

**Lake Arrowhead Community Services District**

**Hesperia Farms Property – Application and Preliminary Environmental Description Form**

**Attachment**

**General Information**

3. *Assessor Parcel Numbers*

- 0397-013-03
- 0397-013-04
- 0397-013-05
- 0397-013-17
- 0397-013-18
- 0397-013-19
- 0397-013-20
- 0397-013-21
- 0397-013-22
- 0433-171-72
- 0433-171-74

5. ***District and Hesperia Farms Background.*** Lake Arrowhead Community Services District (the “District”) is located atop the San Bernardino Mountains. At 5,100 feet above sea level, it serves approximately 8,000 water customers and 10,500 wastewater customers within the Lake Arrowhead community, from Rim Forest to Deer Lodge Park to Cedar Glen. The District operates two water treatment plants, 19 water pumping stations, two wastewater treatment plants, 21 wastewater pumping stations, 20 reservoir tanks, and several hundred miles of pipelines. It was formed in 1978 by residents of Lake Arrowhead to purchase the privately-owned water system servicing Arrowhead Woods and the surrounding communities.

Over the years, the District’s service area was expanded several times, most significantly through the annexation of the Lake Arrowhead Sanitation District (the “Sanitation District”), which added wastewater services to the District’s portfolio. In 1976, the Sanitation District had acquired a 344-acre property located at 6727 Arrowhead Lake Road (the “Hesperia Farms Property”) in the City of Hesperia (the “City”) for disposing treated effluent. The District acquired title to the Hesperia Farms Property through annexation of the Sanitation District.

The Hesperia Farms Property lies at the base of the northern side of the San Bernardino Mountains. The District treats wastewater at its Willow Creek and Grass Valley treatment plants, respectively, and disposes of the wastewater in the Hesperia Farms Property's percolation ponds, which allows it to percolate into the Mojave River groundwater basin. The Hesperia Farms Property contains percolation ponds in which approximately 1,500 acre-feet of effluent treated by the District is disposed annually. The District has the legal authority to treat and dispose of wastewater in the same manner as a sanitary district pursuant to Government Code section 61100(b).

The District has intended to annex the Hesperia Farms Property for decades. In fact, in 2010, at the District's request, the Local Agency Formation Commission for San Bernardino County ("LAFCO") expanded the District's sphere of influence (which, to that point, had been coterminous with its water and wastewater service area) to include the Hesperia Farms Property. In its report recommending the change, LAFCO staff found:

*The properties are owned by [the District] which it uses for effluent disposal and agricultural production. Since the territory is outside the boundaries of the District it pays ad valorem property taxes. As a cost savings measure, if [the District] were to annex these parcels and continue its existing use, it could file for removal from the tax roll as an exempt property and eliminate the financial obligation for payment of ad valorem property tax.*

The report further stated, "[The District] was envisioned to provide more than water and sewer service. It was intended to become the focal government organization for the community." Receiving no objections from any party (including the City), LAFCO expanded the District's sphere of influence to include the Hesperia Farms Property.

The District intends to continue its water percolation activities at the Hesperia Farms Property.

Annexation of the Hesperia Farms Property will exempt the District from property taxes, which will result in significant cost savings to the District and its customers.

### **Land Use and Development Potential**

5. The District is not aware of any land use concerns related to the continued used of the Hesperia Farms Property for its percolation ponds.

In September 2020, the City filed a Petition for Writ of Mandate and Complaint entitled *City of Hesperia v. Lake Arrowhead Community Services District et al.*, San Bernardino Superior Court, Case No. CIVDS 2019176, challenging the District's June 2020 determination that the City's zoning ordinances were inapplicable to the Hesperia Farms Property under Government Code section 53096. Judgment was entered in favor of the District by the trial court on March 8, 2022. (*See*, Exhibit 1.) The City appealed the ruling and the Court of Appeal ruled in the District's favor on July 12, 2023. (*See*, Exhibit 2.)

9. The Hesperia Farms Property is vacant land, with only a few abandoned buildings and no people residing thereon. It is located at the northern base of the San Bernardino Mountains, near the Mojave River, and has been used by the District to store treated wastewater for nearly 50 years. The District wishes to annex the Hesperia Farms Property for the reasons asserted by LAFCO in 2010 in determining it should be part of the District's sphere of influence. The abandoned buildings are outside the footprint of both the percolation ponds; moreover, at its May 24, 2022, Board meeting, the District awarded a contract for the removal of the buildings and they were subsequently removed. The annexation will result in minimal impacts to adjacent land uses.

### **Environmental Information**

4. The District's continuing use of the Hesperia Farms Property for its percolation ponds, regardless of whether the Hesperia Farms Property is annexed, is not a physical change to the environment within the purview of CEQA. (14 Cal. Code Regs. ("State CEQA Guidelines"), § 15378.) Further, annexation to a special district of areas containing existing public or private structures developed to the density allowed by current zoning is exempt from environmental review under Class 19, State CEQA Guidelines section 15319.