

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

**NORTON REGIONAL EVENT CENTER
1601 EAST THIRD STREET, SAN BERNARDINO**

REGULAR MEETING OF OCTOBER 17, 2018

9:00 A.M. – CALL TO ORDER – 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 September 19, 2018](#)
2. [Approval of Executive Officer's Expense Report](#)
3. [Ratify Payments as Reconciled and Note Cash Receipts for Month of August 2018](#)
4. Consent Items Deferred for Discussion

PUBLIC HEARING ITEMS:

5. [Consideration of: \(1\) CEQA Statutory Exemption for LAFCO 3228; and \(2\) LAFCO 3228 – Reorganization to Include Annexation to the Running Springs Water District and Detachment from the San Bernardino County Fire Protection District and its Mountain Service Zone](#)

DISCUSSION ITEMS:

6. [LAFCO SC#432 – Request for Exemption from the Provisions of Government Code Section 56133 for Agreement between Hesperia Water District and County Service Area 64 for Wastewater Collection Services](#)
7. [First Quarter Financial Review for Period July 1 through September 30, 2018](#)
8. [Strategic Planning Workshop Authorization and Approval of Proposal for Facilitation Services](#)
 - a. Authorize a Strategic Planning Workshop to be Facilitated by the Alta Mesa Group, LLC

- b. Review and Approve Proposal with Alta Mesa Group, LLC to Provide Facilitation Services for Strategic Workshop

9. [Update on the City of Rialto's Initiation of its Five North Rialto Islands](#)

10. [Request for Letter of Support for the California WaterFix](#)

INFORMATION ITEMS:

11. Legislative Update Report

12. Executive Officer's Oral Report

13. 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.)

14. Comments from the Public

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

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 1170 West Third Street, Unit 150, San Bernardino, during normal business hours, on the LAFCO website at www.sbclafo.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 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.

9/13/18

**DRAFT ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
HEARING OF SEPTEMBER 19, 2018
*AMENDED***

REGULAR MEETING

9:00 A.M.

SEPTEMBER 19, 2018

PRESENT:

COMMISSIONERS:

Regular Member	Alternate Member
Jim Bagley	Louisa Amis
Kimberly Cox	Steven Farrell
James Curatalo, Vice Chair	
James Ramos, Chair	
Diane Williams	
Robert Lovingood	

STAFF:

Samuel Martinez, Executive Officer
Paula de Sousa Mills, LAFCO Legal Counsel
Michael Tuerpe, Project Manager
Jeffrey Lum, LAFCO Analyst
La Trici Jones, Clerk to the Commission
Kathleen Rollings-McDonald, Former Executive Officer

ABSENT:

COMMISSIONERS:

Regular Member	Alternate Member
Larry McCallon	Janice Rutherford
	Acquanetta Warren

STAFF:

Bob Aldrich, LAFCO Consultant

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION COMMISSION
– CALL TO ORDER – 9:05 A.M. – NORTON REGIONAL EVENT CENTER**

Chair Ramos calls the regular session of the Local Agency Formation Commission to order and Commissioner Bagley leads the flag salute.

ANNOUNCEMENT OF CONTRIBUTIONS

Chair Ramos requests those present who are involved with any of the changes of organization to be considered today by the Commission and have made a contribution of

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more than \$250 within the past 12 months to any member of the Commission to come forward and state for the record their name, the member to whom the contribution was made, and the matter of consideration with which they are involved.

There were none.

ITEM 1. Presentation of Resolution of Appreciation to Kathleen Rollings-McDonald for 39 years of LAFCO service

Chair Ramos presents a resolution of appreciation to former Executive Officer Kathleen Rollings-McDonald for 39 years of service to the Local Agency Formation Commission for San Bernardino County. Commissioners, LAFCO Legal Counsel Clark Alsop, and staff express their appreciation and congratulate Ms. Rollings-McDonald on her service.

CONSENT ITEMS – STAFF RECOMMENDATION APPROVED

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.

ITEM 2. Approval of Minutes for Regular Meetings of August 15, 2018

ITEM 3. Approval of Executive Officer's Expense Report

ITEM 4. Ratify Payments as Reconciled for Month of July 2018 and Note Cash Receipts

ITEM 5. Consideration of: (1) CEQA Statutory Exemption for LAFCO SC#429; and (2) LAFCO SC#429 – City of Redlands OSC 17-02, Out-of-Agency Service Agreement for Water Service (APN 0298-013-23)

ITEM 6. Consent Items Deferred for Discussion

Commissioner Bagley moves approval of the staff recommendation, Second by Commissioner Lovingood. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, and Williams. Noes: None. Abstain: None. Absent: McCallon

PUBLIC HEARING ITEMS:

ITEM 7. CONSIDERATION OF: (1) REVIEW OF MITIGATED NEGATIVE DECLARATION PREPARED BY THE COUNTY OF SAN BERNARDINO FOR THE GENERAL PLAN AMENDMENT TO CHANGE THE AGUA MANSA SPECIFIC PLAN LAND USE DESIGNATION FROM SINGLE-FAMILY RESIDENTIAL TO MEDIUM INDUSTRIAL, CONDITIONAL USE PERMIT TO

ESTABLISH A 475,847 SQ. FT. WAREHOUSE BUILDING AND A 30,059 SQ. FT. WAREHOUSE BUILDING, AND TENTATIVE PARECEL MAP 19603 TO CREATE 3 PARCELS ON 31+/- ACRES, AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#427 – CITY OF RIALTO OUT-OF-AGENCY SERVICE CONTRACT FOR SEWER SERVICE (BRIDGE POINT SOUTH RIALTO, LLC) – STAFF RECOMMENDATION APPROVED

Executive Officer Samuel Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and made a part of the record by its reference here. The item has been advertised through publication in a newspaper of general circulation within the county, the *San Bernardino Sun*, as required by law.

Executive Officer Samuel Martinez states that the City of Rialto has submitted an application for Commission Review requesting authorization to extend sewer service outside its corporate boundaries as pursuant to Government Code 56133. He states that the agreement relates to 18 adjacent parcels that are located westerly on the west side of Agua Mansa Rd., and north of El Rivino Rd. He states that the County processed and approved a General Plan Amendment and Conditional Use Permit to develop the warehouse facilities on the 31 acre site. He states that the conditions of approval placed on the project require that it connect to the City of Rialto's sewer facility. He states that since LAFCO has completed its review, it was identified that the County issued a revision to the approval to consolidate the two warehouses into a single facility. He states that regarding LAFCO's perspective, it does not change the out of agency service agreement since it does not change the square footage of the development. He states that the City's application indicates that the sewer service will be provided by extending the 10-inch sewer main in Agua Mansa Road approximately 40 feet and a 6-inch sewer lateral will be extended into the project. He states that the City has identified an estimated cost of half a million dollars in sewer fees as well as costs for the sewer lift station upgrade and the property owner/developer will be responsible for the entire costs of the construction and installation of the sewer improvements to the project. He states that for environmental review as identified, the County prepared an Initial Study and Mitigated Negative Declaration for a General Plan Amendment, a Conditional Use Permit as well as a Tentative Parcel Map 19603 to create three parcels on the 31-acre site. He states that 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. He states as identified earlier, the revision to an approved action that the County issued does not change the square footage of the project, therefore, from a CEQA standpoint, the Commission can rely on the County's Initial Study and Mitigated Negative Declaration as a responsible agency under CEQA. He states that staff has reviewed this request for the provision of sewer service outside the City of Rialto's boundaries against the criteria established by Commission policy and state law and therefore staff recommends that the Commission approve Service Contract #427 by taking the actions on pages 1 and 2 of the staff report.

Chair Ramos asks if any of the Commissioners have questions for staff on the presentation.

There is none.

Chair Ramos asks if the City of Rialto would like to make a presentation.

The City of Rialto staff declines.

Chair Ramos asks for public comment.

There is none.

Chair Ramos closes the public hearing and asks the Commission for a determination.

Commissioner Bagley moves approval of staff's recommendation, Second by Commissioner Curatalo. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos and Williams. Noes: None. Abstain: None. Absent: McCallon.

ITEM 8. CONSIDERATION OF: (1) REVIEW OF MITIGATED NEGATIVE DECLARATION PREPARED BY THE COUNTY OF SAN BERNARDINO FOR THE PLANNED DEVELOPMENT (PRELIMINARY AND FINAL DEVELOPMENT PLAN) TO ESTABLISH 30 SINGLE-FAMILY-RESIDENCES WITH A RECREATION AREA AND TENTATIVE TRACT MAP 20030 TO CREATE 30 RESIDENTIAL LOTS AND SIX LETTERED LOTS ON 5.48+/- ACRES, AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#430; AND (2) LAFCO SC#430 – CITY OF REDLANDS OSC 18-27, OUT-OF-AGENCY SERVICE AGREEMENT FOR WATER AND SEWER SERVICES (TENTATIVE TRACT 20030) – STAFF RECOMMENDATION APPROVED

Executive Officer Samuel Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and made a part of the record by its reference here. The item has been advertised through publication in newspapers of general circulation within the county, the *San Bernardino Sun* as required by law.

Executive Officer Samuel Martinez states that the City of Redlands has submitted an application for Commission review requesting that it provide water and sewer service outside its boundaries as required by Government Code Section 56133. He states that the agreement relates to two adjacent parcels located at the Southeast corner of Nice and Crafton Avenues. He states this is in the eastern sphere of influence for the City of Redlands, within the unincorporated community of Mentone. He states that the County approved Tentative Tract Map 20030 to create 30 single-family residential lots and six lettered lots and the conditions of approval placed on this project requires that it connect to the City of Redlands' water and sewer infrastructure. He states that the City has identified that water service will be provided by extending the existing water main along the frontage of Nice and Crafton Avenues as well as into the tract and sewer service will be connected to the existing 8-inch sewer main in Nice and into the tract. He states that the City of Redlands has identified an estimated cost of \$522,422 in sums equivalent in development impact fees required by the City's Measure U, including the water and sewer fees. He also states that the property owner will bear all costs of the construction and installation of the water and sewer improvements for the project. He states that for Environmental Review, the County prepared an Initial Study and Mitigated Negative Declaration for the preliminary and the final Development Plan as well as Tentative Tract 20030 and Mr. Dodson has indicated the County's Initial Study and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA responsible agency. He states that the actions the Commission needs to take regarding the Environmental Review are set out in the staff report. He states that staff has reviewed this

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request by the City of Redlands to provide water and sewer outside its boundaries against the criteria established by this Commission as well as state law and staff recommends that the Commission approve LAFCO Service Contract #430 by taking the actions on pages 1 & 2 of the staff report.

Chair Ramos asks if any of the Commissioners have questions for staff on the presentation.

There is none.

Chair Ramos asks if the City of Redlands would like to make a presentation.

The City of Redlands staff declines.

Chair Ramos asks for public comment.

There is none.

Chair Ramos closes the public hearing and asks the Commission for a decision.

Commissioner Curatalo moves approval of the staff recommendation, Second by Commissioner Cox. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos and Williams. Noes: None. Abstain: None. Absent: Lovingood.

DISCUSSION ITEMS:

ITEM 9. LAFCO SC#431 – REQUEST FOR EXEMPTION FROM PROVISIONS OF GOVERNMENT CODE SECTION 56133 FOR AGREEMENT BETWEEN CITY OF UPLAND AND CUCAMONGA VALLEY WATER DISTRICT FOR WASTEWATER COLLECTION SERVICES – STAFF RECOMMENDATION APPROVED

Executive Officer Samuel Martinez states that the City of Upland submitted a request for the Commission to determine that its proposed agreement with the Cucamonga Valley Water District is exempt from LAFCO review. He states that the agreement relates to the City of Upland providing wastewater collection to APN 0207-222-27, which is in the City of Rancho Cucamonga jurisdiction, also within the Cucamonga Valley Water District which is generally the water and sewer provider for the City of Rancho Cucamonga. He states that the development of the facility requires water and sewer service. Water service is provided by Cucamonga Valley Water District but the district's sewer service does not extend along Grove Avenue, but the City of Upland's facility does. He states that the agreement is to connect the City's facilities to the parcel that is across the street. He states that based on the determinations that the agreement is between two public agencies; the City of Upland and Cucamonga Valley Water District, the service being provided is an alternative to a service that is already being provided by the City of Upland and the level of service is consistent with the level of service contemplated by the Cucamonga Valley Water District for this project. He states that LAFCO staff recommends that the Commission determine that the agreement between the City of Upland and Cucamonga Valley Water District is exempt from further review and approval by the Commission.

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Chair Ramos asks if any of the Commissioners have questions for staff on the presentation.

There is none.

Chair Ramos asks if any of the affected agencies would like to provide comments.

There is none.

Chair Ramos closes discussion and asks the Commission for a decision.

Vice-Chair Curatalo states that this involves his agency and as Executive Officer Samuel Martinez has described in the staff report, this is a matter of where the facilities are located. He states that Grove Avenue is the border between CVWD and the City of Upland, and the City has sewer lines running down Grove, CVWD does not and this makes the most sense.

Commissioner Bagley states that this is an example of practical cooperation between two agencies and the way it should be done. He states that he is happy to make this recommendation.

Commissioner Bagley moves approval of the staff recommendation, Second by Commissioner Cox. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Ramos and Williams. Noes: None. Abstain: None. Absent: McCallon.

ITEM 10. APPOINTMENT OF VOTING DELEGATE FOR CALAFCO BUSINESS MEETING AT OCTOBER CALAFCO ANNUAL CONFERENCE

Executive Officer Samuel Martinez states that staff is recommending that the Commission appoint a voting delegate for the CALAFCO Conference for the regional caucus election and or when we have the business meeting. He states that staff is recommending that the Commission select Jim Curatalo as the voting delegate and himself as the alternate.

Vice-Chair Curatalo states that he has been honored and it has been a pleasure to work with CALAFCO on behalf of this agency and the southern region. He states that his intention is to attend this conference, but due to family medical issues that are not stable at this time, his attendance is not sure. He states that he would prefer that Commissioner Bagley would consider to be our voting member and Executive Officer Samuel Martinez would continue to be the alternate.

Commissioner Bagley states that he is honored to be asked.

Chair Ramos asks if there is more discussion on this item.

There is none.

Chair Ramos states that Item 10 would appoint Commissioner Bagley and Executive Officer Samuel Martinez as voting delegates for the Southern Region Caucus for CALAFCO and CALAFCO business meeting. He asks for a motion to approve.

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Commissioner Curatalo moves approval of the staff recommendation, Second by Commissioner Cox. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Ramos and Williams. Noes: None. Abstain: None. Absent: McCallon.

INFORMATION ITEMS:

ITEM 11. LEGISLATIVE UPDATE REPORT

Executive Officer Samuel Martinez states that what the Commission has before them is an outline of the status of the bills that are of importance to LAFCO.

ITEM 12. EXECUTIVE OFFICER'S ORAL REPORT

Executive Officer Samuel Martinez states that the Commission will be attending the CALAFCO conference in Yosemite beginning October 3 – 5, 2018. He states that next month the Commission will be considering an annexation to the Running Springs Water District.

ITEM 13. COMMISSIONER COMMENTS

Commissioner Farrell states that he was able to attend one of the County regional planning meetings last night and it was very informative. He states that this was the first time he participated in this process. He states that there were a number of policies that seemed to be the type of concerns the LAFCO Commission is involved in. He asks if we were advocating as a body as we are in the comments stage.

Executive Officer Samuel Martinez states that he will take a look at the draft documents and come back to the Commission if there is anything to address.

Commissioner Bagley states that he also attended the County's workshop in Joshua Tree and he was proud to see the LAFCO label featured in the presentation. He states that there were questions from the audience about defining communities and county staff referred to LAFCO's expertise and he was happy to know this.

ITEM 14. COMMENTS FROM THE PUBLIC

Former Executive Officer Kathleen Rollings-McDonald states that as she exits stage right, she would like to thank the Commission and wish the staff well. She states that the Commission has an extraordinary staff that can provide the facts that are needed to make decisions as they

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move forward. She states that she hopes that her contributions over the years are of benefit and she is happy to hear that the county has acknowledged LAFCO's communities. She states that we have worked hard and the Commission has extraordinary resources as they move forward. She thanks the Commission.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING ADJOURNS AT 10:00 A.M. IN ACKNOWLEDGEMENT OF THE SERVICE OF KATHLEEN ROLLINGS-McDONALD.

ATTEST:


LA TRICI JONES
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

JAMES RAMOS, Chair

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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(909) 388-0480 • Fax (909) 388-0481
E-MAIL: lafco@lafco.sbcounty.gov
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DATE : OCTOBER 9, 2018 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #2 – APPROVAL OF EXECUTIVE OFFICERS' EXPENSE REPORTS

RECOMMENDATION:

Approve the Executive Officers' Expense Report for Procurement Card Purchases from August 22, 2018 to September 23, 2018.

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 August 22, 2018 through September 23, 2018.

Staff recommends that the Commission approve the Executive Officers' expense reports as shown on the attachments.


SM/llj

Attachments

PROCUREMENT CARD PROGRAM

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West 3rd Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
E-mail: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE : OCTOBER 9, 2018
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #3 - RATIFY PAYMENTS AS RECONCILED FOR
MONTH OF AUGUST 2018 AND NOTE REVENUE RECEIPTS

RECOMMENDATION:

Ratify payments as reconciled for the month of August 2018 and note revenue receipts for the same period.

BACKGROUND INFORMATION:

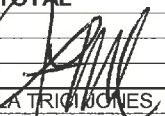

Staff has prepared a reconciliation of warrants issued for payments to various vendors, internal transfers for payments to County Departments, cash receipts and internal transfers for payments of deposits or other charges that cover the period of August 1, 2018 through August 31, 2018

Staff is recommending that the Commission ratify the payments for August 2018 as outlined on the attached listings and note the revenues received.

SM/Ilj


Attachment

MONTH OF AUGUST 2018 PAYMENTS PROCESSED						
Document Number	Account	Posting Date	Activity	Reference	Vendor	Amount
1900240959	52002085	8/6/2018	NOTICE OF HEARING DAILY JOURNAL LAFCO 3190/SC#424	INVOICE B3154693	DAILY JOURNAL	\$1,355.20
1900240962	52002085	8/6/2018	NOTICE OF HEARING HI DESERT STAR LAFCO 3190	INVOICE B3154688	DAILY JOURNAL	\$564.71
1900247298	52002085	8/14/2018	NOTICE OF HEARING IVDA LAFCO 3190	INVOICE B3154689	DAILY JOURNAL	\$1,005.36
1900257820	52002085	8/27/2018	NOTICE OF PROTEST LAFCO 3226	INVOICE B3156711	DAILY JOURNAL	\$646.80
1900257282	52002085	8/27/2018	NOTICE OF HEARING BIG BEAR GRIZZLY LAFCO 3190	INVOICE B3154684	DAILY JOURNAL	\$1,020.00
1900239807	52002090	8/2/2018	JAN PRO CLEANING SERVICE	INVOICE 61990	JAN PRO	\$475.00
1900247295	52002180	8/14/2018	SOUTHERN CALIFORNIA EDISON UTILITY	INVOICE 2399452309	EDISON	\$570.36
1900257849	52002305	8/27/2018	PAPER RECYCLING & SHREDDING	INVOICE 403612	PAPER RECYING SPECIALISTS	\$34.00
1900252396	52002400	8/17/2018	BEST BEST & KRIEGER MATTER 14141.00029	INVOICE 828814	BEST BEST & KRIEGER	\$2,970.00
1900252400	52002400	8/17/2018	BEST BEST & KRIEGER EMPLOYEE BENEFITS	INVOICE 828813	BEST BEST & KRIEGER	\$1,381.70
1900252478	52002400	8/17/2018	BEST BEST & KRIEGER GENERAL	INVOICE 828810	BEST BEST & KRIEGER	\$1,776.67
1900252479	52002400	8/17/2018	BEST BEST & KRIEGER MATTER 14141.00024	INVOICE 828811	BEST BEST & KRIEGER	\$639.20
1900252848	52002400	8/17/2018	BEST BEST & KRIEGER CIVDS1715504	INVOICE 828812	BEST BEST & KRIEGER	\$113.80
1900254579	52002400	8/22/2018	BEST BEST & KRIEGER PP&E ANNUAL	INVOICE 827715	BEST BEST & KRIEGER	\$3,300.00
1900257828	52002424	8/27/2018	TOM DODSON & ASSOCIATES	INVOICE LAFCO 18-5	TOM DODSON & ASSOC	\$765.00
1900239795	52002444	8/2/2018	MIJAC ALARM SERVICE	INVOICE 426668	MIJAC	\$117.00
1900239792	52002445	8/2/2018	ALDRICH & ASSOCIATES	INVOICE 68	ALDRICH & ASSOCIATES	\$1,800.00
1900247924	52002445	8/14/2018	ALDRICH & ASSOCIATES	INVOICE 69	ALDRICH & ASSOCIATES	\$2,700.00
1900251421	52002445/2940	8/16/2018	BAGLEY STIPEND & MILEAGE	BAGLEY 8-15-18	JAMES BAGLEY	\$298.00
1900251424	52002445/2940	8/16/2018	COX STIPEND & MILEAGE	COX 8-15-18	KIMBERLY COX	\$258.86
1900251426	52002445/2940	8/16/2018	FARRELL STIPEND & MILEAGE	FARRELL 8-15-18	STEVEN FARRELL	\$218.75
1900251429	52002445/2940	8/16/2018	WILLIAMS STIPEND & MILEAGE	WILLIAMS 8-15-18	DIANE WILLIAMS	\$225.73
1900251433	52002445/2940	8/16/2015	CURATALO STIPEND & MILEAGE	CURATALO 8-15-18	JAMES CURATALO	\$227.25
1900251440	52002445/2940	8/16/2018	WARREN STIPEND & MILEAGE	WARREN 8-15-18	ACQUANETTA WARREN	\$217.44
1900251445	52002445	8/16/2018	AMIS STIPEND	AMIS 8-15-18	LOUISA AMIS	\$200.00
1900251451	52002445	8/16/2018	McCALLON STIPEND	McCALLON 8-15-18	LARRY McCALLON	\$200.00
1900251455	52002445	8/16/2018	JAMES RAMOS STIPEND	RAMOS 8-15-18	JAMES RAMOS	\$200.00
1900254988	52002445/2940	8/22/2018	CURATALO STIPEND & MILEAGE SoCal LAFCO MTG	CURATALO 8-13-18	JAMES CURATALO	\$246.55
1900258501	52002445	8/28/2018	ALDRICH & ASSOCIATES	INVOICE 70	ALDRICH & ASSOCIATES	\$2,775.00
1900254576	52002895	8/22/2018	LEASE OF COPY MACHINE	INVOICE 32278302	KONICA MINOLTA	\$512.18
1900239796	52002905	8/2/2018	IVDA HEARING ROOM RENTAL FOR AUGUST 2018	INVOICE 61990	INLAND VLLY DEV AGNCY	\$405.00
1900254998	52942940/2946	8/22/2018	AMIS TRAIN TICKET REIMB & MILEAGE SoCal LAFCO MTG	AMIS 8-13-18	LOUISA AMIS	\$32.43
1900255002	5292940	8/22/2018	FARRELL MILEAGE SoCal LAFCO MTG	FARRELL 8-13-18	STEVEN FARRELL	\$66.82
4200016436	52002424	8/16/2018	NOTICE OF EXEMPTION LAFCO SC# 428	LAFCO SC# 428	CLERK OF BOARD	\$50.00
4200016525	52002445	8/16/2018	LAFCO 3218 CERTIFICATION OF VOTERS	LAFCO 3218	REGISTRAR OF VOTERS	\$44.62
TOTAL						\$26,058.23
MONTH OF AUGUST 2018 INTERNAL TRANSFERS PROCESSED						
	4200016115	8/2/2018	MAIL SERVICES - DEL	COUNTY MAIL	COUNTY MAIL	\$197.40
	4200016116	8/2/2018	MAIL SERVICES - FLAT	COUNTY MAIL	COUNTY MAIL	\$84.47
	4200016117	8/2/2018	MAIL SERVICES - HAN	COUNTY MAIL	COUNTY MAIL	\$396.20
	4200016936	8/28/2018	COUNTY ACCOUNTING SERVICES	ATC	ATC	\$884.40
	4100463970	8/1/2018	JULY 2018 DIAL TONE	ISD	ISD	\$323.70
	4100463978	8/1/2018	JULY 2018 WIRELESS DEVICE	ISD	ISD	\$37.44
	4100463979	8/1/2018	JULY DESKTOP SUPPORT SERVICES	ISD	ISD	\$1,615.68
	4100463976	8/1/2018	AUGUST 2018 EQUAL MONTHLY CHARGES	ISD	ISD	\$1,071.00

TOTAL						\$4,610.29
MONTH OF AUGUST 2018 CASH RECEIPTS						
	40709545	8/8/2018	LAFCO SC# 427 INDIVIDUAL NOTICE FEE		INDIVIDUAL NOTICE	\$700.00
	40709545	8/8/2018	LAFCO SC# 429 INDIVIDUAL NOTICE FEE		INDIVIDUAL NOTICE	\$700.00
	40709545	8/8/2018	LAFCO SC# 430 INDIVIDUAL NOTICE FEE		INDIVIDUAL NOTICE	\$700.00
	40709555	8/8/2018	LAFCO SC# 427 LEGAL DEPOSIT		LEGAL DEPOSIT	\$1,000.00
	40709555	8/8/2018	LAFCO SC# 429 LEGAL DEPOSIT		LEGAL DEPOSIT	\$1,000.00
	40709555	8/8/2018	LAFCO SC# 430 LEGAL DEPOSIT		LEGAL DEPOSIT	\$400.00
	40709555	8/8/2018	LAFCO 3216 CITY OF UPLAND INDEMNIFICATION		LEGAL	\$7,972.66
	40709555	8/28/2018	LAFCO 3218 CITY OF HESPERIA INDEMNIFICATION		LEGAL	\$645.14
	40709660	8/8/2018	LAFCO SC# 427 ENVIRONMENTAL FEE		ENVIRONMENTAL	\$700.00
	40709660	8/8/2018	LAFCO SC# 429 ENVIRONMENTAL FEE		ENVIRONMENTAL	\$700.00
	40709660	8/8/2018	LAFCO SC# 430 ENVIRONMENTAL FEES		ENVIRONMENTAL	\$700.00
	40709660	8/28/2018	LAFCO 3217 CITY OF HESPERIA ENVIRONMENTAL FEE		ENVIRONMENTAL	\$195.00
	40709800	8/8/2018	LAFCO SC# 427 LAFCO FEE		LAFCO FEE	\$1,000.00
	40709800	8/8/2018	LAFCO SC# 428 LAFCO FEE		LAFCO FEE	\$500.00
	40709800	8/8/2018	LAFCO SC# 429 LAFCO FEE		LAFCO FEE	\$600.00
	40709800	8/8/2018	LAFCO SC# 429 LAFCO FEE		LAFCO FEE	\$400.00
	40709800	8/8/2018	LAFCO SC# 430 LAFCO FEE		LAFCO FEE	\$5,000.00
	40709800	8/28/2018	LAFCO SC# 431 LAFCO FEE		LAFCO FEE	\$2,250.00
TOTAL						\$25,162.80
MONTH OF AUGUST 2018 INTERNAL TRANSFERRED RECEIVED						
	40709555	8/3/2018	LAFCO 3216 COUNTY FIRE INDEMNIFICATION		LEGAL	\$7,972.66
	40709555	8/24/2018	LAFCO 3216 COUNTY FIRE INDEMNIFICATION		LEGAL	\$376.50
	40709555	8/24/2018	LAFCO 3218 COUNTY FIRE INDEMNIFICATION		LEGAL	\$2,288.35
	40709660	8/13/2018	LAFCO 3217 COUNTY FIRE ENVIRONMENTAL		ENVIRONMENTAL	\$195.00
TOTAL						\$10,832.51
						
LA TRICIA JONES, Clerk to the Commission				10/9/2018		
				DATE		
RECONCILIATION APPROVED BY:						
						
SAMUEL MARTINEZ, Executive Officer				10/9/2018		
				DATE		

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: OCTOBER 10, 2018 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #5: LAFCO 3228 – Reorganization to include
Annexation to the Running Springs Water District and Detachment
from the San Bernardino County Fire Protection District and its
Mountain Service Zone

INITIATED BY:

Resolution of the Board of Directors of the Running Springs Water District

RECOMMENDATION:

The staff recommends that the Commission approve LAFCO 3228 by taking the following actions:

1. For environmental review, certify that LAFCO 3228 is statutorily exempt from the provisions of the California Environmental Quality Act and direct the Executive Officer to file the Notice of Exemption within five (5) days;
2. Approve LAFCO 3228, with the condition for the “hold harmless” clause for potential litigation costs, continuation of fees, charges, assessments, etc.;
3. Waive protest proceedings, as permitted by Government Code Section 56662(d), with 100% landowner consent to the reorganization; and,
4. Adopt LAFCO Resolution No. 3278, setting forth the Commission’s determinations and conditions of approval concerning LAFCO 3228.

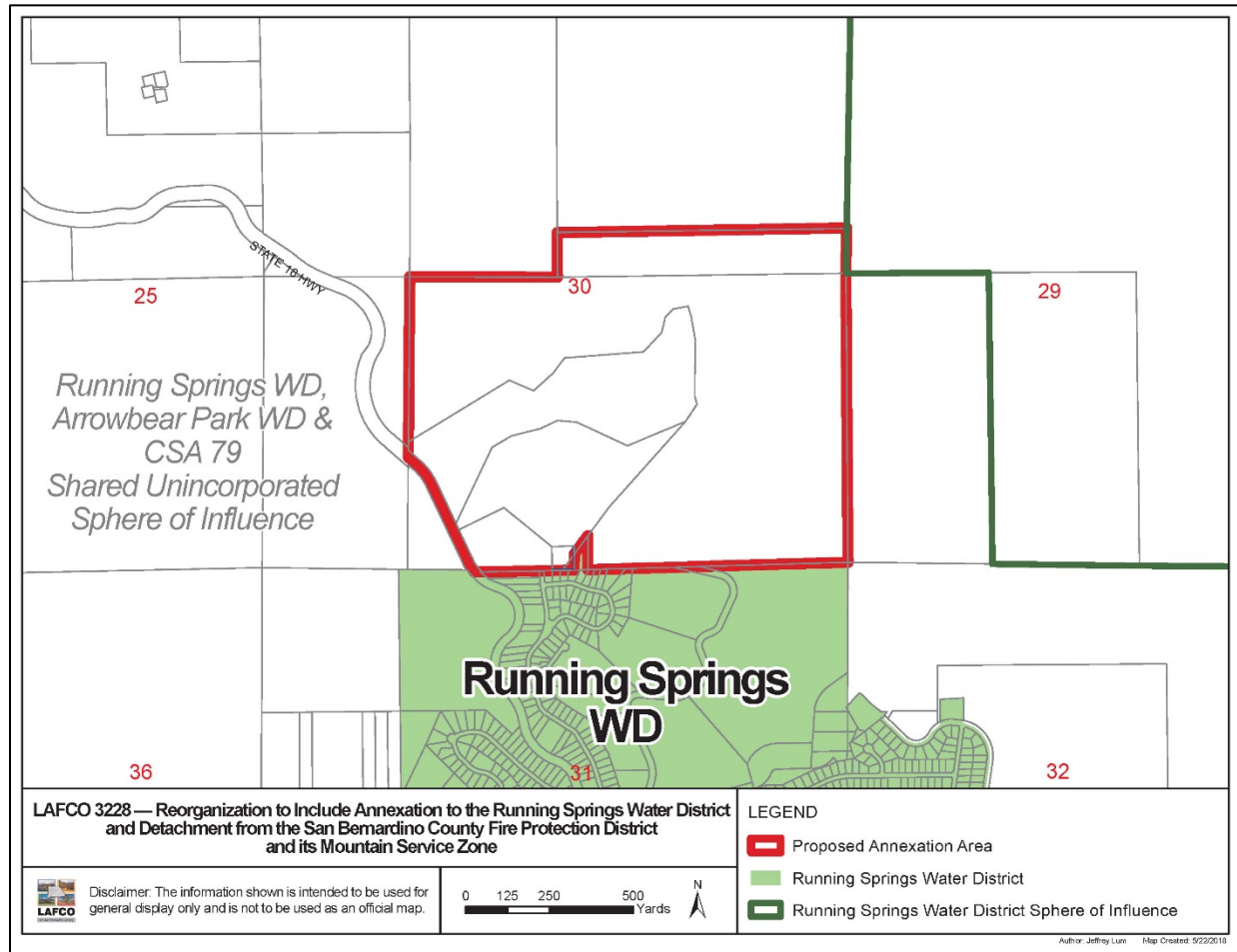
BACKGROUND:

In 2013, LAFCO approved an out-of-agency service contract for the Running Springs Water District (“RSWD” or “District”) to provide sewer service outside its boundary to the Camp O’Ongo/Pali Mountain Camp property, which is located within the sphere of influence of the District and contiguous with the District’s boundary (Service Contract 375). According to the service contract, the intent was to annex the property to the District in the future.

Earlier this year, the property owner requested the District to annex the entire camp property in order for the property owner to save on its outside sewer service costs. Additionally, the District supported the annexation request in order to provide for a more logical, efficient, and effective delivery of its services including sewer (collection and treatment) and fire protection/emergency medical services to the area. In March 2018, the RSWD initiated the reorganization proposal—with 100% landowner consent—to annex approximately 234 acres into the District to include Assessor Parcel Numbers (“APN”) 0328-031-12, 0328-042-13, -15, -16, and -17.

LAFCO staff expanded the proposal to provide for a logical boundary to the reorganization proposal. The expansion includes two parcels owned by the Crestline-Lake Arrowhead Water Agency (“CLAWA”) – APNs 0328-042-06 and -08. CLAWA has provided its consent, as the landowner, to the proposal.

As revised, the proposed reorganization area now includes seven parcels comprising a total of 251+/- acres, generally located on the east side of Highway 18, north of Nob Hill Drive/Nob Hill Circle. The reorganization area is within the Running Springs Water District’s northwestern sphere of influence. A vicinity maps is included as Attachment #1 to this report. The map below provides a general location of the area to be annexed into the District.



The purpose of the reorganization is to provide financial relief to the Pali Mountain Retreat/Adventure/Institute campsite (formerly Camp O-ongo). By annexing to the RSWD, the properties would be relieved from the higher out-of-agency wastewater rates currently charged by the RSWD to the properties. The reorganization proposes to (continue to) provide wastewater service (currently provided by the District by contract) and fire protection and emergency medical response to the Pali Mountain campsite. Two adjacent parcels owned by CLAWA have been included as part of the overall annexation to provide for a logical boundary to the reorganization proposal.

This report will provide the Commission with the information related to the four major areas of consideration required for a jurisdictional change – boundaries, land uses, service issues and the effects on other local governments, and environmental considerations.

BOUNDARIES:

As outlined above, the reorganization area includes seven parcels, which are located on the east side of Highway 18, north of Nob Hill Drive/Nob Hill Circle, which comprises

approximately 251 acres. The reorganization area is bounded by the RSWD on the south and parcel lines on the west, north, and east.

LAFCO 3228 has no boundary concern since the private properties already receive sewer from RSWD through an out-of-agency service contract.

LAND USE:

The Pali Mountain properties comprise an existing camp which includes a dining facility, cabins, office, and other structures. The CLAWA properties contain a water storage facility. The County's land use designations for the reorganization area are Hill Top/Resource Conservation (HT/RC) and Hill Top/Institutional (HT/IN).

No change in land use is anticipated as a result of the annexation. In addition, approval of this proposal will have no direct impact on the current land use designation assigned for the parcels. Therefore, there are no land use concerns related to this proposal.

SERVICE ISSUES AND EFFECTS ON OTHER LOCAL GOVERNMENTS:

In every consideration for jurisdictional change, the Commission is required to look at the existing and proposed service providers within an area. The only County service provider within the reorganization area is County Service Area 70 (unincorporated County-wide multi-function). The following entities overlay the reorganization area: County of San Bernardino, Crestline-Lake Arrowhead Water Agency (State Water Contractor), Mojave Desert Resource Conservation District, Rim of the World Park and Recreation District, San Bernardino Mountains Community Healthcare District, and San Bernardino County Fire Protection District and its Mountain Region Service Zone.

The application includes a Plan for Service as required by State Law and Commission Policy (included as a part of Attachment #2 to this report).

Fire Protection

Currently, fire protection services are provided by the San Bernardino County Fire Protection District ("County Fire") and its Mountain Service Zone. However, RSWD is the first on-scene for fire and emergency medical services at the camp due to the proximity of its station.

Upon completion of the reorganization, the area would be detached from County Fire and its Mountain Service Zone, and RSWD would assume responsibility for fire protection services. Being so, the required property tax exchange will transfer \$17,808 from County Fire to the District. In addition, the parcels will be subject to the District's \$65 per unit Fire Availability Fee.

County Fire submitted a comment letter dated June 25, 2018 expressing opposition to the proposed reorganization due to a potential loss of revenue for regional fire services.

However, it should be noted that during the County Fire Reorganization, the County – on behalf of County Fire –outlined its intent not to “object to” other fire service providers annexing areas within their respective spheres of influence with the normal property tax transfers taking place. LAFCO Resolution No. 2986 making determinations for LAFCO 3001 (sphere of influence amendment for the County Fire Reorganization) includes a finding related to County Fire not objecting to future annexations:

“The sphere of influence expansion is a temporary measure to ensure that all unincorporated areas of the County are served by a fire protection agency. Unincorporated areas within another fire agency’s sphere of influence, as a general rule, are already served by the County Fire Department so this should not represent a real change. Where such overlapping sphere areas are created as a result of this reorganization (sphere of influence expansion), the County shall be considered the “secondary” fire protection agency and the existing fire protection agency shall be considered the “primary” agency. The San Bernardino County Fire Protection District, governed by the Board of Supervisors, has identified that it does not intend to object to the primary agency annexing areas within its sphere of influence in the future, with the normal property tax transfers taking place.”

County Fire’s June 25, 2018 letter is included as Attachment #3.

Ambulance

Ambulance service is currently provided by the District, as it is assigned Exclusive Operating Area (“EOA”) 19 by ICEMA. Note that EOA 19 extends beyond the District’s boundary. There will be no change in ambulance provider as a result of LAFCO 3228.

Wastewater

Wastewater service is currently provided to the Pali Mountain property under an Out-of-Agency Sewer Service Agreement dated April 24, 2013. There will be no change in wastewater provider as a result of LAFCO 3228, as well as no additional infrastructure required.

For the District, there would be a reduction in sewer revenue with the elimination of the in-lieu of taxes charge, the monthly \$2.00 per EDU outside sewer charge, and the \$0.896 per 1,000 gallon charge. For the camp, the potential annual savings would be \$6,254 since the District would cease to charge the properties its out-of-agency rates.

Retail Water

Water service to the property is currently provided by private groundwater wells and an emergency connection to CLAWA. The District is also able to provide potable water service if requested to do so by the property owner in the future. District potable water infrastructure already exists adjacent to the property.

As required by Commission policy and State law, the Plan for Service shows that the continuation and extension of its services will maintain, and/or exceed, current service levels provided to the parcel.

ENVIRONMENTAL CONSIDERATIONS:

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Tom Dodson and Associates, has indicated that the review of LAFCO 3228 is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the fact that the annexation will not result in any physical impacts on the environment. Therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). Staff recommends that the Commission adopt the General Rule Statutory Exemption for this proposal. A copy of Mr. Dodson's analysis is included as Attachment #5 to this report.

WAIVER OF PROTEST PROCEEDINGS:

The reorganization area is legally uninhabited and LAFCO staff verified that the reorganization area possesses 100% landowner consent (see Attachment #4). Therefore, if the Commission approves LAFCO 3228 and none of the affected agencies have submitted written opposition to a waiver of protest proceedings, staff is recommending pursuant to Government Code Section 56662(d) that protest proceedings be waived and that the Commission direct the Executive Officer to complete the action following completion of the mandatory reconsideration period of 30-days.

CONCLUSION:

LAFCO 3228 was submitted in order for the property owner to save on their outside sewer service costs and to provide for a more logical, efficient, and effective delivery of services provided by the District including sewer (collection and treatment) and fire protection/emergency medical services. For these reasons, and those outlined throughout the staff report, the staff supports the approval of LAFCO 3228.

DETERMINATIONS:

The following determinations are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/annexation proposal:

1. The reorganization area, as modified by LAFCO staff, is legally uninhabited containing one registered voter as determined by the Registrar of Voters as of September 21, 2018.
2. The County Assessor's Office has determined that the total assessed valuation of land within the reorganization area is \$10,009,018 as of June 20, 2018 broken down as: \$1,289,207 (land) and \$8,719,811 (improvements).
3. The reorganization area is within the sphere of influence assigned the Running Springs Water District.
4. Legal notice of the Commission's consideration of the proposal has been provided through publication in the *Mountain News*, a newspaper of general circulation within the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notice.
5. LAFCO staff has provided individual notice to landowners (129) and registered voters (70) surrounding the reorganization area (totaling 199 notices) in accordance with State law and adopted Commission policies. Comments from landowners and any affected local agency in support or opposition will be reviewed and considered by the Commission in making its determination.
6. The County's land use designations for the reorganization area are Hill Top/Resource Conservation (HT/RC) and Hill Top/Institutional (HT/IN). No change in land use is anticipated as a result of the reorganization.
7. The Southern California Associated Governments ("SCAG") adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy pursuant to Government Code Section 65080. LAFCO 3228 has no direct impact on SCAG's Regional Transportation Plan and Sustainable Communities Strategy.
8. The Commission's Environmental Consultant, Tom Dodson and Associates, has recommended that this proposal is statutorily exempt from environmental review based on the finding that the Commission's approval of the reorganization has no potential to cause any adverse effect on the environment; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). Mr. Dodson recommends that the Commission adopt the Statutory Exemption and direct its Executive Officer to file a Notice of Exemption within five (5) days. A copy of Mr. Dodson's response letter is included as Attachment #5 to this report.

9. The reorganization area is served by the following local agencies:

County of San Bernardino
County Service Area 70 (unincorporated County-wide multi-function)
Crestline-Lake Arrowhead Water Agency (State Water Contractor)
Mojave Desert Resource Conservation District
Rim of the World Park and Recreation District
San Bernardino Mountains Community Healthcare District
San Bernardino County Fire Protection District and its
Mountain Service Zone

County Fire is affected through the transfer of its fire protection and emergency medical response obligations to RSWD as a function of the reorganization. None of the other agencies identified above are affected by this proposal as they are regional in nature. However, the reorganization area is currently served wastewater collection/treatment (through an out-of-agency agreement) and ambulance services (through EOA 19) by the RSWD.

10. A plan was prepared for: (1) the continuation of wastewater and ambulance services, and (2) the extension of fire protection services to the reorganization area, as required by law. The Plan for Service shows that the continuation and extension of its services will maintain, and/or exceed, current service levels provided to the parcel. A copy of this plan is included as a part of Attachment #2 to this report.

The Plan for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Plan for Service conforms to those adopted standards and requirements.

11. The annexation can benefit from the continuation of wastewater and ambulance services, extension of fire protection service, and availability of retail water service from the District.
12. This proposal will not affect the fair share allocation of the regional housing needs through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process. The land use designations [Hill Top/Resource Conservation (HT/RC) and Hill Top/Institutional (HT/IN)] do not support residential housing.
13. With respect to environmental justice, the annexation proposal will not result in the unfair treatment of any person based on race, culture or income since the camp area already receives services from the District and the southerly neighboring area already receives water, wastewater, fire protection, and ambulance services from the District.

14. The County of San Bernardino (on behalf of County Fire and RSWD) adopted a resolution determining the transfer of ad valorem property tax revenues upon completion of this reorganization. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.
15. The map and legal description, as revised, are in substantial compliance with LAFCO and State standards.

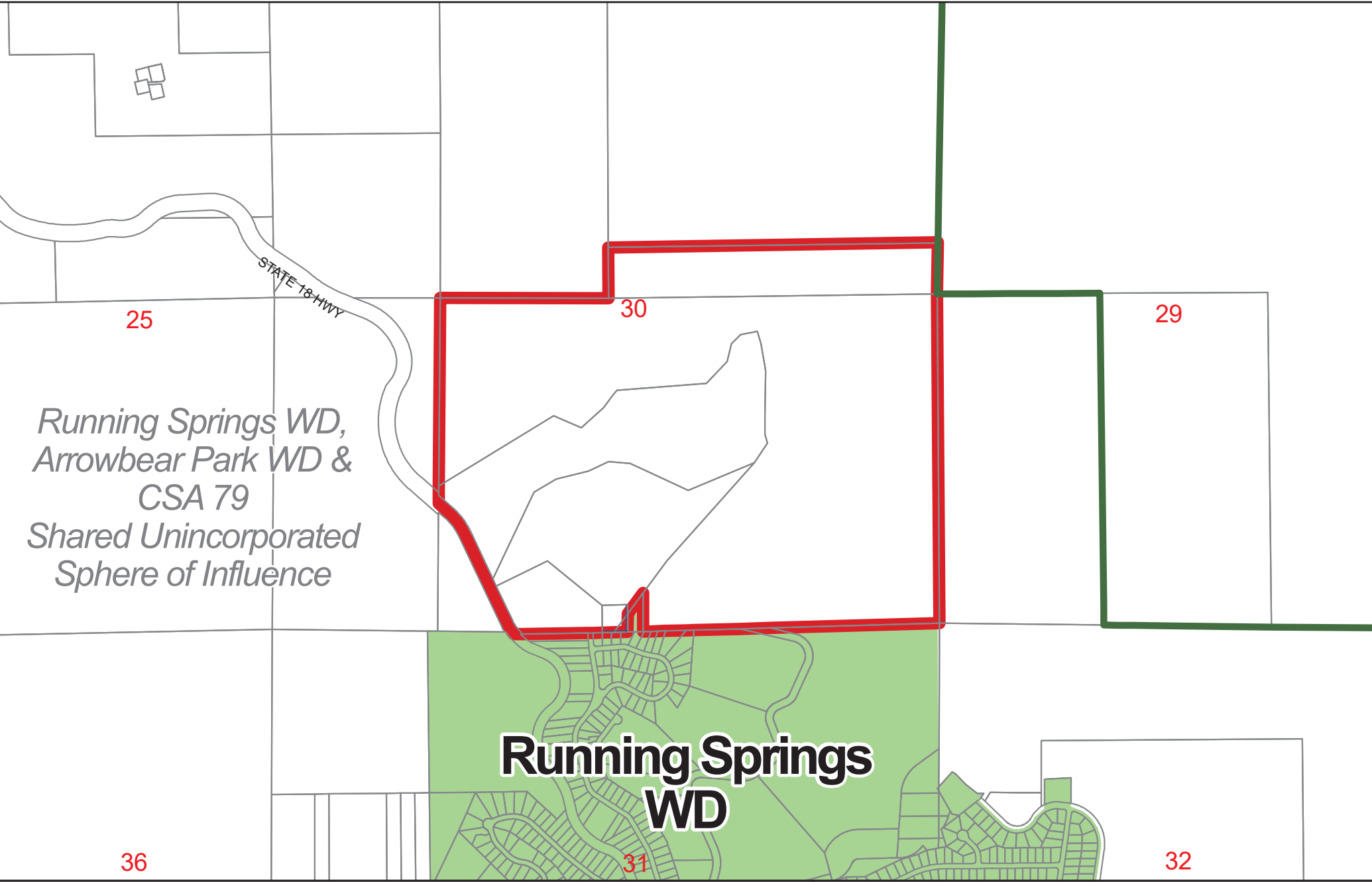
SM/MT

Attachments:

1. [Vicinity Map](#)
2. [Application and Plan for Service](#)
3. [Letter from County Fire dated July 25, 2018](#)
4. [Landowner Consent Forms](#)
5. [Environmental Response from Tom Dodson](#)
6. [Draft Resolution No. 3278](#)




Vicinity Map


Attachment 1



LAFCO 3228 — Reorganization to Include Annexation to the Running Springs Water District and Detachment from the San Bernardino County Fire Protection District and its Mountain Service Zone

LEGEND

-  Proposed Annexation Area
-  Running Springs Water District
-  Running Springs Water District Sphere of Influence

 **Disclaimer:** The information shown is intended to be used for general display only and is not to be used as an official map.



Application and Plan for Service

Attachment 2

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: Reorganziation to include annexation of territory to the
Running Springs Water District

2. NAME OF APPLICANT: Andrew Wexler, O-ongo, Inc. / Pali Mountain
 APPLICANT TYPE: ☒ Landowner ☐ Local Agency
☐ Registered Voter ☐ Other _____
 MAILING ADDRESS:
PO Box 2237, Running Springs, CA 92382

 PHONE: (909) 867-5743
 FAX: () _____
 E-MAIL ADDRESS: awexler@palientertainment.com

3. GENERAL LOCATION OF PROPOSAL: Pali Mountain Camp, 30778 CA-18, Running Springs
APN #0328-042-13, 0328-042-15, 0328-042-16, 0328-042-17

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. _____
Running Springs Water District is currently providing sewer service to the property
under an outside sewer service agreement approved by LAFCO in 2013. Property owner
and Running Springs Water District have discussed benefits of annexing the property.

LAND USE AND DEVELOPMENT POTENTIAL

1. Total land area of subject territory (defined in acres):
234 acres
2. Current dwelling units within area classified by type (single-family residential, multi-family [duplex, four-plex, 10-unit], apartments)
Commercial camp with 46.1 equivalent dwelling units (EDUs)
3. Approximate current population within area:
varies based on camp occupancy
4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s):

San Bernardino County General Plan designation(s) and uses permitted by this designation(s):

Group camp / commercial

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:
n/a

6. Indicate the existing use of the subject territory.

Group camp

What is the proposed land use?

Group camp

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.

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:

Proposal will promote fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

ENVIRONMENTAL INFORMATION

1. Provide general description of topography. Typical mountain area topography.

2. Describe any existing improvements on the subject territory as % of total area.

Residential _____ %	Agricultural _____ %
Commercial _____ %	Vacant _____ %
Industrial _____ %	Other Group camp area <u>100</u> %

3. Describe the surrounding land uses:

NORTH	<u>vacant</u>
EAST	<u>vacant</u>
SOUTH	<u>residential</u>
WEST	<u>vacant</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.).

n/a

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.
2013 Agreement for the Provision of Outside Sewer Service to O-ongo, Inc. / Pali Mountain
with Running Springs Water District

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 Andrew Wexler, Owner TELEPHONE NO. 909-867-5743

ADDRESS: PO Box 2237, Running Springs, CA 92382 awexler@palientertainment.com

NAME Jake Brown, Operations Director TELEPHONE NO. 909-867-5743 x255

ADDRESS: PO Box 2237, Running Springs, CA 92382 OperationsDirector@PaliMountain.com

NAME Ryan Gross, General Manager TELEPHONE NO. 909-867-2766

ADDRESS: PO Box 2206, Running Springs, CA 92382 rgross@runningspringswd.com

CERTIFICATION

As a part of this application, the City/Town of _____, or the Running Springs Water District
District/Agency, O-ongo / Pali Mountain (the applicant) and/or the Andrew Wexler (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,

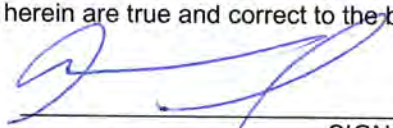
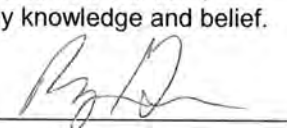
and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

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 March 23, 2018

Andrew Wexler SIGNATURE Ryan Gross

Printed Name of Applicant or Real Property in Interest
(Landowner/Registered Voter of the Application Subject Property)

Owner, O-ongo Inc. / Pali Mountain Running Springs Water District
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

SUPPLEMENT

ANNEXATION, DETACHMENT, REORGANIZATION PROPOSALS

INTRODUCTION: The questions on this form are designed to obtain data about the specific annexation, detachment and/or reorganization proposal to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please identify the agencies involved in the proposal by proposed action:

ANNEXED TO
Running Springs Water District

DETACHED FROM
San Bernardino County Fire Protection District
Mountain Service Area

2. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following:

a. Has pre-zoning been completed? YES ☐ NO ☐

b. If the response to "a" is NO, is the area in the process of pre-zoning? YES ☐ NO ☐

Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.

n/a

3. For a city annexation, would the proposal create a totally or substantially surrounded island of unincorporated territory?

YES ☐ NO ☐ If YES, please provide a written justification for the proposed boundary configuration.

n/a

4. Will the territory proposed for change be subject to any new or additional special taxes, any new assessment districts, or fees?

Annual \$65 per unit of benefit Fire Availability Fee.

The existing Per Gallon Sewer Usage Charge included in the existing 2013 Outside Sewer Service Agreement will need to be established by Running Springs Water District resolution.

5. Will the territory be relieved of any existing special taxes, assessments, district charges or fees required by the agencies to be detached?

Unsure

6. If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of non-renewal (if appropriate) and any protest to the contract filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract.

n/a

7. Provide a description of how the proposed change will assist the annexing agency in achieving its fair share of regional housing needs as determined by SCAG.

n/a

8. **PLAN FOR SERVICES:**

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) must be submitted. This plan shall, at a minimum, respond to each of the following questions and be signed and certified by an official of the annexing agency or agencies.

- A. A description of the level and range of each service to be provided to the affected territory. Sewer service already being provided by outside service agreement.
- B. An indication of when the service can be feasibly extended to the affected territory. Already serving
- C. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory. If owner decides to deed existing sewer pump stations, approximately \$80,000 in improvements would be required.
- D. The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.
- Sewer service already being provided by outside service agreement. Refer to attached.

- E. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district. No.
- F. If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)). n/a

CERTIFICATION

As a part of this application, the City/Town of _____, or the Running Springs Water District District/Agency, Running Springs Water District (the applicant) and/or the Andrew Wexler, Owner (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.

As the proponent, I acknowledge that annexation to the City/Town of _____ or the Running Springs Water District District/Agency may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIII C and XIII D of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

I hereby certify that the statements furnished above and the documents attached to this form 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 March 23, 2018



SIGNATURE

Andrew Wexler

Printed Name of Applicant or Real Property in Interest
(Landowner/Registered Voter of the Application Subject Property)

Owner

Title and Affiliation (if applicable)



**RUNNING SPRINGS WATER DISTRICT
RUNNING SPRINGS FIRE DEPARTMENT**

31242 Hilltop Boulevard • P.O. Box 2206
Running Springs, CA 92382



2018 JUL 12 AM 11:44

LOCAL AGENCY
FORMATION COMMISSION

July 12, 2018

Plan for Service and Fiscal Impact Analysis

LAFCO 3228

Reorganization to include Annexation to the Running Springs Water District and Detachment from San Bernardino County Fire Protection District and its Mountain Service Zone

In 2013, the Running Springs Water District (District) entered into an outside sewer service agreement with the Camp O'Ongo / Pali Mountain Camp Property (Property) which is located within the sphere of influence of the District and contiguous with the District's jurisdictional boundary with the intent of annexing the property at a future date. The Property owner has requested that the District annex the Property into the District's jurisdictional boundary in order to save on their outside sewer service costs and to provide for a more logical, efficient and effective delivery of the services provided by the District.

Description of Services:

Water

Water service to the Property is currently provided by private groundwater wells and an emergency connection to the Crestline Lake Arrowhead Water Agency (CLAWA). The District is also able to provide potable water service if requested to do so by the property owner in the future. District potable water infrastructure already exists adjacent to the Property.

Wastewater

Wastewater service is currently provided to the Property under an Outside Sewer Service Agreement dated April 24, 2013. The District will be responsible for the wastewater services at the existing point of connection. The private onsite sewer facilities will continue to be owned, operated and maintained by the property owner.

Fire Protection

Fire Protection Service is currently under the Jurisdiction of the San Bernardino County Fire Protection District and its Mountain Service Zone, which will transition to the Running Springs Fire Department (RSFD) upon annexation.

The RSFD infrastructure and apparatus includes two Fire Stations, two Type 1 Fire Engines, one Brush Engine, one Squad, three Ambulances and two snow cats. Fulltime RSFD personnel includes two Chief Officers, two Firefighter Captain/Paramedics, one Firefighter Engineer/Paramedic, three Firefighter Paramedics and 20 part time Paid Call Firefighters which respond to emergencies to supplement the fulltime 3-0 staffing. RSFD staffing is always 3-0 with three personnel 24 hours per day, 7 days per week, 365 days per year. RSFD also has a Cooperative Agreement with the California Department of

Forestry and Fire Protection (CalFire) which staffs out of the Running Springs Fire Station No. 51 and is less than 2 miles east of the Pali Mountain Camp Property.

Currently, the RSFD is first on scene for fire, rescue and medical emergencies at the Pali Mountain Camp due to the proximity of its fire service infrastructure and apparatus being within a 2-3 mile distance from the Property. The nearest full time San Bernardino County Fire Station is located in Lake Arrowhead which is more than 5 miles away and in extreme weather conditions travel across Highway 18 from Lake Arrowhead can be significantly delayed.

RSFD will provide the necessary response for any fire emergency involving structure fires, rescues and wildland fires with Automatic Mutual Aid Response from CalFire, San Bernardino County Fire, Big Bear Fire Authority and the United States Forest Service (USFS) if necessary. Additionally, all wildland fires that occur within the area and surrounding wildland area of the Pali Mountain Camp property are the primary responsibility of CalFire and the USFS who would respond with any necessary aircraft and/or equipment for suppression. RSFD would then fall into an assisting role for both Agencies.

All plan check services will be handled by Running Springs Fire Prevention Staff. The hazard abatement services will be handled through the RSFD's current Defensible Space Program which follows all applicable State and County Codes.

Ambulance Emergency Medical Service (EMS)

RSFD currently does and will continue to provide Advance Life Support (ALS) Ambulance EMS to the Pali Mountain Camp property, which is already within the RSFD Exclusive Operating Area (EOA 19). Ambulance EMS is provided by one or more of three ambulance units, and if necessary, a Squad that is equipped with an additional Paramedic and rescue gear and a local CalFire Unit that is stationed at the Running Springs Fire Station No. 51 to assist with EMS services or rescue.

Timing and Improvements

The services described above are currently being provided and no additional infrastructure is required.

Fiscal Impact Analysis

This annexation is for seven parcels located adjacent to the District's jurisdictional boundary and within the District's sphere of influence. There will be no additional financial burden placed on the District to annex and provide wastewater and fire protection services to these parcels. For fire protection services, in addition to the District's annual \$65 per unit of benefit special tax, it is also anticipated that there will be a normal property tax transfer of approximately \$17,800 from the special district being detached as part of the reorganization based on the valuation of the area to be annexed and the affected tax rate areas. The wastewater revenue is listed in the table below. The revenues anticipated would be sufficient to cover the expenses for wastewater and fire protection services.

There is not anticipated to be any significant fiscal impact due to the fact that the Running Springs Water District already provides wastewater, fire protection and emergency medical services to the Property. All that changes is the Running Springs Fire Department becomes the primary fire protection

district for structure fires and rescues and the County would become the secondary fire protection district providing mutual aid to Running Springs Fire Department.

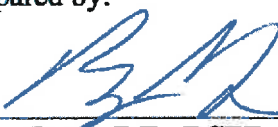
All costs of operating and maintaining the District owned wastewater facilities downstream of the existing point of connection will be recovered through rates and fees charged monthly to the property owner per District resolution. The annexing territory will be included within the existing jurisdictional service boundaries of the District.

The following table compares the current fees and charges under the existing Outside Sewer Service Agreement with the estimated fees and charges if the territory is annexed including wastewater service and fire protection service:

FY 2018/2019 Outside Sewer Service Agreement Charges	
Annual in-lieu of taxes charge: $\$9,101 / 12 =$	\$758
Fixed Monthly Sewer Service Charge: $46.1 \text{ Equivalent Dwelling Units (EDUs)} \times \$44.49 =$	\$2,051
Infrastructure Repair & Replacement charge: $46.1 \text{ EDUs} \times \$5.25 =$	\$242
Outside District Sewer Service charge: $46.1 \text{ EDUs} \times \$2.00 =$	\$92
Per Gallon Sewer Usage Charge: $\$0.0009405 \text{ per gallon} \times 213,000 \text{ gallons} =$	\$200
CURRENT TOTAL MONTHLY CHARGES =	\$3,343
FY 2018/2019 Charges if Annexed*	
*Charges subject to change based on actual EDU count and currently adopted District rates.	
*Additional connection and capacity charges will apply for each new/additional EDU.	
Fixed Monthly Sewer Service Charge: $46.1 \text{ EDUs} \times \$44.49 =$	\$2,051
Infrastructure Repair & Replacement charge: $46.1 \text{ EDUs} \times \$5.25 =$	\$242
Per Gallon Sewer Usage Charge**: $\$0.0014 \text{ per gallon} \times 213,000 \text{ gallons} =$	\$298
**Per Gallon Sewer Usage Charge will need to be established in 2019 Rate Study and Prop 218 Process.	
Annual Fire Availability Charges: $\$65 \text{ per Unit of Benefit (UOB)} = \$65 \times 43 \text{ UOB} = \$2,795 / 12 =$	\$233
TOTAL MONTHLY CHARGES (IF ANNEXED) =	\$2,824
Potential Annual Savings to Pali Mountain if Annexed = $\\$519 \times 12 =$	\$6,228

All fees for the LAFCO Reorganization, Annexation and Detachment process have already been paid by the property owner with the property owner's expectation and understanding that the property owner would be paid back in approximately two years due to the savings in outside sewer service costs after the Reorganization.

Prepared by:


Ryan Gross, P.E., BCEE, SDA
General Manager



**Letter from County Fire dated
July 25, 2018**

Attachment 3



SAN BERNARDINO COUNTY FIRE DISTRICT

RECEIVED

2018 JUN 25 PM 4:26 INTEROFFICE MEMO

DATE: June 25, 2018 LOCAL AGENCY INFORMATION COMMISSION
FROM: John Chamberlin, Deputy Chief  PHONE: 909-387-5975
TO: LAFCO Commission MAIL CODE: 0451

SUBJECT: Proposed LAFCO File #3227 Running Springs Water (Nob Hill)

It has come to the attention of the San Bernardino County Fire Protection District that action has been requested to place 234 acres +/-, of APN #'s 0328-042-13, 0328-042-15, 0328-042-016 and 0328-042-17 into annexation of Running Springs Water District.

In addition, LAFCO staff has proposed to modify the boundary to include APN #'s 0328-042-06 and 0328-042-08.

The San Bernardino County Fire Protection District does not provide for water or sewer services in the area. It is our understanding that this was the fundamental request for the annexation. However, the San Bernardino County Fire Protection District does provide fire, rescue and EMS services as part of the San Bernardino County Fire Protection District.

Typically, any EMS based response would come from the Running Springs Fire Department as the closest available ambulance in EOA #19. The San Bernardino County Fire Protection District in turn offers a "cover" resource to provide for the constituents in Running Springs in the absence of the resource they pay for. Any fire based response however, receives a plethora of San Bernardino County Fire Protection District assets. These include technical rescue, hand crews, bulldozer, fire engines, snowcats, helicopters, and overhead personnel to name some.


Since the San Bernardino County Fire Protection District is based on a regionalized service delivery model, it's makeup is driven by revenue under the district's boundaries. Any reallocation of this revenue related to the "Mountain Service Zone" as proposed, will have an outcome in a negative way to the San Bernardino County Fire Protection District in its overall regional approach to service delivery.

As is currently occurring, the San Bernardino County Fire Protection District supports Running Springs Fire Department's ambulance response to the area, and does not contest it's billing and revenue collection to provide for those services. We do not anticipate any shift or additional resource deployment by the Running Springs Fire Department related to this annexation and believe that it is not in the best interest of the constituents of the area, in relation to emergency services rendered, and would potentially harm the regionalized model that the constituents currently receive.

Landowner Consent Forms

Attachment 4

Local Agency Formation Commission For San Bernardino County

Signature(s): Andrew Wexler, Owner 

Address: 30778 CA-18, PO Box 2237

City, State, Zip Running Springs, CA 92382

Date Signed: 3/14/2018

If a corporation or company owns the property, please provide with this form authorization from the entity for the signer to sign on its behalf.

RECEIVED

2018 JUN 27 AM 10:12

LOCAL AGENCY
FORMATION COMMISSION

LANDOWNER CONSENT FORM

Local Agency Formation Commission For San Bernardino County

I (We), Crestline-Lake Arrowhead
Water Agency, consent to the
annexation/ reorganization of my (our) property located at:

which is identified as Assessor's Parcel Number(s) _____

0328-042-06 and 0328-042-08

to the Running Springs Water District
(name of agency)

Signature(s): Roxanne M. Holmes Roxanne M. Holmes, General Manager

Address: P.O. Box 3880

City, State, Zip Crestline, CA 92325

Date Signed: June 25, 2018

*If a corporation or company owns the property, please provide with
this form authorization from the entity for the signer to sign on its
behalf.*

**Environmental Response from
Tom Dodson**

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



October 1, 2018

Mr. Samuel Martinez
Local Agency Formation Commission
1170 West 3rd Street, Unit 150
San Bernardino, CA 92415-0490

Dear Sam:

LAFCO 3228 consists of a request by the Running Springs Water District (District) for a Reorganization to include annexation of additional territory to the District for wastewater and fire protection. The Reorganization also includes the detachment from the San Bernardino County Fire Protection District (County Fire) and its Mountain Service Zone. The property proposed for annexation consists of about 251 acres and is generally located on the east side of State Highway 18, north of Nob Hill Drive/Nob Hill Circle. The annexation area is located in the northwestern sphere of influence for the District.

Based on the above proposal, it appears that the proposed Reorganization would allow the District to continue to provide wastewater service (currently provided by the District to the camp facility by contract) and assume fire protection and emergency medical response service to the project area in place of County Fire. Thus, the project area will continue to receive wastewater service and comparable fire protection services with approval of the Reorganization. There will be no changes in land use associated with this proposal. Any changes in future development would require a separate review and approval by the County, including full compliance with the California Environmental Quality Act. The approval of LAFCO 3228 does not appear to have any potential to significantly alter the existing physical environment in any manner different from the existing environmental circumstance.

Therefore, I recommend that the Commission find that a Statutory Exemption (General Rule), as defined in CEQA under Section 15061(b)(3) of the State CEQA Guidelines, applies to LAFCO 3228. This Section 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 LAFCO 3228.

Based on this review of LAFCO 3228 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that the proposed LAFCO action does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate environmental determination to comply with CEQA for this action. The Commission can approve the review and findings for this action and I recommend that you notice LAFCO 3228 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 the hearing is completed and assuming LAFCO 3228 is approved.

A copy of this exemption recommendation should be retained in LAFCO's project file to serve as verification of this evaluation and as the CEQA environmental determination record. If you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dodson". The signature is fluid and cursive, with the first name "Tom" and last name "Dodson" clearly distinguishable.

Tom Dodson
President

TD/cmc

LAFCO/LA3228 Reorg SE NOE

Draft Resolution No. 3278

Attachment 6

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

PROPOSAL NO.: LAFCO 3228

HEARING DATE: OCTOBER 17, 2018

RESOLUTION NO. 3278

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3228 AND APPROVING THE REORGANIZATION TO INCLUDE ANNEXATION TO THE RUNNING SPRINGS WATER DISTRICT AND DETACHMENT FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS MOUNTAIN SERVICE ZONE. The reorganization area generally consists of Assessor Parcel Numbers 0328-031-12, 0328-042-06, -08, -13, -15, -16, and -17, comprising approximately 251 acres, generally located on the east side of Highway 18, north of Nob Hill Drive/Nob Hill Circle.

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 San Bernardino County 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 the Executive Officer has examined the application and executed his 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 the Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including his 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 October 17, 2018 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; the Commission considered all plans and proposed changes of organization, and all 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

RESOLUTION NO. 3278

the application, in evidence presented at the hearing;

NOW, THEREFORE, BE IT RESOLVED, that the Commission does hereby determine, find, resolve, and order as follows:

DETERMINATIONS:

SECTION 1. The proposal is approved subject to the terms and conditions hereinafter specified:

CONDITIONS:

Condition No. 1. The boundaries are approved as set forth in Exhibits "A" and "A-1" attached.

Condition No. 2. The following distinctive short-form designation shall be used throughout this proceeding: LAFCO 3228.

Condition No. 3. All previously authorized charges, fees, assessments, and/or taxes currently in effect by the Running Springs Water District (annexing agency) shall be assumed by the annexing territory in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t).

Condition No. 4. The Running Springs Water District 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 proposal, including any reimbursement of legal fees and costs incurred by the Commission.

Condition No. 5. The date of issuance of the Certificate of Completion shall be the effective date of this reorganization.

SECTION 2. The Commission determines that:

- a) this proposal is certified to be legally uninhabited;
- b) it has 100 % landowner consent; and,
- c) no written opposition to a waiver of protest proceedings has been submitted by any subject agency.

Therefore, the Commission does hereby waive the protest proceedings for this action as permitted by Government Code Section 56662(d).

SECTION 3. DETERMINATIONS. The following determinations are noted in conformance with Commission policy:

1. The reorganization area is legally uninhabited containing one registered voter as certified by the County Registrar of Voters as of September 21, 2018.

RESOLUTION NO. 3278

2. The County Assessor's Office has determined that the total assessed valuation of land within the reorganization area is \$10,009,018 as of June 20, 2018 broken down as: \$1,289,207 (land) and \$8,719,811 (improvements).
3. The reorganization area is within the sphere of influence assigned the Running Springs Water District.
4. Notice of this hearing has been advertised as required by law through publication in the *Mountain News*, a newspaper of general circulation within the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. Comments from any affected local agency have been reviewed by the Commission.
5. In compliance with the requirements of Government Code Section 56157 and Commission policy, individual notice was mailed to surrounding landowners and registered voters within approximately 1,350 feet of the exterior boundaries of the reorganization area (totaling 199 notices). Comments from landowners, registered voters and any affected local agency have been reviewed and considered by the Commission in making its determination.
6. The County's land use designations for the reorganization area are Hill Top/Resource Conservation (HT/RC) and Hill Top/Institutional (HT/IN). No change in land use is anticipated as a result of the reorganization.
7. The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy pursuant to Government Code Section 65080. LAFCO 3228 has no direct impact on SCAG's Regional Transportation Plan and Sustainable Communities Strategy.
8. The Local Agency Formation Commission has determined that this proposal is statutorily exempt from environmental review. The basis for this determination is that the Commission's approval of the reorganization has no potential to cause any adverse effect on the environment; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). The Commission adopted the Statutory Exemption and directed its 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 reorganization area is served by the following local agencies: County of San Bernardino, County Service Area 70 (unincorporated County-wide multi-function), Crestline-Lake Arrowhead Water Agency (State Water Contractor), Mojave Desert Resource Conservation District, Rim of the World Park and Recreation District, San Bernardino Mountains Community Healthcare District, San Bernardino County Fire Protection District and its Mountain Service Zone.

County Fire is affected through the transfer of its fire protection and emergency medical response obligations to Running Springs Water District as a function of the

RESOLUTION NO. 3278

reorganization. None of the other agencies identified above are affected by this proposal as they are regional in nature.

10. The Running Springs Water District submitted a plan for (1) the continuation of wastewater and ambulance services, and (2) the extension of fire protection services to the reorganization area, as required by Government Code Section 56653, which indicates that the District can, at a minimum, maintain the existing level of service delivery. The Plan for Service has 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 conforms to those adopted standards and requirements.
11. The reorganization area can benefit from the continuation of wastewater and ambulance services, extension of fire protection service, and availability of retail water service from the District.
12. This proposal will not affect the fair share allocation of the regional housing needs through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process. The land use designations [Hill Top/Resource Conservation (HT/RC) and Hill Top/Institutional (HT/IN)] do not support residential housing.
13. With respect to environmental justice, the reorganization proposal will not result in the unfair treatment of any person based on race, culture or income since the camp area already receives services from the District and the southerly neighboring area already receives water, wastewater, fire protection, and ambulance services from the District.
14. The County of San Bernardino (on behalf of San Bernardino County Fire Protection District and Running Springs Water District) adopted a resolution determining the transfer of ad valorem property tax revenues upon completion of this reorganization. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.
15. The map and legal description, as revised, are in substantial conformance with LAFCO and State standards.

SECTION 4. The purpose of the reorganization is to provide financial relief to the Pali Mountain Retreat/Adventure/Institute campsite (formerly Camp O-ongo). By annexing to the Running Springs Water District, the properties would be relieved from the higher out-of-agency wastewater rates currently charged by the District to the properties. The reorganization continues to provide wastewater service (currently provided by the District by contract) and fire protection and emergency medical response to the Pali Mountain.

SECTION 5. The Running Springs Water District has no existing bonded indebtedness or contractual obligations for which the reorganization area could be taxed. The regular County assessment rolls are utilized by the Running Springs Water District.

SECTION 6. Approval by the Local Agency Formation Commission indicates that completion

RESOLUTION NO. 3278

of this proposal would accomplish the proposed change of 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 7. The Commission hereby orders the territory described in Exhibits “A” and “A-1” reorganized. The Commission hereby directs, that following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer shall prepare and file a Certificate of Completion, as required by Government Code Section 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204.

SECTION 8. 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.

**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, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of October 17, 2018.

DATED:

SAMUEL MARTINEZ
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: OCTOBER 10, 2018 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #6: LAFCO SC#432 – Request for Exemption from Provisions of Government Code Section 56133 for Agreement between Hesperia Water District and County Service Area 64 for Wastewater Collection Services

RECOMMENDATION:

Staff recommends that the Commission:

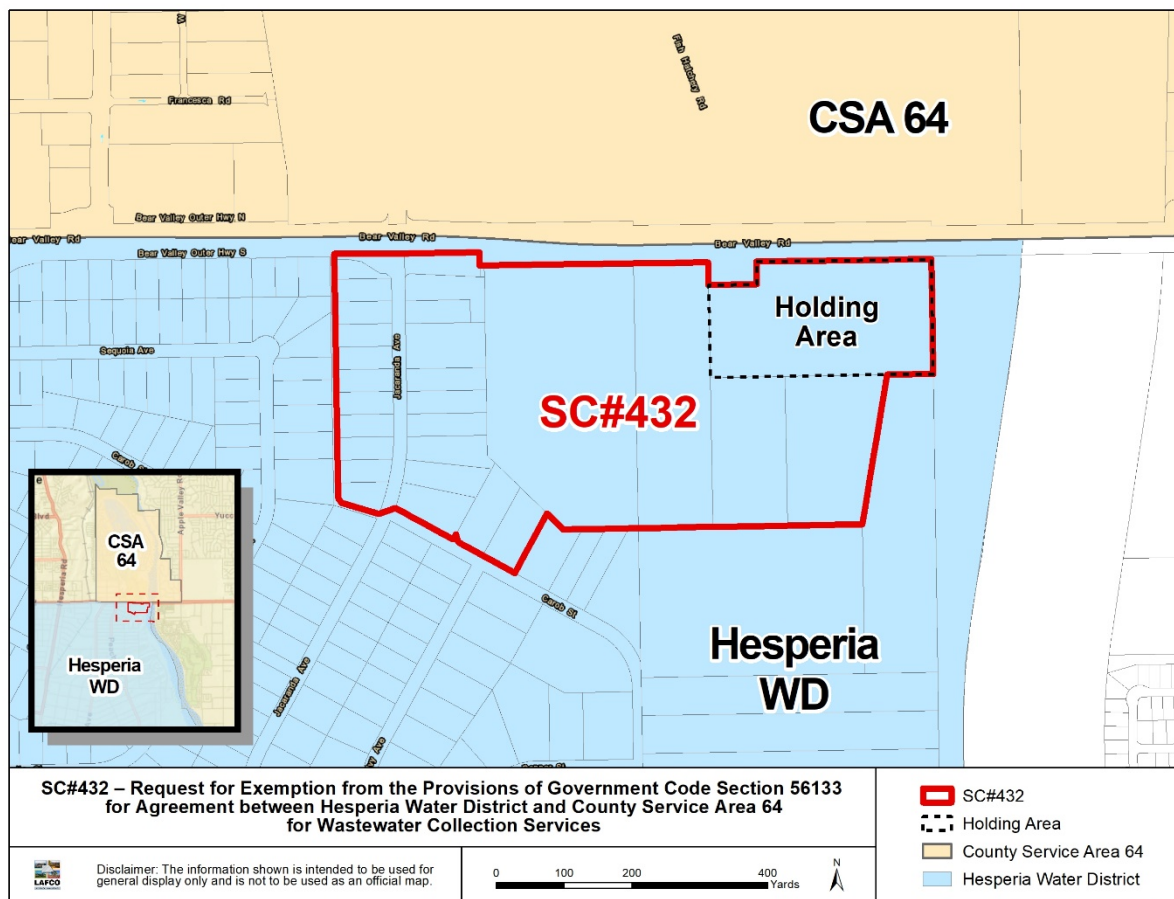
Determine that LAFCO SC#432 complies with the exemption provisions outlined within Government Code Section 56133 (e) and, therefore, does not require Commission approval.

BACKGROUND:

The Hesperia Water District (“HWD”) submitted a letter dated September 24, 2018 requesting the Commission determine that the proposed agreement between the HWD and County Service Area 64 (“CSA 64”) is exempt from the provisions of Government Code Section 56133 as outlined in Subsection (e). Per the Commission’s policy, this is being presented to the Commission since the exemption request is development-related.

The agreement is for CSA 64 to provide wastewater collection service to a proposed shopping center project generally located south of Bear Valley Road (Victor Valley College), west of the Mojave River, north of Carob Street, and east of Jacaranda Avenue, within the northeastern-most portion of HWD. According to the materials provided by HWD, the contract with CSA 64 is necessary because the HWD’s wastewater collection facilities are located uphill and about 6,500 feet to the west. HWD

has completed, and CSA 64 has approved, a CSA 64 sewer system capacity study dated August 2017 which determined that sufficient capacity exists in the system to provide sewer service to the project.



A copy of the exemption request letter (Attachment #1) and signed agreement (Attachment #2) are included as a part of this report.

The request has cited the relevant exemption language within Government Code Section 56133 (e) for its request. The section reads as follows:

“(e) This section does not apply to... ..[t]wo or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.”

In the present case, staff believes that the exemption outlined above is based on the following facts:

1. The agreement is between the HWD and CSA 64 both of which are public agencies.
2. The public service to be provided is wastewater collection, which both agencies actively provide. Therefore, this is a substitute for public services currently being provided in compliance with requirements of 56133 (e).
3. The level of service to be provided through this contractual relationship is consistent with the level of service currently provided by each agency.

CONCLUSION:

Based on the determinations outlined above, staff recommends that the Commission determine that pursuant to Government Code Section 56133 (e), the wastewater collection agreement between the Hesperia Water District and County Service Area 64 is exempt from further review and approval by the Commission.

SM/MT

Attachments:

1. [LAFCO SC#432 Request for Exemption dated September 24, 2018](#)
2. [Copy of Agreement for Service between HWD and CSA 64](#)

LAFCO SC#432
Request for Exemption dated
September 24, 2018

Attachment 1



City of Hesperia

Gateway to the High Desert

September 24, 2018

Samuel Martinez, Executive Officer
Local Agency Formation Commission
1170 West Third Street, Unit 150
San Bernardino, CA 92415-0490

REQUEST FOR EXEMPTION / SEWER SERVICE – 2018-FHLAFCO

Dear Mr. Martinez:

The City of Hesperia has negotiated an agreement with San Bernardino County Service Area 64 (CSA64) to connect a proposed eleven-acre shopping center project into the CSA64 sewer located in Fish Hatchery Road, just to the north of the subject property. The contract with CSA64 is necessary because the Hesperia Water District's sewer facilities are located uphill and about 6,500 feet to the west. The Hesperia Water District hereby requests that the Local Agency Formation Commission determine that the agreement between Hesperia Water District and County Service Area 64 is exempt from the provisions of Government Code Section 56133 as allowed under subsection (e), for the following reasons:

1. The agreement for wastewater service is between the City of Hesperia Water District and County Service Area 64, both public agencies;
2. The public service to be provided is an alternative to, or substitute for, public services already being provided by an existing service provider; and,
3. The level of service to be provided is consistent with the level of service contemplated by the existing service provider.

Enclosed with this request for exemption is a copy of the agreement. Also enclosed is a check for \$6,700. I understand the correct fee is \$2,250 and that you will process a refund of the balance (\$4,450). As discussed, the matter should be scheduled for the October 17, 2018 Local Agency Formation Commission for San Bernardino County agenda.

Thank you in advance for your assistance with this matter.

Sincerely,

Jeffrey A. (Jeff) Codega, A.I.C.P., P.E.
Principal Planner

Encl.: Application for Extension of Service by Contract.
Required Exhibits.

Bill Holland, Mayor
Rebekah Swanson, Mayor Pro Tem
Larry Bird, Council Member
Paul Russ, Council Member
Jeremiah Brasowske, Council Member

Nils Bentsen, City Manager

9700 Seventh Avenue
Hesperia, CA 92345
760-947-1000
TD 760-947-1119

www.cityofhesperia.us

**Copy of
Agreement for Service
between
HWD and CSA 64**

Attachment 2

AGREEMENT

Between

City of Hesperia Water District, a Subsidiary District of the City of Hesperia

And

San Bernardino County Special Districts

For

BEAR VALLEY AND FISH HATCHERY AREA SEWER SERVICE

THIS AGREEMENT is made and entered into this 21 day of August, 2018, by and between the City of Hesperia, herein referred to as CITY, and San Bernardino County Special Districts, herein referred to as SBCSD.

WITNESSETH

WHEREAS, portions of the **CITY** in the Northeast area near Bear Valley Road and Mojave Fish Hatchery Road are available for development, herein referred to as Development Area; and

WHEREAS, no **CITY** sewer service is available in the area – It is more than 6,500 feet away from existing **CITY** sewer facilities; and

WHEREAS, **SBCSD** operates a sewer system immediately north of Bear Valley Road and Mojave Fish Hatchery Road referred to as CSA 64; and

WHEREAS, the **CITY** has completed, and **SBCSD** has reviewed and approved, a sewer system capacity study dated August 14, 2017 of **SBCSD**'s CSA 64 system that will be impacted by sewer flow from the Development Area, enclosed as Exhibit A, that determined sufficient capacity exists in the system to provide sewer service to **CITY** for the Development Area.

NOW THEREFORE, in consideration of the above, and in consideration of the terms, covenants, and conditions herein set forth, the parties mutually agree as follows:

1. **SBCSD** will provide sewer service to the **CITY** for the Development Area.
2. Parties will collaborate on processing an Out-of-Agency Service Contract with LAFCO. The **CITY** will prepare all LAFCO applications and attachments thereto including mapping, letter requests, and related documents. **SBCSD** will also prepare letters as needed to complete the application.

3. The **CITY**, or its contractors, shall be responsible for the preparation of engineering plans, related documents, permit acquisition, and construction of all work. The work shall include, but not be limited to, installation of pipeline, connection to the **SBCSD** system and related facilities. All work shall be completed within one year from LAFCO approval. **SBCSD's** authorizes the **CITY** and/or its contractors to construct a connection to **SBCSD's** CSA 64's system at the location shown on Exhibit B. The connection will include a flow meter.

4. **SBCSD** will collect meter data and bill the **CITY** for sewer service.

5. This agreement shall become effective upon approval by both parties and shall remain in effect until such time that the City redirects flows to its system or until terminated by mutual agreement of both parties.

6. The **CITY** and its contractors shall indemnify, defend, hold harmless **SBCSD** and their authorized agents, officers, and employees against any and all claims or actions arising from the **CITY's** acts or omissions and for any cost or expenses incurred by **SBCSD** on account of any claim therefore.

7. **SBCSD** shall indemnify, defend, hold harmless **CITY** and their authorized agents, officers, and employees against any and all claims or actions arising from the **SBCSD's** acts or omissions and for any cost or expenses incurred by **CITY** on account of any claim therefore.

8. This Agreement constitutes the entire agreement of the parties. No verbal agreement or statement made by either party prior to execution hereof shall be effective unless set forth in the Agreement. Any amendments to this Agreement will be effective only if made in writing and signed by both parties hereto.

9. All notices required or permits to be given under this Agreement shall be deemed given by delivery or by mailing, postage prepaid to the recipient party to and at its current address; the present addresses of the parties are as follows:

City: City of Hesperia Water District
9700 Seventh Avenue
Hesperia, CA 92345
Attn: City Manager

SBCSD: Special District Department
Water and Sanitation Operations
12403 Industrial Blvd., Bldg. D, Suite 6
Victorville, CA 92392
Attn: General Manager

IN WITNESS WHEREOF, this Agreement is effective on the day and year first above written.

CITY OF HESPERIA WATER DISTRICT

SAN BERNARDINO COUNTY SPECIAL DISTRICTS

A Subsidiary of the City of Hesperia



Mayor

Chairman, Board of Supervisors, acting
in its capacity as the governing body of
San Bernardino County Special Districts




Clerk of the Water District

Clerk of the Board Supervisors

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: OCTOBER 10, 2018 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #7: First Quarter Financial Review for Period
July 1 through September 30, 2018

RECOMMENDATION:

Staff recommends that the Commission note receipt of this report and file.

BACKGROUND:

The first quarter of Fiscal Year 2018-19 has concluded and staff is presenting the Commission with its first financial report. This report includes a review of the financial activities and the presentation of a spreadsheet (Attachment #1) showing the line item expenditures and receipts during the period.

FIRST QUARTER REVIEW:

The following narrative provides a discussion of expenditures and reserves, revenues received, an update on special project activities, and a breakdown of the fund balance at the end of the quarter.

Expenditures and Reserves

Expenditures are comprised of two categories of accounts: 1) Salaries and Benefits, and 2) Services and Supplies. Through the first quarter, total expenditures are at 31% of Approved Budget authority. No request is being presented, at this time, by staff for authorization to utilize funds maintained in the Contingency or Reserve accounts. A more detailed analysis of the categories is as follows:

1. Salaries and Benefits (1000 series)

A. First Quarter Activity

The Salaries and Benefits series of accounts (1000 series) had expenditures of \$244,190 through the first quarter, representing 29% of Approved Budget authority. The increase of four percentage points over the 25% benchmark is primarily explained by:

- July having three pay dates, as opposed to two.
- The former executive officer's contract continued through the first quarter, ceased September 30, 2018.

B. Anticipated Activity

The remainder of the year is anticipated to maintain the adopted budget.

2. Services and Supplies (2000 and 5000 series)

A. First Quarter Activity

For the first quarter, the Services and Supplies series of accounts (2000 and 5000 series) had expenditures of \$164,316, or 35% of Approved Budget authority. The first quarter includes full-year and one-time payments. Payments that are typical to the first quarter that have taken place include: California Association of LAFCOs (CALAFCO) membership, the CALAFCO Annual conference (registration), the Commission's property and liability insurance, and the annual payment to SBCERA for GASB 68 processing. These one-time and full-year expenditures are generally on target for the fiscal year.

Additionally, a number of invoices received in June were not able to be processed by the year-end cutoff. The invoices, totaling \$9,733, were processed in July and are included in the FY 2018-19 First Quarter activity.

The first quarter included unanticipated or unbudgeted legal activity totaling \$26,511, which are outlined below. This has pushed the Legal Counsel Account 2400 to 112% of budget authority. However, LAFCO is indemnified by the applicants for these matters, and the reimbursements received have been deposited. At this time staff is not recommending any budget adjustments; rather, as a part of the mid-year financial review staff will recommend the appropriate budget adjustments (an increase in revenues with a corresponding increase in expenditures).

- Legal Counsel charges from litigation of two cases regarding LAFCO 3216: City of Upland annexation to San Bernardino County Fire Protection District et al filed by the San Antonio Heights Property Owners Association.

LAFCO is indemnified by the City of Upland and County Fire for these cases. Payments made through the first quarter total \$19,078.

- Legal Counsel charges related to LAFCO 3218: Hesperia Fire Protection District annexation into County Fire. This proposal experienced a unique pension-related matter. LAFCO is indemnified by the Hesperia Fire Protection District and County Fire for these cases. Payments made through the first quarter total \$7,433.

B. Second Quarter Anticipated Expenditures

Anticipated activities for the second quarter include significant expenditures, identified as:

- In July the Commission authorized \$15,000 to scan the backlog of closed files. These costs will be incurred during the second quarter, and an update of the project is discussed later in this report.
- Full-year payments for the annual financial audit (\$11,018). This is the third year of a four-year contract with the firm Davis Farr LLP.
- Subscription to the County Street Network (\$10,500) for maintenance of digital mapping and Google Earth Subscription (\$3,000).
- Governance Training Program, a total cost not to exceed \$7,500. An update of the project is discussed later in this report.
- CALAFCO Annual conference expenses (hotel and travel for two staff and three Commissioners).
- Significant payments for the processing of proposals and countywide fire service review (legal costs, advertising and mailing) are anticipated.

Additionally, during the recruitment process related to the current Executive Officer's employment, the Commission expressed interest for a strategic planning workshop. Agenda Item #8 on this month's agenda recommends that the Commission: (1) authorize a strategic planning workshop, and (2) review and approve a contract for a consultant to facilitate the workshop. Staff estimates that the total cost should not exceed \$5,000, to include: consultant contract, facility fee and insurance, and food/drink. At this time staff is not recommending any budget adjustments; rather, as a part of the mid-year financial review staff will recommend the appropriate budget adjustments, if necessary.

C. Status of Ongoing Commission-approved Projects

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

Governance Training Program:

The Commission is continuing its efforts to provide governance training for special districts, as well as other levels of government, within the County. As a part of this year's budget, staff developed an education program in coordination with CALAFCO and California Special Districts Association (CSDA) – see chart below. The budget allocates \$7,500 total for payments to CALAFCO or CSDA, per the agreed upon cost.

Governance Training Program Fiscal Year 2018-19		
Training Session	Collaboration	Date
<i>Policy and Procedure Writing</i>	California Special Districts Association	December 2018
<i>LAFCO 101</i>	CALAFCO	January/February 2019
<i>Customer Service in the Public Sector</i>	California Special Districts Association	March 2019

Scanning of Closed Files

LAFCO is mandated by State Law to maintain its files in perpetuity, and the law includes a provision that allows for the files to be maintained in digital form. LAFCO's closed files are in digital form, but a backlog exists in scanning the recently closed files. In July the Commission authorized \$15,000 to scan the backlog of closed files.

The project has three phases: (1) document check and preparation, (2) scan and import to viewing program, and (3) ship paper file to storage. Staff is nearing completion of Phase 1, and the scanning vendor is anticipated to begin scanning in November (Phase 2). Originally, staff anticipated that scanning would be done in-house by temporary services; however, previous concerns related to the files have been alleviated and the scanning can be outsourced.

3. Reserves (6000 series)

With the Assistant Executive Officer position being unfilled, in July the Commission increased the following Reserve accounts:

- Contingencies by \$34,852 from \$15,148 to \$50,000; and
- General/Litigation Reserve by \$64,392 from \$85,608 to \$150,000

No spending activity has been requested by staff or authorized by the Commission to take place in the Reserve accounts during the first quarter. At this time staff is not recommending any budget adjustments; rather, as a part of the mid-year financial review staff will recommend the appropriate budget adjustments, if necessary.

Revenues

1. Revenues through First-Quarter

The Commission has received 93% of Adopted Budget revenues through the first quarter. The items below outline the revenue activity:

- Interest (Account 8500) – Interest rates have steady increased over the past two years, albeit still providing a minimal cash amount. \$3,011 in interest revenue was earned from the Commission's cash in the County Treasury reflecting the final quarter of Fiscal Year 2017-18 cash. The bulk of LAFCO's revenues are received during the first quarter of the fiscal year through receipt of its annual apportionment. However, it is anticipated that the annual interest rate will remain low for the balance of the year providing limited resources.
- Apportionment (Account 8842) - 100% of the mandatory apportionment payments from the County, cities, and independent special districts billed by the County Auditor have been received.
- Fees and Deposits (Accounts 9545 – 9800) – Through the first quarter, the Fees and Deposits series of accounts have received 40% of its budgeted revenue (\$56,388). This amount is made up of a combination of service contract filing fees and legal cost recovery.
- Carryover from Prior Year (Account 9970)

Prior Year Contingency and Reserve funds have been carried forward, \$495,941.

2. Proposal Activity

The figure below identifies the number of proposals and service contracts received through the first quarter. The figure identifies that zero proposals and seven service contracts were received in the first quarter. As a part of the *Countywide Service Review for Wastewater* in August, the Commission initiated a sphere of influence amendment for the City of Adelanto. Attachment #2 to this staff report includes a

chart showing the yearly comparison of proposal, service review, and completed service review activity.

Activity	Budget	Through September	
		No.	% of Budget
Proposals - applicant initiated	9	0	0%
Proposals - Commission initiated	--	1	--
Service Contracts - Commission approval	2	4	200%
Service Contracts - Commission approval for exemption	0	2	--
Service Contracts - Admin (E.O.) approval	4	1	25%
Protest Hearing Deposits	6	0	0%

Proposals thought to have been received in the first quarter are anticipated for submission in the second quarter. The second quarter anticipates the receipt of at least a CSD formation and two annexations.

In the first quarter the Commission completed *the Countywide Service Review for Wastewater*, encompassing over 50 wastewater systems across four regions. The remainder of the year anticipates processing of the *Countywide Service Review for Fire/Emergency Medical Services/Ambulance/Dispatch*.

Fund Balance

As of September 30, the Commission's cash in the County Treasury was \$1,252,341. A breakdown of this amount is shown below.

September 30, 2018 Balance		\$1,252,341
Cash Balance is composed of the following:		
<i>Committed (constrained to specific purposes)</i>		
Net Pension Liability Reserve (Account 6010)		184,963
Compensated Absences Reserve (Account 6030)		97,377
<i>Assigned (intended for specific purposes)</i>		
Contingency (Account 6000)		50,000
General Reserve (Account 6025)		150,000
<i>Remaining Budgeted Expenditures</i>		894,691
<i>Remaining Budgeted Revenues (shown as negative)</i>		(124,690)

CONCLUSION:

The bridge between the last quarter of 2017-18 and the first quarter of 2018-19 has concluded with a new executive officer and completion of the overlapping contract with the former executive officer.

The Commission has 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. At this time, there are no fire proposals on file with LAFCO and staff continues to process the proposals and service contracts on file, as well as the Fire/EMS/Ambulance/Dispatch service review.

With that noted, the remaining activities of the first quarter are generally within markers for first quarter activity.

Staff will be happy to answer any questions from the Commission prior to or at the hearing regarding the items presented in this report.

SM/MT

Attachments:

1. [Spreadsheet of First-Quarter Expenditures, Reserves, and Revenues](#)
2. [Chart Illustrating Yearly Proposal, Service Contract, and Service Review Activity](#)

Spreadsheet of First-Quarter Expenditures, Reserves and Revenues

Attachment 1

ACCT. #	ACCOUNT NAME	ADOPTED BUDGET MAY 2018	AMENDED BUDGET JULY 2018	JULY	AUG	SEPT	1ST QUARTER	PERCENT OF BUDGET
	SALARIES AND BENEFITS							
1010	Regular Salary and Bilingual	\$ 632,018	\$ 442,774	\$ 38,006.47	\$ 72,494.73	\$ 44,132.81	\$ 154,634	35%
1030	Auto and Cell Phone Allowances	21,577	21,577	1,869.24	3,646.17	2,430.78	7,946	37%
1035	Overtime						-	
1045	Termination Payment						-	
1110	General Member Retirement	216,127	216,127	10,538.62	20,528.56	13,136.00	44,203	20%
1130	Survivors Benefits	268	268	15.40	20.40	13.60	49	18%
1135	Indemnification - General			1,301.60	692.92		1,995	
1200	Employee Group Insurance (Health Subsidy)	63,515	63,515	4,060.30	6,193.57	4,163.42	14,417	23%
1205	Long-Term Disability	1,528	1,528	80.06	124.81	82.02	287	19%
1207	Vision Care Insurance	986	986	63.20	89.85	59.90	213	22%
1215	Dental Insurance & Health Subsidy	1,476	1,476	94.60	141.90	94.60	331	22%
1222	Short-Term Disability	5,866	5,866	313.01	558.52	392.00	1,264	22%
1225	Social Security Medicare	7,883	7,883	502.08	951.41	589.96	2,043	26%
1235	Workers' Compensation	6,551	6,551			283.25	283	4%
1240	Life Insurance & Medical Trust Fund	10,371	10,371	608.45	1,056.80	720.82	2,386	23%
1305	Medical Reimbursement Plan	8,183	8,183	300.00	450.00	300.00	1,050	13%
1310	ID Allowance Café	3,301	3,301	943.40	1,415.10	943.40	3,302	100%
1314	457/401a Defined (LAFCO Contribution)	3,687	3,687	157.79	311.47	211.60	681	18%
1315	401k Contribution	45,268	45,268	2,372.20	4,000.24	2,732.76	9,105	20%
	TOTAL SALARIES & BENEFITS	\$ 1,028,605	\$ 839,361	\$ 61,226.42	\$ 112,676	\$ 70,287	\$ 244,190	29%
	Staffing (Full time equivalent units)	5	5					
	SERVICES AND SUPPLIES							
	Services:							
2035	Communications							
2037	COMNET Charge (ISF)	\$ 3,504	\$ 3,504		\$ 323.70	\$ 323.70	\$ 647.40	18%
2038	Long Distance Charges							
2040	Relocation Charges - Phone Service							
2041	Phone Service/Outside Company	8,813	8,813	1,248.36	1,088.06		2,336	27%
2043	Electronic Equipment Maintenance	3,236	3,236				-	0%
2075	Membership Dues	10,426	10,426	8,926.00			8,926	86%
2076	Tuition Reimbursement	2,000	2,000				-	0%
2080	Publications	3,187	3,187	203.82	436.16		640	20%

ACCT. #	ACCOUNT NAME	ADOPTED BUDGET MAY 2018	AMENDED BUDGET JULY 2018	JULY	AUG	SEPT	1ST QUARTER	PERCENT OF BUDGET
2085	Legal Notices	17,250	17,250	6,296.21	4,592.07	677.60	11,566	67%
2090	Miscellaneous Expense (Costs related to move)	7,000	7,000	475.00	475.00	475.00	1,425	20%
2115	Computer Software	3,277	3,277	1,313.00			1,313	40%
2125	Inventoriable Equipment							
2130	Moving Expenses							
2180	Electricity for Office	4,356	4,356		570.36		570	13%
2182	Electricity			478.94		479.83	959	
2195	Reimbursement Services and Supplies							
2245	Other Insurance	9,965	9,965	14,237.94			14,238	143%
	Supplies:							
2305	General Office Expense	5,834	5,834	1,416.04	507.35	136.08	2,059	35%
2308	Credit Card Clearing Account			(2,043.05)			(2,043)	
2309	Visa Temp Card							
2310	Postage - Direct Charge	6,656	6,656	330.18	678.07	1,079.55	2,088	31%
2315	Records Storage	715	715	59.62	119.24		179	25%
2316	Surplus Handling							
2323	Reproduction Services					77.15	77	
2335	Temporary Services		15,000.00				-	0%
	Consultant & Special Services:							
2400	Prof & Special Service (Legal Counsel)	39,300	39,300	29,791.99	10,181.37	3,983.47	43,957	112%
2405	Auditing	11,019	11,019				-	0%
2410	Data Processing	12,851	12,851	1,071.00	1,071.00	1,071.00	3,213	25%
2415	COWCAP	10,109	10,109			2,527.25	2,527	25%
2420	ISD Other IT Services	225	225		37.44	37.44	75	33%
2421	ISD Direct	18,755	18,755	382.20	1,625.67	1,615.68	3,624	19%
2424	Mgmt & Tech (Environmental Consultant)	7,350	7,350	3,015.00	915.00	-	3,930	53%
2444	Security Services	468	468		117.00		117	25%
2445	Other Prof (Commission, Surveyor, ROV)	43,561	118,561	9,589.36	10,248.64	4,389.24	24,227	20%
2449	Outside Legal (Litigation & Special Counsel)			3,215.68			3,216	
2450	Application Development Support	200	200				-	0%
2460	GIMS Charges	16,170	16,170			17.50	18	0%

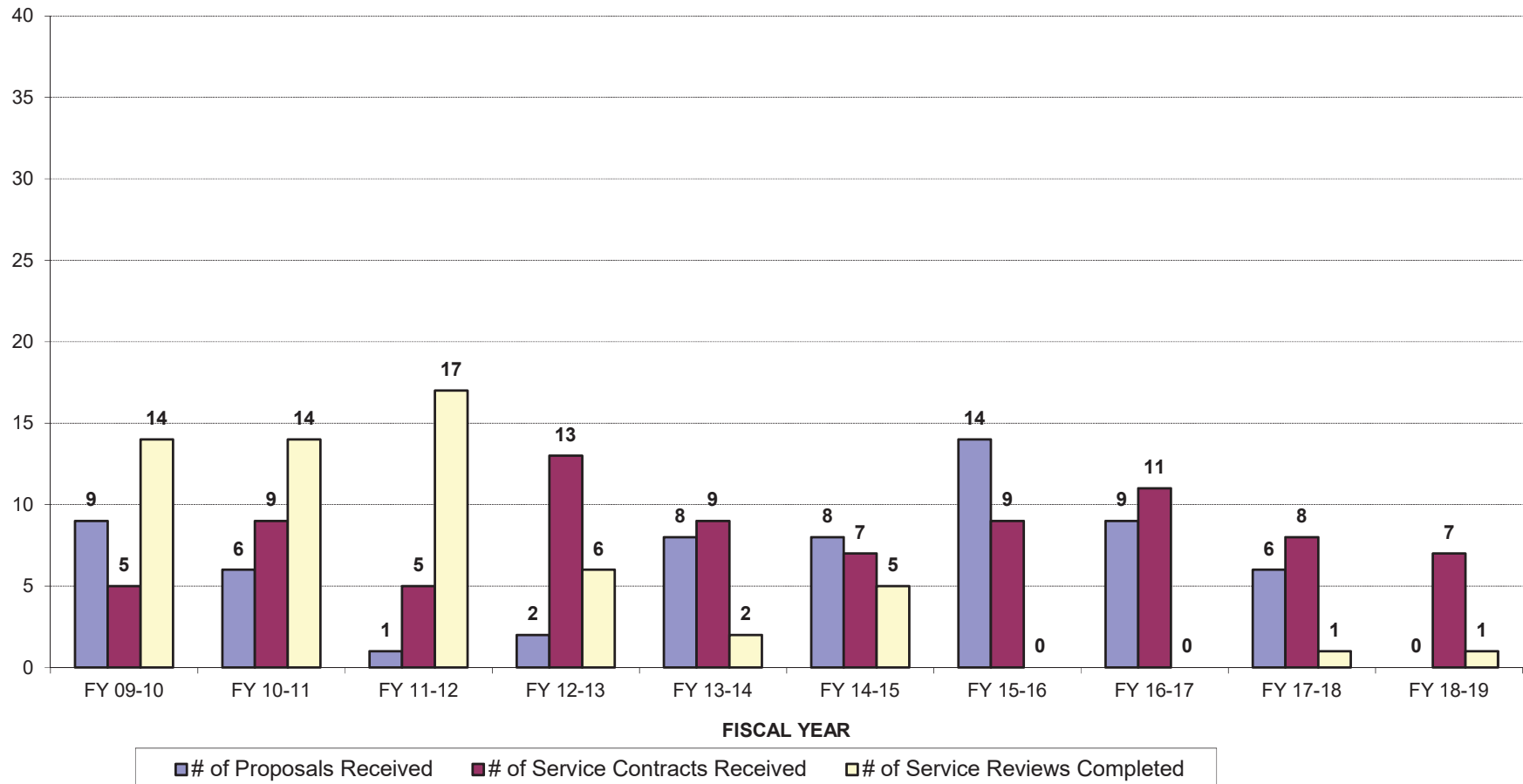
ACCT. #	ACCOUNT NAME	ADOPTED BUDGET MAY 2018	AMENDED BUDGET JULY 2018	JULY	AUG	SEPT	1ST QUARTER	PERCENT OF BUDGET
	Lease/Purchases:							
2895	Rent/Lease Equipment (copier)	4,800	4,800	856.23	512.18	428.42	1,797	37%
2905	Office/Hearing Chamber Rental	99,212	99,212	24,145.39	405.00	405.00	24,955	25%
	Travel Related Expenses:							
2940	Private Mileage	6,010	6,010	562.32	371.83	345.23	1,279	21%
2941	Conference/Training	5,330	5,330	3,220.00			3,220	60%
2942	Hotel	7,920	7,920	1,987.86	170.13	752.64	2,911	37%
2943	Meals	1,735	1,735	90.70		117.00	208	12%
2944	Car Rental	200	200				-	0%
2945	Air Travel	800	800				-	0%
2946	Other Travel	400	400	42.00	20.00		62	16%
	Other Charges:							
5012	Services Out (Staples)	1,200	1,200				-	0%
TOTAL SERVICES & SUPPLIES		\$ 373,835	\$ 463,835	\$ 110,911.79	\$ 34,465.27	\$ 18,939	\$ 164,316	35%
TOTAL EXPENDITURES		\$ 1,402,440	\$ 1,303,196	\$ 172,138.21	\$ 147,141.72	\$ 89,226	\$ 408,506	31%
	RESERVES							
6000	Contingency	\$ 20,442	\$ 50,000				\$ -	0%
6010	Net Pension Liability Reserve	184,963	184,963				-	0%
6025	General Reserve - Litigation	85,608	150,000				-	0%
6030	Compensated Absences Reserve	97,377	97,377				-	0%
TOTAL CONTINGENCIES & RESERVES		\$ 388,390	\$ 482,340	\$ -	\$ -	\$ -	\$ -	0%
TOTAL APPROPRIATION		\$ 1,790,830	\$ 1,785,536	\$ 172,138.21	\$ 147,141.72	\$ 89,226	\$ 408,506	23%

ACCT #	ACCOUNT NAME	ADOPTED BUDGET MAY 2018	AMENDED BUDGET JULY 2018	JULY	AUG	SEPT	1ST QUARTER	PERCENT OF BUDGET
	CONTRIBUTION REVENUES							
	Use of Money:							
8500	Interest	\$ 11,000	\$ 11,000	\$ 3,010.84			\$ 3,011	27%
	Mandatory Contribution from Governments:							
8842	Local Government -- For FY 2018-19 apportionment to County, Cities, and Independent Special Districts (\$368,499 total for each category)	1,105,497	1,105,497	838,700.22	245,157.07	21,639.73	1,105,497	100%
	Fees and Deposits (Current Services):							
9545	Individual Notice	6,700	6,700		2,100.00	1,015.96	3,116	47%
9555	Legal Services	18,000	18,000	4,382.54	21,655.31	4,264.85	30,303	168%
9595	Protest Hearing	7,200	7,200				-	0%
9655	GIMS Fees	6,370	6,370				-	0%
9660	Environmental	7,000	7,000		2,490.00	2,029.42	4,519	65%
9800	LAFCO Fees	96,830	96,830		9,750.00	8,700.00	18,450	19%
	Total Fees and Deposits	142,100	142,100	4,382.54	35,995.31	16,010	56,388	40%
	TOTAL CONTRIBUTION REVENUES	1,258,597	1,258,597	846,093.60	281,152.38	37,649.96	1,164,896	93%
	OTHER REVENUES							
9910	Prior Year Activity (refunds, collections)	\$ 13,999	\$ 13,999				-	0%
9930	Miscellaneous Revenues	2,000	2,000			10.00	10	1%
9970	Carryover of Open Proposals/Projects	15,000	15,000			(50.00)	(50)	0%
9970	Carryover from Prior Year, Assigned				50.00		50	
	TOTAL OTHER REVENUES	30,999	30,999	-	50.00	(40.00)	10	0%
	TOTAL REVENUES	\$ 1,289,596	\$ 1,289,596	\$ 846,093.60	\$ 281,202.38	\$ 37,609.96	\$ 1,164,906	90%
	RESERVES FROM PRIOR YEAR, as of July 1							
9970	Contingency	63,077	57,783	57,783.00			57,783	100%
9970	Net Pension Liability Reserve	148,450	148,450	148,450.00			148,450	100%
9970	General Reserve - Litigation	200,000	200,000	200,000.00			200,000	100%
9970	Compensated Absences Reserve	89,708	89,708	89,708.00			89,708	100%
	TOTAL RESERVES FROM PRIOR YEAR	\$ 501,235	\$ 495,941	\$ 495,941.00	\$ -	\$ -	\$ 495,941	100%
	TOTAL REVENUE AND RESERVES	\$ 1,790,831	\$ 1,785,537	\$ 1,342,034.60	\$ 281,202.38	\$ 37,609.96	\$ 1,660,847	93%
	Note: Spreadsheet utilizes the cash basis of accounting and does not include accrual/reversal data which do not affect fund balance.							

**Chart Illustrating Yearly
Proposal, Service Contract,
and Service Review Activity**

Attachment 2


Number of Proposals & Service Contracts Received, and Service Reviews Completed by Fiscal Year



Through September 2018

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE : OCTOBER 10, 2018
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #8 – Strategic Planning Workshop Authorization and Approval of Proposal for Facilitation Services

RECOMMENDATION:

Staff recommends that the Commission:

1. Support and approve a Strategic Planning Workshop for San Bernardino LAFCO in January 2019; and,
2. Authorize the Executive Officer to accept/sign the proposal submitted by the Alta Mesa Group, LLC to provide facilitation services for the Strategic Planning workshop.

BACKGROUND:

Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. It is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment.

The Commission has not had a strategic planning workshop in recent years. The closest to having some type of strategic planning was in 2010 when the Commission looked at goal setting for that year and adopted its Mission and Vision Statement. It also reviewed some of its policies and procedures, particularly on how it conducted service reviews, as well as its policies related to unincorporated islands.

Since it has been a while since the Commission had some type of strategic planning and, with the hiring of a new Executive Officer, it is an opportune time for the Commission to have a Strategic Planning workshop to identify strategies and assess priorities, evaluate its strategic direction by revisiting its Mission and Vision statements, and identify strategies on how goals will be achieved and how problems will be resolved. These are just examples of what Strategic Planning would entail. It is anticipated that some of its policies and procedures will also be reevaluated. The workshop is also intended as a team building experience for the Commissioners and staff.

One of the key aspects of having a successful Strategic Planning workshop is having a good facilitator. Staff reached out to Mr. Bill Chiat, who has been highly recommended not only for his extensive work in facilitating strategic workshops throughout the State but also because of his intimate knowledge of LAFCO as the former Executive Director for CALAFCO. Mr. Chiat has submitted a proposal/quote to facilitate the Commission's Strategic Planning workshop, which is included as an attachment to the staff report.

CONCLUSION:

Staff is recommending that the Commission approve the Strategic Planning Workshop for San Bernardino LAFCO, provide direction to staff on possible dates in January 2019 for the workshop, and authorize the Executive Officer to accept/sign the proposal submitted by the Alta Mesa Group, LLC, and work with Mr. Chiat on logistics related to preparation for the workshop.

Staff will be available for any questions prior to or at the hearing.

Attachment:

Proposal Submitted by the Alta Mesa Group, LLC

Proposal for Strategic Workshop Facilitation Services

Presented by Alta Mesa Group, LLC

13 July 2018



INTRODUCTION

LAFCo of San Bernardino is looking into the future towards emerging issues and challenges and desires to participate in a strategic workshop to consider these issues at a policy level, and to build adaptive practices to better address them as they unfold. The workshop is intended to focus on the unique role of the Commissioners and the Commission as a whole in addressing the challenges of the county. The workshop is also intended as a team building experience for the commissioners and staff. The purpose of the proposed services is to design and facilitate the strategic workshop with the Commission and staff.

SCOPE OF WORK

Alta Mesa Group LLC (AMG) proposes to provide the following services:

- * Participate in preparatory meetings with staff to clarify the goals and outcomes anticipated
- * Conduct telephone interviews with the Commission Chair and select Commissioners
- * Prepare workshop design
- * Consult with LAFCo staff as necessary in preparation for the workshop
- * Finalize agenda
- * Prepare any workshop materials for reproduction by LAFCo
- * Facilitate workshop

AMG will provide final materials electronically to LAFCo for reproduction at least 10 days prior to workshop.

CONSULTANT

William S. (Bill) Chiat is President of the Alta Mesa Group, LLC and will serve as the project consultant and perform all tasks associated with this project. Mr. Chiat has done extensive work in facilitating and executive development of local government governing boards, including facilitation of strategic workshops for a number of LAFCos. He is the former executive director of the California Association of Local Agency Formation Commissions. He is recognized as an expert in LAFCo law and processes, and instrumental in legislation which changed the law over the years. Mr. Chiat previously served as County Executive Officer of Napa County, as well as other executive level positions in cities, counties and special districts in California. He also served as executive director of the Arizona Governor's Office for Excellence in Government and a member of the Governor's Cabinet. He currently serves as a consultant to cities, counties and LAFCos, as well as Dean of the California State Association of Counties Institute for Excellence in County Government, and a Lecturer at the UC Berkeley Goldman School of Public Policy. Mr. Chiat has an undergraduate degree in field biology and a Masters Degree in natural resource

agency management. He is a graduate of the Harvard Kennedy School's Senior Executives in State and Local Government program.

COST PROPOSAL

AMG recognizes the severe budget constraints of public agencies and strives to keep costs as economical as possible. Professional fees include the design, preparation, client consultation and facilitation of the workshop described in the Scope of Work. Expenses are limited to travel costs, and we only bill for actual expenses. We find clients prefer to make their own local arrangements for workshops, so our proposal does not include costs associated with the meeting room, equipment, food or materials associated with preparatory meetings or the workshop.

Professional Fees

Preparation and Facilitation of Workshop	\$4,000
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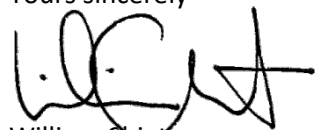
Expenses

Travel to San Bernardino	\$550
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Contract not-to-exceed (all costs)	\$4,550
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Thank you for the opportunity to submit this proposal to facilitate your strategic workshop. We hope we have demonstrated that AMG can meet your expectations. We bring talent, creativity, enthusiasm and experience to get your job done right. We believe in what you are doing. We believe in where you are going. And we want to be your partner in getting there!

Yours sincerely




William Chiat,
President

Alta Mesa Group, LLC
324 Alta Mesa Circle
Napa, CA 94558

916/719-6517
wchiat@altamesagrp.com

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : OCTOBER 10, 2018
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #9 – Update on the City of Rialto's Initiation of its Five North Rialto Islands

RECOMMENDATION:

Staff recommends that the Commission receive and file the update.

BACKGROUND:

At the May 18, 2016 LAFCO hearing, the Commission approved LAFCO 3201, the reorganization that included the annexation of the Lytle Creek Ranch Specific Plan into the City of Rialto. The approval of this proposal included a condition that required the City of Rialto to annex its five "North Rialto islands". The condition, as approved by the Commission, reads as follows:

Condition No. 4. The City of Rialto shall be required to initiate the five North Rialto Islands identified on the map included as Exhibit "G" within one year of the Commission's approval of LAFCO 3201. A resolution by the City Council of the City of Rialto shall be submitted to the Executive Officer of LAFCO outlining the City's commitment to fulfilling this requirement prior to the issuance of the Certificate of Completion for LAFCO 3201. A status report shall be provided to the Commission at the six month date outlining the progress of the City of Rialto in fulfilling its obligation. Failure on the part of the City of Rialto to fulfill its commitment for annexation of the five North Rialto islands shall require that the next annexation proposed to the City of Rialto, either by the City through resolution or by property owner/registered voter petition, shall include the condition requiring the initiation of the North Rialto islands with the condition of approval being deemed completed upon the issuance of the Certificate(s) of Filing for the islands either individually or as a reorganization.

November 2016 Update:

At the November 2016 Commission hearing, LAFCO staff provided the Commission with its six month update on the City's compliance to initiate the annexation of its five North Rialto islands. At that hearing, it was identified that the City was in the process of requesting City Council authorization for the commencement of the initiation process, which the City Council approved. Part of its approval included a 10-point action plan/timeline that the City was to accomplish within six months (November 2016 – May 2017):

Task	Timeline
1. Land survey to identify parcels and property owners with photographs	Nov. – Dec. 2016
2. Update Plan for Services including Infrastructure Needs Assessment and Fiscal Impact Analysis	January 2017
3. Present Survey, Infrastructure and Plan for Services to Economic Development Committee (EDC), and City Council	January 2017
4. Identify Annexation Task Force members	February 2017
5. Prepare social media information for distribution and web access including an "Annexation Myths" fact sheet	February 2017
6. Host a series of public information meetings throughout the community	March 2017
7. Prepare LAFCO annexation application	March 2017
8. Schedule pre-annexation application for review by the EDC and Planning Commission	March 2017
9. Schedule pre-annexation application for review by the City Council	April 2017
10. File annexation application with LAFCO	May 2017

After the initial six-month update, there was no communication from City staff regarding its progress nor was there any coordination with LAFCO staff on its annexation process related to the five North Rialto islands.

May 2017 Update:

At the May 2017 Commission hearing, LAFCO staff provided the Commission with its second update on the City's progress to initiate the annexation of its five North Rialto islands. During this second update, it was revealed that a community meeting took place in April 2017 without LAFCO staff's prior knowledge. However, staff made it a point to attend the subsequent Planning Commission meeting and provided comments outlining its concerns regarding the process. Based on the recommendations made by the Planning Commission, there was to be a repeat of the community meeting.

The second community meeting eventually took place in June 2017. It was City staff's intent to invite LAFCO staff; however, the meeting notice was only emailed two days prior to the meeting and, unfortunately, due to a communication mix-up (email sent to the previous Clerk who no longer worked for LAFCO), no one from LAFCO staff was again able to attend the second community meeting.

November 2017 Update:

LAFCO staff again reached out to City staff sometime in October 2017 and requested an update and a new timeline regarding its commitment to annex its five North Rialto islands. City staff responded with a new six-month timeline for its processing (January 2018 to July 2018):

Task	Timeline
1. Completion of CEQA compliance for the Industrial request	January 2018
2. Modifications to the Plan for Services	February 2018
3. Community meeting	March 2018
4. Economic Development Committee meeting	April 2018
5. Planning Commission public hearing	May 2018
6. City Council public hearing	June 2018
7. Submission of annexation application to LAFCO	July 2018

During this update, the Commission recommended that a letter from the LAFCO Chair be sent to the City of Rialto outlining its concerns on the process. Said letter, dated January 5, 2018, is addressed to the Mayor with copies to the Interim City Administrator and the City's Planning Manager (included as an attachment to this staff report).

Since then, there has been no communication from City staff regarding its progress.

Current Update:

LAFCO staff recently reached out to City staff regarding any new updates on its commitment to annex its five North Rialto islands. City staff just now informed LAFCO staff that a new community meeting is being scheduled for October 22, 2018. City staff also advised LAFCO staff that it will be updating its FAQ (Frequently Asked Questions) document that will be distributed along with a revised Initial Study and Mitigated Negative Declaration that reflects the pre-zone for the industrial development being proposed in one of the five islands.

Staff will be attending the community meeting at Carter High School on October 22nd.

CONCLUSION:

In June 2016, the City of Rialto adopted a resolution, Resolution No. 6966, affirming its commitment to annex its five North Rialto islands within one year of approval of LAFCO 3201. It is now October 2018, and based upon the information provided thus far, the question remains as to whether the City is really committed to annexing its five North Rialto islands.

Nevertheless, staff is recommending that the Commission receive and file the update, direct staff to continue to participate and assist in the City's process, and reiterate its position that if the City fails to fulfill its commitment to annex its five North Rialto islands, the next annexation proposed to the City of Rialto—whether initiated by the City or by property owner/registered voter petition—shall include the condition requiring the initiation of the North Rialto islands as a requirement prior to issuance of the Certificate of Completion. Any proposed annexation would only be deemed complete upon the issuance of the Certificate of Filing(s) for all of the islands either as a single reorganization or as individual island annexation proposals.

Attachment:

Letter to the City of Rialto Dated January 5, 2018



LAFCO

**Local Agency
Formation Commission**
for San Bernardino County

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San Bernardino, CA 92415-0490
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Established by the State of California
to serve the Citizens, Cities, Special Districts
and the County of San Bernardino

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LARRY McCALLON
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JAMES RAMOS, Vice Chair
Board of Supervisors

DIANE WILLIAMS
City Member

ALTERNATES

STEVEN FARRELL
Special District

JANICE RUTHERFORD
Board of Supervisors

Vacant
Public Member

ACQUANETTA WARREN
City Member

STAFF

KATHLEEN ROLLINGS-McDONALD
Executive Officer

SAMUEL MARTINEZ
Assistant Executive Officer

MICHAEL TIERPE
Project Manager

LA TRICI JONES
Clerk to the Commission

LEGAL COUNSEL

CLARK H. ALSOP

January 5, 2018

Ms. Deborah Robertson, Mayor
City of Rialto
150 S. Palm Avenue
Rialto, CA 92376

Dear Ms. Robertson:

Re: Annexation of the City of Rialto's Five North Rialto Islands

The Local Agency Formation Commission for San Bernardino County (the "Commission" or "LAFCO") would like to express its concern regarding the City of Rialto's lack of progress in fulfilling its commitment made in May of 2016 to annex its five North Rialto Islands as well as the failure to coordinate with LAFCO staff in its processing of said islands.

First, LAFCO staff recently requested that the City of Rialto (the "City") provide an update on its progress on annexing the five islands. City staff responded with a new timeline for the City's processing as outlined below:

Task	Timeline
1. Completion of CEQA compliance for the Industrial request	January 2018
2. Modifications to the Plan for Services	February 2018
3. Community Meeting	March 2018
4. Economic Development Committee Meeting	April 2018
5. Planning Commission Public Hearing	May 2018
6. City Council Public Hearing	June 2018
7. Submission of Annexation application to LAFCO	July 2018

In June 2016, the City adopted a resolution affirming its commitment to annex the five North Rialto Islands within one year of approval of LAFCO 3201. However, based on the new timeline that the City provided, it will now take at least two years before the City can accomplish its commitment to annex these five islands. The Commission is concerned with the lack of progress in moving forward with annexing said islands given its commitment to do so within one year after approval of the Lytle Creek Ranch Specific Plan proposal, LAFCO 3201.

Secondly, it was brought to the Commission's attention that the City has not been able to coordinate with our staff on a number of occasions and would like to again express our concern that such coordination effort is critical to City's success in its application proposal. On behalf of the Commission, I would like to reiterate our commitment to working with the City in its efforts to annex the five North Rialto islands. The Commission has directed its staff to continue to participate in the City's process; therefore, I urge the City to work more closely with our staff as Rialto moves forward with its process in the next few months including providing LAFCO, as a responsible agency under CEQA, the opportunity to review the City's environmental assessment and any subsequent CEQA compliance of said island(s) and having LAFCO staff attend the City's future community outreach meeting(s) as well as Planning Commission and City Council meetings to respond to any LAFCO-related questions.

We look forward to working with the City as it moves forward with the annexation of the five North Rialto Islands in the near future. If you have any questions regarding the information above, please do not hesitate to contact the LAFCO Executive Officer, Kathleen Rollings-McDonald, at (909) 388-0480 or by email at kmcdonald@lafco.sbcounty.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kimberly Cox".


KIMBERLY COX
LAFCO Chair

KC/SM

cc: Robb Steel, Interim City Administrator, City of Rialto
Gina Gibson-Williams, Planning Manager, City of Rialto

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : OCTOBER 10, 2018
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #10 – Request for Letter of Support for the California WaterFix

RECOMMENDATION:

Staff recommends that the Commission:

1. Direct staff to draft a support letter for the California WaterFix, consistent with the “proposed statement” recommended by Mr. Wilson from the Southern California Water Coalition; and,
2. Authorize the Chair to sign the letter and direct staff to forward to the Governor and other stakeholders.

BACKGROUND:

At the August 13, 2018 meeting for the Southern Region Local Agency Formation Commissions, a representative from the Metropolitan Water District of Southern California made a presentation on the California WaterFix.

The California WaterFix is an upgrade to California's 50-year-old water infrastructure that will make it easier to move water in an environmentally friendly manner. The current system is outdated and unreliable, and dependent on levees that put our clean water supply at risk from earthquakes and rising sea levels. It will provide reliable, clean and secure water to almost 27 million Californians and 3 million acres of farmland. California WaterFix will improve environmental conditions in the Sacramento-San Joaquin Delta. It will also reduce the harmful impacts of the existing infrastructure by moving the system away from endangered fish habitats and reinstate more natural river flows in the Delta.

Mr. Charley Wilson, a special districts representative from Orange LAFCO who also is the Executive Director and CEO of the Southern California Water Coalition (a nonprofit,

nonpartisan organization dedicated to informing Southern Californians about our water needs) was in attendance at the Southern Region LAFCOs meeting and requested that all Southern California LAFCOs sign a support letter for the California WaterFix. Mr. Wilson stated that having a long-term, reliable water supply is critical to the work that LAFCOs perform.

Mr. Wilson followed up with an e-mail to the Executive Officer requesting that San Bernardino LAFCO take a position in support of the California WaterFix (see attached email and letter from Mr. Wilson), which includes a proposed statement to be used for the support letter regarding the California WaterFix.

CONCLUSION:

The California WaterFix is a long-overdue infrastructure upgrade that will maintain a reliable water supply for almost 27 million Californians while also protecting the Delta ecosystem. This includes having a reliable supply of supplemental water for the residents of San Bernardino County. Therefore, staff is recommending that the Commission direct staff to draft a support letter for the California WaterFix and for the Chair to sign the letter for distribution.

Attachments:

1. [Update on California WaterFix](#)
2. [Email and Letter from Southern California Water Coalition Executive Director Charley Wilson](#)

Update on California Waterfix

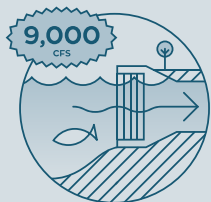
Attachment 1



UPDATE ON CALIFORNIA WATERFIX

WaterFix is a long-overdue infrastructure upgrade that will maintain a reliable source of water for 27 million Californians and more than 3 million acres of farmland in the San Francisco Bay Area, Central Valley and Southern California, while addressing Delta ecosystem issues. It is a critical element of the state's overall strategy to create climate change resiliency and ensure a reliable water supply for the future, as outlined in Governor Brown's California Water Action Plan.

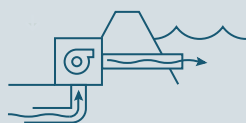
WATER DELIVERY UPGRADE



Three new intakes, each with 3,000 cubic-feet per second (cfs) capacity, located on the Sacramento River in the north part of the Delta, closer to high quality water and away from critical habitats.

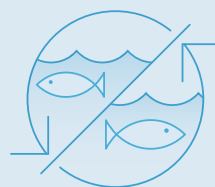


Two tunnels up to 150' below ground designed to protect California's water supplies from sea level rise, earthquakes, floods and levee failure.



Consolidated pumping plant to lift water into forebay in the south Delta to connect to SWP/CVP facilities.

IMPROVED RIVER FLOWS & ECOSYSTEM HEALTH



A return to more natural river flows in the south Delta, minimizing harmful reverse flows caused by powerful pumps.



Continued compliance to meet San Francisco Bay outflow requirements to protect against salt water intrusion and improve the overall health of the Delta ecosystem.



New intake location away from endangered species, with advanced fish screens to protect aquatic species.

- ▶ The project is the same 9,000 cfs project as originally proposed, including two tunnels and three intakes.
- ▶ DWR is proposing WaterFix with a slightly smaller footprint due to ongoing optimization of the design to reduce impacts.
- ▶ The Department of Water Resources is, and will remain, the owner, operator and water right holder of the State Water Project and its facilities, including WaterFix.
- ▶ Regardless of how the participating public water agencies fund construction of the project, ownership and operational authorities for the facility remain with DWR.

- ▶ The decision by the Metropolitan Water District of Southern California to invest in WaterFix has created a path to allow for the construction of the full project. The state no longer anticipates the need for a staged implementation option.
- ▶ Costs related to the 67% capacity will be recovered through the State Water Project contractors, who are continuing to finalize their cost allocation.
- ▶ The 33% capacity funded by MWD (separate from their SWP portion) is likely to be acquired by CVP contractors.



NEXT STEPS

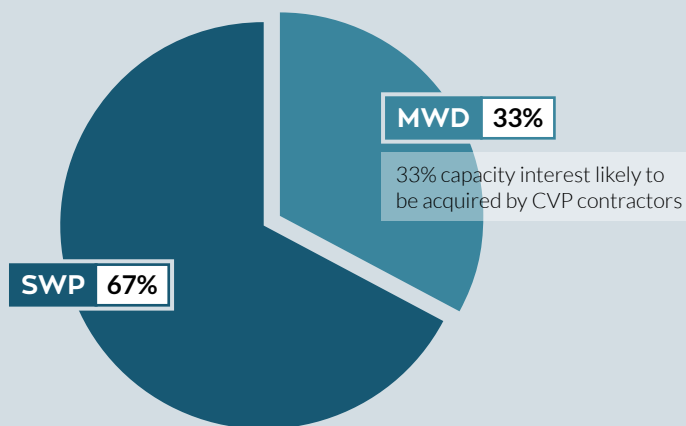
- ▶ Other public water agencies are bringing agreements to their boards in May.
- ▶ DWR will continue to pursue remaining permits, including (among several others):
 - ▶ Change Petition (State Water Resources Control Board)
 - ▶ Delta Plan Certification of Consistency (Delta Stewardship Council)

COSTS



2014 dollars

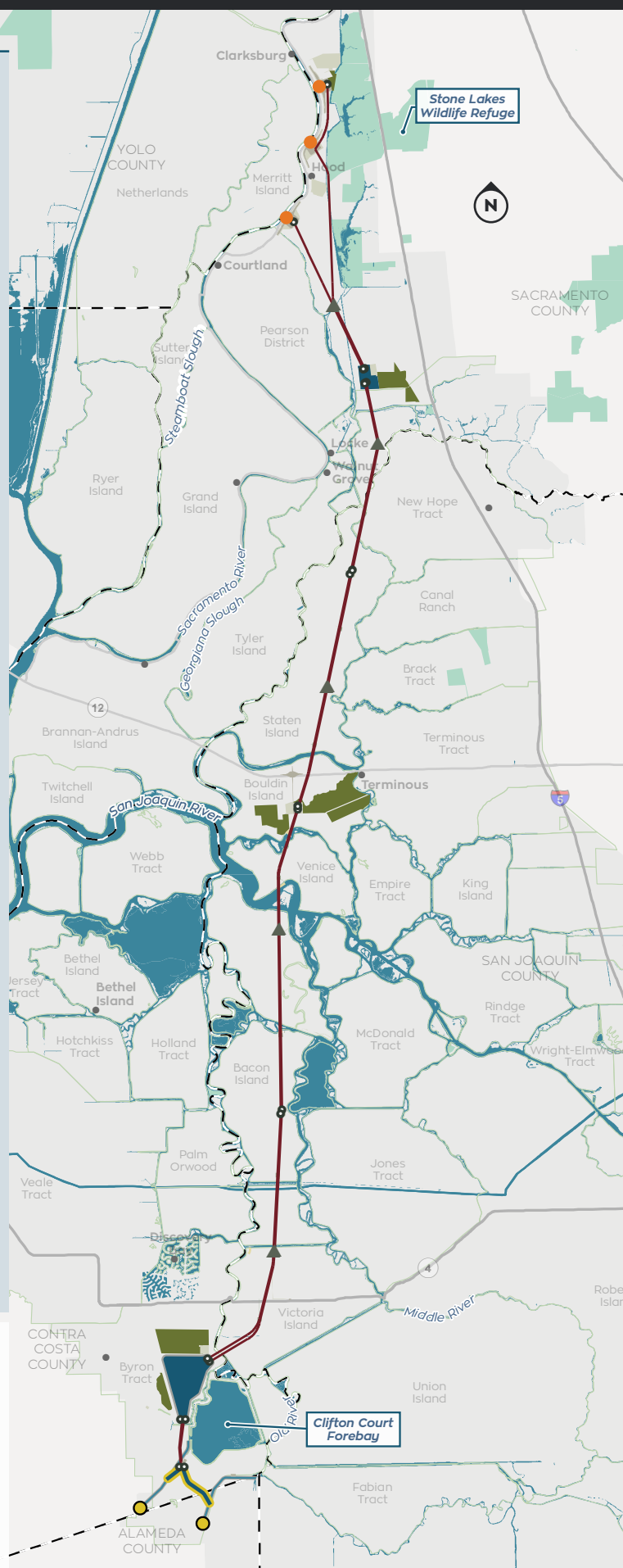
CURRENT FUNDING COMMITMENTS



MAP LEGEND

- | | | |
|------------------|----------------------------|-------------------------------|
| Forebay Overflow | Tunnel Shaft | Reusable Tunnel Material Area |
| Intake | New canals | County Lines |
| Tunnel Route | Existing CVP and SWP pumps | |

*Map includes proposed footprint modifications due to ongoing optimization of the design to reduce impacts



**Email and Letter from
Southern California Water
Coalition Executive Director
Charley Wilson**

Attachment 2

From: [Charles Wilson](#)
To: [Martinez, Samuel](#)
Subject: Request for LAFCO Consideration
Date: Wednesday, August 29, 2018 10:53:55 AM
Attachments: [San Bernardino LAFCO letter.pdf](#)
[image001.png](#)

Sam,

As a follow-up to the Southern California LAFCO regional board meeting, and in recognition of the importance of a cost-effective water supply reliability within LAFCO's Municipal Service Reviews, attached for your consideration is a letter and proposed statement on the California WaterFix. Based upon the discussion at the regional meeting, I would respectfully request that the San Bernardino Local Formation Commission take this issue up on a future agenda for formal consideration and action.

I am happy to answer any questions you may have.

Many thanks.



Charley Wilson

Executive Director & CEO

Southern California Water Coalition

12711 Ventura Blvd., Suite 280

Studio City, CA 91604

T: 949. [REDACTED]

F: 818. [REDACTED]

Email: [REDACTED]

www.socalwater.org



August 28, 2018

San Bernardino Local Agency Formation Commission
Executive Officer Sam Martinez
1170 W. Third Street, Unit 150
San Bernardino, CA 92415-0490

Dear Executive Officer Martinez,

On August 13, 2018, the Southern Region LAFCO members met and had a detailed presentation on the need for and benefits of modernizing the state's aging water delivery system responsible for more than 30 percent of Southern California's fresh water supply.

In a landmark decision in July, water leaders at the Metropolitan Water District of Southern California (MWD) voted to finance up to 64.6 percent of California WaterFix, the \$17 billion twin tunnels project that is critically needed to upgrade the infrastructure that moves the state's backbone supply of water to Southern California. MWD also was among the founding members of the Joint Powers Authority created to manage the project's design and construction.

Since that time, momentum to enhance the state's water system has grown substantially, fueled by resounding support from a broad, Southern California-based coalition of diverse interests including local cities, counties, water agencies, business, industry, labor, agriculture and non-profits. Public support for the project is also strong. A recent poll by the Public Policy Institute of California (PPIC) found that 78 percent of Californians think WaterFix is important for the future quality of life and economic vitality of the state.

On behalf of the millions of Southern Californians represented through the Local Agency Formation Commissions throughout the region, it is apparent that local government is responsible to ensure the establishment of an appropriate, sustainable, and logical municipal level government structure for the distribution of efficient and effective public services.

By modernizing and upgrading the state's aging water delivery system, California WaterFix will provide a secure, reliable and affordable water supply, which is necessary as we perform state-mandated municipal service reviews. Absent this solution, future changes in local water supply development could have a significant impact in providing long-term improvements in the delivery of municipal water services.

As the representative agencies responsible for effective and efficient delivery of municipal services, we think it's prudent for your commission to consider lending its voice in support of this necessary project and to support our jurisdictions in demonstrating a reliable water supply into the future.





As such, I would recommend the following statement for serious consideration and action in support of a reliable water future for Southern California by your commission.

Respectively,

Charles Wilson
Executive Director and CEO
Southern California Water Coalition

Proposed Statement

On behalf of the millions of Southern Californians represented through the San Bernardino Local Agency Formation Commission responsible to ensure the establishment of an appropriate, sustainable, and logical municipal level government structure for the distribution of efficient and effective public services, we support the modernization of the state's aging water delivery system through California WaterFix as part of an "all the above" strategy to ensure a reliable water supply for our region's future.

Roughly 30 percent of the water that flows out of taps in Southern California comes from Northern California via the Sacramento-San Joaquin Delta. But the Delta's delivery system is antiquated, a problem compounded both by a declining ecosystem and 1,100-mile levee system that are increasingly vulnerable.

California WaterFix is a comprehensive solution proposed by state and federal agencies to ensure our state has a reliable water supply for many years to come. It would modernize the decades-old delivery system through the building of three new intakes in the northern Delta along with two tunnels to carry water to the existing aqueduct system in the southern Delta.

We further believe that California WaterFix will provide LAFCO and its stakeholders the opportunity to demonstrate vision and leadership in tackling one of our region's most important issues and facilitate necessary "seeds" for future changes in local water supply development leading to a long-term improvement in the delivery of municipal water services.

