

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY, CALIFORNIA AND RECORD OF ACTION

July 24, 2018

FROM: ROBERT A. LOVINGOOD, Chairman and First District Supervisor Board of Supervisors

SUBJECT: RESOLUTION REQUESTING THE INITIATION OF PROCEEDINGS RELATED TO THE DISSOLUTION OF COUNTY SERVICE AREA 64 AND THE FORMATION OF THE SPRING VALLEY LAKE COMMUNITY SERVICES DISTRICT

RECOMMENDATION(S)

Adopt Resolution No. 2018-134 which requests the initiation of proceedings related to the potential dissolution of County Service Area 64 and formation of a Community Services District in the community of Spring Valley Lake. (Presenter: Robert A. Lovingood, First District Supervisor, 387-4830)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS AND OBJECTIVES Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this resolution may require the use of additional Discretionary General Funding (Net County Cost). By initiating proceedings through the resolution process on behalf of certain residents of Spring Valley Lake, the County of San Bernardino (County) is considered the applicant for these proceedings and may be liable for the estimated \$20,500 in fees that the Local Agency Formation Commission (LAFCO) charges for its review and services, should the interested residents group not pay these costs. However, it is contemplated in the Resolution that the interested residents group pay the appropriate fees related to this process. Also, if the election fails, the County will be responsible for the costs of the election per Government Code Section 57150 (b). The estimated costs for the election have not been determined. Any financial impacts relating to the dissolution of County Service Area 64 (CSA 64) will also need to be determined. Any necessary budget adjustments related to the costs of the proceedings will be presented to the Board of Supervisors for approval.

BACKGROUND INFORMATION

Residents of the Spring Valley Lake Community have expressed a desire to form a Spring Valley Lake Community Services District (Spring Valley Lake CSD) which would provide for local control and input into certain services, some of which are currently provided through CSA 64. The residents of the Spring Valley Lake community have expressed a desire to have the matter of the formation of a Spring Valley Lake CSD placed on a June 2019 election ballot.

w/ resolution cc: BOS-Lovingood LAFCO-Martinez CAO-Shea File - Supervisors w/ attachment jll 07/25/18 ITEM 7

Record of Action of the Board of Supervisors APPROVED (CONSENT CALENDAR) COUNTY OF SAN BERNARDINO Board of Supervisors SAN BERNARDINO MOTION AYE 3 SECONDND 3 MOVE 4 ABSENT 5 LAURA H. WOOD CLERK OF THE BOARD BY DATED: July 24, 2018

**RESOLUTION REQUESTING THE INITIATION OF PROCEEDINGS
RELATED TO THE DISSOLUTION OF CSA 64 AND FORMATION OF THE
SPRING VALLEY LAKE COMMUNITY SERVICES DISTRICT
JULY 24, 2018
PAGE 2 OF 2**

The Local Agency Formation Commission (LAFCO) serves as the review authority over the formation and reorganization of districts and follows the processes and procedures contained or authorized by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) (the Act) regarding the formation and reorganization of special districts. The Act establishes the process pursuant to which citizens or legislative bodies of local agencies may seek the formation and reorganization of special districts.

The residents seek to commence the LAFCO process as soon as possible in order to satisfy the timelines to allow the formation to be placed on the June 2019 election ballot.

In order to facilitate the desire of the residents, the Board of Supervisors is requested to adopt this resolution to initiate LAFCO's review process. While the County is the named applicant pursuant to this resolution process, the County's initiation is based on the following document received from the residents group: "Spring Valley Lake CSD Draft Feasibility Study", dated June 2018". The Study is attached to the Resolution as Exhibit A.

PROCUREMENT

N/A.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Penny Alexander-Kelley, Chief Assistant County Counsel, 387-5455) on July 19, 2018; LAFCO (Samuel Martinez, Executive Officer, 388-0480) on July 19, 2018; Finance (Stephenie Shea, Administrative Analyst, 387-4919) on July 19, 2018; and County Finance and Administration (Katrina Turturro, Deputy Executive Officer, 387-5423) on July 19, 2018.

RESOLUTION NO. 2018-134**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO,
STATE OF CALIFORNIA, REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO
INITIATE PROCEEDINGS FOR A REORGANIZATION TO INCLUDE FORMATION OF THE
SPRING VALLEY LAKE COMMUNITY SERVICES DISTRICT AND DISSOLUTION OF COUNTY
SERVICE AREA 64**

On Tuesday July 24, 2018, on motion of Supervisor Hagman, duly seconded by Supervisor Ramos and carried, the following resolution is adopted by the Board of Supervisors of San Bernardino County, State of California.

WHEREAS, certain residents of the Spring Valley Lake community have expressed a desire for local control and input into certain services, some of which are currently provided through County Service Area 64, through the formation of a Spring Valley Lake Community Services District; and

WHEREAS, the Local Agency Formation Commission (Commission) serves as the review authority over the formation and reorganization of special districts; and

WHEREAS, the Commission follows the processes and procedures contained in or authorized by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) (the Act), regarding the formation and reorganization of districts; and

WHEREAS, the Act established the process pursuant to which citizens or legislative bodies of local agencies may seek the formation and reorganization of districts; and

WHEREAS, certain residents of the Spring Valley Lake community have expressed a desire to have the matter of the formation of a Spring Valley Lake Community Services District placed on the June 2019 election ballot, with the appropriate elections costs to be paid by the interested residents' group; and

WHEREAS, in order to complete the Commission's process to evaluate the potential reorganization for formation of a Spring Valley Lake Community Services District and the dissolution of County Service Area 64, and to satisfy the timelines to have the reorganization placed on the June 2019 election ballot, the residents seek to commence the Commission process as soon as possible; and

WHEREAS, in order to facilitate the desires of the residents, through the adoption of this resolution of application, the Board of Supervisors is willing to request the Commission to commence its review process by the filing of an application along with the appropriate fees to be paid by the interested residents' group.

SECTION 1. The Board of Supervisors of the County of San Bernardino hereby finds and determines that:

- a) This Board desires to initiate proceedings pursuant to the Act and the Community Services District Law (Government Code Section 61000 et seq.) for a reorganization to include, but not be limited to, the formation of the Spring Valley Lake Community Services District and dissolution of County Service Area 64, as more specifically described in the "Spring Valley Lake CSD Draft Feasibility Study" dated June 2018, submitted to the County by the interested residents ("Study"), attached hereto as Exhibit A;

- b) The territory proposed for reorganization is legally inhabited and a description of the boundaries for all actions is set forth in Exhibit B attached hereto, which is the legal boundary of County Service Area 64;
- c) The proposed reorganization may conflict with the existing spheres of influence of the Town of Apple Valley and the City of Victorville in San Bernardino County;
- d) It is hereby provided that if the formation of the Spring Valley Lake Community Services District is submitted to and approved by the qualified electorate, the proposed actions be subject to the following terms and conditions:
1. The name of the new district shall be the Spring Valley Lake Community Services District (Spring Valley Lake CSD, SVL-CSD or District);
 2. The Board of Directors of the District shall consist of five members, elected at large, from within the boundaries of the District;
 3. The District shall function under and carry out all authorized duties and responsibilities assigned to a Community Services District as set forth in Government Code Section 61000 et seq. and other applicable laws;
 4. The District shall be authorized to provide the services and perform the functions identified as follows: water; sewer; street sweeping; solid waste; and parks.
 5. The District shall be the successor agency to all rights, responsibilities, properties, contracts, assets and liabilities, and function of the agencies included within the reorganization, through dissolution or detachment, including but not limited to:
 - i. The existing sphere of influence of County Service Area 64, and now of the District, as shown on Exhibit B, includes an area known as the Mojave Narrows Regional Park; this area is subject to a long-term Cooperative Agreement dated March 17, 1969, between the State of California Department of Fish & Game (now known as Fish & Wildlife) and the County of San Bernardino for the operation and maintenance of the Mojave River Wildlife Area; the Cooperative Agreement and two amendments are attached as Exhibit C;
 - ii. The Sewer Service Agreement Between the County of San Bernardino Public Works Department (Regional Parks Division), Victor Valley Wastewater Reclamation Authority and County Service Area 64, attached hereto as Exhibit D;
 6. Upon reorganization, the successor agency succeeds to all properties, rights, contracts, and obligations of the dissolved or reorganized districts and any funds to which it succeeds may be expended and properly disposed of as provided by the Community Services District law;
 7. The indebtedness of any of the districts to be reorganized shall remain the legal obligation of only the lands and areas which incurred such indebtedness. However, the outstanding indebtedness of any district at the time of the reorganization shall become the obligation of the newly created Spring Valley Lake CSD;
 8. All previously authorized charges, fees, assessments, and/or taxes currently in effect, now levied or collected by any of the affected districts, including improvements districts thereof, shall continue to be levied and collected by the successor agency.
 9. The appropriation limit of the Spring Valley Lake CSD is anticipated to be the aggregate appropriations limits of the reorganized districts;
 10. That the standard terms and conditions imposed by the Local Agency Formation Commission upon all proposals, or such additional conditions as may be deemed

appropriate or necessary by the Local Agency Formation Commission in its consideration shall be applicable.

- e) That the reason for this proposed reorganization, including formation, is that residents of the community have expressed the desire for local control and input into the decision-making process for the delivery of the services identified in the Study, attached as Exhibit A.

SECTION 2. The Board of Supervisors of the County of San Bernardino, therefore, hereby resolves and orders that:

- a) This Resolution of Application is hereby adopted and approved by this Board.
- b) This Board acknowledges and agrees to the Local Agency Formation Commission for San Bernardino County's requirement for imposing legal indemnification as outlined in Section IV Application Processing, Chapter 1 Proposals, Policy 13 adopted August 2015.
- c) The Local Agency Formation Commission for San Bernardino County is hereby requested to initiate proceedings for a reorganization to include formation of a community services district according to the terms and conditions stated above and in the manner provided in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
- d) This Resolution shall take effect immediately upon adoption.

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

AYES: SUPERVISORS: Robert A. Lovingood, Janice Rutherford, James Ramos
Curt Hagman

NOES: SUPERVISORS: None

ABSENT: SUPERVISORS: Josie Gonzales

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

I, LAURA H. WELCH, Clerk of the Board of Supervisors of the County of San Bernardino, State of California, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Supervisors, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of July 24, 2018. Item #7 jll

LAURA H. WELCH
Clerk of the Board of Supervisors

By _____
Deputy

