

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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PROPOSAL NO.: LAFCO 3025

HEARING DATE: JANUARY 20, 2010

RESOLUTION NO. 3080

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 3025 – A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 82 (expansion by approximately 2.1 square miles to encompass and define the Searles Valley community and affirmation of the balance of the existing sphere of influence as shown on the attached map).

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

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

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

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

WHEREAS, a public hearing by this Commission was called for January 20, 2010 at the time and place specified in the notice of public hearing; and,

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

WHEREAS, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that this service review and sphere of influence update are statutorily exempt from CEQA and such exemption was adopted by this Commission on January 20,

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

WHEREAS, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that the sphere of influence for County Service Area 82 (hereafter shown as the District) shall include an expansion of approximately 2.1 square miles to encompass the Searles Valley community and affirmation of the balance of the existing sphere of influence, as more specifically depicted on the map attached hereto as Exhibit "A", and;

WHEREAS, the determinations required by Government Code Section 56430 and local Commission policy are included in the report prepared and submitted to the Commission dated January 13, 2010 and received and filed by the Commission on January 20, 2010, a complete copy of which is on file in the LAFCO office. The determinations of the Commission are:

1. Growth and population projections for the affected area:

According to the staff report for the formation of CSA 82, in 1976 the population was roughly 4,500. The U.S. Census Bureau identifies the population of Searles Valley (a Census Designated Place) as 2,740 in 1990, decreasing to 1,885 in 2000. According to County of San Bernardino land use records, roughly 72% of the area is under private landownership and roughly 28% is under landownership of the Bureau of Land Management. The assigned General Plan land use designations in the area consist mainly of industrial, commercial, residential, and resource conservation. The resource conservation designation is tied to the public lands in the area. Given the downward trend in population, current land use patterns, and geographical constraints, it is possible that the area will experience further decreases in population.

Foreclosure activity has affected the region in general and the Searles Valley is no exception. According to data obtained from staff of the County of San Bernardino Assessor Office, from 2004 to July 2009, the Trona area (Searles Valley) had 43 foreclosures. For the purposes of generally representing the extent of the foreclosure activity, the County identifies that there are 1,143 developed residential parcels within the community. The foreclosure of 43 homes since 2004 represents 3.8% of the residential parcels within the community.

Reduction in Property Tax Values

The mineral plants adjacent to CSA 82 have historically possessed the vast majority of the assessed value of the properties in the overall area. In 2004 the mineral plants were sold to its current owner. As a result of the sale, as required by Prop 13, the properties were reassessed at the sale price, an estimated 85% reduction in value. The lowered assessed value results in less property tax revenues to the other public entities that provide services to the overall area. Those entities which receive a share of the one percent ad valorem are identified as County Fire, County General Fund, which includes the Sheriff, and school districts. Unfortunately, the assessed valuation reduction due to sale will have long-term effects as Prop 13 limits increases to 2% per year. The only other change would be through a sale or development on the property.

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

CSA 82 is authorized by LAFCO to provide park and recreation, streetlighting, sewer, cemetery, and animal control services. Water to the area is provided by a private water company, the Searles Domestic Water Company. Fire protection is provided by the San Bernardino County Fire Protection District and its North Desert Service Zone.

Park and Recreation

CSA 82 operates a one-acre park located on Trona Road. Given the arid environment, the park is a combination of gravel and dirt. Located on the grounds is a parking area, restrooms, picnic tables with shade roof, and a kiosk displaying history and activity information. CSA 82 has no park master plan for the park and no plans for expansion or additional parks. No recreational activities are provided; however, recreational services are provided by the San Bernardino County Department of Aging and Adult Services at the Doris Bray Senior Center located on Market Street in Trona. In 1993, the County transferred ownership through grant deed to the Searles Valley Community Services Council, Inc. (a non-profit organization). The transfer was done in conjunction with a maintenance and operations agreement between the non-profit organization and County Economic and Community Development for the continued operation of the facility as a senior center. Currently, the property and senior center is owned and operated by the Trona Community Senior Center Operations, Inc. In 2008, the park restrooms were refurbished through receipt of a Community Development Block grant.

Streetlighting

LAFCO has verified that CSA 82 maintains 75 streetlights within the community. 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 82 provides for payment of the utility costs for their operation. There are no plans at this time to increase the number of streetlights. There is no other existing service provider for streetlights in the area (County Service Area 70 which overlays CSA 82 is authorized streetlighting services, but requires creation of an Improvement Zone to provide), and the service is adequately provided. The future need for streetlights will increase if the population grows, dependent upon the implementation of the County's Night Sky Ordinance within this portion of the desert. The purpose of the Night Sky Ordinance is to encourage outdoor lighting practices and systems that will minimize light pollution, conserve energy, and curtail the degradation of the nighttime visual environment.

Sewer

CSA 82 is responsible for collection, treatment, and disposal of domestic wastewater and septage generated within the community. Through the Water and Sanitation Division of the County Special Districts Department, CSA 82 operates and maintains 6.7 miles of sewer lines in Trona and 4.9 miles in Pioneer Point. The sewer lines deliver the collected effluent to three large septic tank systems for wastewater treatment prior to disposing of the effluent in a recharge trench on the Searles Dry Lake bed. Septage is pumped from the tanks at two to four year intervals and discharged to ponds and allowed to dry. Disposal facilities consist of the recharge trench on the west side of Searles Dry Lake bed and sludge drying beds on the east side of the Searles Dry Lake bed. The North Pioneer Point system has a designed flow of 0.096 million gallons per day (mgd),

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the South Pioneer Point is 0.031 mgd, and the Trona system is 0.12 mgd. The total combined effluent flow of wastewater is designed not to exceed 0.247 mgd. A review of the records on file since 2000 with the Lahontan Regional Water Quality Control Board does not identify any enforcement actions regarding CSA 82.

The flow to the septic systems is unmetered and has been estimated from potable water usage by Special Districts Department. Flow is estimated to be roughly 0.052 mgd for the North Pioneer Point system, 0.022 mgd for the South Pioneer Point system, and 0.11 mgd for the Trona system. The combined effluent flow of wastewater is 0.184 mgd. Therefore, the present flow of 0.184 mgd is at 75% of the designed not-to-exceed flow of 0.247 mgd. Generally, the construction of additional capacity should be initiated when the existing facilities reach 80% of the current rated capacity in order for construction to be completed before the facilities reach 90% of rated capacity. However, given the negative growth trend, planning for additional capacity is not currently being conducted. Should the population return to its level from the 1970s or the land use be maximized through build-out conditions, the existing system would not be able support the population and would require expansion.

In its response for this service review, Special Districts Department identified that relining of the pipe sections that may have slipped joints or cracks will need to occur. These repairs are anticipated to be funded from CSA 82's capital fund. Capital improvements planned in the FY 2009-10 Budget are sealing of the sewer manholes totaling \$99,646.

In 2008, there were 780 active equivalent dwelling units (edus). The chart below shows that the number of active edus since 2001 has remained relatively static.

Year	2001	2002	2003	2004	2005	2006	2007	2008
EDUs	787	786	785	783	783	783	780	780

Due to the Water and Sanitation Division of the County Special Districts Department being located in Victorville, the maintenance operators cannot respond to emergencies in this community in a timely manner. As a result, the County Board of Supervisors has contracted with a private company (Caraway Constructions, Inc. of Trona) to respond to emergencies. Such duties include responding to trouble calls, clearing sewer line blockages, and other repair services as directed. The current contract was amended by the Board of Supervisors on July 14, 2009 (Agenda Item 82). The amendment extends the contract through June 30, 2010 in an amount not to exceed \$75,000 for the year.

Animal Control

CSA 82 does not actively provide animal control. Special Districts Department staff has indicated that considerable time has passed since animal control services were provided. No information was provided to define the termination date for this service.

Cemetery

Cemetery and District Establishment

In 1964, the Searles Valley Cemetery Association lobbied for the formation of the former County Service Area 22 (CSA 22) to provide cemetery services to the Searles Valley community. The impetus for forming a public agency was to operate the community's cemetery as a public cemetery rather than a private cemetery which would have required an initial endowment fund balance of

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\$25,000. Land for the cemetery was donated by the former American Potash and Chemical Corporation to the Association and was subsequently transferred to CSA 22, as the responsible entity.

In 1976, County Service Area 82 (CSA 82) was formed through reorganization of five overlapping or adjacent agencies in the Searles Valley community, including CSA 22, with cemetery services listed among the authorized services. During the reorganization process, formation of a community services district was considered as an option, but at that time community services districts were not authorized to provide cemetery services. CSA 82 did not exist at the time that Special District representation was seated on the Commission; therefore, its services were not listed in the *Rules and Regulations of the Local Agency Formation Commission of San Bernardino County Affecting Functions and Services of Special Districts*. In 1977 LAFCO recognized the functions for CSA 82, including cemetery. Therefore, since 1964 CSA 22 and then CSA 82 has been the responsible entity to provide cemetery services within the community.

Cemetery Administration, Operation, and Maintenance

As a part of the Service Review discussion, Special Districts Department staff has indicated that it does not directly provide oversight, administration, or engage in the operations and maintenance of the cemetery. Rather, the County owns the land which are the cemetery grounds and the Searles Valley Cemetery Association (a non-profit association) directly administers, operates, and maintains the cemetery. County Assessor records identify that the cemetery is comprised of two parcels totaling 10.29 acres (APN 048504128 - 4.69 acres and APN 048502121 - 5.60). A review of the records on file with the California Secretary of State identifies the Searles Valley Cemetery Association as an active corporation with a filing date of December 31, 1959.

Even though CSA 82 receives a share of the one percent ad valorem general levy, the budgets for the agency do not acknowledge this service. Therefore, the cemetery operation does not receive proceeds from the ad valorem taxes for its operations. All funding comes from private donations or from charges for burials of persons not residents of the Searles Valley community which are paid to the Association. There is no mention of the cemetery operations in audits for CSA 82 or the County and there is no cemetery master plan or study. All cemetery lands have been donated from the neighboring chemical/mining plants either directly to the County or to the Association and then transferred to the County.

The Association holds quarterly meetings at the Trona Senior Center. According to the Association, a copy of each burial permit is provided to the Registrar of the County Health Department. The Association's goal and practice is to provide free burial to the residents in the area. There are no fees charged to local residents, but non-local residents are charged \$300 for burial and \$100 for cremated remains. Electricity and water service to the cemetery is provided, at no cost, by Searles Valley Minerals Inc.

Current burial statistics, shown below, identify only 14 available plots. However, in 2008 the Searles Valley Minerals Operations, Inc, donated a 5.6 acre parcel to the County of San Bernardino, "for the use and benefit of County Service Area No. 82" as stated in the grant deed transferring the property. This transfer was accepted by the Director of Special Districts on June 11, 2008. The additional parcel is located across the street from the original cemetery for use as cemetery grounds.

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Number of plots	1,316
Burials – plots only	865
Reserved plots	437
Available plots	14

The Association operates with adopted by-laws and has an eleven member elected board of directors. According to the Association, all members are volunteers and receive no payments for their services. The current officers of the Association are:

Andrew Ledesma	President
Gary Giraud	Vice President
Dorothy O'Donnell	Secretary
Ruth Payton	Treasurer

Cemetery is under County Jurisdiction and Control

The statutory authority for county board of supervisors to control or operate public cemeteries is contained within Health and Safety Code Section 8125 et seq. Those statutes are less detailed than the more extensive Public Cemetery District Law (Health and Safety 9000, et. seq.). Since the re-write of County Service Area Law, effective January 1, 2009, county service areas are explicitly authorized to provide cemetery services and facilities (Govt Code 25213 (r)), and the predecessor cross-reference to Public Cemetery Law was removed. Regardless of which statutes the cemetery operated under, if not owned by a city or by a fraternal or beneficial association or society, public cemeteries are under the jurisdiction and control of the board of supervisors of the county in which they are situated (Health and Safety 8131).

The authorities having jurisdiction and control of cemeteries may make and enforce general rules and regulations, and appoint sextons or other officers to enforce obedience to the rules and regulations, with such powers and duties related to the cemetery as may be necessary (Health and Safety 8133). However, the County, on behalf of CSA 82 as the successor to CSA 22, owns the land of the cemetery grounds and the Searles Valley Cemetery Association administers, operates, and maintains the cemetery, although neither party could provide a written agreement for this management structure.

On at least two occasions, once in 1964 and again in 1982, the Association through written correspondence to the County requested a contract or agreement with the County to clarify the operation of the Cemetery. The Association's request was to provide a contract which removed the County from any expense related to the cemetery and to vest management of the cemetery in the Association. Without such an agreement outlining each party's responsibilities, the ownership, operational control, liability, and ultimate responsibility lies with County Service Area 82.

LAFCO is aware that the County operates a cemetery in Lucerne Valley through County Service Area 29 and that the cemetery is operated as an endowment care cemetery generally under the provisions outlined in Public Cemetery District Law with an adopted fee schedule and endowment deposits. Conversely, the Searles Valley cemetery is funded by donations and free burial is provided to the residents in the area as determined by the Association. Therefore, there is no endowment fund for care, maintenance, and/or embellishment of the cemetery. The Commission questions how the County can operate one county service area with an endowment care cemetery and direct County oversight and the other without endowment care funds with direct operations

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being provided by a non-profit association without any County oversight or agreement to transfer management authority.

Cemetery Conclusion

A public body owning the cemetery lands and being authorized by its formation to provide cemetery services but with a non-profit association directly administering, operating, and maintaining the cemetery without a written agreement is a unique circumstance. Even though the Association administers and operates the cemetery, CSA 82, and the County as its governing body, is responsible and liable for all matters related to the cemetery. This position is based upon the determination that the lands are owned in the name of the County on behalf of CSA 82, CSA 82 (with the Board of Supervisors acting as the governing authority) is authorized through its formation to provide cemetery services within its boundaries as the successor to the operations of CSA 22 formed for the purpose of operating the cemetery, and if not owned by a city or by a fraternal or beneficial association or society, public cemeteries are under the jurisdiction and control of the board of supervisors of the county in which they are situated. Moreover, when the County accepted ownership of the original cemetery parcel in 1964 from the Association on behalf of CSA 22, CSA 22 became the responsible entity for administration, operation, and maintenance of the cemetery. Additionally, should there be a discontinuance of water or electricity service by Searles Valley Minerals, CSA 82 as the responsible and liable entity for the cemetery would be responsible for providing a mechanism to assure water and electrical service.

The Commission determines that the County should take one of the following options to clarify this management structure:

1. Enter into a written agreement with the Searles Valley Cemetery Association in order to outline each party's responsibilities, or
2. Divest CSA 82 of the cemetery function and deed the cemetery lands to the Association along with some funding to secure the endowment of the cemetery since CSA 82, and its predecessor CSA 22, received and currently receives a share of the one percent ad valorem general levy. Such a transfer would allow the Association to provide for the necessary endowment fund required due to the existing cemetery grounds exceeding 10 acres in size, or
3. Assume full operational and direct control of the cemetery.

The Commission supports Option #1 identified above as it would provide for recognition of the historic operation of the cemetery and provide for a clear management structure.

3. Financial ability of agencies to provide services:

The sources of revenue for CSA 82 are its share of the general property tax levy and charges for sewer services. The majority of expenditures pay for the streetlighting costs to Southern California Edison, operations and maintenance of the sewer system, maintenance of the park facilities, and transfers to other County Special District funds to pay for CSA 82's share of management and services support costs.

The Commission has two specific concerns regarding the District's finances. First, the funds and budgets for CSA 82 are titled "Parks and Streetlighting" and "Sanitation". However, Special Districts Department staff has confirmed that streetlights (non-enterprise activity) are paid and in general

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managed from the Sanitation fund (enterprise fund). In the budget tables below, it remains unclear as to which category of expenditure accounts streetlights are paid. Further, these are separate activities and each activity should either have its own dedicated budget or be identified as separate line items, as are all other county-operated districts.

Second, the audits recognize property tax revenues but the budgets do not. As an illustration, the tables below would indicate that the CSA 82 historically does not receive property taxes. However, property tax revenues are received for CSA 82 and are deposited into the Sanitation Replacement Reserve fund (Fund EIG). Then, the revenues are transferred to the Sanitation operating fund (EFY), which then transfers a portion to the Streetlighting and Park and Recreation fund (SOZ). This shift is recognized in the budgets as a part of Operating Transfers In, rather than as the proceeds of property taxes.

CSA 82 Streetlighting and Park Fund Activity

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Budget
Expenditures				
Services & Supplies	\$14,818	\$14,416	\$19,215	\$23,550
Transfers Out	8,730	6,830	5,961	5,358
Reserves & Contingencies	0	0	0	11,428
Total Expenditures	\$23,548	\$21,246	\$25,176	\$40,336
Revenue				
Taxes	0	\$0	0	0
Use of Money	514	573	773	500
Other Revenue	5	23	181	0
Operating Transfer In	25,046	25,046	25,046	25,046
Total Revenue	\$25,565	\$25,642	\$26,000	\$25,546
Net	2,017	4,396	824	(14,790)
Fund Balance	\$9,570	\$13,966	14,790¹	\$0¹
Sources: FY 2008-09 Final Budget, FY 2009-10 Final Budget				
¹ Calculated by LAFCO staff				

CSA 82 Sewer Fund Activity

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Budget
Expenditures				
Services & Supplies	\$35,261	\$35,436	\$(10,761)	\$111,906
Transfers Out	285,386	285,615	286,745	288,295
Operating Transfers Out	29,998	65,795	25,046	40,191
Reserves & Contingencies	0	0	0	168,235
Total Expenditures	\$350,645	\$386,846	\$301,030	\$608,627
Revenue				
Taxes	\$0	\$0	\$0	\$0
Use of Money	5,233	4,884	33,603	3,150
Current Services	199,193	213,286	211,661	273,957
Other Revenue	1,201	6,229	3,000	2,675
Operating Transfer In	185,782	205,000	115,113	124,673
Total Revenue	\$391,409	\$429,399	\$333,397	\$404,455
Net	40,764	42,553	32,367	(204,172)
Fund Balance	\$129,252	\$171,805	\$204,172¹	\$0¹
Sources: FY 2008-09 Final Budget, FY 2009-10 Final Budget				
¹ Calculated by LAFCO staff				

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Thus, those who reference the budget alone are not aware that CSA 82 receives property taxes.

The table below outlines the process for deposit of the proceeds of ad valorem property taxes once received by the County Treasurer/Tax Collector. Thereafter, the transfer of the CSA 82 property tax revenues takes place with references to this table highlighted in the charts above:

Property Tax Activity for FY 2008-09

Property taxes deposited into Sanitation Replacement Reserve fund (Fund EIG)	\$54,934.73
Operating Transfer In to the Sanitation operating fund (EFY)	\$115,113 (combination of property taxes and other revenues)
Operating Transfer from Sanitation operating fund (EFY) to Streetlighting and Park and Recreation fund (SOZ)	\$25,046
source: FY 2009-10 Final Budget and County of San Bernardino Financial Accounting System	

The budget tables above show the financial activity for the 1) Park and Streetlighting fund and 2) Sanitation fund. As identified in the FY 2009-10 Budget, CSA 82 is anticipated to have a year-end fund balance of zero dollars in each fund. However, CSA 82 historically has not utilized the budgeted Reserves and Contingencies. If Reserves and Contingencies are not utilized during FY 2009-10, the estimated fund balance at the end of FY 2009-10 would be \$11,428 for the streetlighting and park and recreation fund and \$168,235 for the sewer fund. Generally, revenues are adequate to support the current activities but do not allow for additional significant activity.

At the end of FY 2008-09, the CSA 82 Capital Replacement Reserve fund had a balance of \$302,384 and the Capital Expansion Reserve fund had a balance of \$237,342.

Appropriation Limit

Article XIIB of the State Constitution (Gann Limit) mandates local government agencies to establish an appropriations limit. Section 9 of this Article provides exemptions to the appropriations limit. Specifically, Section 9 (c) exempts the appropriations limit for special districts which existed on January 1, 1978 and which did not levy an ad valorem tax on property in excess of 12 ½ cents per \$100 of assessed value for the 1977-78 fiscal year. LAFCO has verified that the District's levy in 1977-78 was 12.25 cents per \$100.

However, the tax shares of the former CSA 82 improvement zones of SV-2 (\$0.7261 - Searles Valley fire), SV-3 (\$1.4583 - sanitation, park and recreation, and streetlights), and SV-4 (\$2.1362 - Pioneer Point sanitation) were transferred to CSA 82 upon their dissolution. The combined tax rate of CSA 82 and of the former improvements zones that it succeeded to is over 12.5 cents per \$100. Therefore, CSA 82 is subject to an appropriations limit. LAFCO staff met with representatives from the County Auditor-Controller/Recorder office regarding the establishment of an appropriation limit for CSA 82 in September 2009. They have indicated their intent to present CSA 82's appropriations limit establishment for Board of Supervisor consideration in February 2010.

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

The Special Districts Department consolidates the administrative operations and facilities for county service areas and improvement zones under the auspices of CSA 70.

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

Local Government Structure and Community Service Needs

CSA 82 is governed by the County Board of Supervisors and administered by the County Special Districts Department; it is within the political boundaries of the First Supervisorial District. Searles Valley has a municipal advisory council (MAC), authorized under Government Code Section 31010. MAC members are appointed by the First District Supervisor and must reside within the boundaries of CSA 82. Issues and concerns regarding CSA 82's services are placed on the monthly MAC agendas. At these meetings, Special Districts Department staff and community members have the opportunity to address the issues. The Searles Valley MAC meets on the fourth Wednesday of the month at the Doris Bray Senior Center. The current members of the Searles Valley MAC are David Barrett, Reva Williams, Shirley Hodge, Loc Dinh, and Drew Sunderman.

CSA 82's budgets are prepared as a part of the County Special Districts Department's annual budgeting process. CSA 82'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 and Board-governed agencies under County Service Area 70. Therefore, CSA 82 has no direct employees; it pays for a proportional share of salaries and benefits costs necessary to serve it and pays a proportional cost of the administrative functions of the County Special Districts Department. To pay for these functions, the FY 2009-10 Budget includes transfers to CSA 70 Countywide as follows:

- \$5,358 from the Streetlighting and Park and Recreation fund for management and operations support (\$3,620 for Salaries and Benefits and \$1,738 for Services and Supplies).
- \$288,295 from the Sanitation fund (\$214,800 for Salaries and Benefits; \$50,933 for Services and Supplies; and \$22,562 for fixed assets to offset fleet equipment usage and depreciation).

One regional manager of Special Districts Department oversees all the streetlight districts and one inspector provides support services such as inventory, streetlight requests, and plan review. Sewer maintenance and operation are provided by the Water and Sanitation Division of the County Special Districts Department and emergency sewer services have been contracted to a private company.

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.

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Out-of-Agency Service Agreements:

Special Districts Department staff has indicated that CSA 82 does not provide any direct service outside of its boundaries. Although not an out-of-agency service agreement, the Searles Valley Cemetery Association allows non-local residents to be buried at the cemetery and in turn charges \$300 for burial and \$100 for cremated remains at the County-owned cemetery.

Government Structure Options:

While the discussion of some government structure options may be theoretical, a service review should address possible options. Special Districts Department staff in preparing the service review indicated that there were no consolidations or other structure options available for the operation of CSA 82 due to its remote location.

- Expansion of boundaries. One option would be for CSA 82 to expand its boundaries to include the two adjacent Searles Valley Minerals plants. Essentially, the community was formed as a company town and the community continues to exist due to the plants operations. Inclusion of the plants would benefit CSA 82 because CSA 82 would receive a greater share of the one percent ad valorem which would assist greatly in the provision of services. As for the mineral plants, they would continue to pay the one percent ad valorem property tax but a greater share would go to the public agency that provides direct services to the surrounding residents. Expansion beyond the plants is not feasible since the community is geographically constrained on all sides and the surrounding areas contain open mineral sources and public lands.
- Formation of a Community Services District. The residents within the community could also submit an application to LAFCO to form an independent community services district (CSD). Through this formation, the CSD would have a range of services to provide based upon financial determinations and desire by residents. The voters would select the board of directors, which must reside within the district. However, there has been no expressed desire at this time provided to LAFCO by CSA 82 or residents to form a community services district.
- Maintenance of the status quo. Special Districts Department staff states that due to the size and location of CSA 82, the community is best served through a county service area, by definition a financing entity for the County, to provide the range and level of service desired, and where it can enjoy economies of scale while paying minimal costs for the services received.

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

1. Present and Planned Uses:

At present, the land uses in the area consist mainly of industrial, commercial, and resource conservation. It is not anticipated that the community will experience significant growth given the downward trend in population, current land use patterns, and geographical constraints. The land ownership breakdown within CSA 82 is as follows:

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Land Owner	Acres	Percentage
Private	1,501.2	72.5%
US Bureau of Land Management	570.2	27.5%
Total	2,071.4	100.0%

source: County of San Bernardino, Information Services Department

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

CSA 82 maintains 75 streetlights within the community. There are no plans at this time to increase the number of the streetlights. The future need for streetlights will increase as the population grows, dependent upon the implementation of the County's Night Sky Ordinance within this portion of the desert. The purpose of the Night Sky Ordinance is to encourage outdoor lighting practices and systems that will minimize light pollution, conserve energy, and curtail the degradation of the nighttime visual environment.

CSA 82 provides collection, treatment, and disposal of domestic wastewater and septage generated within the community. CSA 82 utilizes three large septic tank systems for wastewater treatment prior to disposing of the effluent in a recharge trench on the Searles Dry Lake bed. Septage is pumped from the tanks at two to four year intervals and discharged to ponds and allowed to dry. Disposal facilities are the recharge trench on the west side of Searles Dry Lake bed and sludge drying beds on the east side of the Searles Dry Lake bed.

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

CSA 82 operates a one-acre park located on Trona Road. Given the arid environment, the park is a combination of gravel and dirt. Located on the grounds is a parking area, restrooms, picnic tables with shade roof, and a kiosk displaying history and activity information. CSA 82 has no park master plan for the park and no plans for expansion or additional parks. No recreational activities are provided; however, recreational services are provided by the County of San Bernardino at the Trona Senior Center located on Market Street. In 2008, the restrooms were refurbished through receipt of Community Development Block Grant funding.

The total combined effluent flow of wastewater is designed not to exceed 0.247 mgd. The flow to the septic systems is unmetered and has been estimated from potable water usage. The combined effluent flow of wastewater is 0.184 mgd. Therefore, the present flow of 0.184 mgd is at 75% of the designed not-to-exceed flow of 0.247 mgd. Generally, the construction of additional capacity should be initiated when the existing facilities reach 80% of the current rated capacity in order for construction to be completed before the facilities reach 90% of rated capacity. However, given the negative growth trend, planning for additional capacity is not currently being conducted. In its response, Special Districts Department identified that relining of the pipe sections that may have slipped joints or cracks will need to occur. These repairs are anticipated to be funded from local funds.

4. Social and Economic Communities of Interest:

The social community of interest is Searles Valley and the communities within: Pioneer Point, Trona, and Argus. The economic communities of interest are the mining and chemical activities and the commercial activities along Highway 178. CSA 82 is located within the Kern Community College District and Trona Joint Unified School District.

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5. Additional Determinations

- Legal advertisement of the Commission's consideration has been provided through publication in *The Daily Independent* through a publication of an 1/8th page legal ad, as required by law. In accordance with Commission Policy #27, an 1/8th page legal ad was provided in lieu of individual notice because the service review for the community, in aggregate, would have exceeded 1,000 notices.
- As required by State Law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.
- Comments from landowners/registered voters and any affected agency were reviewed and considered by the Commission in making its determinations.

WHEREAS, pursuant to the provisions of Government Code Section 56425(i) the range of services provided by County Service Area 82 shall be limited to the following:

DISTRICT	FUNCTIONS	SERVICES
County Service Area 82	Park and Recreation	Park and recreation
	Streetlighting	Streetlighting
	Cemetery	Cemetery
	Sewer	Collection, treatment
	Animal control	Animal control

Special Districts Department has identified that CSA 82 has not utilized its Animal Control function for some time and agrees that the Animal Control function and service should be removed. Government Code Section 25213.6 (County Service Area Law) permits the Board of Supervisors through adoption of a resolution to divest a county service area of the authority to provide a service if the proposed divestiture would not require another public agency other than the county to provide a new or higher level of service or facilities. As a result of CSA 82 not utilizing its Planning function:

- The Commission requests the County to take action to divest CSA 82 of its Animal Control function and file the appropriate resolution with the Commission, and
- Directs staff to update the *Rules and Regulations of the Local Agency Formation Commission of San Bernardino County Affecting Functions and Services of Special Districts* upon receipt of the County resolution divesting CSA 82 of the Animal Control function.

WHEREAS, having reviewed and considered the findings as outlined above, the Commission determines to expand the sphere of influence of County Service Area 82 by approximately 2.1 square

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miles to encompass and define the Searles Valley community and affirm the balance of the existing sphere of influence.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission of the County of San Bernardino, State of California, that this Commission shall consider this to be the sphere of influence for County Service Area 82; it being fully understood that establishment of such a sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants;

BE IT FURTHER RESOLVED that the Local Agency Formation Commission of the County of San Bernardino, State of California, does hereby determine that County Service Area 82 shall indemnify, defend, and hold harmless the Local Agency Formation Commission of the County of San Bernardino from any legal expense, legal action, or judgment arising out of the Commission's designation of the modified sphere of influence, including any reimbursement of legal fees and costs incurred by the Commission.

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

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

NOES: **COMMISSIONERS:** None

ABSENT: **COMMISSIONERS:** None

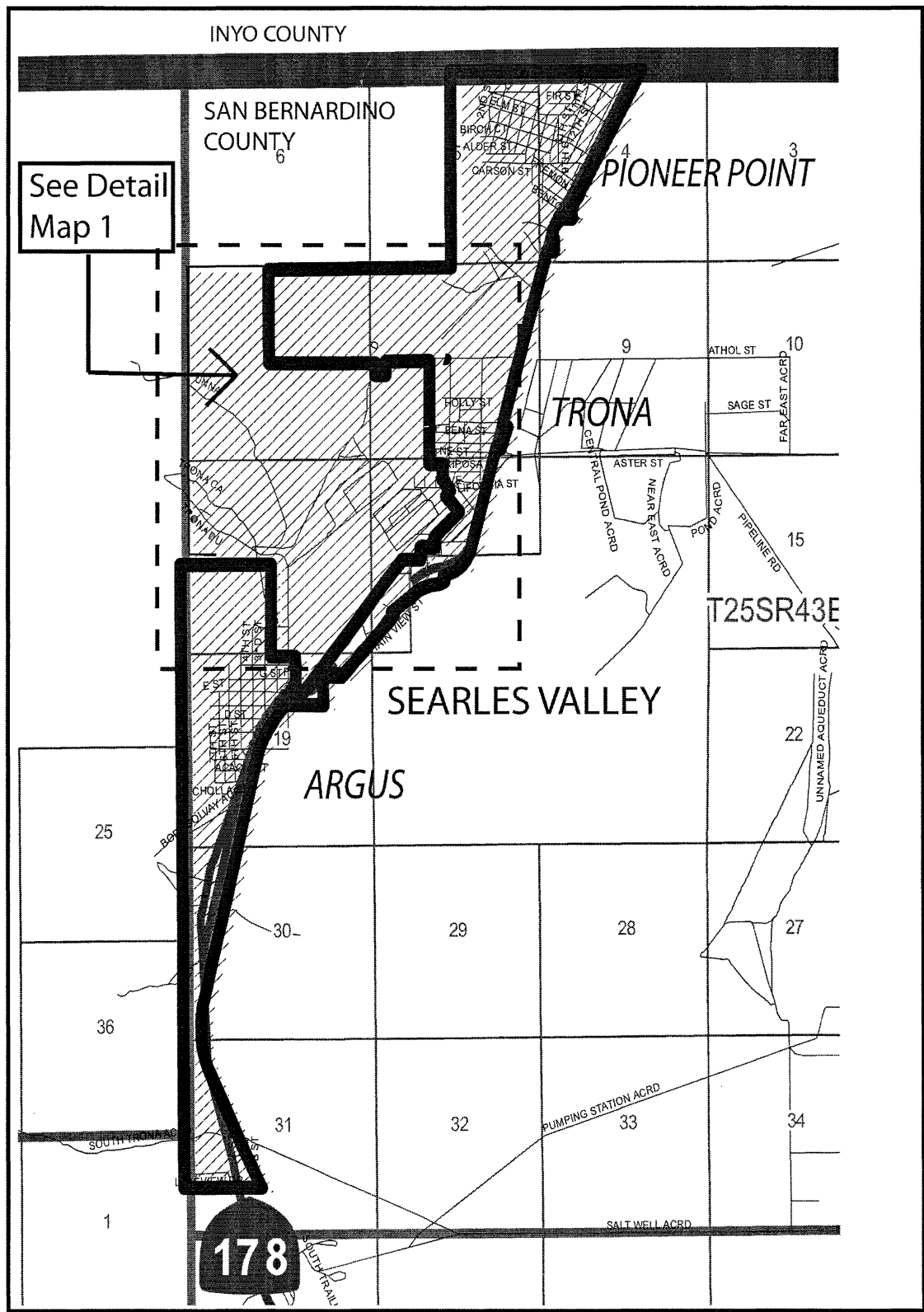
STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

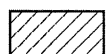
I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission of the County of San Bernardino, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of January 20, 2010.

DATED: JANUARY 22, 2010


KATHLEEN ROLLINGS-McDONALD
Executive Officer

LAFCO 3025 - Service Review and Sphere of Influence Update for County Service Area 82



-  County Service Area 82 Boundary
-  County Service Area 82 Sphere of Influence
-  County Line



