

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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**DATE:** OCTOBER 10, 2018   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
MICHAEL TUERPE, Project Manager  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** Agenda Item #5: LAFCO 3228 – Reorganization to include  
Annexation to the Running Springs Water District and Detachment  
from the San Bernardino County Fire Protection District and its  
Mountain Service Zone

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**INITIATED BY:**

Resolution of the Board of Directors of the Running Springs Water District

**RECOMMENDATION:**

The staff recommends that the Commission approve LAFCO 3228 by taking the following actions:

1. For environmental review, certify that LAFCO 3228 is statutorily exempt from the provisions of the California Environmental Quality Act and direct the Executive Officer to file the Notice of Exemption within five (5) days;
2. Approve LAFCO 3228, with the condition for the “hold harmless” clause for potential litigation costs, continuation of fees, charges, assessments, etc.;
3. Waive protest proceedings, as permitted by Government Code Section 56662(d), with 100% landowner consent to the reorganization; and,
4. Adopt LAFCO Resolution No. 3278, setting forth the Commission’s determinations and conditions of approval concerning LAFCO 3228.

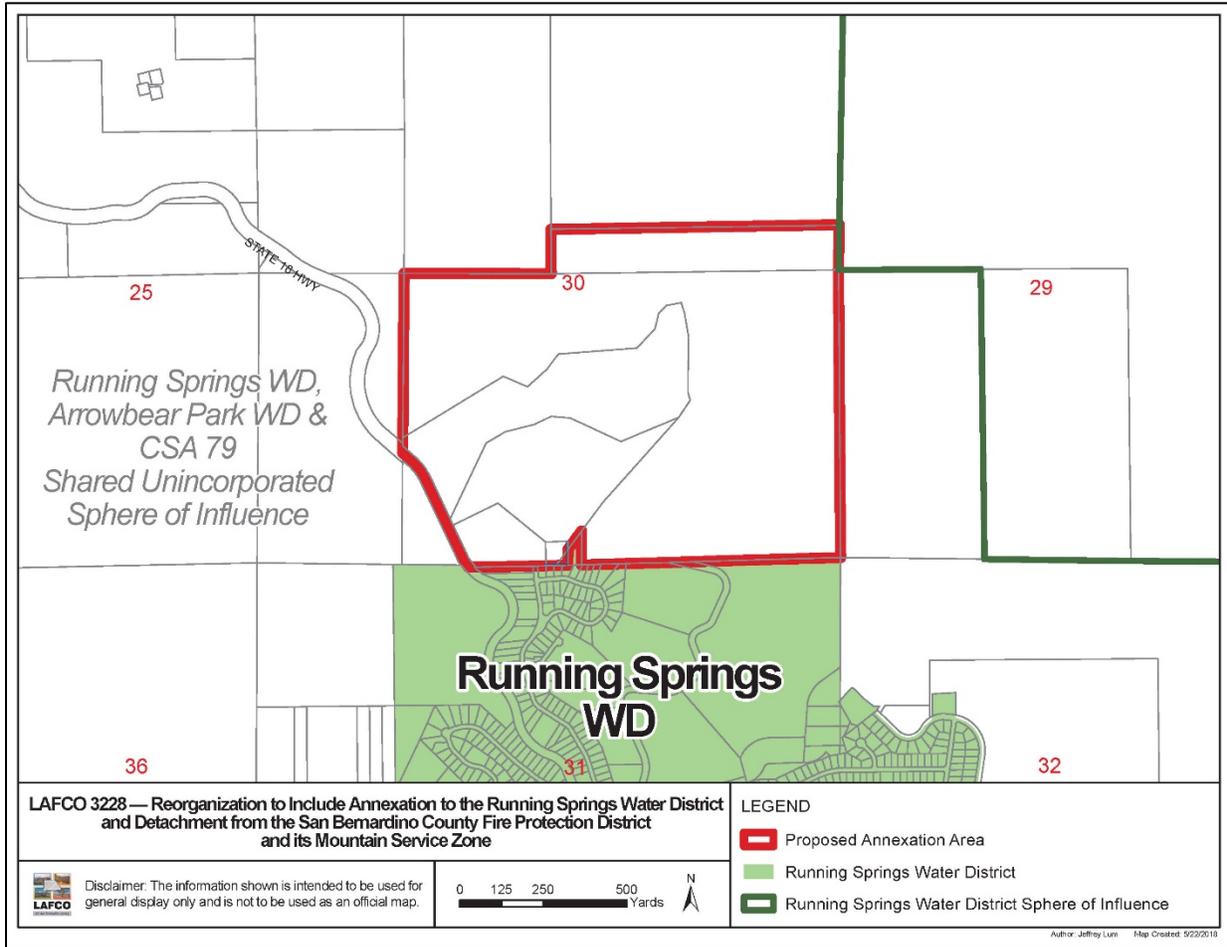
**BACKGROUND:**

In 2013, LAFCO approved an out-of-agency service contract for the Running Springs Water District (“RSWD” or “District”) to provide sewer service outside its boundary to the Camp O’Ongo/Pali Mountain Camp property, which is located within the sphere of influence of the District and contiguous with the District’s boundary (Service Contract 375). According to the service contract, the intent was to annex the property to the District in the future.

Earlier this year, the property owner requested the District to annex the entire camp property in order for the property owner to save on its outside sewer service costs. Additionally, the District supported the annexation request in order to provide for a more logical, efficient, and effective delivery of its services including sewer (collection and treatment) and fire protection/emergency medical services to the area. In March 2018, the RSWD initiated the reorganization proposal—with 100% landowner consent—to annex approximately 234 acres into the District to include Assessor Parcel Numbers (“APN”) 0328-031-12, 0328-042-13, -15, -16, and -17.

LAFCO staff expanded the proposal to provide for a logical boundary to the reorganization proposal. The expansion includes two parcels owned by the Crestline-Lake Arrowhead Water Agency (“CLAWA”) – APNs 0328-042-06 and -08. CLAWA has provided its consent, as the landowner, to the proposal.

As revised, the proposed reorganization area now includes seven parcels comprising a total of 251+/- acres, generally located on the east side of Highway 18, north of Nob Hill Drive/Nob Hill Circle. The reorganization area is within the Running Springs Water District’s northwestern sphere of influence. A vicinity maps is included as Attachment #1 to this report. The map below provides a general location of the area to be annexed into the District.



The purpose of the reorganization is to provide financial relief to the Pali Mountain Retreat/Adventure/Institute campsite (formerly Camp O-ongo). By annexing to the RSWD, the properties would be relieved from the higher out-of-agency wastewater rates currently charged by the RSWD to the properties. The reorganization proposes to (continue to) provide wastewater service (currently provided by the District by contract) and fire protection and emergency medical response to the Pali Mountain campsite. Two adjacent parcels owned by CLAWA have been included as part of the overall annexation to provide for a logical boundary to the reorganization proposal.

This report will provide the Commission with the information related to the four major areas of consideration required for a jurisdictional change – boundaries, land uses, service issues and the effects on other local governments, and environmental considerations.

**BOUNDARIES:**

As outlined above, the reorganization area includes seven parcels, which are located on the east side of Highway 18, north of Nob Hill Drive/Nob Hill Circle, which comprises

approximately 251 acres. The reorganization area is bounded by the RSWD on the south and parcel lines on the west, north, and east.

LAFCO 3228 has no boundary concern since the private properties already receive sewer from RSWD through an out-of-agency service contract.

### **LAND USE:**

The Pali Mountain properties comprise an existing camp which includes a dining facility, cabins, office, and other structures. The CLAWA properties contain a water storage facility. The County's land use designations for the reorganization area are Hill Top/Resource Conservation (HT/RC) and Hill Top/Institutional (HT/IN).

No change in land use is anticipated as a result of the annexation. In addition, approval of this proposal will have no direct impact on the current land use designation assigned for the parcels. Therefore, there are no land use concerns related to this proposal.

### **SERVICE ISSUES AND EFFECTS ON OTHER LOCAL GOVERNMENTS:**

In every consideration for jurisdictional change, the Commission is required to look at the existing and proposed service providers within an area. The only County service provider within the reorganization area is County Service Area 70 (unincorporated County-wide multi-function). The following entities overlay the reorganization area: County of San Bernardino, Crestline-Lake Arrowhead Water Agency (State Water Contractor), Mojave Desert Resource Conservation District, Rim of the World Park and Recreation District, San Bernardino Mountains Community Healthcare District, and San Bernardino County Fire Protection District and its Mountain Region Service Zone.

The application includes a Plan for Service as required by State Law and Commission Policy (included as a part of Attachment #2 to this report).

#### **Fire Protection**

Currently, fire protection services are provided by the San Bernardino County Fire Protection District ("County Fire") and its Mountain Service Zone. However, RSWD is the first on-scene for fire and emergency medical services at the camp due to the proximity of its station.

Upon completion of the reorganization, the area would be detached from County Fire and its Mountain Service Zone, and RSWD would assume responsibility for fire protection services. Being so, the required property tax exchange will transfer \$17,808 from County Fire to the District. In addition, the parcels will be subject to the District's \$65 per unit Fire Availability Fee.

County Fire submitted a comment letter dated June 25, 2018 expressing opposition to the proposed reorganization due to a potential loss of revenue for regional fire services.

However, it should be noted that during the County Fire Reorganization, the County – on behalf of County Fire –outlined its intent not to “object to” other fire service providers annexing areas within their respective spheres of influence with the normal property tax transfers taking place. LAFCO Resolution No. 2986 making determinations for LAFCO 3001 (sphere of influence amendment for the County Fire Reorganization) includes a finding related to County Fire not objecting to future annexations:

*“The sphere of influence expansion is a temporary measure to ensure that all unincorporated areas of the County are served by a fire protection agency. Unincorporated areas within another fire agency’s sphere of influence, as a general rule, are already served by the County Fire Department so this should not represent a real change. Where such overlapping sphere areas are created as a result of this reorganization (sphere of influence expansion), the County shall be considered the “secondary” fire protection agency and the existing fire protection agency shall be considered the “primary” agency. The San Bernardino County Fire Protection District, governed by the Board of Supervisors, has identified that it does not intend to object to the primary agency annexing areas within its sphere of influence in the future, with the normal property tax transfers taking place.”*

County Fire’s June 25, 2018 letter is included as Attachment #3.

### Ambulance

Ambulance service is currently provided by the District, as it is assigned Exclusive Operating Area (“EOA”) 19 by ICEMA. Note that EOA 19 extends beyond the District’s boundary. There will be no change in ambulance provider as a result of LAFCO 3228.

### Wastewater

Wastewater service is currently provided to the Pali Mountain property under an Out-of-Agency Sewer Service Agreement dated April 24, 2013. There will be no change in wastewater provider as a result of LAFCO 3228, as well as no additional infrastructure required.

For the District, there would be a reduction in sewer revenue with the elimination of the in-lieu of taxes charge, the monthly \$2.00 per EDU outside sewer charge, and the \$0.896 per 1,000 gallon charge. For the camp, the potential annual savings would be \$6,254 since the District would cease to charge the properties its out-of-agency rates.

### Retail Water

Water service to the property is currently provided by private groundwater wells and an emergency connection to CLAWA. The District is also able to provide potable water service if requested to do so by the property owner in the future. District potable water infrastructure already exists adjacent to the property.

As required by Commission policy and State law, the Plan for Service shows that the continuation and extension of its services will maintain, and/or exceed, current service levels provided to the parcel.

**ENVIRONMENTAL CONSIDERATIONS:**

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Tom Dodson and Associates, has indicated that the review of LAFCO 3228 is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the fact that the annexation will not result in any physical impacts on the environment. Therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). Staff recommends that the Commission adopt the General Rule Statutory Exemption for this proposal. A copy of Mr. Dodson's analysis is included as Attachment #5 to this report.

**WAIVER OF PROTEST PROCEEDINGS:**

The reorganization area is legally uninhabited and LAFCO staff verified that the reorganization area possesses 100% landowner consent (see Attachment #4). Therefore, if the Commission approves LAFCO 3228 and none of the affected agencies have submitted written opposition to a waiver of protest proceedings, staff is recommending pursuant to Government Code Section 56662(d) that protest proceedings be waived and that the Commission direct the Executive Officer to complete the action following completion of the mandatory reconsideration period of 30-days.

**CONCLUSION:**

LAFCO 3228 was submitted in order for the property owner to save on their outside sewer service costs and to provide for a more logical, efficient, and effective delivery of services provided by the District including sewer (collection and treatment) and fire protection/emergency medical services. For these reasons, and those outlined throughout the staff report, the staff supports the approval of LAFCO 3228.

## **DETERMINATIONS:**

The following determinations are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/annexation proposal:

1. The reorganization area, as modified by LAFCO staff, is legally uninhabited containing one registered voter as determined by the Registrar of Voters as of September 21, 2018.
2. The County Assessor's Office has determined that the total assessed valuation of land within the reorganization area is \$10,009,018 as of June 20, 2018 broken down as: \$1,289,207 (land) and \$8,719,811 (improvements).
3. The reorganization area is within the sphere of influence assigned the Running Springs Water District.
4. Legal notice of the Commission's consideration of the proposal has been provided through publication in the *Mountain News*, a newspaper of general circulation within the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notice.
5. LAFCO staff has provided individual notice to landowners (129) and registered voters (70) surrounding the reorganization area (totaling 199 notices) in accordance with State law and adopted Commission policies. Comments from landowners and any affected local agency in support or opposition will be reviewed and considered by the Commission in making its determination.
6. The County's land use designations for the reorganization area are Hill Top/Resource Conservation (HT/RC) and Hill Top/Institutional (HT/IN). No change in land use is anticipated as a result of the reorganization.
7. The Southern California Associated Governments ("SCAG") adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy pursuant to Government Code Section 65080. LAFCO 3228 has no direct impact on SCAG's Regional Transportation Plan and Sustainable Communities Strategy.
8. The Commission's Environmental Consultant, Tom Dodson and Associates, has recommended that this proposal is statutorily exempt from environmental review based on the finding that the Commission's approval of the reorganization has no potential to cause any adverse effect on the environment; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). Mr. Dodson recommends that the Commission adopt the Statutory Exemption and direct its Executive Officer to file a Notice of Exemption within five (5) days. A copy of Mr. Dodson's response letter is included as Attachment #5 to this report.

9. The reorganization area is served by the following local agencies:

County of San Bernardino  
County Service Area 70 (unincorporated County-wide multi-function)  
Crestline-Lake Arrowhead Water Agency (State Water Contractor)  
Mojave Desert Resource Conservation District  
Rim of the World Park and Recreation District  
San Bernardino Mountains Community Healthcare District  
San Bernardino County Fire Protection District and its  
Mountain Service Zone

County Fire is affected through the transfer of its fire protection and emergency medical response obligations to RSWD as a function of the reorganization. None of the other agencies identified above are affected by this proposal as they are regional in nature. However, the reorganization area is currently served wastewater collection/treatment (through an out-of-agency agreement) and ambulance services (through EOA 19) by the RSWD.

10. A plan was prepared for: (1) the continuation of wastewater and ambulance services, and (2) the extension of fire protection services to the reorganization area, as required by law. The Plan for Service shows that the continuation and extension of its services will maintain, and/or exceed, current service levels provided to the parcel. A copy of this plan is included as a part of Attachment #2 to this report.

The Plan for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Plan for Service conforms to those adopted standards and requirements.

11. The annexation can benefit from the continuation of wastewater and ambulance services, extension of fire protection service, and availability of retail water service from the District.
12. This proposal will not affect the fair share allocation of the regional housing needs through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process. The land use designations [Hill Top/Resource Conservation (HT/RC) and Hill Top/Institutional (HT/IN)] do not support residential housing.
13. With respect to environmental justice, the annexation proposal will not result in the unfair treatment of any person based on race, culture or income since the camp area already receives services from the District and the southerly neighboring area already receives water, wastewater, fire protection, and ambulance services from the District.

14. The County of San Bernardino (on behalf of County Fire and RSWD) adopted a resolution determining the transfer of ad valorem property tax revenues upon completion of this reorganization. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.
15. The map and legal description, as revised, are in substantial compliance with LAFCO and State standards.

SM/MT

Attachments:

1. [Vicinity Map](#)
2. [Application and Plan for Service](#)
3. [Letter from County Fire dated July 25, 2018](#)
4. [Landowner Consent Forms](#)
5. [Environmental Response from Tom Dodson](#)
6. [Draft Resolution No. 3278](#)