

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE: JANUARY 6, 2006

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
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TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8: LAFCO 2994 – Reorganization to Include Hi-Desert Water District Annexations (Annexation Project 2005)

INITIATED BY:

District Resolution, Hi-Desert Water District

RECOMMENDATION:

The staff recommends that the Commission take the following actions:

1. With respect to environmental review:
 - a) Certify that the Commission has reviewed and considered the environmental assessment and Mitigated Negative Declaration prepared by the Commission's Environmental Consultant, Tom Dodson and Associates;
 - b) Adopt the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program (MMRP), including the related De Minimis Impact Finding Statement;
 - c) Determine that the Commission intends to adopt mitigation measures for the project; that the mitigation measures identified in the environmental assessment and Mitigated Negative Declaration prepared by the Commission's Environmental Consultant are the responsibility of the Town of Yucca Valley and others, not the Commission;

- d) Direct the Clerk to file a Notice of Determination together with a Certificate of Fee Exemption within five (5) days;
2. Approve LAFCO 2994 – Reorganization to Include Hi-Desert Water District Annexations (2005 Annexation Project) with standard conditions of approval;
3. Adopt LAFCO Resolution #2907, setting forth the Commission’s findings, determinations, and conditions of approval concerning this proposal.

BACKGROUND:

The Hi-Desert Water District has submitted an application for annexation of four separate areas around the periphery of the existing District. At the time of application submission the total area was defined by the District to include approximately 4,388 +/- acres. During the review process, however, it was determined and certified that the reorganization proposal encompasses approximately 3,589 +/- acres outlined as follows:

Area #1- Approximately 3,200 +/- acres which consists of all or portions of Sections 27 to 28 and 31 to 34, T1N-R5E, and a portion of Section 6, T1S-R5E, generally north and south of Yucca Trail and west of Mohawk Avenue. This area includes lands within and outside the Town of Yucca Valley and is bisected by Pioneertown Road in a northwesterly direction. The territory within Area #1 is composed of rugged hills and canyons northwesterly of the Blue Skies Country Club area within the existing Town of Yucca Valley. The annexation area is traversed by the Water Canyon Wash along Pioneertown Road within the eastern portion of the annexation area.

Area #2- Approximately 260 +/- acres which consists of a portion of Section 26, T1N-R5E, generally west of Old Woman Springs Road (CA-247) and south of Ridge View Road, within the Town of Yucca Valley. This territory is composed of rolling hills and canyons and is owned by the United States Government in its entirety.

Area #3- Approximately 9 +/- acres within the northeast quarter of Section 14, T1S-R5E, generally south of San Andreas Road and west of the natural extension of Sage Avenue. This territory is located within the southern portion of the Town of Yucca Valley. The two parcels within Area #3 are owned by the Hi-Desert Water District for the purpose of siting new water storage facilities adjacent to existing facilities currently a part of the District on the east.

Area #4- Approximately 120+/- acres in the south half of Section 18, T1S-R6E, generally west of Warren Vista Avenue, south of the natural extension of Santa Barbara Drive. The territory is located east and west of the natural southerly extension of Dulce Avenue in the southern portion of the Town of Yucca Valley. The western portion of the site, 80 acres, has been approved for subdivision (Tract 14722) by the Town of Yucca Valley into five (5) parcels – four configured at five acres each along the northern edge of the proposal and one remainder parcel of 60 acres which allows for development of a single unit based upon topography. The remaining forty (40) acres are divided into two parcels.

Currently, the District provides water service to the developed portion of the Yucca Valley area including the majority of the territory within the Town of Yucca Valley (the “Town”). The District is the court-appointed Watermaster for the Warren Valley Basin that underlies the Yucca Valley area. This designation carries with it the obligation for watershed protection for this Basin. The primary purpose of the reorganization proposal, as initiated by the District, is listed as “*to provide watershed protection for a defined area*” which has been indicated by the District to be those areas which are tributary to the Warren Valley Basin. The second purpose of the reorganization was to provide water service to a subdivision approved by the Town in 1994 (Tract 14722) consisting of five lots on 80+/- acres.

BOUNDARIES:

As outlined above, the reorganization consists of the annexation of four (4) separate areas that are wholly within the District’s sphere of influence. Annexation of Areas #2, #3, and #4 present no boundary concerns on the basis of the following:

- Area #2 encloses the peninsula of territory generally east of the Section line. The territory within this annexation area has been subdivided into 42 roughly five-acre parcels, all of which are owned by the United States Government.
- Area #3 includes two parcels owned by the District adjacent to the existing water storage tank.
- Area #4 encloses the peninsula of territory located in Section 18 and addresses the provision of water service requested by the property owner for the five (5)-lot subdivision in the western portion of the site, generally west of Dulce Avenue.

Area #1 presents boundary concerns due to the creation of two peninsulas of territory along its northern boundary within Sections 27 and 28. A review of

these concerns with District staff presented the following rationale for these exclusions:

- The District conducted community meetings with landowners and voters within all the areas proposed for annexation, in which LAFCO staff participated. At that time, several property owners requested exclusion on the basis that water service was not proposed to be extended within the area by the District, and the potential for cost to the property owners based upon the District's Water Standby Availability charges. The District has accommodated these requests by modifying its original proposal.
- The primary purpose for the annexation was to provide for watershed protection northerly of the area proposed for a recharge facility in a joint project between the District and the Mojave Water Agency.

Based upon the expressed intent for this annexation to provide for watershed protection, the existence of the Water Canyon Wash traversing the area, and the topography of the site, the staff supports the boundary as presented.

LAND USE:

The reorganization areas are predominantly vacant land with some scattered residential uses within Area #1. The surrounding land uses are also predominantly vacant lands with a few scattered residential units.

Land use authority is divided for Area #1 between the Town and the County of San Bernardino. The following describes the land uses currently authorized within the area:

County Land Use Designations (1,360 +/- acres)

YV/RC (Resource Conservation, 40 acres minimum lot size), and
YV/RL-5 (Rural Living, 5 acres minimum lot size).

Town of Yucca Valley Land Use Designations (1,840 +/- acres)

O-S (Open Space),
O-S-P (Open Space-Park),
R-HR (Hillside Reserve, 1 du/20 acres),
R-L-10 (Rural Living, 1 du/10 acres),
R-L-1 (Rural Living, 1 du/acre),
R-S-2 (Single-Family Residential, 0-2 du/acre), and
R-M-6 (Multi-Family Residential, 0-6 du/acre).

Areas #2, #3, and #4 include lands only within the Town of Yucca Valley. They are identified as follows:

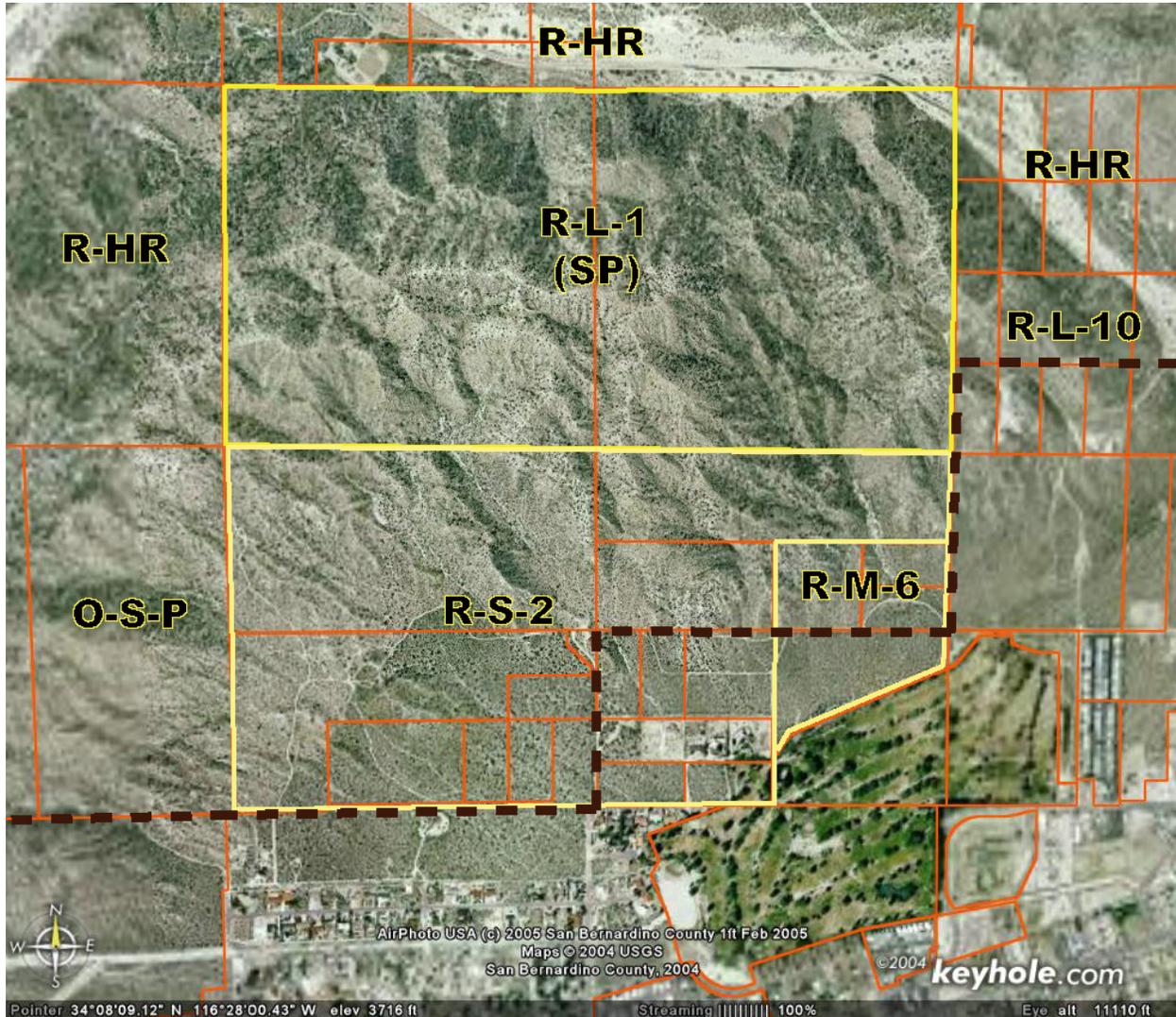
Area #2 R-L-5 (Rural Living, 1 du/5 acres),

Area #3 R-HR and R-L-5, and
 Area #4 R-HR and R-L-2.5 (Rural Living, 1 du/2.5 acres).

The following chart provides an outline of the maximum development potential of the annexation areas based upon the current land use designations and the maximum number of dwelling units permitted for each land use category:

	Number of Acres	Maximum Dwelling Units Based on Acreage Only
AREA #1		
<i>County Land Use Designation</i>		
RC (Resource Conservation)	1,080	54
RL-5 (Rural Living, 5 acres min. lot size)	280	56
<i>Town's Land Use Designation</i>		
O-S (Open Space)	300	0
O-S-P (Open Space-Park)	80	0
R-HR (Hillside Reserve, 1 du/20 acres)	800	40
R-L-10 (Rural Living, 1 du/10 acres)	80	8
R-L-1 (SP) (Rural Living, 1 du/acre with a Specific Plan designation)	320	320
R-S-2 (Single-Family Residential, 0-2 du/acre)	240	480
R-M-6 (Multi-Family Residential, 0-6 du/acre)	20	120
Total (Area #1)	3,200	1,078
AREA #2		
R-L-5 (Rural Living, 1 du/5 acres)	260	52
AREA #3		
R-L-5	9	2
AREA #4		
R-HR	100	5
R-L-2.5 (Rural Living, 1 du/2.5 acres)	20	8
Total (Area #4)	120	13
Total (Area #1-#4)	3,589	1,145

Below is an aerial view showing the portion of Area #1 which the Town has assigned the land use designations of RL-1 (SP), R-S-2, and R-M-6 allowing for a maximum total of 920 dwelling units. Based on the maximum dwelling units allowed for each of these land uses, this area would comprise 80 % of the total number of units that can be built for the entire reorganization area but only 17% of the total land area. However, as illustrated below, the topography of the area severely limits its development potential. Thus, the number of units that can be feasibly developed in this area would be far less than what the Town's land use designations would permit.



SERVICES:

Since the annexation areas are predominantly vacant, current services provided and/or needed are minimal.

The Plan for Service submitted by the District as a part of its application (included as Attachment #2) was prepared prior to verification of the reorganization boundaries. The Plan addresses three separate areas for consideration; while the verified areas are four separate areas total. When reviewing the Plan, response to Area #1, addresses Areas #1 and #2; Area #2 is now Area #3; and Area #3 is Area #4.

In general the Plan outlines that Areas #1 and #2 of the reorganization were submitted mainly for the purpose of watershed protection and their development potential is minimal due to the topography of the area. As noted earlier, these areas include steep hillsides and canyons which are not conducive to

substantial growth or the extension of major infrastructure. The watershed protection activities identified by the District relate to its designation as the Watermaster for the Warren Valley Basin and its responsibility for maintaining a safe yield for the water supply. The District's water supply is primarily derived through extraction of groundwater from the Warren Valley Groundwater Basin with some extraction from the Means Valley Basin.

The Plan for Service indicates that there are no immediate plans to provide water service except to Area #4. However, the District's Water Supply Master Plan outlines the facilities needed in order to provide the additional demand for the entirety of the reorganization application. There are existing facilities located adjacent to portions of Areas #1 and #2 that could be extended for service; however, the cost for such pipeline extensions are prohibitive due to the distance and topography to be traversed in order to provide service. The District has indicated that it is its policy that any new facilities required shall be constructed and financed by the property owner/ developer requesting the service.

For Area #3, the District recently acquired both parcels within the area for the construction of an additional storage reservoir and facilities. No service needs are anticipated.

For Area #4, the District has proposed annexation, at the request of the property owner, to provide water service to a proposed residential development of five lots on 80 acres. This residential development was approved by the Town in 1994 through its consideration of Tract 14722. The property owner/developer will be responsible for the construction of all necessary facilities in accordance with the District's Water Supply Master Plan. All costs would be borne by the property owner/developer. As required by Commission policy and State law, the Plan for Service submitted by the Hi-Desert Water District shows that the extension of water service to Area #4 can be readily accommodated.

The only financial effect to landowners and residents within the annexation areas will be the District's Water Standby Availability Fees which will apply upon completion of the reorganization proposal. However, the property owners within the areas being annexed will be given the option to opt-out of the fee. A copy of the District's "Pre-Annexation Water Standby Availability Charge Exemption and Deferral Agreement" is included as a part of Attachment #2. This information was made available to property owners within the areas of consideration at meetings conducted by District staff.

ENVIRONMENTAL:

The Commission's Environmental Consultant, Tom Dodson and Associates, prepared, and LAFCO staff advertised and circulated, an Initial Study and a Mitigated Negative Declaration for this proposal. No comments were received to the Notice of Intent to Adopt a Mitigated Negative Declaration; therefore, the

original initial study will be utilized as the description of environmental impacts. A copy of Mr. Dodson's response including environmental assessment, Mitigated Negative Declaration and MMRP are included as Attachment #3 to the staff report. Mr. Dodson has indicated that the following actions must be taken by the Commission prior to consideration of the proposal:

- a) Certify that the Commission and its staff has reviewed and considered the environmental assessment and Mitigated Negative Declaration prepared by the Commission's Environmental Consultant, Tom Dodson and Associates;
- b) Adopt the Mitigated Negative Declaration and the MMRP, including the related De Minimis Impact Finding Statement;
- c) Determine that the Commission intends to adopt mitigation measures for the project; that the mitigation measures identified in the environmental assessment and Mitigated Negative Declaration prepared by the Commission's Environmental Consultant are the responsibility of the Town and others, not the Commission;
- d) Direct the Clerk to file a Notice of Determination together with a Certificate of Fee Exemption within five (5) days;

FINDINGS:

The following findings are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/reorganization proposal.

1. The Registrar of Voters Office has certified that the study area is legally inhabited, containing eighteen (18) registered voters as of December 13, 2005.
2. The study area is within the sphere of influence assigned for the Hi-Desert Water District.
3. The County Assessor has determined that the total assessed value of land and improvements within the reorganization area is \$2,934,262 (land - \$1,956,147 -- improvements - \$978,115). Below is the breakdown by area:
 - Area #1 - \$2,856,032 (land - \$1,877,917 -- improvements - \$978,115)
 - Area #2 – No assigned value – Government Land
 - Area #3 - \$4,716 (land only)
 - Area #4 - \$73,514 (land only)

4. Commission review of this proposal has been advertised in *The Sun* and the *Hi-Desert Star*, newspapers of general circulation within the study area. Individual notice has been provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notification.
5. LAFCO staff has provided individual notices to landowners and registered voters within the reorganization area (totaling 129 notices), and to landowners and registered voters surrounding the study area (totaling 532 notices) in accordance with State law and adopted Commission policies. To date, two phone calls have been received indicating opposition to the proposed reorganization. No written comments or protest have been received regarding the consideration of this proposal.
6. The County's land use designation for the unincorporated territory within Area #1 includes YV/RC (Resource Conservation, 40 acres minimum lot size) and YV/RL-5 (Rural Living, 5 acres minimum lot size). The Town's land use designations for Area #1 includes the following: O-S (Open Space), O-S-P (Open Space-Park), R-HR (Hillside Reserve, 1 du/20 acres), R-L-10 (Rural Living, 1 du/10 acres) R-L-1 SP (Rural Living, 1 du/acre requiring a Specific Plan), R-S-2 (Single-Family Residential, 0-2 du/acre), and R-M-6 (Multi-Family Residential, 0-6 du/acre).

Areas #2, #3, and #4 include lands only within the Town of Yucca Valley. For Area #2, the Town has a land use designation of R-L-5 (Rural Living, 1 du/5 acres). For Area #3, the Town has a land use designation of R-HR and R-L-5. For Area #4, the Town has a land use designation of R-HR and R-L-2.5 (Rural Living, 1 du/2.5 acres).

7. The Commission's Environmental Consultant, Tom Dodson and Associates, prepared, and LAFCO staff circulated and advertised, the environmental assessment and a Mitigated Negative Declaration for this proposal. No comments were received to the Notice of Intent to Adopt a Mitigated Negative Declaration. A copy of the Mr. Dodson's environmental assessment/Initial Study, Mitigated Negative Declaration and MMRP are included as Attachment #3 to this report. Actions required of the Commission have been outlined in the narrative portion of this report.
8. The area in question is presently served by the following local agencies:

County of San Bernardino
Town of Yucca Valley (portion of the area)
Mojave Desert Resource Conservation District
Hi-Desert Memorial Hospital District
Yucca Valley Fire Protection District
Mojave Water Agency

County Service Area 70 (multi-function unincorporated area
Countywide) (portion of the area)

None of these agencies are affected by the completion of this proposal.

9. The Hi-Desert Water District has submitted a plan for services, as required by law and Commission policy (included as a part of Attachment #2 to this report). This plan indicates that the District will extend water service to Area #4 of the reorganization following the completion of the annexation process. The balance of the area is proposed for watershed protection.
10. Area #4 will benefit from the availability and extension of water service. The balance of the area will benefit from watershed protection activities anticipated by the District.
11. The County of San Bernardino has adopted a resolution outlining there will be no transfer of property tax revenues to the Hi-Desert Water District that will be implemented upon completion of this annexation. This fulfills the requirements of Section 99 of the Revenue and Taxation Code.
12. The map and legal description, as revised, are in substantial compliance with LAFCO and State standards through certification by the County Surveyor's Office.

CONCLUSION:

As outlined within the narrative portions of this report, staff supports the reorganization proposal for annexation of Areas #1, #2, #3, and #4 to the Hi-Desert Water District on the basis that:

- Through the annexation of Areas #1 and #2, the District intends to manage and protect the Warren Valley Groundwater Basin from which the District derives the majority of its groundwater supply. The areas within the proposed reorganization are tributary to the Warren Valley Basin; therefore, the District seeks to encompass the areas within its service boundary in order to provide effective watershed protection;
- Through annexation of Area #3, the District will include territory which it has purchased for development of additional water storage facilities; and,
- Through annexation of Area #4, the District will provide retail water service to the five-lot subdivision approved by the Town of Yucca Valley in 1994.

For these reasons and those outlined in the staff report, staff recommends approval of LAFCO 2994.

KRM/sm

Attachments:

1. Vicinity Maps and Annexation Area Maps
2. Hi-Desert Water District's Application and Plan for Service
3. Environmental Response Including Environmental Assessment, Mitigated Negative Declaration and the MMRP from Tom Dodson and Associates
4. Draft Resolution #2907