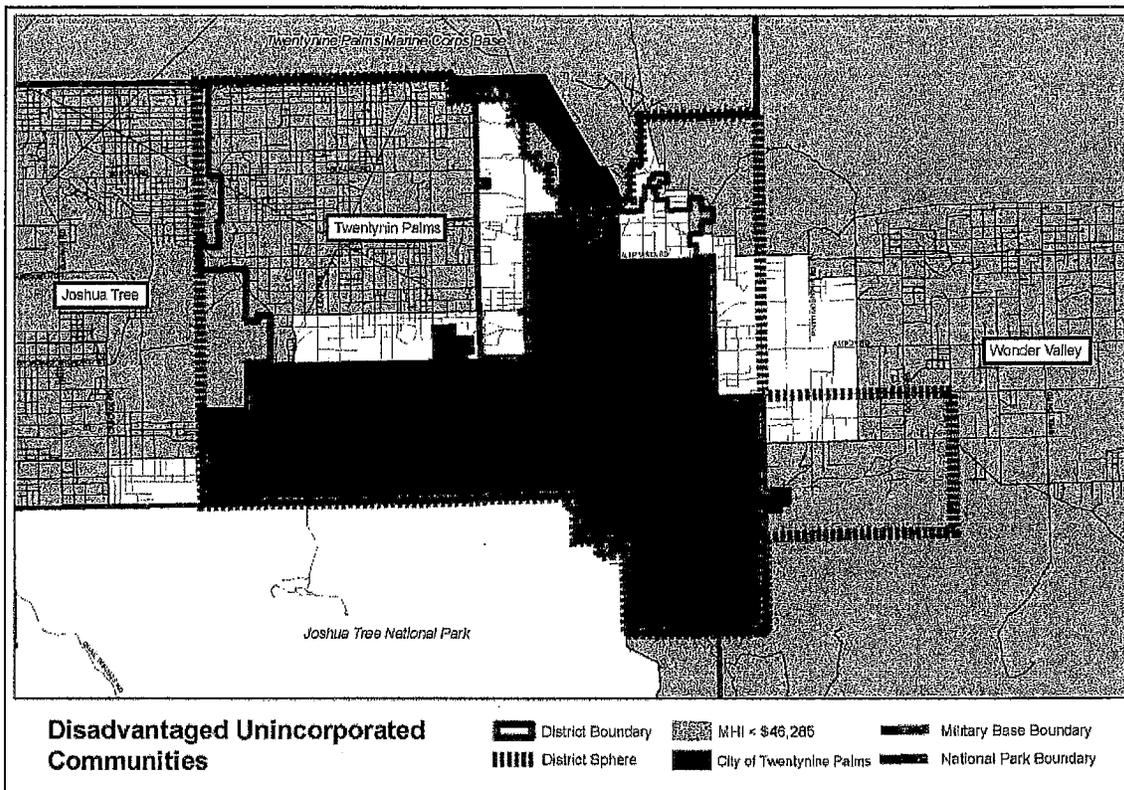
	<b>Projection 2040</b>	<b>Maximum Build-out</b>	<b>Ratio of 2040 Projection with Maximum Build-out</b>
Population	31,946	149,546	0.21
Households	10,836	50,728	0.21

**II. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**

Disadvantaged unincorporated communities are those communities that have an annual median household income that is less than 80 percent of the statewide annual median household income, which is under \$46,285. Based on the census data<sup>33</sup>, the map below illustrates the areas within and around the Water District's sphere of influence that are classified as disadvantaged unincorporated communities.

<sup>32</sup> Source: Persons per household @ 2.948 based on the ratio for the City of Twentynine Palms as identified in the State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California, May 2010.

<sup>33</sup> Median Household Income data is taken from the American Community Survey 5 year (2006-2010) summary using the block group level.



As shown on the map, portions of the Water District's unincorporated sphere of influence are considered disadvantaged unincorporated communities. The communities of Wonder Valley and Joshua Tree are communities considered disadvantaged unincorporated communities that are contiguous to the District's sphere of influence.

Within the Water District's unincorporated sphere of influence, the areas identified as disadvantaged unincorporated communities are comprised of sparse rural residential development with large lot residential development (primarily Rural Living, 5-acre lots).

The unincorporated community of Wonder Valley extends into (portion) and is adjacent to the Water District's eastern sphere of influence. The community is also very rural in nature with large lot residential development (primarily Rural Living, 5-acre lots).

The unincorporated community Joshua Tree is adjacent to the Water District's western sphere of influence. The community is characterized by an abundance of open space and natural resources. The community is also rural in nature with residential development primarily with a Rural Living (2.5-acre lots) land use designation. Located between the Town of Yucca Valley and the City of Twentynine Palms, Joshua Tree also serves as the entry point to the Joshua Tree National Park.

**III. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs and deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.**

This determination cites and incorporates excerpts from the following sources: 2010 Urban Water Management Plan, 2010 Consumer Confidence Report, 2008 Groundwater Management Plan Update, 1989 Fire Master Plan, the District's narrative response to the factors for a service review, and City of Twentynine Palms Draft 2010 General Plan Update. Other materials have been referenced but not cited.

**A. Water**

Managing and conserving water resources is critical in sustaining cities and population centers, and this is especially true for desert communities receiving marginal precipitation. Currently, the District is the sole retail water provider within the community, actively providing retail water service via a pressurized system to incorporated and unincorporated areas. The District provides limited hauled water opportunities for residents within its boundaries.

**Groundwater Basins**

The District currently relies solely on groundwater as its source. The District overlies three non-adjudicated groundwater basins: the Twentynine Palms Valley Basins (Mesquite Springs Basin), Joshua Tree Basin, and Dale Valley Basin. Within the Joshua Tree Basin are three subbasins: the Indian Cove, Fortynine Palms, and Eastern Subbasins. The District does not produce from the Dale Valley Basin.

**Twentynine Palms Valley Groundwater Basin**

The Twentynine Palms Valley Groundwater Basin encompasses 97.5 square miles and underlies most of the northern portion of the District's service area. Water is produced from this basin through the TP1 production well, which provides water for the Fluoride Removal Water Treatment Plant. Groundwater levels in the basin are generally stable. No water level declines have been observed in the basin.

Storage capacity of the entire Twentynine Palms Valley Basin, also known locally as the Mesquite Basin, is estimated in the Department of Water Resource's Bulletin 118 (last updated February 2004) as 1,420,000 AF. The basin is considered to be in overdraft, as the estimated annual rate of groundwater depletion is 1,500 AF while recharge is only 300 AF. Additionally, the Colorado River Basin Plan identifies the Twentynine Palms Valley Subunit of the Dale Hydrologic Unit as being an area where overdraft and increase of mineral content (particularly fluoride) of the groundwater are concerns. The District overlies and only pumps from the southern portion of this basin.

### Joshua Tree Groundwater Basin

The Joshua Tree Groundwater Basin encompasses 53.8 square miles and underlies an area south of the Pinto Mountain fault beneath the town of Joshua Tree, eastward to immediately south of the town of Twentynine Palms. DWR Bulletin 118 estimates total storage capacity of the Joshua Tree Basin to be 2,540,000 acre-feet (AF). This estimate applies to the entire groundwater basin, and not just the overlying area which the District manages. Groundwater in storage was estimated to be 1,010,000 AF. Actual groundwater extractions in the Joshua Tree Basin are measured by the Joshua Basin Water District. Data suggest that extractions between 1985 and 1995 were over 50 percent more than natural recharge and that groundwater levels have dropped by an average of 1 foot per year since about 1973.

### *Indian Cove Subbasin*

The Indian Cove Subbasin encompasses 20 square miles and is located southwest of the City of Twentynine Palms in the Joshua Tree Basin. Five of the District's production wells are in this subbasin. The stream valley rarely floods, suggesting that a significant part of the runoff is infiltrating into the groundwater. Water level declines of less than 10 feet have been observed in this subbasin.

### *Fortynine Palms Subbasin*

The Fortynine Palms Subbasin is the smallest of the District's Subbasins in volume and watershed. Three of the District's production wells are in this Subbasin. Water level declines of nearly 50 feet have been observed in the Fortynine Palms Subbasin.

### *Eastern Subbasin*

The Eastern Subbasin has the largest watershed and sediment volume of the District's Subbasins. One of the District's production wells is in this subbasin. Water level declines of between 10 and 25 feet have been observed in the Eastern Subbasin. Water in the Eastern Subbasin has higher fluoride levels than any of the other subbasins.

## **Current Supply, Demand, and Facilities**

### Connections

The District currently serves 7,983 connections, all of which are metered accounts. Approximately 94 percent of the service connections are residential. Commercial connections account for approximately 4.5 percent, landscape irrigation connections account for less than one percent, and fire protection/non-potable connections account for the remaining 1.4 percent of the District's total connections. Records going back to 1994 indicate the relatively similar percentage distributions amongst the land use types. The Marine Corps base provides its own water supply and is not associated with any of the numbers and projects in the Urban Water Management Plan.

### Supply and Demand

Potable water is scarce in the District for several reasons:

- 1) The area receives an average of only four inches of annual rainfall.
- 2) There is negligible infiltration of direct precipitation in areas where the alluvial deposits are thick.
- 3) A substantial amount of runoff is lost to evaporation after flowing into the basin.
- 4) Some of the water is unsuitable for drinking water due to naturally-occurring soluble minerals, such as fluoride.

Water provided by the District is derived solely from groundwater pumped from supply wells located along the southern limit of the service area. As of 2010, the District has ten active production wells. The remaining wells are inactive and/or used for groundwater monitoring. Available information indicates that more than 400 private wells have also been constructed within the District's service area. Most of these wells are not currently operated.

Historic pumping and water deliveries by the District have steadily increased since its formation in the mid-1950s. Annual pumping in the 1990s regularly exceeded 900 million gallons (approximately 2,760 acre-feet per year [AFY]), with average daily delivery per service connection slightly under 400 gallons. Total water demand in the District was 2,674 acre-feet (AF) in 2010, with a projected demand of 3,119 AF in 2035.

In 2008, the District identified to LAFCO that current annual water delivery within the District is 1,084,760 gallons. Average daily flow is approximately 2.97 million gallons or approximately 43% (6.897 mg) of system capacity. The District is at approximately 43% capacity with about 8,000 connections. At the current average daily demand, the system could accommodate an additional 10,374 connections until full capacity is reached (approximately 18,000 connections). As for storage, there are 12 storage tanks for a total storage capacity of 17 million gallons. At an average daily use of 2.97 million gallons, this represents approximately 5.7 days of water usage.

In April of 2002, the District completed source water assessments for all active drinking water wells. Wells 4, 14 and 16 are considered most vulnerable to the following activities associated with the contaminants detected in the water supply: septic systems, high density housing, office buildings/complexes, schools and parks.

#### *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 Services<sup>34</sup> 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

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<sup>34</sup> 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.

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. Therefore, new development could not be approved without verification of access to a domestic water system. However, existing units without connection to a domestic water system or without individual wells on their property must rely on hauled water for domestic and other uses. 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.*

Section 31023 of the California Water Code, within County Water District Law, states that a district may sell surplus water for use outside its boundaries. The District has identified that it does have a small amount of bulk water hauling activity within the community but does not have a declared surplus of water. The District maintains one site where private individuals and a small number of commercial water haulers purchase water that is used both inside and outside District boundaries. Generally, this water is consumed by households where infrastructure is not available. These sales amount to approximately four million gallons per year.

#### Water Quality

The quality of water in the community is typically good, besides a few areas with high fluoride and total dissolved solids levels, per the District Urban Water Management Plan. Another contaminant to groundwater quality is effluent from septic tanks which is used throughout the community due to a lack of a centralized sewer system. The region has

generally a low density population and minimal industry; therefore, the aquifers are not expected to be impacted significantly.

The District's 2009 Consumer Confidence Report indicates the groundwater meets federal and state MCL standards. Source Water Assessments for nine active wells were completed in April 2002. The newest (tenth) well was installed in 2009 and a Source Water Assessment was performed in 2007.

### *Fluoride*

The current State limit for fluoride in drinking water permits an MCL (Maximum Contaminant Level) of 2.0 milligrams per liter (mg/L). On January 21, 1993, the District was granted a variance from the California Primary Drinking Water Standard for fluoride, which states, "The District shall not serve water containing fluoride levels in excess of 3.0 milligrams per liter (mg/L) or 75% of the U.S. Environmental Protection Agency Primary Drinking Water Standard (currently at 4.0 mg/L), whichever is higher." This variance was granted due to the elevated levels of naturally occurring fluoride in the District's source water. The variance from the Primary Drinking Water Standard for fluoride will be in effect for a period of up to 30 years from the date of issuance subject to the following provisions:

1. Every five years, beginning in January 1998, the District shall submit a report to the Department of Health Services evaluating community acceptance of the fluoride levels being served.
2. The Department of Health Services advises the District in writing of its findings that there is no significant public opposition from the community served by the District and that the variance does not pose an unreasonable risk to the consumer's health.
3. Other provisions to the variance include:
  - a. That the variance may be withdrawn upon reasonable notice by the Department of Health Services, if the Department determines that the community no longer accepts the fluoride level authorized by the variance.
  - b. The District shall provide quarterly consumer notification of the variance in accordance with Section 64464.6 of the California Domestic Water Quality and Monitoring Regulations.
  - c. A fluoride monitoring plan, approved by the Department of Health Services, that monitors and reports all fluoride levels in the distribution system and water produced by all sources.

The District maintains acceptable levels of fluoride through the use of wells with lower levels of fluoride being pumped as much as possible when water demand on the system dictates. In April 2004, the Department of Health Services issued a permit to the District allowing full operation of the Fluoride Removal Plant, which currently is producing approximately one million gallons a day (1 MGD) of potable drinking water. The plant extracts water from the Mesquite Springs aquifer to remove high levels of naturally occurring fluoride. This aquifer is a significant source of water for the District and on-going studies will determine future production rates from the plant to better manage its groundwater resources.

**Future Supply, Demand, and Facilities**

No additional sources of water are anticipated to be available to the District in the future. As shown below, the District also has a pumping capacity of 490 gpm (790 AFY) from the Eastern Subbasin. This amount along with the 2,100 gpm capacity (3,395 AFY) in Mesquite Lake Subbasin yields a total of approximately 6,985 AFY of available future groundwater supply. There is the potential to expand the Mesquite Lake Subbasin facilities to include another well if needed in the future. This additional well would improve reliability by allowing for redundancy in the Mesquite Lake Subbasin as well as increasing pumping capacity.

**TABLE 3-3  
 GROUNDWATER PUMPING CAPACITY**

Basin Name	Pumping Capacity (gpm)	Pumping Capacity (AFY)
Mesquite Springs Basin <sup>(a)</sup>	2,100	3,395
Joshua Tree Basin		
Fortynine Palms Subbasin <sup>(b)</sup>	870	1,400
Eastern Subbasin <sup>(a)</sup>	490	790
Indian Cove Subbasin <sup>(b)</sup>	870	1,400
<b>Total</b>	<b>4,330</b>	<b>6,985</b>

Notes:  
 (a) Pumping capacity of Twentynine Palms Water District  
 (b) DWR recommended pumping limit to prevent overdraft

Source: 2010 UWMP

Twentynine Palms is dependent on groundwater and to maintain reliability of that source, the District must implement the Best Management Objectives (BMOs) to meet demand. The District expects growth, albeit slow. Overdraft is considered a challenge for reliability of supply and is addressed in the Groundwater Management Plan.

These BMOs establish the water level and water quality conditions that are acceptable in the basin and address conditions that need to be remedied. The BMOs established for the Twentynine Palms Water District are:

- BMO #1 - Minimize long-term drawdown of groundwater levels
- BMO #2 – Maintain groundwater quality
- BMO #3 – Monitor and track groundwater levels, quality, and storage
- BMO #4 – Reduce water consumption through water conservation
- BMO #5 – Facilitate groundwater replenishment projects
- BMO #6 – Identify and obtain funding for groundwater projects

In order to reduce groundwater overdraft, the amount of recharge experienced by the District's Subbasins could be increased through "artificial recharge." Since the District does not have access to imported surface or recycled water sources, the only source of water for replenishment is the impoundment or collection of runoff. Therefore,

groundwater replenishment should be increased by maximizing the use of the only source of recharge available (precipitation) by providing recharge enhancement.

Better management of the District's groundwater supplies alone does not provide a complete solution to declining water levels in the District's service area. While the District's residential water use is relatively low at 0.31 AFY per household, savings in residential water use could be accomplished through additional conservation efforts. The District could implement more aggressive water conservation efforts to reduce demand for groundwater resources and pumping in the region.

The District does not have access to imported water sources, and is restricted in its ability to recharge its basins. Connection to imported water from either the Metropolitan Water District of Southern California ("Metropolitan" - Colorado River supplies) or the Mojave Water Agency ("MWA" - State Water Project supplies) does not appear to be a viable option for the District as the District is not within the service area of either agency. Annexation to either agency would be required to receive water supplies through a limited allocation of supplemental water. Metropolitan's closest facilities are more than 45 miles southwest of the District; MWA's facilities extend no closer than Yucca Valley, approximately 23 miles west of the District. The District Board has on two occasions voted against extending imported water service to the District. However, a regional project with the potential to alter this scenario is the "Cadiz Project" for storing water in the Cadiz groundwater basin. The District would still need to acquire water for storage from the Colorado River, but its proximity is much closer to the District's existing service area than other options.

#### Recycled Water

The District does not have a municipal sewer system or a wastewater treatment plant. At this time all residential and non-residential accounts use septic tank systems for the disposal of wastewater. The construction of a centralized system has been deemed infeasible by local jurisdictions; however, the use of package wastewater treatment plants has been approved. LAFCO staff understands that at least three plants are operational within the District and City of Twentynine Palms and several others have been approved but not yet constructed. Alternatively, the District has considered partnering with other agencies; however, the nearest water agency is 25 miles away and an intertie is cost prohibitive at this time. Therefore, at this time there are no opportunities for water recycling or programs that include recycled water.

In 2008 the City of Twentynine Palms commissioned a report to study the feasibility of a centralized wastewater system. The report recommended a decentralized system that relies on the Marine Corps Station sewage facilities. The cost of the system was estimated between \$55 and \$80 million in capital costs. As the District is rural and has slow growth, the cost was deemed prohibitive. The study proposed a phased approach with final completion of sewage system in 2040 to mitigate the cost.

The District recognizes the importance of recycled water and water reliability; however, due to the small size of the system, low annual demand and the use of individual septic systems, a recycled water system is not a feasible solution. As an alternative the

District will invest in water conservation approaches to reduce demand and compensate for the lack of recycled water. As water is primarily used on landscape, the District has developed approaches to emphasize outdoor water conservation.

Landscaping and Irrigation

The Water District currently does not have an adopted landscape ordinance and is using the "Let's Go Native...with our Landscaping" guidelines developed by Twentynine Palms Groundwater Guardian Team. The guidelines recommend the planting of climate appropriate drought tolerant landscaping to minimize water usage for landscaping throughout the City. Also the City does has an adopted Model landscape ordinance and includes California Green Standards for development. The District has adopted a resolution of concurrence for this program.

Capital Improvement Budget

The District in its FY 2011-12 Water Budget identifies the following projects through FY 2015-16. The largest project, totaling \$10 million, will provide for an additional three million gallons per day of treated water. The District has identified that the funding for the future expansion of the treatment plant and an additional reservoir associated with this project will come from new debt (existing District debt is scheduled to be paid off in 2015).

**FY 2011-12 Water Capital Budget**

<u>Capital Improvement Projects</u>					
<u>PROJECT:</u>	<u>Fiscal 2011-12 Budget</u>	<u>Estimated Fiscal 2012-13</u>	<u>Estimated Fiscal 2013-14</u>	<u>Estimated Fiscal 2014-15</u>	<u>Estimated Fiscal 2015-16</u>
<i>a.</i> Engineering, Treatment Plant Expansion	500,000	0	0	0	0
<i>b.</i> Additional Reservoirs	0	1,000,000	800,000	0	0
<i>c.</i> Updates to Regulatory Plans	0	80,000	0	0	80,000
<i>d.</i> Treatment Plant Expansion, Additional 3 MGD	0	0	0	10,000,000	0
<i>Total Capital Improvement Projects</i>	<b>500,000</b>	<b>\$1,080,000</b>	<b>\$800,000</b>	<b>\$10,000,000</b>	<b>\$80,000</b>

Source: FY 2011-12 Water Capital Budget

**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 San Bernardino County. A comparison of the residential water rates charged by the agencies within the Morongo Basin is identified in the chart below. As shown in the footnotes, some agencies receive a share of the one percent general levy property tax and/or assessments or additional charges.

**Water Agency Rate Comparison (as of July 2011)**  
 (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 <sup>1</sup>	\$3.00	-	-	-	\$27.50	\$57.50
CSA 70 Zone F (Morongo Valley) <sup>1</sup>	\$4.51	\$5.02	\$5.73	-	\$57.25	\$102.35
CSA 70 Zone W-1 (Landers) <sup>1</sup>	\$3.87	\$4.31	\$5.54	-	\$23.87	\$62.57
CSA 70 Zone W-3 (Morongo Valley) <sup>1</sup>	\$3.21	\$3.57	\$3.65	-	\$40.84	\$72.94
CSA 70 Zone W-4 (Pioneertown)	\$5.86	\$7.31	\$9.88	\$10.87	\$31.05	\$89.65
Golden State Water Company (Morongo)	\$2.47	-	-	-	\$28.15	\$52.85
Hi-Desert Water District <sup>1,2</sup>	\$3.59	\$5.69	\$6.89	\$9.08	\$11.80 <sup>4</sup>	\$60.30
Joshua Basin Water District <sup>1,3</sup>	\$2.14	\$2.39	\$2.57	\$2.75	\$23.82	\$46.47
Twentynine Palms Water District <sup>3</sup>	\$2.33	-	-	-	\$11.00 <sup>5</sup>	\$34.30

<sup>1</sup> Receives a share of the one percent ad valorem general tax levy  
<sup>2</sup> District also charges monthly a pipeline surcharge and capital replacement charge  
<sup>3</sup> District also charges a standby charge  
<sup>4</sup> Charge is for 5/8" and 1" meter with 5/8" demand  
<sup>5</sup> Charge is for 5/8" meter

Note: Standby charges are not included or referenced in this chart as they are not related to active connections.

Disadvantaged, Unincorporated Communities

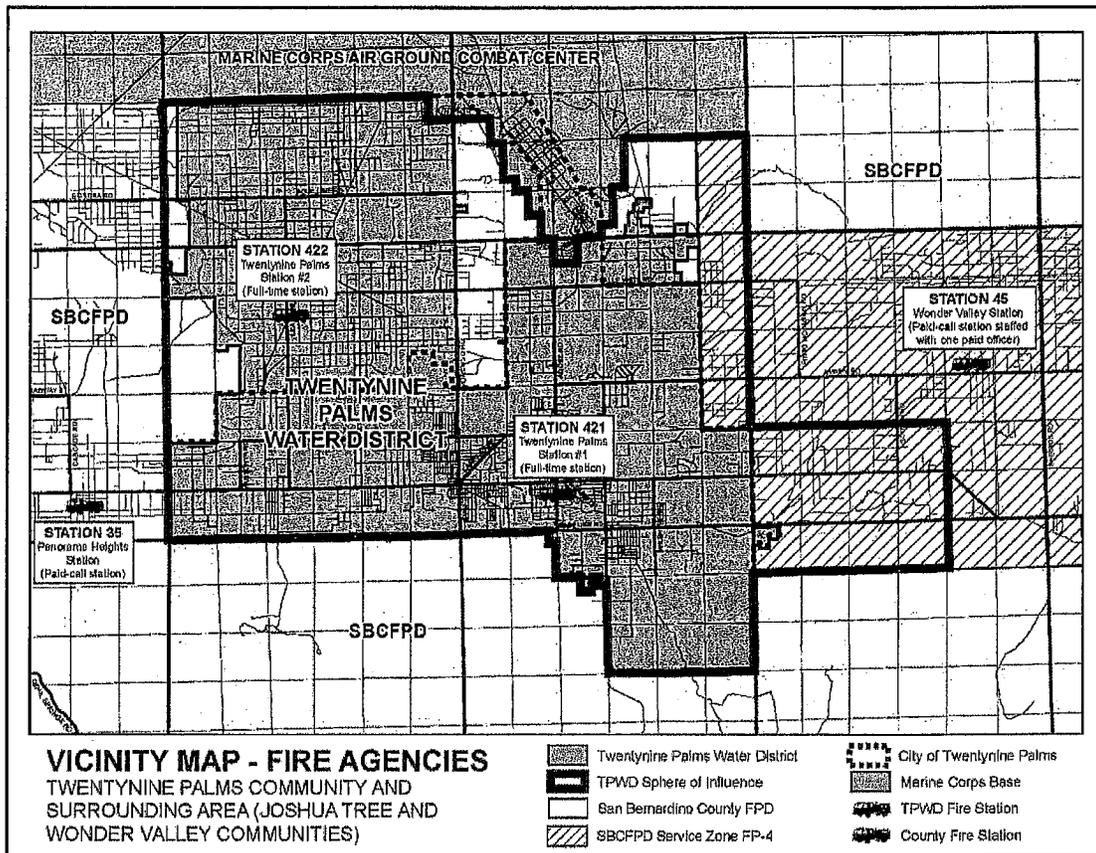
The disadvantaged, unincorporated communities within or contiguous to the District's sphere lack a pressurized water system. Any community contiguous to the District's sphere desiring connection to any potential system would require at a minimum inclusion within the District's sphere and most likely annexation. Further, any potential connection would most likely include installation and connection fees/charges/taxes. However, the implementation of a water system would be too costly based upon existing land use patterns and types of use. Population densities are so low that there are not enough customers to financially support the construction of a water system.

**B. Fire**

**1. Community Overview**

The District Fire Department ("Twentynine Palms Fire") was created by District Ordinance #14 on August 7, 1958 after the California Department of Forestry ceased providing local fire protection. Since the incorporation of the City in 1987, Twentynine Palms Fire serves the City and areas outside of the City. The services provided by Twentynine Palms Fire include fire prevention, fire suppression, emergency, medical aid, hazardous materials containment, and protection from excessive property damage.

Fire protection services for the areas of the City's Sphere of Influence, which are not served by Twentynine Palms Fire, are to be provided by the San Bernardino County Fire Protection District ("County Fire") - South Desert Service Zone. County Fire provides administration and support along with other services such as hazardous materials regulation, dispatch communication and disaster preparedness.



There are two County Fire stations located near the Twentynine Palms community. One station is in the Wonder Valley community, Wonder Valley Station 45 located at 80526 Amboy Road, which is a paid-call station that is staffed with two paid-call firefighters (another station in Wonder Valley, Station 47, is currently unmanned). The other station close to the study area is a Joshua Tree community fire station, Panorama Heights Station 35, located at 6562 Sierra Avenue, which is currently unmanned (the closest manned station in Joshua Tree, Station 36, is at 6715 Park Boulevard).

The Marine Corps Air Ground Combat Center Fire Department, known as the Combat Center Fire Department ("CCFD"), provides fire and emergency medical services to both military and civilian personnel on the base, and also to the surrounding local communities. The CCFD responds to emergency calls in the City

of Twentynine Palms and surrounding areas as part of mutual joint response agreements with other fire departments.

Twentynine Palms Fire also enhances fire safety in the community through coordination of education programs designed to increase community involvement. The CCFD provides public education by teaching children home fire safety and what to do in the event of a fire. It also provides monthly training in First Aid and CPR, and free EMT recertification classes to the public.

Several State and Federal agencies have roles in fire hazard mitigation, response and recovery, depending on the type of incident and its location. These agencies include the Office of Emergency Services, Office of Aviation Services, National Weather Service, the Department of the Interior and, in extreme cases, the Department of Defense. The CCFD provides assistance as needed to the Twentynine Palms Fire Department. In forest and open areas, agencies that often assist with fire suppression include the National Park Service, US Forest Service, National Association of State Foresters, Fish and Wildlife Service, the Department of Agriculture and the California Department of Forestry and Fire Protection.

#### Unincorporated Peninsula

Referencing the map above, in the center of the community there is a one mile wide unincorporated peninsula that extends five and half miles in a north/south direction bordered by the Water District and the Marine Corps Combat Center. This peninsula is within the boundaries of County Fire and is within the Water District's sphere of influence. The closest County Fire station is Station 45 in Wonder Valley, the CCFD is immediately to the east, and the nearest Water District fire stations are Station 421 and/or Station 422, depending on the specific incident location.

County Fire, as the agency responsible for service to this area, has existing mutual aid agreements with the Water District and the CCFD. Therefore, Twentynine Palms Fire responds to this area for the majority of incidents. LAFCO staff understands that the Twentynine Palms Fire Department desires a contractual arrangement for payment to serve this area since County Fire has service contracts in other parts of the county. County Fire, in its response to the draft staff report, states that it believes that the existing aid agreement and a proposed update to the agreement are appropriate without monetary terms and that a new contract is not necessary.

## **2. District Resources and Activities**

### Staffing and Equipment

Twentynine Palms Fire provides the following services to an 87 square mile service area covered by two fire stations (as shown on the map above);

- Station 421 – 6560 Adobe Road (Headquarters)

This station is staffed 24-hours a day by a 3-person engine company consisting of a career (paid) company officer and two volunteer reserve firefighters.

Station 421 equipment:

- Engine 421: 1993 E-One, 1500 gallons per minute (GPM), 500 gallon tank
- Reserve Engine 421: 1988 Smeal, 1250 GPM, 500 gallon tank
- Truck 421: 1997 Pierce, 75' aerial, 1500 GPM, 300 gallon tank
- Brush Patrol 421: 2002 4x4 Pierce/Ford, 500 GPM, 250 gallon tank
- Chief 5000: 2003 4x4 Ford F150, Command Vehicle
- Utility 421: 2001 4x2 Ford F150

- Station 422 – 3834 Lear Avenue (Desert Heights)

This station is staffed 24-hours a day by a 3-person engine company consisting of a career (paid) company officer and two volunteer reserve firefighters.

Station 422 equipment:

- Engine 422: 2007 Pierce, 1500 gallons per minute (GPM), 750 gallon tank
- Reserve Engine 422: 2000 Pierce, 1250 GPM, 500 gallon tank
- Rescue 422: 1986 E-One/Ford, CAL EMA light rescue, lighting, air support
- Captain 421/422: 2008 4x4 Ford F150, Command Vehicle

Operational command is handled by a career duty officer (Fire Chief or Captain) who is either in station or on-call within the district.

- Fire Suppression
- Emergency Medical Response (Basic Life Support)
- Victim Rescue
- Hazardous Material Emergency Response – Operational Level
- Fire Investigation (Basic Cause and Origin)
- Fire Prevention and Plan Review
- Public Safety Education

The career full-time staff consists of the Fire Chief and six company officers (two Captains and four Engineers). They are assisted by one part-time administrative assistant and 30 volunteer reserve firefighters. The company officers work 72 hours per week and are trained in all the diverse aspects of today's fire service. Besides training in structural and wildland firefighting and as emergency medical technicians, these company officers have additional training, in hazardous materials and

technical rescue (vehicle extrication, swiftwater, high-angle, trench, and confined space), required to lead the reserve firefighters.

According to the Twentynine Palms Fire, the reserve firefighters are men and women seeking full-time careers in the fire service. They have received basic training as firefighters and emergency medical technicians at community colleges throughout Southern California including the Fire Technology Program at Copper Mountain College. These reserve firefighters normally stand one 24-hour shift per week at a fire station. Many of them travel 100 miles or more, one way, from their homes in Southern California to stand duty in Twentynine Palms. Their service allows Twentynine Palms Fire to maintain daily staffing at both fire stations and they gain valuable experience and additional training as they pursue the goal of a full-time career in the fire service.

#### Calls and Response Times

In general, the District's responses within its boundaries for the past five years has been relatively even for number of calls and average response time. In 2011, the overall average response time was six minutes and 29 seconds for all calls within the 87 square mile district. The first unit arrived on scene in eight minutes or less 85% of the time.

<b>29 Palms Fire Department Incident Response in District (5 Year History)</b> (does not include "dispatched and canceled enroute)					
<b>January 1, 2007 to December 31, 2007</b>			<b>January 1, 2008 to December 31, 2008</b>		
Category	Number of Calls	Average Response Time	Category	Number of Calls	Average Response Time
Medical	1546	06:21	Medical	1566	07:06
Fire	82	06:46	Fire	92	07:10
Traffic	145	05:37	Traffic	127	05:54
Other	377	07:29	Other	349	06:56
<b>Total</b>	<b>2150</b>	<b>06:31</b>	<b>Total</b>	<b>2134</b>	<b>07:00</b>
<b>January 1, 2009 to December 31, 2009</b>			<b>January 1, 2010 to December 31, 2010</b>		
Category	Number of Calls	Average Response Time	Category	Number of Calls	Average Response Time
Medical	1634	06:06	Medical	1612	06:18
Fire	82	06:09	Fire	65	08:02
Traffic	118	06:33	Traffic	116	06:29
Other	335	07:37	Other	325	07:26
<b>Total</b>	<b>2169</b>	<b>06:22</b>	<b>Total</b>	<b>2118</b>	<b>06:32</b>
<b>January 1, 2011 to December 31, 2011</b>					
Category	Number of Calls	Average Response Time			
Medical	1687	06:18			
Fire	69	06:56			
Traffic	104	06:02			
Other	320	07:29			
<b>Total</b>	<b>2180</b>	<b>06:29</b>			

The chart below shows the Twentynine Palms Fire's incident volume outside of its boundaries. For the five year span, 6.2% of Twentynine Palms Fire's calls were to areas outside of its boundaries. Specifically, in 2011 Twentynine Palms Fire was requested 37 times to respond east of its jurisdiction (Wonder Valley) with the majority of the responses being for traffic collisions and structure fires.

Twentynine Palms and Wonder Valley Service Reviews  
May 7, 2012

<b>29 Palms Fire Department Incident Response out of District (5 Year History)</b>							
OOOE - Wonder Valley, Amboy and areas east of 29 Palms							
OOD29 - County pocket in 29 Palms							
OODW - Yucca Valley, Joshua Tree, Copper Mountain Mesa, Landers, and Morongo Valley							
OOMB - Areas outside the Morongo Basin							
JTNP - Joshua Tree National Park							
MCT - 29 Palms Marine Corps Base							
<b>January 1, 2007 to December 31, 2007</b>							
Category	OOOE	OOD29	OODW	OOMB	JTNP	MCT	Total
Medical	10	3	5	0	6	0	24
Fire	8	2	4	4	0	0	18
Traffic	17	2	2	0	1	0	22
Other	4	3	8	1	0	0	16
*D/CER	89	0	21	10	4	2	126
<b>Total</b>	<b>128</b>	<b>10</b>	<b>40</b>	<b>15</b>	<b>11</b>	<b>2</b>	<b>206</b>
*Dispatched and Cancelled Enroute							
<b>January 1, 2008 to December 31, 2008</b>							
Category	OOOE	OOD29	OODW	OOMB	JTNP	MCT	Total
Medical	1	4	7	0	10	0	22
Fire	5	1	4	0	1	0	11
Traffic	7	1	1	0	4	0	13
Other	3	0	6	0	1	0	10
*D/CER	41	0	17	5	2	1	66
<b>Total</b>	<b>57</b>	<b>6</b>	<b>35</b>	<b>5</b>	<b>18</b>	<b>1</b>	<b>122</b>
*Dispatched and Cancelled Enroute							
<b>January 1, 2009 to December 31, 2009</b>							
Category	OOOE	OOD29	OODW	OOMB	JTNP	MCT	Total
Medical	1	3	4	0	6	0	14
Fire	2	0	6	0	1	0	9
Traffic	6	0	4	0	2	0	12
Other	2	2	5	0	2	0	11
*D/CER	44	1	39	1	2	1	88
<b>Total</b>	<b>55</b>	<b>6</b>	<b>58</b>	<b>1</b>	<b>13</b>	<b>1</b>	<b>134</b>
*Dispatched and Cancelled Enroute							
<b>January 1, 2010 to December 31, 2010</b>							
Category	OOOE	OOD29	OODW	OOMB	JTNP	MCT	Total
Medical	0	1	6	0	12	0	19
Fire	0	0	3	0	1	0	4
Traffic	8	2	2	0	2	0	14
Other	0	1	2	0	3	1	7
*D/CER	25	2	37	4	2	1	71
<b>Total</b>	<b>33</b>	<b>6</b>	<b>50</b>	<b>4</b>	<b>20</b>	<b>2</b>	<b>115</b>
*Dispatched and Cancelled Enroute							
<b>January 1, 2011 to December 31, 2011</b>							
Category	OOOE	OOD29	OODW	OOMB	JTNP	MCT	Total
Medical	0	1	4	1	17	1	24
Fire	10	0	6	0	1	0	17
Traffic	5	2	2	0	3	0	12
Other	2	1	4	1	1	0	9
*D/CER	20	2	43	3	4	1	73
<b>Total</b>	<b>37</b>	<b>6</b>	<b>59</b>	<b>5</b>	<b>26</b>	<b>2</b>	<b>135</b>
*Dispatched and Cancelled Enroute							

Capital Improvement Budget

The department maintains an Apparatus Reserve Fund for equipment replacement and the fund currently has \$245,000. The replacement of Engine 421 is currently planned for FY 2014-2015. The District in its FY 2011-12 Fire Budget identifies the following projects through FY 2015-16. Of note, the expansion and rehabilitation of the downtown station totaling roughly \$1 million is an unfunded project to date.

**FY 2011-12 Fire Capital Budget**

<u>PROJECT:</u>	<u>Fiscal 2011-12 Budget</u>	<u>Estimated Fiscal 2012-13</u>	<u>Estimated Fiscal 2013-14</u>	<u>Estimated Fiscal 2014-15</u>	<u>Estimated Fiscal 2015-16</u>
<i>a.</i> Asbestos Removal, Old Downtown Station (Unfunded)	0	0	0	0	0
<i>b.</i> Replacement Command Pickup	0	0	0	0	45,000
<i>c.</i> Replacement of Engine 421	0	0	0	500,000	0
<i>d.</i> Firefighting and Rescue Equipment	0	0	0	25,000	0
<i>e.</i> Turnout Gear Replacement	6,000	6,000	15,000	15,000	15,000
<i>f.</i> Rescue Equipment, Grant Funded	22,000	0	12,000	12,000	12,000
<i>g.</i> Replacement Radios, Grant Funded	100,000	0	0	0	0
<i>Total Expenditures</i>	<u>128,000</u>	<u>6,000</u>	<u>27,000</u>	<u>552,000</u>	<u>72,000</u>
 <b><u>UNFUNDED PROJECTS:</u></b>					
Expansion and Rehabilitation of Downtown Station		\$975,000			
Asbestos Removal, Old Downtown Station		<u>10,000</u>			
<i>Total Unfunded Projects</i>		<u>\$985,000</u>			

**3. Parcel tax charge by County Fire Zone FP-4**

Parcel 0592-021-19 was historically charged the County Fire FP-4 special tax and CSA 70 Zone M service charges for park and roads, even though it is in the Twentynine Palms Water District (which does fire) and the City (which does parks and roads). This area was annexed to the Water District and the City through LAFCO 2805, and that action removed the area from the County Service Area 70 Zone M (predecessor agency for Wonder Valley fire). The action was memorialized through a State Board of Equalization (BOE) "Statement of Boundary Change". This statement was forwarded by the BOE to the County Assessor for implementation. The tax rate area code (19016) indicates that the parcel is in the City and not within CSA 70, County Fire, or any of their zones. As a part of this service review process, County Fire and the District were informed of this issue.

The County Special Districts Department has notified LAFCO staff that the circumstance has been corrected, the sole parcel has been removed from the CSA 70 Zone M and County Fire Zone FP-4 listings, and that a refund will be issued to the property owner of the tax payments in error. Additionally, Special Districts

Department indicates that the assessment listings for CSA 70 M and Fire Protection Zone FP-4 will be audited this year to verify their accuracy.

#### **4. County Fire Reorganization and County Service Area 70 Tax Share**

As a condition of approval for the reorganization of the county board-governed fire agencies, the ad valorem property tax revenues associated with CSA 70 Zone M were transferred to the South Desert Service Zone and the special tax was transferred to the newly formed Service Zone FP-4. However, during the processing of this service review it was discovered that at least a portion of the ad valorem property taxes associated with Zone M were from the detachment of the territory from the Twentynine Palms Park and Recreation District and were provided to Zone M for park purposes. At this time, LAFCO staff is unclear as to when these revenues were converted for fire purposes and by what action of the Board of Supervisors as the governing body.

#### **5. Disadvantaged, Unincorporated Communities**

The disadvantaged, unincorporated communities within or contiguous to the District's sphere are within the boundaries of County Fire and its South Desert Service Zone. The Wonder Valley community is also within Zone FP-4 of County Fire whereby residents pay a special tax for service.

### **C. Sewer**

There is no community sewage system and waste water is disposed through individual septic tanks and tile field disposal systems<sup>35</sup>. The District is authorized by LAFCO a Sewer function, although its service is currently limited to planning.

In 2007, the District and the City met in a joint session to discuss the need for oversight of packaged treatment plants, since such oversight is mandated by the Regional Water Quality Control Board. Through a joint resolution, the City was designated as the lead agency in the oversight of packaged treatment plants within the City limits, and the District will be provided the opportunity to make recommendations on the standards to be established by the City.

A joint committee (two members each from the City and the Twentynine Palms Water District) has been formed to assess the development of a wastewater management plan and solid nutrient plan.

#### Disadvantaged, Unincorporated Communities

The disadvantaged, unincorporated communities within or contiguous to the District's sphere are also currently on septic systems and leach fields. The Regional Water

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<sup>35</sup> Subsurface drainage removes excess water from the soil profile, usually through a network of perforated tubes installed 2 to 4 feet below the soil surface. These tubes are commonly called "tiles" because they were originally made from short lengths of clay pipes known as tiles. Water would seep into the small spaces between the tiles and drains away.

Quality Control Board has expressed concern over the potential contamination of groundwater resources by nitrates from the improper installation and maintenance of septic systems in Twentynine Palms. There are no plans at this time for construction of a water treatment plant and collection system. Additionally, the City is taking the lead for conducting studies to explore the possibility for a wastewater treatment system. Any community contiguous to the City's sphere desiring connection to any potential system would require at a minimum inclusion within the City's sphere and most likely annexation. Further, any potential connection would most likely include installation and connection fees/charges/taxes. However, the implementation of a water system would be too costly. Population densities are so low that there are not enough customers to financially support the construction of a water system.

#### **IV. Financial ability of agencies to provide services.**

For this section of the report, staff has reviewed the District's budgets, audits, State Controller reports for cities, and County filing records.

##### **A. General Operations and Accounting**

The governmental activities of the District include only fire protection. The business-type activities of the District include only Water operations.

##### **Component Unit**

The reporting entity "Twentynine Palms District" includes the activities of the District and the Twentynine Palms Water District Financing Corporation ("Corporation"). The District and the Corporation have a financial and operational relationship which meets the reporting entity definition criteria of the Government Accounting Standard Board ("GASB") Statement No. 14, "The Financial Reporting Entity", for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District. The Corporation is governed by a five-member board appointed by the District board. Although it is legally separated from the District, the Corporation is reported as a blended component unit of the primary government because its sole purpose is to provide financing assistance to the District for construction and acquisition of major capital facilities.

##### **B. Cash and Investments**

The chart below shows cash and investments for the past three fiscal years. The District has identified that it experienced a 28% decrease in Temporary Investments at the end of FY 2009-10 due to the completion of a significant number of capital projects and capital purchases during that year. The expenditures included the completion of a reservoir, a production well, a transmission pipeline, as well as other equipment and infrastructure projects. These items were included in the District's capital budget for that year or were carried over from prior year's capital budgets.

**Cash and Investments**

	2008-09	2009-10	2010-11
Statement of Net Assets			
Cash	\$114,203	\$132,000	\$138,729
Temporary Investments	6,921,798	5,017,151	4,474,529
Restricted *			
Cash	356,750	357,285	357,776
Temporary Investments	300,000	550,000	550,000
<b>Total Cash &amp; Investments</b>	<b>7,692,751</b>	<b>6,056,536</b>	<b>5,521,034</b>

\* Restricted cash and temporary investments are temporarily restricted as to withdrawal or use for other than current operations. The District has temporarily restricted these deposits and investments for the acquisition or construction of non-current assets and the liquidation of long-term debt.

**C. Water Fund (Business-Type Activity)**

Long-Term Debt

At the end of the current fiscal year, the Twentynine Palms Water District had total bonded debt outstanding of \$2,108,231, including the portion that is due within one year. All of the District's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) of the Water Fund. All outstanding debt was incurred for the benefit of the Water Fund and accordingly is the sole responsibility of the Water Fund.

*2002 Refunding Certificates of Participation*

On October 9, 2002, the District issued \$2,386,090 in 2002 refunding certificates of participation with an interest rate of 4.27% due through 2012. The purpose of the issuance was to advance refund \$2,810,000 of outstanding 1992 certificates of participation with interest rates ranging from 5.00% to 7.10%. Net revenues of the District are pledged to retirement of the certificates of participation. The certificates were paid off based on the prepayment price plus accrued interest and the refunded certificates are no longer outstanding.

*State of California, Department of Water Resources Loan*

The District contracted with the State of California, Department of Water Resources, for a loan under the Water Conservation and Water Quality Bond Law. Proceeds from the loan were used for the Phase I District Pipeline Replacement. As of June 30, 2011, the District had received \$4,872,379 of \$5,000,000 approved under the loan agreement. Interest is payable semiannually at 3.4375% per annum from the date loan drawdowns are received from the State, over a loan amortization period of 20 years. The District has agreed to provide for the accumulation of necessary reserves in accordance with Section 12 of the Contract to assure that funds will be available to make the semiannual payments when due.

Net Assets

Most of the District's net assets are invested in water capital assets. The Water Fund's net assets have steadily increased for the past five years, by 8%. As of June 30, 2011, the Water Fund had \$30.1 million in net assets. Of this amount \$4.5 million is unrestricted.

**Net Assets – Business-Type Activities (Water)**

	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Net Assets – Business Activities</b>					
Invested in capital assets – net of related debt	\$21,258,368	\$21,609,970	\$22,270,807	\$29,752,139	\$25,270,287
Restricted for: Debt Service	159,815	330,961	57,695	357,285	357,776
Restricted for: Construction	267,262	0	215,082	208,466	0
Unrestricted	6,296,464	6,588,637	6,507,097	4,462,262	4,497,865
<b>Net Assets</b>	<b>27,981,909</b>	<b>28,529,568</b>	<b>29,050,681</b>	<b>29,752,139</b>	<b>30,125,928</b>

Revenues and Expenditures

The District's largest revenue types are typically Water Sales and Ready-to-Serve charges, which together represent 80 percent of the Water Fund's total revenue for the year. Water Sales are based on the amount of water delivered to the customer while the Ready-to-Serve rates are the meter charge based on meter size. Water rates increased in July 2010 and again in July 2011. At this time, LAFCO staff is unaware of any proposed rate increase for July 2012.

The Water Fund receives water availability assessments (Water Standby) of \$30 for each parcel that is one acre or less, whether serviced or unserviced. These amounts are increased by amounts ranging from \$7.50 (for each acre > five-acres) to \$8.00 (for each acre from 1 to 5 acres). The maximum that can be assessed per parcel is \$1,200. This assessment helps pay the capital costs incurred by the District to make water available (for any purpose) throughout the District, whether the water is actually used or not. This assessment is levied on all parcels within the District boundaries excepting lands receiving "fire only" service or those owned by the Bureau of Land Management.

For FY 2010-11, water sales were \$2,544,757 for the year and represent 55 percent of total revenue. Other revenue sources included Ready-to-Serve Charges of \$1,151,870; Water Availability Assessments – \$602,246; Investment Interest and Penalties - \$103,160; Capital Impact Fees - \$38,752; and Property Leases - \$104,427. Salaries and benefits saw increases primarily from higher retirement and medical benefits. The increase in depreciation was the result of significant capital assets being placed in service during the year while the use of additional bulk chemicals during the year was the primary reason for the increase in Supplies Expense. That increase in volume was the result of the District treating a higher volume of water in FY 2010-11 compared to the prior year. Salaries and

Benefits represent 34 percent of total expenses while Depreciation accounts for 30 percent of expenses.

The figure below is taken from the FY 2011-12 Water Budget and identifies the actual and estimated revenues and expenditures for four fiscal years.

	Fiscal 2010-11	Fiscal 2011-12	Fiscal 2012-13	Fiscal 2013-14
	Projected	Budget	Estimated	Estimated
<b><u>REVENUES:</u></b>				
Water Sales and Ready to Serve Charges	\$3,643,000	\$3,826,000	\$3,826,000	\$4,055,000
Other Operating Revenues	221,000	212,200	212,200	212,200
Water Availability Assessment	601,000	601,000	601,000	601,000
Interest Revenues	20,000	20,000	20,000	20,000
Other Non-Operating Revenues	178,000	129,600	129,600	129,600
Grant Funds	0	0	0	0
<b>TOTAL REVENUES</b>	<b>\$4,663,000</b>	<b>\$4,788,800</b>	<b>\$4,788,800</b>	<b>\$5,017,800</b>
<b><u>OPERATING EXPENDITURES</u></b>				
Salaries and Benefits	\$1,474,130	\$1,678,657	\$1,805,887	\$1,915,866
Materials and Supplies	614,500	668,500	695,240	723,050
Outside Services	354,500	401,500	413,545	455,951
Equipment Costs	135,000	130,000	130,000	130,000
Telephone and Utilities	398,800	421,000	442,050	464,153
Insurance and Workers' Compensation Ins.	64,000	87,620	92,001	96,601
Permits and Fees	31,000	33,000	33,825	34,671
Uncollectable Accounts	50,000	50,000	50,000	50,000
Training, Seminars, Certifications, Travel, Dues & Subscriptions	44,500	50,000	51,000	52,020
Fire Department Reimbursements	(40,554)	(41,823)	(43,078)	(44,370)
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$3,125,876</b>	<b>\$3,478,454</b>	<b>\$3,670,471</b>	<b>\$3,877,941</b>
<b><u>NON-OPERATING EXPENDITURES AND TRANSFERS</u></b>				
Debt Service	\$632,477	\$632,477	\$485,811	\$339,145
Capital Improvements	220,000	500,000	1,080,000	800,000
Replacement & Rehabilitation Expenditures	510,000	485,000	155,000	175,000
Transfer To (From) Debt Reserve-Internal	0	0	0	0
Proceeds From Debt Offering	0	0	0	0
Debt Retirement	0	0	0	0
<b>TOTAL NON-OPERATING EXPENDITURES &amp; TRANSFERS</b>	<b>\$1,362,477</b>	<b>\$1,617,477</b>	<b>\$1,720,811</b>	<b>\$1,314,145</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$4,488,353</b>	<b>\$5,095,931</b>	<b>\$5,391,282</b>	<b>\$5,192,086</b>
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$174,647</b>	<b>(\$307,131)</b>	<b>(\$602,482)</b>	<b>(\$174,286)</b>

#### D. Fire Fund (Governmental Activity)

##### Long-Term Debt

There is no debt for the fire activities of the District.

##### Net Assets

The Fire Fund's net assets have steadily increased for the past five years, by 11%. As of June 30, 2011, the Fire Fund had \$2.7 million in net assets. Of this amount \$1.6 million is unrestricted.

Net Assets – Governmental Activities (Fire)

	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Net Assets – Governmental Activities</b>					
Invested in capital assets – net of related debt	\$1,173,754	\$1,093,406	\$1,071,449	\$960,193	\$1,106,690
Restricted for: Debt Service	0	0	0	0	0
Unrestricted	1,274,192	1,402,378	1,407,089	1,680,684	1,603,347
<b>Net Assets</b>	<b>2,447,946</b>	<b>2,495,784</b>	<b>2,478,538</b>	<b>2,640,877</b>	<b>2,710,037</b>

Twentynine Palms and Wonder Valley Service Reviews  
May 7, 2012

	2006-07	2007-08	2008-09	2009-10	2010-11	4-yr Var.
<b>ASSETS</b>						
Temp. Investments	\$ 1,274,038	\$ 1,299,731	\$ 1,261,515	\$ 1,253,791	\$ 1,193,207	-6%
Accounts Receivable	93,572	144,192	188,499	465,302	509,977	445%
Other	43,904	29,554	33,561	17,897	24,497	-44%
Total Assets	1,411,514	1,473,477	1,483,575	1,736,990	1,727,681	
<b>LIABILITIES</b>						
Deferred Revenue	-	-	158,585	424,472	477,632	
Other	137,322	71,099	43,029	22,704	75,014	-45%
Total Liabilities	137,322	71,099	201,614	447,176	552,646	302%
<b>FUND BALANCE</b>						
Unassigned (Unreserved)	1,274,192	1,402,378	1,281,961	1,289,814	930,035	-27%
Apparatus Reserve					245,000	
Total Fund Balances	\$ 1,274,192	\$ 1,402,378	\$ 1,281,961	\$ 1,289,814	\$ 1,175,035	-8%
<b>REVENUES</b>						
Fire Special Tax	\$ 1,219,777	\$ 1,233,297	\$ 1,183,804	\$ 1,216,897	\$ 1,196,705	-2%
Other	121,848	90,840	138,627	58,008	49,110	-60%
Total Revenues	1,341,625	1,324,137	1,322,431	1,274,905	1,245,815	-7%
<b>EXPENDITURES</b>						
Staff Payroll & Benefits	604,812	658,878	748,093	750,157	806,418	33%
Volunteer Payroll & Ben.	112,802	107,866	123,934	122,254	154,047	37%
Communications	98,100	104,210	116,003	87,580	102,913	5%
Capital Outlay	86,623	75,386	143,790	38,683	31,907	-63%
Other	242,863	249,611	236,008	268,378	265,309	9%
Total Expenditures	1,145,200	1,195,951	1,367,828	1,267,052	1,360,594	19%
Revenue less Expenditure	\$ 196,425	\$ 128,186	\$ (45,397)	\$ 7,853	\$ (114,779)	
Fund Balances, Beginning	1,077,767	1,274,192	1,327,358	1,281,961	1,289,814	20%
Fund Balances, Ending	\$ 1,274,192	\$ 1,402,378	\$ 1,281,961	\$ 1,289,814	\$ 1,175,035	-8%

Moving beyond the FY 2010-11 audit year, the figure below was provided by the District identifying budget projections through FY 2013-14 following the defeat of its special tax election on April 25, 2012. For FY 2011-12 and FY 2012-13, the estimated deficit of expenditures over revenues is \$168,134 and \$244,202, respectively. According to the Twentynine Palms Fire Chief, the reduction in Contingency and Apparatus Reserves in FY 2012-2013 is for the transfer of those funds to Unrestricted Fund Balance to provide enough working capital to begin FY 2013-2014. This is how the District would achieve two more years of providing the current service level before the Fire Fund becomes insolvent. This continuing decrease in fund balance prompted the District to put forth a measure on the special mail election this April (Measure H) to increase the District's special fire tax

from \$80 to \$120 per unit and allow for a \$6 annual tax increase for ten years following 2013. The FY 2013-14 estimate previously provided to LAFCO staff includes a revenue, of roughly \$536,000. Passage of the measure required 2/3 approval of votes cast, however the measure only received 48% "Yes" votes.

FY 2012-13 Fire Budget

	Fiscal 2010-11 Actual	Fiscal 2011-12 Projected	Fiscal 2012-13 Proposed Budget	Fiscal 2013-14 Estimated
<b><u>REVENUES</u></b>				
Operating Revenues	\$ 1,199,080	\$ 1,217,000	\$ 1,201,000	\$ 1,206,000
Donations and CPR Training Revenues	4,790	2,500	7,000	7,000
Grant Revenue	0	114,298	0	0
Non-Operating Revenues	41,944	45,000	33,000	31,000
<b>Total Revenues</b>	<b>\$ 1,245,814</b>	<b>\$ 1,378,798</b>	<b>\$ 1,241,000</b>	<b>\$ 1,244,000</b>
<b><u>EXPENDITURES</u></b>				
Salaries & Benefits, Paid Staff	\$ 780,256	\$ 855,400	\$ 901,527	\$ 953,200
Volunteer Operations	132,444	130,600	133,000	133,000
Materials and Supplies	29,967	23,900	30,200	30,804
Governmental Charges, SBCO	1,800	26,800	16,800	2,136
Utilities	30,833	26,800	29,700	30,591
Dispatching Fees	100,708	101,024	92,000	96,600
Repair and Maintenance	99,682	86,800	104,500	111,590
Insurance, Bonds and Workers Compensation	62,031	62,400	64,000	65,920
Overhead Allocation	40,554	41,708	45,375	46,963
Training, Travel & Conferences	11,610	11,000	14,600	14,892
Dues, Subscriptions, Books & Films	2,195	2,500	2,500	2,550
Legal Services and Professional Services	30,840	50,000	40,000	30,000
<b>Total Expenses Before Capital Expend.</b>	<b>\$ 1,322,920</b>	<b>\$ 1,418,932</b>	<b>\$ 1,474,202</b>	<b>\$ 1,518,246</b>
<b><u>NON-OPERATING EXPENDITURES</u></b>				
Capital Expenditures		128,000	6,000	6,000
Expenditures From Donated Funds - General		0	5,000	5,000
<b>Total Expenditures</b>		<b>\$ 1,546,932</b>	<b>\$ 1,485,202</b>	<b>\$ 1,529,246</b>
<b>Total Revenue Less Total Expenditures</b>		<b>\$ (168,134)</b>	<b>\$ (244,202)</b>	<b>\$ (285,246)</b>
Addition (Reduction) To Contingency Reserve		0	(56,713)	0
Addition (Reduction) To Apparatus Reserve		0	(245,000)	0
<b>Change in Working Capital Balance</b>		<b>\$ (168,134)</b>	<b>\$ 57,511</b>	<b>\$ (285,246)</b>
<b>Beginning Working Capital Balance</b>		<b>\$ 846,298</b>	<b>\$ 678,164</b>	<b>\$ 735,675</b>
<b>Ending Working Capital Balance</b>		<b>\$ 678,164</b>	<b>\$ 735,675</b>	<b>\$ 450,429</b>
<b>Working Capital Required at Start of Year to Meet Cash Flow Needs, Based on \$1,518,246 Budget</b>				<b>\$ 632,603</b>

At this rate, with all things remaining constant, the Fire Fund is projected to exhaust its fund balance by the end of FY 2014-15. Unfortunately, the County's first distribution of taxes occurs in November/December. Therefore, the beginning fund balance would need to have enough funds to operate for five months, or roughly \$600,000. Without a proper beginning fund balance, funds would be exhausted a few months into FY 2013-14. The figure below compares Revenues, Expenditures, and Fund Balance from FY 2006-07 through FY 2013-14. As shown, Expenditures are estimated to increase by 34% while Revenues are estimated to decline by 7%. The estimated result will be decrease in fund balance by 65% within seven years, thereby resulting in service delivery and sustainability challenges.

Seven Year Variance

	2006-07	2013-14	7-yr Var.
Revenues	\$ 1,341,625	\$ 1,244,000	-7%
Expenditures	1,145,200	1,529,246	34%
Rev less Exp	196,425	(285,246)	
Fund Balance End	\$ 1,274,192	\$ 450,429	-65%

*Appropriation Limit (Gann Limit)*

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative)<sup>36</sup>, the District is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. Furthermore, Section 5 of Article XIII B allows the District to designate a portion of fund balance of general contingencies to be used in future years without limitation.

Section 1.5 reads that the annual calculation of the appropriations limit for each entity of local government shall be reviewed as part of an annual financial audit. A review of the financial statements for the past five fiscal years does include a review of the annual calculation of the appropriations limit.

Government Code Section 7910<sup>37</sup> expands upon the Gann Initiative and requires each local government to annually establish its appropriation limits by resolution. For FY 2011-12, the District adopted an appropriation limit of \$1,621,187 related to its special tax only.

**D. Post-Employment Benefits**

<sup>36</sup> In 1979 the voters amended the California Constitution by passing Proposition 4 (the Gann Initiative), requiring each local Government to set an annual appropriations limit (the Gann Limit).

<sup>37</sup> Added by Stats.1980, c. 1205, p. 4059, § 2. Amended by Stats.1988, c. 1203, § 1; Stats.2007, c. 263 (A.B.310), § 25.

Pension

The Twentynine Palms Water District contributes to the California Public Employees Retirement System (PERS).<sup>38</sup> PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. The contract offers a "3% at 60" for Miscellaneous Plan Members and "3% at 55" for Safety Plan Members. The most recent financial statements for the District identify that it has contributed 100% of its annual pension cost for at least the past three years.

Other Post-Employment Benefits

The District's defined benefit post-employment healthcare plan, (Twentynine Palms Water District Post-Retirement Medical Benefits Program, "TPPRMBP"), provides medical benefits to eligible District employees and spouses. TPPRMBP is a single employer defined benefit healthcare plan administered by the District. A menu of benefit provisions are established through the District's group health insurance plan, which covers both the active and retired members.

The contribution requirements of plan members and the District are established and may be amended by the Board. The District contributes 90% of the employee's and 75% of the spouse's medical insurance premiums until age 65. The District is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. ARC current rate is 5.7% of the annual covered payroll. The plan is financed on a pay-as-you-go basis.

At June 30, 2010, the Net OPEB Obligation was \$68,818. For FY 2010-11, the OPEB cost (expense) was \$81,187 (\$79,469 plus interest on the Net OPEB Obligation) for the year the District contributed 15%, or \$12,194. At June 30, 2011, the Net OPEB Obligation increased to \$137,811, as shown below:

Annual Required Contribution	\$ 79,469
Interest on net OPEB Obligation	5,333
Adjustment to Annual Required Contribution	(3,615)
Annual OPEB Cost (Expense)	81,187
Contributions Made	(12,194)
Increase in Net OPEB Obligation	68,993
Net OPEB Obligation - Beginning of the Year	68,818
Net OPEB Obligation - End of the Year	\$ 137,811

<sup>38</sup> PERS issues a Comprehensive Annual Financial Report (CAFR). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

**E. Filing Requirements**

Government Code Section 26909 requires districts to file a copy of its annual audit with the county auditor within 12 months of the end of the fiscal year. According to records from the County Auditor, the last audit received was in October 2011 for FY 2010-11.

**V. Status of, and opportunities for, shared facilities.**

There are no shared or duplication of facilities.

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

The District is an independent special district governed by a five-member board of directors elected at-large. Membership elections are held in odd years as a part of the general district mail ballot election. Five board members are elected at large to four-year overlapping terms. For the August 2009 general election, there were 5,884 registered voters within the District with a 28% voter turnout for that election. Two seats were up for election in 2011. However, since the number of candidates who filed a declaration of candidacy did not exceed the number of seats a scheduled election was not held in 2011. Therefore, the two seats were appointed in-lieu of election. Below is the composition of the current council, their positions, and terms of office:

Board Member	Title	Term	Appointed/Elected
Philip C. Cisneros	President	2013	Elected
Kerron E. Moore, Jr.	Vice-President	2015	Appointed
Chancey Chambers	Director	2013	Elected
Nicholas Bourikas	Director	2015	Appointed
Roger Shinaver	Director	2013	Elected

Regular Board of Directors Meetings are held on the fourth Wednesday of each month at 6 p.m., in the District's administration building located at 72401 Hatch Road in Twentynine Palms. Board meetings are also televised on cable channel 10 at 10 a.m. on the first Saturday and 5 p.m. on the first Sunday of the next month following the meeting.

**Operational Efficiencies**

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

- A joint committee (two members each from the City and the Water District) has been formed to assess the development of a wastewater management plan and solid nutrient plan.

- The City purchased a fire ladder truck during FY 2010-11 from the Fire Development Impact Fees Capital Projects Fund. The Water District operates and maintains the truck and is contracted to repay the purchase cost to the City.
- The District is a participant in the Association of California Water Agencies Joint Powers Insurance Authority ("JPIA"), which was organized for the purpose of providing liability insurance for the member agencies. The JPIA is a risk-pooling self-insurance authority.
- The District is a participant of the Worker's Compensation Program of the Special District's Risk Management Authority (the "Authority"). The Authority was created for the purpose of providing workers' compensation insurance to its member agencies.

#### 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

There are no out-of-agency service agreements approved by LAFCO authorizing the District to provide service outside of its boundaries. The District has identified that it does have a small amount of bulk water hauling activity within the community. The District maintains one site where private individuals and a small number of commercial water haulers purchase water that is used both inside and outside District boundaries. Generally, this water is consumed by households where infrastructure is not available. Further, through state-mandated mutual aid agreements, the fire department responds to calls outside of its boundaries.

#### Government Structure Options:

The State has published advisory guidelines for LAFCOs to address all of the substantive issues required by law for conducting a service review<sup>39</sup>. The Guidelines address 49 factors in identifying an agency's government structure options. Themes among the factors include but are not limited to: more logical service boundaries, elimination of overlapping boundaries that cause service inefficiencies, economies of scale, opportunities to enhance capital improvement plans, and recommendations by a service provider.

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<sup>39</sup> State of California. Governor's Office of Planning and Research. "Local Agency Formation Commission Municipal Service Review Guidelines", August 2003.

In some cases, functional consolidation or integration can reduce costs so that services can be maintained and improved with fewer dollars. The following scenarios are not being presented as options for the Commission to consider for action as a part of this service review. Rather, a service review should address possible options, and the following are theoretical, yet possible, scenarios for the community to consider for the future. Movement towards these scenarios would include, but not be limited to, the requirement to prepare a plan for service, fiscal impact analysis, and any other studies deemed necessary.

## Fire

The information presented in the Financial section of this report for the District concludes that the District's Fire operations are unsustainable as presently configured. Therefore, a change in governance for its Fire service will need to be considered. Given this, options regarding District expansion cannot be considered (such as expanding into Wonder Valley). Any scenario concerning the transfer of the District's fire function needs to consider service within the City and to the unincorporated portion of the District.

1. City as the agency responsible for fire protection. Removal of the District's fire function would require the City to become responsible for fire protection within its boundaries as mandated by state law.<sup>40</sup> The City would then succeed to the Water District's special fire tax and fire assets and liabilities within the city as well as any fire assets purchased with City funds. Being the agency responsible for this service, the City would have two options:
  - a. The City could provide the service directly, or
  - b. The City could contract with another agency (San Bernardino County Fire Protection District or CalFire) for the provision of the service. In this scenario, the City remains as the agency responsible but contracts for the service level that it can afford.

As for the unincorporated portion, the remainder of the Water District's fire service area would be unsustainable as a stand-alone agency since the majority of the property tax that supports the fire function is derived from within the City. Therefore, it would have to annex to the San Bernardino County Fire Protection District ("County Fire") and its South Desert Service Zone as there would be no other agency able to continue service. County Fire would then succeed to the Water District's assets and special fire tax and fire assets and liabilities within the unincorporated area. Additionally, County Fire would need to form a zone to isolate the special tax revenues which would require an annual budget and audit.

2. County Fire as sole agency responsible. Should the City desire not to be responsible for fire protection within its boundaries, the territory of the Water District could annex to County Fire. This would require the expansion of the County Fire sphere of influence, the City's consent to the annexation of the City by County Fire,

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<sup>40</sup> Government Code Section 38611.

which would remove the City's service responsibility.<sup>41</sup> In that case, County Fire would succeed to all of the Water District's assets and liabilities and special tax. Additionally, County Fire would need to form a zone utilizing the Water District's boundaries to isolate the special tax revenues generated which would require an annual budget and audit.

## Water

3. Twentynine Palms Water District becoming a subsidiary district of the City. In order for the Water District to become a subsidiary district of the City, at least 70% of registered voters in the District must reside in the City **and** at least 70% of the District's territory must be within the boundaries of the City.
  - a. For the August 2009 election (the most recent election for the District) the District contained 5,884 registered voters and approximately 5,332 voters of the District were within the City.<sup>42</sup> At 91%, the District meets the threshold for territory within the boundaries of the City.
  - b. The District encompasses 56,919 acres (88.9 square miles) and 35,144 acres (54.9 square miles) of the District is within the boundaries of the City. The District does not meet the territory threshold because only 61.7% of the District's territory is within the boundaries of the City.

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<sup>41</sup> Government Code Section 38611.

<sup>42</sup> County of San Bernardino Registrar of Voters, Statement of Votes Cast, General District Election, August 2009.



Annexation Proposal for the  
Community of  
Twentynine Palms

Plan for Service

September 18<sup>th</sup>, 2015

RECEIVED  
SEP 21 2015

LAFCO  
San Bernardino County

## **Background:**

### **History-**

The Twentynine Palms Fire Department was formed on August 7<sup>th</sup>, 1958, by the County Water Board, under the auspice of providing fire protection services to the community of Twentynine Palms. The California Department of Forestry had relocated their operations to their new facility in the area of Yucca Valley and left a service delivery gap in the community of Twenty Nine Palms.

Over time the Twentynine Palms Fire Department evolved into a two station fully staffed BLS (Basic Life Support) service delivery model, providing fire, rescue and EMS functions to the citizens of the City of Twentynine Palms and surrounding communities.

Through attrition and funding shortfalls the foundation for service has eroded and there are currently 5 full time personnel (including the Fire Chief), providing constant staffing in compliance with OSHA 29 CFR, Part 1910.134 (g)(3)&(4), California Code of Regulations: 8 CCR § 5144 (g) (3)(4) and N.F.P.A. 1500 (2007 edition) 2 in, 2 out standards, augmented by a small Paid Call Firefighter and volunteer force.

### **Recent Activities-**

On June 8<sup>th</sup>, 2015, the Twentynine Palms Water District and the Twentynine Palms City Council voted on recommendations from the Twentynine Palms Fire Department Fire Chief Jim Thompson and City Manager Frank Luckino, to form a 4-person ADHOC committee with two representatives each from the City of Twentynine Palms and Twentynine Palms Water District Board.

From the Water District, Board Chair Kerron "Sam" Moore and Director Carol Giannini were selected and from the City, Mayor Pro-Tem Daniel Mintz Sr. and Councilmember John Cole.

The first ADHOC meeting was held at the Twentynine Palms Water District chambers, with all ADHOC committee members present, along with Twentynine

Palms City Manager Luckino, Twentynine Palms Fire Chief Thompson, San Bernardino County Fire District Division Chief Chamberlin and Twentynine Palms Water District Finance Manager Byerrum. The focus of this presentation was the past history and current situational update of the Twentynine Palms Fire Department. This also included a historical documentation of pre and post proposition 218 funding, along with both successful and unsuccessful tax measures with results.

The second ADHOC meeting was held at the Twentynine Palms City Council chambers on July 20<sup>th</sup>, 2015 (1000 hours) with all ADHOC members, along with Twentynine Palms City Manager Luckino, Twentynine Palms Fire Chief Thompson, San Bernardino County Fire District Division Chief Chamberlin and Twentynine Palms Water District Finance Manager Byerrum present. This meeting encompassed the San Bernardino County Fire District service delivery model and funding option.

At the conclusion of this meeting, Twentynine Palms Water District Board Chair Moore indicated that a special meeting would be called at the Twentynine Palms Water District for further consideration of a LAFCO application.

On August 5<sup>th</sup>, 2015, the Twentynine Palms Water District convened a special meeting for consideration of a LAFCO annexation application. The meeting heard presentations from both Twentynine Palms Fire Chief Thompson and San Bernardino County Fire District Division Chief Chamberlin on history and service models.

At the end of the meeting, a motion was made and carried on a 4-1 Vote with Director Giannini dissenting to establish the initial application packet for consider by LAFCO with a target transitional date of July 1<sup>st</sup>, 2016 for service.

On August 19<sup>th</sup>, 2015 the Twentynine Palms City Council called a special meeting for consideration of a Resolution of support for a LAFCO application for annexation of the Twentynine Palms Fire Department into the San Bernardino County Fire District, with divestiture of the City of Twentynine Palms' interest in providing such services under the City's general plan.

Presentations were made by Twentynine Palms City Manager Luckino and San Bernardino County Fire District Division Chief Chamberlin and the vote carried forward in support of the resolution by a 4-1 vote with Councilmember Heiser dissenting.

On August 26<sup>th</sup>, 2015 the Twentynine Palms Water Board again convened and this time voted in favor of their Resolution in support of the LAFCO annexation of the Twentynine Palms Fire Department to the San Bernardino County Fire District and divesture of the their fire powers. (Appendix A – Twentynine Palms Water District Resolution No. 15-14)

On September 15<sup>th</sup>, 2015 the San Bernardino County Board of Supervisors, acting as the Board of the San Bernardino County Fire District, voted to adopt a Resolution in support of both the Twentynine Palms Water District and City of Twentynine Palms Resolutions, for consideration of a LAFCO application annexing the fire powers, assets, liabilities and service delivery effective July 1<sup>st</sup>, 2016, to the San Bernardino County Fire District. (Appendix B – Report/Recommendation to the Board of Directors of the San Bernardino County Fire Protection District Item # 79, Appendix C – Resolution by the Board of Directors of San Bernardino County Fire Protection District # 2016-182)

## **Financial Background:**

The Twentynine Palms Water Fire Department is a subsidiary of the Twentynine Palms Water District. Upon incorporation in November of 1996, the local community leaders decided to have the “fire powers” remain under the control and interest of the Twentynine Palms Water District. This allowed a zero 0% allocation of the ad valorem tax apportionment for fire protection.

Attached is a historical documentation of tax measures that have been proposed, approved or denied within the boundaries of the Twentynine Palms Water District since 1985.

Beginning in 1985, there was an initial assessment of \$33.85 per parcel or dwelling unit, that allowed for a Water Board approved inflationary measure and protest period. This was successful until the California voter approved Proposition 218 measure in 1996, which rolled back or negated all together special tax measures. The final termination amount for this measure in FY96/97 was \$57.00.

In June 1997, the Water District voters approved by a 72% margin a new tax starting at \$54.00. The measure was designed to be sustaining for 5 years, however, it carried the Twentynine Palms Fire Department for 8 years, until March 2005.

In March 2004, an attempt at a replacement tax with an inflationary measure was put on the ballot "Measure A". This measure began its rate at \$80.00 and had a built in 2% annual inflationary adjuster. The vote was unsuccessful garnering on 54%.

In March 2005, a replacement tax, "Measure J", was approved by the voters at a flat rate of \$80. This measure contained no inflationary assessment and has since become a direct source of fiscal erosion within the Twentynine Palms Fire Department. This measure was approved by the voters at just of 70% of the vote and has remained unchanged or adjusted in any way for the past 11 years.

In April 2012, an attempt to enhance funding called "Measure H" was defeated by the voters, only garnering 48% of the vote. This measure called for a starting rate of \$120 and an annual inflationary fixed amount of \$6 per year, for an additional ten years.

The Twentynine Palms Water District is not able to enhance the Fire Department's funding nor act as a revenue stream as they are required by law to only bill for goods and services directly related to their service delivery and mission. (Appendix D – FIRE TAX HISTORY and ASSUMPTIONS, Appendix E – Twentynine Palms Water District Board of Directors Ordinance #89)

## **Previous LAFCO Service Review**

The Twentynine Palms Water District and Fire Department underwent a LAFCO services review study, Resolution #3162 in June 2012. The study found that the funding mechanisms in place could not sustain operations and further annexation of the area by the Twentynine Palms Fire Department would not be approved due to these factors. (Appendix F – LAFCO Service Review Resolution #3162)

The Resolution further recommended transfer of Fire Powers to the City of Twentynine Palms as the service provider as outlined in Government Code Section 38611. If the City of Twentynine Palms opted to take on Fire Powers, it would have to continue service delivery to the unincorporated areas of the County, in which the Twentynine Palms Water District currently provides fire services.

The City of Twentynine Palms would then have to determine it's own best service delivery modeling by either:

- A) Providing it's fire service delivery model or;
- B) It could contract with another agency such as the County of San Bernardino or CalFire as examples.

In either example, the City of Twentynine Palms would remain responsible for the service delivery model.

Resolution #3162 also afforded an additional option to the agencies involved in that there could be a potential for annexation into the County of San Bernardino. This would transfer all Twentynine Palms Fire Department assets into the district and charge the San Bernardino County Fire District with the responsibility for service delivery both within the City of Twentynine Palms and the unincorporated areas of the County (current Water District boundaries).

The annexation model would need to create a new zone overlaying the existing Water District boundaries, for establishment of the funding revenue source via within the newly formed zone.

## **Identified assets and liabilities**

The Twentynine Palms Fire Department currently has possession of two separate fire station structures:

Fire Station #421:

6560 Adobe Rd, Twentynine Palms CA 92277

APN# 0617-115-26

Structure size: 7,043 square feet

Lot size approximately .75 acres

Fire Station #422:

3834 Lear Ave, Twentynine Palms CA 92277

APN# 0610-041-02

Structure Size: 6,500 square feet

Lot Size approximately 6.78 acres (Appendix G – Physical Location of Twentynine Palms Fire Department Stations – APN #)

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## Vehicle Inventory

(Appendix H  
- Fleet)

Stock #	Unit #	Type	Year	Make	Miles
1020	R422	Light & Air	1986	Ford/E-One	91011
1022	E421A	Engine	1993	E-One/Protector	152091
1027	E422	Engine	2000	International/Pierce	105703
1028	UT421A	Utility	2001	Ford F150	175711
1029	BP421	Brush Patrol	2002	Ford F550 4x4/Pierce	84107
1030	CH5000	Utility	2003	Ford F150 4x4	128970
1032	E421	Engine	2007	Pierce/Enforcer	120446
1033	UT421	Utility	2008	Ford F150 4x4	70725
1034	T421	Truck	1997	Pierce/Dash 75' Aerial	117082

There are no identified liens or holdings outside of the Twentynine Palms Water District on and of the identified Fire Station or apparatus.

Fire Station #422 is currently under a cooperative agreement for approximately \$2,700.00 per annum with Copper Mountain College for a facilities use agreement, terminable as necessary.

There are no currently identifiable Assistance to Firefighter Grant (AFG), Department of Homeland Security (DHS) or State of California Officer of Emergency Services (OES) based apparatus, personnel or equipment that requires ongoing tracking.

The Twentynine Palms Firefighters are working under a current MOU for salary and benefits until May 2016. A temporary successor MOU or side letter agreement will need to be addressed.

The single highest and only identified liability that is in need of solution is the unfunded pension liability due to CALPERS. There is a previous calculation from CALPERS of approximately \$1,900,000.00. We have requested an actuarial study from CALPERS and anticipate the final numbers for completion into the required fiscal documentation in November 2015.

## **Plan for Service Delivery**

The San Bernardino County Fire District has indicated that their standard model of delivery is a 3 person ALS (Advanced Life Support) Paramedic Engine or Truck Company for a single resource fire station.

The delivery model would include at least one daily Paramedic based on the mandatory statutes set forth by ICEMA (Inland County Emergency Medical Agency), which functions as the governing body for the oversight of medical care within San Bernardino County.

A large component of the annexation is the incorporation of the regionalized service delivery modeling. Each apparatus will be outfitted with GPS/AVL (Global Positioning System/Automatic Vehicle Location) technology to assist in location services and through our CAD (Computer Aided Dispatch), MDC (Mobile Data Computer) providing updated instant mapping capability and via the location services the deployment of the closest possible resource to meet the demand for any incident at any time.

By integrating resources from across the Morongo Basin, the best available and most efficient model for service delivery is achieved.

During the initial phase of the annexation, operations will begin with a \$1,000,000 operating budget earmarked from the Twentynine Palms Fire Department reserve funding.

This revenue has been outlined in the initial outlay for service delivery from July 1<sup>st</sup> 2016 to approximately December 1<sup>st</sup>, 2016, in which the first tax roles from the newly created FP-5 Twentynine Palms will start to fund.

As part of the approved application, the proper documentation will be filed with the San Bernardino County Tax Assessor's office requesting dissolution of the existing Twentynine Palms Water District Special Tax for Fire Protection. It will then be replaced by the San Bernardino County Fire District FP-5, with a subset of

Twentynine Palms as the new overlay. This collection of these funds will not commence until the November 2016 property tax collection cycle and will become available to the San Bernardino County Fire District starting in December 2016.

The new FP-5 Twentynine Palms Zone would incorporate an entire overlay of the existing Twentynine Palms Water District. A review of the Twentynine Palms Water District overlay resulted in the following findings:

Encompassed within the Twentynine Palms Water District is 16,495 parcels. Of these parcels 1,232 are government owned and are not required to pay the tax. This leaves the total parcel count at 15,263 parcels based on the current overlay of the district.

Based on the approved current tax of \$143.92 x's 15,263 parcels, the anticipated revenue \$2,196,650.96 for FY16/17. (Appendix I – 5 year projected budget documentation)

This spending plan is designed to allow for a rapid escalation of Capital Replacement funding. The Capital Replacement funding includes replacement of all functional materials directly related to service delivery within an ALS fire based service delivery model.

Also identified is equipment replacement for the Type 1 fire engine and 1/30<sup>th</sup> of a new Aerial Platform for truck company operations to serve the basin. This will be factored directly between Twentynine Palms and Yucca Valley for service delivery.

This staffing model requires \$1,589,103 based on salary and benefits starting in 16/17 and with a 2% inflationary measure per year, ending the five-year forecast (FY20/21) at \$1,823,532.24.

Services and Supplies budget for FY16/17 requires \$844,495. This includes a one-time purchase of SCBA (Self Contained Breathing Apparatus) for replacement of equipment in conjunction with a full County-Wide replacement to insure continuity for crew safety.

Total operating expenses for FY 16/17 is \$2,307,134.49. This amount does not include any unfunded retirement obligations which are pending in negotiations.

For FY17/18 the required Services and Supplies budget reduces to \$715,846.60.

In the final year of the 5 year forecast ending in FY20/21, the Salary and Benefits required revenues are \$1,720,096.19.

The Services and Supplies budget will increase to \$746,846.60 based on a 2% inflationary factor per annum.

The original Fund Balance from the \$1,000,000.00 anticipated startup results in \$782,526.49 for FY16/17, lowering to \$654,411.19 in FY19/20 and then an upswing starting in FY20/21 to \$670,292.47. Each of these years is assuming a 3% inflationary measure being passed by the San Bernardino County Board of Supervisors.

Several variations of the final funding outlay have been incorporated to show the fiscal solvency of the service plan for at least the next five years. Based on the potential negotiations between the Twentynine Palms Water District, the City of Twentynine Palms and the County of San Bernardino there may or may not be any form of inclusion of retirement system contributions into the direct operating revenues.

Furthermore, there is a strong likelihood of cost containment resulting in only a minimal inflationary measure being forecast based on operational needs.

This concludes the findings of all available data and factual evidence to support the Plan for Service for the annexation proposal of Twentynine Palms Fire Department into the San Bernardino County Fire District.

***I hereby certify that the statements furnished above and the documents attached present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief as of the date prepared. This plan will be revised and updated through the LAFCO process as more information becomes available.***

A handwritten signature in black ink, appearing to read 'Mark Hartwig', written over a large, stylized loop.

***Mark Hartwig, Fire Chief***

***San Bernardino County Fire District***

Additional Appendices:

Appendix J – FY 2014/15 Twentynine Palms Fire Department Budget

Appendix K – FY 2015/16 Twentynine Palms Fire Department Budget

Appendix L – Annual replacement of small equipment

Appendix M – Annual replacement costing of rolling stock

# FIRE TAX RATE HISTORY and ASSUMPTIONS

Fiscal Yr	ACTUAL			FAILED		ASSUMPTION		COUNTY FIRE FP-5 (8)
	(1) Pre Prop 218	Measure O (2)	Measure J (3)	Measure A (4)	Measure H (5)	(6) Citizen Ad Comm	(7) NO Prop 218	
1985/1986	33.85							
1986/1987	33.85							
1987/1988	***38.00							
1988/1989	38.00							
1989/1990	45.00							
1990/1991	45.00							
1991/1992	45.00							
1992/1993	53.00							
1993/1994	53.00							
1994/1995	53.00							
1995/1996	57.00							
1996/1997	57.00							
1997/1998		54.00					59.76	
1998/1999		54.00					62.66	
1999/2000		54.00					65.70	
2000/2001		54.00					68.89	
2001/2002		54.00					72.23	
2002/2003		54.00					75.73	
2003/2004		54.00					79.41	
2004/2005		54.00		80.00			83.26	
2005/2006			80.00	81.60			87.30	
2006/2007			80.00	83.23			91.53	117.00
2007/2008			80.00	84.90			95.97	117.00
2008/2009			80.00	86.59			100.62	120.51
2009/2010			80.00	88.33			105.50	124.13
2010/2011			80.00	90.09			110.62	124.13
2011/2012			80.00	91.89			115.98	127.86
2012/2013			80.00	93.73			121.61	131.70
2013/2014			80.00	95.61	120.00		127.51	135.69
2014/2015			80.00	97.52	126.00	100.40	133.69	139.72
2015/2016			80.00	99.47	132.00	120.80	140.18	143.92
2016/2017 (9)			80.00	101.46	138.00	141.20	146.98	148.24
% increase	4.85%			2.00%	4.77%		4.85%	2.39%

- (1) Pre Prop 218 Fire Assessment permitted Board to increase annually subject to property owner protest.
- (2) June 1997. Passed with 72% approval. Estimated to be sufficient for 5 years, but was in effect for 8 years.
- (3) March 2005. 8 year plan passed with 70.5% approval. FY 15/16 will be the 11th year at this tax rate.
- (4) March 2004. Increase to \$80 with up to 2% annual adjustment. Received only 54% approval.
- (5) April 2012. Increase to \$120 in 2013 with annual \$6 increase for 10 years. Received only 48% approval.
- (6) Citizens Committee recommended a \$61.20 increase over 3 years followed by annual adjustment up to 3%.
- (7) Assumption that there was no Prop 218 and Board continued annualized increases equal to 4.85%.
- (8) Helendale/Silver Lakes. Provides for 24-hour full-time firefighter service. Annual adjustment up to 3%.
- (9) Assumes 3% increase for FP-5 in FY 16/17.

\*\*\* Desert Heights annexation to Water District included imposing the existing Fire Assessment on all parcels being annexed into the district.

**ORDINANCE NO. 89**

**AN ORDINANCE OF THE BOARD OF DIRECTORS  
OF THE TWENTYNINE PALMS WATER DISTRICT  
AUTHORIZING AND SETTING A SPECIAL TAX FOR  
FIRE PROTECTION SERVICES INCLUDING EMERGENCY MEDICAL SERVICES**

**WHEREAS**, the Board of Directors of the Twentynine Palms Water District is a County Water District formed and operating under the County Water District Law set forth in Section 30000 et seq. of the Water Code and has the authority to provide fire protection services, including emergency medical services under Water Code Section 31120; and

**WHEREAS**, the District may, by ordinance, determine and propose for adoption a special tax for fire protection and prevention. Such a proposition shall be submitted to the voters of the District, and shall take effect upon approval of a two-thirds of the voters voting upon such proposition. (Article XIIC, Section 2; Government Code Sections 50075 et seq., 53970 et seq., 53722, 53724 and 53739) The ordinance proposing such a special tax must be approved by a two-thirds vote of all members of the Board. (Government Code Section 53724)

**WHEREAS**, the amount of the special tax currently imposed within the District prior to the effective date of this Ordinance has been \$54.00 per unit per year. Said amount was established by voter approval of Ordinance 75 in June 1997. At that time, the District contemplated that the rate of \$54.00 would only remain in effect for a 5-year period. However, said rate has remained in effect up to the present time. Although the rate has remained the same, the costs and expenses incurred by the District for the provision of fire protection services have increased substantially. For example, the District's fire/medical aid call volume has increased 51% from 1997 to 2004. To meet the increased demand for service, the District added full-time staffing to a second fire station in February 2002. Due to a lack of increased revenue, the District was forced to remove the full-time staffing from the second fire station in March 2004 to balance the budget.

**WHEREAS**, as a result of the substantial increases in the costs and expenses incurred by the District for the provision of fire protection services, including emergency medical services, and the District's desire to provide full-time staffing at the second fire station, the District desires to adopt this Ordinance No. 89 in order to determine and propose for adoption a special tax for fire protection and prevention and to submit said proposition to the voters of the District for their approval.

**NOW, THEREFORE, BE IT ORDAINED**, by the Board of Directors of the Twentynine Palms Water District as follows:

1. The Recitals set forth above are incorporated herein and made an operative part of this Ordinance.

2. The Board hereby determines and proposes for adoption a special tax for fire protection and fire prevention, including emergency medical services, with the ballot measure to read as follows:

"To ensure a dependable and reliable revenue source for the Twentynine Palms Fire Department, enabling the staffing of two fire stations for an estimated eight years, shall the annual special tax for funding of fire and emergency medical services be increased from the current \$54.00 per unit to the new amount of \$80.00 per unit, as defined in the unit schedule of Ordinance 89 of the District?"

3. The special tax, if voter approved, shall be collected from all taxable property within the District pursuant to a written report which shall contain a description of each lot or parcel of property subject to the special tax, the amount of the special tax for each lot or parcel for each fiscal year, and the basis and schedule for the special tax authorized herein.

4. The annual special tax shall be and is fixed at \$80.00 for each unit as per the unit schedule set forth herein.

5. The unit schedule is hereby established as follows:

A. BASIC TAX AMOUNT

<u>Description</u>		<u>Number of Units</u>
<u>Commercial and Industrial (Building Size in Square Footage)</u>		
From	To	
0	3,000	1.0
3,001	6,000	2.0
6,001	9,000	3.0
9,001	12,000	4.0
<u>One (1) unit per each additional 3,000 square foot or portion thereof, OR</u> <u>One (1) unit per Business/Occupancy, whichever is greater.</u>		
Motel, Hotel and Institutional	(Each Rental or Living Unit)	0.25
<u>Residential</u>		
Single Family Residential Dwelling	(Each Dwelling)	1.0
Duplex, Triplex and Apartment Complex	(Each Living Unit)	1.0
Mobile Home Park (Each Living Unit physically located within the Park on June 1 <sup>st</sup> of each year)		1.0

Recreational Vehicle Park (Each Space) 1.0  
(Less 30% seasonal vacancy factor)

Unimproved Parcels (Each Parcel) 0.60

**B. LARGE PARCEL AMOUNT**

All parcels (improved or unimproved) greater than 5.0 acres shall be taxed an additional amount of \$2.00 per acre for each acre, or portion thereof, in excess of 5.0 acres. The Large Parcel Amount shall not exceed the amount of \$150.00 per parcel per fiscal year and shall be in addition to the Basic Tax Amount imposed upon any parcel greater than 5.0 acres.

6. The special tax shall be imposed upon any parcel, improvement and use of property to which fire protection and prevention service are made available, as specified in the written report, unless otherwise exempted.

7. The special tax shall be imposed only for the purpose of obtaining, furnishing, operating and maintaining fire suppression equipment or apparatus; for the purpose of hiring and paying salaries and benefits to fire fighting personnel; and for other necessary fire protection and prevention expenses, and for emergency medical services as permitted by law.

8. The special tax shall be collected on behalf of the District by the County of San Bernardino in the same manner and subject to the same penalties as, or with, other charges and taxes fixed and collected by the District, or by the County on behalf of the District.

9. If any provision of this Ordinance or the application thereof to any person or circumstance, is held invalid, the remainder of this Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby and, to this end, the provisions of this Ordinance are severable.

10. To the fullest extent permitted by law, this Ordinance and its special tax authorization and authority shall be binding upon any successors in interest to the District or any successors in interest to the District's fire protection and prevention functions, including emergency medical service functions.

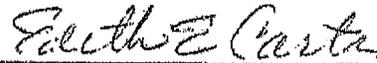
11. Special tax monies raised pursuant to this Ordinance are exempt from environmental analysis under the California Environmental Quality Act pursuant to Public Resources Code Section 21080 (b)(8) since the proceeds of the special tax will be used for: (a) meeting operating expenses, including employee wage rates and fringe benefits; (b) purchasing or leasing supplies, equipment or materials; (c) meeting applicable financial reserve needs and requirements; and (d) obtaining funds for capital projects necessary to maintain service within existing service areas.

12. This Ordinance was introduced at a meeting of the Board held on September 8, 2004. Public hearings were held on September 30, 2004 and October 5, 2004, the notice of which was published in the Desert Trail on September 16 and 23, 2004.

13. This Ordinance shall be effective upon adoption. Within ten (10) days from the date of adoption, this Ordinance shall be published one time in a newspaper of general circulation.

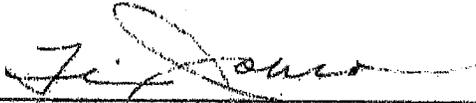
**PASSED, APPROVED AND ADOPTED** this 5th day of October 2004 by the following roll call vote.

AYES: Directors Anthony, Carter, Cisneros, Moore and Yockey  
NOES: None



Edith E. Carter, President  
Board Of Directors

Attest:



Tina Johnson, Board Secretary  
Twentynine Palms Water District

