

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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PROPOSAL NO.: LAFCO 3234

HEARING DATE: OCTOBER 16, 2019

RESOLUTION NO. 3288

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3234 – SERVICE REVIEW FOR THE WRIGHTWOOD COMMUNITY SERVICES DISTRICT

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

WHEREAS, a service review mandated by Government Code 56430 has 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 his 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 October 16, 2019 at the time and place specified in the 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 support and opposition; 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 service review, in evidence presented at the hearing; and,

WHEREAS, at this hearing, this Commission certified that the service review is statutorily exempt from environmental review pursuant to the provisions of the California Environmental Quality Act (CEQA) and such exemption was adopted by this Commission on October 16, 2019. The Commission directed its Executive Officer to file a Notice of Exemption within five working days of its adoption; and,

WHEREAS, the determinations required by Government Code Section 56430 and local

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Commission policy are included in the report prepared and submitted to the Commission dated October 9, 2019 and was recommended for acceptance and filing by the Commission on October 16, 2019, a complete copy the service review is on file in the LAFCO office.

WHEREAS, the following determinations are made in conformance with Government Code Section 56430 and local Commission policy:

Determination I. **Growth and Population Projections for the Affected Area**

Wrightwood is a small, isolated community essentially nestled in a valley surrounded by forest lands. The total land area of the Wrightwood CSD comprises approximately 17 square miles (10,886 acres). Population growth over the next five years is expected to be minimal. The CSD's 2018 population is estimated to be 4,978. In 2023, the CSD is projected to have a population of 5,145, an increase of 167 residents (0.66 percent) between 2018 and 2023.

Within the San Bernardino County portion of the community, approximately 70 percent of the land is forest lands, 25 percent residential (both single family and multi-family) and five percent commercial. Land use planning and development entitlements within the San Bernardino County portion of the community are administered through the County of San Bernardino. According to the County's Land Use Service Department, the current General Plan land use designations are: Special Development Residential (SD-RES), Multiple Residential (RM), Single Residential (RS), Single Residential – 10,000 sq. ft. min. (RS-10M), Service Commercial (CS), General Commercial (CG), Neighborhood Commercial (CN), Floodway (FW), and Resource Conservation (RC). No territory is designated for agricultural land use.

Within the Los Angeles County portion of the community, approximately 61 percent of the land is forest lands, 21 percent rural residential, 17 percent rural commercial, and less than 1 percent designated for public use. Land use planning and development entitlements within the Los Angeles County portion of the community are administered through the Los Angeles County Department of Regional Planning. According to the LA County General Plan 2035, the current land use designations are: Rural Commercial (CR), National Forest (OS-NF), Public and Semi-Public (P), Rural Land 10 (RL 10), and Rural Land 20 (RL-20). No territory is designated for agricultural land use.

Determination II.

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

No disadvantaged unincorporated communities (per the definition in Government Code Section 56033.5) are located within or contiguous to the Wrightwood CSD sphere of influence.

Determination III.

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

The Wrightwood CSD currently provides street lighting, park and recreation and solid waste disposal (through a contract with CR&R Waste and Recycling Services. The District has been providing these services for two years with a level determined by its finances. The District is

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authorized to provide wastewater services but is limited to planning and engineering services only.

Wrightwood is located at an elevation of approximately 6,000 feet above sea level and has no municipal sewer services. As a result, all development in this area requires Onsite Wastewater Treatment Systems ("OWTS" – septic tanks or package treatment plants). In response to the formation of the Wrightwood CSD in 2016 (LAFCO 3202), the Lahontan Water Board provided information on the community's wastewater issues.

These are septic tanks for solids removal followed by sub-surface disposal, typically a seepage pit. The Lahontan Water Board has long desired that some form of common sewerage be implemented in Wrightwood to deal with problems that periodically arise. Options include centralized or de-centralized sewer collection, treatment, disposal, and OWTS maintenance.

OWTS failures have occurred in the older sections of Wrightwood with a high density of small lots. Failures have also occurred in years with elevated precipitation when shallow groundwater rises to the surface. Many underdeveloped lots do not meet the Water Board's minimum lot size for installing an OWTS.

The requirement for sewerage is not locally made – it is a requirement which may be imposed by a regional regulatory agency. The approval of LAFCO 3202 in 2017 authorized the CSD the function of wastewater (limited to planning of a regional sewer entity.) Recently formed in July 2017, the Wrightwood CSD is in its infancy and continues to work through the administrative, budgetary and service challenges common of any newly formed agency.

The Commission determines that if the CSD were to take on an additional service at this time, especially one as complex and labor intensive as sewer, it would be extremely challenging in the near term. However, the lack of a sanitary sewer system in Wrightwood is a core infrastructure deficiency and should remain a high level community concern.

The CSD is positioned to play a key role in coordinating with the Lahontan Board and representing the Wrightwood community on this issue. The Commission encourages both parties to have ongoing communication and continue to inform the Wrightwood community on important sewer and water quality related issues. Should the CSD, at some point in the future, desire to actively provide wastewater collection and treatment service, it would be required to return to San Bernardino LAFCO for approval under the provisions outlined in Government Code Section 56824.10 et seq.

Additionally, roughly two and half miles to the west of the Wrightwood CSD in Los Angeles County is the Mountain High ski area, which has two wastewater treatment plants. The Lahontan Regional Board identified that an additional opportunity may be for a single system to encompass the Wrightwood community and Mountain High resort. From the Commission's view, a single sewer collection and treatment system for the entire Wrightwood/Mountain High Resort area has the potential to provide a long-term solution to the large community's sewer needs. The viability of this option should be explored in any sewer planning efforts for this area.

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Determination IV.

Financial ability of agencies to provide services

The Wrightwood CSD is a nascent agency. Therefore, historical record is not the measure of fiscal health; rather, it is that of its current financial condition. In this case, the agency's financial ability to provide services is measured as of the end of the most recent fiscal year – June 30, 2019.

In a one-year comparison:

- Property tax revenues increased 7.0%.
- The increase in revenues resulted in an increase in cash and investments. This, coupled with a decrease in liabilities, results in a better liquidity position.
- Cash and cash equivalents (business-type funds) increased by 55.6%.
- Fund balance for Governmental Activities (parks and streetlights) decreased from \$45,311 to \$28,158.
- Cash and cash equivalents for Enterprise Activities increased from \$136,317 to \$212,066.

This service review does issue a few notes of caution. The most recent audit shows a marked increase in salaries and benefits as well as services and supplies. Should the District grow and these expenditures increase as well, the District should ensure that sufficient, sustainable revenues are able to fund the District's activities.

Determination V.

Status of, and opportunities for, shared facilities

As noted previously, the Wrightwood community is a small, isolated community surrounded by forest lands. This community's size and location severely limit opportunities for the CSD to share facilities with other agencies.

As mentioned in Determination III, a potential opportunity exists in the future to form a single wastewater collection and treatment system to encompass the Wrightwood and Mountain High communities. This option may involve sharing treatment capacity at the two wastewater treatment plants currently serving the Mountain High ski area. The viability of this option should be explored in any future sewer planning efforts for this area.

Determination VI.

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

Accountability for Community Service Needs

The Wrightwood CSD has a website that includes the names, email addresses and terms of the Board of Directors, a direct, standalone link to meeting agendas on its opening page, brief

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descriptions of CSD services, a calendar of community events and meetings, and Board adopted ordinances and resolutions. The website is electronically searchable. Meeting agendas are posted on the website at least 72 hours in advance of meetings. Agendas, staff reports, meeting minutes and audio recordings of Board meetings in 2019 are also available.

However, financial information (budgets, audits, and compensation) are not currently posted on the website. This information should be added to the website in the near future to increase agency transparency and accountability.

Governmental Structure and Operational Efficiencies

The Wrightwood Community Services District is governed by a five-member Board of Directors, elected at-large, by Wrightwood residents. Board members serve four-year, staggered terms. The current Board membership is shown in the table below.

Wrightwood CSD Board of Directors		
Board Member	Title	Term Expiration
Wes Zuber	President	2020
Leo Hordyk	Vice-President	2022
Chuck Franklin	Director	2020
Natalie Lopiccolo	Director	2020
Michelle Schneider	Director	2022

The Board meets the first Tuesday of every month at 6:30 p.m. in the Community Building located at 1275 Highway 2 in Wrightwood. Meeting agendas are posted at least 72 hours prior to the Board meetings in the Community Building, the Old Fire Station, the Hardware Store and on the CSD's website.

Just formed in July 2017, the Wrightwood CSD is in its infancy and continues to work through the administrative, budgetary and service challenges common of any newly formed agency. No additional governmental structure opportunities have been identified.

However, Wrightwood is located at an elevation of approximately 6,000 feet above sea level and has no municipal sewer services. The approval of the LAFCO 3202 in July 2017 authorized the CSD to provide wastewater services but specifically limited that service to planning and engineering services only. Should, in the future, a decision be made by the Lahontan Regional Water Quality Control Board to require municipal level sewer service in Wrightwood, the District is well positioned to play a key role in coordinating with the Lahontan Board and representing the Wrightwood community on this issue. Should sewer service be required, the District may also be the logical long-term wastewater collection and treatment provider for the community.

REVIEW OF CONDITIONS OF APPROVAL FROM CSD FORMATION:

This service review also provides an opportunity to review key LAFCO conditions of approval applied to the Wrightwood CSD formation (LAFCO 3202):

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Condition (summary)	Status
LAFCO Resolution 3227, Condition 11 (summary): Requires the Wrightwood CSD, as successor agency, to maintain any funds transferred from County Service Area 56 to the CSD for public use or purpose in separate accounts in accordance with Government Code Section 57462.	All funds from the former CSA 56 are marked for public use.
LAFCO Resolution 3227, Condition 14 (summary): Requires the Wrightwood CSD, as successor agency, to continue to pay the installment payments required for the development of the community's Skate Park and other improvements.	The CSD continues to pay the installment payments. The last payment occurs in 2020.

Additionally, due to the formation of the CSD (LAFCO 3202) the CSD was responsible for the election costs. To repay these costs, the CSD entered into an agreement with the San Bernardino County Registrar of Voters (ROV) for the repayment of costs related to services provided by the ROV to conduct the CSD's special formation election. The total costs advanced by the ROV was \$63,500. The note payable is to be repaid in six annual payments of \$10,584. There is no interest on the note payable.

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

- As required by State Law, notice of the hearing was provided through publication in a newspaper of general circulation within the area, the *Mountaineer*. 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 State Law and 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 of the hearing was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission for San Bernardino County, State of California, that this Commission shall accept and file the Service Review for Wrightwood Community Services District which sets forth the written statements for the six determinations outlined in Government Code Section 56430 as presented at the hearing.

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

AYES: COMMISSIONERS: Bagley, Cox, Curatalo, Lovingood, McCallon, Rowe

NOES: COMMISSIONERS: None

ABSENT: COMMISSIONERS: Warren

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

I, SAMUEL MARTINEZ, 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 October 16, 2019.

DATED: October 22, 2019



SAMUEL MARTINEZ
Executive Officer