

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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PROPOSAL NO.: LAFCO 3017

HEARING DATE: JANUARY 20, 2010

RESOLUTION NO. 3077

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 3017 – A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 30 (affirmation of existing sphere of influence).

On motion of Commissioner Mitzelfelt duly seconded by Commissioner Biane 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 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 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 January 20, 2010 at the time and place specified in the notice of public hearing; 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;

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 January 20,

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2010. The Executive Officer was directed to file a Notice of Exemption within five working days of its adoption;

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 30 (hereafter shown as the District) shall be affirmed as coterminous with its boundaries, as more specifically depicted on the map attached hereto 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 January 13, 2010 and received and filed by the Commission on January 20, 2010, 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:

In San Bernardino County, trends indicate a dwindling population in this northwestern most portion of the County since its pre-World War II peak. In the late 1970s, the population for this area was approximately 400. According to the 2000 Census, the area had a population of roughly 130 people located along Highway 395. The County of San Bernardino has assigned general plan land use designations of Resource Conservation and Rural Commercial. The majority of the area is Resource Conservation (1 unit to 40 acres). The populated portion of the District is designated as Rural Commercial (two units per acre or four units per acre for mobile home parks).

The land use in the area is mostly rural with residential and limited commercial along Highway 395. The land ownership breakdown within the district's boundary is identified in the table below.

Land Owner	Sq Miles	Percentage
Government Land	2.11	83.4%
Private	0.42	16.6%
Total	2.53	100.0%

source: County of San Bernardino, Information Services Department

Since 2005, LAFCO has not received any project notices from the County of San Bernardino Planning Department regarding General Plan Amendments, tentative tract developments, and Conditional Use Permits for residential or commercial development within this area. Given the downward trend in population and current land use patterns, it is possible that the area will experience further decreases in population.

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

The only service currently provided through CSA 30 is streetlighting. Although the FY 2009-10 CSA 30 budget identifies that the District was "originally formed to provide financing for 26 streetlights", the budget does not provide an identification of the current number lights. In response to LAFCO staff's request for information, the County Special Districts Department has provided verification that there are currently 17 streetlights funded through CSA 30.

The streetlights are classified as all night service (activated from dusk until dawn). Southern California Edison owns the streetlights and responds to problems, and CSA 30 provides for

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payment of the utility costs associated with the individual lights. There are no plans at this time to increase the number of the streetlights. There is no other existing service provider for streetlights in the area (County Service Area 70 which overlays CSA 30 is authorized streetlighting services, but requires creation of an Improvement Zone to provide), and the service is adequately provided. The future need for streetlights will increase if the population grows, dependent upon the implementation of the County's Night Sky Ordinance within this portion of the desert. The purpose of the Night Sky Ordinance is to encourage outdoor lighting practices and systems that will minimize light pollution, conserve energy, and curtail the degradation of the nighttime visual environment.

3. Financial ability of agencies to provide services:

The sole source of revenue for CSA 30 is its share of the general ad-valorem property tax levy. The majority of expenditures pay for the streetlighting utility costs to Southern California Edison and transfers to other County funds to pay for CSA 30's share of management and services support costs.

Special Districts Department states in its narrative response provided to LAFCO that the expenditures for CSA 30 exceed revenue. This is supported by the chart below utilizing figures from CSA 30's audits and budgets. From FY 2007-08 to FY 2008-09 the Service and Supplies category of accounts more than doubled. The FY 2008-09 budget states that the increased costs are due to higher energy costs. As identified in the FY 2009-10 Budget, expenditures are anticipated to exceed revenues by \$1,010, which would result in a year-end fund balance of zero dollars.

As of June 20, 2008, CSA 30's streetlighting fund had a balance of \$952. Should the trend of expenditures exceeding revenue continue, CSA 30 would experience challenges in supporting the current streetlighting activities and its financial viability to provide its service would be questionable. The only resolution for this area would be a determination to reduce the number of lights funded through CSA 30.

CSA 30 Financial Activity

	FY 2006-07 Actual ¹	FY 2007-08 Actual ¹	FY 2008-09 Actual	FY 2009-10 Budget
Expenditures				
Services & Supplies	\$1,892	\$1,384	\$2,555	\$3,225
Transfers Out	2,178	1,526	786	832
Reserves & Contingencies	0	0	0	427
Total Expenditures	4,070	2,910	3,341	4,484
Revenue				
Taxes	3,349	3,488	3,452	3,474
Use of Money	22	7	0	0
Current Services	(31)	(25)	(48)	0
Other Revenue	4	1	(5)	0
Total Revenue	3,344	3,471	3,399	3,474
Net	(726)	561	58	(1,010)
Fund Balance	\$391	\$952	\$1,010 ²	\$0 ²
Sources: FY 2008-09 Final Budget, FY 2009-10 Proposed Budget				
¹ Streetlighting fund, does not include Fire fund				
² Calculated by LAFCO staff				

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Appropriation Limit

An appropriation limit is required by Article XIII B of the State Constitution and limits the expenditure of the proceeds of taxes. Action taken on June 16, 2009 by the Board of Supervisors of the County of San Bernardino established the appropriation limit for CSA 30 at \$75,205.

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.

Southern California Edison owns the streetlights; therefore, the streetlights cannot be shared. The only service that CSA 30 is actively providing is streetlights so no other shared facilities can be considered.

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

Local Government Structure and Community Service Needs

CSA 30 is governed by the County Board of Supervisors and administered by the County Special Districts Department; it is within the political boundaries of the First Supervisorial District. CSA 30's budget is prepared as a part of the County Special Districts Department's annual budgeting process. CSA 30's annual budget is presented to the County Administrative Office and Board of Supervisors for review and approval.

There is record of CSA 30 utilizing a board-governed Advisory Commission in the 1970s before its sphere of influence establishment and authorization of the Planning function. However, the County Clerk to the Board has identified the CSA 30 Advisory Commission as an inactive board. Information could not be obtained as to the inactive date of the Advisory Commission.

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 the various services provided under County Service Area 70. Therefore, CSA 30 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. To pay for these functions, the FY 2009-10 Budget indicates a transfer to CSA 70 Countywide of \$832 for management and operations support (\$551 for Salaries and Benefits and \$281 for Services and Supplies). One regional manager oversees all the streetlight districts and one inspector provides support services such as inventory, streetlight requests, and plan review.

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;

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

Out-of-Agency Service Agreements:

The provision of streetlighting service outside the boundaries of CSA 30 is not applicable.

Government Structure Options:

While the discussion of some government structure options may be theoretical, a service review should address possible options, especially in light of CSA 30's financial challenges. Special Districts Department staff in preparing the service review indicated that there were no consolidations or other structure options available for the operation of CSA 30.

- Expansion of boundaries. This option is not desirable because the majority of the surrounding areas are public lands without need of the services provided by CSA 30.
- Assumption of water service by County Service Area 30. County Service Area Law includes retail water as an additional service that a county service area can provide, and CSA 30 overlays the service area of the Rand Communities Water District. Such reorganization would include the detachment of Rand CWD within San Bernardino County with the assumption of service by CSA 30. This option is not desirable at this time for the following reasons:
 - The single well for Rand CWD is located in Kern County.
 - While a single multipurpose governmental agency accountable for community service needs and financial resources may be the best mechanism for establishing community service priorities, in this case, the Red Mountain community has historically and continues to be identified as being a part of the overall Rand area which is mainly in Kern County. In this case, the community water service needs and financial resources are best addressed through Rand CWD.
- Consolidation with the other streetlighting districts within the unincorporated area of the County. Special Districts Department has indicated in the past a desire to consolidate the districts with only streetlighting powers within the unincorporated area of the County. However, the Commission has not received any additional information regarding this option from Special Districts Department. Such a proposal would eliminate the need for multiple budgets and combine the revenues so that payments to Southern California Edison would come from a single source. In addition, it would allow for the coordination of streetlight locations as was identified in the service review for County Service Area SL-1.
- Maintenance of the status quo. At the present time, no other public agencies (except for CSA 70 – countywide) have the statutory authorization to provide streetlights to the area.

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 streetlighting CSA to provide for a more efficient and effective operation. However, as noted above, the Special District Department staff, while supporting the concept, has not identified support for moving forward with this type of reorganization.

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

1. Present and Planned Uses:

At present, the land uses of within CSA 30 include residential, vacant, and commercial land. The County of San Bernardino has assigned general plan land use designations of Resource Conservation and Rural Commercial. The Rural Commercial land use designation allows for the development of residential uses. The land ownership breakdown within the district's boundary is identified in the table below.

Land Owner	Sq Miles	Percentage
Government Land	2.11	83.4%
Private	0.42	16.6%
Total	2.53	100.0%

source: County of San Bernardino, Information Services Department

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

CSA 30 currently provides only streetlighting services within its boundaries and operates and maintains 17 streetlights. Currently, CSA 30 meets the service needs of those within its boundaries. The future need for streetlights will increase with population growth, as denser developments will require such service while recognizing the limitation of the County's Night Sky ordinance. However, as identified in this report, the population within CSA 30 is dwindling having fallen from a high of 400, to its current population of 130 per the 2000 Census.

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

CSA 30 provides streetlighting within its boundaries and adequately serves the area. Revenues are generally adequate to support the current streetlighting activities but do not allow for additional significant activity.

4. Social and Economic Communities of Interest:

The social community of interest is Red Mountain, which is a part of the larger Rand Community primarily within Kern County. The economic communities of interest are the remaining mining activities and the commercial activities along Highway 395. CSA 30 is entirely within the Kern Community College District and Sierra Sands Unified School District. The Sierra Sands Unified School District headquarters is located in Ridgecrest, Kern County, and all of its schools are located in Kern County.

5. Additional Determinations

- Legal advertisement of the Commission's consideration has been provided through publication in *The Daily Independent* through a publication of an 1/8th page legal ad, as required by law. In accordance with Commission Policy #27, an 1/8th page legal ad was provided in lieu of individual notice because the service review for the community, in aggregate, would have exceeded 1,000 notices.

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- 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 30 shall be limited to the following:

DISTRICT	FUNCTIONS	SERVICES
County Service Area 30	Streetlighting	Streetlighting
	Planning	Regional planning

Special Districts Department has identified that CSA 30 only provides Streetlighting and agrees that the Planning function should be removed since CSA 30 has never utilized its Planning powers. Government Code Section 25213.6 (County Service Area Law) permits the Board of Supervisors through adoption of a resolution to divest a county service area of the authority to provide a service if the proposed divestiture would not require another public agency other than the county to provide a new or higher level of service or facilities. As a result of CSA 30 never utilizing its Planning powers:

- The Commission requests the County to take action to divest CSA 30 of its Planning function as outlined in County Service Area law and file the appropriate resolution with the Commission, and
- Directs staff to update the *Rules and Regulations of the Local Agency Formation Commission of San Bernardino County Affecting Functions and Services of Special Districts* upon receipt of the County resolution divesting CSA 30 of the Planning function.

WHEREAS, having reviewed and considered the findings as outlined above, the Commission determines to affirm the sphere of influence of County Service Area 30 as coterminous with its boundaries, as outlined on the attached exhibit to this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission of the County of San Bernardino, State of California, that this Commission shall consider this to be the sphere of influence for County Service Area 30; 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 of the County of San Bernardino, State of California, does hereby determine that County Service Area 30 shall indemnify, defend, and hold harmless the Local Agency Formation Commission of the County of San Bernardino from any legal expense, legal action, or judgment arising out of the Commission's affirmation of the sphere of influence, including any reimbursement of legal fees and costs incurred by the Commission.

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

AYES: COMMISSIONERS: Biane, Cox, Curatalo, McCallon, Mitzelfelt, Nuaimi, Pearson

NOES: COMMISSIONERS: None

ABSENT: COMMISSIONERS: None

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

I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission of the County of San Bernardino, 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 January 20, 2010.

DATED:

KATHLEEN ROLLINGS-McDONALD
Executive Officer

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

AYES: COMMISSIONERS: Biane, Cox, Curatalo, McCallon, Mitzelfelt, Nuaimi, Pearson


NOES: COMMISSIONERS: None

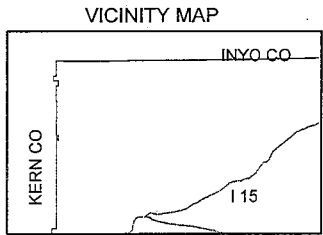
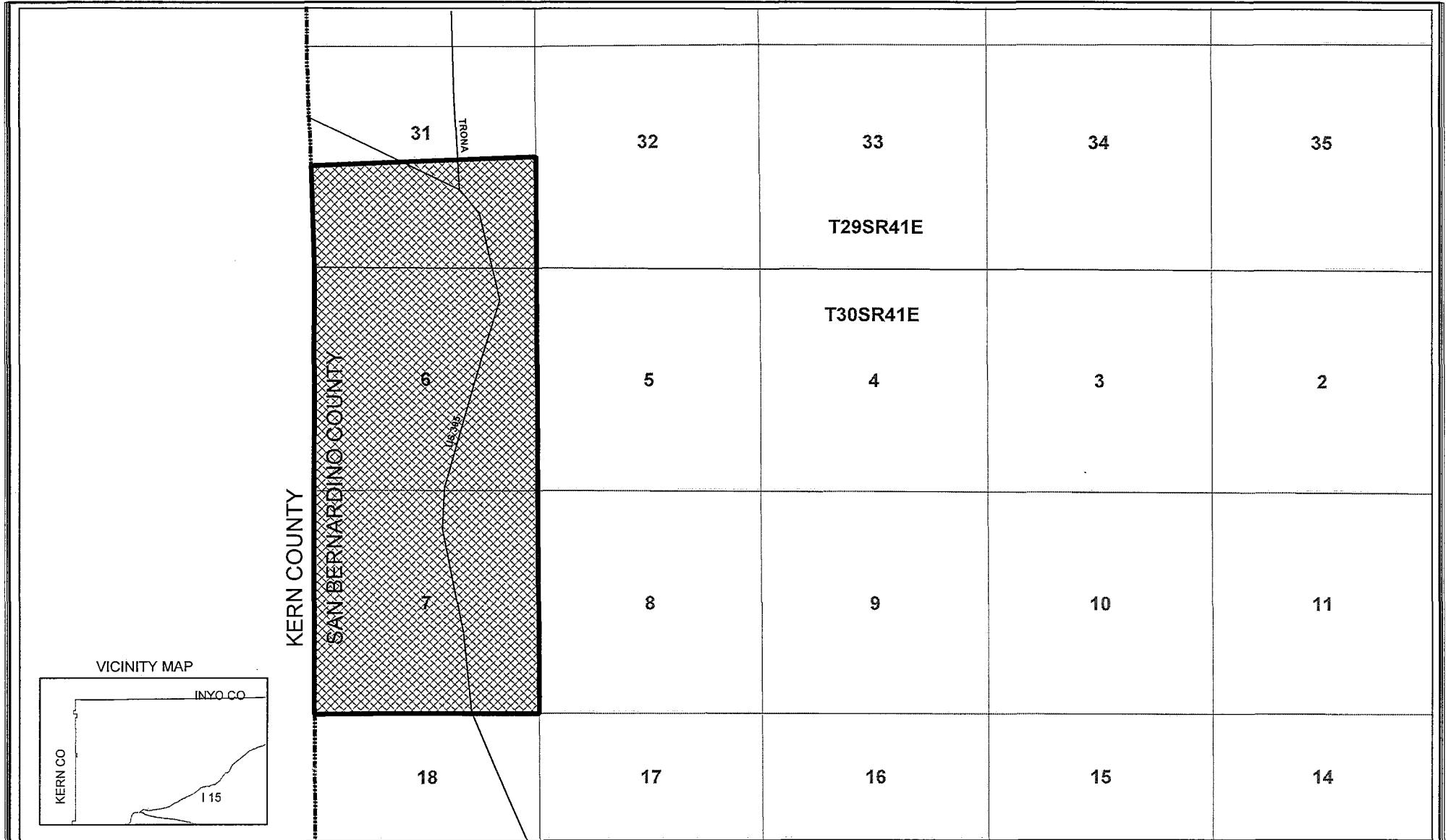
ABSENT: COMMISSIONERS: None

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

I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission of the County of San Bernardino, 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 January 20, 2010.

DATED: JANUARY 22, 2010


KATHLEEN ROLLINGS-McDONALD
Executive Officer






LAFCO 3017 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR
 COUNTY SERVICE AREA 30

Boundary and Sphere of Influence are coterminous



Legend

-  Sphere of Influence
-  District Boundary
-  County Boundary