

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

**NORTON REGIONAL EVENT CENTER
1601 E. 3rd STREET, SAN BERNARDINO, CA**

REGULAR MEETING OF APRIL 15, 2026

9:00 A.M. – CALL TO ORDER – FLAG SALUTE

ANNOUNCEMENT:

The Political Reform Act requires the disclosure of campaign contributions made to any member of the Commission. Any applicant seeking a change of organization/reorganization or approval of a contract/agreement, any financially interested person who actively supports or opposes any such item, or any agent representing an applicant or interested party on any such item, who has made a contribution of more than \$500 in the past 12 months to any member of the Commission must state for the record the amount and the name of the Commissioner to whom the contribution was made and the item to which they are involved. If you are affected, please contact LAFCO staff prior to consideration of the item.

1. Comments from the Public
(By Commission policy, the public comment period is limited to three minutes per person for comments related to other items under the jurisdiction of LAFCO not on the agenda.)

CONSENT ITEMS:

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion unless a request has been received prior to the hearing to discuss the matter.

2. [Approval of Minutes for Regular Meeting of March 18, 2026](#)
3. [Approval of Executive Officer's Expense Report](#)
4. [Ratify Payments as Reconciled and Note Cash Receipts for the Months of January 2026 \(Revision\) and February 2026](#)
5. [Review and Approval of Contract with Davis Farr, LLP for Financial Audit Services for the Period FY 2025-26 through Fiscal Year 2028-29](#)
6. Consent Items Deferred for Discussion

PUBLIC HEARING ITEMS:

7. [Review of Compensation Study and Consideration of Proposed Salary Range and Salary Equity Adjustments](#)
8. [Third Quarter Financial Review for FY 2025/26](#)

9. Preliminary Budget Review for Fiscal Year 2026/27:
 - a. Proposed Schedule of Fees, Deposits, and Charges for Fiscal Year 2026/27
 - b. Proposed Budget for Fiscal Year 2026/27

DISCUSSION ITEMS:

10. Review and Adoption of Amendments to LAFCO Policy and Procedure Manual Section V – Environmental Review (Administrative Guidelines, Policies, and Procedures) and Environmental Checklist Form (CEQA Appendix G)
11. Review and Approval of Amended Contract with Samuel Martinez as Executive Officer for the Local Agency Formation Commission for San Bernardino County effective April 15, 2026
12. Review and Consideration of Rejoining CALAFCO Membership for FY 2026-27

INFORMATION ITEMS:

13. Legislative Update Report
14. Executive Officer's Report
15. Commissioner Comments
(This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on off-agenda items unless authorized by law.)

The Commission may adjourn for lunch from 12:00 to 1:30 p.m. The Commission may take action on any item listed in this Agenda whether or not it is listed for Action. In its deliberations, the Commission may make appropriate changes incidental to the above-listed proposals.

Materials related to an item on this Agenda submitted to the Commission or prepared after distribution of the agenda packet will be available for public inspection in the LAFCO office at 1601 E. 3rd Street, Suite 102, San Bernardino, during normal business hours, on the LAFCO website at www.sbclafco.org.

Current law and Commission policy require the publishing of staff reports prior to the public hearing. These reports contain technical findings, comments, and recommendations of staff. The staff recommendation may be accepted or rejected by the Commission after its own analysis and consideration of public testimony.

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE ABOVE PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE LOCAL AGENCY FORMATION COMMISSION AT, OR PRIOR TO, THE PUBLIC HEARING.

The Political Reform Act requires the disclosure of expenditures for political purposes related to a change of organization or reorganization proposal which has been submitted to the Commission, and contributions in support of or in opposition to such measures, shall be disclosed and reported to the same extent and subject to the same requirements as provided for local initiative measures presented to the electorate (Government Code Section 56700.1). Questions regarding this should be directed to the Fair Political Practices Commission at www.fppc.ca.gov or at 1-866-ASK-FPPC (1-866-275-3772).

A person with a disability or with limited English proficiency may contact the LAFCO office at (909) 388-0480 at least 72-hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related or language interpretation accommodations, including auxiliary aids or services, to participate in the public meeting. Later requests will be accommodated to the extent feasible.

DRAFT
**ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY**

REGULAR MEETING

9:00 A.M.

March 18, 2026

PRESENT:

COMMISSIONERS:

Regular Member

Joe Baca Jr.
Jim Bagley, Vice Chair
Kimberly Cox
Steven Farrell, Chair
Curt Hagman

Alternate Member

Jim Harvey
Kevin Kenley

STAFF:

Samuel Martinez, Executive Officer
Paula de Sousa, Legal Counsel
Michael Tuerpe, Assistant Executive Officer
Gavin Centeno, Project Manager/Clerk to the Commission
Arturo Pastor, Analyst
Tom Dodson, Environmental Consultant

ABSENT:

COMMISSIONERS:

Regular Member

Phill Dupper
Aquanetta Warren

Alternate Member

Jesse Armendarez
Rick Denison

**CONVENE REGULAR MEETING OF THE LOCAL AGENCY FORMATION COMMISSION –
9:05 A.M. – CALL TO ORDER – FLAG SALUTE AND ROLL CALL**

ANNOUNCEMENT OF CONTRIBUTIONS

1. PUBLIC COMMENTS ON CLOSED SESSION

There are none.

2. CONVENE CLOSED SESSION

The Commission moved into closed session at 9:07 a.m.

- Conference with Labor Negotiators Pursuant to Government Code Section 54957.6
Designated Representatives: Steven Farrell, Chair
Unrepresented Employee: Executive Officer

Commissioner Cox arrives at 9:22 a.m. and proceeds to the closed session meeting room.

3. RECONVENE PUBLIC SESSION

The Commission reconvened in open session at 9:27 a.m.

Legal Counsel Paula de Sousa states that the Commission met with designated labor representative and that there was no reportable action taken in closed session.

4. Comments from the Public

There are none.

CONSENT ITEMS:

5. Approval of Minutes for Regular Meeting of January 21, 2026

6. Approval of Executive Officer's Expense Report

Recommendation: Approve the Executive Officer's Expense Report for Procurement Card Purchases from December 23, 2025 to January 22, 2026 and January 23, 2026 to February 23, 2026.

7. Ratify Payments as Reconciled and Note Cash Receipts for the Months of December 2025 and January 2026 and Note Revenue Receipts

Recommendation: Ratify payments as reconciled for the months of December 2025 and January 2026 and note revenue receipts for the same period.

8. Review and Approve Memorandum of Understanding between Local Agency Formation Commissions to Contract for (and Share in the Costs of) Legislative Advocacy Services

Recommendation: Staff recommends that the Commission:

1. Approve the Memorandum of Understanding between the Local Agency Formation Commissions of the Counties of Los Angeles, Orange, San Bernardino, and San Diego to Contract for and Share in the Costs of Legislative Advocacy Services.
2. Authorize the Executive Officer to sign the Memorandum of Understanding.

9. Consideration of Fee Reduction Request by the City of Adelanto for its Reorganization Proposal to Annex its Territory to the San Bernardino County Fire Protection District

Recommendation: Staff recommends that the Commission approve a fee reduction for LAFCO 3279 from \$41,941 to \$15,000.

10. Consent Items Deferred for Discussion

Commissioner Cox moves the approval of the Consent Items. Second by Commissioner Hagman. The motion passes with the following roll call vote:

*Ayes: Baca Jr., Bagley, Cox, Farrell, and Hagman.
Noes: None.
Abstain: None.
Absent: None.*

PUBLIC HEARING ITEM:

11. Consideration of: (1) CEQA Statutory Exemption for LAFCO 3275: and (2) LAFCO 3275 – Reorganization to include Annexation to the City of San Bernardino and Detachment from County Service Area 70 (26-Acre Island)

Recommendation: The staff recommends that the Commission approve LAFCO 3275 by taking the following actions:

1. Adopt the CEQA Exemption that has been recommended for this proposal and direct the Executive Officer to file the Notice of Exemption within five (5) days;
2. Approve LAFCO 3275, with the standard LAFCO terms and conditions that include, but are not limited to, the "hold harmless" clause for potential litigation costs by the applicant and the continuation of fees, charges, and/or assessments currently authorized by the annexing agency, and the identification that the transfer of utility accounts will occur within 90 days of the recording of the Certificate of Completion; and,
3. Adopt LAFCO Resolution No. 3432 setting forth the Commission's determinations and conditions of approval concerning LAFCO 3275.

The following provide public comment:

*Eddie Evans
Tim May
Donna May*

Commissioner Hagman moves to approve staff recommendations. Second by Commissioner Baca Jr. The motion passes with the following roll call vote:

*Ayes: Baca Jr., Bagley, Cox, Farrell, and Hagman.
Noes: None.
Abstain: None.
Absent: None.*

DISCUSSION ITEMS:

12. Review and Accept Audit Report for Fiscal Year Ended June 30, 2025.

Recommendation: Staff recommends that the Commission receive and file the materials submitted by Davis Farr LLP related to the Commission's audit for Fiscal Year 2024/25.

Presenter: Jonathan Foster, Davis Farr LLP

Chair Farrell states the item is to receive and file.

Commissioner Hagman leaves the dais at 10:05 a.m.

13. Presentation by San Bernardino County Employees' Retirement Association

*Presenters: Debby Cherney, Chief Executive Officer, SBCERA
Amy McInerny, Chief Financial Officer, SBCERA*

INFORMATION ITEMS:

14. Legislative Update Report

Executive Officer Samuel Martinez provided a summary of the staff report.

15. Executive Officer's Report

Executive Officer Samuel Martinez provides a summary of the staff report.

16. Commissioner Comments

There are none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE MEETING ADJOURNS AT 10:35 A.M.

ATTEST:

GAVIN CENTENO
Project Manager/Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

STEVEN FARRELL, Chair

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1601 E. 3rd Street, Suite 102, San Bernardino, CA 92415-0490
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DATE: APRIL 8, 2026 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #3 – APPROVAL OF EXECUTIVE OFFICER'S
EXPENSE REPORT

RECOMMENDATION:

Approve the Executive Officer's Expense Report for Procurement Card Purchases from February 24, 2026, to March 23, 2026.

BACKGROUND INFORMATION:

The Commission participates in the County of San Bernardino's Procurement Card Program to supply the Executive Officer a credit card to provide for payment of routine official costs of Commission activities as authorized by LAFCO Policy and Procedure Manual Section II – Accounting and Financial Policies #3(H). Staff has prepared an itemized report of purchases that covers the billing period of:

- February 24, 2026 to March 23, 2026

Staff recommends that the Commission approve the Executive Officer's expense reports as shown on the attachment.

SM/GC

Attachment



**PROCUREMENT CARD PROGRAM
MONTHLY PROCUREMENT CARD PURCHASE REPORT**

ATTACHMENT G

F		Cardholder Samuel Martinez					Travel	Billing Period		
DATE	VENDOR NAME	#	DESCRIPTION	PURPOSE	COST CENTER	G/L ACCOUNT	\$ AMT	TRIP NUMBE	*R/D	SALES TAX INCL
02/24/26	Thomson West		Office Supplies	Law Library Updates	8900005012	52002080	\$372.79			
02/27/26	Frontier	2	Phone Service	Communication	8900005012	52002041	\$740.41			
03/19/26	Panera	3	Office Expense	Commission Meeting	8900005012	52002305	\$42.98			

The undersigned, under penalty of perjury, states the above information to be true and correct. If an unauthorized purchase has been made, the undersigned authorizes the County Auditor/Controller-Recorder to withhold the appropriate amount from their payroll check after 15 days from the receipt of the cardholder's Statement of Account.

Cardholder (Print & Sign)	Date
Samuel Martinez <i>Samuel Martinez</i>	04/06/26

Approving Official (Print & Sign)	Date
Steven Farrell	04/15/26

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DATE: APRIL 8, 2026 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #4 - RATIFY PAYMENTS AS RECONCILED FOR
THE MONTHS OF JANUARY 2026 (REVISED) AND FEBRUARY
2026 AND NOTE REVENUE RECEIPTS

RECOMMENDATION:

Ratify payments as reconciled for the months of January 2026 (Revised) and February 2026 and note revenue receipts for the same period.

BACKGROUND INFORMATION:

Staff prepared a reconciliation of warrants issued for payments to various vendors, internal transfers for payments to County Departments, cash receipts and internal transfers for payments of deposits or other charges that cover the period of:

- January 1 through January 31, 2026 (Revised)

The revisions are additions of payments and an interest received that the County keyed in February but retroactively posted to January, shown in red font in the attachment.

- February 1 through February 28, 2026

Staff recommends that the Commission ratify the payments as outlined on the attached listing and note the revenues received.

SM/MT

Attachment

JANUARY 2026 PAYMENTS PROCESSED (REVISED)						
Account	Posting Date	Amount	Document Number	Reference	Text	
5200 2031	1/1/2026	\$60.08	4104258727	ITD BILLING	DEC 2025 Payroll System Services (EMACS)	
5200 2031		\$60.08			Payroll System Services (County IT)	
5200 2037	1/1/2026	\$243.36	4104258729	ITD BILLING	DEC 2025 Dial Tone	
5200 2037		\$243.36			Dial Tone (County IT)	
5200 2041	1/26/2026	\$735.31	4200168809	LAFCO	install new switch	
5200 2041	1/26/2026	\$735.31	4200168819	LAFCO	install new switch	
5200 2041		\$1,470.62			Data Line	
5200 2085	1/26/2026	\$556.37	1902217979	B3995769	Jan Notice of Hearing	
5200 2085		\$556.37			Legal Notices	
5200 2090	1/6/2026	\$90.00	1902204728	INV2525	Jan rent and janitorial	
5200 2090		\$90.00			Building Expense	
5200 2115	1/21/2026	\$46.19	4200168652	ITD	install new switch	
5200 2115		\$46.19			Software	
5200 2305	1/12/2026	\$14.65	4104232294	PUR. / STAPLES	7672191381000001	
5200 2305		\$14.65			General Office Expense	
5200 2310	1/7/2026	\$164.88	4200168029	JE UPLOAD	Mail Services HAN	
5200 2310	1/7/2026	\$18.34	4200168031	JE UPLOAD	Mail Services FLAT	
5200 2310	1/7/2026	\$226.00	4200168032	JE UPLOAD	Mail Services DEL	
5200 2310		\$409.22			Mail (County Mail)	
5200 2315	1/15/2026	\$71.66	1902211286	RS7135038	Dec services	
5200 2315		\$71.66			Records Storage	
5200 2323	1/12/2026	\$18.52	4200168262	PUR-PRINTING	N34764 - Emacs Reports 1/5/2026	
5200 2323		\$18.52			Reproduction Services	
5200 2400	1/15/2026	\$2,349.90	1902210970	1042124	Legal counsel	
5200 2400		\$2,349.90			Legal Counsel	
5200 2420	1/1/2026	\$100.22	4104258733	ITD BILLING	DEC 2025 Enterprise Content Management	
5200 2420	1/1/2026	\$90.50	4104258733	ITD BILLING	DEC 2025 File Sharing Storage	
5200 2420	1/1/2026	\$109.00	4104258733	ITD BILLING	DEC 2025 Server Storage	
5200 2420	1/1/2026	\$9.37	4104258733	ITD BILLING	DEC 2025 Virtual Server - Additional Core	
5200 2420	1/1/2026	\$6.57	4104258733	ITD BILLING	DEC 2025 Virtual Server - Additional Memory	
5200 2420	1/1/2026	\$589.69	4104258733	ITD BILLING	DEC 2025 Virtual Server - Base Server	
5200 2420		\$905.35			Enterprise Content Management (County IT)	
5200 2421	1/1/2026	\$697.04	4104258734	ITD BILLING	DEC 2025 Desktop Support Services	
5200 2421		\$697.04			Desktop Support Services (County IT)	
5200 2424	1/6/2026	\$50.00	4200167754	160-COB	NOE - LAFCO SC#555	
5200 2424		\$50.00			Environmental Consultant	
5200 2445	1/7/2026	\$525.00	1902205312	63	Rebecca Lowery Inv 63	
5200 2445	1/15/2026	\$910.00	1902210755	64	Rebecca Lowery Inv 64	
5200 2445	1/26/2026	\$1,200.00	1902217976	01212026	Video of meeing	
5200 2445	1/15/2026	\$2,100.00	1902210968	85039	Sponsorship-Gov Training	
5200 2445	1/23/2026	\$525.00	1902217487	65	Rebecca Lowery Inv 65	
5200 2445	1/23/2026	\$200.00	1902217543	BACA1-23	Baca Stiped	
5200 2445	1/23/2026	\$200.00	1902217573	BAGLEY1-23	bagley stipend	
5200 2445	1/23/2026	\$200.00	1902217574	COX1-23	cox stipend	
5200 2445	1/23/2026	\$200.00	1902217575	DENISON1-23	denison stipend	
5200 2445	1/23/2026	\$200.00	1902217614	FARRELL1-23	Farrell stipend	
5200 2445	1/23/2026	\$200.00	1902217703	HAGMAN1-23	hagman stipend	
5200 2445	1/23/2026	\$200.00	1902217705	HARVEY1-23	harvey stipend	

5200	2445		1/23/2026	\$200.00	1902217707	KENLEY1-23	Kenley Stipend
5200	2445		1/23/2026	\$200.00	1902217708	WARREN1-23	Warren Stipend
5200	2445		1/26/2026	\$66.51	4200168896	Inv 3778	ROV listing
5200	2445		1/26/2026	\$133.02	4200168907	Inv 3777	ROV listing
5200	2445		1/29/2026	\$665.00	1902223388	66	Rebecca Lowery Inv 66
5200	2445	Other Professional Services		\$7,924.53			
5200	2460		1/1/2026	\$3,000.00	4104258736	ITD BILLING	DEC 2025 Aerial Imagery
5200	2460	Aerial Imagery (County IT)		\$3,000.00			
5200	2895		1/15/2026	\$369.30	1902210987	48375302	Nov Services
5200	2895		1/15/2026	\$32.32	1902210987	48375302	Nov Services
5200	2895	Rent/Lease Equipment (copier)		\$401.62			
5200	2905		1/6/2026	\$2,509.00	1902204728	INV2525	Jan rent and janitorial
5200	2905		1/6/2026	\$405.00	1902204732	INV2534	Jan auditorium rent
5200	2905	Office/Hearing Chamber Rental		\$2,914.00			
5294	2940		1/23/2026	\$126.15	1902217573	BAGLEY1-23	bagley stipend
5294	2940		1/23/2026	\$85.55	1902217574	COX1-23	cox stipend
5294	2940		1/23/2026	\$97.00	1902217575	DENISON1-23	denison stipend
5294	2940		1/23/2026	\$26.53	1902217614	FARRELL1-23	Farrell stipend
5294	2940		1/23/2026	\$121.80	1902217705	HARVEY1-23	harvey stipend
5294	2940		1/23/2026	\$35.09	1902217707	KENLEY1-23	Kenley Stipend
5294	2940		1/23/2026	\$28.42	1902217708	WARREN1-23	Warren Stipend
5294	2940	Private Mileage		\$520.54			
5294	2941		1/26/2026	\$960.00	4200168809	LAFCO	CALAFCO conference, registration
5294	2941	Conference/Training		\$960.00			
5294	2942		1/26/2026	\$941.52	4200168809	LAFCO	CALAFCO conference, hotel
5294	2942		1/26/2026	\$288.84	4200168809	LAFCO	CALAFCO conference, hotel
5294	2942		1/26/2026	\$941.52	4200168809	LAFCO	CALAFCO conference, hotel
5294	2942		1/26/2026	\$313.84	4200168809	LAFCO	CALAFCO conference, hotel
5294	2942		1/26/2026	\$941.52	4200168809	LAFCO	CALAFCO conference, hotel
5294	2942		1/26/2026	\$941.52	4200168809	LAFCO	CALAFCO conference, hotel
5294	2942	Hotel		\$4,368.76			
5294	2943		1/26/2026	\$97.40	4200168809	LAFCO	CALAFCO conference, meals
5294	2943		1/26/2026	\$56.09	4200168809	LAFCO	CALAFCO conference, meals
5294	2943		1/26/2026	\$117.48	4200168809	LAFCO	CALAFCO conference, meals
5294	2943	Meals		\$270.97			
5540	5012		1/12/2026	\$122.06	4104232294	PUR. / STAPLES	staples purchase
5540	5012	Transfer to County (Staples & Microsoft)		\$122.06			
JANUARY 2026 CASH RECEIPTS							
			NONE				
JANUARY 2026 COUNTY TRANSFERS RECEIVED (REVISED)							
4030	8500		1/31/2026	\$14,809.37	101572352	Treasury	QE 12/31/2025 INTEREST APPORTIONMENT
		COMPLETED BY:					
		MICHAEL TUERPE					APPROVED BY:
		Assistant Executive Officer					SAMUEL MARTINEZ
			Date:				Executive Officer
			04/06/26				4/6/2026

FEBRUARY 2026 PAYMENTS PROCESSED						
Account	Posting Date	Amount	Document Number	Reference	Text	
5200 2031	2/1/2026	\$60.08	4104297118	ITD BILLING	JAN 2026 Payroll System Services (EMACS)	
5200 2031		\$60.08			Pavroll System Services (County IT)	
5200 2037	2/1/2026	\$243.36	4104297120	ITD BILLING	JAN 2026 Dial Tone	
5200 2037		\$243.36			Dial Tone (County IT)	
5200 2090	2/3/2026	\$90.00	1902225188	INV2638	IVDA Rent February	
5200 2090		\$90.00			Building Expense	
5200 2305	2/2/2026	\$5.21	4104260416	PUR. / STAPLES	7673924725000001	
5200 2305	2/9/2026	\$7.16	4104270858	PUR. / STAPLES	7674224934000001	
5200 2305		\$12.37			General Office Expense	
5200 2308	2/19/2026	\$1,266.37	1902235486	LAFCO 1/22/26 CC		
5200 2308		\$1,266.37			Credit Card Clearing Account	
5200 2310	2/4/2026	\$619.42	4200169679	JE UPLOAD	Mail Services HAN	
5200 2310	2/4/2026	\$18.20	4200169681	JE UPLOAD	Mail Services FLAT	
5200 2310	2/4/2026	\$226.00	4200169682	JE UPLOAD	Mail Services DEL	
5200 2310		\$863.62			Mail (County Mail)	
5200 2315	2/6/2026	\$71.66	1902227755	RS7150984	January Services	
5200 2315		\$71.66			Records Storage	
5200 2323	2/2/2026	\$18.52	4200169441	PUR-PRINTING	N35202 - Emacs Reports 1/20/2026	
5200 2323	2/18/2026	\$18.77	4200170528	PUR-PRINTING	N35582 - Emacs Reports 2/2/2026	
5200 2323		\$37.29			Reproduction Services	
5200 2400	2/9/2026	\$447.60	1902228606	1047940	Legal counsel	
5200 2400	2/9/2026	\$2,748.06	1902228613	1047939	Legal counsel	
5200 2400	2/9/2026	\$5,483.10	1902228615	1047941	Legal counsel	
5200 2400	2/12/2026	\$205.60	1902211301	1049986	Legal counsel	
5200 2400	2/12/2026	\$410.30	1902231893	1053030	Legal counsel	
5200 2400	2/12/2026	\$8,168.70	1902231907	1049987	Legal counsel	
5200 2400	2/19/2026	\$2,015.00	1902235420	1053029	Legal counsel	
5200 2400		\$19,478.36			Legal Counsel	
5200 2405	2/12/2026	\$8,000.00	1902231540	4207	2025 Audit	
5200 2405		\$8,000.00			Auditing	
5200 2415	2/4/2026	\$2,295.50	4200169619	2026 COWCAP BILL	2025/2026 COWCAP-QTR3 Local Agency Formation Commi	
5200 2415		\$2,295.50			Countywide Cost Allocation Program	
5200 2420	2/1/2026	\$100.22	4104297124	ITD BILLING	JAN 2026 Enterprise Content Management	
5200 2420	2/1/2026	\$90.50	4104297124	ITD BILLING	JAN 2026 File Sharing Storage	
5200 2420	2/1/2026	\$109.00	4104297124	ITD BILLING	JAN 2026 Server Storage	
5200 2420	2/1/2026	\$9.37	4104297124	ITD BILLING	JAN 2026 Virtual Server - Additional Core	
5200 2420	2/1/2026	\$6.57	4104297124	ITD BILLING	JAN 2026 Virtual Server - Additional Memory	
5200 2420	2/1/2026	\$589.69	4104297124	ITD BILLING	JAN 2026 Virtual Server - Base Server	
5200 2420		\$905.35			Enterprise Content Management (County IT)	
5200 2421	2/1/2026	\$697.04	4104297125	ITD BILLING	JAN 2026 Desktop Support Services	
5200 2421		\$697.04			Desktop Support Services (County IT)	
5200 2424	2/9/2026	\$50.00	4200169508	160-COB	NOE - LAFCO SC#552	
5200 2424	2/9/2026	\$50.00	4200169525	160-COB	NOE - LAFCO SC#553	
5200 2424		\$100.00			Environmental Consultant	
5200 2445	2/3/2026	\$133.02	4200169551	3779	ROV listing	
5200 2445	2/5/2026	\$350.00	1902227223	67	Rebecca Lowery inv 67	
5200 2445	2/5/2026	\$200.00	1902227233	FARRELL1-26	Alliance Meeting 1-26	
5200 2445	2/5/2026	\$200.00	1902227234	COX1-26	Cox Alliance Meeting	
5200 2445	2/12/2026	\$700.00	1902231534	68	Rebecca Lowery	
5200 2445	2/19/2026	\$525.00	1902235416	69	Rebecca Lowery Inv 69	
5200 2445	2/20/2026	\$9,600.00	1902235885	LFLTRCAF-0002	Initiating Streamline	

5200	2445		2/20/2026	\$133.02	4200170557	3791	ROV listing
5200	2445		2/20/2026	\$66.51	4200170561	3789	ROV listing
5200	2445		2/20/2026	\$133.02	4200170562	3790	ROV listing
5200	2445		2/26/2026	\$700.00	1902238964	70	Rebecca Lowery Inv 70
5200	2445		2/26/2026	\$14,400.00	1902239383	LFLTRCAE-0003	Initiating Streamline 2
5200	2445	Other Professional Services		\$27,140.57			
5200	2905		2/3/2026	\$2,509.00	1902225188	INV2638	IVDA Rent February
5200	2905	Office/Hearing Chamber Rental		\$2,509.00			
5294	2940		2/6/2026	\$35.70	1902228292	44CK	*Trip from 11/13/25 To 11/13/25 to IRVINE US-CA
5294	2940		2/4/2026	\$65.10	1902227112	44GF	*Trip from 11/13/25 To 11/13/25 to IRVINE US-CA
5294	2940		2/6/2026	\$31.90	1902228293	46CL	*Trip from 01/07/26 To 01/07/26 to APPLE VALLEY
5294	2940		2/5/2026	\$70.33	1902227668	46CM	*Trip from 01/07/26 To 01/07/26 to APPLE VALLEY
5294	2940		2/4/2026	\$153.30	1902227113	0000501140	*Trip from 10/21/25 To 10/24/25 to SAN DIEGO US
5294	2940		2/6/2026	\$25.20	1902228294	0000501141	*Trip from 11/13/25 To 11/13/25 to Irvine, CA
5294	2940	Private Mileage		\$381.53			
5294	2941		2/25/2026	\$960.00	1902238340	SW1	CALAFCO Workshop Registration Art
5294	2943		2/4/2026	\$8.10	1902227113	0000501140	*Trip from 10/21/25 To 10/24/25 to SAN DIEGO US
5294	2943	Meals		\$8.10			
5540	5012		2/2/2026	\$43.42	4104260416	PUR. / STAPLES	7673924725000001
5540	5012		2/9/2026	\$59.70	4104270858	PUR. / STAPLES	7674224934000001
5540	5012	Transfer to County (Staples & Microsoft)		\$103.12			
FEBRUARY 2026 CASH RECEIPTS							
			NONE				
FEBRUARY 2026 COUNTY TRANSFERS RECEIVED							
4060	8842		02/01/26	\$96.14	4300000402	Auditor	LAFCO 25-26 Apportionment
COMPLETED BY: <i>Michael Tuerpe</i>							
MICHAEL TUERPE							
Assistant Executive Officer							
APPROVED BY: <i>Samuel Martinez</i>							
SAMUEL MARTINEZ							
Executive Officer							
Date:			04/06/26				4/6/2026

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1601 E. 3rd Street, Suite 102, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: APRIL 8, 2026 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #5: Review and Approval of Contract with Davis Farr, LLP for Financial Audit Services for the Period FY 2025-26 through Fiscal Year 2028-29

RECOMMENDATION:

Staff is recommending that the Commission:

- A. Approve the Agreement with Davis Farr, LLP to provide annual Financial Audit Services in the amount not-to-exceed \$46,140 for the four (4) year term, with an additional one (1) year option, at the discretion of the Commission; and,
- B. Authorize the Executive Officer to sign and execute the agreement with Davis Farr, LLP.

BACKGROUND:

For the past several years, San Bernardino LAFCO has participated with other LAFCOs in a joint Request for Proposal (RFP) process for selecting auditing services. The current auditor for all five LAFCOs, Davis Farr LLP (hereafter Davis Farr), has completed its final audit under its current contract for the fiscal year ending June 30, 2025.

Last year, four LAFCOs (Los Angeles, Orange, San Bernardino, and San Diego LAFCOs) issued a new joint RFP to prepare the audit and financial statements for each of the LAFCOs for the next four fiscal years (FY ending June 30, 2026, June 30, 2027, June 30, 2028, and June 30, 2029) with an option to extend the contract for an additional year.

The RFP for audit services was issued and mailed to 70 accounting firms on December 3, 2025. Three firms responded to the RFP during the filing period, which ended on December 3, 2025. Those firms who responded to the RFP are as follows:

- Davis Farr, LLP
- Harshwal & Company, LLP
- Vasquez & Company, LLP

All three proposals received were provided to the Executive Officers (EO) and/or Assistant EOs of the four LAFCOs and a Commissioner from each LAFCO for review. A video conference was scheduled on January 28, 2026 to evaluate each of the proposals received based on qualification and experience, work plan, costs for providing the service, and other factors identified in the evaluation criteria outlined in the RFP. Below is a breakdown of the quotes provided by each firm specific to San Bernardino LAFCO:

Firm Name	1st Year	2nd Year	3rd Year	4th Year	Total
Davis Farr	\$ 11,000	\$ 11,330	\$11,670	\$12,140	\$ 46,140
Harshwal & Company	\$ 8,340	\$ 8,755	\$ 9,195	\$ 9,655	\$ 35,945
Vasquez & Company	\$ 12,000	\$ 12,360	\$12,731	\$13,113	\$ 50,204

After reviewing the three proposals, the group unanimously decided to recommend the selection of Davis Farr to be the independent auditors for the four LAFCOs for the next four (4) years. Davis Farr has provided excellent audit services the last five years and each LAFCOs have been satisfied with their work.

As shown above, the four-year contract to prepare San Bernardino LAFCO's Financial Statements is for a total of \$46,140.

In addition, the new contract also provides for a possible extension, at the Commission's sole discretion, that would be limited to a 4% increase to its fixed fees per year. It should also be noted that, due to required partner rotation every six years, the new contract with Davis Farr has a new partner assigned to prepare the audits to comply with said restriction set out in Government Code Section 12410.6.

Attached for your review and approval is the draft agreement with Davis Farr. Also included is Davis Farr's proposal response to the RFP. LAFCO staff recommends approval of the new contract with Davis Farr, LLP.

Attachments:

1. [Draft Agreement with Davis Farr, LLP for Audit Services](#)
2. [Davis Farr, LLP Proposal for Audit Services](#)

**AGREEMENT FOR SERVICES BETWEEN
LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY
AND
DAVIS FARR, LLP**

This Agreement is made and entered into as of July 1, 2026 (“Effective Date”) by and between the Local Agency Formation Commission for San Bernardino County (hereinafter referred to as “LAFCO”), organized and operating pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000 *et seq.* Davis Farr, LLP (hereinafter referred to as “Consultant”).

RECITALS

- A. LAFCO is a public agency of the State of California and is in need of the following professional services: Audit Services for the fiscal year ending on June 30, 2026, June 30, 2027, June 30, 2028 and June 30, 2029, as more particularly described herein (hereinafter referred to as “the Project”).
- B. Consultant is a qualified independent Certified Public Accounting firm.
- C. The parties desire by this Agreement to establish the terms for LAFCO to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide LAFCO with the services described in the Scope of Services attached hereto as Exhibit “A.” Should LAFCO determine, in its sole discretion, to exercise its option to renew this Agreement for an additional year as set forth in Section 5 of this Agreement, such renewed services shall be performed as described in the Scope of Services attached hereto as Exhibit “A.”

2. Compensation.

a. The total amount paid for services rendered by Consultant pursuant to Exhibit “A” for the audit of the fiscal year ending on June 30, 2026 shall not exceed \$11,000, for the fiscal year ending on June 30, 2027 shall not exceed \$11,330, for fiscal year ending on June 30, 2028 shall not exceed \$11,670, and for fiscal year ending on June 30, 2029 shall not exceed \$12,140 without prior written approval by LAFCO. Should LAFCO, in its sole discretion, exercise its option to renew this Agreement for an additional year as set forth in Section 5 of this Agreement, the total amount paid for services rendered by Consultant pursuant to Exhibit “A” for the audit of the fiscal year ending on June 30, 2030 shall not exceed four percent without prior written approval

by LAFCO. Periodic payments shall be made within 30 days of receipt of a statement for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

b. LAFCO shall reimburse costs advanced by Consultant on LAFCO's behalf, as well as other expenses, in addition to the amount billed for fees. These currently include, but are not limited to, automobile mileage and actual expenses away from Consultant's offices on LAFCO business, extraordinary photocopy charges and any costs of producing or reproducing photographs, documents and other things necessary for the preparation or presentation of LAFCO business. All costs will be itemized on LAFCO's monthly statement. LAFCO shall not pay fees for travel to or from LAFCO's offices in the ordinary course of business or reimburse mileage to Consultant.

3. Additional Work.

If changes in the work seems merited by Consultant or LAFCO, and informal consultations with the other party indicate that a change is warranted, it shall be processed by LAFCO in the following manner: a letter outlining the changes shall be forwarded to LAFCO by Consultant with a statement of estimated changes in fee or time schedule. An amendment to the Agreement shall be prepared by LAFCO and executed by both parties before performance of such services or LAFCO will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement period and for seven (7) years from the date of final payment under the contract for inspection by LAFCO.

5. Term and Time of Performance.

The term of this Agreement shall be from July 1, 2026 to June 30, 2029. In its sole discretion, LAFCO may extend the Services required hereunder to include audit services related to the fiscal year ending on June 30, 2030, in writing providing notice to Consultant that such Services shall be extended for an additional year. Consultant shall perform its services hereunder in a prompt and timely manner, in accordance with the Activity Schedule shown in Exhibit "B" and shall commence performance upon the execution of this Agreement.

6. Delays in Performance.

Neither LAFCO nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns and other labor disturbances; sabotage or judicial restraint.

Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government.

b. Consultant shall assist LAFCO in obtaining and maintaining all permits required of Consultant by Federal, State and local regulatory agencies.

c. Consultant certifies by executing this Agreement that, on the Effective Date and for the duration of this Agreement, neither Consultant nor its employees assigned to perform services hereunder shall have any prohibited conflict of interest as defined under the California Political Reform Act or conflicting financial interest in this Agreement as defined under California Government Code Section 1090.

d. Consultant agrees that in the event an administrative agency or court of competent jurisdiction finds this Agreement to have been executed or administered in violation of Government Code Section 1090 or any other applicable law, that disgorgement of profits or anything received by Consultant may be required as a consequence of both civil and criminal liability. In such a case, payments made by LAFCO to the Consultant must be returned to LAFCO by the Consultant and no claim for future payments under this Agreement may be made, and LAFCO shall be entitled to retain any benefits which it receives under this Agreement.

8. Standard of Care.

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant.

Consultant shall not assign, sublet or transfer this Agreement or any rights under or interest in this Agreement without the written consent of LAFCO, which may be withheld for any reason. Nothing contained herein shall prevent Consultant from employing independent associates and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor.

Consultant is retained as an independent contractor and is not an employee of LAFCO. No employee or agent of Consultant shall become an employee of LAFCO. The work

to be performed shall be in accordance with the work described in Exhibit "A," subject to such directions and amendments from LAFCO as herein provided.

11. Integration.

This Agreement represents the entire understanding of LAFCO and Consultant as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by both parties hereto. This is an integrated Agreement.

12. Insurance.

a. Commercial General Liability

(1) Consultant shall maintain occurrence version Commercial General Liability Insurance or equivalent form with a combined single limit of not less than \$1,000,000 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than twice the occurrence limit.

(2) All such policies shall name LAFCO, the Commission and each member of the Commission, its officers, employees, agents and LAFCO designated volunteers as Additional Insureds under the policy.

(3) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by LAFCO.

b. Automobile Liability

(1) At all times during the performance of the work under this Agreement the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for non-owned and hired vehicles, in a form and with insurance companies acceptable to LAFCO.

(2) Coverage for Automobile Liability Insurance shall be at least as broad as Insurance Services Office Form Number CA 0001 (ed. 6/92) covering automobile liability, Code 1.

(3) The automobile liability program may utilize deductibles, but not a self-insured retention, subject to written approval by LAFCO.

(4) All such policies shall name LAFCO, the Commission and each member of the Commission, its officers, employees, agents and designated volunteers as Additional Insureds under the policies.

c. Workers' Compensation/Employer's Liability

(1) At all times during the performance of the work under this Agreement and for 24 months following the date of Project completion and acceptance by LAFCO, the Consultant shall maintain workers' compensation in compliance with applicable statutory requirements and Employer's Liability Coverage in amounts indicated herein.

(2) Such insurance shall include an insurer's Waiver of Subrogation in favor of LAFCO and will be in a form and with insurance companies acceptable to LAFCO

(3) If insurance is maintained, the workers' compensation and employer's liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by LAFCO.

(4) Before beginning work, the Consultant shall furnish to LAFCO satisfactory proof that Consultant has taken out, for the period covered by the work under this Agreement, full compensation insurance for all persons employed directly by Consultant to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof. Consultant shall require all subconsultants to obtain and maintain, for the period covered by the work under this Agreement, workers' compensation of the same type and limits as specified in this Section.

d. Professional Liability (Errors and Omissions).

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability insurance, in a form and with insurance companies acceptable to LAFCO and in an amount indicated herein.

e. Minimum Policy Limits Required

(1) The following insurance limits are required for the Contract:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/aggregate for bodily injury, personal injury and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability (errors and omissions)	\$1,000,000 per claim and aggregate

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with LAFCO evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (ACORD Form 25-S or equivalent). All evidence of insurance shall be signed by a properly authorized officer, agent or qualified representative of the insurer and shall certify the names of the insured, any additional primary insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies and the expiration date of such insurance.

g. Policy Provisions Required

(1) All policies shall contain a provision for 30 days advance written notice by the insurer(s) to LAFCO of any cancellation. Statements that the carrier "will endeavor" and "that failure to mail such notice shall impose no obligation and liability upon the company, its agents or representatives," will not be acceptable on certificates.

(2) All policies shall contain a provision stating that the Consultant's policies are primary insurance and that the insurance of LAFCO or any Additional Insured shall not be called upon to contribute to any loss.

h. Additional Insurance Provisions

(1) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by LAFCO, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(2) If at any time during the life of the Agreement the Consultant fails to maintain in full force any insurance required by the Agreement documents, LAFCO may terminate the Agreement.

(3) The Consultant shall include all subconsultants as insureds under its policies or shall furnish separate certificates and endorsements for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein.

(4) LAFCO may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(5) Neither LAFCO nor the Commission, nor any member of the Commission, nor any of the directors, officers, employees, agents or volunteers of LAFCO or the Commission shall be personally responsible for any liability arising under or by virtue of this Agreement.

13. Indemnification.

Consultant agrees to protect, save, defend and hold harmless LAFCO and its Commission and each member of the Commission, officers, agents and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of or in any way connected with the alleged acts, errors or omissions or willful misconduct by Consultant, Consultant's agents, officers, employees, subconsultants or independent consultants hired by Consultant under this Agreement. This hold harmless Agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification, etc. to be provided by Consultant.

14. Laws, Venue and Attorneys' Fees.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Bernardino, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorneys' fees, as determined by the court.

15. Termination or Abandonment.

a. LAFCO has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, LAFCO shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. LAFCO shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by LAFCO and Consultant of the portion of such task completed but not paid prior to said termination. LAFCO shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to LAFCO only in the event of substantial failure by LAFCO to perform in accordance with the terms of this Agreement through no fault of Consultant.

16. Organization.

Consultant shall assign Jeff Ball as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of LAFCO.

17. Notice.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

LAFCO:
1601 E. 3rd Street, Suite 102
San Bernardino, CA 92415-0490
Attn: Executive Officer

Consultant:
Davis Farr, LLP
18201 Von Karman, Suite 1100
Irvine, CA 92612
Attn: Jennifer Farr, Partner

and shall be effective upon receipt thereof.

18. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than LAFCO and the Consultant.

19. Severability.

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

[signatures continued on next page]

**LOCAL AGENCY FORMATION
COMMISSION FOR SAN BERNARDINO
COUNTY**

DAVIS FARR, LLP

By: _____
Samuel Martinez, Executive Officer

By: _____
Jennifer Farr, Partner

Approved as to Form:

Legal Counsel
Local Agency Formation Commission for
San Bernardino County

DRAFT

EXHIBIT A

Scope of Services

Consultant shall provide the following services:

1) Audit

- a) Consultant will perform an independent audit of all funds of LAFCO. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States.
- b) The Commission's Basic Financial Statements will be prepared and word-processed by the Consultant in full compliance with generally accepted accounting principles.
- c) The Consultant will render their auditors' report on the Basic Financial Statements that will include both Government-Wide Financial Statements and Fund Financial Statements.
- d) The Consultant will also apply limited audit procedures to Management's Discussion and Analysis ("MD&A"), consisting of the control environment, accounting systems and control procedures, and required supplementary information pertaining to the General Fund and each major fund of the Commission.

2) Management Letter

- a) The Consultant will issue a separate "management letter" that includes recommendations to the governing board for improvements in internal control that are considered to be nonreportable conditions.

LAFCO will provide the following services:

The LAFCO staff will provide normal cooperation and assistance during the audit including typing of confirmation requests, referral to the appropriate person and/or department for supporting documents and reconciliations of major asset and liability balances. LAFCO staff will prepare the MD&A and transmittal letters based on a template supplied by the Consultant. All other information and financial statements are the responsibility of the Consultant. All working papers and reports are to be retained at the Consultant's sole expense for a minimum of seven (7) years. Consultant will be responsible for making working papers available to LAFCO or any other appropriate government agency.

EXHIBIT B

Activity Schedule

Timetable of Audit Work and Deliverable Reports to be performed for the Fiscal Year ending on June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024 and June 30, 2025, if LAFCO exercises its option to renew the Agreement, in its sole discretion:

Consultant shall be responsible for performing the audit for the fiscal year ending on June 30, 2026, June 30, 2027, June 30, 2028, and June 30, 2029, and June 30, 2030, if LAFCO exercises its option to renew the Agreement, in its sole discretion, in accordance with Exhibit "A" and preparation and word processing of the following financial statements:

<u>Report Description</u>	<u>Number of Copies</u>	<u>Due Date of Each Audit Year</u>
Basic Financial Statements	1 photo ready 3 hard copies (Final audit)	No later than November 30 th of every year

A draft copy of the Basic Financial Statements should be delivered to the LAFCO Executive Officer for review approximately 10 days prior to the deadline noted above.

The audit shall begin no earlier than September 1 of each year and be completed no later than November 30, following the fiscal year audited (e.g. begin no earlier than September 1st and completed in time to meet the deadline established by LAFCO for the audit of each fiscal year).



PROPOSAL FOR
INDEPENDENT
AUDIT SERVICES

Prepared By:

Davis Farr LLP
18201 Von Karman Avenue, Suite 1100
Irvine, California 92612

Contact Person:

Jennifer Farr, CPA, MBA | Partner
Office: 949.474.2020 | Direct: 949.783.1740
Email: jfarr@davisfarr.com



Los Angeles Local Agency Formation Commission
Orange Local Agency Formation Commission
San Bernardino Local Agency Formation Commission
San Diego Local Agency Formation Commission

December 2, 2025

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APPENDIX

- Peer Review Documentation
- Resumes

December 2, 2025

Attn: Adriana Romo, Deputy Executive Officer
Los Angeles Local Agency Formation Commission
80 South Lake Avenue, Suite 870
Pasadena, CA 91101

Dear Ms. Romo:

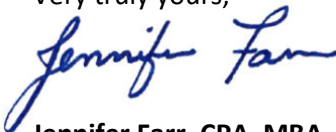
We are pleased to provide our proposal to perform audit services to the Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions (“Commissions”) for the fiscal year ending June 30, 2026 through 2029, with an optional extensions through 2031.

Our service philosophy is one of open and constant communication, a proactive approach and responsive, value-added services. We will listen to your ideas and concerns and will bring creative solutions to you in both financial and other operational areas. We are aware that while the Commissions have solicited numerous proposals, Davis Farr LLP would be your best selection for the following reasons which are set forth in greater detail in our proposal:

- We specialize in auditing California governments and special districts. We have extensive experience auditing Local Agency Formation Commissions and are currently the auditors for the following LAFCOs: Los Angeles LAFCO, Orange LAFCO, San Bernardino LAFCO, Imperial LAFCO, Riverside LAFCO, Santa Barbara LAFCO, Marin LAFCO, and Santa Cruz LAFCO. Our deep understanding of the systems and operations of LAFCOs enables us to provide high quality audit services to the Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions.
- We take a proactive leadership role in local government accounting and auditing issues. Jennifer Farr is a past Chair and Jonathan Foster is the current Chair of the Government Accounting and Audit Committee of the Cal CPA Society. Our Partners are active members of the CSMFO Professional Standards Committee, the GFOA Special Review Committee, and other organizations. Our Partners are frequent speakers on technical topics at conferences and training events throughout California, including the CSMFO Annual Conference.

The proposal is valid for 90 days. We are committed to performing the audits within the required timeframes specified in the request for proposal. Davis Farr and all key personnel are independent with respect to each participating LAFCO and is an Equal Opportunity Employer. We appreciate the opportunity to share our credentials and look forward to further developing our professional relationship. I look forward to you contacting me so that I may answer any questions which you may have. You may contact me at (949) 783-1740 or by email at jfarr@davisfarr.com.

Very truly yours,



Jennifer Farr, CPA, MBA
Partner

Section A – About Davis Farr LLP

Background Information – Davis Farr LLP is a full-service regional accounting firm that specializes in providing attest and advisory services to federal, state, and local governments out of our California and Washington offices. This engagement would be serviced by our Irvine office. The firm was created in 2015 and our personnel have served governmental entities for over 30 years. A breakdown of our government audit personnel by classification is provided below.

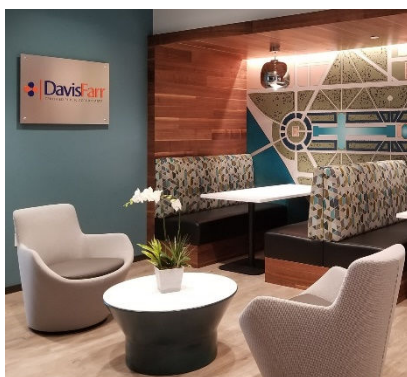
License to Practice in California – Davis Farr LLP and all key personnel are licensed with the California State Board of Accountancy to practice as independent certified public accountants.

Independence and Conflict of Interest – Davis Farr LLP is independent with respect to the Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions as defined by U.S. General Accounting Office’s *Government Auditing Standards* and Generally Accepted Auditing Standards. Neither Davis Farr LLP nor the key personnel have any potential or real conflicts of interest. Davis Farr has recently audited the Los Angeles and San Bernardino LAFCOs. In accordance with State law, we propose a Partner rotation and the past primary Partner on those engagements will not be part of the audit team.

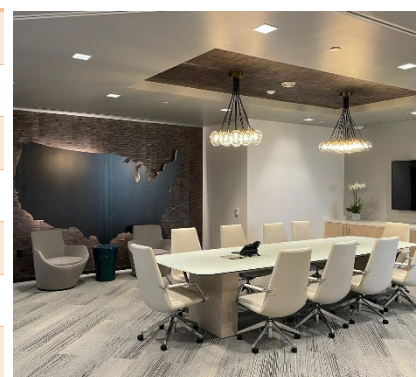
Insurance – Davis Farr LLP has sufficient insurance coverage to meet or exceed the Commissions’ requirements and will provide insurance certificates to the Commissions prior to entering into a contract.

Quality Control – Davis Farr LLP and its Partners are members of the American Institute of Certified Public Accountants (AICPA) and is a member of the AICPA’s Government Audit Quality Center. Our firm is a voluntary participant in the AICPA Peer Review Program. Included in the appendix is our most recent Peer Review report where our firm received a *Pass*. A *Pass* demonstrates the highest level of quality control in a Peer Review. The Peer Review included a review of government engagements. Davis Farr LLP and its Partners have not had any disciplinary action taken or pending with state regulatory bodies or professional organizations.

Training – Every professional of the firm must enroll in continuing professional education courses. Each person is required to take at least 80 hours of training over a two-year period including 24 hours a year specific to government accounting and audit topics. Courses cover a wide spectrum of professional and technical subjects, and include Fraud Auditing, Professional Ethics and Governmental Accounting and Auditing topics to help the practitioner maintain his/her professional expertise.



Classification	Number of Employees
Partners	8
Managers	11
Supervisors	8
Seniors	20
Staff	8
Administrative	6
Total personnel	61



Professional Affiliations

Government Audit Quality Center – Davis Farr LLP is a member of the Government Audit Quality Center (GAQC). The GAQC promotes the importance of quality governmental audits and the value of such audits to providers of governmental audit services. GAQC is a voluntary membership center for CPA firms and state audit organizations that perform governmental audits.

National Registry of CPE Sponsors – Davis Farr LLP is registered to provide continuing professional education through the National Association of State Board of Accountancy (NASBA). NASBA recognizes CPE program sponsors who provide continuing professional education programs in accordance with nationally recognized standards. We provide CPE to our clients at our annual GASB Update.

CalCPA – Many of the CPAs employed by Davis Farr LLP are members of CalCPA and regularly participate in chapter meetings, education, and events. CalCPA recognized one of Davis Farr LLP’s partners with their *Women to Watch* award in the Experienced Leader category. Davis Farr has presented at several CalCPA **Women’s Leadership Forums**. Davis Farr LLP partners are also members of the **Governmental Accounting and Auditing Committee** of the CalCPA. The founding firm Partner Jennifer Farr is the past Chair of the Committee and Partner Jonathan Foster is the current Chair.

American Institute of CPAs – Davis Farr LLP and the firm’s Partners are members of the American Institute of CPAs (AICPA). The AICPA develops standards for audits, provides educational guidance materials to its members, and monitors and enforces compliance with the profession’s technical and ethical standards.

CSMFO – The Partners of Davis Farr LLP are members of the California Society of Municipal Finance Officers (CSMFO), the statewide organization serving all California municipal finance professionals. Firm personnel regularly attend CSMFO Chapter Meetings and Conferences. The Partners of Davis Farr LLP are frequent presenters on accounting and auditing technical topics at Chapter Meetings and Conferences. Davis Farr has presented at many of the annual CSMFO conferences.

GFOA – The Government Finance Officers Association (GFOA) enhances and promotes the professional management of governmental financial resources by identifying, developing, and advancing fiscal strategies, policies, and practices for the public benefit. The Partners of Davis Farr LLP are members of the Certificate of Achievement Program’s Special Review Committee. The Committee reviews Annual Comprehensive Financial Reports submitted to GFOA for the Excellence in Financial Reporting Award Program.



Section B – Qualifications and Related Experience

Davis Farr LLP is a leader in the local government sector throughout the Southern California Area. Currently, we service approximately 70 local, state, and federal government entities. Davis Farr LLP services routinely provided to our clients include, but are not limited to:



Our government expertise includes Cities, Special Districts, and other Governmental entities. Among the government agencies that the professionals of Davis Farr LLP have served recently are the following:

- Cucamonga Valley Water District
- Hass Avocado Board
- Irvine Ranch Water District
- Leucadia Wastewater District
- Los Angeles LAFCO
- Marin LAFCO
- Metropolitan Water District of Southern CA
- Municipal Water District of Southern CA
- Orange County LAFCO
- Orange County Sanitation District
- Otay Water District
- Oxnard Housing Authority
- Placer County Water Agency
- Ramona Municipal Water District
- Rancho California Water District
- San Bernardino LAFCO
- Salton Sea Authority
- San Diego County Water Authority
- San Diego Association of Governments
- San Juan Water District
- Santa Cruz LAFCO
- Santa Barbara LAFCO
- Santa Margarita Water District
- Santa Rosa Regional Resources Authority
- Soquel Creek Water District
- Tahoe Regional Planning Agency
- Tahoe Transportation District
- Vallecitos Water District
- Valley Sanitary District
- Ventura Regional Sanitation District
- Vista Irrigation District
- Yucaipa Valley Water District

Section C – Client References

For your convenience, we have listed below references for audit work currently being performed by Davis Farr LLP personnel for several similar government agencies throughout Southern California.

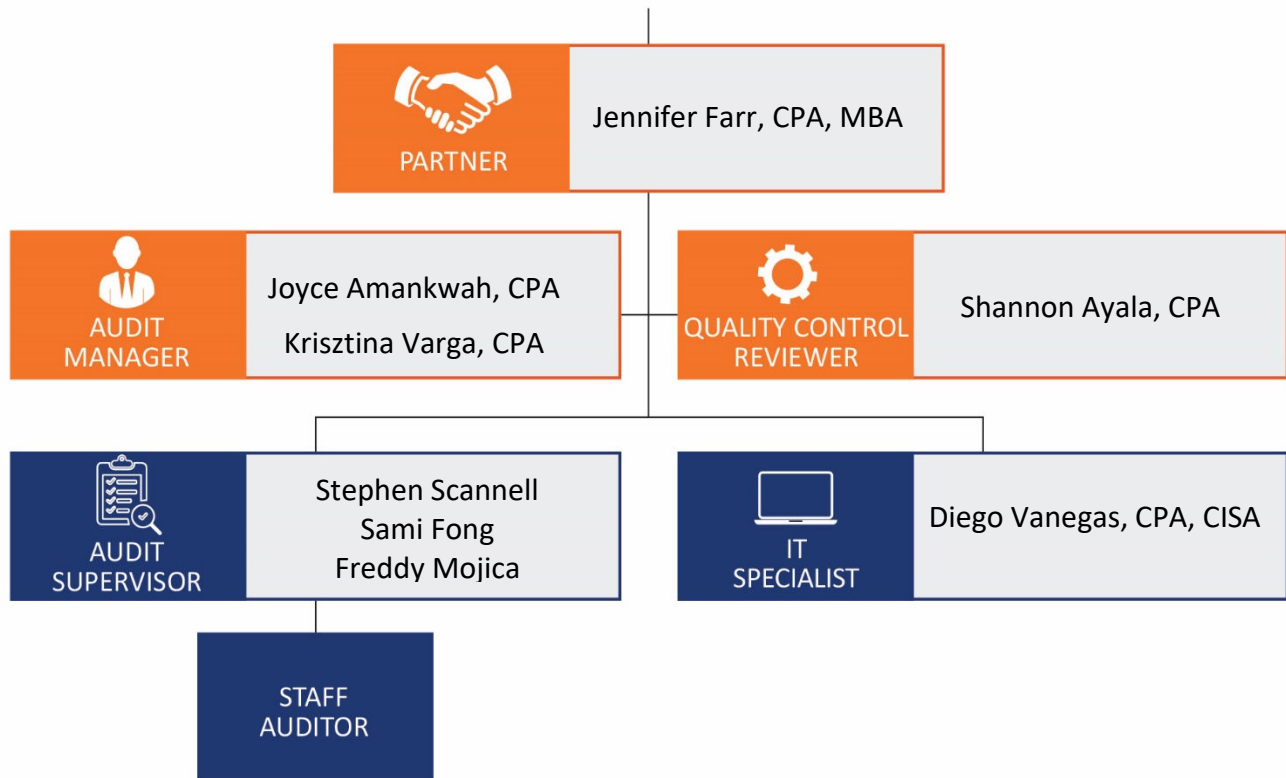
CLIENT 1	Santa Cruz LAFCO 701 Ocean St Santa Cruz, CA Joe Serrano, Executive Officer 831.454.2055 joe@santacruzlafco.org	<i>Scope: Financial Statement Audit</i> Link to last year's audit report <i>Davis Farr presents the results to the Commission when requested</i>	90 Hours
CLIENT 2	Santa Barbara LAFCO 105 E Anapamu St Santa Barbara, CA Mike Prater, Executive Officer 805.568.3391 lafco@sblafco.org	<i>Scope: Financial Statement Audit</i> Link to last year's audit report <i>Davis Farr presents the results annually to the Commission remotely on periodic basis</i>	100 Hours
CLIENT 3	Marin LAFCO 1401 Los Gamos Dr San Rafael, CA Jason Fried, Executive Officer 415.578.2304 jfried@marinlafco.org	<i>Scope: Financial Statement Audit</i> Link to last year's audit report <i>Davis Farr presents the results annually to the Commission remotely on periodic basis</i>	110 Hours

Section D – Partner, Supervisory and Staff Qualifications and Experience

The successful outcome of any audit requires personnel with the managerial and technical skills to perform the work required. The engagement team who will serve the Commissions have served together as a team of professionals on numerous financial audit examinations of local government entities. No key personnel will be removed or replaced without the prior written concurrence of the Commissions. All personnel have obtained at least 40 hours of government yellow book CPE each year (list of CPE course taken available upon request)

We believe that efficient administrative management and supervision of the audits is an extremely critical factor in achieving the desired results for the Commissions. In that regard, our proposal organizational structure for providing independent auditing services is as follows:

LAFCO



Section E – Audit Approach

Davis Farr plans and conducts our engagements in the most efficient manner possible, and our audit approach is unique with regard to the following:

- Our firm is sensitive to the priorities and work requirements of our clients. We work around the schedules of our clients when scheduling segments of the audit or requesting documentation in order to minimize disruption of the Commissions staff and to complete the audit in a timely manner.
- Whenever possible, we use accounting support already prepared by the Commissions staff to avoid duplication or unnecessary requests for audit supporting schedules. Typically, we request support for balance sheet items, the year ending trial balance and cash and long-term debt confirmations.
- Our firm's expertise is in governmental auditing. Our auditors are GASB experts and skilled at addressing audit issues that are specific to local governments. You will not spend time training our personnel.
- When formulating internal control recommendations, we obtain a thorough understanding of the specific circumstances at the Commissions to provide a tailored, practical recommendation.
- Throughout the year we are a resource to our clients in providing accounting advice, researching technical questions, dealing with tax problems, and helping with other problems as they arise.

Audit Software - We utilize CaseWare audit software for the electronic copy of the Commissions workpapers. We have the ability to accept audit documentation in either hard copy or electronic format. CaseWare allows us the ability to import trial balances that can be provided in either excel or a text document. Some of the benefits of using CaseWare trial balance software are as follows:

- We create our own lead sheets (i.e., analytical review comparison schedules). This limits the amount of time finance staff spends creating audit schedules. Our software automatically generates analytical review reports by account number for ease of analyzing significant fluctuations between fiscal years.
- We can link the financial statement schedules directly to the CaseWare trial balances. As a result, we can provide the Commissions with financial statements almost immediately after receiving the trial balance from the Commissions. Additionally, journal entries are easy to post to the financial statement schedules and the risk of data entry error is minimized.
- We can provide the Commissions with reports showing the grouping of the financial statement schedules for ease of review by the Commissions staff. These reports show each account grouped to a specific financial statement line item as well as journal entries that are posted during the audit.

Data Mining Software - We have a dedicated team of personnel trained to use special data mining software, IDEA. Our software uses source data from your accounting system to search for anomalies, such as duplicate or voided checks, cross-referencing vendor addresses with employee addresses, detecting accounting transactions recorded on the weekend, and reviewing journal entry postings for unauthorized individuals. The IDEA software identifies specific transactions for the auditors to review for potential fraud or error.

Internal Control Evaluation - Our approach to evaluating internal controls involves observation and inquiry. We spend time with the personnel responsible for the accounting cycles to gain an understanding of the processes. We also carefully evaluate your policies and procedures. After our initial evaluation, we identify key controls in your processes and design test to evaluate the effectiveness of those processes. In the initial year of the audit, we will focus on the following accounting cycles:

- Billing and cash receipting
- Capital assets
- Purchase and disbursements
- Payroll
- Investment and cash controls
- Information systems

In future years, we will review the accounting cycles noted above but also look at other processes such as credit card transactions, petty cash, inventory controls, offsite cash receipting, employee reimbursements, contract compliance, and other areas. Our goal is to modify our audit approach every year to further evaluate your internal controls.

Audit Stage	Procedures Performed
<p>Planning and Inquiry</p>	<p>During the planning phase of the audit, we plan to perform the following procedures:</p> <ul style="list-style-type: none"> ✓ Meet with finance personnel to obtain an understanding of significant transactions during the year. ✓ Communicate with the Commission regarding fraud, compliance with laws, and any concerns they have regarding the finances of the Commissions. ✓ Perform internal control evaluations as noted on the previous page. ✓ Determine materiality levels that will be used in selecting audit transactions. ✓ Perform a risk assessment to develop the audit plan for the year. ✓ Review minutes of the Commission meetings. ✓ Review important new contracts, bond documents, and agreements. ✓ Evaluate compliance with investments. ✓ Test purchase orders and contract management. ✓ Test a sample of cash disbursements to determine adherence to policies and internal controls. ✓ Perform a review of the Commissions’s information systems and controls. ✓ Provide a GASB Update and templates for implementing new accounting standards including the upcoming lease accounting standard.
<p>Year-End Testing</p>	<p>After the books are closed and ready for audit, we will perform our year-end procedures which include the following:</p> <ul style="list-style-type: none"> ✓ We will confirm 100% of all cash and investment balances and test market values provided by your investment custodians or the County. ✓ We will test for proper cutoffs of accounts receivable. ✓ We will test additions and deletions to capital assets. We will review depreciation expense for reasonableness. ✓ Evaluate leases for right-of-use accounting and lease liabilities. ✓ We will test current liabilities and perform a search for unrecorded liabilities. ✓ We will review unearned revenue balances for proper cutoffs. ✓ We will test the balances of accrued payroll and employee related liabilities. ✓ We will confirm long-term debt with independent parties, when applicable. ✓ Testing of actuarial valuations and calculations related to pension and OPEB obligations and disclosures under GASB 68 and 75. ✓ Ensure compensated absences is recorded in accordance with GASB 101. ✓ Evaluation of claims and judgments payable. ✓ Testing of restrictions and classifications of net position. ✓ Tie out of revenue to the approved Apportionment Schedule. ✓ Test revenues from fees for reasonableness. ✓ Test the reasonableness of interest income, realized, and unrealized gains/losses on investments. ✓ Analytically and substantively test revenues and expenses reported in the financial statements. ✓ Compare budgeted expenses to actuals. ✓ We will incorporate an element of unpredictability every year that will focus on an audit area that is not typically considered a high or significant risk area such as petty cash, credit card purchases, new vendors, travel expenses, etc. <p>The aforementioned tests are only a few of the tests performed during the examination and by no means is it meant to be all inclusive. During the final stage of the audit, we will meet with Finance staff to review our audit findings and any adjusting journal entries.</p>

Audit Stage	Procedures Performed
Completion of the Audit and Preparation of Financial Statements	<p>The nature and extent of the work required is dependent on our assessment of the likelihood of misstatements in the financial statements together with our conclusions from the planning and testing stages of the audit. All of the audit information is then used to reach a conclusion on whether the financial statements taken as a whole conform with generally accepted accounting principles.</p> <ul style="list-style-type: none"> ✓ We will review significant events after year end. ✓ We will review attorney letters for significant legal matters. ✓ We will prepare the Commissions’s Financial Statements ✓ We will meet with the Commission to present the audit results, as requested.

Section F – Implementation of New GASB Pronouncements

The Commissions will be required to implement the following accounting standards during the upcoming fiscal years. Part of our service to you includes consulting on these new auditing standards. A sampling of significant new GASB pronouncements planned or proposed for local governments that will impact the Commissions are listed below:

GASB 103: Financial Model Improvements

This statement changes the presentation requirements of Management’s Discussion & Analysis, defines Unusual or Infrequent Items, and makes substantial changes to the presentation of Proprietary Fund financial statements. The standard will be effective for the fiscal year ending June 30, 2026.

GASB 104: Disclosures of Certain Capital Assets

This statement requires certain types of capital assets to be disclosed separately in the capital assets note, and also requires additional disclosures for capital assets held for sale. The standard will be effective for the fiscal year ending June 30, 2026.

Section G – Scope of Work

Our understanding of the objectives and scope of the work to be performed is as follows:

Deliverable	Procedures Performed
<i>Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions</i>	Financial Statement Audit in accordance with Generally Accepted Accounting Principles, Government Auditing Standards. We will prepare the Basic Financial Statements based on the information provided to us during the audit. Management is responsible for the preparation of Management’s Discussion & Analysis.
<i>Internal Control Letter</i>	We will prepare a letter to the Commission reporting matters dealing with internal control that meet the threshold of being a significant deficiency or material weakness, as defined by the Codification of Auditing Standards.
<i>Communication with Those in Governance</i>	We will prepare a letter to the Commission summarizing the audit results in accordance with the Codification of Auditing Standards.
<i>Presentation of Audit Results</i>	If requested, we will meet with the Commission to present the results of the audit.
<i>Annual GASB Update</i>	We will conduct an annual GASB Update for our clients. Our clients can obtain the training free of charge.
<i>General Consultation</i>	Finally, we perceive the scope of our work as being advisors to the Commissions regarding generally accepted accounting principles. Throughout the year, the management and other finance personnel of the Commissions will have access to us to seek advice in the application of generally accepted accounting principles, advice regarding debt issuance, financial statement presentation, new accounting standards, and other matters.

Section H – Proposed Timing of Audits for FY 25/26

The following timeline is proposed for the Los Angeles and Orange Local Agency Formation Commissions, subject to client approval:

June 2026	Early September 2026	September 2026	Early October 2026
<ul style="list-style-type: none"> • Audit planning • Request list published 	<ul style="list-style-type: none"> • Start of audit fieldwork • Preparation of draft financial statements 	<ul style="list-style-type: none"> • Draft of financial statements provided for review • Final audit procedures 	<ul style="list-style-type: none"> • Finalize audit • Schedule presentation to Commission in November 2026

The following timeline is proposed for the San Diego and San Bernardino Local Agency Formation Commissions, subject to client approval:

June 2026	September 2026	October 2026	November 2026
<ul style="list-style-type: none"> • Audit planning • Request list published 	<ul style="list-style-type: none"> • Start of audit fieldwork • Preparation of draft financial statements 	<ul style="list-style-type: none"> • Draft of financial statements provided for review • Final audit procedures 	<ul style="list-style-type: none"> • Finalize audit • Schedule presentation to Commission

Section I – Fees

The following is our estimate of the hours by professional classification required to perform the audit:

Classification	Los Angeles, Orange, and San Diego LAFCO	San Bernardino LAFCO
<i>Partner</i>	8	8
<i>Manager</i>	12	12
<i>Audit Senior</i>	60	50
<i>Staff Auditor</i>	20	20
Total	100	90

The following are our fixed fees for the four years ending June 30, 2026 through 2029.

Entity	2026	2027	2028	2029
Los Angeles LAFCO	\$ 12,350	\$ 12,720	\$ 13,100	\$ 13,620
Orange LAFCO	\$ 12,350	\$ 12,720	\$ 13,100	\$ 13,620
San Bernardino LAFCO	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,140
San Diego LAFCO	\$ 12,350	\$ 12,720	\$ 13,100	\$ 13,620

To extend our services in future years, our fixed fees would then be limited to 4% increases per year unless the scope of work is substantially changed. You will not be billed for routine consultations on accounting issues.

APPENDIX





Report on the Firm's System of Quality Control

To the Partners of
DAVIS FARR LLP
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Davis Farr LLP (the firm) in effect for the year ended May 31, 2025. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and examination of a service organization (SOC 1 engagement).

CPAs ■ Advisors

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CPAmerica
Member  Crowe Global

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Davis Farr LLP in effect for the year ended May 31, 2025, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Davis Farr LLP has received a peer review rating of *pass*.

GYL LLP

Ontario, California
September 19, 2025

RESUMES





Jennifer Farr, CPA, MBA

Partner

Ms. Farr will serve as the Partner on this audit. She will oversee the project to ensure all required deadlines are met, provide technical assistance to the audit teams, review audit reports and workpapers, and meet with those in governance to present the audit results. Ms. Farr is a Certified Public Accountant with over 20 years of experience in local government auditing. Ms. Farr is a frequent speaker and author on matters pertaining to technical accounting and audit issues including new GASB pronouncements.

Employment History

- Davis Farr LLP – Founding Partner
- Shareholder – National CPA Firm

Education

- Bachelor of Arts - Business Administration / Accounting (California State University, Fullerton)
- Bachelor of Arts - English (California State University, Fullerton)
- Master of Business Administration

Licenses / Registrations

- California CPA Certificate No. 76292, October 1998

Professional Affiliations & Awards

- California Society of Certified Public Accountants
- Government Accounting & Auditing Committee
 - Member and past Chair of Committee
- California Society of Municipal Finance Officers
- American Institute of Certified Public Accountants
- Government Finance Officers Association
 - Financial Review Committee

AUDITS OF SPECIAL DISTRICTS AND SPECIAL PURPOSE GOVERNMENTS

- | | |
|---|--|
| ✓ Coachella Valley Assoc of Governments | ✓ Rancho California Water District |
| ✓ Cucamonga Valley Water District | ✓ Salton Sea Authority |
| ✓ Eastern Municipal Water District | ✓ San Diego Association of Governments |
| ✓ Inland Empire Utilities Agency | ✓ San Diego County Water Authority |
| ✓ Irvine Ranch Water District | ✓ Santa Rosa Regional Resources Auth |
| ✓ Leucadia Wastewater District | ✓ South Coast Water District |
| ✓ Los Angeles Homeless Services Authority | ✓ Southern CA Association of Governments |
| ✓ Mesa Water District | ✓ Sweetwater Authority |
| ✓ Middle Fork Financing Authority | ✓ Vallecitos Water District |
| ✓ Moulton Niguel Water District | ✓ Vista Irrigation District |
| ✓ Orange County Sanitation District | ✓ Walnut Valley Water District |
| ✓ Orange County Water District | ✓ West Basin Municipal Water District |
| ✓ Placer County Water Agency | ✓ Yucaipa Valley Water District |

AUDITS OF LAFCOs

- | | |
|---------------------|------------------------|
| ✓ Orange LAFCO | ✓ Riverside LAFCO |
| ✓ Los Angeles LAFCO | ✓ San Bernardino LAFCO |
| ✓ Imperial LAFCO | ✓ San Diego LAFCO |



Shannon Ayala, CPA

Quality Control Partner

Ms. Ayala will serve as the Quality Control Partner on this audit. She will act as an independent quality control reviewer to ensure the quality and accuracy of the audit results and audit workpapers in accordance with Government Auditing Standards. Ms. Ayala is a Certified Public Accountant with over twenty years of audit experience, spending most of that time on audits for local governments in San Diego County. Ms. Ayala has performed financial statement audits of cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with Uniform Guidance,

and compliance audits.

Employment History

- Davis Farr LLP – Since 2015
- National CPA Firm – 10 years
- Lennar Homes – 2 years

Education

- Bachelor of Science - Accounting (San Diego State University)

Licenses / Registrations

- California CPA Certificate No. 88126

Professional Affiliations & Awards

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California Society of Municipal Finance Officers

AUDITS OF GOVERNMENTAL AGENCIES

- | | |
|--|--|
| ✓ City of Carlsbad | ✓ Marin LAFCO |
| ✓ City of Coronado | ✓ North County Dispatch JPA |
| ✓ City of Del Mar | ✓ Otay Water District |
| ✓ City of Encinitas | ✓ Ramona Water District |
| ✓ City of Poway | ✓ Rancho California Water District |
| ✓ City of Solana Beach | ✓ San Diego County Water Authority |
| ✓ City of Santee | ✓ San Diego Association of Governments |
| ✓ City of Vista | ✓ Santa Barbara LAFCO |
| ✓ Coachella Valley Association of Gov't | ✓ Santa Cruz LAFCO |
| ✓ Coachella Valley Conservation Commission | ✓ Santa Fe Irrigation District |
| ✓ Desert Community Energy | ✓ Valley Center Municipal Water District |
| ✓ Imperial County LAFCO | ✓ Vista Irrigation District |



Krisztina Varga, CPA

Manager

Ms. Varga will serve as the manager on this engagement. She will be responsible for managing the engagement, providing technical assistance, reviewing reports, and supervising staff. Ms. Varga has 8 years of audit experience, spending the majority of that time on audits for non-profits and local government. The types of audits Ms. Varga has been involved in include financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; and Single Audits in accordance with OMB Circular A-133.

Employment History

- Davis Farr LLP – Since 2017
- Inveco USA – 2012-2017

Education

- Bachelor of Arts in Business Administration/Accounting (California State University, San Marcos)

Licenses / Registrations

- California CPA Certificate No. 145505

AUDITS OF SPECIAL DISTRICTS

- ✓ Community Colleges of Spokane
- ✓ Cascadia College
- ✓ Eastern Municipal Water District
- ✓ Encinitas Ranch Golf Authority
- ✓ Julian Community Service District
- ✓ Imperial County LAFCO
- ✓ Leucadia Wastewater District
- ✓ Otay Water District
- ✓ Placer County LAFCO
- ✓ Peninsula College
- ✓ Rancho California Water District
- ✓ Ramona Municipal Water District
- ✓ Rincon Del Diablo Municipal Water District
- ✓ San Diego Association of Governments
- ✓ San Diego County LAFCO
- ✓ San Diego County Water Authority
- ✓ San Diego County of Emergency Services
- ✓ San Diego Geographic Information Source
- ✓ San Dieguito River Park Valley JPA
- ✓ Santa Rosa Regional Recourses Authority
- ✓ Santa Fe Irrigation District
- ✓ Yucaipa Valley Water District
- ✓ Valley Center Municipal Water District

AUDITS OF NON-PROFITS

- ✓ Family YMCA of the Desert
- ✓ Just Keep Livin Foundation
- ✓ San Diego Children's Discovery Museum
- ✓ San Diego Futures Foundation

AUDITS OF LOCAL GOVERNMENTS

- ✓ City of Carlsbad
- ✓ City of Encinitas
- ✓ City of Indian Wells
- ✓ City of Laguna Niguel
- ✓ City of Poway
- ✓ City of Santee
- ✓ City of Solana Beach
- ✓ City of Vista
- ✓ County of San Diego



Joyce Vondee Amankwah, CPA

Manager

Ms. Amankwah will serve as the manager of this engagement. She has been conducting financial statement audits, reviews, agreed-upon procedures, and compilations for over six years. Her engagements include nonprofits, and governmental entities such as cities, counties, special districts, and state agencies. She has performed financial and compliance audits of federal awards in accordance with Uniform Guidance, and her single audit experience includes programs from the Department of Health and Human Services, Department of Children and Family Services, Department of Housing and Urban Development, and a variety of other agencies.

Employment History

- Davis Farr LLP – Since December 2024
- Citrin Cooperman LLP, Maryland – 2022 - 2024
- Eide Bailly LLP – 2019 -2022
- Green Hasson Janks– 2017 -2018

Education

- Bachelor of Science in Accountancy & Finance (California State University, Northridge)

Licenses / Registrations

- California Certified Public Accountant (CPA) (License Number: 148989)

Professional Affiliations & Awards

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

AUDITS OF GOVERNMENTAL AGENCIES

- | | |
|--------------------------------|---|
| ✓ City of Rancho Mirage, CA | ✓ First 5 California, Los Angeles, CA |
| ✓ City of Whittier, CA | ✓ First 5 California, Riverside, CA |
| ✓ City of Walnut, CA | ✓ Riverside County, CA |
| ✓ City of Jurupa Valley, CA | ✓ Temple City, CA |
| ✓ City of Paramount, CA | ✓ Omnitrans, CA |
| ✓ County of San Bernardino, CA | ✓ Ventura Council of Governments, CA |
| ✓ County of Ventura, CA | ✓ North County Transit District, CA |
| ✓ County of San Bernardino, CA | ✓ San Diego Emergency Services Organization |

AUDITS OF NON-PROFITS

- | | |
|---|---|
| ✓ Therapeutic Living Centers for the Blind, CA | ✓ Boys and Girls Club of Laguna Beach, CA |
| ✓ Norton Simon Museum, CA | ✓ Visit Huntington Beach, CA |
| ✓ Community Action Partnership of SB County, CA | ✓ Irvine Adult Day Health Services Inc., CA |
| ✓ Baker Institute of Children with Hearing Loss, CA | ✓ Ayn Rand Institute |



Stephen Scannell

Supervisor

Mr. Scannell will serve as the in-charge on this engagement. He will be the main point of contact for the staff. He will be responsible for providing technical assistance, reviewing reports, and supervising staff. Mr. Scannell has 9 years of audit experience. Mr. Scannell has spent time on audits for non-profits and federal and local government engagements. The types of audits Mr. Scannell has been involved in include financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with Uniform Guidance; Federal Compliance Audits; and State Compliance Audits.

Employment History

- Davis Farr LLP – Since 2015
- Seven years at a National CPA Firm

Education

- Bachelor of Science in Accounting
(Biola University)

AUDITS OF LOCAL, STATE & FEDERAL GOVERNMENTS

- | | |
|-----------------------------------|---|
| ✓ City of Avalon ¹ | ✓ City of Upland |
| ✓ City of Commerce | ✓ Commonwealth of Kentucky |
| ✓ City of El Segundo | ✓ Center for Medicare and Medicaid Services |
| ✓ City of Fontana ¹ | ✓ Oxnard Housing Authority |
| ✓ City of South Gate ¹ | ✓ Ventura Housing Authority |

AUDITS OF SPECIAL DISTRICTS

- | | |
|--|--|
| ✓ Cucamonga Valley Water District | ✓ Local Agency Formation Commission, Orange County |
| ✓ Eastern Municipal Water District | ✓ Puente Basin Water Agency |
| ✓ Los Angeles Interagency Police Apprehension Crime Task Force | ✓ San Bernardino Municipal Water |
| ✓ Laguna Beach County Water District | ✓ Slope Water Company |
| ✓ Local Agency Formation Commission, Los Angeles County | ✓ Walnut Valley Water District |
| | ✓ West Basin Municipal Water District |

AUDITS OF INSTITUTIONS OF HIGHER EDUCATION

- | | |
|---------------------------------------|----------------------------|
| ✓ Cascadia College | ✓ Lower Columbia College |
| ✓ Community Colleges of Spokane | ✓ Olympic College |
| ✓ Columbia Basin College | ✓ Peninsula College |
| ✓ Edmonds College | ✓ Seattle Colleges |
| ✓ Lake Washington Technical Institute | ✓ Wenatchee Valley College |
| ✓ Walla Walla Community College | |



Freddy Mojica

Senior Auditor

Mr. Mojica has seven years of audit experience, including the last 3 years in public accounting. Most of his public accounting audit background is in non-profits, counties, and local government engagements. The types of audits Mr. Mojica has been involved in are financial audits of non-profits, cities, counties, and other governmental organizations; agreed upon procedures; and Single Audits in accordance with Uniform Guidance. Before working in public accounting, Mr. Mojica spent four years as a Tax Auditor for the State of California.

Employment History

- Davis Farr LLP – March 2024 - Present
- CliftonLarsonAllen – 3 years
- State of California – 4 years

Education

- Bachelor of Arts in Business Admin. with Accounting Concentration (California State University, Fullerton)

AUDITS OF LOCAL GOVERNMENTS

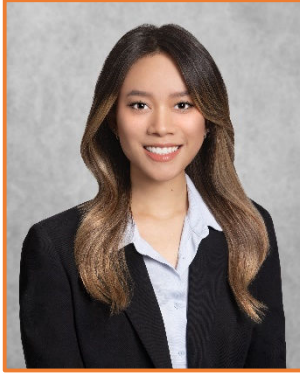
- | | |
|---------------------|-------------------------|
| ✓ City of Pasadena | ✓ City of Camarillo |
| ✓ City of Santa Ana | ✓ City of Cerritos |
| ✓ City of Alhambra | ✓ City of Colton |
| ✓ City of Banning | ✓ City of Glendale |
| ✓ City of La Habra | ✓ City of Westminster |
| ✓ City of Vernon | ✓ City of Monterey Park |

AUDITS OF SPECIAL DISTRICTS

- | | |
|---------------------------------|---|
| ✓ Mesa Water District | ✓ Western Municipal Water District |
| ✓ El Toro Water District | ✓ OC Mosquito and Vector Control District |
| ✓ Midway City Sanitary District | |

AUDITS OF NON-PROFITS

- | | |
|-------------------------------|-------------------------------|
| ✓ Catalina Island Conservancy | ✓ Trinity Youth Services |
| ✓ Meals on Wheels OC | ✓ Rose Bowl Operating Company |
| ✓ Hass Avocado Board | ✓ Caterina's Club |
| ✓ Mind OC | |



Sami Fong

Senior Auditor

Ms. Fong will serve as the in-charge on this engagement. She will be the main point of contact for the staff. She will be responsible for supervising the staff. Ms. Fong has two years of audit experience, including the last year in public accounting. Ms. Fong has spent time on audits for non-profits, local government, and federal government engagements. The types of audits Ms. Fong has been involved in include: financial audits of non-profits, cities and water districts, and federal compliance.

Employment History

- Davis Farr LLP – 2023 - Present

Education

- Bachelor of Arts in Economics
(University of California, Irvine)

AUDITS OF LOCAL GOVERNMENTS

- ✓ Orange County Local Agency Formation Commission
- ✓ San Bernardino Local Agency Formation Commission
- ✓ City of Rancho Santa Margarita
- ✓ City of Newport Beach
- ✓ City of Costa Mesa

AUDITS OF SPECIAL DISTRICTS

- ✓ Rancho Santa Margarita Water District
- ✓ Fairfield-Suisun Sewer District
- ✓ Yucaipa Valley Water District

AUDITS OF NON-PROFITS

- ✓ Ayn Rand Institute
- ✓ KidWorks
- ✓ Visit Greater Palm Springs
- ✓ Radiant Health Centers
- ✓ Shanti of Orange County
- ✓ Beverly Hills Conference & Visitors Bureau

AUDITS OF FEDERAL COMPLIANCE

- ✓ Centers for Medicare and Medicaid Services (CMS)
- ✓ Orange County Community Resources (OCCR) Fiscal Monitoring Services



Diego Vanegas, CPA, CISA, CITP

Partner

Mr. Vanegas will serve as the IT Specialist on the engagement. Mr. Vanegas, CPA, CISA, CITP has over 16 years of progressive governmental accounting and audit experience, including extensive compliance audit experience for governmental and non-profit agencies. He has been involved in financial/compliance audits, internal control audits and assessments, operational/performance audits, and cost proposal analysis/price reviews for various governmental agencies. Mr. Vanegas has served in many capacities depending on the size and requirements of the engagements. He has participated in audits of federal agencies such as NSF, CMS, and CNCS, among others. Additionally, Mr. Vanegas has been involved in agreed-upon-procedures and audit engagements of state/local agencies. These engagements have often combined both financial and compliance aspects of the audit as well as Information Technology (IT). Furthermore, he has strong internal control audit experience through the performance of System and Organization Control examinations of the internal controls of service organizations, as well as knowledge of Government Auditing Standards, Office of Management and Budget (OMB) Circular A-87 and the Federal Acquisition Regulations (FAR).

Employment History

- Davis Farr LLP: Partner – January 1, 2018 – Present
- Davis Farr LLP: Manager – June 2015 – December 31, 2017
- Top 10 National CPA Firm – May 2005 - June 2015

Education

- Bachelor of Science in Business Administration, with an emphasis in Accounting (California State University - Los Angeles)
- Bachelor of Science in Computer Information Systems, with an emphasis in Business Systems (California State University - Los Angeles)

Licenses / Registrations

- CA CPA Certificate No. 113040
 - Certified Information Systems Auditor
 - Certified Information Technology Professional, No. 3298
-



DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: APRIL 8, 2026 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #7: Review of Staff Compensation Study and
Consideration of Proposed Salary Range and Salary Equity Adjustments

RECOMMENDATION:

It is staff's recommendation that the Commission:

1. Approve the proposed salary range adjustments for the Executive Officer from the current salary range to match the salary range for Salary Grade 91B of the County's Exempt Salary Table (Effective 2/21/2026);
2. Approve the proposed salary range adjustment for the Assistant Executive Officer from the current salary range to match the salary range for Salary Grade 75D of the County's Exempt Salary Table (Effective 2/21/2026) and return to the Commission in two (2) years to reevaluate the salary range of the Assistant Executive Officer position;
3. Approve the proposed salary equity adjustment for the Assistant Executive Officer's salary, which is being increased by approximately five percent to match Step 9 of Salary Grade 75D of the County's Exempt Salary Table Effective 2/21/2026 and return to the Commission in two (2) years to reevaluate the actual salary of the Assistant Executive Officer; and,
4. Adopt Resolution No. 3433 outlining the proposed salary range adjustment for the Executive Officer and the proposed salary range and salary equity adjustment for the Assistant Executive Officer.

BACKGROUND:

At the January meeting, the Commission designated labor negotiators to review the terms of the Executive Officer's contract, including compensation. In those discussions, it was

revealed that the Commission has not done a comprehensive review of staff salaries other than when it did a personnel study in 2004. Since then, the Commission has adjusted salary ranges, as needed, when it added new positions or reevaluated/changed existing positions on its staff roster.

As for Cost-of-Living Allowances (COLAs), the Commission previously mirrored the COLAs identified in the County's Exempt Compensation Salary Table. These tables utilize the same COLAs as those negotiated with bargaining units and can set COLAs four years in the future, which may include qualifiers such as receipt of a minimum level of sales tax revenue. The Commission felt that this did not promote proper budgeting, and in 2020 decided to end that practice and provide COLAs based on the annual Consumer Price Index (CPI), originally not to exceed three percent, then adjusted to five percent. However, the salary ranges assigned to each position have not been reviewed or adjusted comprehensively since 2002.

As an outgrowth of the first labor negotiation meeting, the following comprehensive salary study is being provided for Commission consideration.

SALARY STUDY:

Methodology:

It is important to regularly review staff's overall compensation structure to ensure that the compensation being offered to staff is up to par for attracting and retaining qualified and competent employees. Per the Commission's policy on compensation¹, it is the intent of the Commission to provide compensation to its employees with "comparable wages for the region." It also indicates that "special compensation adjustments" and "changes to the established salary range" may be appropriate.

Staff evaluated the salary ranges and salaries of all its staff positions and compared them with similar LAFCOs in the region, which are mostly urban LAFCOs with comparable staffing. The LAFCOs included are: Los Angeles, Orange, Riverside, San Diego, and Ventura. While not all of the surveyed LAFCOs had comparable positions for each San Bernardino LAFCO staff position, staff used data from the LAFCOs that had comparable positions and evaluated each position based on whether it included data from three, four, or all of the surveyed LAFCOs.

The compensation study mainly evaluated two components - the average salary range of a comparable position and the average of the actual salary of each position. Although it would make more sense to compare the entire employee compensation package including other benefits such as medical, dental, deferred compensation, and retirement, the disparity in benefits among the surveyed LAFCOs made it difficult to create a meaningful

¹ Policy 2A of Chapter 2 (Employment), Section III (Human Resources Policies and Procedures) of its Policy and Procedure Manual.

comparison. Therefore, the methodology was simply to compare LAFCO staff’s salary ranges and salaries to the average salary ranges and average salaries of the surveyed LAFCOs. *Note: The Executive Officer’s salary is not being reviewed in this study; however, this study analyzes the Executive Officer’s salary range.*

For salary ranges, adjustments are proposed to align SB LAFCO with the mean ranges of the surveyed LAFCOs. For salaries, adjustments are proposed for pay rates that differ by more than 15 percent between the average salaries of the surveyed LAFCOs and SB LAFCO’s current salary.

Salary Range/Salary Analysis:

A. Executive Officer

Below is the average salary range for the Executive Officer (EO) positions for three of the five LAFCOs in comparison with the salary range for San Bernardino LAFCO’s EO:

Executive Officer	Salary Range (Low)	Salary Range (High)
1. Average for 3 of 5 LAFCOs	\$165,745	\$249,250
2. SB LAFCO EO	\$206,378	\$295,755

Note: The other two LAFCOs did not have salary ranges assigned for their EO position.

There is a significant disparity between the San Bernardino LAFCO EO’s salary range and those of the surveyed LAFCOs, placing San Bernardino in the higher salary range bracket. This creates an impression that the San Bernardino LAFCO EO’s salary is higher than the rest.

When your EO was offered a contract at hiring, knowing that SBCERA (the County’s retirement system) requires a salary range for all employees in its system, the Commission assigned a pay rate but placed that pay rate at the bottom of the salary range. As a result, even as the salary range gets adjusted typically every year due to COLA increases, the EO’s salary continues to be at the bottom of the range due to the contract being a fixed amount.

Nonetheless, regardless of the actions the Commission takes related to the EO’s salary pursuant to Item #11 on the Agenda, staff recommends that the current salary range of the EO—which was previously based on Salary Grade 100A—be readjusted based on the mean salary range of the three LAFCOs and San Bernardino’s salary range. This would fall within the salary range identified for the County’s current² Salary Grade 91B.

Executive Officer	Salary Range (Low)	Salary Range (High)
Mean of #1 and #2 above	\$186,061	\$272,502
SB LAFCO EO *NEW*	\$180,294	\$256,589

² Current means the San Bernardino County Exempt Compensation Ordinance Salary Table Effective 2/21/2026

Recommendation 1: Approve the proposed salary range adjustment for the Executive Officer from the current salary range to match the salary range for Salary Grade 91B of the County’s current Exempt Salary Table.

B. Assistant Executive Officer

Below is the average salary range for the Deputy or Assistant Executive Officer (DEO/AEO) positions for the five LAFCOs in comparison with the salary range for San Bernardino LAFCO’s AEO:

Assistant Executive Officer	Salary Range (Low)	Salary Range (High)
1. Average for the 5 LAFCOs	\$130,376	\$183,610
2. SB LAFCO AEO	\$104,575	\$149,325

There is a substantial difference between San Bernardino LAFCO AEO’s salary range and the other surveyed LAFCO DEO/AEOs, placing San Bernardino at the lower end of the spectrum. Because of this disproportion to provide a salary and salary range comparable to the region, staff proposes that the current salary range of the AEO—which was previously based on Salary Grade 72C—be readjusted based on the mean salary range of the five LAFCOs and San Bernardino’s salary range. This would fall within the salary range of the County’s current Salary Grade 75D.

Assistant Executive Officer	Salary Range (Low)	Salary Range (High)
Mean of #1 and #2 above	\$117,476	\$166,467
SB LAFCO AEO *NEW*	\$ 117,083	\$168,106

Although still not at the average for the DEO/AEO positions for the surveyed LAFCOs, this is a good first step toward addressing the disparity. In two years, staff recommends that the AEO position be evaluated again with the same surveyed LAFCOs.

Recommendation 2: Approve the proposed salary range adjustment for the Assistant Executive Officer from the current salary range to match the salary range for Salary Grade 75D of the County’s current Exempt Salary Table and return to the Commission in two (2) years to reevaluate the Assistant Executive Officer’s position.

In addition, staff evaluated the actual salaries of the DEO/AEOs for the five LAFCOs in comparison with the current salary for San Bernardino LAFCO’s AEO.

Assistant Executive Officer	Years with LAFCO	Actual Salary
Average for the 5 LAFCOs	13.2	\$164,039
SB LAFCO AEO	21	\$135,543

The disparity in salary is over 20 percent between the San Bernardino LAFCO AEO's salary and the other surveyed LAFCO DEO/AEOs average salary. Staff proposes an increase in salary for the San Bernardino LAFCO AEO by approximately five percent from the current \$135,543 to Step 9 of the County's Salary Grade 75D, which is \$141,877.

Assistant Executive Officer	Salary
SB LAFCO AEO *NEW*	\$141,877

Although it is still not at the actual average of the DEO/AEO's for the surveyed LAFCOs, this is again a good first step toward addressing the disparity. In two years, staff recommends that the AEO position be evaluated again with the same surveyed LAFCOs.

Recommendation 3: Approve the proposed salary equity adjustment for the Assistant Executive Officer salary, which is being increased by approximately five percent to match Step 9 of Salary Grade 75D of the County's current Exempt Salary Table and return to the Commission in two (2) years to reevaluate the Assistant Executive Officer's position.

C. Senior Analyst (unfilled position)

The Commission's Senior Analyst position is generally equivalent to the Senior Government Analyst or Analyst 3 position for other LAFCOs. Below is the average salary range for the Senior Government Analyst/Analyst 3 position for four of the five LAFCOs in comparison with the salary range for San Bernardino LAFCO's Senior Analyst position:

Senior Analyst/Analyst 3	Salary Range (Low)	Salary Range (High)
Average for 4 of 5 LAFCOs	\$97,315	\$131,655
SB LAFCO Senior Analyst	\$93,000	\$132,566

The salary ranges are comparable; therefore, no change is proposed.

D. Project Manager

The Commission's Project Manager position is generally equivalent to the Analyst 2 position for other LAFCOs. Below is the average salary range for the Analyst 2 position for three of the five LAFCOs in comparison with the salary range for San Bernardino LAFCO's Project Manager position:

Project Manager/Analyst 2	Salary Range (Low)	Salary Range (High)
Average for 3 of 5 LAFCOs	\$71,836	\$100,797
SB LAFCO Project Manager	\$82,849	\$117,926

The salary range for the Project Manager position may appear high compared to the other Analyst 2 positions; however, staff does not propose changing the salary range because the intervals between the staff Analyst, Project Manager, and Senior Analyst positions are generally the same. This ensures clear progression in pay through the analyst tiers. Therefore, no change is proposed.

E. Analyst/GIS

The Commission’s Analyst position is generally equivalent to the Analyst 1 position for other LAFCOs. Below is the average salary range for the Analyst 1 position for the five LAFCOs in comparison with the salary range for San Bernardino LAFCO’s Senior Analyst position:

Analyst/Analyst 1	Salary Range (Low)	Salary Range (High)
Average for the 5 LAFCOs	\$66,575	\$102,209
SB LAFCO Analyst	\$70,413	\$100,445

The salary ranges are comparable; therefore, no change is proposed.

F. Clerk (Unfilled position; duties currently performed by the Project Manager)

Below is the average salary range for the Clerk position for the five LAFCOs in comparison with the salary range for San Bernardino LAFCO’s Commission Clerk position:

Commission Clerk/Clerk	Salary Range (Low)	Salary Range (High)
Average for the 5 LAFCOs	\$62,710	\$88,034
SB LAFCO Commission Clerk	\$63,089	\$89,161

The salary ranges for the Commission Clerk/Clerk positions are also comparable; therefore, no change in Commission Clerk salary range is proposed.

G. Administrative Assistant

Below is the average salary range for the Administrative Analyst position for three of the five LAFCOs in comparison with the salary range for San Bernardino LAFCO’s Administrative Assistant position:

Administrative Assistant	Salary Range (Low)	Salary Range (High)
Average for 3 of 5 LAFCOs	\$46,272	\$70,863
SB LAFCO Admin. Assistant	\$52,816	\$74,236

The salary ranges are comparable; therefore, no change is proposed.

CONCLUSION:

The Commission has never conducted a comprehensive review of its staff's salaries and compensation since it implemented its HR policies in 2002. As outlined previously, it is the Commission's policy to provide compensation comparable to current wages for the region. This Compensation Study evaluates the current salary ranges and salaries of all its staff positions and compares them with several similar LAFCOs in the region.

Staff recommends that the Commission conduct periodic compensation assessments to ensure salary ranges and actual salaries are comparable with those in the region. Staff's recommendations outlined on page 1 will ensure San Bernardino LAFCO continues to be competitive and attracts and retains highly qualified and accomplished employees.

Staff is happy to answer any questions prior to or at the hearing.

Attachment:

1. [Draft Resolution No. 3433](#)
2. [Existing/Proposed Salary Ranges for Executive Officer & Assistant Executive Officer](#)

**LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY**

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HEARING DATE: APRIL 15, 2026

RESOLUTION NO. 3433

**A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY, STATE OF CALIFORNIA,
AMENDING ITS SALARY SCHEDULE FOR THE EXECUTIVE OFFICER AND
ASSISTANT EXECUTIVE OFFICER**

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

SECTION 1. The Local Agency Formation Commission for San Bernardino County, State of California (hereafter shown as "LAFCO"), hereby finds and determines that it wishes to amend its Salary Schedule for its Executive Officer and Assistant Executive Officer positions.

SECTION 2. The Local Agency Formation Commission for San Bernardino County therefore determines, resolves and orders that Policy 2B (Compensation, Salary Ranges) of Chapter 2 (Employment) of Section III (Human Resources) of the Policy and Procedure Manual is amended to reflect the new salary ranges for the Executive Officer and Assistant Executive Officer.

Position	Hourly Range
Executive Officer	\$86.68 to \$123.06
Assistant Executive Officer	\$56.29 to \$80.82

SECTION 3. The Executive Officer of LAFCO is ordered to certify the passage of this resolution and to cause a copy of the amended Policy and Procedure Manual to be posted on the LAFCO Website, and a certified copy of this resolution to be forwarded to the County Human Resources Department for implementation.

THIS ACTION APPROVED AND ADOPTED BY THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

RESOLUTION NO. 3433

ABSENT: COMMISSIONERS:



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

I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, 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 April 15, 2026.

DATED:

**SAMUEL MARTINEZ
Executive Officer**

DRAFT

LAFCO Salary Schedule for LAFCO EO and AEO Positions
FY 2025/26

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16
LAFCO Executive Officer (Grade A0B, Job Code 32403, Position 40000)																
Effective 7/12/25																
Grade 100A	99.22	101.60	104.07	106.58	109.14	111.75	114.46	117.23	120.04	122.97	125.99	128.99	132.11	135.34	138.72	142.19
Approximate Bi-weekly	7,937.45	8,128.39	8,325.96	8,526.35	8,731.48	8,940.38	9,156.85	9,378.04	9,603.02	9,837.45	10,079.44	10,319.54	10,569.09	10,827.15	11,097.83	11,375.27
Approximate Annual	206,373.69	211,338.26	216,474.87	221,685.21	227,018.44	232,449.97	238,078.12	243,829.16	249,678.50	255,773.61	262,065.35	268,307.92	274,796.27	281,505.81	288,543.46	295,757.04
Effective 4/15/26																
Salary Grade 91B	86.68	88.69	90.78	92.92	95.12	97.36	99.64	101.96	104.42	106.89	109.40	112.05	114.70	117.42	120.36	123.06
Approximate Bi-weekly	6,934.40	7,095.20	7,262.40	7,433.60	7,609.60	7,788.80	7,971.20	8,156.80	8,353.60	8,551.20	8,752.00	8,964.00	9,176.00	9,393.60	9,628.80	9,868.80
Approximate Annual	180,294.40	184,475.20	188,822.40	193,273.60	197,849.60	202,508.80	207,251.20	212,076.80	217,193.60	222,331.20	227,552.00	233,064.00	238,576.00	244,233.60	250,348.80	256,588.80
Assistant Executive Officer (Grade 72C, Job Code 32408, Position 86344)																
Effective 7/12/25																
Salary Grade 72C	50.28	51.48	52.71	53.92	55.16	56.52	57.89	59.24	60.67	62.14	63.65	65.16	66.72	68.33	70.04	71.79
Approximate Bi-weekly	4,022.13	4,118.55	4,216.86	4,313.28	4,412.53	4,521.24	4,630.89	4,739.59	4,853.97	4,971.19	5,092.18	5,213.18	5,337.95	5,466.51	5,603.17	5,743.25
Approximate Annual	104,575.45	107,082.31	109,638.33	112,145.19	114,725.78	117,552.15	120,403.09	123,229.45	126,203.28	129,250.83	132,396.70	135,542.57	138,786.74	142,129.22	145,682.45	149,324.51
Effective 4/15/26																
Salary Grade 75D	56.29	57.63	59.03	60.47	61.93	63.44	65.00	66.60	68.21	69.86	71.54	73.27	75.08	76.92	78.85	80.82
Approximate Bi-weekly	4,503.20	4,610.40	4,722.40	4,837.60	4,954.40	5,075.20	5,200.00	5,328.00	5,456.80	5,588.80	5,723.20	5,861.60	6,006.40	6,153.60	6,308.00	6,465.60
Approximate Annual	117,083.20	119,870.40	122,782.40	125,777.60	128,814.40	131,955.20	135,200.00	138,528.00	141,876.80	145,308.80	148,803.20	152,401.60	156,166.40	159,993.60	164,008.00	168,105.60

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: APRIL 8, 2026 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Assistant Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8: Third Quarter Financial Review for FY 2025/26

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Note receipt of this report and file.
2. Direct the Executive Officer to issue payment to SBCERA for \$56,397 as a credit towards paying down LAFCO's share of the Unfunded Actuarial Liability.

SUMMARY:

1. Budget Markers

The third quarter of Fiscal Year 2025/26 has concluded and staff is presenting the Commission with its third financial report. This report includes a review of the financial activities and the presentation of a spreadsheet (see Attachment) showing the line-item expenditures and receipts during the period. The table below shows that Total Expenditures are on-track with Third Quarter markers. For Revenues, Applications are at 77%, above the 75% mark. The table below is a snapshot through the third quarter.

Expenditures		Revenues	
Salaries and Benefits	72%	County Treasury	98%
<i>(below appropriations)</i>		<i>(met goal)</i>	
Services and Supplies	61%	Applications	77%
<i>(below appropriations)</i>		<i>(above goal)</i>	
TOTAL	68%	TOTAL	97%

2. Applications

The table below identifies the number of proposals and service contracts received. When taking activities that the Commission approves (proposals and one category of service contracts), 10 were budgeted with 7 received.

Activity	Budget	THRU Q3	
		No.	% of Budget
Commission: Proposals	6	2	33%
Commission: Service Contracts	4	5	125%
Administrative: Service Contracts	4	12	300%

3. Cash in Treasury

As of March 31, the Commission’s cash in the County Treasury was \$1,224,409. A breakdown of this amount is shown below. Currently, staff projects to end the year with a cash surplus.

MARCH 31, 2026 Balance		\$1,224,409
Cash Balance is composed of the following:		
<i>Reserves: Committed (constrained to specific purposes)</i>		
Compensated Absences (Account 6030)		177,967
Salary for Extra Pay Period: Year 5 of 10 (Account 6035)		15,000
<i>Reserves: Assigned (intended for specific purposes)</i>		
Contingency (Account 6000)		45,000
Application (Account 6010)		150,000
General (Account 6025)		275,000
<i>Remaining Activity</i>		
Open Proposals, Deposits on File		35,000
Estimated Revenues (shown as negative)		-
Estimated Expenditures		401,480
<i>Projected Additional Cash Carryover</i>		\$ 124,962

DETAIL:

The following provides a discussion of (1) expenditures, (2) reserves, (3) projects and programs, and (4) revenues.

1. Expenditures

Expenditures are composed of two categories of accounts: 1) Salaries and Benefits, and 2) Services and Supplies. Through the third quarter, expenditures were at 68%

of Approved Budget authority. At this time, no request is being presented by staff for authorization to utilize funds maintained in the Contingency or Reserve accounts. A more detailed analysis of the categories is as follows:

A. Salaries and Benefits (1000 series and Account 9990)

(1) Third Quarter Activity

The Salaries and Benefits series of accounts (1000 series) had expenditures of \$598,517 representing 72% of Approved Budget authority.

(2) Anticipated Activity

As a part of the FY 2025/26 Budget, the Commission approved payment to SBCERA of \$56,397 as a credit towards paying down LAFCO's share of the Unfunded Actuarial Liability. This staff report includes a recommendation directing the Executive Officer to issue said payment.

(Account 9990 Trust Transfers)

B. Services and Supplies (2000 and 5000 series)

(1) Third Quarter Activity

The Services and Supplies series of accounts (2000 and 5000 series) had expenditures of \$240,563, or 61% of the Approved Budget authority.

(2) Anticipated Activity

No activity is anticipated outside of the budget.

2. Reserves

No spending activity has been requested by staff or authorized by the Commission to take place in the Reserve accounts. Reserve balances are shown in the Cash Balance figure on page 2.

3. Projects and Programs

The following provides an update on expenditures and progress on projects approved by the Commission.

A. Service Reviews and Special Studies

The *Countywide Service Review for Local Parks and Recreation* is scheduled for the July 2026 meeting. Staff is now distributing, in waves, working copies of each agency's portion of the report to roughly 60 agencies.

Staff has begun work on the *Countywide Service Review for Healthcare Districts*, which is anticipated to be presented to the Commission in January 2027. The Little Hoover Commission identified systemic concerns regarding healthcare districts, but the Commission delayed this service review due to the pandemic because health agencies were facing extra ordinary burdens.

B. Governance Training Program

LAFCO and CSDA are partnering on this year's Governance Training sessions. The first session, *Navigating Governance and Finance in Special Districts (Required SB 827 Fiscal and Financial Training)*, was held at the Mojave Water Agency on January 9. Due to popular demand, a second session will be held in September in the Valley. This past month, CSDA held a webinar free for San Bernardino Agencies on AB 1234 (Ethics Training).

C. New Website to include Accessible Document Service

In January the Commission approved the contract with Streamline for a new website and associated accessible document service. Staff has been working with Streamline to include transitioning the site from the County domain. The new site with a .gov address is scheduled to be live by May 1.

4. Revenues

The Commission has received 97% of Adopted Budget revenues through the third quarter. The items below outline the revenue activity:

- Interest (Account 8500 and 9984) – Interest gained from the County Treasury is below projections, due to lower interest rates.
- Apportionment (Account 8842) - 100% of the mandatory apportionment payments from the County, cities, and independent special districts billed by the County Auditor have been received.
- Fees and Deposits (Accounts 9545 – 9800) – The Fees and Deposits series of accounts have received 77% of its budgeted revenue (\$61,958). This amount is made up of a combination of application fees, service contract filing fees, and cost recovery.

CONCLUSION:

Through the third quarter, expenditures are on track, 100% of the apportionment receipts were received, and application revenue is as anticipated. Staff will be glad to answer any questions from the Commission prior to or at the hearing regarding the items presented in this report.

Attachment: Spreadsheet of Expenditures, Reserves, and Revenues

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	APPROVED FY 25/26	THRU Q2	JAN	FEB	MARCH	THRU Q3		ESTIMATED YEAR-END			
							AMOUNT	PERCENT	REMAINING	TOTAL	PERCENT	
Salaries and Benefits:												
1010	Earnable Compensation	547,695	264,832	48,388.96	40,485.42	40,315.82	394,022	72%	126,391	520,413	95%	
1030	Auto and Cell Phone Allowances	9,275	4,550	700.00	700.00	700.00	6,650	72%	2,140	8,790	95%	
1045	Termination Payment	-	-				-		-	-		
1110	General Member Retirement	131,150	63,666	11,693.56	9,675.10	9,641.62	94,677	72%	30,265	124,942	95%	
1130	Survivors Benefits	96	47	7.28	7.28	7.28	69	72%	22	91	95%	
1200	Medical Premium Subsidy	63,919	33,474	5,232.12	5,232.12	5,232.12	49,170	77%	14,751	63,921	100%	
1205	Long-Term Disability	1,568	750	116.34	116.86	116.86	1,100	70%	362	1,461	93%	
1207	Vision Care Insurance	635	311	47.92	47.92	47.92	455	72%	147	602	95%	
1215	Dental Insurance Subsidy	762	636	101.80	101.80	101.80	942	124%	176	1,118	147%	
1222	Short-Term Disability	5,814	2,661	407.02	408.72	408.72	3,885	67%	1,342	5,227	90%	
1225	Medicare	7,838	3,752	686.36	571.76	569.29	5,579	71%	1,809	7,388	94%	
1240	Life Insurance & Medical Trust Fund	16,654	7,529	1,170.20	1,176.99	1,173.60	11,049	66%	3,843	14,893	89%	
1305	Medical Reimbursement Plan	5,212	1,369	201.54	201.54	201.54	1,974	38%	1,203	3,177	61%	
1314	457/401a Contribution	3,664	1,709	254.94	254.94	254.94	2,474	68%	846	3,319	91%	
1315	401k Contribution	41,803	17,815	2,868.68	2,868.68	2,918.68	26,471	63%	9,647	36,118	86%	
Total Salaries and Benefits		\$ 836,085	\$ 403,101	\$ 71,876.72	\$ 61,849.13	\$ 61,690.19	\$ 598,517	72%	\$ 192,943	\$ 791,460	95%	
Services and Supplies:												
2031	Payroll System Services (County IT)	832	368	60.08	60.08	60.08	548	66%	208	756	91%	
2032	Virtual Private Network (County IT)	144	-				-	0%	36	36	25%	
2033	Network Labor Services (County IT)	11,538	374				374	3%	2,885	3,258	28%	
2037	Dial Tone (County IT)	2,976	1,217	243.36	243.36	243.36	1,947	65%	744	2,691	90%	
2041	Data Line	9,600	3,787	1,470.62			6,733	70%	2,400	9,133	95%	
2043	Telecommunications Labor (County IT)		-				-		-	-		
2075	Membership Dues	13,854	1,872				1,872	14%	3,464	5,336	39%	
2076	Tuition Reimbursement	2,000	-				-	0%	500	500	25%	
2080	Publications	4,438	1,795	745.58		745.58	3,287	74%	1,110	4,396	99%	
2085	Legal Notices	24,500	2,995	556.37		1,065.36	4,617	19%	6,125	10,742	44%	
2090	Building Expense	1,080	540	90.00	90.00	90.00	810	75%	270	1,080	100%	
2115	Software	840	300	46.19			346	41%	210	556	66%	
2180	Electricity	-	-				-		-	-		
2245	Other Insurance	17,500	14,266				14,266	82%	4,375	18,641	107%	
2305	General Office Expense	2,058	3,739	131.12	12.37	175.15	4,057	197%	515	4,572	222%	
2308	Credit Card Clearing Account	-	2,615	(6,824.30)	1,266.37	(1,266.37)	(4,209)		-	(4,209)		
2310	Mail (County Mail)	8,568	2,872	409.22	863.62	592.85	4,738	55%	2,142	6,880	80%	
2315	Records Storage	840	423	71.66	71.66	80.34	647	77%	210	857	102%	
2316	Surplus Handling Fee (County IT)		-				-		-	-		
2322	Enterprise Printing (County IT)	72	-				-	0%	18	18	25%	
2323	Reproduction Services	1,000	264	18.52	37.29	55.56	375	37%	250	625	62%	
2335	Temporary Services	-	-				-		-	-		
2400	Legal Counsel	52,000	15,459	2,349.90	19,478.36	2,401.50	39,689	76%	13,000	52,689	101%	
2405	Auditing	11,500	2,463		8,000.00	1,000.00	11,463	100%	2,875	14,338	125%	
2410	IT Infrastructure (County IT)	9,000	-				-	0%	2,250	2,250	25%	
2414	Application Dev. & Maint. (County IT)	-	-				-		-	-		
2415	Countywide Cost Allocation Program	9,182	4,591		2,295.50		6,887	75%	2,296	9,182	100%	

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	APPROVED FY 25/26	THRU Q2	JAN	FEB	MARCH	THRU Q3		ESTIMATED YEAR-END		
							AMOUNT	PERCENT	REMAINING	TOTAL	PERCENT
2416	Enterprise Printing (County IT)	-	-				-		-	-	-
2418	Data Storage Services (County IT)	-	-				-		-	-	-
2420	Enterprise Content Management (County IT)	1,200	4,527	905.35	905.35	190.72	6,528	544%	300	6,828	569%
2421	Desktop Support Services (County IT)	7,620	3,485	697.04	697.04	697.04	5,576	73%	1,905	7,481	98%
2424	Environmental Consultant	12,000	16,194	50.00	100.00	1,742.50	18,086	151%	3,000	21,086	176%
2444	Security Services	-	-				-		-	-	-
2445	Other Professional Services	88,262	19,920	7,924.53	27,140.57	6,667.50	61,653	70%	22,066	83,718	95%
2449	Outside Legal (Litigation & Special Counsel)	15,000	-				-	0%	3,750	3,750	25%
2450	Systems Development Charges (County IT)	1,300	-				-	0%	325	325	25%
2460	Aerial Imagery (County IT)	3,000	-	3,000.00			3,000	100%	750	3,750	125%
2895	Rent/Lease Equipment (copier)	5,400	2,464	401.62		830.66	3,697	68%	1,350	5,047	93%
2905	Office/Hearing Chamber Rental	34,665	16,674	2,914.00	2,509.00	2,914.00	25,011	72%	8,666	33,677	97%
2940	Private Mileage	7,700	2,357	520.54	381.53	543.45	3,803	49%	1,925	5,728	74%
2941	Conference/Training	10,680	4,200	960.00	1,920.00	860.00	7,940	74%	2,670	10,610	99%
2942	Hotel	12,707	1,240	4,368.76			5,609	44%	3,177	8,785	69%
2943	Meals	1,050	230	270.97	8.10	72.81	582	55%	263	844	80%
2944	Car Rental	-	-				-		-	-	-
2945	Air Travel	800	-				-	0%	200	200	25%
2946	Other Travel	300	-				-	0%	75	75	25%
5012	Transfer to County (Staples & Microsoft)	7,497	368	122.06	103.12	39.15	633	8%	1,874	2,507	33%
Total Services and Supplies		\$ 392,703	\$ 131,599	\$ 21,503.19	\$ 66,183.32	\$ 21,276.96	\$ 240,563	61%	\$ 98,176	\$ 338,739	86%
TOTAL EXPENDITURES		\$ 1,228,788	\$ 534,700	\$ 93,379.91	\$ 128,032.45	\$ 82,967.15	\$ 839,080	68%	\$ 291,119	\$ 1,130,199	92%
Trust Transfers:											
9990	SBCERA Additional Payment	56,397							56,397	56,397	100%
TOTAL APPROPRIATION		\$ 1,285,185	\$ 534,700	\$ 93,379.91	\$ 128,032.45	\$ 82,967.15	\$ 839,080	65%	\$ 347,516	\$ 1,186,596	92%

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	APPROVED BUDGET FY 25/26	JAN	FEB	MARCH	AMOUNT THRU Q3
	RESERVES					
6000	Contingency (Assigned)	45,000				45,000
6010	Application (Assigned)	150,000				150,000
6025	General (Assigned)	275,000				275,000
6030	Compensated Absences (Committed)	177,967				177,967
6035	Salary for Extra Pay Period (Committed)	15,000				15,000
TOTAL RESERVES (Increases)		\$ 662,967	\$ -	\$ -	\$ -	\$ 662,967

Attachment #1

Budget Spreadsheets

ACCT #	ACCOUNT NAME	APPROVED FY 25/26	THRU Q2	JAN	FEB	MARCH	THROUGH Q3	
							AMOUNT	PERCENT
	County Treasury:							
8500	Interest and Investments	25,000	11,361	14,809.37			26,170	
9984	Interest Adjustment	15,000	(10,475)				(10,475)	
8842	Apportionment	1,201,590	1,201,686		96.14		1,201,782	
Total County Treasury		1,241,590	1,202,572	14,809.37	96.14	-	1,217,477	98%
	Applications:							
6010	Application Reserve	80,000	-				-	
9545	Application Fee		40,195			1,905.00	42,100	
9555	Application Deposits		15,958			2,400.00	18,358	
9595	Protest Hearing Deposit		1,500				1,500	
Total Applications		80,000	57,653	-	-	4,305.00	61,958	77%
	Other:							
9285	Accounting Fees		(634)				(634)	
9910	Prior Year Activity (refunds, collections)		16,027				16,027	
9930	Miscellaneous		67				67	
9955	Returned Deposits: Non-Sufficient Funds		-				-	
9970	Accrued Payroll Liability		(10,773)				(10,773)	
9973	Returned Checks: Stale-dated		-				-	
Total Other		-	4,687	-	-	-	4,687	0%
TOTAL REVENUES		\$ 1,321,590	\$ 1,264,911	\$ 14,809.37	\$ 96.14	\$ 4,305.00	\$ 1,284,122	97%

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: APRIL 8, 2026 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9a – Proposed Schedule of Fees, Deposits, and Charges for FY 2026/27

RECOMMENDATION:

Staff recommends that the Commission take the following actions related to the Proposed Schedule of Fees, Deposits and Charges for Fiscal Year 2026/27:

1. Review the proposed amendments and provide staff with direction on changes, corrections, or modifications to be included.
2. Direct staff to forward the Proposed Schedule of Fees, Deposits, and Charges for FY 2026/27 to the County, all Cities/Towns, and all Independent Special Districts for their review and comments pursuant to Government Code Section 56383.
3. Schedule the final review and adoption of the Schedule of Fees, Deposits, and Charges for the May 20, 2026 hearing.

BACKGROUND:

The Commission has established a schedule of fees, deposits, and charges for the processing of proposals and the conduct of proceedings under its purview as allowed by law. This staff report presents the Commission with recommendations for amendments to its current Schedule of Fees, Deposits, and Charges (“Schedule”). The revised Schedule is included as an attachment to this report with changes shown in red. Based upon the requirements of Government Code Section 56383 (which references Section 66016), any change to the Schedule requires that a review and comment period be provided and that a public hearing be held with the opportunity for comment by the public. Today’s review opens this process.

Per the Commission’s direction, the revised Schedule has fees for Jurisdictional Changes (page 2 of the attachment) and the fees for Out-of-Agency Service Contracts (page 6)

increasing by 3.3% -- in line with the 2025 CPI for the region.¹ Additionally, there are two proposed changes for the year.

- Page 2. District Overlay. There have been instances when an agency annexes over the entirety of another agency and assumes responsibility for service provision. An example is when County Fire has annexed over an entire agency and assumes responsibility for fire protection and emergency medical services. The fee schedule now properly identifies this change of organization.
- Page 6. Non-development-related Out-of-Agency Service Contracts receive an administrative review from the Executive Officer. Examples include failure of a septic tank and the need to connect to an adjacent collection system or connecting an ADU. Currently, the rate is \$650 and would increase to \$671 in line with the other LAFCO Fees. Staff's position is that resetting this fee at \$500 would provide relief to property owners, most likely individual homeowners, at a time when other fees, charges, and construction costs occur.

This report does not recommend any changes to Deposits (services provided by consultants) or Charges (e.g. reproduction) because these costs are passed directly onto the applicant and the current deposits and charges are adequate at this time.

CONCLUSION:

At this hearing staff requests the Commission provide staff with any changes, corrections, or additions to the Schedule. Should the Commission have any changes/modifications, staff would then modify the FY 2026/27 Proposed Budget accordingly.

Staff will forward the proposed Schedule to the County, the Cities and Towns, and the Independent Special Districts for their review and comment as required by Govt. Code §56383. Any comments received will be reviewed with the Commission at the final budget hearing scheduled for May 20 when the adoption of the Schedule will be considered.

SM/MT

Attachment:

Draft Schedule of Fees, Deposits, and Charges for FY 2026/27 (changes in red)

¹Data derived from the annual (12-month percent change) CPI for All Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario Area for 2025 (<https://www.bls.gov/regions/west/factsheet/consumer-price-index-data-tables.htm>).

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

SCHEDULE OF FEES, DEPOSITS, AND CHARGES EFFECTIVE JULY 1, 2026

The submission of an application to the Local Agency Formation Commission (“LAFCO”) is not officially accepted for processing until the filing fees and deposits have been received (Gov’t. Code §56383). Filing Fees are for the Commission’s and staff’s costs. Deposits are for the recovery of outside costs for such items as LAFCO Legal Counsel, environmental review, individual notification, and protest proceedings, etc. In addition, certain fees and charges are required at the conclusion of the application process and must be received prior to its official completion.

Financial Policies for Application Processing

Refer to Attachment A for the Commission’s policies related to waivers and reductions of processing fees, filing fee refund if an application is withdrawn, indemnification, and responsibility for payment of special legal counsel costs. The Indemnification Policy is identified below.

Indemnification Policy

It is the policy of this Commission that for any application submitted for a change of organization or reorganization, a sphere of influence amendment, or a review of an out-of-agency service contract/agreement, the applicant and/or the real party in interest shall agree to defend, indemnify, and hold harmless San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them. A real party in interest includes the landowner and/or a registered voter of an application subject property.

Annual Review and Adjustment

The Fees are adjusted annually to increase with the Consumer Price Index, not to exceed five percent. Deposits and Charges relate to outside professional services and supplies and are evaluated annually.

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<u>Section 1.</u>	Proposals – Application Submission and Processing
<u>Section 2.</u>	Proposals – Completion Fees and Charges
<u>Section 3.</u>	Out-of-Agency Service Contracts
<u>Section 4.</u>	Reproduction Charges
<u>Attachment A.</u>	Financial Policies for Application Processing

Section 1. Proposals - Application Submission and Processing

FEE AND DEPOSITS SUMMARY			
Type of Proposal	Fee	Deposits*	Total
Annexation, Detachment, Reorganization involving solely annexations and/or detachments	See Annexation/ Detachment Chart	\$4,000	
<p><i>The fees identified in Chart 1 shall be assessed for each area of consideration within the proposal. A single area means any separate geographical area requiring a legal description. A "single area" does not include two areas that are contiguous only at a point, or two or more areas that are contiguous to an existing boundary of a city or district but not to each other.</i></p> <p><i>See Attachment A for automatic waivers or reductions in the Fee regarding: correcting boundary alignment problem; annexation/detachment with concurrent sphere of influence amendment; city island annexations under §56375.3; readjustments of agency boundaries due to roadway realignment.</i></p>			

Annexation/Detachment Chart

Valley and Mountain Region				
	Under 20 acres	20 – 150 acres	151 – 300 acres	Over 300 acres
City	\$ 7,776	\$ 10,368	\$ 12,961	\$ 12,961 plus \$1 per acre over 300 acres
District	\$ 6,480	\$ 8,426	\$ 10,368	\$ 10,368 plus \$1 per acre over 300 acres
Desert Region (North and South Desert)				
	Under 100 acres	100-640 acres	641-1,920 acres	Over 1,920 acres
City	\$ 7,776	\$ 10,368	\$ 12,961	\$ 12,961 plus \$1 per acre over 1,920 acres
District	\$ 6,480	\$ 8,426	\$ 10,368	\$ 10,368 plus \$1 per acre over 1,920 acres

Sphere of Influence Amendment	\$ 6,480	\$ 4,000	\$ 10,612
District: Dissolution, Merger, or Establishment of Subsidiary District(s)	\$ 6,480	\$ 4,000	\$ 10,612
District: Formation, Consolidation, or Overlay*	\$ 19,441	\$ 4,000	\$ 23,573
District: Activation/Divestiture of Functions and/or Services	\$ 9,720 each function/service	\$ 4,000	\$ 13,852
City: Consolidation	\$ 25,922	\$ 4,000	\$ 30,054
City: Incorporation or Disincorporation	\$ 25,922	\$ 54,000	\$ 81,704
Reorganization <i>For a reorganization that involves changes other than annexations and detachments, the fee will be based upon the components of the reorganization.</i>	Sum of Components	\$ 4,000	

* Overlay is when a district annexes over the entirety of another agency and assumes service responsibility.

***DEPOSITS BREAKDOWN**

Applicants shall be required to reimburse the Commission for all charges and costs in excess of the deposits outlined below. Reimbursement to LAFCO shall be required prior to issuance of the Commission’s Certificate of Completion for jurisdictional changes or issuance of the Commission’s resolution for sphere of influence amendments/updates. If charges billed to LAFCO are less than the amount of deposit, the balance will be refunded to the applicant or applied to other categories where excess charges have been incurred.

Legal Counsel (\$250 non-refundable, \$1,750 deposit)	\$2,000
<p><i>It is the policy of this Commission that the costs for Special Counsel due to a representation conflict shall be the responsibility of the applicant. Additionally, as a condition of approval of any action taken by LAFCO, the proponents shall be required to defend, indemnify and hold harmless LAFCO or its agents, officers, and employees from any claim, action, or proceeding against LAFCO or its agents, officers, and employees to attack, set aside, void, or annul the approval of LAFCO concerning the proposal or any action relating to, or arising out of, such approval when such action is brought within the applicable statute of limitations. Refer to <u>Policy and Procedure Manual, Section II, Chapter 2.</u></i></p>	
Individual Notice (\$250 non-refundable, \$750 deposit)	\$1,000
<p>(1) Individual Mailed Notice or (2) Publication of Display Ad in lieu of Individual Notice</p> <p><i>In cases where the noticing would involve mailing more than 1,000 notices, the Commission may waive the individual notice requirement and direct its staff to publish a 1/8th page display ad in a newspaper of general circulation within the area. Refer to <u>Policy and Procedure Manual, Section IV, Chapter 1, Policy 9.</u></i></p> <p><i>By policy, individual notice to landowners and registered voters shall not be waived for city island annexations filed pursuant to Government Code Section 56375.3, even if it includes more than 1,000 notices.</i></p>	
<p>Proposals Extending an Existing Special Tax</p> <p><i>Should a proposal require individual notice due to the extension of an existing special tax, the proponent will be required to submit a deposit for the direct costs such as: (1) the County Assessor to compile the mailing list, (2) outside printing to produce the printed notices, (3) and County Mail for shipping and handling. Please contact the LAFCO office for the estimated deposit cost.</i></p>	<p>Actual Cost</p>
Environmental Review (\$250 non-refundable, \$750 deposit)	\$1,000
<p><i>All applicants shall be required to pay the full costs of the Commission’s Environmental Consultant’s review regardless whether the Commission is the lead or responsible agency as defined under CEQA.</i></p>	
Preparation of Negative Declaration/Mitigated Negative Declaration	Additional \$15,000
Preparation of an Environmental Impact Report (EIR)	Additional \$25,000
<p>If the proposal requires that LAFCO prepare a Negative Declaration/Mitigated Negative Declaration or EIR as CEQA lead agency, the CA Dept. of Fish and Wildlife (DFW) CEQA Environmental Document Filing Fees are required to be paid at the time LAFCO files the Notice of Determination with the Clerk of the Board of the affected County. The applicant will be notified of the appropriate fees, which must be received by LAFCO prior to the Commission hearing. Contact the LAFCO office for the current DFW filing fees.</p>	

San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
July 1, 2026

Protest Proceeding, if applicable (\$250 non-refundable, \$1,250 deposit)	\$1,500
<i>Deposit required within 30 days of Commission approval of action. The Protest Hearing will not be set until deposit has been paid. Applicants shall be required to reimburse the Commission for any protest proceeding costs in excess of the deposit. Reimbursement to LAFCO shall be required prior to issuance of the Certificate of Completion. If charges billed to LAFCO are less than the amount of the deposit, the balance of the fee will be refunded to the applicant or applied to other categories where excess charges have been incurred.</i>	
Proposals Extending an Existing Special Tax <i>Should a proposal require individual notice due to the extension of an existing special tax, the proponent will be required to submit a deposit for the direct costs such as: (1) the County Assessor to compile the mailing list, (2) outside printing to produce the printed notices, (3) and County Mail for shipping and handling. Please contact the LAFCO office for the estimated deposit cost.</i>	Actual Cost

ADDITIONAL FEES AND DEPOSITS

Comprehensive Fiscal Analysis for Incorporation or Disincorporation, Deposit	\$50,000
<i>A \$50,000 deposit is required at the time the application is submitted. Applicants shall be required to reimburse the Commission for all costs associated with the preparation of the Comprehensive Fiscal Analysis in excess of the deposit prior to the scheduling of the Commission hearing. If the charges billed to LAFCO for the preparation of the required document are less than the amount of the deposit, the balance will be refunded to the applicant or applied to other categories where excess charges have been incurred.</i>	
State Controller's Fiscal Review for Incorporations, Deposit	\$25,000
<i>A \$25,000 deposit is required at the time a Request for State Controller Review is submitted. All costs in excess of this amount will be the responsibility of the Requestor for payment. Any balance remaining after payments are made to the State will be refunded to the Requestor of Review.</i>	
Verification of Petition Signatures by Registrar of Voters Office, Deposit	\$200
<i>A \$200 deposit from the applicants is required at the time of petition submission. This amount will be refunded upon certification of the petition and determination of billable charges. The charges assessed by the Registrar of Voters Office to verify petition signatures shall be payable by the affected entity in the same manner as the verification of initiative petition signatures is billed.</i>	
Request for Reconsideration of LAFCO Decision or Environmental Determination, Fee	\$2,500
<i>Should a reconsideration request require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices.</i>	
Workshop Request, Deposit	\$1,000
<i>Proponents of actions pending Commission review may request that a Commission workshop be held in their area. If the Commission agrees to conduct such a workshop session, the Commission may require reimbursement of all costs associated with that session by the proponents, subject to a deposit.</i>	
Request for Extension of Time to Complete Change of Organization Proceedings (Gov't. Code Section 57001)	\$1,100

Section 2.
Proposals - Completion Fees and Charges

At the time the Certificate of Completion is forwarded to the State Board of Equalization (SBE), application types listed under Item A - Processing Fees Subsections 1 through 7 (except for Spheres of Influence), are charged a processing fee pursuant to SBE's adopted Fee Schedule (Government Code Section 54902.5). The fees listed below, as identified by SBE, are current as of January 1, 2011. LAFCO staff will notify the applicant of the appropriate fees:

Single Area Charges:	
Less than 1 acre	\$300
1.00 – 5.99 acres	\$350
6.00 – 10.99 acres	\$500
11.00 – 20.99 acres	\$800
21.00 – 50.99 acres	\$1,200
51.00 – 100.99 acres	\$1,500
101.00 – 500.99 acres	\$2,000
501.00 - 1,000.99 acres	\$2,500
1,001.00 - 2,000.99 acres	\$3,000
2,001.00 acres and above	\$3,500

When notified by LAFCO staff, please make check payable to the State Board of Equalization and reference Tax Area Services Section, MIC:59.

(Additional types of charges are outlined in the State Board of Equalization Fee Schedule. LAFCO staff will notify the applicant of the appropriate fees.)

Section 3. Out-of-Agency Service Contract

FEE AND DEPOSITS SUMMARY			
Type of Service Contract	Fee	Deposits*	Total
Contracts involving developments such as: subdivisions/tracts as defined by the Subdivision Map Act (five or more units), Specific Plans	\$ 6,480	\$2,479	\$ 8,959
Contracts involving the development of units requiring only a parcel map as defined by the Subdivision Map Act (up to four units)	\$ 1,296 per Connection	\$2,479	\$ 3,775 to \$7,663
Any contract for fire protection services outside a public agency's jurisdictional boundaries pursuant to Govt. Code Section 56134	\$ 6,480	\$2,479	\$ 8,959
Contracts to provide services outside a sphere of influence pursuant to Govt. Code Section 56133.5	\$ 1,296	\$2,479	\$ 3,775
Contract Requiring Approval pursuant to Govt. Code Section 56133 (c)	\$ 6,480	\$2,479	\$ 8,959
Development-Related Request for Exemption from Govt. Code Section 56133, requires noticed Commission hearing	\$ 2,915	\$0	\$ 2,915
Non-development-related (Administrative Review from Executive Officer): (1) Out-of-Agency Service Contract (City or District) or (2) Exemption from Govt. Code Section 56133 as Authorized by Commission Policy	\$ 500	\$0	\$ 500

*DEPOSITS BREAKDOWN

Applicants shall be required to reimburse the Commission for all charges and costs in excess of the deposits outlined below. Reimbursement to LAFCO shall be required prior to issuance of the Commission's resolution for service contracts. If charges billed to LAFCO are less than the amount of deposit, the balance will be refunded to the applicant or applied to other categories where excess charges have been incurred.

Legal Counsel (\$250 non-refundable, \$450 deposit)	\$700
<i>It is the policy of this Commission that the costs for Special Counsel due to a representation conflict shall be the responsibility of the applicant. Additionally, as a condition of approval of any action taken by LAFCO, the proponents shall be required to defend, indemnify and hold harmless LAFCO or its agents, officers, and employees from any claim, action, or proceeding against LAFCO or its agents, officers, and employees to attack, set aside, void, or annul the approval of LAFCO concerning the proposal or any action relating to, or arising out of, such approval when such action is brought within the applicable statute of limitations. Refer to <u>Policy and Procedure Manual, Section II, Chapter 2.</u></i>	
Individual Notice (\$250 non-refundable, \$750 deposit)	\$1,000
<i>(1) Individual Mailed Notice or (2) Publication of Display Ad in lieu of Individual Notice In cases where the noticing would involve mailing more than 1,000 notices, the Commission may waive the individual notice requirement and direct its staff to publish a 1/8th page display ad in a newspaper of general circulation within the area. Refer to <u>Policy and Procedure Manual, Section IV, Chapter 1, Policy 9.</u></i>	
Environmental Review (\$250 non-refundable, \$450 deposit)	\$700

<i>All applicants shall be required to pay the full costs of the Commission's Environmental Consultant's review regardless whether the Commission is the lead or responsible agency as defined under CEQA.</i>	
Preparation of Negative Declaration/Mitigated Negative Declaration	Additional \$15,000
Preparation of an Environmental Impact Report (EIR)	Additional \$25,000
If the proposal requires that LAFCO prepare a Negative Declaration/Mitigated Negative Declaration or EIR as CEQA lead agency, the CA Dept. of Fish and Wildlife (DFW) CEQA Environmental Document Filing Fees are required to be paid at the time LAFCO files the Notice of Determination with the Clerk of the Board of the affected County. The applicant will be notified of the appropriate fees, which must be received by LAFCO prior to the Commission hearing. Contact the LAFCO office for the current DFW filing fees.	

Section 4. Reproduction Charges

- | | | |
|----|--|--------------|
| A. | Charges for Purchase of Paper Copies, per page | |
| | (1) from paper materials (requests in excess of 10 pages) | 10 cents |
| | (2) from existing digital data (requests in excess of 20 pages) | 5 cents |
| B. | Charges for Purchase of Digital Data | |
| | (1) placement of materials on digital medium | \$10 |
| | (2) scan copies of paper materials (if applicable), per page | 5 cents |
| C. | DVD Copy of Commission Hearing
(available if production services are utilized for hearings) | \$25 per DVD |
| D. | Preparation of Transcript of Hearing | Actual Cost |

(Those requesting a transcript of a Commission hearing will be notified of the estimated cost for preparation. The Requestor will be required to provide a deposit in the amount of the estimated cost. All costs in excess of the deposit amount will be the responsibility of the Requestor for payment. Any balance remaining after final charges are determined will be refunded to the Requestor.)

Attachment A:
 Policy and Procedure Manual, Section II, Chapter 2: Financial Policies for
 Application Processing

CHAPTER 2: APPLICATION PROCESSING

1. **LAFCO FEE WAIVER/REDUCTION PROVISIONS** *(Adopted June 10, 1981 (effective July 1, 1981); Amended March 20, 1996, July 18, 2001, May 17, 2006, May 16, 2007, and November 20, 2013)*

A. AUTOMATIC WAIVERS

For proposals that correct a boundary alignment problem (i.e., a divided assessor's parcel or inadvertent exclusion), the Annexation, Detachment, or Reorganization filing fee will be automatically waived. All required deposits (anticipated direct costs for legal counsel, environmental review, and registered voter/landowner notification) including any completion fees/deposits applicable will be charged at full cost.

For reorganization proposals that require a concurrent sphere of influence amendment (expansion and/or reduction) and reorganization (annexation and/or detachment) for the same area, the Sphere of Influence Update/Service Review filing fee will be automatically waived. The Annexation, Detachment, or Reorganization filing fee including all required deposits and any completion fees/deposits applicable will be charged at full cost.

Compliance with any of these automatic waiver conditions is to be determined by the LAFCO Executive Officer, who is authorized to notify the applicant(s) involved.

B. AUTOMATIC REDUCTIONS

City annexations of island areas that comply with Government Code Section 56375.3 will be assessed one-half of the LAFCO filing fee for each area of consideration. All required deposits and any completion fees/deposits applicable will be charged at full cost.

The readjustment of agency boundaries as a result of the realignment of a roadway will be reduced to a single Annexation, Detachment, or Reorganization filing fee per entity involved no matter how many changes or separate areas are included in the proposal. All required deposits and any completion fees/deposits applicable will be charged.

Compliance to any of the automatic reduction conditions is to be determined by the LAFCO Executive Officer, who is authorized to notify the applicant(s) involved.

C. **REQUEST FOR WAIVER OR REDUCTION OF FEES** (to be reviewed and approved by the Commission):

Any applicant may request for a waiver or reduction of the LAFCO filing fee to be charged. The request must be submitted in writing and accompany the submission of the application to the LAFCO Executive Officer. The request shall include a justification for the request and the fee(s) it is requesting to be waived or the dollar amount of fees being reduced. The Executive Officer shall present the waiver/reduction request for Commission review on the consent calendar at the next regular hearing. The Commission may waive/reduce the filing fee if it determines that payment would be detrimental to the public interest pursuant to Government Code Section 56383(d). A waiver/reduction of fees is limited to those costs incurred by the Commission in processing the proposal. The Commission may authorize a waiver or reduction of the LAFCO filing fee based upon the special circumstances of the proposal, if any. Processing of the application shall be held in abeyance until a decision is rendered by the Commission regarding the request for fee waiver/reduction.

2. **LAFCO FILING FEE REFUND** (*Originally Adopted May 21, 1991 as part of the Fee Schedule; Added to Policy Manual on May 17, 2006; Amended August 21, 2013; August 17, 2016; April 15, 2020*)

If withdrawal of an application is requested, the LAFCO Filing Fee paid for processing will be refunded in the following manner:

- A. Following issuance of the Notice of Filing: 50% refund.
- B. Following issuance of the Certificate of Filing (change of organization/reorganization) or staff's Technical Application Review process (sphere of influence amendment): no refund.

PROCEDURES:

Deposits are subject to individual refund procedures outlined on the Schedule of Fees, Deposits, and Charges.

3. **INDEMNIFICATION** (*Adopted May 19, 1993; effective June 1, 1993; Amended May 17, 2006, Amended August 19, 2015; August 17, 2016*)

It is the policy of this Commission that for any application submitted for a change of organization or reorganization, a sphere of influence amendment, or a review of an out-of-agency service contract/agreement, the applicant and/or the real

party in interest shall agree to defend, indemnify, and hold harmless San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them. A real party in interest includes the landowner and/or a registered voter of an application subject property.

PROCEDURES:

- A. Acknowledgement of LAFCO Indemnification Requirement:
1. When a public agency adopts a resolution of application to initiate an application for a change of organization or reorganization, a sphere of influence amendment, or a fire protection contract, the resolution shall include a provision acknowledging the Commission's requirement for indemnification as outlined in this Manual.
 2. When a state agency or a real party of interest initiates an application for a change of organization or reorganization, a sphere of influence amendment, or a fire protection contract, the written request shall include a statement acknowledging the Commission's requirement for indemnification as outlined in this Manual.
- B. In signing the certification on the Application form, on any of the supplement forms or on the Application for Extension of Service by Contract form, the person signing acknowledges the Commission's requirement for indemnification as outlined in this Manual.
- C. The Commission shall impose a condition within its resolution of approval that requires the applicant and/or the real party of interest to defend, indemnify, and hold harmless the Commission, its agents, officers, attorneys, and its employees from any claims, actions or proceedings against them to attack, set aside, void, or annul such approval.
- D. The Executive Officer shall promptly notify the applicant or real party of interest of any legal action brought challenging the Commission's action, and the Commission, its agents, officers, attorneys, and employees shall cooperate fully in the defense of that action.
- E. The applicant may provide their own counsel in the defense of the action taken, or the applicant may elect to use the services of San Bernardino LAFCO Counsel in that defense. In the latter case, the Executive Officer may require a deposit of funds sufficient to cover the anticipated expense of the litigation.

4. RESPONSIBILITY FOR PAYMENT OF SPECIAL LEGAL COUNSEL COSTS
(Adopted May 17, 2006, Amended August 19, 2015)

It is the policy of this Commission that the costs for Special Counsel shall be the responsibility of the applicant subject to the following determinations:

- A. If Special Counsel is required due to a representation conflict with the applicant of the proposal, the applicant shall be responsible for all Special Counsel charges.
- B. If Special Counsel is required due a representation conflict outside the control of the applicant, the applicant shall be responsible for paying the regular San Bernardino LAFCO Legal Counsel hourly rate. The balance of Special Counsel costs will be the responsibility of the Commission.

PROCEDURES:

The adopted procedure for the Responsibility for Payment of Special Legal Counsel Costs Policy is as follows:

Once a determination has been made pursuant to Commission Policy for Waiver of LAFCO Legal Counsel Conflicts of Interest that Special Counsel is required, the following procedure shall be followed:

- A. The Executive Officer shall promptly notify the proponents of the proposal that Special Counsel is required.
- B. An item shall be placed on the next available Commission Agenda to approve the contract for Special Counsel and to determine the method for apportioning the cost to the applicant. This procedure may be waived if San Bernardino LAFCO has entered into a retainer agreement with a legal counsel to act as special counsel and said legal counsel is chosen and available as special counsel for the matter.
- C. Once a determination is made regarding the apportionment of the cost, the Executive Officer may require a deposit of the estimated costs for Special Counsel.
- D. All Special Counsel costs that are the responsibility of the applicant shall be paid prior to issuance of the Certificate of Completion.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: APRIL 8, 2026 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Assistant Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9b: Proposed Budget and Work Plan for FY 2026/27

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Adopt the Proposed Budget and Work Plan for FY 2026/27 as presented by staff.
2. Direct staff to forward the adopted Proposed Budget, as may be modified at this hearing, to all the independent special districts, cities/towns, and the County for their comment pursuant to Government Code Section 56381.
3. Schedule a public hearing for May 20, 2026 for formal:
 - a. Approval of the amendments to the Policy and Procedure Manual for Salaries and Benefits;
 - b. Adoption of the Final Budget for FY 2026/27.

SUMMARY:

Staff's goals for this budget are to: (1) fund statutory regulations, (2) maintain Commission operations, and (3) achieve substantial progress on the Commission's goals from its Strategic Plan. As with prior years, the Executive Officer and the Administrative Committee discussed the budget process, and staff's goals and position. The Proposed Budget includes a 3.3% inflationary increase to Services and Supplies (where not defined by contract or a fee schedule) and Fee Schedule (application fees). A 3.25% inflationary increase is assigned to the apportionment and COLA proposed for Salaries because County Payroll prefers COLA rounded to the quarter mark.

Overall, this budget year includes replacing the contract for supplemental staff support with hiring of an administrative assistant. In comparison to the prior year budget, this coming fiscal year includes a Commissioner workshop, annual payment for a new accessible website that includes remediation, and annual payment for a bookkeeper/accountant to assist staff with audit preparation. For application revenues, it is unclear as to how the tariffs and decreased federal grants are affecting development activity and annexations. Nonetheless, the housing crises remains which could result in annexations to cities as well as out-of-agency service contracts. All the while, we need to remain cognizant of the local agencies that contribute to LAFCO’s net operating costs—specifically the smaller agencies.

Report Organization

Narratives (staff recommendations, discussions)	
Work Plan	Page 3
Salaries and Benefits	Page 4
Services and Supplies	Page 6
Programs and Projects	Page 7
Trust Transfers	Page 10
Reserves	Page 12
Revenues	Page 13
Account Details (detail of each account to include: account description, charge measurement, identification of increase or decrease, and detail cost)	
General Ledger with Prior Year Actuals	Attachment #1
Salaries and Benefits	Attachment #2
Services and Supplies	Attachment #3
Revenues	Attachment #4
Apportionment Schedule	Attachment #5

WORK PLAN

This is the sixth year where the budget includes a proposed work plan, which would prioritize the work of the Commission and staff and guide the budget. The work plan is shown on the next page. Each item is prioritized as either Continual, High, Medium, or Low. The subsequent columns categorize the item (such as Statutory, Budgetary, or Administrative), identify the program/project, and provide details.

	Priority	Function	Program/Project	Description and Key Issues
1	LAFCO Mission	Statutory	Proposals	LAFCO's core function is to process changes of organization & sphere amendments
2		Statutory	Out-of-Agency Service Contracts	LAFCO's other function is authorizing the provision of services outside an agency
3		Statutory	DUC mapping	LAFCO's are mandated to identify DUCs and data is available for the five-year update
4	High	Statutory & Strategic Plan	Service Reviews & Special Studies	Healthcare districts, streetlights, and special studies that may arise
5		Strategic Plan	Apportionment	Restructure LAFCO special districts apportionment. Target FY 27/28 for implementation
6		Statutory	Implement new website	Federal law mandates an accessible website as well able to remediate
7		Statutory	Annual Audit	Hire and work with accountant/bookkeeper to assist with audit preparation
8		Statutory	Annual Audit	Coordinate independent auditor's review of financial statements
9	Medium	Strategic Plan	Workshop for Commissioners	Periodic workshop for Commissioners to review strategy
10		Staffing	Hire staff	Per Commission direction, hire an additional employee
11		Administrative	Update agency mapping	Adjust boundaries to the parcel base map and correct inconsistencies
12		Administrative	Update online agency mapping program	Add new features and make the program more user friendly
13		Strategic Plan	Policies for Open Space and Agricultural Lands	Consider policies related to open space and agricultural lands
14		Strategic Plan	Unfunded Pension Liability	Fund per Commission direction
15		Strategic Plan	Education and Outreach	LAFCO further its outreach and messaging to the public and other agencies
16		Statutory	Archive Closed Files, Paper	Gov Code 56382 mandates LAFCO to maintain its records in perpetuity
17		Liability	Compensated Absences	Fully fund per Commission policy
18		Liability	Salary Reserve	Fund one-tenth of a pay period per Commission policy
19		Administrative	Review and Comment on Agency Plans	Review and comment on draft changes/updates to general plans & env. documents
20		Administrative	Governance Training Program	Two sessions are scheduled
21		Administrative	Alliance	Participate in Alliance
22	Low	Budgetary	Contingency Reserve	Contribute an additional \$5,000 for a balance of \$50,000
23		Administrative	Fiscal Indicators Program	Admin Committee to review new Fiscal Indicators Program followed by full Commission review.
24		Administrative	Internal Databases	Revise proposal log
25		Budgetary	Provide a COLA to Salaries	Propose COLA of 3.25%.

SALARIES AND BENEFITS

The prior budget year included supplemental staffing used for clerical support. The current fiscal year includes the following staffing structure: Executive Officer, Assistant Executive Officer, Project Manager/Clerk to the Commission, GIS Analyst, and hiring of an Administrative Assistant. Supplemental staff is via contract, which is paid under Services and Supplies, will not occur this year due to hiring of an Administrative Assistant.

Salaries and Benefit Changes

This budget proposes one policy amendment related to salaries:

- Provide a 3.25% COLA for all employees. Inflation for Calendar Year 2025 was 3.3% for our region.¹ County Payroll prefers COLA rounded to the quarter point; and this budget rounds down to 3.25%.

Should the Commission support this proposed change, then staff would present the related amendment to the Policy and Procedure Manual to the Commission at the May 20 meeting, when it reviews and adopts the final budget.

FY 2026/27 Highlights

Attachment #2 to this report includes a detail of each account to include: account description, charge measurement, identification of increase or decrease, and total cost. The content below contains highlights for FY 2026/27 and forecasts for two years.

Earnable Compensation (Account 1010) totals \$638,637 and includes:

- 3.25% COLA for all employees;
- One-step increase for three eligible employees;
- 3.0% retention pay for those employees with 15 years of service - two employees;
- Leave cashouts as permitted by policy (Note: leave cashouts reduce the compensated absences liability).

The retirement rates approved by the retirement board for FY 26/27 are:

- Tier 1. Decreases 7.00% from 25.30% to 23.53%
- Tier 2. Decreases 8.26% from 19.74% to 18.11%

The rates from the past five years and upcoming year are shown below.

¹Data derived from the annual (12-month percent change) CPI for All Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario Area for 2025 (<https://www.bls.gov/regions/west/factsheet/consumer-price-index-data-tables.htm>).

Retirement Contribution							
	2021	2022	2023	2024	2025	2026	2027
Tier 1							
Employer Rate	35.76	39.92	35.30	30.19	28.34	25.30	23.53
Change over prior year (% points)	-2.26	4.16	-4.62	-5.11	-1.85	-3.04	-1.77
Change over prior year (%)	-5.94%	11.63%	-11.57%	-14.48%	-6.13%	-10.73%	-7.00%
Tier 2							
Employer Rate	33.24	34.99	30.30	25.32	23.16	19.74	18.11
Change over prior year (% points)	-2.37	1.75	-4.69	-4.98	-2.16	-3.42	-1.63
Change over prior year (%)	-6.66%	5.26%	-13.40%	-16.44%	-8.53%	-14.77%	-8.26%

FY 2027/28 (Year 2) and 2028/29 (Year 3) Forecasts

Both years maintain the staffing level and include a COLA for salaries.

SERVICES AND SUPPLIES

Generally, services and supplies include payments for: application processing, Commission-approved programs and projects, and costs associated with running a government agency. Attachment #3 to this report includes a detail of each account to include: account description, charge measurement, identification of increase or decrease, and total cost. The remainder of this section contains highlights for FY 2026/27.

Application Processing

The past four years have seen a return in application submissions. Further, staff has been coordinating with agencies regarding many likely and potential applications for the next fiscal year. The Commission continues to outsource its environmental processing through its contract with Tom Dodson and Associates.

Agency Costs

In addition to processing proposals and conducting programs and projects, there are costs associated with running a government agency. The Commission continues to outsource its conduct of the annual audit with an independent auditor, processing of its accounting operations through the County Auditor's office, and the maintenance of computer systems through the County's IT.

Highlights for the year include:

- Account 2445 Other Professional Services. The Commission committed to its fair share of the Alliance's contract with a legislative consultant. The share is \$15,000.
- Account 2245 Other Insurance. Liability insurance and Workers' Comp coverage are purchased through the Special District Risk Management Authority (SDRMA). The quotes for the year are roughly \$12,000 and \$5,550, respectively.
- Ongoing costs associated with having the LAFCO office and Commission meetings at the San Bernardino Airport, Norton Regional Event Center, are as follows:

<u>Account 2905 Rent.</u>	Office Lease	\$ 31,020
<u>Account 2905 Rent.</u>	Hearing Chambers	\$ 3,753
<u>Account 2041 Data Line.</u>	Fiber Optic	\$ 9,600
<u>Account 2090 Building.</u>	Janitorial	\$ 1,116
<u>Account 2180 Electricity.</u>	Electricity (included in lease)	\$ 0
<u>Account 2444 Security.</u>	Security (included in lease)	\$ 0
Total		\$ 45,345

PROGRAMS AND PROJECTS

Annual Audit

The Yellow Book clarified that a firm preparing financial statements for an audit client creates a significant threat to independence that will require a firm to apply safeguards to maintain independence. As a safeguard, the independent auditor uses an independent party from within the firm to perform a second review of the preparation of the financial statements. As an additional safeguard, LAFCO staff is asked to certify that the individual assigned to review the preparation of the statements has the skills, knowledge, and experience to oversee this service.

The Commission’s financial statements have been prepared by the independent auditor – a task that should be handled by a third party such as an accountant or qualified staff. To maintain the independent auditor’s independence, staff recommends that the Commission annually allocate funds for a bookkeeper/accountant to assist in audit preparation. The budget allocates \$7,500 for this work. Should the Commission approve, staff would then seek firms for Commission review and approval.

Service Reviews and Special Studies

LAFCOs are required by Govt. Code 56430 to conduct reviews of municipal services. This LAFCO chose to conduct its first round by community and its second round by service, countywide, except where a community review or special study is warranted. The second round service reviews and special studies have been:

COMPLETED		
Valley Region (5 districts)	Water Conservation Districts & Municipal Water Districts	2015
Special Study	Daggett, Newberry, and Yermo CSDs	2016
Special Study	Morongo Valley CSD	2016
Countywide	Water (53 systems)	2017
Countywide	Wastewater (44 systems)	2018
One Agency	Wrightwood CSD: One year following formation	2019
Countywide	Fire/Emergency Medical Services/Dispatch (25 agencies)	2020
Countywide	Public Cemetery Districts (4 districts)	2020
Special Study	Morongo Valley CSD	2022
Agency Request	Twentynine Palms (3 agencies)	2022
Special Study	Barstow Cemetery District	2024
Special Study	Big River Community Services District	2024

The following is the service review schedule for the year:

Scheduled		
Countywide Review	Park and Recreation	scheduled July 2026
Countywide Review	Healthcare Districts	Est. Jan 2027
Countywide Review	Streetlighting	Est. May 2027

For the park and recreation review, drafts of each agency have been released for technical review.

Mapping Disadvantaged Unincorporated Communities

LAFCOs are mandated to identify Disadvantaged Unincorporated Communities (DUCs), and the Commission has a policy to map the DUCs every five years (in years ending in 1 and 6). Staff anticipates presentation to the Commission by November of the results for Commission approval and dissemination to each city/town.

Geographic Information System (GIS) Data and Online Mapping

Agency GIS data need updating to ensure spatial accuracy of agency boundaries to the Parcel Base Map. This process, which started the prior year, will need to continue this Fiscal Year. In addition, online GIS mapping interface is continuously being updated and additional refinements are being made to make the program more user friendly.

File Archiving

Gov Code 56382 mandates that LAFCO store its records of proceedings in perpetuity. The paper files are stored offsite under the County’s master storage contract. In January 2025 LAFCO staff inventoried the paper files and all cataloged files were present and accounted for.

Said files are also digitally archived as TIFF files. The files were cataloged under a third-party program (Laserfiche) and housed on a County server, both of which charged for their respective services. For a fraction of the cost, the catalog will transfer to a platform accessible under the County’s license with the files housed in the cloud under LAFCO’s dedicated box and through the County’s Microsoft license, which LAFCO already participates. A digital backup will be on a dedicated hard drive.

Governance Training

The Commission’s Governance Training Program provides training opportunities that agencies, namely rural special districts but open to all, do not readily have access. Staff has scheduled two sessions for the coming year: Mandated SB 827 Ethical and Financial Training (in-person in September in San Bernardino) and one online course TBA.

Optional CALAFCO Membership

The budget includes participation in the Alliance of LAFCOs, but does not include dual participation in CALAFCO. Should the Commission wish to participate in CALAFCO as well, staff would return at the mid-year review to propose a budget adjustment, if needed. The estimated cost would be an additional \$15,000. See Item 12 on this agenda for a discussion on possibly rejoining CALAFCO.

Fiscal Indicators

Staff has been compiling agency audits since 2018 and inputting data into spreadsheets as a part of service reviews. With the availability of artificial intelligence that is a part of the County's Microsoft contract that LAFCO has licensing, staff is exploring the potential of developing a model to depict each agency's indicators and aggregate specific indicators. Staff will first review the model to the Administrative Committee, to be then reviewed by the Commission.

TRUST TRANSFERS

The Process

This category of accounts isolates the additional payments made to SBCERA, the retirement association, where SBCERA will hold the funds in trust.

Review of Unfunded Pension Liability

The Commission has been making additional contributions to SBCERA as a credit towards LAFCO's pension liability and credit with earnings based on the Plan's market value investment return every year. Previously the Commission used amortization as its additional payment method. At its February 2022 meeting, the Commission revised its additional payment method to be:

Budget for additional contributions to SBCERA to pay down the Commission's share of the pension plan's net pension liability by a static amount of \$50,000 beginning with the FY 2022-23 budget with annual increases tied to the CPI for the Riverside-San Bernardino-Ontario Region, not to exceed 5%.

The figure below is an excerpt from the 2024/25 audit (Schedule of the Plan's Proportionate Share of the Net Pension Liability). Highlighted are two noteworthy categories. LAFCO's share of the collective NPL has significantly decreased from \$1.2 million in 2020 to \$67,651 in 2024. This is due to two reasons:

- For the past seven years, the Commission has made additional payments to SBCERA as a credit towards LAFCO's NPL. These payments will credit with earnings based on the Plan's market value investment return every year.
- According to SBCERA's Actuarial Valuation, the plan's overall NPL decreased from \$4.01 billion in 2020 to \$1.32 billion in 2021 primarily due to the 32.61% return on the market value of assets during 2020/21 (that was higher than the assumed return of 7.25%). As of June 30, 2024, SBCERA is 98.37% funded.

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Proportion of the Collective Net Pension Liability	0.003%	0.008%	0.014%	0.009%	0.030%
Proportionate Share of the Collective Net Pension Liability	\$ 67,651	\$ 188,359	\$ 316,698	\$ 117,019	\$ 1,204,840
Covered-Employee Payroll	\$ 444,707	\$ 444,707	\$ 434,992	\$ 418,564	\$ 492,258
Proportionate Share of the Collective Net Pension Liability as a Percentage of Covered-Employee Payroll	15.21%	42.36%	72.81%	27.96%	244.76%
Plan's Fiduciary Net Position	\$ 4,072,301	\$ 3,379,563	\$ 3,439,121	\$ 3,383,284	\$ 3,017,494
Plan's Total Pension Liability	\$ 4,139,952	\$ 3,567,922	\$ 3,755,819	\$ 3,500,303	\$ 4,222,334
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.37%	94.72%	91.57%	96.66%	71.47%

This May the Commission is scheduled to contribute an additional \$56,397. Pursuant to Commission direction, the coming year's additional contribution will be 3.3% greater, or \$58,258.

The Rates

Previous additional payments resulted in LAFCO's contribution rate decreasing for the past five years. This budget year, the rates decreased roughly 7.6% on average and are the lowest since 2012.

RESERVES

Currently, the Commission has two Committed Reserves and three Assigned Reserves.

Committed Reserves (constrained to specific purposes)

Compensated Absences – The budget adds an additional \$11,071 to this account to fund the increase in compensated absences. The increase is due to natural increases.

Salaries for Extra Pay Period - Since the County pay schedule is every two weeks, rather than twice a month, the result is an additional pay period every ten years. This reserve funds the next occurrence, which would take place in 2031/32. The annual budget includes a 1/10th contribution (\$4,000).

Assigned Reserves (intended for specific purposes or general use)

Contingency – The Contingency Reserve is not defined in the Policy and Procedure Manual. Instead, it has been the Commission’s practice to fund a Contingency Reserve for unanticipated expenses. The budget includes an additional \$5,000.

Application - Funds at least equal to the amount of application revenues received the prior fiscal year. The current balance is \$150,000.

General – The General Reserve is for any purpose but is generally the reserve for special legal matters or special needs. The current balance is \$275,000 with no contribution for the year.

Summary

Below are the estimated balances on June 30, 2026 and funding summary of the reserve accounts.

Reserve Account	June 30, 2026 (est.)	FY 2026/27	
		Increase	Balance
Compensated Absences	177,967	11,071	189,038
Salary for Extra Pay Period	15,000	4,000	19,000
Contingency	45,000	5,000	50,000
Application	150,000	0	150,000
General	275,000	0	275,000

REVENUES

Attachment #4 to this report includes a detail of each account to include: account description, charge measurement, identification of increase or decrease, and total cost. The remainder of this section contains highlights for FY 2026/27.

County Treasury

LAFCO participates in the County's interest pool which apportions interest receipts quarterly.

Government Code Section 56381 requires that the net costs for LAFCO be apportioned equally to those seated on the Commission: the County, the 24 Cities, and the 51 Independent Special Districts within the county. The previous years' apportionment to each group has been:

2019/20	\$363,499	2023/24	\$390,761
2020/21	\$373,499	2024/25	\$390,761
2021/22	\$363,499	2025/26	\$400,530
2022/23	\$363,499		

This budget proposes a 3.3% increase for the year. State law requires the County Auditor to apportion this amount by July 1, 2026.

Applications

Fees, charges, and deposits ordinarily involve the appropriate LAFCO filing fee and deposits for the recovery of the outside costs, for such items as LAFCO Legal Counsel, environmental review, Registrar of Voters, individual notification, etc.

Staff has been coordinating with agencies regarding likely and potential applications for the year. The budget anticipates \$100,000 in application revenue, which is covered by same amount from the Application Reserve. Then, towards the end of the fiscal year, staff will recommend that the Commission amend the budget to fill the gap between \$100,000 and application revenue gained for the year, if any.

Other Revenues

Other revenues are not addressed in the budget because they are unknown.

Attachments:

1. [General Ledger](#)
2. [Salaries and Benefits Detail](#)
3. [Services and Supplies Detail](#)
4. [Revenues Detail](#)
5. [Apportionment](#)

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 22/23	ACTUAL YEAR-END FY 23/24	ACTUAL YEAR-END FY 24/25	ESTIMATE YEAR-END FY 25/26	YEAR 1 PROPOSED FY 26/27	YEAR 2 FORECAST FY 27/28	YEAR 3 FORECAST FY 28/29
	Salaries and Benefits:							
1010	Earnable Compensation	440,201	482,198	564,253	545,554	638,637	659,089	678,857
1030	Auto and Cell Phone Allowances	9,132	9,132	9,132	9,373	9,205	9,205	9,205
1045	Termination Payment	-	-	11,086	-	-	-	-
1110	General Member Retirement	153,414	144,520	153,837	131,152	139,030	154,840	159,505
1130	Survivors Benefits	91	96	107	97	120	120	120
1200	Medical Premium Subsidy	46,308	50,565	63,348	68,956	81,449	83,892	86,409
1205	Long-Term Disability	996	1,337	1,580	1,544	1,860	1,916	1,974
1207	Vision Care Insurance	601	625	711	642	788	788	788
1215	Dental Insurance Subsidy	940	998	1,134	1,311	1,005	1,255	1,255
1222	Short-Term Disability	4,978	5,054	5,874	5,481	6,909	7,026	7,233
1225	Medicare	5,154	5,674	6,802	7,728	9,302	9,581	9,869
1240	Life Insurance & Medical Trust Fund	13,925	14,907	16,736	15,509	17,998	17,766	18,250
1305	Medical Reimbursement Plan	2,488	2,743	3,294	2,821	6,880	6,880	6,880
1314	457/401a Contribution	2,977	3,230	3,520	3,520	4,231	4,358	4,488
1315	401k Contribution	32,756	36,239	39,037	36,700	44,196	48,501	49,956
	Total Salaries and Benefits	\$ 713,961	\$ 757,318	\$ 880,451	\$ 830,388	\$ 961,609	\$ 1,005,216	\$ 1,034,787
	Services and Supplies:							
2031	Payroll System Services (County IT)	655	727	851	736	1,040	1,071	1,103
2032	Virtual Private Network (County IT)	165	216	129	-	-	-	-
2033	Network Labor Services (County IT)			-	747	-	-	-
2037	Dial Tone (County IT)	2,721	2,998	2,955	2,434	2,604	2,682	2,763
2041	Data Line	8,144	7,767	9,339	7,574	9,600	9,888	10,185
2043	Telecommunications Labor (County IT)	-		14,977	-			
2075	Membership Dues	12,921	13,936	14,318	3,744	1,934	1,992	2,052
2076	Tuition Reimbursement	-	-	-	-	1,000	1,030	1,061
2080	Publications	3,734	3,507	4,668	3,591	245	252	260
2085	Legal Notices	6,206	12,139	15,792	5,990	15,500	15,965	16,444
2090	Building Expense	9,425	12,344	3,031	1,080	1,116	1,149	1,184
2115	Software	3,058	9,425	2,138	600	900	927	955
2180	Electricity	5,941	6,366	2,431	-	-	-	-
2245	Other Insurance	12,523	13,220	12,666	28,533	17,500	18,025	18,566
2305	General Office Expense	5,588	5,664	5,850	7,477	3,102	3,195	3,291
2308	Credit Card Clearing Account	679	(312)	3,449	5,231	-	-	-
2310	Mail (County Mail)	5,290	9,095	9,430	5,744	8,568	8,825	9,090
2315	Records Storage	1,107	1,397	3,707	847	960	989	1,018

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 22/23	ACTUAL YEAR-END FY 23/24	ACTUAL YEAR-END FY 24/25	ESTIMATE YEAR-END FY 25/26	YEAR 1 PROPOSED FY 26/27	YEAR 2 FORECAST FY 27/28	YEAR 3 FORECAST FY 28/29
2316	Surplus Handling (County IT)			172	-			
2322	Enterprise Printing (County IT)	98	34	-	-	72	74	76
2323	Reproduction Services	283	518	2,760	527	500	515	530
2335	Temporary Services	2,480	393	-	-	-	-	-
2400	Legal Counsel	53,938	21,410	20,561	30,918	36,500	37,595	38,723
2405	Auditing	8,450	15,332	11,227	4,926	21,000	21,630	22,279
2410	IT Infrastructure (County IT)	6,839	8,526	9,010	-	-	-	-
2414	Application Dev. & Maint. (County IT)	8,075	-	-	-	-	-	-
2415	Countywide Cost Allocation Program	-	-	3,628	9,182	13,820	10,000	10,000
2420	Enterprise Content Management (County IT)	4,986	4,122	3,035	9,054	2,289	2,357	2,428
2421	Desktop Support Services (County IT)	9,477	9,025	8,329	6,970	5,228	5,385	5,546
2424	Environmental Consultant	14,445	12,880	6,528	32,387	25,750	26,523	27,318
2444	Security Services (inactive)	692	492	583	-	-	-	-
2445	Other Professional Services	138,592	54,203	104,137	39,841	94,034	100,748	106,942
2449	Outside Legal (Litigation & Special Counsel)	3,063	2,990	-	-	4,000	4,120	4,244
2460	Aerial Imagery (County IT)	3,000	3,000	3,000	-	3,000	3,090	3,183
2895	Rent/Lease Equipment (copier)	4,737	4,204	3,175	4,929	5,400	5,562	5,729
2905	Office/Hearing Chamber Rental	60,462	64,218	49,802	33,348	34,773	35,816	36,891
2940	Private Mileage	4,866	5,101	6,772	4,715	3,760	3,873	3,989
2941	Conference/Training	7,989	6,925	8,490	8,400	11,100	11,433	11,776
2942	Hotel	5,582	7,630	8,881	2,480	10,650	10,970	11,299
2943	Meals	318	491	438	460	1,550	1,597	1,644
2944	Car Rental	337	1,269	182	-	-	-	-
2945	Air Travel	595	1,538	1,555	-	1,800	1,854	1,910
2946	Other Travel	377	893	464	-	675	695	716
5012	Transfer to County (Staples & Microsoft)	4,275	6,876	6,698	736	8,334	8,584	8,842
Total Services and Supplies		\$ 422,113	\$ 330,558	\$ 365,154	\$ 263,199	\$ 348,304	\$ 358,412	\$ 372,035
TOTAL EXPENDITURES		\$ 1,136,074	\$ 1,087,876	\$ 1,245,605		\$ 1,309,913	\$ 1,363,628	\$ 1,406,822
Trust Transfers:								
9990	SBCERA Additional Payment	50,000	52,500	54,968	56,397	58,258	60,006	61,806
TOTAL APPROPRIATION		\$ 1,186,074	\$ 1,140,376	\$ 1,300,573	\$ 1,149,984	\$ 1,368,171	\$ 1,423,633	\$ 1,468,628

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 22/23	ACTUAL YEAR-END FY 23/24	ACTUAL YEAR-END FY 24/25	ESTIMATE YEAR-END FY 25/26		YEAR 1 PROPOSED FY 26/27	YEAR 2 FORECAST FY 27/28	YEAR 3 FORECAST FY 28/29
	RESERVES								
6000	Contingency (Assigned)	30,000	35,000	40,000	45,000		50,000	50,000	50,000
6010	Application (Assigned)	-	-	150,000	150,000		150,000	150,000	150,000
6025	General (Assigned)	200,000	225,000	260,000	275,000		275,000	280,000	285,000
6030	Compensated Absences (Committed)	157,095	167,095	164,562	177,967		189,038	194,709	200,550
6035	Salary for Extra Pay Period (Committed)	6,000	9,000	12,000	15,000		19,000	23,000	27,000
TOTAL RESERVES (Increases)		\$ 393,095	\$ 436,095	\$ 626,562	\$ 662,967		\$ 683,038	\$ 697,709	\$ 712,550

Attachment #1

Budget Spreadsheets

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 22/23	ACTUAL YEAR-END FY 23/24	ACTUAL YEAR-END FY 24/25	ESTIMATE YEAR-END FY 25/26	YEAR 1 PROPOSED FY 26/27	YEAR 2 FORECAST FY 27/28	YEAR 3 FORECAST FY 28/29
	County Treasury:							
8500	Interest and Investments	13,634	34,791	37,572		30,000	25,000	25,000
9984	Interest Adjustment	16,582	20,258	9,176		17,000	10,000	10,000
8842	Apportionment	1,090,497	1,172,283	1,172,283		1,241,243	1,303,305	1,368,470
	Total County Treasury	1,120,713	1,227,332	1,219,031	-	1,288,243	1,338,305	1,403,470
	Applications:							
6010	Application Reserve				-	100,000	100,000	80,000
9545	Application Fee	58,600	86,268	56,964				
9655	Digital Mapping Fee (inactive)	-	1,830					
9555	Application Deposits	39,874	40,749	44,507				
9595	Protest Hearing Deposit	-	1,500	4,500				
	Total Applications	98,474	130,347	105,971	-	100,000	100,000	80,000
	Other:							
9910	Prior Year Activity (refunds, collections)	(9,443)		(2,306)				
9930	Miscellaneous	109,758	38,198	-				
9955	Returned Deposits: Non-Sufficient Funds			(606)				
9970	Accrued Payroll Liability			10,774				
9973	Returned Checks: Stale-dated	725	726	-				
	Total Other	101,040	38,924	7,862	-	-	-	-
	TOTAL REVENUES	\$ 1,320,227	\$ 1,396,603	\$ 1,332,863	\$ -	\$ 1,388,243	\$ 1,438,305	\$ 1,483,470

Attachment #2

Salaries and Benefits Detail

1010	Earnable Compensation	Per Salary Schedule	Increasing 16%	\$ 638,637
	<i>Includes: new hire (increase to 5), step increases (3 employees), 3% retention pay for those with 15 yrs (2 employees), leave cashouts, 3.25% COLA (all).</i>			
1030	Auto & Phone Allowances	Auto Allowance (\$300 per pay period)	--	\$ 9,205
		Mobile Phone Allowance (\$50 per pay period)	--	
	<i>Executive Officer auto and phone allowances, per Benefit Plan.</i>			
1110	General Member Retirement	Tier 1: Decrease from 25.30% to 23.53%	Decreasing 7.0%	\$ 139,030
		Tier 2: Decrease from 19.74% to 18.11%	Decreasing 8.3%	
	<i>Contributions to retirement plan. Per SBCERA and Retirement Board adopted rates.</i>			
1130	Survivors Benefits	\$0.91 per pay period per employee	--	\$ 120
	<i>The survivor benefit is provided by SBCERA in lieu of Social Security's death benefits since members do not participate in Social Security. General members pay a contribution each pay period to fund this benefit.</i>			
1200	Medical Premium Subsidy	\$797.13 per period (employee +2): 2 employees	Increasing 5.0%	\$ 81,449
		\$567.30 per period (employee +1): 1 employee	Increasing 5.0%	
		\$328.87 per period (employee +0): 2 employee	Increasing 5.0%	
	<i>A subsidy is provided to offset employee medical premiums.</i>			
1205	Long-Term Disability	0.30% of Base Pay	Increasing 3.3%	\$ 1,860
	<i>Long-term disability insurance.</i>			
1207	Vision Insurance	\$5.99 per employee per period	--	\$ 788
	<i>Vision insurance.</i>			
1215	Dental Insurance Subsidy	\$9.46 per employee per period	--	\$ 1,005
	<i>A subsidy is provided to offset employee dental premiums.</i>			
1222	Short-Term Disability	Short-term disability insurance (1.08% of Base Pay)	Decreasing 1.1%	\$ 6,909
		FMLA program charge (\$1.61 per employee per period)	Increasing 0.9%	
	<i>Short-term disability insurance & admin cost for family medical leave.</i>			
1225	Medicare	1.5% of Earnable Compensation	--	\$ 9,302
	<i>Contribution to Social Security Medicare for those entering after 1985 (4 employees).</i>			
1240	Life Insurance & Med Trust Fund	Life Insurance (\$1.75 per employee per period)	Increasing 3.3%	\$ 17,998
		Variable Life Insurance (\$1,458 for 2 employees)	--	
		Retirement Medical Trust Fund (\$15,010 for 3 employees)	Increasing 4.2%	
	<i>(1) Life Insurance is a benefit for all employees.</i>			
	<i>(2) Employees may purchase Variable Life Insurance, which has an employer contribution (2 employees).</i>			
	<i>(3) LAFCO contributes to a Retirement Medical Trust Fund for employees with over 5 years of service (3 employees).</i>			
1305	Medical Reimbursement Plan	Medical Reimbursement (up to \$40 per employee/period)	--	\$ 6,880
		Healthy Lifestyles (gym, \$324 per employee)	--	
1314	457/401a Contribution	1% match for Executive Officer, 0.5% for all others	--	\$ 4,231
	<i>LAFCO matches employee contributions to the 457 savings plan of the County up to 0.5% for Groups B and C, and 1% for Group A (Executive Officer).</i>			
1315	401k Contribution	8% match for Group A & B, 4% match for Group C	--	\$ 44,196
	<i>LAFCO matches employee contributions to the 401(k) savings plan of the County up to 8% for Groups A and B, and up to 4% for Group C (new hires except for EO).</i>			
TOTAL SALARIES AND BENEFITS				\$ 961,609

Attachment #3

Services and Supplies Detail

2031	Payroll System Services (County IT)	Average of \$40 per pay period (26)	--	\$ 1,040.00
	<i>Maintenance, support, and enhancements for County's payroll system and infrastructure.</i>			
2032	Virtual Private Network (County IT)	costs absorbed into Microsoft license	Decrease 100%	\$ -
	<i>Use of the County's VPN for remote data access.</i>			
2033	Network Labor Services (County IT)	No activity anticipated	--	\$ -
	<i>County IT labor for the network.</i>			
2037	Dial Tone (County IT)	\$31 per line (7) per month	No change	\$ 2,604.00
	<i>Phone line. Includes support services.</i>			
2041	Data Line	\$800 per month	--	\$ 9,600.00
	<i>Fiber optic data line from Frontier.</i>			
2043	Telecommunications Labor (County IT)	no charges anticipated	--	\$ -
2075	Membership Dues	CSDA: \$1,934	Increasing 3.3%	\$ 1,934.00
	<i>Membership in Professional Associations.</i>			
2076	Tuition Reimbursement	Two employees at max reimbursement	No change	\$ 1,000.00
	<i>Pursuant to the LAFCO Benefits Plan, employees can be reimbursed for up to \$1,000 for approved tuition, course/seminar or degree related expenses, and membership dues in professional organizations.</i>			
2080	Publications	CA Planning & Development Report	Increasing 3.3%	\$ 245.00
		CA Annotated Code Books: \$400/month	Decreasing 100%	
	<i>Purchase or subscription to professional publications related to LAFCO study areas.</i>			
2085	Legal Notices	General paper: \$750 per hearing (9 meetings)	--	\$ 15,500.00
		Local Paper: \$750 per hearing (9 meetings)	--	
		Vacancy notices: none this year	--	
		Protest hearing: \$1,000 per hearing (2 hearings)	--	
	<i>Legal and policy requirement for notices: hearing, protest hearing, public member vacancy, etc... An eighth-page display ad in general newspapers is required for the countywide service reviews and when advertisement is authorized in-lieu of individual landowner and/or registered voter notice.</i>			
2090	Building Expense	Janitorial: \$93 per month	Increasing 3.3%	\$ 1,116.00
	<i>Ongoing maintenance of the staff office.</i>			
2115	Software			\$ 900.00
		Adobe license for office, annual, (\$400)	Increasing 14%	
		Survey Monkey: \$200		
		Vimeo subscription for digital archive of meetings (\$300/yr)	--	
	<i>Purchases, subscriptions, and updates of software and online programs.</i>			
2180	Electricity	\$0 per month	--	\$ -
	<i>Electricity is included in the new lease, as opposed to former location.</i>			
2245	Other Insurance	Annual Insurance (\$12,000)	Increasing 3.3%	\$ 17,500.00
		Workers' Compensation (\$5,500)	--	
	<i>Liability insurance (property, general, personal, employment, benefits, auto) errors and omissions, and employee dishonesty coverage, as well as Workers' Comp. Purchased through the Special District Risk Management Authority (SDRMA).</i>			
2305	General Office Expense	Petty Cash Reimbursement: \$500	--	\$ 3,102.00
		Paper shredding: \$312	--	
		Zoom subscription for meetings (\$20 per month)	--	
		Office Supplies not Staples: \$100 per month		
		Printer cartridges :\$400	--	
		Meeting supplies: \$50 per meeting		
	<i>Niche and random items for the office. See Account 5012 for Office Supplies per contract pricing.</i>			
2308	Credit Card Clearing Account			\$ -
	<i>Clearing account for credit card issued to the Executive Officer. All charges post to this account temporarily with charges then transferred to the appropriate accounts.</i>			
2310	Mail (County Mail)	Months with meetings (9): \$500 per month	Increasing 3.3%	\$ 8,568.00

Attachment #3

Services and Supplies Detail

		Months with no meetings (3): \$300 per month	Increasing 3.3%	
		Mail delivery: \$11.15 per stop (22 per month)	--	
	<i>Each year, staff utilizes more digital delivery over paper mail, which generally offsets rate increases.</i>			
2315	Records Storage	\$80 per month	Increasing 3.3%	\$ 960.00
	<i>Off-site retention of records. Gov Code 56382 mandates LAFCO to maintain its records in perpetuity.</i>			
2322	Enterprise Printing (County IT)	\$6.00 per month	--	\$ 72.00
	<i>County printing of payroll documents.</i>			
2323	Reproduction Services	\$500 estimate		\$ 500.00
	<i>Printing activity outside of the LAFCO office (County Printing Services, Kinkos, etc.).</i>			
2335	Temporary Services	No activity	--	\$ -
	<i>Use of temporary services for clerical support.</i>			
2400	Legal Counsel			\$ 36,500.00
		Months with meetings (9): \$2,500 per month	Increasing 3.3%	
		Months with no meetings (3): \$1,000 per month	Increasing 3.3%	
		Non-recoverable specific items (\$5,000)	--	
	<i>Contract with Best, Best, and Krieger for general and special counsel. Costs related to a proposal are recoverable pursuant to Commission policy. Payments received for cost recovery are deposited into Revenue Account 9555.</i>			
2405	Auditing	SBCERA costs for GASB 67 & 68: \$2,500	--	\$ 21,000.00
		Bookkeeper: \$7,500		
		Independent auditor: \$11,000	--	
	<i>Contract with Davis Farr LLP for independent auditing services. SBCERA is required to determine the unfunded liability for its participants and by legislative action can charge for that requirement.</i>			
2410	IT Infrastructure (County IT)	no longer needed, costs absorbed into Microsoft contract	Decreasing 100%	\$ -
	<i>Support of computer/server systems, email, wide area network, internet access, IT security, virus protection, help desk, and data center.</i>			
2414	Application Dev. & Maint. (County IT)			\$ -
	<i>County IT work on LAFCO and County applications and software</i>			
2415	Countywide Cost Allocation Program	Per the County COWCAP publication	Increasing 51%	\$ 13,820.00
	<i>The County Auditor charges for county-related costs incurred in the prior year.</i>			
2420	Enterprise Content Management (County IT)		--	\$ 2,288.69
	<i>Enterprise Content Management</i>	\$100.22 for 13.31 units per month	--	
	<i>File Sharing Storage (Laserfiche - no longer in use)</i>	\$0	Decreasing 100%	
	<i>File Sharing Storage (Shared Drive)</i>	\$90.50 for two units of storage per month	--	
2421	Desktop Support Services (County IT)	\$87.13 per month, per computer (5 computers)	Decreasing 5%	\$ 5,227.80
	<i>County tech support & monitoring for computers and applications.</i>			
2424	Environmental Consultant	Consultant work, per contracted rate, 15 reviews	--	\$ 25,750.00
		File with County Clerk, 15 actions, \$50 each	--	
		Proposals with EIR	--	
	<i>The Commission contracts with an independent consultant, Tom Dodson and Associates, for the environmental assessment associated with its proposals. Most environmental consultant costs are billable under the Commission's existing fee schedule. Payments received for cost recovery are deposited into Revenues.</i>			
2444	Security Services (inactive)	\$0, included in new office lease	Decreasing 100%	\$ -
	<i>Maintain and monitor the security system.</i>			
2445	Other Professional Services	Surveyor proposal review: \$450 each proposal (6)	--	\$ 94,034.04
		Commissioner stipend: \$200 per meeting (9)	--	
		Alliance: \$10,000		
		Commissioner stipend: \$200 per committee mtg (3)		
		ROV: \$137.42 per hour (12)	--	
		Website & accessibility		
		County processing of quarterly taxes: \$1,000/quarter	--	

Attachment #3

Services and Supplies Detail

		County work on apportionment: \$5,600	--	
		Video recording of meetings: \$1,200 per meeting (9)	--	
		Commissioner stipend for Alliance: \$200 per meeting	--	
		Governance Training Program for Local Agencies	Increasing 30%	
		Strategic Planning Workshop: \$8,000		
	<i>This account is for outside services to assist in processing applications and service reviews as well as conducting Commission hearings. Governance training will include two courses.</i>			
2449	Outside Legal (Litigation & Special Counsel)	Per special counsel rate		\$ 4,000.00
	<i>Legal services conducted through special contract for either litigation or when a conflict of interest waiver is not granted. For proposals not initiated by the Commission, the applicant agrees to indemnify the Commission against legal costs. Payments received for cost recovery are deposited into Revenue Account 9660.</i>			
2460	Aerial Imagery (County IT)	Aerial Imagery \$1,000 per user (3)	--	\$ 3,000.00
	<i>Generation & maintenance of digitized maps & aerial images, access to County's parcel & street layers.</i>			
2895	Rent/Lease Equipment (copier)	\$450 per month	--	\$ 5,400.00
	<i>LAFCO implementing more digital circulation as cost savings.</i>			
2905	Office/Hearing Chamber Rental	Meeting Facility: \$417 per meeting (9)	Increasing 3%	\$ 34,773.00
		Office Lease: \$2,585 monthly	Increasing 3%	
	<i>Use of Norton Conference Center for meetings and office lease.</i>			
2940	Private Mileage	ESRI Conference San Diego	--	\$ 3,760.40
		Employee travel, misc.: \$70	--	
		CALAFCO Conference (Sacramento), see Air Travel	--	
		CALAFCO Staff Workshop	--	
		Commissioner Alliance participation, 4 trips: \$268	--	
		Commissioner Meetings (9)	--	
	<i>Commissioners and staff private auto mileage at the IRS rate, excluding the Executive Officer.</i>			
2941	Conference/Training	CALAFCO Staff Workshop, 3 staff	--	\$ 11,100.00
		CALAFCO Conference (Sacramento) \$900 each (10)	--	
	<i>CALAFCO Staff Workshop. 3 staff attending</i>			
	<i>The CALAFCO Conference will be held in Sacramento, with 7 Commissioners and 3 staff budgeted.</i>			
2942	Hotel			\$ 10,650.00
		ESRI Conference San Diego: (1 staff)	--	
		CALAFCO Conf. \$250/night, 10 people, 3 nights	--	
		CALAFCO Staff Workshop, 3 staff	--	
	<i>Hotel charges for Commissioners and staff on LAFCO business.</i>			
2943	Meals	Staff travel: \$50	--	\$ 1,550.00
		ESRI Conference San Diego (1 staff)	--	
		CALAFCO Conf., \$50 each for 10 people	--	
		CALAFCO Staff Workshop, 3 staff	--	
		Alliance - Commissioners/Staff: \$50/trip (10)	--	
		Alliance - Staff Only Workshop: \$50/trip (5)	--	
	<i>Meal charges for Commissioners and staff on LAFCO business. Per diem max \$50/day.</i>			
2945	Air Travel	CALAFCO Conference: \$200/trip (9)		\$ 1,800.00
	<i>Airfare on Southwest Airlines for approved travel.</i>			
2946	Other Travel	CALAFCO Conference: \$75/trip (9)		\$ 675.00
	<i>Miscellaneous travel charges such as parking and taxi charges.</i>			
5012	Transfer to County (Staples & Microsoft)	Staples supplies: \$200 per month	--	\$ 8,334.24
		Microsoft Licenses	increasing 16%	
TOTAL SERVICES AND SUPPLIES				\$ 348,304.17

Attachment #4

Revenues Detail

	Account	Charge Measurement	Rate Inc/Dec	Total
6010	Application Reserve	Beginning balance		\$ 100,000
	<i>A reserve in place of application revenues</i>			
8500 &	Interest	County Interest Pool returns	Variable	\$ 47,000
9984	<i>LAFCO participates in the County's interest pool and is apportioned interest receipts quarterly.</i>			
8842	Apportionment		--	\$ 1,241,243
	<i>Govt Code §56381 requires that the net costs for LAFCO be apportioned equally to those seated on the Commission: the County, the 24 Cities, and the 51 Independent Special Districts within the County of San Bernardino. The County Auditor will be required to apportion this amount on July 1, 2024 pursuant to the requirements of law and Commission policies.</i>			
8545	Application Fee	LAFCO Fee Schedule, based on region and acreage		\$ -
	<i>Revenues in this account are based on anticipated activity and conservatively calculated at the median annexation filing fee for the activity identified above.</i>			
9555	Application Deposits	\$4,000 for proposals; \$2,400 for applicable service contracts	--	\$ -
	<i>This account is for deposits for outside services which are calculated at \$2,000 for proposals and \$700 for service contracts requiring a hearing.</i>			
9595	Protest Hearing Deposit	\$1,500 each	--	\$ -
	<i>The account is for deposits related to the processing of the protest hearing which are calculated at \$1,500 each. Should a proposal require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices.</i>			
9560	Indemnification Recovery		--	\$ -
	<i>This accounts segregates legal cost recovery.</i>			
9910	Prior Year Activity		--	\$ -
	<i>This account refunds deposits submitted by applicants less costs incurred for activity which carry over from one year to another.</i>			
9930	Miscellaneous Revenue		--	\$ -
	<i>This account is for revenues received for duplication of CDs, DVDs, paper copies, and other miscellaneous receipts.</i>			
9973	Stale-dated Checks			\$ -
	<i>Uncashed checks that are credited</i>			
TOTAL REVENUES				\$ 1,388,243

ATTACHMENT #5

**LAFCO Cost Allocation
County of San Bernardino Allocation
PY 2025-2026**

	<u>Amount</u>	<u>Percentage of Total Cost</u>
County of San Bernardino		
Total LAFCO Cost	\$ 1,241,243.00	100.00%
County of San Bernardino Allocation (1/3)*	\$ 413,747.67	33.33%
Total San Bernardino County Allocation	\$ 413,747.67	33.33%

Note:

* Per LAFCO Funding Election, San Bernardino County pays third of total LAFCO cost.

* Total LAFCO Apportionment for FY 2026-27 is \$1,241,243.00 (by letter dated March 11, 2026)

ATTACHMENT #5

**LAFCO Cost Allocation
Cities Allocation
PY 2026-2027**

City	Total Revenues FY 23-24	LAFCO Allocation	Allocation Percentage
Adelanto	\$ 24,457,824.00	\$ 2,265.33	0.55%
Apple Valley	\$ 104,660,852.00	\$ 9,693.89	2.34%
Barstow	\$ 63,708,138.00 (1)	\$ 5,900.77	1.43%
Big Bear Lake	\$ 66,166,394.00 (1)	\$ 6,128.46	1.48%
Chino	\$ 285,280,431.00	\$ 26,423.23	6.39%
Chino Hills	\$ 141,271,583.00	\$ 13,084.85	3.16%
Colton	\$ 209,527,558.00	\$ 19,406.85	4.69%
Fontana	\$ 410,043,314.00 (1)	\$ 37,979.01	9.18%
Grand Terrace	\$ 13,666,129.00	\$ 1,265.78	0.31%
Hesperia	\$ 124,252,674.00 (1)	\$ 11,508.52	2.78%
Highland	\$ 55,785,880.00	\$ 5,167.00	1.25%
Loma Linda	\$ 49,426,093.00	\$ 4,577.94	1.11%
Montclair	\$ 76,465,344.00	\$ 7,082.37	1.71%
Needles	\$ 63,228,979.00	\$ 5,856.39	1.42%
Ontario	\$ 871,873,351.00	\$ 80,754.58	19.52%
Rancho Cucamonga	\$ 304,132,531.00 (1)	\$ 28,169.34	6.81%
Redlands	\$ 244,411,817.00	\$ 22,637.90	5.47%
Rialto	\$ 284,972,556.00	\$ 26,394.71	6.38%
San Bernardino	\$ 430,710,350.00	\$ 39,893.23	9.64%
Twentynine Palms	\$ 18,114,282.00	\$ 1,677.78	0.41%
Upland	\$ 158,375,926.00	\$ 14,669.08	3.55%
Victorville	\$ 370,760,404.00 (1)	\$ 34,340.55	8.30%
Yucaipa	\$ 62,635,236.00	\$ 5,801.40	1.40%
Yucca Valley	\$ 33,131,440.00	\$ 3,068.70	0.74%
	\$ 4,467,059,086.00	\$ 413,747.66	100.00%

Allocation is based on Cities revenues extracted from Fiscal Year 2023-24 tables published on the State Controller's website (www.sco.ca.gov).

ATTACHMENT #5

**LAFCO Cost Allocation
Special Districts Allocation
PY 2026-2027**

District Name	(1) Total Revenues FY 23-24	LAFCO Cost Allocation	Allocation Percentage
Apple Valley Fire Protection	\$ 16,485,209.00	\$ 10,000.00	2.42%
Apple Valley Foothill County Water	\$ 351,529.00	\$ 152.44	0.04%
Apple Valley Heights County Water	\$ 390,997.00	\$ 169.55	0.04%
Arrowbear Park County Water	\$ 1,679,593.00	\$ 728.33	0.18%
Baker Community Services	\$ 929,327.00	\$ 402.99	0.10%
Barstow Cemetery	\$ 379,593.00	\$ 164.60	0.04%
Barstow Heights Community Services	\$ 99,665.00	\$ 43.22	0.01%
Bear Valley Community Healthcare	\$ (170,878.00)	\$ -	0.00%
Big Bear Airport	\$ 3,497,229.00	\$ 1,516.52	0.37%
Big Bear City Community Services	\$ 18,355,341.00	\$ 10,000.00	2.42%
Big Bear Municipal Water	\$ 7,867,902.00	\$ 10,000.00	2.42%
Big River Community Services	\$ 144,899.00	\$ 62.83	0.02%
Bighorn-Desert View Water Agency	\$ 2,663,956.00	\$ 1,155.18	0.28%
Chino Basin Water Conservation	\$ 5,533,958.00	\$ 10,000.00	2.42%
Chino Valley Independent Fire	\$ 61,639,619.00	\$ 30,000.00	7.25%
Crestline Lake Arrowhead Water Agency	\$ 11,561,193.00	\$ 10,000.00	2.42%
Crestline Sanitation District	\$ 6,088,387.00	\$ 10,000.00	2.42%
Crestline Village Water	\$ 4,145,642.00	\$ 1,797.69	0.43%
Cucamonga Valley Water District	\$ 117,091,472.00	\$ 30,000.00	7.25%
Daggett Community Services	\$ 486,901.00	\$ 211.14	0.05%
East Valley Water	\$ 47,236,317.00	\$ 20,000.00	4.83%
Helendale Community Services District	\$ 7,406,411.00	\$ 10,000.00	2.42%
Hesperia Recreation and Park	\$ 11,329,430.00	\$ 10,000.00	2.42%
Hi-Desert Memorial Hospital District (DBA: Morongo Basin Healthcare)	\$ 17,517,759.00	\$ 1,500.00	0.36%
Hi-Desert Water District	\$ 21,987,411.00	\$ 20,000.00	4.83%
Inland Empire Resource Conservation	\$ 3,589,566.00	\$ 1,556.56	0.38%
Inland Empire Utilities Agency	\$ 289,066,170.00	\$ 30,000.00	7.25%
Joshua Basin Water	\$ 11,350,170.00	\$ 10,000.00	2.42%
Juniper-Riviera County Water	\$ 380,468.00	\$ 164.98	0.04%
Lake Arrowhead Community Services	\$ 24,338,088.00	\$ 20,000.00	4.83%
Mariana Ranchos County Water	\$ 660,237.00	\$ 286.30	0.07%
Mojave Desert Resource Conservation	\$ 217,707.00	\$ 94.41	0.02%
Mojave Water Agency	\$ 84,659,490.00	\$ 30,000.00	7.25%
Monte Vista Water	\$ 28,811,111.00	\$ 20,000.00	4.83%
Morongo Valley Community Services	\$ 1,370,809.00	\$ 594.43	0.14%
Newberry Community Services	\$ 323,259.00	\$ 140.18	0.03%
Phelan Pinon Hills Community Services District	\$ 14,944,365.00	\$ 10,000.00	2.42%
Rim of the World Recreation and Park	\$ 1,406,799.00	\$ 610.04	0.15%
Running Springs Water	\$ 10,242,354.00	\$ 10,000.00	2.42%
San Bernardino Mountains Community Hospital	\$ (2,037,565.00)	\$ -	0.00%
San Bernardino Valley Municipal Water	\$ 196,089,533.00	\$ 30,000.00	7.25%
San Bernardino Valley Water Conservation	\$ 5,931,224.00	\$ 10,000.00	2.42%
Thunderbird County Water	\$ 308,484.00	\$ 133.77	0.03%
Twentynine Palms Cemetery	\$ 386,566.00	\$ 167.63	0.04%
Twentynine Palms Water District	\$ 7,727,719.00	\$ 10,000.00	2.42%
West Valley Mosquito and Vector Control	\$ 3,929,479.00	\$ 1,703.96	0.41%
West Valley Water District	\$ 44,538,907.00	\$ 20,000.00	4.83%
Wrightwood Community Services District	\$ 593,354.00	\$ 257.30	0.06%
Yermo Community Services	\$ 166,363.00	\$ 72.14	0.02%
Yucaipa Valley Water	\$ 35,775,818.00	\$ 20,000.00	4.83%
Yucca Valley Airport	\$ 141,780.00	\$ 61.48	0.01%
Totals	\$ 1,129,611,117.00	\$ 413,747.67	100.00%

(1) All data in this worksheet are extracted from Fiscal Year 2023-24 Special Districts revenues published on the State Controller's website.
Exception: Data used for Bear Valley Community Healthcare and San Bernardino Mountains Community Hospital is 'Net from Operations' from FY 2023-24, published by the Office of Statewide Health Planning and Development

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: APRIL 8, 2026 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Assistant Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #10 – Review and Adoption of Amendments to
LAFCO Policy and Procedure Manual:
Section V - Environmental Review (Administrative Guidelines,
Policies, and Procedures) and Environmental Checklist Form
(CEQA Appendix G)

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Provide staff with any additional changes, corrections, or amendments to Section V (Environmental Review) of the Policy and Procedure Manual as presented.
2. Adopt the amendments to Section V of the Policy and Procedure Manual as well as the most current Environmental Checklist Form (CEQA Appendix G).
3. Adopt Resolution No. 3434 approving the amendments to the Policy and Procedure Manual and direct the Executive Officer to make the document available on the Commission's website.

BACKGROUND:

In 2023 staff and the Commission comprehensively updated each section of the Policy and Procedure Manual. Following said comprehensive review, legal counsel recommended that the Commission conduct a legal review of each Section to identify areas of improvement to comply with current laws and regulations. To date, the Commission amended:

- Section I (Mission Statement and Commission Operations) March 2025

- Section II (Internal Operations, Accounting, and Financial) March 2025
- Section III (Human Resources) May 2025
- Section IV (Application Processing) November 2025

This item includes proposed changes to Section V (Environmental Review). LAFCO staff, in coordination with Tom Dodson, the Commission's Environmental Consultant, prepared changes and updates to the Commission's environmental review guidelines and policies and procedures that include any amendments to the California Environmental Quality Act's (CEQA) State CEQA Guidelines since the last update made to the section in 2020. The Commission's Legal Counsel along with BBK's CEQA attorney(s) also reviewed the proposed changes and provided additional comments and suggestions.

The proposed amendments incorporate new updated CEQA language as well as new State CEQA Guidelines sections/subsections for additional context for the Commission's CEQA actions. The proposed amendments also include minor non-substantive changes throughout Section V. To view all the changes to said Section V, see Attachment #1 (Section V – Environmental Review in Track Change Format).

Staff is also proposing to update the Commission's Initial Study Environmental Checklist Form with the most current version. A copy of the form is included as Exhibit B to Attachment #2.

CONCLUSION:

Staff requests that the Commission provide staff with any additional changes or corrections to the proposed amendments to Section V of the Policy and Procedure Manual for staff to include in the document. Staff recommends that the Commission take the actions outlined on page 1 of this report to approve the changes.

Attachment:

1. [Section V – Environmental Review in Track Change Format](#)
2. [Draft LAFCO Resolution No. 3434 with Exhibit A \(Clean Version of Section V - Environmental Review\) and Exhibit B \(Current version of the Environmental Checklist Form \[CEQA Appendix G\]\)](#)

SECTION V
ENVIRONMENTAL REVIEW
**ADMINISTRATIVE GUIDELINES, POLICIES,
AND PROCEDURES**

Amended April 15, ~~2020~~[2026](#)

CHAPTER 1: INTRODUCTION

On June 20, 1990, the Local Agency Formation Commission for San Bernardino County (LAFCO) adopted, by Resolution #2267, the California Environmental Quality Act's (CEQA) State CEQA Guidelines and any amendments, as its environmental guidelines. The following information outlines the specific procedures used by LAFCO to tailor the general provisions of the State Guidelines to LAFCO's specific functions as both a "Responsible" and a "Lead" agency under CEQA. This version of LAFCO's Environmental Review guidelines incorporates changes in the State CEQA Guidelines through ~~2019~~[2025](#).

These provisions and procedures incorporate by reference (and are to be utilized in conjunction with) the [current version of the](#) State CEQA Guidelines, a copy of which is on file with the LAFCO Clerk. These procedures will be [periodically](#) revised as necessary to conform to amendments to the State Guidelines, ~~within 120 days after the effective date of such amendments.~~ [Every few years, LAFCO will update this Section using the most current adopted Guidelines.](#) However, LAFCO will implement any such statutory changes that the California Legislature makes to the CEQA Statutes as soon as those statutory changes become effective, even if not expressly stated herein. [On April 15, 2026, the Commission reviewed and approved this 2025 update to Section V \(Environmental Review: Administrative Guidelines, Policies, and Procedures\) of the Commission's Policy and Procedure Manual.](#)

The Commission hires an environmental consultant to assist the Commission in carrying out its duties under CEQA. The Commission's environmental consultant reviews proposals that are filed with LAFCO for CEQA compliance. The Commission's environmental consultant's recommendation is advisory to the Commission and its staff. The Commission makes the final determination and takes the final action based on its independent review of the recommendation, the project, and the environmental analysis.

LAFCO's Environmental Responsibilities

LAFCO's role as a regulatory agency involves "the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies." A few of its duties require minimal environmental review, especially those involving

the commissioning of studies, the hearing of protests, and consolidations, reorganizations and mergers of cities or districts. Most of these duties only constitute jurisdictional changes with no potential for land use changes or for significant effects on the physical environment.

LAFCO's more prominent roles include, but are not limited to, creation of spheres of influence, formation of new districts, incorporation of new cities, and annexations/reorganizations to cities or special districts. These types of LAFCO actions generally require more in-depth analysis, especially if they result in the direct or indirect physical change in the environment, like facilitation of growth and/or land-use alterations. Factors that must be assessed in these cases involve land area and use, all aspects of the physical and human environment, geographical features, population growth and density, social and economic changes, availability of infrastructure and government services, conformity with city or county land use plans, and creation of unincorporated "islands," etc.

The following general information from the State CEQA Guidelines provides context for the Commission's CEQA actions:

1. GENERAL CEQA CONCEPTS

The following General Concepts outlined in the State CEQA Guidelines, section 15002 apply to LAFCO's consideration of projects presented to it:

- (a) *Basic Purposes of CEQA. The basic purposes of CEQA are to:*
 - (1) *Inform governmental decision makers and the public about the potential, significant environmental effects of proposed activities.*
 - (2) *Identify the ways that environmental damage can be avoided or significantly reduced.*
 - (3) *Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.*
 - (4) *Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.*
- (b) *Governmental Action. CEQA applies to governmental action. This action may involve:*
 - (1) *Activities directly undertaken by a governmental agency,*
 - (2) *Activities financed in whole or in part by a governmental agency, or*
 - (3) *Private activities which require approval from a governmental agency.*

*San Bernardino LAFCO Policy and Procedure Manual
Section V - Environmental Review*

- (e) *Time for Compliance.* A governmental agency is required to comply with CEQA procedures when the agency proposes to carry out or approve the activity.
- (f) *Environmental Impact Reports and Negative Declarations.* An Environmental Impact Report (EIR) is the public document used by the governmental agency to analyze the significant environmental effects of a proposed project, to identify alternatives, and to disclose possible ways to reduce or avoid the possible environmental damage.
 - (1) *An EIR is prepared when the public agency finds substantial evidence that the project may have a significant effect on the environment. (See: State CEQA Guidelines section 15064(a)(1))*
 - (2) *When the agency finds that there is no substantial evidence that a project may have a significant environmental effect, the agency will prepare a "Negative Declaration" instead of an EIR. (See: State CEQA Guidelines section 15070.)*
- (g) *Significant Effect on the Environment.* A significant effect on the environment is defined as a substantial adverse change in the physical conditions which exist in the area affected by the proposed project. (See: State CEQA Guidelines section 15382.) Further, when an EIR identifies a significant effect, the government agency approving the project must make findings on whether the adverse environmental effects have been substantially reduced or if not, why not. (See: State CEQA Guidelines section 15091.)
- (h) *Methods for Protecting the Environment.* CEQA requires more than merely preparing environmental documents. The EIR by itself does not control the way in which a project can be built or carried out. Rather, when an EIR shows that a project would cause substantial adverse changes in the environment, the governmental agency must respond to the information by one or more of the following methods:
 - (1) *Changing a proposed project*
 - (2) *Imposing conditions on the approval of the project;*
 - (3) *Adopting plans or ordinances to control a broader class of projects to avoid the adverse changes;*
 - (4) *Choosing an alternative way of meeting the same need;*
 - (5) *Disapproving the project;*
 - (6) *Finding that changing or altering the project is not feasible;*
 - (7) *Finding that the unavoidable significant environmental damage is acceptable as provided in State CEQA Guidelines section 15093.*
- (i) *Discretionary Action.* CEQA applies in situations where a governmental agency can use its judgment in deciding whether and how to carry out or approve a project. A project subject to such judgmental controls is called a "discretionary project." (See: State CEQA Guidelines section 15357.)
 - (1) *Where the law requires a governmental agency to act on a project in a set way without allowing the agency to use its own judgment, the project is called "ministerial," and CEQA does not apply. (See: State CEQA Guidelines section 15369.)*

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- (2) *Whether an agency has discretionary or ministerial controls over a project depends on the authority granted by the law providing the controls over the activity. Similar projects may be subject to discretionary controls in one city or county and only ministerial controls in another. (See: State CEQA Guidelines section 15268.)*

- (j) *Public Involvement. Under CEQA, an agency must solicit and respond to comments from the public and other agencies concerned with the project. (See: State CEQA Guidelines sections 15073, 15086, 15087, and 15088.)*

- (k) *Three Step Process. An agency will normally take up to three separate steps in deciding which document to prepare for a project subject to CEQA.*
 - (1) *In the first step the Lead Agency examines the project to determine whether the project is subject to CEQA at all. If the project is exempt, the process does not need to proceed any farther. The agency may prepare a Notice of Exemption. (See: State CEQA Guidelines sections 15061 and 15062.)*

 - (2) *If the project is not exempt, the Lead Agency takes the second step and conducts an Initial Study (State CEQA Guidelines section 15063) to determine whether the project may have a significant effect on the environment. If the Initial Study shows that there is no substantial evidence that the project may have a significant effect, the Lead Agency prepares a Negative Declaration. (See: State CEQA Guidelines sections 15070 et seq.)*

 - (3) *If the Initial Study shows that the project may have a significant effect, the Lead Agency takes the third step and prepares an EIR. (See: State CEQA Guidelines sections 15080 et seq.)*

2. CEQA POLICIES

The following Policies outlined in the State CEQA Guidelines, section 15003 provide further information about the policies that underlie the Commission's CEQA decisions:

- (c) *The EIR is to inform other governmental agencies and the public generally of the environmental impact of a proposed project. (No Oil, Inc. v. City of Los Angeles, 13 Cal. 3d 68.)*

- (f) *CEQA was intended to be interpreted in such manner as to afford the fullest possible protection to the environment within the reasonable scope of the statutory language. (Friends of Mammoth v. Board of Supervisors, 8 Cal. 3d 247.)*

- (g) *The purpose of CEQA is not to generate paper, but to compel government at all levels to make decisions with environmental consequences in mind. (Bozung v. LAFCO (1975) 13 Cal.3d 263)*

- (h) *The lead agency must consider the whole of an action, not simply its constituent parts, when determining whether it will have a significant environmental effect. (Citizens Assoc. For Sensible Development of Bishop Area v. County of Inyo (1985) 172 Cal.App.3d 151)*

- (i) *CEQA does not require technical perfection in an EIR, but rather adequacy, completeness, and a good-faith effort at full disclosure. A court does not pass upon the correctness of an EIR's environmental conclusions, but only determines if the EIR is sufficient as an informational document. (Kings County Farm Bureau v. City of Hanford (1990) 221 Cal.App.3d 692)*
- (j) *CEQA requires that decisions be informed and balanced. It must not be subverted into an instrument for the oppression and delay of social, economic, or recreational development or advancement. (Laurel Heights Improvement Assoc. v. Regents of U.C. (1993) 6 Cal.4th 1112 and Citizens of Goleta Valley v. Board of Supervisors (1990) 52 Cal.3d 553)*

3. GENERAL RESPONSIBILITIES

A public agency must meet its own responsibilities under CEQA and shall not rely on comments from other public agencies or private citizens as a substitute for work that CEQA requires the **Lead Agency** to accomplish. For example, a **Lead Agency** is responsible for the adequacy of its environmental documents. The **Lead Agency** shall not knowingly release a deficient document hoping that public comments will correct defects in the document. When making decisions that trigger some type of CEQA review, LAFCO's duty is to minimize the environmental damage that may result from those decisions and to balance the competing public objectives as outlined in the State CEQA Guidelines, section 15021, which are as follows:

- (a) *CEQA establishes a duty for public agencies to avoid or minimize environmental damage where feasible.*
 - (1) *In regulating public or private activities, agencies are required to give major consideration to preventing environmental damage.*
 - (2) *A public agency should not approve a project as proposed if there are feasible alternatives or mitigation measures available that would substantially lessen any significant effects that the project would have on the environment.*
- (b) *In deciding whether changes in a project are feasible, an agency may consider specific economic, environmental, legal, social, and technological factors.*
- (c) *The duty to prevent or minimize environmental damage is implemented through the findings required by Section 15091.*
- (d) *CEQA recognizes that in determining whether and how a project should be approved, a public agency has an obligation to balance a variety of public objectives, including economic, environmental, and social factors and in particular the goal of providing a decent home and satisfying living environment for every Californian. An agency shall prepare a statement of overriding considerations as described in Section 15093 to reflect the ultimate balancing of competing public objectives when the agency decides to approve a project that will cause one or more significant effects on the environment.*

4. AUTHORITY PROVIDED BY CEQA (State CEQA Guidelines, section 15040)

- (a) *CEQA is intended to be used in conjunction with discretionary powers granted to public agencies by other laws.*
- (b) *CEQA does not grant an agency new powers independent of the powers granted to the agency by other laws.*
- (c) *Where another law grants an agency discretionary powers, CEQA supplements those discretionary powers by authorizing the agency to use the discretionary powers to mitigate or avoid significant effects on the environment when it is feasible to do so with respect to projects subject to the powers of the agency. Prior to January 1, 1983, CEQA provided implied authority for an agency to use its discretionary powers to mitigate or avoid significant effects on the environment. Effective January 1, 1983, CEQA provides express authority to do so.*
- (d) *The exercise of the discretionary powers may take forms that had not been expected before the enactment of CEQA, but the exercise must be within the scope of the power.*
- (e) *The exercise of discretionary powers for environmental protection shall be consistent with express or implied limitations provided by other laws.*

5. AUTHORITY TO MITIGATE (State CEQA Guidelines, section 15041)

Within the limitations described in State CEQA Guidelines section 15040:

- (a) *A lead agency for a project has authority to require feasible changes in any or all activities involved in the project in order to substantially lessen or avoid significant effects on the environment, consistent with applicable constitutional requirements such as the “nexus” and “rough proportionality” standards established by case law (Nollan v. California Coastal Commission (1987) 483 U.S. 825, Dolan v. City of Tigard, (1994) 512 U.S. 374, Ehrlich v. City of Culver City, (1996) 12 Cal. 4th 854).*
- (b) *When a public agency acts as a **R**esponsible **A**gency for a project, the agency shall have more limited authority than a **L**ead **A**gency. The **R**esponsible **A**gency may require changes in a project to lessen or avoid only the effects, either direct or indirect, of that part of the project which the agency will be called on to carry out or approve.*
- (c) *With respect to a project which includes housing development, a lead or responsible agency shall not reduce the proposed number of housing units as a mitigation measure or alternative to lessen a particular significant effect on the environment if that agency determines that there is another feasible, specific mitigation measure or alternative that would provide a comparable lessening of the significant effect.*

6. AUTHORITY TO DISAPPROVE PROJECTS (State CEQA Guidelines, section 15042)

A public agency may disapprove a project if necessary in order to avoid one or more significant effects on the environment that would occur if the project were approved as proposed. A lead agency has broader authority to disapprove a project than does a responsible agency. A responsible agency may refuse to approve a project in order to avoid direct or indirect environmental effects of that part of the project which the responsible agency would be called on to carry out or approve. For example, an air quality management district acting as a responsible agency would not have authority to disapprove a project for water pollution effects that were unrelated to the air quality aspects of the project regulated by the district.

7. AUTHORITY TO APPROVE PROJECTS DESPITE SIGNIFICANT EFFECTS (State CEQA Guidelines, section 15043)

A public agency may approve a project even though the project would cause a significant effect on the environment if the agency makes a fully informed and publicly disclosed decision that:

- (a) There is no feasible way to lessen or avoid the significant effect (see Section 15091); and
- (b) Specifically identified expected benefits from the project outweigh the policy of reducing or avoiding significant environmental impacts of the project. (See Section 15093.)

CHAPTER 2: LAFCO ENVIRONMENTAL PROCESS AND PROCEDURES

1. LAFCO's Role as an "Interested" Agency

In situations where LAFCO is not a "Responsible Agency" but has an interest in reviewing a project to ensure that LAFCO related information ~~are~~is correctly identified, LAFCO plays a more limited role in the CEQA process. In those instances, the Executive Officer will review, and, if necessary, comment on all environmental documents submitted by a ~~Lead~~Agency involving projects/decisions relating to and/or affecting LAFCO projects, jurisdiction or policies.

2. LAFCO's Role as a Responsible Agency

"Responsible" ~~Agency~~Agency status occurs when LAFCO is not the "Lead" ~~Agency~~Agency, but nevertheless has discretionary approval authority over a project or would carry out some aspect of a project, in tandem with, or separate from that of the ~~Lead~~Agency in accordance with Sections 15096 and 15381 of the State CEQA Guidelines.

Examples of situations where LAFCO may be a Responsible Agency include, but are not limited to:

- A city approving an annexation request to LAFCO, only after pre-zoning the area in question. When a city has pre-zoned an area, the city serves as the ~~Lead~~Agency for any subsequent annexation of the area and should prepare the environmental documents at the time of pre-zoning or other land use decision.
- The ~~County~~County or a city/town approving a development related project that requires services from an ~~Agency~~Agency (City or Special District) through an ~~Out-of-Agency~~Out-of-Agency service contract/agreement.
- When a special district has conducted an environmental review and prepared an environmental determination for a plan to serve an area proposed for annexation to the district.

LAFCO shall use the environmental document prepared by the ~~Lead~~Lead ~~Agency~~Agency for LAFCO's environmental determinations if the Executive Officer deems it adequate for such use pursuant to State CEQA Guidelines, section 15096. Procedures for determining the adequacy of the lead agency's CEQA document are summarized as follows:

A. Consultation

- (1) Regardless of whether LAFCO is a Responsible Agency, each Lead Agency carrying out any project within LAFCO's jurisdiction and function shall inform LAFCO in writing of its intent and process for that project at the beginning of the Lead Agency's CEQA review process, and the Lead Agency shall provide LAFCO with copies of any project applications.
- (2) The Lead Agency shall consult with LAFCO regarding preparation of its environmental documents/determinations (Statutory Exemptions, Categorical Exemptions, Initial Studies/Negative Declarations, Environmental Impact Reports (EIRs), etc.) which must also be used by LAFCO in its role as a Responsible Agency; consultation can be written or verbal and LAFCO's input shall be incorporated/addressed in the Lead Agency's analysis, documentation and determinations.
- (3) The Executive Officer shall, as soon as practical but within 30 days of notification, comment as to the appropriate environmental determination from LAFCO's perspective as well as issues of concern to be addressed in any environmental document. The requirement for written notification from the Lead Agency can be waived at the Executive Officer's discretion.
- (4) Where LAFCO disagrees with the Lead Agency's proposed environmental determination (such as a Negative Declaration), LAFCO will identify the specific environmental effects which it believes could result from the project and recommend the project be mitigated with measures to reduce the potential impacts to less than "significant" (when feasible) or that an EIR be prepared to properly characterize potentially significant impacts.
- (5) When it intends to prepare an EIR, the Lead Agency shall send a Notice of Preparation by certified mail to LAFCO to solicit input in accordance with Section 15082 of the State CEQA Guidelines.
- (6) LAFCO shall respond to any Notice of Preparation submitted to LAFCO in accordance with subsection (A)(5) above in writing within 30 days, specifying the scope and content of the environmental data and analysis germane to LAFCO's statutory

responsibilities for the proposed project. LAFCO shall also provide the Lead Agency with input regarding environmental issues and the minimum content of the analysis needed to meet a standard of adequacy for use of the environmental document/determination by LAFCO as a CEQA Responsible Agency.

(7) Where LAFCO is called upon to grant an approval for a project subject to CEQA for which another public agency was the appropriate lead agency, LAFCO shall assume the role of the Lead Agency when any of the following conditions occur ([State CEQA Guidelines, Section 15052](#)):

- a. The lead agency did not prepare any environmental documents for the project, and the statute of limitations has expired for a challenge to the action of the appropriate lead agency.
- b. The lead agency prepared environmental documents for the project, but the following conditions occur:
 - i. A subsequent EIR is required pursuant to State CEQA Guidelines, section 15162,
 - ii. The lead agency has granted a final approval for the project, and
 - iii. The statute of limitations for challenging the lead agency's action under CEQA has expired.
- c. The lead agency prepared inadequate environmental documents without consulting with the responsible agency as required by State CEQA Guidelines, section 15072 or 15082, and the statute of limitations has expired for a challenge to the action of the appropriate lead agency.

B. Preparation of Environmental Documents by a Lead Agency

(1) The Lead Agency shall include information in the Statutory Exemption, Categorical Exemption, Initial Study/Negative Declaration/EIR to allow its subsequent use by LAFCO for its considerations; referencing on the title page and in the project description any boundary changes, changes of organization or reorganization, or other proposed actions requiring subsequent discretionary action by LAFCO to fully implement the project.

- (2) The Lead Agency shall send the draft document to LAFCO as part of the public review process required by the CEQA and the applicable guidelines (sections 15072 and 15082 of the State CEQA Guidelines). The Executive Officer will, within the established review period, send comments to the Lead Agency in writing (which can be transmitted either via U.S. mail or overnight delivery, or electronically by email or other messaging system), all of which LAFCO expects to be incorporated and assessed in the final document. LAFCO's comments on a draft CEQA document submitted to LAFCO by a lead agency should focus on the appropriateness of the CEQA document chosen, the adequacy of the environmental document's content, in the case of an EIR -- additional alternatives or mitigation measures, etc., that are germane to environmental impacts that could result from LAFCO's subsequent discretionary action or to the adequacy of the document for use by LAFCO as a CEQA Responsible Agency.

- (3) A final EIR prepared by a Lead Agency or a Negative Declaration adopted by a Lead Agency shall be conclusively presumed to comply with CEQA for purposes of use by Responsible Agencies which were consulted pursuant to sections 15072 or 15082 unless one of the following conditions occurs:
 - a. The EIR or Negative Declaration is finally adjudged in a legal proceeding not to comply with the requirements of CEQA, or
 - b. A subsequent EIR is made necessary by Section 15162 of the State CEQA Guidelines.

C. Filing with LAFCO

Applications filed by Lead Agencies with LAFCO shall include copies of one of the following environmental documents as specified in LAFCO's filing requirements and all applicable findings for an EIR per Sections 15091, 15092 and 15093 of the State CEQA Guidelines.

- Certification of Categorical Exemption;
- Certification of Statutory Exemption;
- Notice of Intent to Adopt a Negative Declaration or Mitigated Negative Declaration;

- Final Negative Declaration (including copy of Initial Study);
- Final Negative Declaration with mitigation measures (including copy of Initial Study, all technical appendices, and Mitigation Monitoring/Reporting Plan);
- Notice of Subsequent Use of an Existing EIR (which was previously available or has been made available to LAFCO);
- Notice of Preparation of Draft EIR;
- Notice of ~~Availability/Notice of~~ Completion of Draft EIR (including copy of Draft EIR);
- Final EIR;
- Statements of Findings/Overriding Considerations, and Mitigation Monitoring Plan; [and/or](#)
- ~~Notice of Determination; and/or~~
- [and a c](#)Copy of the California Department of Fish and Wildlife's environmental filing fee receipt ~~including and~~, if applicable, a CEQA Filing Fee No Effect Determination Form.

D. LAFCO's Use of ~~L~~ead ~~A~~gency's Environmental Documents

- (1) In making its determinations on boundary change proposals, changes of organization or reorganization, or other proposed actions requiring discretionary action by LAFCO, it will generally use the environmental document prepared by the ~~L~~ead ~~A~~gency if the procedures regarding consultation and preparation of environmental documents by a ~~L~~ead ~~A~~gency outlined above have been followed.
- (2) Prior to project approval, the Commission will certify that it has reviewed and considered the information contained in the ~~L~~ead ~~A~~gency's document. LAFCO may request the ~~L~~ead ~~A~~gency furnish additional information or findings as required to support a legally adequate ~~R~~esponsible ~~A~~gency environmental determination in accordance with Section 15096 of the State CEQA Guidelines.
- (3) When a ~~L~~ead ~~A~~gency's EIR identifies significant environmental effects, LAFCO will incorporate the ~~L~~ead ~~A~~gency's findings or formulate its own, for each significant

effect, or otherwise make findings in accordance with State CEQA Guidelines, section 15091 for each significant environmental effect that is identified in a [L](#)ead [A](#)gency's EIR.

- (4) LAFCO may take any of the following actions to conform to CEQA requirements when rendering a decision on an application:
- LAFCO shall not approve a proposed project with significant impacts if it can adopt feasible alternatives or mitigation measures within its powers that would substantially lessen the magnitude of such effects, unless it adopts a Statement of Overriding Considerations (State CEQA Guidelines, section 15093);
 - If LAFCO mitigates impacts listed in the EIR to a less than significant level via the adoption of boundary alternatives or conditions of approval (negotiated with the local agency), such findings shall be reinforced by adequate rationale and inserted in the record; or
 - If the environmental impacts of the LAFCO decision cannot be mitigated to a less than significant level, LAFCO shall adopt a Statement of Overriding Considerations per State CEQA Guidelines, sections 15093 and 15096.
- (5) Upon project approval, LAFCO shall file a Notice of Determination in a like manner as a [R](#)esponsible [A](#)gency in accordance with Section 15096(i) of the State CEQA Guidelines. The Notice of Determination shall be filed with the San Bernardino County Clerk of the Board of Supervisors [and the State Clearinghouse](#).

3. LAFCO's Role as a Lead Agency

A. GENERAL INFORMATION

- (1) LAFCO will be the Lead Agency responsible for performing CEQA mandated environmental review when its discretion for approval or denying a project involves general governmental powers. This is in contrast with a [R](#)esponsible [A](#)gency role which only has single, limited powers over the project, normally subsequent and secondary to LAFCO's function, such as pre-zoning for the property of interest.

Examples of projects requiring LAFCO to act as a Lead Agency include but are not limited to the following:

- Changes of organization or reorganization that include, but are not limited to, incorporation of cities, formation of districts, [detachment from cities](#), annexation [to special districts](#) ~~to and/or~~ detachment from ~~cities and~~ special districts, establishment of a subsidiary district, and merger of cities and districts.
- Establishment of spheres of influence for cities and special districts.
- Special District activation or divestiture of a function or class of service
- Studies of local government agencies requiring a discretionary decision by LAFCO.

(2) Where another public agency is initially the appropriate [L](#)lead [A](#)gency for a project requiring subsequent LAFCO approval, LAFCO will assume the role of Lead Agency in those instances where:

- a. The [L](#)lead [A](#)gency failed to prepare an environmental document and the statute of limitations to a challenge of the action of the [L](#)lead [A](#)gency has expired.
- b. Based on LAFCO review, an inadequate environmental document was prepared without consultation with San Bernardino LAFCO per State CEQA Guidelines procedures and the statute of limitations for a challenge has expired.
- c. A subsequent EIR is required pursuant to Section 15162 of the State CEQA Guidelines and the original [L](#)lead [A](#)gency chooses not to prepare a subsequent EIR.

LAFCO may assume Lead Agency responsibility under situations (a) and (b) only when it has been unsuccessful in effecting necessary changes in environmental documentation by the [L](#)lead [A](#)gency through the normal administrative review process.

B. Delegation of Responsibilities by the Commission to the Executive Officer

The following quotations from section 15025 of the State Guidelines indicate those functions that can and cannot be delegated to the Executive Officer by the Commission:

A public agency (the Commission) MAY assign specific functions to its staff (Executive Officer) to assist in administering CEQA. Functions which may be delegated include but are not limited to:

- (1) Determining whether a project is exempt.*
- (2) Conducting an Initial Study and deciding whether to prepare a draft EIR or Negative Declaration (refer to Section IV, F. 2. of these guidelines for a discussion of the appeal process when an EIR is required.)*
- (3) Preparing a Negative Declaration or EIR.*
- (4) Determining that a Negative Declaration has been completed within a period of 180 days (see Section 21100.2 of CEQA).*
- (5) Preparing responses to comments on environmental documents.*
- (6) Filing of notices.*

The decision-making body of a public agency (the Commission) shall NOT delegate the following functions:

- (1) Reviewing and considering a final EIR or approving a Negative Declaration prior to approving a project before the Commission.*
- (2) The making of findings as required by Sections 15091 and 15093.*

CHAPTER 3: LAFCO LEAD AGENCY PROCEDURES

The following process and procedures, specific to LAFCO's function, summarize or supplement the State CEQA Guidelines and are to be used to process all accepted applications:

1. PROJECTS EXEMPT FROM CEQA

A. "Common Sense" Exemptions (State CEQA Guidelines, section 15061)

Projects qualifying for this status are those determined by the Executive Officer to have no ~~possibility of causing a physical change in the environment or of creating potential for causing~~ a significant ~~adverse effect on the~~ environmental effect (15061(b)(3)):

15060 (c) Once an application is deemed complete, LAFCO must first determine whether an activity is subject to CEQA before conducting an initial study. An activity is not subject to CEQA if:

- (1) The activity does not involve the exercise of discretionary powers by a public agency;*
- (2) The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment; or*
- (3) The activity is not a project as defined in Section 15378 of the State CEQA Guidelines.*

15061 (b) A project is exempt from CEQA if:

- (1) The project is exempt by statute (see, e.g. Article 18, commencing with Section 15260).*
- (2) The project is exempt pursuant to a categorical exemption (see Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in Section 15300.2.*
- (3) The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.*
- (4) The project will be rejected or disapproved by a public agency. (See Section 15270(b)).*
- (5) The project is exempt pursuant to the provisions of Article 12.5 of this Chapter, which define exemptions for agricultural housing, affordable housing, and residential infill projects.*

Most LAFCO projects qualify for a “common sense” exemption because the project being considered for approval by the Commission has no potential to modify the physical environment.

B. Statutory Exemptions (State CEQA Guidelines, sections 15260-15285)

Statutorily exempt projects defined by the Legislature that could apply to a LAFCO project include the following:

(1) Disapproved Projects

CEQA does not apply to projects that LAFCO rejects or disapproves. This statutory exemption is intended to allow an initial screening of projects on the merits for quick disapprovals prior to the initiation of the CEQA process where LAFCO can determine that the project cannot be approved. This statutory exemption shall not relieve an applicant from paying the costs for an EIR or negative declaration prepared for the project prior to the lead agency’s disapproval of the project after normal evaluation and processing.

(2) Feasibility and Planning Studies

A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities.

(3) Ministerial Projects

Actions or Ministerial Projects involve the application of fixed standards without the option of exercising personal or subjective judgment ([discretionary judgment](#)) by the Executive Officer or the Commission.

Examples include:

- a. Issuance of Certificates of Filing and Completion.
- b. Consolidation/reorganization of special districts where the district boards adopt similar resolutions of applications for said consolidation/reorganization into a

single agency (pursuant to Government Code Section 56853).

- c. Certain city island annexations (pursuant to Government Code Section 56375 [a][4] or Section 56375.3) where approval is mandated if the annexation meets certain specific findings.
- (4) Rates, Tolls, Fares and Charges (State CEQA Guidelines, section 15273)
- (a) *CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:*
 - (1) *Meeting operating expenses, including employee wage rates and fringe benefits,*
 - (2) *Purchasing or leasing supplies, equipment, or materials,*
 - (3) *Meeting financial reserve needs and requirements,*

C. Categorical Exemptions (State CEQA Guidelines, section 15300)

The following classes of projects, specifically pertaining to LAFCO's activities, have been identified in the State CEQA Guidelines as not having the potential to cause significant environmental effects, and may be categorically exempt from the requirements of CEQA if certain specified criteria are satisfied (Note: A categorical exemption shall not be used for these activities where there is substantial evidence to support that one of the exceptions to the categorical exemptions in State CEQA Guidelines, section 15300.2 is present.):

(1) Class 1: Existing Facilities

Included within this category are out-of-agency service contracts/agreements where existing water, sewer, and/or other utilities may be extended to replace existing infrastructure that involves negligible or no expansion of use.

(2) Class 2: Replacement or Reconstruction

Included within this category are out-of-agency service contracts/agreements where existing water, sewer, and/or other utilities may be extended to replace undersized or deteriorating infrastructure.

| ~~(4)~~(3) Class 3: Construction or Conversion of New, Small Structures

Included within this category are out-of-agency service contracts/agreements involving the extension of water, sewer, and/or other utility services by a city or district outside its boundaries but lying within its respective sphere of influence.

| ~~(2)~~(4) Class 19: Annexations of Existing Facilities and Lots for Exempt Facilities

Included within this category are:

- a. Annexations to special districts where the district's services would be provided even without annexation and construction has been initiated prior to the issuance of a Certificate of Filing;
- b. Annexations of areas containing existing public or private structures developed to the density allowed by current zoning or pre-zoning, whichever is more restrictive, (provided, however, that the extension of utility services within the annexed area would have a capacity to serve only those existing facilities);
- c. Detachments from cities where the land being detached is committed, by virtue of an adopted land-use plan, to remain in agricultural use or open space; or where the land is presently developed and no change in land-use can be reasonably anticipated; and
- d. Detachments from special districts which will not result in any change in zoning or land use.

| ~~(3)~~(5) Class 20: Changes in Organization of Local Agencies

Included within this category are changes in the organization or reorganization of local agencies where the changes do not modify the geographic area in which previously existing powers are exercised.

Examples include but are not limited to:

- a. Establishment of a subsidiary district;
- b. Consolidation of two or more districts having identical boundaries;

- c. Merger with a city of a district lying entirely within the boundaries of the city; or
- d. Reorganization of agencies consisting of annexations or detachments providing similar services.

[In 2025 the State adopted a number of additional CEQA Exemptions, primarily focused on affordable housing. The exemptions focused on direct land use authority, not LAFCO responsibilities for jurisdictional determinations\[MP1.1\]. Where these new exemptions are utilized for actions that may affect LAFCO decisions, the Commission may utilize these exemptions as a responsible agency for issues such as out-of-agency service contracts/agreements.](#)

D. Process

When a LAFCO project qualifies for an exemption, staff will either (1) draft a memorandum to file explaining the rationale for the exemption or (2) document the exemption determination and the rationale supporting it in a staff report to the Commission. After the Commission takes action on the CEQA exemption and the project, the Executive Officer shall file and post with the San Bernardino County Clerk of the Board of Supervisors [and the State Clearinghouse](#) a ~~LAFCO~~ "Notice of Exemption" ~~form~~, to include:

- (1) A brief project description;
- (2) The project location;
- (3) The specific exemption (common sense/statutory/categorical), including the finding and citation to the State CEQA Guidelines section or statute under which it is found to be exempt;
- (4) The rationale for its selection, including a brief statement of reasons to support the finding.

2. **ASSEMBLY BILL (AB) 52 – NATIVE AMERICANS**

Beginning July 2015, a new process was added to the standard CEQA review for a Negative Declaration (~~ND, Notice of Intent to Adopt a Negative Declaration~~) or for an ~~Environmental Impact Report (EIR, Notice of Preparation)~~. LAFCO rarely prepares Negative Declarations or EIRs, but when this type of documentation is required, LAFCO will have to implement AB 52.

AB 52 establishes a consultation process between Native American tribes and government agencies only upon request of a Tribe. Once a written request for consultation is submitted to any agency, the agency must consult with the Native American Tribe(s) regarding the potential for a project to adversely impact "tribal cultural resources." Section 21074 of the Public Resources Code outlines what tribal cultural resources consist of:

21074. (a) *"Tribal cultural resources" are either of the following:*

- (1) *Sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are either of the following:*
 - (A) *Included or determined to be eligible for inclusion in the California Register of Historical Resources.*
 - (B) *Included in a local register of historical resources as defined in subdivision (k) of Section 5020.1.*
 - (2) *A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Section 5024.1. In applying the criteria set forth in subdivision (c) of Section 5024.1 for the purposes of this paragraph, the lead agency shall consider the significance of the resource to a California Native American tribe.*
- (b) *A cultural landscape that meets the criteria of subdivision (a) is a tribal cultural resource to the extent that the landscape is geographically defined in terms of the size and scope of the landscape.*
- (c) *A historical resource described in Section 21084.1, a unique archaeological resource as defined in subdivision (g) of Section 21083.2, or a "nonunique archaeological resource" as defined in subdivision (h) of Section 21083.2 may also be a tribal cultural resource if it conforms with the criteria of subdivision (a).*

LAFCO will comply with the consultation requirements and if a [Negative Declaration](#) or EIR is being prepared, LAFCO will complete the notification and consultation process prior to release of the environmental document being published for public review.

3. INITIAL STUDIES

A project for which LAFCO is the Lead Agency and which is not exempt will require the preparation of an Initial Study to determine if the project has the potential for causing a significant environmental effect. The Initial Study assessment shall consider all phases of the project; the purposes, policies, rules, regulations and standards set forth in CEQA and its State CEQA Guidelines; these procedures and the adopted plans and policies of cities, the County, and LAFCO. An Initial Study need not be prepared if the Executive Officer determines at the beginning stages of review that a full-scope EIR will be required, but will be used to document the significance of specific impacts

requiring a focused EIR, i.e. the Initial Study shall document the rationale for narrowing the scope of issues to be addressed in an EIR.

A. Process

The Initial Study will be prepared on a State CEQA Guidelines Standard Initial Study Environmental Checklist Form (Appendix G) using the project application, environmental description forms, appropriate literature, etc. A site visit may be necessary. Individual findings for environmental issues will be documented with sufficient technical or qualitative data to substantiate conclusions regarding the potential for significant adverse impact. Insufficiency of available information will be noted on the form if it affects the ability to reach a conclusion.

The preparer shall consult with all Responsible Agencies and other public agencies/persons/organizations affected by or knowledgeable of the project and its issues. Under appropriate circumstances such review could also involve use of the County's or a city's Environmental Review Committee and its public forum to more fully assess the physical, social and ~~infrastructural~~ infrastructure implications of complex projects. The Initial Study will be the supporting document for findings of "significance" and "non-significance less than significant" (whether to prepare an Negative Declaration, Mitigated Negative Declaration, or EIR). It is a tool for modifying projects and/or identifying mitigation measures to allow a finding of "non-significance less than significant." It can also be used to focus the EIR on effects determined to be potentially "significant" or to determine whether a previously prepared EIR could be used/modified for the project, etc.

The Initial Study shall contain:

- (1) A project description and location;
- (2) Environmental setting;
- (3) Identification of all environmental impacts using the most recent version of the State CEQA Guidelines environmental checklist form (Appendix G) and substantial evidence to support environmental impact findings, including ways to mitigate (avoid, minimize, compensate or otherwise reduce a significant impact to a less than significant level) (for greater detail reference Section 15063 of the State CEQA Guidelines); and

- (4) Examination of project consistency with zoning and land-use plans, etc.

Section 15063 of the State CEQA Guidelines contains a detailed description of the content of and uses for the Initial Study and it is hereby incorporated by reference. Funding for the preparation of an Initial Study shall be borne by the applicant for the LAFCO action pursuant to Commission policy.

B. Executive Officer's Determinations/Findings

After review of the Initial Study and all supporting information, the Executive Officer shall determine the appropriate environmental determination based on one of the following findings:

- (1) The project will not have a significant environmental effect. Prepare a Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After an appropriate public review period consistent with the applicable State CEQA Guideline's [processing](#) requirements, the documentation will be finalized and forwarded to the Commission with a recommendation for adoption.
- (2) The project, as proposed, would have a significant environmental effect, but with alterations, stipulations, or mitigation measures, all adverse impacts can be mitigated to a less than significant level. Prepare a Mitigated Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After appropriate public review period consistent with State CEQA Guideline's requirements, the documentation will be forwarded to the Commission with a recommendation for adoption.
- (3) The project will have a significant environmental effect, but all such impacts have been adequately assessed in a final EIR previously reviewed by LAFCO and mitigated to the extent feasible. Submit to the Commission with appropriate findings for certification.
- (4) The project will have a significant environmental effect. An EIR will be prepared and submitted to the Commission with appropriate findings.
- (5) The project will have a significant environmental effect and an EIR has been prepared. However, new information or changed conditions affecting the project or the site warrant additional

analysis. Prepare a 'subsequent' EIR or addendum to the original EIR focusing on these changes. Submit to the Commission with appropriate findings for certification.

4. **NEGATIVE DECLARATION OR MITIGATED NEGATIVE DECLARATION**

A Negative Declaration (finding of ~~non-~~less than significant effect) or a Mitigated Negative Declaration (finding of ~~non-~~less than significant effect with project changes/mitigation measures/conditions of approval) will be prepared on the current State CEQA Guidelines Initial Study Environmental Checklist Form by staff per the findings of the Initial Study based on substantiating evidence. The Negative Declaration or Mitigated Negative Declaration's contents will include a brief project description, location (i.e., vicinity map), name of applicant, the 'finding of non-significance,' attached Initial Study with any applicable technical reports, data or other information constituting the substantial evidence supporting the environmental analysis, and a list of mitigation measures (if any, in the context of a Mitigated Negative Declaration). A determination of the Initial Study's adequacy and the preparation of the accompanying Negative Declaration or Mitigated Negative Declaration initially rests with the Executive Officer. The formal adoption of the Negative Declaration or Mitigated Negative Declaration rests ultimately with the Commission.

A. Notice Requirements

The document will be available at the LAFCO office for public review and comment for a minimum of 21 days prior to LAFCO action on the project. Recommended Negative Declarations and Mitigated Negative Declaration (in the form of a Notice of Intent to Adopt a Negative Declaration or Mitigated Negative Declaration) will be noticed at least once in a newspaper of general circulation in the project area; noticed in the "local" newspaper of the affected area (if any); mailed to all Responsible Agencies and public agencies with jurisdiction within the project area; mailed to those individuals and organizations who have requested such notices. Where one or more state agencies will be a ~~R~~esponsible or ~~T~~rustee ~~A~~gency or will exercise jurisdiction over natural resources affected by the project, LAFCO shall send copies of the Negative Declaration or Mitigated Negative Declaration to the State Clearinghouse for distribution to these state agencies. Review by state agency(ies) will require a 30-day period unless reduced by prior approval of the State Clearinghouse. Pursuant to adopted Commission policy, costs associated with the Notice and distribution requirements shall be funded by the applicant for the LAFCO action.

B. LAFCO Consideration

The Commission will consider the proposed Negative Declaration or Mitigated Negative Declaration and any public and agency comments prior to approving a project, and will approve the Negative Declaration or Mitigated Negative Declaration if it finds there is no substantial evidence in the whole of the administrative record that the project will have a 'significant environmental effect.' Where mitigation is included as a condition of the Mitigated Negative Declaration, the mitigation monitoring and reporting program (MMRP) shall assign responsibility for implementing the mitigation measure(s) when the Mitigated Negative Declaration is approved by the Commission.

C. Notice of Determination

After the Commission's approval of a project for which a Negative Declaration or Mitigated Negative Declaration has been adopted, the Executive Officer shall file a Notice of Determination.

The Notice of Determination's content shall include:

- (1) Project description, identification and location;
- (2) Date project approved by LAFCO;
- (3) Determination of "non-significant" effect, or determination that mitigation measures were imposed and made conditions of approval for the project to reduce impacts to less than significant levels;
- (4) Statement that a Negative Declaration or Mitigated Negative Declaration has been prepared and approved; and
- (5) Address of LAFCO office where a copy of Negative Declaration or Mitigated Negative Declaration is filed.

The Notice shall be filed with the San Bernardino County Clerk of the Board of Supervisors [and the State Clearinghouse](#). ~~If the project requires a discretionary approval from any state agency, the Notice shall also be filed with the State Office of Planning and Research, State Clearinghouse.~~ Fees for filing a Notice of Determination for a Negative Declaration or Mitigated Negative Declaration shall be funded by the applicant for the LAFCO action [and paid at the time of filing](#).

5. ENVIRONMENTAL IMPACT REPORT

If the Executive Officer or the Commission finds, based on substantial evidence in the record or contained in the Initial Study and public comments,

that a project may have a significant environmental effect, the Executive Officer will initiate the preparation of an Environmental Impact Report (EIR).

A. Purpose

An EIR is an informational document; a major tool in the decision-making process [for implementing CEQA](#), informing Commissioners and all parties involved of the environmental consequences of project decisions before they are made. An EIR's primary functions are to identify and mitigate significant adverse impacts [to the extent feasible](#) and to provide alternative project and boundary options that may reduce potentially significant impacts of the proposed project. An EIR is not an instrument to rationalize approval or denial of a project; nor do indications of adverse impacts require automatic denial. LAFCO has the authority to balance environmental, economic, social or other objectives as part of its mandate to develop orderly governmental boundaries (Sections 15091, 15092 and 15093, State CEQA Guidelines).

An EIR should be prepared early in the application process to facilitate the integration of environmental considerations in project or boundary design.

The applicant is responsible for submitting all necessary project data for the EIR per the Executive Officer's request, or funding the preparation of required project data for the EIR.

B. Appeals

The Executive Officer's determination to require an EIR is appealable to the Commission within 10 working days of the issuance of the decision to [require ~~prepare~~ preparation of](#) an EIR. Such appeal must be filed, on LAFCO forms, with the Executive Officer and must include specific substantiation for the appeal, directly related to environmental issues. The appeal shall be heard on the next regularly scheduled Commission agenda that permits adequate public notification. There is no appeal from a Commission requirement for an applicant to prepare an EIR.

C. Notice of Preparation

At the earliest feasible date following the Executive Officer's/Commission's formal decision to prepare an EIR (based on the administrative record or an Initial Study), a Notice of Preparation (NOP) will be mailed to all responsible and affected agencies

(including the State Clearinghouse and affected state agencies, if any) and any parties requesting notification.

State review of an EIR will result in the issuance of an identification number (State Clearinghouse Number, SCH#) which shall be used on all subsequent documentation and correspondence.

The NOP shall include sufficient information on the project and its anticipated impacts to facilitate meaningful responses on the environmental issues that may cause significant adverse impacts. Such content to include:

- (1) Project description;
- (2) Mapped location;
- (3) Probable environmental effects; and
- (4) A copy of the Initial Study or substantial evidence in the record justifying the preparation of an EIR, etc.

The Notice of Preparation shall be sent to all responsible/trustee agencies or interested parties via certified mail or other method to document its receipt.

Within 30 days after LAFCO's release of the NOP, each **R**esponsible **A**gency/interested party shall submit to LAFCO specific information directly related to that agency's/party's statutory responsibility for the project; the environmental issues, alternatives, and mitigation measures to be explored; and the agency's/party's role in the project's review, etc.

If LAFCO does not receive a response or request to extend the public comment period on the NOP by the end of the 30-day NOP review period, LAFCO may presume that no response will be made from an agency or party that received the NOP [and proceed with the CEQA review process](#).

D. Scope of EIR

LAFCO may also convene meetings involving all parties (especially at the request of a **R**esponsible **A**gency) to further assist in the determination of the EIR's scope and content, no later than 30 days after such request. Early and complete scoping, consultation and negotiation are critical to the preparation of an adequate EIR. LAFCO could request use of the **C**ounty's or a local agency's Environmental

Review Committee in a public meeting forum to aid in the identification and resolution of any technical issues. LAFCO will compile all comments and identify in writing the focus for the EIR.

An EIR can be prepared by staff or consultants under contract to LAFCO, coordinated by the Executive Officer or designee. LAFCO may accept data for an EIR from any source subject to independent ~~validation~~-[verification](#) by LAFCO staff. Also, LAFCO may charge an applicant appropriate fees to cover all costs for preparing and processing an EIR.

E. EIR Content

Article 9 of the State CEQA Guidelines describes the complete content of all required sections of an EIR, as modified from time to time. However, LAFCO has discretion to narrow the scope of an EIR's content during the scoping process (State CEQA Guidelines, section 15063).

F. Consultant EIRs

The Executive Officer shall use a RFP (Request for Proposal) process to select a consultant to write the EIR. The Executive Officer shall maintain and update as necessary a list of consultants, a minimum of three from which proposals shall be solicited for each consultant prepared EIR. The Executive Officer and the applicant will screen the proposals in an attempt to gain a consensus on choosing the consultant. However, the Executive Officer is ultimately responsible for final selection of the consultant. The Commission will review the scope of work, consultant qualifications, contract cost, and all other aspects before authorizing a contract.

The applicant will be charged a fee to cover all contract and staff costs, to be deposited into a LAFCO trust fund. (Note: The contract will be between LAFCO and the consultant which will work solely at the Executive Officer's, not the applicant's, direction.) The Executive Officer will disburse the funds to the consultant at stages specified in the contract based on completion and performance.

In addition to the contract costs, the fees charged will be based on actual staff time involved in, but not limited to:

- (1) Consultant selection including bid solicitation and review, submission of information to consultants, etc.;

- (2) Review of Draft EIR, corrections, additions, legal review by the Commission's legal counsel, etc.;
- (3) Compiling comments and reviewing responses to comments for preparation of Final EIR; and
- (4) Meetings with applicant, consultant and public regarding EIR preparation.

G. Public Participation (State CEQA Guidelines, section 15201)

Public participation is an essential part of the CEQA process. Each public agency should include provisions in its CEQA procedures for wide public involvement, formal and informal, consistent with its existing activities and procedures, in order to receive and evaluate public reactions to environmental issues related to the agency's activities. Such procedures should include, whenever possible, making environmental information available in electronic format on the Internet, on a web site maintained or utilized by the public agency.

Interacting with the public is an important CEQA process that allows the public to voice its concerns about environmental issues and the potential effect of a project on the physical environment. Therefore, in order to ensure public involvement in the LAFCO CEQA process, the Commission—in addition to the requirements for public notification on the NOP and/or the Notice of Completion—will provide the public with the opportunity to participate in any meetings related to the EIR, whether through a scoping meeting (optional) to provide verbal or written comments on the content of the EIR and/or through the public hearing (required) on the certification of the Final EIR.

H. Completion Notice (State CEQA Guidelines, section 15085)

Because most LAFCO EIRs will require circulation through the State Clearinghouse, the default procedure is that as soon as the draft EIR is completed, a Notice of Completion (NOC) must be filed with OPR, denoting the project's description and location, address where EIR copies are available and the period which comments can be submitted.

I. Agency/Public Review

At the time the NOC is sent, the Executive Officer shall provide public notice of the draft EIR's availability to all organizations, agencies and individuals who previously requested such notice; as well as publication in The San Bernardino Sun (newspaper of general circulation) and/or [other](#) local newspapers. The Executive Officer shall

also distribute copies of the draft EIRs and requests for comments to all public agencies with jurisdiction within the project area; to persons or organizations previously requesting such copies; to public libraries in the affected areas; as well as maintaining copies in the LAFCO and any Responsible Agency's offices (upon request). The Executive Officer may consult with any person who has special expertise in any environmental issue involved.

Review periods are not to be less than 30 days nor longer than 60 days from the date of the NOC except in unusual situations, per the Executive Officer's discretion. The review period for draft EIRs submitted to state agencies via the State Clearinghouse will typically be a minimum of 45 days. The last date for comment submittal shall be specified in the request for comments. A lack of response by that date constitutes a 'non-objection' or 'no-comment' by that particular party.

The sufficiency of the EIR per the State CEQA Guidelines is the only issue to be addressed during this review. Questions/issues regarding the feasibility or desirability of the project itself shall only be considered by the Commission at the appropriate hearing, not integrated into the environmental review process.

In instances where complex technical issues or disagreements among experts arise in the context of an EIR, the Executive Officer can convene a meeting of the County's or a local agency's Environmental Review Committee to provide a forum for a more thorough review of the EIR's adequacy.

J. Adequacy

The Executive Officer will make preliminary (not appealable) determinations of the EIR's adequacy, utilizing all aspects of the public record; in turn making specific recommendations on adequacy to the Commission, for its findings, at the time the project is heard.

K. Response to Comments on an EIR (State CEQA Guidelines, section 15088)

The Executive Officer shall prepare or have prepared a written response to all comments received during the comment period (and MAY respond to those received after the period): describing the disposition of issues, opinions or facts raised, project revisions or mitigation measures resulting from these comments, reasons for not accepting recommendations, all substantiated by factual information.

The response to comments may be in the form of revisions to the EIR text, a separate section in the final EIR or as notes typed in the margins of the comment letters, depending on the ~~event~~ scope of the resulting revisions.

L. Preparation of Final EIR (State CEQA Guidelines, sections 15089 and 15132)

The Executive Officer/consultant will prepare a final EIR before the Commission makes a decision on the project. Project denial does not require certification of the Final EIR. Final EIR contents include:

- (1) The draft EIR and any revisions made to it in response to comments;
- (2) Comments and recommendations received on the draft EIR verbatim;
- (3) A list of persons, organizations and agencies commenting on the draft EIR;
- (4) LAFCO's responses to significant points raised during review and consultation;
- (5) ~~Plus a~~ Any other pertinent information.

Final EIRs shall be available a minimum of 10 days prior to the Commission hearing on a project and shall be provided to any commenting parties 10 days prior to a Commission hearing on a project.

The final EIR shall be submitted to the Commission with the project application and a mitigation measure monitoring plan/program (if necessary) for ~~certification~~ approval prior to the decision.

M. Certification of Final EIR (State CEQA Guidelines, section 15090)

Prior to approving a project for which an EIR has been prepared, the Commission shall certify that:

- (1) The final EIR has been completed in compliance with CEQA;
- (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project; and,

- (3) The final EIR reflects the lead agency's independent judgment and analysis.

If the Commission, through testimony or its own review of the data, finds that the environmental review is incomplete or the EIR does not adequately assess the full range of project impacts, it can refer it back to staff for revisions; deferring approval of the project until it can certify the amended final EIR. Under such circumstances, the Commission shall instruct staff to recirculate/not recirculate the amended EIR in accordance with the extent of requested revisions and as required by State CEQA Guidelines, section 15088.5.

N. Findings (State CEQA Guidelines, section 15091)

The Commission cannot approve or carry out a project for which an EIR identifies one or more significant environmental effects unless it makes one or more written findings for each significant effect, each reinforced by substantial evidence in the record. Such findings include:

- (1) Changes have been incorporated into the project which avoid or substantially reduce the significant environmental effect(s) identified in the final EIR.
- (2) Such changes are not within LAFCO's jurisdiction, but are within the responsibility and jurisdiction of another agency which has adopted such changes or which can and should adopt such changes.
- (3) Specific economic, social or other considerations make infeasible the mitigation measures or project alternatives identified in the final EIR.

O. Approval (State CEQA Guidelines, section 15092)

LAFCO shall not approve or carry out a project for which an EIR was prepared unless either:

- (1) The project, as approved, will not have a significant environmental effect; or

- (2) LAFCO has eliminated or substantially reduced all significant effects where feasible per State CEQA Guidelines, section 15091, and determined that any remaining significant effects found to be unavoidable per State CEQA Guidelines, section 15091 are acceptable due to overriding concerns described in State CEQA Guidelines, section 15093.

P. Statement of Overriding Considerations (State CEQA Guidelines, section 15093)

When LAFCO approves a project that will have a significant effect on the environment that cannot be avoided or mitigated to a less than significant level, LAFCO shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The Commission shall balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable". The statement of overriding considerations shall be supported by substantial evidence in the record. The Commission's statement of overriding considerations should be included in the record of the project approval and so stated in the Notice of Determination.

Q. Notice of Determination (State CEQA Guidelines, section 15094)

The Executive Officer shall file a Notice of Determination following each project approval for which an EIR was certified. The notice shall include:

- (1) The final EIR has been completed in compliance with CEQA;
- (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project;
- (3) The final EIR reflects the lead agency's independent judgment and analysis;
- (4) Determination of any significant environmental effects;
- (5) Statement that an EIR was prepared and certified pursuant to CEQA;

- (6) Whether mitigation measures were made conditions of the project;
- (7) Whether findings were made per State CEQA Guidelines, section 15091;
- (8) Whether a statement of overriding considerations was adopted; and
- (9) The address of the location of a copy of the final EIR and the project record.
- (10) If different from the applicant, the identity of the person undertaking the project which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies or the identity of the person receiving a lease, permit, licenser, certificate, and other entitlement for use from one or more public agencies.

The notice shall be filed with the [San Bernardino County](#) Clerk of the ~~County~~ Board of Supervisors. ~~If the project requires discretionary approval from a state agency, the notice shall also be filed with OPR and the~~ [State Clearinghouse](#).

R. Disposition of Final EIR (State CEQA Guidelines, section 15095)

The Executive Officer shall:

- (1) File a copy of the Final EIR with the San Bernardino County Planning Division, [the State Clearinghouse](#) and the city where significant environmental effects may occur;
- (2) Include the Final EIR in all subsequent project administration;
- (3) A copy of the Final EIR shall be kept as a permanent public record for the project; and
- (4) Require the applicant to provide a copy of the certified, final EIR to each ~~R~~responsible ~~A~~gency.

Pursuant to adopted Commission policy, funding for the preparation of an EIR, fees for filing a Notice of Determination, and other related fees (i.e. notice and distribution requirements), are the responsibility of the applicant for the LAFCO action.

CHAPTER 4: LAFCO POLICIES

1. COMPLETION OF ENVIRONMENTAL LITIGATION PRIOR TO CONSIDERATION OF CHANGE:

It is the policy of San Bernardino LAFCO that in those instances where LAFCO is a CEQA Responsible Agency and there has been a legal challenge to the environmental document prepared by the lead agency, LAFCO shall not take action on the proposal (application) until the legal challenge to the lead agency's document has been fully resolved and all appeals have been exhausted, if any.

The Commission may choose to override this policy upon the request of the applicant.

In those instances where the Commission determines to override this policy based upon the unique circumstance of the application and approve the application, it shall include the following condition in its resolution of approval:

In the event that a court of competent jurisdiction invalidates the action taken by this resolution for any reason, the City of _____ or _____ District shall enter into an out-of-agency service contract/agreement(s) with the previous service provider(s) for the provision of all services transferred by this action and shall present said contract(s) and/or agreement(s) to the San Bernardino LAFCO pursuant to Government Code Section 56133 within 60 days of such court determination. The affected agency(s) shall provide written consent to this condition within five (5) working days of the adoption of the resolution of approval and the protest process shall not commence until the Executive Officer has received that consent.

2. RECONSIDERATION

The Cortese-Knox-Hertzberg Act establishes procedures for agencies to request amendments to, or reconsideration of resolutions adopted by the Commission (Government Code Section 56895). Whenever the Commission accepts a written request for amendment to, or reconsideration of an adopted resolution, the period for which a CEQA challenge may be filed shall be tolled while the request for reconsideration is under review by the Commission. Following the Commission's reconsideration, the statute of limitations on the original filing of either the Notice of Determination or Notice of Exemption will continue.

3. REVIEW OF ENVIRONMENTAL APPEALS

Where the published notice of the LAFCO agenda items includes notice of a

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hearing on any possible appeal from an environmental review determination, the LAFCO may hear the appeal on the same date it hears the agenda item, if:

- A. The appeal was timely filed;
- B. The time for filing an appeal has run;
- C. The appellant and/or applicant have received personal notice of the hearing;
- D. Any party who has requested in writing to be notified has received personal notice of the hearing; and
- E. The appeal is heard in advance of the agenda item.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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lafco@lafco.sbcounty.gov
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HEARING DATE: APRIL 15, 2026

RESOLUTION NO. 3434

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, AMENDING ITS POLICY AND PROCEDURE MANUAL

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

SECTION 1. The Local Agency Formation Commission for San Bernardino County, State of California (hereafter shown as "LAFCO"), hereby finds and determines that it wishes to amend its Policy and Procedure Manual.

SECTION 2. The Local Agency Formation Commission for San Bernardino County therefore determines, resolves and orders that:

1. The following section(s) of the Policy and Procedure Manual is amended:
 - Section V – Environmental Review
Administrative Guidelines, Policies, and Procedures
 - LAFCO for San Bernardino County Environmental Checklist Form (CEQA Appendix G), which is included in the forms section of the Policy and Procedure Manual
2. The amended Section V of the Policy and Procedure Manual is attached to this resolution as Exhibit "A" and the revised Environmental Checklist Form (CEQA Appendix G) is attached to this resolution as Exhibit "B" and incorporated herein by reference, are adopted and approved.

SECTION 3. The Executive Officer of LAFCO is ordered to certify the passage of this resolution and to cause a copy of the amended Policy and Procedure Manual to be posted on the LAFCO Website.

THIS ACTION APPROVED AND ADOPTED BY THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY BY THE FOLLOWING VOTE:

RESOLUTION NO. 3434

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

.....

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

I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, 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 April 15, 2026.

DATED:

SAMUEL MARTINEZ
Executive Officer

DRAFT

SECTION V
ENVIRONMENTAL REVIEW
**ADMINISTRATIVE GUIDELINES, POLICIES,
AND PROCEDURES**

Amended April 15, 2026

CHAPTER 1: INTRODUCTION

On June 20, 1990, the Local Agency Formation Commission for San Bernardino County (LAFCO) adopted, by Resolution #2267, the California Environmental Quality Act's (CEQA) State CEQA Guidelines and any amendments, as its environmental guidelines. The following information outlines the specific procedures used by LAFCO to tailor the general provisions of the State Guidelines to LAFCO's specific functions as both a "Responsible" and a "Lead" agency under CEQA. This version of LAFCO's Environmental Review guidelines incorporates changes in the State CEQA Guidelines through 2025.

These provisions and procedures incorporate by reference (and are to be utilized in conjunction with) the current version of the State CEQA Guidelines, a copy of which is on file with the LAFCO Clerk. These procedures will be periodically revised as necessary to conform to amendments to the State Guidelines. Every few years, LAFCO will update this Section using the most current adopted Guidelines. However, LAFCO will implement any such statutory changes that the California Legislature makes to the CEQA Statutes as soon as those statutory changes become effective, even if not expressly stated herein. On April 15, 2026, the Commission reviewed and approved this 2025 update to Section V (Environmental Review: Administrative Guidelines, Policies, and Procedures) of the Commission's Policy and Procedure Manual.

The Commission hires an environmental consultant to assist the Commission in carrying out its duties under CEQA. The Commission's environmental consultant reviews proposals that are filed with LAFCO for CEQA compliance. The Commission's environmental consultant's recommendation is advisory to the Commission and its staff. The Commission makes the final determination and takes the final action based on its independent review of the recommendation, the project, and the environmental analysis.

LAFCO's Environmental Responsibilities

LAFCO's role as a regulatory agency involves "the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies." A few of its duties require minimal environmental review, especially those involving

the commissioning of studies, the hearing of protests, and consolidations, reorganizations and mergers of cities or districts. Most of these duties only constitute jurisdictional changes with no potential for land use changes or for significant effects on the physical environment.

LAFCO's more prominent roles include, but are not limited to, creation of spheres of influence, formation of new districts, incorporation of new cities, and annexations/reorganizations to cities or special districts. These types of LAFCO actions generally require more in-depth analysis, especially if they result in the direct or indirect physical change in the environment, like facilitation of growth and/or land-use alterations. Factors that must be assessed in these cases involve land area and use, all aspects of the physical and human environment, geographical features, population growth and density, social and economic changes, availability of infrastructure and government services, conformity with city or county land use plans, and creation of unincorporated "islands," etc.

The following general information from the State CEQA Guidelines provides context for the Commission's CEQA actions:

1. GENERAL CEQA CONCEPTS

The following General Concepts outlined in the State CEQA Guidelines, section 15002 apply to LAFCO's consideration of projects presented to it:

- (a) *Basic Purposes of CEQA. The basic purposes of CEQA are to:*
 - (1) *Inform governmental decision makers and the public about the potential, significant environmental effects of proposed activities.*
 - (2) *Identify the ways that environmental damage can be avoided or significantly reduced.*
 - (3) *Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.*
 - (4) *Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.*
- (b) *Governmental Action. CEQA applies to governmental action. This action may involve:*
 - (1) *Activities directly undertaken by a governmental agency,*
 - (2) *Activities financed in whole or in part by a governmental agency, or*
 - (3) *Private activities which require approval from a governmental agency.*

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- (e) *Time for Compliance. A governmental agency is required to comply with CEQA procedures when the agency proposes to carry out or approve the activity.*
- (f) *Environmental Impact Reports and Negative Declarations. An Environmental Impact Report (EIR) is the public document used by the governmental agency to analyze the significant environmental effects of a proposed project, to identify alternatives, and to disclose possible ways to reduce or avoid the possible environmental damage.*
 - (1) *An EIR is prepared when the public agency finds substantial evidence that the project may have a significant effect on the environment. (See: State CEQA Guidelines section 15064(a)(1))*
 - (2) *When the agency finds that there is no substantial evidence that a project may have a significant environmental effect, the agency will prepare a "Negative Declaration" instead of an EIR. (See: State CEQA Guidelines section 15070.)*
- (g) *Significant Effect on the Environment. A significant effect on the environment is defined as a substantial adverse change in the physical conditions which exist in the area affected by the proposed project. (See: State CEQA Guidelines section 15382.) Further, when an EIR identifies a significant effect, the government agency approving the project must make findings on whether the adverse environmental effects have been substantially reduced or if not, why not. (See: State CEQA Guidelines section 15091.)*
- (h) *Methods for Protecting the Environment. CEQA requires more than merely preparing environmental documents. The EIR by itself does not control the way in which a project can be built or carried out. Rather, when an EIR shows that a project would cause substantial adverse changes in the environment, the governmental agency must respond to the information by one or more of the following methods:*
 - (1) *Changing a proposed project*
 - (2) *Imposing conditions on the approval of the project;*
 - (3) *Adopting plans or ordinances to control a broader class of projects to avoid the adverse changes;*
 - (4) *Choosing an alternative way of meeting the same need;*
 - (5) *Disapproving the project;*
 - (6) *Finding that changing or altering the project is not feasible;*
 - (7) *Finding that the unavoidable significant environmental damage is acceptable as provided in State CEQA Guidelines section 15093.*
- (i) *Discretionary Action. CEQA applies in situations where a governmental agency can use its judgment in deciding whether and how to carry out or approve a project. A project subject to such judgmental controls is called a "discretionary project." (See: State CEQA Guidelines section 15357.)*
 - (1) *Where the law requires a governmental agency to act on a project in a set way without allowing the agency to use its own judgment, the project is called "ministerial," and CEQA does not apply. (See: State CEQA Guidelines section 15369.)*

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- (2) *Whether an agency has discretionary or ministerial controls over a project depends on the authority granted by the law providing the controls over the activity. Similar projects may be subject to discretionary controls in one city or county and only ministerial controls in another. (See: State CEQA Guidelines section 15268.)*

- (j) *Public Involvement. Under CEQA, an agency must solicit and respond to comments from the public and other agencies concerned with the project. (See: State CEQA Guidelines sections 15073, 15086, 15087, and 15088.)*

- (k) *Three Step Process. An agency will normally take up to three separate steps in deciding which document to prepare for a project subject to CEQA.*
 - (1) *In the first step the lead agency examines the project to determine whether the project is subject to CEQA at all. If the project is exempt, the process does not need to proceed any farther. The agency may prepare a Notice of Exemption. (See: State CEQA Guidelines sections 15061 and 15062.)*

 - (2) *If the project is not exempt, the lead agency takes the second step and conducts an Initial Study (State CEQA Guidelines section 15063) to determine whether the project may have a significant effect on the environment. If the Initial Study shows that there is no substantial evidence that the project may have a significant effect, the lead agency prepares a Negative Declaration. (See: State CEQA Guidelines sections 15070 et seq.)*

 - (3) *If the Initial Study shows that the project may have a significant effect, the lead agency takes the third step and prepares an EIR. (See: State CEQA Guidelines sections 15080 et seq.)*

2. CEQA POLICIES

The following Policies outlined in the State CEQA Guidelines, section 15003 provide further information about the policies that underlie the Commission's CEQA decisions:

- (c) *The EIR is to inform other governmental agencies and the public generally of the environmental impact of a proposed project. (No Oil, Inc. v. City of Los Angeles, 13 Cal. 3d 68.)*

- (f) *CEQA was intended to be interpreted in such manner as to afford the fullest possible protection to the environment within the reasonable scope of the statutory language. (Friends of Mammoth v. Board of Supervisors, 8 Cal. 3d 247.)*

- (g) *The purpose of CEQA is not to generate paper, but to compel government at all levels to make decisions with environmental consequences in mind. (Bozung v. LAFCO (1975) 13 Cal.3d 263)*

- (h) *The lead agency must consider the whole of an action, not simply its constituent parts, when determining whether it will have a significant environmental effect. (Citizens Assoc. For Sensible Development of Bishop Area v. County of Inyo (1985) 172 Cal.App.3d 151)*

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- (i) *CEQA does not require technical perfection in an EIR, but rather adequacy, completeness, and a good-faith effort at full disclosure. A court does not pass upon the correctness of an EIR's environmental conclusions, but only determines if the EIR is sufficient as an informational document. (Kings County Farm Bureau v. City of Hanford (1990) 221 Cal.App.3d 692)*
- (j) *CEQA requires that decisions be informed and balanced. It must not be subverted into an instrument for the oppression and delay of social, economic, or recreational development or advancement. (Laurel Heights Improvement Assoc. v. Regents of U.C. (1993) 6 Cal.4th 1112 and Citizens of Goleta Valley v. Board of Supervisors (1990) 52 Cal.3d 553)*

3. GENERAL RESPONSIBILITIES

A public agency must meet its own responsibilities under CEQA and shall not rely on comments from other public agencies or private citizens as a substitute for work that CEQA requires the lead agency to accomplish. For example, a lead agency is responsible for the adequacy of its environmental documents. The lead agency shall not knowingly release a deficient document hoping that public comments will correct defects in the document. When making decisions that trigger some type of CEQA review, LAFCO's duty is to minimize the environmental damage that may result from those decisions and to balance the competing public objectives as outlined in the State CEQA Guidelines, section 15021, which are as follows:

- (a) *CEQA establishes a duty for public agencies to avoid or minimize environmental damage where feasible.*
 - (1) *In regulating public or private activities, agencies are required to give major consideration to preventing environmental damage.*
 - (2) *A public agency should not approve a project as proposed if there are feasible alternatives or mitigation measures available that would substantially lessen any significant effects that the project would have on the environment.*
- (b) *In deciding whether changes in a project are feasible, an agency may consider specific economic, environmental, legal, social, and technological factors.*
- (c) *The duty to prevent or minimize environmental damage is implemented through the findings required by Section 15091.*
- (d) *CEQA recognizes that in determining whether and how a project should be approved, a public agency has an obligation to balance a variety of public objectives, including economic, environmental, and social factors and in particular the goal of providing a decent home and satisfying living environment for every Californian. An agency shall prepare a statement of overriding considerations as described in Section 15093 to reflect the ultimate balancing of competing public objectives when the agency decides to approve a project that will cause one or more significant effects on the environment.*

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4. AUTHORITY PROVIDED BY CEQA (State CEQA Guidelines, section 15040)

- (a) *CEQA is intended to be used in conjunction with discretionary powers granted to public agencies by other laws.*
- (b) *CEQA does not grant an agency new powers independent of the powers granted to the agency by other laws.*
- (c) *Where another law grants an agency discretionary powers, CEQA supplements those discretionary powers by authorizing the agency to use the discretionary powers to mitigate or avoid significant effects on the environment when it is feasible to do so with respect to projects subject to the powers of the agency. Prior to January 1, 1983, CEQA provided implied authority for an agency to use its discretionary powers to mitigate or avoid significant effects on the environment. Effective January 1, 1983, CEQA provides express authority to do so.*
- (d) *The exercise of the discretionary powers may take forms that had not been expected before the enactment of CEQA, but the exercise must be within the scope of the power.*
- (e) *The exercise of discretionary powers for environmental protection shall be consistent with express or implied limitations provided by other laws.*

5. AUTHORITY TO MITIGATE (State CEQA Guidelines, section 15041)

Within the limitations described in State CEQA Guidelines section 15040:

- (a) *A lead agency for a project has authority to require feasible changes in any or all activities involved in the project in order to substantially lessen or avoid significant effects on the environment, consistent with applicable constitutional requirements such as the “nexus” and “rough proportionality” standards established by case law (Nollan v. California Coastal Commission (1987) 483 U.S. 825, Dolan v. City of Tigard, (1994) 512 U.S. 374, Ehrlich v. City of Culver City, (1996) 12 Cal. 4th 854.).*
- (b) *When a public agency acts as a responsible agency for a project, the agency shall have more limited authority than a lead agency. The responsible agency may require changes in a project to lessen or avoid only the effects, either direct or indirect, of that part of the project which the agency will be called on to carry out or approve.*
- (c) *With respect to a project which includes housing development, a lead or responsible agency shall not reduce the proposed number of housing units as a mitigation measure or alternative to lessen a particular significant effect on the environment if that agency determines that there is another feasible, specific mitigation measure or alternative that would provide a comparable lessening of the significant effect.*

6. AUTHORITY TO DISAPPROVE PROJECTS (State CEQA Guidelines, section 15042)

A public agency may disapprove a project if necessary in order to avoid one or more significant effects on the environment that would occur if the project were approved as proposed. A lead agency has broader authority to disapprove a project than does a responsible agency. A responsible agency may refuse to approve a project in order to avoid direct or indirect environmental effects of that part of the project which the responsible agency would be called on to carry out or approve. For example, an air quality

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management district acting as a responsible agency would not have authority to disapprove a project for water pollution effects that were unrelated to the air quality aspects of the project regulated by the district.

7. AUTHORITY TO APPROVE PROJECTS DESPITE SIGNIFICANT EFFECTS
(State CEQA Guidelines, section 15043)

A public agency may approve a project even though the project would cause a significant effect on the environment if the agency makes a fully informed and publicly disclosed decision that:

- (a) There is no feasible way to lessen or avoid the significant effect (see Section 15091); and*
- (b) Specifically identified expected benefits from the project outweigh the policy of reducing or avoiding significant environmental impacts of the project. (See Section 15093.)*

CHAPTER 2: LAFCO ENVIRONMENTAL PROCESS AND PROCEDURES**1. LAFCO's Role as an "Interested" Agency**

In situations where LAFCO is not a "Responsible Agency" but has an interest in reviewing a project to ensure that LAFCO related information is correctly identified, LAFCO plays a more limited role in the CEQA process. In those instances, the Executive Officer will review, and, if necessary, comment on all environmental documents submitted by a lead agency involving projects/decisions relating to and/or affecting LAFCO projects, jurisdiction or policies.

2. LAFCO's Role as a Responsible Agency

"Responsible Agency" status occurs when LAFCO is not the "Lead Agency", but nevertheless has discretionary approval authority over a project or would carry out some aspect of a project, in tandem with, or separate from that of the lead agency in accordance with Sections 15096 and 15381 of the State CEQA Guidelines.

Examples of situations where LAFCO may be a Responsible Agency include, but are not limited to:

- A city approving an annexation request to LAFCO, only after pre-zoning the area in question. When a city has pre-zoned an area, the city serves as the lead agency for any subsequent annexation of the area and should prepare the environmental documents at the time of pre-zoning or other land use decision.
- The county or a city/town approving a development related project that requires services from an agency (City or Special District) through an out-of-agency service contract/agreement.
- When a special district has conducted an environmental review and prepared an environmental determination for a plan to serve an area proposed for annexation to the district.

LAFCO shall use the environmental document prepared by the lead agency for LAFCO's environmental determinations if the Executive Officer deems it adequate for such use pursuant to State CEQA Guidelines, section 15096. Procedures for determining the adequacy of the lead agency's CEQA document are summarized as follows:

A. Consultation

- (1) Regardless of whether LAFCO is a Responsible Agency, each lead agency carrying out any project within LAFCO's jurisdiction and function shall inform LAFCO in writing of its intent and process for that project at the beginning of the lead agency's CEQA review process, and the lead agency shall provide LAFCO with copies of any project applications.
- (2) The lead agency shall consult with LAFCO regarding preparation of its environmental documents/determinations (Statutory Exemptions, Categorical Exemptions, Initial Studies/Negative Declarations, Environmental Impact Reports (EIRs), etc.) which must also be used by LAFCO in its role as a Responsible Agency; consultation can be written or verbal and LAFCO's input shall be incorporated/addressed in the lead agency's analysis, documentation and determinations.
- (3) The Executive Officer shall, as soon as practical but within 30 days of notification, comment as to the appropriate environmental determination from LAFCO's perspective as well as issues of concern to be addressed in any environmental document. The requirement for written notification from the lead agency can be waived at the Executive Officer's discretion.
- (4) Where LAFCO disagrees with the lead agency's proposed environmental determination (such as a Negative Declaration), LAFCO will identify the specific environmental effects which it believes could result from the project and recommend the project be mitigated with measures to reduce the potential impacts to less than "significant" (when feasible) or that an EIR be prepared to properly characterize potentially significant impacts.
- (5) When it intends to prepare an EIR, the lead agency shall send a Notice of Preparation by certified mail to LAFCO to solicit input in accordance with Section 15082 of the State CEQA Guidelines.
- (6) LAFCO shall respond to any Notice of Preparation submitted to LAFCO in accordance with subsection (A)(5) above in writing within 30 days, specifying the scope and content of the environmental data and analysis germane to LAFCO's statutory responsibilities for the proposed project. LAFCO shall also provide the lead agency with input regarding environmental issues and the minimum content of the analysis needed to meet

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a standard of adequacy for use of the environmental document/determination by LAFCO as a CEQA Responsible Agency.

- (7) Where LAFCO is called upon to grant an approval for a project subject to CEQA for which another public agency was the appropriate lead agency, LAFCO shall assume the role of the Lead Agency when any of the following conditions occur (State CEQA Guidelines, Section 15052):
- a. The lead agency did not prepare any environmental documents for the project, and the statute of limitations has expired for a challenge to the action of the appropriate lead agency.
 - b. The lead agency prepared environmental documents for the project, but the following conditions occur:
 - i. A subsequent EIR is required pursuant to State CEQA Guidelines, section 15162,
 - ii. The lead agency has granted a final approval for the project, and
 - iii. The statute of limitations for challenging the lead agency's action under CEQA has expired.
 - c. The lead agency prepared inadequate environmental documents without consulting with the responsible agency as required by State CEQA Guidelines, section 15072 or 15082, and the statute of limitations has expired for a challenge to the action of the appropriate lead agency.

B. Preparation of Environmental Documents by a lead agency

- (1) The lead agency shall include information in the Statutory Exemption, Categorical Exemption, Initial Study/Negative Declaration/EIR to allow its subsequent use by LAFCO for its considerations; referencing on the title page and in the project description any boundary changes, changes of organization or reorganization, or other proposed actions requiring subsequent discretionary action by LAFCO to fully implement the project.
- (2) The lead agency shall send the draft document to LAFCO as part of the public review process required by the CEQA and the applicable guidelines (sections 15072 and 15082 of the State

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CEQA Guidelines). The Executive Officer will, within the established review period, send comments to the lead agency in writing (which can be transmitted either via U.S. mail or overnight delivery, or electronically by email or other messaging system), all of which LAFCO expects to be incorporated and assessed in the final document. LAFCO's comments on a draft CEQA document submitted to LAFCO by a lead agency should focus on the appropriateness of the CEQA document chosen, the adequacy of the environmental document's content, in the case of an EIR -- additional alternatives or mitigation measures, etc., that are germane to environmental impacts that could result from LAFCO's subsequent discretionary action or to the adequacy of the document for use by LAFCO as a CEQA Responsible Agency.

- (3) A final EIR prepared by a lead agency or a Negative Declaration adopted by a lead agency shall be conclusively presumed to comply with CEQA for purposes of use by Responsible Agencies which were consulted pursuant to sections 15072 or 15082 unless one of the following conditions occurs:
 - a. The EIR or Negative Declaration is finally adjudged in a legal proceeding not to comply with the requirements of CEQA, or
 - b. A subsequent EIR is made necessary by Section 15162 of the State CEQA Guidelines.

C. Filing with LAFCO

Applications filed by Lead Agencies with LAFCO shall include copies of one of the following environmental documents as specified in LAFCO's filing requirements and all applicable findings for an EIR per Sections 15091, 15092 and 15093 of the State CEQA Guidelines.

- Certification of Categorical Exemption;
- Certification of Statutory Exemption;
- Notice of Intent to Adopt a Negative Declaration or Mitigated Negative Declaration;
- Final Negative Declaration (including copy of Initial Study);

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- Final Negative Declaration with mitigation measures (including copy of Initial Study, all technical appendices, and Mitigation Monitoring/Reporting Plan);
- Notice of Subsequent Use of an Existing EIR (which was previously available or has been made available to LAFCO);
- Notice of Preparation of Draft EIR;
- Notice of Completion of Draft EIR (including copy of Draft EIR);
- Final EIR;
- Statements of Findings/Overriding Considerations, and Mitigation Monitoring Plan; and/or
- Notice of Determination and a copy of the California Department of Fish and Wildlife's environmental filing fee receipt and, if applicable, a CEQA Filing Fee No Effect Determination Form.

D. LAFCO's Use of lead agency's Environmental Documents

- (1) In making its determinations on boundary change proposals, changes of organization or reorganization, or other proposed actions requiring discretionary action by LAFCO, it will generally use the environmental document prepared by the lead agency if the procedures regarding consultation and preparation of environmental documents by a lead agency outlined above have been followed.
- (2) Prior to project approval, the Commission will certify that it has reviewed and considered the information contained in the lead agency's document. LAFCO may request the lead agency furnish additional information or findings as required to support a legally adequate responsible agency environmental determination in accordance with Section 15096 of the State CEQA Guidelines.
- (3) When a lead agency's EIR identifies significant environmental effects, LAFCO will incorporate the lead agency's findings or formulate its own, for each significant effect, or otherwise make findings in accordance with State CEQA Guidelines, section 15091 for each significant environmental effect that is identified in a lead agency's EIR.

- (4) LAFCO may take any of the following actions to conform to CEQA requirements when rendering a decision on an application:
- LAFCO shall not approve a proposed project with significant impacts if it can adopt feasible alternatives or mitigation measures within its powers that would substantially lessen the magnitude of such effects, unless it adopts a Statement of Overriding Considerations (State CEQA Guidelines, section 15093);
 - If LAFCO mitigates impacts listed in the EIR to a less than significant level via the adoption of boundary alternatives or conditions of approval (negotiated with the local agency), such findings shall be reinforced by adequate rationale and inserted in the record; or
 - If the environmental impacts of the LAFCO decision cannot be mitigated to a less than significant level, LAFCO shall adopt a Statement of Overriding Considerations per State CEQA Guidelines, sections 15093 and 15096.
- (5) Upon project approval, LAFCO shall file a Notice of Determination in a like manner as a responsible agency in accordance with Section 15096(i) of the State CEQA Guidelines. The Notice of Determination shall be filed with the San Bernardino County Clerk of the Board of Supervisors and the State Clearinghouse.

3. LAFCO's Role as a Lead Agency

A. GENERAL INFORMATION

- (1) LAFCO will be the Lead Agency responsible for performing CEQA mandated environmental review when its discretion for approval or denying a project involves general governmental powers. This is in contrast with a responsible agency role which only has single, limited powers over the project, normally subsequent and secondary to LAFCO's function, such as pre-zoning for the property of interest.

Examples of projects requiring LAFCO to act as a Lead Agency include but are not limited to the following:

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- Changes of organization or reorganization that include, but are not limited to, incorporation of cities, formation of districts, detachment from cities, annexation to special districts and/or detachment from special districts, establishment of a subsidiary district, and merger of cities and districts.
 - Establishment of spheres of influence for cities and special districts.
 - Special District activation or divestiture of a function or class of service
 - Studies of local government agencies requiring a discretionary decision by LAFCO.
- (2) Where another public agency is initially the appropriate lead agency for a project requiring subsequent LAFCO approval, LAFCO will assume the role of Lead Agency in those instances where:
- a. The lead agency failed to prepare an environmental document and the statute of limitations to a challenge of the action of the lead agency has expired.
 - b. Based on LAFCO review, an inadequate environmental document was prepared without consultation with San Bernardino LAFCO per State CEQA Guidelines procedures and the statute of limitations for a challenge has expired.
 - c. A subsequent EIR is required pursuant to Section 15162 of the State CEQA Guidelines and the original lead agency chooses not to prepare a subsequent EIR.

LAFCO may assume Lead Agency responsibility under situations (a) and (b) only when it has been unsuccessful in effecting necessary changes in environmental documentation by the lead agency through the normal administrative review process.

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B. Delegation of Responsibilities by the Commission to the Executive Officer

The following quotations from section 15025 of the State Guidelines indicate those functions that can and cannot be delegated to the Executive Officer by the Commission:

A public agency (the Commission) MAY assign specific functions to its staff (Executive Officer) to assist in administering CEQA. Functions which may be delegated include but are not limited to:

- (1) Determining whether a project is exempt.*
- (2) Conducting an Initial Study and deciding whether to prepare a draft EIR or Negative Declaration (refer to Section IV, F. 2. of these guidelines for a discussion of the appeal process when an EIR is required.)*
- (3) Preparing a Negative Declaration or EIR.*
- (4) Determining that a Negative Declaration has been completed within a period of 180 days (see Section 21100.2 of CEQA).*
- (5) Preparing responses to comments on environmental documents.*
- (6) Filing of notices.*

The decision-making body of a public agency (the Commission) shall NOT delegate the following functions:

- (1) Reviewing and considering a final EIR or approving a Negative Declaration prior to approving a project before the Commission.*
- (2) The making of findings as required by Sections 15091 and 15093.*

CHAPTER 3: LAFCO LEAD AGENCY PROCEDURES

The following process and procedures, specific to LAFCO's function, summarize or supplement the State CEQA Guidelines and are to be used to process all accepted applications:

1. PROJECTS EXEMPT FROM CEQA**A. "Common Sense" Exemptions (State CEQA Guidelines, section 15061)**

Projects qualifying for this status are those determined by the Executive Officer to have no potential for causing a significant effect on the environment (15061(b)(3)):

15060 (c) Once an application is deemed complete, LAFCO must first determine whether an activity is subject to CEQA before conducting an initial study. An activity is not subject to CEQA if:

- (1) *The activity does not involve the exercise of discretionary powers by a public agency;*
- (2) *The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment; or*
- (3) *The activity is not a project as defined in Section 15378 of the State CEQA Guidelines.*

15061 (b) A project is exempt from CEQA if:

- (1) *The project is exempt by statute (see, e.g. Article 18, commencing with Section 15260).*
- (2) *The project is exempt pursuant to a categorical exemption (see Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in Section 15300.2.*
- (3) *The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.*
- (4) *The project will be rejected or disapproved by a public agency. (See Section 15270(b)).*
- (5) *The project is exempt pursuant to the provisions of Article 12.5 of this Chapter, which define exemptions for agricultural housing, affordable housing, and residential infill projects.*

Most LAFCO projects qualify for a “common sense” exemption because the project being considered for approval by the Commission has no potential to modify the physical environment.

B. Statutory Exemptions (State CEQA Guidelines, sections 15260-15285)

Statutorily exempt projects defined by the Legislature that could apply to a LAFCO project include the following:

(1) Disapproved Projects

CEQA does not apply to projects that LAFCO rejects or disapproves. This statutory exemption is intended to allow an initial screening of projects on the merits for quick disapprovals prior to the initiation of the CEQA process where LAFCO can determine that the project cannot be approved. This statutory exemption shall not relieve an applicant from paying the costs for an EIR or negative declaration prepared for the project prior to the lead agency’s disapproval of the project after normal evaluation and processing.

(2) Feasibility and Planning Studies

A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities.

(3) Ministerial Projects

Actions or Ministerial Projects involve the application of fixed standards without the option of exercising personal or subjective judgment (discretionary judgment) by the Executive Officer or the Commission.

Examples include:

- a. Issuance of Certificates of Filing and Completion.
- b. Consolidation/reorganization of special districts where the district boards adopt similar resolutions of applications for said consolidation/reorganization into a

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single agency (pursuant to Government Code Section 56853).

- c. Certain city island annexations (pursuant to Government Code Section 56375 [a][4] or Section 56375.3) where approval is mandated if the annexation meets certain specific findings.

(4) Rates, Tolls, Fares and Charges (State CEQA Guidelines, section 15273)

- (a) *CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:*

- (1) *Meeting operating expenses, including employee wage rates and fringe benefits,*
- (2) *Purchasing or leasing supplies, equipment, or materials,*
- (3) *Meeting financial reserve needs and requirements,*

C. Categorical Exemptions (State CEQA Guidelines, section 15300)

The following classes of projects, specifically pertaining to LAFCO's activities, have been identified in the State CEQA Guidelines as not having the potential to cause significant environmental effects, and may be categorically exempt from the requirements of CEQA if certain specified criteria are satisfied (Note: A categorical exemption shall not be used for these activities where there is substantial evidence to support that one of the exceptions to the categorical exemptions in State CEQA Guidelines, section 15300.2 is present.):

(1) Class 1: Existing Facilities

Included within this category are out-of-agency service contracts/agreements where existing water, sewer, and/or other utilities may be extended to replace existing infrastructure that involves negligible or no expansion of use.

(2) Class 2: Replacement or Reconstruction

Included within this category are out-of-agency service contracts/agreements where existing water, sewer, and/or other utilities may be extended to replace undersized or deteriorating infrastructure.

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(3) Class 3: Construction or Conversion of New, Small Structures

Included within this category are out-of-agency service contracts/agreements involving the extension of water, sewer, and/or other utility services by a city or district outside its boundaries but lying within its respective sphere of influence.

(4) Class 19: Annexations of Existing Facilities and Lots for Exempt Facilities

Included within this category are:

- a. Annexations to special districts where the district's services would be provided even without annexation and construction has been initiated prior to the issuance of a Certificate of Filing;
- b. Annexations of areas containing existing public or private structures developed to the density allowed by current zoning or pre-zoning, whichever is more restrictive, (provided, however, that the extension of utility services within the annexed area would have a capacity to serve only those existing facilities);
- c. Detachments from cities where the land being detached is committed, by virtue of an adopted land-use plan, to remain in agricultural use or open space; or where the land is presently developed and no change in land-use can be reasonably anticipated; and
- d. Detachments from special districts which will not result in any change in zoning or land use.

(5) Class 20: Changes in Organization of Local Agencies

Included within this category are changes in the organization or reorganization of local agencies where the changes do not modify the geographic area in which previously existing powers are exercised.

Examples include but are not limited to:

- a. Establishment of a subsidiary district;
- b. Consolidation of two or more districts having identical boundaries;

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- c. Merger with a city of a district lying entirely within the boundaries of the city; or
- d. Reorganization of agencies consisting of annexations or detachments providing similar services.

In 2025 the State adopted a number of additional CEQA Exemptions, primarily focused on affordable housing. The exemptions focused on direct land use authority, not LAFCO responsibilities for jurisdictional determinations[MP1.1]. Where these new exemptions are utilized for actions that may affect LAFCO decisions, the Commission may utilize these exemptions as a responsible agency for issues such as out-of-agency service contracts/agreements.

D. Process

When a LAFCO project qualifies for an exemption, staff will either (1) draft a memorandum to file explaining the rationale for the exemption or (2) document the exemption determination and the rationale supporting it in a staff report to the Commission. After the Commission takes action on the CEQA exemption and the project, the Executive Officer shall file and post with the San Bernardino County Clerk of the Board of Supervisors and the State Clearinghouse a Notice of Exemption to include:

- (1) A brief project description;
- (2) The project location;
- (3) The specific exemption (common sense/statutory/categorical), including the finding and citation to the State CEQA Guidelines section or statute under which it is found to be exempt;
- (4) The rationale for its selection, including a brief statement of reasons to support the finding.

2. ASSEMBLY BILL (AB) 52 – NATIVE AMERICANS

Beginning July 2015, a new process was added to the standard CEQA review for a Negative Declaration or for an EIR. LAFCO rarely prepares Negative Declarations or EIRs, but when this type of documentation is required, LAFCO will have to implement AB 52.

AB 52 establishes a consultation process between Native American tribes and government agencies only upon request of a Tribe. Once a written

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request for consultation is submitted to any agency, the agency must consult with the Native American Tribe(s) regarding the potential for a project to adversely impact "tribal cultural resources." Section 21074 of the Public Resources Code outlines what tribal cultural resources consist of:

21074. (a) *"Tribal cultural resources" are either of the following:*

- (1) *Sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are either of the following:*
 - (A) *Included or determined to be eligible for inclusion in the California Register of Historical Resources.*
 - (B) *Included in a local register of historical resources as defined in subdivision (k) of Section 5020.1.*
 - (2) *A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Section 5024.1. In applying the criteria set forth in subdivision (c) of Section 5024.1 for the purposes of this paragraph, the lead agency shall consider the significance of the resource to a California Native American tribe.*
- (b) *A cultural landscape that meets the criteria of subdivision (a) is a tribal cultural resource to the extent that the landscape is geographically defined in terms of the size and scope of the landscape.*
- (c) *A historical resource described in Section 21084.1, a unique archaeological resource as defined in subdivision (g) of Section 21083.2, or a "nonunique archaeological resource" as defined in subdivision (h) of Section 21083.2 may also be a tribal cultural resource if it conforms with the criteria of subdivision (a).*

LAFCO will comply with the consultation requirements and if a Negative Declaration or EIR is being prepared, LAFCO will complete the notification and consultation process prior to release of the environmental document being published for public review.

3. INITIAL STUDIES

A project for which LAFCO is the Lead Agency and which is not exempt will require the preparation of an Initial Study to determine if the project has the potential for causing a significant environmental effect. The Initial Study assessment shall consider all phases of the project; the purposes, policies, rules, regulations and standards set forth in CEQA and its State CEQA Guidelines; these procedures and the adopted plans and policies of cities, the county, and LAFCO. An Initial Study need not be prepared if the Executive Officer determines at the beginning stages of review that a full-scope EIR will be required, but will be used to document the significance of specific impacts requiring a focused EIR, i.e. the Initial Study shall document the rationale for narrowing the scope of issues to be addressed in an EIR.

A. Process

The Initial Study will be prepared on a State CEQA Guidelines Standard Initial Study Environmental Checklist Form (Appendix G) using the project application, environmental description forms, appropriate literature, etc. A site visit may be necessary. Individual findings for environmental issues will be documented with sufficient technical or qualitative data to substantiate conclusions regarding the potential for significant adverse impact. Insufficiency of available information will be noted on the form if it affects the ability to reach a conclusion.

The preparer shall consult with all Responsible Agencies and other public agencies/persons/organizations affected by or knowledgeable of the project and its issues. Under appropriate circumstances such review could also involve use of the county's or a city's Environmental Review Committee and its public forum to more fully assess the physical, social and infrastructure implications of complex projects. The Initial Study will be the supporting document for findings of "significance" and "less than significant" (whether to prepare an Negative Declaration, Mitigated Negative Declaration, or EIR). It is a tool for modifying projects and/or identifying mitigation measures to allow a finding of less than significant. It can also be used to focus the EIR on effects determined to be potentially "significant" or to determine whether a previously prepared EIR could be used/modified for the project, etc.

The Initial Study shall contain:

- (1) A project description and location;
- (2) Environmental setting;
- (3) Identification of all environmental impacts using the most recent version of the State CEQA Guidelines environmental checklist form (Appendix G) and substantial evidence to support environmental impact findings, including ways to mitigate (avoid, minimize, compensate or otherwise reduce a significant impact to a less than significant level) (for greater detail reference Section 15063 of the State CEQA Guidelines); and
- (4) Examination of project consistency with zoning and land-use plans, etc.

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Section 15063 of the State CEQA Guidelines contains a detailed description of the content of and uses for the Initial Study and it is hereby incorporated by reference. Funding for the preparation of an Initial Study shall be borne by the applicant for the LAFCO action pursuant to Commission policy.

B. Executive Officer's Determinations/Findings

After review of the Initial Study and all supporting information, the Executive Officer shall determine the appropriate environmental determination based on one of the following findings:

- (1) The project will not have a significant environmental effect. Prepare a Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After an appropriate public review period consistent with the applicable State CEQA Guideline's processing requirements, the documentation will be finalized and forwarded to the Commission with a recommendation for adoption.
- (2) The project, as proposed, would have a significant environmental effect, but with alterations, stipulations, or mitigation measures, all adverse impacts can be mitigated to a less than significant level. Prepare a Mitigated Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After appropriate public review period consistent with State CEQA Guideline's requirements, the documentation will be forwarded to the Commission with a recommendation for adoption.
- (3) The project will have a significant environmental effect, but all such impacts have been adequately assessed in a final EIR previously reviewed by LAFCO and mitigated to the extent feasible. Submit to the Commission with appropriate findings for certification.
- (4) The project will have a significant environmental effect. An EIR will be prepared and submitted to the Commission with appropriate findings.
- (5) The project will have a significant environmental effect and an EIR has been prepared. However, new information or changed conditions affecting the project or the site warrant additional analysis. Prepare a 'subsequent' EIR or addendum to the original EIR focusing on these changes. Submit to the Commission with appropriate findings for certification.

4. NEGATIVE DECLARATION OR MITIGATED NEGATIVE DECLARATION

A Negative Declaration (finding of less than significant effect) or a Mitigated Negative Declaration (finding of less than significant effect with project changes/mitigation measures/conditions of approval) will be prepared on the current State CEQA Guidelines Initial Study Environmental Checklist Form by staff per the findings of the Initial Study based on substantiating evidence. The Negative Declaration or Mitigated Negative Declaration's contents will include a brief project description, location (i.e., vicinity map), name of applicant, the 'finding of non-significance,' attached Initial Study with any applicable technical reports, data or other information constituting the substantial evidence supporting the environmental analysis, and a list of mitigation measures (if any, in the context of a Mitigated Negative Declaration). A determination of the Initial Study's adequacy and the preparation of the accompanying Negative Declaration or Mitigated Negative Declaration initially rests with the Executive Officer. The formal adoption of the Negative Declaration or Mitigated Negative Declaration rests ultimately with the Commission.

A. Notice Requirements

The document will be available at the LAFCO office for public review and comment for a minimum of 21 days prior to LAFCO action on the project. Recommended Negative Declarations and Mitigated Negative Declaration (in the form of a Notice of Intent to Adopt a Negative Declaration or Mitigated Negative Declaration) will be noticed at least once in a newspaper of general circulation in the project area; noticed in the "local" newspaper of the affected area (if any); mailed to all Responsible Agencies and public agencies with jurisdiction within the project area; mailed to those individuals and organizations who have requested such notices. Where one or more state agencies will be a responsible or trustee agency or will exercise jurisdiction over natural resources affected by the project, LAFCO shall send copies of the Negative Declaration or Mitigated Negative Declaration to the State Clearinghouse for distribution to these state agencies. Review by state agency(ies) will require a 30-day period unless reduced by prior approval of the State Clearinghouse. Pursuant to adopted Commission policy, costs associated with the Notice and distribution requirements shall be funded by the applicant for the LAFCO action.

B. LAFCO Consideration

The Commission will consider the proposed Negative Declaration or Mitigated Negative Declaration and any public and agency comments prior to approving a project, and will approve the Negative Declaration

or Mitigated Negative Declaration if it finds there is no substantial evidence in the whole of the administrative record that the project will have a 'significant environmental effect.' Where mitigation is included as a condition of the Mitigated Negative Declaration, the mitigation monitoring and reporting program (MMRP) shall assign responsibility for implementing the mitigation measure(s) when the Mitigated Negative Declaration is approved by the Commission.

C. Notice of Determination

After the Commission's approval of a project for which a Negative Declaration or Mitigated Negative Declaration has been adopted, the Executive Officer shall file a Notice of Determination.

The Notice of Determination's content shall include:

- (1) Project description, identification and location;
- (2) Date project approved by LAFCO;
- (3) Determination of "non-significant" effect, or determination that mitigation measures were imposed and made conditions of approval for the project to reduce impacts to less than significant levels;
- (4) Statement that a Negative Declaration or Mitigated Negative Declaration has been prepared and approved; and
- (5) Address of LAFCO office where a copy of Negative Declaration or Mitigated Negative Declaration is filed.

The Notice shall be filed with the San Bernardino County Clerk of the Board of Supervisors and the State Clearinghouse. Fees for filing a Notice of Determination for a Negative Declaration or Mitigated Negative Declaration shall be funded by the applicant for the LAFCO action and paid at the time of filing.

5. ENVIRONMENTAL IMPACT REPORT

If the Executive Officer or the Commission finds, based on substantial evidence in the record or contained in the Initial Study and public comments, that a project may have a significant environmental effect, the Executive Officer will initiate the preparation of an Environmental Impact Report (EIR).

A. Purpose

An EIR is an informational document; a major tool in the decision-making process for implementing CEQA, informing Commissioners and all parties involved of the environmental consequences of project decisions before they are made. An EIR's primary functions are to identify and mitigate significant adverse impacts to the extent feasible and to provide alternative project and boundary options that may reduce potentially significant impacts of the proposed project. An EIR is not an instrument to rationalize approval or denial of a project; nor do indications of adverse impacts require automatic denial. LAFCO has the authority to balance environmental, economic, social or other objectives as part of its mandate to develop orderly governmental boundaries (Sections 15091, 15092 and 15093, State CEQA Guidelines).

An EIR should be prepared early in the application process to facilitate the integration of environmental considerations in project or boundary design.

The applicant is responsible for submitting all necessary project data for the EIR per the Executive Officer's request, or funding the preparation of required project data for the EIR.

B. Appeals

The Executive Officer's determination to require an EIR is appealable to the Commission within 10 working days of the issuance of the decision to require preparation of an EIR. Such appeal must be filed, on LAFCO forms, with the Executive Officer and must include specific substantiation for the appeal, directly related to environmental issues. The appeal shall be heard on the next regularly scheduled Commission agenda that permits adequate public notification. There is no appeal from a Commission requirement for an applicant to prepare an EIR.

C. Notice of Preparation

At the earliest feasible date following the Executive Officer's/Commission's formal decision to prepare an EIR (based on the administrative record or an Initial Study), a Notice of Preparation (NOP) will be mailed to all responsible and affected agencies (including the State Clearinghouse and affected state agencies, if any) and any parties requesting notification.

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State review of an EIR will result in the issuance of an identification number (State Clearinghouse Number, SCH#) which shall be used on all subsequent documentation and correspondence.

The NOP shall include sufficient information on the project and its anticipated impacts to facilitate meaningful responses on the environmental issues that may cause significant adverse impacts. Such content to include:

- (1) Project description;
- (2) Mapped location;
- (3) Probable environmental effects; and
- (4) A copy of the Initial Study or substantial evidence in the record justifying the preparation of an EIR, etc.

The Notice of Preparation shall be sent to all responsible/trustee agencies or interested parties via certified mail or other method to document its receipt.

Within 30 days after LAFCO's release of the NOP, each responsible agency/interested party shall submit to LAFCO specific information directly related to that agency's/party's statutory responsibility for the project; the environmental issues, alternatives, and mitigation measures to be explored; and the agency's/party's role in the project's review, etc.

If LAFCO does not receive a response or request to extend the public comment period on the NOP by the end of the 30-day NOP review period, LAFCO may presume that no response will be made from an agency or party that received the NOP and proceed with the CEQA review process.

D. Scope of EIR

LAFCO may also convene meetings involving all parties (especially at the request of a responsible agency) to further assist in the determination of the EIR's scope and content, no later than 30 days after such request. Early and complete scoping, consultation and negotiation are critical to the preparation of an adequate EIR. LAFCO could request use of the county's or a local agency's Environmental Review Committee in a public meeting forum to aid in the identification and resolution of any technical issues. LAFCO will compile all comments and identify in writing the focus for the EIR.

An EIR can be prepared by staff or consultants under contract to LAFCO, coordinated by the Executive Officer or designee. LAFCO may accept data for an EIR from any source subject to independent verification by LAFCO staff. Also, LAFCO may charge an applicant appropriate fees to cover all costs for preparing and processing an EIR.

E. EIR Content

Article 9 of the State CEQA Guidelines describes the complete content of all required sections of an EIR, as modified from time to time. However, LAFCO has discretion to narrow the scope of an EIR's content during the scoping process (State CEQA Guidelines, section 15063).

F. Consultant EIRs

The Executive Officer shall use a RFP (Request for Proposal) process to select a consultant to write the EIR. The Executive Officer shall maintain and update as necessary a list of consultants, a minimum of three from which proposals shall be solicited for each consultant prepared EIR. The Executive Officer and the applicant will screen the proposals in an attempt to gain a consensus on choosing the consultant. However, the Executive Officer is ultimately responsible for final selection of the consultant. The Commission will review the scope of work, consultant qualifications, contract cost, and all other aspects before authorizing a contract.

The applicant will be charged a fee to cover all contract and staff costs, to be deposited into a LAFCO trust fund. (Note: The contract will be between LAFCO and the consultant which will work solely at the Executive Officer's, not the applicant's, direction.) The Executive Officer will disburse the funds to the consultant at stages specified in the contract based on completion and performance.

In addition to the contract costs, the fees charged will be based on actual staff time involved in, but not limited to:

- (1) Consultant selection including bid solicitation and review, submission of information to consultants, etc.;
- (2) Review of Draft EIR, corrections, additions, legal review by the Commission's legal counsel, etc.;

- (3) Compiling comments and reviewing responses to comments for preparation of Final EIR; and
- (4) Meetings with applicant, consultant and public regarding EIR preparation.

G. Public Participation (State CEQA Guidelines, section 15201)

Public participation is an essential part of the CEQA process. Each public agency should include provisions in its CEQA procedures for wide public involvement, formal and informal, consistent with its existing activities and procedures, in order to receive and evaluate public reactions to environmental issues related to the agency's activities. Such procedures should include, whenever possible, making environmental information available in electronic format on the Internet, on a web site maintained or utilized by the public agency.

Interacting with the public is an important CEQA process that allows the public to voice its concerns about environmental issues and the potential effect of a project on the physical environment. Therefore, in order to ensure public involvement in the LAFCO CEQA process, the Commission—in addition to the requirements for public notification on the NOP and/or the Notice of Completion—will provide the public with the opportunity to participate in any meetings related to the EIR, whether through a scoping meeting (optional) to provide verbal or written comments on the content of the EIR and/or through the public hearing (required) on the certification of the Final EIR.

H. Completion Notice (State CEQA Guidelines, section 15085)

Because most LAFCO EIRs will require circulation through the State Clearinghouse, the default procedure is that as soon as the draft EIR is completed, a Notice of Completion (NOC) must be filed with OPR, denoting the project's description and location, address where EIR copies are available and the period which comments can be submitted.

I. Agency/Public Review

At the time the NOC is sent, the Executive Officer shall provide public notice of the draft EIR's availability to all organizations, agencies and individuals who previously requested such notice; as well as publication in The San Bernardino Sun (newspaper of general circulation) and/or other local newspapers. The Executive Officer shall also distribute copies of the draft EIRs and requests for comments to all public agencies with jurisdiction within the project area; to persons or organizations previously requesting such copies; to public libraries

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in the affected areas; as well as maintaining copies in the LAFCO and any responsible agency's offices (upon request). The Executive Officer may consult with any person who has special expertise in any environmental issue involved.

Review periods are not to be less than 30 days nor longer than 60 days from the date of the NOC except in unusual situations, per the Executive Officer's discretion. The review period for draft EIRs submitted to state agencies via the State Clearinghouse will typically be a minimum of 45 days. The last date for comment submittal shall be specified in the request for comments. A lack of response by that date constitutes a 'non-objection' or 'no-comment' by that particular party.

The sufficiency of the EIR per the State CEQA Guidelines is the only issue to be addressed during this review. Questions/issues regarding the feasibility or desirability of the project itself shall only be considered by the Commission at the appropriate hearing, not integrated into the environmental review process.

In instances where complex technical issues or disagreements among experts arise in the context of an EIR, the Executive Officer can convene a meeting of the county's or a local agency's Environmental Review Committee to provide a forum for a more thorough review of the EIR's adequacy.

J. Adequacy

The Executive Officer will make preliminary (not appealable) determinations of the EIR's adequacy, utilizing all aspects of the public record; in turn making specific recommendations on adequacy to the Commission, for its findings, at the time the project is heard.

K. Response to Comments on an EIR (State CEQA Guidelines, section 15088)

The Executive Officer shall prepare or have prepared a written response to all comments received during the comment period (and MAY respond to those received after the period): describing the disposition of issues, opinions or facts raised, project revisions or mitigation measures resulting from these comments, reasons for not accepting recommendations, all substantiated by factual information.

The response to comments may be in the form of revisions to the EIR text, a separate section in the final EIR or as notes typed in the margins of the comment letters, depending on the scope of the

resulting revisions.

L. Preparation of Final EIR (State CEQA Guidelines, sections 15089 and 15132)

The Executive Officer/consultant will prepare a final EIR before the Commission makes a decision on the project. Project denial does not require certification of the Final EIR. Final EIR contents include:

- (1) The draft EIR and any revisions made to it in response to comments;
- (2) Comments and recommendations received on the draft EIR verbatim;
- (3) A list of persons, organizations and agencies commenting on the draft EIR;
- (4) LAFCO's responses to significant points raised during review and consultation;
- (5) Any other pertinent information.

Final EIRs shall be available a minimum of 10 days prior to the Commission hearing on a project and shall be provided to any commenting parties 10 days prior to a Commission hearing on a project.

The final EIR shall be submitted to the Commission with the project application and a mitigation measure monitoring plan/program (if necessary) for approval prior to the decision.

M. Certification of Final EIR (State CEQA Guidelines, section 15090)

Prior to approving a project for which an EIR has been prepared, the Commission shall certify that:

- (1) The final EIR has been completed in compliance with CEQA;
- (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project; and,
- (3) The final EIR reflects the lead agency's independent judgment and analysis.

If the Commission, through testimony or its own review of the data, finds that the environmental review is incomplete or the EIR does not adequately assess the full range of project impacts, it can refer it back to staff for revisions; deferring approval of the project until it can certify the amended final EIR. Under such circumstances, the Commission shall instruct staff to recirculate/not recirculate the amended EIR in accordance with the extent of requested revisions and as required by State CEQA Guidelines, section 15088.5.

N. Findings (State CEQA Guidelines, section 15091)

The Commission cannot approve or carry out a project for which an EIR identifies one or more significant environmental effects unless it makes one or more written findings for each significant effect, each reinforced by substantial evidence in the record. Such findings include:

- (1) Changes have been incorporated into the project which avoid or substantially reduce the significant environmental effect(s) identified in the final EIR.
- (2) Such changes are not within LAFCO's jurisdiction, but are within the responsibility and jurisdiction of another agency which has adopted such changes or which can and should adopt such changes.
- (3) Specific economic, social or other considerations make infeasible the mitigation measures or project alternatives identified in the final EIR.

O. Approval (State CEQA Guidelines, section 15092)

LAFCO shall not approve or carry out a project for which an EIR was prepared unless either:

- (1) The project, as approved, will not have a significant environmental effect; or
- (2) LAFCO has eliminated or substantially reduced all significant effects where feasible per State CEQA Guidelines, section 15091, and determined that any remaining significant effects found to be unavoidable per State CEQA Guidelines, section 15091 are acceptable due to overriding concerns described in State CEQA Guidelines, section 15093.

P. Statement of Overriding Considerations (State CEQA Guidelines, section 15093)

When LAFCO approves a project that will have a significant effect on the environment that cannot be avoided or mitigated to a less than significant level, LAFCO shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The Commission shall balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable”. The statement of overriding considerations shall be supported by substantial evidence in the record. The Commission’s statement of overriding considerations should be included in the record of the project approval and so stated in the Notice of Determination.

Q. Notice of Determination (State CEQA Guidelines, section 15094)

The Executive Officer shall file a Notice of Determination following each project approval for which an EIR was certified. The notice shall include:

- (1) The final EIR has been completed in compliance with CEQA;
- (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project;
- (3) The final EIR reflects the lead agency’s independent judgment and analysis;
- (4) Determination of any significant environmental effects;
- (5) Statement that an EIR was prepared and certified pursuant to CEQA;
- (6) Whether mitigation measures were made conditions of the project;
- (7) Whether findings were made per State CEQA Guidelines, section 15091;

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- (8) Whether a statement of overriding considerations was adopted; and
- (9) The address of the location of a copy of the final EIR and the project record.
- (10) If different from the applicant, the identity of the person undertaking the project which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies or the identity of the person receiving a lease, permit, licenser, certificate, and other entitlement for use from one or more public agencies.

The notice shall be filed with the San Bernardino County Clerk of the Board of Supervisors and the State Clearinghouse.

R. Disposition of Final EIR (State CEQA Guidelines, section 15095)

The Executive Officer shall:

- (1) File a copy of the Final EIR with the San Bernardino County Planning Division, the State Clearinghouse and the city where significant environmental effects may occur;
- (2) Include the Final EIR in all subsequent project administration;
- (3) A copy of the Final EIR shall be kept as a permanent public record for the project; and
- (4) Require the applicant to provide a copy of the certified, final EIR to each responsible agency.

Pursuant to adopted Commission policy, funding for the preparation of an EIR, fees for filing a Notice of Determination, and other related fees (i.e. notice and distribution requirements), are the responsibility of the applicant for the LAFCO action.

CHAPTER 4: LAFCO POLICIES**1. COMPLETION OF ENVIRONMENTAL LITIGATION PRIOR TO CONSIDERATION OF CHANGE:**

It is the policy of San Bernardino LAFCO that in those instances where LAFCO is a CEQA Responsible Agency and there has been a legal challenge to the environmental document prepared by the lead agency, LAFCO shall not take action on the proposal (application) until the legal challenge to the lead agency's document has been fully resolved and all appeals have been exhausted, if any.

The Commission may choose to override this policy upon the request of the applicant.

In those instances where the Commission determines to override this policy based upon the unique circumstance of the application and approve the application, it shall include the following condition in its resolution of approval:

In the event that a court of competent jurisdiction invalidates the action taken by this resolution for any reason, the City of _____ or _____ District shall enter into an out-of-agency service contract/agreement with the previous service provider(s) for the provision of all services transferred by this action and shall present said contract(s) and/or agreement(s) to the San Bernardino LAFCO pursuant to Government Code Section 56133 within 60 days of such court determination. The affected agency(s) shall provide written consent to this condition within five (5) working days of the adoption of the resolution of approval and the protest process shall not commence until the Executive Officer has received that consent.

2. RECONSIDERATION

The Cortese-Knox-Hertzberg Act establishes procedures for agencies to request amendments to, or reconsideration of resolutions adopted by the Commission (Government Code Section 56895). Whenever the Commission accepts a written request for amendment to, or reconsideration of an adopted resolution, the period for which a CEQA challenge may be filed shall be tolled while the request for reconsideration is under review by the Commission. Following the Commission's reconsideration, the statute of limitations on the original filing of either the Notice of Determination or Notice of Exemption will continue.

3. REVIEW OF ENVIRONMENTAL APPEALS

Where the published notice of the LAFCO agenda items includes notice of a

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hearing on any possible appeal from an environmental review determination, the LAFCO may hear the appeal on the same date it hears the agenda item, if:

- A. The appeal was timely filed;
- B. The time for filing an appeal has run;
- C. The appellant and/or applicant have received personal notice of the hearing;
- D. Any party who has requested in writing to be notified has received personal notice of the hearing; and
- E. The appeal is heard in advance of the agenda item.

**LAFCO FOR SAN BERNARDINO COUNTY
ENVIRONMENTAL CHECKLIST FORM (CEQA APPENDIX G)**

NOTE: The following is a sample form that may be tailored to satisfy individual agencies' needs and project circumstances. It may be used to meet the requirements for an initial study when the criteria set forth in CEQA Guidelines have been met. Substantial evidence of potential impacts that are not listed on this form must also be considered. The sample questions in this form are intended to encourage thoughtful assessment of impacts, and do not necessarily represent thresholds of significance.

1. Project title:
2. Lead agency name and address:
3. Contact person and phone number:
4. Project location:
5. Project sponsor's name and address:
6. General plan designation:
7. Zoning:
8. Description of project: (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation. Attach additional sheets if necessary.)

9. Surrounding land uses and setting: Briefly describe the project's surroundings:

10. Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement.):

11. Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code section 21080.3.1? If so, is there a plan for consultation that includes, for example, the determination of significance of impacts to tribal cultural resources, procedures regarding confidentiality, etc.?

NOTE: Conducting consultation early in the CEQA process allows tribal governments, lead agencies, and project proponents to discuss the level of environmental review, identify and address potential adverse impacts to tribal cultural resources, and reduce the potential for delay and conflict in the environmental review process. (See Public Resources Code section 21080.3.2.) Information may also be available from the California Native American Heritage Commission's Sacred Lands File per Public Resources Code section 5097.96 and the California Historical Resources Information System administered by the California Office of Historic Preservation. Please also note that Public Resources Code section 21082.3(c) contains provisions specific to confidentiality.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact," as indicated by the checklist on the following pages.

- | | | |
|--|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture / Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Energy |
| <input type="checkbox"/> Geology/Soils | <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards & Hazardous Materials |
| <input type="checkbox"/> Hydrology/Water Quality | <input type="checkbox"/> Land Use / Planning | <input type="checkbox"/> Mineral Resources |
| <input type="checkbox"/> Noise | <input type="checkbox"/> Population / Housing | <input type="checkbox"/> Public Services |
| <input type="checkbox"/> Recreation | <input type="checkbox"/> Transportation | <input type="checkbox"/> Tribal Cultural Resources |
| <input type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> Wildfire | <input type="checkbox"/> Mandatory Findings of Significance |

DETERMINATION

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature

Date

EVALUATION OF ENVIRONMENTAL IMPACTS

1. A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors, as well as general standards (e.g., the project would not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
4. “Negative Declaration: Less Than Significant With Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less Than Significant Impact.” The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level.
5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
 - a) Earlier Analyses Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c) Mitigation Measures. For effects that are “Less than Significant with Mitigation Measures Incorporated,” describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project’s environmental effects in whatever format is selected.
9. The explanation of each issue should identify:
 - a) the significance criteria or threshold, if any, used to evaluate each question; and
 - b) the mitigation measure identified, if any, to reduce the impact to less than significance

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
I. AESTHETICS. Except as provided in Public Resources Code Section 21099, would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) In nonurbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
II. AGRICULTURE AND FORESTRY RESOURCES. In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

III. AIR QUALITY. Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations. Would the project:

a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

IV. BIOLOGICAL RESOURCES. Would the project:

a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

V. CULTURAL RESOURCES. Would the project:

a) Cause a substantial adverse change in the significance of a historical resource pursuant to § 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Disturb any human remains, including those interred outside of dedicated cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

VI. ENERGY. Would the project:

a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

VII. GEOLOGY AND SOILS. Would the project:

a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map, issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VIII. GREENHOUSE GAS EMISSIONS. Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
IX. HAZARDS AND HAZARDOUS MATERIALS. Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code § 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
X. HYDROLOGY AND WATER QUALITY. Would the project:				
a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) result in a substantial erosion or siltation on- or off-site;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii) create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv) impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XI. LAND USE AND PLANNING. Would the project:

a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XII. MINERAL RESOURCES. Would the project:

a) Result in the loss of availability of a known mineral resource that would be a value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XIII. NOISE. Would the project result in:

a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XIV. POPULATION AND HOUSING. Would the project:

a) Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XV. PUBLIC SERVICES. Would the project:

a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XVI. RECREATION.

a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XVII. TRANSPORTATION. Would the project:

a) Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Conflict or be inconsistent with CEQA Guidelines § 15064.3, subdivision (b)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XVIII. TRIBAL CULTURAL RESOURCES.

a) Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code § 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code § 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code § 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XIX. UTILITIES AND SERVICE SYSTEMS. Would the project:

a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Result in a determination by the waste water treatment provider, which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
XX. WILDFIRE. If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:				
a) Substantially impair an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XXI. MANDATORY FINDINGS OF SIGNIFICANCE.

a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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lafco@lafco.sbcounty.gov
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DATE: APRIL 8, 2026
FROM: CHAIR FARRELL
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #11 – Review and Approval of Amended Contract with Samuel Martinez as Executive Officer for the Local Agency Formation Commission for San Bernardino County effective April 15, 2026

RECOMMENDATION:

That the Commission approve the Amended Contract with Samuel Martinez as Executive Officer for the Local Agency Formation Commission for San Bernardino effective April 15, 2026.

BACKGROUND:

On May 16, 2018, the Commission appointed Samuel Martinez as the San Bernardino LAFCO Executive Officer subject to acceptance of employment contract terms with LAFCO, which contract was effective July 1, 2018. The LAFCO Executive Officer position is an at-will, full-time position subject to Human Resources policies, included in LAFCO's Policy and Procedure Manual, which identify the range of benefits for this position.

The Commission, led by its negotiator (myself), entered into discussions with Mr. Martinez regarding modifications to salary, contract term, and a schedule for future performance evaluations, and other minor non-substantive/ non-monetary modifications, which have all been incorporated into the proposed draft Amended Contract (**Attachment 1** to this report).

Salary

The proposed Amended Contract includes a 5.243% (or \$10,819.91) increase to Mr. Martinez's annual salary. If approved by the Commission each year as part of the budget approval process, Mr. Martinez will be entitled to receive a cost-of-living adjustment at the same level granted to other LAFCO employees.

Contract Term

The contract term under the proposed Amended Contract is three years commencing April 15, 2026, and continuing through April 14, 2029. Unless LAFCO provides the Executive

Officer with written notice that the contract will not renew, an additional year will be added to the term of the Agreement after each full year of employment.

Performance Evaluation

Commencing in the first calendar quarter in 2028, and every calendar year thereafter, the Commission shall conduct an evaluation of Mr. Martinez's performance, including a salary review discussion.

Other Modifications

The proposed Amended Contract includes other minor non-substantive/non-monetary changes.

Attachment

Draft Amended Executive Officer Contract

**AMENDED EMPLOYMENT AGREEMENT BETWEEN THE LOCAL AGENCY
FORMATION COMMISSION FOR SAN BERNARDINO COUNTY AND THE
EXECUTIVE OFFICER**

This AGREEMENT (“Agreement”) is made and entered into between Samuel Martinez (“Executive Officer”) and THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY (“LAFCO”), in order to provide, in writing, the terms and conditions of employment for management services by the Executive Officer of LAFCO. Sometimes the parties hereinafter may be referred to individually as “Party” or collectively as “Parties.”

NOW, THEREFORE, the Parties hereto agree as follows:

1. Employment

LAFCO hereby agrees to employ Executive Officer, and Executive Officer agrees and does accept employment upon the terms and conditions set forth herein.

2. Duties and Obligations of Executive Officer

The duties and obligations of the Executive Officer shall be as set forth in the applicable job description and LAFCO rules and policies, as amended by LAFCO from time to time at its discretion.

3. Salary

A. Executive Officer’s salary shall be Two Hundred Seventeen Thousand One Hundred Ninety-Three Dollars and Sixty Cents (\$217,193.60) per year. Salary shall be paid bi-weekly (every two weeks), in the same manner and at the same time as other employees of LAFCO are paid.

B. LAFCO may grant the Executive Officer an annual cost-of-living adjustment at its sole discretion, in accordance with LAFCO’s policies and practices. LAFCO may also grant Executive Officer a step advancement or merit increase annually at its sole discretion following completion of the performance review specified in Section 7 and in accordance with LAFCO’s policies and practices.

4. Benefits. Executive Officer shall be entitled to all of the benefits defined for that position in the adopted San Bernardino LAFCO Policy and Procedures Manual.

5. Term

LAFCO hereby agrees and does employ Executive Officer for an initial term of three (3) years commencing April 15, 2026 (the “Term”). Thereafter, on each anniversary of the commencement date, the Term shall automatically extend by one (1) additional year so that the remaining term of this Agreement is always three (3) years, unless LAFCO provides written notice of non-renewal. Any notice of non-renewal must be received by the Executive Officer

prior to the end of the then-current year of employment. Any decision by the Commission not to extend the term shall not constitute a termination for purposes of Section 6 of this Agreement.

6. Termination of Agreement and Severance Pay

A. At-Will Employment. The Parties hereby expressly agree that the employment relationship created by this Agreement is “at will” and that Executive Officer serves at the will and pleasure of LAFCO. Except as provided hereinafter, nothing in this Agreement, any statute, ordinance, or rule shall prevent, limit, or otherwise interfere with the right of LAFCO to terminate, without cause or right of appeal or grievance, the services of Executive Officer at any time. Accordingly, Executive Officer agrees that this Agreement sets forth the only terms and conditions applicable to the termination of his employment and that he hereby waives any rights he/she would otherwise have thereunder.

B. By LAFCO Without Cause. Except as provided hereinafter, at any time, LAFCO may terminate Executive Officer for any reason, without cause, by providing written notice. Upon termination under this subsection, Executive Officer shall be entitled to (1) all compensation due and owing through the effective date of termination, as specified in the written notice, (2) a severance payment equal to six (6) months of Executive Officer’s salary or the amount of salary Executive Officer would have earned through the Term Date of this Agreement, whichever is less, and (3) continuation of any health benefits for six (6) months, until Executive Officer obtains other employment, or until the Term Date of this Agreement, whichever occurs sooner. However, the severance payment and continuation of health benefits are contingent upon Executive Officer signing a severance agreement that fully releases LAFCO from any and all claims he may have against it and/or its Commissioners, officers, agents, and employees, arising out of his employment with LAFCO or the termination thereof. The severance payment shall be made on the eighth day after Executive Officer signs the severance agreement. Upon payment of all compensation due and owing and, in the event Executive Officer signs the severance agreement, payment of severance and continuation of health benefits as set forth above, all of LAFCO’s obligations under this Agreement shall cease. LAFCO may discipline or demote Executive Officer with or without cause and with or without prior notice.

C. By LAFCO For Cause. At any time, and without prior notice, LAFCO may terminate Executive Officer for Cause (as defined below). LAFCO shall pay Executive Officer all compensation then due and owing through the last day worked; thereafter, all of LAFCO’s obligations under this Agreement shall cease. Termination shall be for “cause” if Executive Officer: (1) acts in bad faith and to the detriment of LAFCO; (2) refuses or fails to act in accordance with any specific direction or order of LAFCO; (3) exhibits in regard to his employment unfitness or unavailability for service, unsatisfactory performance, misconduct, dishonesty, habitual neglect, or incompetence; (4) is convicted of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person, or which attracts unreasonable adverse publicity to LAFCO; or (5) breaches any material term of this Agreement.

D. By Death or Disability. The employment of Executive Officer, and this Agreement, shall automatically terminate upon the death of Executive Officer or upon the separation of his employment because of disability, which prevents Executive Officer from performing the essential functions of his job even with reasonable accommodations. As used herein, disability shall have the same meaning as provided under the laws governing a disability retirement through SBCERA. Neither Executive Officer nor his heirs, administrators, or assigns shall have any right under this Agreement to salary or a severance payment after such death or disability, but they shall have such rights and benefits as may be provided by law.

E. Resignation. At any time, Executive Officer may resign from his employment for any reason, with or without cause, by providing LAFCO with thirty (30) days' advance written notice. LAFCO shall have the option, in its complete and sole discretion, to make Executive Officer's termination effective at any time prior to the end of such notice period, provided (1) LAFCO pays Executive Officer all compensation due and owing through the last day actually worked, plus an amount equal to the compensation Executive Officer would have earned through the balance of the above notice period, and (2) LAFCO continues Executive Officer's health benefits under this Agreement for the balance of the above period. Thereafter, all of LAFCO's obligations under this Agreement shall cease. In the event Executive Officer fails to provide the thirty (30) days written notice of his resignation (e.g., notice of less than thirty days), LAFCO may terminate this Agreement and Executive Officer's employment at any time without any further obligations to Executive Officer other than paying all compensation due and owing through the last day actually worked.

F. Benefits Upon Termination. All benefits to which Executive Officer is entitled shall cease upon Executive Officer's termination, unless explicitly continued either under this Agreement, under any specific written policy or benefit plan of LAFCO, as it exists from time to time, or unless otherwise required by law.

G. Government Code Section 53260. In no event shall the cash payment that Executive Officer may receive in the event of the termination of this Agreement, as set forth in Sections 6(B) above, exceed an amount equal to the monthly base salary of Executive Officer multiplied by the number of months left on the unexpired term of this Agreement.

H. Abuse of Office. Pursuant to Government Code Sections 53243, 53243.1 and 53243.2, if Executive Officer is convicted of a crime involving an abuse of his office or position, all of the following shall apply: (1) if Executive Officer is provided with administrative leave pay pending an investigation, Executive Officer shall be required to fully reimburse LAFCO such amounts paid; (2) if LAFCO pays for the criminal legal defense of Executive Officer (which would be in its sole discretion, as it is generally not obligated to pay for a criminal defense), Executive Officer shall be required to fully reimburse LAFCO such amounts paid; and (3) if this Agreement is terminated, any severance or cash settlement related to the termination that Executive Officer may receive from LAFCO shall be fully reimbursed to LAFCO or void if not yet paid to Employee. For this Section, abuse of office or position means either: (1) an abuse of public authority, including waste, fraud, and violation of the law under color of authority; or (2) A crime against public justice, including, but not limited to, a crime described in Title 7 (commencing with Section 92) of Part 1 of the Penal Code.

I. Termination Obligations. Executive Officer agrees that all property, including, without limitation, all equipment, tangible proprietary information, documents, records, notes, contracts, and computer-generated materials furnished to or prepared by Executive Officer incident to his employment belongs to LAFCO and shall be returned promptly to LAFCO upon termination of Executive Officer's employment. Executive Officer's obligations under this subsection shall survive the termination of his employment and the expiration of this Agreement.

7. Performance Review. LAFCO shall conduct a performance review of Executive Officer sometime during the first quarter of calendar year 2028 and every calendar year thereafter, including a salary review discussion. LAFCO's decision to conduct or failure to conduct, an annual performance review under this section shall not affect any other term of this Agreement. LAFCO may also evaluate Executive Officer's performance at other times as it deems appropriate.

8. Action by LAFCO. All actions required or permitted to be taken under this Agreement by LAFCO, including, without limitation, exercise of discretion, consents, waivers, and amendments to this Agreement, shall be made and authorized only by the Commission through its Chair, or a designated representative specifically authorized in writing to fulfill these obligations under this Agreement.

9. Notices. Any notice or other communication under this Agreement must be in writing and shall be effective upon delivery by hand, upon facsimile transmission to LAFCO (but only upon receipt of a written confirmation of receipt), or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to LAFCO at the addresses or fax numbers below. Executive Officer shall be obligated to notify LAFCO in writing of any changes of his/her address. Notice of change of address shall be effective only when done in accordance with this Section.

Steven Farrell, Chair
Local Agency Formation Commission for San Bernardino County
1601 E. 3rd Street, Suite 102
San Bernardino, CA 92415-0490
Fax Number: (909) 388-0481

Samuel Martinez
[REDACTED]
[REDACTED]
Phone Number: [REDACTED]

10. Integration. This Agreement is intended to be the final, complete, and exclusive statement of the terms of Executive Officer's employment by LAFCO. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the employment of Executive Officer, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of LAFCO, now or in the

future, apply to Executive Officer and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

11. Amendments. This Agreement may not be amended or modified except by a writing signed by both Parties. The failure of either Party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other Party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

12. Assignment. Neither this Agreement, nor any right, privilege, or obligation of Executive Officer hereunder shall be assigned or transferred by him without the prior written consent of LAFCO. Any attempt at assignment or transfer in violation of this provision shall, at the option of LAFCO, be null and void and may be considered a material breach of this Agreement.

13. Severability. If a court or arbitrator holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

14. Attorneys' Fees. In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

16. Interpretation. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any Party. By way of example and not in limitation, this Agreement shall neither be construed in favor of the Party receiving a benefit nor against the Party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. Furthermore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.

17. Conflict of Interest. The Executive Officer agrees that he will abide with all applicable local, California, and federal rules on conflicts of interest and receipt of gifts, including, without limitation, those rules found in the Political Reform Act, California Government Code section 1090 et. seq. and the regulations promulgated by the Fair Political Practices Commission, Title 2 of the California Code of Regulations section 18109 et. seq.

18. Executive Officer Acknowledgment. Executive Officer acknowledges that he has had the opportunity to consult legal counsel in regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on his own judgment and not on any representations or promises other than those contained in this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the _____ day of _____, 2026.

LOCAL AGENCY FORMATION
COMMISSION FOR SAN BERNARDINO
COUNTY


By: _____
Steven Farrell, Chair

Samuel Martinez

DRAFT

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: APRIL 8, 2026 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #12: Review and Consideration of Rejoining
CALAFCO Membership for FY 2026-27

RECOMMENDATION:

The Commission may consider the following options:

Option 1:

1. Rejoin CALAFCO for FY 2026-27;
2. Return with a budget adjustment at the mid-year financial review to increase appropriation authority related to the CALAFCO membership cost; and,
3. Return to the Commission on or before June 2027 to reassess continued membership for FY 2027-28.

Option 2:

Do not join CALAFCO for FY 2026-27 and return to the Commission on or before June 2027 to reassess membership for FY 2027-28.

BACKGROUND:

In November 2024, the Commission unanimously decided not to renew its membership in CALAFCO for FY 2025-26. Three other southern region LAFCOs—Los Angeles, Orange, and San Diego—also opted against renewal. Since then, there have been a few other LAFCOs from other regions who have opted not to renew as well.

Alliance of LAFCOs:

Staff and the Commission's designated representatives have been coordinating with the three other southern region LAFCOs that have opted out of CALAFCO. The group has

formalized its effort through a Memorandum of Understanding and is known as the “Alliance of LAFCOs”. The Alliance held its inaugural workshop in March that included a discussion of, among others, the reasons for its formation as well as its future moving forward. The Alliance committed to formalizing itself as a non-profit entity focused on legislative advocacy, networking, and education programs. The hope is other LAFCOs may also join the Alliance.

CALAFCO Reforms:

On the other hand, CALAFCO has undertaken reforms addressing governance, accountability, and its leadership structure. Key reforms include:

- **Board Reset:** All 16 seats will be up for election at the 2026 Annual Conference, representing a complete reset that removes incumbency advantages.
- **Eligibility Changes:** Elimination of “seat-type” categories (county, city, special district, public) allowing Executive Officers to serve on the Board, promoting practitioner participation in its governance.
- **Accountability:** New measures include mandatory onboarding, attendance policies, a Code of Conduct, and annual performance evaluations for Board and staff.

Staff believes that while trust remains strained, CALAFCO is making significant progress. The Commission now faces the question of whether these structural changes warrant reconsidering membership.

While this LAFCO remains committed to the Alliance of LAFCOs, the Alliance currently lacks a coordinated legislative voice while it pursues its non-profit status—a process estimated to take 12 to 18 months. Rejoining CALAFCO while maintaining its Alliance membership allows the Commission to access both networks.

CONCLUSION:

The Commission has committed to full participation in the Alliance. The decision before the Commission is whether to also rejoin CALAFCO to ensure engagement across both forums. Rejoining at this juncture would allow our LAFCO to participate in shaping CALAFCO’s next phase, while declining to rejoin maintains the Commission’s current standing. As membership is annual, the Commission may reassess this decision in 2027. Staff is recommending two options for Commission consideration outlined on page 1.

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DATE: APRIL 8, 2026 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #14: EXECUTIVE OFFICER'S REPORT

REMINDER:

The Commission's next meeting will be on May 20, 2026.

UPDATES ON PROPOSALS INCLUDING SERVICE REVIEWS/SPECIAL STUDIES, AND SPHERE OF INFLUENCE AMENDMENTS/UPDATES

- **LAFCO 3275** – Reorganization to Include Annexation to the City of San Bernardino and Detachment from County Service Area 70 (26-Acre Island)

Reconsideration period ends April 17, 2026. A 30-day protest period will be scheduled soon after the reconsideration period ends.

- **LAFCOs 3278 & 3279** (City of Adelanto Fire Reorganization):
 - LAFCO 3278 – Sphere of Influence Amendment (Expansion) for the San Bernardino County Fire Protection District
 - LAFCO 3279 – Reorganization to Include Annexation to the San Bernardino County Fire Protection District, its North Desert Service Zone, and its Zone FP-5

LAFCO 3279 is still undergoing the required property tax exchange/transfer process. The 60-day negotiation period ends May 5, 2026. Revised documents requested from both the City and County Fire are also due May 5, 2026. Both items have not been scheduled for Commission consideration at this time.

- **LAFCO 3282** – Countywide Service Review for Local Park and Recreation

Staff is continuing to provide agencies working draft copies of their portions of the report for their technical review. The next phase will be distributing the actual draft service review for agency and public review and comment.

ALLIANCE of LAFCOs NEWS:

The Alliance had its inaugural workshop on Wednesday, March 24, 2026. The Workshop was attended by staff and Commissioners Farrell and Harvey. Mr. Steve Lucas, retired Executive Officer from Butte County LAFCO, facilitated the workshop. Attorney Bill Pellman was the luncheon guest speaker.

CALAFCO NEWS:

- **CALAFCO Staff Workshop:**

Staff will be attending the 2026 CALAFCO Staff Workshop that will take place May 6–8 in Pismo Beach, CA.

- **CALAFCO U Webinars:**

CALAFCO University will be having a LAFCO 201 webinar scheduled for Wednesday, April 22, 2026. If any of the Commissioners are interested in attending this webinar, please inform staff.