LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

PROPOSAL NO.: LAFCO 3122

HEARING DATE: MAY 15, 2013

RESOLUTION NO. 3120

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3122 – SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 69 (Lake Arrowhead) (reduction to a zero sphere of influence).

On motion of Commissioner McCallon, duly seconded by Commissioner Smith, and carried, the Local Agency Formation Commission adopts the following resolution:

WHEREAS, a service review mandated by Government Code 56430 and a sphere of influence update mandated by Government Code Section 56425 have been conducted by the Local Agency Formation Commission for San Bernardino County (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

WHEREAS, a public hearing by this Commission was called for December 8, 2010 at the time and place specified in the notice of public hearing and in orders continuing the hearing to March 16, 2011, June 15, 2011, September 28, 2011, February 15, 2012, July 18, 2012, November 21, 2012, and February 20, 2013, and at the time and place specified in the notice of public hearing for the hearing called for April 17, 2013; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; the Commission considered all plans and proposed changes of organization, objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing; and,

WHEREAS, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that this service review and sphere of influence update are statutorily exempt from CEQA and such exemption was adopted by this Commission on April 17, 2013. The Executive Officer was directed to file a Notice of Exemption within five working days of its adoption; and,

WHEREAS, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that the sphere of influence for County Service Area 69 (hereafter shown as the "CSA 69") shall be reduced to a zero sphere of influence, more specifically depicted on the map attached as Exhibit "A"; and,

WHEREAS, the determinations required by Government Code Section 56430 and local Commission policy are included in the report prepared and submitted to the Commission dated April 10, 2013 and received and filed by the Commission on April 17, 2013, a complete copy of which is on file in the LAFCO office. The determinations of the Commission are:

1. Growth and population projections for the affected area:

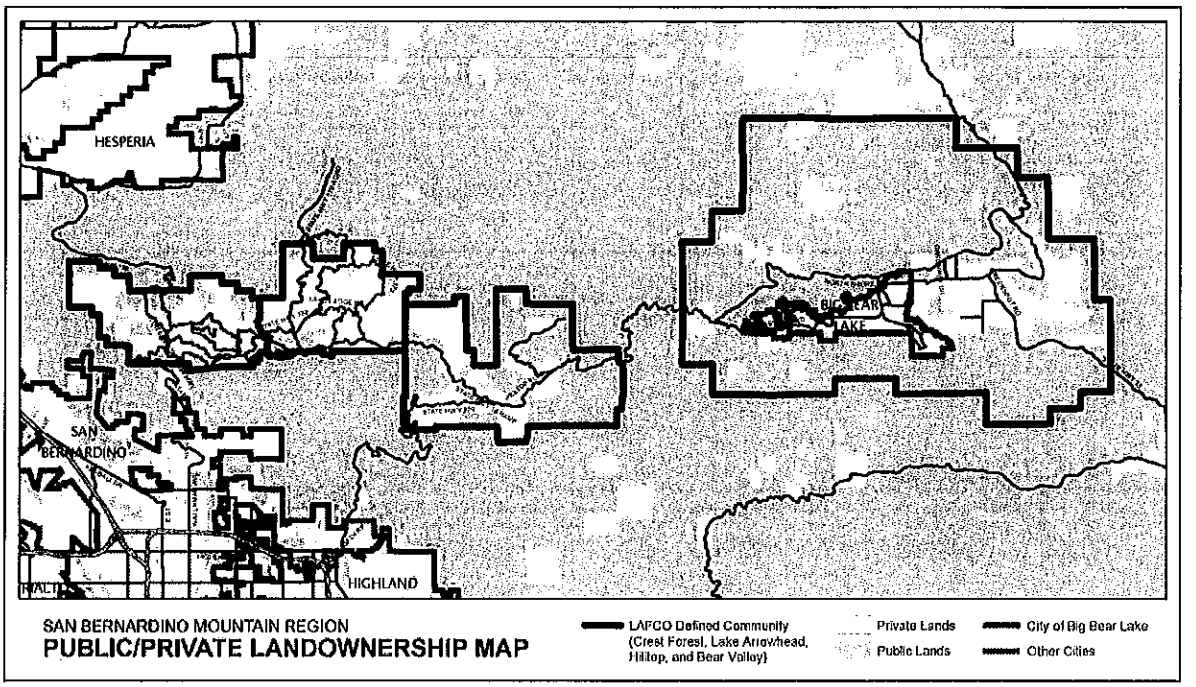
Development in the San Bernardino Mountains is naturally constrained by rugged terrain, limited access, and lack of support infrastructure, as well as by planning and environmental policies which place much of the area off limits to significant development.

Land Ownership

The land ownership distribution and breakdown within the San Bernardino Mountain Region is provided on the table (and illustrated on the map) below. Within the four LAFCO defined communities of Crest Forest, Lake Arrowhead, Hilltop, and Bear Valley, roughly 33% of the land is privately owned and the remainder, 67%, is within the San Bernardino National Forest (owned by the federal government), which are devoted primarily to resource protection and recreational use.

San Bernardino Mountain Region
Land Ownership Breakdown (in Acres)

Ownership Type	LAFCO Defined Community				Total Acreage
	Crest Forest	Lake Arrowhead	Hilltop	Bear Valley	
Private	5,507	7,780	6,387	14,485	34,159
Public Lands (Federal, State, etc.)	3,981	1,415	9,667	53,258	68,321
Total	**9,488**	**9,195**	**16,054**	**67,743**	**102,480**



Population Projections

In general, the San Bernardino Mountains is one of the most densely populated mountain areas within the country, and is the most densely populated urban forest west of the Mississippi River. However, there is a large seasonal population component as well as a substantial influx of visitors to the mountain resort areas. The importance to the demographic data is that it represents the permanent population of the Mountain communities where second homes/vacation homes are being converted to full-time use; this growth rate does not necessarily mean new construction. The seasonal population and visitors are not reflected in available demographic statistics, which count only year-round residents. It is estimated that the seasonal factors can approximately double or even triple the peak population.

Previous LAFCO Service Reviews – Growth Projections

During the previous Service Reviews for the four mountain communities the data available at the time provided for growth projections as shown below:

	YEAR					
COMMUNITY	**2000**	**2010**	**2015**	**2020**	**2025**	**2030**
HILLTOP COMMUNITY	6,026	7,059	7,640	8,268	8,949	9,683
LAKE ARROWHEAD COMMUNITY	12,673	15,614	17,332	19,239	21,355	23,509
CREST FOREST COMMUNITY	14,408	16,714	18,011	19,416	20,938	22,645
BEAR VALLEY COMMUNITY (including City of Big Bear Lake)	11,771	18,838	20,330	21,943	23,788	26,416
TOTAL	44,878	58,225	63,313	68,866	75,030	82,253

2010 Census

Following the completion of the majority of these reviews, the 2010 Census data was released. In 2000, the population within the entire LAFCO defined Mountain Region was 45,463. Based on the 2010 Census, the population for the entire the Mountain Region was 46,759. This represented an average annual growth rate of approximately 0.28 percent within the given period. Therefore, instead of a ten-year growth rate of 30% as originally presented, the actual ten-year growth rate was three percent.

Projections Utilizing SCAG Data

The projected growth for the entire Mountain Region has been recalculated utilizing a combination of the growth rates identified in the Regional Council of the Southern California Association of Governments (SCAG) Draft 2012 Regional Transportation Plan (RTP) Integrated Growth Forecast for the City of Big Bear Lake and the County's unincorporated area for the given periods, and the use of average annual growth rate. By 2040, the population within the entire San Bernardino Mountain Region is estimated to reach 64,724. This represents a projected annual growth rate of approximately 1.09 percent between 2010 and 2040, which also represents a total population increase of 38 percent from 2010. In comparing the previous population projection for the Mountain Region, in 2030 it was estimated at 82,253 while the new projection is 56,176, a reduction of 26,077 in population.

Population Projections 2015-2040 (utilizing SCAG data)

Community	Census		Population Projection					
	2000	2010	2015	2020	2025	2030	2035	2040
Crest Forest	10,975	11,017	11,200	11,386	12,218	13,110	14,068	15,095
Lake Arrowhead	11,554	12,156	12,358	12,563	13,481	14,466	15,522	16,656
Hilltop	5,796	5,670	5,764	5,860	6,288	6,747	7,240	7,769
Bear Valley								
City of Big Bear Lake	5,438	5,019	5,311	5,619	6,046	6,506	7,001	7,533
Bear Valley (others)	11,700	12,897	13,111	13,329	14,303	15,347	16,468	17,671
Total	45,463	46,759	47,744	48,757	52,336	56,176	60,299	64,724

The population projection shown above may represent an unattainable growth trend based on the historic growth experienced by the four LAFCO-defined communities in the region. In addition to the population decline experienced in the unincorporated Hilltop community and the City of Big Bear Lake in the last 10 years, there are other circumstances within the region that tend to restrict growth such as the availability of lands for development. Based on these issues, actual growth is expected to be much lower than projected by SCAG.

Revised Population Projections

In order to represent a more realistic growth projection for the entire LAFCO defined Mountain Region, LAFCO revised the projected growth rate between 2020 and 2040 based on: 1) for the unincorporated communities of Crest Forest, Lake Arrowhead, and Bear Valley, the actual growth rate for each of the respective communities between 2000 and 2010; 2) for the unincorporated community of Hilltop, the actual growth rate between 1990 and 2010; and 3) for the City of Big Bear Lake, the growth rate projection identified in the Urban Water Management Plan prepared for the City's Department of Water and Power, which had an annual growth rate of approximately 0.7

percent. As shown in the revised projection below, it is estimated that the population within the entire Mountain Region is expected to reach 55,121 (instead of 64,724) by 2040, or a total population increase of just 18 percent (instead of 38 percent) from 2010.

LAFCO Revised Population Projections 2015-2040

Community	Census		Population Projection					
	2000	2010	2015	2020	2025	2030	2035	2040
Crest Forest	10,975	11,017	11,200	11,386	12,218	13,110	14,068	15,095
Lake Arrowhead	11,554	12,156	12,358	12,563	13,481	14,466	15,522	16,656
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Bear Valley (others)	11,700	12,897	13,111	13,329	14,303	15,347	16,468	17,671
Total	45,463	46,759	47,744	48,757	52,336	56,176	60,299	64,724

2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies:

The following chart on the following page identifies each community, the road and snow removal entities governed by County Special Districts Department, and the number of road miles within each entity.

ROAD AGENCIES IN THE MOUNTAIN REGION:

ROAD AGENCIES IN THE MOUNTAIN REGION

Agency	Formation Services	Formation Year	Revenue Source: Share of 1% General Levy	Revenue Source: Special Tax	Revenue Source: Service Charge	Subject to Gann Limit	Miles of road	MAC, Advisory Commission	Owns Equip.
Crest Forest									
CSA 18	park, roads and water	1967	yes		$50	Y	17.5	N	Y
CSA 68	road maintenance	1969	yes			Y	4.0	N	
CSA 70 R-2 (Twin Peaks)	road maintenance	1974	yes	$248		Y	1.5	N	
CSA 70 R-23 (Mile High Park, Crestline)	road, snow removal	1991		Annexed parcels $240 ($120 unimproved)	Orginal parcels $240 ($120 unimproved)	YES	1.0	N	
CSA 70 R-44 (Sawpit Canyon)	road maintenance	2005		$1,000		Y	1.3	N	
							25.3		
Lake Arrowhead									
CSA 59	road maintenance	1966	yes	$226		Y	5.0	N	
CSA 69	road maintenance	1969	yes		$100	Y	5.0	N	
CSA 70 CG (Cedar Glen)	water, roads	2005	N/A			N/A	N/A	N/A	
CSA 70 R-4 (Cedar Glen)	road maintenance	1977			$100	N	0.2	N	
CSA 70 R-7 (Winward Road, Lake Arrowhead)	roads, snow removal	1980			$700	N	0.2	N	
CSA 70 R-9 (Rim Forest)	road maintenance	1983			$60	N	1.0	N	
CSA 70 R-13 (North Shore, Lake Arrowhead)	road maintenance	1984			$100	N	1.5	N	
CSA 70 R-22 (Twin Peaks)	road maintenance	1989		Annexed parcels $100	Original parcels $100	Y	2.0	Adv. Comm	
CSA 70 R-35 (Cedar Glen)	road maintenance	1994			$150	N	0.1	N	
CSA 70 R-40 (Upper North Bay, Lake Arrowhead)	road maintenance	2001		$500		Y	0.5	N	
CSA 70 R-46 (South Fairway Dr.)	roads, snow removal	2010		$333		YES	0.7	N	
							16.2		
Hilltop									
CSA 79 Zone R-1	road maintenance	1993		$398		YES	0.8	N	
CSA 70 R-11 (Running Springs/Preston) DISSOLVED	road maintenance 0.8 MILES	1984			$100	N		N	
CSA 70 R-16 (Running Springs)	road maintenance	1984		$600		YES	1.0	N	
							1.8		
Bear Valley									
CSA 70 R-3 (Erwin Lake)	road maintenance	1974	yes		$12	Y	8.0	N	
CSA 70 R-5 (Sugarleaf)	road paving	1980		$68		Y	23.0	MAC	
CSA 70 R-12 (Baldwin Lake)	road maintenance	1984			$318	N	1.8	N	
CSA 70 R-21 (Mountain View, Big Bear)	road maintenance	1987			$90	N	0.2	N	
CSA 70 R-33 (Fairway Blvd., Big Bear City)	road, snow, misc.	1995			$100	N	0.8	N	
CSA 70 R-34 (Big Bear)	road maintenance	1994			$100	N	0.2	N	
CSA 70 R-36 (Pan Springs)	road maintenance	1994			$100	N	1.0	N	
CSA 70 R-45 (South Irwin Lake)	roads and snow	2009			$160	N	0.8	N	
							35.7		

sources: Special Districts Department FY 2011-12 and 2012-13 Adopted Budget; Formation Documents; Special Tax Elections; LAFCO files

CSA 69 provides road maintenance and snow removal to 5.0 miles within its boundaries. According to County Special Districts Department staff, roads are resurfaced as needed and as funding is available per the "road improvement plan" approximately every three years. As with CSA 68, no information was provided outlining the development of the road improvement plan, its funding needs or the status of review with the governing body. Asphalt repairs are completed annually each

summer as needed. According to Special Districts Management, the road conditions within the District were very good until after the 2007 fire. The fire did not damage the roads; however, equipment used for clearing of fire debris caused significant damage. Supplemental funding from the federal government was received to provide for needed repairs.

Since the passage of Prop 13 the development of Zones of CSA 70 for the purpose of providing road maintenance has been the method of choice to respond to property owner inquiries. This method removes the third-party review of LAFCO that would be necessary in an annexation to a County Service Area. Special District Department staff has acknowledged that they are the "entity of last resort" for those in need of service for roads not built to county standards. Since entities created after Prop 13 must rely on special taxes and/or assessments rather than ad valorem property taxes it makes it more difficult to receive the funding necessary for the service anticipated and the use of flat rate service charges or special taxes do not keep up with increased costs over time. The financial information presented in the Mountain Region Review of Road and Snow Removal Service report dated April 10, 2013 identifies, identifies that there are serious concerns about the sustainability of these agencies. However, so long as the land use review process allows for development with roads not built to county standards and included in the county-maintained road system, this problem will continue to exist.

3. Financial ability of agencies to provide services:

The two main sources of revenue for CSA 69 are its share of the general ad-valorem property tax levy and a $100 annual per parcel service charge. CSA 69 has no direct employees; it pays for a proportional share of salaries and benefits costs necessary to serve it and pays a proportional cost of the administrative functions of the County Special Districts Department. Funds within the "Fund Balance" category are maintained for emergencies such as road failures, culvert failures, and excessive snow storms

BUDGET DATA	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget
REVENUES								
Taxes	$ 65,315	$ 70,727	$ 39,075	$ 18,574	$ 23,616	$ 26,208	$ 25,011	$ 25,252
Interest	882	3,186	5,985	3,594	1,675	1,066	252	637
Current Services		(288)	26,254	40,363	39,249	39,854	36,485	36,595
Fed/State Aid			17,724			340	10,956	339
Other		183	8,805	2,259		(219)	(132)	
Operating Transfers In		21,576						
Total Revenues	66,197	95,384	97,843	64,790	64,540	67,249	72,572	62,823
EXPENDITURES								
Salaries & Benefits	-	-	-	-	-	-	-	-
Services & Supplies	18,618	15,742	77,439	51,760	63,225	32,605	15,863	40,180
Transfers Out	8,336	10,693	11,318	18,475	20,655	24,681	21,552	26,797
Contingencies								53,893
Operating Transfers Out						9,000	84,020	
Total Expenditures	26,954	26,435	88,757	70,235	83,880	66,286	121,435	120,870
Net Change in Fund Balance	39,243	68,949	9,086	(5,445)	(19,340)	963	(48,863)	(58,047)
Fund Balance, Budget	**$ 53,284**	**$ 122,186**	**$ 131,272**	**$ 125,828**	**$ 106,012**	**$ 106,579**	**$ 58,113**	**$ 66**
Fund Balance Unreserved	53,237	122,186	131,272	125,828	106,012	106,777	58,047	-
Capital Assets - 5.0 miles	$ 540,855	$ 467,823	$ 451,409	$ 434,994	$ 418,579	$ 410,186	$ 393,771	

4. Status of, and opportunities for, shared facilities:

The Special Districts Department consolidates the administrative operations and facilities for county service areas and improvement zones under the auspices of CSA 70. When needed, equipment owned in the name of CSA 70 and CSA 18 is used for road maintenance or snow removal in other service areas.

5. Accountability for community service needs, including governmental structure and operational efficiencies:

Local Government Structure and Community Service Needs

County Service Areas are governed by the County Board of Supervisors and administered by the County Special Districts Department. CSA 69 is within the political boundaries of the Second Supervisorial District. Budgets are prepared as a part of the County Special Districts Department's annual budgeting process and presented to the County Administrative Office and Board of Supervisors for review and approval.

Operational Efficiency

As a mechanism to control costs, the County of San Bernardino Special Districts Department has consolidated many of the administrative and technical functions necessary to manage board-governed special district services under County Service Area 70. Therefore, these agencies have no direct employees; it pays for a proportional share of salaries and benefits costs necessary to serve it and pays a proportional share of the cost for the administrative functions of the County Special Districts Department. One regional manager and one assistant regional manager oversee all the road districts and the services of road maintenance and snow removal.

Beginning in January 2010, the County Special Districts Department and the County Public Works Department have contracted to have the CSAs and Zones within the mountain communities provide snow removal service to county-maintained roads as a cost savings measure. It was noted in the financial determination section of the Regional Mountain Road and Snow Removal Services report dated April 10, 2013 that it appears that the funds for this contract are deposited into CSA 70. LAFCO cannot discern an operating transfer in for the entities providing the service. One question has been that the contracts identified had a termination date of June 30, 2012 and the Commission could find no extension or amendment to allow for service during the FY 2012-13 Fiscal Year.

Currently, County Special Districts and the Department of Public Works are negotiating a new cooperative agreement to address all county service areas and zones that provide road service throughout the unincorporated County area. The draft agreement reviewed by LAFCO staff includes services reviewed in the April 10, 2013 report, road maintenance, snow removal, culvert repair, and others, but also includes items such as brush removal, trail maintenance etc. The draft identified a not to exceed contractual amount of $300,000 to either side of the service provision. The Commission determines that two county service areas in the mountains would assist the cooperative arrangement currently under discussion and anticipated to be brought before the Board of Supervisors in the near future.

Government Code Section 26909 allows a special district to conduct a biennial audit, conduct an audit covering a five-year period, or replace the annual audit with a financial review if certain conditions are met. This board-governed agency meets the conditions for one if not all of the

above. Therefore, this agency has the potential to realize cost savings should it choose to undertake the necessary steps outlined in state law. This possibility would need to be discussed and decided between the County leadership, Special Districts Department, the County Auditor and the landowners and voters within the agency to maintain transparency.

Government Structure Options

There are two types of government structure options:

1. Areas served by the agency outside its boundaries through "out-of-agency" service contracts is not applicable in this review;

2. Other potential government structure changes such as consolidations, reorganizations, dissolutions, etc. are outlined below.

Government Structure Options:

Special Districts Department staff in preparing the service review indicated that there were no consolidations or other structure options available for the operation of the Mountain road agencies. However, the Commission staff believes that there are options to streamline and provide for greater transparency of operations. These are identified as:

- Expansion of boundaries to serve adjacent territory. Should an area adjacent to these agencies require road service, one option would be to expand the boundaries. Theoretically, the agencies could receive a share of the general levy from a potential annexed area; however, existing County policy related to annexations does not provide for a transfer of a share of the general levy to annexing county service areas. Outside of a general levy transfer, any additional special tax or charge would be subject to a Prop 218 election.

- Consolidation with the other road districts within the unincorporated area of the Mountain region. Special Districts Department has indicated in the past a desire to consolidate the road districts in the South Desert region of the County. According to Special Districts Department management, they discussed this possibility with management at the County Administrative Office and County Auditor. The indication received was a regional road entity in the South Desert was not feasible and that maintenance of separate zones was appropriate.

  County Special Districts Department was requested to provide its response to the option of creating a single road district for the Mountaintop. At the December 2010 hearing the Department's response was that Special Districts Department staff has looked at this issue in the past. The response reasons that each county service area or zone provides a different level of service based on the desire of the property owners and have different per parcel charges or taxes; therefore should not be consolidated. Its position was that in order to comply with this request, Special Districts would need to conduct elections within all the county service areas and zones so there would be a consistent per parcel tax or charge throughout. The elections and cost to form the new county service area would be cost prohibitive to the county service areas and zones as well. This position was reiterated in November 2012.

However, at the April 17, 2013 hearing the County Special Districts Department provided a revised position to support the staff's recommendation of two County Service Areas for the Mountain Region concept with the understanding that certain criteria would need to be met before such a jurisdictional change could be undertaken. It was identified that the different services and revenue mechanisms would remain within the respective zone boundaries. However, the change in structure would be service provision through CSA 68 or 53 zones rather than zones of CSA 70. In essence, road services would be removed from CSA 70 in the mountain region.

The Commission determines that this is the most viable option for the Mountain region. In the Mountains, the levels of service are generally the same – road maintenance and snow removal. Therefore, economies of scale can be achieved by having a regional agency coordinate road maintenance and snow removal.

- Assumption of road responsibility by Lake Arrowhead Community Services District or Big Bear City Community Service District. Lake Arrowhead CSD overlays CSA 59 and CSA 69 and is a multi-function, independent, district with the statutory authority to provide road services (although activation of that function and service is subject to LAFCO authorization). In this scenario, Lake Arrowhead CSD would assume responsibility for providing the service within its boundaries along with a transfer of the property tax share and service charges of CSA 59 and CSA 69.

  LACSD was requested to provide its response to this option. This option was discussed by the LACSD board at it September 14, 2011 meeting and was met with much amusement. Their written response to LAFCO states that the directors considered the request and determined that because the road maintenance districts were so small, it would not be economical for LACSD to attempt to operate the districts. The same request was made of the Big Bear City CSD which opposed such a change on the basis of the potential liability questions.

  However, LAFCO staff returns to the Legislature's intent in LAFCO Law and Community Services District Law that a single multi-function agency is the best mechanism to coordinate and provide service within a community. It is evident that the current situation results in multiple governing bodies, administration, overhead, and financial reporting. As a means of addressing the community of Lake Arrowhead or Big Bear City, it is the Commission's position that an elected body representing the community at large would be best able to assess service needs and as well as provide for economies of contracting for service.

- Maintenance of the status quo. At the present time, no other public agencies have expressed desire to provide this service. As in past discussions of the single purpose streetlighting agencies administered by the County, the Commission supports the consolidation of these entities into a single road CSA to provide for a more efficient and effective operation.

Based upon a review of the positions presented, the Commission determines that the ultimate consolidation of the road maintenance and snow removal service providers in the mountains under the auspices of either CSA 68 (Crest Forest, Lake Arrowhead and Hilltop LAFCO-defined communities) and CSA 53 (Bear Valley community) is the preferred option for ultimate government structure.

WHEREAS, the following determinations are made in conformance with Government Code Section 56425 and local Commission policy:

1. **Present and Planned Uses:**

Development in the San Bernardino Mountains is naturally constrained by rugged terrain, public land ownership, limited access, and lack of support infrastructure, as well as by planning and environmental policies which place much of the area off limits to significant development. Maximum build-out potential is constrained substantially by the slope-density standards and fuel modification requirements of the County General Plan Fire Safety Overlay.

2. **Present and Probable Need for Public Facilities and Services:**

CSA 69 currently provides road maintenance and snow removal within its boundaries and meets the service needs for road maintenance and snow removal of those within its boundaries. The future need for roads will increase with population growth, as additional development may require such service.

3. **Present Capacity of Public Facilities and Adequacy of Public Services**

CSA 69 provides road maintenance and snow removal within its boundaries and adequately serves the area given the revenues received.

4. **Social and Economic Communities of Interest:**

The social community of interest for the mountain region is generally represented by the Rim of the World Unified School District for the western mountain area and the Bear Valley Unified School District for the Bear Valley community. However, the economic community of interest for the services of road maintenance and snow removal would be the entirety of the Mountain region (Communities of Crest Forest, Lake Arrowhead, Hilltop (Running Springs/Arrowbear Park/Green Valley Lake), and Bear Valley), as defined by the Commission.

5. **Additional Determinations**

- As required by State Law notice of the hearing was provided through publication in a newspaper of general circulation, *The Sun*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in Commission Policy, in-lieu of individual notice the notice of hearing publication was provided through an eighth page legal ad.

- As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.

- Comments from landowners/registered voters and any affected agency were reviewed and considered by the Commission in making its determinations.

WHEREAS, pursuant to the provisions of Government Code Section 56425(i) the range of services provided by County Service Area 69 shall be limited to the following:

RESOLUTION NO. 3120

FUNCTIONS	**SERVICES**
Roads	Road Maintenance as defined in Government Code Section 25213(i) which includes snow removal

And such range of services shall not be changed unless approved by this Commission;

WHEREAS, having reviewed and considered the findings as outlined above, the Commission determines to assign a zero sphere of influence for County Service Area 69 signaling the Commission's position that a future change of organization should be evaluated.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission for San Bernardino County, State of California, that this Commission shall consider the sphere of influence for County Service Area 69 to be a zero sphere, it being fully understood that establishment of such a sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants;

BE IT FURTHER RESOLVED that the Local Agency Formation Commission for San Bernardino County, State of California, does hereby determine that County Service Area 69 shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's determination of a zero sphere of influence, including any reimbursement of legal fees and costs incurred by the Commission.

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:

AYES:	**COMMISSIONERS:**	**Bagley, Cox, McCallon, Ramos, Smith, Williams**
NOES:	**COMMISSIONERS:**	**None**
ABSENT:	**COMMISSIONERS:**	**Curatalo (Smith voting in his stead)**

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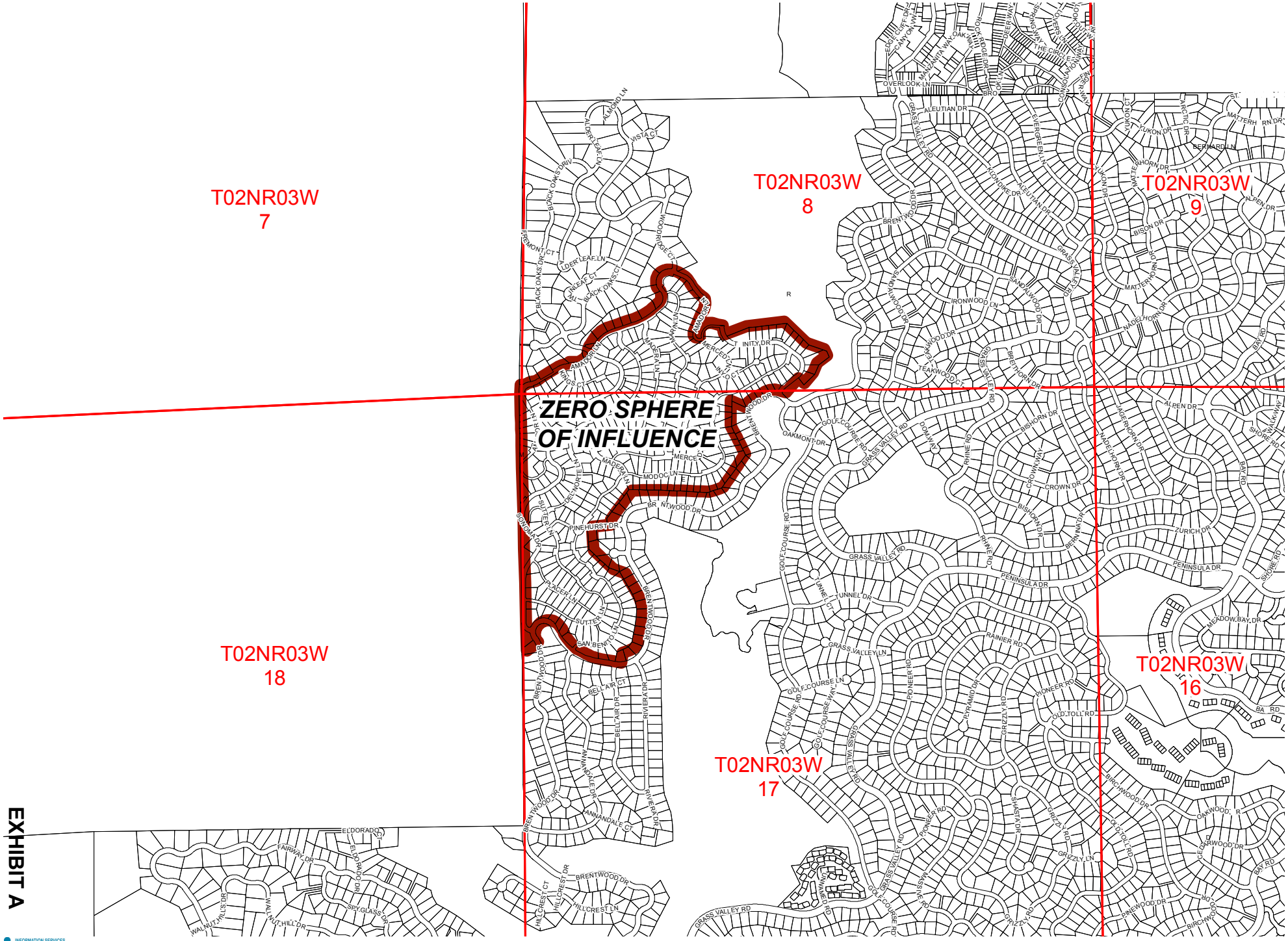
STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of May 15, 2013.

DATED: May 16, 2013

Kathleen Rollings McDonald

KATHLEEN ROLLINGS-McDONALD
Executive Officer



LAFCO 3122 - Sphere of Influence Update for County Service Area 69

(Zero Sphere of Influence Designation for CSA 69)