

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

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PROPOSAL NO.: LAFCO 3018

HEARING DATE: NOVEMBER 28, 2007

RESOLUTION NO. 2985

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 3018 -- A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 42 (a sphere of influence expansion to include approximately 65+/- acres)

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

WHEREAS, a service review mandated by Government Code Section 56430 and a sphere of influence update mandated by Government Code Section 56425 have been conducted by the Local Agency Formation Commission of the County of San Bernardino (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 this 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 February 21, 2007 and continued to March 21, 2007, June 20, 2007, August 15, 2007, October 24, 2007, and November 28, 2007 at the time and place specified in the original notice of public hearing and in any order or orders continuing the hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; the Commission considered all objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the review, 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 November 28, 2007. The Clerk 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 42 shall be expanded making its boundaries and sphere of influence

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coterminous, and this change is depicted on maps on file in the office of the San Bernardino Local Agency Formation Commission; 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 November 16, 2007 and received and filed by the Commission on November 28, 2007, a complete copy of which is on file in the LAFCO office. The determinations of the Commission are:

1. Infrastructure Needs and Deficiencies:

During 2000 and 2001, the County Special Districts Department commissioned focused studies of the water distribution system and sewage collection system in conjunction with a grant application to the United States Department of Agriculture (USDA) to receive funding for facility expansion and improvements. The grant funding was never received but the findings of the report are still applicable. Additionally, the water projects were submitted to the California Department of Public Health, Division of Drinking Water and Environmental Management for Proposition 50 funding. The projects were not eligible for funding in the first two rounds of grant distributions but are eligible for consideration in the next funding round to take place in FY 2008-09. The conclusions of the studies conducted by Engineering Resources of Southern California indicate a number of facility improvements in addition to facility expansion are needed to resolve deficiencies in the systems.

Water

The most significant regional issue is future water supply. The high growth rate in the region, coupled with a continued overdraft of the groundwater basin, which is the primary source of supply, is an infrastructure deficiency. The groundwater basin is adjudicated under a stipulated judgment that specifies the amount of groundwater that can be extracted by major groundwater producers (those using over 10 acre feet per year), the purpose of which is to balance water supply and demand and address the groundwater overdraft. The groundwater basin is adjudicated and overdrafted, and future supplies are limited, requiring water purveyors to scale back consumption annually, to aggressively promote water conservation measures, to buy more expensive imported water and to develop new supplies.

Currently the district has rights to or has purchased water rights to assure 465 acre-feet (AF). CSA 42 is within the Alto sub-region, and Free Production Allowance (FPA) is currently at 60% of Base Annual Production, which permits the district 279 AF of FPA for FY 2007-08. As noted in the most recent Watermaster Annual Report, "further rampdown is not warranted in Alto at this time" (Ch 5, pg 32). Producers are required to replace any water pumped above their FPA by paying the Mojave Basin Area Watermaster to purchase supplemental water or by purchasing unused production rights from another party. The historical trend for CSA 42's water production indicates little variation with less than half of its FPA being produced. Thus, it does not have a replacement water obligation. For FY 2004-05 CSA 42 had 179 AF of unused FPA. It transferred this amount to other agencies as follows: 50 AF each to CSA 64, CSA 70J, CSA 70L, and 29 AF to CSA 70C. As noted in the Watermaster Report in Appendix E, these transfers were made only for the satisfaction of makeup water obligations incurred during FY 2004-05. Transfer data for later years is not yet available. LAFCO staff received information for the two most recent water sales: \$22,375 for FY 2004-05 transfers and \$27,060 for FY 2005-06 transfers. The sub-region does have a replacement water obligation and this obligation is anticipated to increase. The watermaster purchased about 8,200 AF for replacement obligations in 2006 and expects it to be as high as 16,500 AF in 2007. Given current rampdown amounts and pumping projections, replacement water obligations and thus supplemental water purchases could reach 30,000 AF by 2009 or 2010. All the agencies pay a share of the watermaster's replacement (makeup water obligation). The makeup water obligation sharply increased for FY 2005-06, when CSA 42 paid \$1,567. The previous three years it paid a minimal amount or had no obligation (13th Annual

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Watermaster Report). Even if CSA 42 continues not to exceed its FPA, its makeup water obligation is anticipated to more than double by 2009 or 2010.

The water source for CSA 42 is groundwater from four wells lying along the Mojave River, from which water is pumped and transported through four miles of pipelines within the distribution system, to a 246,000 gallon storage tank. The storage tank serves the entire CSA 42 area and is located less than one-half mile east of the district's boundaries in Section 20 and is in close proximity to the developed portion of the district. As indicated in the 2002 Water Distribution System Report, the County Fire Department stipulates that there must be a supply of 750 gallons per minute (gpm) for two consecutive hours, for a total of 90,000 gallons, for fire flow purposes. The Department of Health Services requires a water system to have enough storage capacity for maximum day consumption, which based on four years of data is 220,000 gallons. If power is lost to the system, the system should have sufficient storage to supply the system consumption for 24 hours and the fire flow for a two-hour duration. That makes a total storage requirement of 310,000 gallons. The existing reservoir capacity is only 246,000 gallons. Therefore, the system does not meet required storage. In addition, there is no back-up reservoir or inter-ties with other agencies and the district would have to rely on a pump truck in the event of an emergency.

CSA 42 has experienced a loss of water production from Wells #1, #2, and #3 due to the water table dropping in the area. Each year the production has declined. Well #1, which had once produced 600 gpm in 1954, now ranges from 200 gpm in the winter months to 60 gpm in the summer months. Well #4 was rehabilitated in May 1998 and produces around 50 gpm at a pumping level of 90 feet. The well was intended to be a back-up well that would supply 28,000 gallons per day (gpd). At this time, the existing wells are producing sufficient amounts to supply the existing customers, but would have difficulty serving their customers in the summer months if one of the wells went out of service. Additionally, the Water Distribution System Report indicates that in the summer, the wells must run around the clock to produce 295,200 gpd. This however, does not comply with the Department of Health Services standard that mandates the ability to supply the consumers with the largest well out of service. If the largest well was out of service, only 208,800 gpd could be produced and this falls short of the maximum daily demand of 220,000 gallons as stated above.

Water service consists of 126 active connections with the number of new connections projected at zero during the fiscal year of 2007/2008. Water connections have been relatively static over the past ten years.

The service review response submitted by Special Districts Department in 2005 refers to CSA 42's annual report and states that a moratorium was declared on new water connections until system capacity increases. Since that time, Special Districts Department has indicated that the moratorium is no longer in effect, as it now meets daily demand. However, Special Districts Department could not produce records of the moratorium as to when it was instituted, when it was lifted, and by what agency.

The adverse effect of the drought on the basin's water table and the lack of inter-ties with any agency require the infrastructure expansion projects listed below to sustain the day-to-day operations and to improve the quality of water delivered to the customers in the district's service area. All of the projects were submitted to California Department of Public Health, Division of Drinking Water and Environmental Management for Proposition 50 funding. The projects eligible for consideration in the next round of grant funding are.

Addition of a New Well – estimated cost \$230,000 - \$260,000

Addition of a Back-up Reservoir – estimated cost \$255,000

Replacement of Steel Water Lines on State and Golden Streets – estimated cost \$108,000

Existing Tank Re-lining – estimated cost \$35,000

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Sewer

Special Districts Department staff estimate that about 95% of the sewer system serving the community was constructed in 1924 and the remaining 5% was constructed in 1973. Aware that a section of sewer pipeline known as "Alley Number 5" was under private property with no easement access, video inspections conducted in 1996 and 1997 within the section indicated the sewer line was in very poor condition. Since that time, no upgrades or repairs have been made to this section of pipeline. According to Special Districts Department staff, the remainder of CSA 42's pipeline is in good condition.

In January 1984, the Regional Wastewater Reclamation Facility went into operation. The facility was constructed with funds derived from Federal and State clean water grants and local share taxes. This facility provides interceptor capacity and wastewater treatment and disposal for the Town of Apple Valley, Hesperia County Water District, CSA 42, CSA 64 and the Victorville Sanitary District.

CSA 42 sewer service consists of 249 equivalent dwelling units (EDU) comprised of the following: 108 active residential customer accounts; 8 inactive residential customer accounts; and 10 accounts that are multiple EDU accounts. CSA 42's new EDUs are projected at zero during the fiscal year of 2007/2008. Sewer service has remained relatively static within its boundaries. According to Special Districts staff, a few voluntary disconnections have occurred since 1999.

The materials submitted for this review and the Districts most recent sewer collection report do not identify sewer infrastructure expansion projects. Sewer improvement projects were submitted to USDA for grant funding, but the projects did not receive any funding. Future funding for these projects have not been identified. Access to the existing sewer line, identified as "Alley Number 5", is very limited and only part of the line is actually within an alley with the remainder beneath residential and commercial properties. CSA 42 does not have any easements or rights of ways above the line, therefore repairing or replacing the sewage line with minimal disturbance to the surface structures would be the most favorable option. The items listed below are replacement improvements that are needed to repair the sewage pipeline in Alley Number 5.

- PVC Lining 680 feet of 8-inch Sewer Collection Line
- Pipe Bursting 680 feet of 8-inch Sewer Collection Line
- Lining 680 feet of 8-inch Sewer Collection Line
- Lining Sewer Manholes – Four in total
- Design Criteria (sloping and gravity flow)

Park & Recreation Services

All projects are submitted for Community Development Block Grant (CDBG) funding through the U.S. Department of Housing and Urban Development (HUD). The community center is currently being upgraded with a new roof and heating, ventilation and air conditioning units to the building provided through CDBG funds. New lights and sprinkler system for the ball field are in the planning stage and have been awarded State grant funds (Proposition 40 – Clean Air, Clean Water, and Safe Parks) totaling \$100,000. No additional plans for recreation and park infrastructure are anticipated.

Streetlighting

The budget for CSA 42 indicates that it maintains 30 streetlights. LAFCO staff has, however, verified with Southern California Edison that CSA 42 maintains 39 streetlights.

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2. Growth and Population

The service area consists of 493 acres, 106 dwellings and had a 2002 population of 422. Historical trends indicate little growth within this area, according to water and sewer connections, Special Districts Department staff, and the County's General Plan land use designations. This annual growth rate is considerably lower than the cities of the North Desert region's overall growth rate. Furthermore, given the resources and land uses within CSA 42, the community of Oro Grande cannot support the type of growth as the North Desert has experienced.

3. Financing Opportunities and Constraints

The Special Districts Department submitted the budget and audit for CSA 42 as part of the service review. According to CSA 42's most recent audit for FY 2005-06, it is primarily funded through customer charges (totaling \$201,258) and property taxes (\$14,475). At year's end, CSA 42 had net assets totaling \$621,312 (increase of 15%). However, not all of CSA 42's operating funds ended the year with a positive gain.

The governmental funds, which account for park and streetlights, received \$13,738 in property taxes and \$10,452 in customer charges. Funding for park and recreation services receive ad valorem property tax, state grants and rental fees. For the year, the funds for park and streetlights combined decreased 17%. Additionally, year-end estimates for FY 2006-07 indicate that CSA 42 expended 3.1% more than incoming revenues. Generally, a decrease in an agency's net assets is a concern for the future financial health of the organization. CSA 42 has a relatively small revenue base to draw from and operating expenses exceed their income. In this case, CSA 42's net assets are not decreasing but its funds for streetlights and park and recreation continually operate at a loss. Grant research is continual by the Special Districts Department and all recreation and park capital projects are submitted for CDBG funding. CSA 42 has received or been approved funding for park and recreation projects. However, CDBG funding is a one-time distribution and CSA 42 would still have the obligation for ongoing maintenance and operation.

The enterprise funds, which account for water and sewer, received \$727 in property taxes and \$190,806 in customer charges. Funding for water and sewer services receive operating revenues from water sales, sewer charges, water and sewer connection fees, meter installations, and water and sewer standby charges (\$30 an acre per parcel annually each for water and sewer) and incurs expenses from services, supplies, salaries, depreciation and utility costs. For the year, the funds for water and sewer combined increased 23%. CSA 42 has applied for Proposition 50 funding for water and sewer capital improvement projects.

4. Cost Avoidance Opportunities

As a mechanism to control costs, the County of San Bernardino Special Districts Department consolidates many of the administrative and technical functions necessary to manage water, sewer, park, refuse collection and street lighting services. Therefore, CSA 42 has no direct employees on its payroll; it pays for an annual Full-Time Equivalent of the estimated number of positions necessary to serve it; it pays a proportional share of the administrative costs of the Water and Sanitation Division; and it pays a proportional cost of the administrative functions of the County Special Districts Department. CSA 42 also benefits from grant management being provided by the Special Districts Department.

The Water and Sanitation Division of the Special Districts Department has found the most cost-effective measure for extending the life of the aquifers that provide water to the Districts is through conservation efforts. The conservation message is communicated through handouts and information packets to customers that are made available at no charge to the customer. The Division has increased its participation in the Alliance for Water Awareness & Conservation

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(AWAC) program. The Division, as an AWAC member, participates in workshops, outreach events, and public education to communicate the conservation message. Another facet of conservation activity by the Division is its long-time participation in the Desert Communities Water Awareness Expo (Expo). The Expo group is also involved with communicating water conservation messages and resources at the Annual Home and Garden Show.

CSA 42 is a member of the Victor Valley Wastewater Reclamation Authority (VWRA). The VWRA is a Joint-Powers Agency created expressly for the purpose of treatment of wastewater through a regional facility and the ultimate disposal of effluent and solids. In January 1984, The Regional Wastewater Reclamation Facility went into operation. The facility was constructed with funds derived from Federal and State clean water grants and local share taxes. This facility provides interceptor capacity and wastewater treatment and disposal for the Town of Apple Valley, Hesperia County Water District, CSA 42, CSA 64 and the Victorville Sanitary District. The cost of operating and maintaining the treatment plant is paid for through the use of user charges which are levied throughout each of the communities on an equitable basis.

5. Rate Restructuring

The County Special Districts Department, as the administrators of all Board-governed special districts, examines rates annually, provides for a public hearing process for their adoption, and adjusts rates as needed. Rate restructuring has had a significant impact, bringing revenues in line with ongoing district operating costs. Engineering analyses indicate that infrastructure deficiencies are serious and Special District Department continues to analyze rate structures.

Sanitation and water rates are based on the costs associated with operations and maintenance and locally funded capital improvement projects. Sanitation rates per equivalent dwelling unit were \$33.12 per month in 2005-06 and \$37.09 in 2006-07 (11.99% increase). Water rates increased roughly 10% in 2006/07 and 9% in 2007/08. The current water rates are \$1.54, \$1.72, and \$1.85 for Tiers 1, 2, and 3 respectively.

Recreation & Park Service administrative fees are based on costs associated with park operations and maintenance and the management of capital improvement projects. Rental rates of the Community Building depend on the type of function.

6. Opportunities for Shared Facilities

CSA 42 is a Victor Valley Wastewater Reclamation Authority joint powers authority member and the Regional Wastewater Reclamation Facility provides wastewater treatment and disposal. Additionally, CSA 42 shares resources with other CSAs through the Special Districts Department's Water and Sanitation Division office in Victorville.

7. Government Structure Options

The southern portion of CSA 42 is within the sphere of influence of the City of Victorville and its subsidiary district the Victorville Water District. Also, the boundaries of CSA 42 extend beyond its sphere of influence to the east, as indicated by the hatch mark area on the map in Exhibit A. This area is included within the City of Victorville and two of its subsidiary districts, the Victorville Recreation and Park District and Victorville Fire Protection District. At the March 2007 hearing, the Commission adopted a zero sphere of influence for the Victorville Sanitary District, Victorville Fire Protection District, and Victorville Recreation and Park District. The Commission indicated its position that these districts should be consolidated with the City of Victorville, presuming that the City would then assume responsibility for providing the full range of services.

Special Districts Department staff in preparing the municipal service review indicated that there were no consolidations or other structure options available for the operation of CSA 42. While the discussion of some government structure options may be theoretical, a service review should

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address all possible options. One option would be for the City of Victorville and its subsidiary district to expand their boundaries to include the whole of CSA 42, whereby they would provide the full range of services to the area, ultimately including water, sewer, fire and park and recreation. However, there is no desire at this time by the City regarding this option.

The other option would be to maintain the status quo. Due to the size and location of CSA 42, the community is best served through the county service area where it can enjoy economies of scale while paying minimal costs for the services received.

CSA 42 can also expand its sphere of influence to include the parcels to the west of its boundaries in order to provide these parcels with municipal services. Six of the parcels along National Trails Highway are currently served water by TXI/Riverside Cement, which has indicated its desire to transfer this service to CSA 42. If CSA 42 is to provide these parcels with water or sewer, it can do so through an out-of-agency service agreement or through annexation. Both options require the area to be served to be within its sphere and are subject to LAFCO approval through a separate application for sphere amendment.

8. Evaluation of Management Efficiencies

CSA 42 is supported by Special Districts Department and pays an allocated share for administrative and district staffing cost. CSA 42 budgets are prepared in conjunction with the County's annual budgeting process and are fully compliant with legal requirements and County Administrative policy. The Special Districts Department's Water and Sanitation Division has an office in Victorville. CSA 42 is a Victor Valley Wastewater Reclamation Authority joint powers authority member and the Regional Wastewater Reclamation Facility provides wastewater treatment and disposal.

Action taken on October 16, 2007 by the Board of Supervisors of the County of San Bernardino clarified the appropriation limit for CSA 42 as follows:

Recreation and Park	\$ 48,130
Water	\$ 261,904
Streetlighting	\$ 10,972
Sanitation	\$ 203,939
<hr/> Total Appropriation	<hr/> \$ 524,945

9. Local Accountability of Governance

The San Bernardino County Board of Supervisors governs CSA 42; it is within the political boundaries of the First Supervisorial District. CSA 42 does not have an advisory commission or council. If meetings are required, they are held with residents in the Oro Grande Community Building. Such meetings include the increase of municipal service rates for reasons other than inflation. A review with Special Districts Department staff indicates that no community meetings have taken place within the past ten years. It remains unclear as to when the last community meeting was held. When rates are increased due to inflation, residences are informed through a mailed letter. Since the community does not have an advisory council, Special Districts Department staff indicates that the residents within CSA 42 may not be aware of the water and sewer challenges within its boundaries. The Special Districts Department's Water and Sanitation Division has an office in Victorville.

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

1. Present and Planned Land Uses:

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1. Present and Planned Land Uses:

CSA 42 encompasses approximately 493 acres of territory with a population of approximately 422 residents. At present, the land uses of CSA 42 include vacant, mining, and residential land. The majority of the area has current General Plan land use designations assigned by the County of San Bernardino of Regional Industrial and Rural Living. Other land uses include Neighborhood Commercial, Residential Single (minimum lot size of 10,000 sq ft), and Agricultural (a portion of one parcel, non-agricultural use). While the Regional Industrial designation supports an intense use of the land, the unincorporated balance of CSA 42 does not support an urban intensity of land use.

The proposed sphere amendment area comprises approximately 65 +/- acres and overlays the boundaries of the City of Victorville. The City's general plan indicates that this area is within the City's Southdown Industrial Park Specific Plan. The primary land use allowed is industrial with limited commercial activity. No change in land use for the area will occur through inclusion of the area within CSA 42's sphere. It is within the boundaries of CSA 42 and currently receives and benefits from services provided by CSA 42.

The information provided by Special Districts states that there are no plans for future development at this time.

2. Present and Probable Need for Public Facilities in the Area

CSA 42 provides water, sewer, park and recreation, and street lighting within its boundaries. It is also authorized solid waste powers, but it has not provided this service since FY 1998-99.

Currently, CSA 42 meets the service needs of those within its boundaries. However, the water and sewer systems experience challenges in consistently meeting those needs. To further meet the needs for park and recreation public facilities and services would include renovation of existing facilities and a revitalization of community events, as indicated by Special Districts Department.

The future need for public facilities and services would increase as the population grows. However, CSA 42 is not anticipated to experience significant growth within its boundaries due to historical growth trends and the general plan land use designations for area. If growth is to occur or if the parcels outside CSA 42's boundaries request connection to CSA 42's sewer or water system, expansion and/or repair of the current water or sewer lines would need to occur to accommodate the growth or connection.

Since the sphere amendment area currently receives and benefits from services provided by CSA 42, there is no need for additional facilities or services for the amendment area. The future need for service is not anticipated to change as a result of the proposed sphere amendment.

3. The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides

CSA 42 provides water distribution and treatment within its service territory. The groundwater basins that serve as the primary water supply are over-drafted, but CSA 42 produces only about half of its free production allowance. The capacity of its facilities does present challenges, however. This system has only one reservoir and does not have any inter-ties with any other agencies or a back-up reservoir for water storage. Three of the four wells have experienced a decrease in production over the years. Even with decreased production, the wells are producing sufficient amounts to supply the existing customers in CSA 42 at this time.

As a member of the Victor Valley Wastewater Reclamation Authority, CSA 42's effluent is processed at Regional Wastewater Reclamation Facility. Inspections of a portion of the sewer lines in a portion of the District's boundaries in 1996 and 1997 indicated that the lines were in poor

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condition. Repairs to the line have not occurred and the condition has deteriorated since that time. However, these problems are limited to certain sewer lines. Special Districts Department staff indicates that the remainder of the facilities are in good condition.

Currently, CSA 42 has sufficient revenue to support the streetlights in the area; however, in recent years a reallocation of the tax base for the area by the Victor Valley Economic Development Authority has had a negative impact on the Streetlighting budget causing the depletion of all reserves to fund operations.

4. The Existence of any Social or Economic Communities of Interest

Social communities of interest include the community of Oro Grande. The majority of the community is addressed by CSA 42's sphere, but the neighboring parcels include residents that identify with the community. CSA 42 also has a large Hispanic population. According to the materials submitted for this review, the promotion of cultural activities should be advanced to cater to the needs of the residents.

Economic interests include the TXI/Riverside Cement Company, which has been in the area since 1923 and remained within the boundaries after the formation of CSA 42 to help continue to finance municipal services through its taxes. According to Special Districts Department staff, many of the residents in the developed portion of CSA 42 either worked or currently work at TXI. Additionally, the City of Victorville and the Victorville Water District spheres of influence overlap the south half of CSA 42's sphere, and the City's boundaries and its subsidiary fire and recreation and park districts jurisdictional boundaries overlap a small portion of CSA 42 comprising 65 acres.

5. Other Findings:

A. Notice of the original hearing was published as required by law in The Sun and the Daily Press, newspapers of general circulation in the area. As required by State law and Commission policy an 1/8th page legal ad was provided for this consideration.

In accordance with Commission Policy #27, a 1/8th page legal ad was provided in lieu of individual notice because the service reviews for the community of Victorville in aggregate would have exceeded 1,000 notices.

B. Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination; and,

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

D. The County Special Districts Department has consented to the removal of solid waste as an active power for County Service Area 42; and,

WHEREAS, pursuant to the provisions of Government Code Section 56425(i) the range of services provided by County Service Area 42 shall be limited to the following:

DISTRICT	FUNCTIONS	SERVICES
CSA 42 (Oro Grande)	Park and Recreation	Park and recreation
	Water	Water distribution and treatment
	Sewer	Sewer distribution and treatment

LAFCO 3018
 SPHERE OF INFLUENCE REVIEW (EXPANSION) FOR COUNTY SERVICE AREA 42

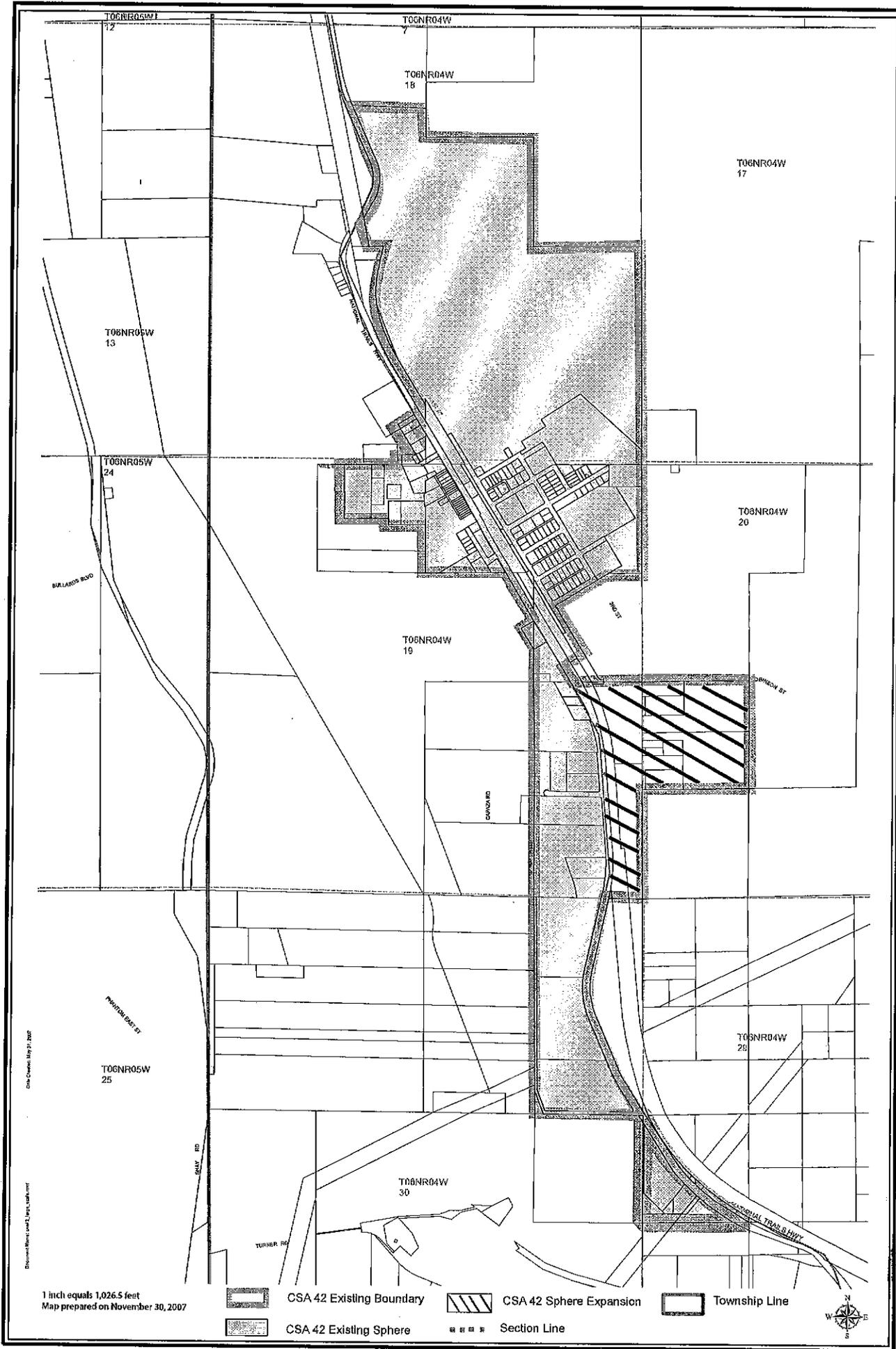


EXHIBIT
A