

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

215 North D Street, Suite 204, San Bernardino, CA 92415-0490
(909) 383-9900 • Fax (909) 383-9901
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: MARCH 6, 2009

FROM: SAMUEL MARTINEZ, Senior LAFCO Analyst

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #6: LAFCO 3116 – Annexation to County Service Area 42 (Oro Grande)

INITIATED BY:

Resolution of the San Bernardino County Board of Supervisors, governing body of County Service Area 42

RECOMMENDATION:

Staff is recommending that the Commission approve LAFCO 3116 by taking the following actions:

1. Expand LAFCO 3116, to include additional area to make the proposed annexation contiguous to the existing boundary for County Service Area 42; to be identified as LAFCO 3116, as modified;
2. Certify that LAFCO 3116, as modified, is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption within five days;
3. Approve LAFCO 3116, as modified, with the standard LAFCO terms and conditions;
4. Adopt LAFCO Resolution #3053 setting forth the Commission's findings, determinations, and conditions of approval.

BACKGROUND:

In August 2008, the San Bernardino County Board of Supervisors, as governing body of County Service Area 42 (hereafter CSA 42 or the District), initiated and directed the

County Special Districts Department (hereafter Special Districts Department) to submit to LAFCO a proposal to annex territory to the District. CSA 42 is a dependent special district, which is managed and operated by the Special Districts Department. CSA 42 is currently authorized to provide water, sewer, recreation and park, and streetlighting services.

LAFCO 3116 (and its companion sphere expansion proposal, LAFCO 3115) was submitted to allow for the transfer of domestic water service responsibilities from a private entity, TXI Riverside Cement Company (hereafter TXI), to CSA 42. Since TXI is not in the water business, it has expressed its desire to transfer its water service responsibilities to CSA 42. This annexation proposal addresses the connection to CSA 42's water facilities including information on the possible connection to its sewer facilities as well.

The following will provide the information necessary to make the determinations on boundaries, land use, service delivery including financial ability to serve, and environmental considerations.

BOUNDARIES:

The original proposal submitted to LAFCO was a non-contiguous annexation that included only the six (6) developed parcels TXI wants CSA 42 to provide domestic water service. The area is generally located west of National Trails Highway, just west of current boundaries for CSA 42 (See Figure 1).

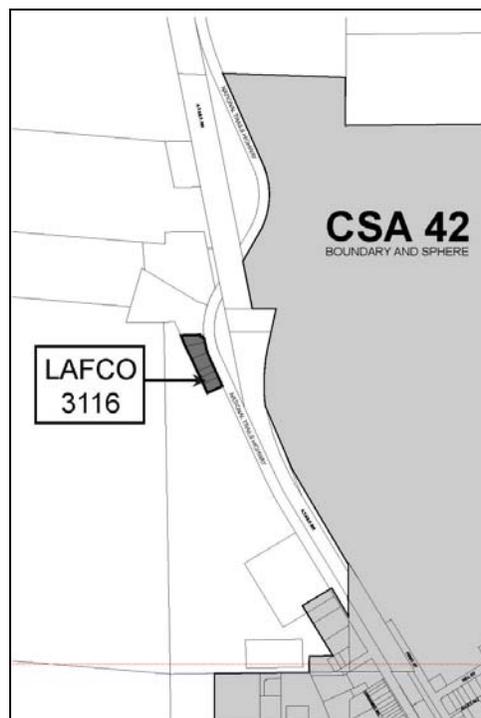


Figure 1

In reviewing the proposed annexation, LAFCO staff suggested to the applicant that the proposal be expanded to include additional area to make it contiguous to the existing boundary for CSA 42. The applicant concurred with staff's direction and opted to expand the proposal.

The revised annexation area encompasses approximately 16.98+/- acres and is generally located east of the Mojave River and north of the City of Victorville, within the community of Oro Grande. The area is generally bordered by a combination of the National Trails Highway right-of-way and parcel boundaries (portion of existing CSA 42 boundaries) on the north, parcel boundaries (existing CSA 42 boundaries) on the east and south, and a combination of the National Trails Highway right-of-way and parcel boundaries on the west (See Figure 2). Additional location and vicinity maps are included as Attachment #1 to this report.

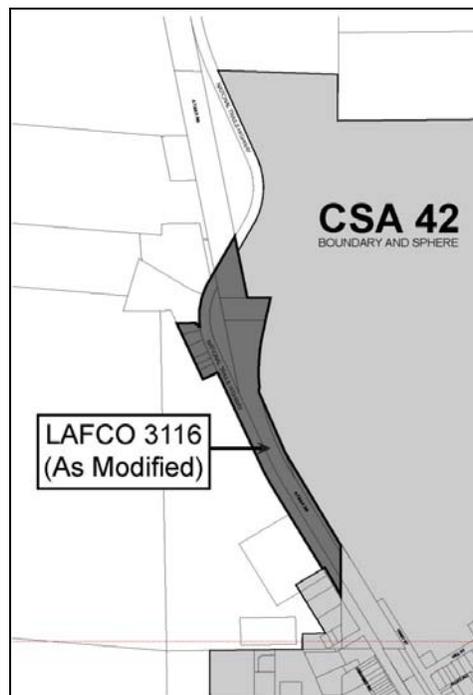


Figure 2

By expanding LAFCO 3116, it is LAFCO staff's position that the annexation proposal is a logical boundary. The expansion addresses the issue of non-contiguity and by taking the boundary along the road right-of-way, the annexation becomes an easily identifiable boundary for service delivery.

Boundary Issue for Review

In reviewing the expanded annexation area, one issue the Commission needs to address is that the boundary splits a parcel. This is not consistent with State

directive that requires boundaries to conform to lines of assessment or ownership pursuant to Government Code Section 56375 (See Figure 3).

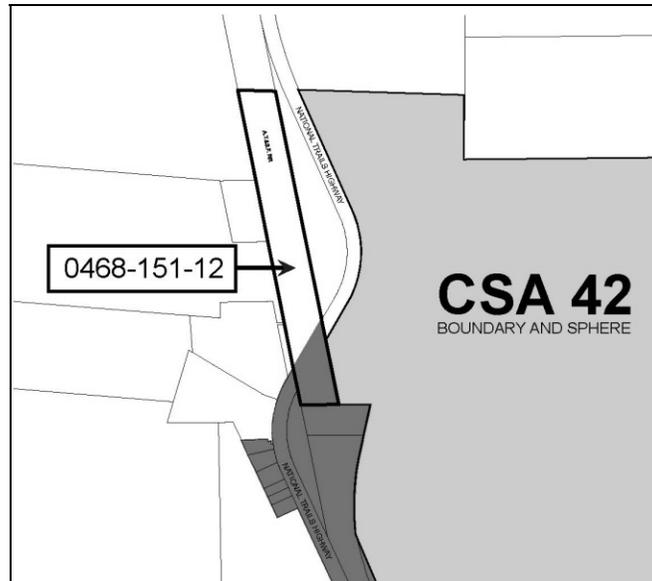


Figure 3

However, the Commission can override this directive if it deems that there is a rationale to do so. In this case, the parcel, which is a railroad easement, is bisected by National Trails Highway. The inclusion of the entire parcel will create a peninsula between the existing boundary for CSA 42 and the annexation area. Expanding the area even more would include privately owned parcels that have land uses designated other than Rural Living (i.e. Regional Industrial, Agricultural), which would complicate and delay the processing of these proposals further. On the other hand, the exclusion of the entire parcel will also create a peninsula between the existing boundary for CSA 42 and the annexation area.

In order to provide for a logical service boundary for the proposed annexation, it is LAFCO staff's position that the annexation boundary should be expanded to include only the portion of the railroad parcel that lies along National Trails Highway and the rest of the parcel lying easterly of the highway. This configuration makes the annexation proposal an easily identifiable boundary for service delivery.

Therefore, staff is recommending that the Commission accept the modified boundary that splits the railroad parcel.

LAND USE:

The proposed annexation area is a mix of vacant lands, residential development, and a portion of National Trails Highway right-of-way. Existing uses surrounding the annexation area include: to the south and west, the Mojave River, scattered

residential development and vacant lands; to the north, residential development (apartment complex and mobilehome park) and vacant lands; and to the east, industrial development.

The County's land use designation for the area is Rural Living (2.5 acres minimum lot size). The annexation area is consistent with the County's existing land use. No change in land use is anticipated for the area and there are no development proposals currently in process.

SERVICE ISSUES:

In every consideration for annexation, the Commission is required to look at the existing and proposed service providers within an area. Current County service providers within the annexation area include County Service Area 60 (Apple Valley Airport) and County Service Area 70 (multi-function entity). In addition, the Mojave Water Agency (the State Water Contractor) and the San Bernardino County Fire Protection District and its North Desert Service Zone overlay the annexation area.

The application includes a plan for the extension of services for the annexation area as required by law and Commission policy. The feasibility study, which was prepared by So and Associates Engineers, Inc., was certified by CSA 42 and is included as part of Attachment #2 to this report.

Water Service

The feasibility study indicates that the District is capable of providing water service to the annexation area subject to the completion of the required on-site and off-site improvements. The feasibility study requires the installation of an 8-inch water line extension from the existing 8-inch water line along National Trails Highway (approximately 2,580 linear feet) to the existing 6-inch water distribution line fronting the six parcels.

Since the District's current supply of potable water is insufficient to serve the annexation area, additional water supply is required in the form of a new domestic water well. TXI is required to install/construct the water well. The well must be designed with District standards, drilled in accordance with District requirements and equipped with equipment meeting the American Water Works Association, District, and all industry standards. Upon completion and successful testing of the well, TXI shall grant the well to the District for the use and benefit of the annexation area and the District.

It should be identified that the District's Free Production Allowance (FPA) in the Alto Sub-basin these past few years has been set at 60 % of its Base Annual Production (465 acre-feet), which then translates to a FPA of 279 acre-feet

annually. Of this amount, the District produces an average of less than half of its FPA. Therefore, the District has the water availability to serve the area.

Costs for Water Service

CSA 42 has identified all costs related to the extension of water service to the annexation area. Upon approval of the design drawings and contract documents, the water well and the pipeline extension could take approximately four to six months to construct. The following is the breakdown of the charges:

WATER		
Connection Fee	8 EDU's x \$2,136.92	\$17,095.36
8-inch water main	2,580 linear feet x \$60	\$154,800.00
Total Estimated Costs for Water Service		\$171,895.36

In addition, TXI will be responsible for the entire cost of the construction and installation of the new water well including all on-site water improvements (i.e. piping, plumbing, etc.). Occupants of the existing residences will be charged the District's bi-monthly rate for water service. Currently, the District's bi-monthly water service charge is \$52.33 for a 1-inch meter (typical for single-family residences) and the bi-monthly water usage rates are \$1.68, \$1.87, and \$2.02 for Tiers 1, 2, and 3, respectively.

Sewer Service

Although sewer service is not a requirement, the feasibility study outlines how it can be provided to the area. In general, the feasibility study indicates that the District is capable of providing sewer service to the annexation area subject to the completion of the required on-site and off-site improvements.

Reimbursement Agreement

Pursuant to Special Districts Department Ordinance # SD 82-1, a property owner may enter into a "reimbursement agreement" with CSA 42 for the public facilities that are constructed and paid for by property owner if other parcels are able to benefit from the facilities. Such an agreement will have to be approved by the County Board of Supervisors as governing body of CSA 42.

ENVIRONMENTAL:

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Dodson and Associates, has indicated that the review of LAFCO 3116, as modified, is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the Commission's approval of the annexation has no potential to cause any adverse effect on the

environment; and therefore, the proposals are exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3).

FINDINGS:

The following findings and determinations 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 has determined that the annexation area is legally uninhabited, containing two (2) registered voters as of February 8, 2009.
2. Through approval of the companion proposal, LAFCO 3115 (as modified), the annexation area will be within the sphere of influence assigned for CSA 42.
3. The County Assessor has determined that the total assessed value of land and improvements within the annexation area is \$288,896 (land - \$54,566 - improvements - \$234,330).
4. Commission review of this proposal has been advertised in *The Daily Press*, newspaper of general circulation within the annexation 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 annexation area (totaling 10) and to landowners and registered voters surrounding the annexation area (totaling 63) in accordance with state law and adopted Commission policies. To date, no written comments in support or opposition have been received regarding the consideration of this proposal.
6. The County's land use designation for the area is Rural Living (2.5 acres minimum lot size). The annexation area is consistent with the County's existing land use.
7. As CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the annexation proposal and has indicated that the review of LAFCO 3116 is statutorily exempt from the California Environmental Quality Act (CEQA). A copy of Mr. Dodson's report is included for the Commission's review as Attachment #3.
8. The area in question is presently served by the following local agencies:

County of San Bernardino

Mojave Water Agency and its Improvement Districts A and 1
San Bernardino County Fire Protection District and its North Desert
Service Zone
County Service Area 60 (Apple Valley Airport)
County Service Area 70 (multi-function)

None of these agencies will be affected by this proposal.

9. The District has submitted a plan for the extension of services (feasibility study) as required by law and Commission policy (included as a part of Attachment #2 to this report). The District will extend water service to the six (6) developed parcels upon completion of the required on-site and off-site improvements identified in the feasibility study. The feasibility study also outlines how the District can be provide sewer service to the area if required in the future.

The feasibility study identifies all the required improvements necessary to connect to the District's water and/or sewer facilities. It also includes all the estimated costs associated with the improvements, including all current connection fees related to water and/or sewer service.

10. The annexation area can benefit from the availability and extension of water service from CSA 42. The annexation area already receives and/or benefits from streetlighting and park and recreation services provided by the District. In the future, the annexation area can benefit from the availability and extension of sewer service from CSA 42.
11. With respect to environmental justice, the annexation to CSA 42 will not result in the unfair treatment of any person based on race, culture or income.
12. The County of San Bernardino adopted a resolution determining that this action does not require any transfer of property tax revenues. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.
13. 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:

LAFCO 3116 was submitted in order to provide water service to the area. TXI, who currently provides water service to the area, has expressed its desire to transfer its water service responsibilities to CSA 42.

LAFCO 3116, as modified, represents a reasonable annexation to CSA 42. Staff supports approval of LAFCO 3116, as modified, for the following reasons:

- The annexation would allow the transfer of domestic water service responsibilities from a private entity, TXI, to CSA 42; and,
- The modified annexation area is a logical boundary and is an easily identifiable boundary for service delivery.

For these reasons, and those identified within this report, staff recommends approval of LAFCO 3116, as modified.

KRM/sm

Attachments:

1. Location and Vicinity Maps
2. Application Materials Submitted by Special Districts Department for LAFCO 3116 Including Water and Sewer Feasibility Study
3. Response from the Commission's Environmental Consultant, Tom Dodson and Associates
4. Draft Resolution #3053