

# **AGENDA**

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

**SAN BERNARDINO CITY COUNCIL CHAMBERS  
300 NORTH D STREET, FIRST FLOOR, SAN BERNARDINO**

### **REGULAR MEETING OF APRIL 20, 2016**

#### **9:00 A.M. – CALL TO ORDER**

#### **Convene Closed Session – Conference Room adjacent to Council Chamber:**

Personnel (Government Code Section 54957) – Employee Evaluation – Executive Officer

#### **CALL TO ORDER REGULAR SESSION – FLAG SALUTE**

**ANNOUNCEMENT:** Anyone present at the hearing who is involved with any of the changes of organization to be considered and who has made a contribution of more than \$250 in the past twelve (12) months to any member of the Commission will be asked to state for the record the Commission member to whom the contribution has been made and the matter of consideration with which they are involved.

#### **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.

1. Approval of Minutes for Regular Meeting of March 16, 2016
2. Approval of Executive Officer's Expense Report
3. Ratify Payments as Reconciled for Month of March 2016 and Note Cash Receipts

#### **PUBLIC HEARING ITEMS:**

4. Consent Items Deferred for Discussion
5. Consideration of: (1) Review of Mitigated Negative Declaration Prepared by the County of San Bernardino to construct a 214,300 Sq. Ft. Industrial Building to be used as a High-Cube Warehouse/Distribution Facility on Approximately 9.89 Acres, as CEQA Responsible Agency for LAFCO SC#405; and (2) LAFCO SC #405 - City of Fontana Pre-Annexation Agreement No. 15-003 for Sewer Service (APN 0234-101-21)
6. Consideration of: (1) CEQA Statutory Exemption for LAFCO 3205 and (2) LAFCO 3205 – Sphere of influence Amendment for San Bernardino County Fire Protection District (City of Needles area)
7. Consideration of: (1) CEQA Statutory Exemption for LAFCO 3206 and (2) LAFCO 3206 – Reorganization to include Annexations to the San Bernardino Fire Protection District, its South Desert Service Zone and Service Zone FP-5

**DISCUSSION ITEMS:**

8. Review and Consideration of Policy Updates Related to Approval of SB 239 – Contracts for the Provisions of Fire Protection by Contract ***(TO BE CONTINUED TO JUNE 15, 2016 HEARING)***
9. Preliminary Budget Review for Fiscal Year 2016-17:
  - A. Proposed Schedule of Fees, Charges and Deposits
  - B. Proposed Budget for Fiscal Year 2016-17:
    - 1) Third Quarter Review FY 2015-16
    - 2) Proposed Budget for FY 2016-17
    - 3) Consideration of Lease for Office Space with San Bernardino Association of Governments (SANBag) and Southern California Association of Governments (SCAG)
    - 4) Executive Officer Contract

**INFORMATION ITEMS:**

10. Legislative Update Report
11. Executive Officer's Oral Report
12. 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.)
13. Comments from the Public  
(By Commission policy, the public comment period is limited to five minutes per person for comments related to items under the jurisdiction of LAFCO.)

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 215 N. D St., Suite 204, San Bernardino, during normal business hours, on the LAFCO website at [www.sbclafco.org](http://www.sbclafco.org), and at the hearing.

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](http://www.fppc.ca.gov) or at 1-866-ASK-FPPC (1-866-275-3772).

A person with a disability 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 accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.



**DRAFT - ACTION MINUTES OF THE - DRAFT  
LOCAL AGENCY FORMATION COMMISSION  
HEARING OF MARCH 16, 2016**

**REGULAR MEETING**

**9:00 A.M.**

**MARCH 16, 2016**

**PRESENT:**

<b>COMMISSIONERS:</b>	<b>Jim Bagley</b>	<b>Robert Lovingood</b>
	<b>Kimberly Cox, Vice-Chair</b>	<b>James Ramos</b>
	<b>James Curatalo, Chair</b>	<b>Acquanetta Warren, Alternate</b>
	<b>Steve Farrell, Alternate</b>	<b>Diane Williams</b>

**STAFF:**

**Kathleen Rollings-McDonald, Executive Officer**  
**Clark Alsop, LAFCO Legal Counsel**  
**Samuel Martinez, Assistant Executive Officer**  
**Michael Tuerpe, Project Manager**  
**Jeffery Lum, LAFCO Analyst**  
**Rebecca Lowery, Clerk to the Commission**  
**Bob Aldrich, LAFCO Consultant**

**ABSENT:**

<b>COMMISSIONERS:</b>	<b>Janice Rutherford, Alternate</b>	<b>Sunil Sethi, Alternate</b>
	<b>Larry McCallon</b>	

**9:06 A.M. – CALL TO ORDER – FLAG SALUTE**

Chairman Curatalo calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

**CONSENT ITEMS – APPROVE STAFF RECOMMENDATION:**

(Commissioner Ramos arrives at the dais at 9:07 a.m.)

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.

1. Approval of Minutes for Regular Meeting of February 17, 2016
2. Approval of Executive Officer's Expense Report
3. Ratify Payments as Reconciled for Months of February 2016 and Note Cash Receipts

LAFCO considered the items listed under its consent calendar, which includes a Visa Justification, the Executive Officer's expense report and ratification of payments as

reconciled for the month of February. Copies of each report are on file in the LAFCO office and are made part of the record by their reference herein.

Chairman Curatalo calls for requests for deferral from Commissioners or staff; there are none.

Commissioner Lovingood moves approval of the consent calendar, second by Commissioner Cox. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: Bagley, McCallon (Ms. Warren voting in his stead.)

## **DISCUSSION ITEMS**

### **ITEM 4. CONSENT ITEMS DEFERRED FOR DISCUSSION**

No items deferred for discussion.

### **ITEM 5. STATUS REPORT ON LAFCO 3176 -- SPECIAL STUDY FOR YERMO, DAGGETT AND NEWBERRY COMMUNITY SERVICES DISTRICTS (CONTINUED FROM FEBRUARY 17, 2016 HEARING)**

Project Manager Michael Tuerpe presents the staff report for LAFCO 3176, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Mr. Tuerpe states that at the Commission's January 2015 hearing, the Commission completed the special study of the Daggett, Newberry, and Yermo Community Service Districts addressing issues identified in the 2012-13 Grand Jury report. He states that the Newberry CSD has satisfied all of its outstanding requirements, and Daggett CSD has satisfied all but one of its outstanding requirements. He states that for Yermo CSD, it has not satisfied any of its outstanding requirements as identified in the special study; however, the District did include LAFCO on its recent notification to its independent auditor requesting the commencement of the process to establish an appropriations limit, but no other information has been received.

(It is noted the Commissioner Bagley arrives at the dais at 9:10 a.m.)

Mr. Tuerpe states that it is LAFCO staff's position that for the communities of Newberry Springs and Daggett, continued updates will not serve a future purpose as, in general, they have fulfilled the requests of the Commission. He states that since the Yermo CSD has not satisfied any of its outstanding requirements identified in the special study and has not been responsive to LAFCO staff's continuing review and recommendations for a reorganization of governance, it is staff's position that to continue to review would serve little purpose as no resolution appears to be in sight.

Mr. Tuerpe states that LAFCO staff remains committed to providing assistance to the districts whenever requested and states that it is staff's recommendation that the Commission determine that additional status reports for LAFCO 3176 would not serve the

intended purpose, and direct the Executive Officer to remove this from any future consideration.

Commissioner Williams asks what would happen if the Commission were to stop monitoring Yermo CSD; Executive Officer Kathleen Rollings-McDonald states that the Commission can readdress outstanding items during its service review.

Commissioner Cox states that Newberry and Daggett CSDs should be commended for their achievements. She states that representatives from these districts have been strong participants in the governance training provided by LAFCO and that Yermo CSD is going through a transitional period and that there may be positive change after the upcoming election. She also states that she is in support of staff's recommendation.

Commissioner Bagley states that the two districts have made progress and that the level of training that some of the leaders of the special districts receive is limited, especially for the districts with limited financial ability and that the special education efforts provided by LAFCO has helped with educating these districts.

Commissioner Lovingood states that both Newberry and Daggett have increased their community participation in district meetings and that his office continues to receive complaints regarding the Yermo CSD and their lack of compliance is a problem for all agencies.

Executive Officer Kathleen Rollings-McDonald states that the staff report notes that the Mojave Water Agency, in conjunction with the California Rural Water Association, is assisting Daggett CSD with financial management training as well as outlining the proper financial management system for the water operations and that they should be commended for the work they do with helping the smaller agencies.

Chairman Curatalo asks what the service levels are with regards to Emergency Medical Response along Interstates 15 and 40. Ms. McDonald states that the service will continue as it currently stands, with assistance from the Army's presence at the Daggett Airport and others. She continues that no change is foreseen for the future but that staff will continue to review this as part of its service review.

Chairman Curatalo confirms that every effort has been made by staff to contact and reach out to the Yermo CSD to help them fulfill the requests noted in the Special Study, to which Ms. McDonald responds in the affirmative.

Commissioner Williams moves approval of staff recommendations for LAFCO 3176, second by Commissioner Lovingood. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

**ITEM 6. STATUS REPORT ON LAFCO 3189 -- SPECIAL STUDY FOR MORONGO VALLEY COMMUNITY SERVICES DISTRICT (CONTINUED FROM FEBRUARY 17, 2016 HEARING)**

Project Manager Michael Tuerpe presents the staff report for LAFCO 3189, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Mr. Tuerpe states that at the Commission's July 2015 hearing, the special study of the Morongo Valley Community Services District was completed and that the special study was conducted at the request of a district board member due to financial and governance concerns. The special study was narrow in focus – determining the financial sustainability of the district to perform its authorized range of services, most specifically fire protection and emergency response. Mr. Tuerpe states that at the conclusion of the special study, the District took significant measures and received additional State reimbursement revenue to break-even for FY 2014-15 and that as part of that special study LAFCO staff provided a forecast for the next five fiscal years.

Mr. Tuerpe states that staff identified four variables which could result in budget challenges for the district, ranging from severe to moderate which include the replacement of the current fire truck, the recall of the wild land fire truck, the replacement of the current general manager and other major expenses. He states that as part of the special study, staff was directed to continue to monitor the District's financial position and sustainability by requesting that the district provide to LAFCO its adopted annual budget, mid-year financial report, and financial statements for the next three years, and monitor and update the Commission biannually for the next three years regarding the District's financial position and sustainability.

Mr. Tuerpe reviews the District's Audit and Fiscal Indicators and states that the District's 2015-16 Mid-Year did not reveal major concerns since revenue exceed expenditures. However, the narrative provided by the District for the second half of the year reveals major concerns for the District and LAFCO staff. He states that for the park and recreation services, 75 percent of the expenditure authority has been incurred to date which is \$8,000 above the mid-year benchmark, and that the District's documents identify \$2,500 in plumbing costs at the park, and that the lease agreement with the County for continued use of the Mojave Park resulted in an unbudgeted expense of \$2,077. He states that for fire, the medic engine incurred an unbudgeted expense of \$25,000 for repairs.

Mr. Tuerpe states that additional mid-year materials included by the District identify that payroll for fire personnel has dramatically increased during the past months and that District staff explained that while the Fire Chief was on medical leave, his salary was partially paid by workers compensation, which reduced the amount that the District paid to its highest earner and that this reduction in staffing has created the unintended consequence of more overtime, which is resulting in a higher payroll. He says that at current levels, payroll during the second half will exceed its budget by roughly \$74,000, without offsetting increase in revenues. He states that the general manager has voluntarily reduced the compensation of her position more than once, and that these actions are not

reflective of a well-funded agency and cannot be relied upon to achieve a sustainable budget. He states that these issues leads to questions on the District's immediate sustainability.

Mr. Tuerpe states that the special study concluded that the District should consider placing a ballot measure to convert its current benefit assessment into a special tax. He states that the tax proposal will be placed on the June 7 election and will require two-thirds approval to pass. If it is successful, the \$350 special tax would replace the current assessment. Mr. Tuerpe states that given the issues identified in the staff report, staff is recommending that the Commission await the outcome of the June 7 election to be presented at the next scheduled update at the August 2016 hearing to decide upon any future actions.

Commissioner Curatalo asks what the current assessment amount is, Mr. Tuerpe states that the amount is in the mid to high \$100's.

Donna Munoz, General Manager, Morongo Valley CSD, states that it is a benefit assessment district and runs about \$160 per year and will be replaced by the \$350 if the special tax is successful. She states that she inherited an unbalanced budget and has worked very hard to change the finances of the District, including reductions to her wages twice. She states that there have been issues with fire service, but that those have been resolved. She states that by using strike teams for fire service and a supervisor being provided from Cal-Fire at no cost, the District has been able to save monies as well. She states that the District is communicating with the community and that a large portion of the community has expressed support for the special tax.

Commissioner Cox commends the District for their efforts in turning around the financial issues and hopes that the Community will support the District. Ms. Munoz states that District has worked hard and that they are fortunate to have a great citizen's committee that has helped to circulate information around the community.

Chairman Curatalo asks about the engine that broke down and how the District went about repairing it. Ms. Munoz states that the District had the engine rebuilt and installed; that the County loaned an engine to the District during the interim. He also asks about the fire officer rotation, Ms. Munoz states that CalFire, by agreement, provides the fire officer to the District at no cost and that they also have an engine that goes out on strike teams.

Commission Warren asks if the District has reached out to other agencies in search of surplus fire equipment that might be available to the District at a discounted cost. Ms. Munoz states that the District has started a campaign called Highway Heroes to raise funds for the fire department and that they have procured a command vehicle from Morongo Basin Ambulance Association for \$5 and that the District is always looking for ways to keep expenses low.

Commissioner Bagley states that he would also like to commend Ms. Munoz for her leadership, especially in taking a cut in pay for the benefit of the District's budget. He states that the District is a small one and is burdened by being on a major highway leading to the Morongo Basin where they are responsible to respond to accidents on that highway.

He states that he hopes the tax effort passes so that the District will not be so financially burdened. Ms. Munoz states that in a two year period, there have been over 18 deaths on the highway, and that the responsibility does present challenges.

Commissioner Ramos asks for clarification of the percentage of parcels that are owned versus those that are vacant. Ms. Munoz states that out of the 2,600 parcels there are approximately 700 that are vacant and that the rest are occupied. Mr. Ramos questions his understanding that only those who are registered to vote in the area will be allowed to vote in June and landowners who are not registered to vote in the district area will not; to which Ms. McDonald responds in the affirmative. Commissioner Ramos states that the County will continue to offer support to the District as they have in the past.

Ms. Munoz states that if the District does not have their own fire service, the cost of fire insurance for the residents will increase since the District's ISO rating will change and that the cost to the District if County Fire were to provide the service, would be twice what the District currently spends, if not more.

Commissioner Ramos asks what the Commission can expect to see in the next update scheduled for August. Ms. McDonald states that at the next update the Commission will see the results of the special tax election, the unaudited year-end financials, and budget will be presented to the Commission, at that time the Commission can decide how to direct staff with regards to further monitoring through the special study.

Commissioner Bagley states that if the tax election fails the District may not be sustainable and become insolvent; he asks if County Fire would be obligated to provide fire service. Ms. McDonald states that the County Fire is not legally obligated to provide fire service in that area, but in all probability the County would step in to ensure the safety of the County constituents and that they would have to ask the question about what the costs would be and how they would be paid at that time.

Commissioner Bagley states that he hopes that in the future Morongo will be able to incorporate into a City and have the funds from the property taxes to support a fire and police department. Ms. McDonald states that as the service review for the District is conducted, other questions will need to be addressed regarding water provision and others service concerns and that by conducting these reviews it helps the District to plan and prepare for the future.

Commissioner Cox states that there is ability to combine parcels for the purpose of tax savings through the assessor's office and that the information should be passed along to the community.

Commissioner Ramos states that the report heard at today's hearing is strictly regarding the special study directed by the Commission; to which Ms. McDonald responds in the affirmative.

Commissioner Ramos moves approval of staff recommendations for LAFCO 3189, second by Commissioner Cox. There being no opposition, the motion passes unanimously with the

following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

**ITEM 7. STATUS REPORT ON RIM OF THE WORLD PARK AND RECREATION DISTRICT (CONTINUED FROM FEBRUARY 17, 2016 HEARING)**

Project Manager Michael Tuerpe presents the staff report for the Rim of the World Park and Recreation District, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Mr. Tuerpe states that at the July 2010 hearing the Commission completed its service review for the Rim of the World Recreation and Park District. He states that the Commission identified a number of financial issues which prompted the Commission to question the District's financial solvency. He states that the District has satisfied all of the conditions outlined in the Commission's resolution from the service review and that many of the questions and concerns identified by the Commission are being addressed.

Mr. Tuerpe states that at the March 2015 scheduled update, the Commission made the determination to continue monitoring of the District for one additional year even though the District had made great strides in operational management and its finances, since it takes time to collect data to review for evidence of sustainability. He states that the District has one more status report scheduled for August 2016.

Mr. Tuerpe states that the District has provided LAFCO staff with its FY 2014-15 audit and FY 2015-16 mid-year budget for this update and that on the whole the financial position of the District is improving. He states that for the past four years the fund balances of the District has improved and he reviews the audit information presented on the overhead display. He states that the audited financials for FY14-15 end the year at \$1.1 million with expenditures at roughly \$950,000, and that the District has improved its reserve balance. He states that the FY14-15 audit shows an improving financial position of the District and its mid-year numbers to date do not reveal any areas of concern.

Mr. Tuerpe states that staff is recommending that the Commission note receipt the Status Report and set the final Status Report for the August 2016 hearing.

Executive Officer Kathleen Rollings-McDonald states that the Commission had noted in its original resolution that failure to provide for a balanced budget and reconciliation of the outstanding debts would be cause for the discussion of the potential dissolution of the District.

Commissioner Cox states that this is another example of a small district with well-meaning elected officials that might not have understood all of the elements that need to be in place for the management of a district. She states that the District has done a tremendous job in meeting the call to action that the Commission placed before them and that they have achieved and surpassed the Commission's expectation for fiscal solvency. She congratulates the District on a job well done.

Karen Reams, General Manager, Rim of the World Recreation and Park District, states that they have come a long way and that it has been a struggle but they are pleased with how well they have been able to turn the financial situation around. She thanks staff for their continued patience and guidance and states that they have paid off all their debts to the County and have monies in reserves. She says the District has made many improvements to the buildings and park; they have added more programs and are partnering with other agencies in order to provide better services to the residents and that they have a dedicated staff and board and are cautiously moving forward. Ms. Reams states that the District staff gave up their SBCERA retirement for a more affordable retirement program and that they are proud of the great strides their District has made in reaching financial solvency.

Chairman Curatalo congratulates the District on their success.

Commissioner Bagley commends the District on their achievement and states that the report shows declining revenues in the childcare program. Ms. Reams states that the District has reviewed the childcare program and has partnered with the Boys and Girls Club to provide childcare for the community and that the District will be providing enrichment classes instead of childcare starting in June. Commissioner Bagley states that he hopes the District will have success with this new partnership.

Commissioner Cox moves approval of staff recommendations for Rim of the World Recreation and Park District, second by Commissioner Williams. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

(It is noted that Commissioner Cox and Commissioner Ramos leave the dais at 10:07 a.m.)

**ITEM 8. UPDATE ON STATUS OF LAFCO 3157A – SERVICE REVIEW FOR OPEN SPACE AND HABITAT CONSERVATION WITHIN THE VALLEY REGION AND REQUEST FOR CONTINUANCE TO SEPTEMBER 21, 2016 HEARING**

Assistant Executive Officer Samuel Martinez presents the staff report for LAFCO 3157A, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

(It is noted that Commissioner Cox returns to the dais at 10:08 a.m.)

Mr. Martinez states that at the September 2014 hearing, the Commission deferred the consideration of LAFCO 3157A until the completion of the Countywide Habitat Preservation/Conservation Framework Study. He states that LAFCO staff has collaborated extensively with SANBAG and its consultant on Phase 1 of the Framework Study by providing data that was already collected through the initial process of LAFCO's service review on open space and habitat conservation.



Mr. Martinez states that Phase 1 of the Framework Study was completed in February 2015 and that Phase 2 of the Framework Study is moving forward in evaluating habitat preservation/conservation for the entire San Bernardino County. He says that, because of this, staff is recommending that the Commission's service review for open space and habitat conservation be modified to encompass the entire County.

(It is noted that Commissioner Ramos returns to the dais at 10:12 a.m.)

Mr. Martinez states that Phase 2 is anticipated to be complete in 12 to 18 months and since much of the information that is being generated for Phase 2 is what staff will use for its data analysis, that it would be beneficial for the Commission to await the completion of Phase 2 so that the efforts of the Countywide Vision Environment Element Group and SANBAG are not duplicated. He states that staff is also recommending the deferral of consideration of LAFCO 3157A, as modified, until after the completion of Phase 2 of the Countywide Habitat Preservation/Conservation Framework Study.

(It is noted that Commissioner Lovingood leaves the dais at 10:16 a.m.)

Mr. Martinez states that in September 2014, the Commission approved LAFCO 3157, the sphere of influence establishment for County Service Area (CSA) 120 followed by the Commission's adoption of Resolution No. 3190 for LAFCO 3157. Resolution No. 3190 included conditions imposed on CSA 120's sphere of influence establishment, which are outlined in the staff report. He states that as of the date of this report, no documentation has been provided regarding the satisfaction of any of these conditions. He states that since it is the recommendation that the Commission defer its consideration of the service review for open space and habitat conservation for San Bernardino County until after Phase 2 is completed (anticipated to be 12-18 months from now), staff is recommending that the Commission consider designating a zero sphere of influence for CSA 120 if it still has not fulfilled all of the conditions that were imposed on its sphere establishment by that time, noting that an additional 18 months should be more than enough time to complete all the conditions related to CSA 120's sphere establishment as outlined in Resolution No 3190 approved almost two years ago.

(It is noted that Commissioner Lovingood returns to the dais at 10:20 a.m.)

Jane Hunt Ruble, concerned citizen and member of the Save Lytle Creek Wash Group, states that she has concerns over the loss of open space and habitat conservation in the valley area and that she has attended some of the framework meetings and asks for clarification with regard to the Framework Study and the zero sphere of influence for CSA 120. Mr. Martinez states the Framework study is separate from the LAFCO Service Review and that it is proposed to be used as a tool in the LAFCO review process. Executive Officer Kathleen Rollings-McDonald states that staff will also conduct its service reviews regionally with the understanding that not all areas are the same and need to be reviewed regionally. She state that CSA120 will receive a zero sphere of influence designation if they do not submit the required documentation to staff within the designated time.

Commissioner Farrell asks what the service review is looking at. Ms. McDonald states that staff review is looking at who currently provides the service and how it is being addressed.

Commissioner Williams moves approval of staff recommendations for LAFCO 3157A, second by Commissioner Lovingood. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

**ITEM 9. REVIEW AND CONSIDERATION OF POLICY UPDATES RELATED TO APPROVAL OF SB 239 – CONTRACTS FOR THE PROVISIONS OF FIRE PROTECTION BY CONTRACT**

Executive Officer Kathleen Rollings-McDonald presents the staff report for SB 239, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Ms. McDonald states that Senate Bill (SB) 239 was signed by Governor Brown in October 2015 and became effective January 1, 2016; staff is requesting additional time to evaluate the bill and is asking that the Commission continue the item to the April 20, 2016 hearing.

Commissioner Lovingood moves approval of staff recommendation, second by Commissioner Ramos. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

**ITEM 10. REVIEW AND CONSIDERATION OF POLICY UPDATES RELATED TO APPROVAL OF AB 402 – SPECIAL PROVISIONS FOR REVIEW OF OUT OF AGENCY CONTRACTS OUTSIDE A SPHERE OF INFLUENCE WITHIN SAN BERNARDINO COUNTY**

Assistant Executive Officer Samuel Martinez presents the staff report for AB 402, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Mr. Martinez states that Assembly Bill (AB) 402 was signed by Governor Brown in October 2015 and became effective January 1, 2016. He states that it establishes a five-year pilot program for both Napa and San Bernardino Counties that allows both Commissions a mechanism to authorize the provision of service outside an agency's boundaries and outside its sphere of influence when deemed appropriate. He states that the proposed changes through this bill are very similar to the proposed language that San Bernardino LAFCO has been advocating for years related to Government Code Section 56133 and that in order to implement AB 402, staff is recommending approval of the proposed policy, outlined in the staff report, to be included as Policy 3 in Chapter 2 of the Application Processing Section of the Policy and Procedure Manual.

Mr. Martinez states that staff is also proposing additional language and revisions to the Commission's current application and review procedures to specifically address Government Code Section 56133.5 as noted in the staff report. He states that staff recommends that the Commission adopt the proposed policy regarding service(s) outside an agency's boundary and sphere of influence pursuant to Government Code Section 56133.5 as well as proposed changes, corrections or revisions to the Commission's existing policies and procedures on Out of Agency Service Contracts as noted in the staff report.

Commissioner Bagley asks for clarification on the issue; Executive Officer Kathleen Rollings-McDonald states that this is an ongoing issue; when agencies condemn private water companies or electric utilities, the acquired systems often include areas that are not contiguous to the agencies' boundaries. That being the case, there was no means in Government Code Section 56133 to allow for that extension of service to vacant parcels. She states that AB 402 will allow agencies to provide service outside of their boundaries and sphere of influence under appropriate circumstances.

Commissioner Ramos moves approval of staff recommendation, second by Commissioner Lovingood. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

### **INFORMATION ITEMS**

(It is noted that Commissioner Lovingood leaves the dais at 10:34 a.m.)

### **ITEM 11. LEGISLATIVE UPDATE REPORT**

Executive Office Kathleen Rollings-McDonald presents that Legislative Report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Ms. McDonald states that it is the busy season in Sacramento and that 1300 bills were introduced in the last week alone; attachment #1 to the staff report is the Daily Legislative Report which outlines the current status of all the bills considered to be of importance to LAFCOs though CALAFCO.

Ms. McDonald states that each cycle, CALAFCO undertakes an Omnibus Bill with the Assembly Local Government Committee to address non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act and that this year the bill is proposing seven changes as noted in the staff report. Ms. McDonald reviews the changes and states that CALAFCO is sponsoring legislation related to placing a requirement upon Joint Powers Authorities or Agencies who are proposed to be formed to provide municipal services to forward a copy of their formation documents to each LAFCO in the county which they are proposed to serve. She states that many LAFCOs felt it was important to have this authority explicit in the statute rather rely upon the implicit authority.

Ms. McDonalds reviews the priority bills and states that for AB 2032, the CALAFCO Legislative Committee has nominated a subcommittee to work on the amendments proposed by the County Auditor's Association and Los Angeles and Riverside counties on the language adopted in AB 851 on disincorporations. She states that the bill as introduced was a spot bill, but the author's office and the lobbyist for the Association have been in contact with the Executive Director of CALAFCO, to outline the proposed changes and that based upon these substantive changes to be amended into the bill, Ms. McDonald has been appointed to that subcommittee. Ms. McDonald states that CALAFCO is opposed to the amendments.

Ms. McDonald states that AB 2471 proposes a new method to dissolve a Healthcare District which no longer operates a healthcare facility and which does not receive a property tax allocation.

Ms. McDonald states that SB 1318 requires that services be delivered to disadvantaged communities by linking an annexation and/or contract for service to that delivery. She reviews the concerns with the bill as outlined in the staff report and states that that this bill, like others such SB 244 and SB 88, while attempting to address very real service concerns, do not understand the unintended consequences of the proposed bills and that there is no funding included that will allow for the payment of the needed service extensions. She states that a subcommittee from the CALAFCO Legislative committee is working on addressing all aspects of this proposal and will be reporting at the next meeting; Staff will be presenting a formal position to the Commission at the April 20, 2016 hearing.

Ms. McDonald states that CALAFCO has prepared a draft letter stating opposition to SB1318 for the LAFCO's to use as a template to inform Senator Wolk of the primary concerns with the bill.

Commissioner Cox states that the Commission should send a letter of opposition regarding SB 1318.

Commissioner Cox moves approval of staff recommendation to include directing the Executive Officer to send a letter of opposition for SB 1318 on behalf of the Commission, second by Commissioner Bagley. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: Lovingood, McCallon (Ms. Warren voting in his stead.)

## **ITEM 12. EXECUTIVE OFFICER'S REPORT**

Executive Officer Kathleen Rollings-McDonald presents the Executive Officer's oral report and states that due to confusion of the requirements with the nomination of Alternate Public Member, staff is recommending that the nomination period for the Alternate Public Member Nomination be extended for 30 days. She states that special district selection nominations are moving forward and that the ballots will be prepared and mailed once the nomination period closes. She also states that the City Selection Commission will meet in April to select the City delegate to the Commission.

Commissioner Ramos moves approval of staff recommendation to extend the nomination of the alternate public member, second by Commissioner Williams. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: Lovingood, McCallon (Ms. Warren voting in his stead.)

**ITEM 13. COMMISSIONER COMMENTS**

Commissioner Warren states that it is an honor to serve on the Commission. Commissioner Bagley states that he sends greetings to the Commission from former Commissioner Tony Sedano.

**ITEM 14. COMMENTS FROM THE PUBLIC**

There are none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION THE HEARING IS ADJOURNED AT 10:58 A.M.**

**ATTEST:**

\_\_\_\_\_  
**REBECCA LOWERY**  
Clerk to the Commission

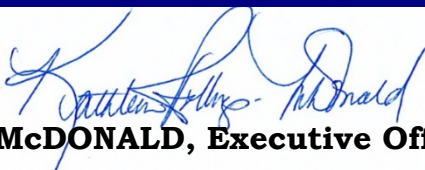
**LOCAL AGENCY FORMATION COMMISSION**

\_\_\_\_\_  
**JAMES CURATALO, Chairman**

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 383-9900 • Fax (909) 383-9901  
E-MAIL: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

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**DATE:** APRIL 12, 2016   
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT: AGENDA ITEM #2 – APPROVAL OF EXECUTIVE OFFICER’S  
EXPENSE REPORT**

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## **RECOMMENDATION:**

Approve the Executive Officer’s Expense Report for Procurement Card Purchases and expense claim for March 2016 as presented.

## **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 23, 2016 through March 22, 2016.

A copy of the Executive Officer’s Travel Claim is also provided for the Commission’s approval.

It is recommended that the Commission approve the Executive Officer’s expense report as shown on the attachment.

KRM/rcf

Attachment



COUNTY OF SAN BERNARDINO  
PROCUREMENT CARD PROGRAM

Page 1 of 1

MONTHLY PROCUREMENT CARD PURCHASE REPORT

Card Number	Cardholder	Billing Period
[REDACTED]	Kathleen Rollings-McDonald	2/23/16 to 3/22/16

Date	Vendor Name	Receipt/ Invoice No.	Item Description	Purpose	\$ Amount	Reconciled (R) Disputed (D)	Sales Tax Included on invoice (Yes or No)
3-08	Mini Market La Brisa Juan Dolio	1	Fraudulent Purchase – Credit	Fraudulent Purchase - Credit	43.20	R	N
3-08	Starbucks	2	Refreshments	DRC Meeting – Wrightwood CSD Formation	20.00	R	N
3-11	Mimi's Café	3	Lunch – Rollings-McDonald	Meeting w/Mr. Curatalo – Mimi's	20.25	R	Y
3-21	Daisy IT	4	Monthly Payment	Office Supplies	335.09	R	Y
3-21	Storetrieve	5	Monthly Payment	Records and Storage Maintenance	98.06	R	N
3-21	Thomas West	6	Monthly Payment	Law Library Updates	178.42	R	Y
3-22	Verizon	7	Payment	Phone line for MBPS CIRCUIT	953.99	R	Y
3-22	Verizon	8	Payment	Phone line for Alarm & Fax	58.82	R	Y
3-22	Thomas West	9	Monthly Payment	Law Library Updates	178.42	R	Y

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.

<b>Cardholder (Print &amp; Sign)</b> Kathleen Rollings-McDonald	<b>Date</b> 4/11/16
--	------------------------

<b>Approving Official (Print &amp; Sign)</b> James Curatalo, Chairman	<b>Date</b> 4/11/16
--	------------------------

**TO BE COMPLETED BY EMPLOYEE**

\_\_\_\_\_  
(City)

TOTAL MILES THIS CLAIM: 0 \$ = \$ .

Authorized Signer (Print and Sign)


James V. Curatalo



# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
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[www.sbclafco.org](http://www.sbclafco.org)

---

**DATE :** APRIL 11, 2016   
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT: AGENDA ITEM #3 - RATIFY PAYMENTS AS RECONCILED FOR  
MONTH OF MARCH 2016 AND NOTE REVENUE RECEIPTS**

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## **RECOMMENDATION:**

Ratify payments as reconciled for the month of March 2016 and note revenue receipts for the same period.

## **BACKGROUND INFORMATION:**

Staff has 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 February 1, 2016 through February 29, 2016.

Staff is recommending that the Commission ratify the payments for March 2016 outlined on the attached listings and note the revenues received.

KRM/rci

Attachment

## MONTHLY RECONCILIATION OF PAYMENTS

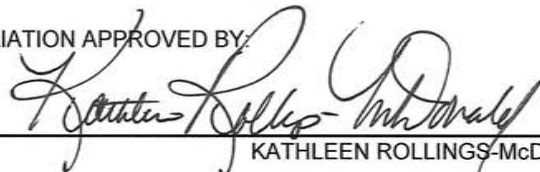
MONTH OF MARCH 2016 PAYMENTS PROCESSED					
VOUCHER DOCUMENT ID	ACCOUNT	NAME	WARRANT NUMBER	WARRANT DATE	AMOUNT
PV890Z071420	2305	REBECCA LOWERY FUND CUSTODIAN (Petty Cash)	8802264	3/4/2016	\$ 248.51
PV8908510	2905	INLAND EMPIRE PROPERTIES	3271788	3/8/2016	\$ 4,353.41
PV8908511	2445	ROBERT J ALDRICH	3271556	3/7/2016	\$ 3,562.50
PV8908512	2085	DAILY JOURNAL	8802494	3/7/2016	\$ 1,355.20
PV8908513	2400	BEST BEST & KRIEGER	3271404	3/7/2016	\$ 4,837.14
PV8908514	2941	LOS ANGELES LAFCO	8802647	3/7/2016	\$ 83.00
PV8908515	2445/2940	JIM BAGLEY	8802586	3/7/2016	\$ 297.10
PV8908516	2445/2940	KIMBERLY COX	8802596	3/7/2016	\$ 258.32
PV8908517	2445/2940	JAMES CURATALO	8802584	3/7/2016	\$ 227.00
PV8908518	2445/2940	STEVEN FARRELL	8803820	3/8/2016	\$ 217.82
PV890851901	2445	JAMES C RAMOS	8799338	3/1/2016	\$ 200.00
PV890851902	2445	LARRY MCCALLON	8799356	3/1/2016	\$ 200.00
PV8908520	2445/2940	ACQUANETTA WARREN	8803609	3/8/2016	\$ 217.28
PV8908521	2445/2940	DIANE WILLIAMS	8803670	3/8/2016	\$ 228.08
PV8908522	2445	ALDRICH AND ASSOCIATES	3273291	3/23/2016	\$ 3,600.00
PV8908523	2445/2940	JIM BAGLEY	8811514	3/23/2016	\$ 297.10
PV8908524	2445/2940	KIMBERLY COX	8811529	3/23/2016	\$ 258.32
PV8908525	2445/2940	NOT YET PROCESSED			
PV8908526	2445/2940	STEVEN FARRELL	8811727	3/23/2016	\$ 217.82
PV890852701	2445	ROBERT A LOVINGOOD	8811697	3/23/2016	\$ 200.00
PV890852702	2445	JAMES C RAMOS	8811512	3/23/2016	\$ 200.00
PV8908528	2445/2940	ACQUANETTA WARREN	8811408	3/23/2016	\$ 217.28
PV8908529	2445/2940	DIANE WILLIAMS	8811480	3/23/2016	\$ 228.08
PV8908530	2424	TOM DODSON & ASSOCIATES	3273306	3/23/2016	\$ 1,700.00
PV8908531	2905	INLAND EMPIRE PROPERTIES	3273317	3/23/2016	\$ 4,353.41
PV8908532 - 38		NOT YET PROCESSED			
PV890853901	2445	ROBERT A LOVINGOOD	8816100	3/30/2016	\$ 200.00
PV890853902	2455	JAMES C RAMOS	8816014	3/30/2016	\$ 200.00
<b>TOTAL</b>					<b>\$ 27,957.37</b>
MONTH OF MARCH 2016 INTERNAL TRANSFERS PROCESSED					
JVIB 08072037D	2037	FEBRUARY 2015 PHONE		3/7/2016	\$ 213.01
JVATXRT13431	2308	CAL-CARD PAYMENT - FEBRUARY		3/8/2016	\$ 4,157.76
JVPURRT13206	2310	CERTIFIED MAIL - SPECIAL DISTRICTS MAILING		3/10/2016	\$ 0.27
JVPURRT13211	2310	1ST CLASS - MAIL		3/10/2016	\$ 3.52
JVPURRT13225	2310	PRESORT FLATS - MAIL		3/10/2016	\$ 208.47
JVPURRT13230	2310	PACKAGING - MAIL		3/11/2016	\$ 1,102.66
JVPURRT13223	2310	INTER-OFFICE MAIL		3/14/2016	\$ 168.00
JVPURRT13213	2310	1ST CLASS PRESORT- MAIL		3/15/2016	\$ 240.10
JVPURRT13370	2323	J59642 QC (Printing Services Request - Post Cards - Phone Number Change from August 2015)		3/17/2016	\$ 79.93

## MONTHLY RECONCILIATION OF PAYMENTS

MONTH OF MARCH 2016 INTERNAL TRANSFERS PROCESSED (Continued)					
JVIB 08072410AC	2410	FEBRUARY 2016 DATA PROC		3/7/2016	\$ 2.55
JVIB 08072410AG	2410	FEBRUARY 2016 DATA PROC		3/7/2016	\$ 189.85
JVIB 08072410E	2410	FEBRUARY 2016 DATA PROC		3/7/2016	\$ 58.08
JVIB 08072410Q	2410	FEBRUARY 2016 DATA PROC		3/7/2016	\$ 173.64
JVIB 08072410U	2410	FEBRUARY 2016 DATA PROC		3/7/2016	\$ 67.63
JVIB 08072410Y	2410	FEBRUARY 2016 DATA PROC		3/7/2016	\$ 192.16
JVIB 08072420J	2420	FEBRUARY 2016 ISD OTHER IT SERVICES		3/7/2016	\$ 58.44
JVIB 08072421D	2421	FEBRUARY 2016 ISD DIRECT		3/7/2016	\$ 847.17
JV890RT13406	2445	ROV - LAFCO 3202 - INV 2391		3/8/2016	\$ 179.37
JV890RT13407	2445	GENERAL ACCOUNTING - APPORTIONMENT FY15-16		3/8/2016	\$ 4,893.75
JV890RT13407	2445	GENERAL ACCOUNTING - BUDGET ADJUSTMENTS		3/8/2016	\$ 675.00
JVHRDRT14273	2445	HR SERVICES - LAFCO ANALYST POSTING - (Duplicate Charge, to be Reversed)		3/18/2016	\$ 20.15
JV890RT14666	2445	HR SERVICES - LAFCO ANALYST POSTING		3/31/2016	\$ 20.15
TOTAL					\$ 13,551.66

MONTH OF MARCH 2016 CASH RECEIPTS					
DEPOSIT DOCUMENT ID	ACCOUNT	DESCRIPTION		DEPOSIT DATE	AMOUNT
CR890A11192	9545	INDIVIDUAL NOTICE		3/15/2016	\$ 700.00
CR890A11192	9555	LEGAL FEES		3/15/2016	\$ 575.00
CR890A11192	9655	GIMS FEES		3/15/2016	\$ 660.00
CR890A11192	9660	ENVIRONMENTAL		3/15/2016	\$ 450.00
CR890A11192	9800	LAFCO FEES		3/15/2016	\$ 750.00
CR890A10654	9930	MISCELLANEOUS		3/2/2016	\$ 423.95
CR890A11381	9595	PROTEST HEARING		3/18/2016	\$ 7,000.00
TOTAL					\$ 9,858.95

MONTH OF MARCH 2016 INTERNAL TRANSFERS RECEIVED					
TRANSFER DOCUMENT ID	ACCOUNT	NAME		TRANSFER DATE	AMOUNT
		NONE			
TOTAL					\$ -

 REBECCA LOWERY, Clerk to the Commission	4/11/2016 DATE
RECONCILIATION APPROVED BY:  KATHLEEN ROLLINGS-McDONALD, Executive Officer	4/11/2016 DATE



# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-MAIL: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
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---

**DATE:** APRIL 11, 2016

**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
SAMUEL MARTINEZ, Assistant Executive Officer

**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** Agenda Item #5: LAFCO SC#405 - City of Fontana Pre-Annexation Agreement No. 15-003 for Sewer Service (APN 0234-101-21)

---

**INITIATED BY:**

City of Fontana, on behalf of property owner/developer

**RECOMMENDATION:**

1. For environmental review, take the following actions as a responsible agency:
  - Certify that the Commission has reviewed and considered the environmental assessment and the Mitigated Negative Declaration prepared by the County of San Bernardino to construct a 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility on approximately 9.89 Acres, and found them to be adequate for the Commission's use;
  - Determine that the Commission does not intend to adopt alternatives or additional mitigation measures for this project; that all mitigation measures are the responsibility of the County of San Bernardino and/or others, not the Commission; and are self-mitigating through the Conditions of Approval; and,
  - Note that this proposal is exempt from Department of Fish and Game fees because the filing fee was the responsibility of the County, as CEQA lead agency, and direct the Executive Officer to file a Notice of Determination within five (5) days of this action.

2. Approve SC#405 authorizing the City of Fontana to extend sewer service outside its boundaries to the project site comprised of a single parcel identified as Assessor Parcel Number 0234-101-21; and,
3. Adopt LAFCO Resolution #3218 setting forth the Commission's determinations and approval of the agreement for service outside the City of Fontana's boundaries.

### **BACKGROUND:**

The City of Fontana has submitted a request for approval of a pre-annexation agreement that outlines the terms by which it will extend sewer service outside its boundaries. The agreement relates to a proposed development that includes a single parcel, Assessor Parcel Number (APN) 0234-101-21, located on the west side of Redwood Avenue generally between San Bernardino Avenue and Valley Boulevard, within the City of Fontana's western sphere of influence (see Figure 1 below). Attachment #1 also provides a location and vicinity map of the project site along with a map outlining the location of the infrastructure to be extended.

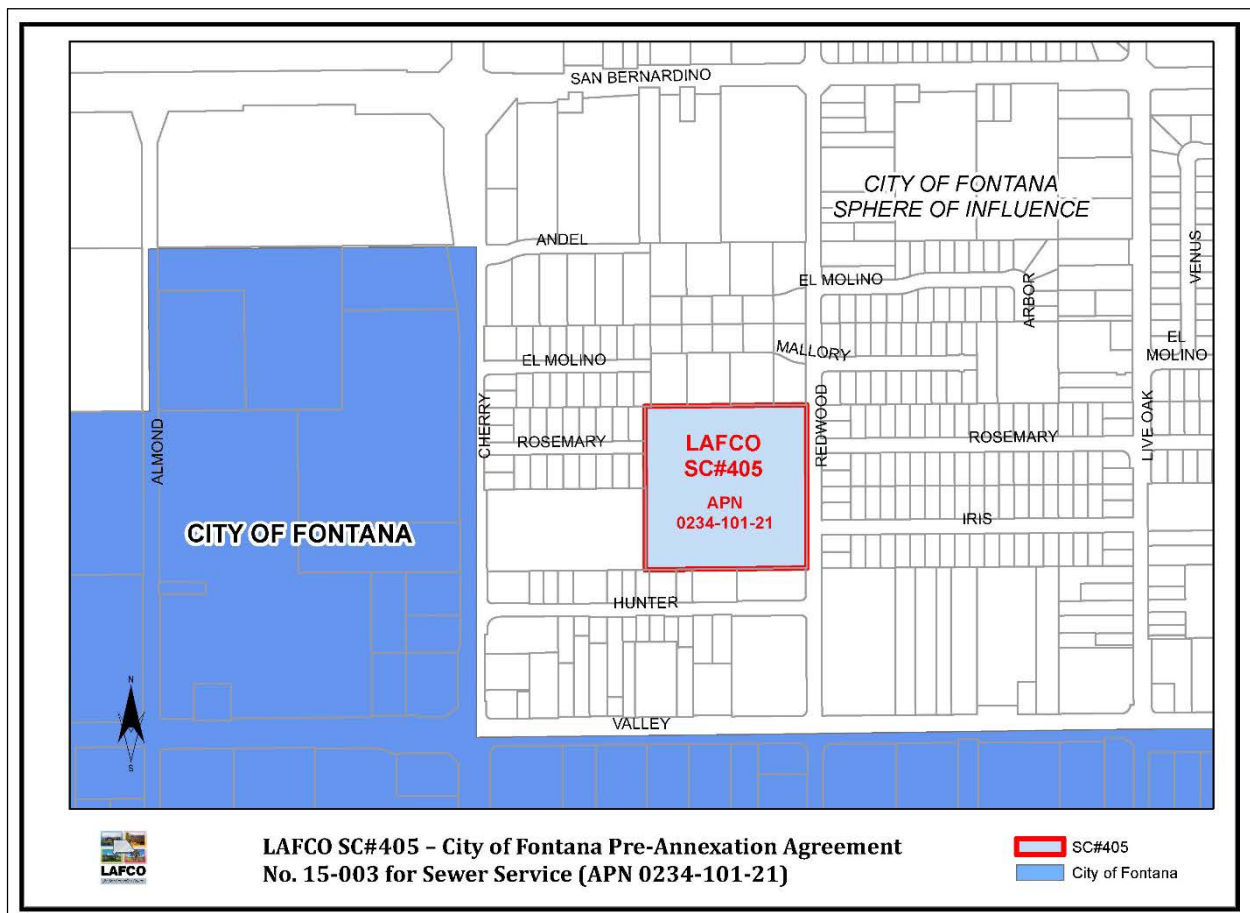


FIGURE 1 – Vicinity Map

The property owner/developer has processed, through the County's Land Use Services Department, a Conditional Use Permit (CUP) for the proposed 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility. The conditions of approval placed upon this project include the requirement to connect to the City of Fontana's sewer facilities prior to issuance of building permits (Conditions 78 and 79). A copy of the County's Conditions of Approval is attached as Exhibit E to the Pre-Annexation Agreement, which is a part of Attachment #2 to this report.

The City, on behalf of the property owner/developer, has requested that the Commission review and approve the extension of service pursuant to the provisions of Government Code Section 56133. Authorization of this contract is required before the City can take the final actions to implement the terms of the agreement.

### **PLAN FOR SERVICE:**

The City's application (included as part of Attachment #2 to this report) indicates that the proposed project will be served by extending an 8-inch sewer line approximately 1,189 linear feet along Redwood Avenue from the existing 8-inch sewer terminus in Redwood Avenue that connects to the existing 12-inch sewer main in Valley Boulevard. The installation will also include two 6-inch sewer lateral extensions from the new sewer line in Redwood Avenue that will both serve the parcel.



Pursuant to the Commission's application requirements for service contracts, information has been provided regarding all financial obligations for the extension of service outside the agency's boundaries. The City of Fontana has identified an estimated cost of \$121,663.45 in development impact fees and sewer fees for the

extension of sewer service to the parcel (see Exhibit F of the Pre-annexation Agreement in Attachment #2).

The Table below outlines the City's sewer connection charges:

Description of Fees/Charges	Fee		Total
Sewer Deposit	\$107.76/month	4 mons deposit	\$431.04
Sewer Connection Permit Fee <sup>1</sup>	\$25.00/connection	2 lateral connections	\$50.00
Sewer Connection Master Fee	\$876.61/EDU <sup>2</sup>	1.5984 EDUs	\$1,401.17
Sanitary Sewage Facilities Expansion Fee (IEUA) <sup>3</sup>	\$ 5,415.00/EDU <sup>2</sup>	1.5984 EDUs	\$8,655.34
<b>TOTAL</b>			<b>\$10,512.55</b>

<sup>1</sup> Sewer Connection Fee has been revised by Fontana staff to reflect 2 connections fees

<sup>2</sup> EDU = Equivalent Dwelling Unit (Number of Fixture Units x Coefficient = EDU).  
36 (number of plumbing fixtures) x 0.0444 (Sewage factor for Office-type development) = 1.5984 EDUs

The proposed structure for this project is a shell building only. EDU has been estimated for the project at 1.5984 and will be adjusted at time of plan check for the sewer construction permit.

<sup>3</sup> The Sewer Facilities Expansion Fee is a pass through fee that is collected by the City on behalf of the Inland Empire Utilities Agency.

Per the Memorandum of Understanding (MOU) between the City and the County (Western Sphere of Influence), any development in the unincorporated Western Sphere requires that it pay the City certain development impact fees that would otherwise be assessed for such development within the City such as sewer connection/expansion fees, storm drainage facilities fee, fire facilities fee, and park development fee (for residential properties only). The following table shows the City's Development Impact Fees that are being assessed for the project:

Description of Fees	Fee		Total
Fire Facilities Fee <sup>4</sup>	\$ 0.10/sq. ft.	214,300 sq. ft.	\$10,715.00
Storm Drainage Fee <sup>4</sup>	\$ 20,388.00/ac	9.85 acres	\$100,410.90
<b>TOTAL</b>			<b>\$111,125.90</b>

<sup>4</sup> Since the project is located within the City's infill area, the corresponding Development Impact Fee (DIF) reflects a 50% reduction.

The property owner/developer shall pay the total fees and charges of \$121,663.45 at the time the sewer "construction" permit is issued as set forth in the pre-annexation agreement.

In addition, the property owner/developer will be responsible for hiring a contractor for the connection of the proposed development to the City's existing sewer system. The costs of all improvements needed to extend the sewer to the proposed development are also borne by the property owner/developer. Also, future users of the sewer service will be charged \$53.88 per EDU per month, which is the outside city monthly sewer rates for

this type of development—approximately 1.5 times the in-City monthly sewer rate. The higher rates charged are intended to help offset the costs for service delivery outside the City's corporate boundaries.

### **ENVIRONMENTAL DETERMINATION:**

The County prepared an Initial Study and Mitigated Negative Declaration for a Conditional Use Permit to construct a 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility on approximately 9.89 Acres.

The Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the County's environmental assessment and the Mitigated Negative Declaration issued for the proposed project. Mr. Dodson's analysis indicates that the County's Initial Study and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA responsible agency.

Mr. Dodson has indicated that the necessary environmental actions to be taken by the Commission are as follows:

- a) Certify that the Commission, its staff and its Environmental Consultant, have independently reviewed and considered the County's environmental assessment and Mitigated Negative Declaration;
- b) Determine that the Commission does not intend to adopt alternatives or additional mitigation measures for the project; that the mitigation measures identified in the County's environmental documents are the responsibility of the County and/or others, not the Commission; and,
- c) Direct the Executive Officer to file the Notice of Determination within five (5) days and find that no further Department of Fish and Wildlife filing fees are required by the Commission's approval since the County has paid said fees for its environmental determination.

### **CONCLUSION:**

Staff has reviewed this request for the provision of sewer service by the City of Fontana outside its corporate boundaries against the criteria established by Commission policy and Government Code Section 56133. The project to be served, which is comprised of a single parcel, is within the sphere of influence assigned the City of Fontana and is anticipated to become a part of the City sometime in the future. The development of the warehouse/ distribution facility requires that it receive sewer service, which is only available from the City of Fontana. Staff supports the City's request for authorization to provide sewer service to the proposed project since its facilities are close to the anticipated development, and there is no other existing entity available to provide this service within the area.



**DETERMINATIONS:**

1. The project area is comprised of a single parcel, APN 0234-101-21. It is within the sphere of influence assigned the City of Fontana and is anticipated to become a part of that City sometime in the future. The project will receive water service from the Fontana Water Company. The application requests authorization to receive City of Fontana sewer service.

The sewer connection requirement is a condition of approval as identified in the County's Conditional Use Permit to construct a 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility on approximately 9.89 acres. Therefore, approval of the City's request for authorization to provide sewer service is necessary in order to satisfy this condition of approval.

2. The City of Fontana's Pre-Annexation Agreement No. 15-0003 being considered is for the provision of sewer service by the City of Fontana to a single parcel, APN 0234-101-21 located on the west side of Redwood Avenue generally between San Bernardino Avenue and Valley Boulevard. This contract will remain in force in perpetuity for the proposed development or until such time as the area is annexed. Approval of this application will allow the property owner/developer and the City of Fontana to proceed in finalizing the contract for the extension of this service.
3. The fees charged this project by the City of Fontana for sewer service are identified as totaling \$121,663.45 (for a breakdown of fees, see table on page 3). Payment of these fees is required prior to connection to the City's sewer facilities. In addition, the property owner/developer shall bear all costs to complete improvements needed to extend the sewer service to the proposed development.
4. During the period from May 2015 to July 2015, acting as the CEQA lead agency, the County prepared an environmental assessment for the Conditional Use Permit to construct a 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility on approximately 9.89 acres. The County's assessment indicates that the project would not have a significant effect on the environment through its development under the Conditions of Approval that has been approved for the proposed project.

LAFCO's Environmental Consultant, Tom Dodson and Associates has reviewed the County's Initial Study and the Mitigated Negative Declaration issued for the proposed project. Mr. Dodson's analysis indicates that the County's Initial Study and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA responsible agency. The Commission will not be adopting alternatives or additional mitigation measures for this development; all mitigation measures are the responsibility of the County of San Bernardino and/or others, not the Commission, and are self-mitigating through the Conditions of Approval. Attachment #4 to this report is a copy of Mr. Dodson's response and

recommendation regarding the Commission's review and actions to be taken including the County's environmental assessment.

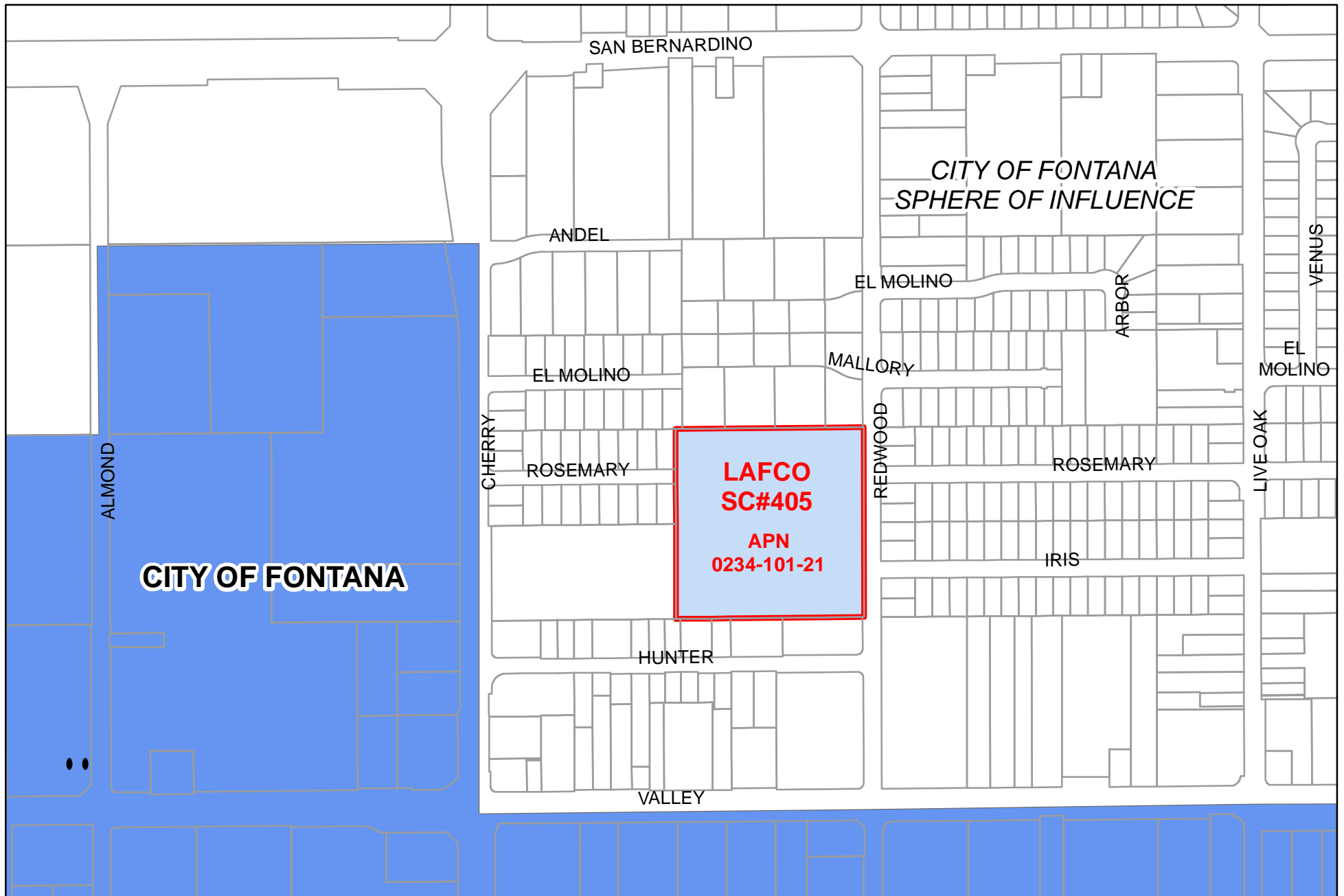
KRM/sm

Attachments:



1. Vicinity Map and Map of the Contract Area
2. City of Fontana's Application and Contract
3. Tom Dodson and Associates' Response and County's Environmental Assessment and Mitigated Negative Declaration
4. Draft Resolution #3218

# **Vicinity Map and Map of the Contract Area**

**Attachment 1**



LAFCO SC#405 – City of Fontana Pre-Annexation Agreement  
No. 15-003 for Sewer Service (APN 0234-101-21)

 SC#405  
 City of Fontana

**IRREVOCABLE AGREEMENT NO. 15-003**  
**9988 Redwood Ave**  
**(SEWER SERVICE)**



# **City of Fontana's Application and Contract**

**Attachment 2**

RECEIVED  
MAR 04 2016

(FOR LAFCO USE ONLY)

**LAFCO**  
San Bernardino County

**SAN BERNARDINO LAFCO  
APPLICATION FOR  
EXTENSION OF SERVICE BY CONTRACT**

*(A certified copy of the City Council/District Board of Directors resolution or a letter from the City Manager/General Manager requesting approval for an out-of-agency service agreement must be submitted together with this application form.)*

**AGENCY TO EXTEND SERVICE:**

AGENCY NAME: City of Fontana

CONTACT PERSON: Catherine Lin, Associate Planner

ADDRESS: 8353 Sierra Avenue, Fontana, CA 92335

PHONE: (909) 428-8860

EMAIL: clin@fontana.org

**CONTRACTING PARTY:**

NAME OF  
PROPERTY OWNER: CRP Oakmont Arewood Avenue, LLC

CONTACT PERSON: John Atwell

MAILING ADDRESS: 3520 Piedmont Road, Suite 100  
Atlanta, Georgia 30305

PHONE: (909) 869-9990

EMAIL: jatwell@oakmontre.com

ADDRESS OF PROPERTY  
PROPOSED FOR CONTRACT: 9988 Redwood Avenue  
Fontana, CA 92335

CONTRACT NUMBER/IDENTIFICATION: Preannexation Agreement No. 15-003

PARCEL NUMBER(S): 0234-101-21

ACREAGE: 9.85 acres

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

The following questions are designed to obtain information related to the proposed agreement/contract to allow the Commission and staff to adequately assess the proposed service extension. You may include any additional information which you believe is pertinent. Please use additional sheets where necessary.

1. (a) List the type or types of service(s) to be provided by this agreement/contract.

The City of Fontana will provide sewer services.

- (b) Are any of the services identified above "new" services to be offered by the agency? ☐ YES ☒ NO. If yes, please provide explanation on how the agency is able to provide the service.

2. Is the property to be served within the agency's sphere of influence? ☒ YES ☐ NO

3. Please provide a description of the service agreement/contract.

The Preannexation Agreement is for the provision of sewer service to an industrial high-

cube warehouse/distribution facility. The building measures approximately 214,300

square feet on a 9.85 acres site that is located on the west side of Redwood Avenue,

between Valley Avenue and San Bernardino Avenue.

4. (a) Is annexation of the territory by your agency anticipated at some point in the future? ☐ YES ☒ NO. If yes, please provide a projected timeframe when it anticipates filing an application for annexation of territory that would include the area to be served. If no, please provide an explanation as to why a jurisdictional change is not possible at this time.

The parcels are not contiguous to the City of Fontana's corporate boundaries;

however, the proposed development requires sewer service. The County of San

Bernardino does not have the sewer facilities to serve the project site.



*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

- (b) Is the property to be served contiguous to the agency's boundary?  
☐ YES ☒ NO. If yes, please provide explanation on why annexation to the agency is not being contemplated.

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5. Is the service agreement/contract outside the Agency's sphere of influence in response to a threat to the public health and safety of the existing residents as defined by Government Code Section 56133(c)?  
☐ YES ☒ NO. If yes, please provide documentation regarding the circumstance (i.e. letter from Environmental Health Services or the Regional Water Quality Control Board).

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6. (a) What is the existing use of the property?  
The subject property was a commercial nursery. However, the nursery has been  

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closed and the structures have been demolished. The site is currently vacant.

- (b) Is a change in use proposed for the property? ☒ YES ☐ NO. If yes, please provide a description of the land use change.  
The site will change from a commercial use to an industrial use.

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7. If the service agreement/contract is for development purposes, please provide a complete description of the project to be served and its approval status.

The development is for an approximately 214,300 square feet of high-cube industrial  

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warehouse/distribution facility. The County of San Bernardino approved a Conditional  

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Use Permit for this development on 7/2/15, and the City of Fontana approved the  

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Preannexation Agreement for its sewer service on 1/12/16.

Extension of Service by Contract  
Application Form

(FOR LAFCO USE ONLY)

8. Are there any land use entitlements/permits involved in the agreement/contract?  
☒ YES ☐ NO. If yes, please provide documentation for this entitlement including the conditions of approval and environmental assessment that are being processed together with the project. Please check and attach copies of those documents that apply:

Tentative Tract Map / Parcel Map	<input type="checkbox"/>
Permit (Conditional Use Permit, General Plan Amendment, etc.)	<input checked="" type="checkbox"/>
Conditions of Approval	<input checked="" type="checkbox"/>
Negative Declaration (Initial Study)	<input checked="" type="checkbox"/>
Notice of Determination (NOD)/Notice of Exemption (NOE)	<input checked="" type="checkbox"/>
Department of Fish and Game (DFG) Receipt	<input type="checkbox"/>
Others (please identify below)	<input type="checkbox"/>

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The documents noted have been attached.

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9. Has the agency proposing to extend service conducted any CEQA review for this contract? ☐ YES ☒ NO. If yes, please provide a copy of the agency's environmental assessment including a copy of the filed NOD/NOE and a copy of the DFG Receipt.

10. Plan for Service:

- (a) Please provide a detailed description of how services are to be extended to the property. The response should include, but not be limited to, a description of: 1) capacity of existing infrastructure, 2) type of infrastructure to be extended or added to serve the area, 3) location of existing infrastructure in relation to the area to be served, 4) distance of infrastructure to be extended to serve the area, and 5) other permits required to move forward with the service extension.

The nearest available sewer line to the project site is an existing 12" mainline in Valley Boulevard approximately 1200 feet south of the property. The existing downstream sewer is built per the City's Masterplan and will accommodate the development area. The project proponent would need to install a new 8" VCP sewer main in Redwood Avenue from the connection point in Valley Boulevard to 1189 L.F. North to the project site. The installation would also include 63 L.F. of 6" VCP to serve as a lateral from the new main line in Redwood Avenue to serve the project.

An offsite construction permit would be required by the City of Fontana Department of Engineering for construction of the new mainline and lateral, and a Sewer Connection Permit from the City Building & Safety Division for the plumbing connection.

Extension of Service by Contract  
Application Form

(FOR LAFCO USE ONLY)

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- (b) Please provide a detailed description of the overall cost to serve the property. The response should include the costs to provide the service (i.e. fees, connection charges, etc.) and also the costs of all improvements necessary to serve the area (i.e. material/equipment costs, construction/installation costs, etc.).

Description of Fees/Charges	Cost	Total
Fire Facilities	\$0.05 s.f.	\$10,715.00
Storm Drain Fee	\$10,194.00/ac	\$100,410.90
Sewer Connection Master Fee	\$876.61 /EDU	\$1,401.17
Sewer Deposit	\$107.76 /month	\$431.04
City Sewer Connection Permit	\$25.00	\$25.00
Sanitary Sewage Facilities Expansion Fee	\$8,655.34	\$8,655.34
LAFCO Filing Fee	\$2,475.00	\$2,475.00
<b>Total Costs</b>		\$124,113.45

Note: The project is located within the City's "in-fill" development area, thus a 50% reduction in Storm Drain Fees and Fire Fees have been applied.

- (c) Please identify any unique costs related to the service agreement such as premium outside City/District rates or additional 3<sup>rd</sup>-party user fees and charges (i.e. fees/charges attributable to other agencies).

An outside billing rate of 1.5 times the month base rate will be applied to the sewer billing. The sewer deposit in paragraph (b) above reflects the outside rate.

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- (d) If financing is to occur, please provide any special financial arrangement between the agency and the property owner, including a discussion of any later repayment or reimbursement (If available, a copy of the agreement for repayment/reimbursement is to be provided).

N/A

- 11 Does the City/District have any policies related to extending service(s) outside its boundary? ☒ YES ☐ NO. If yes, has a copy been provided to LAFCO? ☒ YES ☐ NO. If not, please include a copy of the policy or policies (i.e. resolution, municipal code section, etc.) as part of the application.  
On August 26, 2008, the City of Fontana and County of San Bernardino entered into a Memorandum of Understanding (MOU) for the City's Western Sphere of Influence. A copy of the adopted MOU is attached for your information. The MOU includes a copy of the City's adopted Annexation Policy.

## CERTIFICATION

As a part of this application, the City/Town of Fontana, or the \_\_\_\_\_ District/Agency agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.


The agency signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this evaluation of service extension to the best of my ability, and that the facts, statement and information presented herein are true and correct to the best of my knowledge and belief.

SIGNED



NAME:

Kenneth R. Hunt

POSITION TITLE:

City Manager

DATE:

3/3/16

REQUIRED EXHIBITS TO THIS APPLICATION:

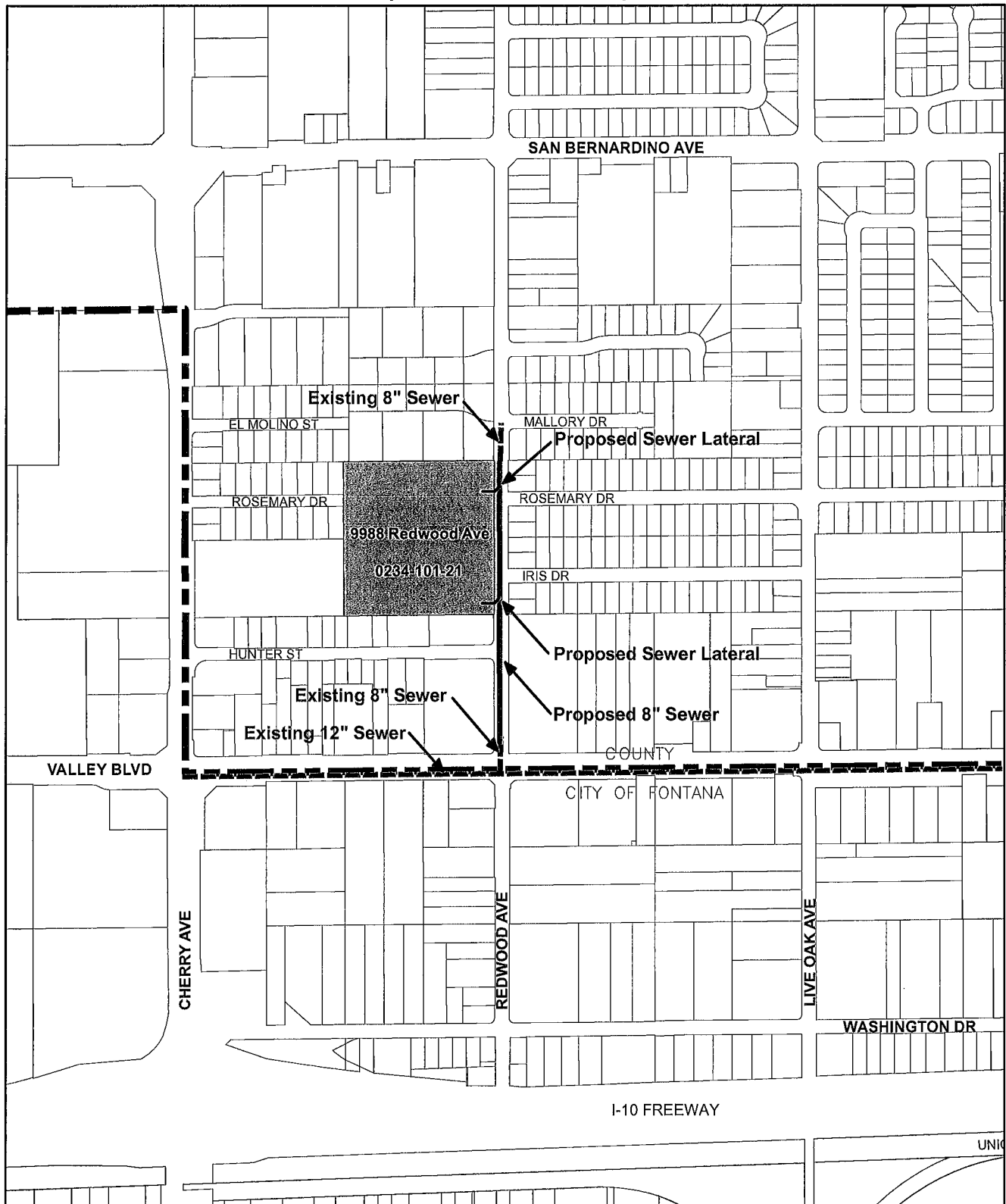


1. Copy of the agreement/contract.
2. Map(s) showing the property to be served, existing agency boundary, the location of the existing infrastructure, and the proposed location of the infrastructure to be extended.
3. Certified Plan for Service (if submitted as a separate document) including financing arrangements for service.

Please forward the completed form and related information to:

Local Agency Formation Commission for San Bernardino County  
215 North D Street, Suite 204  
San Bernardino, CA 92415-0490  
PHONE: (909) 388-0480 • FAX: (909) 885-8170

**IRREVOCABLE AGREEMENT NO. 15-003**  
**9988 Redwood Ave**  
**(SEWER SERVICE)**



RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

City of Fontana  
8353 Sierra Avenue  
Fontana, California 92335  
Attn: City Manager

Exempt from Recording fee  
pursuant to Gov't Code § 27383

(Space above for Recorder's use)

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**PREANNEXATION AGREEMENT**

between

**CITY OF FONTANA**  
a California municipal corporation

And

**CRP Oakmont Redwood**

**[Dated as of January 12, 2016 for reference purposes only]**

**1. PARTIES AND EFFECTIVE DATE.**

**1. A. Parties.** This Preannexation Agreement ("Agreement") is entered into as of this 12th day of January, 2016, between the City of Fontana, a California municipal corporation ("City") and CRP Oakmont Redwood ("Landowner") with the principal place of business located at 3520 Piedmont Road, Suite 100, Atlanta, GA 30305. City and Landowner are sometimes individually referred to herein and "Party" and collectively as the "Parties."

**1. B. Effective Date.** This Agreement will not become effective until the date ("Effective Date") on which it has been executed by Landowner and has been approved by the City Council. City shall deliver a fully executed counterpart original of this Agreement to Landowner within ten (10) days from City's execution of this Agreement.

**2. RECITALS.**

**2. A.** Landowner has fee title to that property, in unincorporated San Bernardino County, commonly known as Assessor Parcel Number 0231-101-21 (the "Property"), more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference. An Assessor Parcel Map is attached hereto as Exhibit "B" and incorporated by this reference.

**2. B.** The City is contemplating annexation of certain territory, including Landowner's Property which is also located within the "Western Sphere of Influence", as defined in and subject to the Memorandum of Understanding ("MOU") between the City and County of San Bernardino approved on August 26, 2008, and amended on October 9, 2012, and as it may be amended from time to time, as well as the City's annexation policy as amended from time to time. A current copy of the MOU is attached hereto as Exhibit "C" and incorporated herein by reference. A current copy of the City's annexation policy is attached hereto as Exhibit "D" and incorporated herein by reference.

**2. C.** The City has general planned and rezoned the Western Sphere of Influence and, upon annexation, the Property will be zoned Light Industrial (M-1) in accordance with the City's Zoning District Map.

**2. D.** Landowner desires to build an approximately 214,300 square-foot high-cube warehouse distribution building ("Project") and has requested that the City enter into this Agreement and City desires to provide sewer service to the Project. City has further determined that it is in the best interest of the citizens of the City and the Landowner to encourage the development of this Project.

**3. TERMS.**

In order to facilitate the annexation and the development of this Project the City and Landowner agree to the following:



### **3. A. City's Obligation.**

(a) **Annexation.** Subject to Section 3. A. (c) noted below, upon completion of the annexation, the Property shall be subject to the same benefits and obligations as other properties zoned Light Industrial (M-1) by the City.

(b) **No Representation or Warranty Regarding Annexation.** Nothing herein shall be deemed as a representation or warranty by City that the annexation of the Property will be completed.

(c) **Zoning.** The Parties acknowledge that the City has rezoned the Property, and upon annexation, the Property will be zoned Light Industrial (M-1). Notwithstanding the foregoing, or anything to the contrary contained herein, this Agreement shall not limit the right of Landowner to continue any existing legal use upon the Property that is conducted prior to annexation, but is considered a legal nonconforming use following annexation and/or due to future changes to the City's General Plan or zoning ordinances.

(d) **Development Standards.** The proposed development shall meet existing City standards as required in the MOU (see Exhibit "E" for current County's Conditions of Approval, which are subject to change).

### **3. B. Landowner's Obligations.**

(a) **Development Impact Fees.** Landowner shall pay all fees and charges and make all deposits adopted by and in effect by the then applicable City ordinance or resolution, including those fees identified in the MOU as it may be amended from time to time. The amount of the development impact fees to be paid to the City by the developer in connection with the proposed development shall be paid to the City at the time of sewer construction permit issuance for the proposed development. Those fees are listed in Exhibit F and shall include, but not be limited to, the following:

Fire Facilities

Storm Drainage Facilities

Sewer Facilities

(b) **City Provision of Sewer Service.** The City agrees to provide sewer service and a sewer connection to said development provided that (1) such Landowner complies with the City's annexation policy, as it may be amended from time to time (a current copy of which is attached as Exhibit "D"), (2) the Landowner meets all other City requirements and pays all fees imposed by the City pursuant to the Municipal Code and other policies and regulations, as they may be amended from time-to-time, in connection with such sewer service; and (3) the Landowner pays to the City those development impact fees which would be applicable to the development if it were to occur within city limits as required under the City's current fee schedule and the MOU at the time a sewer connection permit is issued and in the amounts as may be established from time-to-time by the City, provided, however, that the City shall not require the

payment of any impact fee which is imposed by the County to fund the same infrastructure as being funded by the City impact fee.

(c) **Sewer Connection Charges/LAFCO Fee.** Landowner shall pay all fees and charges as listed in Exhibit F and make all deposits required by City to connect to and use the sewer. Landowner also agrees to pay any additional fees that may be charged by the Local Agency Formation Commission (LAFCO). Those fees are listed in Exhibit F and shall include, but not be limited to, the following:

Sewer Deposit

Sewer Connection Permit Fee

Sewer Connection Master Fee

(Equivalent Dwelling Unit calculated on number of plumbing fixtures)

Sanitary Sewage Facilities Expansion Fee

(Inland Empire Utilities Agency)

(Equivalent Dwelling Units calculated on number of plumbing fixtures)

LAFCO Fee

Landowner agrees to be bound by all City ordinances, rules and regulations respecting the sewer system.

**3. C. Event of Default.** For purposes of Section 3.C., an "Event of Default" shall mean the occurrence of any of the following during the term hereof:

(a) Landowner materially breaches any of the obligations of this Agreement;

(b) Subject to Section 3.A. (c) noted above, Landowner suspends or ceases operation of the development for a period in excess of thirty (30) days;

(c) Landowner makes a material misrepresentation of any fact or item in any document executed by the City with respect to this Agreement;

(d) Upon the attachment, levy, execution or other judicial seizure of any substantial portion of the assets of Landowner, that is not released, expunged, bonded, discharged, or dismissed within thirty (30) days after the attachment, levy, execution or seizure; and

(e) Landowner becomes insolvent or unable to pay Landowners' debts generally as they mature, makes a general assignment for the benefit of creditors, admits in writing Landowners' inability to pay Landowners' debts generally as they mature, file or have filed against it a petition in bankruptcy or a petition or answer seeking a reorganization, arrangement with creditors or other similar relief under the Federal bankruptcy laws or under any other applicable law of the United States of America or any state thereof, or consents to the appointment of a trustee or receiver for it or for a substantial part of Landowner's Property.

**3. D. Irrevocable Consent to Annexation.** In exchange for the City's commitments hereunder to make the sewer connection available to Landowner, Landowner hereby consents to the annexation of the Property to the City. Provided that City has fully complied with its obligations under this Agreement, Landowner agrees to covenant for itself, its agents, employees, contractors, heirs, successors and assigns ("Successors") not in any way object to, protest, delay, frustrate or otherwise impede any annexation proceedings concerning the annexation of the Property to the City. Provided that City has fully complied with its obligations under this Agreement, Landowner and its Successors shall cooperate in every reasonable way with the requests of the City, the San Bernardino Local Agency Formation Commission ("LAFCO"), or any other public agency in any proceedings to annex the Property to the City. The Landowner's and its Successor's cooperation shall include, but not be limited to, the filing of all necessary applications, petitions, plans, drawings, and any other documentation or information required by the City, LAFCO, or any other public agency at no cost or expense to Landowner or its Successor.

**3. E. Duration of Agreement.** This Agreement shall remain in effect for a term of three (3) years from the Effective Date or upon expiration of the County's land use approvals, including any extensions, or whichever occurs first.

**3. F. Property Maintenance.** Landowner agrees to maintain the Property in good condition and in compliance with reasonable residential standards. Reasonable standards are defined as the level of maintenance service necessary to keep the appearance and operation of the Property free from visible defects, deterioration, dirt and debris.

**3. G. Amendments/Time Extensions.** City and Landowner may amend this Agreement by written amendment mutually executed by both parties. Such amendments shall not invalidate this Agreement or relieve or release any Party from its obligations under this Agreement unless expressly stated so by such amendment.

#### **4. GENERAL PROVISIONS.**

**4. A. General Compliance.** Landowner agrees to comply with all applicable, federal, state and local laws and regulations, including but not limited to the City's Building, Planning and Code Enforcement Divisions.

**4. B. Waiver of Liability.** Accordingly, Landowner shall waive the City from all liability resulting from any damage to property or unfinished or poor quality work caused by a contractor.

**4. C. Hold Harmless.** Landowner shall hold harmless, defend and indemnify City, and its respective directors, officials, officers, attorneys, employees, agents, representatives and volunteers from and against any and all actual or alleged claims, actions, suits, charges, demands, judgments, and expenses (including reasonable attorneys' fees, expert witness fees and court costs) whatsoever that arise out of Landowner's or any of its contractor's performance or nonperformance of this Agreement. Landowner shall defend, at Landowner's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought against City and its respective directors, officials, officers, attorneys, employees,

agents, representatives and volunteers. City shall hold harmless, defend and indemnify Landowner, and its respective directors, officials, officers, attorneys, employees, agents, representatives and volunteers from and against any and all actual or alleged claims, actions, suits, charges, demands, judgments, and expenses (including reasonable attorneys' fees, expert witness fees and court costs) whatsoever that arise out of City's or any of its contractor's performance or nonperformance of this Agreement. City shall defend, at City's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought against Landowner and its respective directors, officials, officers, attorneys, employees, agents, representatives and volunteers.

**4. D. Suspension or Termination.** City may suspend or terminate this Agreement, in whole or in part, if Landowner materially fails to comply with any term of this Agreement or with any of the rules, regulations or provisions referred to herein; and the City may declare Landowner ineligible for any further participation in City contracts, in addition to other remedies as provided by law.

**4. E. Attorneys' Fees.** In the event of the bringing of an action or suit by a Party against another Party by reason of any breach of any of the covenants contained in this Agreement or any other dispute between the Parties concerning this Agreement, then, in that event, the prevailing Party in such action or dispute, whether by final judgment or out of court settlement shall be entitled to have and recover of and from the other Party all costs and expenses of suit or claim, including actual attorneys' fees. Any judgment or order entered in any final judgment shall contain a specific provision providing for the recovery of all costs and expenses of suit or claim, including actual attorneys' fees (collectively, the "Costs") incurred in enforcing, perfecting and executing such judgment. For the purposes of this Section, Costs shall include, without limitation, attorneys' and experts' fees, costs and expenses incurred in the following: (i) post judgment motions, (ii) contempt proceedings, (iii) garnishment, levy, and debtor and third party examination; (iv) discovery; and (v) bankruptcy litigation. This Section shall survive any expiration or termination of this Agreement.

**4. F. Interpretation.** City and Landowner acknowledge that this Agreement is the product of mutual arms-length negotiation and drafting. Accordingly, the rule of construction which provides the ambiguities in a document shall be construed against the drafter of that document shall have no application to the interpretation and enforcement of this Agreement. In any action or proceeding to interpret or enforce this Agreement, the finder of fact may refer to any extrinsic evidence not in direct conflict with any specific provision of this Agreement to determine and give effect to the intention of the parties.

**4. G. Counterpart Originals; Integration; Modification.** This Agreement may be executed in by the Parties in counterparts, all of which together shall constitute a single Agreement. This Agreement constitutes the entire understanding of the Parties with respect to the matters set forth in this Agreement and supersedes any and all writings and oral discussions concerning the same. The performances of City's and Landowner's respective obligations under this Agreement are not intended to benefit any party other than the City or Landowner, except as expressly provided otherwise herein. The foregoing notwithstanding, the City is declared to be an intended third party beneficiary of the Landowner's obligations hereunder.

**4. H. No Waiver.** Failure to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

**4. I. Venue; Jurisdiction; Governing Law.** Any legal action or proceeding concerning this Agreement shall be filed and prosecuted in the appropriate court in the County of San Bernardino, California. Each Party hereto irrevocably consents to the personal jurisdiction of the court. This Agreement shall be governed by the laws of the State of California, without regard to conflict of laws principles.

**4. J. Invalidity; Severability.** If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

**4. K. Authority to Enter Agreement; Subcontracting; Recordation.** Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. The Parties agree that this Agreement may be recorded with the San Bernardino County Recorder's Office.

**4. L. Non Assignability.** Landowner may not assign any of their rights or obligations under this Agreement without the express written consent of the City, which may not be unreasonably withheld or delayed. Notwithstanding the foregoing, Landowner may assign this Agreement, upon written notice to City: (i) to any entity in which Landowner owns a majority and controlling interest, and, (ii) following the completion of the Improvement Work to any third party who purchases the Business for the purpose of operating the Business on the Property in substantially the same manner as Landowner currently operates the Business. No unpermitted successor or assign of Landowner's rights under this Agreement shall be deemed to possess or be entitled to exercise any such right; provided, however, that the obligations of this Agreement shall nonetheless be binding upon such unpermitted successor or assign.

**4. M. Force Majeure.** Landowner shall be excused for the period of any delay in the performance of its obligations hereunder, when prevented from so doing by any cause beyond its control including, but not limited to, construction, labor unrest, litigation, unavailability of material, weather, war, acts of God, and refusal or failure of governmental authorities to grant necessary approvals and permits for construction of the Improvements in the manner contemplated herein ("Force Majeure").

**4. N. Notices.** All notices required or allowed by this Agreement shall be in writing and addressed as set forth below. Notices shall be deemed received upon (i) actual receipt by the intended recipient if the method of delivery is personal service, messenger service or facsimile transmission, (ii) actual receipt by the intended recipient if the method of delivery is overnight delivery service such as Federal Express or the like, or (iii) three business days after deposit in

the United States mail, postage prepaid, return receipt requested. Notices shall be addressed as follows:

John Atwell  
CRP Oakmont Redwood  
3520 Piedmont Road, Suite 100  
Atlanta, Georgia 30305

If to City: City of Fontana  
8353 Sierra Avenue  
Fontana, California 92335  
Telephone: (909) 350-7654  
Attn: City Manager

With a copy to: Best Best & Krieger LLP  
2855 E. Guasti Road, Suite 400  
Ontario, California 91761  
Telephone: (909) 989-8584  
Attn: Jeff Ballinger

If to Landowner: John Atwell  
CRP Oakmont Redwood  
3520 Piedmont Road, Suite 100  
Atlanta, Georgia 30305

Any party's address for notices may be changed by written notice as provided above.

[Signatures on following pages]

SIGNATURE PAGE  
TO  
PREANNEXATION AGREEMENT

CITY:

BEST BEST & KRIEGER LLP

CITY OF FONTANA  
a California municipal corporation

Dated: 3/2/16

By:

  
Kenneth R. Hunt  
City Manager

ATTEST:


  
Tonia Lewis, City Clerk

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

By:   
City Attorney

LANDOWNER:

  
CRP Oakmont Redwood

Dated: 10/29/15



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 )  
 ) ORANGE )  
COUNTY OF ~~SAN BERNARDINO~~ )

ss.

Lisa Kitadani Hoffman,  
Notary Public

On October 29, 2015, before me, \_\_\_\_\_, Notary Public, personally appeared JOHN C. ATWELL who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in (his/her/their authorized capacity(ies)), and that by (his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
Notary Public



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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

On March 3, 2016, before me, Karen L. Porlas, Notary Public, personally appeared Kenneth R. Hunt who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Karen L. Porlas  
Notary Public

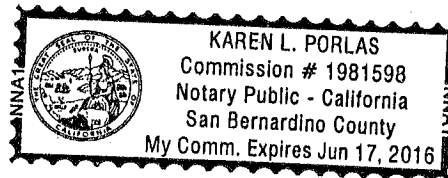


EXHIBIT A  
TO  
PREANNEXATION AGREEMENT

LEGAL DESCRIPTION OF PROPERTY  
ASSESSOR PARCEL NO. 0234-101-21

Real property in the unincorporated area of the County of San Bernardino, State of California described as follows:

THE EAST ½ OF FARM LOT 916, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 12, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

AREAS AND DISTANCES COMPUTED TO STREET CENTERS.

APN: 0234-101-21

EXHIBIT B  
TO  
PREANNEXATION AGREEMENT  
ASSESSOR'S PARCEL MAP

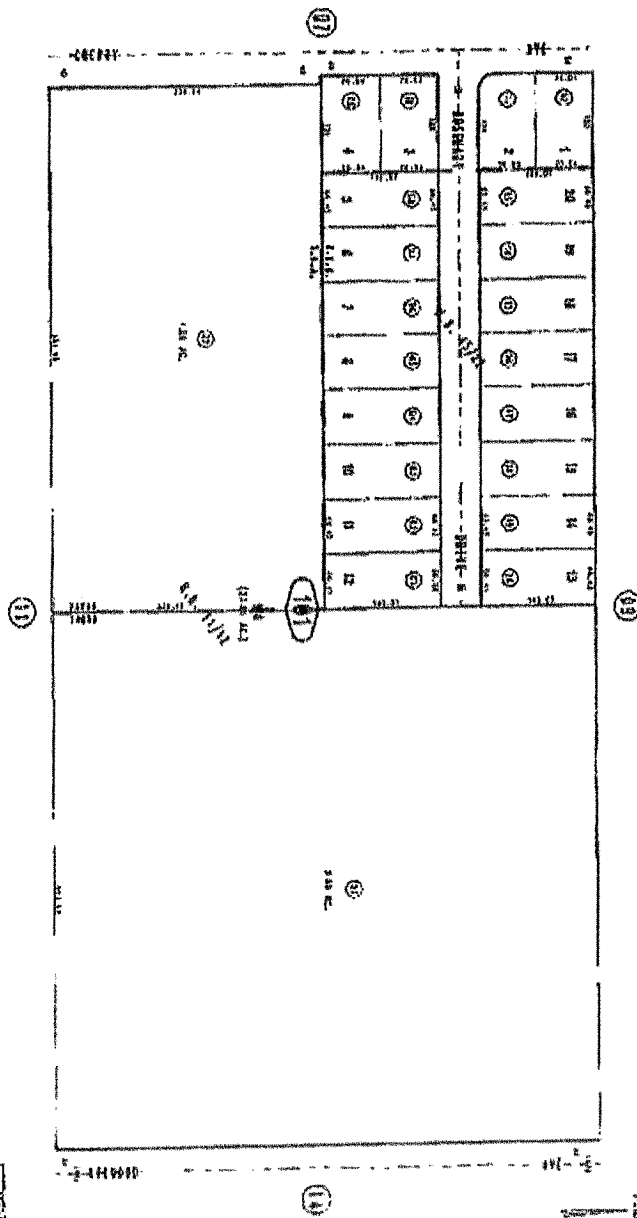
THE SEAL OF THE COUNTY OF SAN BERNARDINO  
COUNTY CLERK



Pin. Semi-Tropic Land & Water Co. Sub., S.B.L.  
M.B. 11/12

Fontana Unified  
100 Ross Ave  
74455-7400

0234-10



February 2004

Tract No. 1161, N.E. 1512

Assessor's Map  
Book 0234 Page 10  
San Bernardino County

Scale  
1" = 100'

**EXHIBIT C  
TO  
PREANNEXATION AGREEMENT  
MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF FONTANA  
AND COUNTY OF SAN BERNARDINO  
(WESTERN SPHERE OF INFLUENCE)  
[Attached Behind This Page]**

**FIRST AMENDED AND RESTATED  
MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**CITY OF FONTANA  
AND  
COUNTY OF SAN BERNARDINO**

**AMENDED AS OF OCTOBER 9 , 2012**

**WESTERN SPHERE OF INFLUENCE**

CITY OF FONTANA / COUNTY OF SAN BERNARDINO

**FIRST AMENDED AND RESTATED  
MEMORANDUM OF UNDERSTANDING  
(Western Sphere of Influence)**

This First Amended and Restated Memorandum of Understanding (Western Sphere of Influence) ("Agreement") is entered into between (1) the City of Fontana, a California general law city and municipal corporation ("City") and, (2) the County of San Bernardino, a political subdivision of the State of California ("County"). This Agreement is reference dated as of October 9, 2012, and supersedes that certain Memorandum of Understanding (Western Sphere of Influence) dated August 26, 2008 (the "2008 MOU"). This Agreement will not become effective until the occurrence of the "Effective Date" defined below. If the Effective Date does not occur on or before December 31, 2012, then this Agreement may not thereafter become effective and any prior approvals and/or signatures of the Parties shall be deemed, automatically and without need of further act or instrument by either Party, rescinded and void ab initio. The City and the County are sometimes referred to in this Agreement, individually, as a "Party" and, collectively, as the "Parties".

This Agreement will become effective on the date ("Effective Date") on which it has been approved by both the City Council on behalf of the City and the Board of Supervisors on behalf of the County and fully executed counterpart originals have been exchanged between the Parties. The term ("Term") of this Agreement shall commence on the Effective Date and shall automatically end upon the City's annexation of the entire Western Sphere (as defined in Recital A, below), or either Party's election to terminate this Agreement, which election may be made at any time and for any reason (or for no reason), notice of which shall be given as provided by Section 6.

**RECITALS**

A. Immediately adjacent to the westerly border of the City is an unincorporated area of land located within the County and designated by the San Bernardino County Local Agency Formation Commission ("LAFCO") as the City's Western Sphere of Influence ("Western Sphere"). The Western Sphere is approximately 8.5 square miles in size. A map depicting the boundaries of the Western Sphere is attached as Exhibit "A".

B. The City provides sanitary sewer services within portions of the Western Sphere. The City owns and maintains the pipes and other transmission infrastructure needed to provide such service, whereas the Inland Empire Utilities Agency ("IEUA") provides wastewater treatment services within portions of the Western Sphere through a series of agreements with the City. The City's current annexation policy is to require any landowner or developer within the Western Sphere who desires to connect to the City's sanitary sewer system to either sign an irrevocable agreement to annex to the City or to complete a pre-annexation agreement. By this Agreement, the City and County have agreed on certain practices and procedures that they intend will facilitate economic development within the Western Sphere.

C. The City and the County acknowledge that the Western Sphere, or some portion of it, may be annexed into the City at some future date. The County further acknowledges that the City's intent in entering into this Agreement includes ensuring that development within the Western Sphere which occurs prior to such annexation be accomplished in a manner that as closely as possible reflects the City's practices and requirements as established in the City's Development Code as it exists from time to time throughout the Term of this Agreement.

D. The Parties recognize that development within the Western Sphere will be enhanced and facilitated by the investment of public funds into the public infrastructure needed to support such development. The chief sources of public funds for such public infrastructure are those fees and charges imposed and collected from developers within the Western Sphere as a condition to the obtaining of building permits and other entitlements for such development. The County has a limited program for the collection of such fees. The City, in connection with the pre-annexation agreements described in Recital "B" above, requires developers within the Western Sphere to pay to the City certain of those development impact fees that would otherwise be assessed against such development if it were located within the City's jurisdictional boundaries. As to the Western Sphere, these development impact fees will consist solely of sewer connection and expansion fees, a storm drainage facilities fee, a fire facilities fee, and a park development fee (for residential properties only) (collectively, the "Western Sphere Development Impact Fees" or "Western Sphere DIF"). The Western Sphere DIF shall be charged at the same rates which City charges for similar development projects within the City's incorporated boundaries, as such rates may be amended from time to time. To facilitate the economic development and revitalization of the Western Sphere, the City and the County have agreed that the Western Sphere DIF and the corresponding impact fees collected by the County from projects being developed within the Western Sphere shall be invested into public infrastructure projects located within the Western Sphere as more particularly described in this Agreement.

## AGREEMENT

Section 1. Incorporation of Recitals. The Parties each acknowledge the accuracy of the factual matters set forth in the Recitals and further acknowledge that such facts form the material basis for their entry into this Agreement.

Section 2. County's Obligation to Consult re Development Entitlements and Development Code and Development Standard Changes. The City has reviewed the County's current Development Code and other regulations concerning development within the Western Sphere (collectively, the "County Standards"). Although not identical to City standards, the City is nonetheless satisfied that development which takes place in accordance with the County Standards will be of sufficient quality and character so as to be compatible with the development in the adjoining portion of the City. Accordingly, and in order to foster the continued development of the Western Sphere consistent with the above objective, the County agrees as follows:

2.1. The County shall submit to the City full and complete copies of any and all development or other entitlement permits or applications for development entitlements occurring within the Western Sphere. Such information shall be provided to the City



no less than thirty (30) days prior to the administrative or County Planning Commission hearing at which the development application or other entitlement is to be considered. The City shall promptly review the application and, within twenty (20) days following its receipt from the County, the City will provide written comments to the County for its consideration. The County agrees to reasonably consider the City's comments and, to the extent not in conflict with the County Standards, to incorporate such City-recommended changes as either modifications to or conditions of approval of such entitlement.

2.2. The County shall provide to the City no less than thirty (30) days prior notice of any proposed changes to any of the County Standards, including General Plan amendments and Zoning and Development Code amendments. The County shall review and reasonably respond to any suggested changes and County staff shall incorporate such City-recommended changes for consideration by the County Planning Commission or Board of Supervisors, as applicable.

2.3. The requirements of the foregoing Sections 2.1 and 2.2 shall not operate to modify, waive or abridge any County obligation arising under the California Environmental Quality Act (Public Resources Code Sections 21000, et seq.) ("CEQA") to provide the City with environmental notice and opportunity to comment as prescribed by CEQA.

2.4. The County shall review and consider a proposed change to the County Standards to make the County Standards consistent with the City's Automatic Fire Sprinkler Systems standards as set forth in City Code Sections 11-26 thru 11-31.

Section 3. City Provision of Sewer Service. To the extent the City/IEUA has available wastewater (sewer) treatment capacity, the City agrees to provide sewer service to and authorize a sewer connection by any landowner requesting such connection and service within the Western Sphere provided that: (1) such landowner complies with the City's annexation policy, as it may be amended from time to time (a current copy of which is attached as Exhibit "B"); (2) the landowner meets all other City requirements and pays the applicable sewer service fees which are imposed by the City pursuant to the City's Municipal Code and other policies and regulations, as they may be amended from time-to-time, in connection with such sewer service; and (3) the landowner pays to the City the Western Sphere DIF which would be applicable to the development if it were to occur in the City at the time a sewer connection permit is issued. Provided, however, that the City shall not require the payment of any development impact fee which is imposed by the County to fund the same infrastructure as being funded by the City impact fee, City agrees that this Agreement will accomplish, in major part, what annexation would provide for the Western Sphere. Therefore, notwithstanding the requirement for a landowner to comply with the City's annexation policy or LAFCO's requirements, or both, the City agrees it will not file a formal application with the Local Agency Formation Commission seeking to annex any part of the Western Sphere as long as this Agreement is in effect, unless the annexation application is otherwise agreed upon by the City and the County.

Section 4. Use of Development Impact Fees Within Western Sphere. Each year as part of their preparation and approval of their respective Capital Improvement Plans described by Government Code Section 66002, the City and the County shall each use reasonable good faith efforts to include capital improvement/public infrastructure projects within

the Western Sphere which will be funded by the Western Sphere DIF (as to the City) and those development impact fees received by the County from development occurring within the Western Sphere. Without limiting the legislative discretion granted to either the City Council or the Board of Supervisors, the Parties agree that, to the extent possible, the following projects shall be given priority in the allocation of Western Sphere DIF and those development impact fees received by the County from development occurring within the Western Sphere:

- 4.1 Sewer Facilities
- 4.2 Storm Drainage Facilities
- 4.3 Park Development: a central park
- 4.4 Fire Facilities

The above list is intended by the Parties to be precatory only and shall not be a binding commitment to fund. The County's Second District Supervisor and City's Mayor are authorized to meet and attempt to resolve any disputes regarding the priority of projects to be funded and/or add new projects, subject to the consent and ratification of the City Council and Board of Supervisors. Actual funding of such projects shall require separate agreements for each specific project, as approved by both the City Council and Board of Supervisors.

Section 5. Sales Tax Allocations. Sharing of Sales Tax under the 2008 MOU is hereby terminated. In lieu of the ongoing Sales Tax allocation by the County under the 2008 MOU, the County's remaining obligation under Section 5 shall be fulfilled in its entirety by the following actions:

5.1 Five Million Five Hundred Sixty Seven Thousand Eight Hundred and Sixty Seven Dollars and 39/100 (\$5,567,867.39) currently set aside in the County Fire CIP accounts to fund construction of Fire Station 80 shall be paid by the County to the Fontana Fire Protection District within ten (10) days following the Effective Date of this Agreement, for use in the acquisition of land and construction of a fire station to serve the Western Sphere area, tentatively located near the intersection of Foothill Boulevard and Banana Avenue; and

5.2 County shall, within ten (10) days following the Effective Date of this Agreement, pay to the City Four Million Five Hundred Thousand Dollars (\$4,500,000.00) to fund the improvement of a flood control/water quality control basin by the City.

Section 6. Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective parties may provide in writing for this purpose.

City

City of Fontana  
8353 Sierra Avenue  
Fontana, CA 92335  
Attention: City Manager

County

County of San Bernardino  
385 North Arrowhead Avenue  
San Bernardino, CA 92415  
Attention: County Administrative Officer

Section 7. Integration/Modifications. This Agreement contains the entire understanding of the Parties with respect to the matters set forth in this Agreement and supersedes any and all prior writings and oral discussions concerning the same. This Agreement may not be amended except by a writing duly signed and duly approved by the City and County. This Agreement is not intended to and shall not accrue to the benefit of any person or entity other than the City and the County.

Section 8. Governing Law. This Agreement shall be governed by the procedural and substantive laws of the State of California.

Section 9. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

Section 10. Counterpart Originals. This Agreement may be executed by the Parties in counterparts, all of which together shall constitute a single Agreement.

Section 11. Attorney's Fees. If any legal action is instituted to enforce or declare any Party's rights hereunder, each Party, including the prevailing Party, shall bear its own costs and attorneys' fees.


Section 12. Authority to Enter into Agreement. City and County both warrant that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and bind both respective Parties to this Agreement.

[Signatures on following pages]

SIGNATURE PAGE  
TO  
FIRST AMENDED AND RESTATED  
MEMORANDUM OF UNDERSTANDING  
(Western Sphere of Influence)

COUNTY:

COUNTY OF SAN BERNARDINO

By:   
Josie Gonzales, Chair  
Board of Supervisors

Dated: OCT 23 2012

CITY:

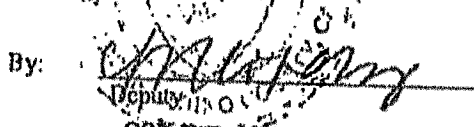
CITY OF FONTANA, a California general  
law city and municipal corporation

By:   
Kenneth R. Hunt  
City Manager

Dated: 10/11/12

SIGNED AND CERTIFIED THAT  
A COPY OF THIS DOCUMENT  
HAS BEEN DELIVERED TO THE  
CHAIRMAN OF THE BOARD.

LAURA H. WILSON  
Clerk of the Board of Supervisors

By:   
Deputy City Clerk

Dated: OCT 23 2012

ATTEST:

By:   
City Clerk

Dated: 10/11/12

APPROVED AS TO LEGAL FORM:

JEAN-RENE BASLE  
County Counsel

By: 

Dated: 10-22-12

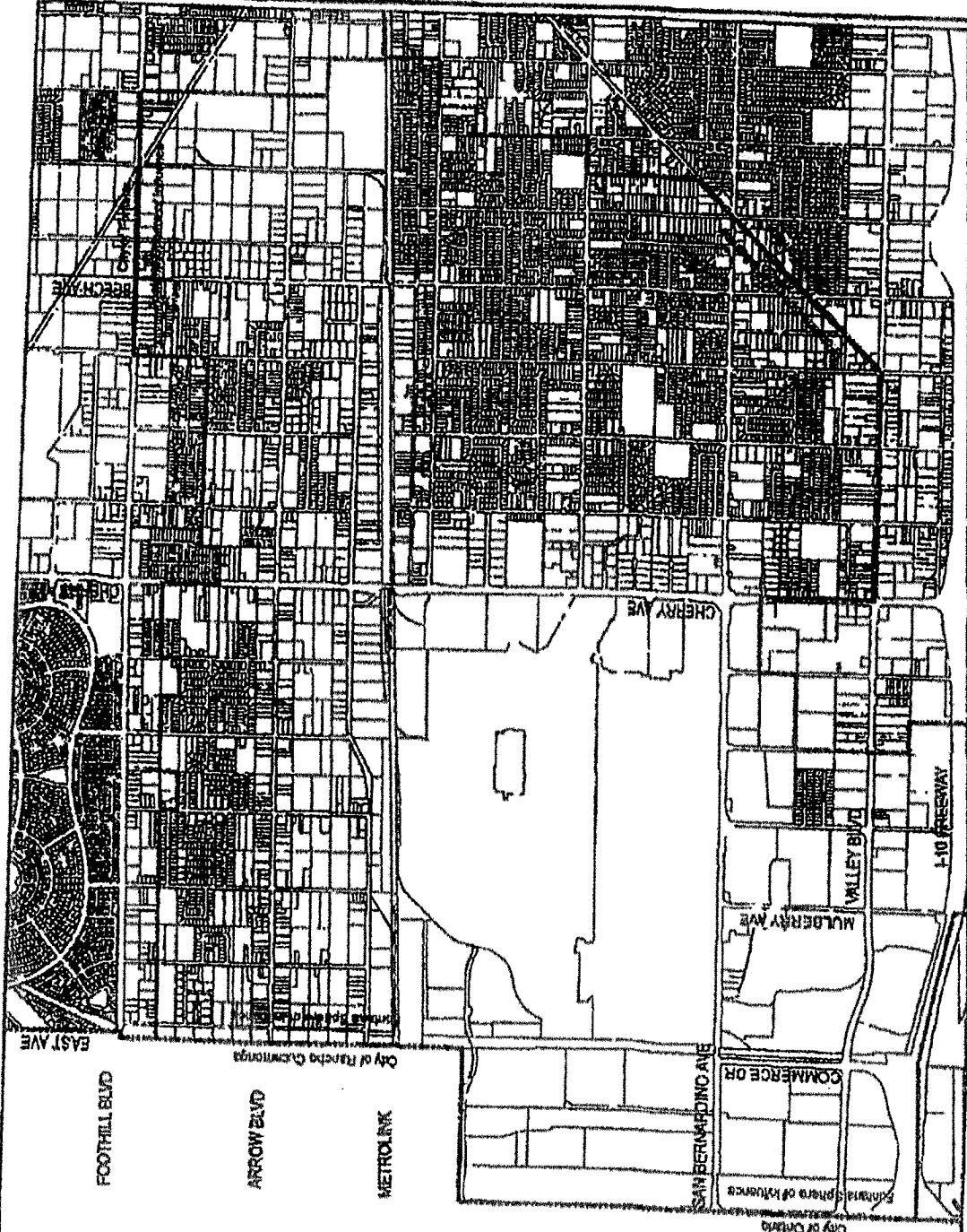
APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

By:   
Jeff Bralinger, City Attorney

Dated: 10/16/2012

# Western Sphere of Influence CITY OF FONTANA



**Legend**  
 City of Fontana  
 County Area



Scale: 1" = 2,400 Feet

City of Fontana  
 DIS/Amendment Program  
 Printed 09-27-12  
 Western Sphere of Influence.mxd

EXHIBIT D  
TO  
PREANNEXATION AGREEMENT  
CITY'S ANNEXATION POLICY  
[Attached Behind This Page]

RESOLUTION NO. 2008-142

A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF FONTANA AMENDING THE CITY OF FONTANA'S  
POLICY PERTAINING TO ANNEXATION.

WHEREAS, the City Council of the City of Fontana ("City") has approved a policy pertaining to annexation as noted in Chapter 3 (Land Use Element) of the General Plan;

WHEREAS, the City has determined that in order to promote the City Council's economic and General Plan goals and objectives, amending the City's policy on annexation is an important benefit for the City's economic development;

NOW THEREFORE, BE IT RESOLVED, determined and ordered by the City Council of the City of Fontana as follows:

Section 1. Annexations shall be pursued that promote Community balance, quality development, and improvement of the City's economic base as follows:

Annexations may be initiated by the City Council (adopted resolution) or by property owners or registered voters (written petition);

A Plan for Services shall be prepared for all annexations and submitted to the City Council for review and consideration;

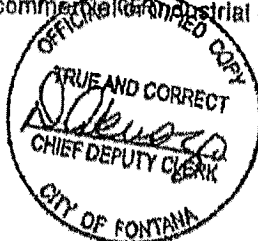
A fiscal impact analysis shall be conducted for all annexation areas;

All City and Local Agency Formation Commission (LAFCO) filing fees for annexation must be paid by the applicant.

Section 2. Irrevocable Agreements to Annex for Sewer Service--Existing Development (Contiguous and Non-Contiguous Areas)

An Irrevocable Agreement to Annex is an agreement between the landowner and the City for only sewer service. This agreement outlines that the City shall provide sewer service outside its corporate limits and the landowner agrees not to oppose a future attempt by the City to annex the area. Upon approval by LAFCO, the agreement shall be recorded with the County Recorder's office. Upon recordation, the agreement shall be considered a covenant on the land.

Irrevocable Agreements to Annex may be utilized when sewer service is extended outside the City's corporate limits to an existing residence or an existing commercial or industrial establishment that is experiencing a failing septic system.



Resolution No. 2008-142

**Section 3. Irrevocable Agreements to Annex for Sewer Service—New Development (Non-Contiguous Areas)**

Irrevocable Agreements to Annex for sewer service may be utilized for new developments for areas that are not contiguous to the City's limits.

Irrevocable Agreements to Annex in the Western Sphere of Influence will be subject to the terms of the adopted Memorandum of Understanding (MOU) between the City and County of San Bernardino (copy attached).

**Section 4. Preannexation Agreements—New Development (Contiguous and Non-Contiguous Areas)**

A Preannexation Agreement may be utilized for new developments for areas that are contiguous or not contiguous to the City's limits. An applicant may wish to consider a preannexation agreement to outline land use designations, development standards, conditional use permits approved by the County of San Bernardino, donation of right-of-way easements, sewer service, and other requirements as necessary.

Annexation may be deferred by use of a Preannexation Agreement if the following condition is met:

Preannexation Agreements in the Western Sphere of Influence will be subject to the terms of the adopted MOU between the City and County (copy attached).

**Section 5.** This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 9th day of December, 2008.

READ AND APPROVED AS TO LEGAL FORM:

/s/ Clark Alsop  
City Attorney



Resolution No. 2008-142

I, Tonia Lewis, City Clerk of the City of Fontana, California, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the City Council at a regular meeting thereof, held on the 9th day of December, 2008 by the following vote to wit:

AYES: Mayor Nuaimi, Council Members Roberts, Rutherford, Soladone, Warren  
NOES: None  
ABSENT: None

/s/ Tonia Lewis  
City Clerk of the City of Fontana

/s/ Mark Nuaimi  
Mayor of the City of Fontana

ATTEST:

/s/ Tonia Lewis  
City Clerk of the City of Fontana

**EXHIBIT E  
TO  
PREANNEXATION AGREEMENT  
COUNTY'S CONDITIONS OF APPROVAL  
[Attached Behind This Page]**

## CONDITIONS OF APPROVAL

### CONDITIONAL USE PERMIT

CRP Oakmont Redwood Avenue, LLC.  
c/o Oakmont Industrial Group

### GENERAL REQUIREMENTS

Conditions of Operation and Procedures

[Not subject to Condition Compliance Release Form (CCRF) signatures]

### LAND USE SERVICES – Planning Division (909) 387-8311

1. Project Description. This Conditional Use Permit (CUP) is approved to construct and operate a 214,300 (maximum) square-foot industrial building that includes three (3) separate office areas of 5,000 square feet each to be used as a “High Cube warehouse distribution facility” (Project) on 9.89 acres in compliance with the San Bernardino County Code (SBCC), California Building Codes (CBC), the California Fire Code (CFC), the following Conditions of Approval, the approved site plan, and all other required and approved reports and displays (e.g. elevations). Parking approved for this project is based upon the above land use description and Conditional Use Permit analysis. The developer shall provide a copy of the approved conditions and site plan to every current and future tenant, lessee, and property owner to facilitate compliance with these conditions of approval and continuous use requirements for the Project site with APN: 0234-101-21 and Project No. P201500064.
2. Project Location. The Project site is located at 9988 Redwood Avenue, generally located north of Hunter Street, south of Mallory Drive, on the west side of Redwood Avenue in the unincorporated area of Fontana.
3. High Cube Warehouse – “High Cube” Warehouses is defined by the National Association of Industrial and Office Properties as follows: A Warehouse/Distribution Center used primarily for the storage and/or consolidation of manufactured goods prior to their distribution to retail locations or other warehouses. These facilities are commonly constructed utilizing tilt-up technique, with a typical ceiling height of at least 24 feet. “High Cube” Warehouse/Distribution Centers are generally greater than 100,000 sq. ft. in size with a land coverage ratio of approximately 50% and a dock-high loading ratio of approximately 1 dock per 5,000-10,000 sq. ft. of warehouse storage. They are characterized by a small employment count due to a high level of automation, which reduces air quality and traffic impacts.
4. Indemnification. In compliance with the SBCC § 81.01.070, the applicant shall agree, to defend, indemnify, and hold harmless the County or its “indemnitees” (herein collectively the County’s elected officials, appointed officials (including Planning Commissioners), Zoning Administrator, agents, officers, employees, volunteers, advisory agencies or committees, appeal boards or legislative body)

from any claim, action, or proceeding against the County or its indemnitees to attack, set aside, void, or annul an approval of the County by an indemnitee concerning a map or permit or any other action relating to or arising out of County approval, including the acts, errors or omissions of any person and for any costs or expenses incurred by the indemnitees on account of any claim, except where such indemnification is prohibited by law. In the alternative, the applicant may agree to relinquish such approval.

Any condition of approval imposed in compliance with the County Development Code or County General Plan shall include a requirement that the County acts reasonably to promptly notify the applicant of any claim, action, or proceeding and that the County cooperates fully in the defense. The applicant shall reimburse the County and its indemnitees for all expenses resulting from such actions, including any court costs and attorney fees, which the County or its indemnitees may be required by a court to pay as a result of such action. The County may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the applicant of their obligations under this condition to reimburse the County or its indemnitees for all such expenses.

This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The applicant's indemnification obligation applies to the indemnitees' "passive" negligence but does not apply to the indemnitees' "sole" or "active" negligence or "willful misconduct" within the meaning of Civil Code Section 2782.

5. Revisions. Any proposed change to the approved use/activity on the site (e.g. from warehouse to manufacturing); or any increase in the developed area of the site or any expansion or modification to the approved facilities, including changes to structures building locations, elevations, signs, parking allocation, landscaping, lighting, allowable number of occupants (clients and/or employees); or a proposed change in the conditions of approval, including operational restrictions from those shown either on the approved site plan and/or in the conditions of approval shall require that an additional land use application (e.g., Revisions to an Approved Action) be submitted to the County Planning for review and approval.
6. Continuous Effect/Revocation. All of the conditions of this project are continuously in effect throughout the operative life of the project for the use approved. Failure of the property owner, tenant, applicant, developer or any operator (herein "developer") to comply with any or all of the conditions at any time may result in a public hearing and revocation of the approved land use, provided adequate notice, time and opportunity is provided to the property owner or other party to correct the non-complying situation

7. Expiration. This project permit approval shall expire and become void if it is not “exercised” within three (3) years of the effective date of this approval, unless an extension of time is approved. The permit is deemed “exercised” when either:
- a) The permittee has commenced actual construction or alteration under a validly issued building permit, or
  - b) The permittee has substantially commenced the approved land use or activity on the project site, for those portions of the project not requiring a building permit. (SBCC §86.06.060)

Occupancy of completed structures and operation of the approved and exercised land use remains valid continuously for the life of the project and the approval runs with the land, unless one of the following occurs:

- a) Construction permits for all or part of the project are not issued or the construction permits expire before the structure is completed and the final inspection is approved.
- b) The land use is determined by the County to be abandoned or non-conforming.
- c) The land use is determined by the County to be not operating in compliance with these conditions of approval, the County Code, or other applicable laws, ordinances or regulations. In these cases, the land use may be subject to revocation hearing and possible termination.

**PLEASE NOTE:** This will be the **ONLY** notice give of the approval expiration date. The “developer” is responsible to initiate any Extension of Time application.

8. Extension of Time. Extension of time to the expiration date (listed above or as otherwise extended) may be granted in increments each not to exceed an additional three (3) years beyond the current application date. An application to request consideration of an extension of time may be filed with the appropriate fees no less than thirty (30) days before the expiration date. Extensions of time may be granted based on a review of the application, which includes a justification of the delay in construction and a plan of action for completion. The granting of such an extension request is a discretionary action that may be subject to additional or revised conditions of approval or site plan modifications. (SBCC §86.06.060)
9. Development Impact Fees. Additional fees may be required prior to issuance of development permits. Fees shall be paid as specified in adopted fee ordinance.
10. Project Account. The Job Costing System (JCS) account number is P201500064. This is an actual cost project with a deposit account to which hourly charges are assessed by various county agency staff (e.g. Land Use Services, Public Work and County Counsel). Upon notice, the “developer” shall

deposit additional funds to maintain or return the account to a positive balance. The “developer” is responsible for all expenses charged to this account. Processing of the project shall cease if it is determined that the account has a negative balance and that an additional deposit has not been made in a timely manner. A minimum balance of \$1,000.00 shall be in the project account at the time of the project approval and the initiation of the Condition Compliance Review. Sufficient funds shall remain in the account to cover all estimated charges that may be made during each compliance review. All fees required for processing shall be paid in full prior to final inspection, occupancy and/or operation of each approved use in each approved structure or land use activity area.

11. Condition Compliance. In order to obtain construction permits for grading, or any new building, final inspection, the developer shall process a Condition Compliance Review Form for the development through County Planning in accordance with the directions stated in the Approval Letter. County Planning shall release their holds on each phase of development by providing to County Building and Safety the following:
  - Grading Permit – a copy of the signed CCRF for grading/land disturbance and two (2) “red” stamped and signed approved copies of the grading plans.
  - Building Permits – a copy of the signed CCRF for building permits and three (3) “red” stamped and signed approved copies of the final approved site plan.
  - Final Occupancy – a copy of the signed CCRF for tenant occupancy of each respective building, after an on-site compliance inspection by County Planning.
12. Additional Permits. The property owner, developer, and land use operator are all responsible to ascertain and comply with all laws, ordinances, regulations and any other requirements of Federal, State, County and Local agencies as are applicable to the development and operation of the approved land use and project site. These include:
  - a) FEDERAL: None
  - b) STATE: Regional Water Quality Control Board (RWQCB) – Santa Ana Region
  - c) COUNTY: Land Use Services-Planning, Building and Safety, Land Development, Code Enforcement; County Fire-Community Safety, Hazardous Materials; Public Health-Environmental Health Services (DEHS), Public Works-Traffic, Surveyor, Solid Waste Management
  - d) LOCAL: Fontana Water Company.
13. Continuous Maintenance. The property owner and “developer” shall continually maintain the property so that it is visually attractive and not dangerous to the health, safety and general welfare of both on-site uses (e.g. employees) and surrounding properties. The “developer” shall ensure that all facets of the

development are regularly inspected, maintained and that any defects are timely repaired. Among the elements to be maintained, include but are not limited to:

- a) Annual maintenance and repair. The developer shall conduct inspections for all structures, fencing/walls, walks, parking lots, driveways, and signs to assure proper structural, electrical and mechanical safety and a properly operating irrigation system.
- b) Graffiti and debris. The developer shall be remove graffiti and debris immediately with weekly maintenance.
- c) Landscaping. The developer shall maintain landscaping in a continual healthy thriving manner at proper height for required screening. Drought-resistance; fire retardant vegetation shall be used where practicable. Where landscaped areas are irrigated it shall be done in a manner designed to conserve water, minimizing aerial spraying.
- d) Dust control. The developer shall maintain dust control measures on any undeveloped areas where landscaping has not been provided.
- e) Erosion control. Measures shall be maintained to reduce water run-off, siltation, and promote slope stability.
- f) Architectural controls. Shall be enforced by the property owner to maintain compatibility of theme, material, unfaded colors, building mass, size and height.
- g) External Storage. The developer shall maintain external storage, loading, recycling and trash storage areas in a neat and orderly manner, and fully screened from public view. Outside storage shall not exceed the height of the screening walls.
- h) Metal Storage Containers. The developer shall NOT place metal storage containers in loading areas or other areas unless specifically approved by this or subsequent land use approvals.
- i) Signage. The developer shall maintain all on-site signs, including posted area signs (e.g. "No Trespassing") in a clean readable condition at all times. The developer shall remove all graffiti and repair vandalism on a regular basis. Signs on the site shall be of the size and general location as shown on the approved site plan or subsequently a County-approved sign plan.
- j) Lighting. The developer shall maintain any lighting so that they operate properly for safety purposes and do not project onto adjoining properties or roadways. Lighting shall adhere to applicable glare and night light rules.
- k) Parking and on-site circulation. The developer shall maintain all parking and on-site circulation requirements, including surfaces, all markings and traffic/directional signs shall be maintained in an unfaded condition as identified on the approved site plan. Any modification to parking and access layout requires the Planning Division's review and approval. The markings and signs shall be clearly defined, un-faded and legible; these include parking spaces, disabled space and access path of travel, directional designations and signs, stop signs, pedestrian crossing, speed humps, and "No Parking", "carpool", and "Fire Lane" designations.

- I) Fire Lanes. The developer shall clearly define and maintain in good condition at all times all markings required by the Fire Department, including "No Parking" designations and "Fire Lane" designations.
14. Performance Standards. The approved land uses shall operate in compliance with the general performance standards listed in the County Development Code Chapter 83.01, regarding air quality, electrical disturbance, fire hazards (storage of flammable or other hazardous materials), heat, noise, vibration, and the disposal of liquid waste.
15. Lighting. The glare from any luminous source, including on-site lighting shall not exceed one-half (0.5) foot-candle at property line. All lighting shall be limited to that necessary for maintenance activities and security purposes. This is to allow minimum obstruction of night sky remote area views. No light shall project onto adjacent roadway in a manner that interferes with on-coming traffic. All signs proposed by this project shall only be lit by steady, stationary, shielded light directed at the sign, by light inside the sign, by direct stationary neon lighting or in the case of an approved electronic message center sign alternating no more than once every five seconds.
16. Clear Sight Triangle. Adequate visibility for vehicular and pedestrian traffic shall be provided at clear sight triangles at all 90 degree angle intersections of public rights-of-way and private driveways. All signs, structure, and landscaping located within any clear sight triangle shall comply with the height and location requirement specified by County Development Code (SBCC§ 83.02.030) or as otherwise required by County Traffic.
17. Water Conservation. Structures shall incorporate interior and exterior water conservation measures (low-flow plumbing, water efficient landscaping, drip irrigation, minimization of turf areas, etc.) as required by the SBCC.
18. Construction Hours. Construction will be limited to the hours between 7:00 AM and 7:00 PM, Monday through Saturday in accordance with the SBCC standards. No construction activities are permitted outside of these hours or on Sundays and Federal holidays.
19. Signs. All existing signs must be removed before new signs can be installed. All signs must comply with and be permitted in accordance with SBCC §83.13, Sign Regulations.
20. Underground Utilities. There shall be no new above ground power or communication lines extended to the site. All new utilities shall be placed underground in a manner, which avoids disturbing any existing/natural vegetation



or the site appearance. Existing utilities around the site perimeter shall also be placed underground, where possible in coordination with the utility provider.

21. Operational Security. Implementation of operational security measures for commercial and industrial uses is highly recommended to include video surveillance and security patrols during non-business hours. The installation of exterior security lighting for all public areas in compliance with any night sky regulations is encouraged. This will assist in crime prevention and detection.
22. Access. The access point to the facility shall remain unobstructed at all times, except a driveway access gate which may be closed after normal working hours.
23. Operational Noise. *The County shall verify that the following notes shall be cited on the CUP Site Plan that:*  
*The building occupant shall place all stationary noise generating equipment so that emitted noise is directed away from the noise sensitive receptors nearest the project site.*
24. Air Quality/Operational Mitigation. *The “developer” shall implement the following air quality mitigation measures, during operation of the approved land use: All on-site equipment and vehicles (off-road/ on-road), shall comply with the following:*
  - a. *County Diesel Exhaust Control Measures [SBCC §83.01.040 (c)]b) Signs shall be posted requiring all vehicle drivers and equipment operators to turn off engines when not in use.*
  - b. *All engines shall not idle more than five minutes in any one-hour period on the project site. This includes all equipment and vehicles.*
  - c. *Engines shall be maintained in good working order to reduce emissions.*
  - d. *Ultra low-sulfur diesel fuel shall be utilized.*
  - e. *Electric, CNG and gasoline-powered equipment shall be substituted for diesel-powered equipment, where feasible.*
  - f. *On-site electrical power connections shall be made available, where feasible.*
  - g. *All transportation refrigeration units (TRU's) shall be provided electric connections, when parked on-site.**[Mitigation Measure III-2] General/Operational Requirements/Planning*

#### **LAND USE SERVICES – Code Enforcement Division (909) 387-8311**

25. Enforcement. If any County agency is required to enforce compliance with the conditions of approval, the property owner and “developer” shall be charged for such enforcement activities in accordance with the County Code Schedule of Fees. Failure to comply with these conditions of approval or the approved site plan design required for this project approval shall be enforceable against the property owner and “developer” (by both criminal and civil procedures) as provided by the San Bernardino County Code, Title 8 - Development Code; Division 6 - Administration, Chapter 86.09 - Enforcement.

26. Weed Abatement. The developer shall comply with San Bernardino County weed abatement regulations [SBCC§ 23.0301-23.0319] and periodically clear the site of all non-complying vegetation. This includes removal of all Russian thistle (tumbleweeds).

**PUBLIC HEALTH – Environmental Health Services (DEHS) (800) 442-2283**

27. Noise Level. Noise level shall be maintained at or below County Standards, Development Code §83.01.080. For information, contact DEHS at 1-800-442-2283.
28. Refuse Storage/Removal. All refuse generated at the premises shall at all times be stored in approved containers and shall be placed in a manner so that environmental public health nuisances are minimized. All refuse not containing garbage shall be removed from the premises at least **1** time per week, or as often as necessary to minimize public health nuisances. Refuse containing garbage shall be removed from the premises at least **2** times per week, or as often as necessary to minimize public health nuisances, by a permitted hauler to an approved solid waste facility in conformance with San Bernardino County Code Chapter 8, Section 33.0830 et. seq. For information, please call DEHS/LEA at: 1-800-442-2283.

**COUNTY FIRE – Community Safety (909) 386-8400**

29. Fire Jurisdiction. The above referenced project is under the jurisdiction of the San Bernardino County Fire Department herein (“Fire Department”). Prior to any construction occurring on any parcel, the developer shall contact the Fire Department for verification of current fire protection requirements. All new construction shall comply with the current Uniform Fire Code requirements and all applicable statutes, codes, ordinances and standards of the Fire Department.

**LAND USE SERVICES - Land Development Division– Drainage (909) 387-8311**

30. Tributary Drainage. Adequate provisions should be made to intercept and conduct the tributary off site - on site drainage flows around and through the site in a manner, which will not adversely affect adjacent or downstream properties at the time the site is developed.
31. Natural Drainage. The natural drainage courses traversing the site shall not be occupied or obstructed.

32. Additional Drainage Requirements. In addition to drainage requirements stated herein, other "on-site" and/or "off-site" improvements may be required which cannot be determined from tentative plans at this time and would have to be reviewed after more complete improvement plans and profiles have been submitted to this office.
33. Continuous BMP Maintenance. The property owner/"developer" is required to provide periodic and continuous maintenance of all Best Management Practices (BMP) devices/facilities listed in the County approved Water Quality Management Plan (WQMP) for the project. This includes but is not limited to, filter material replacement and sediment removal, as required to assure peak performance of all BMPs. Furthermore, such maintenance activity will require compliance with all Local, State, or Federal laws and regulations, including those pertaining to confined space and waste disposal methods in effect at the time such maintenance occurs.
34. BMP Enforcement. In the event the property owner/"developer" (including any successors or assigns) fails to accomplish the necessary BMP maintenance within five (5) days of being given written notice by County Public Works, then the County shall cause any required maintenance to be done. The entire cost and expense of the required maintenance shall be charged to the property owner and/or "developer", including administrative costs, attorney's fees and interest thereon at the rate authorized by the County Code from the date of the original notice to the date the expense is paid in full.

#### **PUBLIC WORKS - Traffic Division (909) 387-8186**

35. Access. The project vehicles shall not back out into the public roadway.
36. Left Turn Movements. The left-turn movements will be restricted at the southern project driveway along Redwood Avenue.

#### **PUBLIC WORKS - Solid Waste Management (909) 387-8701**

37. Recycling Storage Capacity. The developer shall provide equal space and storage bins for both refuse and recycling materials. This requirement is to assist the County in compliance with the recycling requirements of AB 2176.
38. Mandatory Trash Service. This project falls within a Uniform Handling Service area. If uniform handling is implemented in all or part of a particular franchise area, all owners of a dwelling or a commercial or industrial unit within the uniform handling area who are required to have uniform handling service shall, upon notice thereof, be required to accept uniform handling service from the grantee holding a franchise agreement and pay the rate of such services. This

requirement is a stipulation of County Code Title 4, Division 6, Chapter 5, Section 46.0501.

39. Mandatory Commercial Recycling. Beginning July 1, 2012 all businesses defined to include a commercial or public entity that generates 4 or more cubic yards of commercial solid waste a week or is a multi-family residential dwelling of 5 units or more to arrange for recycling services. The County is required to monitor business recycling and will require the businesses to provide recycling information. This requirement is to assist the County in compliance with AB 341.

### **PRIOR TO ISSUANCE OF DEMOLITION PERMITS THE FOLLOWING SHALL BE COMPLETED**

#### **LAND USE SERVICES - Building and Safety Division (909) 387- 8311**

40. Demolition Permit: Obtain a demolition permit for any building/s or structures to be demolished. Underground structures must be broken in, back-filled and inspected before covering.

#### **PUBLIC WORKS - Solid Waste Management (909) 387-8701**

41. Construction and Demolition Waste Management Plan (CDWMP) Part 1. The developer shall prepare, submit, and obtain approval from Solid Waste Management Division (SWMD) of a CDWMP Part 1 for each phase of the project. The CWMP shall list the types and weights or volumes of solid waste materials expected to be generated from grading and construction. The CDWMP shall include options to divert from landfill disposal materials for reuse or recycling by a minimum of 50% of total weight or volume. Forms can be found on our website at: [www.sbcounty.gov/dpw/solidwaste](http://www.sbcounty.gov/dpw/solidwaste). An approved CDWMP Part 1 is required before a demolition permit can be issued.

Upon completion of construction, the developer shall complete SWMD's CDWMP Part 2 and shall provide documentation of diversion of materials including but not limited to receipts, invoices or letters showing material type(s) and weights or volume from diversion facilities or certification reuse of materials on site. An approved Part 2 of the CDWMP is required prior to issuance of building permits.

**PRIOR TO ISSUANCE OF GRADING PERMITS OR  
ANY LAND DISTURBING ACTIVITY  
THE FOLLOWING SHALL BE COMPLETED**

**LAND USE SERVICES - Building and Safety Division (909) 387- 8311**

42. Retaining Wall Plans: Submit plans and obtain separate building permits for any required walls or retaining walls.
43. Geology Report. A geology report shall be submitted to the Building and Safety Division for review and approval by the County Geologist and fees paid for the review prior to final project approval.
44. Geotechnical (Soil) Report. A geotechnical (soil) report shall be submitted to the Building and Safety Division for review and approval prior to issuance of grading permits.
45. Grading Plans. Grading plans shall be submitted to Building and Safety for review and approval prior to grading/land disturbance of more than 50 Cu Yards.
46. Erosion & Sediment Control Plan: An erosion and sediment control plan and permit shall be submitted to and approved by the Building Official prior to any land disturbance.
47. Erosion Control Installation: Erosion control devices must be installed at all perimeter openings and slopes. No sediment is to leave the job site.
48. NPDES. An NPDES permit - Notice of Intent (NOI) - is required on all grading of one (1) acre or more prior to issuance of a grading/construction permit. Contact your Regional Water Quality Control Board for specifics [www.swrcb.ca.gov](http://www.swrcb.ca.gov)
49. Regional Board Permit Letter. CONSTRUCTION projects involving one or more acres must be accompanied by a copy of the Regional Board permit letter with the WDID #. Construction activity includes clearing, grading, or excavation that results in the disturbance of at least one (1) acre of land total.

**LAND USE SERVICES - Planning Division (909) 387- 8311**

50. Dust Control Plan. The "developer" shall prepare, submit for review and obtain approval from County Planning of both a Dust Control Plan (DCP) consistent with SCAQMD guidelines and a signed letter agreeing to include in any construction contracts/ subcontracts a requirement that project contractors adhere to the requirements of the DCP. The DCP shall include the following requirements:

- a. *Exposed soil shall be kept continually moist to reduce fugitive dust during all grading and construction activities, through application of water sprayed a minimum of two times each day.*
- b. *During high wind conditions (i.e., wind speeds exceeding 25 mph), areas with disturbed soil shall be watered hourly and activities on unpaved surfaces shall cease until wind speeds no longer exceed 25 mph.*
- c. *Storage piles that are to be left in place for more than three working days shall be sprayed with a non-toxic soil binder, covered with plastic or revegetated.*
- d. *Storm water control systems shall be installed to prevent off-site mud deposition.*
- e. *All trucks hauling dirt away from the site shall be covered.*
- f. *Construction vehicle tires shall be washed, prior to leaving the project site.*
- g. *Rumble plates shall be installed at construction exits from dirt driveways.*
- h. *Paved access driveways and streets shall be washed and swept daily when there are visible signs of dirt track-out.*
- i. *Street sweeping shall be conducted daily when visible soil accumulations occur along site access roadways to remove dirt dropped or tracked-out by construction vehicles.*
- j. *Site access driveways and adjacent streets shall be washed daily, if there are visible signs of any dirt track-out at the conclusion of any workday and after street sweeping.*

*[Mitigation Measure III-3] Grading Permits/Planning*

51. Construction Noise. *The “developer” shall submit and obtain approval from County Planning of a signed letter agreeing to include as a condition of all construction contracts/subcontracts requirements to reduce noise impacts during construction by implementing the following measures and submitting documentation of compliance: The developer/construction contractors shall do the following:*
- a. *During the project site excavation and grading, the construction contractors shall equip all construction equipment, fixed or mobile, with properly operating and maintained mufflers, consistent with the manufactures standards.*
  - b. *The construction contractor shall place all stationary construction equipment so that emitted noise is directed away from the noise sensitive receptors nearest the project site.*
  - c. *The construction contractor shall limit all construction-related activities that would result in high noise levels between the hours of 7:00 a.m. and 6:00 p.m., Monday through Saturday excluding holidays.*
  - d. *The construction contractor shall locate equipment staging in areas that will create the greatest distance between construction-related noise sources and noise sensitive receptors nearest the project site during all project construction.*

- e. *The construction contractor shall limit haul truck deliveries to the same hours specified for construction equipment. To the extent feasible, haul routes shall not pass sensitive land uses or residential dwellings.*
- f. *Prior to issuance of grading permits, the Applicant shall submit a mitigation plan prepared by a qualified engineer or other acoustical expert for review and approval by the Planning Division that identifies noise control measures that achieve a minimum 20 dBA reduction in construction related noise levels at the residential uses to the west, south, and east of the project site. The mitigation plan may include use of vibratory pile drivers or other pile driving noise controls, sound curtains, engineered equipment controls, or other methods. Noise control requirements shall be noted on project construction drawings and verified by the Building Department during standard inspection procedures.*  
*[Mitigation Measure XII-1] - Prior to Grading Permit/Planning*

52. *Air Quality Construction Mitigation.* *The “developer” shall submit for review and obtain approval from County Planning of a signed letter agreeing to include as a condition of all construction contracts/subcontracts requirements to reduce vehicle and equipment emissions and other impacts to air quality by implementing the following measures and submitting documentation of compliance: The developer/construction contractors shall do the following:*

- a. *Provide documentation prior to beginning construction demonstrating that the project will comply with all SCAQMD regulations including 402, 403, 431.1, 431.2, 1113 and 1403.*
- b. *Each contractor shall certify to the developer prior to construction-use that all equipment engines are properly maintained and have been tuned-up within last 6 months.*
- c. *Each contractor shall minimize the use of diesel-powered vehicles and equipment through the use of electric, gasoline or CNG-powered equipment. All diesel engines shall have aqueous diesel filters and diesel particulate filters.*
- d. *All gasoline-powered equipment shall have catalytic converters.*
- e. *Provide onsite electrical power to encourage use of electric tools.*
- f. *Minimize concurrent use of equipment through equipment phasing.*
- g. *Provide traffic control during construction to reduce wait times.*
- h. *Provide on-site food service for construction workers to reduce offsite trips.*
- i. *Implement the County approved Dust Control Plan (DCP)*
- j. *Suspend use of all construction equipment operations during second stage smog alerts.*

*NOTE: For daily forecast, call (800) 367-4710 (San Bernardino and Riverside counties).*

*[Mitigation Measure III-4] Grading Permits/Planning*

53. *Excavation.* *If human remains are encountered on the property, the San Bernardino County Coroner’s Office Must be contacted within 24 hours of the find, and all work halted until a clearance is given by that office and any other*

involved agencies. Contact the County Corner at 175 South Lena Road, San Bernardino, CA 92415-0037 or (909) 387-2543.

54. Cultural Resources. The developer/property owner shall submit a letter to County Planning agreeing to adhere to the following requirements and shall include a note on the grading plans and in all construction contracts/subcontracts a provision that the project contractors shall also adhere to the following requirements:

In the event archaeological, paleontological and/or historical resources, including pottery, middens or human remains, are uncovered during earthmoving activities, all work in that area shall cease immediately and a qualified archaeologist shall be retained to access the findings, and if necessary provide appropriate disposition of the resources. Earthmoving shall be diverted temporarily around the deposits until they have been evaluated, recorded, excavated, and/or recovered as necessary. Earthmoving shall be allowed to proceed on the site when the archaeologist, in consultation with the appropriate Native American Tribe(s) and the County of San Bernardino Museum, determines the resources are recovered to their satisfaction.

If possible human remains are encountered during any earthmoving activities, all work shall stop in the area in which the find(s) are present, and the San Bernardino County Coroner must be notified. State law dictates that the Native American Heritage Commission (NAHC) shall be notified in the event that remains are determined to be human and of Native American decent, in accordance with California Public Resources Code Section 5097.98.

#### **LAND USES SERVICES - Land Development Division– Drainage (909) 387-8311**

55. Drainage Improvements. A Registered Civil Engineer shall investigate and design adequate drainage improvements to intercept and conduct the off-site and on-site drainage flows around and through the site in a manner, which will not adversely affect adjacent or downstream properties. Submit drainage study for review and obtain approval. A \$520 deposit for drainage review will be collected upon submittal to the Land Development Division.
56. Topo Map. A topographic map shall be provided to facilitate the design and review of necessary drainage facilities.
57. Grading Plans. Grading plans shall be submitted for review and approval obtained. A \$520 deposit for grading plan review will be collected upon submittal to the Land Development Division.
58. San Sevaine Fee. The project site is located within the San Sevaine Drainage Fee area and is subject to a fee of \$4,405 per net developed acre that is to be paid prior to issuance of any grading or building permit. (SBC Ord., No. 3358)



Total net developed acreage is 9.89 acres and the fee shall be \$43,565.45.

59. WQMP. A completed Water Quality Management Plan (WQMP) shall be submitted for review and approval obtained. A \$2,500 deposit for WQMP review will be collected upon submittal to the Land Development Division. The report shall adhere to the current requirements established by the Santa Ana Watershed Region. Copies of the WQMP guidance and template can be found at: <http://www.sbcounty.gov/dpw/land/npdes.asp>
60. WQMP Inspection Fee. The developer shall provide \$3,600 deposit to Land Development Division for inspection of the approved WQMP.

#### **COUNTY FIRE – Community Safety (909) 386-8465**

61. Water System. Prior to any land disturbance, the water systems shall be designed to meet the required fire flow for this development and shall be approved by the Fire Department. The required fire flow shall be determined by using appendix IIIA of the Uniform Fire Code.

#### **PRIOR TO ISSUANCE OF BUILDING PERMITS THE FOLLOWING SHALL BE COMPLETED**

#### **LAND USE SERVICES – Building and Safety Division (909) 387-8311**

62. Construction Plans. Any building, sign, or structure to be constructed or located on site will require professionally prepared plans based on the most current County and California Building Codes, submitted for review and approval by the Building and Safety Division.

#### **LAND USE SERVICES – Planning Division (909) 387-8311**

63. Building Elevations. The developer shall obtain approval from County Planning for the exterior elevations on all four sides of the proposed building. The elevations shall demonstrate horizontal and vertical elements (e.g. trim design, architectural elements, windows, etc.). All sides of the building, except loading dock areas shall have landscape planters adjacent to the building walls. The use of trellises, arbors, planters and atriums is encouraged. All new proposed structures and their related elements shall be painted, treated, or otherwise finished to blend in to the surrounding existing architectural theme. Screening materials shall blend into adjacent architectural elements. All roof mounted

mechanical equipment shall be screened from view and shall be painted to match the roof color.

64. Underground Utilities. All new on-site utility lines (66KV or less) located on or around the perimeter of the site, shall be placed underground. The developer will work cooperatively with the County and appropriate utility agencies to underground these facilities.
65. AQ - Coating Restriction Plan. *The developer shall submit for review and obtain approval from County Planning of a Coating Restriction Plan (CRP), consistent with SCAQMD guidelines and a signed letter agreeing to include in any construction contracts/subcontracts a condition that the contractors adhere to the requirements of the CRP. The CRP measures shall be following implemented to the satisfaction of County Building and Safety:*
- a) *Interior architectural coatings with Reactive Organic Compounds (ROC) shall not have content greater than zero g/l.*
  - b) *Exterior architectural coatings with Reactive Organic Compounds (ROC) shall not have a content greater than 125 g/l.*
  - c) *Architectural coating volume shall not exceed the significance threshold for ROC, which is 75 lbs./day and the combined daily ROC volume of architectural coatings and asphalt paving shall not exceed the significance threshold for ROC of 75 lbs. per day.*
  - d) *High-Volume, Low Pressure (HVLP) spray guns shall be used to apply coatings.*
  - e) *Precoated/natural colored building materials, water-based or low volatile organic compound (VOC) coatings shall be used, if practical.*
  - f) *Comply with SCAQMD Rule 1113 on the use of architectural coatings.*
- [Mitigation Measure III-1] Building Permits/Planning*
66. Regional Transportation Facilities Fee. *This project falls within the Regional Transportation Development Mitigation Plan. The applicable fee shall be paid by a cashier's check to the Department of Public Works Business Office prior to issuance of a building permit.*  
*[Mitigation Measure XVI-1] Building Permits/Public Works*
67. Landscape and Irrigation Plan. The developer shall submit and obtain approval of three sets of a Landscape Documentation Package, prepared by a Certified Landscape Professional in compliance with SBCC Chapter 83.10, Landscape Standards, and in compliance with the State Model Water Efficient Landscape Ordinance, as well as the East Valley Area Plan requirements. At a minimum, landscaping shall be in the required setbacks along the street frontages, adjacent to the structures, and within the parking areas. Planting plans shall utilize indigenous plant material, when possible, to minimize water consumption.

68. Signs. The applicant must submit separate sign plans for review and approval in compliance with Chapter 83.13, Sign Regulations, of the County Development Code for any signs proposed.
69. Screen Rooftop: All roof top mechanical equipment is to be screened from ground vistas.
70. Energy Efficiency for Commercial Development (GHG Reduction Measure R2E7). The developer shall provide and document that the design of the proposed structure exceeds the current Title 24 energy efficiency requirements as indicated below:
- Insulation – Modest Enhanced Insulation (5% > Title 24) (8 points)
  - Windows – Enhanced Window Insulation (15%>Title 24) (8 points)
  - Doors – Modestly Enhanced Insulation (5%>Title 24) (4 points)
  - Air Infiltration – Reduced Building Envelope Leakage (15%>Title 24) (8 points)
  - Heating/Cooling Distribution System – Modest Distribution Losses (5%>Title 24) (4 points)
  - Space Heating/Cooling Equipment – Efficiency HVAC (5% > Title 24) (4 points)
  - Water Heaters – High Efficiency Water Heaters (Conventional water heater that is 15% > Title 24) (8 points)
  - Daylighting – All rooms daylighted to at least 1,000 lumens (7 points)
  - Artificial Lighting – Very High Efficiency Lights (LED, etc. 20% > Title 24) (8 points)
  - Appliances – High Efficiency Energy Star Appliances (15% > Title 24) (8 points)
  - Building Placement – North/South alignment of building or other building placement such that the orientation of the buildings optimizes conditions for natural heating, cooling, and lighting. (4 points)
71. Water Use Reduction Goal - Per Capita Water Use Reduction Goal (GHG Reduction Measure R2WC-1). The project shall include the following irrigation/landscaping and potable water reduction measures that exceed the current Title 24 energy efficiency requirements as indicated below:
- Water Efficient Landscaping – Eliminate turf from landscaping (3 points).
  - Water Efficient Irrigation Systems – Smart irrigation control systems combined with drip irrigation (demonstrate 20% reduced water use (5 points).
  - Recycled Water – Graywater (purple pipe) irrigation system on site (5 points)
  - Showers – EPA High Efficiency Showerheads (15%> Title 24)
  - Toilets – EPA High Efficiency toilets and Waterless Urinals (15% > Title 24)+Commercial Bldg (6 points)
  - Faucets - EPA High Efficiency faucets (15%> Title 24) (3 points).

72. Vehicle Idling Restrictions (GHG Reduction Measure R2T1). All commercial vehicles are restricted to 5-minutes or less per trip on site and at loading docks (required of all commercial projects) (1 point)
73. Employment Based Trip and VMT Reduction Policy (GHG Reduction Measure R2T2). The project shall include the following employee trip reduction policies:
- Car/Vanpool – Employee car/vanpool program with preferred parking (2 points)
  - Employee Bicycle/Pedestrian Programs – Local transit within ¼ mile. (1 point)
  - Shuttle/Transit - Existing local transit is within ¼ mile (1 point)
74. Construction and Demolition Debris Diversion Program (GHG Reduction Measure R2W5). The project will recycle 20% of debris.
75. Outdoor Lighting Plan. Three copies of the proposed professionally prepared outdoor lighting plan, in accordance with SBCC §83.07 Glare and Outdoor Lighting, shall be submitted for plan review with appropriate fees. Approval of this shall be obtained with permits, prior to any lighting installation.

#### **PUBLIC HEALTH – Environmental Health Services (DEHS) (800) 442-2283**

76. Water Purveyor. Water purveyor shall be Fontana Water Company.
77. Water Letter. Applicant shall procure a verification letter from the water agency with jurisdiction. This letter shall state whether or not water connection and service shall be made available to the project by the water agency. The letter shall reference the Assessor's Parcel Number 0234-101-21. For projects with current active water connections, a copy of water bill with project address may suffice. For information, contact the Water Section at 1-800-442-2283.
78. Sewer. Method of sewage disposal shall be City of Fontana.
79. Wastewater Verification. Applicant shall procure a verification letter from the sewerage agency with jurisdiction. This letter shall state whether or not sewer connection and service shall be made available to the project by the sewerage agency. The letter shall reference the Assessor's Parcel Number 0234-101-21.

#### **LAND USE SERVICES – Land Development Division – Roads (909) 387-8311**

80. Road Dedication. The developer shall submit for review and obtain approval from the Land Use Services Department the following dedications. These shall

be submitted to the Land Use Services Department, located at 385 N. Arrowhead Ave., San Bernardino CA 92415-0187. Phone: (909) 387-8311.

**Redwood Avenue (Collector Street – 66')**

- Road Dedication. A 3 foot grant of easement is required to provide a half-width right-of-way of 33'.
  - Sidewalks. Design sidewalks per County Standard 109 Type "C".
  - Driveway Approach. Design driveway approach per San Bernardino County Standard 129B, and located per San Bernardino County Standard 130.
81. Road Standards and Design. All required street improvements shall comply with latest San Bernardino County Road Planning and Design Standards and the San Bernardino County Standard Plans. Road sections shall be designed to Valley Road Standards of San Bernardino County, and to the policies and requirements of the County Department of Public Works and in accordance with the General Plan, Circulation Element.
82. Encroachment Permits. Prior to installation of road and drainage improvements, a permit is required from County Public Works, Transportation Operations Division, Permit Section, (909) 387-8046, as well as other agencies prior to work within their jurisdiction. Submittal shall include a materials report and pavement section design in support of the section shown on the plans. Applicant shall conduct classification counts and compute a Traffic Index (TI) Value in support of the pavement section design.
83. Transitional Improvements. Right-of-way and improvements (including off-site) to transition traffic and drainage flows from proposed to existing, shall be required as necessary.

**PUBLIC WORKS - Solid Waste Management (909) 386-8701**

84. Construction and Demolition Waste Management Plan (CDWMP) Part 1. The developer shall prepare, submit, and obtain approval from Solid Waste Management Division (SWMD) of a CDWMP Part 1 for each phase of the project. The CDWMP shall list the types and weights or volumes of solid waste materials expected to be generated from grading and construction. The CDWMP shall include options to divert from landfill disposal materials for reuse or recycling by a minimum of 50% of total weight or volume. Forms can be found on our website at: [www.sbcounty.gov/dpw/solidwaste](http://www.sbcounty.gov/dpw/solidwaste). An approved CDWMP Part 1 is required before a demolition permit can be issued.

Upon completion of construction, the developer shall complete SWMD's CDWMP Part 2 and shall provide documentation of diversion of materials including but not

limited to receipts, invoices or letters showing material type(s) and weights or volume from diversion facilities or certification of reuse of materials on site. An approved Part 2 of the CDWMP is required prior to issuance of occupancy.

### **PUBLIC WORKS – Traffic Division**

85. The project falls within the Regional Transportation Facilities Mitigation for the Fontana Subarea. This fee shall be paid by a cashier's check to the Department of Public Works Business Office. The Plan fees shall be computed in accordance with the Plan fees in effect as of the date that building plans are submitted and the building permit is applied for. These fees are subject to change periodically. Currently, the fee is \$1.55 a square foot for High Cube use. The building is 214,300 square feet per the latest site plan dated February 9, 2015. Therefore the total fee is estimated at \$332,165 (214,300 sq. ft. x \$1.55 per sq. ft.). The current Regional Transportation Fee Plan can be found at the following website:

[http://www.sbcounty.gov/dpw/transportaiton/tranportation\\_planning.asp](http://www.sbcounty.gov/dpw/transportaiton/tranportation_planning.asp)

### **COUNTY FIRE – Community Safety (909) 386-8400**

86. Construction Permits. Fire Condition Letters shall automatically expire and become invalid unless the work authorized by such permit is commenced within 180 days after its issuance, or if the work authorized by such permit is suspended or abandoned for a period of 180 days after the time the work is commenced. Suspension or abandonment shall mean that no inspection by the Department has occurred with 180 days of any previous inspection. After a construction permit or Fire Condition Letter, becomes invalid and before such previously approved work recommences, a new permit shall be first obtained and the fee to recommence work shall be one-half the fee for the new permit for such work, provided no changes have been made or will be made in the original construction document for such work, and provided further that such suspension or abandonment has not exceeded one year. A request to extend the Fire Condition Letter or Permit may be made in writing PRIOR TO the expiration date justifying the reason that the Fire Condition Letter should be extended.

87. Access. The development shall have a minimum of 2 points of vehicular access. These are fire/emergency equipment access and for evacuation routes. Standard 902.2.1

- Single-Story Road Access Width. All buildings shall have access provided by approved roads, alleys, and private drive with a minimum twenty-six (26) foot unobstructed width and vertically to fourteen (14) feet six (6) inches in height. Other recognized standards may be more restrictive by requiring wider access provisions.

- Multi-Story Road Access Width. Building three (3) stories in height or more shall have a minimum access of thirty (30) feet unobstructed width and vertically to fourteen (14) feet six (6) inches in height. [F41]
88. Primary Access Paved. Prior to building permits being issued to any new structure, the primary access road shall be paved or an all weather surface and shall be installed as specified in the General Requirement conditions (Fire #F-9), including width, vertical clearance and turnouts, if required. [F89]
  89. Building Plans. Not less than three (3) complete sets of Building Plans shall be submitted to the Fire Department for review and approval. [F42]
  90. Fire Fees. The required fire fees shall be paid to the San Bernardino County Fire Department/community Safety Division (909) 386-8400. This fee may be in addition to fire fees that are paid to the appropriate City.
  91. Combustible Protection. Prior to combustibles, being placed on the project site an approved paved road with curb and gutter and fire hydrants with an acceptable fire flow shall be installed. The topcoat of asphalt does not have to be installed until final inspection and occupancy. [F44]
  92. Water System Large Commercial. A water system approved and inspected by the Fire Department is required. The system shall be operational, prior to any combustibles being stored on the site. The applicant is required to provide a minimum of one new six (6) inch fire hydrant assembly with one (1) two and one half (2 ½) inch and two (2) four (4) inch outlet. All fire hydrants shall be space no more than three hundred (300) feet apart (as measured along vehicular travel-ways) and no more than one hundred fifty (150) feet from any portion of a structure. [F54A]
  93. Turnaround. An approved turnaround shall be provided at the end of each roadway one hundred and fifty (150) feet or more in length. Cul-de-sac length shall not exceed six hundred (600) feet; all roadways shall not exceed a 12% grade and have a minimum of forty five (45) foot radius for all turns. In the FS1, FS2, or FS-3 Fire Safety Overlay District areas, there are additional requirements. Standard 902.2.1 [F43]
  94. Fire Sprinkler-NFPA #13. An automatic fire sprinkler system complying with NFPA Pamphlet #13 and the Fire Department standards is required. The applicant shall hire a Fire Department approved fire sprinkler contractor. The fire sprinkler contractor shall submit three (3) sets of detailed plans to the Fire Department for review and approval. The plans (minimum 1/8" scale) shall include hydraulic calculations and manufactures specification sheets. The contractor shall submit plans showing type of storage and use with the applicable protection system. The required fees shall be paid at the time of plan submittal. [F59]

95. Roof Certification: A letter from a licensed structural (or truss) engineer shall be submitted with an original wet stamp at the time of fire sprinkler plan review, verifying the roof is capable of accepting the point loads imposed on the building by the fire sprinkler system design. [F59A]
96. Building Access. Where building access is required by Table 3206.2, fire apparatus access roads in accordance with Section 503 shall be provided within 150 feet (45 720 mm) of all portion of the exterior walls of buildings used for high-piled storage.
97. Number of Doors Required. A minimum of one access door shall be provided in each 100 lineal feet (30 480 mm), or fraction thereof, of the exterior walls that face required fire apparatus access roads. The required access doors shall be distributed such that the lineal distance between adjacent doors does not exceed 100 feet (30 480 mm).
98. Fire Alarm. An automatic monitoring fire alarm system complying with the California Fire Code, NFPA and all applicable codes is required for 100 heads or more. The applicant shall hire a Fire Department approved fire alarm contractor. The fire alarm contractor shall submit three (3) sets of detailed plans to the Fire Department for review and approval. The required fees shall be paid at the time of plan submittal. Standard 1007.1.1FA. [F62]
99. High-Piled Storage. The applicant shall submit an application for high-piled storage (internal storage over twelve (12) feet in height), three (3) sets of detailed plans and a commodity analysis report to the Fire Department for review and approval. The applicant shall submit the approved plan to Building and Safety for review with building plans. If the occupancy classification is designated as S-2, commodities to be stored will be limited to products of light hazard classification only. The required fees shall be paid at the time of plan submittal. [F66]
100. Street Sign. This project is required to have an approved street sign (temporary or permanent). The street sign shall be installed on the nearest street corner to the project. Installation of the temporary sign shall be prior accomplished prior to any combustible material being placed on the construction site. Prior to final inspection and occupancy of the first structure, the permanent street sign shall be installed. Standard 901.4.4 [F72]
101. Woodworking Operations. An automatic sprinkler system shall be provided throughout all Group F-I occupancy fire areas that contain woodworking operations in excess of 2,500 square feet in area (232 m<sup>2</sup>) which generate finely divided combustible waste or which use finely divided combustible materials. [SFM] A fire wall of less than 4-hour fire resistance rating without openings, or any fire wall with openings, shall not be used to establish separate fire areas.



Discharge and where every room where care is provided has at least one exterior exit door.

102. Class I standpipe system. A Class I standpipe system is required. A Fire Department approved fire sprinkler contractor shall submit three (3) sets of hydraulic calculations and detailed plans to the Fire Department for review and approval, showing type of storage and use with the applicable protection system. Commercial and industrial buildings in excess of two hundred thousand (200,000) square feet with an interior area less than four hundred (400) feet in width, shall be equipped with a Class I standpipe system, located at every other access door maximum of three hundred (300) feet spacing. Buildings with an interior area greater than four hundred (400) feet in width shall be equipped with a Class I standpipe system located at every access door maximum of one hundred (100) foot spacing. Standpipe connections shall be configured to reach any portion of interior space within two hundred (200) feet in any direction of travel. This system shall be calculated to provide two hundred and fifty (250) gpm @ 100 psi per hose outlet from an adjacent fire sprinkler riser with two hand lines flowing. The two most hydraulically remote outlets are to be included in the design for a total flow of 500 gpm minimum per system. A Fire Department approved fire sprinkler contractor shall submit four (4) sets of hydraulic calculations and detailed plans, showing type of storage and use with the applicable protection system. The required fees shall be paid at the time of plan submittal. Standard 8102.9.2 [F70]

**PRIOR TO FINAL INSPECTION OR OCCUPANCY  
THE FOLLOWING SHALL BE COMPLETED**

**LAND USE SERVICES – Building and Safety Division (909) 387-4226**

103. Condition Compliance Release Form Sign-off. Prior to occupancy all Department/Division requirements and sign-off's shall be completed.

**LAND USE SERVICES - Planning Division (909) 387-8311**

104. Landscape Certificate of Completion: All landscaping, dust control measures, all walls/fences, pedestrian walkways, irrigation systems, etc. as delineated on the approved landscape plan and/or site plan shall be installed. The developer shall submit the Landscape Certificate of Completion verification as required in SBCC Section 83.10.100. Supplemental verification should include photographs of the site and installed landscaping.
105. On-site Improvements: Parking, on-site circulation requirements, and all on-site improvements shall be installed per approved site plan.

106. Building Elevations. The building construction shall be completed in conformance with the approved architectural elevations to the satisfaction of County Planning.
107. Disabled Access: Disabled access parking spaces shall be clearly marked as disabled spaces and said markings shall be maintained in good condition at all times.
108. GHG – Installation. The developer shall submit for review and obtain approval from County Planning evidence that all GHG reduction measures have been installed, implemented and that specified performance objectives are being met.
109. Fees Paid: Prior to final inspection by the Building and Safety Division and/or issuance of a Certificate of Conditional Use by the Planning Division, all fees required under actual cost job number P201500064 shall be paid in full.
110. Wheel Stops. All back-in truck trailer parking spaces shall have a wheel stop or other physical barrier twelve feet from any wall, fence or building to prevent damage. All other vehicle spaces shall have wheel stops or curbs installed when adjacent to fences, walls or buildings; these shall be three feet (3') away from such facilities.
111. Air Quality/Installation. *The developer shall submit for review and obtain approval from County Planning of evidence that all air quality mitigation measures have been installed, implemented properly and that specified performance objectives are being met to the satisfaction of County Planning and County Building and Safety. These installations/ procedures include the following:*
  - a. *Dust Control Plan (DCP)*
  - b. *Coating Restriction Plan (CRP)**[Mitigation Measure III-5] Final Inspection/Planning*
112. Vibration Mitigation. *In the event that roadway improvements are necessary, the Applicant shall ensure that vibration associated with the use of a vibratory roller will not exceed the vibration damage potential for older residential structure of 0.30 PPV and the vibration annoyance potential of 0.04 PPV (distinctly perceptible) established by Caltrans. Supplemental analysis shall be performed and submitted for the review and approval of the Planning Division prior to the start of construction activities.*  
*[Mitigation Measure XII-2] Occupancy Permits/Planning*

**LAND USE SERVICES - Land Development Division– Drainage (909) 387-8311**

113. Drainage Improvements. All required drainage improvements shall be completed by the applicant. The private registered engineer shall inspect and certify the improvements have been completed according to the approved plans. Certification letter shall be submitted to Land Development.
114. WQMP Improvements. All required WQMP improvements shall be completed by the applicant, inspected and approved by County Public Works. An electronic file of the final and approved WQMP shall be submitted to Land Development Division, Drainage Section.

**LAND USE SERVICES - Land Development Division– Roads (909) 387-8311**

115. Road Improvements. All required on-site and off-site improvements shall be completed by the applicant, inspected and approved by County Public Works.
116. Open Roads/Cash Deposit. Existing County roads, which will require reconstruction, shall remain open for traffic at all times, with adequate detours, during actual construction. A cash deposit shall be made to cover the cost of grading and paving prior to issuance of road encroachment permit. Upon completion of the road and drainage improvement to the satisfaction of the Department of Public Works, the cash deposit may be refunded
117. Structural Section Testing. A thorough evaluation of the structural road section, to include parkway improvements, from a qualified materials engineer, shall be submitted to County Public Works.
118. Parkway Planting. Trees, irrigation systems, and landscaping required to be installed on public right-of-way shall be approved by the County Public Works and Current Planning and shall be maintained by the adjacent property owner or other County-approved entity.

**PUBLIC WORKS – Solid Waste Management (909) 387-8701**

119. C&D Plan – Part 2. The developer shall complete SWMD's CDWMP Part 2 for construction and demolition. This summary shall provide documentation of diversion of materials including but not limited to receipts, invoices or letters from diversion facilities or certification of reuse of materials on site. The CDWMP Part 2 shall provide evidence to the satisfaction of SWMD that demonstrates that the project has diverted from landfill disposal, material for reuse or recycling by a minimum of 50% of total weight or volume of all construction waste.

## **COUNTY FIRE – Community Safety (909) 386-8400**

120. Hydrant Marking. Blue reflective pavement markers indicating fire hydrant locations shall be installed as specified by the Fire Department. In areas where snow removal occurs or non-paved roads exist, the blue reflective hydrant marker shall be posted on an approved post along the side of the road, no more than three (3) feet from the hydrant and at least six (6) feet high above the adjacent road. Standard 901.4.3. [F80]
121. Commercial. Large facility Addressing. Commercial and industrial developments in excess of 100,000 square feet shall have the street address installed on the building with numbers that are a minimum twelve (12) inches in height and with a one and one half (1 ½) inch stroke. The street address shall be visible from the street. During the hours of darkness, the numbers shall be electrically illuminated (internal or external). Where the building is two hundred (200) feet or more from the roadway, additional non-illuminated contrasting six (6) inch numbers shall be displayed at the property access entrances. Standard 901.4.4 [F83]
122. Key Box. An approved Fire Department key box is required. The key box shall be provided with a tamper switch and shall be monitored by a Fire Department approved central monitoring service. In commercial, industrial and multi-family complexes, all swing gates shall have an approved fire department Knox Lock. Standard 902.4 [F86]
123. Override Switch. Where an automatic electric security gate is used, an approved Fire Department override switch (Know ®) is required. Standard 902.4 [F86]
124. Fire Extinguishers. Hand portable fire extinguishers are required. The location, type and cabinet design shall be approved by the Fire Department. [F88]
125. Occupancy. It shall be unlawful to occupy any portion of a building or structure until the required fire detection, alarm and suppression systems have been tested and approved.

## **COUNTY FIRE - Hazardous Materials Division (909) 386-8401**

126. Release of Hazardous Materials. Prior to occupancy, operator shall submit disclosure information using the California Environmental Reporting System (CERS) for emergency release or threatened release of hazardous materials and wastes or apply for exemption from hazardous materials laws and regulations. Contact the Office of the Fire Marshal, Hazardous Materials Division at (909) 386-8401.

127. Handlers Permit. Prior to occupancy, developer shall be required to apply for one or more of the following: a Hazardous Materials Handler Permit, a Hazardous Waste Generator Permit, an Aboveground Storage Tank Permit, and/or an Underground Storage Tank permit. For information call Office of the Fire Marshal, Hazardous Materials Division at (909) 386-8401.

**PRIOR TO TENANT OCCUPANCY  
THE FOLLOWING SHALL BE COMPLETED**

**LAND USE SERVICES - Building and Safety Division (909) 387-8311**

128. Tenant Occupancy. Any building without specified tenants and/or land use may receive final inspection for construction purposes ONLY. Buildings that do not have specific occupants or use classification defined at the time of final inspection will receive only a "final construction" approval. When individual "tenants" and/or "land uses" are identified, or a change of "use" and/or "tenant" is proposed, depending on occupancy impacts, the "developer" shall submit for review with appropriate fees and obtain approval of a Tenant Review. The County Building Official may determine in this process that additional land use review and approval is required by County Planning. A construction plan review for Tenant Improvements may be processed simultaneously with the Tenant Review. Only after a construction permit has been issued, all work/installations completed, and a final inspection is signed will an "Occupancy Permit" be granted to individual tenants.

**LAND USE SERVICES - Planning Division (909) 387-8311**

129. Notification. The developer shall provide a copy of these conditions of approval and a copy of the approved plot map to any future property owner, lessee, operator, and/or tenant to notify each interested party of the land use approval and conditions of operation, maintenance, the approved land use and any restrictions/requirements that have been imposed.
130. 75% Solid Waste Diversion Program (GHG Reduction Measure R2W6). The project will provide commercial/industrial recycling programs that fulfills an on-site goal of 75% diversion of solid waste.

**END OF CONDITIONS**

**EXHIBIT F****Estimated****Development Impact Fees****Sewer Connection Charges/LAFCO Fee****PER MOU between City and County (Western Sphere Area)**

<b>Impact Fees</b>	<b>Fee</b>	<b>Multiplier</b>	<b>Fee Amount</b>
*Fire Facilities	\$0.10 x 50%	214,300 sq. ft.	\$10,715.00***
<b>Engineering Fees</b>			
*Storm Drain Fee	\$20,388 x 50%	9.85 acres	\$100,410.90***
Sewer Deposit	\$107.76 per month	4 month deposit	\$431.04***
City Sewer Connection Master Fee	\$876.61 Per EDU	1.5984**	\$1,401.17***
City Sewer Connection Permit	\$25.00		\$25.00***
*Sanitary Sewage Facilities Expansion Fee (Inland Empire Utilities Agency)	\$5,415 Per EDU Effective 1/1/16  \$6,009 Per EDU Effective 1/1/17  \$6,309 Per EDU Effective 7/1/17  \$6,624 Per EDU Effective 7/1/18	1.5984**	\$8,655.34*** (Based on IEUA fee schedule effective 1/1/16 to 1/1/17)
LAFCO Fee	\$2,475.00		\$2,475.00
Total			\$124,113.45

\*Indicates a pass through fee collected for other agencies. Fire and storm drain fees are reduced by 50% as this project is located in the Infill area.

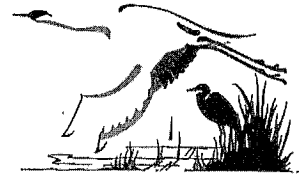
\*\*The proposed structure for this project is a shell building only at this time. Equivalent Dwelling Units (EDU's) have been estimated for the project and will be adjusted at time of plan check for the sewer "construction" permit.

\*\*\* Fees shall be due and payable prior to issuance of the sewer "construction" permit issued by the Engineering Department. Additional fees will apply for the permit issuance and inspection. The estimated fee will be collected at the actual rate when the construction permit is issued.

**Tom Dodson and Associates'  
Response and County's Environmental  
Assessment and Mitigated  
Negative Declaration**

**Attachment 3**

**TOM DODSON & ASSOCIATES**  
2150 N. ARROWHEAD AVENUE  
SAN BERNARDINO, CA 92405  
TEL (909) 882-3612 • FAX (909) 882-7015  
E-MAIL tda@tdaenv.com



**RECEIVED**  
APR 04 2016

**LAFCO**  
San Bernardino County

April 2, 2016

Ms. Kathleen Rollings-McDonald  
Executive Officer  
Local Agency Formation Commission  
215 North D Street, Suite 204  
San Bernardino, CA 92415-0490

Dear Kathy:

LAFCO SC#405 consists of a proposal by the City of Fontana (City) to extend sewer service to a site of about 9.85 acres located on the west side of Redwood Avenue at its intersection with Rosemary, within the City of Fontana's western sphere of influence. The area proposed to receive sewer service through an out-of-area service agreement is being developed as an approximate 214,000 square foot warehouse facility. If the Commission approves LAFCO SC#405, the project site can be developed with the above referenced industrial warehouse facility.

The County of San Bernardino prepared an Initial Study and adopted a Mitigated Negative Declaration for this project. The extension of sewer service by the City is required for the future occupation and utilization of the site as a large box warehouse. A sewer lateral must be extended from the sewer line in Valley Boulevard, which is located about 1,2000 feet south of the project site. Based on the surrounding level of development as determined by a site visit, no significant potential to induce growth will result from this direct lateral extension to the proposed development site.

As indicated, the County prepared an Initial Study which concluded that implementation of the proposed high-cube industrial warehouse/distribution facility store would not result in significant adverse environmental impacts to the environment with implementation of air quality, noise and circulation system mitigation measures that must be implemented under the County's jurisdiction. Therefore, I am recommending that the Commission consider the adopted Mitigated Negative Declaration as a CEQA Responsible Agency as the appropriate CEQA environmental determination for LAFCO SC#405.

Based on a review of LAFCO SC#405 and the pertinent sections of CEQA and the State CEQA Guidelines, I believe it is appropriate for the Commission's CEQA environmental determination to cite the County's Mitigated Negative Declaration as adequate documentation in accordance with the Commission's CEQA Responsible Agency status. The CEQA review process was carried out in June and July 2015 and the Notice of Determination for the project was filed on July 10, 2015. Based on a field review and review of the



environmental issues in the County's document, no substantial changes in circumstances have occurred since its adoption that would require additional environmental documentation. Under this situation, I recommend that the Commission take the following steps if it chooses to approve LAFCO SC#405, acting as a CEQA Responsible Agency:

1. Indicate that the Commission staff and environmental consultant have independently reviewed the County's Initial Study and Mitigated Negative Declaration and found them adequate for the extension of sewer service decision.
2. The Commission needs to indicate that it has considered the Mitigated Negative Declaration and environmental effects, as outlined in the Initial Study, prior to reaching a decision on the project and finds the information substantiating the Mitigated Negative Declaration adequate for approval of the extension of service decision.
3. The Commission should indicate that it does not intend to adopt alternatives or mitigation measures for this project. Mitigation measures were required for this project and they will remain the responsibility of the County to implement.
4. File a Notice of Determination with the County Clerk of the Board as a CEQA Responsible Agency.

If you have any questions regarding these recommendations, please feel free to give me a call.

Sincerely,

A handwritten signature in cursive script that reads "Tom Dodson".

Tom Dodson

## Notice of Determination

**To:**

☐ Office of Planning and Research  
U.S. Mail: \_\_\_\_\_ Street Address: \_\_\_\_\_  
P.O. Box 3044 1400 Tenth St., Rm 113  
Sacramento, CA 95812-3044 Sacramento, CA 95814

☒ Clerk of the Board  
County of: San Bernardino  
Address: 385 North Arrowhead Avenue, Second Floor  
San Bernardino, CA 92415-0130

**From:**

Public Agency: San Bernardino County, LUSD  
Address: 385 North Arrowhead Ave, First Floor San  
Bernardino, CA 92415-0187

Contact: Jim Morrissey

Phone: 909-387-4434

Lead Agency (if different from above): \_\_\_\_\_

Address: \_\_\_\_\_

Contact: \_\_\_\_\_

Phone: \_\_\_\_\_

**SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.**

State Clearinghouse Number (if submitted to State Clearinghouse): \_\_\_\_\_

Project Title: Oakmont Warehouse

Project Applicant: CRP Oakmont Redwood Avenue, LLC

Project Location (include county): 9988 Redwood Avenue, Fontana, San Bernardino County, CA ;

Project Description:

Conditional Use Permit to establish a 214,300 square foot warehouse on approximately 9.85 acres.

This is to advise that the San Bernardino County has approved the  
above (☒ Lead Agency or ☐ Responsible Agency)

described project on 7-2-2015 and has made the following determinations regarding the above  
(date)  
described project.

1. The project [ ☐ will ☒ will not] have a significant effect on the environment.
2. ☐ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.  
☒ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [ ☒ were ☐ were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [ ☐ was ☒ was not] adopted for this project.
5. A statement of Overriding Considerations [ ☐ was ☒ was not] adopted for this project.
6. Findings [ ☒ were ☐ were not] made pursuant to the provisions of CEQA.

This is to certify that the record of project approval and the Mitigated Negative Declaration are is available  
to the General Public at:

385 N. Arrowhead Ave., San Bernardino, CA 92415

Signature (Public Agency):  Title: Planning Director  
Terri Rahhal

Date: 7-2-2015 Date Received for filing at OPR: \_\_\_\_\_

Authority cited: Sections 21083, Public Resources Code.

Reference Section 21000-21174, Public Resources Code.

**DATE FILED & POSTED**

Posted On: 7/10/15

Removed On: 8/21/15

Receipt No: 310-2015-441

Revised 2011

## SAN BERNARDINO COUNTY INITIAL STUDY ENVIRONMENTAL CHECKLIST FORM

This form and the descriptive information in the application package constitute the contents of Initial Study pursuant to County Guidelines under Ordinance 3040 and Section 15063 of the State CEQA Guidelines.

### PROJECT LABEL:

<b>APN:</b>	0234-101-21	<b>USGS Quad:</b>	Fontana
<b>APPLICANT:</b>	CRP Oakmont Redwood Avenue, LLC	<b>T, R, Section:</b>	T1S R6W Sec. 23 NW ¼
<b>COMMUNITY:</b>	San Bernardino County		
<b>LOCATION:</b>	North of Hunter Street, west side of Redwood Street, south of San Bernardino Avenue, east of Cherry Avenue	<b>Specific Plan:</b>	None
<b>PROJECT NO:</b>	P201500064	<b>OLUD:</b>	SD-COM
<b>STAFF:</b>	Jim Morrissey	<b>Overlays:</b>	None
<b>REP(S):</b>	MIG   Hogle-Ireland Inc. (Christopher Brown)		
<b>PROPOSAL:</b>	To construct one industrial building to be used as a high-cube warehouse / distribution facility of approximately 214,300 square feet on 9.89 acres.		

### PROJECT CONTACT INFORMATION:

**Lead agency:** San Bernardino County  
Land Use Services Department - Current Planning Division  
385 North Arrowhead Avenue, First Floor  
San Bernardino, CA 92415-0182

**Contact person:** Jim Morrissey, Contract Planner  
**Phone No:** 909-387-4434  
**E-mail:** Jim.Morrissey@lus.sbcounty.gov  
**Fax No:** 909-387-3249

**Project Sponsor:** CRP Oakmont Redwood Avenue, LLC  
Attn: John Atwell  
3520 Piedmont Road, Suite 100  
Atlanta, Georgia 30305

**Consultant:** MIG | Hogle-Ireland, Inc.  
Attn: Christopher Brown  
1500 Iowa Avenue, Suite 110, Riverside, CA 92507  
951-787-9222

### PROJECT DESCRIPTION:

The proposed project is the construction and operation of a 214,300-square-foot high-cube warehouse. The proposed building area includes three (3) separate 5,000 square foot office space areas in three (3) corners of the project, 27 dock doors, 30 truck trailer parking stalls, and 137 passenger vehicle parking stalls. Landscaping is proposed at 64,360 square feet (15 percent of the project site area). At this time no tenant has been identified for the proposed building. The project will be constructed as a concrete tilt-up building not to exceed 41 feet in height. The primary building color will be medium grey with an off-white trim at the roofline and a dark grey base, providing horizontal variation in color accented by horizontal reveals. Vertical articulation is provided in the form of variations in the roof parapets and vertical "towers" located at the central portions of the east, west, and north elevations that will be painted dark grey. The northwest, northeast, and southeast corners of the building include similar vertical articulation accented by aluminum canopies and light blue window glazing. Conceptual landscaping includes Chinese Pistache, Crape Myrtle, Mesquite, and Chitalpa accent trees. Turf will not be planted to promote water conservation coupled with the installation of smart irrigation control systems.

The project is located on the west side of Redwood Avenue, north of Hunter Street, east of Cherry Avenue, and south of San Bernardino Avenue. The project site is located in an unincorporated San Bernardino County, in the sphere of influence of the City of Fontana, within the Second Supervisorial District.

As defined by San Bernardino County, warehouse/distribution facilities are used primarily for the storage and/or consolidation of manufactured goods prior to their distribution to retail locations or other users. These facilities are commonly constructed utilizing a concrete tilt-up technique, with a typical ceiling height of at least 24 feet. The San Bernardino Association of Governments defines high –cube warehouse/distribution centers as generally greater than 100,000 sq. ft. with a land coverage ratio of approximately 50 percent and a dock-high loading ratio of approximately 1:5,000 to 10,000 sq. ft.

#### **ENVIRONMENTAL/EXISTING SITE CONDITIONS:**

The project site is currently developed with a commercial greenhouse and nursery that specializes in indoor plants. A light industrial park is located north of the project site. Single-family residential units are located east of the project site. Single-family residential units and an automobile sales business are located south of the project site. A tire service business and single-family residential units are located west of the project site. The project site and surrounding area topography is flat. No native vegetation or riparian features are located on the project site or in the surrounding area. The project site is not located within a hazard overlay. The project site is not located within a geologic hazard overlay.

AREA	EXISTING LAND USE	OFFICIAL LAND USE DISTRICT
SITE	Greenhouse/Nursery	SD-COM (Special Development - Commercial)
North	Light Industrial	SD-COM (Special Development - Commercial)
South	Auto Sales Single-Family Residential	SD-COM (Special Development - Commercial)
East	Single-Family Residential	RS (Residential Single)
West	Tire Services Single-Family Residential	SD-COM (Special Development - Commercial)

Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement):

Federal: None

State of California: None

County of San Bernardino: Land Use Services- Planning Division, Building & Safety Division, Land Development Division, and Code Enforcement Division; Environmental Health Services; Public Works, and; Fire.

Local: Fontana Water Company.

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## **EVALUATION FORMAT**

This initial study is prepared in compliance with the California Environmental Quality Act (CEQA) Guidelines. This format of the study is presented as follows. The project is evaluated based upon its effect on seventeen (17) major categories of environmental factors. Each factor is reviewed by responding to a series of questions regarding the impact of the project on each element of the overall factor. The Initial Study Checklist provides a formatted analysis that provides a determination of the effect of the project on the factor and its elements. The effect of the project is categorized into one of the following four categories of possible determinations:

Potentially Significant Impact	Less than Significant with Mitigation	Less than Significant	No Impact
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Substantiation is then provided to justify each determination. One of the four following conclusions is then provided as a summary of the analysis for each of the major environmental factors.

1. **No Impact.** Therefore, no impacts are identified or anticipated and no mitigation measures are required.
2. **Less Than Significant Impact.** Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required.
3. **Less Than Significant Impact with Mitigation.** Possible significant adverse impacts have been identified or anticipated and the following mitigation measures are required as a condition of project approval to reduce these impacts to a level below significant. The required mitigation measures are: (List mitigation measures)
4. **Potentially Significant Impact.** Significant adverse impacts have been identified or anticipated. An Environmental Impact Report (EIR) is required to evaluate these impacts, which are: (List the impacts requiring analysis within the EIR).

At the end of the analysis the required mitigation measures are restated and categorized as being either self- monitoring or as requiring a Mitigation Monitoring and Reporting Program.



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## ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

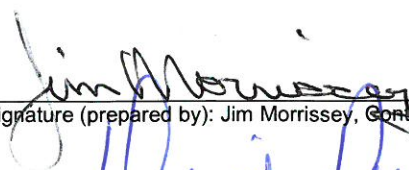
The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- |   |   |   |
|---|---|---|
| <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"/> 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/Traffic   | <input type="checkbox"/> Utilities / Service Systems      | <input type="checkbox"/> Mandatory Findings of Significance |

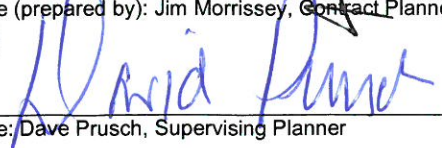
## DETERMINATION:

On the basis of this initial evaluation, the following finding is made

- ☐ The proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☒ 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.
- ☐ The proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- ☐ 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.
- ☐ 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 (prepared by): Jim Morrissey, Contact Planner

  
Date

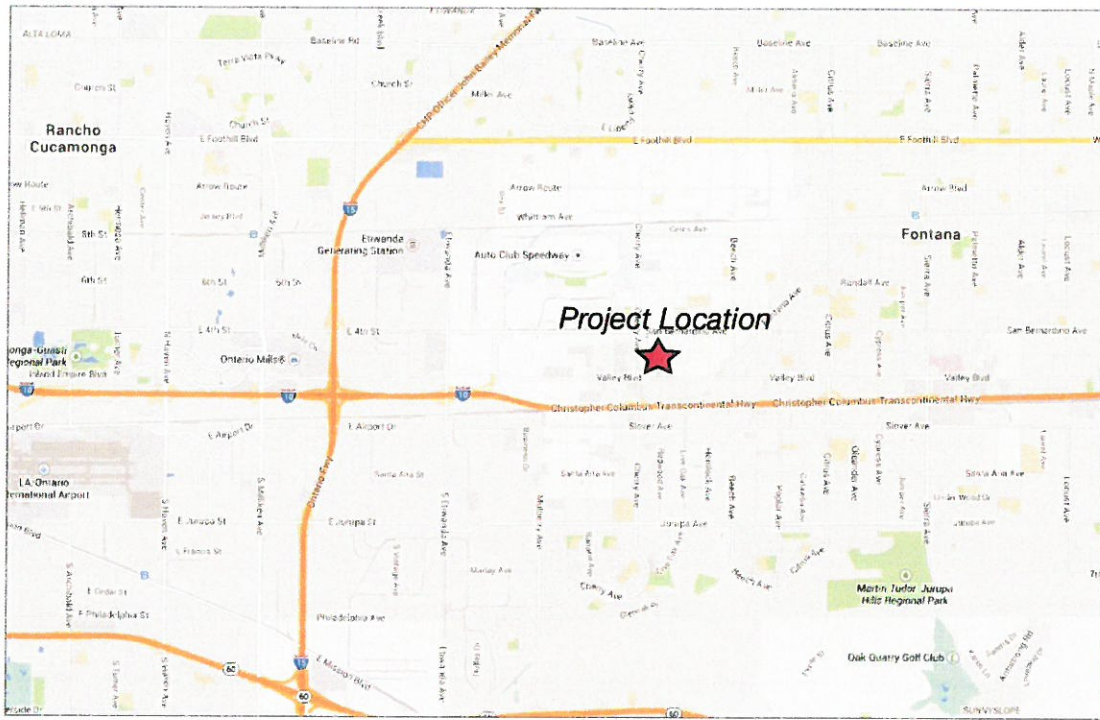
  
Signature: Dave Prusch, Supervising Planner

  
Date

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## **APPENDICES**

- A.** Air Quality and Climate Change Assessment.
- B.** Noise Study
- C.** Phase I Environmental Site Assessment
- D.** Traffic Impact Analysis



Source: Google Maps 2014

Regional



Source: Google Maps 2014

Vicinity







	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>I. AESTHETICS</b> - Would the project				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>

**SUBSTANTIATION** (Check ☐ if project is located within the view-shed of any Scenic Route listed in the General Plan):

- I a) **No Impact.** The proposed project is not located within a designated State or local Scenic Corridor and will not have a substantial adverse effect on a scenic vista, as there are none identified within the vicinity of the project site. No impact will occur.
- I b) **No Impact.** The project will not substantially damage scenic resources, including, but not limited to, rock outcroppings and historic buildings within a state scenic highway, because the site is not adjacent to a state scenic highway and there are no rock outcroppings, historic buildings, or other scenic features on the project site. No impacts will occur.
- I c) **Less Than Significant Impact.** The proposed project will not substantially degrade the existing visual character or quality of the site and its surroundings. The surrounding area is characterized by industrial and residential development with no specific design criteria or pattern. Landscaping will include 15 percent of the project site. The proposed concrete tilt-up building is characterized by contemporary architecture consistent with the light industrial park to the north and will not conflict with the mix of architecture in the project vicinity. The project will result in an update to the visual character of the project site. Considering these factors, the project will not result in the degradation of the visual quality of the project site or area. Impacts will be less than significant.
- I d) **Less Than Significant Impact.** Proposed lighting will be designed in accordance with the design standards of the County Development Code. Adherence to these standards will ensure that the project will not create a new source of substantial light or glare by requiring lighting to be shielded or hooded and to prohibit light from spilling onto adjacent properties. Impacts will be less than significant with implementation of existing regulations.

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>II. AGRICULTURE AND FORESTRY RESOURCES -</b>				
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 Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. 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 checked="" 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 checked="" 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 checked="" type="checkbox"/>
d) Result in loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>

**SUBSTANTIATION** (Check ☐ if project is located in the Important Farmlands Overlay):

- II a) **No Impact.** The project site is identified as *Urban and Built Up* land on the latest (2010) Farmland Mapping and Monitoring Program (FMMP) map for San Bernardino County, Sheet 2 of 2; therefore, development of the project site will not result in the loss or conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance to a non-agricultural use. No impact will occur.
- II b) **No Impact.** The subject property is not designated or zoned for agricultural use and is not covered under a Williamson Act land conservation contract. No impact will occur.
- II c) **No Impact.** The site is not zoned as forest land or timberland by San Bernardino County or the State of California Conservation Department. The area is comprised of urbanized land. No impact will occur.

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- II d) **No Impact.** There is no forest or timberland located on the project site. No impact will occur.
- II e) **Less Than Significant Impact.** The project site is currently developed with an operational greenhouse and nursery. This does not constitute a permanent agricultural use dependent on on-site soils or other site specific conditions. Although the project will result in the loss or relocation of an existing agricultural related operation, no Farmland Mapping Categories will be affected. No other agricultural uses or forest use are located in the vicinity that could be impacted by the project. Impacts will be less than significant.



	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>III. AIR QUALITY</b> - Where available, the significance criteria established by the applicable air quality management 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 checked="" type="checkbox"/>	<input type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) 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 (including releasing emissions, which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**SUBSTANTIATION** *The following summaries are based in part on the project Air Quality and Climate Assessment prepared by MIG | Hogle-Ireland in February 2015.*

- III a) **Less Than Significant Impact.** The Air Quality Management Plan (AQMP) for the South Coast Air Basin (SCAB) sets forth a comprehensive program that will lead the SCAB into compliance with all Federal and State air quality standards. AQMP control measures and related emission reduction estimates are based upon emissions projections for a future development scenario derived from land use, population, and employment characteristics defined in consultation with local governments. Accordingly, conformance with the AQMP for development projects is determined by demonstrating compliance with local land use plan and/or population projections.

An air quality analysis for the project was prepared by MIG | Hogle-Ireland in February 2015 and updated in December 2014. The air quality analysis was prepared to evaluate whether the expected criteria air pollutant emissions generated from the project would cause significant impacts to air resources in the project area. Short-term construction-related and long-term operational emissions of criteria pollutants and toxic air contaminants were modeled and analyzed for the proposed project. See Section b) below. Cumulative impacts were analyzed using the South Coast Air Quality Management District (SCAQMD)

Air Quality Handbook. The results of the air quality study find that the thresholds established by SCAQMD for volume and receptor-specific criteria pollutant emissions and toxic air contaminants, based upon the stated average trip assumptions, will not be exceeded.

- III b) **Less Than Significant Impact With Mitigation Incorporated.** Short-term criteria pollutant emissions will occur during site preparation, grading, building construction, paving, and painting activities. Emissions will occur from use of equipment, worker, vendor, and hauling trips, and disturbance of onsite soils (fugitive dust). To determine if construction of the proposed warehouse could result in a significant air quality impact, the California Emissions Estimator Model (CalEEMod) has been utilized. Default CalEEMod construction programming data was utilized in the model. Based on the results of the model, maximum daily emissions from the construction of the warehouse will result in excessive emissions of volatile organic chemicals (identified as reactive organic gases) associated with interior and exterior coating activities. Using the default assumption of 250 grams per liter (g/l) VOC content for interior and exterior coatings, daily VOC emissions would reach 356.01 lbs/day during summer and winter.

To mitigate for excessive VOC emissions from coating activities, the model includes use of a minimum zero g/l VOC content for interior coatings and 125 g/l VOC content for exterior surfaces. Use of low-VOC coatings during construction activities will reduce VOC emissions to 44.9 lbs/day in winter and winter, less than the threshold established by SCAQMD. The requirement for use of low-VOC coatings has been included as Mitigation Measures III-1. The results of the CalEEMod outputs with mitigation incorporated are summarized in Table 1 (Maximum Daily Construction Emissions). Standard County mitigation measures have also been included to further reduce construction-related emissions. Impacts will be less than significant with mitigation incorporated.

**Table 1**  
**Maximum Daily Construction Emissions (lbs/day)**

Source	ROG	NO <sub>x</sub>	CO	SO <sub>2</sub>	PM <sub>10</sub>	PM <sub>2.5</sub>
<i>Summer</i>						
2016	6.54	80.83	60.68	0.14	32.66	7.44
2017	44.91	32.88	35.47	0.07	4.37	2.43
<i>Winter</i>						
2016	6.66	82.11	64.20	0.14	32.66	7.44
2017	44.91	33.10	36.01	0.07	4.37	2.44
Threshold	75	100	550	150	150	55
Substantial?	No	No	No	No	No	No

Mitigation Measures:

*III-1 AQ-Coating Restriction Plan. The developer shall submit for review and obtain approval from County Planning of a Coating Restriction Plan (CRP), consistent with SCAQMD guidelines and a signed letter agreeing to include in any construction contracts/subcontracts a condition that the contractors adhere to the requirements of the CRP. The CRP measures shall be following implemented to the satisfaction of*

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*County Building and Safety:*

- a. Interior architectural coatings with Reactive Organic Compounds (ROC) shall not have content greater than zero g/l.*
- b. Exterior architectural coatings with Reactive Organic Compounds (ROC) shall not have content greater than 125 g/l.*
- c. Architectural coating volume shall not exceed the significance threshold for ROC, which is 75 lbs. /day and the combined daily ROC volume of architectural coatings and asphalt paving shall not exceed the significance threshold for ROC of 75 lbs. per day.*
- d. High-Volume, Low Pressure (HVLP) spray guns shall be used to apply coatings.*
- e. Precoated/natural colored building materials, water-based or low volatile organic compound (VOC) coatings shall be used, if practical.*
- f. Comply with SCAQMD Rule 1113 on the use of architectural coatings.*

*[Mitigation Measure III-1] Building Permits/Planning*

*III-2 AQ-Operational Mitigation. The “developer” shall implement the following air quality mitigation measures, during operation of the approved land use: All on-site equipment and vehicles (off-road/ on-road), shall comply with the following:*

- a. County Diesel Exhaust Control Measures [SBCC §83.01.040 (c)]b Signs shall be posted requiring all vehicle drivers and equipment operators to turn off engines when not in use.*
- b. All engines shall not idle more than five minutes in any one-hour period on the project site. This includes all equipment and vehicles.*
- c. Engines shall be maintained in good working order to reduce emissions.*
- d. Ultra low-sulfur diesel fuel shall be utilized.*
- e. Electric, CNG and gasoline-powered equipment shall be substituted for diesel-powered equipment, where feasible.*
- f. On-site electrical power connections shall be made available, where feasible.*
- g. All transportation refrigeration units (TRU's) shall be provided electric connections, when parked on-site.*

*[Mitigation Measure III-2] General Requirements/Planning*

*III-3 AQ-Dust Control Plan. The “developer” shall prepare, submit for review and obtain approval from County Planning of both a Dust Control Plan (DCP) consistent with SCAQMD guidelines and a signed letter agreeing to include in any construction contracts/ subcontracts a requirement that project contractors adhere to the requirements of the DCP. The DCP shall include the following requirements:*

- a. Exposed soil shall be kept continually moist to reduce fugitive dust during all grading and construction activities, through application of water sprayed a minimum of two times each day.*
- b. During high wind conditions (i.e., wind speeds exceeding 25 mph), areas with disturbed soil shall be watered hourly and activities on unpaved surfaces shall cease until wind speeds no longer exceed 25 mph.*
- c. Storage piles that are to be left in place for more than three working days shall be sprayed with a non-toxic soil binder, covered with plastic or revegetated.*
- d. Storm water control systems shall be installed to prevent off-site mud deposition.*
- e. All trucks hauling dirt away from the site shall be covered.*
- f. Construction vehicle tires shall be washed, prior to leaving the project site.*

- g. Rumble plates shall be installed at construction exits from dirt driveways.
- h. Paved access driveways and streets shall be washed and swept daily when there are visible signs of dirt track-out.
- i. Street sweeping shall be conducted daily when visible soil accumulations occur along site access roadways to remove dirt dropped or tracked-out by construction vehicles.
- j. Site access driveways and adjacent streets shall be washed daily, if there are visible signs of any dirt track-out at the conclusion of any workday and after street sweeping.

*[Mitigation Measure III-3] Grading Permits/Planning*

*III-4 AQ-Construction Mitigation. The “developer” shall submit for review and obtain approval from County Planning of a signed letter agreeing to include as a condition of all construction contracts/subcontracts requirements to reduce vehicle and equipment emissions and other impacts to air quality by implementing the following measures and submitting documentation of compliance: The developer/construction contractors shall do the following:*

- a. *Provide documentation prior to beginning construction demonstrating that the project will comply with all SCAQMD regulations including 402, 403, 431.1, 431.2, 1113 and 1403.*
- b. *Each contractor shall certify to the developer prior to construction-use that all equipment engines are properly maintained and have been tuned-up within last 6 months.*
- c. *Each contractor shall minimize the use of diesel-powered vehicles and equipment through the use of electric, gasoline or CNG-powered equipment. All diesel engines shall have aqueous diesel filters and diesel particulate filters.*
- d. *All gasoline-powered equipment shall have catalytic converters.*
- e. *Provide onsite electrical power to encourage use of electric tools.*
- f. *Minimize concurrent use of equipment through equipment phasing.*
- g. *Provide traffic control during construction to reduce wait times.*
- h. *Provide on-site food service for construction workers to reduce offsite trips.*
- i. *Implement the County approved Dust Control Plan (DCP)*
- j. *Suspend use of all construction equipment operations during second stage smog alerts.*

*NOTE: For daily forecast, call (800) 367-4710 (San Bernardino and Riverside counties).*

*[Mitigation Measure III-4] Grading Permits/Planning*

*III-5 AQ-Installation. The developer shall submit for review and obtain approval from County Planning of evidence that all air quality mitigation measures have been installed, implemented properly and that specified performance objectives are being met to the satisfaction of County Planning and County Building and Safety. These installations/procedures include the following:*

- a. *Dust Control Plan (DCP)*
- b. *Coating Restriction Plan (CRP)*

*[Mitigation Measure III-5] Final Inspection/Planning*



Long-term criteria air pollutant emissions will result from the operation of the proposed warehouse. Long-term emissions are categorized as area source emissions, energy demand emissions, and operational emissions. Operational emissions will result from automobile, truck, and other vehicle sources associated with daily trips to and from the warehouse. Area source emissions are the combination of many small emission sources that include use of outdoor landscape maintenance equipment, use of consumer products such as cleaning products, and periodic repainting of the proposed warehouse. Energy demand emissions result from use of electricity and natural gas. Based on the results of the CalEEMod model, maximum daily operational emissions associated with the proposed warehouse will not exceed the thresholds established by SCAQMD as summarized in Table 2 (Operational Daily Emissions (lbs/day)). Impacts will be less than significant.

**Table 2**  
**Operational Daily Emissions (lbs/day)**

Source	ROG	NO <sub>x</sub>	CO	SO <sub>2</sub>	PM <sup>10</sup>	PM <sup>2.5</sup>
Summer	12.52	20.36	25.51	0.09	4.92	1.56
Winter	12.60	21.10	27.46	0.09	4.93	1.57
Threshold	55	55	550	150	150	55
Substantial?	No	No	No	No	No	No

III c) **Less Than Significant Impact.** Cumulative short-term, construction-related emissions from the project will not contribute considerably to any potential cumulative air quality impact because short-term project emissions will be less than significant with mitigation incorporated, as identified in Mitigation Measure III-1 above, and other concurrent construction projects in the region will be required to implement standard air quality regulations and mitigation pursuant to State CEQA requirements, just as this project has. The SCAQMD CEQA Air Quality Handbook identifies methodologies for analyzing long-term cumulative air quality impacts for criteria pollutants for which the Basin is nonattainment. These methodologies identify three performance standards that can be used to determine if long-term emissions will result in cumulative impacts. Essentially, these methodologies assess growth associated with a land use project and are evaluated for consistency with regional projections. These methodologies are outdated, and are no longer recommended by SCAQMD. As discussed in Section III.a, the proposed project is consistent with current land use designations and is consistent with the growth assumptions in the AQMP, which have incorporated the County's current General Plan. Therefore, the proposed project will not contribute to any potential cumulative air quality impacts, based on the CEQA projection method.

III d) **Less Than Significant Impact.** The proposed project is a high-cube warehouse that will generate diesel particulate matter (DPM) emissions from truck trips entering and exiting the site. DPM has been identified as a Toxic Air Contaminant (TAC) by the Air Resources Board (ARB).

A carbon monoxide (CO) hotspot is an area of localized CO pollution that is caused by severe vehicle congestion on major roadways, typically near intersections. CO hotspots have the potential to violate state and federal CO standards at intersections, even if the broader Basin is in attainment for federal and state levels. The Sacramento Metropolitan Air

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Quality Management District (SMAQMD) developed a screening threshold (supported by SCAQMD) that states that any project involving an intersection experiencing 31,600 vehicles per hour or more will require detailed analysis.<sup>1</sup> The project will not involve an intersection experiencing this level of traffic; therefore, the project passes the screening analysis and will not result in a CO hotspot. Impacts will be less than significant.

As part of SCAQMD's environmental justice program, attention has recently been focusing more on the localized effects of air quality. Although the region may be in attainment for a particular criteria pollutant, localized emissions from construction activities coupled with ambient pollutant levels can cause localized increases in criteria pollutant that exceed national and/or State air quality standards.

Construction-related criteria pollutant emissions and potentially significant localized impacts were evaluated pursuant to the SCAQMD Final Localized Significance Thresholds Methodology. This methodology provides screening tables for one through five acre project scenarios, depending on the amount of site disturbance during a day. As the project site consists of more than five acres, the SCREEN3 modeling software was utilized to calculate localized pollutant concentrations for construction activity. SCREEN3 uses dispersion screening techniques to estimate impacts of point, area, and volume stationary sources. For purposes of this analysis, receptors were located at residential uses to the north and east of the proposed project. Localized NO<sub>x</sub> and CO emissions are combined with background concentrations to determine if the construction of the proposed project would cause NO<sub>x</sub> or CO to exceed established thresholds. Per SCAQMD methodology, incremental PM<sub>10</sub> and PM<sub>2.5</sub> impacts from construction are derived based on the change in concentration threshold of 10.4 µ/m<sup>3</sup> as nearly the entire district exceeds PM<sub>10</sub> and PM<sub>2.5</sub> standards.

Applicable localized thresholds are as follows:

- State 8-hour CO standard of 20.0 ppm
- State 1-hour NO<sub>2</sub> standard of 0.18 ppm
- SCAQMD 24-hour construction PM<sub>10</sub> LST of 10.4 µ/m<sup>3</sup>
- SCAQMD 24-hour construction PM<sub>2.5</sub> LST of 10.4 µ/m<sup>3</sup>

For construction, an area source encompassing approximately 40,000 square meters was modeled. The urban option of the model was selected and receptor height was set at 2.0 meters consistent with SCAQMD methodology. For PM<sub>10</sub> and PM<sub>2.5</sub> a source release height of one meter was utilized consistent with SCAQMD methodology. Additionally, for emissions of NO<sub>x</sub> and CO released during construction activities, a source release height of five meters was utilized to approximate the height of equipment exhausts. Based on the results of the model provided in the project air quality study, emissions for NO<sub>x</sub>, CO, PM<sub>10</sub>, and PM<sub>2.5</sub> will not exceed localized thresholds. Impacts will be less than significant.

- III e) **No Impact.** According to the CEQA Air Quality Handbook, land uses associated with odor complaints include agricultural operations, wastewater treatment plants, landfills, and certain industrial operations (such as manufacturing uses that produce chemicals, paper, etc.). The proposed warehouse does not produce odors that would affect a substantial number of people. No impact will occur.

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>IV. BIOLOGICAL RESOURCES - Would the project:</b>				
a) Have substantial adverse effects, 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 Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (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 checked="" type="checkbox"/>
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 checked="" 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 checked="" 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 checked="" type="checkbox"/>

**SUBSTANTIATION :**

- IV a) **No Impact.** The project site is currently developed with an existing, enclosed greenhouse and nursery. The project site does not have native vegetation and is characterized by ornamental landscaping. Due to the current business operation, no habitat is known to be present that could support 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 Game or U.S. Fish and Wildlife Service. The California Department of Fish and Wildlife Natural Diversity Database search did not identify any occurrences of special

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animals, plants, or natural communities on the project site. No impact will occur.

- IV b) **No Impact.** The project site contains no surface water bodies and no riparian habitat or other sensitive natural community is present. There are no regional conservation plans for the project site. No impact will occur.
- IV c) **No Impact.** No surface water bodies exist on the project site and no wetlands as defined by Section 404 of the Clean Water Act are located on the site. The project is not anticipated to impact any protected wetlands.
- IV d) **No Impact** This project will not interfere 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, because there are no such corridors due to the intensive urban nature of the area. There are no permanent waterbodies on site that could serve as a waypoint in the Pacific Flyway for migratory birds. No impact will occur.
- IV e) **No Impact.** This project will not conflict with local policies or ordinances protecting native trees because the regulated plants identified within the Development Code for the Desert, Mountain, Valley, and Riparian areas are not applicable due to the lack of: Native trees on-site; three or more palm trees planted in a linear arrangement or; riparian trees within the Valley area. San Bernardino County does not have any adopted tree preservation ordinance, but does provide specific procedures for removal of native trees or palm trees. No impact will occur.
- IV f) **No Impact** This project will not conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan, because no such plan has been adopted in the area of the project site. The County of San Bernardino has not adopted a Habitat Conservation Plan for the region. Likewise, there is no local, regional or state habitat conservation plan that governs the project site or vicinity. No impact will occur.



	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>V. CULTURAL RESOURCES - Would the project</b>				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**SUBSTANTIATION** (Check if the project is located in the Cultural ☐ or Paleontologic ☐ Resources overlays or cite results of cultural resource review):

- V a) **No Impact.** The project site is currently developed with a greenhouse and nursery. The initial construction of the existing nursery started in 1976 and was completed in 2005, based upon information in the *Phase I Environmental Site Assessment* referenced in this document. The greenhouse is not listed as a historic resource and does not exhibit any characteristics that could lead to its potential listing, such as design by an important architect or if it was known as a site upon which an important event occurred in the history of California. No impact will occur as a result of its demolition to accommodate the proposed project.
- V b) **Less Than Significant Impact.** This project will not cause a substantial adverse change in the significance of an archaeological resource, because no resources have been identified on the site. The County General Plan EIR does not indicate the discovery of archaeological resources on the site. The project site is fully developed; therefore, surface soils have previously been disturbed and any archaeological resources within a shallow depth have been discovered or destroyed. Further, should archaeological resources of significance be unearthed during grading or excavation activities, the project would be subject to the County's condition of approval regarding cultural resources that requires the developer to contact the appropriate County Museum or Information Center for determination of an appropriate course of action in handling the discovery, such as isolation of the resource site, recovery of the item, and appropriate curation and documentation. Impacts to archaeological resources will be less than significant with implementation of standard conditions.
- V c) **Less Than Significant Impact.** The project site is currently developed; therefore, any near-surface paleontological resources that may have underlain the project site would have been previously recovered or destroyed during previous construction activities. The

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proposed project includes no subsurface structures that would require grading beyond existing, disturbed surficial soils. Little to no further excavation of the site is proposed that would disturb the underlying soil that has potential for containing paleontological resources. This project is not anticipated to directly or indirectly destroy a unique paleontological resource, site, or unique geologic feature because the site and surrounding area consists of alluvial deposits of the Pliocene to Holocene era.<sup>2</sup> Sediments from this more recent era of geologic activity do not typically contain fossil or other paleontological resources. While later aged sediments may exist beneath the surface deposits on the project site, the minimal amount of grading proposed for the project is not anticipated to disturb any potential paleontological resources that may exist beneath the surface. To further reduce the potential for impacts, the project will be subject to a condition that requires the developer to contact the appropriate County Museum or Information Center for a determination of the appropriate course of action if any discoveries are made during project construction. Impacts will be less than significant.

- V d) **Less Than Significant Impact.** This project is not likely to disturb any human remains including those interred outside of formal cemeteries, because no such burial grounds are known to exist on the project site and the project site has been previously developed; however, should any human remains be discovered during construction of this project, the stipulations set forth in Section 21083.1 of the California Public Resources Code are required to be followed. All construction or excavation shall cease in the immediate area of the find(s) until the County Coroner, by law, has determined if the remains are human and/or archaeological in character. If the remains are human and archaeological, the landowner shall consult with a qualified archaeologist and a representative of the applicable Native American tribe. Impacts will be less than significant with implementation of existing regulations.

**VI. GEOLOGY AND SOILS - Would the project:**

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii. Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii. Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv. Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on expansive soil, as defined in Table 181-B of the California Building Code (2001) creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**SUBSTANTIATION** (Check ☐ if project is located in the Geologic Hazards Overlay District):

*The following summaries are based in part on the National Resources Conservation Service Soil Survey.*

ai) **No Impact.** The project will not expose people or structures to potential substantial

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adverse effects, including the risk of loss, injury, or death involving rupture of a known earthquake fault, because the project site lies outside of any Alquist-Priolo Special Studies Zone. The project site is not located within a County fault hazard overlay or on any known fault. No impact will occur.

aii) **Less Than Significant Impact.** The project will not expose people or structures to potentially substantial adverse effects, including the risk of loss, injury, or death involving strong seismic ground shaking. Although the entirety of the County is subject to strong ground shaking, the project will be reviewed and approved by County Building and Safety with appropriate seismic standards implemented. Adherence to standards and requirements contained in the building code for the design of the proposed structures will ensure that structures do not collapse during strong ground shaking. Impacts will be less than significant with implementation of existing regulations.

aiii) **No Impact.** The project will not expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving seismic-related ground failure, including liquefaction. The County Geologic Hazard Map indicates that the site has low susceptibility to liquefaction. Furthermore, liquefaction impacts are considered low due to the groundwater depth of over 150 feet, based upon information contained in the *Phase I Environmental Site Assessment*. No impact will occur.

aiv) **No Impact.** The project will not expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving landslides, because the project site and surrounding area is relatively flat. No impact will occur.

VI b) **Less Than Significant Impact.** The project will not result in substantial soil erosion or the loss of topsoil, because the site will be built, paved, and landscaped. Erosion control plans will be required to be submitted, approved, and implemented. Measures to reduce and control erosion of soil during construction are required by SCAQMD through its Rule 403 for control of fugitive dust, the Santa Ana Regional Water Quality Control Board (RWQCB) under administration of the State's General Construction Permit, and the County of San Bernardino Public Works Department through its Storm Water Management Program. Implementation of requirements under SCAQMD Rule 403 for control of fugitive dust will reduce or eliminate the potential for soil erosion due to wind. Implementation of Best Management Practices (BMPs) that would be included in the applicant's required Storm Water Pollution Prevention Plan (SWPPP) and Water Quality Management Plan (WQMP) would reduce soil erosion due to storm water or water associated with construction. Impacts will be less than significant.

VI c) **Less Than Significant Impact.** The project is not located on a geologic unit or soil identified as being unstable or having the potential to result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse because the Natural Resources Conservation Service (NRCS) Soil Survey data does not identify any development restrictions associated with the potential for ground failure. Standard grading and building code requirements will ensure any impacts related to ground failure will be less than significant.



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- VI d) **No Impact.** The project site is not located in an area that has been identified by the NRCS Soil Survey data as having the potential for expansive soils. No impact will occur.
- VI e) **No Impact.** The project will be served by an existing sewer system; therefore, no impacts related to soil conditions and septic tanks could occur.

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>VII. GREENHOUSE GAS EMISSIONS</b> - 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 checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with an applicable plan, policy, or regulation adopted for the purposes of reducing the emissions of greenhouse gases.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**SUBSTANTIATION** *The following summaries are based in part on the project Air Quality and Climate Change Assessment prepared by MIG | Hogle-Ireland in February 2015.*

- VII a) **Less Than Significant Impact.** The County's Greenhouse Gas Emissions Reduction Plan (GHG Plan) was adopted on December 6, 2011 and became effective on January 6, 2012. The GHG Plan establishes a GHG emissions reduction target for the year 2020 that is 15 percent below 2007 emissions. The plan is consistent with AB 32 and sets the County on a path to achieve more substantial long-term reductions in the post-2020 period. Achieving this level of emissions will ensure that the contribution to greenhouse gas emissions from activities covered by the GHG Plan will not be cumulatively considerable.

In 2007, the California State Legislature adopted Senate Bill 97 (SB97) requiring that the CEQA Guidelines be amended to include provisions addressing the effects and mitigation of GHG emissions. New CEQA Guidelines have been adopted that require: inclusion of a GHG analyses in CEQA documents; quantification of GHG emissions; a determination of significance for GHG emissions; and, adoption of feasible mitigation to address significant impacts. The CEQA Guidelines [Cal. Code of Regulations Section 15083.5 (b)] also provide that the environmental analysis of specific projects may be tiered from a programmatic GHG plan that substantially lessens the cumulative effect of GHG emissions. If a public agency adopts such a programmatic GHG Plan, the environmental review of subsequent projects may be streamlined. A project's incremental contribution of GHG emissions will not be considered cumulatively significant if the project is consistent with the adopted GHG plan.

Implementation of the County's GHG Plan is achieved through the Development Review Process by applying appropriate reduction requirements to projects, which reduce GHG emissions. All new development is required to quantify the project's GHG emissions and adopt feasible mitigation to reduce project emissions below a level of significance. A review threshold of 3,000 metric tons of carbon dioxide equivalent (MTCO<sub>2</sub>e) per year is used to identify and mitigate project emissions. Based on a CalEEMod statistical analysis, warehouse projects that exceed 53,000 square feet typically generate more than 3,000 MTCO<sub>2</sub>e. For projects exceeding 3,000 MTCO<sub>2</sub>e per year of GHG emissions, the developer may use the GHG Plan Screening Tables as a tool to assist with calculating GHG reduction measures and the determination of a significance finding. Projects that

garner 100 or more points in the Screening Tables do not require quantification of project-specific GHG emissions. The point system was devised to ensure project compliance with the reduction measures in the GHG Plan such that the GHG emissions from new development, when considered together with those from existing development, will allow the County to meet its 2020 target and support longer-term reductions in GHG emissions beyond 2020. Consistent with the CEQA Guidelines, such projects are consistent with the Plan and therefore will be determined to have a less than significant individual and cumulative impact for GHG emissions.

The proposed project garnered 106 points on the Screening Tables through the application of Energy Efficient Reduction measures, Renewable Fuel/Low Emissions Vehicles Measures, Construction Debris Diversion Measures, Efficient Irrigation and Landscaping systems and use of recycled water, and Per Capita Water use Reductions, and as a result, the project is considered to be consistent with the GHG Plan and is therefore determined to have a less than significant individual and cumulative impact for GHG emissions. The GHG reduction measures proposed by the developer through the Screening Tables Review Process have been included in the project design or will be included as Conditions of Approval for the project.

**Table 4**  
**Screening Table for Implementation of GHG Reduction Measures**

Feature	Descriptions	Assigned Point Values	Project Points
<b>Reduction Measure R2E7: Energy Efficiency for Commercial Development</b>			
<b>Building Envelope</b>			
Insulation	Title 24 standard (required) Modestly Enhanced Insulation (5%>Title 24) Enhanced Insulation (15%>Title 24) Greatly Enhanced Insulation (20%>Title 24)	0 points 4 points 8 points 12 points	8
Windows	Title 24 standard (required) Modestly Enhanced Window Insulation (5%>Title 24) Enhanced Window Insulation (15%>Title 24) Greatly Enhanced Window Insulation (20%>Title 24)	0 points 4 points 8 points 12 points	8
Doors	Title 24 standard (required) Modestly enhanced Insulation (5%>Title 24) Enhanced Insulation (15%>Title 24) Greatly Enhanced Insulation (20%>Title 24)	0 points 4 points 8 points 12 points	4
Air Infiltration	Minimizing leaks in the building envelope is as important as the insulation properties of the building. Insulation does not work effectively if there is excess air leakage.  Title 24 standard (required) Modest Building Envelope Leakage (5%>Title 24) Reduced Building Envelope Leakage (15%>Title 24) Minimum Building Envelope Leakage (20%>Title 24)	  0 points 4 points 8 points 12 points	8
Thermal Storage of Building	Thermal storage is a design characteristic that helps keep a constant temperature in the building. Common thermal storage devices include strategically placed water filled columns, water		--

	<p>storage tanks, and thick masonry walls.</p> <p>Thermal storage designed to reduce heating/cooling by 5°F within the building</p> <p>Thermal storage to reduce heating/cooling by 10 °F within the building</p> <p>Note: Engineering details must be provided to substantiate the efficiency of the thermal storage device.</p>	<p>6 points</p> <p>12 points</p>	
<b>Indoor Space Efficiencies</b>			
Heating/Cooling Distribution System	<p>Title 24 (required)</p> <p>Modest Distribution Losses (5%&gt;Title 24)</p> <p>Reduced Distribution Losses (15%&gt;Title 24)</p> <p>Greatly Reduced Distribution Losses (15%&gt;Title 24)</p>	<p>0 points</p> <p>4 points</p> <p>8 points</p> <p>12 points</p>	4
Space Heating/Cooling Equipment	<p>Title 24 standard (required)</p> <p>Efficiency HVAC (5%&gt;Title 24)</p> <p>High Efficiency HBAC (15%&gt;Title 24)</p> <p>Very High Efficiency HBAC (20%&gt;Title 24)</p>	<p>0 points</p> <p>4 points</p> <p>8 points</p> <p>12 points</p>	4
<b>Building Envelope</b>			
Commercial Heat Recovery Systems	Heat recovery strategies employed with commercial laundry, cooking equipment, and other commercial heat sources for reuse in HVAC air intake or other appropriate heat recovery technology. Point values for these types of systems will be determined based upon design and engineering data documenting energy savings.	TBD	--
Water Heaters	<p>Title 24 standard (required)</p> <p>Efficiency Water heater (Energy Star Conventional that is 5%&gt;Title 24)</p> <p>High Efficiency Water Heater (Conventional water heater that is 15%&gt;Title 24)</p> <p>High Efficiency Water Heater (Conventional water heater that is 20%&gt;Title 24)</p> <p>Solar Water Heating System (commercial only-this reduction feature also implements R2E10)</p>	<p>0 points</p> <p>4 points</p> <p>8 points</p> <p>12 points</p> <p>14 points</p>	8
Daylighting	<p>Daylighting is the ability of each room within the building to provide outside light during the day reducing the need for artificial lighting during daylight hours.</p> <p>All peripheral rooms within building have at least one window or skylight</p> <p>All rooms within building have daylight (through use of windows, solar tubes, skylights, etc.) such that each room has at least 800 lumens of light during a sunny day</p> <p>All rooms daylighted to a least 1,000 lumens.</p>	<p>1 point</p> <p>5 points</p> <p>7 points</p>	7
Artificial Lighting	<p>Title 24 standard (required)</p> <p>Efficient Lights (5%&gt;Title 24)</p> <p>High Efficiency Lights (LED, etc. 15%&gt;Title 24)</p> <p>Very High Efficiency Lights (LED, etc. 20%&gt;Title 24)</p>	<p>0 points</p> <p>4 points</p> <p>6 points</p> <p>8 points</p>	8
Appliances	<p>Title 24 standard (required)</p> <p>Efficient Appliances (5%&gt;Title 24)</p> <p>High Efficiency Energy Star Appliances (15%&gt;Title 24)</p> <p>Very High Efficiency Appliances (20%&gt;Title 24)</p>	<p>0 points</p> <p>4 points</p> <p>8 points</p> <p>12 points</p>	8
<b>Miscellaneous Commercial Building Efficiencies</b>			

Building Placement	North/South alignment of building or other placement such that the orientation of the buildings optimizes conditions for natural heating, cooling, and lighting	4 points	--
Other	This allows innovation by the applicant to provide design features that increases the energy efficiency of the project not provided in the table. Note that engineering data will be required documenting the energy efficiency of innovative designs and point values given based upon the proven efficiency beyond Title 24 Energy Efficiency Standards.	TBD	--
Existing Commercial Building Retrofits	<p>The applicant may wish to provide energy efficiency retrofit projects to existing residential dwelling units to further the point value of their project. Retrofitting existing commercial buildings within the unincorporated County is a key reduction measure that is needed to reach the reduction goal. The potential for an applicant to take advantage of this program will be decided on a case by case basis and must have the approval of the San Bernardino County Land Use Services Department. The decision to allow applicants the ability to participate in this program will be evaluated based upon, but not limited to the following:</p> <p>Will the energy efficiency retrofit project benefit low income or disadvantaged communities?</p> <p>Does the energy efficiency retrofit project fit within the overall assumptions in Reduction Measure R2E4?</p> <p>Does the energy efficiency retrofit project provide co-benefits important to the County?</p> <p>Point value will be determined based upon engineering and design criteria of the energy efficiency retrofit project.</p>	TBD	--
Photovoltaic	<p>Solar Photovoltaic panels installed on commercial buildings or in collective arrangements within a commercial development such that the total power provided augments:</p> <p>Solar Read Roofs (study roof and electric hookups)</p> <p>10 percent of the power needs of the project            20 percent of the power needs of the project            30 percent of the power needs of the project            40 percent of the power needs of the project            50 percent of the power needs of the project            60 percent of the power needs of the project            70 percent of the power needs of the project            80 percent of the power needs of the project            90 percent of the power needs of the project            100 percent of the power needs of the project</p>	<p>2 points            7 points            13 points            19 points            25 points            31 points            37 points            43 points            49 points            55 points            60 points</p>	--
Wind turbines	Some areas of the County lend themselves to wind turbine applications. Analysis of the areas capability to support wind turbines should be evaluated prior to choosing this feature. Wind turbines as part of the commercial development such that the total power provided augments:		--



	10 percent of the power needs of the project 20 percent of the power needs of the project 30 percent of the power needs of the project 40 percent of the power needs of the project 50 percent of the power needs of the project 60 percent of the power needs of the project 70 percent of the power needs of the project 80 percent of the power needs of the project 90 percent of the power needs of the project 100 percent of the power needs of the project	7 points 13 points 19 points 25 points 31 points 37 points 43 points 49 points 55 points 60 points	
Off-site renewable energy project	The applicant may submit a proposal to supply an off-site renewable energy project such as renewable energy retrofits of existing residential that will help Implement R2E1, existing commercial/industrial that will help Implement R2E2, or the Warehouse Renewable Energy incentive Program (R2E4). These off-site renewable energy retrofit project proposals will be determined on a case by case basis accompanied by a detailed plan documenting the quantity of renewable energy the proposal will generate. Point values will be based upon the energy generated by the proposal.	TBD	--
Other Renewable Energy Generation	The applicant may have innovative designs or unique site circumstances (such as geothermal) that allow the project to generate electricity from renewable energy not provided in the table. The ability to supply other renewable energy and the point values allowed will be decided based upon engineering data documenting the ability to generate electricity.	TBD	--
<b>Reduction Measures R2E7: Warehouse Renewable Energy Incentive Program</b>			
Warehouse Photovoltaic	This measure is for warehouse projects and involves partnership with Southern California Edison and California Public Utilities Commissions to develop an incentive program for solar installation on new and retrofit existing warehouses. A mandatory minimum solar requirement for new warehouse space. Solar Photovoltaic panels installed on warehouses or in collective arrangements within a logistics/warehouse complex such that the total power provided augments:  Solar Ready Roof (sturdy roof and electric hookups) 10 percent of the power needs of the project 20 percent of the power needs of the project 30 percent of the power needs of the project 40 percent of the power needs of the project 50 percent of the power needs of the project 60 percent of the power needs of the project 70 percent of the power needs of the project 80 percent of the power needs of the project 90 percent of the power needs of the project 100 percent of the power needs of the project	2 points 4 points 5 points 7 points 9 points 11 points 13 points 15 points 17 points 19 points 21 points	--
<b>Reduction Measure R2WC-1: Per Capita Water Use Reduction Goal</b>			
<b>Irrigation and Landscaping</b>			
Water Efficient Landscaping	Limit conventional turf to <20% of each lot (required) Eliminate conventional turf from landscaping Eliminate turf and only provide drought tolerant	0 points 3 points 4 points	3

	plants xeriscaping that requires no irrigation	6 points	
Water Efficient Irrigation Systems	Drip irrigation Smart irrigation control systems combined with drip irrigation (demonstrate 20 reduced water use)	1 point 5 points	5
Recycled Water	Greywater (purple pipe) irrigation system on site	5 points	5
Storm water Reuse systems	Innovative on-site stormwater collection, filtration and reuse systems are being developed that provide supplemental irrigation water and provide vector control. These systems can greatly reduce the irrigation needs of a project. Point values for these types of systems will be determined based upon the design and engineering data documenting the water savings	TBD	--
<b>Potable Water</b>			
Showers	Title 24 standard (required) EPA High Efficiency Showerheads (15%>Title 24)	0 points 3 points	3
Toilets	Title 24 standard (required) EPA High Efficiency Toilets/Urinals (15%>Title 24) Waterless Urinals (note that commercial buildings having both waterless urinals and high efficiency toilets will have a combined point value of 6 points)	0 points 3 points 3 points	3
Faucets	Title 24 standard (required) EPA High Efficiency faucets (15%>Title 24)	0 points 3 points	3
Commercial Dishwashers	Title 24 standard (required) EPA High Efficiency dishwasher (20% water savings)	0 points 4 points	--
Commercial Laundry Washers	Title 24 standard (required) EPA High Efficiency Laundry (15% water savings) EPA High Efficiency laundry equipment that captures and reuses rinse water (30% water savings)	0 points 3 points 6 points	--
Commercial Water Operations Program	Establish an operational program to reduce water loss from pools, water features, etc., by covering pools, adjusting fountain operational hours, and using water treatment to reduce draw down and replacement of water. Point values for these types of plans will be determined based upon design and engineering data documenting the water savings	TBD	--
<b>Reduction Measure R2T1: Anti-Idling Enforcement</b>			
Commercial Vehicle Idling Restrictions	All commercial vehicles are restricted to 5-minutes or less per trip on site and at loading docks (required of all commercial projects)	1 point	1
<b>Reduction Measure R2T2: Employment Based Trip and VMT Reduction Policy</b>			
Compressed Work Week	Reduce the number of days per week that employees need to be on site will reduce the number of vehicle trips associated with commercial/industrial development. Compressed work week such that full time employees are on site:  5 days per week 4 days per week on site 3 days per week on site	0 points 4 points 8 points	--
Car/Vanpools	Car/vanpool program Car/vanpool program with preferred parking Car/vanpool with guaranteed ride home program Subsidized employee incentive car/vanpool program	1 point 2 points 3 points 5 points 6 points	2

	Combination of all the above		
Employee Bicycle/Pedestrian Programs	Complete sidewalk to residential within ½ mile Complete bike path to residential within 3 miles Bike lockers and secure racks Showers and changing facilities Subsidized employee walk/bike program Note combine all applicable points for total value	1 point 1 point 1 point 2 points 3 points	2
Shuttle/Transit Programs	Local transit within ¼ mile Light rail transit within ½ mile Shuttle service to light rail transit station Guaranteed ride home program Subsidized Transit passes Note combine all applicable points for total value	1 point 3 points 5 points 1 point 2 points	1
CRT	Employer based commute trip reduction (CRT). CRTs apply to commercial, offices, or industrial projects that include a reduction of vehicle trip or VMT goal using a variety of employee commutes trip reduction methods. The point value will be determined based upon a TIA that demonstrates the trip/VMT reduction. Suggested point ranges: Incentive based CRT programs (1-8 points) Mandatory CRT programs (5-20 points)	TBD	--
Other Trip Reductions	Other trip or VMT reduction measures not listed above with TIA and/or other traffic data supporting the trip and/or VMT for the project	TBD	--
<b>Reduction Measure R2T4: Signal Synchronization and Intelligent Traffic Systems</b>			
Signal Improvements	Signal Synchronization-1 point per signal Traffic signals connected to ITS	1 point/signal 3 points/signal	--
<b>Reduction Measure R2T5: Renewable Fuel/Low Emissions Vehicle</b>			
Electric Vehicle Recharging	Provide circuit and capacity in garages/parking areas for installation of electric vehicle charging stations. Install electric vehicle charging stations in garages /parking areas	2 points/area 8 points/station	--
<b>Reduction Measure R2T6: Vehicle Trip Reduction Measures</b>			
Mixed Use	Mixes of land uses that complement one another in a way that reduces the need for vehicle trips can greatly reduce GG emissions. The point value of mixed use projects will be determined based upon traffic studies that demonstrate trip reductions and/or reductions in vehicle miles traveled	TBD	--
Local Retail Near Residential (commercial only projects)	Having residential developments within walking and biking distance of local retail helps to reduce vehicle trips and/or vehicle miles traveled.  The point value of residential projects in close proximity to local retail will be determined based upon traffic studies that demonstrate trip reductions and/or reduction in vehicle miles traveled	TBD	--
<b>Reduction Measure R2W5: construction and demolition debris diversion program</b>			
Recycling of Construction/ Demolition Debris	Recycle 2% of debris (required) Recycle 5% of debris Recycle 8% of debris Recycle 10% of debris Recycle 12% of debris Recycle 15% of debris Recycle 20% of debris	0 point 1 point 2 points 3 points 4 points 5 points 6 points	6
<b>Reduction Measure R2W6: 75 Percent Solid Waste Diversion Program</b>			



Recycling	County initiated recycling program diverting 75% of waste requires coordination with commercial development to realize this goal. The following recycling features will help the County fulfill this goal:		
	Provide separated recycling bins within each commercial building/floor and provide large external recycling collection bins at central location for collection truck pick-up	2 points	5
	Provide commercial/industrial recycling programs that fulfills an on-site goal of 75% diversion of solid waste	5 points	
<b>Total Points Earned by Commercial/Industrial Project:</b>			<b>106</b>

- VII b) The proposed project is not anticipated to conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases. In January of 2012, the County of San Bernardino adopted a Greenhouse Gas Emissions Reduction Plan (GHG Plan). The proposed project is consistent with the GHG Plan in that 100 or more points were garnered through the Screening Table Analysis as described in Section a) above.

# **VIII. HAZARDS AND HAZARDOUS MATERIALS -**

Would the project:

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
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 checked="" 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 checked="" 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 checked="" type="checkbox"/>
d) Be located on a site, which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 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 checked="" 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 for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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**SUBSTANTIATION** *This section was in prepared in part on the information provided in the project Phase I Environmental Site Assessment prepared by Blackstone Consulting in January 2015.*

- VIII a) **Less Than Significant Impact.** During construction, there would be a minor level of transport, use, and disposal of hazardous materials and wastes that are typical of construction projects. This would include fuels and lubricants for construction machinery, coating materials, etc. All hazardous materials are required to be utilized and transported in accordance with their labeling pursuant to federal and state law. Routine construction control measures and best management practices for hazardous materials storage, application, waste disposal, accident prevention and clean-up will be sufficient to reduce potential impacts to a less than significant level.

Warehouse operations do not require use of a substantial amount of hazardous materials in the storage of products for distribution to retail facilities. Should hazardous materials be used on-site, use and storage will be subject to permit and inspection by the Hazardous Materials Division of the County Fire Department. Sections 2729 through 2732 of the California Code of Regulations (CCR) provide requirements for the reporting, inventory, and release response plans for hazardous materials. These requirements establish procedures and minimum standards for hazardous material plans, inventory reporting and submittal requirements, emergency planning/response, and training. In addition, all regulated substance handlers are required to register with local fire or emergency response departments per the California Accidental Release Prevention Program. Locally, this is overseen by the San Bernardino County Fire Department Hazardous Materials Division. The division reviews and approves an Emergency/Contingency Plan for regulated facilities.

The plan outlines precautions and procedures necessary to protect the facility from accidental release of hazardous materials, and provides emergency remediation to minimize effects should an accidental spill occur. Annual updates and review of the plan are required to ensure compliance and adequacy. The San Bernardino County Fire Department Hazardous Materials Division administers the California Accidental Release Prevention (CalARP) Program in the area. The CalARP Program was established to prevent accidental release of substances that pose the greatest risk of immediate harm to the public and the environment.<sup>3</sup> The Program requires facilities to proactively prevent and prepare for chemical accidents. The proposed facility will be subject to Program requirements for regulated substances including preparation of a risk management plan (RMP) to include an off-site consequence analysis, compliance audit, certified program elements, and a seismic assessment. Existing risk management and response requirements will ensure potential risks associated with accidental releases of hazardous materials are minimized.

Widely used hazardous materials common at any warehouse land use include paints and other solvents, cleaners, automobile fluids, and pesticides. The remnants of these and other products are disposed of as household hazardous waste (HHW) that includes used motor oil, dead batteries, electronic wastes, and other wastes that are prohibited or discouraged from being disposed of at local landfills. Use of common household hazardous materials and their disposal does not present a substantial health risk to the neighborhood. Impacts associated with the routine transport, use of hazardous materials or wastes will be less than

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significant.

- VIII b) **Less Than Significant Impact.** The project proponent will adhere to California Division of Occupational Safety and Health (Cal/OSHA) standards for Asbestos Standards in Construction (8 CCR Section 1529). All materials for construction will be used within regulation of state and federal law. The project Phase I Environmental Site Assessment (ESA) did not identify any *recognized environmental conditions* on the project site.

The project will not 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 because use of hazardous materials is subject to permit and inspection by the Hazardous Materials Division of the County Fire Department.

Because the initial portions of the on-site greenhouse and nursery was constructed in the 1970s, demolition of the structure may pose a hazard with regard to asbestos containing materials (ACM) and lead-based paints. ACM were used on a widespread basis in building construction prior to and into the 1980s. Asbestos generally does not pose a threat when it remains intact. When asbestos is disturbed and becomes airborne, such as during demolition activities, significant impacts to human health could occur. Construction workers completing demolition activities, as well as surrounding uses, have the potential to be exposed to airborne asbestos emissions due to the potential presence of ACM.

SCAQMD Rule 1403 (Asbestos Emissions from Demolition/Renovation Activities) requires work practices that limit asbestos emissions from building demolition and renovation activities, including the removal and disturbance of ACM.<sup>4</sup> This rule is generally designed to protect uses and persons adjacent to demolition or renovation activity from exposure to asbestos emissions. Rule 1403 requires surveys of any facility being demolished or renovated for the presence of all friable and Class I and Class II non-friable ACM. Rule 1403 also establishes notification procedures, removal procedures, handling operations, and warning label requirements, including HEPA filtration, the *glovebag* method, wetting, and some methods of dry removal that must be implemented when disturbing appreciable amounts of ACM (more than 100 square feet of surface area).

Exposure of construction workers to lead-based paint during demolition activities is also of concern, similar to exposure to asbestos. Exposure of surrounding land uses to lead from demolition activities is generally not a concern because demolition activities do not result in appreciable emissions of lead.<sup>5</sup> The primary emitters of lead are industrial processes. Any lead-based paint utilized on the exterior and interior of the existing structures would generally remain inside the structure or close to the exterior of the building. Improper disposal of lead-based paint could contaminate soil and subsurface groundwater in and under landfills not properly equipped to handle hazardous levels of this material. If lead-based paint exists, 8 CCR Section 1532.1 (California Construction Safety Orders for Lead) is applicable to the demolition of all existing structures requiring exposure assessment and compliance measures to keep worker exposure below action levels. The project is also subject to Title 22 requirements for the disposal of solid waste contaminated with excessive levels of lead. Impacts will be less than significant with implementation of existing regulations.

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- VIII c) **No Impact.** The project site is not located within 0.25 miles of any school. The nearest school is Live Oak Elementary School located approximately 0.42 miles northeast of the project site. No impact will occur.
- VIII d) **No Impact.** The project site is not included on the list of hazardous materials sites pursuant to Government Code No. 65962.5 that is compiled of the following lists:
- List of Hazardous waste facilities subject to corrective action pursuant to Section 25187.5 of the Health and Safety Code.<sup>6</sup>
  - Hazardous Waste and Substances sites from Department of Toxic Substances Control (DTSC) EnviroStor Database.<sup>7</sup>
  - Leaking Underground Storage Tanks Sites by County.<sup>8</sup>
  - Solid Waste Disposal sites identified by Water board with Waste constituents above hazardous waste levels outside the Waste management unit.<sup>9</sup>
  - List of "active" CDO and CAO from the Water Board
- No Impact will occur.
- VIII e) **No Impact.** The project site is not located within an Airport Safety Review Area as designated by the San Bernardino County Land Use Plan Hazard Overlay. No impact will occur.
- VIII f) **No Impact.** The project site is not within the vicinity or approach/departure flight path of a private airstrip. No impact will occur.
- VIII g) **Less Than Significant Impact.** The project will not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan. The interior drive lanes will be a minimum width of 28 feet, greater than the 26 feet required by the California Fire Code. The project will not result in any alteration to road design or capacity that would affect implementation of evacuation procedures nor result in any substantial increase in natural or man-made hazards that would increase the potential for evacuation. In addition, the project will include adequate emergency access via Redwood Avenue. Impacts will be less than significant.
- VIII h) **No Impact.** The project will not expose people or structures to a significant risk of loss, injury or death involving wildland fires, because the site is not adjacent to dense brush or other features typically associated with wildfires and is not located in a fire hazard zone. No impact will occur.



**IX. HYDROLOGY AND WATER QUALITY - Would the project:**

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level, which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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, in a manner that would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Create or contribute runoff water, which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Place within a 100-year flood hazard area structure that would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including				

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flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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j) Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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## SUBSTANTIATION

- IX a) **Less Than Significant Impact.** The project will not violate any water quality standards or waste discharge requirements, because the project's design will incorporate measures to diminish impacts to water quality to an acceptable level as required by state and federal regulations. The project requires the preparation of a Storm Water Pollution Prevention Plan (SWPPP) and Water Quality Management Plan (WQMP) to determine the project's potential impacts on water quality caused by storm event runoff. Since project construction would encompass an area greater than an acre, the project would be subject to a General Construction Permit under the NPDES permit program of the federal Clean Water Act. As required under the General Construction Permit, the project applicant (or contractor) would prepare and implement a SWPPP. The SWPPP requires submittal of a Notice of Intent (NOI) to the Santa Ana RWQCB prior to construction activities. Implementation of the SWPPP would begin with the commencement of construction and continue through the completion of the project. The objectives of a SWPPP are to identify pollutant sources (such as sediment) that may affect the quality of storm water discharge and to implement Best Management Practices (BMPs) to reduce pollutants in storm water. The project applicant and/or its construction contractor would use BMPs as described in the WQMP. These BMPs would be used to prevent the degradation of water quality in the construction area and during operation of the project. The project is not subject to individual wastewater discharge requirements or other water quality standards. Impacts will be less than significant with implementation of existing regulations.
- IX b) **Less Than Significant Impact.** The project will not substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level, because the project is served by an existing water purveyor with sufficient capacity in the existing water system to serve the anticipated needs of this project. In addition, the proposed warehouse operation does not require a significant amount of water and would replace an existing nursery operation. The project will continue existing site conditions with impervious surfaces due to paving and building construction. Pursuant to drainage standards, runoff must be reduced to pre-development conditions and therefore the project will not interfere with downstream potential for groundwater recharge. Impacts to groundwater levels will be less than significant.
- IX c) **Less Than Significant Impact.** The project will not substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site, because the project does not affect any existing drainage pattern, stream or river and the project is required to submit and implement an erosion control plan with the submittal of final grading plans. Impacts will be less than significant.
- IX d) **Less Than Significant Impact.** Pursuant to NPDES and County drainage requirements, no increase in runoff will be permitted from the project, thus the drainage design of the project will ensure that on- or off-site flooding impacts will not occur. Impacts will be less

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than significant.

- IX e) **No Impact.** Pursuant to NPDES and County drainage requirements, no increase in stormwater runoff will be permitted; therefore, no increase in flows in local or regional storm drains or flood control facilities will occur. No impact will occur.
- IX f) **No Impact.** The project will not otherwise substantially degrade water quality. No impact will occur.
- IX g) **No Impact.** The project will not place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map, because the project does not propose any housing. No impact will occur.
- IX h) **No Impact.** The project will not place any structure within a 100-year flood hazard area structures that could impede or redirect flood flows, because the site is not within an identified FEMA designated flood hazard area. No impact will occur.
- IX i) **No Impact.** The project will not expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam, because the project site is not within any identified path of a potential inundation flow that might result in the event of a dam or levee failure or that might occur from a river, stream, lake or sheet flow situation. No impact will occur.
- IX j) **No Impact.** The project will not be impacted by inundation by seiche, tsunami, or mudflow, because the project is not adjacent to any body of water or within an area subject to the potential of seiche or tsunami. Based on the responses to Sections VI.a and VI.b of this Initial Study, the project site is not located in an area prone to landslides. No impact will occur.



	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>X. LAND USE AND PLANNING - Would the project:</b>				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### SUBSTANTIATION

- X a) **No Impact.** The project will not physically divide an established community, because the project is within an urbanized and fully developed area. The property is currently developed with a building of similar size to the proposed structure. No impact will occur.
- X b) **No Impact.** The project includes no amendment or design feature that would circumvent County policies and standards designed to protect the environment. The project will comply with all land use regulations designed to protect the environment. No impact will occur.
- X c) **No Impact.** The project will not conflict with any applicable habitat conservation plan or natural community conservation plan, because no habitat conservation plan or natural community conservation plan exists within the area surrounding the project site and no habitat conservation lands are required to be purchased as mitigation for the proposed project.

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>XI. MINERAL RESOURCES - Would the project:</b>				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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 checked="" type="checkbox"/>

**SUBSTANTIATION :**

- XI a) **No Impact.** The project site is located within an area where the significance of mineral resources has been undetermined (MRZ-3). Mining would be incompatible with the area's current and future land uses. No mining operations are currently located on site or in the project vicinity. No impact will occur.
- XI b) **No Impact.** The County of San Bernardino General Plan does not identify any locally important mineral resources in the area. No impact will occur.

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>XII. NOISE</b> - Would the project result in:				
a) Exposure of persons to or generation of noise levels 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 checked="" type="checkbox"/>	<input type="checkbox"/>
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input checked="" 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 expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, 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 checked="" type="checkbox"/>

**SUBSTANTIATION** *The analysis provided in this section is based in part on the Noise Study prepared by MIG | Hogle-Ireland in February 2015.*

- XII a) **Less Than Significant Impact.** Current noise levels for most of the surrounding area exceed County standards for residential uses, 60 dBA. The project will not notably change the existing noise levels. As such, projected noise levels would not expose persons to or generate noise levels significantly higher than ambient levels or increase them to such an extent as to be noticeable. Those areas that do not exceed noise ordinance standards would continue to remain below 60 dBA. Operation of the proposed warehouse will not exceed allowable stationary noise levels established by the County at neighboring uses. Therefore, no substantial impacts will occur. The project has been conditioned to comply with the noise standards of the County Development Code. Impacts will be less than significant.

- XII b) **Less Than Significant Impact.** Vibration is the movement of mass over time. It is described in terms of frequency and amplitude and unlike sound; there is no standard way of measuring and reporting amplitude. Vibration can be described in units of velocity (inches per second) or discussed in decibel (dB) units in order to compress the range of numbers required to describe vibration. Vibration impacts to buildings are generally discussed in terms of peak particle velocity (PPV) that describes particle movement over time (in terms of physical displacement of mass). For purposes of this analysis, PPV will be used to describe all vibration for ease of reading and comparison. Vibration can impact people, structures, and sensitive equipment.<sup>10</sup> The primary concern related to vibration and people is the potential to annoy those working and residing in the area. Vibration with high enough amplitudes can damage structures (such as crack plaster or destroy windows). Groundborne vibration can also disrupt the use of sensitive medical and scientific instruments such as electron microscopes. Common sources of vibration within communities include construction activities and railroads.

Groundborne vibration generated by construction projects is usually highest during pile driving, rock blasting, soil compacting, jack hammering, and demolition-related activities. Next to pile driving, grading activity has the greatest potential for vibration impacts if large bulldozers, large trucks, or other heavy equipment are used.

According to the Caltrans vibration manual, large bulldozers, vibratory rollers (used to compact earth), and loaded trucks utilized during grading activities can produce vibration, and depending on the level of vibration, could cause annoyance at uses within the project vicinity or damage structures. Caltrans has developed a screening tool to determine if vibration from construction equipment is substantial enough to impact surrounding uses. The Caltrans vibration manual establishes thresholds for vibration impacts on buildings and humans. Construction activities that use vibratory rollers and bulldozers are repetitive sources of vibration; therefore, the *continuous* threshold is used. Single family residences to the south and east were built in the 1970s to 1990s. Therefore, the *older residential structures* threshold is used. Construction of the project does not require rock blasting, pile driving, or the use of a jack hammer, but will use a vibratory roller, small and large bulldozer, and loaded trucks. Based on the threshold criteria, vibration from use of heavy construction equipment for the proposed project would be below the thresholds to cause damage to nearby structures and result in less than *barely perceptible* vibration at the ten receptors analyzed in the project noise study. Furthermore, construction activities will be limited to the hours of 7:00 AM to 7:00 PM Mondays through Saturdays. With regard to long-term operational impacts, activities associated with the project will not result in any vibration-related impacts to adjacent or on-site properties. Impacts will be less than significant.

- XII c) **Less Than Significant Impact.** A substantial increase in ambient noise is an increase that is *barely perceptible* (3 dBA). Operationally, the proposed project will result in periodic landscaping and other occasional noise generating activities. These activities are common in commercial districts and do not represent a substantial increase in periodic noise in consideration that the project site is located in a generally industrialized area and that a commercial greenhouse currently operates on site. Due to the number of residences in the area it is recognized that an increase in existing noise levels could adversely affect their

environment and quality of life. However, traffic noise levels will not increase more than 3 dBA as a result of the proposed project as detailed in the project noise study. Additionally, the ambient noise measurements at the eastern boundary of the project site are generally consistent with the modeled roadway noise levels with project. Impacts will be less than significant.

- XII d) **Less Than Significant With Mitigation Incorporated.** Construction noise levels were estimated using the FHWA Roadway Construction Noise Model (RCNM). Temporary noise increases will be greatest during the demolition and grading phases. The model indicates that the use of construction equipment such as graders, tractors, dozers, and excavators could expose the single family residence located approximately 355 feet to the west of the center of the project site to a combined noise level of 72.6 dBA  $L_{max}$ . Construction equipment could expose the single family residences located 410 feet, 413 feet, and 470 feet to the east to a combined noise level of 71.3 dBA  $L_{max}$ , 71.2 dBA  $L_{max}$ , and 70.1 dBA  $L_{max}$ , respectively. Although construction noise is exempt pursuant to the municipal code, Mitigation Measure XII-1 has been incorporated to reduce the impact to neighboring uses during construction.

Per Section 83.01.080(g) of the San Bernardino County Development Code, construction activities occurring between the hours of 7:00 AM and 7:00 PM on Mondays through Saturdays are exempt from noise standards. Because noise levels construction are anticipated to exceed the City's standards for stationary noise sources, mitigation measures will be necessary to minimize noise levels at nearby receptors. Mitigation Measure XII-1 will be incorporated to minimize noise associated with general construction activities. Mitigation Measure XII-1 requires preparation of a construction noise reduction plan to reduce temporary noise impacts by minimum of 20 dBA which is a feasible performance standard based on available technology. Engineered controls include retrofitting equipment with improved exhaust and intake muffling, disengaging equipment fans, and installation of sound panels around equipment engines. These types of controls can achieve noise level reductions of approximately 10 dBA.<sup>11 12</sup> Sound curtains and other noise barriers can be used for general construction noise and achieve reductions of up to 20 dBA.<sup>13</sup> Implementation of Mitigation Measure XII-1 will reduce temporary noise impacts by a minimum of 20 dBA, resulting in a maximum construction noise level of 57.3 dBA at the commercial use to the west of the project site. Therefore, with implementation of Mitigation Measure XII-1, construction noise will feasibly be reduced to unsubstantial levels. Impacts will be less than significant with mitigation incorporated.

#### Mitigation Measures

- XII-1 Construction Noise. The "developer" shall submit and obtain approval from County Planning of a signed letter agreeing to include as a condition of all construction contracts/subcontracts requirements to reduce noise impacts during construction by implementing the following measures and submitting documentation of compliance: The developer/construction contractors shall do the following:*
- a. During the project site excavation and grading, the construction contractors shall equip all construction equipment, fixed or mobile, with properly operating and maintained mufflers, consistent with the manufactures standards.*
  - b. The construction contractor shall place all stationary construction equipment so*



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*that emitted noise is directed away from the noise sensitive receptors nearest the project site.*

- c. The construction contractor shall limit all construction-related activities that would result in high noise levels between the hours of 7:00 a.m. and 6:00 p.m., Monday through Saturday excluding holidays.*
- d. The construction contractor shall locate equipment staging in areas that will create the greatest distance between construction-related noise sources and noise sensitive receptors nearest the project site during all project construction.*
- e. The construction contractor shall limit haul truck deliveries to the same hours specified for construction equipment. To the extent feasible, haul routes shall not pass sensitive land uses or residential dwellings.*
- f. Prior to issuance of grading permits, the Applicant shall submit a mitigation plan prepared by a qualified engineer or other acoustical expert for review and approval by the Planning Division that identifies noise control measures that achieve a minimum 20 dBA reduction in construction related noise levels at the residential uses to the west, south, and east of the project site. The mitigation plan may include use of vibratory pile drivers or other pile driving noise controls, sound curtains, engineered equipment controls, or other methods. Noise control requirements shall be noted on project construction drawings and verified by the Building Department during standard inspection procedures.*  
*[Mitigation Measure XII-1] - Prior to Grading Permit/Planning*

**XII-2 Operational Noise.** *The County shall verify that the following notes shall be cited on the CUP Site Plan that:*

- a) The building occupant shall place all stationary noise generating equipment so that emitted noise is directed away from the noise sensitive receptors nearest the project site.*

**XII e) No Impact.** The project site is not located within the noise contours of any airport nor is located within the boundary of a County Airport Safety Review Area as designated by the San Bernardino County Land Use Plan Hazard Overlay. No impact will occur.

**XII f) No Impact.** The project is not located within two miles of a private airstrip and therefore will not expose persons to excessive noise levels from aircraft operations from private airstrips.

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>XIII. POPULATION AND HOUSING - Would the project:</b>				
a) Induce substantial 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 checked="" type="checkbox"/>	<input type="checkbox"/>
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

### SUBSTANTIATION

- XIII a) **Less Than Significant Impact.** The project will not induce substantial population growth in the area either directly or indirectly. The project will generate new jobs and employment opportunities. The project proposes a new warehouse facility, however, no tenant has been proposed so the number of employees cannot be determined at this time. Based on the Southern California Association of Governments (SCAG) Employment Density Study for San Bernardino County, the project could accommodate up to 180 employees. This may generate a need for housing for new employees; however, adequate housing stock is available to meet the needs of a variety of income levels as specified in the County General Plan Housing Element. The project includes no infrastructure improvements that could entice additional development beyond that proposed as part of the project. Impacts will be less than significant.
- XIII b) **No Impact.** The project site is currently developed with a commercial greenhouse and no housing will be removed to accommodate the project. No impact will occur.
- XIII c) **No Impact.** The project site is currently developed with a commercial greenhouse and no people would be displaced to accommodate the project. No impact will occur.

#### XIV. PUBLIC SERVICES

- a) Would the project 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:

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
Fire Protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Police Protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other Public Facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### SUBSTANTIATION

- XIV a) **Less Than Significant Impact.** The proposed project will not 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, including fire and police protection, schools, parks or other public facilities. The project is located within the existing service areas of applicable service providers and will not require additional facilities to be constructed or services to be extended. Construction of the project will increase property tax revenues and is subject to the County's Regional Transportation Fee Program to provide a funding source to offset any project-related traffic improvements. demand for public services. Impacts will be less than significant.



	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>XV. RECREATION</b>				
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 checked="" 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 checked="" type="checkbox"/>

#### SUBSTANTIATION

- XV a) **Less Than Significant Impact.** The proposed project will not 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 because the project is a commercial/industrial use and will not generate any new residential units and the impacts to parks generated by the employees of this project will be nominal. Impacts will be less than significant.
- XV b) **No Impact.** This project does not include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment. No impact will occur.

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>XVI. TRANSPORTATION/TRAFFIC - Would the project:</b>				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**SUBSTANTIATION** *The following summaries are based in part on the project Traffic Study prepared by Kunzman Associates in January 2015.*

- XVI a) **Less Than Significant Impact.** The project will result in the addition of 474 total trips per day (in passenger car equivalents [PCE]), 32 PCE occurring during the morning peak hour and 34 PCE occurring during the evening peak hour on roadways in the project vicinity. The project traffic study prepared by Kunzman Associates included traffic projections based on anticipated opening year (2017) conditions. For the *Opening Year (2017) With Ambient and Cumulative and Project Intersection* conditions, all study area intersections are projected to operate within acceptable levels of service. No off-site improvements are required to meet applicable level of service requirements. Impacts will be less than significant.

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- XVI b) **Less Than Significant Impact With Mitigation Incorporated.** The project will not exceed, either individually or cumulatively, a Level of Service (LOS) standard established by the County Congestion Management Agency for designated roads or highways. The project is subject to the Regional Transportation Development Impact Fee (DIF) to offset incremental increases on regional transportation facilities. This fee has been incorporated as mitigation herein. Impacts will be less than significant with mitigation incorporated.

Mitigation Measure:

*XVI-1 Regional Transportation Facilities Fee. This project falls within the Regional Transportation Development Mitigation Plan. The applicable fee shall be paid by a cashier's check to the Department of Public Works Business Office prior to issuance of a building permit.*

*[Mitigation Measure XVI-1] Building Permits/Public Works*

- XVI c) **No Impact.** The project includes no feature that could cause changes in air traffic patterns. No impact will occur.
- XVI d) **Less Than Significant Impact.** The project includes no off-site improvements or roadway construction that could result in hazardous travel conditions. Line of sight distances will be calculated prior to issuance of building/occupancy permits to ensure that landscaping or other design features do not interfere with the line of sight of exiting vehicles. There are no incompatible uses proposed by the project that could impact surrounding land uses. Impacts will be less than significant.
- XVI e) **No Impact.** The project will not result in inadequate emergency access because emergency access is provided via two driveways onto Redwood Avenue with minimum 28-foot drive aisles and full building access to emergency vehicles. No impact will occur.
- XV f) **Less Than Significant Impact.** The project will not conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks). The project is not located adjacent to or near an existing bike path or pedestrian facilities, nor does the County have adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities that apply to the proposed project site. Impacts will be less than significant.

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>XVII. UTILITIES AND SERVICE SYSTEMS - Would the project:</b>				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Result in a determination by the wastewater 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 checked="" type="checkbox"/>	<input type="checkbox"/>
f) Be served by a landfill(s) with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

### SUBSTANTIATION

- XVII a) **Less Than Significant Impact.** The proposed project is a warehouse use that generates nominal wastewater from restrooms, kitchens, and potentially employee showers. No industrial wastewater will be discharged from the facility that would require special permitting or treatment facilities. Wastewater discharges will be treated by the Inland Empire Utilities Agency (IEUA) at Regional Water Recycling Plant No. 1 (RP-1). The Santa Ana Regional Water Quality Control Board (RWQCB) issued the latest wastewater discharge requirements (WDRs) for RP-1 in 2009 via Order R8-2009-0021. The facility is authorized to process 44 million gallons of wastewater per day (mgd) and treats an average of 28 mgd, based upon information on the Agency's website. No changes to RP-1 WDRs will be required to serve the project. The project is not subject to individual WDRs. Impacts will be less than significant.

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- XVII b) **Less Than Significant Impact.** The project will not require construction of any new water service mains or sewer to serve the project. Typical water service connection and lateral sewer connection will be required resulting in the need for nominal trenching, pipe installation, and connection appurtenances during grading activities. Impacts will be less than significant.
- XVII c) **No Impact.** Pursuant to NPDES and County Low Impact Development (LID) requirements, no increase in stormwater runoff will be permitted from the project site. Any increases in stormwater runoff will be required to be retained on-site. No impact to local storm drains or flood control facilities will occur.
- XVII d) **Less Than Significant Impact.** The project will be served by the Fontana Water Company (FWC). FWC water supply sources include groundwater, local surface water, and imported surface water. According to the 2010 Urban Water Management Plan (UWMP), FWC will be able to meet service demand of 44,613 acre-feet per year (AFY) in 2020 and 53,741 AFY in 2035. The Fontana Water District has the ability to serve the project from existing water supplies. No new entitlements or supplies will need to be secured to serve the project. Impacts will be less than significant.
- XVII e) **Less Than Significant Impact.** As discussed in Section XVII.a, project wastewater will be treated at IEUA RP-1 in Ontario. The project is estimated to discharge 0.11 mgd of wastewater (80 percent of indoor water demand). This is within the design flow capacity of 44 mgd, with a daily average of 28 mgd. No increase in treatment capacity will be required to serve the project. Impacts will be less than significant.
- XVII f) **Less Than Significant Impact.** The City of Fontana disposed of 137,290 tons of solid waste in 2013 at 15 different facilities with approximately 83 percent being disposed at the Mid-Valley Sanitary Landfill (Mid-Valley SLF). An additional 710 tons was transformed at the Commerce Refuse-To-Energy Facility and an additional 12,054 tons was used as alternative daily cover (ADC). According to the California Department of Resources Recycling and Recovery (CalRecycle) Facility Information Toolbox (FacIT), San Bernardino County will have adequate disposal capacity through 2025. Annual disposal limits between 2017 and 2025 will be permitted at an estimated 7.4 million tons. A maximum of 1.8 million tons will be disposed of annually. Based on the FacIT information, adequate capacity is available to serve the project. Impacts will be less than significant.
- XVII g) **No Impact.** The proposed project will comply with all pertinent federal, state, and local statutes and regulations related to solid waste and includes no policy or design feature that would conflict with implementation of such requirements. No impact will occur.



	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>XVIII. MANDATORY FINDINGS OF SIGNIFICANCE:</b>				
a) Does the project have the potential to 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, 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Does the project have environmental effects, which will cause Substantial adverse effects on human beings, either directly Or indirectly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>

### SUBSTANTIATION

- XVIII a) **Less Than Significant Impact.** The project does not have the potential to significantly degrade the overall quality of the region's environment, or 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, 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. There are no rare or endangered species or other species of plants or animals or habitat identified as being significantly and negatively impacted by this project. There are no identified historic or prehistoric resources identified on this site. If any archaeological or paleontological resources are identified during project construction, the project is conditioned to stop and identify appropriate authorities, who would properly record and/or remove any such finds for classification.
- XVIII b) **Less Than Significant With Mitigation Incorporated.** The project does not have impacts that are individually limited, but cumulatively considerable. The projects in the area to which this project would add cumulative impacts have either existing or planned infrastructure that is sufficient for all planned uses. These sites either are occupied or are capable of absorbing such uses without generating any cumulatively significant impacts. In addition, the analysis in this Initial Study Checklist demonstrated that the project is in compliance with all applicable regional plans including but not limited to, water quality control plan, air quality maintenance plan (with mitigation incorporated), and plans or

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regulations for the reduction of greenhouse gas emissions. Compliance with these regional plans serves to reduce impacts on a regional basis so that the project would not produce impacts, when considered with the effects of other past, present, and probable future projects, would be cumulatively considerable.

- XVIII c) **Less Than Significant With Mitigation Incorporated.** The project will not have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly, as there are no such impacts identified by the studies conducted for this project or identified by review of other sources or by other agencies.

Increases in air quality emissions, noise, and traffic will be created by the implementation of the project. These potential impacts have been thoroughly evaluated and impacts related to air quality, noise, and traffic were determined to be less than significant with adherence to mandatory requirements and incorporation of mitigation measures.

Implementation of mitigation measures and adherence to mandatory requirements and standard conditions will ensure that impacts from the project are neither individually significant nor cumulatively considerable in terms of any adverse affects upon the region.

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## **XIX. MITIGATION MEASURES**

(Any mitigation measures, which are not 'self-monitoring', shall have a Mitigation Monitoring and Reporting Program prepared and adopted at time of project approval)

### **MITIGATION MEASURES:** (Condition compliance will be verified by existing procedure)

*III-1 Coating Restriction Plan. The developer shall submit for review and obtain approval from County Planning of a Coating Restriction Plan (CRP), consistent with SCAQMD guidelines and a signed letter agreeing to include in any construction contracts/subcontracts a condition that the contractors adhere to the requirements of the CRP. The CRP measures shall be following implemented to the satisfaction of County Building and Safety:*

- a. Interior architectural coatings with Reactive Organic Compounds (ROC) shall not have content greater than zero g/l.*
- b. Exterior architectural coatings with Reactive Organic Compounds (ROC) shall not have content greater than 125 g/l.*
- c. Architectural coating volume shall not exceed the significance threshold for ROC, which is 75 lbs. /day and the combined daily ROC volume of architectural coatings and asphalt paving shall not exceed the significance threshold for ROC of 75 lbs. per day.*
- d. High-Volume, Low Pressure (HVLP) spray guns shall be used to apply coatings.*
- e. Precoated/natural colored building materials, water-based or low volatile organic compound (VOC) coatings shall be used, if practical.*
- f. Comply with SCAQMD Rule 1113 on the use of architectural coatings.*

*[Mitigation Measure III-1] Building Permits/Planning*

*III-2 AQ/Operational Mitigation. The "developer" shall implement the following air quality mitigation measures, during operation of the approved land use: All on-site equipment and vehicles (off-road/ on-road), shall comply with the following:*

- a. County Diesel Exhaust Control Measures [SBCC §83.01.040 (c)]b Signs shall be posted requiring all vehicle drivers and equipment operators to turn off engines when not in use.*
- b. All engines shall not idle more than five minutes in any one-hour period on the project site. This includes all equipment and vehicles.*
- c. Engines shall be maintained in good working order to reduce emissions.*
- d. Ultra low-sulfur diesel fuel shall be utilized.*
- e. Electric, CNG and gasoline-powered equipment shall be substituted for diesel-powered equipment, where feasible.*
- f. On-site electrical power connections shall be made available, where feasible.*
- g. All transportation refrigeration units (TRU's) shall be provided electric connections, when parked on-site.*

*[Mitigation Measure III-2] General Requirements/Planning*

*III-3 AQ-Dust Control Plan. The "developer" shall prepare, submit for review and obtain approval from County Planning of both a Dust Control Plan (DCP) consistent with SCAQMD guidelines and a signed letter agreeing to include in any construction contracts/ subcontracts a requirement that project contractors adhere to the requirements of the DCP. The DCP shall include the following requirements:*

- a. Exposed soil shall be kept continually moist to reduce fugitive dust during all grading and construction activities, through application of water sprayed a minimum of two times each day.*



- b. During high wind conditions (i.e., wind speeds exceeding 25 mph), areas with disturbed soil shall be watered hourly and activities on unpaved surfaces shall cease until wind speeds no longer exceed 25 mph.
  - c. Storage piles that are to be left in place for more than three working days shall be sprayed with a non-toxic soil binder, covered with plastic or revegetated.
  - d. Storm water control systems shall be installed to prevent off-site mud deposition.
  - e. All trucks hauling dirt away from the site shall be covered.
  - f. Construction vehicle tires shall be washed, prior to leaving the project site.
  - g. Rumble plates shall be installed at construction exits from dirt driveways.
  - h. Paved access driveways and streets shall be washed and swept daily when there are visible signs of dirt track-out.
  - i. Street sweeping shall be conducted daily when visible soil accumulations occur along site access roadways to remove dirt dropped or tracked-out by construction vehicles.
  - j. Site access driveways and adjacent streets shall be washed daily, if there are visible signs of any dirt track-out at the conclusion of any workday and after street sweeping.
- [Mitigation Measure III-3] Grading Permits/Planning

III-4 AQ - Construction Mitigation. The "developer" shall submit for review and obtain approval from County Planning of a signed letter agreeing to include as a condition of all construction contracts/subcontracts requirements to reduce vehicle and equipment emissions and other impacts to air quality by implementing the following measures and submitting documentation of compliance: The developer/construction contractors shall do the following:

- a. Provide documentation prior to beginning construction demonstrating that the project will comply with all SCAQMD regulations including 402, 403, 431.1, 431.2, 1113 and 1403.
- b. Each contractor shall certify to the developer prior to construction-use that all equipment engines are properly maintained and have been tuned-up within last 6 months.
- c. Each contractor shall minimize the use of diesel-powered vehicles and equipment through the use of electric, gasoline or CNG-powered equipment. All diesel engines shall have aqueous diesel filters and diesel particulate filters.
- d. All gasoline-powered equipment shall have catalytic converters.
- e. Provide onsite electrical power to encourage use of electric tools.
- f. Minimize concurrent use of equipment through equipment phasing.
- g. Provide traffic control during construction to reduce wait times.
- h. Provide on-site food service for construction workers to reduce offsite trips.
- i. Implement the County approved Dust Control Plan (DCP)
- j. Suspend use of all construction equipment operations during second stage smog alerts.

NOTE: For daily forecast, call (800) 367-4710 (San Bernardino and Riverside counties).

[Mitigation Measure III-4] Grading Permits/Planning

III-5 AQ – Installation. The developer shall submit for review and obtain approval from County Planning of evidence that all air quality mitigation measures have been installed, implemented properly and that specified performance objectives are being met to the satisfaction of County Planning and County Building and Safety. These installations/ procedures include the following:

- a. Dust Control Plan (DCP)
- b. Coating Restriction Plan (CRP)

[Mitigation Measure III-5] Final Inspection/Planning

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**XII-1 Construction Noise.** The “developer” shall submit and obtain approval from County Planning of a signed letter agreeing to include as a condition of all construction contracts/subcontracts requirements to reduce noise impacts during construction by implementing the following measures and submitting documentation of compliance: The developer/construction contractors shall do the following:

- a. During the project site excavation and grading, the construction contractors shall equip all construction equipment, fixed or mobile, with properly operating and maintained mufflers, consistent with the manufactures standards.
- b. The construction contractor shall place all stationary construction equipment so that emitted noise is directed away from the noise sensitive receptors nearest the project site.
- c. The construction contractor shall limit all construction-related activities that would result in high noise levels between the hours of 7:00 a.m. and 6:00 p.m., Monday through Saturday excluding holidays.
- d. The construction contractor shall locate equipment staging in areas that will create the greatest distance between construction-related noise sources and noise sensitive receptors nearest the project site during all project construction.
- e. The construction contractor shall limit haul truck deliveries to the same hours specified for construction equipment. To the extent feasible, haul routes shall not pass sensitive land uses or residential dwellings.
- f. Prior to issuance of grading permits, the Applicant shall submit a mitigation plan prepared by a qualified engineer or other acoustical expert for review and approval by the Planning Division that identifies noise control measures that achieve a minimum 20 dBA reduction in construction related noise levels at the residential uses to the west, south, and east of the project site. The mitigation plan may include use of vibratory pile drivers or other pile driving noise controls, sound curtains, engineered equipment controls, or other methods. Noise control requirements shall be noted on project construction drawings and verified by the Building Department during standard inspection procedures.  
[Mitigation Measure XII-1] - Prior to Grading Permit/Planning

**XII-2 Operational Noise.** The County shall verify that the following notes shall be cited on the CUP Site Plan that:

- a) The building occupant shall place all stationary noise generating equipment so that emitted noise is directed away from the noise sensitive receptors nearest the project site.

**XII-2** In the event that roadway improvements are necessary, the Applicant shall ensure that vibration associated with the use of a vibratory roller will not exceed the vibration damage potential for older residential structure of 0.30 PPV and the vibration annoyance potential of 0.04 PPV (distinctly perceptible) established by Caltrans. Supplemental analysis shall be performed and submitted for the review and approval of the Planning Division prior to the start of construction activities.

[Mitigation Measure XII-2] Occupancy Permits/Planning

**XVI-1 Regional Transportation Facilities Fee.** This project falls within the Regional Transportation Development Mitigation Plan. The applicable fee shall be paid by a cashier's check to the Department of Public Works Business Office prior to issuance of a building permit.

[Mitigation Measure XVI-1] Building Permits/Public Works

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**GENERAL REFERENCES: (List author or agency, date, title)**

California Department of Conservation. Alquist-Priolo Special Studies Zones Map (Redlands Quadrangle).

California Department of Conservation Farmland Mapping & Monitoring Program. San Bernardino County Important Farmland (Sheet 2 of 2).

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California Department of Conservation. Open File Report 94-08. Mineral Land Classification of a Part of San Bernardino County: The San Bernardino Valley Area, California.

California Department of Fish & Wildlife. California Natural Diversity Database. Accessed February 2015.

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California Department of Forestry & Fire Protection. Fire Resource Assessment Program Maps. Accessed January 2015.

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CEQA Guidelines, Appendix G

County of San Bernardino Development Code, Adopted 2007 and Revised 2013. Accessed October 2013.

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County of San Bernardino. 2006 General Plan Program Final Environmental Impact Report. Adopted 2007.

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County of San Bernardino. Land Use Zoning Districts Map. Accessed February 2015.

County of San Bernardino. Technical Guidance Document for Water Management Plans. September 2013.

Federal Emergency Management Agency. Flood Insurance Rate Map & Flood Boundary Map. Accessed February 2015.

South Coast Air Quality Management District, CEQA Air Quality Handbook, November 1993

Fontana Water Company. Urban Water Management Plan. 2010.

Santa Ana Regional Water Quality Control Board. Adopted Orders and Resolutions (2006). Accessed February 2015.

U.S. Geological Survey. Fontana Quadrangle 7.5 minute series. Accessed February 2015.

City of Fontana. General Plan. 2003

#### **PROJECT SPECIFIC STUDIES:**

MIG | Hogle-Ireland. *Air Quality and Climate Change Assessment*. February 2015.

Blackston Consulting. *Phase I Environmental Site Assessment*. January 2015

MIG | Hogle-Ireland. *Noise Study*. February 2015

Kunzman Associates. *Traffic Impact Analysis*. January 2015

#### **SPECIFIC REFERENCES:**

- <sup>1</sup> Sacramento Metropolitan Air Quality Management District. CEQA Guide. May 2011
- <sup>2</sup> TvC - USGS Geologic Map of the San Bernardino 30' x 60' Quadrangle, California
- <sup>3</sup> California Emergency Management Agency. CalARP Program Administering Agency Guidance. January 2005
- <sup>4</sup> South Coast Air Quality Management District. Rule 1403: Asbestos Emissions from Demolition/Renovation Activities. Amended October 5, 2007
- <sup>5</sup> California Department of Toxic Substances. *Draft Lead Report*. June 2004
- <sup>6</sup> Cal/EPA Sites Identified with Waste Constituents above Hazardous Waste Levels.  
<http://www.calepa.ca.gov/sitecleanup/corteselist/CurrentList.pdf> [February 2015]
- <sup>7</sup> California Department of Toxic Substances Control EnviroStor. Hazardous Waste and Substances Site List "Cortese List" <http://www.calepa.ca.gov/sitecleanup/corteselist/> [February 2015]
- <sup>8</sup> California State Water Resources Control Board GeoTracker. Leaking Underground Storage Tank Sites by County and Fiscal Year from Water Board GeoTracker Database. <https://geotracker.waterboards.ca.gov/> [February 2015]
- <sup>9</sup> California State Water Resources Control Board GeoTracker. Cleanup and abatement order (CAO) and Cease and Desist Order List (CDO)
- <sup>10</sup> California Department of Transportation. Transportation- and Construction-Induced Vibration Guidance Manual. June 2004

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- <sup>11</sup> United States Bureau of Mines. Mining Machinery Noise Control Guidelines. 1983  
<sup>12</sup> United States Bureau of Mines. Noise Abatement Techniques for Construction Equipment. August 1979  
<sup>13</sup> Sound Seal. Sound Seal Sound Curtains Exterior Grade Noise Control.  
<http://www.soundcurtains.com/exterior-grade-noise-control.pdf> [October 2014]

**COPIES OF THE APPENDICES  
ARE AVAILABLE FOR REVIEW  
AT THE LAFCO OFFICE:**

Appendix A – Air Quality and Climate Change  
Assessment

Appendix B – Noise Study

Appendix C – Phase 1 Environmental Site Assessment

Appendix D – Traffic Impact Analysis

# **Draft Resolution #3218**

**Attachment 4**

**PROPOSAL NO.: LAFCO SC#405**

**HEARING DATE: APRIL 20, 2016**

**RESOLUTION NO. 3218**

**A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO SC#405 – CITY OF FONTANA PRE-ANNEXATION AGREEMENT NO. 15-003 FOR SEWER SERVICE (ASSESSOR PARCEL NUMBER 0234-101-21)**

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

**WHEREAS**, Government Code Section 56133 requires the Local Agency Formation Commission to review and approve, approve with conditions, or deny applications for agencies to provide services outside their existing boundaries; and,

**WHEREAS**, an application for the proposed service extension in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 *et seq.*), and the Executive Officer has examined the application and determined that the filings are sufficient; and,

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

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

**WHEREAS**, the public hearing by this Commission was called for April 20, 2016 at the time and place specified in the notice of public hearing; and,

**WHEREAS**, at the hearing, this Commission heard and received all oral and written support and/or opposition; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the contract, in evidence presented at the hearing;

**NOW, THEREFORE, BE IT RESOLVED**, that the Local Agency Formation Commission for San Bernardino County does hereby determine, find, resolve and order as follows:



## RESOLUTION NO. 3218

### **DETERMINATIONS:**

**SECTION 1.** The following determinations are noted in conformance with Commission policy:

1. The project site, encompassing a single parcel identified as Assessor Parcel Number 0234-101-21, is located on the west side of Redwood Avenue generally between San Bernardino Avenue and Valley Boulevard. The parcel is within the sphere of influence assigned the City of Fontana and is anticipated to become a part of that City sometime in the future. The project will receive water service from the Fontana Water Company.

The application requests authorization to receive City of Fontana sewer service for the proposed development of a 214,300 sq. ft. industrial building to be used as a high-cube warehouse/distribution facility on approximately 9.89 acres. This requirement is a condition of approval placed upon the project by the County's Land Use Services Department. Therefore, approval of the City's request for authorization to provide sewer service to the project is necessary in order to satisfy this condition of approval.

2. The City of Fontana's Pre-Annexation Agreement No. 15-003 is being considered for the provision of sewer service by the City of Fontana to the project site comprised of a single parcel, Assessor Parcel Number 0234-101-21. This contract will remain in force in perpetuity for this parcel or until such time as the area will be annexed.
3. The fees charged this project by the City of Fontana for the extension of sewer service are identified as totaling \$121,663.45 (a breakdown of charges is on file in the LAFCO office). Payment of these charges is required prior to connection to the City's sewer facilities. In addition, the property owner shall bear all costs to complete improvements needed to extend the sewer service to the proposed project.
4. During the period from October 2011 to November 2011, acting as the CEQA lead agency, the County of San Bernardino, as a function of its review of a Conditional Use Permit to construct a 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility on approximately 9.89 acres, prepared an environmental assessment and adopted a Mitigated Negative Declaration which indicates that approval of the project will not have a significant adverse impact on the environment through its development under the Conditions of Approval that has been prepared for the proposed project. The County's Initial Study and Mitigated Negative Declaration have been reviewed by the Commission's staff and Environmental Consultant who have found them to be adequate for the service contract decision.

The Commission certifies that it has reviewed and considered the County's Mitigated Negative Declaration and environmental effects as outlined in the Initial Study prior to reaching a decision on the service contract and finds the information substantiating the Mitigated Negative Declaration is adequate for its use in making a decision as a CEQA responsible agency. The Commission further finds that it does not intend to adopt alternatives or additional mitigation measures for this project as all changes, alterations and mitigation measures are within the responsibility and jurisdiction of the County and/or others, and are self-mitigating through implementation of the Conditions of Approval.

The Commission, as a responsible agency, finds that proposal is exempt from Department of Fish and Wildlife fees because the filing fee was the responsibility of the County as the CEQA

## RESOLUTION NO. 3218

lead agency. The Commission directs its Executive Officer to file a Notice of Determination within five (5) working days with the San Bernardino County Clerk of the Board of Supervisors.

**SECTION 2. CONDITION.** The City of Fontana shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this service contract, including any reimbursement of legal fees and costs incurred by the Commission.

**SECTION 3.** The Local Agency Formation Commission for San Bernardino County does hereby determine to approve the service extension contract submitted by the City of Fontana to provide sewer service to the project site comprised a single parcel identified as Assessor Parcel Number 0234-101-21.

**SECTION 4.** The Commission instructs the Executive Officer of this Local Agency Formation Commission to notify the affected agencies that the application identified as LAFCO SC#405 - City of Fontana Pre-Annexation Agreement No. 15-003 for Sewer Service, has been approved.

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

**AYES: COMMISSIONERS:**

**NOES: COMMISSIONERS:**

**ABSENT: COMMISSIONERS:**

\* \* \* \* \*

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

**I, KATHLEEN ROLLINGS-McDONALD, 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 regular meeting of April 20, 2016.**

**DATED:**

**KATHLEEN ROLLINGS-McDONALD**  
Executive Officer

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 383-9900 • Fax (909) 383-9901  
E-MAIL: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

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**DATE:** April 12, 2016

**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
ROBERT ALDRICH, Consultant

**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT: AGENDA ITEM #6 - LAFCO 3205 – Sphere of Influence Amendments  
(Expansion) for the San Bernardino County Fire Protection District  
(City of Needles territory)**

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**INITIATED BY:**

Jointly initiated by the City Council of the City of Needles and Board of Directors  
of the San Bernardino County Fire Protection District

**RECOMMENDATION:**

Staff recommends that the Commission make the following determinations:

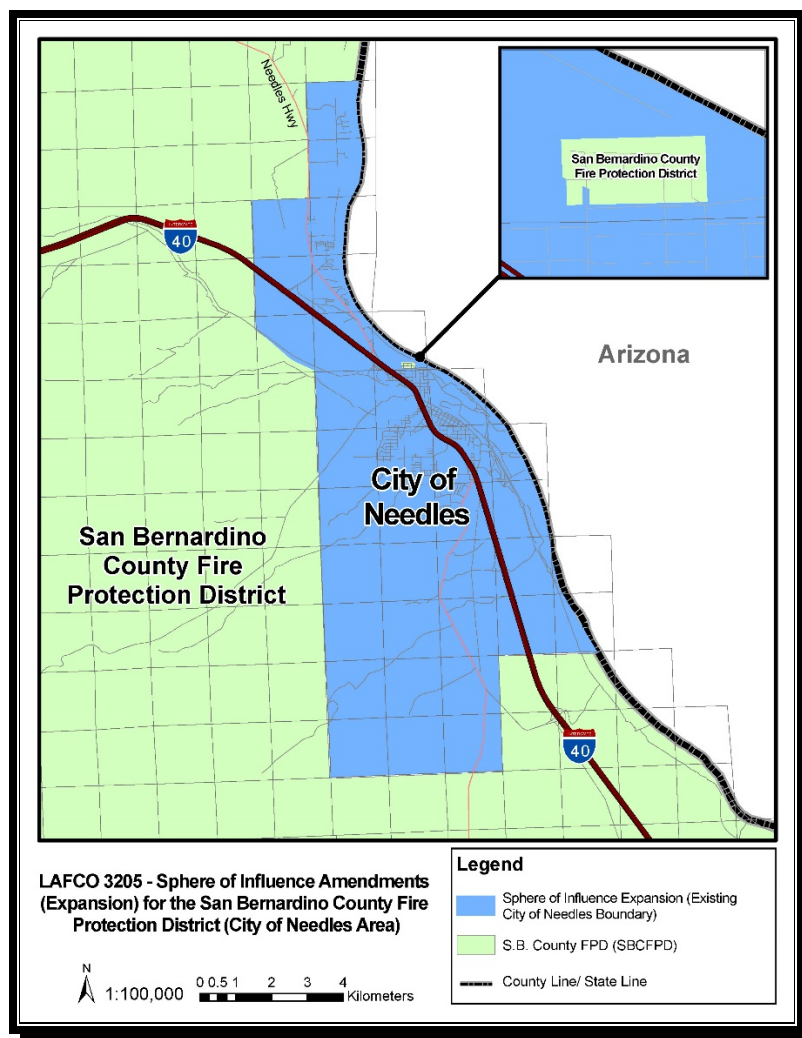
1. Determine that the proposal presented for sphere of influence amendment, submitted under the provisions of Government Code Section 56428, does not require a service review.
2. Certify that LAFCO 3205 is statutorily exempt from environmental review, and direct the Executive Officer to file a Notice of Exemption within five (5) days.
3. Approve the expansion of the sphere of influence for the San Bernardino County Fire Protection District to include the territory of the City of Needles.
4. Adopt LAFCO Resolution No. 3219 reflecting the Commission's determinations and findings for the sphere of influence changes identified.

**BACKGROUND:**

Resolutions formally initiating an application with LAFCO to: (1) expand the sphere of influence of the San Bernardino County Fire Protection District (hereafter "County Fire" or "SBCFPD") to include the entirety of the City of Needles, and (2) annex the City of

Needles into County Fire and its South Desert Service Zone, were adopted by both the City of Needles on December 8, 2015, and County Fire on December 15, 2015. With concurrence from both the City of Needles and County Fire, LAFCO staff amended the reorganization application to additionally include concurrent annexation into Service Zone FP-5 and the formation of a specific subzone of FP-5 to isolate the special tax revenue to be received from within the boundaries of the City of Needles.

The proposed sphere expansion encompasses the entirety of the City of Needles which includes approximately 20,998 acres (32.81 square miles) generally located on the eastern edge of San Bernardino County on the west bank of the Colorado River. The City of Needles is located in the Mohave Valley which straddles the California-Arizona border. The City includes one unincorporated island – approximately 18 acres of territory which is part of the reservation lands of the Fort Mojave Indian Tribe – that is already within the SBCFPD and South Desert Service Zone. A map illustrating the proposed sphere expansion is included as a part of Attachment #1 to this report and is shown below:



At LAFCO's September 16, 2015 hearing, the Commission determined that it would not require a service review for the sphere of influence amendments proposed for County Fire. At that hearing, the Commission supported staff's position that sphere of influence "amendments" submitted under the provisions of Government Code Section 56428 do not require a service review unless they meet the criteria of the Commission's adopted policy. In this case, LAFCO 3205 does not fit the Commission's policy requirements which address retail water service provision or areas outside a wholesale water purveyor to require a service review for an amendment as outlined in Policy and Procedure Manual, Section IV Application Processing, Chapter 3 Service Reviews, Policy 2 Service Review Requirement for Sphere of Influence Amendments.

Expansion of the sphere of influence will allow for the annexation of the entirety of the City of Needles into County Fire, its South Desert Service Zone, and Service Zone FP-5, and the formation of subzone FP-5 Needles by separate action (LAFCO 3206). This item will be heard following consideration of the proposed sphere expansion. This set of proposals is intended to maintain adequate fire protection and emergency medical response service within the City of Needles service area.

The data and analysis, below, address the factors of consideration required for a sphere of influence amendment as outlined in Government Code Section 56425. Each of these requires a determination adopted by the Commission.

### **SPHERE OF INFLUENCE DETERMINATIONS:**

The City of Needles has submitted an application requesting that LAFCO amend the sphere of influence of County Fire to include the entirety of the City which encompasses approximately 20,998 acres. The proposal, along with a concurrent application (LAFCO 3206) to annex the entirety of the City of Needles by County Fire, its South Desert Service Zone, and Service Zone FP-5, and to form subzone FP-5 Needles, will allow for residents to continue to receive adequate fire and emergency medical response services. The City of Needles immediate and long-term financial constraints preclude the City from continuing to provide these services at acceptable levels. Therefore, LAFCO staff is recommending that the Commission:

Expand the sphere of influence of the San Bernardino County Fire Protection District to include the entirety of the City of Needles.

The following address the mandatory factors as outlined in Government Code Section 56425:

#### **1. The present and planned land uses in the area including agricultural and open space lands:**

The land area proposed to be included in the sphere of influence of County Fire includes approximately 20,998 acres of varied land uses within the City of Needles.

The City's General Plan designates approximately 42 percent of the total land area for residential uses, 15 percent for commercial, 18 percent for industrial, six percent for Open Space, and three percent for parks/recreation. Approximately 11 percent of the City's land area has no General Plan land use designation.

The chart, below, depicts the General Plan land use districts (in acres) within the City of Needles (proposed sphere expansion area):

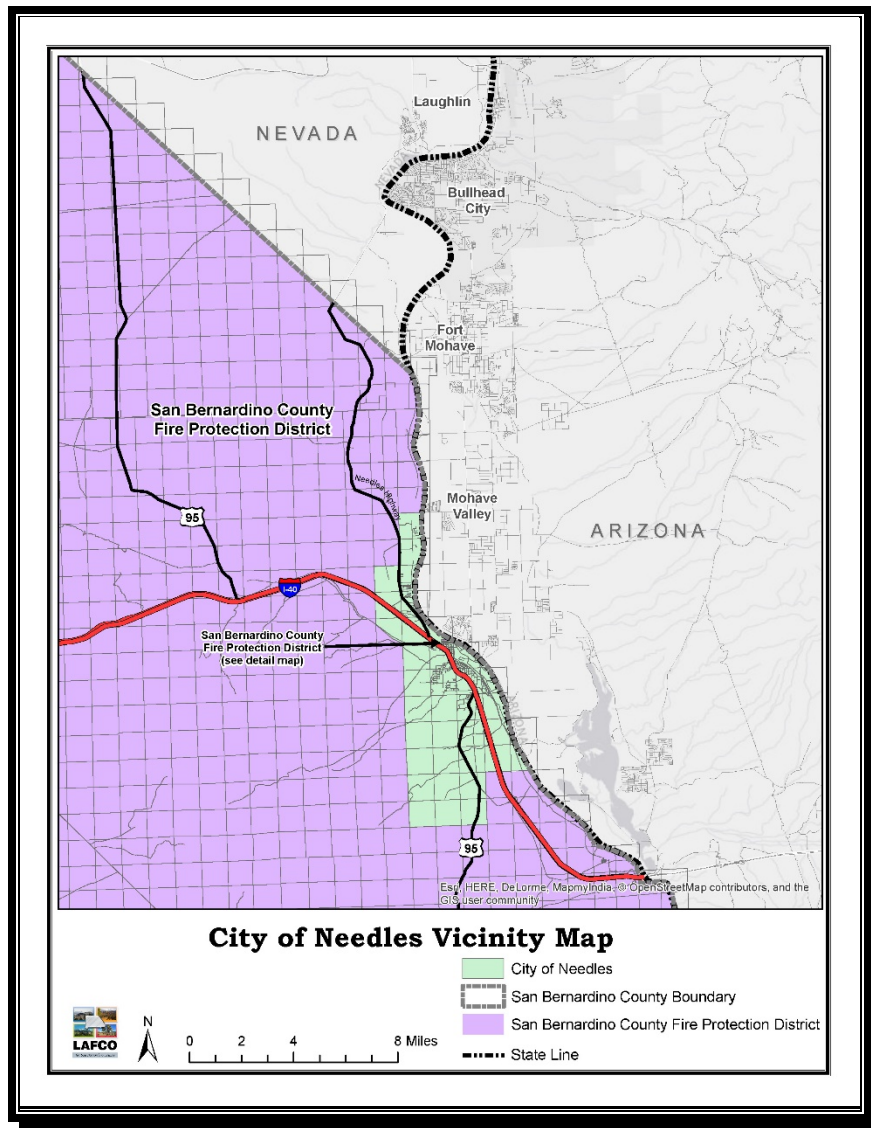
<b>City of Needles Land Use</b>	<b>Acres (approximate)</b>
Residential – Low Density	5,050
Residential – Medium Density	2,020
Residential – High Density	1,414
Commercial - General	202
Commercial - Neighborhood	Less than 200
Commercial - Highway	1,616
Commercial - Resort	1,212
Industrial	3,636
Open Space	1,212
Parks/Recreation	606
Institutional	Less than 200
Others	606
No General Plan Land Use Designation	2,222
<b>TOTAL SPHERE EXPANSION AREA</b>	<b>20,998</b>

*Source: City of Needles General Plan*

In order to fully understand the future of the City's population, a review of the historical population of the City and the nearby cities is needed. The information which follows was reviewed in the 2013 Service Review conducted by LAFCO for the overall Needles community, and the map which follows illustrates the location. The community has long had an economic disadvantage in relation to the neighboring communities in Nevada and Arizona. As shown, the nearby areas in Arizona and Nevada have experienced significant and steady growth. Corresponding with this growth is a greater economic output. For the City of Needles, its population peaked in 1990, decreased in 2000, and increased by 0.03% by 2010.

	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>
City of Needles, CA	4,051	4,120	5,191	4,830	4,844
City of Bullhead City, AZ	n/a	10,364	21,951	33,769	39,540
City of Lake Havasu, AZ	n/a	15,509	24,363	41,938	55,567
Mohave Valley/Ft Mohave, AZ	n/a	n/a	6,962	15,995	21,687
Laughlin, NV	n/a	n/a	n/a	7,076	7,323

*Source: Census*



In the City of Needles, the 2010 Census count was 4,844. The annual growth since 2010 has been -0.1% through 2015. This figure from Environmental Systems Research Institute ("ESRI") is statistically similar to that of the U.S. Census 2014 estimate.

Year		Population	% Change	Source
1950	Census Count	4,051	12%	U.S. Census
1960	Census Count	4,590	13%	U.S. Census
1970	Census Count	4,051	-12%	U.S. Census
1980	Census Count	4,120	2%	U.S. Census
1990	Census Count	5,191	26%	U.S. Census
2000	Census Count	4,830	-7%	U.S. Census
2010	Census Count	4,844	0%	U.S. Census
2015	Estimate	4,820	0%	Environmental Systems Research Institute

There are two differing forecast figures for 2020. ESRI forecasts roughly 4,844, and the Southern California Association of Governments ("SCAG") forecasts roughly 5,600. Comparing these figures to the 2015 estimate, the annual growth rates during this five year period are a vastly different at 0.1% and 3.0%, respectively. For the 2020 SCAG forecast to occur would require an increase of roughly 750 inhabitants. The 2020 ESRI figure is more in line with previous growth rates and is therefore more likely to occur.

<b>2020</b>	Forecast	4,844	Environmental Systems Research Institute
		5,600	SCAG 2012-2035 Regional Transportation Plan
<b>2035</b>	Forecast	6,800	SCAG 2012-2035 Regional Transportation Plan

LAFCO staff has adjusted the 2035 SCAG forecast by using a conservative annual growth rate of 1.0%, which we believe is more realistic than SCAG's annual growth rate of 2.3% from 2020 to 2035. The result is a 2035 forecast of roughly 5,613 as shown below, with five-year increments.

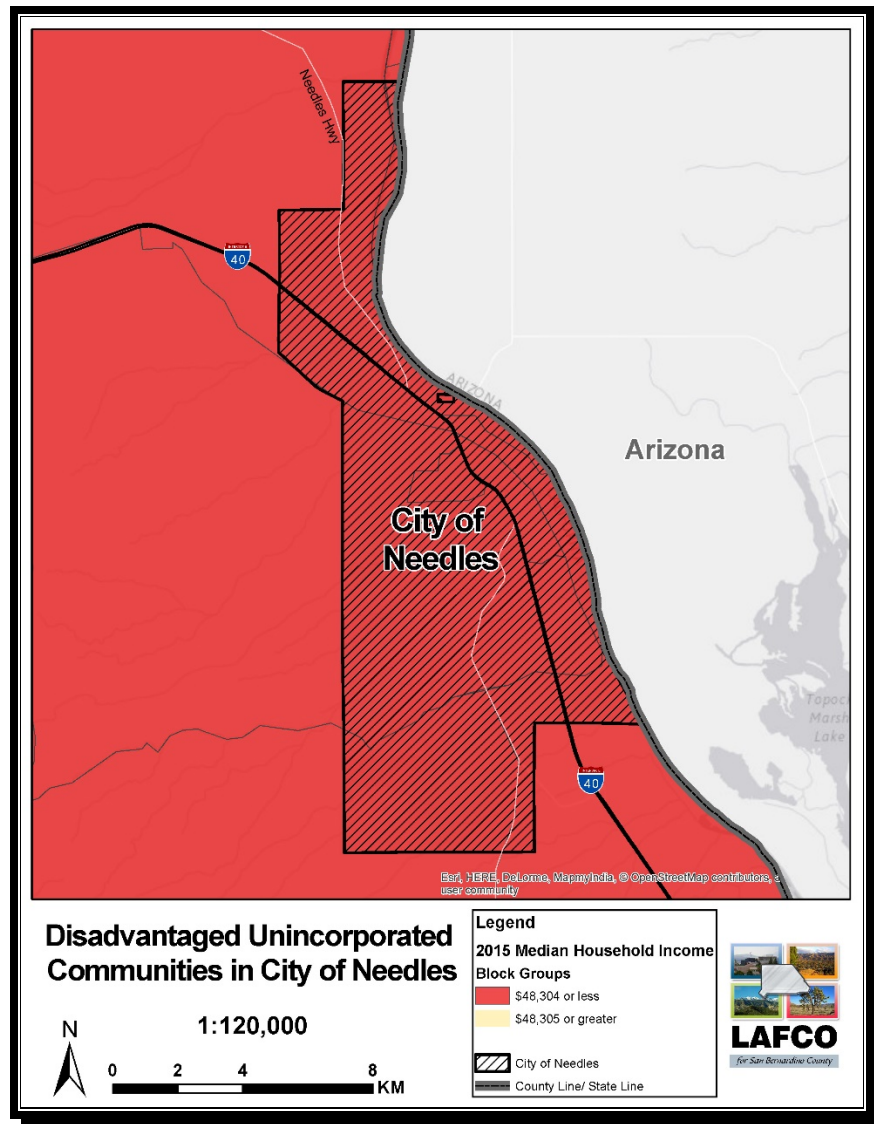
<b>2020</b>	Forecast	4,844	Environmental Systems Research Institute
<b>2025</b>	Forecast	5,091	LAFCO Revision
<b>2030</b>	Forecast	5,351	LAFCO Revision
<b>2035</b>	Forecast	5,613	LAFCO Revision

## 2. The present and probable need for public facilities and services in the area:

Costs for the provision of contract fire protection and emergency medical services provided by County Fire for the City of Needles are expected to increase significantly in the coming years. Without a change in governance, reductions in service will be required to be implemented which may jeopardize public safety for residents and businesses within the City of Needles.

Government Code Section 56425(e)(5) directs the Commission to evaluate the present and probable need for the delivery of structural fire protection within a disadvantaged unincorporated community. LAFCO 3205 addresses the incorporated City of Needles. However, the questions for assurance of service delivery to a disadvantaged community are real in this situation for both unincorporated and incorporated territory. The 2015 Disadvantaged Community Maps maintained by LAFCO identify that the entire area within the City of Needles and the immediate surrounding areas are disadvantaged, and the Commission has an inherent responsibility to assure the continuation of the critical public health and safety service. The entirety of the area shown on the map, below, meets the criteria for a disadvantaged community which is defined by State law as areas where households earn \$48,305 or less per year (80% of statewide median income).

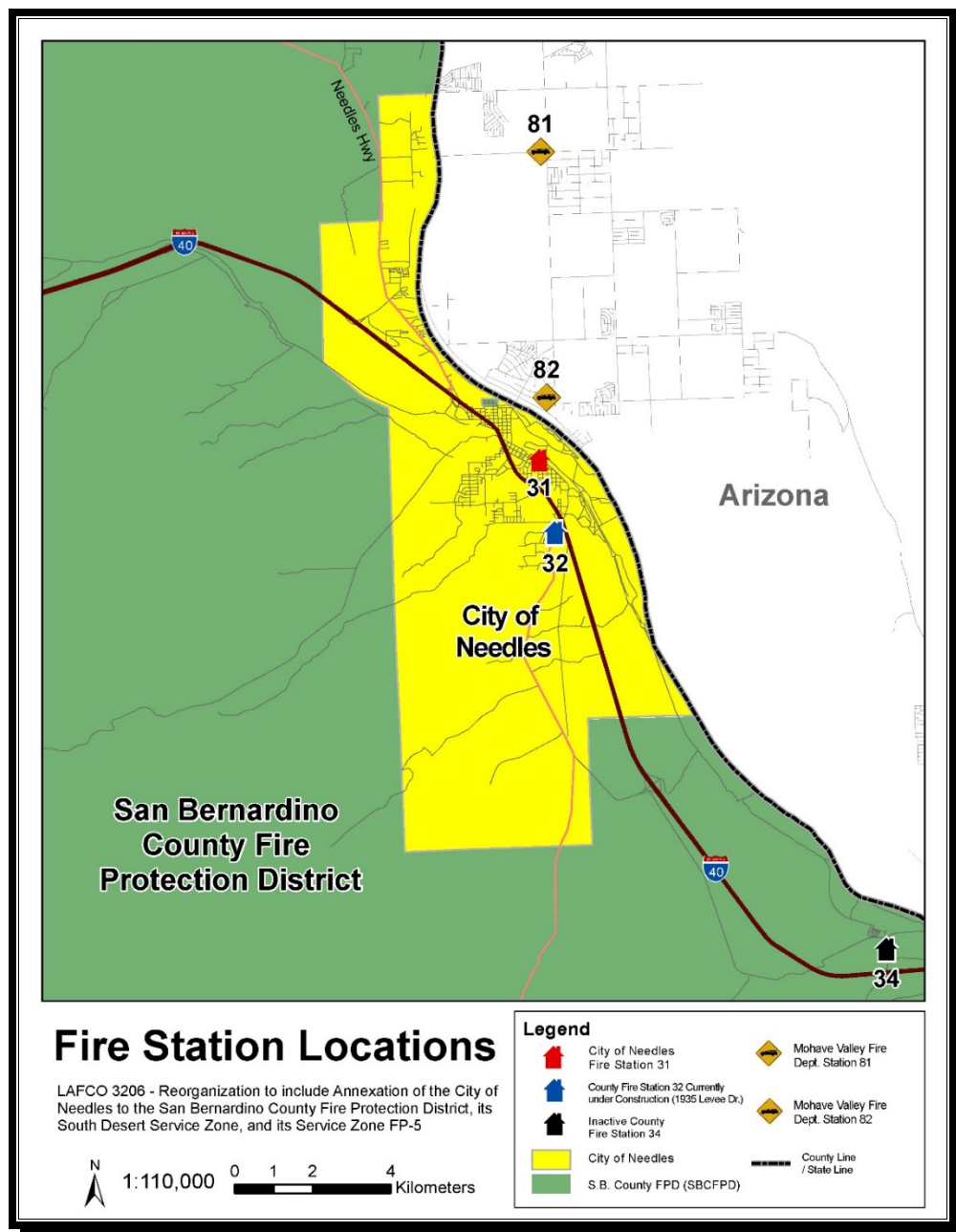




**3. The present capacity of public facilities and adequacy of public services that the agency to be expanded provides or is authorized to provide:**

County Fire operates 75 fire stations serving approximately 750,000 residents in approximately 16,535 acres of unincorporated territory plus seven incorporated cities including Adelanto (by contract), Fontana (by contract), Grand Terrace, Hesperia (by contract), Needles (by contract) Victorville (by contract), and Yucca Valley. County Fire provides a full range of emergency services, including ladder trucks, fire boats for water rescues, snow cats for winter operations, heavy equipment for flooding and earth moving, ambulance transportation in seven ambulance operating areas, paramedics and large incident command and control capability. County Fire is the largest provider of pre-hospital care in the County and the second largest ambulance provider.

The current County Fire Station 31, built in 1953 at 633 Front Street in downtown Needles, is no longer adequate or large enough to serve the fire protection and emergency services needs of the Needles community. County Fire is currently constructing Fire Station 32 located at 1113 East Broadway (State Route 95) within the City of Needles. Scheduled for completion in the fall of 2016, the 6,300 square foot facility will allow room for future growth of fire protection and emergency services to the Needles area and the territory of the eastern County unincorporated area under its responsibility.



The package of applications submitted by the City of Needles is intended to ensure adequate, long-term fire protection and emergency response services for the residents of the Needles. The City of Needles can no longer afford to continue funding these services at appropriate levels.

**4. The existence of any social or economic communities of interest as determined by the Commission to be relevant to the agency:**

As one of the gateways to California, the Needles community holds a significant place in the fabric of California. However, its economic standing has suffered as the economies of communities in Arizona and Nevada have advanced. Social and economic communities of interest include the surrounding Indian tribes, Needles Unified School District, Burlington Northern Santa Fe Railroad related businesses along Highway 40, and the Colorado River and its economic and recreational uses. The Colorado River Medical Center is the largest employer in the City, but its future is also in question due to its proximity to larger and varied facilities in the adjacent states.

**Services of the Agency:**

Government Code Section 56425(i) requires that during a sphere of influence amendment or update for a special district, the Commission is required to review and identify the range of services to be provided, as well as the nature and location of those services. At present, the Commission's "Exhibit A" (which lists the functions and services of special districts) identifies the following services for the San Bernardino County Fire Protection District:

<u>FUNCTION</u>	<u>SERVICES</u>
Fire	structural, watershed, prevention, inspection, suppression, weed abatement, hazardous materials services, rescue, first aid, paramedic, ambulance transportation, emergency response, and disaster preparedness planning.

No change in the range or level of service authorized County Fire is anticipated through the consideration of LAFCO 3205.

**ADDITIONAL DETERMINATIONS:**

1. The Commission is the lead agency for review of the potential environmental consequences of the sphere of influence modifications. LAFCO staff has provided the Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, with the application materials for review. Mr. Dodson has indicated the proposed sphere amendment is not judged to pose any adverse changes to the physical environment. Therefore, his recommendation is that the sphere

amendment is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061(b).

2. Legal notice of the Commission's consideration of the proposal has been provided through publication of a 1/8<sup>th</sup> page advertisement in *The Needles Desert Star*, a newspaper of general circulation in the area. In addition, individual notice was provided to affected and interested agencies, County departments and those individuals and agencies requesting special notice.
3. The map and legal description of this sphere of influence amendment was prepared and certified by the County Surveyor's Office.

**CONCLUSION:**

LAFCO 3205 is the first step in a two-part process to provide for continuing fire protection and emergency medical response services to the City of Needles. Continuing with the current contract with County Fire for fire protection and emergency medical services is clearly infeasible due to increased contract costs which the City is unable to fund. Without a change in governance, further reductions in service will be required to be implemented by the City. Should these additional service cuts be imposed, the level of fire and emergency medical protection services provided by the City may jeopardize public safety for residents and businesses within the City of Needles boundary as well as the many travelers along Highway 40, California Route 95 and the Needles Highway. To address this situation, annexation into County Fire is warranted.

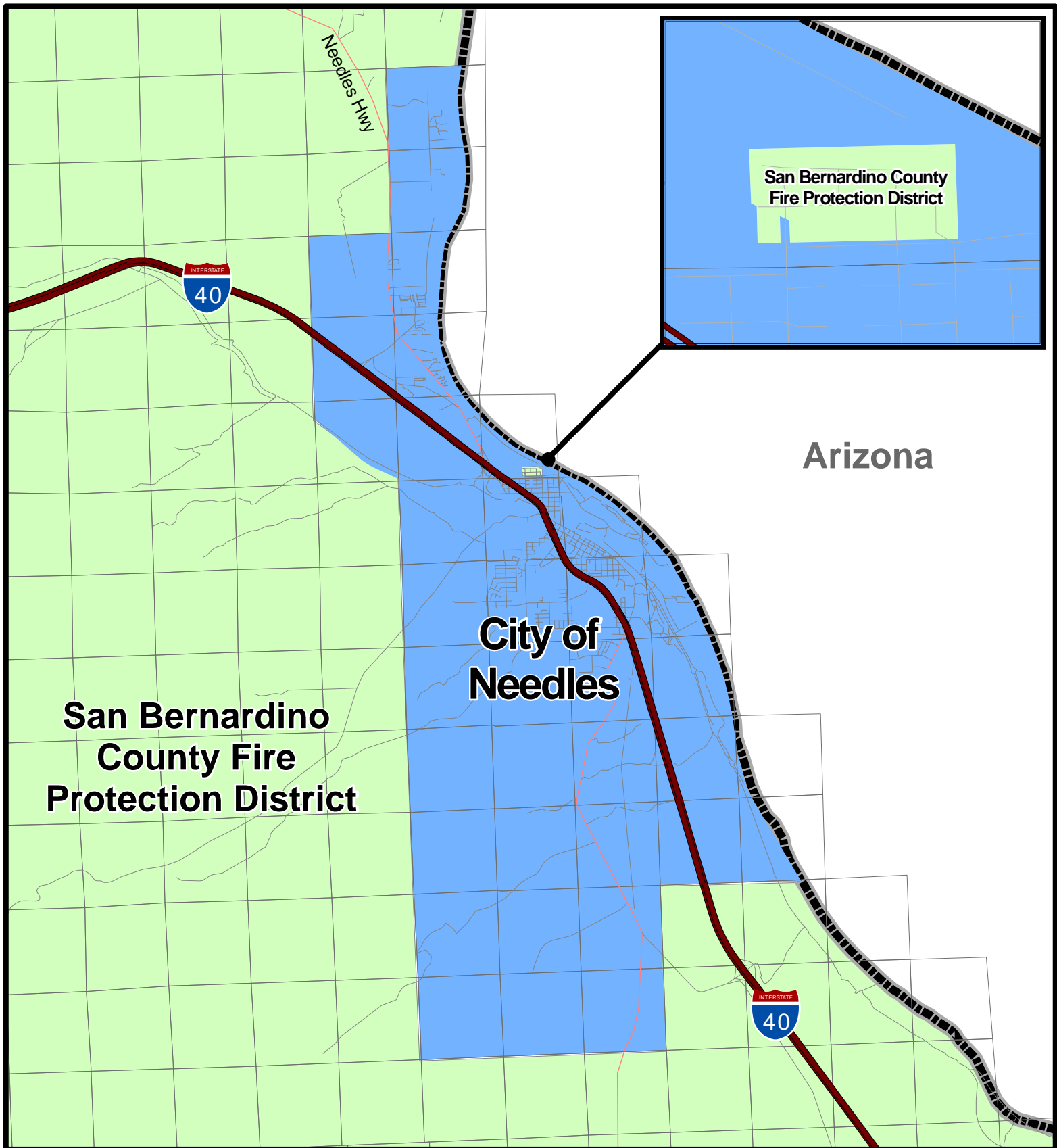
For all the reasons outlined in this report, LAFCO staff supports the change in sphere of influence designation to expand the sphere for County Fire and its related service zones.

**Attachments:**

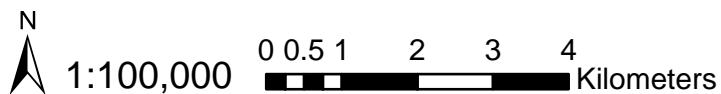
1. Vicinity Map, Proposed Sphere of Influence Amendment, and Supplemental Maps
2. City of Needles/San Bernardino County Fire Protection District Application
3. Letter from Commission Environmental Consultant Tom Dodson of Tom Dodson and Associates Dated April 2, 2016
4. Draft LAFCO Resolution No. 3219

# **Vicinity Maps, Proposed Sphere of Influence Amendment, and Supplemental Maps**

**Attachment 1**



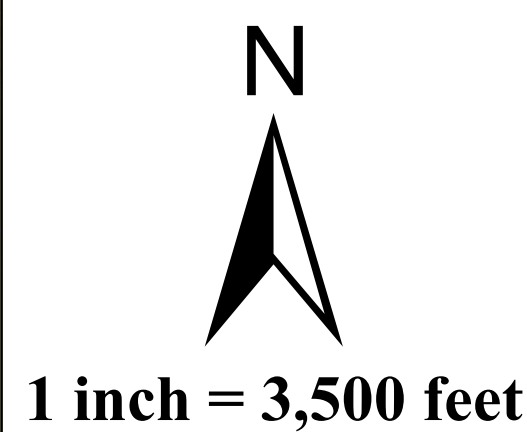
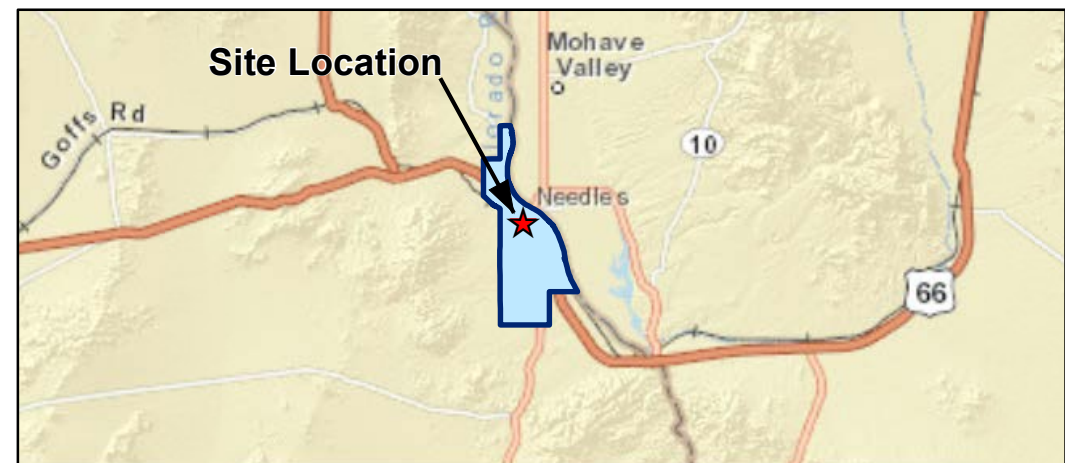
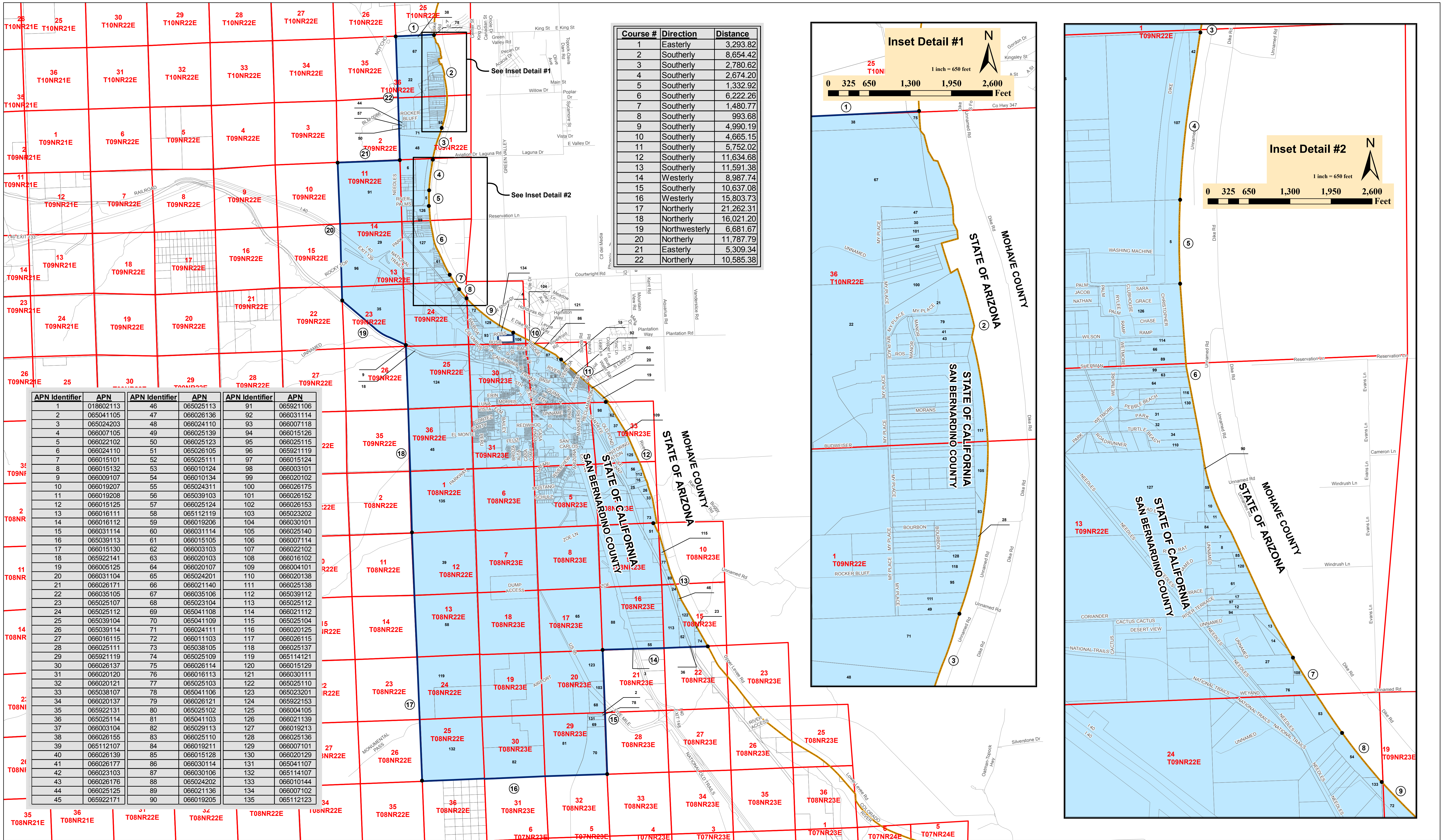
**LAFCO 3205 - Sphere of Influence Amendments  
(Expansion) for the San Bernardino County Fire  
Protection District (City of Needles Area)**



**Legend**

- Sphere of Influence Expansion (Existing City of Needles Boundary)
- S.B. County FPD (SBCFPD)
- County Line/ State Line





- Sphere/Annexation Area Containing 19,908.75 Acres, More or Less
- APN Assessors Parcel Number
- Section Lines
- Course Endpoint
- Course Number
- County/State Boundary

## LAFCO 3205 Sphere of Influence Amendment (Expansion) for the San Bernardino County Fire Protection District

Those Portions of: Township 8 North, Ranges 22 & 23 East, S.B.M., Township 9 North, Ranges 22 & 23 East, S.B.M., and Township 10 North, Range 22 East, S.B.M., San Bernardino County, State of California.



THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION



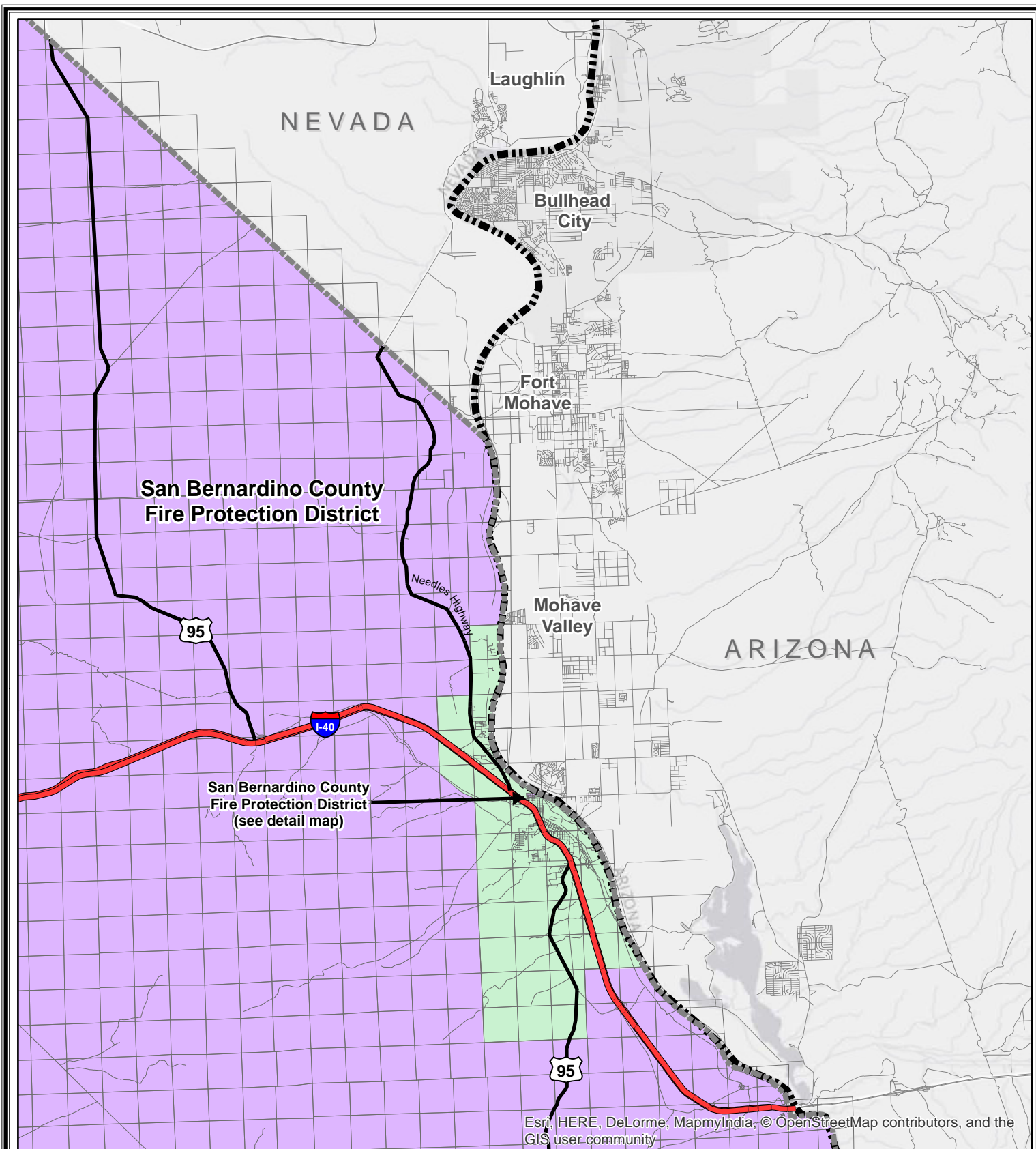
James I. Stone  
Deputy County Surveyor  
PLS 9075

01/27/2016

Date

Exp. 3/31/2016  
Job Number 00143CP0 - Revised January 27, 2016





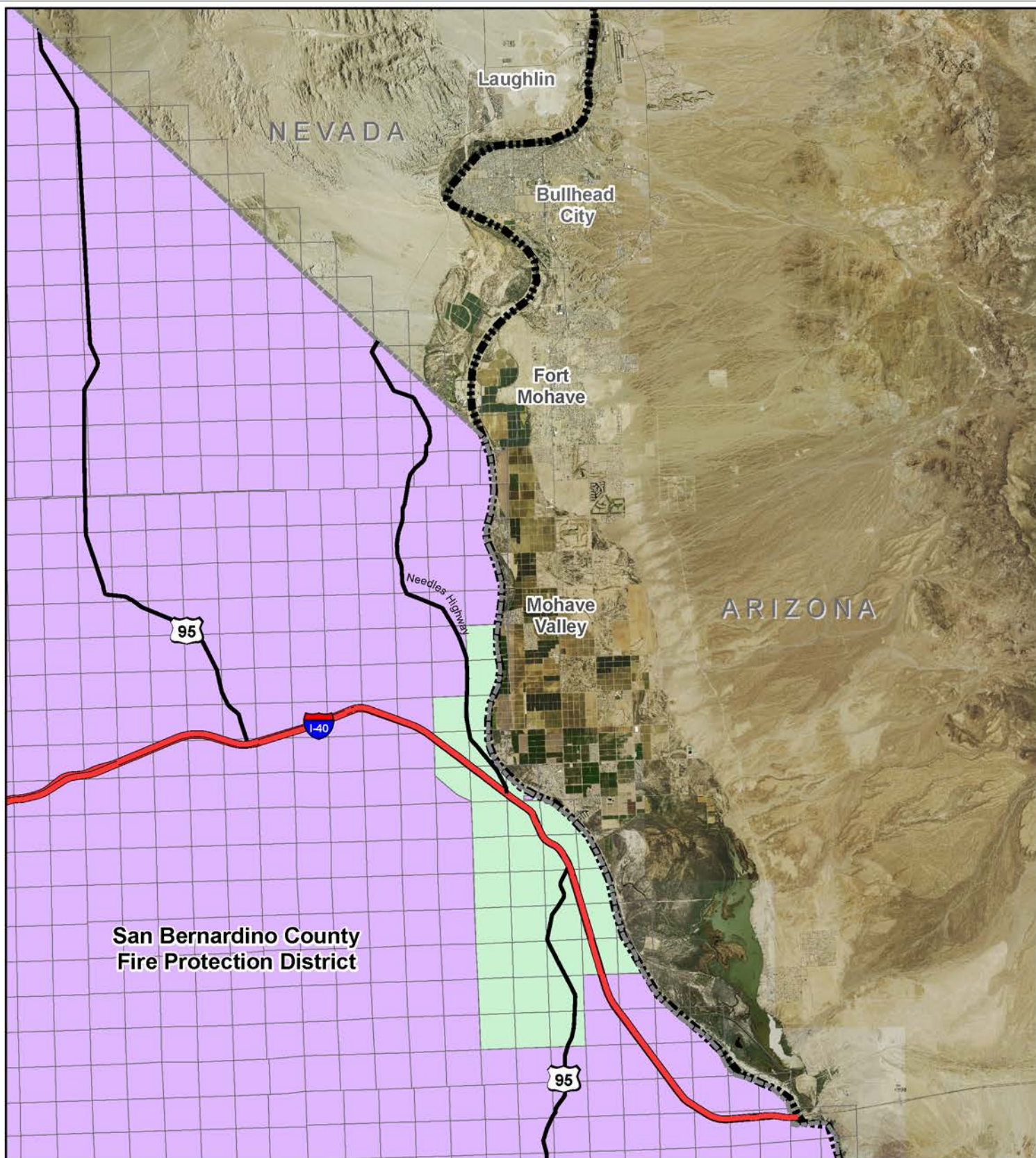
## City of Needles Vicinity Map







0 2 4 8 Miles

- City of Needles
- San Bernardino County Boundary
- San Bernardino County Fire Protection District
- State Line



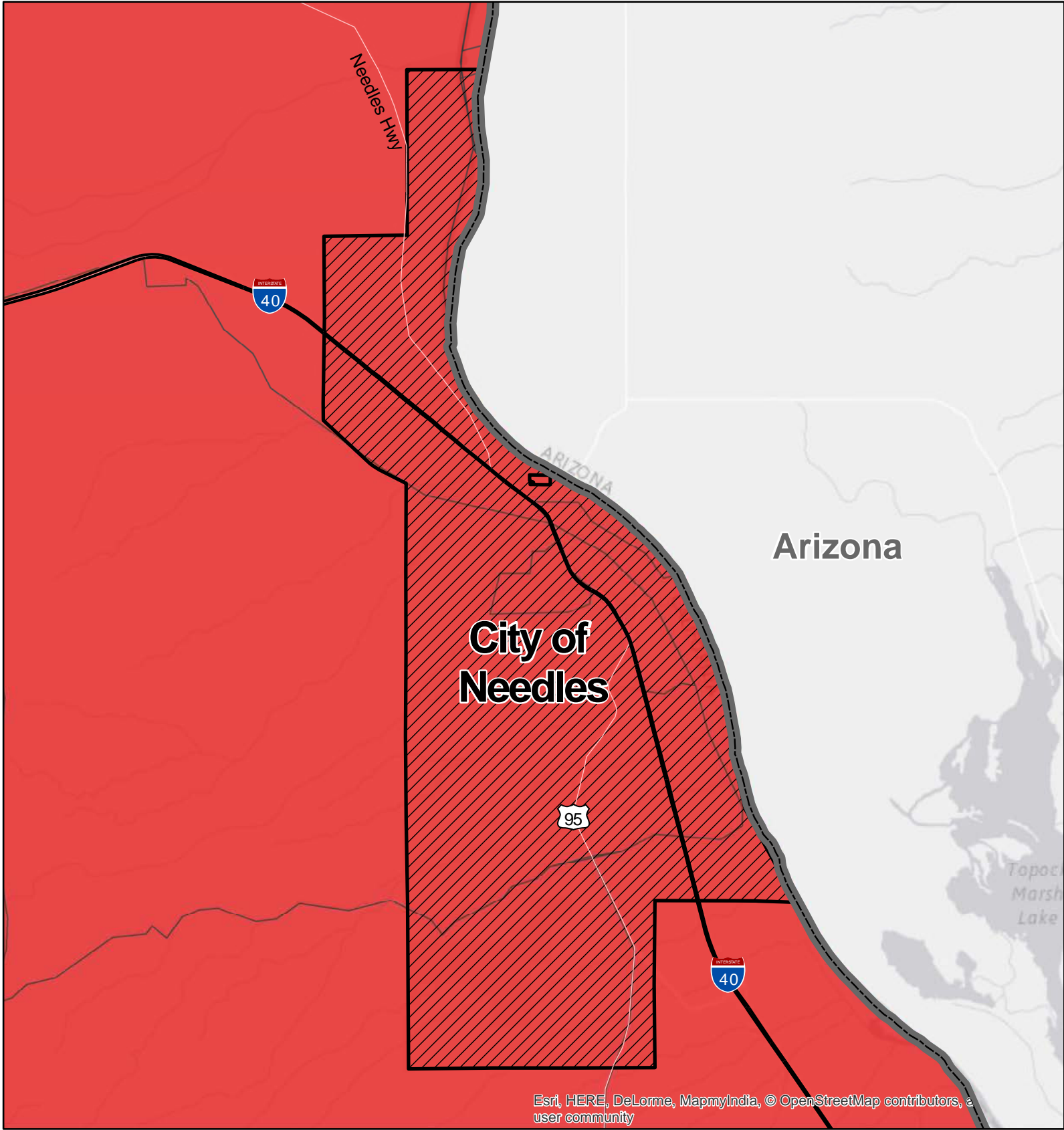


## City of Needles Vicinity Map

-  City of Needles
-  San Bernardino County Boundary
-  San Bernardino County Fire Protection District
-  State Line



0 2 4 8 Miles



# Disadvantaged Unincorporated Communities in City of Needles

1:120,000



**Legend**

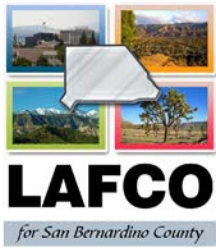
**2015 Median Household Income Block Groups**

\$48,304 or less

\$48,305 or greater

City of Needles

County Line/ State Line



**City of Needles/San Bernardino County  
Fire Protection District Application**

**Attachment 2**

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3205 / 3206  
(FOR LAFCO USE ONLY)

LAFCO  
San Bernardino County

**SAN BERNARDINO LAFCO  
APPLICATION AND PRELIMINARY  
ENVIRONMENTAL DESCRIPTION FORM**

**INTRODUCTION:** The questions on this form and its supplements are designed to obtain enough data about the application to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

**GENERAL INFORMATION**

1. NAME OF PROPOSAL: City of Needles Annexation into County Fire District, South  
Desert Service Zone
2. NAME OF APPLICANT: City of Needles  
APPLICANT TYPE: ☐ Landowner ☒ Local Agency  
☐ Registered Voter ☐ Other \_\_\_\_\_  
MAILING ADDRESS:  
817 Third Street, Needles, CA 92363  
PHONE: ( 760 ) 326-2113  
FAX: ( 760 ) 326-6765  
E-MAIL ADDRESS: ndlscitymgr @citlink.net \*\* AND \*\* ndlscity@citlink.net
3. GENERAL LOCATION OF PROPOSAL: Within the boundaries of the City of Needles
4. Does the application possess 100% written consent of each landowner in the subject territory?  
YES ☐ NO ☒ If YES, provide written authorization for change.
5. Indicate the reason(s) that the proposed action has been requested. To provide effective,  
safe and financially sustainable fire protection services to the City of Needles, its residents  
and businesses



**LAND USE AND DEVELOPMENT POTENTIAL**

1. Total land area of subject territory (defined in acres):  
Approximately 20,998 acres (32.81 square miles) within the city limits of the City of Needles
2. Current dwelling units within area classified by type (single-family residential, multi-family [duplex, four-plex, 10-unit], apartments)  
ESTIMATED: single family = 2,043; multi-family = 44; apartments = 265
3. Approximate current population within area:  
4,940 (City of Needles only)
4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s):  
See attached Zoning and General Plan Maps

San Bernardino County General Plan designation(s) and uses permitted by this designation(s):  
N/A

5. Describe any special land use concerns expressed in the above plans. In addition, for a City Annexation or Reorganization, provide a discussion of the land use plan's consistency with the regional transportation plan as adopted pursuant to Government Code Section 65080 for the subject territory:  
Older inventory of homes and buildings without sprinkler systems

6. Indicate the existing use of the subject territory.  
Local community including residential, commercial, institutional and industrial uses

What is the proposed land use?

N/A - No change in land use

7. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES ☐ NO ☒ If YES, please explain.

(FOR LAFCO USE ONLY)

8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:

- |  |  |
|--|--|
| <input type="checkbox"/> Agricultural Land Uses  | <input type="checkbox"/> Agricultural Preserve Designation       |
| <input type="checkbox"/> Williamson Act Contract   | <input type="checkbox"/> Area where Special Permits are Required |
| <input type="checkbox"/> Any other unusual features of the area or permits required: _____ |  |

9. Provide a narrative response to the following factor of consideration as identified in §56668(p):  
*The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services:*

The annexation into the County Fire District, South Desert Service Zone, will provide fire  
protection services to all residents within the City of Needles regardless of race, culture or  
income

#### **ENVIRONMENTAL INFORMATION**

1. Provide general description of topography. Colorado River and Desert --- flood control washes

2. Describe any existing improvements on the subject territory as % of total area.

Residential	<u>(Estimated) 20</u> %	Agricultural	<u>-0-</u> %
Commercial	<u>(Estimated) 10</u> %	Vacant	<u>(Estimated) 69</u> %
Industrial	<u>(Estimated) 1</u> %	Other	<u>                    </u> %

3. Describe the surrounding land uses:

NORTH	<u>Colorado River</u>
EAST	<u>Vacant desert land/open space; mobile home/RV/campground (Park Moabi)</u>
SOUTH	<u>Vacant desert land/open space</u>
WEST	<u>Vacant desert land/open space</u>

4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).

None

(FOR LAFCO USE ONLY)

5. Will service extensions accomplished by this proposal induce growth on this site? YES ☐  
NO ☒ Adjacent sites? YES ☐ NO ☒ Unincorporated ☐ Incorporated ☒

6. Are there any existing out-of-agency service contracts/agreements within the area? YES ☐  
NO ☒ If YES, please identify.

None applicable to this annexation other than the current San Bernardino County Fire  
Protection Services Agreement

7. Is this proposal a part of a larger project or series of projects? YES ☐ NO ☒ If YES, please explain.

#### NOTICES

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME Rick Daniels, City Manager TELEPHONE NO. (760) 326-2113 ext 313

ADDRESS:  
817 Third Street, Needles, CA 92363 email: ndlscitymgr@citlink.net

NAME Cheryl Sallis TELEPHONE NO. (760) 326-2113 ext 315

ADDRESS:  
817 Third Street, Needles, CA 92363 email: ndlscity@citlink.net

NAME \_\_\_\_\_ TELEPHONE NO. \_\_\_\_\_

ADDRESS:  
\_\_\_\_\_

#### CERTIFICATION



(FOR LAFCO USE ONLY)

As a part of this application, the City/Town of Needles, or the NA District/Agency, N/A (the applicant) and/or the N/A (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE December 9, 2015

  
SIGNATURE

Rick Daniels  
Printed Name of Applicant or Real Property in Interest  
(Landowner/Registered Voter of the Application Subject Property)

City Manager, City of Needles

Title and Affiliation (if applicable)

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- ☒ ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- ☒ SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- ☐ CITY INCORPORATION SUPPLEMENT
- ☐ FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- ☐ ACTIVATION OR DIVESTITURE OF FUNCTIONS AND/OR SERVICES FOR SPECIAL DISTRICTS SUPPLEMENT

KRM-Rev. 8/19/2015

**LAFCO 3205**

**Notice of Filing Attachments:**

**Supplement**

**Sphere of Influence Change**

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3205  
(FOR LAFCO USE ONLY)

LAFCO  
San Bernardino County

**SUPPLEMENT  
SPHERE OF INFLUENCE AMENDMENT**

**INTRODUCTION:** The questions on this form are designed to obtain data about the specific sphere of influence amendment application to allow the Commission, staff and others to adequately assess the application. You may also include any additional information that you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please provide an identification of the agencies involved in the proposed sphere of influence change(s):

**SPHERE EXPANSION**

City of Needles

San Bernardino County in its

capacity as County Fire Dist

**SPHERE REDUCTION**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Provide a narrative description of the following factors of consideration as outlined in Government Code Section 56425. (If additional room for response is necessary, please attach additional sheets to this form.)

The present and planned land uses in the area, including agricultural and open-space lands.

There will be no changes to the present land uses of residential, commercial  
industrial with this annexation into the County Fire District, South Desert  
Service Zone

The present and probable need for public facilities and services in the area.

Continued fire protection. New County fire station under construction  
within City boundaries

The present capacity of public facilities and adequacy of public services that the agency to be expanded provides or is authorized to provide.

Capacity is adequate

The existence of any social or economic communities of interest in the area.

N/A

The present and probable need for public facilities or services related to sewers, municipal and industrial water, or structural fire protection for any disadvantaged unincorporated community, as defined by Govt. Code Section 56033.5, within the existing sphere of influence.

The County Fire Department currently provides fire protection services to the  
unincorporated areas surrounding the City of Needles

3. If the sphere of influence amendment includes a city sphere of influence change, provide a written statement of whether or not agreement on the sphere change between the city and county was achieved as required by Government Code Section 56425. In addition, provide a written statement of the elements of agreement (such as, development standards, boundaries, zoning agreements, etc.) (See Government Code Section 56425)

No change to the City of Needles' sphere of influence

4. If the sphere of influence amendment includes a special district sphere of influence change, provide a written statement: (a) specifying the function or classes of service provided by the district(s) and (b) specifying the nature, location and extent of the functions or classes of service provided by the district(s). (See Government Code Section 56425(l))

The County Fire District, South Desert Service Zone, currently provides fire protection  
services to the unincorporated county areas

5. For any sphere of influence amendment either initiated by an agency or individual, or updated as mandated by Government Code Section 56425, the following service review information is required to be addressed in a narrative discussion, and attached to this supplemental form (See Government Code Section 56430):

N/A - no change to the City of Needles' sphere of influence

- a. Growth and population projections for the affected area.
- b. Location and characteristics of disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- c. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies, including those associated with a disadvantaged unincorporated community.
- d. Financial ability of agencies to provide services.
- e. Status of, and opportunities for, shared facilities.
- f. Accountability for community service needs, including governmental structure and operational efficiencies.

If additional sheet are submitted or a separate document provided to fulfill Item #5, the narrative description shall be signed and certified by an official of the agency(s) involved with the sphere of influence review as to the accuracy of the information provided. If necessary, attach copies of documents supporting statements.

### **CERTIFICATION**

As a part of this application, the City/Town of Needles, or the N/A District/Agency, N/A (the applicant) and/or the N/A (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs, imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE December 9, 2015

  
SIGNATURE

Rick Daniels

(FOR LAFCO USE ONLY)

Printed Name of Applicant or Real Property in Interest  
(Landowner/Registered Voter of the Application Subject Property)

City Manager, City of Needles  
Title and Affiliation (if applicable)

Rev: krm - 8/19/2015

**Letter from Commission Environmental  
Consultant Tom Dodson of Tom Dodson  
and Associates Dated April 2, 2016**

**Attachment 3**



**TOM DODSON & ASSOCIATES**  
2150 N. ARROWHEAD AVENUE  
SAN BERNARDINO, CA 92405  
TEL (909) 882-3612 • FAX (909) 882-7015  
E-MAIL tda@tdaenv.com



April 2, 2016

Ms. Kathleen Rollings-McDonald  
Local Agency Formation Commission  
215 North D Street, Suite 204  
San Bernardino, CA 92415-0490

**RECEIVED**  
APR 11 2016  
**LAFCO**  
San Bernardino County

Dear Kathy:

LAFCO 3205 consists of a Sphere of Influence (SOI) Amendment for the San Bernardino County Fire Protection District to encompass the corporate boundaries of the City of Needles. LAFCO 3206 consists of a proposal initiated by the City of Needles (City) to reorganize and annex into the San Bernardino County Fire Protection District (County Fire), its South Desert Service Zone and its Service Zone FP-5 (FP-5) for the provision of fire suppression and emergency medical response services. The study area encompasses the entirety of the City boundaries (approximately 20,998 acres) as shown on the attached map. The purpose of the SOI Amendment and Reorganization is to annex the City service area to County Fire, its South Desert Service Zone, and its Service Zone FP-5.

This change of organization will entail the transfer of the City fire service assets, obligations, liabilities and responsibilities to County Fire and its related service zones. The consideration of the proposed Reorganization will include the annexation into County Fire Service Zone FP-5 which includes a special tax for funding of fire protection and emergency medical response services. This special tax includes an annual inflationary rate of up to a maximum 3% increase. Annexation to County Fire will allow the City to take advantage of the substantial economies of scale available from this agency. If LAFCOs 3205 and 3206 are approved, County Fire will assume full responsibility for providing fire suppression and emergency medical response services for the City of Needles.

The City currently contracts with County Fire to provide fire protection and emergency medical response and the Reorganization allowed by LAFCO 3206 represents the best possible replacement of the City's fire service obligation within the corporate boundaries. The City's existing physical assets will be transferred to County Fire. In essence, these services will continue to be provided by County Fire to the City service area residents, but County Fire assumes the full responsibility for providing these services in the future. Accordingly, approval of LAFCOs 3205/3206 has no identified potential to cause any modifications to the physical environment. Given this circumstance, I recommend that the Commission find that a Statutory Exemption (as defined in the California Environmental Quality Act, CEQA) applies to LAFCOs 3205/3206 under Section 15061 (b) (3) of the State CEQA Guidelines (General Rule), which states: *A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing 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.* It is my opinion, and

recommendation to the Commission, that this circumstance applies to LAFCOs 3205/3206, which will facilitate provision of future fire protection and emergency medical response service to the residents of the area to be reorganized.

Based on this review of LAFCOs 3205 and 3206 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that these actions do not constitute a project under CEQA and adoption of the General Rule Statutory Exemption and filing of a Notice of Exemption is the most appropriate determination to comply with CEQA for these actions. The Commission can approve the review and findings for these actions and I recommend that you notice LAFCOs 3205/3208 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption with the County Clerk to the Board for this action once it is completed.

A copy of this exemption should be retained in the LAFCO project file to serve as verification of this evaluation and as the CEQA environmental determination record for LAFCOs 3205/3206. If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Tom Dodson". The signature is written in a cursive, slightly slanted style.

Tom Dodson

# **Draft LAFCO Resolution No. 3219**

**Attachment 4**

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-mail: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

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**PROPOSAL NO.:** LAFCO 3205

**HEARING DATE:** APRIL 20, 2016

## **RESOLUTION NO. 3219**

**A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3205 AND APPROVING THE SPHERE OF INFLUENCE EXPANSION FOR THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT (sphere amendment to include the entirety of the City of Needles boundary which encompasses approximately 20,998 acres (32.81 square miles)).**

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

**WHEREAS**, an application for the proposed sphere of influence amendment (expansion) in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

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

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

**WHEREAS**, the public hearing by this Commission was called for April 20, 2016 at the time and place specified in the notice of public hearing; and,

**WHEREAS**, at the hearing, this Commission heard and received all oral and written support and opposition; the Commission considered all objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing; and,

**WHEREAS**, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that the sphere of influence amendment (expansion) is statutorily exempt from CEQA and such exemption was adopted by this Commission

## RESOLUTION NO. 3219

on April 20, 2016. The Commission directed its Executive Officer to file a Notice of Exemption within five working days with the San Bernardino County Clerk of the Board of Supervisors; and,

**WHEREAS**, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that the sphere of influence for the San Bernardino County Fire Protection District should be expanded to include the territory included within the boundaries of the City of Needles, as more specifically described on the attached Exhibits "A" and "A-1" to this resolution; and,

**WHEREAS**, the Commission determined on September 16, 2015 that a service review would not be required for this sphere of influence amendment as allowed by Government Code Section 56430;

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

**1. The present and planned land uses in the area including agricultural and open space lands:**

The land area proposed to be included in the sphere of influence of County Fire includes approximately 20,998 acres of varied land uses within the City of Needles. The City's General Plan designates approximately 42 percent of the total land area for residential uses, 15 percent for commercial, 18 percent for industrial, six percent for Open Space, and three percent for parks/recreation. Approximately 11 percent of the City's land area has no General Plan land use designation.

The chart, below, depicts the General Plan land use districts (in acres) within the City of Needles (proposed sphere expansion area):

City of Needles Land Use	Acres (approximate)
Residential – Low Density	5,050
Residential – Medium Density	2,020
Residential – High Density	1,414
Commercial - General	202
Commercial - Neighborhood	Less than 200
Commercial - Highway	1,616
Commercial - Resort	1,212
Industrial	3,636
Open Space	1,212
Parks/Recreation	606
Institutional	Less than 200
Others	606
No General Plan Land Use Designation	2,222
<b>TOTAL SPHERE EXPANSION AREA</b>	<b>20,998</b>

Source: City of Needles General Plan

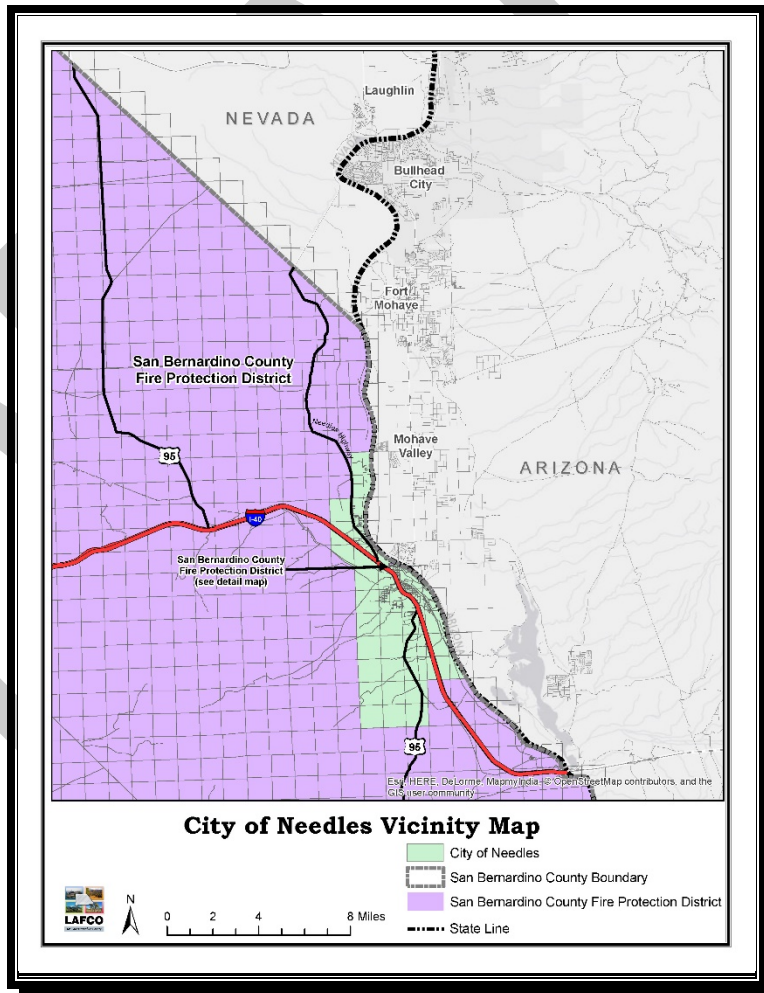


## RESOLUTION NO. 3219

In order to fully understand the future of the City's population, a review of the historical population of the City and the nearby cities is needed. The information which follows was reviewed in the 2013 Service Review conducted by LAFCO for the overall Needles community and the map which follows illustrates the location. The community has long had an economic disadvantage in relation to the neighboring communities in Nevada and Arizona. As shown, the nearby areas in Arizona and Nevada have experienced vast and steady growth. Corresponding with this growth is a greater economic output. For the City of Needles, its population peaked in 1990, decreased in 2000, and increased by 0.03% by 2010.

	1970	1980	1990	2000	2010
City of Needles, CA	4,051	4,120	5,191	4,830	4,844
City of Bullhead City, AZ	n/a	10,364	21,951	33,769	39,540
City of Lake Havasu, AZ	n/a	15,509	24,363	41,938	55,567
Mohave Valley/Ft Mohave, AZ	n/a	n/a	6,962	15,995	21,687
Laughlin, NV	n/a	n/a	n/a	7,076	7,323

Source: Census



## RESOLUTION NO. 3219

In the City of Needles, the 2010 Census count was 4,844. The annual growth since 2010 has been -0.1% through 2015. This figure from Environmental Systems Research Institute ("ESRI") is statistically similar to that of the U.S. Census 2014 estimate.

	Year	Population	% Change	Source
1950	Census Count	4,051	12%	U.S. Census
1960	Census Count	4,590	13%	U.S. Census
1970	Census Count	4,051	-12%	U.S. Census
1980	Census Count	4,120	2%	U.S. Census
1990	Census Count	5,191	26%	U.S. Census
2000	Census Count	4,830	-7%	U.S. Census
2010	Census Count	4,844	0%	U.S. Census
2015	Estimate	4,820	0%	Environmental Systems Research Institute

There are two differing forecast figures for 2020. ESRI forecasts roughly 4,844, and the Southern California Association of Governments ("SCAG") forecasts roughly 5,600. Comparing these figures to the 2015 estimate, the annual growth rates during this five year period are a vastly different at 0.1% and 3.0%, respectively. For the 2020 SCAG forecast to occur would require an increase of roughly 750 inhabitants. The 2020 ESRI figure is more in line with previous growth rates and is therefore more likely to occur.

2020	Forecast	4,844	Environmental Systems Research Institute
		5,600	SCAG 2012-2035 Regional Transportation Plan
2035	Forecast	6,800	SCAG 2012-2035 Regional Transportation Plan

LAFCO staff has adjusted the 2035 SCAG forecast by using a conservative annual growth rate of 1.0%, which we believe is more realistic than SCAG's annual growth rate of 2.3% from 2020 to 2035. The result is a 2035 forecast of roughly 5,613 as shown below, with five-year increments.

2020	Forecast	4,844	Environmental Systems Research Institute
2025	Forecast	5,091	LAFCO Revision
2030	Forecast	5,351	LAFCO Revision
2035	Forecast	5,613	LAFCO Revision

### 2. The present and probable need for public facilities and services in the area:

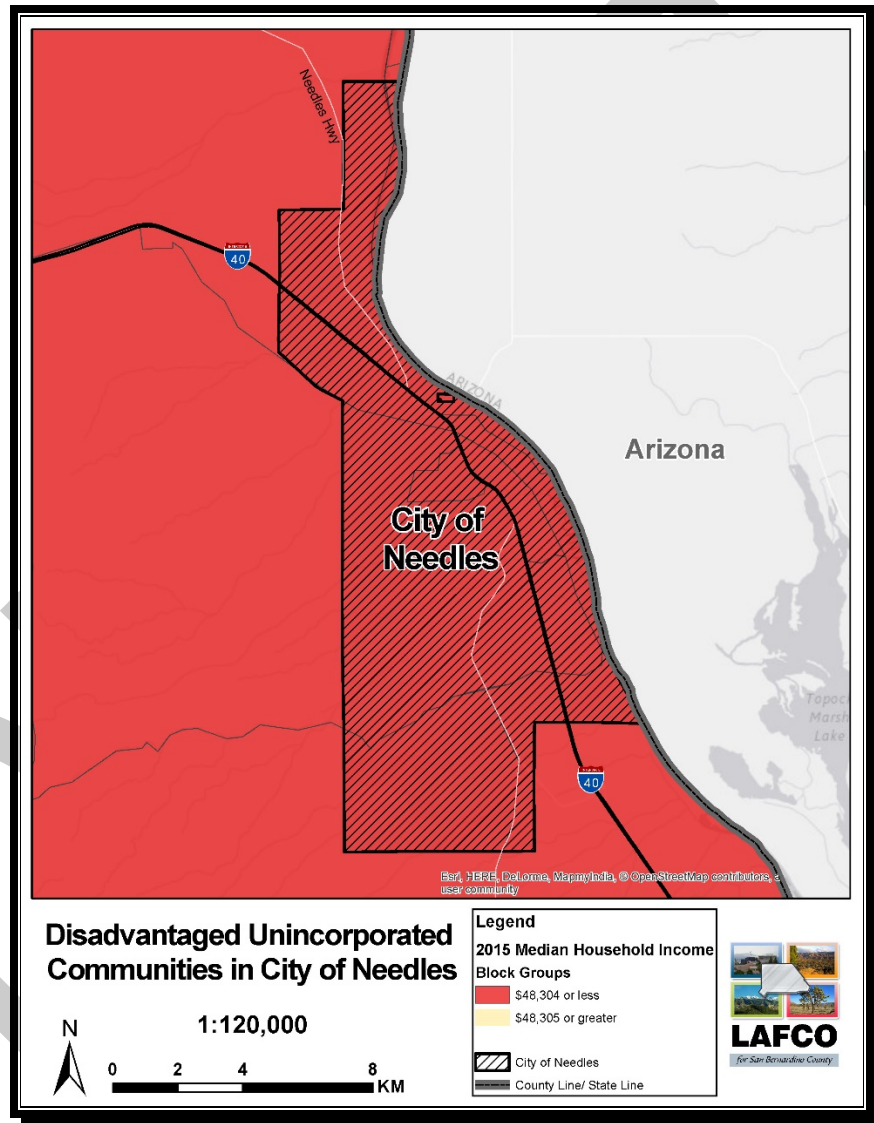
Costs for the provision of contract fire protection and emergency medical services provided by County Fire for the City of Needles are expected to increase significantly in the coming years. Without a change in governance, reductions in service will be required to be implemented which may jeopardize public safety for residents and businesses within the City of Needles.

Government Code Section 56425(e)(5) directs the Commission to evaluate the present and probable need for the delivery of structural fire protection within a disadvantaged



## RESOLUTION NO. 3219

unincorporated community. LAFCO 3205 addresses the incorporated City of Needles. However, the questions for assurance of service delivery to a disadvantaged community are real in this situation for both unincorporated and incorporated territory. The 2015 Disadvantaged Community Maps maintained by LAFCO identify that the entire area within the City of Needles and the immediate surrounding areas are disadvantaged, and the Commission has an inherent responsibility to assure the continuation of the critical public health and safety service. The entirety of the area shown on the map, below, meets the criteria for a disadvantaged community which is defined by State law as areas where households earn \$48,305 or less per year (80% of statewide median income).

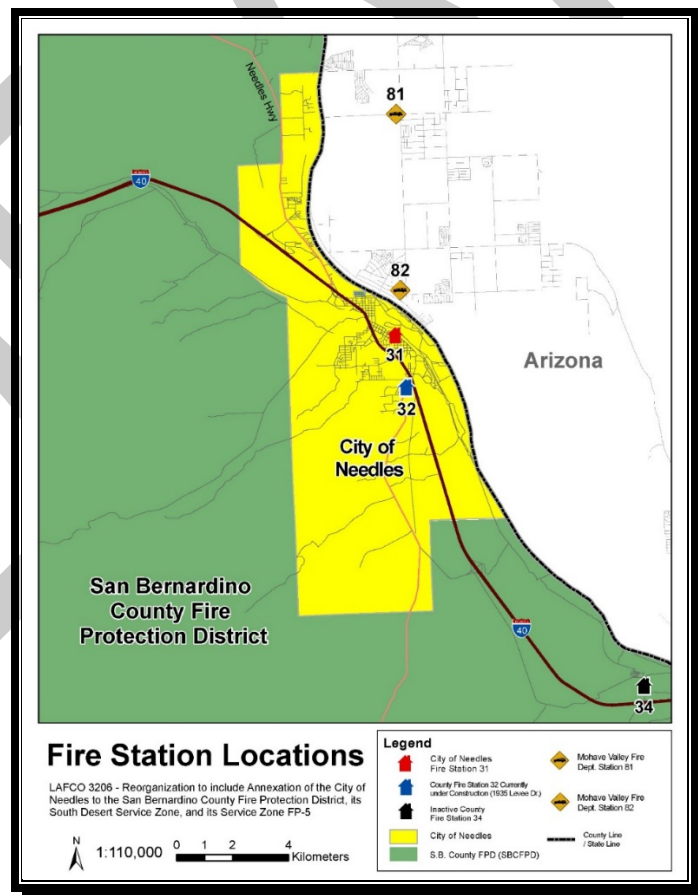


## RESOLUTION NO. 3219

### 3. The present capacity of public facilities and adequacy of public services that the agency to be expanded provides or is authorized to provide:

County Fire operates 75 fire stations serving approximately 750,000 residents in approximately 16,535 acres of unincorporated territory plus seven incorporated cities including Adelanto (by contract), Fontana (by contract), Grand Terrace, Hesperia (by contract), Needles (by contract) Victorville (by contract), and Yucca Valley. County Fire provides a full range of emergency services, including ladder trucks, fire boats for water rescues, snow cats for winter operations, heavy equipment for flooding and earth moving, ambulance transportation in seven ambulance operating areas, paramedics and large incident command and control capability. County Fire is the largest provider of pre-hospital care in the County and the second largest ambulance provider.

The current County Fire Station 31, built in 1953 at 633 Front Street in downtown Needles, is no longer adequate or large enough to serve the fire protection and emergency services needs of the Needles community. County Fire is currently constructing Fire Station 32 located at 1113 East Broadway (State Route 95) within the City of Needles. Scheduled for completion in the fall of 2016, the 6,300 square foot facility will allow room for future growth of fire protection and emergency services to the Needles area and the territory of the eastern County unincorporated area under its responsibility.



## RESOLUTION NO. 3219

The package of applications submitted by the City of Needles is intended to ensure adequate, long-term fire protection and emergency response services for the residents of the Needles. The City of Needles can no longer afford to continue funding these services at appropriate levels.

**4. The existence of any social or economic communities of interest as determined by the Commission to be relevant to the agency:**

As one of the gateways to California, the Needles community holds a significant place in the fabric of California. However, its economic standing has suffered as the economies of communities in Arizona and Nevada have advanced. Social and economic communities of interest include the surrounding Indian tribes, Needles Unified School District, Burlington Northern Santa Fe Railroad related businesses along Highway 40, and the Colorado River and its economic and recreational uses. The Colorado River Medical Center is the largest employer in the City, but its future is also in question due to its proximity to larger and varied facilities in the adjacent states.

**5. Additional Determinations**

- Legal notice of the Commission's consideration of the proposal has been provided through publication of a 1/8<sup>th</sup> page advertisement in *The Needles Desert Star*, a newspaper of general circulation in the area. In addition, individual notices were provided to all affected and interested agencies, County departments and those individuals and agencies requesting special notice.
- The map and legal description for this sphere of influence amendment was prepared and certified by the County Surveyor's Office.

**WHEREAS**, pursuant to the provisions of Government Code Section 56425(i) the range of services provided by the San Bernardino County Fire Protection District shall be limited to the following:

	<u>FUNCTION</u>	<u>SERVICES</u>
<b>San Bernardino County</b>	Fire	Structural, watershed, prevention, inspection, suppression, weed abatement, hazardous materials services, rescue, first aid, ambulance transportation, emergency response, and disaster preparedness planning

The nature and location of the provision of the services by the San Bernardino County Fire Protection District to the City of Needles community will be considered within the companion proposal, LAFCO 3206.

## RESOLUTION NO. 3219

**WHEREAS**, having reviewed and considered the determinations as outlined above, the Commission determines to expand the sphere of influence for the San Bernardino County Fire Protection District, encompassing approximately 20,998 acres (32.81 square miles) representing the boundaries of the City of Needles.

**NOW, THEREFORE, BE IT RESOLVED** by the Local Agency Formation Commission for San Bernardino County, State of California, that this Commission shall consider the territory described in Exhibits "A" and "A-1" as being within the sphere of influence of the San Bernardino County Fire Protection District, it being fully understood that the amendment of such sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants.

**BE IT FURTHER RESOLVED** that the Local Agency Formation Commission for San Bernardino County, State of California, does hereby determine that San Bernardino County Fire Protection District and City of Needles shall indemnify, defend, and hold harmless the Commission from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

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

**AYES: COMMISSIONERS:**

**NOES: COMMISSIONERS:**

**ABSENT: COMMISSIONERS:**

\* \* \* \* \*

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

**I, KATHLEEN ROLLINGS-MCDONALD, 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 regular meeting of April 20, 2016.**

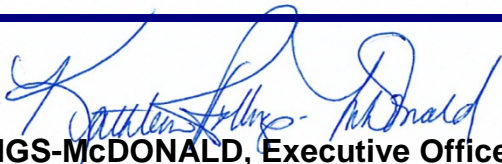
**DATED:**

**KATHLEEN ROLLINGS-MCDONALD**  
Executive Officer

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-MAIL: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

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**DATE:** April 13, 2016   
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
ROBERT ALDRICH, Consultant  
SAMUEL MARTINEZ, Assistant Executive Officer  
MICHAEL TUERPE, Project Manager  
**TO:** LOCAL AGENCY FORMATION COMMISSION

---

**SUBJECT: AGENDA ITEM #7 - LAFCO 3206 – Reorganization to include  
Annexation of the City of Needles to the San Bernardino County Fire  
Protection District, its South Desert Service Zone, Service Zone FP-5  
and the Formation of Zone FP-5 - Needles**

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**INITIATED BY:**

Jointly initiated by the City Council of the City of Needles and Board of Directors  
of the San Bernardino County Fire Protection District

**RECOMMENDATION:**

Staff recommends that the Commission take the following actions:

1. Modify LAFCO 3206 to include the annexation into the San Bernardino County Fire Protection District's Service Zone FP-5 and the formation of Service Zone FP-5 Needles to isolate tax revenues.
2. Certify that LAFCO 3206 is statutorily exempt from environmental review, and direct the Executive Officer to file a Notice of Exemption within five (5) days.
3. Approve LAFCO 3206 with the following conditions:
  - a. Standard conditions for a change of organization;
  - b. The effective date of this reorganization shall be no earlier than the completion of the terms and conditions outlined in this resolution for approval as authorized by Government Code Sections 56886(p) and 57202;

- c. Upon the effective date of the reorganization, the San Bernardino County Fire Protection District (hereafter "County Fire" or "SBCFPD") South Desert Service Zone, as the Successor District to the fire and emergency medical response obligations of the City of Needles, shall succeed and/or be assigned all rights, duties, responsibilities, properties (both real and personal except as further described in conditions below), contracts, equipment, assets, liabilities, obligations, functions, executory provisions, entitlements, permits and approvals of the City of Needles for its Fire Department. Said Successor District shall be subject to the terms and conditions contained herein;
- d. Upon the effective date of the reorganization including annexation, the Successor District shall accept all equipment transferred from the City of Needles in "as is" condition [pursuant to Government Code Section 56886(h)]. All assets including, but not limited to, equipment (vehicles, apparatus, supplies, etc.) rolling stock, tools, office furniture, fixtures and equipment, and appurtenances held by the City of Needles, except for Fire Station #31, shall be transferred to the Successor District, the South Desert Service Zone of SBCFPD. All title transfer documents for vehicles shall be prepared by the City of Needles to be filed upon the effective date of the change with copies provided to LAFCO;
- e. Prior to the issuance of the Certificate of Completion for the reorganization to include annexation, pursuant to the provisions outlined in Government Code Section 56886 (i), (o) and (s), the Commission requires that the Successor District, the South Desert Service Zone of SBCFPD and the City of Needles finalize a lease agreement for the continuing use of Fire Station #31 until completion of the construction of Station #32 with a copy of the signed agreement provided to the Executive Officer of LAFCO;
- f. Upon the effective date of the reorganization including annexation, there shall be created a subzone of Service Zone FP-5, to be identified as FP-5 Needles, to isolate the special tax revenue contributed by the territory within the City of Needles proposed for annexation into Service Zone FP-5 by LAFCO 3206. All actions required by the SBCFPD to implement the special tax by the August 8, 2016 due date for placement of the special tax on the tax rolls by the San Bernardino County Treasurer/Tax Collector shall identify the territory as FP-5 Needles and the revenues received by the San Bernardino County Auditor Controller/Treasurer/Tax Collector shall be separately identified;
- g. The Successor District, South Desert Service Zone, shall also assume all joint use, maintenance, automatic aid or mutual aid agreements

held by the City of Needles Fire Department [Government Code Section 56886(r)]. Amendments of existing agreements required for successful transfer shall be completed and submitted to the Local Agency Formation Commission prior to the issuance of the Certificate of Completion to address any changes [Government Code Section 56886(r)(v)];

- h. Upon the effective date of this reorganization, any funds currently deposited for the benefit of the City of Needles fire operations which have been impressed with a public trust, use or purpose, shall be transferred to the Successor District, and said District shall separately maintain such funds in accordance with the provisions of Government Code Section 57462; and
  - i. The City of Needles and the San Bernardino County Fire Protection District, applicants for this change of organization, shall indemnify, defend and hold harmless the Commission from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.
4. Adopted LAFCO Resolution No. 3220 setting forth the Commission's determinations and conditions of approval.

## **BACKGROUND**

The Needles Fire Department was formed more than 50 years ago as a volunteer fire department. Although the Department remained a volunteer/paid call fire company for the majority of its existence, San Bernardino County through its former County Service Area 38 began fire protection oversight functions beginning in 1977. In 2004, the City of Needles entered into a ten-year contract with the San Bernardino County Fire Protection District (hereafter as "SBCFPD" or "County Fire") for fire protection and emergency medical services. County Fire is governed by the County Board of Supervisors as the ex-officio board of directors for the District.

Over time, the fire protection services offered by the City of Needles evolved into a combination of full time paid and extra help fire fighters providing coverage 24 hours per day. The most recent change in operations occurred in June 2015 when Station 31 began using the County Fire staffing model of three paid professionals per day with at least one of those being a paramedic. The City's original ten-year contract with County Fire was for \$442,445 per year. The City currently has a one-year contract with County Fire for approximately \$612,000, which will expire on May 31, 2016. On January 5, 2015, County Fire notified the City of Needles that the annual cost of fire protection services would be increasing from approximately \$612,000 to approximately \$1.2 million



due to a phase out of limited-term firefighters (LTs), which had historically offered a low-cost alternative to full-time fire fighters. Difficulties in recruitment and retention have resulted in LTs being replaced with full-time firefighters.

The significant increase in contract costs for fire and emergency services is an expense that the City is unable to afford over the long-term. As a result of this notification, on July 14, 2015, the Needles City Council appointed community members to serve on a Fire Services Task Force to research options for providing continued fire protection and emergency medical response services within the City of Needles, including: (1) continuing the contract relationship with County Fire; (2) seeking an alternative fire service provider; (3) annexing into County Fire; and, (4) creating a municipal volunteer/paid-call fire department.

Over the next three months, the Fire Services Task Force met on three occasions. The Task Force researched and explored all of the options outlined by the City Council, received input from local fire and emergency services personnel, and met with local residents and business owners. On October 16, 2015, the Task Force, by majority consensus, recommended that: (1) the City of Needles annex into County Fire, and (2) the City implement a reserve firefighter, paid-call and/or explorer program to enhance service and provide local residents the opportunity for involvement in their fire service.

On December 8, 2015, the Needles City Council adopted Resolution No. 2015-51 accepting the Task Force recommendations and formally initiated proceedings with LAFCO for a reorganization to include annexations to County Fire, its South Desert Service Zone and an undetermined special tax Service Zone. A similar resolution was adopted on December 15, 2015 by the Board of Directors of the San Bernardino County Fire Protection District which specifically outlined the choice of Service Zone FP-5 as the funding mechanism to provide the service. With concurrence by both the City Council and County Fire, LAFCO amended the application to also include the formation of Service Zone FP-5 – Needles. This special subzone is designed to provide greater transparency by requiring separate accounting for revenues and expenditures within the Needles service area.

County Fire operates out of a fire station located within the City of Needles (owned by the City and leased by County Fire for \$1 per year), and a replacement station is currently under construction. County Fire Station 31, built in 1953 at 633 Front Street in downtown Needles, is no longer adequate or large enough to serve the fire protection and emergency services needs of the Needles community and those of the County which extend along the Interstate highway system within the area. County Fire is currently constructing Fire Station 32 located at 1113 East Broadway (State Route 95) within the City of Needles. With an expected completion date of November 1, 2016, the 6,300 square foot facility will allow room for future growth for fire protection and emergency services to the eastern San Bernardino County area along the I-40 and California 95 corridors. When Fire Station 32 is completed and fully operational, Fire Station 31 will close and the facility will remain with the City of Needles.

The narrative which follows provides a discussion of the mandatory factors of consideration as required by Government Code Section 56000 et al. The narrative provides for a detailed analysis and discussion of the various aspects of the reorganization and its transition of City fire service to County fire service as a snapshot in time. This snapshot is represented by the revised Plan for Service submitted March 1, 2016. As will all applications for change of organization, the Commission's review will center on making the required determinations in four areas:

1. **BOUNDARIES:** Do the boundaries presented for the reorganization represent a division which makes sense from a service delivery perspective for current and future growth? Are the boundaries definite, certain and easily recognizable? Do the boundaries promote efficient service delivery?
2. **LAND USE:** Will approval of the proposal affect the land use authority or the decisions upon land use options?
3. **FINANCIAL AND SERVICE CONSIDERATIONS:** Does the reorganization represent the best available service option for the affected community? Does it provide for a more efficient and effective form of government? Can the annexing or successor district continue to provide the level of services which existed prior to the change? Would the approval of the reorganization impair the ability of any other agency to continue providing its range and level of services?
4. **ENVIRONMENTAL:** Will the proposed reorganization have an adverse environmental effect that cannot be mitigated to a level of non-significance? If it does, can those adverse effects be overridden by other benefits?

## **BOUNDARIES**

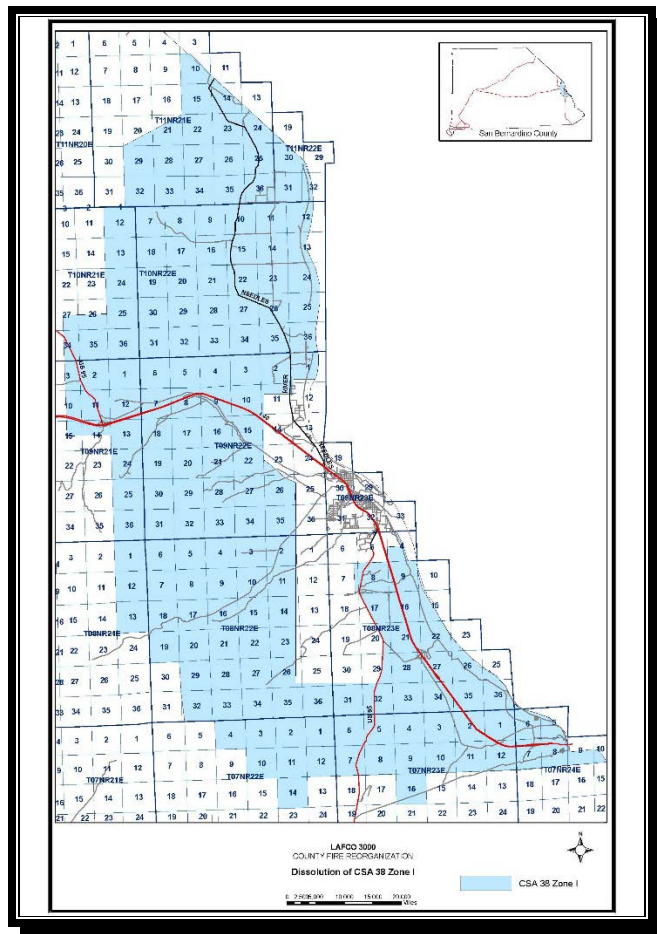
*BOUNDARIES: Do the boundaries presented for the reorganization represent a division which makes sense from a service delivery perspective for current and future growth? Are the boundaries definite, certain and easily recognizable? Do the boundaries promote efficient and effective service delivery?*

In 2008 LAFCO 3000 reorganized the Yucca Valley Fire Protection District through annexations which included a name change to the San Bernardino County Fire Protection District. As a part of that reorganization, County Service Area 38 and its improvement zones were dissolved and absorbed by County Fire, or if they were special tax zones they were reorganized as new Service Zones of County Fire. CSA 38

provided the funding for the boots on the ground operations for fire protection/emergency medical response in many areas of the County which are outlined on the map which follows:



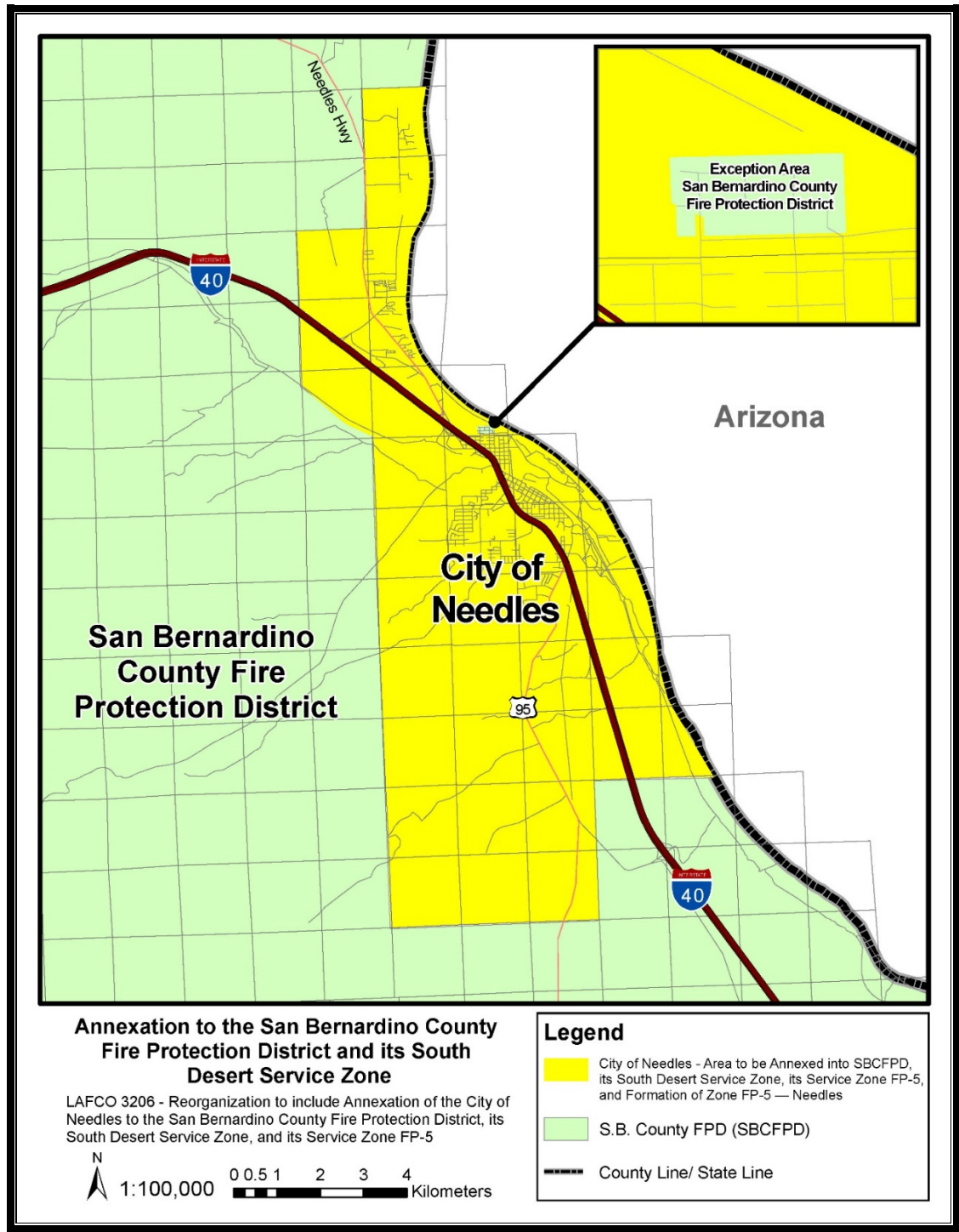
For the services delivered through Station #31 for the City of Needles and the upper reaches of the Colorado River corridor, the funding stream was limited to only those areas surrounding the City within CSA 38 and the contract with the City shown on the map which follows:



The City of Needles includes approximately 20,998 acres (32.81 square miles) and is generally located on the eastern edge of San Bernardino County on the west bank of the Colorado River, approximately 144 miles east of Barstow, 26 miles south of Laughlin, Nevada and Bullhead City, Arizona, and 42 miles north of Lake Havasu, Arizona. Needles is located in the Mohave Valley which straddles the California-Arizona border (see Exhibit below). Interstate 40 is the major highway through Needles, connecting Barstow to the west and Arizona to the east, and is the third-longest major east-west Interstate Highway in the United States. California Route 95 also enters the City from the south on former Route 66 which intersects with I-40 then heading northerly into Nevada.

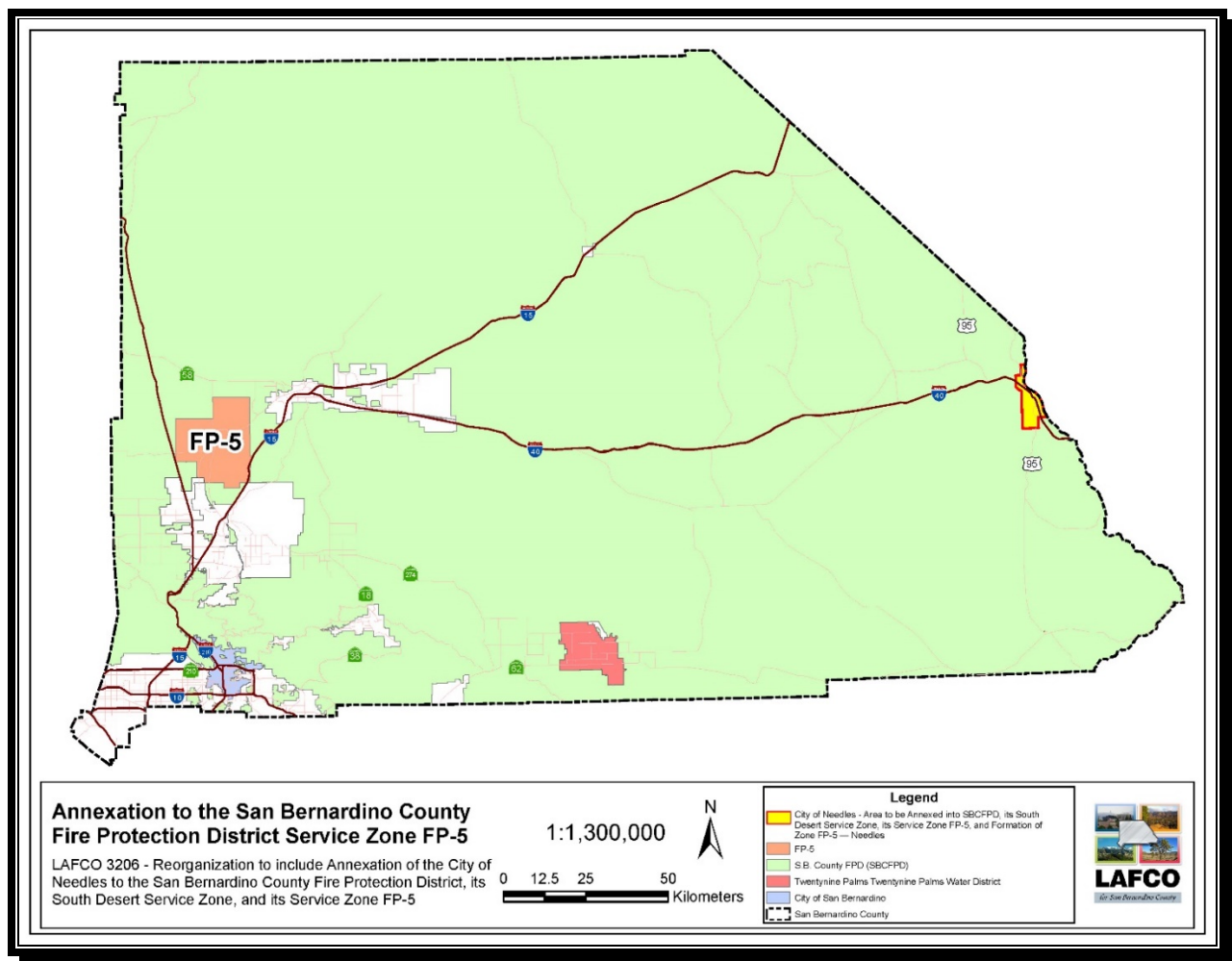
The proposal, as submitted by the City and County Fire and amended by LAFCO staff, anticipates the annexation of the entirety of the City of Needles to County Fire and its related Service Zones – South Desert Service Zone (regional zone which provides boots on the ground service provision), Zone FP-5 (special tax zone which provides funding for paramedics and fire protection) and the formation of Zone FP-5 Needles (a special subzone to isolate and segregate revenues and expenditures for the Needles service area). The City of Needles surrounds an 18-acre unincorporated island which is

part of the reservation lands for the Fort Mojave Tribe. This property is currently within the SBCFPD and unaffected by this proposal. In total, the proposal encompasses approximately 20,998 acres (32.81 square miles).





As stated previously, LAFCO 3206 also includes the annexation into County Fire's Service Zone FP-5 which funds augmented fire protection and emergency medical response through full-time staffing in an around the clock delivery model. To the south of the City area is the Lake Havasu County Fire Service Zone, FP-6. Questions have arisen regarding the choice of special tax zone FP-5 versus FP-6. County Fire has indicated that Zone FP-6 was not used in the transition of service as it was created to fund paid call staffing for 12 hours per day shifts only and these limitations would impact service delivery. The current rate for Service Zone FP-5 is \$143.92 per parcel for Fiscal Year 2015-16. Annual increases cannot be increased more than 3% per year. If the maximum increase is approved for Fiscal Year 2016-17, the first year of County Fire operations, the parcel tax would be \$148.23.

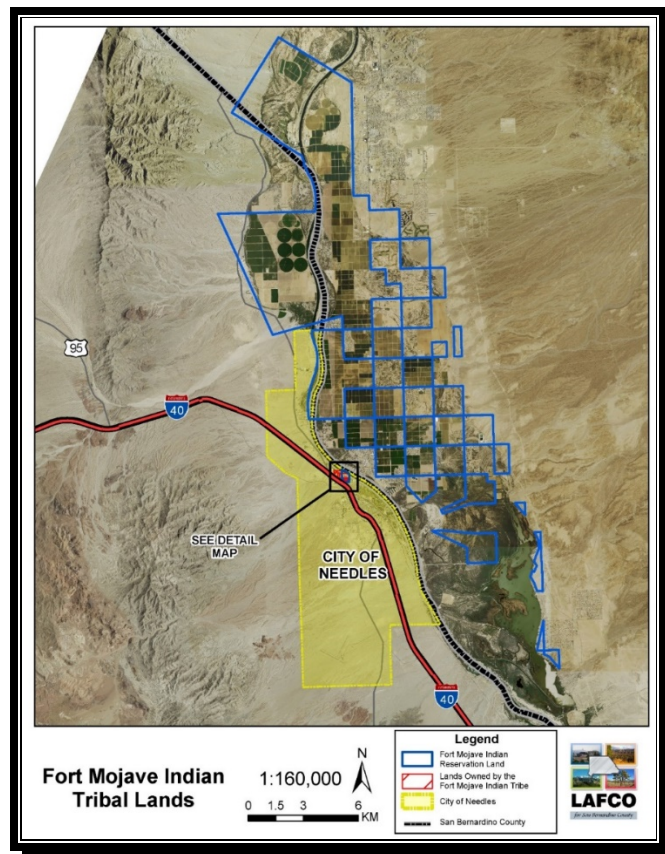


During the staff review process for LAFCO 3206, as with the other fire reorganizations recently considered, one of the concerns identified was the need for transparency in the collection and use of the Service Zone FP-5 special tax applied to parcels within individual communities. In order to provide a means to isolate the revenues received from within the

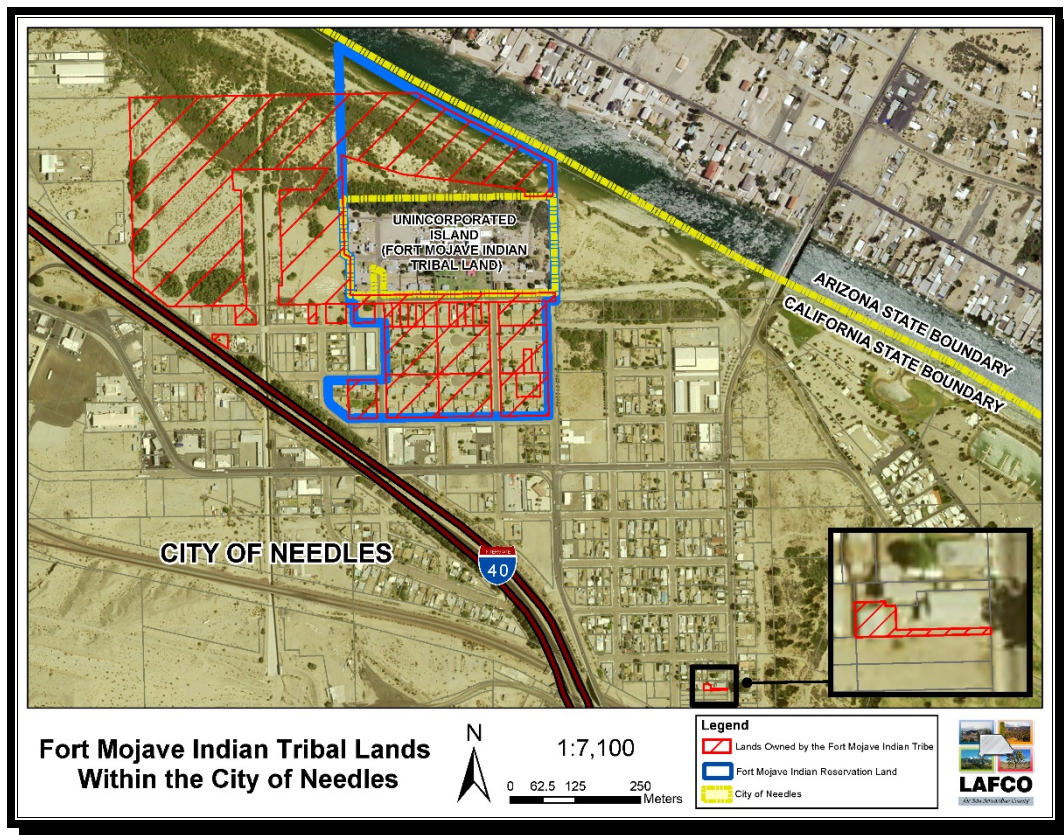
City of Needles, staff is proposing a modification of the proposal to form a subzone of FP-5 identified as "FP-5 Needles" as a part of LAFCO 3206. This new Service Zone would isolate and segregate the funds received and expenses for service provided within the boundaries of the City of Needles. In other proposals, this formation was included as a condition of approval which has proven to be an obstacle to completion. The formation at the same time as the reorganization will eliminate this additional step which would have included the payment for a supplemental individual notice, the conduct of an additional hearing by County Fire, and fees to the State Board of Equalization (a significant hurdle for the cash strapped City). Approval of this condition will require County Fire to address the tax bill allocation distinctively and as a part of its financial budgeting and reporting requirements to individually address the area - which is the desired transparency for the taxpayers.

### Tribal Lands

The City of Needles surrounds an 18-acre unincorporated island which is part of the reservation lands for the Fort Mojave Indian Tribe. The island is currently served by County Fire. The maps, below, provide a graphic illustration of the location of the Tribal Lands within, and immediately adjacent to, LAFCO 3206.







LAFCO staff has contacted the Tribal Council to request that it review the proposed annexation and, if it does not object, provide a resolution to allow for the overlay of the County Fire and its South Desert Service Zone over its tribal lands (Attachment #3). The same request was made in 2008 when the County Fire Reorganization (LAFCO 3000) was in process and the Tribal Council consented placing all the unincorporated tribal lands within County Fire. As of the date of this report, Tribal Council consent to the inclusion of its tribal area within County Fire, the South Desert and FP-5 Service Zones has not been provided. If such consent is not received by the hearing date, the Tribal territory within the City shown in blue outline on the map above will be required to be removed from the annexation proposal, leaving it with no fire protection or emergency medical response.

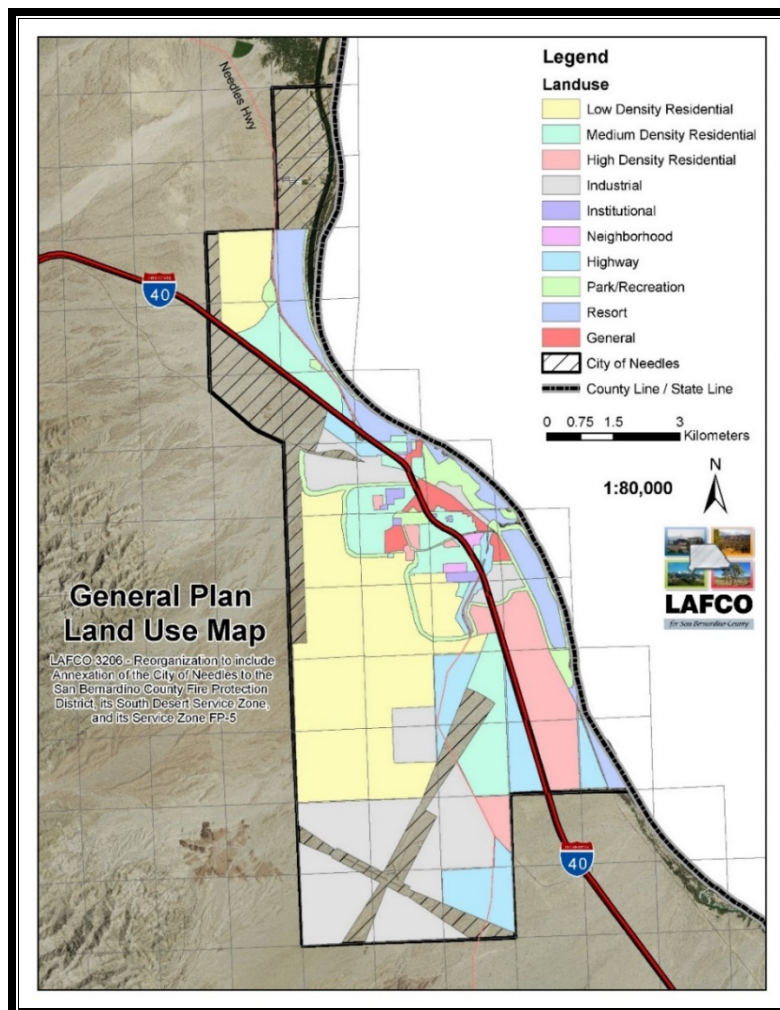
Based upon the review of the proposal, it is staff's position that LAFCO 3206 provides for a definite and certain boundary as required by LAFCO law for all the affected agencies, both Successor and continuing service providers. It provides for the inclusion of the City of Needles in the funding mechanism to provide for fire protection and emergency medical response through Service Zone FP-5 so that those receiving service provide for its financing. It also provides for the formation of Service Zone FP-5 – Needles which will isolate and segregate revenues and expenditures within the

Needles service area for increased accountability and transparency. Therefore, the boundary can be supported.

## **LAND USE**

*LAND USE: Will approval of the proposal affect the land use authority or the decisions upon land use options?*

The study area, approximately 20,998 acres (32.81 square miles) in size, is predominantly residential but includes territory with a variety of other land uses. The City of Needles General Plan designates 42 percent of the total land area for residential use, 15 percent for commercial, 18 percent for industrial, six percent for open space and three percent for parks/recreation. Approximately 11 percent of the City's land area has no General Plan land use designation. As described previously in this report, the study area also includes approximately 18 acres of reservation lands of the Fort Mojave Indian Tribe.



The Exhibit, below, provides a breakdown of land uses (by acreage) within the reorganization study area:

Land Use	Acres (approximate)
Residential – Low Density	5,050
Residential – Medium Density	2,020
Residential – High Density	1,414
Commercial - General	202
Commercial - Neighborhood	Less than 200
Commercial - Highway	1,616
Commercial - Resort	1,212
Industrial	3,636
Open Space	1,212
Parks/Recreation	606
Institutional	Less than 200
Others	606
No General Plan Land Use Designation	2,222
Reservation Lands – Fort Mojave Indian Tribe	18
<b>TOTAL SPHERE EXPANSION AREA</b>	<b>20,219</b>

*Source: City of Needles General Plan*

The review and approval of LAFCO 3206 will have no direct effect on the land use designations assigned within the annexation area by the City. It will, however, assist in implementing the goals of the City's General Plan to support public safety and develop an integrated approach for fire protection needs

In the City of Needles, the 2010 Census count was 4,844. The annual growth since 2010 has been -0.1% through 2015. This figure from Environmental Systems Research Institute ("ESRI") is statistically similar to the U.S. Census 2014 estimate.

Year	Population	% Change	Source
<b>1950</b> Census Count	4,051	12%	U.S. Census
<b>1960</b> Census Count	4,590	13%	U.S. Census
<b>1970</b> Census Count	4,051	-12%	U.S. Census
<b>1980</b> Census Count	4,120	2%	U.S. Census
<b>1990</b> Census Count	5,191	26%	U.S. Census
<b>2000</b> Census Count	4,830	-7%	U.S. Census
<b>2010</b> Census Count	4,844	0%	U.S. Census
<b>2015</b> Estimate	4,820	0%	Environmental Systems Research Institute

There are two differing forecast figures for 2020. ESRI forecasts approximately 4,844, and the Southern California Association of Governments ("SCAG") forecasts approximately 5,600. Comparing these figures to the 2015 estimate, the annual growth

rates during this five-year period are vastly different at 0.1% and 3.0%, respectively. For the 2020 SCAG forecast to occur would require an increase of roughly 750 inhabitants. The 2020 ESRI figure is more in line with previous growth rates and is therefore more likely to occur.

<b>2020</b>	Forecast	4,844 5,600	Environmental Systems Research Institute SCAG 2012-2035 Regional Transportation Plan
<b>2035</b>	Forecast	6,800	SCAG 2012-2035 Regional Transportation Plan

LAFCO staff has adjusted the 2035 SCAG forecast by using a conservative annual growth rate of 1.0%, which we believe is more realistic than SCAG's annual growth rate of 2.3% from 2020 to 2035. The result is a 2035 forecast of roughly 5,613 as shown below, with five-year increments.

<b>2020</b>	Forecast	4,844	Environmental Systems Research Institute
<b>2025</b>	Forecast	5,091	LAFCO Revision
<b>2030</b>	Forecast	5,351	LAFCO Revision
<b>2035</b>	Forecast	5,613	LAFCO Revision

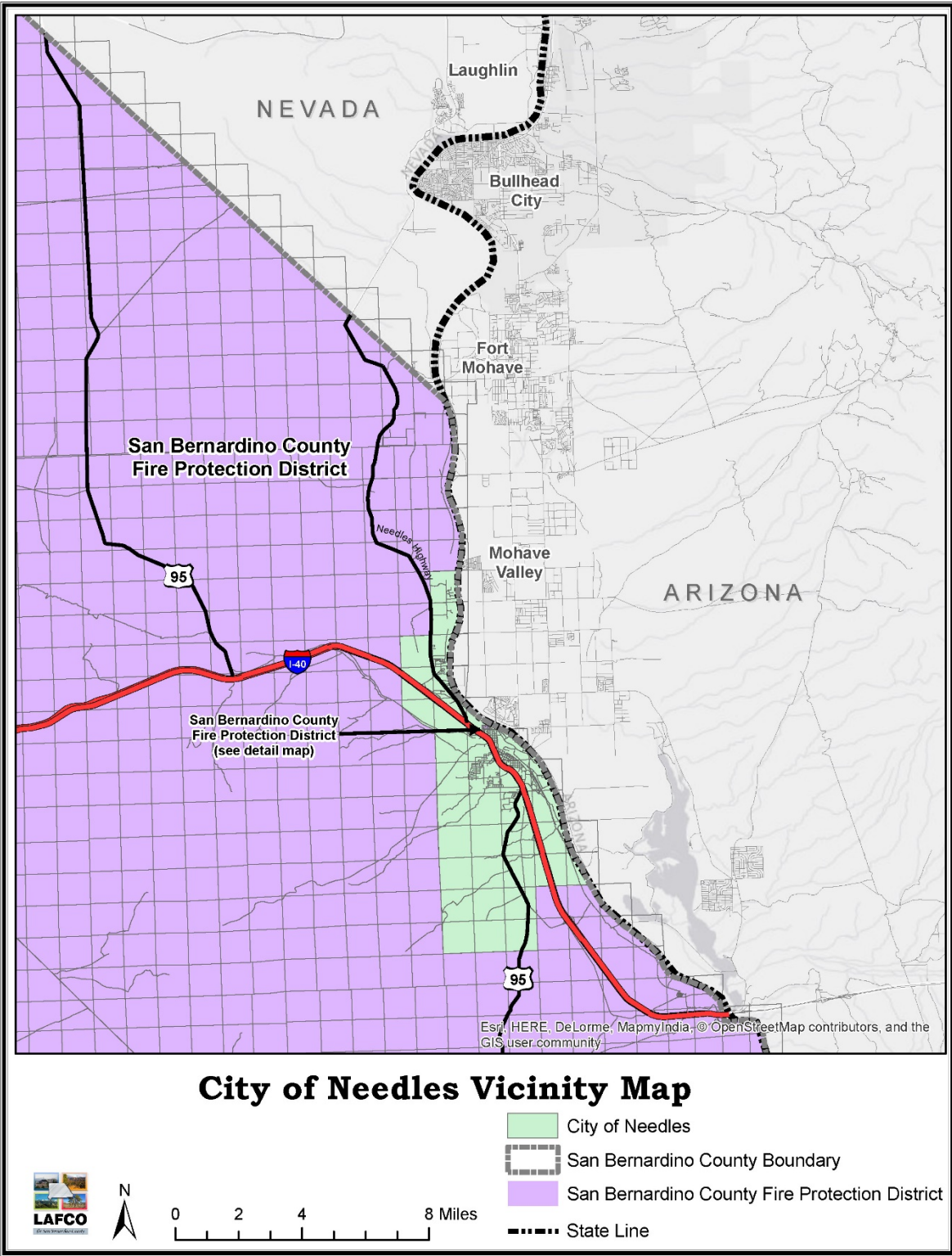
The Southern California Association of Governments (SCAG) has adopted a Regional Transportation Plan and Sustainable Community Strategy pursuant to the provisions of Government Code Section 65352.5, and approval of LAFCO 3206 will have no direct impact on these determinations.

As noted in LAFCO 3205, the bigger picture issue is that the surrounding communities within the States of Arizona and Nevada far surpass the population of the City of Needles and continue to grow. The population projection comparisons are:

	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>
City of Needles, CA	4,051	4,120	5,191	4,830	4,844
City of Bullhead City, AZ	n/a	10,364	21,951	33,769	39,540
City of Lake Havasu, AZ	n/a	15,509	24,363	41,938	55,567
Mohave Valley/Ft Mohave, AZ	n/a	n/a	6,962	15,995	21,687
Laughlin, NV	n/a	n/a	n/a	7,076	7,323

The location of these areas are shown on the map below:





While the delivery of fire protection and emergency medical response services does not have a direct effect on land use determinations, it does have an indirect impact through the Insurance Service Office (ISO) Fire rating for the area. Annexation as contemplated by LAFCO 3206 will sustain the current rating of 4Y (designating a split designation with some areas having a lessor rating) for the City on a scale of 1 to 10 with 1 being best. However, the failure of LAFCO 3206 may have a detrimental effect on this rating for the future.

## **SERVICE CONSIDERATIONS AND FINANCIAL EFFECTS**

*SERVICE AND FINANCIAL CONSIDERATIONS: Does the reorganization represent the best available service option for the affected community? Does it provide for a more efficient and effective form of government? Can the annexing or successor district continue to provide the level of services which existed prior to the change? Would the approval of the reorganization impair the ability of any other agency to continue providing its range and level of services?*

### **Service Considerations**

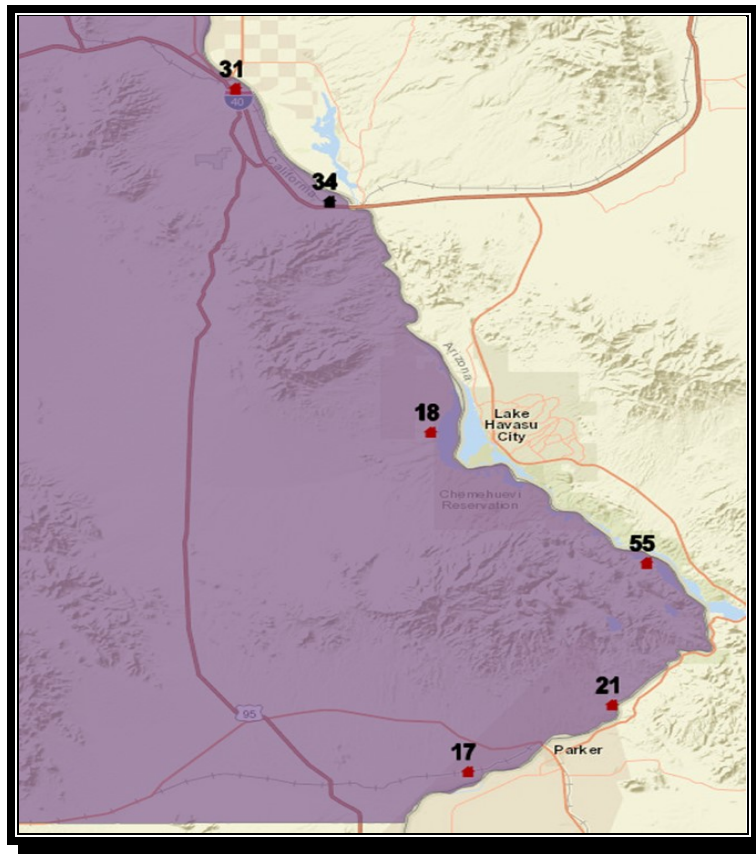
Since 1977, County Fire (through County Service Area 38 [predecessor to the SBCFPD] until 2008 and County Fire thereafter) has provided fire protection and ultimately emergency medical response to the incorporated territory of the City of Needles. On December 8, 2015, the Needles City Council adopted Resolution No. 2015-51 formally initiating proceedings with LAFCO for a reorganization to include annexations to County Fire, its South Desert Service Zone and Service Zone FP-5. A similar resolution was adopted on December 15, 2015 by the Board of Directors of the San Bernardino County Fire Protection District. With concurrence by both the City Council and County Fire, LAFCO staff amended the application to also include the formation of Service Zone FP-5 – Needles. This is a special subzone designed to provide greater transparency by requiring separate accounting for revenues and expenditures within the Needles service zone. On January 12, 2016, LAFCO circulated its Notice of Filing commencing the review process.

County Fire is the parent district and the administrative arm of the Board-governed fire protection district. The regional structure underlying SBCFPD provides for the tailoring of service delivery needs to the unique population, land use and geographic composition of each region:

- The Valley Region includes the County's more densely developed areas;

- The Mountain Region includes urban forested areas with year-round populations; and,
- The two Desert Regions within SBCFPD serve two vastly different population needs: the North Desert region with the I-15/I-40 transportation corridors composed of largely truck and rail traffic, and the South Desert region comprised of Colorado River recreational activities and other isolated desert areas.

The stations of County Fire which serve the Colorado River Corridor as a part of the South Desert Service Zone are shown on the map below:



Source: County Fire

County Fire has indicated that it would implement its standard model for delivery of services for the City of Needles which is a three-person, Advance Life Support (ALS) Paramedic Engine or Truck Company for a single resource fire station. Staffing would include at least one daily paramedic based on the mandatory statutes established by the Inland County Emergency Medical Agency (ICEMA) which functions as the governing body for the oversight of medical care within San Bernardino County.

Annexation would also take advantage of the County Fire's regional approach to service delivery which incorporates the following technology to deploy the closest possible resources based on demand:



- Global Positioning System/Automatic Vehicle Location (GPS/AVL) technology incorporated in all fire and emergency vehicles
- Computer Aided Dispatch (CAD)
- Mobile Data Computer (MDC)

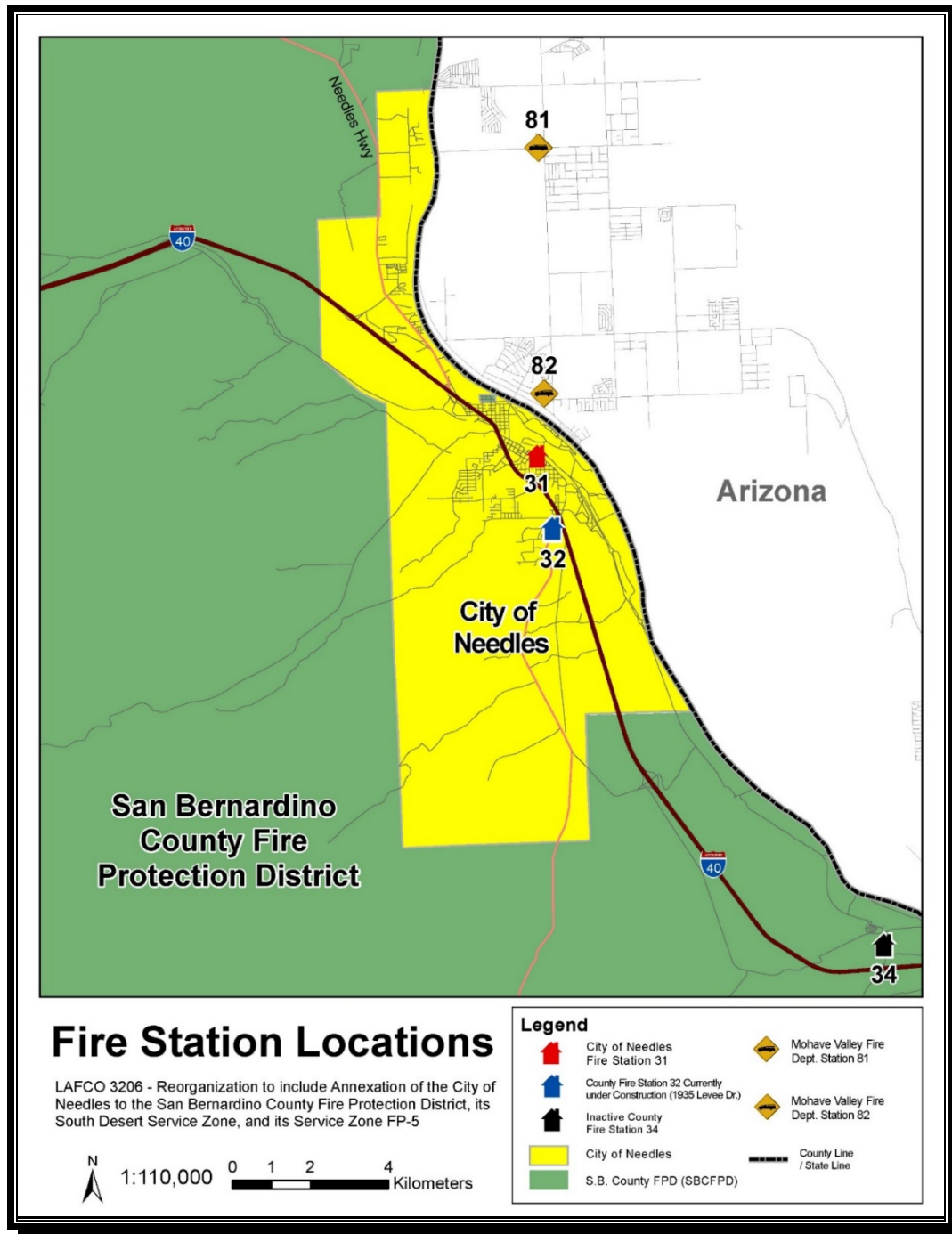
#### Key Commission Considerations

While the City has contracted with County Fire for service for almost 40 years, the evaluation of a jurisdictional change must address the permanent transfer of these services and respond to any questions or concerns related to the proposal. In evaluating the proposed reorganization, the most important considerations for the Commission are to ensure that: (1) the service levels will, at a minimum, be maintained, and (2) any questions on the transfer of assets or liabilities to the successor district (South Desert Service Zone) be resolved. The Plan for Service (included as Attachment #2) outlines the process for this permanent transition of service.

#### Facilities Transfer

As noted earlier in this report, County Fire operates out of a fire station located within the City of Needles (owned by the City and leased by County Fire for \$1 per year), and a replacement station is currently under construction. County Fire Station 31, built in 1953 at 633 Front Street in downtown Needles, is no longer adequate or large enough to serve the fire protection and emergency services needs of the Needles community and those of the County which extend along the Interstate highway system within upper Colorado River area.

County Fire is currently constructing Fire Station 32 located at 1113 East Broadway (State Route 95) within the City of Needles. With an expected completion date of November 1, 2016, the 6,300 square foot facility will allow room for future growth for fire protection and emergency services to the eastern San Bernardino County area of the I-40 and California 95 highway corridors. When Fire Station 32 is completed and fully operational, Fire Station 31 will close and the facility will remain with the City of Needles. During the interim, the Plan for Service identifies that the current lease of the facility (\$1 per year) will continue. Therefore, there will be no facility transfer required by approval of LAFCO 3206. The approval of LAFCO 3206 will have no impact on Station 34 (Park Moabi) which is currently inactive due to the lack of paid-call firefighters within the area.



To assure the continued use of Fire Station #31 until such time as Station #32 is completed, the following condition of approval shall apply:

*Prior to the issuance of the Certificate of Completion for the reorganization to include annexation, pursuant to the provisions outlined in Government Code Section 56886 (i), (o) and (s), the Commission requires that the Successor District,*

*the South Desert Service Zone of SBCFPD and the City of Needles finalize a lease agreement for the continuing use of Fire Station #31 until completion of the construction of Station #32 with a copy of the signed agreement provided to the Executive Officer of LAFCO.*

Vehicle Transfer:

The Plan for Service identifies the vehicles to be transferred to County Fire with no payment to the City of Needles. A condition of approval shall be included in the resolution of approval defining this obligation as follows:

*Upon the effective date of the reorganization including annexation, the Successor District shall accept all equipment transferred from the City of Needles in "as is" condition [pursuant to Government Code Section 56886(h)]. All assets including, but not limited to, equipment (vehicles, apparatus, supplies, etc.) rolling stock, tools, office furniture, fixtures and equipment, and appurtenances held by the City of Needles, except for Fire Station #31, shall be transferred to the Successor District, the South Desert Service Zone of SBCFPD. All title transfer documents for vehicles shall be prepared by the City of Needles to be filed upon the effective date of the change with copies provided to LAFCO;*

Financial Considerations:

The Plan for Service identifies that the delivery of service by County Fire through the Needles Station #31 (and in the future Station #32) will necessitate the funding of one engine company from resources derived from within the City of Needles which is roughly 1/3 of the operational costs of the station. The balance of the station costs are funded through the South Desert Service Zone to address fire protection and emergency medical response service along the upper Colorado River Corridor, California 95 and Interstate 40. The Fiscal Impact Analysis identifies the full cost for the operation of Station #31 at \$2,195,442 with funding estimated from the City of Needles at \$607,199, leaving \$1,588,243 to be provided from other South Desert Service Zone resources. Staff has reviewed the direct ad valorem property taxes associated with the former CSA 38 boundaries and determined that the South Desert Service zone has annually received roughly \$24,000 in direct distribution of property taxes (unitary [utility] property taxes are determined differently). Therefore, the County General Fund subsidy to County Fire would be \$1,564,243.

To compare the costs through a transfer of jurisdiction versus the existing contract structure, the historic costs for operation need to be known. The chart which follows includes information from the City of Needles audit and the contracts between the County and the City identifying its expenditures for fire purposes and comparing that to County Fire's expenditures in support of the contract.

City of Needles Fire Activity							
	Budgeted Amounts		Actual	Variance	Note payable	Contract with	Revenues from
	Original	Final	Amounts	Final Budget	Fire Truck	County Fire	City of Needles
<b>2008</b>	\$ 1,197,582	\$ 1,197,582	\$ 577,826	\$ 619,756	\$ 104,160	\$ 547,598	\$ 538,872
<b>2009</b>	1,266,853	1,266,853	568,435	698,418	104,160	539,526	539,532
<b>2010</b>	1,266,853	1,266,853	584,070	682,783	80,000	539,526	551,988
<b>2011</b>	672,022	789,022	684,415	104,607	-	551,983	551,983
<b>2012</b>	617,285	617,285	512,579	104,706	-	504,823	504,828
<b>2013</b>	617,285	775,150	575,731	199,419	-	562,796	570,162
<b>2014</b>	608,575	608,026	607,315	711	-	602,375	602,375
<b>2015</b>						620,065	618,765
<b>2016</b>						612,451	
SOURCE: City Audits, County Agreement No. 04-1235, County Fire Fiscal Division							

As the chart above depicts, there are discrepancies between the amounts the City's auditors identify as having been paid for fire services (known to include only the payments to County Fire), the contracted amount and the actual receipts by County Fire from the City.

LAFCO staff reviewed this question further with County Fire and requested information on the actual expenditures and revenues from the City over the period. The following chart (copy of which is included as a part Attachment #2) provides an outline of the expenditures and revenues attributable to the City of Needles Contract. Of note, the revenues from the City are shown in either Account 9800 (Other Services) or Account 9970 (Other) depending upon the designation of Fire Staff at the time the payments were received. In addition, staff reviewed the revenue generation for the South Desert Service Zone in this area from the Tax Rate Areas that comprised the former CSA 38 and learned that only \$24,000 a year is generated.

City of Needles Finance History: 2008 - 2015									
Account	Account Description	2008	2009	2010	2011	2012	2013	2014	2015
<b>REVENUE</b>									
9095	FED AID FOR DISASTER - FEMA					1,688			
9145	OTHER GOV AGENCIES - FED ONLY			7,983			54,439	4,016	
9415	HEALTH FEES								1,344
9655	PLANNING SERVICES	7,006	1,071	5,469					
9775	CLAIM COST RECOVERIES	4,098			11,775	5,179	26,323	17,996	3,237
9800	OTHER SERVICES	538,887				504,828	570,162	602,375	618,765
9917	STATE UNEMPLOY'T TAX (SUI)			(335)			(38,152)	(8,027)	
9930	OTHER SALES		20						
9970	OTHER		539,532	551,988	552,259				334
9975	OP TRANSFERS IN			800,000			2,541		
9980	SALE OF FIXED ASSETS								5,800
9995	RESIDUAL EQUITY TRANSFERS IN	666	913						
9999	RESIDUAL EQUITY TRANSFERS OUT					(416)			
<b>REVENUE TOTALS</b>		<b>550,657</b>	<b>541,536</b>	<b>1,365,105</b>	<b>564,033</b>	<b>511,279</b>	<b>615,313</b>	<b>616,360</b>	<b>629,481</b>
<b>EXPENSE</b>									
<b>Salaries and Benefits</b>									
	Salaries and Benefits Total	361,203	996,503	958,314	943,937	781,691	920,143	932,683	284,064
<b>Service/Supplies</b>									
	Service/Supplies Total	212,172	206,199	260,851	220,411	175,723	166,418	239,977	250,954
<b>Central Services</b>									
2410	DATA PROCESSING (ISF ONLY)	414	37	3	379	348	594	486	356
	Central Services Total	414	37	3	379	348	594	486	356
<b>Travel</b>									
2942	HOTEL - NON-TAXABLE		32	82		301			
	Travel Total	-	32	82	-	301	-	-	-
<b>Transfers</b>									
5010	SALARIES & BENE TRANSFERS OUT					200,662	215,861	238,697	74,161
5012	SERVS & SUPPLY TRANSFERS OUT		567	1,470		31,466	38,001	78,102	58,838
5018	INTERNAL COST ALLOCATION OUT							63,995	90,873
	Transfers Total	-	567	1,470	-	232,128	253,862	380,794	223,872
<b>Reimbursements</b>									
5013	SRVCS & SUPPLIES TRANSFERS IN								(132,732)
	Reimbursements Total	-	-	-	-	-	-	-	(132,732)
<b>EXPENDITURE TOTALS</b>		<b>573,789</b>	<b>1,203,338</b>	<b>1,220,721</b>	<b>1,164,726</b>	<b>1,190,191</b>	<b>1,341,017</b>	<b>1,553,939</b>	<b>626,513</b>
<b>Grand Totals</b>									
	REVENUE TOTALS	550,657	541,536	1,365,105	564,033	511,279	615,313	616,360	629,481
	EXPENSE TOTALS	573,789	1,203,338	1,220,721	1,164,726	1,190,191	1,341,017	1,553,939	626,513
	Grand Totals	(23,132)	(661,802)	144,384	(600,693)	(678,911)	(725,704)	(937,580)	2,967

The information does not provide for a clear understanding of the differences, as they could be maintenance costs for the station or equipment which were abated against contract payments, or other accounting measures. What is clear is that the costs for providing service to the City of Needles have historically been subsidized by the operations of the South Desert Service Zone (created in 2008) and its predecessor through its regional operation of Station #31.

#### FISCAL IMPACT ANALYSIS FOR LAFCO 3206:

##### **Expenditures:**

Salary and benefit expenditures identified in the FIA show the costs for fire protection and emergency medical response through a three-person engine funded by resources from the City of Needles. However, Station 31 operates with three, 3-person engines which provide 24/7 coverage for its larger service area. The total costs for the operation of Station #31 are identified below:

Needles Annexation 5 year Plan	2016 Proposed Staffing Count	2015/16 Average Cost Per Position	2016/17 Average Cost Per Position	2016/17 SBCPPD Proposed Staffing	2017/18 Average Cost Per Position	2017/18 SBCPPD Proposed Staffing	2018/19 Average Cost Per Position	2018/19 SBCPPD Proposed Staffing	2019/20 Average Cost Per Position	2019/20 SBCPPD Proposed Staffing	2020/21 Average Cost Per Position	2020/21 SBCPPD Proposed Staffing
<b>Staffing</b>												
Station 32 - ME-Capt/Eng/FPFM												
Captain *FSD PAYS	3	\$ 204,177.00	\$ 214,385.85	\$ 643,157.55	\$ 218,673.57	\$ 655,020.70	\$ 223,047.04	\$ 665,141.12	\$ 229,788.45	\$ 688,215.35	\$ 236,630.60	\$ 705,881.81
Engineer *FSD PAYS	3	\$ 177,614.00	\$ 186,494.70	\$ 559,484.10	\$ 190,224.59	\$ 570,673.78	\$ 194,029.09	\$ 582,087.26	\$ 199,848.96	\$ 599,549.88	\$ 205,845.46	\$ 617,536.37
FF/PM *CITY PAYS	3	\$ 143,816.00	\$ 151,006.80	\$ 453,020.40	\$ 154,026.94	\$ 462,080.81	\$ 157,107.47	\$ 471,322.42	\$ 161,820.70	\$ 485,462.10	\$ 166,675.32	\$ 500,025.96
Total Count of Employees	9											
<b>Total Salary and Benefits</b>			\$ 551,887.35	\$ 1,655,662.05		\$ 1,688,775.29		\$ 1,722,550.80		\$ 1,774,227.32		\$ 1,827,454.14
<b>Services and Supplies</b>												
Services and Supplies				\$ 165,000.00		\$ 168,300.00		\$ 171,666.00		\$ 175,093.32		\$ 178,601.31
Transfers for Support Services/Admin Costs				\$ 177,280.00		\$ 180,825.60		\$ 184,442.11		\$ 188,130.95		\$ 191,893.57
Confine/MIS Support				\$ 142,500.00		\$ 145,350.00		\$ 148,257.00		\$ 151,222.14		\$ 154,246.58
Capital Replacement - Small Tools and Equipment				\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
Capital Replacement - Vehicle Equipment Replacement				\$ 50,000.00		\$ 50,000.00		\$ 50,000.00		\$ 50,000.00		\$ 50,000.00
<b>Total Appropriations</b>				\$ 2,195,442.05		\$ 2,238,250.91		\$ 2,281,915.93		\$ 2,343,679.75		\$ 2,407,195.62
<b>Revenues</b>												
<b>Special Tax</b>				16/17								
Special Tax P-5 (\$143.91 X 3% = \$4.823/parcel @ 2,769 parcels) (factored @ 89% collection rate)	\$ 410,448.87			\$ 365,299.49		\$ 376,258.48		\$ 387,546.23		\$ 399,172.62		\$ 411,147.80
Delinquent Prior Year Special Tax Revenue (6%)				\$ 24,626.93		\$ 25,365.74		\$ 26,126.71		\$ 26,910.51		\$ 27,717.83
<b>Other Revenue</b>												
Ad Valorem Tax (\$800k x 22.9%)				\$ 183,200.00		\$ 183,200.00		\$ 183,200.00		\$ 183,200.00		\$ 183,200.00
First Responder Fee - 881 EMS based calls @ \$27.5 each (12% collection rate)				\$ 29,073.00		\$ 29,073.00		\$ 29,073.00		\$ 29,073.00		\$ 29,073.00
Other Revenue - Non-Operating (Cost Recovery)				\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
<b>Total Revenues</b>				\$ 607,999.43		\$ 618,897.22		\$ 630,945.95		\$ 643,356.13		\$ 656,138.63
<b>Total Revenues less Appropriations</b>				\$ (1,588,242.62)		\$ (1,619,353.69)		\$ (1,650,969.98)		\$ (1,700,323.62)		\$ (1,751,056.99)

The City of Needles share of the costs of Station #31 (current contract provides for the assignment of 1/3 of the total station operations) and the future Station #32 operations are shown on the chart which follows:

Needles Annexation 5 year Plan	2016 Proposed Staffing	2015/16 Average Cost Per Position	2016/17 Average Cost Per Position	2016/17 SBCFPD Proposed	2017/18 SBCFPD Proposed Staffing	2018/19 SBCFPD Proposed	2019/20 SBCFPD Proposed	2020/21 SBCFPD Proposed
<b>Staffing</b>								
Station 32 - ME - FFPM			5.00%		2.00%	2.00%	3.00%	3.00%
FF/PM *(CITY PAYS)	3	\$ 143,816	\$ 151,006.80	\$ 453,020.40	\$ 462,080.81	\$ 471,322.42	\$ 485,462.10	\$ 500,025.96
Total Count of Employees paid by Needles	3							
<b>Total Salary and Benefits</b>			\$ 151,006.80	\$ 453,020.40	\$ 462,080.81	\$ 471,322.42	\$ 485,462.10	\$ 500,025.96
<b>Services and Supplies</b>					2.00%	2.00%	2.00%	2.00%
Services and Supplies				\$ 44,550.00	\$ 45,441.00	\$ 46,349.82	\$ 47,276.82	\$ 48,222.35
Transfers for Support Services/Admin Costs				\$ 47,865.60	\$ 48,822.91	\$ 49,799.37	\$ 50,795.36	\$ 51,811.26
Confire/MIS Support				\$ 38,475.00	\$ 39,244.50	\$ 40,029.39	\$ 40,829.98	\$ 41,646.58
Capital Replacement - Small Tools and Equipment				\$ 1,350.00	\$ 1,350.00	\$ 1,350.00	\$ 1,350.00	\$ 1,350.00
Capital Replacement - Vehicle Equipment Replacement				\$ 13,500.00	\$ 13,500.00	\$ 13,500.00	\$ 13,500.00	\$ 13,500.00
<b>Total Appropriations</b>				\$ 598,761.00	\$ 610,439.24	\$ 622,351.02	\$ 639,214.27	\$ 656,556.17

The materials provided in the FIA related to Services and Supplies were submitted with limited identification of what the expenditure categories encompassed. As with other fire reorganizations, LAFCO staff has updated the FIA chart to reflect the costs attributable for the City of Needles portion of the costs for Station #31 based upon percentages provided by County Fire. The staff's update is shown below:

Needles Annexation 5 year Plan	2016/17 SBCFPD Proposed Staffing		2017/18 SBCFPD Proposed Staffing		2018/19 SBCFPD Proposed Staffing		2019/20 SBCFPD Proposed Staffing		2020/21 SBCFPD Proposed Staffing	
<b>Services and Supplies</b>			2.00%		2.00%		2.00%		2.00%	
Services and Supplies	\$ 44,550.00		\$ 45,441.00		\$ 46,349.82		\$ 47,276.82		\$ 48,222.35	
County Overhead		\$ 8,910.00		\$ 9,088.20		\$ 9,269.96		\$ 9,455.36		\$ 9,644.47
Vehicle Maintenance/Fuel		\$ 28,957.50		\$ 29,536.65		\$ 30,127.38		\$ 30,729.93		\$ 31,344.53
Equipment		\$ 4,009.50		\$ 4,089.69		\$ 4,171.48		\$ 4,254.91		\$ 4,340.01
Medical		\$ 891.00		\$ 908.82		\$ 927.00		\$ 945.54		\$ 964.45
Insurance		\$ 1,782.00		\$ 1,817.64		\$ 1,853.99		\$ 1,891.07		\$ 1,928.89
Transfers for Support Services/Admin Costs	\$ 47,865.60		\$ 48,822.91		\$ 49,799.37		\$ 50,795.36		\$ 51,811.26	
Administration		\$ 33,505.92		\$ 34,176.04		\$ 34,859.56		\$ 35,556.75		\$ 36,267.89
Public Information Officer		\$ 1,914.62		\$ 1,952.92		\$ 1,991.97		\$ 2,031.81		\$ 2,072.45
Human Resources		\$ 4,786.56		\$ 4,882.29		\$ 4,979.94		\$ 5,079.54		\$ 5,181.13
Warehouse/Support Services		\$ 7,658.50		\$ 7,811.67		\$ 7,967.90		\$ 8,127.26		\$ 8,289.80
Confire/MIS Support	\$ 38,475.00		\$ 39,244.50		\$ 40,029.39		\$ 40,829.98		\$ 41,646.58	
Confire		\$ 23,854.50		\$ 24,331.59		\$ 24,818.22		\$ 25,314.59		\$ 25,820.88
MIS		\$ 14,620.50		\$ 14,912.91		\$ 15,211.17		\$ 15,515.39		\$ 15,825.70
Capital Replacement - Small Tools and Equipment	\$ 1,350.00		\$ 1,350.00		\$ 1,350.00		\$ 1,350.00		\$ 1,350.00	
Capital Replacement - Vehicle Equipment Replacement	\$ 13,500.00		\$ 13,500.00		\$ 13,500.00		\$ 13,500.00		\$ 13,500.00	
<b>Total Appropriations</b>	\$ 598,761.00		\$ 610,439.24		\$ 622,351.02		\$ 639,214.27		\$ 656,556.17	

The property tax transfer agreement required by Revenue and Taxation Code Section 99 adopted by the County Board of Supervisors identifies that 6% of the property tax share shall be allocated to SBCFPD (the parent district for administration) and 94% of the general ad valorem property tax shall be allocated to the South Desert Service Zone for the boots on the ground operations. As the chart above identifies, administrative



costs are \$33,506 in the first year which includes the recognition of the \$11,033 in direct revenue for the parent District share of the property tax revenues. The expenditures identified above include payment of a portion of annual capital replacements for tools, equipment, and vehicles.

Based upon the information provided to LAFCO staff for the expenditures identified in the FIA as revised, the costs for the ongoing operation demonstrate a maintenance of service level as required by Commission policy.

### **Revenues:**

The FIA identifies the revenue streams to be provided from within the City of Needles boundaries to support the operations of Station #31. This includes the special tax associated with the annexation into Service Zone FP-5. The historic chart provided earlier in this report identifies that the funding of the operation of Station #31 is through the funds provided the City of Needles and the funds from the South Desert Service Zone (which includes County General Fund support).

Needles Annexation 5 year Plan	2016/17 SBCFPD Proposed Staffing	2017/18 SBCFPD Proposed Staffing	2018/19 SBCFPD Proposed Staffing	2019/20 SBCFPD Proposed Staffing	2020/21 SBCFPD Proposed Staffing
<b>Revenues</b>					
<b>Special Tax</b>	<b>16/17</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>
Special Tax FP-5 (\$143.91 X 3% = \$148.23/parcel @ 2,769 parcels) (factored @ 89% collection rate)	\$ 365,299.49	\$ 376,258.48	\$ 387,546.23	\$ 399,172.62	\$ 411,147.80
Delinquent Prior Year Special Tax Revenue (6%)	\$ 24,626.93	\$ 25,365.74	\$ 26,126.71	\$ 26,910.51	\$ 27,717.83
<b>Other Revenue</b>					
Property Tax (\$681K x 27%) increasing by 2% Constitutional limit	\$ 183,870.00	\$ 187,547.40	\$ 191,298.35	\$ 195,124.31	\$ 199,026.80
First Responder Fee - 881 EMS based calls @ \$275 each (12% collection rate)	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00
Other Revenue - Non-Operating (Cost Recovery)	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
<b>Total Revenues</b>	<b>\$ 607,869.43</b>	<b>\$ 623,244.62</b>	<b>\$ 639,044.29</b>	<b>\$ 655,280.45</b>	<b>\$ 671,965.43</b>
<b>Total Revenues less Appropriations</b>	<b>\$ 9,108.43</b>	<b>\$ 12,805.38</b>	<b>\$ 16,693.27</b>	<b>\$ 16,066.18</b>	<b>\$ 15,409.25</b>

County Fire and the City of Needles have negotiated a one-year contract extension to allow for the transition anticipated through this jurisdictional change. In addition, there will be no fund balance nor question on the transition of funding for the operations based upon this contract extension. Of importance to the City is that the general fund property tax needed to sustain the fire protection and emergency medical response service will decrease from \$602,000 to \$183,920, increasing the funds available to provide other services within the City. This is achieved through the annexation into FP-5 and the payment of the special tax associated with it.

Based upon the information received by LAFCO staff, it is our position that the approval of LAFCO 3206 will provide for the continuing delivery of fire protection and emergency medical response within the City of Needles at the same level currently provided. As required by Commission policy and State law, the revised Plan for Service and the Financial Impact Analysis show that the delivery of service can be maintained and that such delivery is projected to be sustainable.

## **ENVIRONMENTAL CONSIDERATIONS**

*ENVIRONMENTAL: Will the proposed reorganization have an adverse environmental effect that cannot be mitigated to a level of non-significance? If it does, can those adverse effects be overridden by other benefits?*

The Commission is the lead agency for review of potential environmental consequences of the reorganization evaluated in this report. LAFCO staff has provided the Commission's Environmental Consultant, Tom Dodson and Associates, with the application materials and responses provided by the City of Needles and the San Bernardino County Fire Protection District. Mr. Dodson reviewed the proposal and has recommended that the reorganization is statutorily exempt from the California Environmental Quality Act (CEQA) (copy of letter included as Attachment #5).

This determination is based on the fact that the reorganization will transfer the delivery of fire protection and emergency medical response from one entity to another which will not result in any physical impacts on the environment. Therefore, this action is exempt as defined under Section 15061(b)(3) of the State CEQA Guidelines. It is recommended that the Commission adopt the General Rule Statutory Exemption for this proposal by taking the actions outlined in the Recommendation Section of this report.

## **PUBLIC COMMENT**

In addition to publication of a legal notice of this proposal (1/8<sup>th</sup> page advertisement in *Needles Desert Star*), staff also mailed individual notices to the 2,425 landowners in the affected reorganization territory. Staff has fielded approximately 25 phone calls from landowners requesting additional information on the proposal. Specific areas of concern generally included:

- Objection to the imposition of a special tax due to financial hardships of homeowners and landowners.
- Additional clarification needed as to why residents do not have the opportunity to vote on the imposition of a special tax.

As of the date of this report, one letter of opposition has been received and is included as a part of Attachment #4.

## **DETERMINATIONS**

The following determinations are required to be provided by Commission policy and Government Code Section 56668 for any proposal considered:

1. The County Registrar of Voters Office has determined that the study area is legally inhabited with 1,520 registered voters as of January 21, 2016.
2. The study area is proposed to be within the sphere of influence assigned the San Bernardino County Fire Protection District through approval of the companion proposal identified as LAFCO 3205.
3. The County Assessor's Office has determined that the total assessed valuation of land and improvements for the area is \$302,526,887 as of January 22, 2016. This figure is broken down as \$107,464,798 for land and \$195,062,089 for improvements.
4. Legal notice of the Commission's consideration of the proposal has been provided through publication of a 1/8<sup>th</sup> page advertisement in *Needles Desert Star*, a newspaper of general circulation in the area. In addition, individual notices were provided to all affected and interested agencies, County departments and those individuals and agencies requesting special notice.

In compliance with the requirements of Government Code Section 56125, individual notice was mailed to landowners within the reorganization area for Service Zone FP-5 (totaling 2,425) due to the special tax being extended. Comments from landowners have been considered by the Commission in making its determination.

5. The proposed reorganization does not conflict with the established City's General Plan. The proposed reorganization has no direct impact on such land use designations.
6. The Southern California Association of Governments (SCAG) has adopted a Regional Transportation Plan and Sustainable Community Strategy pursuant to the provisions of Government Code Section 65352.5. Approval of LAFCO 3206 has no direct impact on these determinations. The Sustainable Community Strategy includes as a determination the need to assure the ongoing availability of health and safety services which approval of 3206 will support.
7. The Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has indicated his recommendation that based on his review of this reorganization, the proposal will not change the area in which the service is provided. Therefore, the proposal will have no physical affect upon the environment, and a General Rule Statutory Exemption as authorized under Section 15061(b)(3) of the State CEQA Guidelines is appropriate. A copy of Mr. Dodson's response is included for the Commission's review as Attachment #5 to this report.
8. The study area is presently served by the following public agencies:

County of San Bernardino  
City of Needles  
Needles Unified School District  
Palo Verde Community College District  
Mojave Desert Resource Conservation District

San Bernardino County Fire Protection District and its South Desert and FP-5 Service Zones will be expanded through completion of this reorganization. None of the other agencies will be directly affected by the completion of this proposal through an adjustment in their boundaries.

9. The San Bernardino County Fire Protection District has submitted a Plan for Service including a Fiscal Impact Analysis for the transfer of the City of Needles fire protection and emergency medical response permanently to County Fire. The Plan is included as a part of Attachment #2 to this report. Those documents indicates that the transfer of service to the South Desert Service Zone and SBCFPD can, at a minimum, maintain the level of service delivery currently received by the area. Upon reorganization, the primary successor district, the South Desert Service Zone of the SBCFD, will extend the range of services to residents, landowners and governments within the boundaries of the City of Needles. The Plan for Service, jointly submitted by the SBCFPD and the City of Needles, provides a general outline of the delivery of services mandated by Government Code Section 56653. The Plan of Service and Fiscal Impact Analysis have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The LAFCO staff has determined that such Plan for Service and the supplemental data provided conforms to those adopted standards and requirements.
10. The reorganization area can benefit from the assumption of fire protection and emergency medical response service through the South Desert Service Zone of the San Bernardino County Fire Protection District as evidenced by the Plan for Service and will remove the requirement for ongoing contractual negotiations for provision of the service.
11. This proposal will not affect the fair share allocation of the regional housing needs assigned to the City of Needles through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process.
12. With respect to environmental justice, the reorganization provides for the continuation of existing fire protection, and emergency medical response services within the area and will not result in the unfair treatment of any person based upon race, culture or income.

13. The County Board of Supervisors has successfully completed the process for the determination of the transfer of ad valorem property tax revenues upon successful completion of this reorganization to the successor agencies, SBCFPD and its South Desert Service Zone. This fulfills the requirement of Section 99 of the Revenue and Taxation Code.
14. The maps and legal descriptions prepared by the County Surveyor are in substantial compliance with LAFCO and State mandates.

## **CONCLUSION**

Adequate emergency medical response and fire protection are key health and safety issues for any community. The City's support for this proposal to include its corporate boundaries within County Fire provides for its statutory obligation to provide fire protection service to its residents. The proposal requires landowners within the community to provide the financial support necessary to continue the service. To increase transparency, it also includes the formation of a special zone to provide for separate accounting of revenues and expenditures within the Needles service zone.

The alternative to this proposal is to remain under contract to County Fire and be subject to significantly escalating contract costs that the City will be unable to afford over the long-term. This may place the provision of continuing fire protection and emergency response services to the residents and businesses of the City of Needles in jeopardy. To address this situation, a transfer of responsibility for fire services from the City to County Fire is warranted. For this, and all the reasons outlined in this report, LAFCO staff recommends approval of LAFCO 3206 as modified and presented in this report.

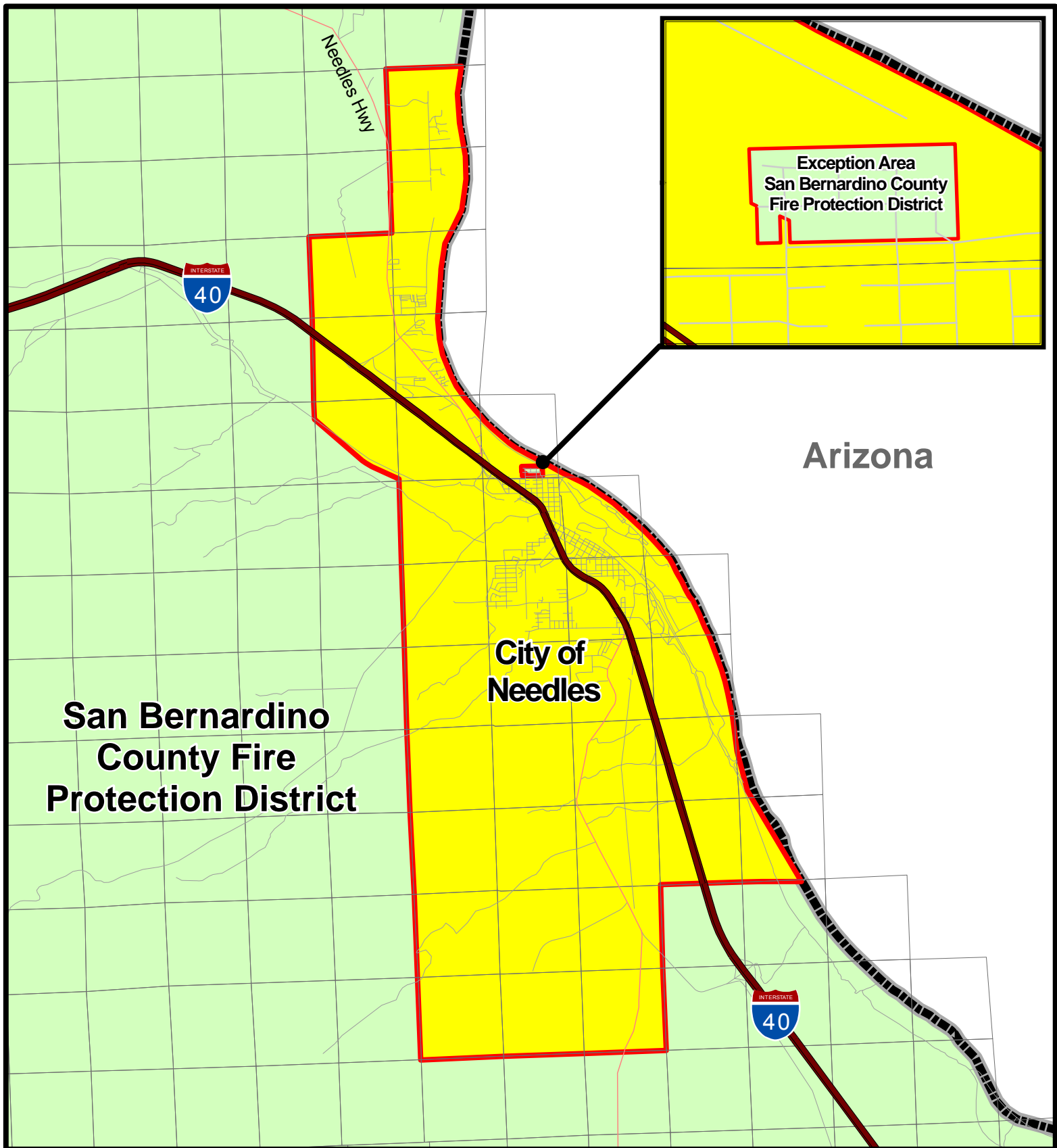
KRM/RA

### **Attachments:**

1. Vicinity Map, Map of Proposed Reorganization and Supplemental Maps
2. City of Needles/County Fire Application for Reorganization Plan for Service, Fiscal Impact Analysis (Five-Year Projection), Extension of Contract between County Fire and City of Needles and Supplemental Data
3. Map of Tribal Lands within LAFCO 3206 and Letter Dated March 18, 2016 to Fort Mojave Indian Tribe Requesting Consent to Annexation
4. Copy of Letter Received from the Public Related to LAFCO 3206
5. Letter from Commission Environmental Consultant Tom Dodson of Tom Dodson and Associates Dated April 2, 2016
6. Draft LAFCO Resolution No. 3220

# **Vicinity Map, Map of Proposed Reorganization and Supplemental Maps**

**Attachment 1**



## Annexation to the San Bernardino County Fire Protection District Service Zone FP-5

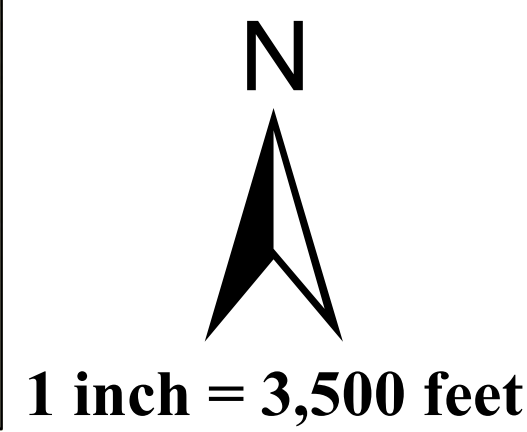
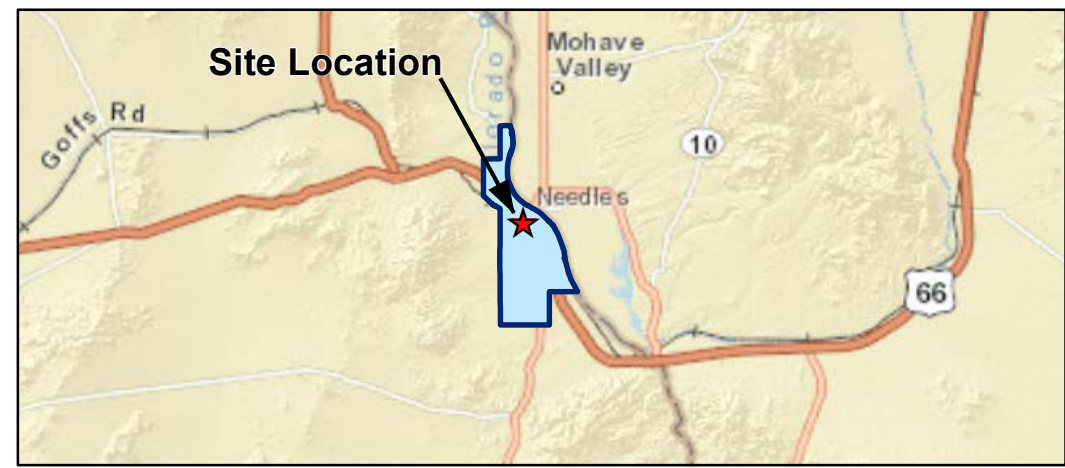
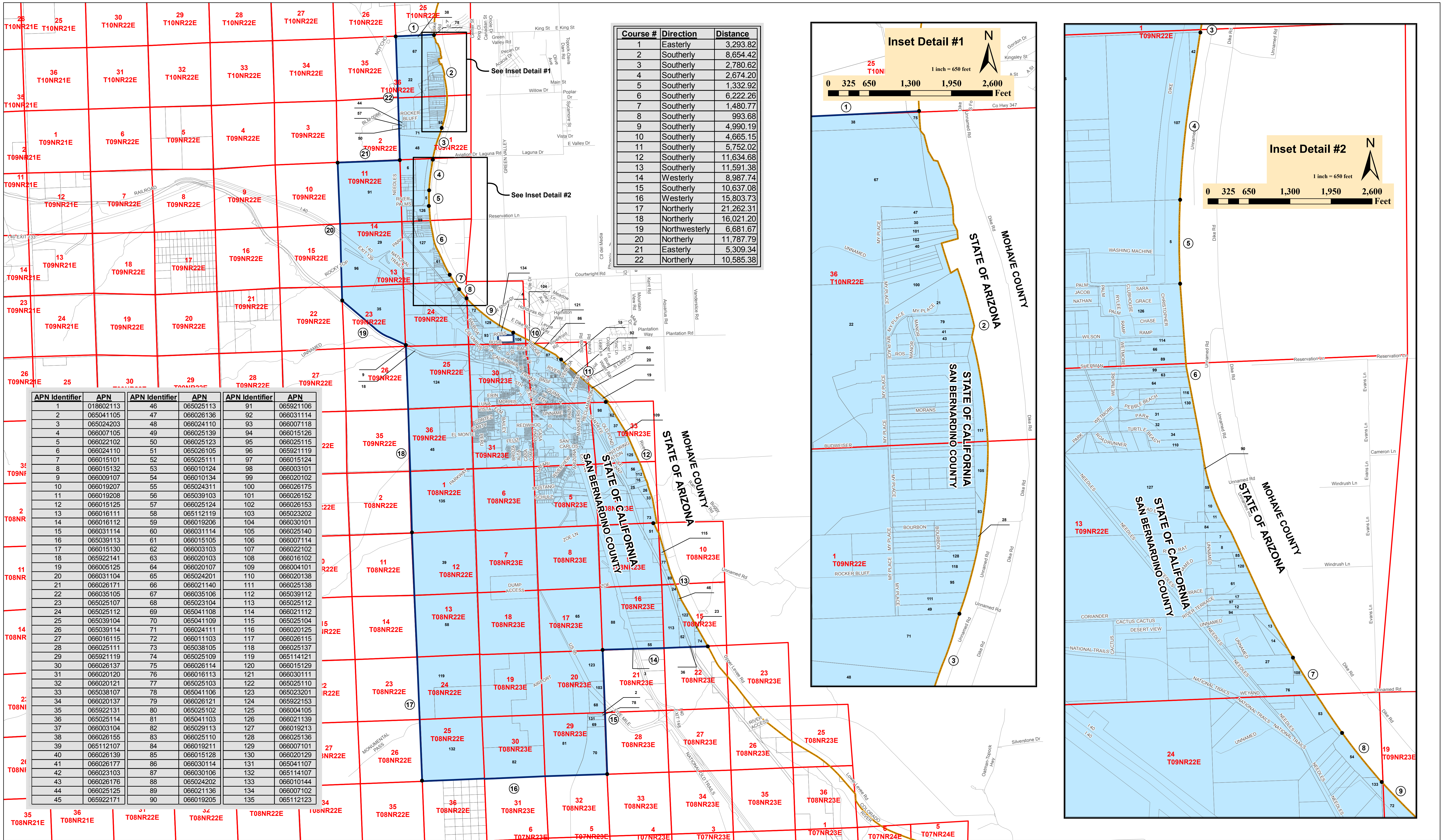
LAFCO 3206 - Reorganization to include Annexation of the City of Needles to the San Bernardino County Fire Protection District, its South Desert Service Zone, and its Service Zone FP-5

N  
1:100,000  
0 0.5 1 2 3 4 Kilometers

### Legend

- City of Needles - Area to be Annexed into SBCFPD, its South Desert Service Zone, its Service Zone FP-5, and Formation of Zone FP-5 — Needles
- S.B. County FPD (SBCFPD)
- San Bernardino County





- Sphere/Annexation Area Containing 19,908.75 Acres, More or Less
- Assessor's Parcel Number
- Section Lines
- Course Endpoint
- Course Number
- County/State Boundary

**LAFCO 3206**  
**Reorganization to include Annexation to the San Bernardino County Fire Protection District, its South Desert Service Zone, and its Service Zone FP-5, and Formation of Service Zone FP-5 Needles**

Those Portions of: Township 8 North, Range 22 & 23 East, S.B.M., Township 9 North, Range 22 & 23 East, S.B.M., and Township 10 North, Range 22 East, S.B.M., San Bernardino County, State of California.



THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION



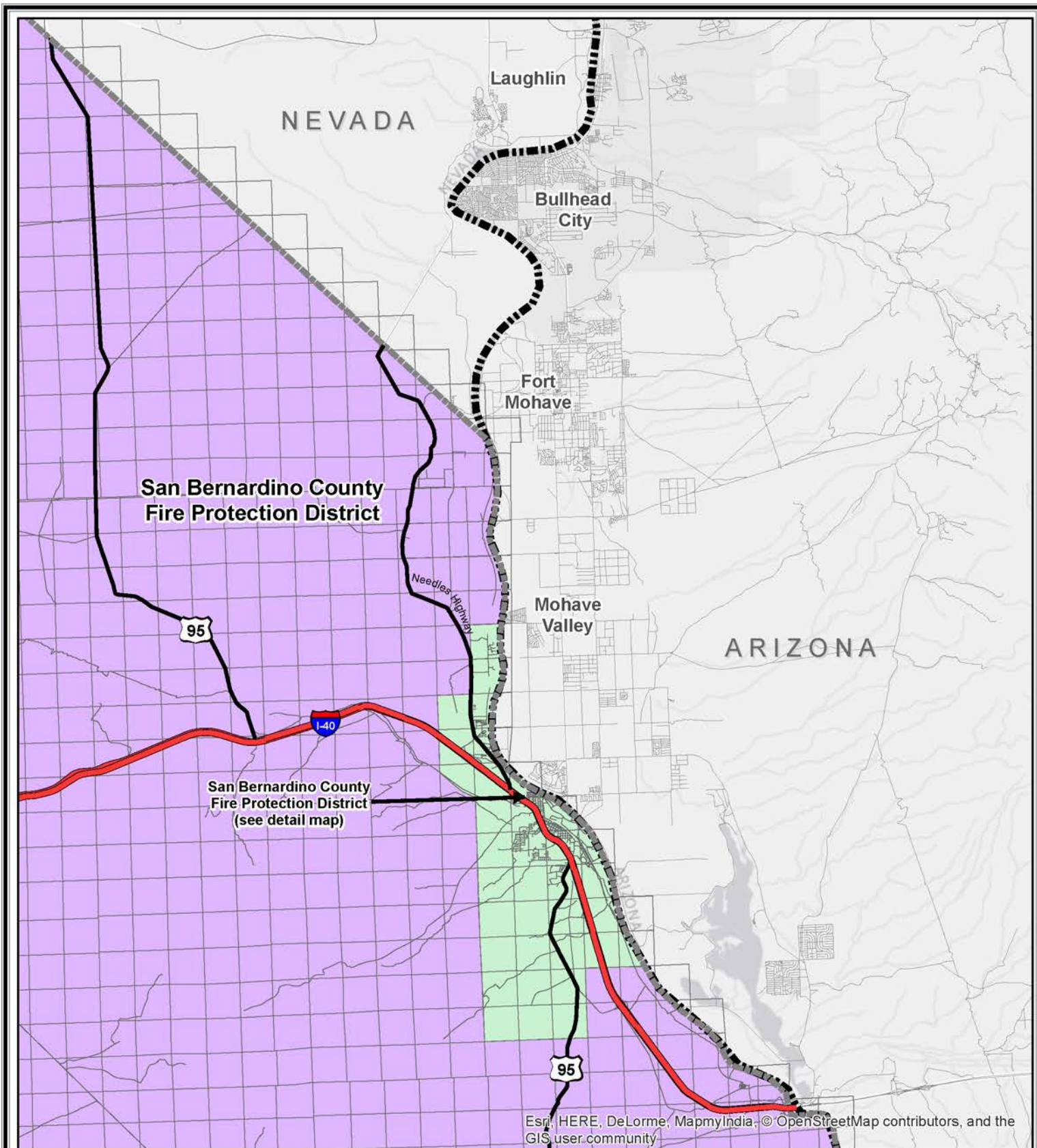
James I. Stone  
Deputy County Surveyor  
PLS 9075

01/27/2016

Date

Job Number 00143CP0 - Revised January 27, 2016

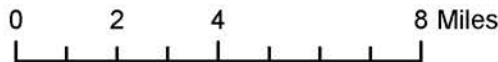




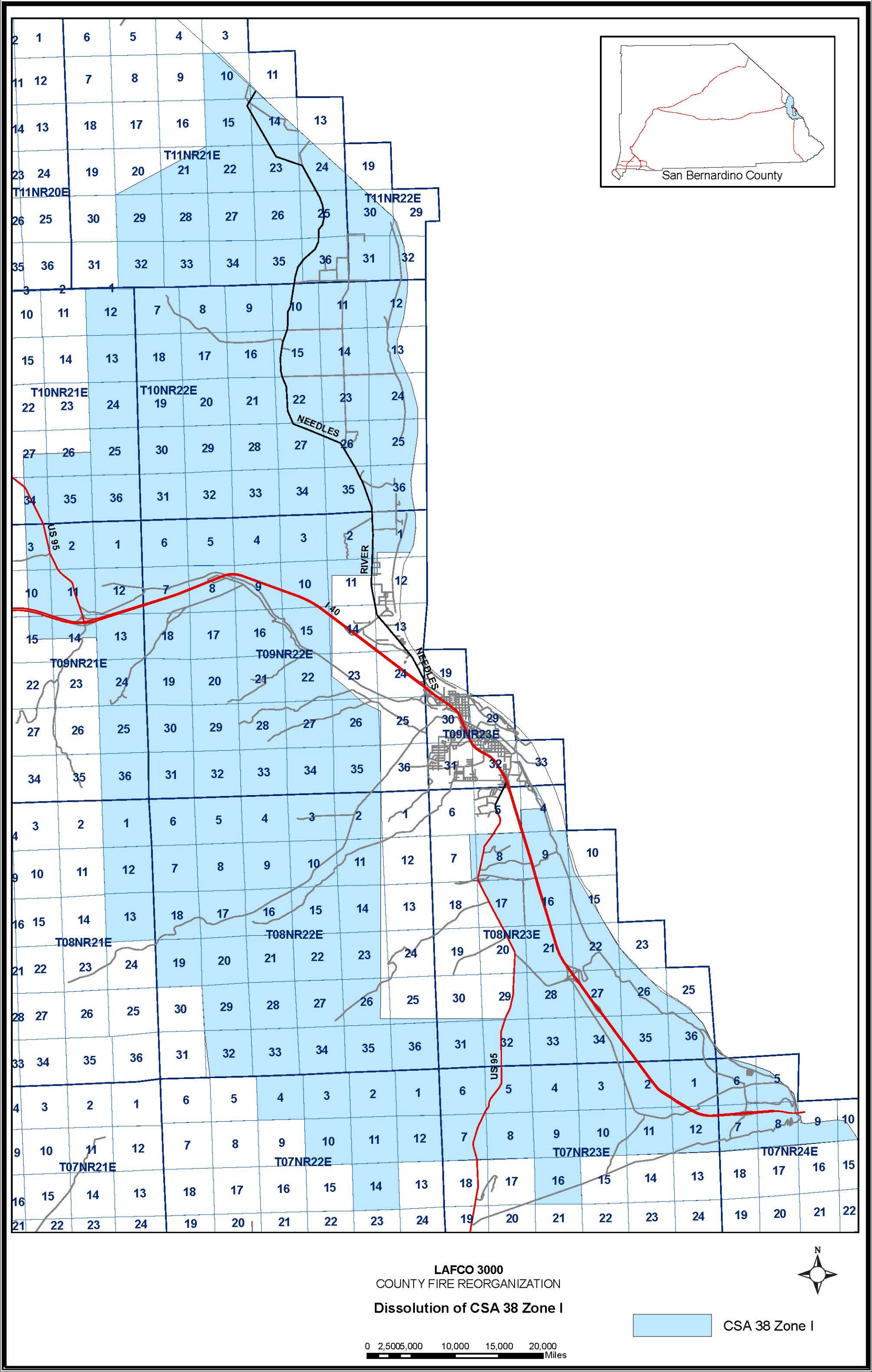
Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community

# City of Needles Vicinity Map

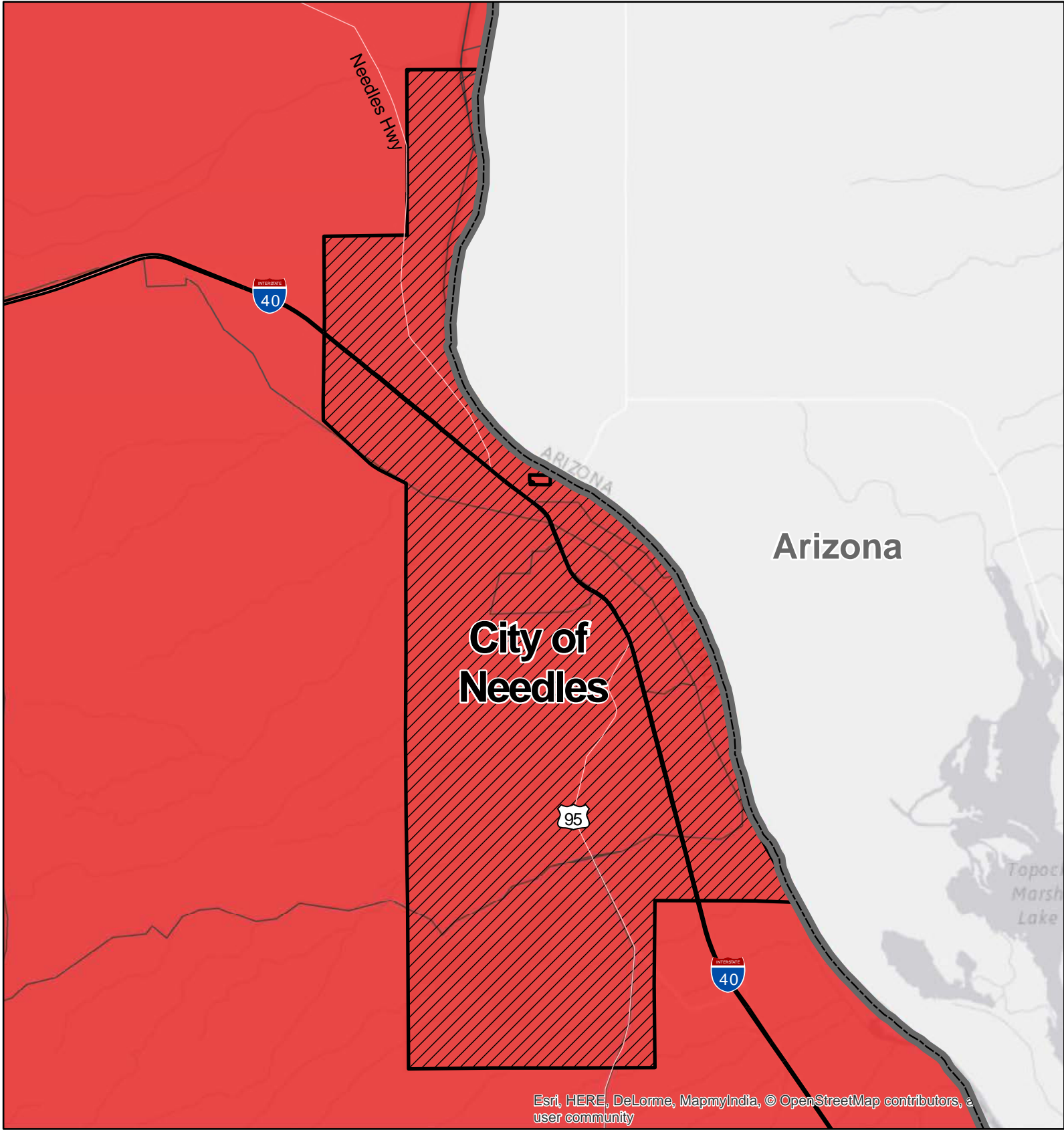
- City of Needles
- San Bernardino County Boundary
- San Bernardino County Fire Protection District
- State Line











# Disadvantaged Unincorporated Communities in City of Needles

1:120,000



**Legend**

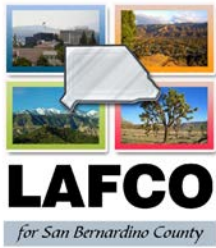
**2015 Median Household Income Block Groups**

\$48,304 or less

\$48,305 or greater

City of Needles

County Line/ State Line





**City of Needles/County Fire Application for  
Reorganization Plan for Service, Fiscal  
Impact Analysis (Five-Year Projection),  
Extension of Contract between County Fire  
and City of Needles and Supplemental Data**

**Attachment 2**



Annexation Proposal for the

City of  
Needles

RECEIVED  
MAR 01 2016

**LAFCO**  
San Bernardino County

Plan for Service

March 1, 2016



## **Background:**

### **History-**

The Needles Fire Department was formed more than 50 years ago as a volunteer Fire Department. While the department remained a volunteer/ paid call Fire Company for the majority of its existence, San Bernardino County began Fire service oversight functions in 1977. In 2004 Needles City entered into a contract with San Bernardino County Fire to provide Fire protection in the City of Needles. This 10 year contract was for \$442,445.00 per year. The current Contract is a 1 year contract for \$612,000.00, which will expire May 31, 2016. A two month extension of this contract has been negotiated at a rate of \$51,000.00 per Month. Should Annexation fail a new Contract will need to be negotiated.

Over time the Needles Fire Department evolved into a combination Full Time Paid and Extra help fire fighters working 24 hours per day. The most recent change occurred in June of 2015 when Station 31 began using the County Fire staffing model of 3 paid professionals per day with at least one of those being a Paramedic. providing constant staffing in compliance with OSHA 29 CFR, Part 1910.134 (g)(3)&(4), California Code of Regulations: 8 CCR § 5144 (g) (3)(4).

### **Recent Activities-**

May 2015-

Division Chief Chamberlin gave a presentation on the availability of Annexation into the San Bernardino County Fire District to the Needles City Council. The City Council formed a Fire Services Task Force making recommendations to the Council on the future of Fire Services in Needles. (Appendix A – initial catalyst for discussion)

June, July August 2015-

The Fire Services Task Force met each month to consider the most cost effective and efficient options for Fire Protection in Needles, considering starting their own fire department, contracting to an outside fire agency, or annexation into the San Bernardino County Fire District.

October 2015-

The Fire Services Task Force made their recommendation to the Needles City Council and recommended annexation into the San Bernardino County Fire District with an FP-5 tax overlay. (Appendix B)

October 2015-

The Needles City Council in regular session voted 4-2 in favor of pursuing annexation into the San Bernardino County Fire District, however the resolution was returned to the Council for clarification of intent per LAFCO direction.

(Appendix C)

December 2015-

The Needles City Council met in regular session and adopted resolution 2015-51 and officially requested annexation into the San Bernardino County Fire District with FP-5 tax overlay. (Appendix D)

## **Identified assets and liabilities**

The City of Needles currently has possession of 1 fire station:

Fire Station 31: city Owned

633 Front Street Needles Ca

Structure size: 3500 square feet

Lot size approximately .75 acres

Fire Station 32 is currently under construction with an expected completion date of November 1<sup>st</sup> 2016, at which time Fire Station 31 will close and be referred back to the City of Needles. All operations will take transferred to Station 32, a County Owned facility at that time.

County Fire has agreed to enter a lease agreement for the current Fire Station located at 633 Front St, until such time that the County Fire Station 32 construction is completed.

### **Vehicle Inventory**

<b>Stock #</b>	<b>Unit #</b>	<b>Type</b>	<b>Year</b>	<b>Make</b>	<b>Miles</b>
NDL18342	E-31	Type 1	2005	KME	165320
NDL18324	BP-31	Type 6	2003	Ford/rosenbauer	116339
NDL5815	U-31	Pickup	2003	Ford	

It is agreed upon by both parties that no financial compensation shall be given for the vehicle inventory to transfer to County Fire.

There are no identified liens or holdings outside of the City of Needles

There is no currently identifiable Assistance to Firefighter Grant (AFG), Department of Homeland Security (DHS) or State of California Office of Emergency Services (OES) based apparatus, personnel or equipment that requires ongoing tracking.



All employees are currently employed by The San Bernardino County Fire District and under MOU agreement between the County of San Bernardino and Local 935 with no identifiable liability. (Appendix D)

## **Plan for Service Delivery**

The San Bernardino County Fire District has indicated that their standard model of delivery is a 3 person Advanced Life Support (ALS) Paramedic Engine or Truck Company for a single resource fire station.

The delivery model would include at least one daily Paramedic based on the mandatory statutes set forth by Inland County Emergency Medical Agency (ICEMA), which functions as the governing body for the oversight of medical care within San Bernardino County.

A large component of the annexation is the incorporation of the regionalized service delivery modeling. Each apparatus will be outfitted with Global Positioning System/Automatic Vehicle Location (GPS/AVL) technology to assist in location services and through our Computer Aided Dispatch (CAD), Mobile Data Computer (MDC) providing updated instant mapping capability and via location services, deploying the closest possible resource to meet the demand.

The new FP-5 Needles Zone would incorporate an entire overlay of the existing City of Needles. A review of the City of Needles overlay resulted in the following findings:

Encompassed within the City of Needles are 3,222 parcels, of these parcels 453 are government owned and are not required to pay the tax. This leaves the total count at 2,769 parcels based on the current overlay of the district.

Based on the approved anticipated tax of \$148.23 x's 2769 parcels= \$410,448.87, plus the 27% of the city ad valorem tax \$183,870.00 the anticipated revenue \$594318.47 for FY16/17.

This staffing model requires \$1,589,103 based on salary and benefits starting in FY16/17 and with a 3% inflationary measure per year, ending the five-year forecast (FY20/21) at \$2,065,833.00.

We have provided an updated spreadsheet to reflect only the portion of the personnel that the City of Needles will be paying for, which accounts for approximately 27% of the services and supplies budget overall.

Services and Supplies budget for FY16/17 requires \$44,550.00

Total operating expenses for FY16/17 is \$598,761.00.

The Services and Supplies budget will increase to \$48,222.35 based on a 2% inflationary factor per annum.

The Needles City portion of the Staffing, services and supplies breaks down as such; FY16/17 27 % ad valorem tax or \$183,870.00 plus FP-5 overlay tax of \$365,299.49 total \$549,169.49.

With ad valorem tax being the unknown the estimated cost at year 5 is based solely on 3% annual increase to FP-5 which would take that calculation to \$411,147.80 plus 27 % of current ad valorem tax of \$183,870 totals to \$595,017.80.

We rounded out the needs by including a very conservative collection rate of 12% for the County approved first responder billing (ALS stabilization fee) and a low value of \$5,000 in cost recovery which historically has been double this amount.

This concludes the findings of all available data and factual evidence to support the Plan for Service for the annexation proposal of City of Needles into the San Bernardino County Fire District.

***I hereby certify that the statements furnished above and the documents attached present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.***



***Mark Hartwig, Fire Chief***

***San Bernardino County Fire District***

[www.SBCounty.gov](http://www.SBCounty.gov)



Fire District  
Division 5 - South Desert

Mark A. Hartwig  
Fire Chief/Fire Warden

Dave Benfield  
Division Chief

RECEIVED  
DEC 17 2015

**LAFCO**  
San Bernardino County

January 5, 2015

Rick Daniels, City Manager  
City of Needles  
817 3<sup>rd</sup> Street  
Needles, CA 92362

Mr. Daniels:

Currently the City's contract with San Bernardino County Fire (County Fire) pays for six limited-term firefighters (LT's) and other costs. The LT's work a schedule like full-time firefighters, but they have much lower pay and no benefits. The LT's are allowed to work a maximum of three years for County Fire as LT's to prevent County Fire from violating labor laws.

The original vision in hiring LT's under this Limited Term Firefighter Program (LT Program) was both to implement low-cost firefighter positions, and to allow LT's to gain valuable experience so that they could ultimately become full-time firefighters with County Fire or other organizations. However, under this program, County Fire has experienced great difficulty maintaining staffing levels. As such, County Fire will begin phasing out the LT Program, and will be replacing LT's with full-time firefighters.

The time frame for this transition is not yet known and will depend heavily on revenues. This will impact the City of Needles greatly, as County Fire will no longer offer a low-cost option for firefighters. The phase-out of the LT Program will definitely increase contract costs drastically. Currently the contract cost for the City of Needles is approximately \$620,000. If we were to hypothetically (today) replace the LT's with full-time firefighters, contract costs would increase by approximately \$600,000. My intent in this letter is to advise you of County Fire's future staffing plans so that the City of Needles can adequately plan for the future increase in expenses, or explore other options. Please feel free to contact me with any questions.

Respectfully,

Respectfully,  
D. M. De

Dave Benfield  
Division Chief



October 16, 2015

To: Mayor Page, M.D., Council members, Rick Daniels, City Manager

From: Michael Wright, representing the Fire Service Task Force Committee

Subject: Fire Service Task Force Committee recommendation of Fire Services for City of Needles, California.

The Fire Service Task Force Committee met three times in which there were many issues explored, discussed and debated. The committee was facilitated by Rick Daniels, City Manager. Committee members had the opportunity to review the city's fire service history which brought us up to our present situation. It was determined the city had a few options to investigate.

- 1.) The city could maintain their contractual relationship with San Bernardino County Fire.
- 2.) The city could seek an alternative fire service provider, i.e. Mohave Valley Fire Dept.
- 3.) The city could be annexed into San Bernardino County Fire District.
- 4.) The city could create its own fire department.

Obviously, continuing the current contract with San Bernardino County Fire is not feasible. The alternative to the current contract, which was closer to what the city could afford, (\$612,000), was also a consideration. This model would result in a staffing reduction of one firefighter, but would provide a full Paramedic Engine company staffed. This staffing level is equivalent to Mohave Valley Fire Department.

It was estimated that contracting with Mohave County Fire Department would cost the city \$1.2 million to staff a fire station here in Needles.

Annexation into the County Fire District would cost a permanent transfer of \$582,000 from the total property tax collected. A parcel tax up to a maximum of \$171 could be levied to decrease the city's cost. Level of service is maintained and may be enhanced by two firefighters in the future.

The Paid Call/Volunteer, city fire service model presented an unrealistic financial burden. When a rough draft budget was formulated, it became clear the city does not have the resources to fund its own agency. There is legitimate concern of homeowners and business insurance rates being significantly raised or even cancelled. The city made substantial outreach efforts to draw interest in a PCF/Volunteer fire agency and determine the size of an eligible pool of candidates. (Please see attached list of agencies notified.) At this point there is a total of zero applications received.

Many hours were spent discussing these options. We were privileged to have guest speakers and concerned citizens attend the meetings. Mike Lowenthal, owner/operations manager of Baker Ambulance spoke to the committee to inform us of what role his services play in emergency response. Division Chief John Chamberlin and Battalion Chief Tom Marshall from San Bernardino County Fire attended meetings and were willing to clarify many questions the committee had regarding the service they provide. Janet Jernigan, a local business owner provided insight into the possible scenarios regarding insurance issues. Local resident Barry Menges, provided valuable fire service details and perspective.

At our last meeting we again heard input from citizens, local business owners and Chief Chamberlin. We, the committee, were charged with coming to an agreement as to how the city of Needles could best be served with fire protection. Taking into consideration cost, level of service, response time and availability, I.S.O. and insurance consequences, availability and reliability of resources, community involvement and local control, we came to an unanimous, collective decision.

The Fire Service Task Force committee recommends the city of Needles begin the necessary steps toward annexation into the County Fire District. The committee also recognizes the need for community involvement and would recommend implementing a reserve firefighter, paid-call and/or explorer program to enhance service and provide local residents the opportunity for involvement. The citizens' participation is welcomed, encouraged and would be initiated by Chief Chamberlin and Chief Marshall.

Throughout California and much of the nation, the regional approach to fire services has proven to be a beneficial trend.

The committee agrees this would be the most cost effective route for securing ongoing fire protection services for the city. While it does require the permanent transfer of funds, a parcel tax would relieve some of the cost. Even without a parcel tax, the cost is less than the city is currently paying. The level of service would remain, with the possible enhancement of adding two firefighter positions which Chief Chamberlin is requesting. Coverage of the city would remain intact with the existing mutual aid agreement. The city currently has an I.S.O. rating of five (5) which is unlikely to change. The County Fire District has the ability to provide many emergency response resources as well as human resources which is a cost the city would not have to incur. The San Bernardino County Fire District will have complete financial responsibility. Financial, operational, logistical and supportive resources will be provided by the fire district relieving the city of other costly obligations.

Appendix B #1

CITY OF NEEDLES		<u>PRELIMINARY</u>					
ANNUAL BUDGET DETAIL - FIRE							
	<u>Volunteer (30)</u>	<u>Paid Call (15)</u>	<u>District</u>		<u>Rates</u>	<u>Notes</u>	
<b>Salaries</b>							
Chief	100,000	100,000	incl.				
Captains	100,000	100,000	incl.				
Engineers	n/a	93,600	incl.		\$15/hour	estimate based on 6,240 hrs./yr.	6240
Firefighters	n/a	87,360	incl.		\$14/hour	per HR., based on 6,240 hrs./yr.	6240
Administrative support (.5)	n/a	14,560	incl.		\$14/hour	estimate based on 1,040 hrs./yr.	1040
<b>Payroll Taxes/Insurance/PERS</b>							
FICA Soc Sec/M-Care Ins	n/a	30,257	incl.		0.0765	per HR	
Group insurance	n/a	211,500	incl.			Avg b/w emp+1 & emp+fam x 15	
Workers' compensation	n/a	30,000	incl.			estimate; based on Elec alloc of \$28k	
PERS/employer contribution	n/a	30,675	incl.		0.08052	per HR	
<b>PERSONNEL COSTS</b>	<b>200,000</b>	<b>697,952</b>	<b>0</b>				
<b>Professional Services</b>							
Educational training	10,000	10,000	incl.			estimate	
Legal fees	25,000	25,000	incl.			estimate	
Dispatch	50,000	50,000	incl.			estimate	
Mutual aid	?	?	incl.			?	
Contract with SB County Fire Dept.	n/a	n/a	582,000			actual	
<b>Utilities</b>							
Electric utilities	5,500	5,500	incl.			based on prior year average	
Wastewater utilities	1,050	1,050	incl.			based on prior year average	
Water utilities	950	950	incl.			based on prior year average	
Gas utilities	400	400	incl.			estimate	
<b>Repairs/Maintenance</b>							
Plant maint/repair	3,000	3,000	incl.			estimate	
Vehicle maint/repair	4,000	4,000	incl.			estimate	
Equipment maint/repair	10,000	10,000	incl.			estimate	
Computer maint/repair	500	500	incl.			estimate	
<b>Other Insurance</b>							
Liability insurance	30,000	30,000	incl.			estimate	
Property insurance	18,000	18,000	incl.			estimate	
<b>Communications</b>							
Telephone-land line & DSL	2,000	2,000	incl.			estimate	
Cell phones, pagers & radios	80,000	80,000	incl.			estimate	
<b>Advertising</b>							
	100	100	incl.			estimate	
<b>Travel</b>							
	1,000	1,000	incl.			estimate	
<b>Dues and Memberships</b>							
	500	3,000	incl.			estimate	

Appendix B #2

	<u>Volunteer (30)</u>	<u>Paid Call (15)</u>	<u>District</u>	<u>Rates</u>	<u>Notes</u>
<b>Licensing</b>	300	300	incl.		estimate
<b>Internal Services</b>					
Central purchasing	30,000	30,000	incl.		estimate
Mgmt Info Sys/O & M	25,000	25,000	incl.		estimate
Fleet management	35,000	35,000	incl.		estimate
Finance dept. services	5,000	5,000	incl.		estimate
<b>Supplies/Materials</b>					
Uniforms	45,000	22,500	incl.		Year 1 (unif 1200/p; brush gear 300/p)
Office supplies	300	300	incl.		estimate
Computer/printer supplies	300	300	incl.		estimate
Safety equipment	500	500	incl.		estimate
General supplies	100	100	incl.		estimate
<b>Vehicle Fuel</b>	20,000	20,000	incl.		estimate
<b>Plant</b>					
Building replacement fund	8,333	8,333	n/a		* Building sale \$100k
Vehicle replacement fund	51,000	51,000	n/a		* Equipment sale \$100k
Other assets replacement fund	5,000	5,000	n/a		estimate
Furniture, fixtures & equipment	0	0	n/a		estimate
<b>TOTALS</b>	<b>667,833</b>	<b>1,145,786</b>	<b>582,000 *</b>		

Appendix B #13



RESOLUTION NO. 2015-49

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF NEEDLES, CALIFORNIA, ACCEPTING THE  
RECOMMENDATION OF THE FIRE SERVICES TASK FORCE  
AND DIRECTING STAFF TO BEGIN THE APPLICATION PROCESS  
FOR ANNEXATION INTO THE COUNTY FIRE DISTRICT  
FOR CONTINUED FIRE PROTECTION SERVICES

WHEREAS, on January 5, 2015, the San Bernardino County Fire Department notified the City of Needles that the annual cost of fire protection services would be increasing from approximately \$620,000 to approximately \$1.2 million due to the elimination of their limited term firefighter program which provided low cost firefighter positions (lower pay and no benefits) while allowing the limited terms to gain valuable experience; and

WHEREAS, on July 14, 2015, the City Council appointed community members to serve on a Fire Services Task Force to research options for continued fire protection services within the City of Needles, including continuing the relationship with the County Fire Department; seeking an alternative fire service provider; annexation into the San Bernardino County Fire District; or creation of a municipal volunteer/paid-call fire department; and

WHEREAS, the Task Force met on three occasions during which significant reports and other information were provided on many components of operating a local fire department all of which was explored, discussed, and debated and all questions were answered by staff; and input was received from local emergency services personnel, citizens and business owners; and

WHEREAS, by majority consensus, the Fire Services Task Force recommended that the City of Needles begin the necessary steps towards annexation into the County Fire District, and, recognizing the need for community involvement, further recommended the implementation of a reserve firefighters, paid-call and/or explorer program to enhance service and provide local residents the opportunity for involvement in their fire department.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Needles, California, hereby accepts the recommendation of the Fire Services Task Force as outlined in their written report dated October 16, 2015 attached hereto and incorporated herein and directs the City Manager to begin the application process with the San Bernardino County Local Agency Formation Commission (LAFCO) for annexation into the San Bernardino County Fire District.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 27th day of October, 2015, by the following roll call vote:

AYES: Councilmembers Frazier, Williams, Darcy and Richardson


NOES: Councilmembers Gudmundson and Evans

ABSENT: None

ABSTAIN: None


Cheryl/council/resolution - fire services task force recommendation - accept (Oct '15)

Resolution No. 2015-49  
(Page Two)

  
\_\_\_\_\_  
Mayor

ATTEST:  (SEAL)  
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

Cheryl/council/resolution - fire services task force recommendation - accept (Oct '15)

BC #2

RESOLUTION NO. 2015-51

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF NEEDLES, CALIFORNIA, AUTHORIZING THE  
FILING OF AN APPLICATION TO THE LOCAL AGENCY  
FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR  
A SPHERE OF INFLUENCE AMENDMENT (EXPANSION) OF  
THE SAN BERNARDINO COUNTY FIRE PROTECTION  
DISTRICT AND REORGANIZATION TO INCLUDE  
ANNEXATIONS TO THE SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT, ITS SOUTH DESERT SERVICE  
ZONE AND SERVICE ZONE FP- 5

WHEREAS, the City of Needles desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code for:

1. A sphere of influence amendment for the San Bernardino County Fire Protection District (District); and
2. A reorganization proposal to include, but not limited to, annexation to the San Bernardino County Fire Protection District and its South Desert Service Zone and Service Zone FP- 5 as more specifically described in the City's application attached hereto; and

WHEREAS, the territory proposed for reorganization is legally inhabited and a description of the boundaries for all actions is set forth in the City's application attached hereto, and by this reference incorporated herein; and

WHEREAS, the proposed reorganization will not conflict with any existing sphere of influence as the proposed change includes an amendment to the San Bernardino County Fire Protection District sphere of influence to accommodate the proposed reorganization; and

WHEREAS, it is desired that the proposed reorganization be subject to the following terms and conditions:

1. The District shall assume all rights, duties, responsibilities, obligations, functions, executory provisions related to fire protection services, except as otherwise outlined in the Conditions of Approval by LAFCO.
2. The Plan for Service included with the application outlines the general approach and parameters for delivering fire protection services to serve the City. The District will assume responsibility for providing sustainable service to the residents and businesses of the City as a condition of the annexation and for providing the personnel, facilities, equipment, and oversight necessary to do so on an ongoing basis.



3. As a function of the reorganization, the City shall annex to the District's South Desert Service Zone and Service Zone FP- 5 for the purpose of fire protection operations.
4. All previously authorized charges, fees, assessments, and/or taxes currently in effect, now levied or collected by the City related to fire protection shall continue to be levied and collected by the District.
5. The standard terms and conditions imposed by the Local Agency Formation Commission upon all proposals or such additional conditions as may be deemed appropriate or necessary by the Local Agency Formation Commission in its consideration; and

WHEREAS, the reasons for the sphere of influence amendment and proposed reorganization are to provide effective, safe and financially sustainable fire protection services to the City of Needles.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Needles, California, as follows:

SECTION 1. The City Manager is hereby authorized to apply to the Local Agency Formation Commission for San Bernardino County to take proceedings for the sphere of influence review and proposed reorganization as described in the City's application, in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

SECTION 2. The City Manager is authorized to negotiate terms and conditions with San Bernardino County and County Fire regarding fire service and the annexation.

SECTION 3. The City Manager is authorized to negotiate an interim contract agreement for County Fire to deliver fire protection services to the City until the annexation is completed.

SECTION 4. The Mayor and City Council of the City of Needles acknowledge and agree to the Local Agency Formation Commission for San Bernardino County's requirement for imposing legal indemnification as outlined in Policy 3 of Chapter 2 of its Accounting and Financial Division of its Policy and Procedure Manual updated August 2015.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 8th day of December, 2015, by the following roll call vote:

AYES: Councilmembers Gudmundson, Frazier, Darcy and  
Richardson

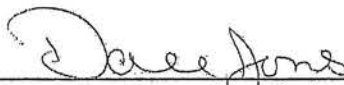
NOES: Councilmembers Evans and Williams

ABSENT: None

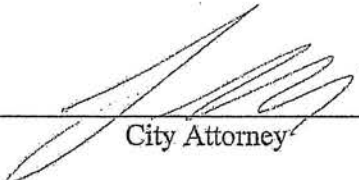
ABSTAIN: None

  
\_\_\_\_\_  
Mayor

(SEAL)

ATTEST:   
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

Needles Annexation 5 year Plan	2016 Proposed Staffing Count	2015/16 Average Cost Per Position	2016/17 Average Cost Per Position	2016/17 SBCFPD Proposed Staffing	2017/18 Average Cost Per Position	2017/18 SBCFPD Proposed Staffing	2018/19 Average Cost Per Position	2018/19 SBCFPD Proposed Staffing	2019/20 Average Cost Per Position	2019/20 SBCFPD Proposed Staffing	2020/21 Average Cost Per Position	2020/21 SBCFPD Proposed Staffing
Staffing												
Station 32 - ME - FFPM			5.00%		2.00%		2.00%		3.00%		3.00%	
FF/PM *(CITY PAYS)	3	\$ 143,816.00	\$ 151,006.80	\$ 453,020.40	\$ 154,026.94	\$ 462,080.81	\$ 157,107.47	\$ 471,322.42	\$ 161,820.70	\$ 485,462.10	\$ 166,675.32	\$ 500,025.96
Total Count of Employees paid by Needles	3											
Total Salary and Benefits			\$ 151,006.80	\$ 453,020.40		\$ 462,080.81		\$ 471,322.42		\$ 485,462.10		\$ 500,025.96
Services and Supplies						2.00%		2.00%		2.00%		2.00%
Services and Supplies				\$ 44,550.00		\$ 45,441.00		\$ 46,349.82		\$ 47,276.82		\$ 48,222.35
Transfers for Support Services/Admin Costs				\$ 47,865.60		\$ 48,822.91		\$ 49,799.37		\$ 50,795.36		\$ 51,811.26
Confire/MIS Support				\$ 38,475.00		\$ 39,244.50		\$ 40,029.39		\$ 40,829.98		\$ 41,646.58
Capital Replacement - Small Tools and Equipment				\$ 1,350.00		\$ 1,350.00		\$ 1,350.00		\$ 1,350.00		\$ 1,350.00
Capital Replacement - Vehicle Equipment Replacement				\$ 13,500.00		\$ 13,500.00		\$ 13,500.00		\$ 13,500.00		\$ 13,500.00
Total Appropriations				\$ 598,761.00		\$ 610,439.24		\$ 622,351.02		\$ 639,214.27		\$ 656,556.17
Revenues												
Special Tax				16/17		3.00%		3.00%		3.00%		3.00%
Special Tax FP-5 (\$143.91 X 3% = \$148.23/parcel @ 2,769 parcels) (factored @ 89% collection rate)	\$ 410,448.87			\$ 365,299.49		\$ 376,258.48		\$ 387,546.23		\$ 399,172.62		\$ 411,147.80
Delinquent Prior Year Special Tax Revenue (6%)				\$ 24,626.93		\$ 25,365.74		\$ 26,126.71		\$ 26,910.51		\$ 27,717.83
Other Revenue												
Property Tax (\$681K x 27%)				\$ 183,870.00		\$ 183,870.00		\$ 183,870.00		\$ 183,870.00		\$ 183,870.00
First Responder Fee - 881 EMS based calls @ \$275 each (12% collection rate)				\$ 29,073.00		\$ 29,073.00		\$ 29,073.00		\$ 29,073.00		\$ 29,073.00
Other Revenue - Non-Operating (Cost Recovery)				\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
Total Revenues				\$ 607,869.43		\$ 619,567.22		\$ 631,615.95		\$ 644,026.13		\$ 656,808.63
Total Revenues less Appropriations				\$ 9,108.43		\$ 9,127.98		\$ 9,264.92		\$ 4,811.87		\$ 252.45

Note: Captains/Engineers/FFPM salaries/benefits based upon averages in bud prep system of SB County Fire  
Note: Transfers for support services and admin costs represents share office staff; as well as share of training expenses, SCBA program and safety gear pool program; as well as \$85,728 of share of DC and 3 BCs (Chamberlin's FTE figures)  
Note: Capital Replacement - Vehicle Equipment Replacement maintenance fee \$50k  
Note: FP-5 FY 15/16 rate is \$143.91. There is a 3% COLA allowed every year thereafter as needed  
Note: "Other Revenue" figures added \$5k for cost recovery  
Note: One time start up costs not factored in (SCBAs, cardiac monitor, ballistic protection)  
Note: First Responder Fee is factored at 80% of 1101 calls (881) @ \$275 per call with collection rate of 12%

I hereby certify that the statements furnished above and the documents attached present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief as of the date prepared. This plan will be revised and updated through the LAFCO process as more information becomes available.

Mark Hartwig, Fire Chief

DATE

SC NOTES:  
Removed - One Time SCBA replacement gear  
Removed - Capital Replacement - Infrastructure/Buildings  
Reduced - Vehicle Equipment Replacement to \$50,000  
Income - Generated from FP5 rates of \$143.91 x 3%  
Removed: 421 Station Lease,  
Decreased Engineer  
Increased Firefighter  
Added Ad Valorem tax

FP5 RATES					
	old rate	3% increase	total for new rate	year	
2013	135.69	\$ 4.07	\$ 139.76		2013
2014	139.72	\$ 4.19	\$ 143.91		2014
2015	143.91	\$ 4.32	\$ 148.23		2015
2016	148.23	\$ 4.45	\$ 152.68		2016
2017	152.68	\$ 4.58	\$ 157.26		2017

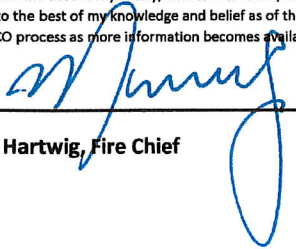
RECEIVED  
MAR 01 2016  
LAFCO  
San Bernardino County



Needles Annexation 5 year Plan	2016 Proposed Staffing Count	2015/16 Average Cost Per Position	2016/17 Average Cost Per Position	2016/17 SBCFPD Proposed Staffing	2017/18 Average Cost Per Position	2017/18 SBCFPD Proposed Staffing	2018/19 Average Cost Per Position	2018/19 SBCFPD Proposed Staffing	2019/20 Average Cost Per Position	2019/20 SBCFPD Proposed Staffing	2020/21 Average Cost Per Position	2020/21 SBCFPD Proposed Staffing
Staffing												
Station 32 - ME - Capt/Eng/FFPM			5.00%		2.00%		2.00%		3.00%		3.00%	
Captain *(FSZ PAYS)	3	\$ 204,177.00	\$ 214,385.85	\$ 643,157.55	\$ 218,673.57	\$ 656,020.70	\$ 223,047.04	\$ 669,141.12	\$ 229,738.45	\$ 689,215.35	\$ 236,630.60	\$ 709,891.81
Engineer *(FSZ PAYS)	3	\$ 177,614.00	\$ 186,494.70	\$ 559,484.10	\$ 190,224.59	\$ 570,673.78	\$ 194,029.09	\$ 582,087.26	\$ 199,849.96	\$ 599,549.88	\$ 205,845.46	\$ 617,536.37
FF/PM *(CITY PAYS)	3	\$ 143,816.00	\$ 151,006.80	\$ 453,020.40	\$ 154,026.94	\$ 462,080.81	\$ 157,107.47	\$ 471,322.42	\$ 161,820.70	\$ 485,462.10	\$ 166,675.32	\$ 500,025.96
Total Count of Employees	9											
Total Salary and Benefits			\$ 551,887.35	\$ 1,655,662.05		\$ 1,688,775.29		\$ 1,722,550.80		\$ 1,774,227.32		\$ 1,827,454.14
Services and Supplies						2.00%		2.00%		2.00%		2.00%
Services and Supplies				\$ 165,000.00		\$ 168,300.00		\$ 171,666.00		\$ 175,099.32		\$ 178,601.31
Transfers for Support Services/Admin Costs				\$ 177,280.00		\$ 180,825.60		\$ 184,442.11		\$ 188,130.95		\$ 191,893.57
Confire/MIS Support				\$ 142,500.00		\$ 145,350.00		\$ 148,257.00		\$ 151,222.14		\$ 154,246.58
Capital Replacement - Small Tools and Equipment				\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
Capital Replacement - Vehicle Equipment Replacement				\$ 50,000.00		\$ 50,000.00		\$ 50,000.00		\$ 50,000.00		\$ 50,000.00
Total Appropriations				\$ 2,195,442.05		\$ 2,238,250.91		\$ 2,281,915.93		\$ 2,343,679.75		\$ 2,407,195.62
Revenues												
Special Tax				16/17		3.00%		3.00%		3.00%		3.00%
Special Tax FP-5 (\$143.91 X 3% = \$148.23/parcel @ 2,769 parcels) (factored @ 89% collection rate)	\$ 410,448.87			\$ 365,299.49		\$ 376,258.48		\$ 387,546.23		\$ 399,172.62		\$ 411,147.80
Delinquent Prior Year Special Tax Revenue (6%)				\$ 24,626.93		\$ 25,365.74		\$ 26,126.71		\$ 26,910.51		\$ 27,717.83
Other Revenue												
Ad Valorem Tax (\$800k x 22.9%)				\$ 183,200.00		\$ 183,200.00		\$ 183,200.00		\$ 183,200.00		\$ 183,200.00
First Responder Fee - 881 EMS based calls @ \$275 each (12% collection rate)				\$ 29,073.00		\$ 29,073.00		\$ 29,073.00		\$ 29,073.00		\$ 29,073.00
Other Revenue - Non-Operating (Cost Recovery)				\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
Total Revenues				\$ 607,199.43		\$ 618,897.22		\$ 630,945.95		\$ 643,356.13		\$ 656,138.63
Total Revenues less Appropriations				\$ (1,588,242.62)		\$ (1,619,353.69)		\$ (1,650,969.98)		\$ (1,700,323.62)		\$ (1,751,056.99)

Note: Captains/Engineers/FFPM salaries/benefits based upon averages in bud prep system of SB County Fire  
Note: Transfers for support services and admin costs represents share office staff; as well as share of training expenses, SCBA program and safety gear pool program; as well as \$85,728 of share of DC and 3 BCs (Chamberlin's FTE figures)  
Note: Capital Replacement - Vehicle Equipment Replacement maintenance fee \$50k  
Note: FP-5 FY 15/16 rate is \$143.91. There is a 3% COLA allowed every year thereafter as needed  
Note: "Other Revenue" figures added \$5k for cost recovery  
Note: One time start up costs not factored in (SCBAs, cardiac monitor, ballistic protection)  
Note: First Responder Fee is factored at 80% of 1101 calls (881) @ \$275 per call with collection rate of 12%

I hereby certify that the statements furnished above and the documents attached present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief as of the date prepared. This plan will be revised and updated through the LAFCO process as more information becomes available.



3-3-2016

Mark Hartwig, Fire Chief

DATE

RECEIVED

MAR 03 2016

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San Bernardino County

*City of Needles - Proposed Contract Annual Budget  
FY 2016-2017*

Salaries and Benefits	Number of Positions	Average Cost Per Position	SBCFPD Proposed Existing Staffing
<b>Suppression</b>			
Fire Fighter PM	3	149,725	449,175
<b>Suppression Total</b>	<u>3</u>		<u>\$ 449,175</u>
<b>PCF</b>	0		-
<b>Chief Officers (3.66%)</b>			
SBCFPD Division Chief	1	287,319	10,516
Battalion Chief	3	232,644	25,544
<b>Chief Officers Total</b>	<u>4</u>		<u>\$ 36,060</u>
<b>Total Salaries and Benefits</b>	<u>7</u>		<u>\$ 485,235</u>
<b>Operating Expenses</b>			
Services and Supplies			56,034
<b>Station Expenses</b>			
C031			33,748
<b>Total Operating Expenses</b>			<u>\$ 89,782</u>
<b>Administrative Overhead Costs</b>			30,397
<b>Total S&amp;B and Operating Expenses</b>			<u>\$ 605,414</u>
<b>Total Annual Requirements</b>			<u>\$ 605,414</u>
<b>PER MONTH CHARGE</b>			<u>\$ 50,451.20</u>

Mark Hartwig, Fire Chief SBCFI

Date

Rick Daniels, City Manager

Date

SUBJECT TO  
COUNCIL  
CONFIRMATION

RECEIVED  
MAR 23 2016

LAFCO  
San Bernardino County

**REPORT/RECOMMENDATION TO THE BOARD OF DIRECTORS  
OF THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT  
AND RECORD OF ACTION**

**78**

May 19, 2015

**FROM: MARK A. HARTWIG, Fire Chief/Fire Warden  
San Bernardino County Fire Protection District**

**SUBJECT: AMENDMENT TO REVENUE AGREEMENT WITH THE CITY OF NEEDLES  
FOR FIRE PROTECTION SERVICES**

**RECOMMENDATION(S)**

Acting as the governing body of the San Bernardino County Fire Protection District, approve Amendment No. 2 to Revenue Agreement No. 04-1235 for the provision of fire prevention, investigation and suppression, hazardous materials, and rescue services to the City of Needles in which this amendment will:

1. Extend the agreement for an additional one year term through May 31, 2016;
2. Replace six (6) Limited Term Firefighter positions with three (3) full time Firefighters; and
3. Decrease the contract annual budget by \$7,614 from the current amount of \$620,065 to \$612,451 for the period of June 1, 2015 through May 31, 2016.

(Presenter: Don Trapp, Assistant Chief 387-5749)

**BOARD OF SUPERVISORS COUNTY GOALS AND OBJECTIVES**

**Improve County Government Operations.**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**Maintain Public Safety.**

**Pursue County Goals and Objectives by Working with Other Governmental Agencies.**

**FINANCIAL IMPACT**

Approval of Amendment No. 2 will not require additional Discretionary General Funding (Net County Cost). The costs associated with the fire protection services provided by the San Bernardino County Fire Protection District (SBCFPD) to the City of Needles (City) are funded by the City. This amendment extends the agreement for one year at the contract amount of \$612,451. This amount, which reflects a \$7,614 decrease from prior year, represents salary/benefit costs of \$483,156 and operating/administrative costs of \$129,295. In accordance with this agreement, City shall pay SBCFPD in monthly installments at the beginning of each month. The revenue and expenses related to this agreement are included in SBCFPD's annual budget, including the 2015-16 recommended budget.

**BACKGROUND INFORMATION**

On December 14, 2004 (Item No. 10), Agreement No. 04-1235 (Agreement) between SBCFPD and the City was approved allowing SBCFPD to provide fire prevention, investigation and suppression services, as well as hazardous materials and rescue services, to the City through



May 31, 2014. The subsequent Amendment No. 1, which was approved on June 24, 2014 (Item No. 104), extended the term to May 31, 2015 and decreased the annual contract amount from \$679,797 to \$620,065. This proposed Amendment No. 2 will extend the term by an additional year for continued service through May 31, 2016.

In accordance with Section 13(c) of the Agreement, SBCFPD annually negotiates with the City to amend the annual contract amount to reflect changes in costs for personnel and supplies. This proposed amendment will also decrease in the contract's annual budget by \$7,614 (from \$620,065 to \$612,451) to reflect the replacement of six (6) Limited Term Firefighters with three (3) full time Firefighters.

SBCFPD has administered and supervised fire protection services for the City since 1977. Under the current agreement, the City leases to SBCFPD real property (fire station) together with fixtures and furnishings, fire vehicles, apparatus, and equipment for the sum of \$1 per year. SBCFPD bears responsibility for all routine utility, maintenance and operating costs. The City remains responsible for all major structural repairs and/or replacements and all major apparatus and equipment repairs as outlined in the Agreement. SBCFPD annually reviews staffing levels and has the right to renegotiate the rate of services performed. The City will continue to be responsible for any future Memorandum of Understanding (MOU) and/or Compensation Plan salary/benefit increases that may occur during the term of the Agreement.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Carol Greene, Deputy County Counsel, 387-5455) on April 24, 2015; Finance (Tom Forster, Administrative Analyst, 387-4635) on April 29, 2015; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on May 1, 2015.

Exhibit A-1  
Fire Protection Services Agreement

<b>City of Needles - Proposed Contract Annual Budget 2015-16</b>			
<b>Salaries and Benefits</b>	<b>Number of Positions</b>	<b>Average Cost Per Position</b>	<b>SBCFPD Proposed Existing Staffing</b>
<b>Suppression</b>			
Fire Fighter PM	3	149,087	447,261
<b>Suppression Total</b>	<u>3</u>		<u>\$ 447,261</u>
<b>PCF</b>	0		-
<b>Chief Officers (3.66%)</b>			
SBCFPD Division Chief	1	270,495	9,900
Battalion Chief	3	236,748	25,995
<b>Chief Officers Total</b>	<u>4</u>		<u>\$ 35,895</u>
<b>Total Salaries and Benefits</b>	<u>7</u>		<u>\$ 483,156</u>
<b>Operating Expenses</b>			
Services and Supplies			56,065
<b>Station Expenses</b>			
C031			42,833
<b>Total Operating Expenses</b>			<u>\$ 98,898</u>
<b>Administrative Overhead Costs</b>			30,397
<b>Total S&amp;B and Operating Expenses</b>			<u>\$ 612,451</u>
<b>Total Annual Requirements</b>			<u>\$ 612,451</u>

FOR OFFICIAL USE ONLY

**SAN BERNARDINO COUNTY  
FIRE PROTECTION DISTRICT**

FAS

## STANDARD CONTRACT

<input type="checkbox"/> New <input checked="" type="checkbox"/> Change <input type="checkbox"/> Cancel		Vendor Code		Dept. <b>SC</b> CFD <b>A</b>		Contract Number 04-1235-A2	
Dept. <b>San Bernardino County Fire Protection District</b> 106				Orgn. <b>C070</b>		License No.	
Contract Representative <b>Carlo Pacot, Finance Manager</b>				Telephone <b>(909) 387-5944</b>		Total Contract Amount <b>\$612,451 annually</b>	
Contract Type <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:							
If not encumbered or revenue contract type, provide reason:							
Commodity Code		Contract Start Date 06/01/2004		Contract End Date 5/31/16		Original Amount	
Amendment Amount							
Fund FSZ	Dept. 610	Organization C030	Appr.	Obj/Rev Source 9800	GRC/PROJ/JOB No	Amount	
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount	
						\$	
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount	
						\$	
Project Name <u>Agreement between</u> <u>San Bernardino County Fire</u> <u>Protection District and the City</u> <u>of Needles</u>			Estimated Payment Total by Fiscal Year				
			FY	Amount	I/D	FY	Amount
			2004-05	\$442,445		2009-11	\$551,983
			2005/06	\$453,480		2011/12	\$504,823
			2006/07	\$450,903		2012/13	\$562,796
			2007/08	\$547,598		2013/14	\$602,375
			2008/09	\$539,526		2014/15	\$620,065
						2015/16	\$612,451

THIS CONTRACT is entered into in the State of California by and between the **SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT**, hereinafter called the **SBCFPD**, and

Name City of Needles  
Attn: City Manager

Address 817 3<sup>rd</sup> Street

Needles, CA 92363

Telephone (760) 326-2113 Federal ID No. or Social Security No.

hereinafter called City

IT IS HEREBY AGREED AS FOLLOWS:

(Use space below and additional bond sheets. Set forth service to be rendered, amount to be paid, manner of payment, time for performance or completion, determination of satisfactory performance and cause for termination, other terms and conditions, and attach plans, specifications, and addenda, if any.)

Agreement No. 04-1235 is hereby amended as follows:

1. All references to County Fire, San Bernardino County Consolidated Fire District, County Service Area 70, and County Service Area 38 are hereinafter SBCFPD.
2. Replace the current Exhibits A, A-1 and C with the updated Exhibits A, A-1 and C (attached).

**Auditor/Controller-Recorder Use Only**

<input type="checkbox"/> Contract Database		<input type="checkbox"/> FAS	
Input Date		Keyed By	

3. SBCFPD hereby exercises the option pursuant to 12 c of the Agreement to extend the term of the Agreement for one year.

IN WITNESS WHEREOF, this Agreement has been executed and approved and is effective and operative as to each of the parties are herein provided.

**SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT**

**City of Needles**

*(Print or type name of corporation, company, ARMC, etc.)*

► \_\_\_\_\_  
James Ramos, Chairman, Board of Directors

By ► \_\_\_\_\_  
*(Authorized signature - sign in blue ink)*

Dated: \_\_\_\_\_

Name Rick Daniels  
*(Print or type name of person signing contract)*

SIGNED AND CERTIFIED THAT A COPY OF THIS  
DOCUMENT HAS BEEN DELIVERED TO THE  
CHAIRMAN OF THE BOARD

Title City Manager  
*(Print or Type)*

Laura H. Welch, Secretary

Dated: \_\_\_\_\_

By \_\_\_\_\_  
*Deputy*

Address \_\_\_\_\_  
\_\_\_\_\_

Approved as to Legal Form	Reviewed by Contract Compliance	Presented to Board for Signature
► _____ Counsel Carol Greene	► _____	► _____ Mark A. Hartwig
Date _____	Date _____	Date _____

**"EXHIBIT A"**  
**FIRE PROTECTION SERVICES AGREEMENT**  
**CITY OF NEEDLES**

**SERVICE LEVELS**

- Maintain three (3) fulltime firefighters on duty at the City fire station for 24 hours a day.
- Staff one fire engine with three personnel.
- County Fire to use dispatch services from the Confire JPA (ComCenter) in Rialto.
- County Fire to provide fire prevention services/plans and inspections to City.
- County Fire to provide Fire Investigator to conduct origin and cause investigations at the same level County furnishes within its own boundaries.
- County Fire will include City in fire department disaster response planning at the same level County Fire furnishes within its own boundaries.
- Communication system includes an automated incident reporting system with full record management. It also includes mapping services and map book creation for specialized fire protection needs in the City.
- All fiscal services are offered through County Fire so the City will not incur any workload or bill payments or payroll, except for normal oversight and accountability.
- Vehicle repairs will be performed by County Fire certified mechanics who travel to on-site stations to reduce "down time," or at our "state of the art" shop that has full capability to build a fire engine from the ground up.
- Household Hazardous Waste collection site will be operated by County Fire.
- CUPA Services will be administered by County Fire upon Needles City Council's action relinquishing authority back to the County Of San Bernardino.

**"EXHIBIT C"**  
**FIRE PROTECTION SERVICES AGREEMENT**  
**CITY OF NEEDLES**

**FIRE EQUIPMENT**

**VEHICLES**

- One (1) **Fire Engine Type 4** (Ford F-550 4X4)  
Year: 2003      Vin: 1FDAW57P63ED01197      License: E1152567  
County Inventory No.: 18324  
Unit# BP-31      Mileage: 92,441 Located @ Station 31
- One (1) **Fire Engine Type 1** (KME)  
Year: 2005      Vin: 1K9AFA2845N058921      License: E1209261  
County Inventory No.: 18342  
Unit# E-31      Mileage: 145,007 Located @ Station 31
- One (1) **Utility Truck** (Ford F350 4x4)  
Year: 2003      Vin: 1FTSW3155EA18252      License: E1205453  
County Inventory No.: 5815  
Unit# U-31      Mileage: 106,561 Located @ Station 31

**Total Vehicles:**

- 1- Fire Engines (Type I)
- 1- Fire Engines (Type 4)
- 1 - Utility

**EQUIPMENT**

- One (1) Amkus Cutter (Serial No. 12090963)  
Fixed Asset Inventory No.: 250745  
Year: 2012      Model: AMK22      Assigned: BP-31
- One (1) Amkus Cutter (Serial No. 12040857)  
Fixed Asset Inventory No.: 250541  
Year: 2012      Model: AMK22      Assigned: E-31
- Two (2) Amkus Power Units (Honda 5.5) with Spreaders and Rams  
Year 2003
- Two (2) **AED's** (Laredal)  
Year 2001/2002      Model FR2



One (1) **Ice Machine** (Hoshizaki)

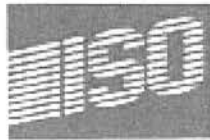
Year: 2001     Model: KML 350/B-250

One (1) **Stationary Air Compressor/Tank**

Year: 1990's

One (1) **Station Generator** Portable (Yamaha)

Year: 1980's



1000 Bishops Gate Blvd. Ste. 300  
Mt. Laurel NJ 08054-5404

t 1.800.444.4554 Opt 2  
f 1.800.777.3929

February 26, 2016

Mr. Rick Daniels, City Manager, Village Manager and Superintendent  
Needles  
817 Third St  
Needles, California, 92363

RE: Needles, San Bernardino County, California South  
Public Protection Classification: 04/4Y  
Effective Date: June 01, 2016

Dear Mr. Rick Daniels,

We wish to thank you Mr. Jerry Porter and Chief Mark Hartwig for your cooperation during our recent Public Protection Classification (PPC) survey. ISO has completed its analysis of the structural fire suppression delivery system provided in your community. The resulting classification is indicated above.

If you would like to know more about your community's PPC classification, or if you would like to learn about the potential effect of proposed changes to your fire suppression delivery system, please call us at the phone number listed below.

Please note that as part of our analysis it was determined that a portion of the hydrants on the following water system(s) or in the following area (s) and fire station(s) did not meet the minimum requirements for recognition: **Hydrants on the Park Moabi Water System and San Bernardino CO FS 34.**

ISO's Public Protection Classification Program (PPC) plays an important role in the underwriting process at insurance companies. In fact, most U.S. insurers – including the largest ones – use PPC information as part of their decision-making when deciding what business to write, coverage's to offer or prices to charge for personal or commercial property insurance.

Each insurance company independently determines the premiums it charges its policyholders. The way an insurer uses ISO's information on public fire protection may depend on several things – the company's fire-loss experience, ratemaking methodology, underwriting guidelines, and its marketing strategy.

Through ongoing research and loss experience analysis, we identified additional differentiation in fire loss experience within our PPC program, which resulted in the revised classifications. We based the differing fire loss experience on the fire suppression capabilities of each community. The new classifications will improve the predictive value for insurers while benefiting both commercial and residential property owners. We've published the new classifications as "X" and "Y" – formerly the "9" and "8B" portion of the split classification, respectively. For example:

- A community currently graded as a split 6/9 classification will now be a split 6/6X classification; with the "6X" denoting what was formerly classified as "9."
- Similarly, a community currently graded as a split 6/8B classification will now be a split 6/6Y classification, the "6Y" denoting what was formerly classified as "8B."
- Communities graded with single "9" or "8B" classifications will remain intact.
- Properties over 5 road miles from a recognized fire station would receive a class 10.

PPC is important to communities and fire departments as well. Communities whose PPC improves may get lower insurance prices. PPC also provides fire departments with a valuable benchmark, and is used by many departments as a valuable tool when planning, budgeting and justifying fire protection improvements.

ISO appreciates the high level of cooperation extended by local officials during the entire PPC survey process. The community protection baseline information gathered by ISO is an essential foundation upon which determination of the relative level of fire protection is made using the Fire Suppression Rating Schedule.

The classification is a direct result of the information gathered, and is dependent on the resource levels devoted to fire protection in existence at the time of survey. Material changes in those resources that occur after the survey is completed may affect the classification. Although ISO maintains a pro-active process to keep baseline information as current as possible, in the event of changes please call us at 1-800-444-4554, option 2 to expedite the update activity.

ISO is the leading supplier of data and analytics for the property/casualty insurance industry. Most insurers use PPC classifications for underwriting and calculating premiums for residential, commercial and industrial properties. The PPC program is not intended to analyze all aspects of a comprehensive structural fire suppression delivery system program. It is not for purposes of determining compliance with any state or local law, nor is it for making loss prevention or life safety recommendations.

If you have any questions about your classification, please let us know.

Sincerely,

*Dominic Santanna*

Dominic Santanna  
Manager -National Processing Center

cc: Mr. Jerry Porter, Water Superintendent, Needles Water Department  
Mr. Rick Britt, Communications Manager, Confire JPA  
Chief Mike Horton, Fire Marshal, San Bernardino County Fire Department  
Chief Mark Hartwig, Chief, San Bernardino County Fire Department  
Ms. Cynthia Freeman, Communications Manager, San Bernardino County Sheriffs VCC

INSURANCE SERVICES OFFICE, INC.  
HYDRANT FLOW DATA SUMMARY

City Needles

County California (SI San Bernardino)

State California (SI  
(64)

Witnessed by: Insurance Services Office

Date Aug 21, 2015

TEST NO.	TYPE DIST.*	TEST LOCATION	SERVICE	FLOW - GPM $Q=(29.83)(C(d^2)p^{0.5}))$				PRESSURE PSI		FLOW -AT 20 PSI		REMARKS**	MODEL TYPE
				INDIVIDUAL HYDRANTS			TOTAL	STATIC	RESID.	NEEDED **	AVAIL.		
1		Pashard St & Arch St	Needles Water Department, Zone-1	1300	0	0	1300	90	74	3500	2900		
2		Needles Hwy & O St	Needles Water Department, Zone-1	1320	0	0	1320	91	76	3000	3100		
3		E St. & F St.	Needles Water Department, Zone-1	1550	0	0	1550	95	93	2250	11000		
4		I St & Coronado St	Needles Water Department, Zone-2	1330	0	0	1330	69	47	2250	2100		
5		Coronado St & El Monte St	Needles Water Department, Zone-2	1090	0	0	1090	70	52	1000	1900		
6		San Clemente St W of Arizona Ave	Needles Water Department, Zone-2	1300	0	0	1300	82	64	1250	2500		
7		Broadway & Ice Plant Rd	Needles Water Department, Zone-1	860	0	0	860	82	30	1250	950		
8		Hospitality Ln & J St	Needles Water Department, Zone-2	1330	0	0	1330	80	57	3500	2200		

THE ABOVE LISTED NEEDED FIRE FLOWS ARE FOR PROPERTY INSURANCE PREMIUM CALCULATIONS ONLY AND ARE NOT INTENDED TO PREDICT THE MAXIMUM AMOUNT OF WATER REQUIRED FOR A LARGE SCALE FIRE CONDITION.

THE AVAILABLE FLOWS ONLY INDICATE THE CONDITIONS THAT EXISTED AT THE TIME AND AT THE LOCATION WHERE TESTS WERE WITNESSED.

\*Comm = Commercial; Res = Residential.

\*\*Needed is the rate of flow for a specific duration for a full credit condition. Needed Fire Flows greater than 3,500 gpm are not considered in determining the classification of the city when using the Fire Suppression Rating Schedule.

\*\*\* (A)-Limited by available hydrants to gpm shown, Available facilities limit flow to gpm shown plus consumption for the needed duration of (B)-2 hours, (C)-3 hours or (D)-4 hours.

# Firefly's

## Fire Service Information

[www.FireServiceInfo.com](http://www.FireServiceInfo.com)

### Fire Service FAQs and Much More

[- Glossary -- Its Not a Fire Truck!-- What Firefighters Really Do -- History -](#)  
[- EMS and The Fire Service -- Ranks and Organization -](#)  
[- Hiring Process & Training -- Working With the Media -- Tips For Reporters -](#)  
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*This site is not associated with, nor does it represent the views of any particular fire department.*

## ISO Ratings and the Fire Service

**ISO - Insurance Service Office** - This is a, for profit, organization that provides statistical information on risk. For many years the "ISO Rating" had a large impact on most fire departments. The ISO (PPC) rating is from 10 - 1. With "1" being the best. At one time, almost, all insurance companies calculated rates based upon the ISO rating. ISO would come to your city and assess a **Public Protection Classification**. They would then sell this data to the insurance companies. Just about every aspect of a city and a fire department was evaluated in determining the ISO rating. They would give points for everything from the training aids a fire department owned to the distance between fire hydrants. ISO wanted fire departments to conduct 20 hours of training per man, each month, in order to maximize points for every training aid. Historically, very few cities ever received a "Class 1" rating. There have been times where only one city, out of the nation, would receive a "1". Presently there may be as many as 40+ cities with a "1" rating in the U.S. This is still a small percentage when one considers the thousands of communities nationwide. There is little incentive for a community to strive for a "1" rating since the step from a "Class 2" to a "Class 1" results in little or no difference in homeowner rates. When a city does get a "Class 1" rating they will often proudly display it on their patches, apparatus or website.





**But now ISO ratings might have very little, if any, effect on insurance premium rates in many states.** Some insurance companies have discontinued purchasing ISO data and using it to calculate rates. Instead of using a theoretical risk evaluation they have opted for a system where they use the actual loss within a zip code. (This includes all losses due to fire, flood, lightening, hail, etc.) After an article, a few years ago, on the subject, in an [International Association of Fire Chiefs](#) newsletter about how State Farm Insurance had decided to go to a "subzone" system in several states, State Farm was contacted. State Farm told me that they felt that they were one of the last companies to go to the zip code method of calculating premiums. They thought that most smaller companies had adopted this prior to them. State Farm is the largest homeowner insurance company, in the U.S., and writes over a third of all homeowner policies in many states with a 20% average nationwide.

**As of 2001 State Farm has abandoned the use of ISO in Illinois, Texas, Oklahoma, Pennsylvania, Arizona, Minnesota, Nevada, New Mexico, Vermont, and Wisconsin in favor of the Subzone Rating Factor System. They have plans to do so in other states.** ([See magazine articles link.](#))

Update: The Texas Department of Insurance now has a [FAQ page about ISO](#). Here is what they say.

***"What does the PPC system mean to me?"***

*"Every city, town or area that provides fire protection services is subject to being graded to establish a PPC. Individual buildings -- including your house -- are subject to the community's PPC. When calculating property insurance premiums, insurance companies using the PPC apply a factor that reflects a particular community's PPC."*

***"Do PPC ratings vary from company to company?"***

*"Yes, it can, because some insurance companies do not use ISO."*

<http://www.tdi.state.tx.us/fire/fmppcfaq.html>

In some states the insurance companies can use a host of other factors to determine your insurance premium. Some companies will place a great deal of influence on your **credit score**. (Another reason to improve your score as much as possible.)

Keep something in mind as you consider the effect of ISO in your area. Insurance is something often highly regulated by individual states. While State Farm has abandoned the use of the ISO, Public Protection Classification (PPC) rating in many states, they may not be allowed to do so in others. A few states have successfully stopped State Farm from implementing the new system. (i.e. Louisiana and North Carolina) A few others have tried to fight State Farm's desire to change. ([Arkansas](#)) The state of Georgia requires all insurance agencies to consider ISO ratings in setting premium rates.

In many cases it is the fire associations or fire chiefs who are fighting this change. The perception might be that dropping the use of ISO ratings system hurts fire departments. Many departments, especially rural ones, use the structure of the ISO rating system as a way to justify resources in budget discussions. ISO rates everything from the amount of fire apparatus to the age of it. You can get points for very specific types of training equipment. Examples of this would be "cut-away" fire hydrants or pumps. Just about everything a fire department has, or does, is evaluated. Fire departments fear, that without ISO's influence, convincing cities to buy equipment, or hire personnel, will be harder.

But some chiefs believe that no longer depending upon ISO has made their job easier. They are now better able to paint a picture where more people or better equipment translates into lower fire loss. How well the fire department performs, which can be related to how well it is equipped,



staffed and trained, directly affects insurance rates. Lower insurance rates could also mean more people and industry\* might move to a city. Many city councils can now be made to see a value in having a good fire department. Fire prevention programs and better code enforcement can be an easier sell also.

\*Note: In some states ISO ratings might still be used to calculate commercial insurance rates while zip code loss, or the "subzone" system is used for homeowners.

There are many states where ISO is still the predominant factor in setting insurance rates. But even in states where ISO is no longer used, many fire departments have continued to gauge their success by their ISO ratings. They often boast that an improvement in ISO / PPC rating will translate into a certain percentage rate of savings for the homeowner. Perhaps they just like having a yardstick by which to measure their success. Some may see it as bragging rights. But apparently, some may not know that this change has taken place. ISO is not spending time and money to let people know where the value of their services have been diminished. (Who would?) While it is possible that some insurance company might still use ISO in any state, it is not likely that even a majority, of homeowners, will see a reduction in premiums in a state listed above, if a rating is improved. You can find many fire departments, in the states mentioned above, who say on their website, that a better ISO rating = lower insurance rates. Some declare it emphatically. "...this means an approximate 14% reduction in homeowner's insurance premiums" Others might just imply it. They may say something like, "...is recognized when home insurance rates are determined."

**If anyone has more current information on ISO, please send it to me.**

Here is an article from an insurance business website.

<http://www.insure.com/articles/homeinsurance/state-farm-fire.html>

2001 Article in Firehouse Magazine about State Farm's change, with more details on the PPC and ISO rating system.

It also talks about the "Subzone Rating Factor" system.

NOTE: Apparently Firehouse has moved the article and this link no longer works.

If someone finds the article, please email me the correct link.

[http://server.firehouse.com/news/2001/3/20\\_iso.html](http://server.firehouse.com/news/2001/3/20_iso.html)

The same story can be found at this "Fire Chief Magazine" link.

[http://firechief.com/mag/firefighting\\_iso\\_ratings\\_na/](http://firechief.com/mag/firefighting_iso_ratings_na/)

In 2001 Arkansas tried to fight State Farm's change to the "loss per zip code" system.

<http://www.percymalone.com/news010824.html>

<http://www.percymalone.com/news011214.html>

Website with a great deal of information on ISO and the PPC.

<http://www.isomitigation.com/ppc/0000/ppc0001.html>

104638303

03481112603481124

City of Needles Fire Activity							
	Budgeted Amounts		Actual	Variance	Note payable	Contract with	Revenues from
	Original	Final	Amounts	Final Budget	Fire Truck	County Fire	City of Needles
<b>2008</b>	\$ 1,197,582	\$ 1,197,582	\$ 577,826	\$ 619,756	\$ 104,160	\$ 547,598	\$ 538,872
<b>2009</b>	1,266,853	1,266,853	568,435	698,418	104,160	539,526	539,532
<b>2010</b>	1,266,853	1,266,853	584,070	682,783	80,000	539,526	551,988
<b>2011</b>	672,022	789,022	684,415	104,607	-	551,983	551,983
<b>2012</b>	617,285	617,285	512,579	104,706	-	504,823	504,828
<b>2013</b>	617,285	775,150	575,731	199,419	-	562,796	570,162
<b>2014</b>	608,575	608,026	607,315	711	-	602,375	602,375
<b>2015</b>						620,065	618,765
<b>2016</b>						612,451	
<b>SOURCE:</b>	City Audits, County Agreement No. 04-1235, County Fire Fiscal Division						

## City of Needles Finance History: 2008 - 2015

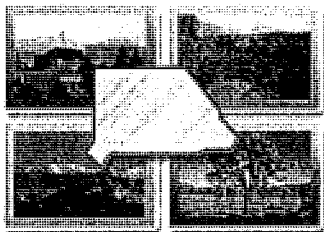
Account	Account Description	2008	2009	2010	2011	2012	2013	2014	2015
<b>REVENUE</b>									
9095	FED AID FOR DISASTER - FEMA					1,688			
9145	OTHER GOV AGENCIES - FED ONLY			7,983			54,439	4,016	
9415	HEALTH FEES								1,344
9655	PLANNING SERVICES	7,006	1,071	5,469					
9775	CLAIM COST RECOVERIES	4,098			11,775	5,179	26,323	17,996	3,237
9800	OTHER SERVICES	538,887				504,828	570,162	602,375	618,765
9917	STATE UNEMPLOY'T TAX (SUI)			(335)			(38,152)	(8,027)	
9930	OTHER SALES		20						
9970	OTHER		539,532	551,988	552,259				334
9975	OP TRANSFERS IN			800,000			2,541		
9980	SALE OF FIXED ASSETS								5,800
9995	RESIDUAL EQUITY TRANSFERS IN	666	913						
9999	RESIDUAL EQUITY TRANSFERS OUT					(416)			
	<b>REVENUE TOTALS</b>	<b>550,657</b>	<b>541,536</b>	<b>1,365,105</b>	<b>564,033</b>	<b>511,279</b>	<b>615,313</b>	<b>616,360</b>	<b>629,481</b>
<b>EXPENSE</b>									
<b>Salaries and Benefits</b>									
	Salaries and Benefits Total	361,203	996,503	958,314	943,937	781,691	920,143	932,683	284,064
<b>Service/Supplies</b>									
	Service/Supplies Total	212,172	206,199	260,851	220,411	175,723	166,418	239,977	250,954
<b>Central Services</b>									
2410	DATA PROCESSING (ISF ONLY)	414	37	3	379	348	594	486	356
	Central Services Total	414	37	3	379	348	594	486	356
<b>Travel</b>									
2942	HOTEL - NON-TAXABLE		32	82		301			
	Travel Total	-	32	82	-	301	-	-	-
<b>Transfers</b>									
5010	SALARIES & BENE TRANSFERS OUT					200,662	215,861	238,697	74,161
5012	SERVS & SUPPLY TRANSFERS OUT		567	1,470		31,466	38,001	78,102	58,838
5018	INTERNAL COST ALLOCATION OUT							63,995	90,873
	The information does not provide for a clear	-	567	1,470	-	232,128	253,862	380,794	223,872

Account	Account Description	2008	2009	2010	2011	2012	2013	2014	2015
<b>Reimbursements</b>									
5013	SRVCS & SUPPLIES TRANSFERS IN								(132,732)
	Reimbursements Total	-	-	-	-	-	-	-	(132,732)
<b>EXPENDITURE TOTALS</b>		<b>573,789</b>	<b>1,203,338</b>	<b>1,220,721</b>	<b>1,164,726</b>	<b>1,190,191</b>	<b>1,341,017</b>	<b>1,553,939</b>	<b>626,513</b>
<b>Grand Totals</b>									
	REVENUE TOTALS	550,657	541,536	1,365,105	564,033	511,279	615,313	616,360	629,481
	EXPENSE TOTALS	573,789	1,203,338	1,220,721	1,164,726	1,190,191	1,341,017	1,553,939	626,513
	Grand Totals	(23,132)	(661,802)	144,384	(600,693)	(678,911)	(725,704)	(937,580)	2,967

**Map of Tribal Lands within LAFCO 3206  
and Letter Dated March 18, 2016 to Fort  
Mojave Indian Tribe Requesting  
Consent to Annexation**

**Attachment 3**





# LAFCO

Local Agency Formation Commission for San Bernardino County

**Local Agency  
Formation Commission  
for San Bernardino County**

215 North D Street, Suite 204  
San Bernardino, CA 92415-0400  
909.381.0400 | Fax 909.381.0170  
E-mail: info@lafco.sbcounty.gov  
www.lafco.org  
Established by the State of California  
to serve the Cities, Special Districts  
and the County of San Bernardino

#### COMMISSIONERS

JIM BACLET  
Public Member

KIMBERLY COX, Vice Chair  
Special District

JAMES V. CUNYALE, Chair  
Special District

ROBERT A. GONZALEZ  
Board of Supervisors

LARRY MCALLON  
City Member

JAMES RAMOS  
Board of Supervisors

DAVE WILLIAMS  
City Member

#### ALTERNATES

STEVEN FARMER  
Special District

JANICE RUTHERFORD  
Board of Supervisors

BLUNT BETH  
Public Member

ACQUANETTA WARDEN  
City Member

#### STAFF

NATHALIE ROLLINS-MCDONALD  
Executive Office

SAMUEL MARTINEZ  
Assistant Executive Officer

MICHAEL TIERRE  
Project Manager

REBECCA LOWERY  
Chief of the Commission

#### LEGAL COUNSEL

CLARK H. ALSON

March 15, 2016

Timothy Williams, Chairman  
Fort Mojave Indian Tribe  
500 Merriman Ave.  
Needles, CA 92363

Dear Chairman Williams:

**RE: LAFCO 3206 – Reorganization to Include Annexations to the San Bernardino County Fire Protection District, its South Desert Service Zone and Service Zone FP-5 (City of Needles area)**

The Local Agency Formation Commission for San Bernardino County (LAFCO) is currently processing the above described proposal which proposes to include the entirety of the City of Needles boundary within the San Bernardino County Fire Protection District (SBCFPD). The area proposed for annexation includes the tribal lands of the Fort Mojave Indian Tribe, as graphically displayed on Attachment #1 to this letter. A copy of the application materials is included as Attachment #2 and was previously provided with the Notice of Filing dated January 12, 2016.

This letter is requesting that the Tribe review this proposal and provide a response on the inclusion of tribal lands:

1. Provide the Tribe's position in writing on inclusion within the SBCFPD. Failure to receive the Tribe's consent will require that the territory be excluded from the consideration. In the processing of a similar type proposal in 2006, requests were made of the affected Tribes when considering the reorganization of County Fire. At that time, LAFCO was provided with Certification of Resolution No. 2006-52 by the Fort Mojave Indian Tribe of the Fort Mojave Indian Reservation of Arizona, California and Nevada consenting to the overlay (copy included as Attachment #3). If the Fort Mojave Tribe consents to this overlay, a similar resolution would need to be provided.

2. The proposal includes the annexation to Service Zone FP-5 which carries with it a per parcel annual special tax of approximately \$144 per year. This letter is requesting the Tribe's position on the inclusion within this district and the obligation for payment of this special tax. As outlined in #1 above, the Tribe's consent is required for inclusion within this Service Zone.

This proposal is anticipated to be heard by the Commission at its April 20, 2016 hearing. In order to address this issue within the staff report, we will need to know the Tribe's position by no later than April 8, 2016. If you have any questions regarding this request, please do not hesitate to contact me directly at (909) 388-0480 or by email at: [kmcdonald@lafco.sbcounty.gov](mailto:kmcdonald@lafco.sbcounty.gov).

Sincerely,



KATHLEEN ROLLINGS-McDONALD  
Executive Officer

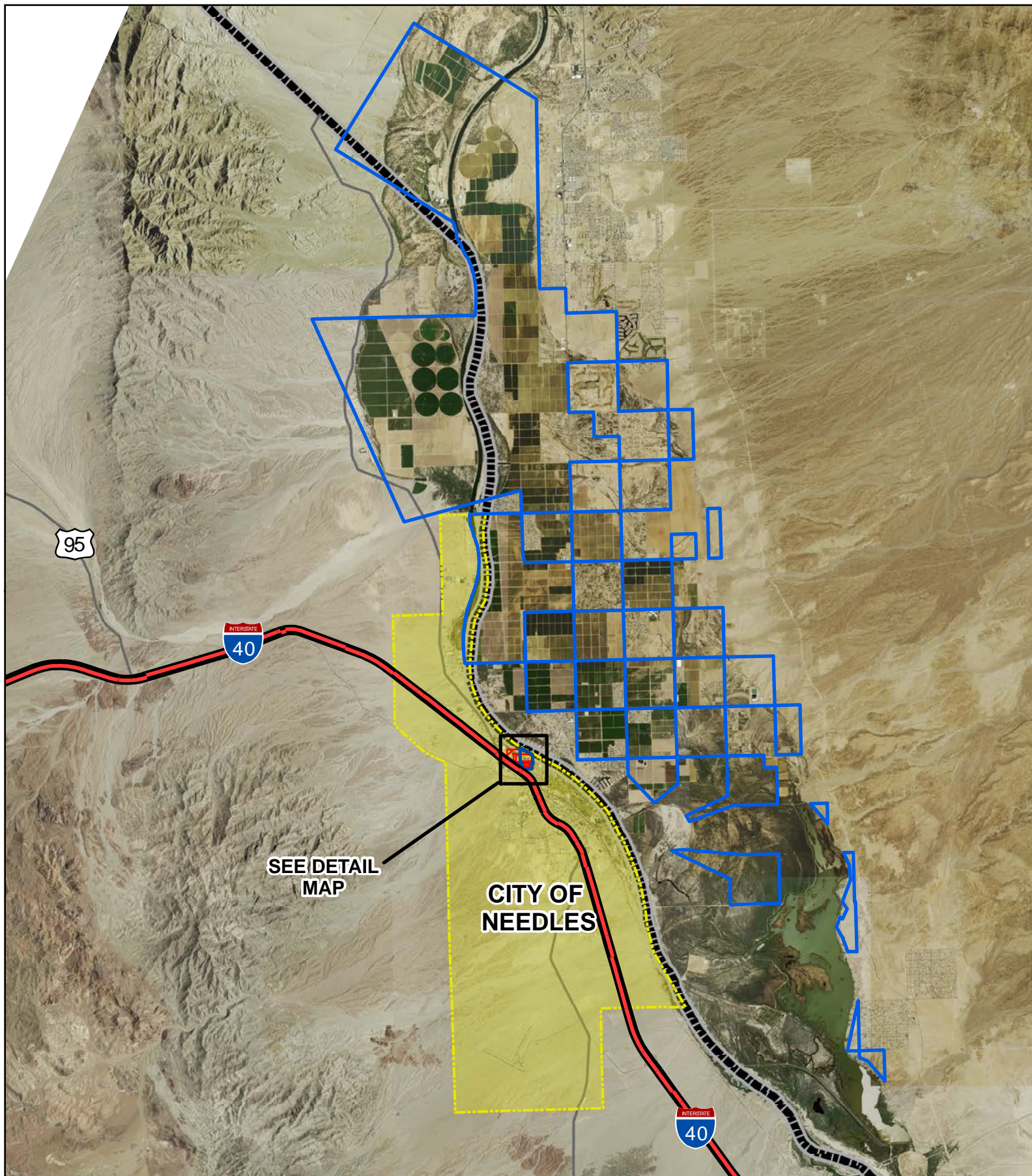
KRM/

Attachments:

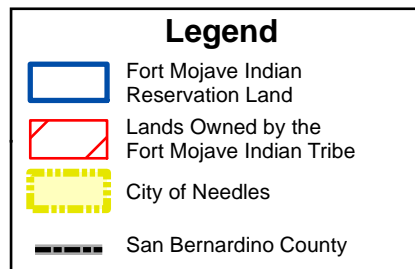
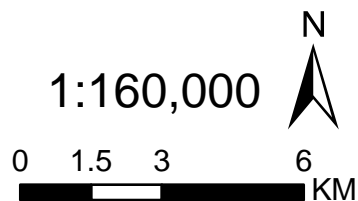
1. Maps of Tribal Lands Affected
2. Application Materials
3. Fort Mojave Indian Tribe Council Resolution No. 2006-52

cc: Ashley Hemmors, Tribal Administrator, Fort Mojave Indian Tribe  
Greg Devereaux, County Executive Officer  
Mark Hartwig, Fire Chief, San Bernardino County Fire Protection District  
Don Trapp, Assistant Fire Chief, San Bernardino County Fire Protection District  
John Chamberlain, Division Chief, San Bernardino County Fire Protection District  
Rick Daniels, City Manager, City of Needles

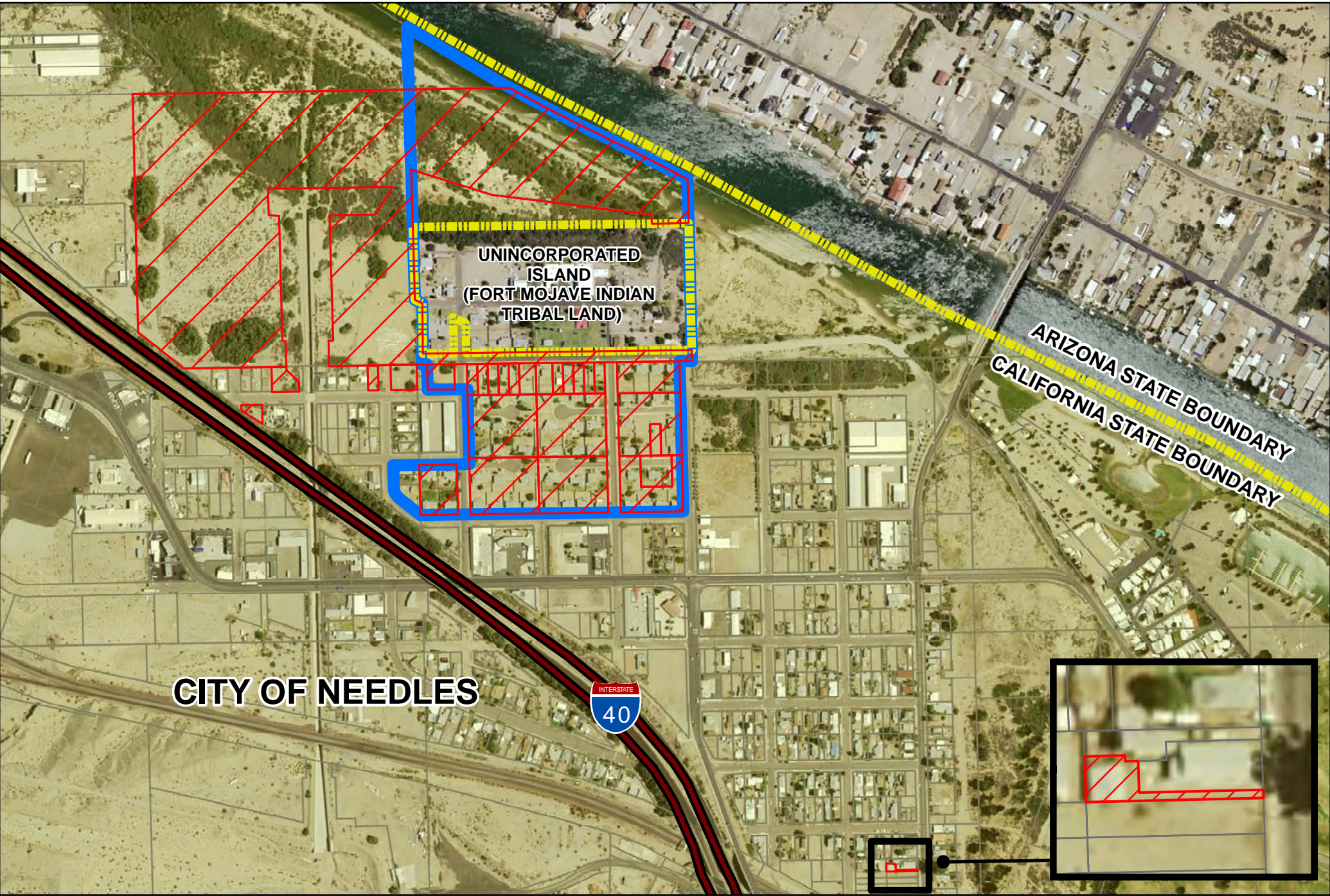




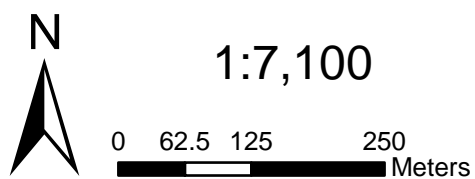
# Fort Mojave Indian Tribal Lands





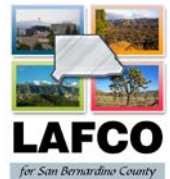


# Fort Mojave Indian Tribal Lands Within the City of Needles



**Legend**

- Lands Owned by the Fort Mojave Indian Tribe
- Fort Mojave Indian Reservation Land
- City of Needles





**Copy of Letter Received from the Public  
Related to LAFCO 3206**

**Attachment 4**

CITY MANAGER  
RICK DANIELS  
817 THIRD STREET  
NEEDLES, CA 92363

LOCAL AGENCY FORMATION COMMISSION  
215 NORTH D STREET, SUITE 204  
SAN BERNARDINO, CA 92415-0490

4-2-16

DEAR KATHLEEN ROLLINGS - MCDONALD & RICK DANIELS

I CANNOT EVEN AFFORD GAS MONEY TO  
GO TO 300 NORTH "D" STREET, SAN BERNARDINO  
BECAUSE I AM ON LOW INCOME SOCIAL SECURITY  
DISABILITY. I AM AGAINST THIS AGENCY FORMATION  
COMMISSION PROPOSING TO TAKE MONEY FROM  
MY LOW INCOME DISABILITY OR FROM MY  
POCKET THAT I CANNOT AFFORD.

I DID NOT AGREE TO HAVE THIS FIRE  
STATION BUILT IN THIS SOUTH DESERT ZONE,  
OR EVEN TO FUND THIS FIRE & MEDICAL  
SERVICE THAT WAS JUST FINE WITHOUT YOU  
GETTING IN MY POCKET.

I DO NOT EXPECT THIS SPECIAL TAX  
RATE PROPOSED TO COME OUT OF MY POCKET  
YEARLY WHEN I MOVED HERE BECAUSE OF LOW  
TAX'S. I SHOULD NOT HAVE TO PAY FOR  
ACCOUNTING & TRANSPARENCY OF REVENUE AND  
EXPENDITURES RELATED TO THE CITY OF NEEDLES  
WHEN IT WILL HURT MY GROCERIES THAT  
I EAT FOR LIFE TO LIVE. WHAT ABOUT MY  
FINANCIAL SUSTAINABLE LIVING ON A LOW INCOME?  
THIS IS LIKE ROBBERY FROM ALL YOU PEOPLE  
INVOLVED IN THIS PROPOSED REORGANIZATION.

RECEIVED  
APR 05 2016

LAFCO  
San Bernardino County

SINCERELY DON DOVE On One  
140 SAFARI P.O. Box 786  
NEEDLES, CA 92363



**Letter from Commission Environmental  
Consultant Tom Dodson of Tom Dodson  
and Associates Dated April 2, 2016**

**Attachment 5**

**TOM DODSON & ASSOCIATES**  
2150 N. ARROWHEAD AVENUE  
SAN BERNARDINO, CA 92405  
TEL (909) 882-3612 • FAX (909) 882-7015  
E-MAIL tda@tdaenv.com



April 2, 2016

Ms. Kathleen Rollings-McDonald  
Local Agency Formation Commission  
215 North D Street, Suite 204  
San Bernardino, CA 92415-0490

**RECEIVED**  
**APR 11 2016**  
**LAFCO**  
San Bernardino County

Dear Kathy:

LAFCO 3205 consists of a Sphere of Influence (SOI) Amendment for the San Bernardino County Fire Protection District to encompass the corporate boundaries of the City of Needles. LAFCO 3206 consists of a proposal initiated by the City of Needles (City) to reorganize and annex into the San Bernardino County Fire Protection District (County Fire), its South Desert Service Zone and its Service Zone FP-5 (FP-5) for the provision of fire suppression and emergency medical response services. The study area encompasses the entirety of the City boundaries (approximately 20,998 acres) as shown on the attached map. The purpose of the SOI Amendment and Reorganization is to annex the City service area to County Fire, its South Desert Service Zone, and its Service Zone FP-5.

This change of organization will entail the transfer of the City fire service assets, obligations, liabilities and responsibilities to County Fire and its related service zones. The consideration of the proposed Reorganization will include the annexation into County Fire Service Zone FP-5 which includes a special tax for funding of fire protection and emergency medical response services. This special tax includes an annual inflationary rate of up to a maximum 3% increase. Annexation to County Fire will allow the City to take advantage of the substantial economies of scale available from this agency. If LAFCOs 3205 and 3206 are approved, County Fire will assume full responsibility for providing fire suppression and emergency medical response services for the City of Needles.

The City currently contracts with County Fire to provide fire protection and emergency medical response and the Reorganization allowed by LAFCO 3206 represents the best possible replacement of the City's fire service obligation within the corporate boundaries. The City's existing physical assets will be transferred to County Fire. In essence, these services will continue to be provided by County Fire to the City service area residents, but County Fire assumes the full responsibility for providing these services in the future. Accordingly, approval of LAFCOs 3205/3206 has no identified potential to cause any modifications to the physical environment. Given this circumstance, I recommend that the Commission find that a Statutory Exemption (as defined in the California Environmental Quality Act, CEQA) applies to LAFCOs 3205/3206 under Section 15061 (b) (3) of the State CEQA Guidelines (General Rule), which states: *A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing 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.* It is my opinion, and

recommendation to the Commission, that this circumstance applies to LAFCOs 3205/3206, which will facilitate provision of future fire protection and emergency medical response service to the residents of the area to be reorganized.

Based on this review of LAFCOs 3205 and 3206 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that these actions do not constitute a project under CEQA and adoption of the General Rule Statutory Exemption and filing of a Notice of Exemption is the most appropriate determination to comply with CEQA for these actions. The Commission can approve the review and findings for these actions and I recommend that you notice LAFCOs 3205/3208 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption with the County Clerk to the Board for this action once it is completed.

A copy of this exemption should be retained in the LAFCO project file to serve as verification of this evaluation and as the CEQA environmental determination record for LAFCOs 3205/3206. If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Tom Dodson". The signature is written in a cursive, slightly slanted style.

Tom Dodson

# **Draft LAFCO Resolution No. 3220**

**Attachment 6**

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

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-mail: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

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**PROPOSAL NO.: LAFCO 3206**

**HEARING DATE: APRIL 20, 2016**

## **RESOLUTION NO. 3220**

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3206; APPROVING THE REORGANIZATION TO INCLUDE ANNEXATIONS TO THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, ITS SOUTH DESERT SERVICE ZONE AND SERVICE ZONE FP-5 OF SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND FORMATION OF SERVICE ZONE FP-5 NEEDLES (generally encompassing the boundaries of the City of Needles representing approximately 20,998 acres (32.81 square miles) for the annexation to County Fire, its South Desert Service Zone, Service Zone FP-5 and the formation of Service Zone FP-5 Needles).**

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

**WHEREAS**, an application for the proposed reorganization in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred as the "Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), and the Executive Officer has examined the application and executed her certificate in accordance with law, determining and certifying that the filings are sufficient; and,

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

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

**WHEREAS**, the public hearing by this Commission was held upon the date and at the time and place specified in the notice of public hearing and in order or orders continuing the hearing; and,

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

## RESOLUTION NO. 3220

**WHEREAS**, the Commission determines to modify the proposal to include the annexation to Service Zone FP-5 and the formation of new Service Zone FP-5 Needles.

**NOW, THEREFORE, BE IT RESOLVED**, that the Commission does hereby determine, resolve, order and find as follows:

### **DETERMINATIONS:**

**SECTION 1.** The proposal is approved subject to the terms and conditions hereinafter specified:

#### **CONDITIONS:**

**Condition No. 1.** The boundaries of this change of organization are approved as set forth in Exhibits "A" and "A-1", attached this resolution;

**Condition No. 2.** The following distinctive short form designation shall be used through this proceeding: LAFCO 3206;

**Condition No. 3.** The effective date of this reorganization shall be no earlier than the completion of terms and conditions outlined in this resolution for approval as authorized by Government Code Sections 56886(p) and 57202;

**Condition No. 4.** Upon the effective date of the reorganization, the San Bernardino County Fire Protection District (hereafter "County Fire" or "SBCFPD") South Desert Service Zone, as the Successor District to the fire and emergency medical response obligations of the City of Needles shall succeed and/or be assigned all rights, duties, responsibilities, properties (both real and personal except as further described in conditions below), contracts, equipment, assets, liabilities, obligations, functions, executory provisions, entitlements, permits and approvals of the City of Needles for its Fire Department. Said Successor District shall be subject to the terms and conditions contained herein;

**Condition No. 5.** Upon the effective date of the reorganization including annexation, the Successor District shall accept all equipment transferred from the City of Needles in "as is" condition [pursuant to Government Code Section 56886(h)]. All assets including, but not limited to, equipment (vehicles, apparatus, supplies, etc.) rolling stock, tools, office furniture, fixtures and equipment, and appurtenances held by the City of Needles, except for Fire Station #31, shall be transferred to the Successor District, the South Desert Service Zone of SBCFPD. All title transfer documents for vehicles shall be prepared by the City of Needles to be filed upon the effective date of the change with copies provided to LAFCO;

**Condition No. 6.** Prior to the issuance of the Certificate of Completion for the reorganization to include annexation, pursuant to the provisions outlined in Government Code Section 56886 (i), (o) and (s), the Commission requires that the Successor District, the South Desert Service Zone of SBCFPD and the City of Needles finalize a lease



## RESOLUTION NO. 3220

agreement for the continuing use of Fire Station #31 until completion of the construction of Station #32 with a copy of the signed agreement provided to the Executive Officer of LAFCO.

**Condition No. 7.** Upon the effective date of the reorganization including annexation, there shall be created a subzone of Service Zone FP-5, to be identified as FP-5 Needles, to isolate the special tax revenue contributed by the territory within the City of Needles proposed for annexation into Service Zone FP-5 by LAFCO 3206. All actions required by the SBCFPD to implement the special tax by the August 8, 2016 due date for placement of the special tax on the tax rolls by the San Bernardino County Treasurer/Tax Collector shall identify the territory as Service Zone FP-5 Needles and the revenues received by the San Bernardino County Auditor Controller/Treasurer/Tax Collector shall be separately accounted for;

**Condition No. 8.** The Successor District, South Desert Service Zone, shall also assume all joint use, maintenance, automatic aid or mutual aid agreements held by the City of Needles Fire Department [Government Code Section 56886(r)]. Amendments of existing agreements required for successful transfer shall be completed and submitted to the Local Agency Formation Commission prior to the issuance of the Certificate of Completion to address any changes [Government Code Section 56886(r)(v)];

**Condition No. 9.** Upon the effective date of this reorganization, any funds currently deposited for the benefit of the City of Needles fire operations which have been impressed with a public trust, use or purpose, shall be transferred to the Successor District and said District shall separately maintain such funds in accordance with the provisions of Government Code Section 57462;

**Condition No. 10.** The City of Needles and the San Bernardino County Fire Protection District, applicants for this change of organization, shall indemnify, defend and hold harmless the Commission from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission;

**SECTION 2. DETERMINATIONS.** The following determinations are noted in conformance with Commission policy and Government Code Section 56668:

1. The County Registrar of Voters Office has determined that the study area is legally inhabited with 1,520 registered voters as of January 21, 2016.
2. The reorganization area is within the sphere of influence assigned the San Bernardino County Fire Protection District through approval of the companion proposal identified as LAFCO 3205.
3. The County Assessor's Office has determined that the total assessed valuation of land and improvements for the area is \$302,526,887 as of January 22, 2016. This figure is broken down as \$107,464,798 for land and \$195,062,089 for improvements.

RESOLUTION NO. 3220

4. Notice of this hearing was published as required by law in *The Needles Desert Star*, a newspaper of general circulation in the area. As required by State law and Commission policy, a 1/8<sup>th</sup> page legal ad was provided in compliance with the provisions of Government Code Section 56157. Individual notices were provided to all affected and interested agencies, County departments and those individuals and agencies requesting special notice. Comments from registered voters and any affected local agency have been reviewed and considered by the Commission in making its determination.
5. In compliance with the requirements of Government Code Section 56125, individual notice was mailed to landowners within the reorganization area for Service Zone FP-5 (totaling 2,425) due to the special tax being extended. Comments from landowners have been considered by the Commission in making its determination.
6. The proposed reorganization does not conflict with the established City's General Plan. The proposed reorganization has no direct impact on such land use designations.
7. The Southern California Association of Governments (SCAG) has adopted a Regional Transportation Plan and Sustainable Community Strategy pursuant to the provisions of Government Code Section 65352.5. Approval of LAFCO 3206 has no direct impact on these determinations. The Sustainable Community Strategy includes as a determination the need to assure the ongoing availability of health and safety services which approval of LAFCO 3206 will support.
8. The Local Agency Formation Commission has determined that this proposal is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the proposal will not change the area in which the service is provided; therefore, no physical affect upon the environment can be foreseen. The Commission certifies it has reviewed and considered the environmental recommendation and finds that a General Rule Statutory Exemption as authorized under Section 15061(b) (3) of the State CEQA Guidelines is appropriate. The Commission adopted the Statutory Exemption and directed the Executive Officer to file a Notice of Exemption within five (5) days with the San Bernardino County Clerk of the Board of Supervisors.
9. The study area is presently served by the following public agencies: County of San Bernardino, City of Needles, Mojave Desert Resource Conservation District, Needles Unified School District and Palo Verde Community College District. The San Bernardino County Fire Protection District and its South Desert and FP-5 Service Zones will be expanded through completion of this reorganization. None of the other agencies are affected jurisdictionally by this reorganization proposal as they are regional in nature.
10. Upon reorganization, the primary successor district, the South Desert Service Zone of County Fire, will extend the defined range of services to residents, landowners and governments within the boundaries of the jurisdictional change.

## RESOLUTION NO. 3220

The Plan for the Extension of Service, jointly submitted by the City of Needles and County Fire, provides a general outline of the delivery of services mandated by Government Code Section 56653. This Plan and the Fiscal Impact Analysis indicates that the transfer of service to the South Desert Service and County Fire, can, at a minimum, maintain the level of service delivery currently received by the area. The Plan for Service including Property Transition Plan and Fiscal Impact Analysis have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that such Plan and Fiscal Impact Analysis conforms to those adopted standards and requirements.

11. The proposal complies with Commission policies and reflects a mechanism to address the long-term sustainability of the delivery of fire suppression, prevention and emergency medical response to the citizens and City of Needles. The reorganization area can benefit from the assumption of fire protection and emergency medical response by the South Desert Service Zone of the San Bernardino County Fire Protection District as evidenced by the Plan for Service.
12. This proposal will not affect the fair share allocation of the regional housing needs assigned to the City of Needles through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process.
13. With respect to environmental justice, the reorganization provides for the continuation of existing fire protection, and emergency medical response services within the area and will not result in the unfair treatment of any person based upon race, culture or income.
14. The County Board of Supervisors has successfully completed the process for the determination of a transfer of ad valorem property tax revenues upon successful completion of this reorganization to the successor agencies, SBCFPD and its South Desert Service Zone. This fulfills the requirements of Section 99 of the Revenue and Taxation Code.
15. The maps and legal descriptions prepared by the County Surveyor are in substantial compliance with LAFCO and State standards.

**SECTION 3.** Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change or organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

**SECTION 4.** The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

**SECTION 5.** The Commission hereby directs that following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer is hereby directed to initiate protest proceedings in compliance with this resolution

**RESOLUTION NO. 3220**

and State law (Part 4, commencing with Government Code Section 57000), provide for a 21-day protest proceeding, set the matter for consideration of the protest proceedings, and provide notice of the hearing pursuant to Government Code Section 57025 and 57026.

**SECTION 6.** Upon conclusion of the protest proceedings, the Executive Officer shall adopt a resolution setting forth her determination on the levels of protest filed and not withdrawn and setting forth the action on the proposal considered.

**SECTION 7.** Upon adoption of the final resolution by the Executive Officer, either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

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

**AYES: COMMISSIONERS:**

**NOES: COMMISSIONERS:**

**ABSENT: COMMISSIONERS:**

-----  
STATE OF CALIFORNIA                    )  
  ) SS.  
COUNTY OF SAN BERNARDINO)

I, KATHLEEN ROLLINGS-McDONALD, 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 regular meeting of April 20, 2016.


**DATED:**

\_\_\_\_\_  
KATHLEEN ROLLINGS-McDONALD  
Executive Officer

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-MAIL: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

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**DATE:** APRIL 11, 2016   
**FROM:** SAMUEL MARTINEZ, Assistant Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** Agenda Item 8 – Review and Consideration of Policy Updates  
Related to Approval of SB 239 - Contracts for the Provisions of Fire  
Protection by Contract

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## **RECOMMENDATION:**

Staff recommends that the Commission continue the consideration of the policy updates related to Senate Bill 239 to the June 15, 2016 hearing.

## **BACKGROUND:**

At the March 16, 2016 LAFCO hearing, the Commission continued its consideration of the policy updates required related to SB 239 (Government Code Section 56134) as well as new procedures for processing fire protection contracts. LAFCO staff requested the continuance in order to have additional time to evaluate the complexity of the bill and its new provisions. LAFCO staff forwarded a request to the San Bernardino County Fire Protection District (County Fire) administration for its comments related to the policies or procedures that need to be addressed when reviewing and taking action on fire protection contracts as outlined in Government Code Section 56134.

County Fire has requested that the item be continued again to allow for further review and discussion on the provisions of the new law (see attached letter). Therefore, staff is again requesting that the consideration of this item be continued. Staff is requesting a 60 day continuance to the June 15, 2016 hearing to allow staff the ability to evaluate any feedback from County Fire and other stakeholders on how to best implement Government Code Section 56134.

Attachment:

Letter Dated April 7, 2016 from Chief Hartwig, San Bernardino County Fire  
Protection District



# SAN BERNARDINO COUNTY FIRE DISTRICT

157 W. 5<sup>th</sup> Street, 2<sup>nd</sup> Floor • San Bernardino, CA 92415-0451 • (909) 387-5974 • Fax (909) 387-5542

Administrative  
Headquarters

Mark A. Hartwig  
Fire Chief/Fire Warden

James Johnstone  
Deputy Chief

Don Trapp  
Assistant Chief

April 7, 2016

Ms. Kathleen Rollings-McDonald, Executive Officer  
Local Agency Formation Commission  
215 North "D" Street, Suite 204  
San Bernardino, CA 92415-0490

Re: SB239

Dear Ms. Rollings-McDonald:

The San Bernardino County Fire Department requests that item #8 – Review and Consideration of Policy Updates related to Approval of SB 239, be continued in order to allow us time to review the provisions related to fire protection contracts.

Sincerely,

Mark A. Hartwig, Fire Chief/Fire Warden  
San Bernardino County Fire District

CC: Don Trapp, Assistant Fire Chief

## BOARD OF SUPERVISORS

Robert A. Lovingood  
Vice Chair, First District

Janice Rutherford  
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Chair, Third District

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Fifth District

Gregory Devereaux  
Chief Executive Officer



# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-MAIL: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

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**DATE:** APRIL 13, 2016

**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
MICHAEL TUERPE, Project Manager

**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** Agenda Item #9A – Proposed Schedule of Fees, Deposits, and  
Charges for FY 2016-17

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## **RECOMMENDATION:**

Staff recommends that the Commission take the following actions:

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 2016-17 to the County, all Cities/Towns, and all Independent Special Districts for their review and comments.
3. Schedule the final review and adoption of the Schedule of Fees, Deposits, and Charges for the May 18, 2016 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 amendments proposed consist of four categories: (1) increase of processing fees, (2) increase of processing deposits, (3) addition of categories for out-of-agency service contracts due to change in statute, and (4) clarification of language and reformatting. Staff is proposing the amended Schedule take effect June 1, 2016 (since applications received in June will be processed in the following fiscal year).

## Increase of Processing Fees

Section 56383 includes the provision that the fees shall not exceed the estimated reasonable cost of providing the service for which it is charged. Further, it has been the position of the Commission to keep the fees charged for annexations at a level that recovers the processing costs but does not unduly burden the applicant(s). The last time the fees were increased was in 2010 and since then inflation has increased nine percent, resulting in increased processing costs.

A review of the costs associated with proposals since 2010 does not indicate a need for an increase in the fees for annexations, sphere amendments, or subsidiary district proposals. However, a fee increase is warranted for the items listed below due to the increase in processing costs to cover legal advertising and more complex staff analysis. Therefore, staff recommends the following increases in processing fees (page 2 of the Schedule, attached to this report):

Fee	Current	Proposed
Formation or Consolidation of Special District(s)	\$10,000	\$15,000
Incorporation or Disincorporation of a City, or Consolidation of Cities	\$10,000	\$20,000
Activation/Divestiture of Powers for Special Districts	\$5,000	\$7,500 each
Out-of-Agency Service Contract (subdivisions, specific plans)	\$4,000	\$5,000
Out-of-Agency Service Contract (parcel map, up to 4 units)	\$750 each	\$1,000 each

## Increase of Processing Deposits

A review by staff of proposals submitted between FY 2010-11 through FY 2014-15 identifies that for two deposit categories (legal counsel and protest hearing), that LAFCO experienced costs approximately 20% above the original deposits. Commission policy requires applicants to reimburse the Commission for all charges and costs in excess of the deposits which are required to be paid prior to issuance of the Certificate of Completion for jurisdictional changes or issuance of the Commission's resolution for service contracts or sphere of influence amendments. Therefore, based upon this review, staff recommends the following increases for the deposits identified below (pages 4-6 of the Schedule). The deposit for individual notice required by Government Code Section 56157(f) and (g) has been adequate and no increase is proposed at this time.

Deposit	Current	Proposed
<b>Legal Counsel</b>		
Jurisdictional or Sphere Change	\$1,150	\$1,200
Service Contracts	\$575	\$650
<b>Protest Proceeding</b>	\$1,000	\$1,500

Additionally, should a proposal require individual notice to landowners due to the extension of an existing special tax as required by Government Code Section 56125, staff recommends that the fee schedule address the reimbursement of those costs. Staff's recommendation is the inclusion of an additional deposit for the direct costs such as: (1) the County Assessor to compile the mailing list, (2) outside printing to produce the printed notices, and (3) County Mail for shipping and handling for both the Commission hearing (page 5) and protest hearing (page 6). LAFCO staff would notify the applicant of the deposit amount based upon the parcel count, to include a \$250 non-refundable LAFCO fee, prior to or at the time the application is submitted for Commission consideration.

### **Addition of Categories for Out-of-Agency Service Contracts**

This past year the Governor approved two bills regarding out-of-agency service contracts.

- SB 239 – contracts for the provision of fire protection outside an agency's boundary (Gov't Code 56134)
- AB 402 - special provisions for review of out-of-agency contracts outside a sphere of influence, a pilot program established for Napa and San Bernardino LAFCOs with a sunset of January 1, 2021 (Gov't Code 56133.5)

At the last hearing the Commission amended its policies regarding AB 402 (Government Code Section 56133.5). On the agenda for this hearing is an item related to potential policy and procedure amendments necessary to implement the changes proposed by SB 239 (addition of Government Code Section 56134). However, that item is proposed for continuance to the June 15, 2016 hearing. This staff report proposes to include two new categories within the Schedule to accommodate the new provisions related to service contract statutes, as the existing fee categories cannot accommodate the changes. The proposed fee additions to the Schedule are shown below (page 3, B3 and B4 of the Schedule). Additionally, these items would be subject to the deposits related to a notice, legal counsel and environmental assessment.

Any contract for fire protection services outside a public agency's jurisdictional boundaries pursuant to Govt. Code Section 56134	\$5,000
Contracts to provide services outside a sphere of influence pursuant to Govt. Code Section 56133.5	\$1,000

### **Clarification of Language and Reformatting**

The proposed Schedule amends language for consistency and updates citations with the current Policy and Procedure Manual. The proposed Schedule also revises the

formatting for ease of use. For example, all items related to city incorporation are now in the same place. These proposed language clarifications and reformatting are deemed to be non-substantive.

**CONCLUSION:**

At this hearing the Commission is requested to provide staff with any changes, corrections, or additions to be included in the Schedule of Fees, Deposits, and Charges. The Schedule, as amended, will be forwarded to the County, the Cities and Towns, and the Independent Special Districts for their review and comment. Any comments received will be reviewed with the Commission at the final hearing scheduled for May 18, 2016.

KRM/MT

Attachment:

Draft Schedule of Fees, Deposits, and Charges for FY 2016-17

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

**SCHEDULE OF FEES, DEPOSITS AND CHARGES**  
**EFFECTIVE JUNE 1, 2016**

The submission of a proposal to the Local Agency Formation Commission (hereinafter LAFCO) is not officially accepted for processing until the filing fees and deposits have been received (Gov't. Code Section 56383). These fees and deposits ordinarily involve the appropriate LAFCO filing fee and deposits for the recovery of the Commission's direct costs for such items as LAFCO Legal Counsel, environmental review, individual notification costs, 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. Refer to [Policy and Procedure Manual, Section II, Chapter 2](#) for the Commission's policy related to waivers and reductions of processing fees.

**PROCESSING FEES**

**A. Processing Fees:**

1. Annexation, Detachment, Reorganization – involving solely annexations and/or detachments:

*Valley and Mountain Region*

	Under 20 acres	20 – 150 acres	151 – 275 acres	Over 275 acres
City	\$5,500	\$7,000	\$9,000	\$9,000 plus \$1 per acre over 275 acres
District	\$5,000	\$6,000	\$7,500	\$7,500 plus \$1 per acre over 275 acres

*Desert Region (North and South Desert)*

	Under 100 acres	100 – 640 acres	641 – 1,920 acres	Over 1,920 acres
City	\$5,500	\$7,000	\$9,000	\$9,000 plus \$1 per acre over 1,920 acres
District	\$5,000	\$6,000	\$7,500	\$7,500 plus \$1 per acre over 1,920 acres

2. Reorganization

(For a reorganization that involves changes other than annexations and detachments, the fee will be based upon the components of the reorganization.)

Sum of  
Component  
Fees

*San Bernardino LAFCO*  
*Draft Schedule of Fess, Deposits, and Charges*  
*June 1, 2016*

- |    |                               |         |
|----|-------------------------------|---------|
| 3. | Sphere of Influence Amendment | \$5,000 |
|----|-------------------------------|---------|

The fees identified above for Items A-1 through A-3 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.

- |    |   |         |
|----|---|---------|
| 4. | Dissolution, Merger, or Establishment of Subsidiary District(s) | \$5,000 |
|----|---|---------|

- |    |   |          |
|----|---|----------|
| 5. | Formation or Consolidation of Special District(s) | \$15,000 |
|----|---|----------|

- |    |  |  |
|----|--|--|
| 6. | Incorporation or Disincorporation of a City or Consolidation of Cities |  |
|----|--|--|

- |  |                   |          |
|--|-------------------|----------|
|  | a. Processing Fee | \$20,000 |
|--|-------------------|----------|

- |  |   |             |
|--|---|-------------|
|  | b. Comprehensive Fiscal Analysis for Incorporation or Disincorporation Proposal | Actual Cost |
|--|---|-------------|

(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.)

- |  |  |             |
|--|--|-------------|
|  | c. State Controller's Fiscal Review for Incorporations | Actual Cost |
|--|--|-------------|

(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.)

- |    |   |              |
|----|---|--------------|
| 7. | Activation/Divestiture of Functions and/or Services for Special Districts | \$7,500 each |
|----|---|--------------|

(The fee shall be assessed for each function or service proposed for change.)

- |    |   |             |
|----|---|-------------|
| 8. | Verification of Petition Signatures by Registrar of Voters Office | Actual Cost |
|----|---|-------------|

(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.)

- |    |   |         |
|----|---|---------|
| 9. | Request for Reconsideration of LAFCO Decision/<br>Environmental Determination | \$1,100 |
|----|---|---------|

(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.)

- |     |  |         |
|-----|--|---------|
| 10. | Request for Extension of Time to Complete Change of Organization Proceedings (Gov't. Code Section 57001) | \$1,100 |
|-----|--|---------|



11. Workshop Fees Actual Cost

(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 \$1,000 deposit.)

**B. Processing Fee for Out-of-Agency Service Contract Review  
(City or District):**

**The following service contracts require a noticed Commission hearing and environmental review:**

- |    |  |                           |
|----|--|---------------------------|
| 1. | Contracts involving developments such as: subdivisions/tracts as defined by the Subdivision Map Act (five or more units), Specific Plans | \$5,000                   |
| 2. | Contracts involving the development of units requiring only a parcel map as defined by the Subdivision Map Act (up to four units)        | \$1,000<br>per connection |
| 3. | Any contract for fire protection services outside a public agency's jurisdictional boundaries pursuant to Govt. Code Section 56134       | \$5,000                   |
| 4. | Contracts to provide services outside a sphere of influence pursuant to Govt. Code Section 56133.5                                       | \$1,000                   |
| 5. | Service Contract Requiring Approval Pursuant to Govt. Code Section 56133, Subsection (c)   | \$750                     |

**The following service contracts request an exemption by the Commission or Administrative Review:**

- |    |  |         |
|----|--|---------|
| 6. | Development Related Request for Exemption from Govt. Code Section 56133, requires noticed Commission hearing   | \$2,250 |
| 7. | Administrative Review of Non-development-related Out-of-Agency Service Contract (City or District) or Non-development Related Exemption from Govt. Code Section 56133 as Authorized by Commission Policy | \$500   |

## **PROCESSING DEPOSITS**

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 Certificate of Completion for jurisdictional changes or issuance of the Commission's resolution for service contracts or sphere of influence amendments/updates. If charges billed to LAFCO are less than the amount of deposit, the balance of the fee will be refunded to the applicant or applied to other categories where excess charges have been incurred.

### **A. Legal Counsel:**

#### **1. Legal Counsel Deposit**

- a. Jurisdictional Change or Sphere of Influence Change (applicable to actions listed under Item A, #1 through #7)

\$200 non-refundable LAFCO fee	\$1,000 Deposit for LAFCO Legal Counsel costs	\$1,200 Total Deposit required upon application submission
--------------------------------	---	--

- b. Service Contracts Item B #1 through #5

\$200 non-refundable LAFCO fee	\$450 Deposit for LAFCO Legal Counsel costs	\$650 Total Deposit required upon application submission
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(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. Refer to [Policy and Procedure Manual, Section II, Chapter 2.](#))

#### **2. Legal Defense**

**Actual Cost**

(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 [Policy and Procedure Manual, Section II, Chapter 2.](#)

### **B. Environmental Review:**

#### **1. Environmental Review Deposit**

- a. Jurisdictional Change or Sphere of Influence Change (applicable to actions listed under Item A, #1 through #7)

\$200 non-refundable LAFCO fee	\$550 Deposit for LAFCO Environmental Consultant costs	\$750 Total Deposit required upon application submission
--------------------------------	--	--

*San Bernardino LAFCO*  
*Draft Schedule of Fess, Deposits, and Charges*  
*June 1, 2016*

b. Service Contracts (Item B, #1 through #5)

\$200 non-refundable LAFCO fee	\$250 Deposit for LAFCO Environmental Consultant costs	\$450 Total Deposit required upon application submission
--------------------------------	--	--

(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.)

2. Appeal of Environmental Recommendation \$750

3. Preparation of Environmental Impact Report Actual Cost

(A \$20,000 deposit with LAFCO shall be required before proceeding toward preparation of the required environmental documents.)

4. If the proposal requires that LAFCO prepare a Negative Declaration or Environmental Impact Report as CEQA lead agency, the California Department of Fish and Wildlife 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 fees listed below (which include the County's \$50 processing fee) are current as of January 1, 2016. The applicant will be notified of the appropriate fees, which must be received by LAFCO prior to the Commission hearing:

a.	Negative Declaration (LAFCO as lead agency)	\$2,260.25
b.	Environmental Impact Report (LAFCO as lead agency)	\$3,120.00

C. Individual Notice:

1. Deposit for Individual Notice (Registrar of Voters Review, and Registered Voter and Landowner Notification Requirements)

a. Proposals listed under Items A1, A2, A3, B1-B5

\$250 non-refundable LAFCO fee	\$450 Deposit for Individual Notification costs	\$700 Total Deposit required upon application submission
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(Pursuant to Policy and Procedure Manual, Section IV, Chapter 1, Policy 9: Individual Notice of Commission Hearings to Landowners and Registered Voters, the individual notice of Commission proceedings shall be provided for all changes of organization, sphere of influence changes, or development-related service contracts, except as identified in item C2 below. Please contact the LAFCO office if the proposal would require individual notice or is eligible for a waiver.)

b. Deposit for Publication of Display Ad in lieu of Individual Notice \$1,000  
 Proposals listed under Items A4 – A7, and those actions where individual notice has been waived by the Commission.  
 (Policy and Procedure Manual, Section IV, Chapter 1, Policy 9: Individual Notice of Commission Hearings to Landowners and Registered Voters)

*San Bernardino LAFCO*  
*Draft Schedule of Fess, Deposits, and Charges*  
*June 1, 2016*

(In cases where the change 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. 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.)

2. Additional Deposit for Proposals Extending an Existing Special Tax

Actual Cost

(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, to include a \$250 non-refundable LAFCO fee. Please contact the LAFCO office for the estimated deposit cost.)

D. Protest Proceeding:

(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.)

1. All Proposals Subject to a Protest Proceeding

\$200 non-refundable LAFCO fee	\$1,300 Deposit for LAFCO Protest Proceeding costs	\$1,500 Total Deposit required for Protest Proceeding
--------------------------------	--	---

2. Additional Deposit for Proposals Extending an Existing Special Tax

Actual Cost

(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, to include a \$250 non-refundable LAFCO fee.)

## **COMPLETION FEES AND CHARGES**

Following Commission approval of an action, the following fees or charges may be required. LAFCO staff will notify the applicant at the time the Commission's resolution is forwarded which of the following fees or charges is applicable to the proposal:

- A. County Geographic Information Management System (GIMS) Processing, required prior to issuance of the Certificate of Completion for jurisdictional changes or issuance of the Commission's resolution for sphere of influence amendments/updates:

1. Changes requiring an update to current sphere or boundaries of participating agencies

(Fees identified below will be assessed for each area of consideration. The definition of area is provided under Processing Fees on Page 1.)

<u>Acreage</u>	<u>Primary Charge</u>	<u>Additional Agency</u>
0 to 100 acres	\$400	\$ 85
101 to 640 acres	\$550	\$110
641 to 2,560 acres	\$825	\$150
over 2,560 acres	\$1,100	\$175

2. Incorporation, Formation, or placement of a new agency boundary or sphere into the LAFCO-maintained GIMS system \$3,000

(The fees for incorporations or formations can be deferred until the new City/Town or District receives its first revenues. A request for deferral shall be made to the Executive Officer.)

- B. 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
1-5 acres	\$350
6-10 acres	\$500
11-20 acres	\$800
21-50 acres	\$1,200
51-100 acres	\$1,500
101-500 acres	\$2,000
501-1,000 acres	\$2,500
1,001-2,000 acres	\$3,000
2,001 acres and above	\$3,500

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

## **MISCELLANEOUS 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 CD                                | \$10 per CD  |
|    | (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.)

KRM/June 1, 2016



# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 885-8170  
E-MAIL: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

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**DATE:** APRIL 13, 2016

**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
MICHAEL TUERPE, Project Manager

**TO:** LOCAL AGENCY FORMATION COMMISSION

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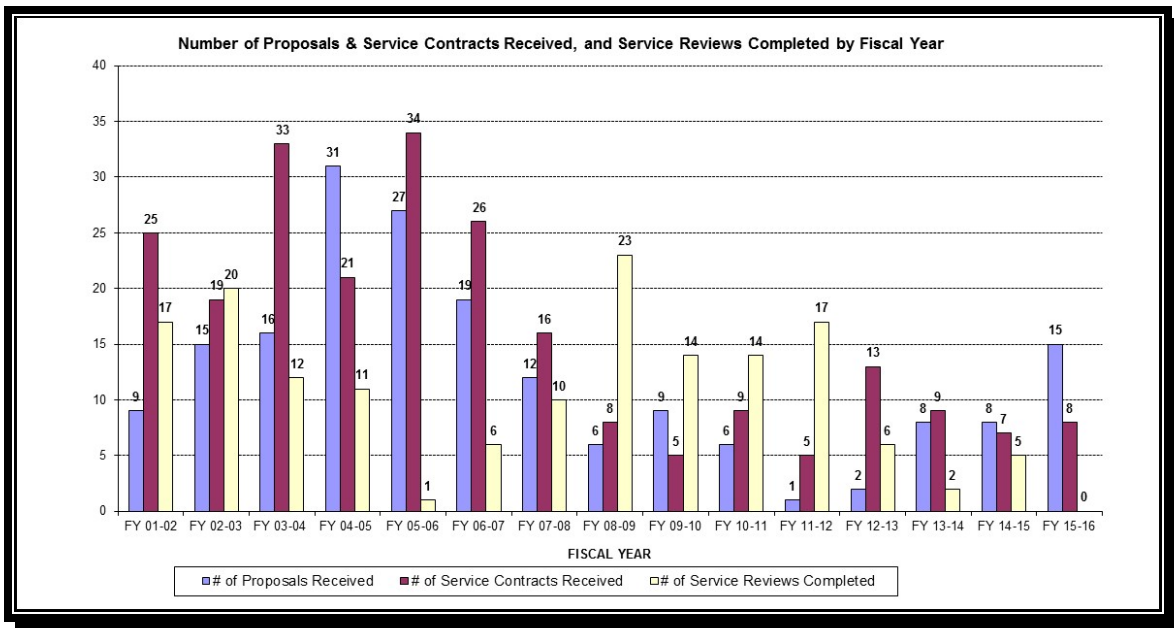
**SUBJECT:** AGENDA ITEM #9B –Review of Proposed Budget for Fiscal  
Year 2016-17

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## **BACKGROUND:**

At this hearing, LAFCO staff is presenting the preliminary budget for Commission consideration. The past year has been one in which the Commission has been presented with fire reorganization proposals for its consideration that were viewed as making or breaking the City of San Bernardino's bankruptcy, addressing the continuing emergency medical response and fire protection to the Twentynine Palms community and the unfunded retirement issues to allow for a transition to County Fire. The processing of these proposals was in addition to the standard requirements for service reviews which as a part of this consideration staff is proposing a change in the manner in which the regional perspectives of these mandatory actions are addressed. With this in mind, LAFCO staff has prepared a budget which includes an increase in apportionment (5%) to maintain the ongoing services and reserves of the Commission. So this is the scenario we begin the State mandated process outlined in Government Code Section 56381 to establish our budget for the upcoming fiscal year; one of cautious optimism.

The next step in the process for staff was to address the requirement to fund the Commission's ongoing operations which includes the need to address a new office location at the direction of the commission. Staff continues to be encouraged by the proposal activity for the current year as it bodes well for the upcoming fiscal year since FY 2015-16 represents a return to an activity level reflective of FY 2006-07. The chart which follows shows the positive increase that has taken place to date (c copy of which is included as a part of Attachment #1 to this report):



The largest expenditure category for the Commission is its personnel costs. For the past several years the staff has identified the continuing escalation of retirement rates as an area of concern; however, those rates have now stabilized and for the upcoming fiscal year and the forecast years SBCERA has indicated a rate of between 33.05 and 32.61 percentage.

As noted above, the activity level of the Commission in reference to application submission and processing has increased over the past fiscal year and is projected to continue for at least the next two years with movement to fire reorganizations continuing. Based upon the Commission's direction to prioritize the processing of these applications, they will again take priority.

In addition, in response to the Commission's direction to change the office location, staff has been working with the staff of SANBAG and the Santa Fe Depot management firm to review leasing the historic Harvey House portion of the Depot. This area needs renovation and LAFCO would participate in the funding of that effort should the site be chosen. The budget as presented to the Commission anticipates funding upfront \$100,000 in renovation with the balance amortized over 5 years. The estimate received by SANBAG was \$230,000; however that construction budget has not been finalized and LAFCO staff has not outlined its desires for the space specifically. Our preference would be to return the area to its former beauty as the Harvey House restoring it historically while providing for 21<sup>st</sup> century technological amenities. The final dollar figure will be determined within the ongoing lease negotiations should this be the Commission's choice. While this is the preference of staff due to the synergy of working closely with SANBAG and SCAG employees, it is tempered by the position of the City of San Bernardino regarding the transfer of its fire service and the potential that if LAFCO 3198 fails there will be significant reductions in law enforcement and fire protection services. The area around the Depot has moving toward gentrification but problems remain and the move cannot be supported if

LAFCO 3198 fails. However, the budget appropriations provided will accommodate the relocation to the Depot or other site by the termination of the current lease June 30, 2017.

While staff anticipates ongoing significant fire reorganizations, it also has the responsibility to provide for the ongoing processing of the state mandated service reviews of municipal services providers within our County. As staff has undertaken the second round of its mandatory service reviews, it has become clear that a better approach would be to focus on service type throughout the County broken down into subregions rather than focus on the four individual regions and the services provided within. In March 2016, the Commission expanded the service review for Habitat Conservation and Open Space to encompass the entire County in order to align its efforts with the Countywide Habitat Preservation/Conservation Framework Study being prepared through the County's Vision Element and SANBAG which also allows staff to evaluate gaps in service and address other service issues. This is an example of the direction in approach for the balance of the service reviews. Based upon this approach, staff is now proposing that the Commission modify the service review plan to approach the individual services on a countywide basis, with the subregions recognized in the reports. The specific rationale for this proposed change in processing are as follows:

- Since the same approach and format can generally be used for each service type, a countywide approach can decrease the redundancies in the setup and overall presentation, increasing efficiencies in report preparation. Importantly, this approach would also lessen the participation burden of the agencies under review since the focus will be on the service rather than an agency review and would improve the use of staff resources.
- In addition, in the first round LAFCO was able to charge for direct costs when a sphere update was taken in conjunction with a service review. Without a sphere update as a function of the service review, there is no mechanism to recover outside costs; therefore, efficiencies in the overall process need to occur to best utilize the Commission's resources (staff time and material costs).

Even with a countywide approach, the uniqueness of each region will still be addressed as the reports will be segregated by region for presentation purposes. Additionally, each service review would include, where appropriate, structure and sphere modification recommendations to be reviewed in a later report. Should additional review for an individual agency or community be warranted, then staff would request Commission approval to initiate a focused service review/sphere update much like the special studies recently undertaken.

The four-year plan for this approach is shown below. Law Enforcement has been excluded from the review schedule as its service delivery is statutorily restricted to a County or City and an evaluation of service delivery would not result in a sphere of influence or service area description change. However, if the Commission believes a review of this service is warranted, it can be placed on to the schedule. The proposed schedule is:

<u>Year 1 (FY 2016-17):</u>	Water, Wastewater, Vector Control (current proposal for change)
<u>Year 2 (FY 2017-18):</u>	Fire Protection and Emergency Response, Animal Control, Streetlights
<u>Year 3 (FY 2018-19):</u>	Park and Recreation, Roads, Resource Conservation, Habitat Conservation and Open Space (previously approved by the Commission for expansion to a countywide report)
<u>Year 4 (FY 2019-20):</u>	Airport, Cemetery, Healthcare
<u>Year 5 (FY 2020-21):</u>	Additional Services at direction of Commission

Based upon the approaches outlined above, staff has prepared the Proposed Budget for Commission consideration. Staff has chosen to expand the forecasting for an additional year to identify significant changes which are on the horizon for the Commission. Those are the end of the lease at the current staff office and the desire to change locations prior to the beginning of FY 2016-17 with the need for funding tenant improvements over a five-year period and the recruitment of a permanent LAFCO Executive Officer (FY 2017-18) with transition funding. . Attachment #1 to this report provides the Budget Spreadsheet for Fiscal Year 2016-17 with a forecast for FY 2017-18, 2019-20 and 20-21 and the narrative description of the budget and its line items.

Staff has requested that the County Auditor-Controller apportion the net costs for LAFCO operations to the County, Cities/Towns and Independent Special Districts based upon the proposed budget target of \$926,223, or \$308,741 per category. This represents a 5% increase from the prior year to accommodate anticipated one-time costs and continuing programs. Any changes to the budget information presented at this hearing may impact this determination. Once the proposed budget is adopted, the apportionment information will be provided as a part of the materials forwarded to the County, Cities/Towns and Independent Special Districts for their review and comment as required by Government Code Section 56381. This year the allocation process is utilizing data from the State Controller's office but it is not the official reports of years past. The State Controller no longer prepares these reports and staff has reviewed this question with representatives of the Auditor's office who have confirmed the use of this new database material complies with the provisions of Government Code Section 56381. In addition, due to changes in total revenues for the larger independent special districts as recognized in the adopted alternative formula, only 19 out of the 50 special districts will be required to pay the apportionment. The allocation information is included as Attachment #2 for Commission information.

The proposed budget is more fully outlined below and on the Budget Spreadsheet and Budget Narrative included as attachments to this report. Staff believes that the actions outlined for the upcoming Fiscal Year will provide for the efficient operations of the Commission's office, will provide funding for the move of the LAFCO office, and will maintain reserve accounts established to cover potential and/or future costs.

## **SALARIES AND BENEFITS** **WORKLOAD CONSIDERATIONS**

### **FISCAL YEAR 2015-16**

Staffing levels for Fiscal Year 2015-16 include five full-time positions and the contract for the Executive Officer position. During the year, the LAFCO Analyst position was unfilled from August until December due to the separation of an employee, resulting in a savings of salary and benefits expenses for roughly four months. Following the filling of the LAFCO Analyst – GIS/Database Manager position in December, the Assistant Executive Officer was on medical leave for which the short-term disability program paid a portion of the employee's salary during that time, an additional savings during the period.

With the savings from these two occurrences, the Commission approved a consulting contract with Robert Aldrich in September 2015. It is anticipated that the full extent of this contract will be used during the fiscal year. The costs for the consulting contract are accounted for in Account 2245 (Other Professional Services) in the Services and Supplies series of accounts.

Additionally, the Commission approved the County Exempt Compensation Plan amendments approved on December 15, 2015 to include a one percent (1.0%) across-the-board salary increase retroactive to January 9, 2016 along with other changes through July 1, 2018 (discussed below). The effect on the current year's budget is not significant.

The Personnel/Budget Ad Hoc committee and the Executive Officer have been reviewing salary issues related to the contract position as a part of the overall budget preparation process. Meetings have been held, either in person or by conference call, on February 17, March 16, March 31, April 4 and April 7. At the time of this report those negotiations have not been completed, however the budget authority is sufficient in the current year to accommodate the salary increase requested and a reserve account is included in the materials for the upcoming fiscal years to accommodate any change authorized. A closed session has been scheduled for the April 20 hearing to provide for an evaluation of the Executive Officer and to further discuss this contract process.

The estimated year-end expenditures for salaries and benefits are \$707,270 (including salary reserve), which is \$31,179 below the budgeted amount.

## **FISCAL YEAR 2016-17**

The Salaries and Benefits categories for Fiscal Year 201617 include the funding for five positions, payment of step increases, a stabilizing of retirement costs and the maintenance of the existing payment schedule for contract Executive Officer position. The projections include the 1% salary cost-of-living increase for all regular employees and a 2% longevity increase for two employees effective in December 2016. Negotiations are currently underway with the Executive Officer so budget projections include a salary reserve amount of \$64,587.

The current fiscal year has involved the staff in some of the most complex and controversial proposals seen in many years – the fire reorganizations for the City of San Bernardino (which was one of the linchpins of its bankruptcy proceedings) and the Twentynine Palms Water District which broke new ground in assuring payment of unfunded retirement obligations. The upcoming year anticipates a continuation of these types of proposals, including the currently filed Hesperia Fire Protection District reorganization, and two other cities indicating they will submit a proposal this summer.

## **Fiscal Years 2017-18, 18-19, and 19-20**

As is the Commission's practice, a forecast for Fiscal Year 2017-18 has been provided. However, staff has provided two additional years of forecasting due to impending changes in the salary and benefits categories – the hiring of a permanent Executive Officer – and other significant changes in budget categories. These forecasts include the maintenance of the contract Executive Officer (contract terminates in September 2018), five full-time staff positions with salary increases anticipated in the current compensation plan, including retirement costs. Four of the full-time employees are in the Tier 1 rate for retirement benefits for forecasting and the new GIS/Database Analyst position is a Tier 2 employee. The forecasts for theses Fiscal Years carries forward current staffing levels for FY 2017-18, and the new staffing structure for FY 2018-19 (with a three month overlap with the contract Executive Officer) and FY 2019-20 without any contract employees, implementation of a 2% and 3% across the board salary increase for regular staff and all other existing practices and anticipated workloads.

# **SERVICES AND SUPPLIES**

## **FISCAL YEAR 2015-16**

This year is shaping up to be a banner year for LAFCO - one not only with above normal activity, but also one with complex proposals which could directly impact the quality of life of hundreds of thousands of residents of our County. By action taken at the September 2015 hearing, the Commission directed staff to prioritize its activities to address the fire proposals submitted as the top priority, other jurisdictional changes next, and service reviews to follow. The approval of a consultant for supplemental



staffing is helping with the processing burden including the response to the individual notices on the extension of the fire special taxes. The staff has implemented the direction of the Commission on its priorities.

The Services and Supplies categories are estimated to have expenditures of \$424,168 at year-end. This is \$93,584 below the budgeted amount as amended throughout the fiscal year to reflect increased costs. No budget amendments are proposed at this time in these categories.

In the Services and Supplies categories items of significance occurred during the current fiscal year:

- Due to the County Workforce Development Department vacating the building where the LAFCO office is located, LAFCO was required to install its own dedicated communications line, totaling roughly \$20,000. Consequently, monthly charges to Verizon of \$926 are now required to have access to the internet, County intranet, and telephone via a fiber line – charges previously the responsibility of County WDD.
- Significant unanticipated individual notice costs of roughly \$67,000 for the proposals related to annexations to County Fire that include the extension of a special tax (San Bernardino, Twentynine Palms, and Needles). However, these costs have been or will be recovered by LAFCO from the applicants.
- Round 2 of the Fiscal Indicators program (now includes data for 2013 and 2014) has been available on the LAFCO website since January 2016.
- The consulting contract with Bob Aldrich for staffing services – the Commission approved this contract in September 2015 not to exceed \$75,000.
- The Commission has expressed its desire to provide continuing governance training for the special districts within the County. As a part of the FY 2015-16 budget, staff developed an education program with the California Special Districts Association (CSDA) and the Institute for Local Government (ILG) – see chart below. The sessions were well attended with positive survey results.

Educational Training Program Timeline		
Training Session	Collaboration	Date
Understanding the Brown Act – Beyond the Basics	California Special Districts Association	September 28, 2015
Partnering with Community-based Organizations for more Inclusive Public Engagement	Institute for Local Government	January 13, 2016
Positioning Your Agency for Successful Financing (webinar)	California Special Districts Association	February 24, 2016

The balance of the Services and Supplies categories anticipate the maintenance of current activities.

The Commission continues to outsource its environmental processing through its contract with Tom Dodson and Associates, the processing of its accounting operations through the County Auditor's office, and the maintenance of computer systems through the County's ISD.

### **FISCAL YEAR 2016-17**

Staff is recommending a total Services and Supplies budget of \$650,105, a significant increase from FY 2015-16. Much of this increase is related to the anticipated relocation of the staff office, currently proposed to be to the historic Harvey House area of the San Bernardino Depot. In reference to the expense categories within the overall Services and Supplies section, staff is proposing continuation of the ongoing educational programs for special districts in our county, management of website activities in-house, and the conversion of the mandatory service reviews to a County-wide approach with internal division to the four regions. The services anticipated to be reviewed in the upcoming year are water and sewer service (the Vector Control review is related to an application). On balance the budget appropriations provide for maintenance of current levels of support for on-going activities.

At the time this proposed budget is being presented to the Commission, continuation of the Video Production arrangement with the City of San Bernardino is anticipated with ongoing discussions on a contract extension. In addition, software updates and maintenance of a contract for software to allow for manipulation of large pieces of data for service reviews are included in the appropriation authority request.

### **FISCAL YEARS 2017-18, 18-19, and 19-20**

Based upon the approval of the staff recommendations for FY 2016-17, it is anticipated that a 2% consumer price index increase will be applied to those categories sensitive to such

changes for purchases and the maintenance of the other existing levels of service in FY 2017-18, 18-19, and 19-20. In addition, the payment of amortized tenant improvements have been included in the projections. In FY 2017-18 the recruitment process for a permanent LAFCO Executive Officer will be undertaken with an estimated cost of \$20,000 through the use of Robert Aldrich to perform the services in-house at the direction of the ad hoc Budget and Personnel Committee.

## **REVENUES**

### **FISCAL YEAR 2015-16**

Not only is proposal activity resulting in a more robust filing of applications and commensurate revenues, this year has been an unprecedented one due to the complexity and magnitude of the proposals present to the Commission. The chart below identifies the proposal activity for the current fiscal year but cannot reflect the enormity of the decisions made by the Commission:

Activity	Budget	Through Feb	
		No.	% of Budget
Proposals	6	15	250%
Service Contracts - Commission approval	1	2	200%
Service Contracts - Commission approval for exemption	0	2	
Service Contracts - Admin (E.O.) approval	4	3	75%
Protest Hearing Deposits	5	2	40%

Staff estimates that year-end totals for all proposal activities will be at 142% of budgeted appropriation. The total revenue (fees and deposits) received from the fifteen applications and seven service contracts submitted during the year is \$377,278. In addition, approximately \$8,000 in cost recovery has taken place during the year.

### **FISCAL YEAR 2016-17**

Based upon the activities of FY 2015-16, staff anticipates that proposal filings for the upcoming Fiscal Year will at least hold steady as to number and complexity. It is anticipated that an additional two proposals for fire reorganizations will be submitted this summer. In order to remain conservative in revenue projections, staff anticipates the submission of 10 proposals next year at the basic fee level, for fee revenue of \$208,077. The chart below identifies staff's projections for the upcoming year:

Activity	FY 2015-16 PROJECTED YEAR END	FY 2016-17 BUDGET
Proposals	15	10
Service Contracts - Commission approval	4	4
Service Contracts - Admin approval	3	4
Protest Hearing Deposits	2	5

Interest income remains low as earnings rate remain depressed. All reserve accounts will be carried forward from the prior year and an estimated \$224,611 in other fund balance is anticipated to be carried forward from FY 2015-16 into FY 2016-17.

The staff is recommending a 5% increase in the apportionment for the upcoming year, to accommodate the tenant improvements necessary to relocate the staff office, and other ongoing service delivery expense. The apportionment process will take place pursuant to the provisions of Government Code Section 56381 with the acknowledgement that the State Controller no longer prepares the reports outlined in Section 56381 and is administered by the County Auditor. Staff has requested that the Auditor provide for the distribution, pursuant to statute and the alternative funding formula for Special Districts, included as Attachment #2. Per adopted Commission policy, the amount identified at this hearing will be the apportionment required as of July 1, 2016. At the time the Unaudited Year-End report is presented to the Commission, staff will determine the actual carryover and make recommendation for any further actions, if necessary. The apportionment presented in the budget materials is \$926,223, which represents a total of \$308,741 for each category. Revenues consisting of interest, mandatory contributions, and fee revenues are estimated to be \$1,476,061. Refunds from Prior Years, Miscellaneous Charge, and Carryover including all reserve accounts increases brings total anticipated revenues to \$2,081,926.

### **FISCAL YEAR 2017-18, 18-19, and 19-20**

Revenues forecasts for FY 2017-18 builds upon the continuing health of the local economy anticipating an increase in proposal activity for an increase in Fees and Deposits of \$28,975 over Fiscal Year 2015-16. The forecast for FY 2017-18 maintains the increased level of activity with an estimate of a 2.5% increase in fees that year for a revenue increase of \$30,450 over FY 2016-17. The chart below compares the proposal activity forecast for FY 2015-16 to that proposed for FY 2016-17 and FY 2017-18:

Activity	17-18	18-19	19-20
Proposals	9	9	8
Service Contracts - Develop.	2	2	3
Service Contracts - Admin	6	5	6
Protest Hearing Deposits	5	5	5

The anticipated apportionment increases to a total of \$944,747 in FY 2017-18 and to \$963,642 in FY 2018-19 a 2.0% increase in each year. While it is proposed that the apportionment increase, staff will point out that it remains less than the apportionment in FY 2010-11 of \$1,033,911.

### **RESERVES AND CONTINGENCIES**

The staff is proposing the maintenance of reserves and a contingency amounts as outlined by Commission policy. The General Reserve is by policy set at a minimum of \$200,000; and projections exceed this amount. The amounts presented for Fiscal Year 2016-17:

Account 6025 – General Reserve/Litigation	\$284,917
Account 6030 – Compensated Absences Reserve	\$ 87,222
Account 6010 – Net Pension Liability Reserve	\$109,170

In addition, staff is recommending a contingency of \$155,501 (Account 6000) which represents slightly more than 10% of expenditures. Should the use of these dollars be required, it will take an action by the Commission to transfer monies into the appropriate expenditures series.

### **CONCLUSION:**

The information contained in this report outlines and discusses the budget considerations before the Commission which provides for the following determinations required by Government Code Section 56381 to be made:

<b>ACCOUNT TYPE</b>	<b>FY 2015-16 AMENDED BUDGET</b>	<b>FY 2016-17 PROPOSED BUDGET</b>
SALARIES AND BENEFITS	\$ 738,449	\$ 800,024
SERVICES AND SUPPLIES	\$ 517,752	\$ 651,105
RESERVES AND CONTINGENCIES	\$ 605,865	\$ 636,810
<b>SUBTOTAL</b>	<b>\$1,862,066</b>	<b>\$2,087,939</b>
FEE REVENUE AND GENERAL REVENUE	\$ 979,949	\$1,161,716
<b>NET COST</b>	<b>\$ 882,117</b>	<b>\$ 926,223</b>

It is the staff's position that the expenditures and revenue items outlined in this report will provide for fulfillment of the Commission's ongoing core obligations for processing of proposals and fulfilling State mandates. If the Commission supports the staff's position, it is recommended that, pursuant to the provisions of Government Code Section 56381, the Commission adopt the Proposed Budget as outlined and direct staff to forward this

document to the County, the Cities and Towns, and the Independent Special Districts for their review and comment. Staff is also recommending that the final hearing for adoption of the budget be scheduled for May 18, 2016 at which time the comments of the public and agencies the Commission serves will be considered.

### **RECOMMENDATION:**

The staff recommends that the Commission take the following actions:

- 1) Adopt the Proposed Budget for Fiscal Year 2016-17, presented by staff including the change in methodology for the completion of service reviews to provide for a county-wide approach by service with reporting for the four regional divisions internal to that report;
- 2) Direct staff to forward the adopted Proposed Budget, as may be modified at this hearing, to all the independent special districts, cities, and the County for their comment pursuant to Government Code Section 56381.
- 3) Schedule a public hearing for May 18, 2016 for the formal adoption of the Final Budget for Fiscal Year 2016-17.

KRM/MT/RA:

Attachments:

1. Proposed Budget -- Spreadsheet and Narrative Related to Individual Accounts and Activity Chart
2. Estimated Apportionment Distribution for County, City/Town and Special District Costs



**Proposed Budget -- Spreadsheet and  
Narrative Related to Individual  
Accounts and Activity Chart**

**Attachment 1**

## FISCAL YEAR 2016-17

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 11-12	ACTUAL YEAR-END FY 12-13	ACTUAL YEAR-END FY 13-14	ACTUAL YEAR-END FY 14-15	AMENDED FY 15-16 BUDGET	PROJECTED YEAR-END	PROJECTED YEAR-END		PRELIMINARY FY 16-17 Office Move Staff Contract	FORECAST FY 17-18 EO Recruit	FORECAST FY 18-19 New EO & Kathy 27 Pay Periods	FORECAST FY 19-20 No Kathy
	<b>SALARIES AND BENEFITS</b>												
1010	Regular Salary and Bilingual	\$ 372,803	\$ 379,028	\$ 408,248	\$ 434,318	\$ 459,396	\$ 435,826	95%		\$ 473,877	\$ 488,762	\$ 587,344	\$ 556,105
1030	Auto and Cell Phone Allowances	14,600	14,600	15,062	17,000	17,327	17,000	98%		17,327	17,327	21,577	17,327
1035	Overtime	802	1,028	361	201	-	395						
1045	Termination Payment					2,604	2,506	96%					
1050	Special Compensation				8,750								
1110	General Member Retirement	59,328	70,512	81,993	104,122	115,531	108,302	94%		119,726	123,367	179,557	178,210
1130	Survivors Benefits	93	81	160	238	245	210	86%		228	228	279	273
1135	Indemnification - General	14,397	15,538	16,641	20,634	20,163	16,739	83%		16,130	16,130	22,817	22,395
1200	Employee Group Insurance (Health Subsidy)	29,005	35,599	41,141	45,620	63,950	45,754	72%		46,498	46,498	60,406	61,380
1205	Long-Term Disability	858	883	994	1,079	1,127	882	78%		962	996	1,469	1,459
1207	Vision Care Insurance	589	589	759	822	837	771	92%		837	837	1,024	1,005
1215	Dental Insurance & Health Subsidy	1,846	1,701	1,466	1,530	1,557	1,370	88%		1,253	1,253	1,533	1,504
1222	Short-Term Disability	1,044	2,728	3,312	3,590	3,744	3,404	91%		3,784	3,909	5,660	5,606
1225	Social Security Medicare	4,723	4,728	5,128	5,646	5,790	5,552	96%		6,072	6,264	7,384	6,901
1235	Workers' Compensation	2,091	2,644	1,573	1,983	4,911	3,480	71%		5,113	5,268	6,140	5,765
1240	Life Insurance & Medical Trust Fund	3,814	4,415	4,546	4,614	5,593	5,702	102%		6,429	7,685	12,367	12,235
1305	Medical Reimbursement Plan	2,585	2,600	2,600	2,140	6,920	3,310	48%		6,920	6,920	8,424	8,304
1314	457/401a Defined (LAFCO Contribution)	1,289	1,327	1,451	1,622	1,691	1,571	93%		1,781	1,844	3,477	3,458
1315	401k Contribution	19,671	21,037	22,983	25,951	27,063	25,136	93%		28,500	29,507	43,535	43,223
1000	Salary Reserve	-	-	-	-	-	29,294			64,587	\$ 64,587		
	<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$ 529,536</b>	<b>\$ 559,037</b>	<b>\$ 608,417</b>	<b>\$ 679,860</b>	<b>\$ 738,449</b>	<b>\$ 707,207</b>	<b>96%</b>		<b>\$ 800,024</b>	<b>\$ 821,382</b>	<b>\$ 962,993</b>	<b>\$ 925,150</b>
	Staffing (Full time equivalent units)	4.5	4.5	4.5	5.5	5.5	5.5			5.5	5.5	6.0	6.0
	<b>SERVICES AND SUPPLIES</b>												
	<b>Services:</b>												
2037	COMNET Charge (ISF)	\$ 2,872	\$ 2,590	\$ 2,532	\$ 2,432	\$ 2,828	\$ 2,547	90%		\$ 2,556	\$ 2,582	\$ 3,364	\$ 3,431
2038	Long Distance Charges	58	74	86	81	120	15	13%		-	-	-	-
2040	Relocation Charges - Phone Service	-	-	-	-	18,200	18,767	103%		-	-	-	-
2041	Phone Service/Outside Company	447	304	366	422	540	969	179%		12,543	12,668	12,922	13,180
2043	Electronic Equipment Maintenance	-	-	140	498	9,180	926	10%		-	-	-	-
2075	Membership Dues	7,870	8,089	8,324	8,509	8,447	8,733	103%		9,264	9,831	9,918	10,116
2076	Tuition Reimbursement	341	-	1,100	100	2,000	100	5%		2,000	2,020	2,060	2,102
2080	Publications	2,399	3,000	2,054	2,690	3,395	2,662	78%		3,125	3,156	3,219	3,284
2085	Legal Notices	14,648	5,193	9,223	12,936	21,000	17,655	84%		19,500	19,695	20,089	20,491
2090	Miscellaneous Expense (Costs related to move)									169,260	-	-	-
2110	Fleet Management Requisition Charges			304			5,777						
2115	Computer Software	3,222	2,825	6,427	4,234	8,435		0%		6,652	6,719	6,853	6,990
2125	Inventoriable Equipment	2,070	3,252	-	4,660	-	-			15,000	-	-	-
2245	Other Insurance	7,045	6,998	7,074	7,128	7,078		0%		7,085	7,156	7,299	7,445
	<b>Supplies:</b>						6,549						
2305	General Office Expense	5,842	8,710	11,621	12,844	9,232		0%		7,183	7,255	7,400	7,548
2308	Credit Card Clearing Account	1,126	(288)	(85)	(1,628)	-	47,574			-	-	-	-
2310	Postage - Direct Charge	8,972	5,373	12,352	19,869	71,437	645	1%		48,388	11,166	11,389	11,617
2315	Records Storage	661	940	581	620	570	-	0%		588	594	606	618

## FISCAL YEAR 2016-17

ACCT.	ACCOUNT NAME	ACTUAL	ACTUAL	ACTUAL	ACTUAL	AMENDED	PROJECTED	PROJECTED		PRELIMINARY	FORECAST	FORECAST	FORECAST
#		YEAR-END	YEAR-END	YEAR-END	YEAR-END	FY 15-16	YEAR-END	YEAR-END		FY 16-17	FY 17-18	FY 18-19	FY 19-20
		FY 11-12	FY 12-13	FY 13-14	FY 14-15	BUDGET				Office Move	EO Recruit	New EO & Kathy	No Kathy
2323	Reproduction Services	730	102	870	2,601	8,355	-			16,000	0	0	0
	<b>Consultant &amp; Special Services:</b>												
2400	Prof & Special Service (Legal Counsel)	24,758	21,903	24,048	28,042	42,421	40,075	94%		34,300	34,643	35,336	36,043
2405	Auditing	6,932	8,372	7,527	8,000	11,868	14,258	120%		15,090	15,241	15,546	15,857
2410	Data Processing	6,212	6,630	7,142	6,848	7,565	7,525	99%		8,215	8,297	8,463	8,632
2415	COWCAP	18,772	9,219	6,053	6,308	-				13,236	13,368	13,636	13,908
2420	ISD Other IT Services	206	244	344	753	701	555	79%		175	177	180	184
2421	ISD Direct	1,690	739	1,772	10,157	9,180	9,473	103%		9,816	9,914	10,112	10,315
2424	Mgmt & Tech (Environmental Consultant)	8,078	8,853	15,339	11,288	9,300	9,226	99%		10,250	10,353	10,560	10,771
2444	Security Services	408	408	578	408	408	444	109%		408	412	420	429
2445	Other Prof (Commission, Surveyor, ROV)	41,878	44,593	32,275	42,133	161,897	109,559	68%		135,761	68,643	50,348	51,355
2449	Outside Legal (Litigation & Special Counsel)	-	5,050	2,909	3,956	-	4,319			-	-	-	-
2450	Application Development Support	-	10,499	19,709	216	1,500	345	23%		600	606	618	630
2460	GIMS Charges	10,524	10,500	11,877	10,608	14,180	13,836	98%		17,370	17,544	17,895	18,252
	<b>Lease/Purchases:</b>												
2895	Rent/Lease Equipment (copier)	7,678	4,235	2,610	4,912	6,180	5,754	93%		5,904	5,904	5,904	6,022
2905	Office/Hearing Chamber Rental	55,438	48,859	53,576	51,219	52,741	52,641	100%		54,308	101,488	102,289	103,106
	<b>Travel Related Expenses:</b>												
2940	Private Mileage	6,579	4,760	5,135	2,410	4,394	4,179	95%		5,403	5,457	5,566	5,677
2941	Conference/Training	4,215	5,363	4,225	6,817	6,850	3,974	58%		3,500	3,535	3,606	3,678
2942	Hotel	5,692	5,482	5,264	6,838	5,850	5,156	88%		8,800	8,888	9,066	9,247
2943	Meals	1,214	743	923	1,150	1,900	1,244	65%		2,575	2,601	2,653	2,706
2944	Car Rental	589	1,247	653	227	150	157	105%		150	152	155	158
2945	Air Travel	1,915	1,954	4,241	3,705	5,650	2,384	42%		2,000	808	824	841
2946	Other Travel	438	677	1,061	1,676	600	928	155%		500	505	515	525
	<b>Other Charges:</b>												
5012	Services Out (Staples)	1,098	1,480	4,146	4,742	3,600	1,852	51%		3,600	3,636	3,709	3,783
	<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$ 262,639</b>	<b>\$ 265,938</b>	<b>\$ 291,993</b>	<b>\$ 290,409</b>	<b>\$ 517,752</b>	<b>\$ 419,535</b>	<b>81%</b>		<b>\$ 651,105</b>	<b>\$ 395,013</b>	<b>\$ 382,520</b>	<b>\$ 388,941</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 792,176</b>	<b>\$ 824,975</b>	<b>\$ 900,410</b>	<b>\$ 970,269</b>	<b>\$ 1,256,201</b>	<b>\$ 1,126,742</b>	<b>90%</b>		<b>\$ 1,451,129</b>	<b>\$ 1,216,395</b>	<b>\$ 1,345,513</b>	<b>\$ 1,314,091</b>
	<b>RESERVES</b>												
6000	Contingency					\$ 155,501		0%		\$ 155,501	\$ 155,501	\$ 134,551	\$ 131,409
6010	Net Pension Liability Reserve					82,750		0%		109,170	135,590	162,010	188,430
6025	General Reserve - Litigation					291,007		0%		284,917	328,039	252,169	200,057
6030	Compensated Absences Reserve					76,607		0%		87,222	91,583	96,162	100,970
	<b>TOTAL CONTINGENCIES &amp; RESERVES</b>					<b>\$ 605,865</b>	<b>\$ -</b>	<b>0%</b>		<b>\$ 636,810</b>	<b>\$ 710,713</b>	<b>\$ 644,893</b>	<b>\$ 620,867</b>
	<b>TOTAL APPROPRIATION</b>	<b>\$ 792,176</b>	<b>\$ 824,975</b>	<b>\$ 900,410</b>	<b>\$ 970,269</b>	<b>\$ 1,862,066</b>	<b>\$ 1,126,742</b>	<b>61%</b>		<b>\$ 2,087,939</b>	<b>\$ 1,927,107</b>	<b>\$ 1,990,405</b>	<b>\$ 1,934,958</b>

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 11-12	ACTUAL YEAR-END FY 12-13	ACTUAL YEAR-END FY 13-14	ACTUAL YEAR-END FY 14-15	AMENDED FY 15-16 BUDGET	PROJECTED YEAR-END	PROJECTED YEAR-END		PRELIMINARY FY 16-17 Office Move Staff Contract	FORECAST FY 17-18 EO Recruit	FORECAST FY 18-19 New EO & Kathy 27 Pay Periods	FORECAST FY 19-20 No Kathy
	CONTRIBUTION REVENUES												
	Use of Money:												
8500	Interest	\$ 3,992	\$ 4,009	\$ 3,066	\$ 4,287	\$ 4,000	\$ 5,357.02	134%		\$ 5,250	\$ 5,750	\$ 6,250	\$ 6,750
	Mandatory Contribution from Governments:												
8842	Local Government -- For FY 2016-17 apportionment to County, Cities, and Independent Special Districts of approximately \$308,741 each	933,639	903,000	864,822	864,822	882,117	882,117	100%		926,223	944,747	963,642	993,515
		9.7% decrease	3.3% decrease	4.2% decrease	no increase	2.0% increase				5.0%	2.0%	2.0%	3.1%
	Fees and Deposits (Current Services):												
9545	Individual Notice	1,238	4,402	11,200	5,912	71,780	55,076	77%		37,366	7,700	7,700	7,700
9555	Legal Services	4,733	5,934	8,625	9,195	20,596	22,321	108%		15,150	12,100	12,100	12,100
9595	Protest Hearing						28,544			34,166	7,500	7,500	7,500
9655	GIMS Fees	2,710	1,255	3,235	7,580	2,400	9,430	393%		7,995	6,750	6,750	6,750
9660	Environmental	3,313	10,171	12,580	12,005	4,950	9,000	182%		9,600	12,000	12,000	12,000
9800	LAFCO Fees	20,758	33,004	99,656	95,619	165,614	262,895	159%		103,800	68,000	68,000	68,000
	Total Fees and Deposits	32,751	54,765	135,296	130,311	265,340	387,266	146%		208,077	114,050	114,050	114,050
	TOTAL CONTRIBUTION REVENUES	970,382	961,774	1,003,185	999,420	1,151,457	1,274,740	111%		1,139,550	1,064,547	1,083,942	1,114,315
	OTHER REVENUES												
9910	Refunds from Prior Year Revenue	\$ (2,027)	\$ 1,401	\$ 1,761	\$ (2,472)	\$ (2,000)	\$ (30,00)	2%		\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)
9930	Miscellaneous Revenues	517	1,652	3,578	2,211	8,964	11,643	130%		2,000	2,000	2,000	2,000
9970	Carryover of Open Proposals/Projects		33,056		16,510		55,114			64,806	75,000	60,000	50,000
9970	Carryover from Prior Year, Unassigned	145,730	108,937	223,425	250,087	186,960	186,960	100%		276,968	150,000	135,000	125,000
	TOTAL OTHER REVENUES	144,220	145,046	228,765	266,335	193,924	253,687	131%		342,524	225,750	195,750	175,750
	TOTAL REVENUES	\$ 1,114,602	\$ 1,106,820	\$ 1,231,949	\$ 1,265,755	\$ 1,345,381	\$ 1,528,427	114%		\$ 1,482,074	\$ 1,290,297	\$ 1,279,692	\$ 1,290,065
	RESERVES FROM PRIOR YEAR, as of July 1												
9970	Contingency	\$ 35,197	\$ 41,507	\$ 84,730	\$ 99,872	\$ 87,356	\$ 87,356	100%		\$ 155,501	\$ 155,501	\$ 155,501	\$ 134,551
9970	COWCAP Reserve (not active)		56,000	46,780			-						
9970	Net Pension Liability Reserve				46,780	56,432	56,432	100%		82,750	109,170	135,590	162,010
9970	General Reserve - Litigation	124,108	180,000	200,000	250,000	300,000	300,000	100%		291,007	284,917	328,039	252,169
9970	Compensated Absences Reserve		62,003	66,620	66,620	72,897	72,897	100%		76,607	87,222	91,583	96,162
	TOTAL RESERVES FROM PRIOR YEAR	\$ 159,305	\$ 339,510	\$ 398,130	\$ 463,272	\$ 516,685	\$ 516,685	100%		\$ 605,865	\$ 636,810	\$ 710,713	\$ 644,893
	TOTAL REVENUE AND RESERVES	\$ 1,273,907	\$ 1,446,330	\$ 1,630,079	\$ 1,729,027	\$ 1,862,066	\$ 2,045,112	110%		\$ 2,087,939	\$ 1,927,107	\$ 1,990,405	\$ 1,934,958
	Note: Spreadsheet utilizes the cash basis of accounting and does not include accrual/reversal data which do not affect fund balance.												

# NARRATIVE FOR FY 2016-17

## PROPOSED BUDGET

### SALARIES AND BENEFITS

#### 1000 SERIES

#### **FY 2015-16**

Salaries and Benefits (1000 series) for FY 2015-16 was budgeted at \$738,449 for 5.5 positions: one Contract Executive Officer (limited to 960 paid hours per year), Assistant Executive Officer, Project Manager, LAFCO Analyst – GIS/Database Manager, Clerk to the Commission/Office Manager, and Administrative Assistant.

Year-end expenditures for the 1000 series are estimated to be \$707,207, \$31,242 under budget. The variance is primarily explained by the LAFCO Analyst position being unfilled from August to December due to the separation of an employee. The position was filled in December, resulting in a savings of salary and benefits expenses for roughly four months. In October the Commission authorized the transfer of \$6,722 from Contingencies to accommodate for the mandatory leave payouts from the separation. Also during this period, the Assistant Executive Officer was on medical leave for which the short-term disability program paid a portion of his salary during that period.

During this fiscal year the Commission approved a consulting contract with Robert Aldrich in September 2015 not to exceed \$75,000 to provide for supplemental staffing during the absences noted above and due to the complexity of proposals submitted. It is anticipated that the full extent of this contract will be used and is accounted for in Account 2245 (Other Professional Services) in the Services and Supplies series of accounts.

Additionally, the Commission approved the County Exempt Compensation Plan amendments approved on December 15, 2015 to include a one percent (1.0%) across-the-board salary increase retroactive to January 9, 2016 along with other changes through July 1, 2018 (discussed below). Also the Executive Officer and Ad Hoc Personnel/Budget Committee have been in discussions related to the Executive Officer's compensation. It is anticipated that any changes in contract terms will also be retroactive to January 9, 2016. The effect on the current year's budget is not significant.

#### **FY 2016-17**

For Fiscal Year 2016-17 the staffing is anticipated to be maintained from the prior year – a contract Executive Officer, and regular employees of Assistant Executive Officer, Project Manager, LAFCO Analyst – GIS/Database Manager, Clerk to the Commission/Office Manager and Administrative Assistant.

A scheduled across-the-board salary increase of one percent effective July 23, 2016 and a two percent 15-year longevity pay effective December 10, 2016 was previously approved by the Commission, as identified above and have been calculated in the projections. The 15-year longevity pay will affect two employees, Assistant Executive Officer and Administrative Assistant.

As the Proposed Budget Spreadsheet identifies, FY 2016-17 budgets a total expenditure of \$800,024. This includes the step changes in salary appropriate for staff members, budgeting for all benefits for 26.5 pay periods, the retirement rate decrease of 0.8%, and salary reserve related to the Executive Officer contract. The projections for retirement rates stabilize beginning in 2016-17 as more fully discussed in the line item narrative below.

### **FY 2017-18 and FY 2018-19**

The forecast for FY 2017-18 includes budgeting for the standard 26.5 pay periods under the same staffing structure as the prior year and step increases as appropriate for staff members. A scheduled across-the-board salary increase of two percent effective July 22, 2017 was previously approved the Commission, as identified above.

The forecast for FY 2018-19 includes the payment of an additional pay period (occurs once every ten years), the addition of a full-time executive officer at an estimated starting salary of \$150,000, continuing the contract with the current contract executive officer for three months as a transition period, the same remaining staffing structure as the prior year and step increases as appropriate for staff members. A scheduled across-the-board salary increase of three percent effective July 21, 2018 was previously approved as a part of the action to mirror the County's Exempt Compensation Plan as identified above. The Exempt Compensation Plan provision end in June 2019 extends only through the fiscal year.

## **LINE ITEM ACCOUNTS FOR SALARIES AND BENEFITS FOR FISCAL YEAR 2016-17**

### **Regular Salary** – Account 1010: \$473,877

Salaries are calculated at 26.5 pay periods for five positions and includes the contract for the Executive Officer, bilingual pay for the Clerk to the Commission, 1% salary cost of living increase, and 15-year longevity pay for the Assistant Executive Officer and Administrative Assistant. Cash out amounts included in this line item account for the annually declared vacation/holiday leave cash outs. The salaries by position are:

Executive Officer (contract, 960 hours)	\$105,600
Assistant Executive Officer	108,137
Project Manager	87,134
LAFCO Analyst	56,052
Clerk to the Commission	61,543
Administrative Assistant	55,410



## **BENEFITS**

For employee benefits, LAFCO mirrors those as provided to the County's Exempt Employees as identified in the LAFCO Policy and Procedure Manual and contracts with the County to administer the benefits for its employees. Benefit allocations are calculated at 26.5 pay periods for the regular LAFCO positions, and only the car and cell phone allowance benefits for the Executive Officer, except where identified otherwise.

### Merit Incentive (Car and Cellphone Allowance) – Account 1030: \$17,327

The LAFCO Benefit Plan allocates to the Executive Officer \$561.54 car allowance and cellphone allowance of \$92.31 per pay period. The contract with the Executive Officer provides for the payment of this benefit.

### Termination Payment – Account 1045: \$0.00

The LAFCO Benefit Plan provides that at separation from LAFCO service, employees are required to contribute the cash value of their unused sick-leave to the Retirement Medical Trust Fund at the rate of 75% of the cash value of the employee's unused sick leave hours. Should such occur, revenues would transfer from the Compensated Absence Reserve for payment.

### General Member Retirement – Account 1110: \$119,726

Calculation for the payment of the LAFCO (employer) retirement contribution is based upon the rate of 33.05% of salaries paid for Tier 1 employees and 29.50% for Tier 2 (one employee). The retirement rate decreases from the FY 2015-16 contribution rates of 33.31% and 29.77%, respectively. The chart below provides the rates from FY 2015-16 through FY 2021-22, as provided by SBCERA. As shown, the rates have stabilized.

Year	15-16	16-17	17-18	18-19	19-20	20-21	21-22
Tier 1	33.31	33.05	33.06	32.62	32.61	32.93	32.95
Tier 2	29.77	29.50	29.51	29.07	29.06	29.38	29.40

### Survivor's Benefits – Account 1130: \$228

\$1.72 per employee per pay period; a decrease from \$1.85.

### Indemnification General – Account 1135: \$16,130

This account allocates the funding necessary to cover additional employee retirement payments pursuant to the provisions of the LAFCO Benefits Plan. A retirement benefit for all Tier 1 employees of \$152.17 per pay period is included in this plan.

### Employee Group Insurance (Health Insurance Subsidy) – Account 1200: \$46,498

This account allocates a Medical Premium Subsidy in an amount that has been augmented to include the dollars from the Flexible Benefit Plan. The subsidy is paid only toward coverage chosen by the employee as follows:

- Employee only at \$218.56 per pay period (two employees).
- Employee plus one dependent at \$352.23 per pay period (one employee).
- Employee plus two or more dependents at \$482.64 per pay period (two employees).

Long Term Disability – Account 1205: \$962

This cost is calculated at 27 cents per \$100 of base pay.

Vision Care Insurance – Account 1207: \$837

This cost is calculated at \$6.32 per employee per pay period.

Dental Insurance and Health Subsidy – Account 1215: \$1,253

This account allocates the Dental Premium Subsidy of \$9.46 per employee per pay period that, when combined with the Medical Subsidy, would offset the cost of out-of-pocket dental expenses charged to eligible employees.

Short Term Disability and Family Medical Leave Overhead – Account 1222: \$3,784

LAFCO employees are provided with short-term disability by contract with the County at a cost of 0.99% of salaries per pay period. In addition, the administrative cost for the Family Medical Leave is calculated at \$1.62 per pay period for each regular employee and the contract Executive Officer as required by law.

Social Security Medicare – Account 1225: \$6,072

For employees entering LAFCO service after 1985, contribution to the federal Social Security Medicare system is mandatory. The cost is calculated for four positions, and the contract Executive Officer at the rate of 1.41% of base compensation as required by law.

Worker's Compensation – Account 1235: \$5,113

This account is for worker's compensation insurance. LAFCO purchases this insurance through the Special District Risk Management Authority (SDRMA), a joint powers authority. The charge is not increasing from the prior year and is estimated to be \$1.07 per \$100 of salaries and Commissioner stipend payments.

Life Insurance and Medical Trust Fund– Account 1240: \$6,429

This account contains costs associated with term life insurance (\$1.80 per pay period per employee), variable life insurance (based upon employee elections, \$840), and contributions to the Retirement Medical Trust Fund (based upon years of service, \$5,351).

Other (Medical Reimbursement Plan) – Account 1305: \$6,920

This account is for the Commission's matching payment toward an Exempt Medical Reimbursement Plan for employees of up to \$40 per employee per pay period and the Healthy Lifestyles membership up to \$324. Staff estimates full utilization of this benefit by five employees.

Deferred Compensation – Account 1314: \$1,781

LAFCO matches employee contributions to the 457 savings plan of the County up to ½% of the employee's base salary. The appropriation anticipates full participation by five full-time employees in this plan.

401(k) Contribution – Account 1315: \$28,500

LAFCO matches employee contributions to the 401(k) savings plan of the County up to 8% of the employee's base salary. The appropriation anticipates full participation by the five full-time employees.

Salary Reserve – Account 1000 -- \$64,587

Since at the time of the proposed budget preparation contract negotiations with the Executive Officer were ongoing, a salary reserve has been allocated for use in concluding those negotiations. Should no change be provided, these funds would roll forward to the next year in fund balance.

**SERVICES AND SUPPLIES**  
**2000 AND 5000 SERIES**

**FY 2015-16**

This year is shaping up to be a banner year for LAFCO - one not only with above normal activity, but also one with complex proposals which could directly impact the quality of life of hundreds of thousands of residents of our County. By action taken at the September hearing, the Commission directed staff to prioritize its activities to address the fire proposals submitted as the top priority, other jurisdictional changes next, and service reviews to follow. The approval of a consultant contract for supplemental staffing is helping with the processing burden.

For FY 2015-16, Services and Supplies had a final budgeted amount set through amendments and other actions of \$517,752 and are estimated to be 81% expended at the conclusion of the fiscal year for a total of \$419,535. Items of note during this Fiscal Year are:

- Due to the County Workforce Development Department vacating the building where the LAFCO office is located, LAFCO was required to install its own dedicated communications line, at a cost of roughly \$20,000. As a part of this change, the Commission pays its own charges to Verizon of \$926 monthly for access to the internet, County intranet, and telephone via a fiber line.
- Significant unanticipated individual notice costs of roughly \$67,000 for the proposals related to annexations to County Fire that include the extension of a special tax (San Bernardino, Twentynine Palms, and Needles). These costs are fully recovered from the proponents of the changes.
- Round 2 of the Fiscal Indicators program (now includes data for 2013 and 2014) was made available on the LAFCO website in January 2016.
- The consulting contract with Bob Aldrich for staffing services – the Commission approved this contract in September 2015 not to exceed \$75,000.

- The Commission has expressed its desire to provide continuing governance training for the special districts within the County. As a part of the FY 2015-16 budget, staff developed an education program with the California Special Districts Association (CSDA) and the Institute for Local Government (ILG) – see chart below. The sessions were well attended with positive survey results.

<b>Educational Training Program Timeline</b>		
<b>Training Session</b>	<b>Collaboration</b>	<b>Date</b>
Understanding the Brown Act – Beyond the Basics	California Special Districts Association	September 28, 2015
Partnering with Community-based Organizations for more Inclusive Public Engagement	Institute for Local Government	January 13, 2016
Positioning Your Agency for Successful Financing (webinar)	California Special Districts Association	February 24, 2016

## **FY 2016-17**

The total budgeted amount for Services and Supplies for FY 2016-17 is \$651,105 which is an increase of roughly \$225,938 from the 2015-16 estimated year-end. The following work plan items are included:

- It is anticipated that processing activity for FY 2016-17 will continue at the same magnitude as FY 2015-16 with the receipt of at least two fire proposals that include the extension of a special tax. Therefore, staff has taken the direction of the Commission to prioritize the fire proposals as the top priority, other jurisdictional changes next, and service reviews to follow will continue during the upcoming year. To assist with the fire proposal processing, this budget recommends extending the contract with Robert Aldrich for supplemental staffing (\$86,400) for the full fiscal year.
- The budget includes the printing and postage and handling charges for the two fire proposals that include the extension of a special tax (\$53,332). These costs are recovered from the applicant and are accounted for in the Revenue budget in kind.
- Ongoing Projects include the continuation of the Fiscal Indicators program adding the data for 2015 for viewing on the LAFCO website by September 2016.
- The workload related to jurisdictional change applications is increasing from the recession years. Staff is estimating that the upcoming activity will continue as the

budget conservatively anticipates ten proposals for jurisdictional change. The recent uptick in activity consists of complex proposals which require increased analysis and processing time.

- The staff office lease terminates on June 30, 2017, and the direction from the Commission was to look for alternative office sites. The Executive Officer identified the interest in potentially moving to the Historic Santa Fe Depot, currently housing the SANBAG offices, into the eastern historic Harvey House area. However, this location, in staff's opinion, is contingent upon the successful completion of the San Bernardino City Fire reorganization. At this time, staff is negotiating with SANBAG for use of the office space which includes negotiations on improvements/renovations that would be necessary to occupy the area. Through those discussions, staff has identified that the move will cost roughly \$269,000 identified as follows:
  - ✱ \$100,000 – Upfront construction costs with the remainder to be amortized for the first five years of the lease (\$100,000).
  - ✱ \$50,000 – Purchase of new office furniture to address a totally modular approach to maintain the historic aspects of the space. Staff has used estimates from two other County departments who have recently moved. The current LAFCO furniture ranges from 10 to over 30 years old.
  - ✱ \$4,000 – Moving company removal and disposal of current furniture, move of LAFCO files, office design and consultation, and installation of new furniture.
  - ✱ \$15,000 – Work performed by Verizon and County Information Services Department (ISD) to install fiber optic lines in the office space.
- The current server will be seven years old and will have no asset value at the time of the move. Concurrent with the move, staff proposes to purchase a new server which would support the GIS and other computing needs required of staff. The estimated cost is \$15,000. In addition, updates to copying equipment and printers may need to be addressed prior to the move.
- The Commission's Governance Training program is budgeted to continue for the special districts within the County. For the coming year, the budget anticipates at least two courses by either the California Special Districts Association (CSDA) or the Institute for Local Government (ILG). The total program cost for the year is estimated at roughly \$5,000.

## **FY 2017-18 and FY 2018-19**

Services and Supplies for FY 2017-18 are projected at \$395,013. It anticipates a conservative maintenance in activity to include the processing of nine proposals for the year, natural contract and inflationary increases, and maintenance of current activities. Additionally, the FY 2017-18 forecast includes \$20,000 for the recruitment process for a

permanent Executive Officer and an increase for those items sensitive to consumer price index increases.

Services and Supplies for FY 2018-19 are projected at \$382,520. The primary reason for the decrease in costs from prior year is the lack of Executive Officer recruitment costs. It anticipates maintenance of the proposal activity, and natural contract and inflationary increases.

## **LINE ITEM ACCOUNTS FOR SERVICES AND SUPPLIES FOR FISCAL YEAR 2016-17**

### **SERVICES**

#### Comnet Charge – Account 2037: \$2,556

Comnet is the County's telephone system and supports the new computer linked phone system. Charges for use of this system are \$30.43 per line per month. LAFCO utilizes seven phone lines, not including the answering/fax line which are a part of Account 2041.

#### Phone Service/Outside Company – Account 2041: \$12,543

The use of phone service outside the County system (Verizon) is required by the security alarm company to ensure proper monitoring for the LAFCO office as well the analog fax machine (which line is also used for the answering machine). The monthly phone charge is roughly \$120 per month. Additionally, monthly charges to Verizon of \$926 are required for the access to a fiber optic line, enabling access to the internet, County intranet, and telephone.

#### Membership Dues – Account 2075: \$9,264

This account is for membership in professional associations. Dues are estimated to be \$8,108 (seven percent increase) for CALAFCO and \$1,156 for California Special Districts Association.

#### Tuition Reimbursement – Account 2076: \$2,000

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. This appropriation provides for full participation by two employees.

#### Publications – Account 2080: \$3,125

This account anticipates costs for updates to the California Legislative Codes, California Environmental Law pamphlets, and other publications and/or updates utilized by either staff or the Commission and the monthly California Planning and Development Newsletter. As a cost savings measure, the Commission has participated in a contract with West's Publishing Customer Loyalty program to receive updated pocket parts to the California Annotated Code.



Legal Notices – Account 2085: \$19,500

The budget figure accommodates the advertising needs for maintenance of a ten hearing schedule and estimated five protest hearings. The processing of service reviews which are anticipated to move to a county-wide approach with a regional definition inside that review will require an eighth-page display ad in general newspapers throughout the County and when advertisement is authorized in-lieu of individual landowner and/or registered voter notice for changes of organization.

Miscellaneous Expense (Costs related to move) – Account 2090: \$169,260

Staff has identified a single account for costs related to the relocation of the LAFCO office. Costs include:

- Relocating data and communication lines. LAFCO will be responsible for its own internet infrastructure at the proposed relocation building (Santa Fe Train Depot). The desire is to use fiber optic lines and remain on the County system (\$15,000).
- Upfront construction costs with the remainder to be amortized for the first five years of the lease (\$230,000; \$100,000 paid up front with the remainder amortized over the first five years of the lease).
- Purchasing new office furniture. On a per unit basis, the costs are comparable to those recently incurred by two County departments. The current LAFCO furniture ranges from 10 to over 30 years old. Estimated cost is \$49,910.
- Moving company removal and disposal of current furniture, move of LAFCO files, office design and consultation, and installation of new furniture (\$4,000).

Computer Software – Account 2115: \$6,652

The account accommodates the charges for purchases of new software programs, access to online programs, and annual updates of existing programs. Access to online programs and annual updates of existing programs include ESRI's online mapping, digital archiving software for LAFCO to maintain its records in perpetuity per Government Code Section 56382, upgrade to the current Adobe Acrobat for all employees, and Microsoft annual licenses.

Inventoriable Equipment – Account 2125 -- \$15,000

The current server is six years old and will have no asset value next year. Concurrent with the office move, staff proposes to purchase a new server which would support the GIS and other computing needs required of staff. The life of the server is anticipated to be 7-10 years with an estimated cost of \$15,000.

Other Insurance – Account 2245: \$7,085

This account is for property liability insurance (liability and damage), general liability, public officials and employee errors and omissions, personal liability for board members, employment practices liability, employee benefits liability, employee dishonesty coverage, and auto liability. LAFCO purchases this insurance through the Special District Risk Management Authority (SDRMA), a joint powers authority. SDRMA has provided notification that it intends not to raise rates for the upcoming year.

## **SUPPLIES**

### General Office Expense – Account 2305: \$7,183

This account is utilized for expenses to run the office such as office supplies and non-inventoriable items. General expenses include ink for the color printer, paper, petty cash reimbursement, annual fire inspection fee, and office supplies. Additionally, LAFCO utilizes the County's contract with Staples, and these expenses are budgeted in Account 5012 (Staples) with only the administrative surcharge included in this line item.

### Credit Card Clearing Account - Account 2308: \$0

This is a clearing account for use of the credit card issued to the Executive Officer. All charges on the card will be posted to this account temporarily with charges then transferred to the appropriate accounts. At year's end, this account will have no expenditures.

### Postage – Direct Charge – Account 2310: \$48,388

The shift to have placement of the staff reports and attachments and notices on CD and the website has reduced overall postage costs. For the routine course of business, the estimated postage cost for the year is \$11,056 for 10 hearings. This cost includes postage and handling for 10 hearings and interoffice mail to include special pick-ups as outlined in the County's Internal Service Rates. Additionally, proposals regarding County Fire that include annexation to a special tax zone will include individual notice for the Commission and protest hearings. These costs would be covered by the applicant's deposit and are calculated at \$37,332.

### Records Storage – Account 2315: \$588

Government Code Section 56382 mandates LAFCO to maintain its records in perpetuity. The cost for storage is estimated to be \$588 annually.

### Reproduction Services – Account 2323: \$16,000

This account is for reproduction activity outside of the LAFCO office (County Printing Services, Kinkos, etc.). The shift to have the staff reports, attachments and notices on CD and available online have reduced printing costs. However, proposals regarding County Fire that include annexation to a special tax zone will include individual notice, a substantial expenditure. These costs would be covered by the applicant's deposit and are calculated at \$16,000.

## **CONSULTANT AND SPECIAL SERVICES**

### Professional and Special Service (Legal Counsel) – Account 2400: \$34,300

The existing contract for LAFCO legal counsel allows an annual rate based on the local consumer price index for the previous year for urban consumers not to exceed five percent and rounded up to nearest dollar; \$227 per hour is charge for Fiscal Year 2016-17. All legal counsel costs, with the exceptions of administrative charges and the CALAFCO Conference, are reimbursable under the Commission's existing fee policy. Payments made for costs recoverable are deposited into Revenue Account 9555. (Litigation and outside

legal counsel costs are charged under Account 2449 below.) LAFCO also participates in Best, Best, & Krieger's *Public Policy and Ethics Service* which has an annual charge of \$3,300.

Auditing – Account 2405: \$15,090

The Commission just concluded the fourth year of a four-year audit contract. Currently, a RFP for a joint audit proposal is being circulated by the Southern Region LAFCOs. The budget estimates the first year cost to be \$9,000.

Additionally, LAFCO Legal Counsel charges for the preparation of the response to the audit which is paid from this account (estimated at \$90). SBCERA is required to determine the unfunded liability for its participants and by legislative action can charge for fulfilling that requirement. The prior year SBCERA cost was \$5,757, which is budgeted at \$6,000 for the coming year.

Data Processing – Account 2410: \$8,215

LAFCO contracts with the County Information Services Department for technology related services. This account is for technology infrastructure (internet, email, security, etc.) and reporting from the County payroll system. The budget utilizes a monthly average of \$685.

COWCAP – Account 2415: \$13,236

FY 2015-16 was the first year that there were no costs identified in the County Wide Cost Allocation Plan (COWCAP). For FY 2016-17, the costs identified total \$13,236 – this would be for services performed in FY 2014-15 but charged in FY 2016-17. COWCAP costs include technology charges-emerging technologies, use of County Purchasing, and processing of payments and payroll through the County Auditor which are charged to LAFCO pursuant to existing agreements.

ISD Other IT Services – Account 2420: \$175

This account is for charges by the County Information Services Department for the Executive Officer's portable communication device (smart phone) connection to County e-mail servers - \$14.61 per month per device.

ISD Direct – Account 2421: \$9,816

LAFCO contracts with the County Information Services Department for technology related services. This account is for maintenance of the local area network of computers, printers, and servers. The County charges a flat monthly charge by device rather than by service call activity. The monthly charge is \$91 per device for nine devices.

Environmental Consultant – Account 2424: \$10,250

The Commission contracts with an independent consultant, Tom Dodson and Associates, for the environmental assessment associated with its proposals. Anticipated costs are for environmental analysis of out-of-agency service contracts, proposals, sphere of influence updates and service reviews, and for other environmental determinations. Most environmental consultant costs are billable under the Commission's existing fee schedule. Payments made for cost recovery are deposited into Revenue Account 9660.

Security Services – Account 2444: \$408

Costs for maintaining the security alarm system and monitoring are \$102 paid quarterly.

Other Professional Services – Account 2445: \$135,761

This account is for professional services to process proposals and items on the hearing agendas and includes the anticipated costs for the County Surveyor and Registrar of Voters. Commissioner stipend payments for attendance at hearings and annual conference, and the costs for the Commission's designated representative to Southern Region LAFCOs and the CALAFCO Board of Directors are provided in this account. The CALAFCO cost has been increased as Chairman Curatalo will become the President of the Board of Directors of CALAFCO in September 2016. This account also includes the costs anticipated for the County Auditor to bill for the apportionments for the Cities, Independent Special Districts and the County.

The Commission expressed its intent to continue to provide governance training for the special districts within the County. Staff has developed an education program for the coming year with the California Special Districts Association (CSDA) and the Institute for Local Government (ILG) and is proposing to provide three seminars during the fiscal year. CSDA and ILG have indicated that it would charge \$2,500 to conduct the training.

The contract with Bob Aldrich for staffing support is included at a rate of \$75 an hour, for a budgeted total of \$86,800.

Outside Legal – Account 2449: \$0

This account is for 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.

System Development – Account 2450: \$600

LAFCO contracts with the County Information Services Department for technology related services. This account is for specialized support for the LAFCO website to include maintenance of the site, its mapping page, and Fiscal Indicators page.

GIMS Charges – Account 2460: \$17,370

LAFCO contracts with the County Information Services Department for technology related services. This account is for generation and maintenance of digitized maps. Costs for this account include paper maps generated (\$243), Aerial Imagery subscription (\$3,000), Street Network Subscription (\$10,500), and LAFCO's proportional use of the County's ESRI ArcMap license.

## **LEASE/PURCHASES**

Rent/Lease Copier – Account 2895: \$5,904

This account accommodates the contract for the copier rental at an estimated \$492 per month, based upon activity.

Office/Hearing Chamber Rental – Account 2905: \$54,308

The monthly lease payment for the staff office for 2015-16 will be \$4,484, a contracted 3% increase over the prior year for a total expense of \$53,808. This account also includes the rental charge for the Commission's hearings at \$50 per hearing for ten hearings (\$500).

## **TRAVEL RELATED EXPENSES**

Private Mileage – Account 2940: \$5,403

This account is currently dedicated for Commissioners and staff private auto mileage at the IRS rate, excluding the Executive Officer.

Conference/Training – Account 2941: \$3,500

This account is for attendance charges related to conferences and training courses for staff as directed by the Executive Officer. The costs include CALAFCO or Southern Region LAFCOs training, clerk and analyst training, attendance at the CALAFCO annual conference by Commissioners and staff (currently estimated at five Commissioners and two staff), and staff participation at the CALAFCO Staff workshop (estimated at two staff). The annual conference will be hosted by Santa Barbara LAFCO and staff workshop by Fresno LAFCO.

Hotel – Account 2942: \$8,800

This account is for hotel charges for Commissioners and staff at the CALAFCO annual conference, Southern Region LAFCOs meeting attendance, staff participation at the staff workshop, CALAFCO Legislative Committee participation, Chairman Curatalo's participation as the incoming President of the CALAFCO Board of Directors and any other overnight stays on LAFCO business.

Meals – Account 2943: \$2,575

This account is for Commissioner and staff meal charges related to the CALAFCO annual conference, CALAFCO Board hearings, Southern Region LAFCOs meeting attendance, staff workshop, CALAFCO Legislative Committee participation, and other travels.

Car Travel – Account 2944: \$150

This account is for car rental by Commissioners or staff.

Air Travel – Account 2945: \$2,000

This account is for air travel for Commissioners and staff. The costs identified are for the Executive Officer's travel due to membership on the CALAFCO Legislative Committee and Commissioners participating on CALAFCO Board of Directors.

Other Travel – Account 2946: \$500

This account is for miscellaneous travel charges such as parking and taxi charges. The estimated cost for taxi services for the CALAFCO annual conference, staff workshop, and other travels.

## **OTHER CHARGES**

### Staples – Account 5012: \$3,600

LAFCO utilizes the County's contract with Staples for general office supplies and these expenses are budgeted in Account 5012 (Staples).

## **CONTINGENCIES AND RESERVES**

### Contingency (General) – Account 6000: \$155,501

The amount for this account has been set at least 10% of total expenditures. The funds currently in this account will carry over into FY 2016-17, which are adequate to cover the minimum requirement. Although the funds in this account are not anticipated for use, funds could be used for unexpected activity. Any transaction affecting the contingency funds requires Commission action to transfer the funds to the appropriate line item for expenditure.

### Reserves – Net Pension Liability -- Account 6010: \$109,170

In October 2014, the Commission created the Net Pension Liability Reserve to set aside funds to address its unfunded pension liabilities. The Net Pension Liability is calculated each year by SBCERA, and the amortization of this liability is annually evaluated by LAFCO as part of the budget. This budget includes the contribution for the second year of the 20-year amortization.

The most recent estimate (as of June 30, 2014) of the LAFCO share of the retirement pool's unfunded liability is \$584,731. Amortizing this out 20 years, minus the current reserve total of \$82,750, results in an annual contribution of \$26,420 for the next 19 years. It was the Commission's direction that this reserve plus Contingency would cover pension liability should the legislature decide to dissolve LAFCOs throughout the State.

### Reserves – General – Litigation – Account 6025: \$284,917

The Commission indicated that it would set aside a fund designated for use for general purposes to include litigation. Commission policy is \$200,000 minimum for this reserve.

### Reserves – Compensated Absences – Account 6030: \$87,222

The Commission has an established policy of setting aside reserves for the compensated absences payable as of the first pay period in April. The amount identified above represents five full-time staff positions, excluding the contracted Executive Officer.



## REVENUES

### **FY 2015-16**

The chart below shows the budgeted (as amended throughout the year) and the estimated year-end balances for the accounts that comprise the Fee categories, accounts that are sensitive to activity levels. By year's end, staff estimates fee revenue receipts \$111,938 above budget amounts. The chart below outlines the Revenue Categories:

<b>Fee/Deposit Category</b>	<b>Budget</b>	<b>Estimated Year-End</b>
Individual Notice	\$ 71,780	\$ 55,076
Legal Services	\$ 20,596	\$ 22,321
Protest Hearing	\$ 0	\$ 28,544
GIMS Fees	\$ 2,400	\$ 9,430
Environmental Deposits	\$ 4,950	\$ 9,000
<u>LAFCO Fees</u>	<u>\$ 165,614</u>	<u>\$ 262,895</u>
<b>Total Fee Revenue</b>	<b>\$ 265,340</b>	<b>\$ 387,266</b>

As shown in the chart below, activity for which LAFCO receives fees and deposits is projected to far exceed total expectations. The activity for the year includes the following:

<b>Activity</b>	<b>Budget</b>	<b>Through March</b>	
		<b>No.</b>	<b>% of Budget</b>
Proposals	6	15	250%
Service Contracts - Commission approval	1	3	300%
Service Contracts - Commission approval for exemption	0	2	
Service Contracts - Admin (E.O.) approval	4	3	75%
Protest Hearing Deposits	5	3	60%

### **FY 2016-17**

As noted in other portions of this narrative, FY 2016-17 is anticipated to continue a normal submission count for proposal activity. This is based upon the increasing activity from the past two years as well as information conveyed that most sectors of the local economy have strong predictions for the upcoming year. However, even with this good news staff is retaining a conservative estimate for application filings for the upcoming year.

<b>Activity</b>	<b>FY 2016-17 BUDGET</b>
Proposals	10
Service Contracts - Development Related	4
Service Contracts - Admin approval	4
Protest Hearing Deposits	5

Revenues consisting of interest, mandatory apportionment contributions (5% increase from prior year), and fee revenue are estimated to be \$1,139,550. Refunds from Prior Years, Miscellaneous Charges, and Carryover increase revenues to a total of \$1,482,074. Including Reserves from Prior Year adds \$605,865, for a grand total of \$2,087,939.

## **REVENUE FORECAST FOR FISCAL YEAR 2017-18 AND FISCAL YEAR 2018-19**

The forecast included for years two and three of the budget assumes a maintenance of proposal activity and an increase in apportionment of net costs by 2.0% each year. The following chart conservatively maintains proposal activity for the following two years.

Activity	17-18	18-19	19-20
Proposals	9	9	8
Service Contracts - Develop.	2	2	3
Service Contracts - Admin	6	5	6
Protest Hearing Deposits	5	5	5

## **LINE ITEM REVENUES FOR FISCAL YEAR 2016-17**

### Interest – Account 8500: \$5,250

LAFCO participates in the County's interest pool and is apportioned interest receipts quarterly. Interest earned will be similar to the prior year which remains low due to the lower interest percentage paid.

### Mandatory Contribution from Governments (Local Government) – Account 8842: \$926,223

Government Code Section 56381 requires that the net costs for LAFCO be apportioned equally to the County, the Cities, and the Independent Special Districts within the County. The proposed apportionment to the County, Cities, and Independent Special Districts is \$926,223 each. The County Auditor will be required to apportion this amount on July 1, 2016 pursuant to the requirements of law and Commission policies.

The apportionment since FY 2011-12 is shown below:

11-12	12-13	13-14	14-15	15-16	16-17
\$933,639	\$903,000	\$864,822	\$864,822	\$882,117	\$926,223
9.7% decrease	3.3% decrease	4.2% decrease	No increase	2.0% increase	5.0% increase

Pursuant to Government Code Section 56381(a), the proposed and final budget at a minimum shall be equal to the budget adopted for the previous fiscal year unless the Commission makes certain determinations. As outlined in the Proposed Budget staff report, the continuation of the Contract Executive Officer helps with continuing maintenance of the

lower required apportionment payments. However, this budget includes the relocation of the staff office as well as continuing the contract for supplemental staffing with Robert Aldrich. The apportionment amount identified will be sufficient to cover the costs for the upcoming fiscal year including the maintenance of the Commission required reserves.

## **CURRENT SERVICES/FEEES**

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

The LAFCO *Schedule of Fees, Deposits, and Charges* was last increased in 2010. For this budget cycle, staff is proposing increases to the deposit categories and fees for certain reorganization proposals that are complex in nature, such as incorporations and consolidations. There are no proposed changes to the fees for annexations and other routine proposals. Cost recovery for proposals and service contracts is not addressed in the budget due to its speculative nature.

The figures for the categories below are based upon the activity identified above.

### Individual Notice – Account 9545: \$37,366

This account is for landowner and registered voter notification requirements. This \$700 deposit is applied proposals and development-related service contract less refunds. 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. An additional \$26,666 has been calculated for the additional individual notices for the Commission hearings.

### Legal Services – Account 9555: \$15,150

This account is for deposits for legal services which are calculated at \$1,200 for proposals and \$650 for service contracts requiring a hearing.

### Protest Hearing – Account 9595: \$34,166

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. An additional \$26,666 has been calculated for the additional individual notices for the protest hearings.

### GIMS Fees – Account 9655: \$7,995

This account is for receipt of revenue to recover the costs associated with the County's digital maps for sphere or boundary changes, maintenance and updates. The charge is based upon the acreage of each consideration area.

### Environmental Deposits – Account 9660: \$9,600

This account is for deposits for environmental review processing are calculated at \$750 for proposals and \$450 for service contracts requiring a hearing.

Other (LAFCO Fees) – Account 9800: \$103,800

Revenues in this account are based on anticipated activity and conservatively calculated at the median annexation filing fee for the activity identified above.

## **OTHER REVENUES**

Refunds from Prior Year – Account 9910: (\$1,250)

This account refunds deposits submitted by applicants less costs incurred for activity which carry over from one year to another.

Miscellaneous Revenues – Account 9930: \$2,000

This account is for revenues received for duplication of CDs, DVDs, paper copies, and other miscellaneous receipts.

Carryover from Prior Year – Account 9970: \$335,761

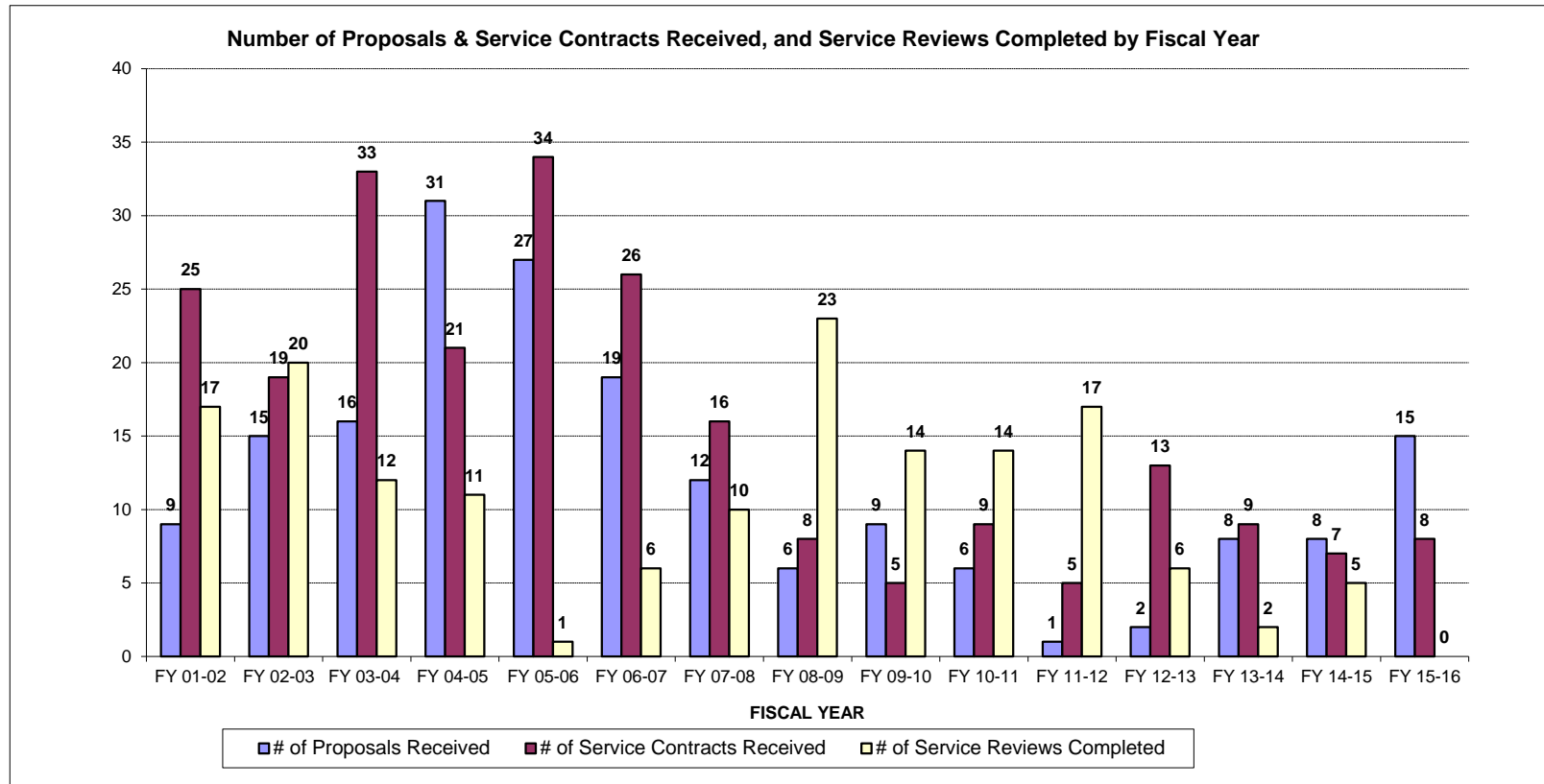
A total of \$111,150 will carryover as funds tied to open proposals not yet complete. The remainder of \$224,611 is anticipated to carryover from FY 2015-16 to FY 2016-17 as unassigned funds. This amount will be used to balance the budget and lower the apportionment costs to the local governments.

## **RESERVES FROM PRIOR YEAR, as of July 1, 2016 (estimated)**

All of the Commission's reserves are anticipated to carryover from FY 2015-16 to FY 2016-17 as follows:

• Contingencies	\$ 155,501
• Net Pension Liability Reserve	82,750
• General Reserve – Litigation	291,007
• Compensated Absences Reserve	76,607
• <b>TOTAL</b>	<b>\$ 605,865</b>

# Activity Chart



As of March 31, 2016

# **Estimated Apportionment Distribution for County, City/Town and Special District Costs**

**Attachment 2**



**LAFCO Cost Allocation  
County of San Bernardino Allocation  
PY 2016-2017**

	<u>Amount</u>	<u>Percentage of Total Cost</u>
<b>County of San Bernardino</b>		
Total LAFCO Cost	\$ 926,223.00	100.00%
County of San Bernardino Allocation (1/3)*	\$ 308,741.00	33.33%
<b>Total San Bernardino County Allocation</b>	<b>\$ 308,741.00</b>	<b>33.33%</b>

**Note:**

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

\* Total LAFCO Apportionment for FY 2016-17 is \$926,223 (by letter dated April 7, 2016)

**LAFCO Cost Allocation  
Cities Allocation  
PY 2016-2017**

City	Total Revenues FY 13-14	LAFCO Allocation	Allocation Percentage
Adelanto	\$ 13,047,272.00	\$ 1,803.32	0.58%
Apple Valley	\$ 51,780,078.00	\$ 7,156.74	2.32%
Barstow	\$ 42,074,463.00 *	\$ 5,815.29	1.88%
Big Bear Lake	\$ 41,023,704.00 *	\$ 5,670.06	1.84%
Chino	\$ 125,954,502.00	\$ 17,408.70	5.64%
Chino Hills	\$ 102,278,052.00	\$ 14,136.28	4.58%
Colton	\$ 129,634,830.00	\$ 17,917.37	5.80%
Fontana	\$ 182,748,315.00 *	\$ 25,258.41	8.18%
Grand Terrace	\$ 9,041,850.00	\$ 1,249.71	0.40%
Hesperia	\$ 81,828,393.00 *	\$ 11,309.85	3.66%
Highland	\$ 30,396,811.00	\$ 4,201.27	1.36%
Loma Linda	\$ 30,522,029.00	\$ 4,218.58	1.37%
Montclair	\$ 34,562,098.00	\$ 4,776.97	1.55%
Needles	\$ 5,498,846.00	\$ 760.02	0.25%
Ontario	\$ 402,537,092.00	\$ 55,636.35	18.02%
Rancho Cucamonga	\$ 165,252,302.00 *	\$ 22,840.21	7.40%
Redlands	\$ 132,656,323.00	\$ 18,334.99	5.94%
Rialto	\$ 117,126,425.00	\$ 16,188.54	5.24%
San Bernardino	\$ 256,171,977.00	\$ 35,406.60	11.47%
Twentynine Palms	\$ 10,417,262.00	\$ 1,439.81	0.47%
Upland	\$ 85,967,506.00	\$ 11,881.93	3.85%
Victorville	\$ 137,642,658.00 *	\$ 19,024.17	6.16%
Yucaipa	\$ 30,698,727.00	\$ 4,243.00	1.37%
Yucca Valley	\$ 14,924,885.00	\$ 2,062.83	0.67%
	<b>\$ 2,233,786,400.00</b>	<b>\$ 308,741.00</b>	<b>100.00%</b>

Allocation is based on Cities revenues extracted from Fiscal Year 2013-14 tables published on the State Controller's website ([www.sco.ca.gov](http://www.sco.ca.gov)). Fiscal Year 2014-15 was not available as of March 23, 2016.

\* Cities with subsidiary districts. Subsidiary districts are excluded from the special district distribution and revenue added to the City (confirmed for FY 2016-17 by email dated March 23, 2016)

Barstow Fire Protection District (City of Barstow)

Big Bear Lake Fire Protection District (City of Big Bear Lake)

Fontana Fire Protection District (City of Fontana)

Hesperia County Water District (City of Hesperia)

Hesperia Fire Protection District (City of Hesperia)

Rancho Cucamonga Fire Protection District (City of Rancho Cucamonga)

Victorville Water District (City of Victorville)

**LAFCO Cost Allocation  
Special Districts Allocation  
PY 2016-2017**

<b>District Name</b>	<b>Total Revenues* FY 13-14</b>	<b>LAFCO Cost Allocation</b>	<b>Allocation Percentage</b>
Apple Valley Fire Protection	\$ 7,107,825.00	\$ 9,885.54	3.20%
Apple Valley Foothill County Water	\$ 156,059.00	-	0.00%
Apple Valley Heights County Water	\$ 263,014.00	-	0.00%
Arrowbear Park County Water	\$ 1,053,155.00	-	0.00%
Baker Community Services	\$ 686,188.00	-	0.00%
Barstow Cemetery	\$ 378,924.00	-	0.00%
Barstow Heights Community Services	\$ 104,540.00	-	0.00%
Bear Valley Community Healthcare	\$ 19,400,180.00	-	0.00%
Big Bear Airport	\$ 1,781,462.00	-	0.00%
Big Bear City Community Services	\$ 12,255,294.00	\$ 9,885.54	3.20%
Big Bear Municipal Water	\$ 4,616,713.00	-	0.00%
Big River Community Services	\$ 119,204.00	-	0.00%
Bighorn-Desert View Water Agency	\$ 1,427,660.00	-	0.00%
Chino Basin Water Conservation	\$ 1,486,039.00	-	0.00%
Chino Valley Independent Fire	\$ 29,055,091.00	\$ 20,000.00	6.48%
Crestline Lake Arrowhead Water Agency	\$ 5,086,307.00	\$ 9,885.54	3.20%
Crestline Sanitation District	\$ 3,681,837.00	-	0.00%
Crestline Village Water	\$ 2,831,405.00	-	0.00%
Cucamonga Valley Water District	\$ 86,769,600.00	\$ 30,000.00	9.72%
Daggett Community Services	\$ 293,147.00	-	0.00%
East Valley Water	\$ 32,847,455.00	\$ 20,000.00	6.48%
Helendale Community Services District	\$ 3,687,223.00	-	0.00%
Hesperia Recreation and Park	\$ 6,361,421.00	\$ 9,885.54	3.20%
Hi-Desert Memorial Healthcare District	\$ 61,663,774.00	-	0.00%
Hi-Desert Water District	\$ 10,777,168.00	\$ 9,885.54	3.20%
Inland Empire Resource Conservation	\$ 1,577,155.00	-	0.00%
Inland Empire Utilities Agency	\$ 110,682,645.00	\$ 30,000.00	9.72%
Joshua Basin Water	\$ 5,006,484.00	\$ 9,885.54	3.20%
Juniper-Riviera County Water	\$ 274,921.00	-	0.00%
Lake Arrowhead Community Services	\$ 16,116,573.00	\$ 9,885.54	3.20%
Mariana Ranchos County Water	\$ 446,043.00	-	0.00%
Mojave Desert Resource Conservation	\$ 112,987.00	-	0.00%
Mojave Water Agency	\$ 54,508,279.00	\$ 30,000.00	9.72%
Monte Vista Water	\$ 16,754,242.00	\$ 9,885.60	3.20%
Morongo Valley Community Services	\$ 710,145.00	-	0.00%
Newberry Community Services	\$ 322,430.00	-	0.00%
Phelan Pinon Hills Community Services District	\$ 5,608,875.00	\$ 9,885.54	3.20%
Rim of the World Recreation and Park	\$ 1,138,472.00	-	0.00%
Running Springs Water	\$ 5,487,534.00	\$ 9,885.54	3.20%
San Bernardino Mountains Community Hospital	\$ 17,521,178.00	-	0.00%
San Bernardino Valley Municipal Water	\$ 64,488,063.00	\$ 30,000.00	9.72%
San Bernardino Valley Water Conservation	\$ 2,211,251.00	-	0.00%
Thunderbird County Water	\$ 201,434.00	-	0.00%
Twentynine Palms Cemetery	\$ 225,681.00	-	0.00%
Twentynine Palms Water District	\$ 6,132,170.00	\$ 9,885.54	3.20%
West Valley Mosquito and Vector Control	\$ 2,448,089.00	-	0.00%
West Valley Water District	\$ 24,473,370.00	\$ 20,000.00	6.48%
Yermo Community Services	\$ 114,026.00	-	0.00%
Yucaipa Valley Water	\$ 24,637,893.00	\$ 20,000.00	6.48%
Yucca Valley Airport	\$ 67,414.00	-	0.00%
<b>Totals</b>	<b>\$ 655,158,039.00</b>	<b>\$ 308,741.00</b>	<b>100.00%</b>

All data in this worksheet are extracted from Fiscal Year 2013-14 Special Districts revenues tables published on the State Controller's website.

Fiscal Year 2014-15 was not available as of March 23, 2016.

- On March 28, 1995, Hi- Desert Memorial Hospital's name was changed to Hi-Desert Memorial Healthcare District.
- By the Resolution No. 2003 -10-8, Cucamonga County Water District name changed to Cucamonga Valley Water District.