LYTLE CREEK COMMUNITY SERVICES DISTRICT FEASIBILITY STUDY

EXECUTIVE SUMMARY

Lytle Creek residents have established a Feasibility Committee to create a study researching the possible development of the Lytle Creek Community Services District (LCCSD) empowering a local form of government as defined by Government Code section 61000 – 61850. This study is conducted to assist residents in determining whether to implement the establishment of the LCCSD and is based upon extensive research on both the current practices and the proposed entity and its impact on the Lytle Creek community.

The study contains data related to the financial and operational impact of the current situation and proposed plan. The committee's research and developed study has been conducted objectively, through a third party, and provides data upon which to base their decision.

Historically the valley and surrounding mountains were used by the Serrano Indians and other Native American tribes for hunting, gathering and as non-winter encampments. Networks of trails including the Pacific Crest Trail were trade routes between tribes connecting the Inland Valley region and the coast. In June of 1851, a portion of the Mormon Battalion settled near a grove of sycamore trees establishing a military presence and the area became known as Lytle Creek, named after the commander, Capt. Andrew Lytle. This post was vital as a deterrent for the Mason Henry Gang and other horse thieves who had taken refuge in the matrix of small canyons, hills and valleys that also were utilized by local ranchers as grazing land. The areas scope of historic value ranges from the Serrano's to small farmers, hunters, fur traders, settlers and gold miners. As the region transformed from its native heritage to farms and ranches, the federal government desired to maintain much of the natural resources and established the San Bernardino County Forest Reserve in 1893, this later transformed into the San Bernardino National Forest by 1905 until today.

Our proposed district would encompass approximately (3218 acres, 5.03 sq-miles) bordered on all four sides by the national forest and does not conflict with any sphere of influence or other community due to the land lock environment. The LCCSD would consist of approximately 700 residents with 456 homes: 85% full time residents and 15% vacation, rental or vacant property, plus a small commercial district that is concentrated at the central core of the community.

The proposed Community Services District would initially consist of Sewer and Solid Waste Powers. Currently sewer power is provided through San Bernardino Special Districts Service Area 70 Zone S-3. We propose the reorganization to include formation of the Lytle Creek Community Service District and dissolution of County Service Area zone 70 S-3. In doing so, to transfer the S-3 infrastructure along with any property tax, fees fiscal reserves, capital improvement plans and reserves, maintenance equipment, emergency equipment, operations equipment and vehicles that are associated with that district through direct purchase or time shared through an San Bernardino County equipment or vehicle pool to the LCCSD. The goal is to Keep the LCCSD minimal in its initial powers, while maximizing services, thereby enhances the feasibility of establishing a viable fiscal base enabling long term sustainability of services and providing associated employment within the community whenever possible.

Certain sections of the proposed district boundary overlay portions of the adjacent San Bernardino National Forest that surrounds the community. The community has become intertwine with these sections of the Forest and hold them high esteem for its natural preservation and heritage. It is believed that having these adjacent areas and its natural resources would embrace a vital partnership with the forest and the community through education programs revered by the Federal National Parks Service and State Parks Service. This partnership of nature and potential community development would directly benefit the National Forest and the community.

The current Solid Waste County Franchise Area 1 agreement between Burrtec Waste Industries and San Bernardino County would be modified to remove section 1B (Lytle Creek) from that agreement and a new standalone agreement would mirror the former enabling applicable fees, currently paid by Burrtec to San Bernardino County, to the LCCSD through the new contractual agreement. The LCCSD would develop a local recycling program to assist the San Bernardino County solid waste systems to adhere to the State mandate of recycling 50% of solid waste products extending the usefulness of the recyclable products and extending the life of landfill space.

The Lytle Creek area is presently served by the following local public agencies:
County of San Bernardino, San Bernardino County Fire Protection District, San Bernardino County Sheriff and County Service Area 70 (multi-function). Only the County of San Bernardino and the Lytle Creek Community Services District are directly affected by this application.

When the Lytle Creek community has its own elected and functioning form of local government, this will enable the community to act in a collective manner on any community related concerns or situations that arise in the future, opening the door to possible contracting with other agencies to perform existing public services that might be more efficiently performed locally bringing jobs into the community in the process.

Lytle Creek Services District Feasibility Study

Presented to:
San Bernardino County Local Agency Formation Commission

By
Lytle Creek CSD Feasibility Committee

Ken Wood, Chair
Tim Arner, Member
David Mullen, Member
Debbie Shiba, Member
Jimmy Sheldrake, Member
Kent Hutching, Member
Harlow Woody, Member
Alan Costelow, Member
Victor Mallen, Member
Teri Bjork, Member

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JUSTIFICATION FOR PROPOSAL AND PRELIMINARY ENVIRONMENTAL DESCRIPTION FORM

INTRODUCTION: The questions on this form and its supplements are designed to obtain enough data about the proposed project site to allow the Commission, its staff and others to adequately assess the project. By taking time to fully respond to the questions on the forms, you can reduce the processing time for your project. 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: Lytle Creek Community Services District

2. NAME OF APPLICANT: Ken Wood, Committee Chair
MAILING ADDRESS: 778 Lytle Creek Rd., P.O. Box 99
PHONE: 909-322-1143 EMAIL ADDRESS: kenmerwood@yahoo.com

3. GENERAL LOCATION OF PROPOSAL: The subject area is surrounded by San Bernardino National Forest on all sides. The LCCSD will encompass the Lytle Creek unincorporated area of San Bernardino County and overlap some of the national forest area where sewer infrastructure has been established north-east of the Lytle Creek Ranger Station.

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

5. Indicate the reasons that the proposed action has been requested.
The residents of the community of Lytle Creek have expressed the desire for local government control and input into the decision-making process for the delivery of services of sewer and solid waste.

6. Would the proposal create a totally or substantially surrounded island of unincorporated territory?
YES NO (X) If YES, please provide a written justification for the proposed boundary configuration.

LAND USE AND DEVELOPMENT POTENTIAL

1. Total land area: Approximately 3218 acres (5.03 square miles, plus or minus).

2. Current dwelling units in area: Approximately 459 dwellings. The system serves 793 hook up because the additional hook ups are through Mountain Lake Resorts and usage varies throughout the year.

3. Approximate current population in area: 700. There are approximately 303 registered voters according to the San Bernardino Registrar of Voters.

4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s): The area is unincorporated.

San Bernardino County General Plan designation(s) and uses permitted by this designation(s): The primary land use is Rural Living with a variety of other uses, such as Commercial in the center of the community.

5. Describe any special land use concerns expressed in the above plans: None.

6. Indicate the existing land use: The primary land use is Rural Mountain Community Living with a variety of other uses, such as Commercial in the center of the community.

7. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following: a. Has pre-zoning been completed? YES NO. b. If the response to "a" is NO, is the area in the process of pre-zoning? YES NO.

Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.

Not applicable, this is not a proposal for annexation.

8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item: Agricultural Land Uses ... Agricultural Preserve Designation ... Williamson Act Contract ... Area where Special Permits are required ... any other unusual features of the area or permits required:

None.

9. If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of the nonrenewal (if appropriate) and any protest to the contact filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract.

Not applicable.

10. 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 (X) If YES, please explain.

ENVIRONMENTAL INFORMATION

1. Provide general description of topography. The area is a mountain valley surrounded by national forest; the valley sits approximately 3419-ft elevation with surrounding peaks of various heights

2. Describe any existing improvements of the site as % of total area.

Residential	75 %	Agricultural	0 %
Commercial	15 %	Vacant	10 %
Industrial	0 %	Other	0 %

3. Describe the surrounding land uses: All sides are national forest land NORTH: San Bernardino National Forest. EAST: San Bernardino National Forest
SOUTH: San Bernardino National Forest
WEST: San Bernardino National Forest
There is no adjoining incorporated or unincorporated communities.

4. Describe site alterations that will be produced by improvement projects with this proposed action.

There will be no site alterations with this proposed action.

5. Will service extensions accomplished by this proposal induce growth of this site? YES NO (X) Adjacent sites? YES NO (X) Unincorporated or national forest.

This proposal does not include any service extensions.
6. Is this project a part of a larger project or series of projects? YES NO (X) 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: Ken Wood TELEPHONE NO. (909) 322-1143
ADDRESS: 778 Lytle Creek Rd., P.O. Box 99, Lytle Creek, CA 92358
NAME: Tim Arner TELEPHONE NO. (951) 201-3189
ADDRESS: 13849 Hazel Dr., P.o. Box 54, Lytle Creek, CA 92358
NAME: David Mullen TELEPHONE NO. (909) 900-5357
ADDRESS: 13849 Lytle Grove Ln., Lytle Creek, CA 92358
NAME: Debbie Shiba TELEPHONE NO. (909) 473-0099
ADDRESS: 227 Lytle Creek Rd., Lytle Creek, CA 92358
NAME: Jimmy Sheldrake TELEPHONE NO. (951) 243-4495
ADDRESS: 13720 Blackberry Patch Ln., Lytle Creek, CA 92358

NAME: Kent Hutching TELEPHONE NO. (831) 359-1144
ADDRESS: 13909 Hazel Dr., Lytle Creek, CA 92358
NAME: Harlow Woody TELEPHONE NO. (909) 726-2328
ADDRESS: 292 Glen Way, Lytle Creek, CA 92358
NAME: Alan Costelow
ADDRESS:472 Call of Canyon Rd., Lytle Creek, CA 92358
NAME: Teri Bjork
ADDRESS: 546 Stream Ln., P.O. Box 235, Lytle Creek, CA 92358
NAME: Victor Mallen
ADDRESS: 277 Lytle Creek Rd., Lytle Creek, CA 92358
NAME Albert Morrissette TELEPHONE NO. 909-214-8879
ADDRESS Post Office Box 720434, Pinon Hills, CA 92372

CERTIFICATION

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. I understand that if this proposal is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless, and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

12/15/2019

Ken Wood
Committee Chairperson

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:
... ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
... SPHERE OF INFLUENCE CHANGE SUPPLEMENT
... CITY INCORPORATION SUPPLEMENT
X FORMATION OF A SPECIAL DISTRICT SUPPLEMENT ...
ACTIVATION OF LATENT POWERS SUPPLEMENT

APPLICATION TO BE SUBMITTED TO:
LOCAL AGENCY FORMATION COMMISSION
1170 W. Third Street, Unit 150, San Bernardino, CA 92415-0490
PHONE: 909-388-0480 FAX 909-885-8170
E-mail address: lafco@lafco.sbcounty.gov

_____
(FOR LAFCO USE ONLY)

CERTIFICATION

As a part of this application, the City/Town of _____, or the _____ District/Agency, _____ (the applicant) and/or the Ken Wood (real party in interest - landowner and/or registered voter of the application subject property) 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 2-13-2020

_____
SIGNATURE

Ken Wood
_____
Printed Name of Applicant or Real Property in Interest
(Landowner/Registered Voter of the Application Subject Property)

_____
Title and Affiliation (if applicable)

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 FORMATION OF A SPECIAL DISTRICT

INTRODUCTION: The questions on this form are designed to obtain data about the specific district formation proposal to allow the Commission, staff, and others to adequately assess the project. You may also include any additional information, which you believe in pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please identify the agencies involved in the proposal by proposed action:
   AGENCIES TO BE DISSOLVED AGENCIES TO BE DETACHED

San Bernardino County Special Districts Service Area 70 Zone S-3 and a section of County Franchise Area CFA-1 designated as 1B.

AGENCIES CHANGED- CHANGE TO AGENCY

County Service Area 70 Zone S-3 and Solid Waste Management CFA-1 section 1B (Lytle Creek) applicable to the new LCCSD District boundary.

2. Under what principal act will the district be formed?

California Government Code 61000 et seq. and 56000 et seq.

3. Provide a listing of the services and functions to be provided by the new agency.

The new district will provide sewer and solid waste services.

4. Will the territory be relieved of any existing special taxes, assessments, district charges, or fees required by the agencies to be detached?

No

5. If the district proposed to be formed is a single-purpose entity (such as fire protection district, or a water district formed only to provide water), provide an identification of other multiple purpose districts within the area and a description as to why a single entity is the preferred choice.

This proposed district is not a single purpose district.

PLAN FOR SERVICES – SEWER

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) will be required. This plan shall, at a minimum, respond to each of the following questions and be signed by the proponents of the change.

1. A description of the level and range of each service to be provided to the territory through the formation process.

The committee plans to continue to operate the existing sewer infrastructure system in the community. Funding sources, existing reserves and infrastructure will be transferred upon first day of service.

2. An indication of when the service can be feasibly extended to the territory.

Services will be extended to the district as warranted by the community.

3. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the new district would need to impose upon the territory.

There is no plan for additional infrastructure at this time. The LCCSD Board of Directors will, with community input, plan for future sewer service when needed.

4. The estimated cost of extending the service and a description of how the service or required improvements will be financed. A discussion about the sufficiency of revenues to fund the anticipated service is also required.

There are no additional costs to the community in changing from CSA 70 Zone S-3.

5. An indication of whether the territory is or will be proposed for inclusion within a proposed improvement zone/district, assessment district, or community facilities district.

The territory is not part of a proposed improvement zone, assessment district or community facilities district.

6. If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)).

There are no plans to provide water service.

7. Copies of the feasibility study for the formation of the District. The feasibility study must outline the anticipated structure of the governing body and provide a projected five-year budget for revenues and expenditures. The budget presented will need to indicate the source and amount of revenues and expenditures based upon services to be provided. Please note that the new district may receive a "share" of the property tax revenues generated within the boundaries but that share depends on the types of services to be offered by the District, the previous sources of those services if any, and the historic cost to provide the services to be absorbed. No

new taxes can be imposed by the creation of the District unless two-thirds of the voters approve the proposal.

CERTIFICATION

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.

12/15/2019

Ken Wood
Committee Chairperson

PLAN FOR SERVICES – SOLID WASTE

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) will be required. This plan shall, at a minimum, respond to each of the following questions and be signed by the proponents of the change.

1. A description of the level and range of each service to be provided to the territory through the formation process.

The committee plans to continue to operate solid waste disposal and recycling in the community and to facilitate the service through a contract with Burrtec Waste Industries, who has an existing Solid Waste Franchise agreement CFA-1 with San Bernardino County. We would transfer from that agreement the disposal services subsection 1B (Lytle Creek). That existing subsection of the CFA-1 Solid Waste Franchise Agreement will be transferred to the LCCSD and the LCCSD will work with Burrtec in creating the transfer of the franchise fee and establishing a new contract. It is our goal to use the franchise fee funds for the development of recycling programs that will divert household trash from the County landfills, assisting the County to meet state recycling mandates.

2. An indication of when the service can be feasibly extended to the territory.

Services will be extended to the district as warranted by the community.

3. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the new district would need to impose upon the territory.

There are no plans for additional infrastructure at this time. The LCCSD Board of Directors will, with community input, plan for future solid waste disposal and recycling programs. These programs could be cooperative with programs already provided by local civic groups.

4. The estimated cost of extending the service and a description of how the service or required improvements will be financed. A discussion about the sufficiency of revenues to fund the anticipated service is also required.

There are no additional costs to the community in changing from the County Waste Management to a Community Services District.

5. An indication of whether the territory is or will be proposed for inclusion within a proposed improvement zone/district, assessment district, or community facilities district.

The territory is not part of a proposed improvement zone, assessment district or community facilities district.

6. If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)).

There are no plans to provide water service.

7. Copies of the feasibility study for the formation of the District. The feasibility study must outline the anticipated structure of the governing body and provide a projected five-year budget for revenues and expenditures. The budget presented will need to indicate the source and amount of revenues and expenditures based upon services to be provided. Please note that the new district may receive a "share" of the property tax revenues generated within the boundaries but that share depends on the types of services to be offered by the District, the previous sources of those services if any, and the historic cost to provide the services to be absorbed. No new taxes can be imposed by the creation of the District unless two-thirds of the voters approve the proposal.

CERTIFICATION

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.

12/15/2019

Ken Wood
Committee Chairperson

_____
(FOR LAFCO USE ONLY)

CERTIFICATION

As a part of this application, the _____ District/Agency, _____ (the applicant) and/or the Ken Wood (real party in interest - landowner and/or registered voter of the application subject property) 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.

As the proponent, I acknowledge that the formation of the _____ District/Agency may result in the imposition of taxes, fees, and assessments on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIIIC and XIIID of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

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 2-13-2020

_____
SIGNATURE

Ken Wood
_____
Printed Name of Applicant or Real Property in Interest
(Landowner/Registered Voter of the Application Subject Property)

_____
Title and Affiliation (if applicable)

REVISED-/krm – 8/19/2015

LOCAL AGENCY FORMATION COMMISSION ISSUES
LYTLE CREEK CSD COMMITTEE RESPONSES

In reviewing and approving the proposal for formation of a Community Services District (CSD) for the community of Lytle Creek, the Commission's purpose is to consider issues required by the Community Services District Law (Government Code Section 61000 et seq.) and Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), as well as a number of Commission policy issues relevant to the review of the formation of a new form of government for the community of Lytle Creek.

The rewrite of Community Services District law became effective on January 1, 2006 and defines the purposes of these agencies through Section 61001(b), which reads as follows: "The Legislature finds and declares that for many communities, community services districts may be any of the following:

(1)A permanent form of governance that can provide locally adequate levels of public facilities and services.

The formation of a Lytle Creek Community Services District (CSD) will be a permanent form of governance for this emerging community. The proposed powers of sewer and solid waste services are currently being provided by County Service Area S-3 and County Solid Waste Management CFA-1 section 1B. The consolidation of these services into a locally governed CSD will provide community determined levels of service. The community will have direct input to the Board of Directors in determining future growth of existing services, as well as development of additional services for the community.

(2)An effective form of governance for combining two or more special districts that serve overlapping or adjacent territory into a multifunction special district.

CSA S-3 and CFA-1 section 1B are adjacent and overlapping. The formation of this CSD would consolidate these services into a single entity managed by a locally elected Board of Directors. This multifunction district will be more effective in delivering services to the community but will not hamper other services provided through the County or Special Districts.

(3)A form of governance that can serve as an alternative to the incorporation of a new city.

With the recent changes in the laws in California, the formation of the CSD for this community is an excellent alternative to formation of a new city or other entity. The community of Lytle Creek being landlocked by National Forest on all sides heightens the feasibility of creating this CSD as local government control with the potential to serve future needs because the community does not have the matrix to develop a city or other entity.

(4)A transitional form of governance as the community approaches city hood.

This community has developed since the late 1800's. The original settlers were true independent pioneers. This strong sense of independence remains as a primary characteristic of the community. The population has grown over several decades and has been filling in the land locked valley mastering the development of limited space. It is possible but not probable that in the future community growth will provide sufficient resources for a feasible new city. The formation of a CSD for the community will provide an outstanding opportunity to mature as a self-governed entity. This developing maturity will be a superb foundation if the community transitions to a new city, if ever that possibility arises.

In addition, in order to approve this proposal, state law requires that the Commission's ultimate decision shall be based upon answers to the following questions:

1. Do the boundaries of the proposed new district make sense from a service delivery perspective for current and future growth? Are the boundaries reasonably recognizable? Do they promote efficient service delivery? Do they represent a community of interest? Do the proposed boundaries infringe on other established spheres of influence that might impede achievement of Commission goals in those areas?

The proposed CSD boundaries follow along existing community boundaries. The current boundaries of CSA S-3 and Solid Waste Management Franchise Area CFA-1 section 1B have defined the community of Lytle Creek for many decades. Together the two special districts entities represent the boundaries established by the County of San Bernardino when they prepared the Community Plan as a segment of the County General Plan. These proposed CSD boundaries are clearly recognizable and logical for the efficient delivery of existing services and for future growth.

2. Would the formation of the new district impair the ability of any other agency to continue providing services? Would there be any adverse financial or service impacts on other agencies that would damage their ability to maintain service levels in other areas?

The proposed CSD formation will in no way impair the ability of any other agency to continue providing services. The CSD would have the ability to partner with other services when it is deemed logical and beneficial for the community yet give each entity the independence that they deserve. Other County services will have zero impact by the formation of the CSD. The CSD would absorb the services, reserves and funding of sewer and solid waste enabling the County to lighten their workload and refocus their time management.

3. Is the proposed new district financially feasible? Can it, at least, maintain the preformation service levels that are currently provided within the study area?

The proposal recommends that the existing levels of services be continued, and no additional services be added. The proposal shows that the formation of this CSD is financially feasible. The forecasts indicate that with very conservative estimates of revenues and expenditures that the Net Change in Assets is positive and will continue to grow and provide funds for contingencies and reserves.

4. Does the proposed formation represent the best available service option for the community? Are there better alternatives for the provision of the range of services within the study area?
Does the proposed formation provide for a more efficient and accountable form of government?

The proposal consolidates two County Service Areas that provide applicable segments of these areas enabling the LCCSD to manage entities into a much more accountable agency with a locally elected Board of Directors, who will be able to obtain direct community input on a variety of current and future services. This will be a very effective agency for service delivery.

5. Would the proposed formation have any adverse environmental effects that cannot be mitigated to a level of non-significance? If it does, can those adverse effects be overridden by other benefits?

The proposal for formation of the Lytle Creek Community Services District will have no adverse environmental effects. Since the proposal is a change in management from County Board managed entities to a consolidated self-governed district of currently provided services, there is a high degree of confidence that the appropriate authority will agree and submit a declaration of no impact on the environment. As noted, since there is no change in the services being performed, we do not believe an environmental impact report should be required.

PROPOSAL FEASIBILITY SUMMARY

This report discusses our examination of the financial and operational feasibility of reorganizing certain San Bernardino County Service Areas, into a new Community Services District (CSD). County Service Area S-3 encompassing the majority of the community and the Solid Waste Management of residential disposal through Solid Waste Franchise CFA-1 section 1B. The CSD proposes to have sewer and solid waste powers transferred from CSA S-3 and CFA-1 section 1B through the dissolution of these designated districts within the Lytle Creek community when the CSD formation commences. The findings and conclusions that have resulted from this examination are summarized below.

- This feasibility and business plan cover the services that are proposed for the Lytle Creek Community Services District (CSD). The proposed area is described by the legal description on page 25 and the map on page 26 .
- The proposed CSD is located in unincorporated area of San Bernardino County and encompasses approximately 3218-sq acres within 5.03 square miles.
- The community has a strong desire to manage its own services through a Community Services District. Most of the community is single family residential with commercial enterprise within a core centralized business district.
- The CSD Feasibility Committee would like to see an orderly and scheduled transition to local government, maintaining the same services that are now being supplied by CSA S-3 (Sewer) and Solid Waste Management Franchise Fee CFA-1 section CFA-1B. The basic transition period

would be within seven months after the community approves the CSD through the electoral process. The CSD committee believes the newly elected board would work with current management through the transition period and may consider a longer transition and is recommending a contract with Special Districts, not to exceed one year to continue operation while the CSD gets set up to take over the management, administration, operation and maintenance of the areas, thus alleviating any immediate employee concerns on the part of Special Districts.

- LAFCO's approval of the formation of the Lytle Creek Community Services District would authorize a locally elected District Board to assume oversight for the management and operations of the aforementioned powers, both of which would be dissolved through the formation of the CSD.
- The LCCSD Board would then take on the recruitment of a General Manager/Administrator, CONTRACT FOR facility and infrastructure Maintenance and Repair, Financial Services and Legal Counsel.
- There are several benefits to San Bernardino County Special Districts (SBCSD) from the formation of the Lytle Creek Services Districts. The LCCSD formation would enable SBCSD to capture travel time to and from 70 Zone-S3 and better utilize that estimated 30-40% of the field staff workday. Refocus experienced management, administrative staff and field staff hours towards existing special districts enabling for higher degree of service in those areas. The fiscal impact upon SBCSD would be minimal due to the lessening of liabilities: workers comp insurance, health insurance, liability insurance, vehicle insurance, overtime, employee benefits, depreciation, outside contractors, auditors, maintenance, supplies, capital improvements, reserves and other budgetary items.
- The formation of the LCCSD will only utilize current public funds associated with 70 Zone-S3 and CFA-1 section 1B, thus could not be considered a negative impact upon SBCSD or Solid Waste because LCCSD is not seeking additional or supplementary funds other than funds already dedicated and utilized.

Lytle Creek County Service Area's History

County Service Areas (CSA) A County Service Area and Solid Waste Management are components unit of the County of San Bernardino and is governed by the actions of the County Board of Supervisors.

County Service Area 70 Zone S-3: The County Service Area (CSA) No. 70 Zone S-3 was established by an act of the Board of Supervisors of the County of San Bernardino December 2, 1974 under Section 4700 of the State Health & Safety Code to provide sanitation services to residents in the Lytle Creek Community and the U.S. Forest Service. Sewer powers were sought so that a detailed engineering study could be funded to establish whether Lytle Creek needed a sewage treatment facility and the associated infrastructure. Upon completion of the study, the study indicated Lytle Creek should be served by an integrated sewer system.

County Solid Waste Management established the Solid Waste Franchise Fee to create the means of providing service through a singular hauler that provides service within the designated area. The fee is paid monthly and may vary dependent upon the number of service users during the month.

PROPOSAL GENERAL INFORMATION

SEWER TREATMENT CSA 70 Zone S-3

CSA 70 Zone S-3 has the following fixed assets that should be transferred to the CSD upon formation, if approved through a communitywide Registrar of Voters open election.
1. Sewer Treatment Plant
2. Sewer line infrastructure
3. Pumping Stations

Reorganization Feasibility: It is the opinion of the Committee that the formation of a Community Services District would allow the continuance of the same levels of service currently performed by the County Service Areas, as well as an improvement in accountability to the community.

With a growing support from civic organizations and community members, the Committee believes that the facilities would serve the community through cooperative agreements between the CSD and the organizations, thus expanding mutual community service and outreach while keeping fiscal requirements to a minimum.

The transfer of authority and powers of CSD 70 Zone S-3 to the CSD would not create any environmental change and would be statutorily exempt from the California Environmental Quality Act (CEQA). This is based upon the fact that everything will remain the same and is exempt from the requirements of CEQA as outlined in the State CEQA Guidelines, Section 15061(b)(3) and the LAFCO Commission's Environmental Guidelines.

SOLID WASTE FRANCHISE CFA-1 SECTION 1B

CFA- 1 section CFA-1B, in our quest to include solid waste and recycling within the CSD jurisdictional services, we would include the term, "Collect, transfer, and dispose of solid waste and provide solid waste handling service, including, but not limited to, source reduction, recycling, composting activities, pursuant to Division 30 (commencing with Section 40000), and consistent with Section 41821.2 of the Public Resources Code.

Public Resources Code 40000 et seq provides the State's legislative intent on waste management as a public health and safety concern as well as identifying that a cooperative regional approach is necessary to minimize the cost for service. The provisions for service within the existing Franchise Agreement would remain following activation and the District would assume the following responsibilities related to solid waste collection and recycling:

1. Implementation of Public Resources Code 40059 by determining "aspects of solid waste handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location and extent

of providing solid waste handling services". The District would review the current franchise agreement and any pertinent information to make its own determinations.

2. Compliance with Public Resources Code Section 41821.2. This would require compliance with the source reduction and recycling element and the household hazardous waste element of the County. The District would provide information on its programs, the amount of waste disposed and reported to the disposal tracking system of the County and the amount of waste diverted – it would determine which identify the State's mandates for waste management.

CFA-1 section 1B franchise fee contributed to the County receipts of $15,019.59 for the year of 2017 (10%) of gross receipts, plus Burrtec estimates a 1% annual gain each subsequent year. Within CFA-1B, they service 279-286 accounts, dependent upon the month, and disposed of 544.86 tons of solid waste with 3.33 ton recycled for 2017. This franchise fee revenue will allow the District to fund the development of programs for further source reduction and recycling efforts, possibly create a community educational programs in its efforts to reduce the waste stream going to the County landfill along with the necessary reporting requirements.

The Committee believes that since this action of transferring the revenue and retaining the same service would not create any environmental change it would be statutorily exempt from the California Environmental Quality Act (CEQA). This is based upon the fact that the project is exempt from the requirements of CEQA as outlined in the State CEQA Guidelines, Section 15061(b)(3) and the LAFCO Commission's Environmental Guidelines.

STRUCTURE OF THE ORGANIZING BODY

PUBLIC: The purpose of government is to serve the public. The public elects the Board of Directors as their representatives and is important in the conveying of their will through several communication methods.

BOARD OF DIRECTORS: The Board of Directors of the CSD will consist of 5 and be elected at large from all residents within the CSD boundaries in an election planned for the November 2019 ballot and serve alternative terms. Community approval for the CSD is also targeted for that same ballot. The three elected directors receiving the highest number of votes will serve four-year terms. The two other directors initially will serve two years then (themselves or their elected successors) four-year terms thereafter. Elections will be held every two years. Their purpose is to serve the will of the public and without bias and observing the highest levels of civility and decorum, determines the service and benefit of service, which serves the majority of the public. The Board will be required to originally pledge to observe all of the Robert's Rule of Order, to refrain from any facial expressions or gestures when others board members are speaking, to refer to each other by first and last name or by the associated title on his board, plus whenever possible to provide materials for circulation amongst the other board members for their consideration prior to discussing matters in an open meeting. The Board of Directors would be unpaid elected officials. The Board would not micro-manage staff or contractors but would instead work directly

and through the GM for the CSD and allow the GM to perform the management duties and execute new projects, corrective actions and initiatives that they approve as a board and consultation with General Manager. The Board will also work with the CPA to enact and establish reasonable financial controls for the activities of the CSD.

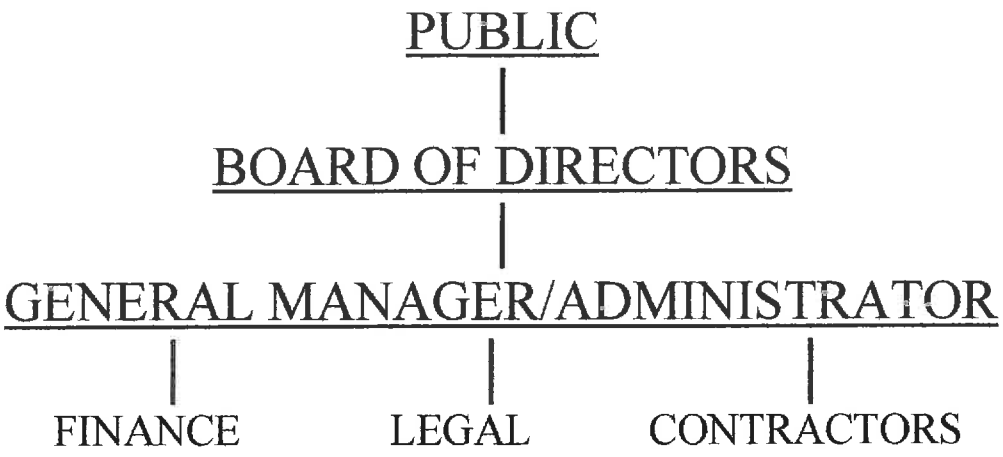
GENERAL MANAGER: The General Manager will also be the Administrator of the CSD. The GM will follow the direction of the Board and report to the Board the results of their direction. The GM will operate the matrix of services, direct staff and perform general management of every aspect involved to make the best use of the district's resources. The GM is the liaison and spokesperson of the District. Staff and Contractors will work with the GM at her/his direction to fulfill the necessary duties they provide and take direction from the GM. Initially management will be part-time and will remain as such until changed by the Board. The Board, in consultation with their hired CPA, will comply with all employment laws and to provide a rewarding level of compensation in accordance with compensation for the GM, who would be paid a salary directed by the Board, and others working within the CSD boundaries. The GM would help in providing customer service directly or arranging this with staff, if any, or volunteers. The GM will be expected to meet regularly and establish a good working relationship with employees and representatives in the government for the County represented and to use her/his influence to obtain a higher level of support from those entities for the services they will continue to provide within the CSD and also to gain their assistance in performing CSD functions if appropriate. Initially and pending any changes approved by the Board of Directors in consultation with its CPA, the GM will also be responsible for managing the financial affairs of the CSD with the caveat that all expenditures not consistent with the approval initially or subsequent budget of the CSD will require a second signature for payment of the then acting Chairman of the CSD Board or other designated Board members.

FINANCE: Since the District is small and does not require daily use of a Finance Officer, the committee suggest that monthly bookkeeping and annual audit (required) be outsourced to a bookkeeping contractor and the audit to a California certified CPA contractor. For this and other contracted positions the initial search will be to fill the position from contractors within the CSD boundaries.

LEGAL: An attorney familiar with governments or is willing to become familiar and especially Community Services Districts should be contracted on an 'as needed' basis. The attorney will help keep the District in legal compliance and represent the District on legal matters when needed.

STAFF: This will be as needed as determined by the GM who may choose initially to self-perform staff functions due to the limited scope of this CSD. When and if hired, staff would work part-time performing routine daily, weekly, monthly duties and other work as directed by the GM.

Lytle Creek Community Services District Organization Chart



FINANCIAL INFORMATION FOR PROPOSED CSD

The schedules on the following pages show the revenues and expenditures for:

1. 5-year CSD projected budget proposal (2019, 2020, 2021, 2022, 2023)
2. The schedule of Salary, Benefits, and Contract Services
3. The budget or actual information for Solid Waste Management Franchise CFA-1 subsection 1Bfor the year 2017
4. The budget or actual information for CSA-70 S-3 (2016, 2017)

SCHEDULE OF SALARIES, BENEFITS AND CONTRACT SERVICES

Cost of GM salary and Contract Services are within the 5-year proposed expenditures. GM based upon part time status and with a 2% escalator, no benefit package will be implemented.
General Manager/Administrator will be salaried: Inc estimated state and federal taxes and other applicable shared deductions as projected within 5-year budget
Financial Contractor would be per agreement
Audit CPA would be per agreement
Maintenance Contractor would be per agreement with 5% escalator
Attorney would be as needed per agreement
Utilities based upon 5% escalator
Equip/supplies based upon a 5% escalator
Insurance based upon 3% escalator

PROJECTED 5 YEAR BUDGET

REVENUE	2019	2020	2021	2022	2023
SEWER ENTERPRISE	592,628	592,628	592,628	592,628	592,628
FRANCHISE FEE	15,316.65	15,469.82	15,624.52	15,780.77	15,938.58
TOTAL	607,944.65	608,097.82	608,252.52	608,408.77	608,566.58
RESERVE	186,370.65	358,116.47	512,435.99	653,888.24	765,340. 34

EXPENSE	2019	2020	2021	2022	2023
GM/ADMIN	50,000	51,000	52,020	53,060	54,121
FINANCE CONTRACTOR	6,000	4,000	4,000	4,000	4,000
SEWER MAINTENANCE CONTRACTOR	150,000	157,500	165,375	173,644	182,326
ATTORNEY	35,000	35,000	35,000	35,000	35,000
ANNUAL AUDIT	6,000	6,000	6,000	6,000	6,000
SEWER UTILITIES	25,850	27,142	28,499	29,924	31,420
INSURANCE	10,000	10,300	10,609	10,927	11,255
SEWER EQUIP/SUPPIES	133,724	140,410	147,430	154,802	162,542
SOLID WASTE RECYCLE PROGRAMS	5,000	5,000	5,000	5,000	5,000
TOTAL	421,574	436,352	453,933	472,357	491664
SURPLUS	186,370.65	171,745.82	154,319.52	136,051.77	116,902.58

Burrtec, Incorporated
CFA-1 SECTION 1B
Annual Accounting Report

Reporting Period: January through December 2017

MONTH	GROSS RECEIPTS	FRANCHISE FEE	NET RESULTS
JANUARY	15,573.98	1,557.40	14,016.58
FEBRUARY	9,550.25	955.03	8,595.22
MARCH	6,888.88	688.89	6,199.99
APRIL	15,354.29	1,535.43	13,818.86
MAY	8,747.45	874.75	7,872.70
JUNE	7,426.33	742.63	6,683.70
JULY	20,356.92	2,035.69	18,321.23
AUGUST	15,548.53	1,554.85	13,993.73
SEPTEMBER	11,994.95	1,199.50	10,795.45
OCTOBER	20,870.43	2,087.04	18783.39
NOVEMBER	10,533.58	1,053.36	9,480.22
DECEMBER	7,350.22	735.02	6,615.20
TOTALS	150,195.81	15,019.59	135,176.27

Burrtec Incorporated
San Bernardino County Franchise
Agreement CFA-1 SECTION 1B
Annual Collection Information Report
Reporting Period: January-December 2017

MONTH	Number of Accounts	Solid Waste Tons	Recyclables Tons	Green Waste Tons	Total Tons
JANUARY	281	53.40	-	-	53.40
FEBRUARY	279	39.09	-	-	39.09
MARCH	279	46.79	-	-	46.79
APRIL	281	49.37	-	-	49.37
MAY	281	49.99	-	-	49.99
JUNE	281	43.90	-	-	43.90
JULY	286	42.32	-	-	42.32
AUGUST	286	48.89	-	-	48.89
SEPTEMBER	286	39.77	-	-	39.77

OCTOBER	286	47.46	-	-	47.46
NOVEMBER	288	44.07	-	-	44.07
DECEMBER	287	39.81	-	-	39.81
TOTALS		544.86	-	-	544.86

ANNUAL DIVERSION REPORT CFA-1
SECTION 1B 2017

NUMBERS ARE IN TONAGE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ALUMINUM CANS	-	-	-	-	-	-	-	-	-	-	-	-	
BI-MEATAL	-	0.44	-	0.12	0.44	0.79	0.43	0.47	0.18	0.15	0.05	-	3.07
BULKY ITEMS	-	-	-	-	-	-	-	-	-	-	-	-	
CARDBOARD	-	-	-	-	-	-	-	-	-	-	-	-	
CHRISTMAS TREES	0.15	-	-	-	-	-	-	-	-	-	-	0.11	0.26
CONCRETE	-	-	-	-	-	-	-	-	-	-	-	-	
CONST/ DEMO/INERT	-	-	-	-	-	-	-	-	-	-	-	-	
GLASS	-	-	-	-	-	-	-	-	-	-	-	-	
MIXED PAPER	-	-	-	-	-	-	-	-	-	-	-	-	
MIXED PLASTIC	-	-	-	-	-	-	-	-	-	-	-	-	
NEWSPAPER	-	-	-	-	-	-	-	-	-	-	-	-	
SCRAP METAL	-	-	-	-	-	-	-	-	-	-	-	-	
TIRES	-	-	-	-	-	-	-	-	-	-	-	-	
WOOD	-	-	-	-	-	-	-	-	-	-	-	-	
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL DIVERSION	0.15	0.44	0.00	0.12	0.44	0.79	0.43	0.47	0.18	0.15	0.05	0.11	3.33

PROPRIETARY FUND STATEMENT OF NET POSITION
COUNTY SERVICE AREA No. 70 - ZONE S-3
LYTLE CREEK
COUNTY OF SAN BERNARDINO SPECIAL DISTRICT

STATEMENT OF NET POSITION PROPRIETARY FUND June 30, 2016

Enterprise Fund	
Assets	
Current Assets:	
Cash and cash equivalents	$ 1,279,618
Accounts receivable, net	141,884
Interest receivable	2,230
Special assessments receivable	1,592
Due from other funds	16,110
Total Current Assets	1,441,434
Noncurrent Assets:	
Capital Assets:	
Improvements to land	227,746
Utility plant in-service	3,394,459
Structures and improvements to structures	290,374
Vehicles	64,642
Equipment	52,022
Construction in progress	526
Less accumulated depreciation	(3,100,690)
Total Noncurrent Assets	929,079
Total Assets	2,370,513
Deferred outflows of resources	
Pension	16,853
Liabilities Current:	
Accounts payable	6,718
Due to other funds Long-term:	16,431
Net pension liability	134,095
Total Liabilities	157,244
Deferred inflows of resources	
Pension	46,920
Net position	

Invested in capital assets	929,079
Unrestricted	1,254,123
Total Net Position Enterprise	$ 2,183,202

Fund

Operating Revenues	
Sanitation services	$ 535,267
Other services	91
Total Operating Revenues	535,358
Operating Expenses	
Professional services	727
Salaries and benefits	225,432
Services and supplies	119,907
Utilities	22,591
Other	2,143
Capital Outlay	44,179
Loss on sale of fixed asset	16,430
Depreciation	108,908
Total Operating Expenses	540,317
	(4,959)
Operating Loss Nonoperating	
Revenues	
Investment Earnings	9,714
Property taxes	11,745
Special assessments	67,025
Penalties	6,776
Other	4,155
Total Nonoperating Revenue	99,415
Change in net position	94,456
Net position at beginning of year	2,088,746
Net position at end of year	$ 2,183,202

Enterprise Fund Cash Flows from Operating Activities	
Receipts from customers	$ 532,483
Payments to suppliers	(268,303)
Payments to employees	(225,432)
Net Cash Provided by Operating Activities	38,748
Cash Flows from Noncapital Financing Activities	
Property taxes	11,745

Special assessments	93,132
Penalties	6,776
Other nonoperating revenues	4,155
Net Cash Provided by Noncapital Financing Activities	115,808
Cash Flows from Capital and Related Financing Activities	
Acquisition of capital assets	(50,716)
Net Cash Used for Capital and Related Financing Activities	(50,716)
Cash Flows from Investing Activities	
Investment earnings	9,214
Net Cash Provided by Investing Activities	9,214
Net Increase in Cash and Cash Equivalents	113,054
Cash and Cash Equivalents - beginning of the year	1,166,564
Cash and Cash Equivalents - end of the year	$ 1,279,618

Reconciliation of operating income to net cash used for operating activities:

Operating Loss		$ (4,959)
Adjustments to reconcile operating loss to net cash provided by operating activates:		
Depreciation expense		108,908
Change in assets and liabilities:		
Decrease in accounts receivable, net	12,247 Increase in accounts payable	5,233
Increase in due from other funds		(16,110)
Decrease in due to other funds		(51,449)
Decrease in net pension liability, net of deferred outflows and inflows		(15,122)
Net Cash Provided by Operating Activities		$ 38,748

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	$ 61,705	$ -	$ (61,179)	$ 526
Total	61,705	-	(61,179)	526
Capital assets, being depreciated:				
Improvements to land				
Utility plant in-service				

	121,862	105,884	-	227,746
Structures and improvements	3,394,459	-	-	3,394,459
Vehicles	290,374	-	-	290,374
Equipment	39,201	25,441	-	64,642
Total capital assets, being depreciated	71,452	-	(19,430)	52,022
	3,917,348	131,325	(19,430)	4,029,243
				(66,613)
				(3,100,690)
Less accumulated depreciation for:				
Improvements to land			-	(23,624)
Utility plant in-service	(12,346)	(11,278)	-	(2,761,665)
Structures and improvements	(2,676,869)	(84,796)	-	(205,347)
Vehicles	(198,894)	(6,453)	-	(43,441)
Equipment	(38,511)	(4,930)	-	
Total accumulated depreciation	(65,162)	(1,451)		
Total capital assets, being depreciated, net	(2,991,782)	(108,908)	-	
Total capital assets, net	925,566	22,417	(19,430)	928,553
	$ 987,271	$ 22,417	$ (80,609)	$ 929,079

COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
COUNTY SERVICE AREA No. 70 - ZONE S-3 LYTLE CREEK
STATEMENT OF NET POSITION

	2017	For Comparative Purposes Only 2016
Assets		
Current Assets:		
Cash and cash equivalents	7,378	2,229
Accounts receivable, net	357	1,593
	86,217	16,110
	1,697,365	1,441,435
Capital Assets:		
Improvements to land	227,746	227,746
Utility plant in-service	3,394,459	3,394,459
Structures and improvements to structures	290,374	290,374
Vehicles	64,642	64,642
Equipment	52,022	52,022
Construction in progress	43,808	526
Less accumulated depreciation	(3,192,419)	(3,081,259)
Total Noncurrent Assets	880,632	948,510
Total Assets	2,577,997	2,389,945
Deferred outflows of resources		
Pension		
Liabilities		
Current:		
Accounts payable	88,697	16,853
Due to other funds		
Long-term:		
Net pension liability		
Total Liabilities		
Deferred inflows of resources		
Pension		
Net position		
Net investment in capital assets	-	13,437
Unrestricted	86,217	16,431
Total Net Position	179,752	134,095
	265,969	163,963
	40,394	46,920
	880,632	948,510
	1,479,699	1,247,405
	$ 2,360,331	$ 2,195,915

PROPRIETARY FUND

June 30, 2017

	2017 Enterprise Fund	For Comparative Purposes Only 2016 Enterprise Fund
Operating Revenues		
Sanitation services	$ 566,514	$ 535,267
Connection fees	25,889	-
Other services	225	91
Total Operating Revenues	592,628	535,358
Operating Expenses		
Professional services	-	728
Salaries and benefits	231,201	225,432
Services and supplies	133,724	126,626
Utilities	25,850	22,591
Other	3,669	2,143
Capital outlay	104	44,179
Gain on sale of assets	-	(3,000)
Depreciation	111,160	108,908
Total Operating Expenses	505,708	527,607
Operating Income	86,920	7,751
Nonoperating Revenues		
Investment earnings	7,301	9,713
Special assessments	35,529	67,025
Penalties and interest	3,099	18,522
Other	4,259	4,155
Total Nonoperating Revenue	50,188	99,415
Change in net position	137,108	107,166
Net position at beginning of year as previously reported	2,195,915	2,088,749
Prior-Period Adjustment	27,308	
Net assets at beginning of year as restated	2,223,223	
Net position at end of year	$ 2,360,331	$ 2,195,915

	2017 Enterprise Fund	For Comparative Purposes Only 2016 Enterprise Fund
Cash Flows From Operating Activities		
Receipts from customers	$ 592,521	$ 532,483
Payments to suppliers	(177,105)	(268,303)
Payments to employees	(236,606)	(225,432)
Net Cash Provided by Operating Activities	178,810	38,748
Cash Flows From Noncapital Financing Activities		
Special assessments	36,765	93,132
Penalties and interest	3,099	18,522
Other nonoperating revenues	4,259	4,155
Net Cash Provided by Noncapital Financing Activities	44,123	115,809
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	(43,282)	(50,716)
Net Cash Used for Capital and Related Financing Activities	(43,282)	(50,716)
Cash Flows From Investing Activities		
Investment earnings	2,152	9,214
Net Cash Provided by Investing Activities	2,152	9,214
Net Increase in Cash and Investments	181,803	113,055
Cash and Investments - beginning of the year	1,279,619	1,166,564
Cash and Investments - end of the year	$ 1,461,422	$ 1,279,619
Reconciliation of operating income to net cash used for operating activities:		
Operating Income	$ 86,920	$ 7,751
Adjustments to reconcile operating income to net cash provided by		
Depreciation expense	111,160	108,908
Change in assets and liabilities:		
Decrease in accounts receivable, net	(107)	12,247
Increase in accounts payable	(13,437)	5,233
Increase in due from other funds	(70,107)	(16,110)
Decrease in due to other funds	69,786	(51,449)
Decrease in net pension liability, net of deferred outflows and inflows	(5,405)	(15,122)
Net Cash Provided by Operating Activities	$ 178,810	$ 51,458

	2017	For Comparative Purposes Only 2016
Assets		
Cash and investments	$ 2,992	$ 2,970
Total Assets	2,992	2,970
Liabilities		
Due to bondholders	2,970	2,956
Total Liabilities	2,970	2,956
Net position		
Unrestricted	22	14
Total Net Position	$ 22	$ 14

LAFCO 3237

Reorganization to Include Formation of the Lytle Creek Community Services District and Dissolution of County Service Area 7-Zone S-3

All those portions of the County of San Bernardino, State of California, lying within Sections15,22,23,26 and 27, Township 2 North, Range 6 West, San Bernardino Meridian.

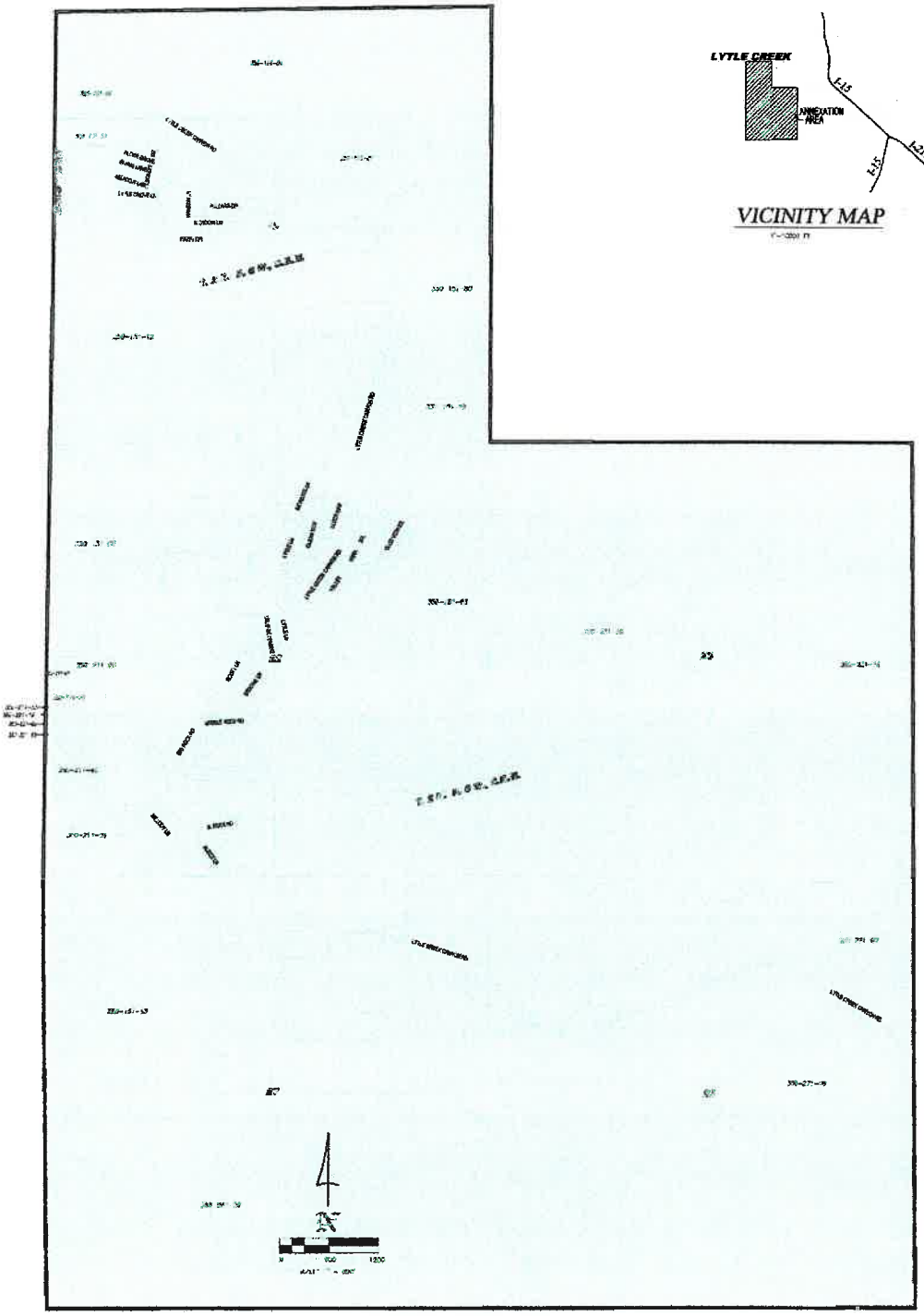
Containing 3,218 acres, more or less.

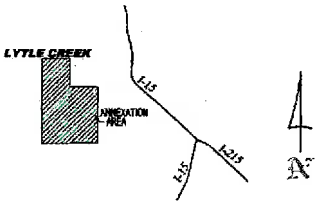
This legal description was prepared by me or under my direction.

Stephen A. Leja 13 Feb. 2020

Stephen A. Leja – PLS 5933 Date

LICENSED LAND SURVEYOR
STEVE
LEJA
PLS 5933
STATE OF CALIFORNIA





VICINITY MAP

ANNEXATION AREA

LEGEND:

NATURE OF PROPOSAL: REORGANIZATION

SIZE: 3,215 ACRES WITHIN 1,235

AFFECTED AGENCIES: SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, VALLEY STRIKE ZONE AND COUNTY SERVICE AREA 38 AND COUNTY SERVICE AREA 70 B-3

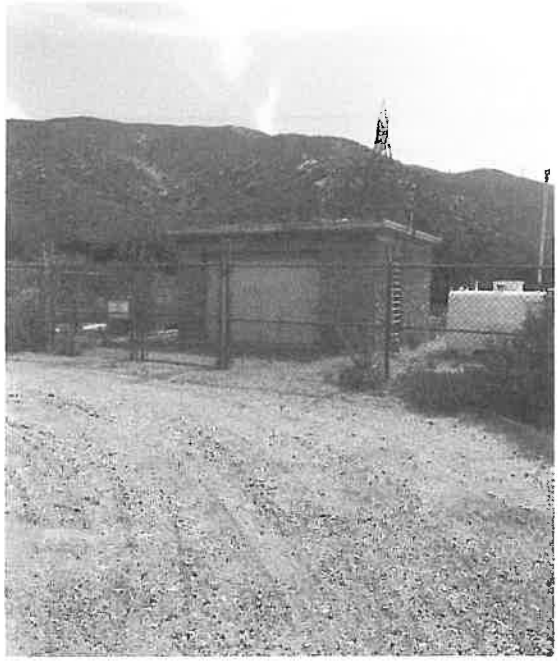
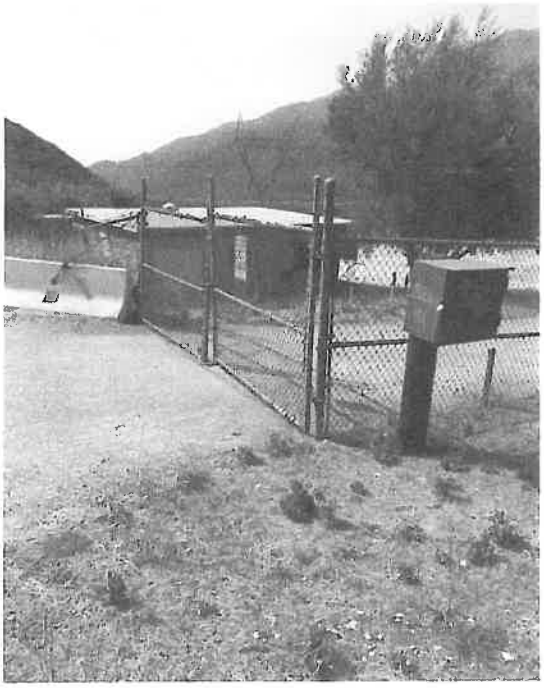
LEJA SURVEYING CORP.

LAFCO ___

LYTLE CREEK SEWER DISTRICT

Reorganization to Include Formation of the Lytle Creek Community Services District and Dissolution of County Service Area 7-Zone B-3

CSA-70 ZONE S-3 ASSETS

CSA Zone 70 S-3 Treatment Plant

PUMP STATIONS