

**LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**DATE:** MAY 23, 2023

**TO:** BOARD OF DIRECTORS  
Lake Arrowhead Community Services District

**FROM:** CATHERINE CERRI, General Manager

**SUBJECT:** ARROWHEAD WOODS ARCHITECTURAL  
COMMITTEE COMMUNITY MEETING REPORT

**A. RECOMMENDATION**

This is an information item only.

**B. REASON FOR RECOMMENDATION**

This is an information item only.

**C. BACKGROUND INFORMATION**

On May 2, 2023, the Arrowhead Woods Architectural Committee (AWAC) held a community meeting to hear input regarding the potential for the Lake Arrowhead Community Services District (LACSD or District) to assume AWAC's duties of enforcing the Covenants, Conditions and Restrictions (CC&Rs) in portions of Arrowhead Woods. It will require a majority affirmative vote from the affected property owners for this to occur.

The meeting was well attended and generated a lot of engagement from the community. The public had been mistakenly informed that a vote would occur in June 2023. This is incorrect. Preparing a verifiable process will require several months of dedicated effort from AWAC to conduct such a vote. Unfortunately, this incorrect information created a sense of urgency before proper analysis and the formulation of a plan could be completed.

Takeaways for LACSD

The community made it clear that they need more information before they can decide if LACSD should assume the duties of AWAC. They would like to hear the pros and cons of LACSD's involvement. They would like to know what the fee structure will be and if this

merger will cost them more money. They want assurances that LACSD will not assess or tax them additional fees, even though there are no plans to do so.

Providing such an assurance would require the LACSD Board to decide on the fee structure before the vote for the merger occurs. The circular challenge is that LACSD doesn't have the authority to take action at this time, but the community needs more information about the proposed fee structure to make an informed decision. Staff and Counsel are researching options to address this concern, which may include presenting a proposed fee structure to the Board and preparing a proforma to determine if AWAC's current fees would be sufficient to cover LACSD's costs.

Another concern raised at the meeting was the possibility that some future LACSD Board members may not live in Arrowhead Woods and are voted in by registered voters as opposed to property owners. The District's demographer is preparing an analysis to determine the probabilities.

Additional questions were raised related to Senate Bill (SB) 1405, LACSD's authority as a Community Services District, and why LACSD's Board wasn't present at the meeting. Due to the Brown Act, a majority of the Board cannot convene except at a noticed LACSD Board meeting, especially when agency business is being discussed that may be brought before the Board in the future. This meeting was an AWAC community meeting. LACSD staff merely helped to facilitate it.

#### Other Community Concerns

There were questions about who would vote on the proposed merger and it was confirmed at the meeting that the vote would be by the property owners, not registered voters. Other concerns were related to how the vote would be conducted and the ballots verified. How long would the voting period last, and what would happen if the ownership changed during that time? AWAC is currently working towards an answer to these questions. This process is in its infancy stage and could take from several months to more than a year.

#### Next Steps

AWAC intends to hold regular public meetings and is preparing to conduct a ballot process for the renewal of a portion of the CC&Rs that expire on December 31, 2025. It has not yet been determined if the vote regarding LACSD will be concurrent with this process or at a later time.

It is also advisable that a committee of community members be formed to prepare a recommendation for the public, which could be brought to the LACSD Board of Directors.

SB 1405 lays out the process that will be required before LACSD can assume the duties of AWAC:

1. Before LACSD can assume AWAC's CC&R enforcement authority, a majority vote of the affected property owners is required. AWAC is currently researching its options to ensure a secure tally of the property owners' votes. There is currently no estimated date for the vote.

2. If a majority of property owners vote for LACSD to assume AWAC's duties, the matter will be brought before LACSD's Board of Directors in the form of a public hearing. A notice of the date, time and location of the meeting will be mailed to each affected property owner.
3. If LACSD's Board of Directors approves the matter, LACSD will need to apply to the Local Agency Formation Commission (LAFCO) to authorize adding the enforcement of CC&Rs as an authorized service.
4. If approved by LAFCO, LACSD's Board of Directors will hold an additional public hearing to adopt an ordinance which will include details on how the costs of enforcement will be financed.

**D. FISCAL IMPACT**

This is an information item only.

**E. ENVIRONMENTAL IMPACT**

This is an information item only.

**F. ATTACHMENTS**

None