

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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DATE: NOVEMBER 30, 2010

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TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item # 9: Crest Forest and Lake Arrowhead Review Providing
for Community Definition and Review of the Regional Services of
Streetlighting and Fire Protection

INITIATED BY: San Bernardino Local Agency Formation Commission

INTRODUCTION

In July, staff presented to the Commission the first service reviews for the Mountain region – the regional agencies of Crestline-Lake Arrowhead Water Agency and Rim of the World Park and Recreation District. These agencies provide service generally to the Crest Forest, Lake Arrowhead, and Running Springs/Arrowbear Park/Green Valley Lake communities. On this month's agenda are the service reviews for the Crest Forest¹ and Lake Arrowhead communities. However, conditions unique between the Crest Forest community and the Lake Arrowhead community do not lend to a clear-cut community division with inclusive service provision. These conditions are:

- County Service Area 54 (streetlights) is split between both communities and is not solely identified with either.
- The Crest Forest Fire Protection District is not confined to the Crest Forest community and extends considerably into the Lake Arrowhead community.

Therefore, a separate report related to community definition, streetlighting, and fire protection between the Crest Forest and Lake Arrowhead communities is warranted. This

¹ Many refer to the community as Crestline. Although a central element of the community, Crestline is located in the eastern portion of the Crest Forest community, east of Highway 138 and surrounding Lake Gregory.

report is intended as a companion piece to the community reports titled *Service Reviews for the Lake Arrowhead Community* (Agenda Item 10) and *Service Reviews for the Crest Forest Community* (Agenda Item 11), and is organized as follows:

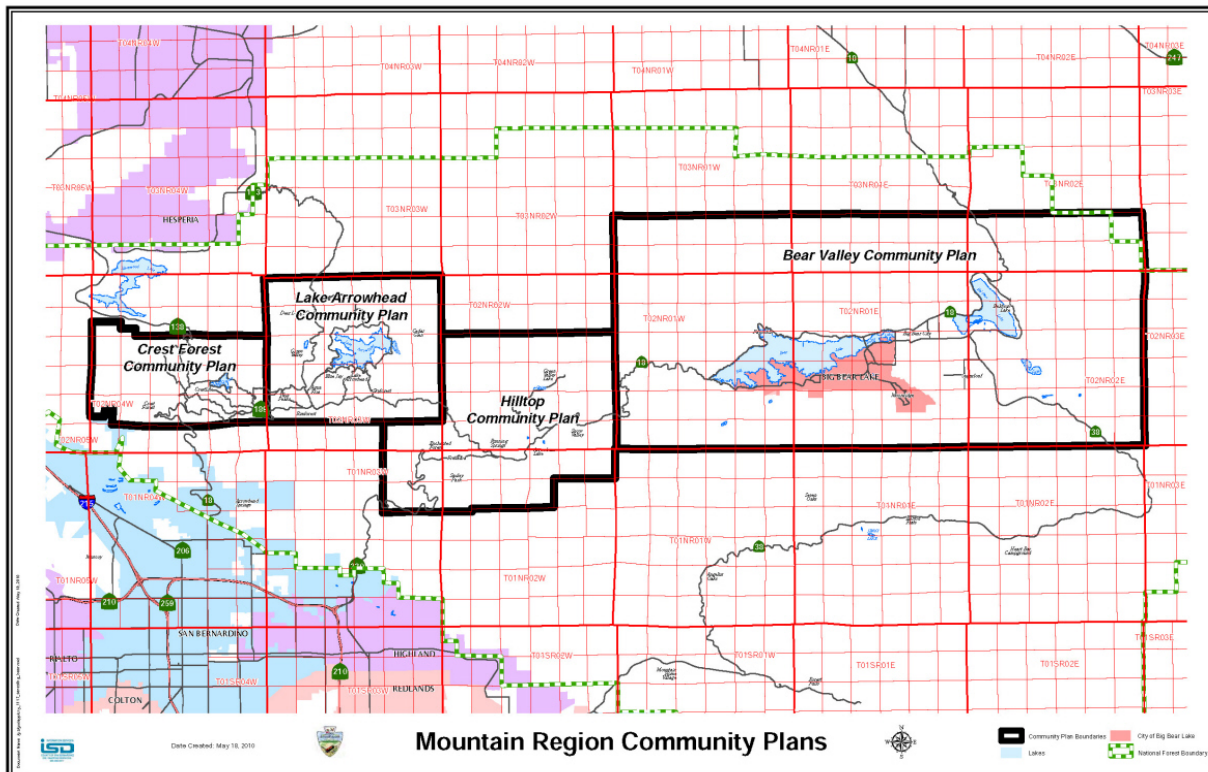
- Community Discussion - Information regarding the communities, the services that cross between them, and the Commission's prior definition of the Lake Arrowhead community and lack of definition for the Crest Forest community is presented. Based upon this information and staff's analysis, a recommendation for definition of the Crest Forest community, the division between the two communities and modifications for the Lake Arrowhead community are provided.
- Streetlighting – Presentation on the provision of this service to the Crest Forest and Lake Arrowhead communities, which includes discussion of the division of County Service Area 54 between the two communities, the existence of a Valley streetlighting agency in the mountain, questions regarding the existence of two adjacent county service areas providing the same service, and staff's recommendation for sphere updates.
- Fire Protection and Related Services – Presentation on the structure of fire protection, ambulance, and paramedic services to the communities, and the extension of Crest Forest Fire Protection District into the Lake Arrowhead community.
- Service Reviews and Sphere of Influence Updates for the affected agencies – CSA 54, CSA SL-1 (Lake Arrowhead portion) and Crest Forest Fire Protection District

The separate reports titled *Service Reviews for the Crest Forest Community* and *Service Reviews for the Lake Arrowhead Community* are based on the staff recommended community definitions presented in this report.

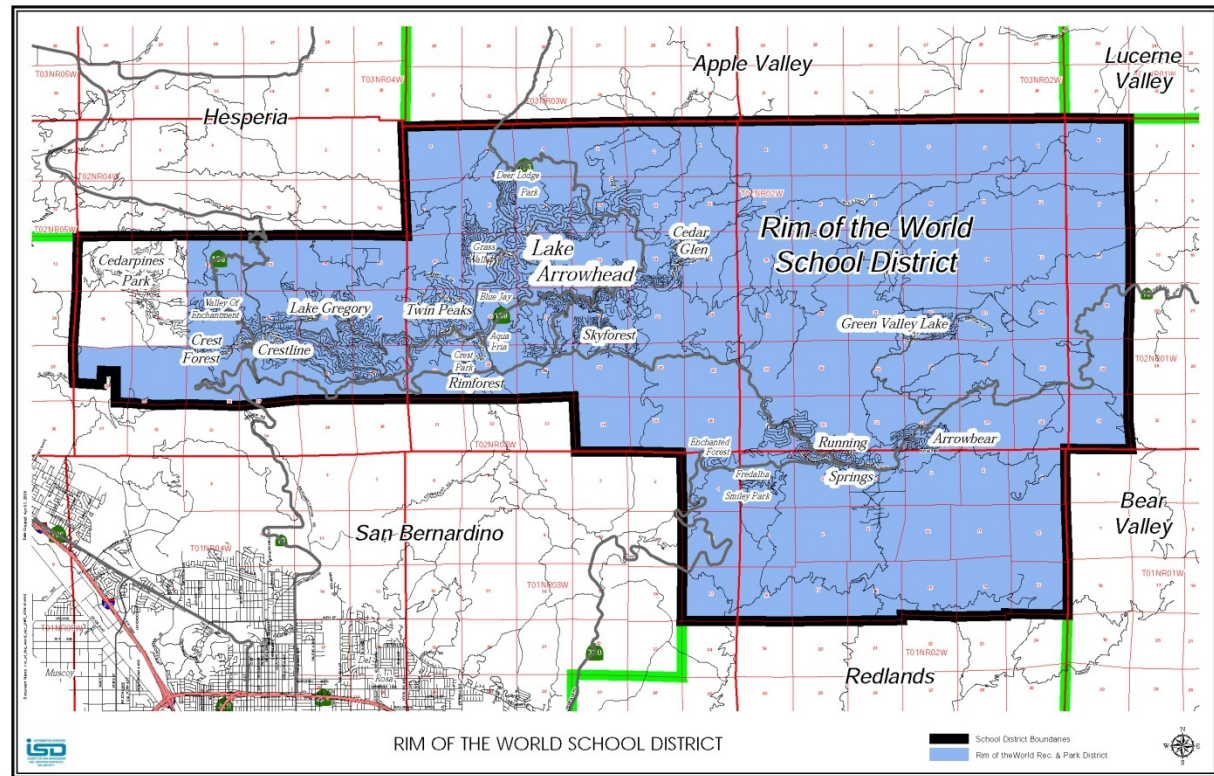
COMMUNITY DISCUSSION

The Commission's policy guidelines for spheres of influence identify that its approach is defined as a "community-by-community" consideration. This practice employs looking at the whole of the community as defined by the existence of inter-related economic, environmental, geographic and social interests. The Commission's concept is to define a community through the spheres of influence for all related service providers.

In 2007 as a part of the County General Plan, the County Board of Supervisors adopted the four separate community plans for the Mountain region as shown on the map below. This community discussion will focus on the two most western community plans.



At the August 2010 LAFCO Workshop, the Commission directed staff to include information on the K-12 school districts as a part of service reviews, to include a discussion of boundaries and shared facilities, in order to gain additional perspective of the community of interest. The Rim of the World Unified School District overlays the Crest Forest and Lake Arrowhead areas and also includes the Hilltop community, as shown on the map below. The School District boundaries generally coincide with the Rim of the World Recreation and Park District (shown for reference in blue on the map below) with the exception of territory in the northwestern portion of the Crest Forest Community (CSA 18). The Park District has entered into a joint use agreement with the School District for use of school owned property and facilities for recreation programs including licensed before and after school child care.

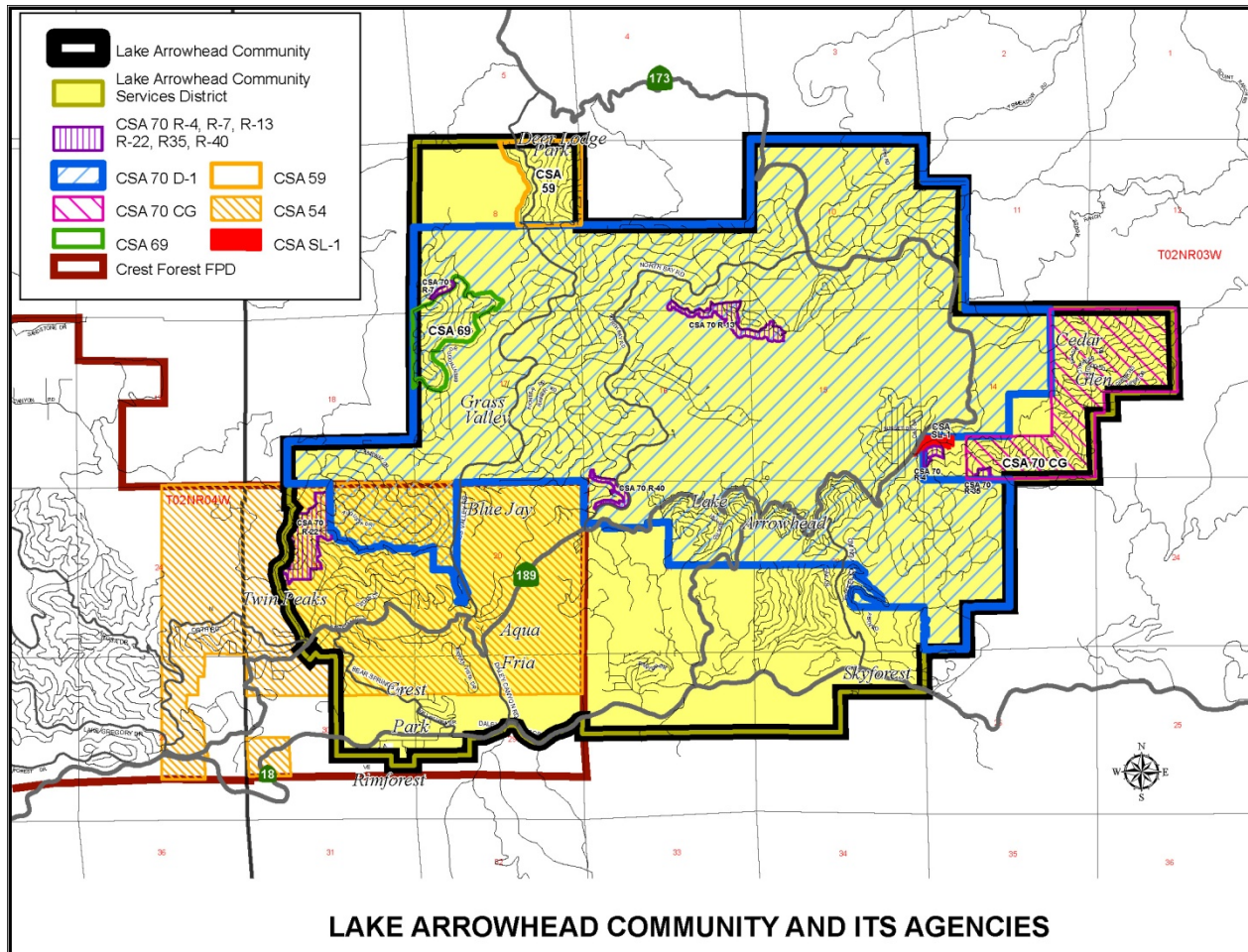


Due to the regional nature of the boundaries for Rim of the World USD, it does not provide additional information related to the definitions of the Crest Forest and Lake Arrowhead communities.

Lake Arrowhead Community Composition

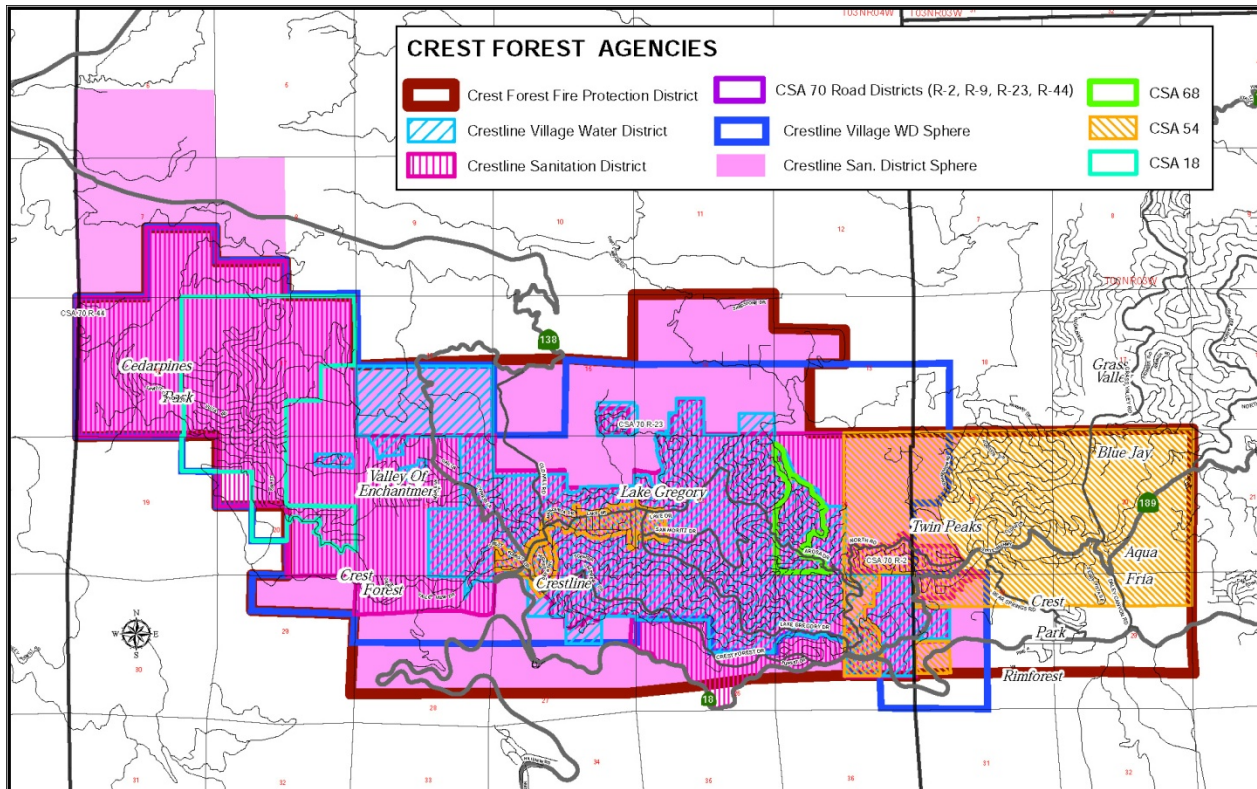
In 1973, the Lake Arrowhead community was defined by the Commission through establishment of the spheres of influence for the Lake Arrowhead community-based districts (Lake Arrowhead Fire Protection District and Lake Arrowhead Sanitation District). In 1983, the Commission dissolved the Lake Arrowhead Sanitation District and expanded the Lake Arrowhead Community Services District boundary and sphere to encompass the former Lake Arrowhead Sanitation District. Since that time, the community has been defined as the sphere of influence of the Lake Arrowhead Community Services District.

Wholly within the sphere of influence and boundary of the Lake Arrowhead Community Services District are numerous, smaller, single purpose county service areas and zones to county service areas. Additionally, County Service Area 54 (streetlights) is split between the Crest Forest and Lake Arrowhead communities. A considerable portion of the Crest Forest Fire Protection District extends into the Lake Arrowhead Community. The map below is of the current Lake Arrowhead community and its agencies.



Crest Forest Community Composition

Although the Commission has established the spheres of influence of the Crest Forest service providers, the Commission has never defined the Crest Forest community. Community-based districts include the Crestline Sanitation District, Crestline Village Water District, and Crest Forest Fire Protection District (although it extends considerably into the Lake Arrowhead community). Within Crest Forest are numerous, smaller, single purpose county service areas and zones to county service areas. Additionally, County Service Area 54 (streetlights) is split between the Crest Forest and Lake Arrowhead communities. The map below outlines the Crest Forest agencies.



Community Division

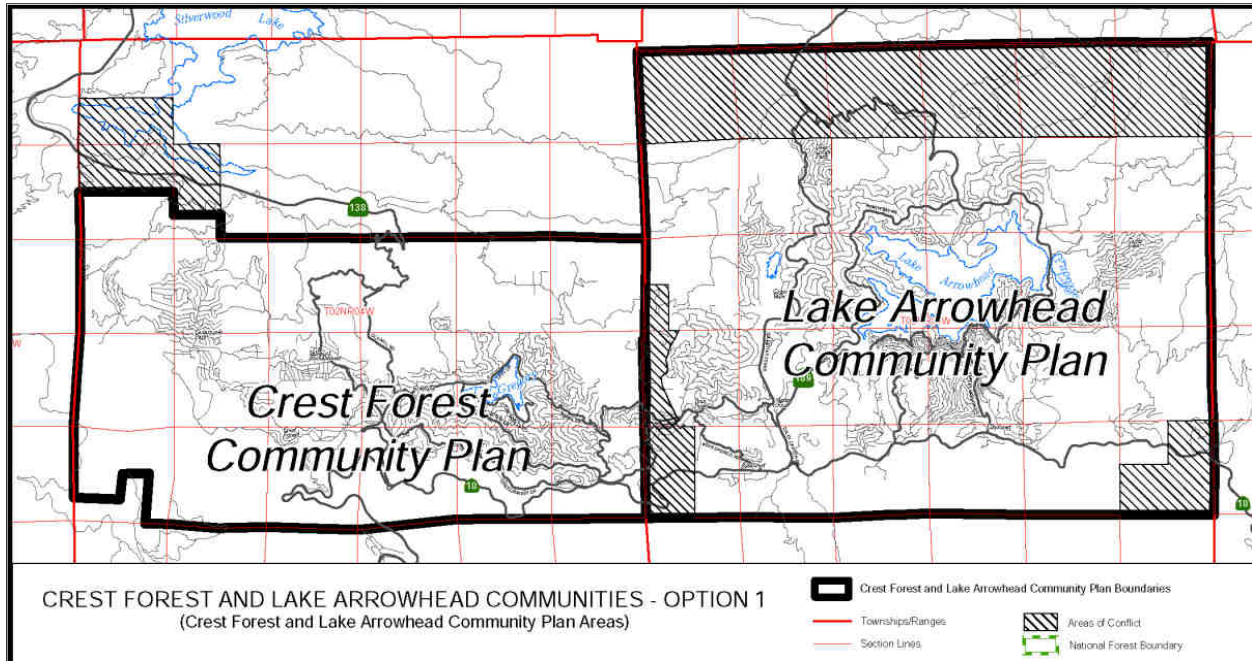
Since 1983, the Commission has defined the Lake Arrowhead community as that of the sphere of influence of LACSD. However, as noted above, a community definition has not been defined for the Crest Forest community. At the outset of this discussion, staff is recommending a community designation for Crest Forest. However, in order to properly consider such a community definition, the area where Crest Forest and Lake Arrowhead meet must be analyzed first to maintain contiguity between communities and second not leave a gap or cause an overlap of community definitions. In the staff opinion, there are three options for consideration by the Commission to define the Crest Forest community and division between the communities.

Option 1 – County Community Plan Areas

The Commission could determine to define the communities to match the County's Crest Forest and Lake Arrowhead Community Plans (which is also the division between the County Board of Supervisors Second and Third Districts). Such a definition would provide for a clear division between the two communities. The map below provides an illustration of the location of the community plan boundaries.

However, the division between the Crest Forest and Lake Arrowhead Community Plans currently conflicts with the existing spheres of influence boundaries for Crestline Village Water District and the Crestline Sanitation District that extend into the community plan area

for Lake Arrowhead. In addition, a portion of their actual boundaries also extend into the community plan area for Lake Arrowhead. The hatched areas along the common boundary between the Crest Forest and Lake Arrowhead Community Plans on the map below shows these conflict areas.

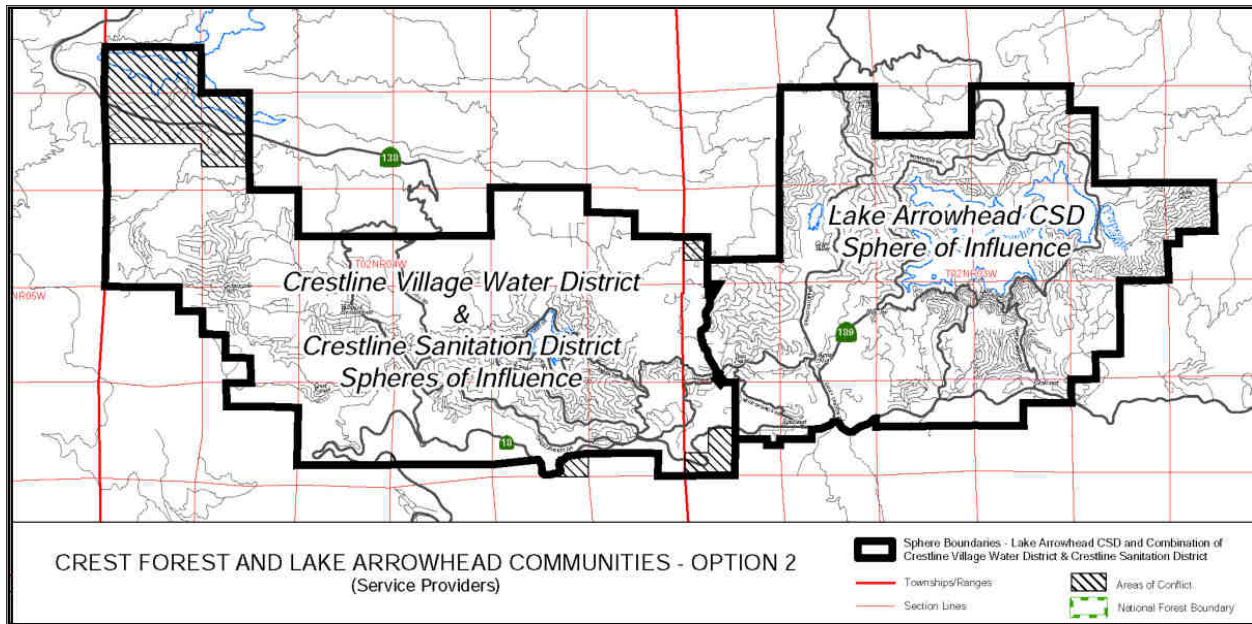


With regard to defining the Crest Forest community by the overall Crest Forest Community Plan boundaries, a portion of the existing sphere of influence boundaries for Crestline Sanitation District and Crest Forest Fire Protection District currently extend outside of the community plan's northwestern boundaries, within the Silverwood Lake area.

Although the Commission has already defined the Lake Arrowhead community, redefining it to encompass the overall Lake Arrowhead Community Plan boundaries also have some issues. A portion of the community plan's northern area is not within the Crestline-Lake Arrowhead Water Agency's boundary and/or sphere of influence, which is the wholesale water provider for the area and a portion of the Running Springs Water District's sphere of influence (Hilltop community-based service provider) extends into the community plan boundaries.

Option 2 – Spheres of Influence of Existing Service Providers

Another option would be to use the sphere of influence boundary between the water and sewer providers of the respective communities. In Crest Forest, Crestline Village Water District provides water service and Crestline Sanitation District provides sewer service. In Lake Arrowhead, the Lake Arrowhead Community Services District provides water and sewer service. This division is situated less than one quarter mile east of the western Lake Arrowhead Community Plan boundary.

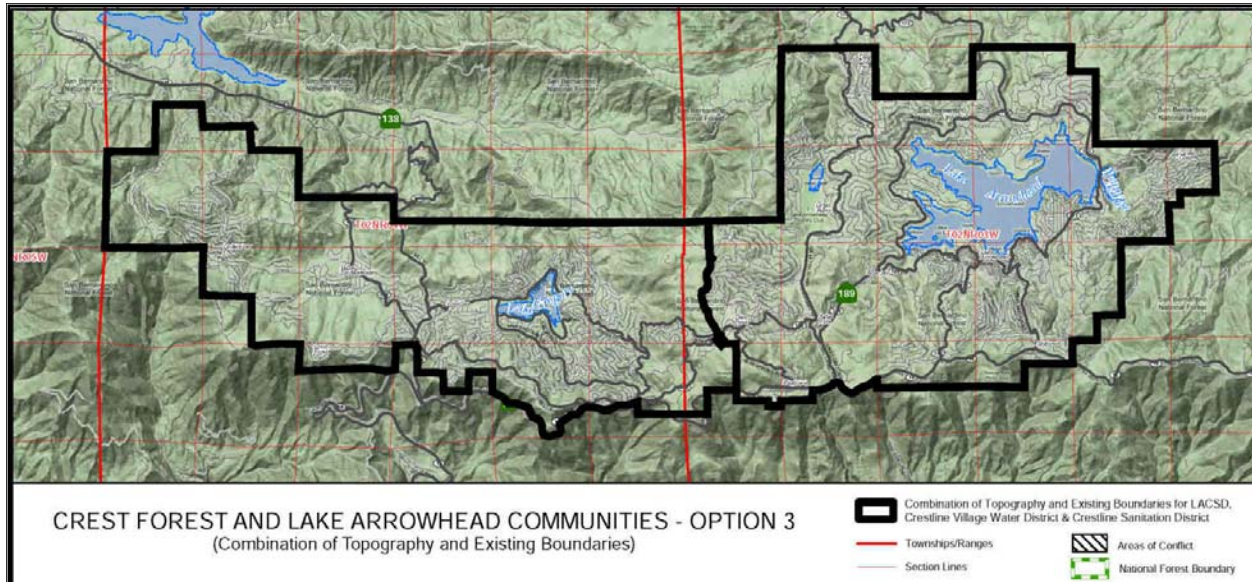


Defining the two communities using the spheres of influence boundaries for the existing water and sewer service providers matches the Commission's existing definition for Lake Arrowhead. The only conflict along the boundary division relates to the Crestline Sanitation District's existing sphere of influence extending into Lake Arrowhead CSD's existing sphere of influence, which should have been removed from Crestline Sanitation District's sphere when the area was annexed into the Lake Arrowhead CSD years ago.

With regard to defining the Crest Forest community using the spheres of influence boundaries for the Crestline Village Water District and the Crestline Sanitation District, three areas of conflict along the combined sphere boundary currently split parcels, and the Crestline Sanitation District's northwestern sphere area around Silverwood Lake is currently outside of the County's Community Plan boundaries.

Option 3 – Topography

A natural topographic divide, a ridge line, exists separating the communities. The ridge line runs north to south and is situated less than one quarter mile east of the western Lake Arrowhead Community Plan boundary, which is also what defines the existing spheres of influence boundaries for the water and sewer service providers for the area (see Option 2 discussion above). The division between the Lake Arrowhead Community Services District and the combination of the Crestline Sanitation District and Crestline Village Water District generally follow the ridge line along Strawberry Peak and Tunnel Ridge, which clearly separate both communities. The overall boundaries for these districts also follow along existing topographic constraints such as Sawpit Canyon and Monument Peak on the west, the ridge line facing the San Bernardino Valley (along the Rim of the World Highway) on the south, and Hook Creek on the east.



Staff's Recommendation

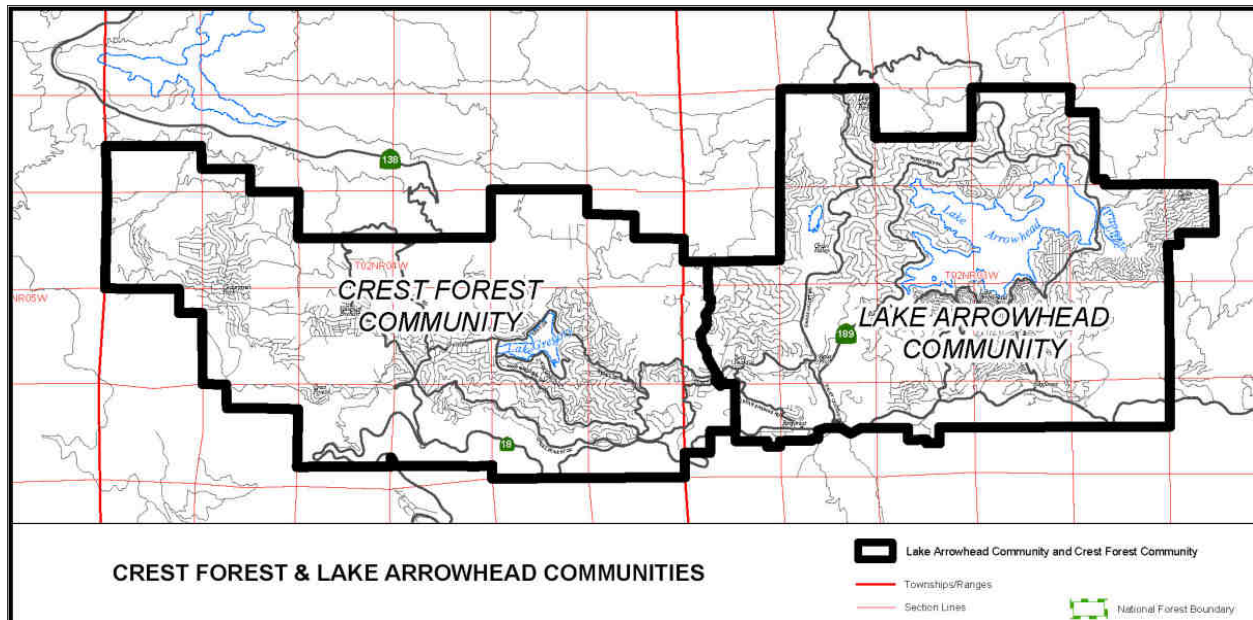
In the formulation of the Community Plan areas in 2007, the County did not take into account service provision (i.e. three Crest Forest community-based service providers extend into the Lake Arrowhead Community Plan area). Therefore, utilizing Community Plan areas does not adhere to Commission policy and practice.

There already are clear divisions between the communities – the ridge line and the boundary and spheres between the water and sewer providers of the respective communities. In the mountains, service area is constrained by topography; therefore, the sphere boundaries of these agencies generally follow the ridge line. In the view of staff, the community division should be a combination of the ridge line and the boundary and spheres of the sewer and water providers, adjusted for parcel lines.

Therefore, LAFCO staff is recommending that the Commission:

- Indicate the ridge line and a combination of the boundaries and spheres of the sewer and water providers in Crest Forest and Lake Arrowhead form the division between the communities, adjusted to conform to parcel lines and/or road centerlines.
- Reaffirm that the Lake Arrowhead Community is defined by the Lake Arrowhead Community Services District sphere, which is to be expanded to include privately-owned parcels along the periphery of its existing sphere and adjusted to square-off its sphere delineations (detailed in the Lake Arrowhead Community Services District sphere of influence update).
- Define the Crest Forest Community to be the combination of spheres for the Crestline Sanitation District and the Crestline Village Water District, expanded to include all privately owned parcels along the periphery of each district's existing spheres, excluding the territory around Silverwood Lake and adjusted to square-off its sphere delineation.

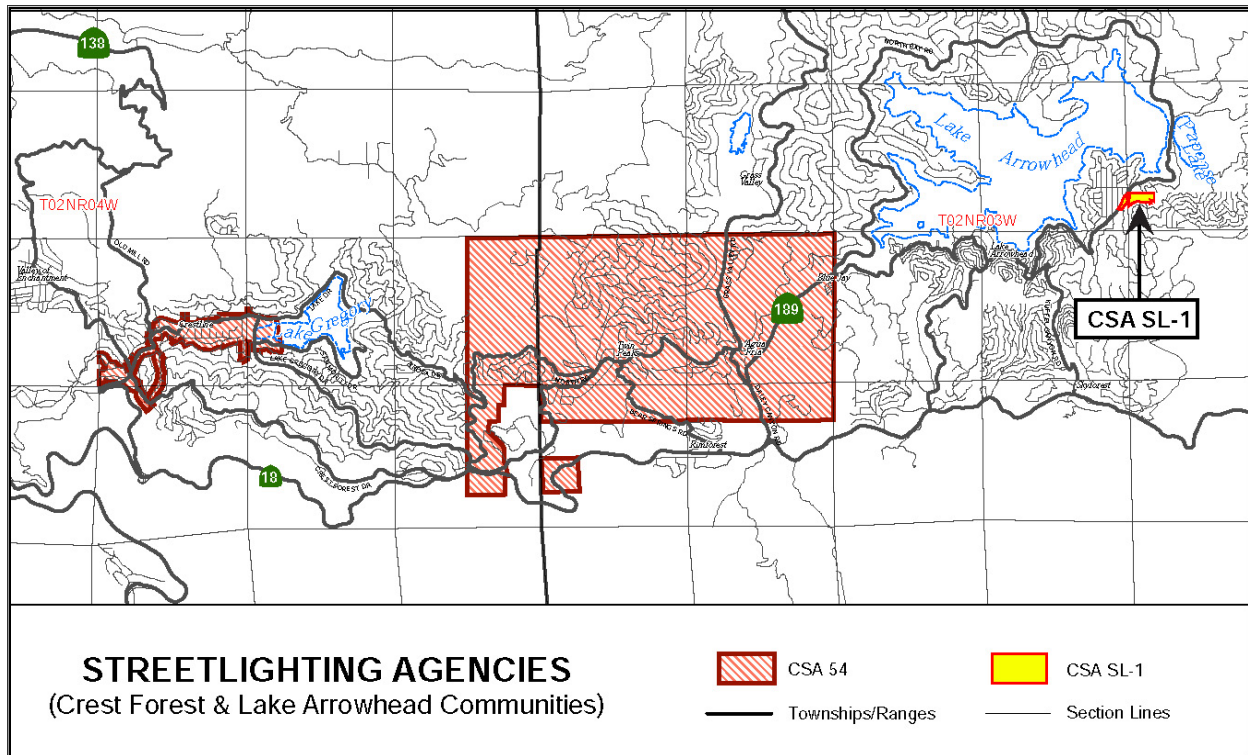
A map showing the LAFCO staff recommended definition of the Lake Arrowhead and Crest Forest Communities is shown below, and included as a part of Attachment #2.



No sphere of influence action related to the community definition is proposed as a part of this report. The sphere of influence updates/amendments for each agency are included in the respective community reports which will recommend specific sphere modifications.

STREETLIGHTING

This section of the report discusses the regional streetlighting services. There are two public streetlighting agencies in the area, County Service Area 54 and a portion of County Service Area SL-1, as shown on the map below and included as a part of Attachment #3.



County Service Area 54 ("CSA 54") was formed in 1966 and provided streetlighting service to three square miles in southeastern Crest Forest and southwestern Lake Arrowhead. County Service Area 55 ("CSA 55") was also formed in 1966 to provide streetlighting service to the areas west of Lake Gregory in the Crestline community. In 1981, the Board of Supervisors as the governing body of county service areas initiated a reorganization application to consolidate the streetlighting services of CSA 54 and CSA 55 due to reduced property tax revenues as a result of Proposition 13 (LAFCO 2146). The County's rationale for the consolidation was for greater flexibility in allocation of resources, reduced overhead and more consistent administration of streetlighting services. The Commission approved the proposal to dissolve County Service Area 55 and annex that territory into County Service Area 54.

CSA 54's streetlight distribution is roughly half in each community, and its sphere of influence is coterminous with its boundaries. County Special Districts Department has provided verification that there are currently 183 streetlights funded through CSA 54. However, LAFCO staff has identified that 10 streetlights currently funded by CSA 54 are outside its boundaries and current sphere.

County Service Area SL-1 ("CSA SL-1") is a streetlighting entity for the Valley region of the County; however, it has two areas of responsibility outside of the Valley. The area under

review in this report is located in the Lake Arrowhead community. During the processing for the service review and sphere of influence update for SL-1 in 2005 (LAFCO 2945), Special Districts Department and LAFCO staff determined that the Lake Arrowhead portion of SL-1 should be addressed as a part of the Lake Arrowhead Community service reviews and sphere updates. The Lake Arrowhead portion comprises roughly five acres with nine streetlights, and CSA SL-1's sphere of influence does not include this portion. Also, LAFCO staff has identified that three of the streetlights (one-third) funded by this portion of CSA SL-1 are outside its boundaries.

In looking at this situation, LAFCO staff questions why there are two adjacent county service areas providing the same service. Unlike other services such as water, sewer, or roads, infrastructure and installation for streetlights by a county service area is not an issue. With streetlights, Southern California Edison owns the streetlights and is responsible for the installation and maintenance. The function of the governmental agency, such as a county service area, is to provide for payment of the electrical charges for the service to Southern California Edison.

Special Districts Department has indicated in the past a desire to consolidate the board-governed districts with only streetlighting powers within the unincorporated area of the County. However, LAFCO staff has not received any additional information regarding this option since 2005. Absent further action from Special Districts Department regarding consolidation of the districts with only streetlighting powers within the unincorporated area of the County, its staff's position there are four options for the Commission to consider:

Option 1 – Expansion of CSA 54 Sphere of Influence to encompass the Crest Forest and Lake Arrowhead Communities

This option would expand the sphere of CSA 54 to encompass the Crest Forest and Lake Arrowhead communities, as defined by the Commission. Rationale for an expansion of the CSA 54 sphere are as follows:

- Would reduce administrative expenditures by eliminating the need for multiple budgets and audits.
- Combine accounts with Southern California Edison so payments would come from a single source.
- Would signal the Commission's position that a future detachment of the CSA SL-1 portion and annexation to CSA 54 should occur. The far removed piece of CSA SL-1 encompassing roughly five acres with nine streetlights is more aligned with CSA 54 in the mountains than CSA SL-1 in the valley.
- Revenues generated within CSA 54 have been used to pay for service outside of its boundary. A sphere expansion would include the 10 streetlights outside of its boundaries and sphere and allow the County to return to LAFCO with an application for annexation to clear up the issues of providing service outside its boundaries. Being a clean-up action, the County could request that LAFCO waive the filing fees for the action and submit payment of direct processing costs only.

- Further, should the need arise for additional streetlights within these communities, there would be an agency with a sphere of influence already encompassing the area.

County Special Districts Department was requested to provide its response to this option. In its response it does not oppose LAFCO staff's recommendation for expansion; however, it notes that CSA 54 streetlighting is funded through a portion of the general property tax. If new streetlights are required in the sphere of influence area, a new zone of the CSA will need to be formed to finance those services. In the past, the County has chosen the option to form a zone of CSA 70 to provide that service.

LAFCO staff points out that the different services and revenue mechanisms would remain within the respective boundaries. The only difference would be a single agency responsible for coordination of the streetlighting activities.

Option 2 – Expand the CSA 54 to Encompass the Mountain Region

The County, through Special Districts Department, operates three separate agencies for streetlighting services: CSA 54, a portion of CSA SL-1, County Service Area 73 (Arrowbear) and CSA 53 Zone A in Fawnskin. The benefit of this option mirrors those described in Option 1. However, the vast amount of public land and the County's Night Sky Ordinance could limit the need for additional streetlighting activity.

Option 3 - Reduce the Sphere of Influence of CSA 54 Currently within Lake Arrowhead CSD

A third option would to reduce the sphere of influence of CSA 54 that overlays the Lake Arrowhead Community Services District. This action would signal the Commission's positions that the Lake Arrowhead CSD, as a multifunction agency, would be a better mechanism to provide streetlighting within its boundaries. LAFCO staff bases this discussion from the following:

- The Commission approved the formation of Lake Arrowhead CSD with the condition that the district continue to explore possibilities of adding additional services at the earliest possible time, to reflect service needs and provision for the community as a whole.
- Legislature's intent in LAFCO Law and CSD Law.
 - o The preamble to LAFCO Law reads that while the Legislature recognizes the critical role of many limited purpose agencies, especially in rural areas, it finds and declares that a single multipurpose governmental agency accountable for community service needs and financial resources may be the best mechanism for establishing community service priorities.
 - o Further, the preamble to Community Services District Law states that the intent of the Legislature for CSD Law is to encourage LAFCOs to use their service reviews, spheres of influence, and boundary powers, where feasible

and appropriate, to combine special districts that serve overlapping or adjacent territory into multifunction community services districts.

LAFCO staff requested that the LACSD provide its response to this option. This option was discussed by the LACSD board at its September 14 meeting with what has been understood to be some amusement. Their written response to LAFCO (included as Attachment #8 to this report) states that the directors considered the request and determined that because the street lighting and road maintenance district were so small, it would not be economical for LACSD to attempt to provide the service.

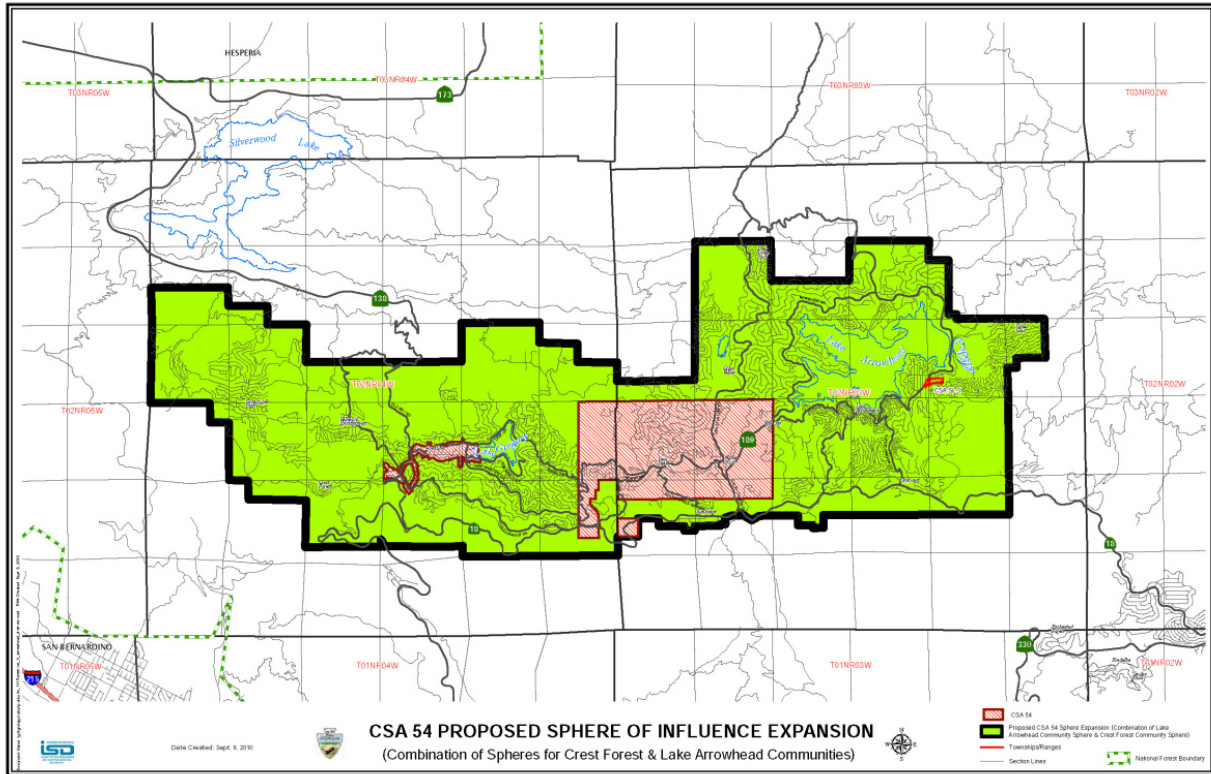
However, LAFCO staff returns to the Legislature's intent in LAFCO Law and Community Services District Law in that a single multi-function agency may be the best mechanism to coordinate and provide service within a community. It is evident that the current situation results in multiple governing bodies, administration, overhead, and financial reporting and economies could be achieved and community specific levels of service defined.

Option 4 - Maintenance of the Current Spheres of Influence

This option would maintain the coterminous sphere of influence of CSA 54 and the lack of a sphere of influence for the mountain portion of CSA SL-1. The streetlights currently outside the boundary and sphere of CSA 54 and CSA SL-1 would remain outside the spheres and not signal a future change to bring these lights into the boundaries. As such, the choice for the County would be to turn off the lights outside the boundaries or turn them over to the residents since their property taxes do not support the service.

Staff's Recommendation

Staff recommends that the Commission expand the sphere of CSA 54 to encompass the Crest Forest and Lake Arrowhead communities, as defined by the Commission, for the reasons outlined above as Option #1. At a minimum, this would place the streetlights paid for by CSA 54 outside of its boundary within its sphere of influence. Eventual inclusion within the CSA 54 boundary of these streetlights would be compliant with County Service Area Law, LAFCO Law and state law, allowing for proper payment of its operation. The County could request that LAFCO waive the filing fees for the submission of the proposal to clarify the boundaries and charge only direct processing costs. A map of LAFCO staff's recommended sphere of influence for CSA 54 is shown below and is included as Attachment #3.



Government Code Section 56076 defines a sphere of influence as a “plan for the probable physical boundaries and service area of a local agency, as determined by the commission”. Regardless of which option the Commission chooses, it would not affect any agency’s current boundary or service delivery as no change in jurisdiction would take place.

The evaluation of the service reviews and sphere of influence updates in this report and in the Crest Forest community report and Lake Arrowhead community report will be based upon the above-described staff recommendation.

FIRE PROTECTION AND AMBULANCE SERVICES

The Community Plans for Crest Forest and Lake Arrowhead both state that the mountain region as a whole exhibits a combination of several factors that expose development and natural resources to potential disaster from wildland fires and subsequent flooding and erosion. The factors include topography, climate, vegetation, pathogen infestation, and human use occupancy. In both communities, residents' primary concerns regarding safety in the communities revolve around fire protection and the need for improved evacuation routes.

Fire Protection

Wildland fires are under the jurisdiction of the California Department of Forestry and Fire Protection (Cal Fire) and the U.S. Forest Service, both not subject to LAFCO jurisdiction. Agencies providing fire related information are the Mountain Area Safety Taskforce² and Fire Safe Council³.

Structure fires and emergency medical response calls are all under the jurisdiction of the San Bernardino County Fire Protection District (County Fire) and its Mountain Service Zone and the Crest Forest Fire Protection District. County Fire also provides other services such as hazardous materials regulation, dispatch communication, and disaster preparedness.

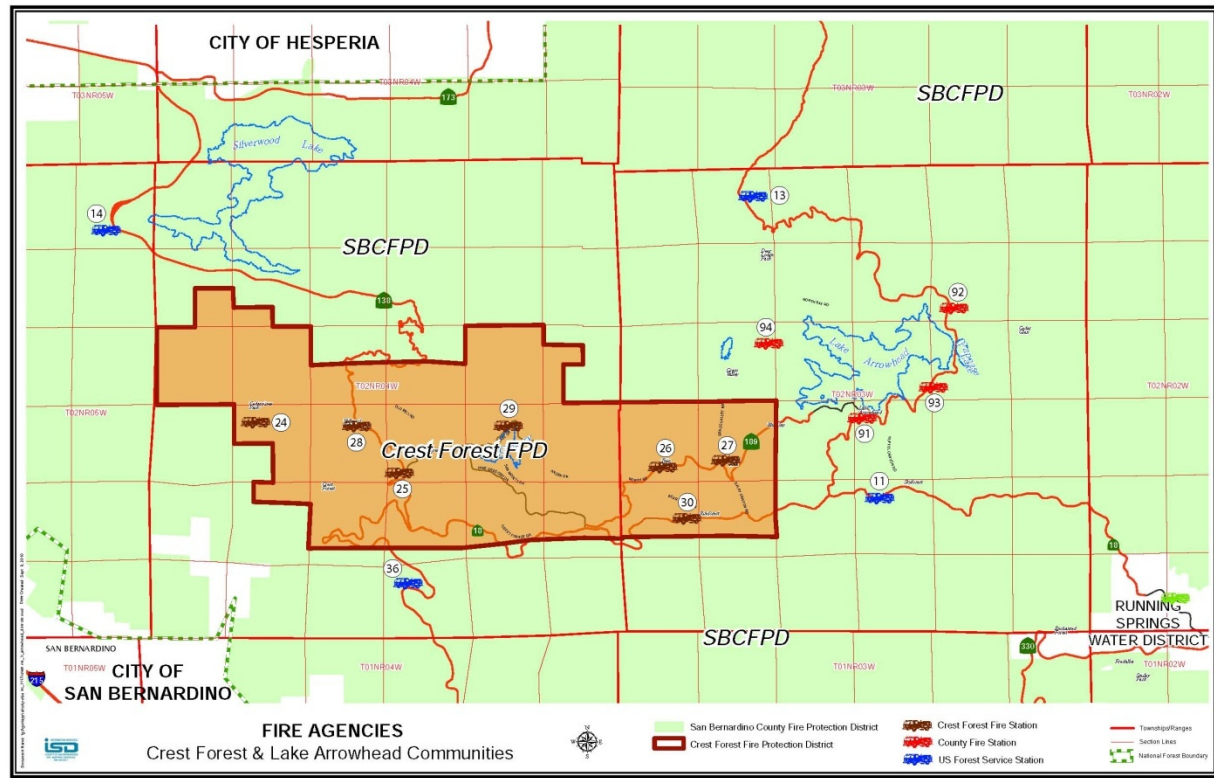
Later in this report, a service review and sphere of influence update is included for the Crest Forest Fire Protection District. The sphere of influence proposal for the reorganization of County Fire, LAFCO 3001, included a service review for the former county service areas and zones that provided fire protection. Therefore, a service review for County Fire Service Zone PM-1 (CSA 70 PM-1 as its predecessor) is not provided in this report.

Fire Stations

In the Crest Forest Community, there are seven fire stations identified as follows: four for the Crest Forest Fire Protection District and three for the U.S. Forest Service. There are no County Fire stations located in the Crest Forest community. In the Lake Arrowhead Community, there are ten stations identified as follows: three for the U.S. Forest Service, four for County Fire (formerly of Lake Arrowhead Fire Protection District), and three for Crest Forest Fire Protection District. Below is a map of the Crest Forest Fire Protection District and the fire stations located in the Crest Forest and Lake Arrowhead communities.

² The Mountain Area Safety Taskforce (MAST) in San Bernardino County is a coalition of local, state and federal government agencies, private companies and volunteer organizations working together to help prevent catastrophic wildfires. For more information, visit <http://calmast.org>.

³ The Fire Safe Council provides resources for establishing and maintaining Fire Safe Councils, such as the FSC Handbook, nonprofit and funding information in California. For more information, visit www.firesafecouncil.org.



The two figures below are taken from the Crest Forest Community Plan and detail the fire stations in the Crest Forest community.

Fire Stations	Fire District /Agency	Area Served	Equipment	Personnel (number and title)	EMT Response Capabilities	Availability of ambulance services	Nearest Medical Facilities
Cedar Pines Park Station (#24)	Crest Forest Fire Protection District	Cedarpines Park, All Crest Forest district	Engine 24, Medic Ambulance (MA) 24A	6 Paid Call Firefighters (PCF)	3 staff	Crest Forest District	Mountains Community Hospital (MTCH), St. Bernardine
Valley of Enchantment Station (#28)	Crest Forest Fire Protection District	Valley of Enchantment, all of Crest Forest District	Engine 28	7 Paid Call Firefighters (PCF)	3 staff	Crest Forest District	Mountains Community Hospital (MTCH), St. Bernardine
Lake Gregory Station (#29)	Crest Forest Fire Protection District	Lake Gregory area, all of Crest Forest district	Engine 29	11 Paid Call Firefighters (PCF), 1 mechanic	6 staff	Crest Forest District	Mountains Community Hospital (MTCH), St. Bernardine
Crestline Station (#25)	Crest Forest Fire Protection District	All Crest Forest (1st out), Crestline, Valley of Enchantment, Lake Gregory, Cedarpines Park	Brush Engine (BE) 25, Medic Engine (ME) 25, Utility 25, Medic Ambulance (MA) 25, Medic Ambulance (MA) 25A, Snow Cat (SC) 25	1 chief, 3 div chiefs, 1 fire prevention officer, 7 firefighters, 5 paramedics	12 staff	Crest Forest District, Medic Ambulance (MA) 25, Medic Ambulance (MA) 25A	Mountains Community Hospital (MTCH), St. Bernardine

Crest Forest-Lake Arrowhead Companion Report
November 30, 2010

Fire Stations	Fire District / Agency	Area Served	Equipment	Personnel (number and title)	EMT Response Capabilities	Availability of ambulance services	Nearest Medical Facilities
USFS Station 36, Waterman Canyon	U.S. Forest Service	U.S. Forest Service lands	Type III engine and utility vehicles	Engine=5 person, 7 days, summer only			
USFS Station 11, Sky Forest	U.S. Forest Service	U.S. Forest Service lands	Type III engine, Type IV patrol and utility vehicles	Engine=5 person, 7 days, year round. Prevention Unit 11=1 person year round			
USFS Station 14, Cottonwood	U.S. Forest Service	U.S. Forest Service lands	Type III engine, pickup and utility vehicles	Engine=5 person, 7 days, summer only. Prevention Unit 14=1 person, year round			

The two figures below are taken from the Lake Arrowhead Community Plan and detail the fire stations in the Lake Arrowhead community. The stations in the chart below for Lake Arrowhead Fire Protection District are now operated by County Fire and its Mountain service zone. However, Station #93 shown on the map is currently inactive providing storage for County Fire.

Fire Stations	Fire District	Area Served	Equipment	Personnel (Number and Title)	EMT Response Capabilities	Availability of Ambulance Services	Nearest Medical Facilities
USFS Station 13, Rock Camp	U.S. Forest Service	U.S. Forest Service lands	Type III engine and utility vehicles	Engine=5 person, 7 days, summer only	NA	NA	Mountain Community Hospital (MTCH)
USFS Station 11, Sky Forest	U.S. Forest Service	U.S. Forest Service lands	Type III engine, Type IV patrol and utility vehicles	Engine=5 person, 7 days, year round. Prevention Unit 11= 1 person, year round	NA	NA	Mountain Community Hospital (MTCH)
USFS Station 12, Deer Lick	U.S. Forest Service	U.S. Forest Service lands	Type III engine, Type II water tender, Type IV patrol and utility vehicles	Engine=5 person, 7 days, summer only. Water tender=1 person, summer only. Prevention Unit 12= 1 person, year round	NA	NA	Mountain Community Hospital (MTCH)
North Shore Station 92	Lake Arrowhead Fire Protection District	Northeast shore of Lake Arrowhead	Fire boat, Snow Loader, Snow Cat (SC), Medic Ambulance (MA) 92, Water Tender (WT) 92, Medic Engine (ME) 92	3 capt, 3 engineers, 3 firefighters	9 staff	Medic Ambulance (MA) 92 Lake Arrowhead	Mountain Community Hospital (MTCH)
Arrowhead Village Station 91	Lake Arrowhead Fire Protection District	South shore of Lake Arrowhead	Heavy Rescue, Snow Loader, Snow Cat and Paramedic Ambulance, Engine 91, R91, Medic	3 capt, 3 engineers, 3 Firefighters, 3 Limited Term (LT), 3 firefighter/pm	15 staff	Medic Ambulance (MA) 91, Medic Ambulance (MA) 91R Lake Arrowhead	Mountain Community Hospital (MTCH)

Fire Stations	Fire District	Area Served	Equipment	Personnel (Number and Title)	EMT Response Capabilities	Availability of Ambulance Services	Nearest Medical Facilities
			Ambulance (MA) 91, Medic Ambulance (MA) 91R				
North Bay/Peninsula Station #94	Lake Arrowhead Fire Protection District	West Shore of Lake Arrowhead	Paramedic Ambulance, Bob Cat, Snow Loader, Engine 94, Medic Ambulance (MA) 94	3 capt, 3 engineers, 3 Limited Term (LT), 3 firefighter/pm	12 staff	Medic Ambulance (MA) 94 Lake Arrowhead	Mountain Community Hospital (MTCH)
Blue Jay Station #27	Crest Forest Fire Protection District	Blue Jay	No equipment currently housed	None	None	none	Mountain Community Hospital (MTCH)
Twin Peaks Station #26	Crest Forest Fire Protection District	Twin Peaks, Blue Jay, Rim Forest, All Crest Forest District	Medic Ambulance (MA) 26, Snow Cat (SC) 26, Loader (LDR) 26, Brush Engine (BE) 26, TLR26, Medic Engine (ME) 26, Rescue (RS) 26, Utility 26	5 Firefighters, 2 PM, 10 Paid Call Firefighters (PCF)	5 staff	Medic Ambulance (MA) 26 Crest Forest	Mountain Community Hospital (MTCH)
Rim Forest Station #30	Crest Forest Fire Protection District	Rim Forest, All Crest Forest District	Engine 30, Water Tender (WT) 30	10 Paid Call Firefighters (PCF)	none	none	Mountain Community Hospital (MTCH)

NA = information not provided by purveyor/agency

County Fire and its Mountain Service Zone

The board-governed fire agencies within San Bernardino County were reorganized, effective July 1, 2008 (LAFCO 3000). For fire protection, this included the dissolution of the Lake Arrowhead Fire Protection District and transfer of responsibility for fire protection services within its boundaries to County Fire (administration) and its Mountain Service Zone (service response provider).

The Mountain Service Zone provides the full range of first-responder emergency medical services from basic first aid through paramedic. Personnel consists of: one division chief, three battalion chiefs, 14 captains, nine engineers, 21 firefighters, nine limited term firefighters, and 61 paid call firefighters. Equipment consists of: eleven fire engines, three brush engines, three brush patrols, six ambulances, two squads, four water tenders, six snow cats, three boats, and three rescues. The Mountain Service Zone of County Fire has automatic and/or mutual aid agreements with the California Department of Forestry, Fire Protection (Cal Fire), U.S. Forest Service, and Crest Forest Fire Protection District. Emergency call information for 2008 and 2009 is shown on the chart below.⁴

⁴ San Bernardino County Fire Protection District. website. Accessed 25 August 2010, last update unknown. www.sbcfire.org.

Emergency Calls 2008 and 2009							
	Structure Fires	Brush/Veg Fires	Other Fires	Rescues	Medical Calls	Traffic Accidents	Other Incidents
2008	45	37	49	20	1,866	266	1,357
2009	50	23	34	22	1,330	180	949
2008 Totals = 3,640 2009 Totals = 2,588							
*2009 totals reflect Station 9 (Mentone) moved from the Mountain Division into the Valley Division.							

There are no County Fire stations located in the Crest Forest community. The details of the four County Fire stations in the Lake Arrowhead community are as follows:

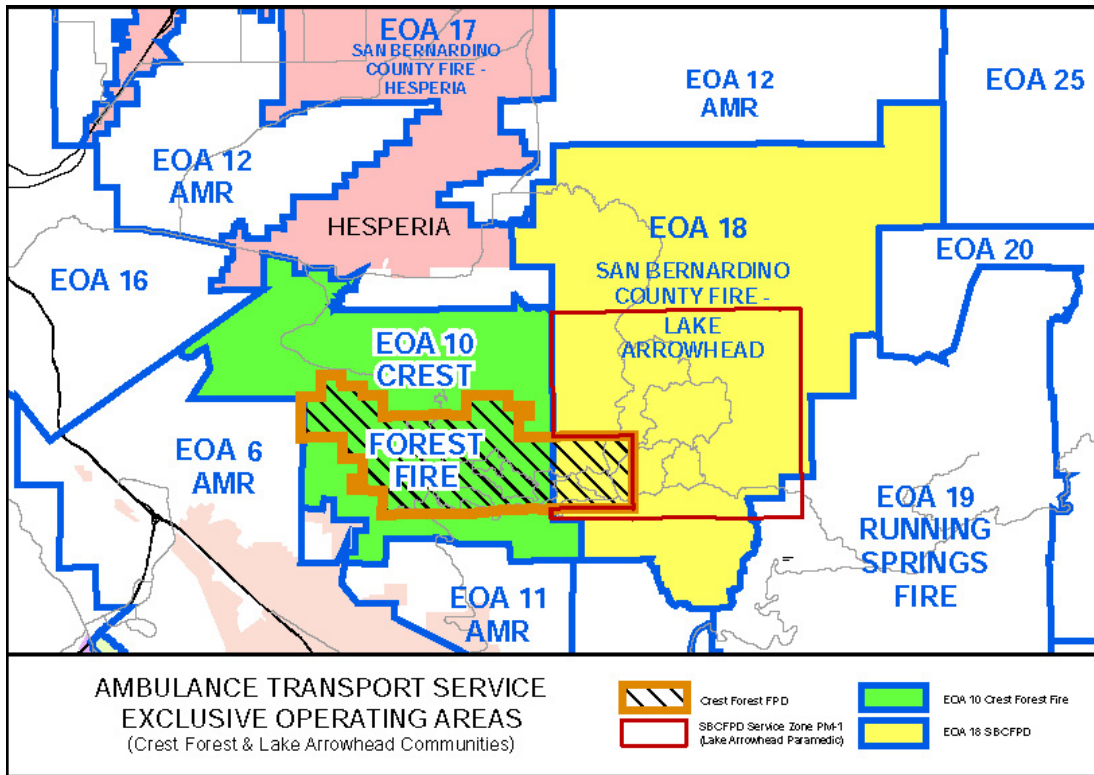
- Station 91 protects the south shore of Lake Arrowhead. Specialized equipment includes: Heavy Rescue, Snow Loader, Snow Cat, and Paramedic Ambulance. Address is 301 State Highway 173
- Station 92 protects the north east shore of Lake Arrowhead. Specialized equipment includes Fire Boat, Snow Loader, and Snow Cat. Address is 981 North Highway 173
- Station 93 is an unstaffed fire station located in the community of Cedar Glen on the east shore of Lake Arrowhead. No equipment is currently house at this facility; it provides for storage only at this time. Address is 200 North Highway 173.
- Station 94 is located on the west boundaries of Lake Arrowhead. Specialized equipment includes: Paramedic Ambulance and Bob Cat Snow Loader. Address is 27470 North Bay Road

Ambulance and Paramedic Services

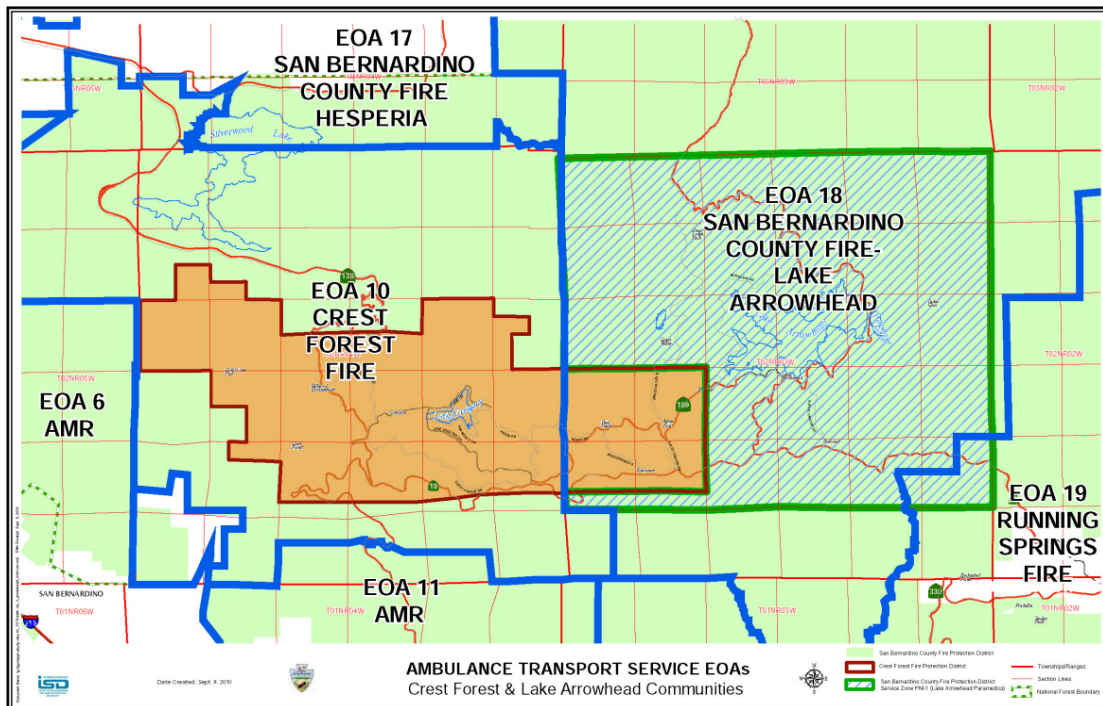
In the Crest Forest community, ambulance and paramedic services are provided by Crest Forest Fire Protection District. Crest Forest Fire receives paramedic funding through its PM-A service zone and its succession to the PM-1 service zone in the eastern Crest Forest community. In the Lake Arrowhead community ambulance and paramedic services are provided by County Fire and Crest Forest Fire. Additionally, in Lake Arrowhead, the San Bernardino County Fire Protection District Service Zone PM-1 exists as a mechanism to generate tax revenue for paramedic services.

Since 1988, the County of San Bernardino Board of Supervisors has authorized the implementation of ambulance provider Exclusive Operation Areas (EOAs) as authorized by Sections 1797 et seq. of the Health and Safety Code. The local emergency medical services agency for San Bernardino County to define EOAs is the joint powers agency

known as the Inland Counties Emergency Medical Agency, or “ICEMA”. A map of the EOAs in the study area and surrounding is shown overlaid by Crest Forest Fire.



The following map shows a more regional view of the providers within the Crest Forest and Lake Arrowhead communities:



Of significance for LAFCO staff, is that the Crest Forest FPD provides service beyond its boundaries within EOA 10 extending down the mountain toward San Bernardino and northerly to the north portion of Lake Silverwood territory currently a part of the San Bernardino FPD fire response obligation, but does not encompass its entire jurisdiction. There is no LAFCO solution for this question as it has no jurisdiction for development of the EOAs through ICEMA.

Former Board-Governed Lake Arrowhead Fire Protection District

Before the reorganization of the board-governed fire districts within the county (LAFCO 3000), the Lake Arrowhead Fire Protection District had ambulance “201 status”, which derives from Section 1797.201 of the California Health and Safety Code and essentially allows cities and fire districts with an established ambulance operation prior to June 1, 1980, to continue providing these services without an agreement from local emergency medical services agencies.

As a part of LAFCO 3000, the Lake Arrowhead Fire Protection District was dissolved with County Fire named as the successor agency. This ambulance area (EOA 18) remains intact and County Fire continues to provide Advanced Life Support ambulance service as the successor agency. Jurisdiction for determination of ambulance service to define EOAs remains the responsibility of ICEMA and is unchanged by the actions for reorganization by LAFCO 3000.

County Fire Service Zone PM-1

San Bernardino County Fire Protection District Service Zone PM-1 (“Zone PM-1”) is a special tax entity to fund paramedic services to a portion of the Lake Arrowhead area. Landowners within Zone PM-1 are charged an annual special tax of \$17.30 for this service.

The County Fire Reorganization included the dissolution of County Service Area 70 Zone PM-1 (a taxing entity for paramedic services in the Lake Arrowhead area) and the formation of San Bernardino County Fire Protection District Service Zone PM-1. During the processing of the County Fire Reorganization, it was identified that the territory of CSA 70 Zone PM-1 overlaid a portion of Crest Forest Fire. The boundaries of the new Service Zone PM-1 were modified to exclude the territory within the existing boundaries of the Crest Forest Fire and a condition of approval was added to transfer the existing PM-1 special tax (\$17.30 per parcel) within that area to Crest Forest Fire for its funding of paramedics.

Crest Forest Fire Protection District

Crest Forest Fire has two assessment zones for funding paramedic service. The area west of the Crest Forest/Lake Arrowhead County Community Plan boundary is within service zone PM-A, and the area east of said boundary is within service zone PM-1. When combined, these service zones encompass the entire district. These zones are outlined on the maps shown above.

Overlap Area

The Crest Forest Fire Protection District is authorized by LAFCO to provide ambulance services within its boundaries. ICEMA authorizes Crest Forest Fire to provide Advanced Life Support ambulance services within EOA 10 and Basic Life Support ambulance services within EOA 11 supporting American Medical Response. As shown on the map above, Crest Forest Fire's boundary extends into EOA 18, where it does not have authority by ICEMA to provide ambulance services. In this overlap area ICEMA has assigned the responsibility for ambulance services to the San Bernardino County Fire Protection District. Crest Forest Fire does not send a first response ambulance to EOA 18, the ambulance for that area comes from one of County Fire's Lake Arrowhead stations. This service division, in LAFCO staff's view, needs to be reviewed further by the all the affected agencies – Crest Forest Fire, County Fire, and ICEMA. Therefore, staff recommends that the agencies pursue a resolution regarding this issue.

As a part of the County Fire Reorganization, Crest Forest Fire succeeded to the \$17.30 per parcel special tax for funding of paramedic services to this overlap area. At that time, Crest Forest Fire provided a letter to LAFCO that if those funds were transferred to Crest Forest Fire, it would use them to support of the expansion of its paramedic program within that area. The paramedics from Station 26 in Twin Peaks respond as medical first response on an Advanced Life Support fire engine unless requested by County Fire for a mutual aid ambulance in one of County Fire's EOA's (mostly EOA 18). Station 26 paramedics also supplements the Crestline station for coverage at which time they can staff a second ambulance or a fire engine for Crest Forest's EOA, depending on the need.

Based upon these determinations, LAFCO staff will be recommending that the Commission modify the sphere of influence of the District to correspond on the south, west and north to the Crest Forest community definition and modify it description of services to more adequately outline existing service provision. No actions are recommended for County Fire.

COUNTY SERVICE AREA 54

Service Review and Sphere of Influence Update

INTRODUCTION:

LAFCO 3118 consists of a service review pursuant to Government Code Section 56430 and sphere of influence update pursuant to Government Code 56425 for County Service Area 54 (“CSA 54”).

CSA 54 was formed in 1966 by action of the County of San Bernardino Board of Supervisors for the primary purpose of providing streetlighting to the southeastern Crest Forest Community and southwestern Lake Arrowhead Community. CSA 54 is a dependent, or “board-governed” special district whose governing body is the County of San Bernardino Board of Supervisors. It operates under *County Service Area Law* (Government Code Section 25210 et seq.). Currently, CSA 54 is authorized by LAFCO to provide streetlighting pursuant to the *Rules and Regulations of the Local Agency Formation Commission of San Bernardino County Affecting Functions and Services of Special Districts*.

In 1981, the Board of Supervisors as the governing body of county service areas initiated a reorganization application to consolidate the streetlighting services of CSA 54 and CSA 55 due to reduced property tax revenues as a result of Proposition 13 (LAFCO 2146). The County’s rationale for the consolidation was for greater flexibility in allocation of resources, reduced overhead and more consistent administration of streetlighting services. The Commission approved the proposal to dissolve County Service Area 55 and annex that territory into County Service Area 54.

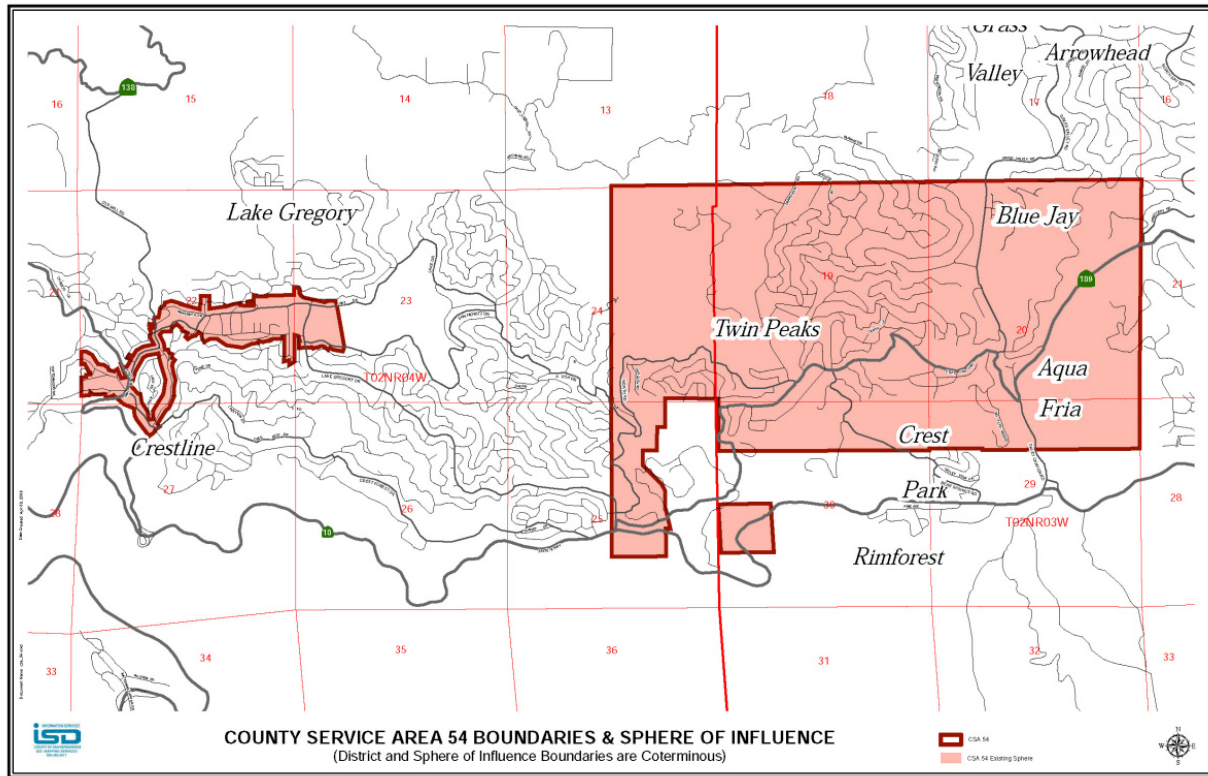
As discussed in the balance of this report, LAFCO staff recommends expansion of the CSA 54 sphere of influence to encompass the entirety of the Crest Forest and Lake Arrowhead communities, as defined by the Commission.

LOCATION AND BOUNDARIES:

CSA 54 is located in the southeastern Crest Forest Community and southwestern Lake Arrowhead Community. CSA 54 comprises three separate areas encompassing approximately 2,240 acres (3.4 square miles) with a coterminous sphere of influence, as follows:

- Area 1 – approximately 2,040 acres generally located within the areas known as Twin Peaks and Blue Jay
- Area 2 – approximately 40 acres generally located near Red Rock Wall Point
- Area 3 – approximately 160 acres locates west of Lake Gregory

A map of CSA 54 and its sphere of influence is shown below and included as a part of Attachment #5.

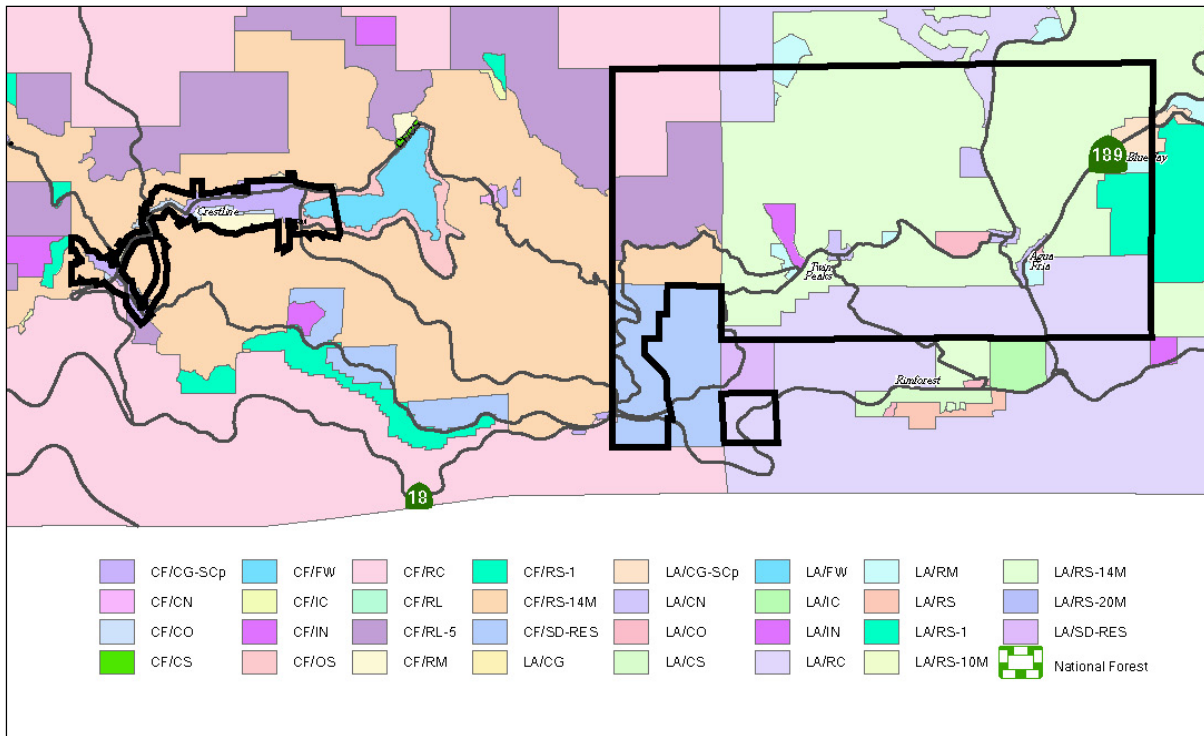


CSA 54 SERVICE REVIEW

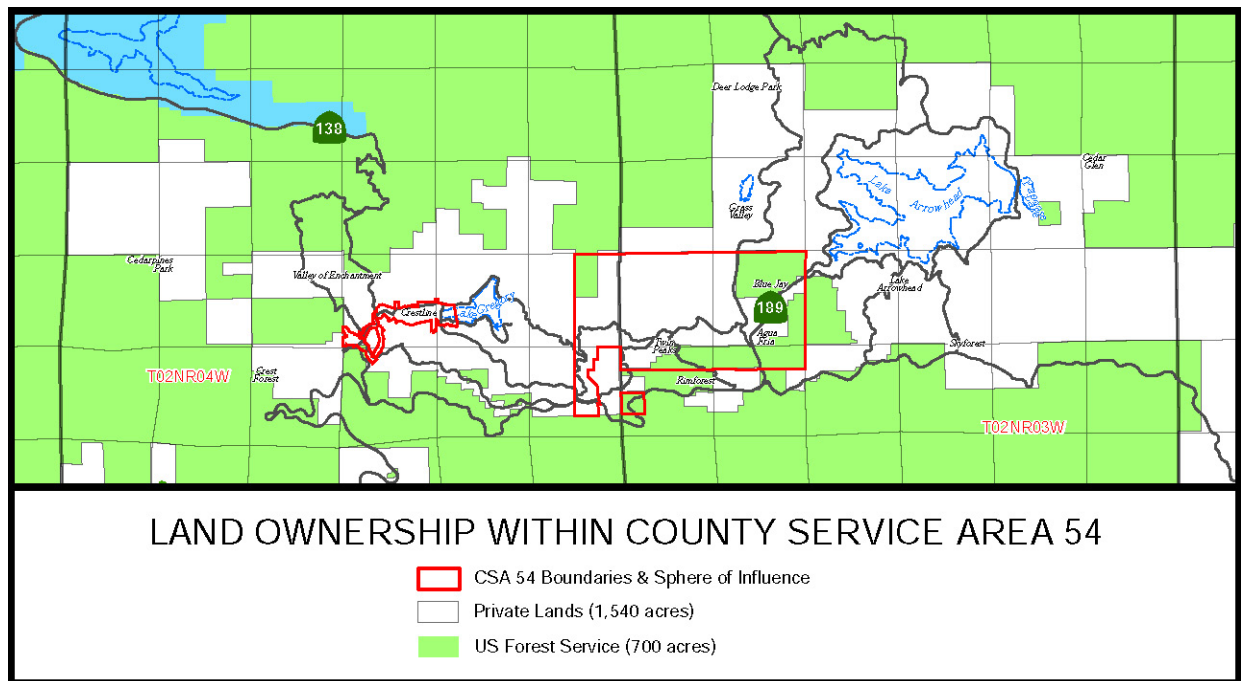
At the request of LAFCO staff, the County Special Districts Department, administrators for board-governed special districts, prepared the service review materials pursuant to San Bernardino LAFCO policies and procedures. The response on behalf of CSA 54 to LAFCO's original and updated requests for materials includes, but is not limited to, the narrative response to the factors for a service review, response to LAFCO staff's request for information, and financial documents (included as Attachment #5. LAFCO staff responses to the mandatory factors for consideration for a service review (as required by Government Code 56430) are identified below and incorporate County Special Districts Department's response and supporting materials.

I. Growth and population projections for the affected area.

Development in the San Bernardino Mountains is naturally constrained by rugged terrain, limited access, public land ownership, 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. The private lands within CSA 54 are generally residential (RS-14M) with scattered commercial along State Route 189 and in the Lake Gregory area of the district. The public lands within CSA 54 are designated Resource Conservation.



The land ownership distribution and breakdown within the CSA 54's boundary are identified on map below. Roughly two-thirds of CSA 54's area is private lands and one-third is within the National Forest (owned by the federal government), which are devoted primarily to resource protection and recreational use.



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 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 the peak population. By 2030, the permanent population is estimated to reach over 11,000. This figure does not take into account seasonal population and tourism. Even with the large increase in population, the area is not anticipated to reach its build-out population by the 2030 horizon of this report.

2000	2005	2010	2015	2020	2025	2030	2000 to 2030 growth rate
6,864	7,465	8,118	8,828	9,601	10,441	11,354	65%

Source: County of San Bernardino 2007 Community Plans; County Special Districts Department

Notes: Does not include seasonal population or visitors

Italicized figures are calculated by LAFCO staff

Methodology for LAFCO staff calculations⁵

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

The only service currently provided through CSA 54 is streetlighting. Although the FY 2010-11 CSA 54 budget identifies that the District receives revenue to fund the operation and maintenance of 127 streetlights, the County Special Districts Department and Southern California Edison have provided verification that there are currently 183 streetlights funded through CSA 54. However, staff has identified that 10 of the streetlights are outside the boundaries and current sphere of CSA 54.

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 54 provides for payment of the utility costs associated with the individual lights. There are no plans at this time to increase the number of the streetlights. The future need for streetlights will increase if the population grows, dependent upon the implementation of the County's Night Sky Ordinance⁶, which is applicable in the Crest Forest Community Plan area and not the Lake Arrowhead Community Plan area. 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.

⁵ Methodology for LAFCO staff calculations.

Population between 2005 and 2030 represent the average five year growth rate from 2000 to 2030.

Since CSA 54 is roughly half in the Lake Arrowhead Community Plan area and half in the Crest Forest Community Plan area, the average of the 2005 to 2030 growth rates is used for CSA 54, 11.0% and 6.5% respectively. However, the CommunityPlan projections represent growth throughout the plan area.

⁶ County of San Bernardino, Development Code Chapter 83.07, Adopted Ordinance 4011 (2007).

III. Financial ability of agencies to provide services.

The sole source of revenue for CSA 54 is its share of the general ad-valorem property tax levy. The majority of expenditures pay for the electricity costs to Southern California Edison and transfers to other County funds to pay for CSA 54's share of management and services support costs. As shown on the chart, CSA 54 enjoyed excess revenue, which increased fund balance, for the past few years. However, the annual excess revenue has declined due to fewer property tax receipts and increased streetlighting costs from SCE. The electricity costs from SCE have risen within the past few years, although the budgets do not identify this cost directly. For FY 2010-11, removing Contingencies from the calculation, which has historically never been utilized, CSA 54 is budgeted to lose \$1,965 this year. Should this trend continue, CSA 54 will need to consider reducing expenses, such as eliminating the lights paid for outside its boundaries, to reduce costs. It is estimated by LAFCO staff that this would represent approximately \$1000 reduction in electricity costs per year.

CSA 54 Financial Activity

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Budget
REVENUES						
Property taxes	\$28,547	\$34,757	\$36,949	\$38,388	\$36,161	\$36,167
Interest	17	42	285	339	400	450
Current Services	-	(315)	(264)	(426)	-	-
Other	-	1	7	-	-	-
Total Revenues	28,564	34,485	36,977	38,301	36,561	36,617
EXPENDITURES						
Services & Supplies	18,542	19,935	20,604	29,074	28,932	30,690
Transfers Out	8,905	10,965	7,790	7,628	7,621	7,892
Contingencies	-	-	-	-	-	17,740
Total Expenditures	27,447	30,900	28,394	36,702	36,553	56,322
Net Change in Fund Balance	1,117	3,585	8,583	1,599	8	(19,705)
Fund Balance Ending	\$5,930	\$9,515	\$18,098	\$19,697	\$19,705	\$0

note: Fund Balance Ending calculated by LAFCO staff

CSA 54 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 2010-11 Budget indicates a transfer to CSA 70 Countywide of \$7,892 for salaries and benefits and services and supplies support.

Appropriation Limit

An appropriation limit is required by Article XIIIB of the State Constitution and limits the expenditure of the proceeds of taxes. Action taken on June 28, 2010 by the Board of Supervisors of the County of San Bernardino established the Preliminary 2010-11 appropriation limit for CSA 54 at \$231,784.

IV. 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 54 actively provides is streetlights so no other shared facilities can be considered.

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

Local Government Structure and Community Service Needs

CSA 54 is governed by the County Board of Supervisors and administered by the County Special Districts Department; it is within the political boundaries of the Second and Third Supervisorial Districts. CSA 54's budget is prepared as a part of the County Special Districts Department's annual budgeting process. CSA 54's annual budget is 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 the various services provided under County Service Area 70. Therefore, CSA 54 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. One regional manager oversees all the streetlight districts and one inspector provides support services such as inventory, streetlight requests, and plan review.

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. These board-governed agencies meet the conditions for one if not all of the above. Therefore, the agencies have the potential to realize cost savings should they choose to undertake the necessary steps outlined in state law. This possibility would need to be discussed and decided between the County, its departments and the landowners and voters within the agencies 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. This is not applicable to streetlighting service; however, as outlined above this currently occurs through the payment of costs for the 10 lights outside its boundaries.

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

Potential Government Structure Changes:

While the discussion of some government structure changes may be theoretical, a service review should address possible options, especially in light of CSA 54's financial challenges. In preparing the service review material Special Districts Department staff indicated that there were no consolidations or other structure options available for the operation of CSA 54. However, LAFCO has identified the following options.

- 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 board-governed districts with only streetlighting powers within the unincorporated area of the County. However, at this time LAFCO staff has not received any additional information regarding this option from Special Districts Department.

County Special Districts Department was requested to provide its response to the option of creating a single CSA for service within the communities of Crest Forest and Lake Arrowhead. In its response Special District has indicated it does not oppose LAFCO staff's recommendation to expand the CSA 54 sphere of influence; however, it notes that CSA 54 streetlighting is funded through a share of the general property taxes. If new streetlights are required in the sphere of influence area, a new zone will need to be formed to finance those services. In the past, the County has identified that the mechanism to address such a new service would be through formation of a zone of CSA 70 to provide that service.

LAFCO staff points out that the different services and revenue mechanisms would remain within the respective boundaries. The only difference would be a single agency responsible for coordination of the streetlighting activities. 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 based upon the unique regional service need of the Mountain.

- Consolidation with adjacent portion of County Service Area SL-1. For the same reasons as the option above, inclusion of the SL-1 portion with the consolidation of the two streetlighting county service areas in Crest Forest/Lake Arrowhead 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, again eliminating the number of lights outside the district's boundaries.
- Assumption of streetlighting responsibility by Lake Arrowhead Community Services District. Lake Arrowhead CSD overlays a portion of CSA 54 and is a multi-function, independent, district with the statutory authority to provide streetlighting services (although active 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 of portion of CSA 54 revenues within the transferred area.

LACSD was requested to provide its response to this option. This option was discussed by the LACSD board at its September 14 meeting with what is understood to be much amusement. Their written response to LAFCO states that the directors considered the request and determined that because the street lighting and road maintenance district were so small, it would not be economical for LACSD to attempt to operate the districts.

LAFCO staff returns to the Legislature's intent in LAFCO Law and Community Services District Law in that a single multi-function agency may be 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 which could be eliminated through consolidation with the LACSD.

- Maintenance of the status quo. This option would leave intact the current structure for the provision of the service and the payment of costs for the 13 or so lights outside the boundaries of a public entity receiving revenue for that purpose.

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, LAFCO staff supports the consolidation of these entities into a single streetlighting county service area to provide for more efficient and effective operation. As a part of the sphere of influence update for CSA 54, described in the "Streetlighting" section of this report and the next section, staff is recommending expansion of the CSA 54 sphere of influence to encompass the Crest Forest and Lake Arrowhead communities.

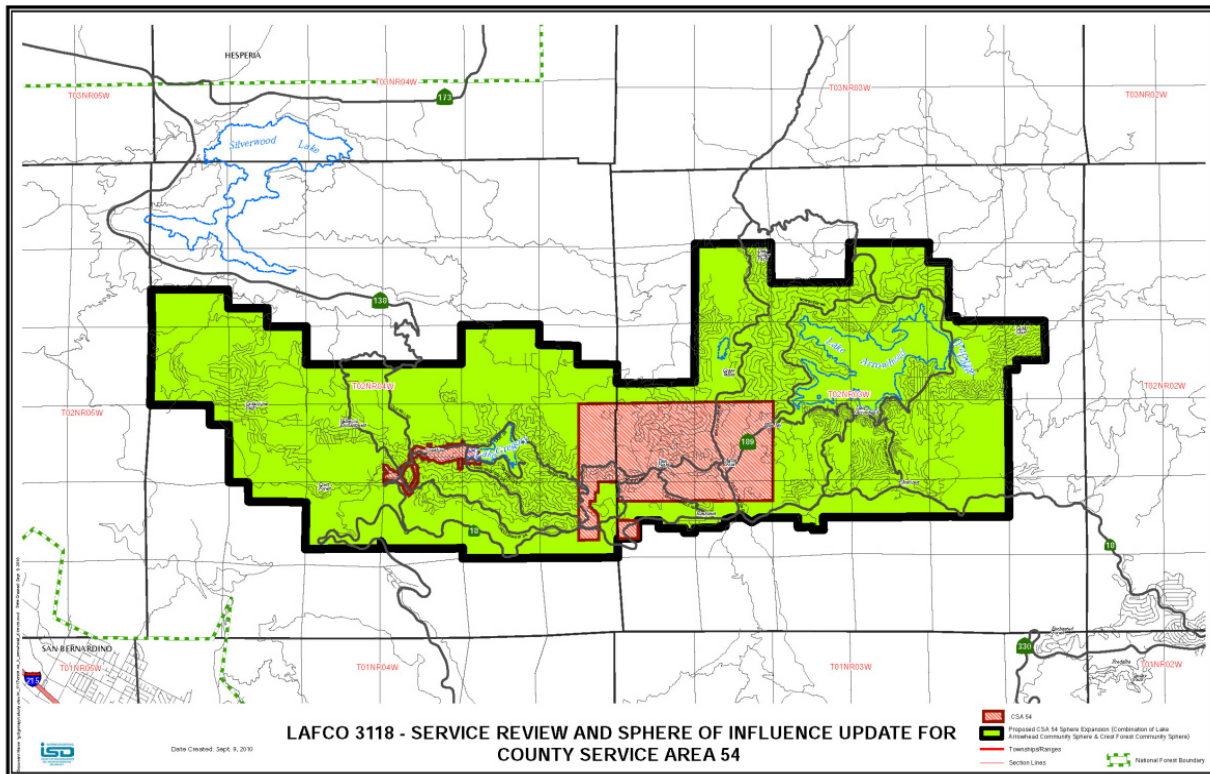
CSA 54 SPHERE OF INFLUENCE UPDATE

Sphere of Influence

CSA 54's sphere of influence has been coterminous with its boundaries since its consolidation with CSA 55 in 1981.

As discussed in the "Streetlighting" section of this report, staff recommends that the Commission expand the sphere of influence for CSA 54 to encompass the Crest Forest and Lake Arrowhead communities, as defined by the Commission. At present revenues generated within CSA 54 have been used to pay for service outside of its boundary. A sphere expansion would include the 10 streetlights that are currently outside of its boundary and current sphere and allow the County to return to LAFCO with an application for annexation. It would include the portion of CSA SL-1 within the mountains and allow for the County to return with an application to annex that territory and the three lights outside its boundaries to CSA 54. Eventual inclusion within the CSA 54 boundary of these streetlights would be compliant with County Service Area Law and LAFCO Law. The County could request that LAFCO waive the filing fees for the actions and charge only direct processing

costs. A map showing staff's recommendation is shown below and is included in Attachment #5.



Authorized Powers

When updating a sphere of influence for a special district, the Commission shall (1) require existing districts to file written statements with the Commission specifying the functions or classes of services provided by those districts and (2) establish the nature, location, and extent of any functions or classes of services provided by existing districts (Government Code §56425(i)). Special Districts Department has identified that CSA 54 only provides Streetlighting. Both LAFCO and Special District Department staffs recommend that the Commission affirm the following as the active function and service for CSA 54:

<i>Function</i>	<i>Service</i>
Streetlighting	Streetlighting

FACTORS OF CONSIDERATION:

The Special Districts Department was requested to provide information regarding the sphere of influence update as required by State law. Staff responses to the mandatory factors of consideration for a sphere of influence review (as required by Government Code Section 56425) are identified as follows:

Present and Planned Land Uses

Development in the San Bernardino Mountains is naturally constrained by rugged terrain, limited access, public land ownership, 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. The private lands within CSA 54 are generally residential (RS-14M) with scattered commercial along State Route 189 and in the Lake Gregory area of the district. The public lands within CSA 54 are designated Resource Conservation.

Roughly two-thirds of CSA 54's area is private lands and one-third is within the National Forest (owned by the federal government), which are devoted primarily to resource protection and recreational use.

Present and Probable Need for Public Facilities and Services

CSA 54 currently provides only streetlighting services within its boundaries and operates and maintains 183 streetlights. Staff has identified that 10 of the streetlights are outside the boundary and current sphere of CSA 54. In addition, this action would include the territory of CSA SL-1 within the Lake Arrowhead community within the boundaries of the sphere of influence allowing for a future reorganization to address the transfer of its operations and the 3 lights outside its boundaries to CSA 54. Currently, CSA 54 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 in the Crest Forest Community Plan area.

Present Capacity of Public Facilities and Adequacy of Public Services

CSA 54 provides streetlighting within its boundaries and adequately serves the area. Revenues are generally adequate to support the current streetlighting activities. However, with electricity costs rising and property tax revenues remaining level or slightly reduced due economic conditions, the choice for the County would be to turn off the lights outside the boundaries or turn them over to the residents since their property taxes do not support the service.

Social and Economic Communities of Interest

Streetlighting is a public safety issue and is regional in nature. The social and economic communities of interest are those of the Rim of World Unified School District and the properties and residents within the Crest Forest and Lake Arrowhead communities.

CONCLUSION FOR CSA 54:

Staff recommends that the Commission:

- Expand the sphere of influence for CSA 54 to encompass the Crest Forest and Lake Arrowhead communities, as defined by the Commission, and as discussed in the “Streetlighting” section of this report.
- Affirm the function and service for CSA 54 as Streetlighting.
- Take the appropriate actions to implement this change.

COUNTY SERVICE AREA SL-1 (Lake Arrowhead portion) Service Review and Sphere of Influence Update

INTRODUCTION:

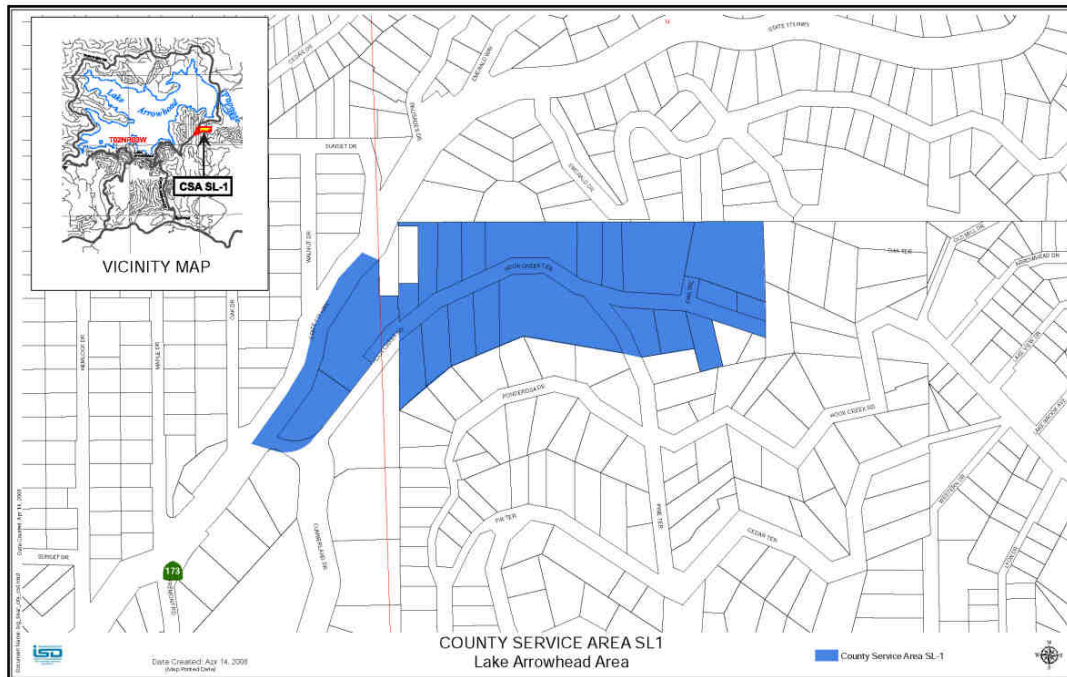
LAFCO 3120 consists of a service review pursuant to Government Code Section 56430 and sphere of influence update pursuant to Government Code 56425 for the Lake Arrowhead portion of County Service Area SL-1.

County Service Area SL-1 (SL-1) was originally formed in 1965 under the provisions of *County Service Area Law*, Government Code Sections 25210 et seq., through a consolidation of numerous county service areas in the Valley region of the county providing streetlighting services. SL-1 is primarily a streetlighting entity in the Valley region of the County, but it has two areas of responsibility outside of the Valley region. The area of concern for this service review is located in the Lake Arrowhead community. During the processing for the service review and sphere of influence update for SL-1 in 2005 (LAFCO 2945), Special Districts Department and LAFCO staffs determined that the Lake Arrowhead portion of SL-1 should not be included in its sphere of influence and to consider its service review as a part of the Lake Arrowhead Community service reviews.

As discussed in the balance of this report, LAFCO staff recommends that the Lake Arrowhead portion of SL-1 remain excluded from the SL-1 sphere of influence.

LOCATION AND BOUNDARIES:

The Lake Arrowhead portion of CSA SL-1 is not a part of the sphere of influence assigned to CSA SL-1. The study area includes 21 parcels encompassing approximately 8.5 acres generally located north and south of Hook Creek Road and Oak Terrace between Cumberland Drive and State Highway 173. A map of Lake Arrowhead portion is shown below and is included as a part of Attachment #6.



CSA SL-1 SERVICE REVIEW

At the request of LAFCO staff, the County Special Districts Department, administrators for board-governed special districts, prepared a service review pursuant to San Bernardino LAFCO policies and procedures. The response on behalf of CSA SL-1 to LAFCO's original and updated requests for materials includes, but is not limited to, the narrative response to the factors for a service review, response to LAFCO staff's request for information, and financial documents (included as Attachment #6). LAFCO staff responses to the mandatory factors for consideration for a service review (as required by Government Code 56430) are identified below and incorporate County Special Districts Department's response and supporting materials.

I. Growth and population projections for the affected area.

The study area includes 21 parcels encompassing approximately 8.5 acres generally located north and south of Hook Creek Road and Oak Terrace between Cumberland Drive and State Highway 173. The study area has a land use designation of General Commercial. All but one of the developed parcels are being utilized for commercial use. The remaining undeveloped parcels are currently being used in conjunction with the developed parcels. No population growth is expected for the area.

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

The only service currently provided through CSA SL-1 is streetlighting, with nine lights maintained with the Lake Arrowhead portion. LAFCO staff has identified that three of these streetlights are outside the boundaries of CSA SL-1.

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 SL-1 provides for payment of the utility costs associated with the individual lights. There are no plans at this time to increase the number of the streetlights in Lake Arrowhead; however, the County's Night Sky Ordinance⁷ is not identified in the Lake Arrowhead Community Plan area. There is no adopted streetlighting policy adopted by the County specifically for Lake Arrowhead.

III. Financial ability of agencies to provide services.

The CSA SL-1 portion in Lake Arrowhead generates roughly \$570 a year from its share of the one percent general levy with roughly \$1,365 in annual costs to Southern California Edison. Of this amount, LAFCO staff estimates that \$300 per year is paid for the operation of facilities outside its boundaries. The balance of CSA SL-1 from the Valley is subsidizing this operation.

IV. 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 SL-1 is actively providing is streetlights so no other shared facilities can be considered.

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

Local Government Structure and Community Service Needs

CSA SL-1 is governed by the County Board of Supervisors and administered by the County Special Districts Department; it is within the political boundaries of the Third Supervisorial District. CSA SL-1's budget is prepared as a part of the County Special Districts Department's annual budgeting process. CSA SL-1's annual budget is 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

⁷ County of San Bernardino, Development Code Chapter 83.07, Adopted Ordinance 4011 (2007).

to manage the various services provided under County Service Area 70. Therefore, CSA SL-1 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. 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. This is not applicable to streetlighting service; however, as noted above the District is currently paying for lights outside its boundaries.
2. Other potential government structure changes such as consolidations, reorganizations, dissolutions, etc.

Government Structure Change Options:

While the discussion of some government structure options may be theoretical, a service review should address possible options.

- Assign a sphere of influence for the Lake Arrowhead portion of SL-1. SL-1 is defined as a Valley agency. Unless the Commission were to choose to reopen the CSA SL-1 sphere in its entirety this option is not available.
- Consolidation with the other streetlighting districts within the unincorporated area of the County. Special Districts Department has recommended in the past to consolidate the districts with only streetlighting powers within the unincorporated area of the County. LAFCO staff has not received any additional information regarding this option from Special Districts Department. This 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.
- Formation of an independent agency. If this piece of CSA SL-1 was operated as a stand alone agency, the revenue generated through property taxes would not be sufficient to support the electricity, administration, and operational charges for the district.
- Maintenance of the status quo. At the present time, no other public agencies have expressed desire to provide this service.

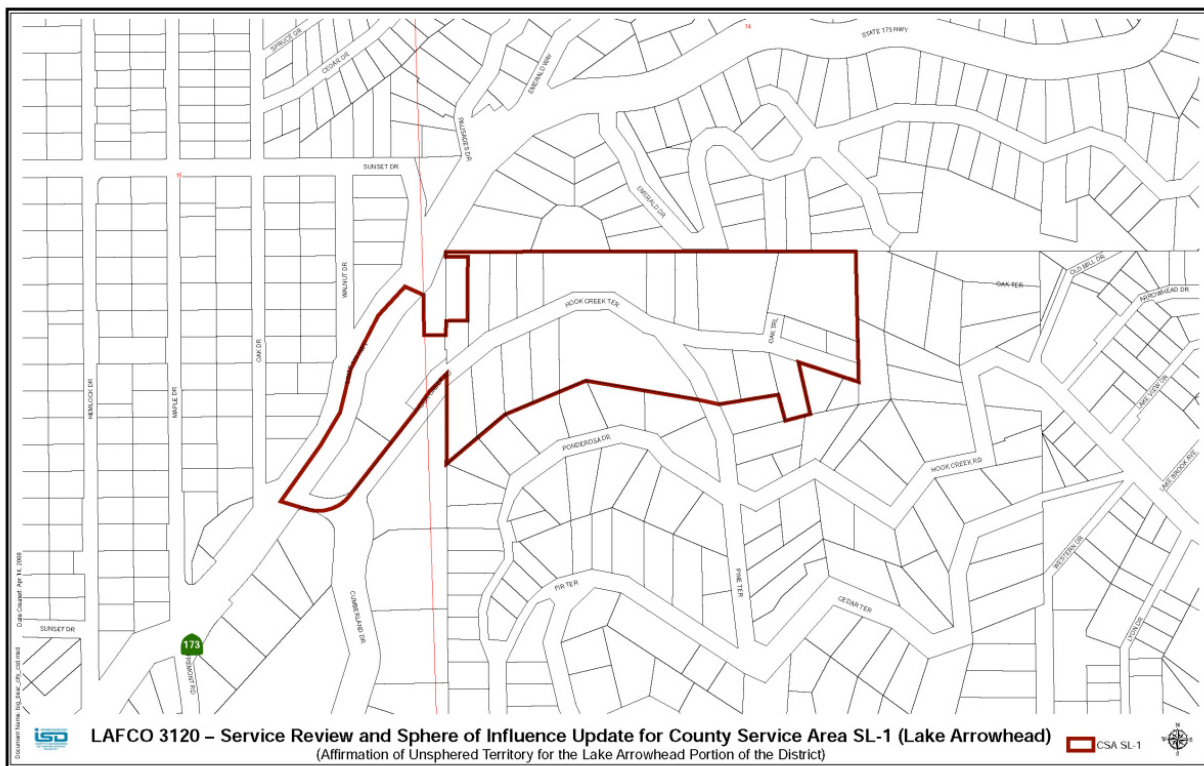
As in past discussions of the single purpose streetlighting agencies administered by the County, LAFCO staff supports the consolidation of these entities into a single streetlighting agency to provide for a more efficient and effective operation. LAFCO staff recommends that the Lake Arrowhead portion of SL-1 remain excluded from the SL-1 sphere of influence

and included in the proposed expansion of CSA 54 sphere of influence, signaling the Commission's position that a future reorganization is needed to resolve this issue.

CSA SL-1 SPHERE OF INFLUENCE UPDATE

Sphere of Influence

The Lake Arrowhead portion of SL-1 comprises approximately 8.5 acres and is not included in the CSA SL-1 sphere of influence. LAFCO staff recommends that the Lake Arrowhead portion of SL-1 remain excluded from the SL-1 sphere of influence, signaling the Commission's position that a future reorganization is needed to resolve this issue.



Authorized Powers

When updating a sphere of influence for a special district, the Commission shall (1) require existing districts to file written statements with the Commission specifying the functions or classes of services provided by those districts and (2) establish the nature, location, and extent of any functions or classes of services provided by existing districts (Government Code §56425(i)). This action was completed in 2006 as a part of the SL-1 service review; no further review is necessary.

FACTORS OF CONSIDERATION:

The Special Districts Department was requested to provide information regarding the sphere of influence update as required by State law. Staff responses to the mandatory factors of consideration for a sphere of influence review (as required by Government Code Section 56425) are identified as follows:

Present and Planned Uses

The study area includes 21 parcels encompassing approximately 8.5 The area is fully developed; therefore, the population is anticipated to remain relatively static through 2030.

Present and Probable Need for Public Facilities and Services

CSA SL-1 currently provides only streetlighting services within its boundaries and operates and maintains nine streetlights in Lake Arrowhead. LAFCO staff has identified that three of the streetlights (1/3) are outside the boundaries and sphere of CSA SL-1. Currently, CSA SL-1 meets the service needs of those within its boundaries. However, if the lights outside the boundaries had been eliminated, the savings over the past 10 years would have been roughly \$3,000.

Present Capacity of Public Facilities and Adequacy of Public Services

CSA SL-1 provides streetlighting within its boundaries and adequately serves the area. If the Lake Arrowhead portion was operated as a stand alone agency, the revenue generated through property taxes would not be sufficient to support the electricity and administration charges for the streetlights.

Social and Economic Communities of Interest

The social and economic communities of interest are the Rim of World Unified School District and the properties and residents within the boundaries of the Lake Arrowhead portion of CSA SL-1 located in the Lake Arrowhead community.

CONCLUSION FOR CSA SL-1 (Lake Arrowhead portion):

Staff recommends that the Lake Arrowhead portion of SL-1 remain excluded from the SL-1 sphere of influence, but included in the sphere of influence expansion for CSA 54 signaling the Commission's position that a future reorganization is needed to resolve this issue.

CREST FOREST FIRE PROTECTION DISTRICT Service Review and Sphere of Influence Update

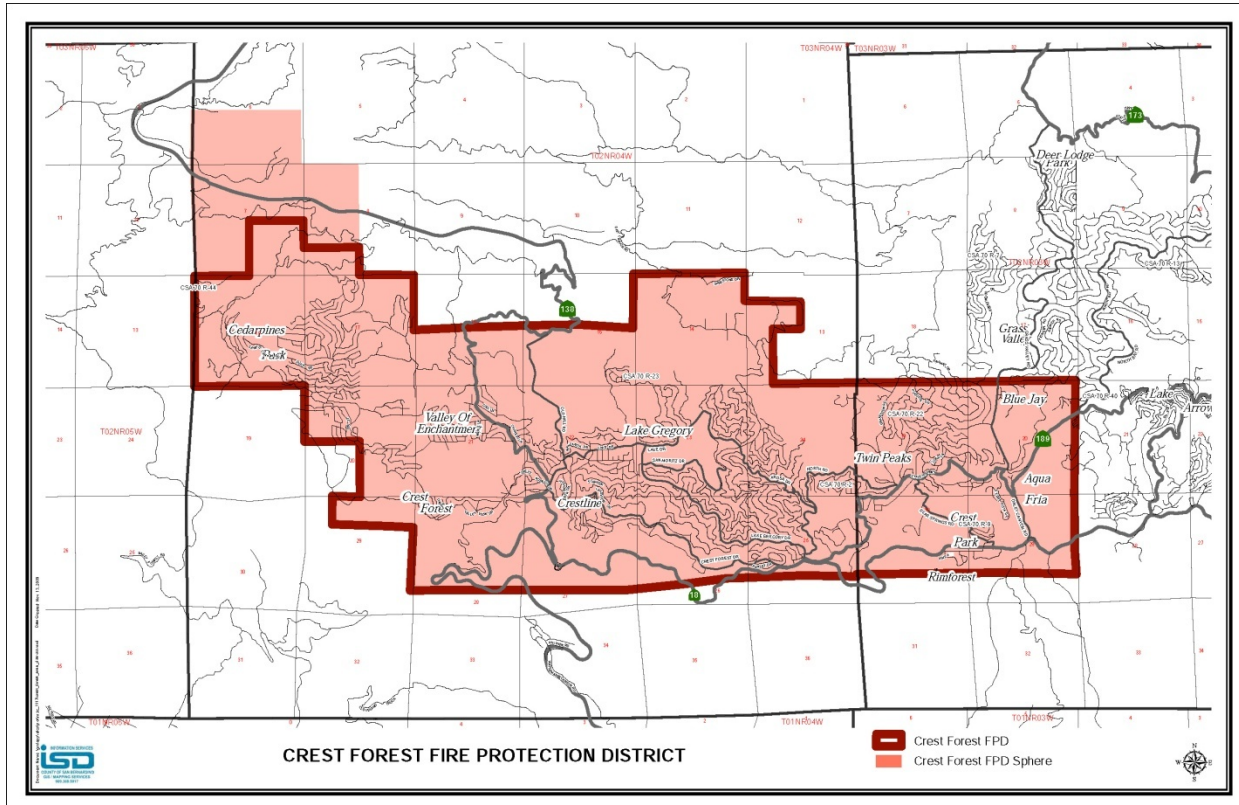
LAFCO 3127 consists of a service review pursuant to Government Code Section 56430 and sphere of influence update pursuant to Government Code 56425 for the Crest Forest Fire Protection District (“Crest Forest Fire”).

Crest Forest Fire was formed in 1929 for the primary purpose of providing fire protection services to the Crest Forest community and was reorganized in 1962 under the “Fire Protection District Law of 1961”. It currently operates under the *Fire Protection District Law of 1987*, Health and Safety Code Section 13800 et seq. Crest Forest Fire is an independent special district with a five-member board of directors elected at-large. Currently, Crest Forest Fire is authorized by LAFCO to provide the function of fire protection pursuant to the *Rules and Regulations of the Local Agency Formation Commission of San Bernardino County Affecting Functions and Services of Special Districts*.

As discussed in the balance of this report, LAFCO staff is recommending that the Commission modify the Crest Forest Fire’s sphere of influence within the Crest Forest area to encompass the Crest Forest community, as defined by the Commission, which is a combination of the existing spheres of influence for Crestline Village Water District and the Crestline Sanitation District (water and sewer service providers for the area), to include surrounding private lands and adjusted to match existing parcel delineation. No change is being proposed for the Lake Arrowhead portion of the District.

LOCATION AND BOUNDARIES:

Crest Forest Fire is located in the Crest Forest Community and southwestern portion of the Lake Arrowhead Community. The study area encompasses approximately 16.5 square miles generally bordered by section lines along Crest Summit and the community of Blue Jay on the east; a combination of parcel lines generally along Rim of the World Highway (Hwy 18) and the community of Rimforest on the south; a combination of section lines and parcel lines generally along Playground Drive, Ridge Drive, and Sawpit Canyon Trail on the west; and a combination of section lines and parcel lines south of Silverwood Lake, Miller Canyon, and Pilot Rock on the north. The area includes Lake Gregory and the unincorporated areas known as Skyland, Crestline, Valley of Enchantment, Valley View Park, Cedarpines Park, Arrowhead Highlands, Twin Peaks, Crest Park, Rimforest, and Blue Jay. A map of Crest Forest Fire is shown below and is included as a part of Attachment #7.



CREST FOREST FIRE SERVICE REVIEW

At the request of LAFCO staff, Crest Forest Fire prepared a service review pursuant to San Bernardino LAFCO policies and procedures. The response to LAFCO's original and updated requests for materials includes, but is not limited to, the narrative response to the factors for a service review, response to LAFCO staff's request for information, and financial documents (included as Attachment #7). LAFCO staff responses to the mandatory factors for consideration for a service review (as required by Government Code 56430) are identified below and incorporate Crest Forest Fire's response and supporting materials.

I. Growth and population projections for the affected area.

Crest Forest Fire comprises all the populated areas of the Crest Forest community and extends four square miles into the Lake Arrowhead community. Development in the San Bernardino Mountains is naturally constrained by rugged terrain, limited access, public land ownership, 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. Within the County's Crest Forest Community Plan boundaries, the private lands within the district have land use designations of predominantly residential (RS-14M and RL-5), with scattered commercial along State Route 138 and along Lake Drive west of Lake Gregory. Within the Lake Arrowhead Community Plan boundaries, the private lands within the district are generally residential (RS-14M) with scattered commercial along State Route 189 and in Rim

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, adding to this statement there is a large seasonal population component as well as a substantial influx of visitors to the mountain resort areas. 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 the peak population. By 2030, the permanent population is estimated to reach over 20,000 based upon a 6.5% increase every five years, or approximately 1.5% per year growth in permanent population. Even with the large increase in population, the area is not anticipated to reach its build-out population by the 2030 horizon of this report.

Community Plan	2000	2005	2010	2015	2020	2025	2030	2000 to 2030 growth rate
Crest Forest	10,606	11,295	12,030	12,812	13,644	14,531	15,592	47.0%
Lake Arrowhead portion	3,802	4,220	4,684	5,200	5,772	6,406	7,053	85.5%
TOTAL	14,408	15,515	16,714	18,011	19,416	20,938	22,645	57.2%

Community Plan	Build-out	2030 as % of Build-out
Crest Forest	25,257	62%
Lake Arrowhead portion	19,538	36%
TOTAL	44,795	51%

Source: County of San Bernardino 2007 Community Plans; County Special Districts Department; LAFCO
Notes: Does not include seasonal population or visitors
Italicized figures are calculated by LAFCO staff
Methodology for LAFCO staff calculations⁸

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

The District did not provide a master plan or other study as part of this review. The District was anticipated to have its Strategic Plan adopted by 2009, but completion of the document has been delayed indefinitely due to severe budget cuts.

The District provides fire protection, ambulance, and paramedic services. On a regional basis, County Fire also provides services such as hazardous materials regulation, dispatch communication, and disaster preparedness to this independent agency. Other service providers are the California Department of Forestry and Fire Protection (Cal Fire) and the U.S. Forest Service, both not subject to LAFCO jurisdiction. Agencies providing fire related information are the Mountain Area Safety Taskforce and Fire Safe Council.

⁸ Methodology for LAFCO staff calculations.

Population between 2005 and 2030 represent the average five year growth rate from 2000 to 2030.

Crest Forest Fire comprises all the populated areas of the Crest Forest Community Plan area and roughly 30% of the residential parcels of the Lake Arrowhead Community Plan area.

Personnel, Facilities and Equipment

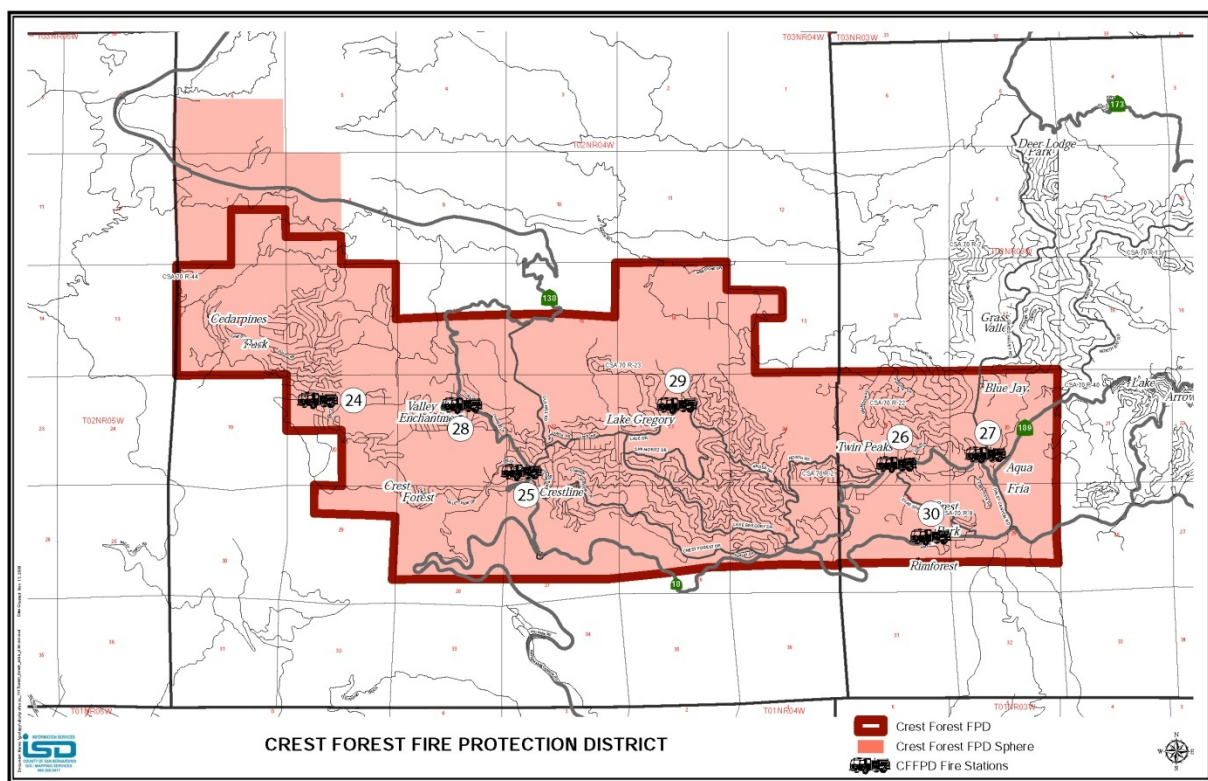
Personnel consists of one fire chief, two division chiefs, six captains, six engineers, nine fire fighters, one fire mechanic, 35 paid call firefighters, 12 support services part-time employees, 30 community emergency response team (CERT) volunteers, one part-time secretary, one part-time fire inspector, and one contract finance officer. Eleven of the career staffs are cross-trained as paramedics. During the preliminary budget process in March and April 2010, Crest Forest Fire held meetings to discuss budget constraints. From those meetings, Crest Forest Fire negotiated pay cuts to all levels and reduced operating and support expenses.

Crest Forest Fire operates with six active stations. Stations 25 and 26 are staffed 24 hours per day with Station 25 operating as the main district station. The four other active stations are paid call stations. Station 27 in Aqua Fria is not active and is used to house reserve apparatus including an ambulance. Additional information about each station is shown on the charts below, taken from the Lake Arrowhead and Crest Forest Community Plans. Below the charts is a map showing the District's stations.

Fire Stations	Fire District /Agency	Area Served	Equipment	Personnel (number and title)	EMT Response Capabilities	Availability of ambulance services	Nearest Medical Facilities
Cedar Pines Park Station (#24)	Crest Forest Fire Protection District	Cedarpines Park, All Crest Forest district	Engine 24, Medic Ambulance (MA) 24A	6 Paid Call Firefighters (PCF)	3 staff	Crest Forest District	Mountains Community Hospital (MCH), St. Bernardine
Valley of Enchantment Station (#28)	Crest Forest Fire Protection District	Valley of Enchantment, all of Crest Forest District	Engine 28	7 Paid Call Firefighters (PCF)	3 staff	Crest Forest District	Mountains Community Hospital (MCH), St. Bernardine
Lake Gregory Station (#29)	Crest Forest Fire Protection District	Lake Gregory area, all of Crest Forest district	Engine 29	11 Paid Call Firefighters (PCF), 1 mechanic	6 staff	Crest Forest District	Mountains Community Hospital (MCH), St. Bernardine
Crestline Station (#25)	Crest Forest Fire Protection District	All Crest Forest (1st out), Crestline, Valley of Enchantment, Lake Gregory, Cedarpines Park	Brush Engine (BE) 25, Medic Engine (ME) 25, Utility 25, Medic Ambulance (MA) 25, Medic Ambulance (MA) 25A, Snow Cat (SC) 25	1 chief, 3 div chiefs, 1 fire prevention officer, 7 firefighters, 5 paramedics	12 staff	Crest Forest District, Medic Ambulance (MA) 25, Medic Ambulance (MA) 25A	Mountains Community Hospital (MCH), St. Bernardine

Crest Forest-Lake Arrowhead Companion Report
November 30, 2010

Blue Jay Station #27	Crest Forest Fire Protection District	Blue Jay	No equipment currently housed	None	None	none	Mountain Community Hospital (MCH)
Twin Peaks Station #26	Crest Forest Fire Protection District	Twin Peaks, Blue Jay, Rim Forest, All Crest Forest District	Medic Ambulance (MA) 26, Snow Cat (SC) 26, Loader (LDR) 26, Brush Engine (BE) 26, TLR26, Medic Engine (ME) 26, Rescue (RS) 26, Utility 26	5 Firefighters, 2 PM, 10 Paid Call Firefighters (PCF)	5 staff	Medic Ambulance (MA) 26 Crest Forest	Mountain Community Hospital (MCH)
Rim Forest Station #30	Crest Forest Fire Protection District	Rim Forest, All Crest Forest District	Engine 30, Water Tender (WT) 30	10 Paid Call Firefighters (PCF)	none	none	Mountain Community Hospital (MCH)



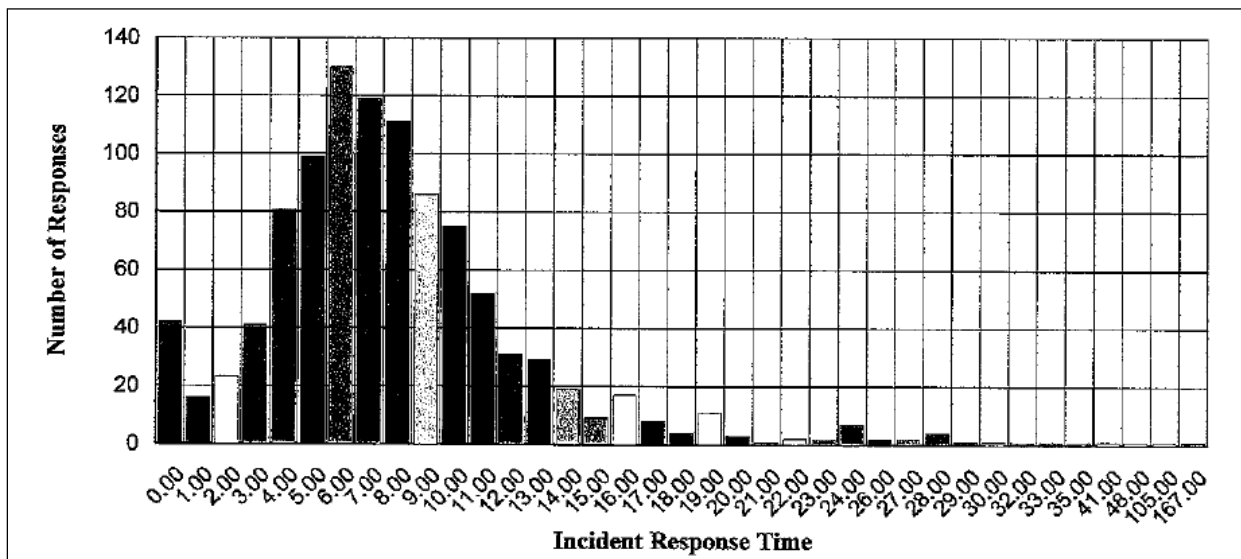
Capital equipment includes six engines of which one is a brush engine – average model year is 1994, four ambulances – average model year is 2001, two snow cats, one rescue unit, one front loader, one water tender, and other support vehicles.

The District states that at this time no additional facility replacement is needed. However, with the permanent population anticipated to increase by 57% from 2000 to 2030, increase in capacity of the existing facilities will be needed to meet demand.

Response Times

As shown on the first chart below, roughly three quarters of all calls are classified as “Rescue and Emergency Medical Service Incidents” and fire calls comprise three percent. The response time to the majority of calls is over five minutes. However, the mountainous terrain and road conditions do not lend to the same response as in areas where the terrain and roads are more favorable. The second chart shows response times for all incident calls. As shown, the mode average response time is six to seven minutes.

Incident Type	0-1 min	1-2 min	2-3 min	3-4 min	4-5 min	Over 5 min	Total	Percent of Total
Fires	2	1	1	2	1	26	33	3%
Overpressure Rupture, Explosion, Overheat- no fire	0	0	0	0	0	1	1	0%
Rescue & Emergency Medical Service Incidents	11	9	18	25	67	581	711	74%
Hazardous Conditions - no fire	0	2	2	4	2	33	43	4%
Service Call	4	2	2	3	3	61	75	8%
Good Intent Call	1	1	0	3	8	46	59	6%
False Alarm & False Call	1	1	0	2	1	27	32	3%
Severe Weather & Natural Disaster	0	0	0	2	1	3	6	1%
Total Number of Responses	19	16	23	41	83	778	960	100%



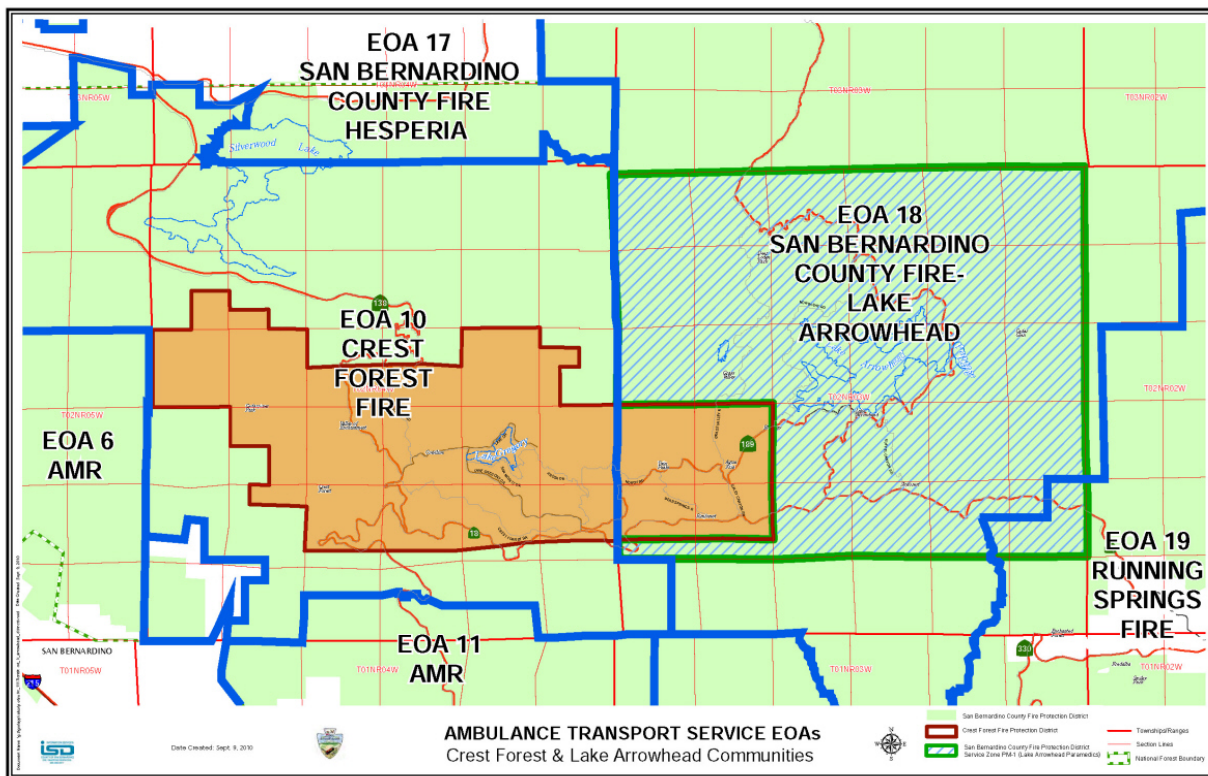
source: Crest Forest Fire, time period 1/1/2010 to 8/25/2010

Ambulance and Paramedic

Crest Forest Fire has two areas assessment zones for funding paramedic service. The area west of the Crest Forest/Lake Arrowhead County Community Plan boundary is within service zone PM-A, and the area east of said boundary is within service zone PM-1. When combined, these service zones encompass the entire district.

Overlap Area

The Crest Forest Fire Protection District is authorized by LAFCO to provide ambulance services within its boundaries. The Inland Counties Emergency Medical Agency ("ICEMA") authorizes Crest Forest Fire to provide Advanced Life Support ambulance services within EOA 10 and Basic Life Support ambulance services within EOA 11 supporting American Medical Response. As shown on the map below, Crest Forest Fire's boundary extends into EOA 18, where it does not have authority by ICEMA to provide ambulance services. In this overlap area ICEMA has assigned the responsibility for ambulance services to the San Bernardino County Fire Protection District. Crest Forest Fire does not send a first response ambulance to EOA 18, the ambulance for that area comes from a County Fire's Lake Arrowhead stations.



As a part of the County Fire Reorganization, Crest Forest Fire succeeded to the \$17.30 per parcel special tax for funding of paramedic services to this overlap area. At that time, Crest Forest Fire provided a letter to LAFCO that if those funds were transferred to Crest Forest Fire, it would use them to support of the expansion of its paramedic program within that area. The paramedics from Station 26 in Twin Peaks respond as medical first response on an Advanced Life Support fire engine unless requested by County Fire for a mutual aid ambulance in one of County Fire's EOA's (mostly EOA 18). Station 26 paramedics also supplements the Crestline station for coverage at which time they can staff a second ambulance for Crest Forest's EOA or a fire engine, depending on the need.

III. Financial ability of agencies to provide services.

For this report, staff has reviewed the District's budgets and audits (excerpts included as Attachment #7), and State Controller reports for special districts. In reviewing the financial documents, the District has been operating with an annual negative change in net assets since at least FY 2005-06, as shown on the chart below. For FY 2007-08 and FY 2008-09, net assets decreased by \$455,920 and \$315,829, respectively. As of June 30, 2009, Crest Forest Fire had \$1.0 million in net assets. Not including capital assets value and debt, the District had roughly \$737,000 in restricted and unrestricted net assets. Of this amount \$503,000 is unrestricted.

Net Assets	2008-09	2007-08	2006-07	2005-06
Invested in capital assets, net of related debt	275,123	350,834	270,045	455,313
Restricted for capital projects	426	424	410	392
Restricted for debt service	233,686	226,865	237,487	237,396
Unrestricted	503,322	750,263	1,276,364	1,140,647
Total Net Assets	\$1,012,557	\$1,328,386	\$1,784,306	\$1,833,748

sources: FY 2005-06 through FY 2008-09 financial statements

General Operations and Funds

The accounts of the District are organized into four funds, which are considered separate accounting entities.

- General Fund – The general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Fund – Accounts for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes. The fund is used to account for ambulance operations.
- Capital Project Fund – Accounts for financial resources to be used for the acquisition or construction of major capital facilities, which are not financed by proprietary and trust funds.
- Debt Service Fund – Accounts for the accumulation for resources for, and the payment of, general long-term debt, interest and related costs.

In addition to the four funds listed above, the District is responsible for its component unit, the Crest Forest Fire Protection District Facilities Corporation ("Corporation"). The Corporation is a nonprofit, public benefit corporation incorporated in 2002 under the law of the State of California. The Corporation was formed to provide financing assistance to the District for construction, financing, and acquisition of major capital outlay through use of Certificates of Participation (COP's). The COP's were used to refinance the construction of the two full time fire stations (Station 25 and 26) as well as some major fire equipment allowed under the law concerning COP's. According to the District, all the corporation did was make sure the COP's were accounted for and paid according to their issuance. In August 2010, the Corporation refinanced the COP's with a Private Placement Bond. All issues with the COP's were handled by a Trustee hired by the Corporation for that purpose (US Bank).

As of August 2, 2010, the COP's have been fully repaid and the trustee eliminated, because neither the Corporation nor the trustee are needed for a Private Placement Bond. The

stations and equipment were collateral for the debt issued in the form of the COP's. Currently, only Station 25 is collateral for the Private Placement Bond. The fire equipment and Station 26 are in full ownership of the District and the new debt is 18 months shorter and approximately \$300,000 less due to favorable interest rates. It also eliminated the need for the Corporation and the trustee. The District has not taken action to formally dissolve the Corporation as of the date of this report.

Revenues

Revenues are derived primarily from 1) share of the one percent general tax levy, 2) special tax and assessments, and 3) ambulance fees.

1. Share of the one percent general tax levy

In 1977-78, before Proposition 13, all landowners within the boundaries of Crest Forest Fire paid a tax rate of \$1.18 per \$100 of assessed valuation, as identified in the County's 1977-78 tax rate book, for the purpose of paying obligations of the district. Following Proposition 13, the Legislature enacted statutes to implement its provisions. Under these statutes, a local government's share of the one percent general levy was based on the share of the property tax going to that local government before Proposition 13 (excluding bond debt).

Currently, Crest Forest Fire receives a share of the one percent ad valorem property tax, \$3,942,472 for FY 2008-09 (the most recent audited year available). In contrast to other areas of the county, assessed valuations within the District have increased each of the past four fiscal years. Seventy-six percent of total revenue (\$3.94 million) is attributable to its share of the one percent ad valorem general levy.

2. Special tax and assessments

Special taxes and assessments include the District's PM-A service zone and its succession to the PM-1 special tax within Lake Arrowhead. Any increase in taxes or assessments would be subject to a two-thirds vote of the registered voters. The service zones are described as follows:

- Property owners within Service Zone PM-A, consisting of roughly 13,600 parcels, are levied a special tax. The formation election of PM-A included an appropriation limit with a base of \$750,000, and established the special tax as follows: \$39.50 per year per individual dwelling unit, \$45.00 per year per commercial unit, and \$24.50 per undeveloped parcel of real property. This special tax does not have a corresponding inflation factor.
- Property owners within Service Zone PM-1, consisting of roughly 2,800 parcels, are levied an assessment of \$17.30 per parcel.

During the processing of the County Fire Reorganization (LAFCO 3000), effective July 1, 2008, it was identified that the territory of County Service Area 70 Zone PM-1 overlaid a portion of Crest Forest Fire. The

boundaries of the new Service Zone PM-1 were modified to exclude the territory within the existing boundaries of the Crest Forest Fire and a condition of approval was added to transfer the existing PM-1 special tax (\$17.30 per parcel) within that area to Crest Forest Fire for its funding of paramedics. Crest Forest Fire calls this the Crest Forest Fire PM-1 special tax. Upon Crest Forest Fire's succession to this special tax it also succeeded to the limitations of the original approval which does not provide for an annual inflation factor.

3. *Ambulance fees*

Fire protection is a service paid for by taxes, but ambulance fees comprise roughly 11% revenues. Anyone transported by a Crest Forest Fire ambulance is billed for services rendered. If the person being billed is a local resident, only their insurance is billed. If there is no insurance or after the insurance payment is received, local residents are given a letter notifying them that the remaining bill is covered by the District's ambulance assessment. Through mutual aid, Crest Forest Fire charges for providing service outside of its boundaries. In this case, the standard ambulance transport fees established by the County Board of Supervisors are applied, which the maximum allowable rates have been adopted by the Crest Forest Fire Board of Directors.

The EMS/Ambulance assessment on real property and transport fees charged for services rendered does not cover the actual allocated costs for EMS/Ambulance services provided by Crest Forest Fire. In FY 2009-10, the general fund transferred funds into the EMS/Ambulance fund to cover for shortfalls in the difference between revenues and expenditures. The FY 2010-11 Budget identifies that the General Fund will continue to transfer funds into the EMS/Ambulance budget to cover shortfalls between revenues and expenses. The District states that such transfers from the general fund will have a long term effect on overall operations if not corrected. This trend is significant even with the additional funds received from the transfer of the Lake Arrowhead Paramedic Assessment within Crest Forest Fire as a part of the County Fire Reorganization.

At its August 17, 2010 meeting, the District revisited this issue and has indicated that it may need to place a measure before the voters to increase the ambulance assessment.

To illustrate the revenues generated, LAFCO staff has provided a chart showing the past three audited fiscal years with a percentage composition for FY 2008-09. As shown on the chart all revenue categories have increased during these years except for Interest; the decrease in interest is due to the increase in total expenditures which has decreased fund balance.

Crest Forest-Lake Arrowhead Companion Report
November 30, 2010

	FY 2006-07				FY 2007-08			
	General	Special Revenue	Other	Total	General	Special Revenue	Other	Total
Revenues								
Property taxes & assessments	\$3,522,666	\$ 488,968	\$ -	\$4,011,634	\$3,775,011	\$ 459,528	\$ -	\$4,234,539
Ambulance Fees	-	312,050	-	312,050	-	337,568	-	337,568
Interest	64,307	47,154	11,587	123,048	46,920	34,218	7,735	88,873
Other	88,255	91	-	88,346	251,802	-	-	251,802
Total Revenues	3,675,228	848,263	11,587	4,535,078	4,073,733	831,314	7,735	4,912,782
Expenditures								
Salaries & benefits	2,962,431	614,869	-	3,577,300	3,572,167	722,634		4,294,801
Services & supplies	472,773	140,687	-	613,460	458,734	139,706		598,440
Debt service	96,344	72,681	10,905	179,930	94,066	70,962	18,342	183,370
Capital outlay	17,233	-	-	17,233	-	55,722	-	55,722
Total Expenditures	3,548,781	828,237	10,905	4,387,923	4,124,967	989,024	18,342	5,132,333
Revenues over (under) expenditures	126,447	20,026	682	147,155	(51,234)	(157,710)	(10,607)	(219,551)
Other Sources (Uses)								
Operating transfers in	31,279	-	-	31,279	569	-	-	569
Operating transfers out	-	(31,279)	-	(31,279)	-	(569)	-	(569)
Total Other Sources (Uses)	31,279	(31,279)	-	-	569	(569)	-	-
Total over (under)	157,726	(11,253)	682	147,155	(50,665)	(158,279)	(10,607)	(219,551)
Fund balance, beginning	1,169,865	318,879	237,215	1,725,959	1,327,591	307,626	237,897	1,873,114
Fund balance, ending	\$1,327,591	\$ 307,626	\$237,897	\$1,873,114	\$1,276,926	\$ 149,347	\$227,290	\$1,653,563
	FY 2008-09				Percentage			
	General	Special Revenue	Other	Total				
Revenues								
Property taxes & assessments	\$3,942,472	\$ 495,063	\$ -	\$4,437,535	86%			
Ambulance Fees	-	353,420	-	353,420	7%			
Interest	32,734	4,630	1,208	38,572	1%			
Other	322,547	7,353	-	329,900	6%			
Total Revenues	4,297,753	860,466	1,208	5,159,427	100%			
Expenditures								
Salaries & benefits	3,847,729	721,387	-	4,569,116	83%			
Services & supplies	499,645	121,695	-	621,340	11%			
Debt service	106,684	80,481	(5,614)	181,551	3%			
Capital outlay	18,533	108,422	-	126,955	2%			
Total Expenditures	4,472,591	1,031,985	(5,614)	5,498,962	100%			
Revenues over (under) expenditures	(174,838)	(171,519)	6,822	(339,535)				
Other Sources (Uses)								
Operating transfers in	126,533	83,335	-	209,868				
Operating transfers out	(209,868)	-	-	(209,868)				
Total Other Sources (Uses)	(83,335)	83,335	-	-				
Total over (under)	(258,173)	(88,184)	6,822	(339,535)				
Fund balance, beginning	1,276,926	149,347	227,290	1,653,563				
Fund balance, ending	\$1,018,753	\$ 61,163	\$234,112	\$1,314,028				

source: FY 2006-07 through FY 2008-09 Financial Statements; Percentages calculated by LAFCO staff.

Expenditures

As shown on the chart above, Salaries and Benefits comprised 83% of Total Expenditures in FY 2008-09. Such a higher percentage is typical of fire districts. However, due to staff separations, the District incurred additional costs related to terminal benefits which increased these costs during these years, increasing 27% from \$3.58 million to \$4.57 million. To address the issue of termination benefit payments, the FY 2009-10 Budget

eliminated funding for terminal benefits. Any termination of a position will cause the District to leave that position open until termination benefit costs can be absorbed within the Salaries and Benefits series of accounts. For the FY 2010-11 Budget, the District has budgeted \$505,324 to be carried into FY 2011-12 to be used when full-time paid staff members separate from service which can be offset by the District leaving the vacancy open until the funds paid are recouped through salary savings.

Long-Term Debt

Crest Forest Fire's long-term debt balance was \$2,737,908 as of June 30, 2009, and consists of the following:

- *Certificates of Participation* – In 2002, the District issued certificates of participation for the refinance of a 1999 issuance and for the purchase of new equipment. At June 30, 2009 the outstanding balance was \$2,395,000. The bonds are scheduled to mature in 2033.
- *Compensated Absences* - \$342,908 in accumulated vacation and sick leave benefits payable in future years (\$195,370 vacation and \$147,538 sick leave).

Additional Information

Regular Audits

Government Code Section 26909 requires all districts to provide for regular audits; the Agency conducts annual audits and meets this requirement. Section 26909 also requires districts to file a copy of the audit with the State Controller and county auditor within 12 months of the end of the fiscal year. According to records from the County Auditor, the last audit received was for FY 2008-09 on December 19, 2009.

Appropriations (GANN) Limit

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), CLAWA is subject to the Gann limit. Therefore, an agency is restricted as to the amount of annual expenditures from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund agreements. The district annually adopts an appropriation limit. A review of the financial statements for the fiscal years ended June 30, 2008 and 2009 show that proceeds of taxes did not exceed appropriations and the agency's expenditures did not exceed its adopted appropriation limit.

FY 2010-11 Budget

For the past two years, the District's budgets have included fewer revenues to fully meet the Crest Forest Fire mission due to a decrease in receipt of its share of the general tax levy. Although ambulance rates have increased 17%, ambulance revenues remain flat due to an increase in uninsured patients and reductions in insurance payments. In turn, cash balances have been significantly reduced.

At the Special Board meeting in March 2010, the District took action to slow the reduction of the cash balances, to include: increased use of part-time help in order to cover for sick and annual leave vacancies, reduced vehicle inventory, and reduced the previous support of enhancements in training and equipment. Due to these measures, the District has been able to limit the reduction of responding personnel to one fire fighter for most of the days covered by the current budget.

IV. Status of, and opportunities for, shared facilities.

The District indicates that it does not share any facilities with other agencies. However, opportunities exist to share facilities with adjacent fire providers.

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

Local Government Structure and Community Service Needs

Crest Forest Fire is an independent special district governed by a five-member board of directors elected at-large. At the last election held for the District in August 2009, 87% of the ballots voted in favor of conducting future elections by mail rather than traditional precinct voting. For that election, there were 7,760 registered voters within the District. The current board, their positions, and terms of office are shown below:

Board Member	Title	Term
Shawn Bauer	Director	2013
Mark Machal	President	2013
Chuck Gibbs	Vice President	2011
Jerome Ringhofer	Director	2011
Leslie Dodge-Taylor	Director	2013

Regular Board meetings occur on the third Tuesday of each month at the District headquarters in Crestline. The District does not utilize community or citizen boards.

Operational Efficiency

Operational efficiencies are realized through several joint agency practices, for example:

- The District is a member of the Public Agency Self Insurance System of San Bernardino County (PASIS). PASIS provides workers' compensation insurance. PASIS is set up as a banking system where the members share the expenses, and each member is responsible for its own losses up to a \$300,000 per occurrence self-insured retention.
- The District has been allowed to participate in the San Bernardino County Employees' Retirement Association. SBCERA is a cost-sharing multiple-employer defined benefit pension plan operating under the California Employees Retirement Act of 1937. A review of the most recently available audit identifies a zero net pension obligation.

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

Out-of-Agency Service Agreements:

Crest Forest Fire provides service outside of its boundaries through mutual aid agreements.

Government Structure Change Options:

While the discussion of some government structure options may be theoretical, a service review should address possible options.

- Crest Forest Fire as the fire provider for the Crest Forest and Lake Arrowhead communities. In this scenario, the District would expand its sphere of influence and annex the remainder of the Lake Arrowhead community. The District would succeed to County Fire’s assets to include the ambulance assessment of County Fire Service Zone PM-1 and become responsible for fire protection and ambulance services to all of the Lake Arrowhead community. However, assumption of ambulance transport services would include ICEMA authorization. While benefits from economy of scale could be achieved, this would not achieve the most benefit.

LAFCO staff has not received interest from any agency in exploring this option; therefore, this scenario is unlikely at this time.

- County Fire as responsible entity for fire protection. In this scenario, the District is either dissolved and annexed to County Fire or consolidates with County Fire. Either way, County Fire and its Mountain Service Zone become the responsible entity for fire protection and ambulance transportation. While there are benefits to regionally providing services such as fire protection through the standing army concept, the transfer of existing revenue streams to the larger fire entity for regional use, and potential economies of scale that could be achieved, the District has not indicated support for this option. Additionally, assumption of ambulance transport services by County Fire would include ICEMA authorization. Without support, or at least interest, from affected agencies this option would not be achievable.
- Maintenance of the status quo. This option retains the existing fire structure for the Crest Forest community with the inherent cooperation amongst fire entities that currently exists

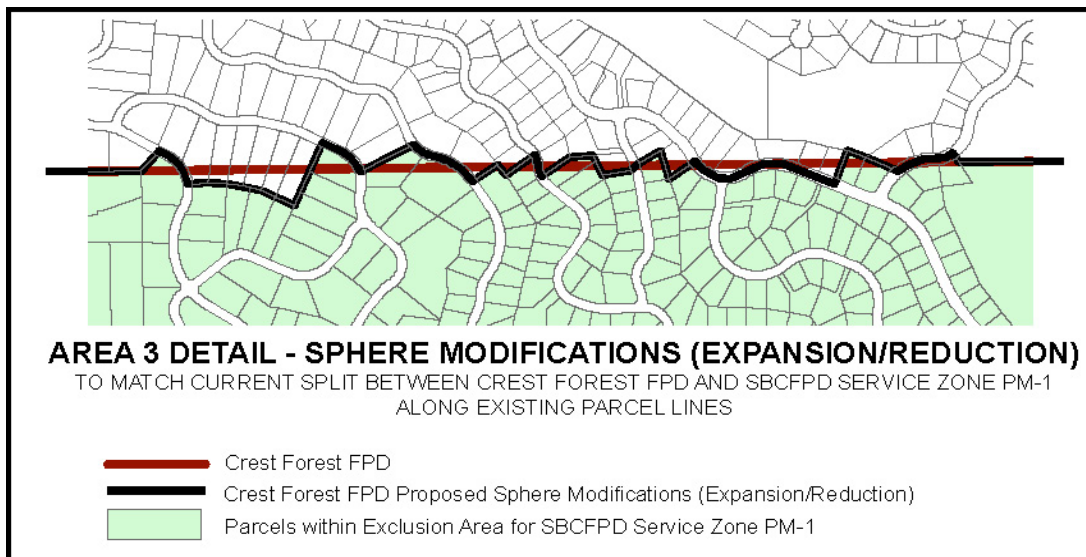
At this time, LAFCO staff is not recommending any structural or organizational changes for the District.

CREST FOREST FIRE SPHERE OF INFLUENCE UPDATE

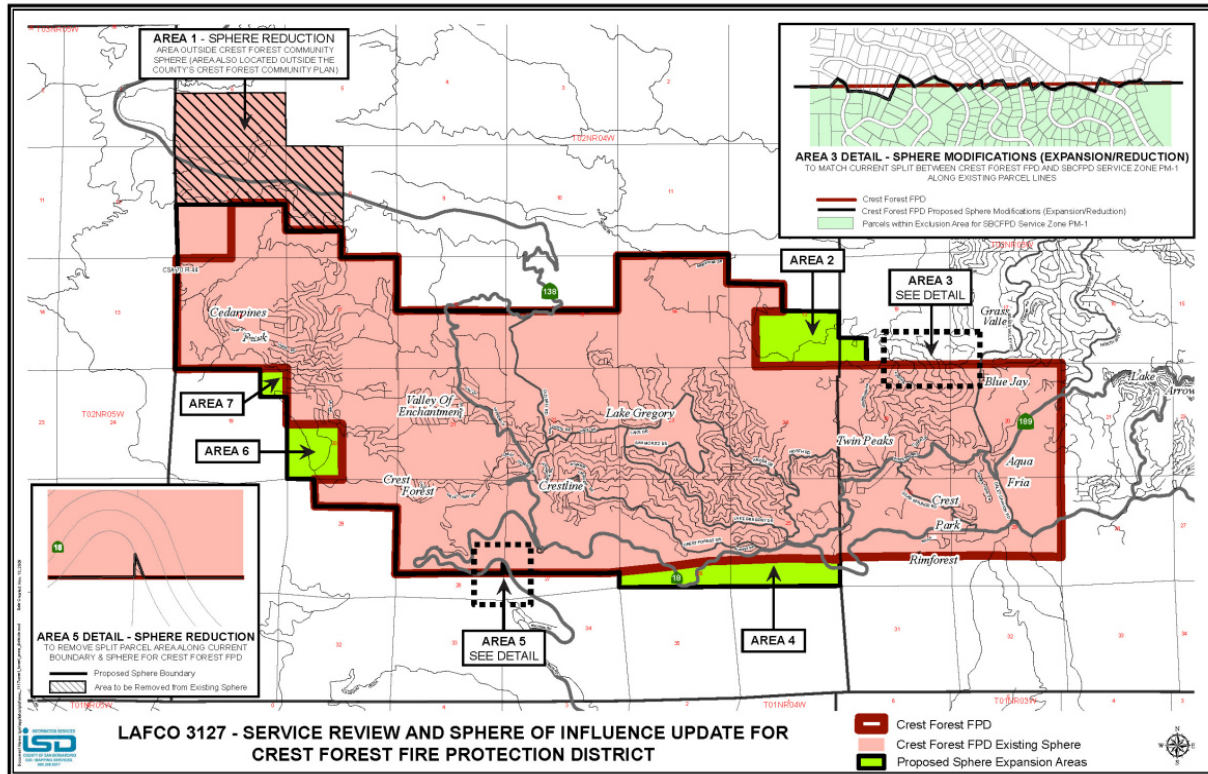
Sphere of Influence

The District's sphere of influence extends beyond its boundaries by roughly 1.5 square miles. The majority of the surrounding lands are public with the area to the northeast within the boundary of County Fire and its Service Zone PM-1. As discussed in the "Community Discussion" section of this report, staff recommends that the Commission expand the sphere of Crest Forest Fire to encompass the Crest Forest community, as defined by the Commission, and remove the territory in and around Silverwood Lake from the District's sphere. Additional sphere modifications include surrounding private lands, to adjust for parcel lines, and to conform to the Crest Forest community definition are shown on the second map below.

Area 3 adjusts for parcel lines but also has boundary implications. A sphere modification is being proposed along the District's existing northeastern sphere to realign the split parcel boundary to match the actual parcel delineation between the District and the San Bernardino County Fire Protection District Service Zone PM-1. A detail map below shows the proposed sphere delineation to match existing parcel lines that separate both districts.



Staff's final recommendation is shown below and is included in Attachment #7.



Authorized Powers

When updating a sphere of influence for a special district, the Commission is required to establish the nature, location, and extent of any functions or classes of services provided by the district (Government Code §56425(i)). The current service description for the Fire Protection function does not adequately reflect the ambulance and paramedic services that the District provides. Staff recommends that the Commission modify the service description for Crest Forest Fire, with changes identified in ~~strikeout~~ and underline below.

FUNCTION	SERVICE
Fire Protection	Structural, watershed, suppression, prevention, communications, supplemental ambulance manpower, <u>ambulance, paramedic</u>

FACTORS OF CONSIDERATION:

The District was requested to provide information regarding the sphere of influence update as required by State law. Staff responses to the mandatory factors of consideration for a sphere of influence review (as required by Government Code Section 56425) are identified as follows:

The Present and Planned Uses in the Area

The District boundaries include various land uses. Most of the land within the district consists of residential properties and small pockets of commercial and institutional uses. Some U.S. Forest Service properties exist within the District.

The Community Plans for Crest Forest and Lake Arrowhead both state that the mountain region as a whole exhibits a combination of several factors that expose development and natural resources to potential disaster from wildland fires and subsequent flooding and erosion. The factors include topography, climate, vegetation, pathogen infestation, and human use occupancy. In both communities, residents' primary concerns regarding safety in the communities revolve around fire protection and the need for improved evacuation routes.

The Present and Probable Need for Public Facilities and Services in the Area

Increased population would require increased staffing for fire and ambulance services, but actual district facilities are adequate and in place at seven locations within the District. The ambulance/paramedic overlap area assigned by ICEMA still require resolution.

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

Present facilities are adequate for the present use and can accommodate moderate population growth. However, increased population will further stress staffing levels for fire, ambulance, and paramedic services.

The Existence of any Social or Economic Communities of Interest

Social and economic communities of interest include the Rim of World Unified School District, Lake Gregory, and the areas commonly known as Crestline, Valley of Enchantment, Aqua Fria, Blue Jay, Twin Peaks, Cedarpines Park, and Rim Forest.

CONCLUSION FOR CREST FOREST FIRE PROTECTION DISTRICT:

Staff recommends that the Commission:

- Expand the Crest Forest Fire sphere area to encompass the Crest Forest community, as defined by the Commission in the "Community Discussion" section of this report and adjust the sphere along the northeastern portion of the District's sphere area in Lake Arrowhead to match the actual parcel delineation between the District and the San Bernardino County Fire Protection District Service Zone PM-1.
- Reduce the sphere of influence for Crest Forest Fire to exclude the 1.5 square miles around Silverwood Lake, not a part of the community definition.
- Modify the service description for Crest Forest Fire, to adequately reflect its ambulance and paramedic services.

ADDITIONAL DETERMINATIONS

1. The Commission's Environmental Consultant, Tom Dodson and Associates, has determined the options outlined in this report for the various agencies are statutorily exempt from environmental review. Mr. Dodson's response for each of the reviews is included in their respective attachments to this report.
2. As required by State Law notice of the hearing was provided through publication in a newspaper of general circulation, the *San Bernardino 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 #27, in-lieu of individual notice the notice of hearing publication was provided through an eighth page legal ad.
3. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. In addition, on November 17, 2010 LAFCO staff conducted a meeting with the Crest Forest and Lake Arrowhead agencies to review the determinations made within the four reports.
4. Comments from landowners/registered voters and any affected agency will need to be reviewed and considered by the Commission in making its determinations.

RECOMMENDATIONS

Staff recommends that the Commission take the following actions:

1. Receive and file the service reviews for County Service Area 54, County Service Area SL-1 (Lake Arrowhead portion), and Crest Forest Fire Protection District and make the findings related to the service reviews required by Government Code 56430 as outlined in the staff report.
2. For environmental review certify that the sphere of influence expansions for County Service Area 54 (LAFCO 3118) and the sphere of influence amendments (expansions and reductions) for the Crest Forest Fire Protection District and the service description modification for Crest Forest FPD (LAFCO 3127) are statutorily exempt from environmental review and direct the Executive Officer to file the Notices of Exemption within five (5) days.
3. For LAFCO 3118, approve the sphere of influence expansion for County Service Area 54.
4. For LAFCO 3127, approve the sphere of influence amendments which include expansion and reductions for the Crest Forest Fire Protection District and modify the district's service description under its authorized Fire Protection function as identified in this report.
5. Adopt the appropriate resolutions reflecting the Commission's determinations:

- a. Resolution No. 3114 for LAFCO 3118 - Service Review and Sphere of Influence Update for County Service Area 54
- b. Resolution No. 3116 for LAFCO 3127 - Service Review and Sphere of Influence Update for Crest Forest Fire Protection District

KRM/SM/MT

ATTACHMENTS

- 1. Maps
 - a. [Regional](#)
 - b. [County Community Plan Areas](#)
- 2. [Map – LAFCO Staff Community Recommendations](#)
- 3. Maps - Streetlight Agencies
 - a. [Current Boundary and Sphere](#)
 - b. [LAFCO staff Proposed Sphere Expansion](#)
- 4. [Map – Fire and Ambulance Agencies](#)
- 5. County Service Area 54
 - a. [Map – Current Boundary and Sphere](#)
 - b. [Map – LAFCO Staff Proposed Sphere Expansion](#)
 - c. [Service Review and Sphere Update Response](#)
 - d. [Financial Information: Budget and Audit](#)
 - e. [Response from Commission's Environmental Consultant](#)
 - f. [Draft Resolution No. 3114 for LAFCO 3118](#)
- 6. County Service Area SL-1 (Lake Arrowhead portion)
 - a. [Map – Current Boundary and Sphere](#)
 - b. [Service Review and Sphere Update Response](#)
 - c. [Financial Information: Budget and Audit](#)
- 7. Crest Forest Fire Protection District
 - a. [Map – Current Boundary and Sphere](#)
 - b. [Map – LAFCO Staff Proposed Sphere Modification](#)
 - c. [Service Review and Sphere Update Response](#)
 - d. [Financial Information: Budget and Audit](#)
 - e. [Response from Commission's Environmental Consultant](#)
 - f. [Draft Resolution No. 3116 for LAFCO 3127](#)
- 8. [Lake Arrowhead Community Services District's Response Dated 9/28/2010](#)