

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

REGULAR MEETING OF APRIL 17, 2019

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

1. Presentation of Resolution of Appreciation to Assemblyman James Ramos for his LAFCO Service

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.

2. PUBLIC COMMENTS ON CLOSED SESSION

3. CONVENE CLOSED SESSION – Conference Room Adjacent to Event Center Auditorium:

- Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9(d)(1)) -- San Antonio Heights Association v. County of San Bernardino et al, San Bernardino County Superior Court Case No CIVDS1715504
- Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9(d)(1)) -- San Antonio Heights Association v. County of San Bernardino et al, San Bernardino County Superior Court Case No CIVDS1712771
- Conference with Legal Counsel – Existing Litigation – (Government Code Section 54956.9(d)(1)) – C.O.M.E.T. (Citizens of Mentone Empowered Together) v. City of Redlands et al, San Bernardino County Superior Court Case No CIVDS1906437

4. RECONVENE PUBLIC SESSION

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.

5. [Approval of Minutes for Regular Meeting of March 20, 2019](#)

6. [Approval of Executive Officer's Expense Report](#)
7. [Ratify Payments as Reconciled and Note Cash Receipts for Month of February 2019](#)
8. Consent Items Deferred for Discussion

PUBLIC HEARING ITEMS:

9. [Consideration of: \(1\) CEQA Statutory Exemption for LAFCO SC#438; and \(2\) LAFCO SC#438 – City of San Bernardino Extraterritorial Wastewater Service for Assessor Parcel Numbers \(APNs 0164-202-49, 0265-272-04, 0268-031-11, and 0268-211-22\)](#)
10. [Consideration of: \(1\) CEQA Statutory Exemption for LAFCO 3232; and \(2\) LAFCO 3232 – Sphere of Influence Amendment for the City of Adelanto](#)
11. [Third Quarter Financial Review for FY 2018-19](#)
12. Preliminary Budget Review for Fiscal Year 2019-20:
 - a. [Proposed Schedule of Fees, Deposits, and Charges for Fiscal Year 2019-20](#)
 - b. [Proposed Budget for Fiscal Year 2019-20](#)

INFORMATION ITEMS:

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

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

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

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

3/18/19

**DRAFT - ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 20, 2019**

REGULAR MEETING

9:00 A.M.

MARCH 20, 2019

PRESENT:

COMMISSIONERS:

Regular Member	Alternate Member
Jim Bagley	Louisa Amis
Kimberly Cox	Steven Farrell
James Curatalo, Vice Chair	Janice Rutherford
Acquanetta Warren	Rick Denison
Dawn Rowe	

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
Angerose Schell, Administrative Assistant**

ABSENT:

COMMISSIONERS: **Robert Lovingood, Chair
Larry McCallon**

9:05 A.M. – CALL TO ORDER – FLAG SALUTE

Vice Chair James Curatalo calls the meeting to order and leads the flag salute.

ITEM 1. Swear In Alternate City Commissioner – Rick Denison

Ms. La Trici Jones, Clerk to the Commission, administers the Oath of Office to Rick Denison, Alternate City Member.

ITEM 2. PUBLIC COMMENTS ON CLOSED SESSION

Commissioner Janice Rutherford states that she will be abstaining from the two items involving the San Antonio Heights Association lawsuits in an abundance of caution to avoid a perceived conflict of interest.

Public comments on closed session are provided by Lenette Di Muro and Stephen Rogers.

ITEM 3. 9:17 A.M. - CONVENE CLOSED SESSION – Conference Room Adjacent to Event Center Auditorium:

- Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9(d)(1)) -- San Antonio Heights Association v. County of San Bernardino et al,

DRAFT - ACTION MINUTES FOR MARCH 20, 2019 HEARING - DRAFT

San Bernardino County Superior Court Case No CIVDS1715504

- Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9(d)(1)) -- San Antonio Heights Association v. County of San Bernardino et al, San Bernardino County Superior Court Case No CIVDS1712771
- Conference with Legal Counsel – Existing Litigation – (Government Code Section 54956.9(d)(1) – C.O.M.E.T. (Citizens of Mentone Empowered Together) v. City of Redlands et al, San Bernardino County Superior Court Case No CIVDS1906437

ITEM 4. 9:50 A.M. - RECONVENE PUBLIC SESSION

LAFCO Legal Counsel Paula de Sousa Mills states that the Commission met in closed session for the three closed session items noted on the agenda and indicates there is no reportable action.

ANNOUNCEMENT OF CONTRIBUTIONS

Vice Chair James Curatalo 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 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.

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 5.** Approval of Minutes for Regular Meeting of February 20, 2019
- ITEM 6.** Approval of Executive Officer's Expense Report
- ITEM 7.** Ratify Payments as Reconciled and Note Cash Receipts for Month of January 2019
- ITEM 8.** Consideration of: (1) CEQA Statutory Exemption for LAFCO 3228, as Revised; and (2) LAFCO 3228 - Annexation to the Running Springs Water District, as Revised (**CONTINUED FROM JANUARY 16, 2019 HEARING**)
- ITEM 9.** Consent Items Deferred for Discussion

Vice Chair Curatalo states he is pulling Item 8 for discussion and action. He states that Item 8, which concerns the Running Springs Water District proposed annexation, is a continued item from the January meeting and is still an open public hearing. He states that we are going to vote on the remainder of the consent calendar items and then reopen the public hearing for Item 8.

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

DISCUSSION ITEMS:

ITEM 8. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3228, AS REVISED; AND (2) LAFCO 3228 – ANNEXATION TO THE RUNNING SPRINGS WATER DISTRICT, AS REVISED (CONTINUED FROM JANUARY 16, 2019 HEARING) – STAFF RECOMMENDATION APPROVED

Executive Officer Samuel Martinez states that this item was first considered by the Commission in October and was originally a reorganization that included the annexation to the Running Springs Water District and Detachment from the San Bernardino County Fire Protection District and its Mountain Service Zone of the Pali Mountain campsite. He states that through the processing of this proposal, staff expanded the proposal to include two additional parcels and have 100% landowner consent for said proposal. He states that at the October hearing, the Commission continued the matter primarily due to County Fire's objection. He states that the Commission reviewed the option of the continued overlay of County Fire and its Mountain Service Zone within the proposal area and continued the item to evaluate the provision of fire service within the area. He states that at the January hearing, the Commission heard further discussion on the provision of fire service, and heard further testimony from both Running Springs Water District and County Fire, and ultimately the Commission decided to modify LAFCO 3228 by removing the detachment from County Fire and its Mountain Service Zone. He states that the Commission continued the formal approval of this item following the renegotiation of the property tax transfer, if requested. He states that County Fire requested renegotiation of the property tax transfer and the County Board of Supervisors approved the revised resolution with a zero property tax transfer. He states that Running Springs continues to object to the modified proposal, and submitted a letter outlining the rationale to its objection. He states that the Commission's action today is to formally approve its recommendation on LAFCO 3228, as modified. He states that LAFCO staff is proposing a slight revision to Condition No. 3 outlined in the resolution. He states the revision is to include "as applicable".

Vice Chair Curatalo asks if there are any questions from the Commission.

There are none.

Vice Chair Curatalo states that he has a speaker slip from Errol J. Mackzum from Running Springs Water District.

Mr. Mackzum states that he supports the original January presentation from staff. He states that the camp should be in the jurisdiction of the water district including the fire service.

Vice Chair Curatalo closes the public hearing and asks the Commission for questions or comments.

Commissioner Bagley states that his concern is the letter from the Running Springs Water District. He states that he is always concerned when the Commission is dismantling the ability of the local government to finance its services. He states that this is a complex issue of providing adequate fire protection in the mountain. He states that he is sympathetic to the people who live in Running Springs, but he has also heard the argument from County Fire. He states that as a member of the public, he feels like it is his obligation to be the advocate of the public. He states that he is not necessarily opposed to the staff's recommendation at this point, but would be remised if he did not voice this concern.

Commissioner Rutherford states that she has constituents involved in this and has folks on all sides and that she understands. She states that she would like to make a motion to continue with what this Board directed in January and to approve staff recommendations including adoption of Resolution No. 3278.

Commissioner Rowe seconds Commissioner Rutherford's motion.

Commissioner Farrell states that as he expressed in January, he thinks that we are setting a bad precedent here.

Commissioner Rutherford states that she does not disagree with Commissioner Farrell as this is something we may need to talk about further. She states that the nature, the scope and the budget of fire and emergency response has changed drastically in the last few years.

Commissioner Cox states that her position on this has not changed since the January hearing. She states that she feels we are sending a message that is in opposition to the support of local special districts that has a chilling effect on special districts providing services within their own community for which they are charged. She states that in this situation, the Commission is prohibiting the tax dollars to an agency that is actually providing the service. She states that this is a troubling precedent and is outside the context of the holistic mountain-fire coverage, which perhaps should take another venue and another conversation to further evaluate. She states that looking specifically at this situation, the Commission needs to support the local agency that is actually providing that service and giving them the tax dollars for the services they are providing.

Commissioner Rowe questions that if Running Springs Water District is not available for services because they are someplace else, who responds to the camp. Would it be County Fire?

Executive Officer Samuel Martinez replies that whomever would be available and that would typically be County Fire as the responsible agency.

Commissioner Rowe questions if they needed specialty equipment that Running Springs does not have, who would they call?

Executive Officer Samuel Martinez replies that dispatch would call whoever is available that has the required or necessary equipment.

Vice Chair Curatalo states that he spent a career in the Fire service and is currently a member of a special district. He states that he believes very much in the special district form of government and responsiveness is important for government. He states that in the fire service, initial response is very important, but how effective can you be when you get there for incidents that are varied, and require a number of different resources. He states that he believes the County has greater resources. He states that the response moving forward with this recommendation will not change and everyone will still be responding as they are. He states that if you look at the agencies from resource capability and what they can provide for the future, as a retired fireman, he believes that County Fire is the best solution. He states that he will be supporting the recommendation.

Commissioner Warren provided her input.

Vice Chair Curatalo states that he believes it's important to look at individual cases on an individual basis. He states that he does not see this as setting a policy precedence. He states that if another issue comes before the Commission that is similar, he will look at the issue based on the merits of that issue.

Commissioner Farrell states what is it that distinguishes this situation that says it's in the best interest of this community to not fund the local fire department. He states that nothing here that he has seen distinguishes that case. He states why not put the \$17,000 in the District as opposed to the County.

Vice Chair Curatalo asks if there are further comments or questions.

There are none.

Commissioner Rutherford moves the staff recommendation, Second by Commissioner Rowe. The motion passes with the following roll call vote: Ayes: Curatalo, Denison, Rowe, Rutherford and Warren. Noes: Bagley, Cox. Abstain: None. Absent: Lovingood and McCallon

Commissioner Warren leaves the dais at 10:20 A.M

ITEM 10. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO SC#437; AND (2) LAFCO SC#437 – CITY OF REDLANDS OSC 17-50 FOR WATER SERVICE (ASSESSOR PARCEL NUMBER 0298-411-96) – STAFF RECOMMENDATION APPROVED

Project Manager Michael Tuerpe presents the staff report. He states that this is a request from the City of Redlands for the Commission's authorization to provide water service outside its boundaries to a single parcel. He states that the single parcel is identified in the staff report as outlined in red. He states that this is a part of a condition of approval from the County as the private property owner desires to construct a facility located south of Mentone Blvd. He states that part of that condition is the requirement for connection to a municipal water system, not a well. He states that the City of Redlands will be charging a category of fees for the extension of this water service to the private property owner and this

is identified in the City's development requirements. He states that payment of these fees are required prior to connection to the city's water facility. He states that in addition, the private property owner will be responsible for the construction costs and the installation of a lateral extension to its property.

Vice Chair Curatalo asks if there are any questions of Michael.

There are none.

Vice Chair Curatalo opens the public comment period.

Stephen Rogers states that one thing that would be clarifying for the public and for the Board is to understand exactly where the boundary for the City of Redlands is. He states that his real concern is that the Board and the Environmental Consultant do not know the repercussions of providing water to this lot.

Vice Chair Curatalo closes the public hearing. He asks if there are any questions.

Commissioner Farrell asks the LAFCO Environmental Consultant if the Commission is the lead agency.

Tom Dodson, LAFCO's Environmental Consultant states that, for the project itself, LAFCO is not the lead agency. He states that in this particular case, the County of San Bernardino is the lead agency as they have land use jurisdiction. He states that the County made an environmental finding and concluded this was an infill development and did not require any further environmental evaluation. He states that LAFCO was not part of the review; LAFCO staff just received the information and made a decision internally with staff to recommend to the Commission that it will review the environmental assessment as lead agency as opposed to relying on the County assessment.

Executive Officer Samuel Martinez states that this the City's request for a provision for water service and the area is in the sphere of influence for the City of Redlands and by definition will become part of the City sometime in the future. He states that staff supports this request as water service is only available from the City of Redlands.

Vice Chair Curatalo closes the public hearing and states that the Commission has staff's recommendation before them and at this time, he would entertain a motion.

Commissioner Bagley moves the staff recommendation, Second by Commissioner Rutherford. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Denison, Rowe, Rutherford and Warren. Noes: None. Abstain: None. Absent: None

INFORMATION ITEMS:

ITEM 11. LEGISLATIVE UPDATE

Executive Officer Samuel Martinez states that staff is recommending support for four bills. He states the first one is AB 1253, by Assembly Member Rivas for the LAFCO grant funding, which is a CALAFCO sponsored bill from last year. He states that the second one is AB 1822, the CALAFCO omnibus bill which provides for non-substantive changes and corrections to the Act. He states the last two bills being recommended for support are AB 213 by Assembly Member Reyes and AB 818, by Assembly member Cooley regarding the VLF funding for inhabited annexations and incorporation. He states that there are three bills that affect San Bernardino County that staff will be tracking, which are SB 272, SB 646 and AB 1457. He states that LAFCO staff recommends that the Commission note and receive the report and file; Indicate its support for AB 1253 (Rivas) related to LAFCO grant funding; Indicate its support for AB 1822 (Assembly Local Government Committee) related to the annual CALAFCO sponsored Omnibus bill; Indicate its support for AB 213 (Reyes) related to the return of the VLF payment to cities which had annexed inhabited land; Indicate its support for AB 818 (Cooley) related to VLF allocation to newly incorporated cities, and Authorize the Chairman to sign letters identifying these positions and direct staff to forward to the authors, CALAFCO and San Bernardino County Legislative delegations.

Commissioner Cox moves the staff recommendation, Second by Commissioner Rowe. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Denison, Rowe, Rutherford and Warren. Noes: None. Abstain: None. Absent: None

ITEM 12. EXECUTIVE OFFICER'S ORAL REPORT

Executive Officer Samuel Martinez states that he would like to welcome Commissioner Denison to the LAFCO Commission. He states that at the next hearing, staff will present the preliminary budget, an out of agency service agreement with the City of San Bernardino and a LAFCO initiated sphere of influence amendment for the City of Adelanto.

ITEM 13. COMMISSIONER COMMENTS

Commissioner Farrell states he is curious as he received a notice regarding the article related to special districts and their reserves in comparison with what they are spending, and whether or not CALAFCO was taking a position.

LAFCO Legal Counsel Paula de Sousa Mills states that she does not believe it is on CALAFCO's radar. She explains that this was an article about reserves for various public agencies.

Commissioner Cox states that she saw that article and one of the agencies that she is elected to serve on was on that list. She states that absent from the dialogue from that reporter, was the necessity to maintain adequate reserves for rate stabilization, debt service, capital projects, etc.

Executive Officer Samuel Martinez added that LAFCO had its governance training session last week at the City of Victorville on policy and procedure writing. He states that staff expected about 40 attendees, but instead, approximately 55 people showed up. He states

that it was a huge success and was a good session. He states that he just wants to apprise the Commission of its efforts in providing the training programs.

Commissioner Denison states that he wants to thank the Commission for the warm welcome. He states that he holds this responsibility highly and look forward to learning more.

Vice Chair Curatalo welcomes Commissioner Denison and thanks Tom Dodson for his many years of service to this Commission.

ITEM 14. COMMENTS FROM THE PUBLIC

There are none

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING ADJOURNS AT 10:44 A.M.

ATTEST:

LA TRICI JONES
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

James Curatalo, Vice Chair

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 : APRIL 8, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM #6 – APPROVAL OF EXECUTIVE OFFICERS’ EXPENSE
REPORTS**

RECOMMENDATION:

Approve the Executive Officers’ Expense Report for Procurement Card Purchases from February 23, 2018 to March 22, 2019.

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 January 23, 2018 through February 22, 2019.

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

SM/Ilj

Attachment

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 : APRIL 8, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM #7 - RATIFY PAYMENTS AS RECONCILED FOR
MONTH OF JANUARY 2019 AND NOTE REVENUE RECEIPTS**

RECOMMENDATION:

Ratify payments as reconciled for the month of February 2019 and note revenue receipts for the same period.

BACKGROUND INFORMATION:


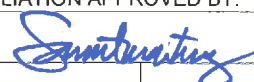
Staff has prepared a reconciliation of warrants issued for payments to various vendors, internal transfers for payments to County Departments, cash receipts and internal transfers for payments of deposits or other charges that cover the period of February 1 through February 28, 2019.

Staff is recommending that the Commission ratify the payments for February 2019 as outlined on the attached listings and note the revenues received.

SM/Ilj

Attachment

MONTH OF FEBRUARY 2019 PAYMENTS PROCESSED						
Document Number	Account	Posting Date	Activity	Reference	Vendor	Amount
1900387838	52942940	2/26/2019	MILEAGE REIMB. - GIS CONFERENCE SAN DIEGO	GIS CONFERENCE	CHING TAT JEFFREY LUM	\$128.89
1900387838	52942942	2/26/2019	HOTEL REIMB. - GIS CONFERENCE SAN DIEGO	GIS CONFERENCE	CHING TAT JEFFREY LUM	\$156.38
1900370837	52002085	2/4/2019	NOTICE OF PROTEST LAFCO 3229	INVOICE B3209891	DAILY JOURNAL	\$858.83
1900370831	52002090	2/4/2019	JAN PRO CLEANING SERVICES	INVOICE 65071	JAN PRO	\$475.00
1900379275	52002180	2/14/2019	EDISON UTILITY BILL	ACCT. 2399451209	EDISON	\$516.84
1900371301	52002315	2/14/2019	ARCHIVES & DOCUMENT STORAGE	INVOICE 0105832	STORETRIEVE	\$197.22
1900385925	52002335	2/25/2019	TEMPORARY SERVICES	INVOICE 38034939	KELLY SERVICES	\$345.00
1900373424	52002400	2/6/2019	BEST BEST & KRIEGER LEGAL SERVICES	INVOICE 841139	BEST BEST & KRIEGER	\$1,040.06
1900373429	52002400	2/6/2019	BEST BEST & KRIEGER LEGAL SERVICES	INVOICE 841141	BEST BEST & KRIEGER	\$9,721.43
1900373432	52002400	2/6/2019	BEST BEST & KRIEGER LEGAL SERVICES	INVOICE 841142	BEST BEST & KRIEGER	\$6,426.46
1900373297	52002400	2/14/2019	BEST BEST & KRIEGER MATTER 24	INVOICE 841233	BEST BEST & KRIEGER	\$50.00
1900379300	52002400	2/14/2019	BEST BEST & KRIEGER LEGAL SERVICES	INVOICE 841234	BEST BEST & KRIEGER	\$120.00
1900378930	52002400	2/14/2019	BEST BEST & KRIEGER LEGAL SERVICES	INVOICE 841231	BEST BEST & KRIEGER	\$3,654.92
1900373363	52002444	2/6/2019	MIJAC ALARM SERVICES	INVOICE 434702	MIJAC ALARM	\$123.00
1900370844	52002445	2/4/2019	LAFCO STRATEGIC PLANNING WORKSHOP	INVOICE AMG 1722	ALTA MESA GROUP	\$4,527.33
1900383144	52002445/2940	2/20/2019	STIPEND & MILEAGE 2/20/2019	BAGLEY 2-20-19	JIM BAGLEY	\$304.28
1900383145	52002445/2940	2/20/2019	STIPEND & MILEAGE 2/20/2019	COX 2-20-19	KIMBERLY COX	\$264.64
1900383146	52002445/2490	2/20/2019	STIPEND & MILEAGE 2/20/2019	CURATALO 2-20-19	JIM CURATALO	\$229.00
1900383148	52002445/2940	2/20/2019	STIPEND & MILEAGE 2/20/2019	FARRELL 2-20-19	STEVEN FARRELL	\$219.95
1900383149	52002445/2940	2/20/2019	STIPEND & MILEAGE 2/20/2019	WARREN 2-20-19	ACQUANETTA WARREN	\$218.56
1900383153	52002445	2/20/2019	STIPEND 2/20/2019	AMIS 2-20-19	LOUISA AMIS	\$200.00
1900383154	52002445	2/20/2019	STIPEND 2/20/2019	MCCALLON 2-20-19	LARRY MCCALLON	\$200.00
1900383160	52002445	2/20/2019	STIPEND 2/20/2019	LOVINGOOD 2-20-19	ROBERT LOVINGOOD	\$200.00
1900385929	52002895	2/25/2019	COPIER MACHINE LEASE	INVOICE 33077804	KONICA MINOLTA	\$459.27
1900370840	52002905	2/4/2019	LAFCO HEARING ROOM RENTAL - FEBRUARY 2019	INVOICE 706	IVDA	\$405.00
1900387092	52942941	2/26/2019	CALAFCO STAFF WORKSHOP REGISTRATION	2019 STAFFWRKSH	CALAFCO	\$720.00
TOTAL						\$31,762.06
MONTH OF FEBRUARY 2019 INTERNAL TRANSFERS PROCESSED						
4100712713	52002037	2/1/2019	JANUARY 2019 DIAL TONE	ISD BILLING	ISD	\$291.33
4100712720	52002115	2/1/2019	JANUARY 2019 MICROSOFT EA CHARGEBACK	ISD BILLING	ISD	\$1,741.32
4100712723	52002420	2/1/2019	JANUARY 2019 WIRELESS DEVICE	ISD BILLING	ISD	\$18.72
4100712724	52002421	2/1/2019	JANUARY 2019 DESKTOP SUPPORT SERVICES	ISD BILLING	ISD	\$1,346.40
4100712721	52412410	2/1/2019	FEBRUARY 2019 2410 EQUAL MONTHLY CHARGES	ISD BILLING	ISD	\$1,071.00
4200025101	52002310	2/4/2019	MAIL SERVICES - DEL	COUNTY MAIL	COUNTY MAIL	\$197.40
4200025102	52002310	2/4/2019	MAIL SERVICES - HAN	COUNTY MAIL	COUNTY MAIL	\$305.02
4200025152	52002310	2/5/2019	MAIL SERVICES - FLAT	COUNTY MAIL	COUNTY MAIL	\$140.57
4200026520	52002415	2/26/2019	COWCAP BILLING 3 - QTR 3	ATC	ATC	\$2,527.25
TOTAL						\$7,639.01
MONTH OF FEBRUARY 2019 CASH RECEIPTS						
4100730802	40709545	2/19/2019	SC#438 CITY OF SAN BERNARDINO	INDIVIDUAL NOTICE		\$1,000.00
4100730802	40709555	2/19/2019	SC#438 CITY OF SAN BERNARDINO	LEGAL DEPOSIT		\$1,000.00
4100730802	40709660	2/19/2019	SC#438 CITY OF SAN BERNARDINO	ENVIRONMENTAL		\$700.00
4100730802	40709800	2/19/2019	SC#438 CITY OF SAN BERNARDINO	LAFCO FEE		\$1,000.00
TOTAL						\$3,700.00

MONTH OF FEBRUARY 2019 INTERNAL TRANSFERRED RECEIVED						
4200025467	40709555	2/12/2019	LAFCO 3216 COUNTY FIRE	INDEMNIFICATION		\$8,073.95
TOTAL						\$8,073.95
 LA TRICI JONES, Clerk to the Commission				3/8/2019		
				DATE		
RECONCILIATION APPROVED BY:						
						
				3/8/2019		
SAMUEL MARTINEZ, Executive Officer				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: APRIL 9, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9: LAFCO SC#438 – City of San Bernardino
Extraterritorial Wastewater Service for Assessor Parcel Numbers
0164-202-49, 0265-272-04, 0268-031-11, and 0268-211-22

INITIATED BY:

City of San Bernardino

RECOMMENDATION:

Staff recommends that the Commission approve LAFCO SC#438, as modified, by taking the following actions:

1. Certify that LAFCO SC #438, as modified, is statutorily exempt from environmental review and direct the Executive Officer to file a Notice of Exemption within five (5) days of this action;
2. Approve LAFCO SC #438, as modified, authorizing the City of San Bernardino to extend wastewater service outside its boundaries to Assessor Parcel Numbers 0265-272-04 and 0268-211-22;
3. Determine that the wastewater service to Assessor Parcel Number 0164-202-49, which is a service agreement between two public agencies, complies with the exemption provisions outlined within Government Code Section 56133 (e); and,
4. Adopt LAFCO Resolution #3284 setting forth the Commission's determinations and approval of the wastewater service outside the City of San Bernardino's boundaries.

BACKGROUND:

As part of the Countywide Service Review for Wastewater, it was identified that the City of San Bernardino (hereinafter the "City") provides wastewater service to a number of parcels located in various areas within the City's unincorporated sphere of influence as well as to a

parcel located within the City of Colton, without LAFCO authorization. As part of the Commission's actions outlined for the service review, a recommendation was included that the City initiate an application to LAFCO to bring its wastewater service to these properties in compliance pursuant to the provisions of Government Code Section 56133.

Therefore, the City is requesting that the Commission authorize the extension of wastewater service to Assessor Parcel Numbers (APNs) 0164-202-49, 0265-272-04, 0268-031-11, and 0268-211-22 pursuant to the provisions of Government Code Section 56133. Attachment #1 provides vicinity maps for each of the parcels. In addition, Attachment #2 outlines the City's request and application documents.

APN 0164-202-49:

APN 0164-202-49 is generally located on the south side of Fairway Drive at the terminus of Auto Plaza Drive, within the City of Colton. The map below, which is included as part of Attachment #1, provides a vicinity map of the site.



The parcel, encompassing approximately 1.85 acres, has an existing commercial structure on it that was built in and around 2008 that is currently being used as a used-car sales facility. In 2007, the City of Colton expressed its consent to the City of San Bernardino providing wastewater service to the proposed development (see City of Colton Letter Dated July 10, 2007 included as Attachment #3).

LAFCO staff recommends that the City memorialize this wastewater extension within the City of Colton through a formal agreement with the City of Colton that outlines, among others, the wastewater service provision by the City within the City of Colton and the mechanism by which wastewater service is being billed accordingly.

However, as a service agreement between two public agencies—the City of San Bernardino and the City of Colton—where the wastewater service to be provided is an alternative to (or substitute for) wastewater service 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, the wastewater service to APN 0164-202-49 complies with the exemption provisions outlined within Government Code Section 56133 (e) and, therefore, does not require Commission approval.

APN 0265-272-04:

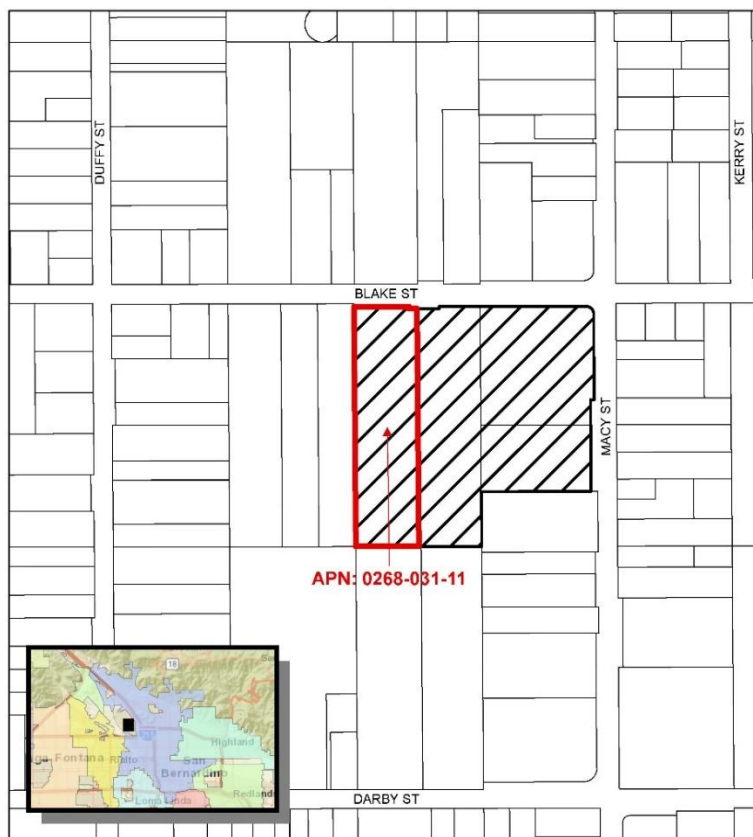
APN 0265-272-04 is generally located on the west side of 1st Avenue, between 40th and 44th Streets, within the City's sphere of influence – in the unincorporated Arrowhead Suburban Farms community. The map below, which is included as part of Attachment #1, provides a vicinity map of the site.



The parcel, encompassing approximately 7,250 square feet, has an existing residential structure on it that was originally built in the 1940s and underwent some type of construction and/or renovation sometime in the mid-2000s.

APN 0268-031-11:

APN 0268-031-11, together with three additional parcels (APNs 0268-031-12, -13, and -14), make-up the Muscoy Elementary School site (shown in black hatch lines below). The entire area encompasses a total of approximately 8.11 acres and is generally located at the southwest corner of Blake and Macy Streets, within the City's sphere of influence – in the unincorporated Muscoy community. The map below, which is included as part of Attachment #1, provides a vicinity map of the area.



During the wastewater service review process, one of the parcels identified as being served by the City outside its boundaries without having gone through the LAFCO authorization process is APN 0268-031-11. However, after examining the parcel more closely, LAFCO staff realized that the parcel in question, including the three additional parcels, were already previously authorized by LAFCO to receive wastewater service from the City through approval of LAFCO SC#305 in 2007 (see LAFCO Letter Dated March 1, 2007 included as Attachment #4).

Therefore, APN 0268-031-11 along with the three additional parcels—APNs 0268-031-12, 0268-031-13, and 0268-031-14—do not require further authorization from LAFCO.

LAFCO staff recommends that LAFCO SC#438 be modified to exclude APN 0268-031-11 since said parcel (including the three additional parcels--APNs 0268-031-12, 0268-031-13, and 0268-031-14) already had prior authorization from LAFCO.

APN 0268-211-22:

APN 0268-211-22 is generally located on the west side of California Street, between Darby and Mallory Streets, within the City's sphere of influence –also in the unincorporated Muscoy community. The map below, which is included as part of Attachment #1, provides a vicinity map of the site.



The parcel, encompassing approximately 9,000 square feet, has two residential structures on it that were both built in 2005.

ENVIRONMENTAL DETERMINATION:

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Dodson and Associates, has reviewed this application and has indicated that it is his recommendation that the review of LAFCO SC#438, as modified, is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the Commission's approval of the out-of-agency wastewater services do not have the potential to cause a significant adverse impact on the environment; and therefore,

the request for authorization is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061(b)(3).

CONCLUSION:

The purpose of this out-of-agency wastewater service request is to recognize, as well as to authorize after the fact, the wastewater service provided by the City of San Bernardino outside its boundaries to the existing residential developments on APNs 0265-272-04 and 0268-211-22 located within the City's unincorporated sphere of influence.

LAFCO staff modified LAFCO SC #438 to exclude APN 0268-031-11 since said parcel (along with APNs 0268-031-12, 0268-031-13, and 0268-031-14) already had prior authorization from LAFCO.

In addition, LAFCO staff also determined that the wastewater service to Assessor Parcel Number 0164-202-49, which is a service agreement between two public agencies, complies with the exemption provisions outlined within Government Code Section 56133 (e).

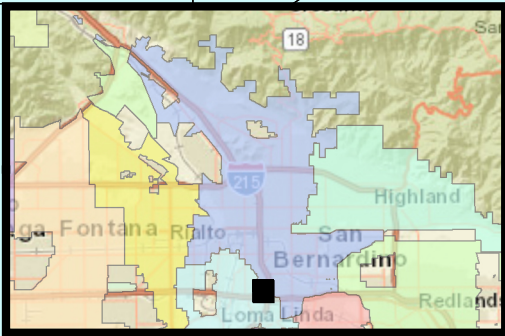
LAFCO SC#438, as modified, fulfills the Commission's recommendation outlined during the Countywide Wastewater Service Review that required the City to initiate an application to LAFCO to bring its wastewater service provision to said parcels in compliance pursuant to Government Code Section 56133. Therefore, staff supports the City's request for authorization to provide wastewater service to APNs 0164-202-49, 0265-272-04, and 0268-211-22 since said request complies with the provisions of Government Code Section 56133 and Commission policy.

Attachments:

1. [Vicinity Maps](#)
2. [City of San Bernardino Application Materials](#)
3. [City of Colton Letter Dated July 10, 2007](#)
4. [LAFCO Letter Dated March 1, 2007](#)
5. [Response from Tom Dodson and Associates](#)
6. [Draft Resolution #3284](#)

Vicinity Maps

Attachment 1



SC#438 – City of San Bernardino Extraterritorial Wastewater Service for Assessor Parcel Numbers
(APNs 0164-202-49, 0265-272-04, 0268-031-11, and 0268-211-22)

0 4.25 8.5 17 Miles



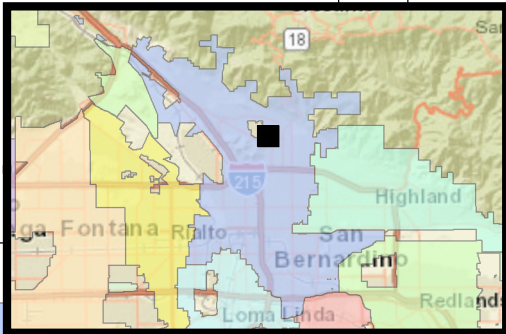
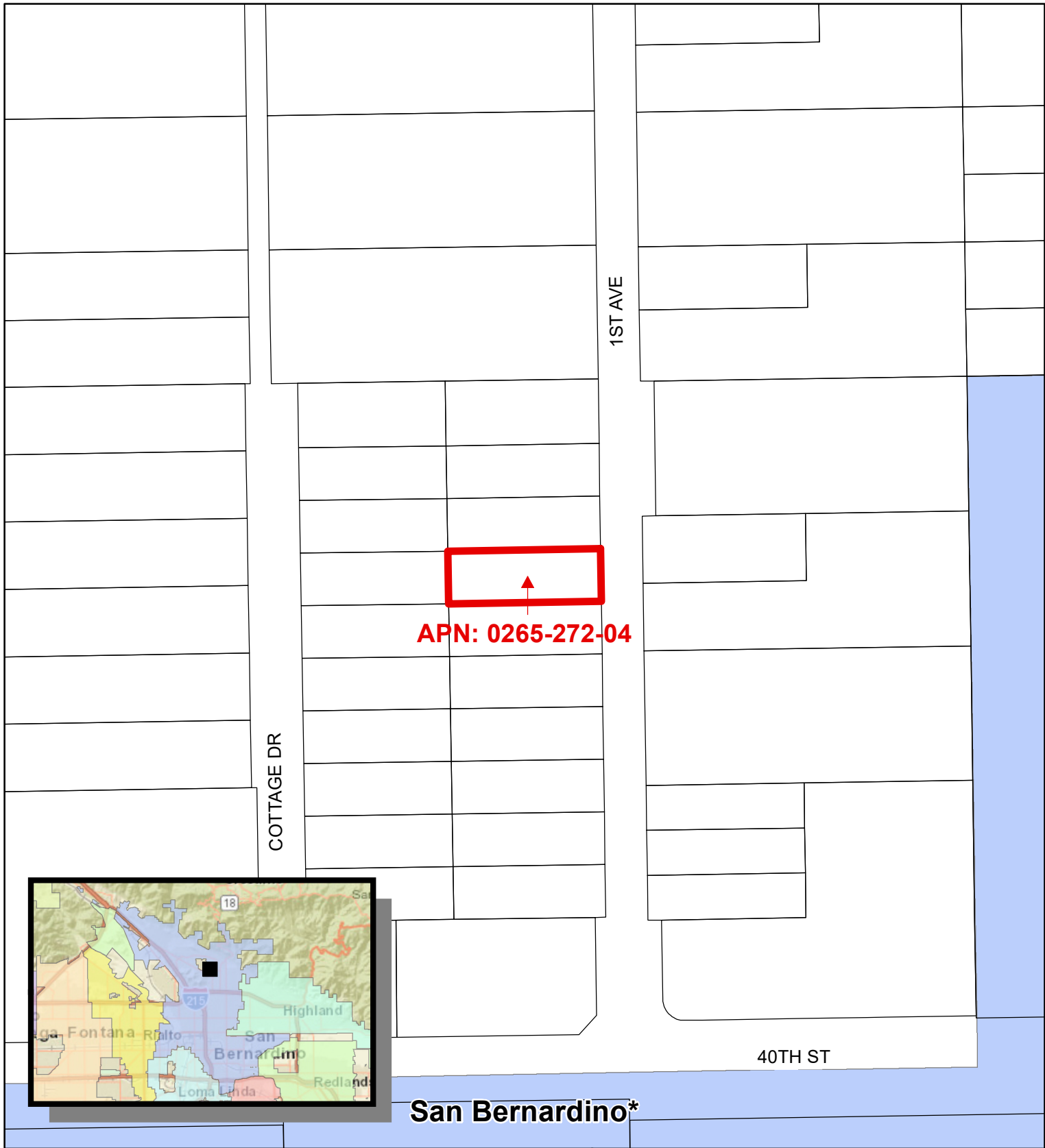
Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.



SC#438

City of Colton

City of San Bernardino





San Bernardino*

**SC#438 – City of San Bernardino Extraterritorial Wastewater
Service for Assessor Parcel Numbers
(APNs 0164-202-49, 0265-272-04, 0268-031-11, and 0268-211-22)**

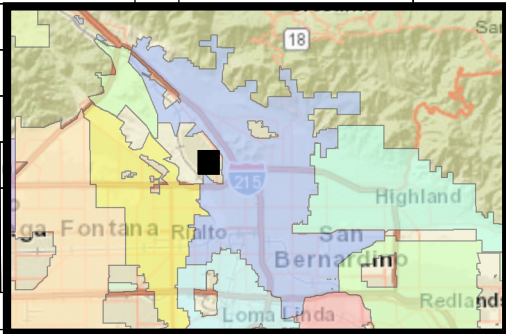
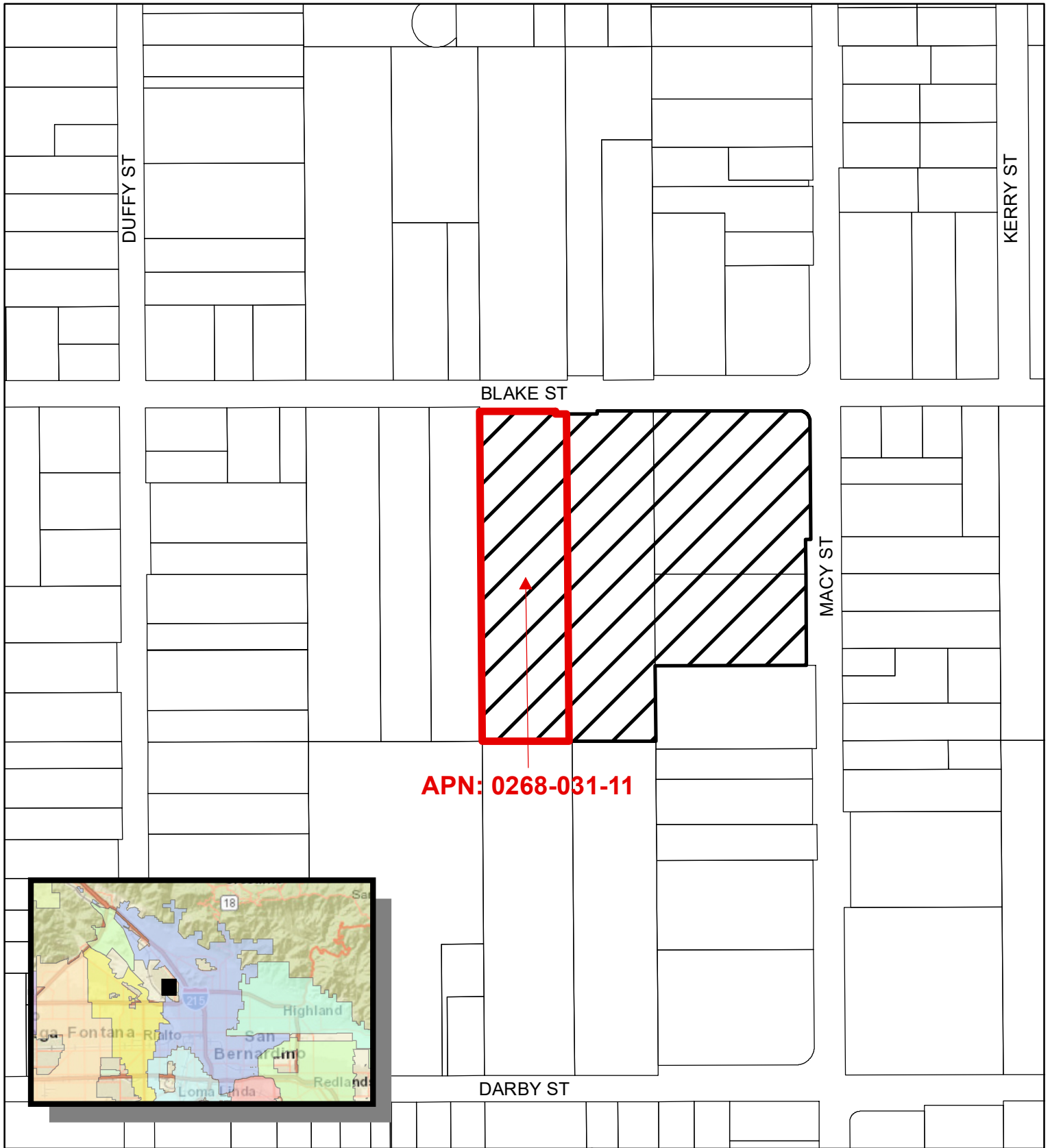
0 4.25 8.5 17 Miles



-  SC#438
-  City of San Bernardino

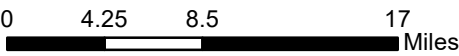


Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.



APN: 0268-031-11

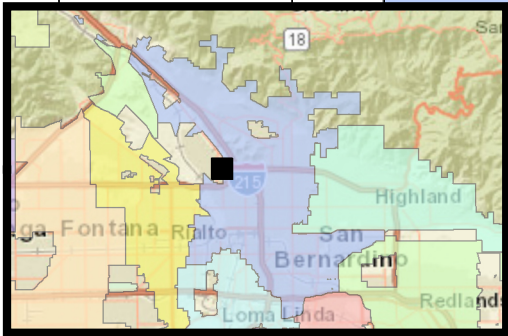
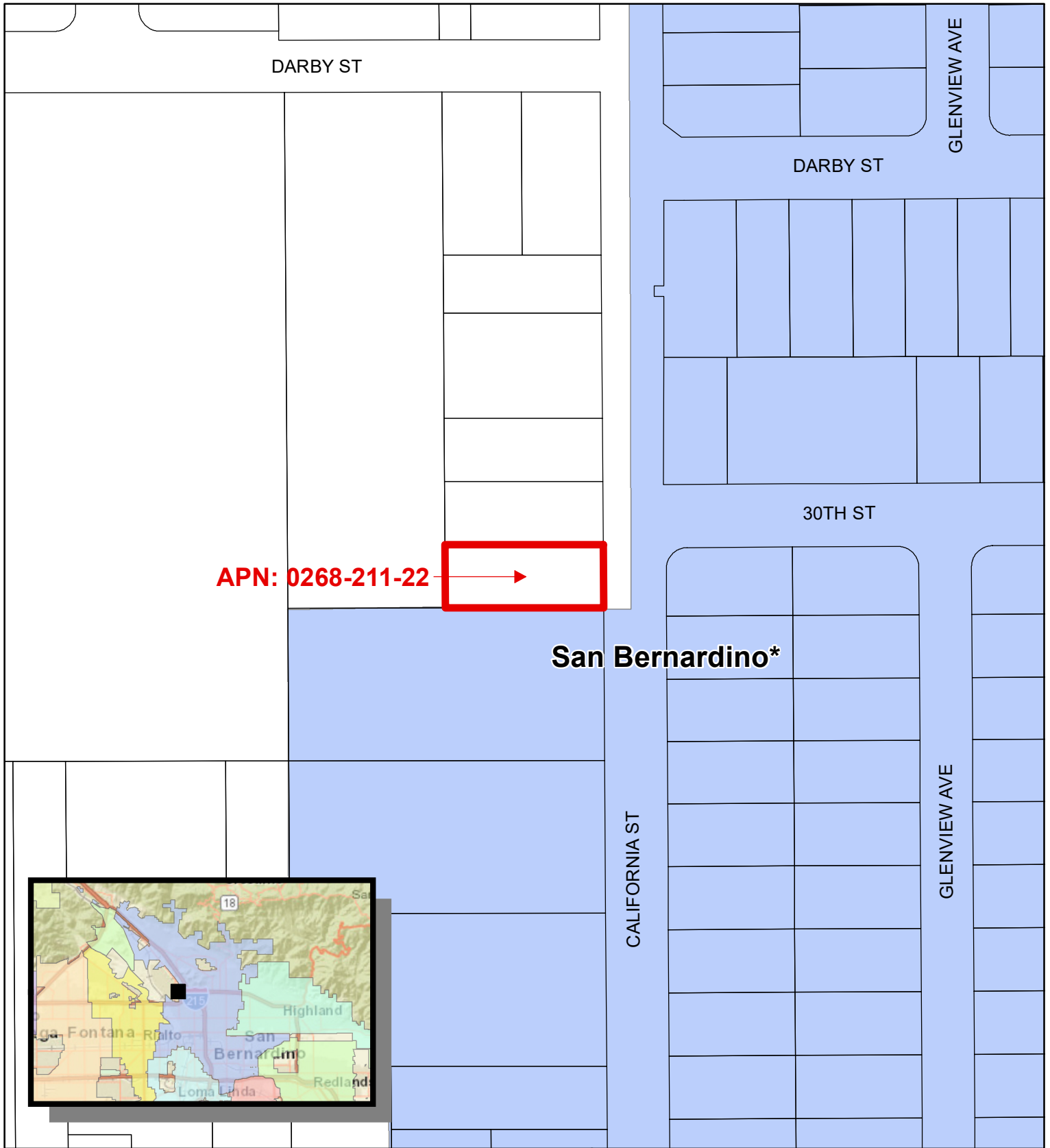
SC#438 – City of San Bernardino Extraterritorial Wastewater Service for Assessor Parcel Numbers (APNs 0164-202-49, 0265-272-04, 0268-031-11, and 0268-211-22)



-  SC#438
-  SC#305



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



**SC#438 – City of San Bernardino Extraterritorial Wastewater
Service for Assessor Parcel Numbers
(APNs 0164-202-49, 0265-272-04, 0268-031-11, and 0268-211-22)**

0 4.25 8.5 17 Miles



SC#438



City of San Bernardino



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

City of San Bernardino Application Materials

Attachment 2

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

CITY OF SAN BERNARDINO
WATER BOARD

TONI CALLICOTT
President

Commissioners
WAYNE HENDRIX
DAVID E. MLYNARSKI
RIKKE V. JOHNSON
THOMAS BRICKLEY



MIGUEL J. GUERRERO, P.E.
General Manager
ROBIN L. OHAMA
Deputy General Manager
STEVE R. MILLER
Director of Water Utility
KEVIN T. STEWART, P.E.
Director of Water Reclamation
JENNIFER L. SHEPARDSON
Director of Environmental &
Regulatory Compliance
CYNTHIA J. MOUSER
Director of Finance

"Trusted, Quality Service since 1905"

March 18, 2019

RECEIVED
MAR 18 2019

LAFCO
San Bernardino County

Mr. Samuel Martinez
Executive Officer, Local Agency Formation Commission
175 West Fifth Street, 2nd Floor
San Bernardino, CA 92415

Dear Mr. Martinez:

RE: OUT OF AGENCY SERVICE CONTRACT FOR FOUR (4) WASTEWATER CONNECTIONS OUTSIDE OF SBMWD's SERVICE AREA, SAN BERNARDINO, CALIFORNIA (APNs: 0268-031-11, 0268-211-22, 0265-272-04, & 0164-202-49) (EPN 2018-088)

On January 8, 2019, the Water Board of the City of San Bernardino approved the submission of an application to San Bernardino County Local Agency Formation Commission (LAFCO) for providing wastewater service connections to the aforementioned four (4) parcels. This effort is aimed at performing a proper retroactive correction pursuant to Government Code Section 56133, and consistent with LAFCO Resolution 3270 on August 15, 2018 to accept a single Application for Extension of Service by Contract form for the identified four wastewater service connections.

Enclosed for submission are the following documents:

- Resolution Making Application to LAFCO
- Application for Extension of Service by Contract
- Two (2) checks for the application fees totaling \$3,700.00

1350 South "E" Street, San Bernardino, California 92408 P.O. Box 710, 92402 Phone: (909) 384-5141
FACSIMILE NUMBERS: Administration: (909) 453-6399 Customer Service: (909) 453-6396 Finance: (909) 453-6383 Engineering: (909) 453-6385
Corporate Yards: (909) 453-6389 Water Reclamation Plant: (909) 453-6395 Environmental & Regulatory Compliance: (909) 453-6391
Environmental Control: (909) 453-6394

Mr. Samuel Martinez

Page 2

March 18, 2019

If you have any questions regarding this letter, feel free to contact either myself, or Mr. Ted Brunson of SBMWD's Engineering staff at (909) 453-6175 for further information or assistance. Please reference EPN 2018-088 in any communications regarding this request.

Sincerely yours,



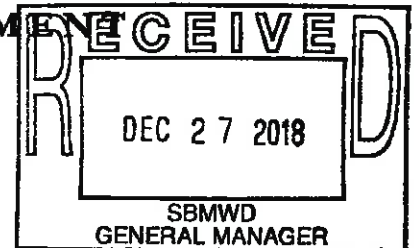
Miguel J. Guerrero, P.E.
General Manager
SBMWD

MJG:TB:vmg

Attach.

cc:

Steve Miller (w/o attach)
Kevin Stewart (w/o attach)
Warren Huang (w/o attach)
Kristina Hernandez (w/o attach)
Barry Berggren (w/o attach)

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENTWATER BOARD
STAFF REPORT

TO: Miguel J. Guerrero, P.E., General Manager

FROM: Kevin T. Stewart, P.E., Director of Water Reclamation

SUBJECT: RETROACTIVE APPROVAL OF EXTRATERRITORIAL WASTEWATER SERVICE CONNECTIONS FOR SIX PARCELS (APNs 026803111, 026837129, 026821122, 026527204, 016420249, 026601113) PURSUANT TO GOVERNMENT CODE SECTION 56133

DATE: December 26, 2018

COPIES: Robin Ohama (w/o attach), Steve Miller (w/o attach), Warren Huang (w/o attach), Ted Brunson (w/o attach), Carmen Inez (w/o attach)

BACKGROUND:

In June 2018, the San Bernardino Municipal Water Department (Department) was approached by the San Bernardino County Local Agency Formation Commission (LAFCO) regarding its Countywide Service Review for Wastewater. The complete service review can be located at <http://www.sbclafco.org/Proposals/ServiceReviews/WWSR.aspx>. As part of the service review process, the Department and LAFCO staffs coordinated to identify the Department's wastewater services outside the Department's service area boundary. Refer to the attached documents that were included as Appendix pages A-24 through A-31 of the Final Service Review. This exercise identified a total of ten (10) wastewater connections outside the boundary that did not previously receive LAFCO approval. Four (4) wastewater connections were immediately exempted by LAFCO, due to the fact that the wastewater connections were made prior to January 1, 2001. This was the inception date of the requirement for LAFCO review and approval of out-of-agency service contracts. Five (5) connections were made after the inception date. An accurate connection date for a sixth parcel could not be determined and is included in this retroactive correction.

In an effort to make a proper retroactive correction pursuant to Government Code Section 56133, LAFCO agreed in Resolution 3270 on August 15, 2018 (also attached) to accept a single *Application for Extension of Service by Contract* form, in conjunction with a resolution indicating Water Board approval of this item.

Following any Water Board approval granting retroactive approval to provide wastewater service to the six parcels identified, a completed *Application for Extension of Service by Contract*, and payment for the applicable application fees, the matter will be considered by LAFCO at a public hearing. Once finalized, this exercise will allow continuity between both the Department's and LAFCO's records for all extraterritorial wastewater service connections.

Miguel J. Guerrero, P.E., General Manager

Page 2

December 26, 2018

SUBJECT: RETROACTIVE APPROVAL OF EXTRATERRITORIAL WASTEWATER SERVICE CONNECTIONS FOR SIX PARCELS (APNs 026803111, 026837129, 026821122, 026527204, 016420249, 026601113) PURSUANT TO GOVERNMENT CODE SECTION 56133

FISCAL IMPACT:

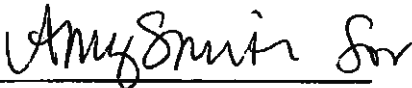
The required application fees due to LAFCO total \$3,700.00. The Department has sufficient funds in the 2018/2019 Fiscal Year Sewer Collections Operating Funds (Account 400-6090-560-6210).

RECOMMENDATION:

Staff recommends that the Water Board make the following motion:

- Retroactively approve the wastewater service connections for six (6) parcels (APNs 026803111, 026837129, 026821122, 026527204, 016420249, 026601113), pursuant to Government Code Section 56133.
- Authorize the General Manager to submit an official request to LAFCO requesting approval of an out-of-agency agreement pursuant to Government Code Section 56133 for the six (6) parcels.

Respectfully submitted,



Kevin T. Stewart, P.E.
Director, Water Reclamation

KTS:trb

Attach.

EPA 005 experienced a mechanical pump failure on January 11, 2013. The pump was replaced and the motor's thrust bearing was repaired. In August 2018 the motor grounded, causing complete failure. Staff redesigned the well and bids for repairs were solicited.

Staff issued a Request for Qualifications (RFQ) in May 2018 under Specification No. 1687 – Well Rehabilitation Assessment and Repair, and in June 2018 four (4) well rehabilitation contractors were prequalified. Staff requested rehabilitation proposals for EPA 005 from these prequalified contractors to execute a new well design and installation to re-equip and replace aging and inefficient equipment.

The Department had \$465,000.00 of existing funds in Fiscal Year 2018/19 Capital Budget under *Annual R/R Wells* for this expenditure.

Motion: Approve the rehabilitation of EPA 005 by Layne Christensen Company in the amount of \$146,968.70.

RESULT:	APPROVED
MOVER:	W. Hendrix
SECONDER:	R. Johnson
ABSENT:	N/A

9. RETROACTIVE APPROVAL OF EXTRATERRITORIAL WASTEWATER SERVICE CONNECTIONS FOR SIX PARCELS (APNs 026803111, 026837129, 026821122, 026527204, 016420249, 026601113) PURSUANT TO GOVERNMENT CODE SECTION 56133:

In June 2018, the San Bernardino Municipal Water Department (Department) was approached by the San Bernardino County Local Agency Formation Commission (LAFCO) regarding its Countywide Service Review for Wastewater. As part of the service review process, the Department and LAFCO staffs coordinated to identify the Department's wastewater services outside the Department's service area boundary. A total of ten (10) wastewater connections outside the boundary that did not previously receive LAFCO approval were identified.

Four (4) wastewater connections were immediately exempted by LAFCO, due to the fact that the wastewater connections were made prior to January 1, 2001. This was the inception date of the requirement for LAFCO review and approval of out-of-agency service contracts. Five (5) connections were made after the inception date. An accurate connection date for a sixth parcel could not be determined and was included in this retroactive correction.

In an effort to make a proper retroactive correction pursuant to Government Code Section 56133, LAFCO agreed in Resolution 3270 on August 15, 2018 to accept a single Application for Extension of Service by Contract form, in conjunction with a resolution indicating Water Board approval of this item.

The required application fees due to LAFCO total \$3,700.00. The Department had sufficient funds in the 2018/2019 Fiscal Year Sewer Collections Operating Funds (Account 400-6090-560-6210).

Commissioner Mlynarski asked how does someone get a sewer connection outside of the established service area, and how these parcels receive service without going through the proper procedure with LAFCO.

General Manager Guerrero stated that the proper LAFCO procedure should have been followed if an out of service connection is requested. The process may have been overlooked at the time of the request at the City level and service connection was established.

Motion: Retroactively approve the wastewater service connections for six (6) parcels (APNs 026803111, 026837129, 026821122, 026527204, 016420249, 026601113), pursuant to Government Code Section 56133; and

The General Manager was authorized to submit an official request to LAFCO requesting approval of an out-of-agency agreement pursuant to Government Code Section 56133 for the six (6) parcels.

RESULT:	APPROVED
MOVER:	R. Johnson
SECONDER:	W. Hendrix
ABSENT:	N/A

10. **REPORT ON WATER DEPARTMENT INVESTMENTS – QUARTER ENDING SEPTEMBER 30, 2018:** Staff recommends that the Water Board receive and file the Investment Report for the quarter ending September 30, 2018. **(INFORMATION ITEM ONLY)**

REPORTS

11. REPORTS:

A. Report of the President: None.

B. Report of the Commissioners: Commissioner Brickley stated that when he was interviewed by the former mayor and members of the City Council, a couple of the main goals the City wanted to achieve with the Water Department were cost savings and ways of not duplicating services.

Commissioner Brickley stated that since we have a security services agreement, the Department may want to let the City know about it. Commissioner Brickley asked if the City Manager was aware of this agreement.

Commissioner Brickley stated that the City might want to partner with the Department with this service because when he asked what the City wants from him and what they were looking for in a commissioner, they were looking for more ways to partner with Water, which is so independent on everything.

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

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

AGENCY TO EXTEND SERVICE:

AGENCY NAME: San Bernardino Municipal Water Department
CONTACT PERSON: Ted Brunson
ADDRESS: 397 Chandler Place
San Bernardino, CA 92408
PHONE: (909) 453-6165
EMAIL: Ted.Brunson@sbmwd.org

CONTRACTING PARTY:

NAME OF
PROPERTY OWNER: _____
CONTACT PERSON: _____
MAILING ADDRESS: _____

PHONE: _____
EMAIL: _____
ADDRESS OF PROPERTY
PROPOSED FOR CONTRACT: _____

CONTRACT NUMBER/IDENTIFICATION: _____
PARCEL NUMBER(S): 026803111, 026821122, 026527204, 016420249
ACREAGE: _____

*Extension of Service by Contract
Application Form*

(FOR LAFCO USE ONLY)

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

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

wastewater service

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

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

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

This action is a retroactive correction to LAFCO's Countywide Service Review for Wastewater

which identified a total of ten (10) wastewater connections outside of SBMWD's service area

boundary, four (4) of which were made prior to January 1, 2001. This proposal includes the request authorization to provide wastewater service for four properties.

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

Unknown. The City of San Bernardino's Real Property Division is ultimately the entity

that will be responsible for pursuing annexation of the four (4) parcels in question.

*Extension of Service by Contract
Application Form*

(FOR LAFCO USE ONLY)

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

Annexation will need to be determined and approved by the City, and its Council at some
point in the future.

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

6. (a) What is the existing use of the property?

Residential (2), school, and light industrial

- (b) Is a change in use proposed for the property? ☐ YES ☒ NO. If yes, please provide a description of the land use change.

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

This application is a retroactive correction for the four (4) parcels already connected to SBMWD's
sanitary sewer collection system.

*Extension of Service by Contract
Application Form*

(FOR LAFCO USE ONLY)

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

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

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

10. Plan for Service:

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

This action is a retroactive correction to LAFCO's Countywide Service Review for

Wastewater which identified a total of ten (10) wastewater connections outside of

SBMWD's service area boundary, four (4) of which were prior to January 1, 2001.

This proposal includes the request authorization to provide wastewater service for

four (4) properties.

(FOR LAFCO USE ONLY)

- [illegible]

-

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

- 11 Does the City/District have any policies related to extending service(s) outside its boundary? ☐ YES ☐ NO. If yes, has a copy been provided to LAFCO? ☐ YES ☐ NO. If not, please include a copy of the policy or policies (i.e. resolution, municipal code section, etc.) as part of the application.

CERTIFICATION

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

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

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

*Extension of Service by Contract
Application Form*

LAFCO SC # 438
(FOR LAFCO USE ONLY)

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

SIGNED

Ted Brunson

NAME:

Ted Brunson

POSITION TITLE:

Development Services Manager

DATE:

2-13-19

REQUIRED EXHIBITS TO THIS APPLICATION:

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

Please forward the completed form and related information to:

Local Agency Formation Commission for San Bernardino County
1170 W. Third Street, Unit 150,
San Bernardino, CA 92415-0490
PHONE: (909) 388-0480 • FAX: (909) 388-0481

**City of Colton Letter Dated
July 10, 2007**

Attachment 3

COLTON



Public Utilities

July 10, 2007

Lynn Parker, P.E.
City of San Bernardino
300 North D Street
San Bernardino, CA 92418

Dear Mr. Parker:

The City of Colton Water and Wastewater Department understands that having two separate sewer lines along Fairway Drive east of Auto Center Drive would be redundant. The City of Colton Water and Wastewater Department, therefore, has no objections with the City of San Bernardino providing sewer service to the business located at 1630 Fairway Drive, Colton.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mike Medina", is written over a horizontal line.

Mike Medina
Water Utilities Manager

cc: Ed Bondiman

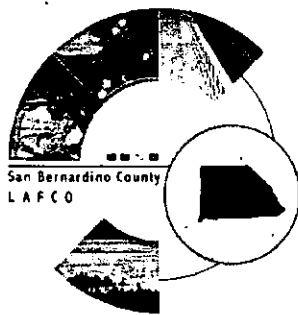
160 South 10th Street
Colton, California 92324

(909) 370-5099

Committed to Our Community

**LAFCO Letter Dated
March 1, 2007**

Attachment 4



LOCAL AGENCY FORMATION COMMISSION

215 North "D" Street, Suite 204 • San Bernardino, CA 92415-0490
(909) 383-9900 • Fax (909) 383-9901
E-mail: lafco@lafco.sbcounty.gov • www.sbclafco.org

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

Sent Via Fax (909) 384-5080 and Mail

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Board of Supervisors

BOB COLVEN, Vice Chair
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KIMBERLY COX
Special District

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Board of Supervisors

LARRY McCALLON
City Member

MARK NUAIMI
City Member

RICHARD P. PEARSON
Public Member

ALTERNATES

JAMES V. CURATALO
Special District

JOSIE CONZALES
Board of Supervisors

A.R. "TONY" SEDANO
Public Member

DIANE WILLIAMS
City Member

STAFF

KATHLEEN ROLLINGS-McDONALD
Executive Officer

SAMUEL MARTINEZ
LAFCO Analyst

MICHAEL A. TUERPE
LAFCO Analyst

DEBBY CHAMBERLIN
Clerk to the Commission

ANGELA M. SCHELL
Deputy Clerk to the Commission

LEGAL COUNSEL

CLARK H. ALSOP

March 1, 2007

Stacey R. Aldstadt, General Manager
Municipal Water Department
City of San Bernardino
300 N. D Street
San Bernardino CA 92418

Dear Ms. Aldstadt:

RE: Irrevocable Agreement to Annex No. 2006-07 for Sewer Service,
City of San Bernardino

LAFCO has received the proposed out-of-agency service agreement for sewer service from the City of San Bernardino. The area to be served is located at 2119 W. Blake Street (APN 0268-031-11, 12, 13, and 14), in the community of Muscoy, within the City of San Bernardino's western sphere of influence. The application submitted is determined to be complete and has been assigned the following identification number: LAFCO SC#305.

Pursuant to the provisions within Government Code Section 56133 and policies adopted by the Local Agency Formation Commission, our review of the application submitted by the City of San Bernardino shows that an administrative approval by the Executive Officer can be provided. The findings related to the agreement are:

1. The agreement is non-development related and meets the criteria outlined within the Commission's guidelines for response to health and safety concerns. The agreement proposes to provide sewer service to four (4) parcels comprising 8.11+/- acres generally located on the southwest corner of Macy and Blake Streets (2119 W. Blake Street), the existing Muscoy Elementary School.
2. The agreement has been determined to be categorically exempt from environmental review. It has been determined that the agreement falls under the Class 3 Categorical Exemption, Section 15303(d) of the California Environmental Quality Act Guidelines as it relates to the connection of an existing structure to existing infrastructure. A Notice of Exemption has been filed.

SC# 305
Stacey R. Aldstadt
Page 2

3. The area to be served by agreement is within the sphere of influence assigned the City of San Bernardino. The signing of the agreement anticipates that a future change of organization will take place in compliance with State law and Commission policy.
4. The LAFCO filing fee of \$250 for this review has been paid.

In keeping with the determinations outlined above, the City of San Bernardino is hereby authorized to proceed to provide the requested sewer service through final action on the service agreement.

Should you have questions concerning this correspondence, please do not hesitate to contact our office at the number listed above.

Sincerely,



KATHLEEN ROLLINGS-McDONALD
Executive Officer

KRM:sm
Encs.

cc: Laszlo "Les" Fogassy, Real Property Supervisor w/encs.
Mohammad Z. Islam, Assistant Superintendent, Business Services, San Bernardino
City Unified School District

**Response from Tom Dodson
and Associates**

Attachment 5

RECEIVED

APR -9 AM 11:16

LOCAL AGENCY
FORMATION COMMISSION

TOM DODSON & ASSOCIATES

2150 N. ARROWHEAD AVENUE

SAN BERNARDINO, CA 92405

TEL (909) 882-3612 • FAX (909) 882-7015

E-MAIL tda@tdaenv.com



April 9, 2019

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

Dear Sam:

I have completed the California Environmental Quality Act (CEQA) review of out-of-area service contract, SC#438 for the Commission. LAFCO SC#438 would allow the City of San Bernardino to extend wastewater service to two parcels of land located in unincorporated territory in the City's western Sphere of Influence and one parcel in the City of Colton. Originally four parcels were included in the proposal, but Commission Staff determined that one of the parcels (APN 0268-031-11) was previously authorized to receive City wastewater service. Also, the extension of wastewater services to the Colton parcel has been determined not to be a LAFCO action. The Colton extension has been determined to be an agreement by the two public agencies that is not considered to be subject to LAFCO jurisdiction. If SC#438 is approved, three existing structures would be connected to City of San Bernardino wastewater collection and treatment system, with two of these being approved as out-of-area service agreements under SC#438.

Based on the above proposal and the findings presented below, it appears that LAFCO SC#438 can be implemented without causing significant adverse environmental impacts. LAFCO will consider this extension of wastewater service as the CEQA lead agency because the parcels of land are already developed and the City is the nearest wastewater collection and treatment system to these parcels. Based on the already existing developed character of these parcels, this project has no potential to cause a significant adverse impact on the environment. Therefore, I conclude that LAFCO SC#438 does not constitute a project under CEQA and adoption of the Statutory Exemption (under the "Common Sense" exemption) and filing of a Notice of Exemption is the most appropriate determination to comply with the CEQA. This exemption is found in Section 15061(b)(3) of the 2019 State CEQA Guidelines where this section has been revised from the "General Rule" exemption to the "Common Sense" exemption. The Commission can approve this review and finding for this action and I recommend that you notice LAFCO SC#438 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline section referenced above. The Commission needs to file a Notice of Exemption (NOE) with the County Clerk to the Board for this action once a decision is made for this out-of-area service agreement.

Thus, after independent review of this proposed action, the proposed wastewater service extension to the two lots does not appear to have any potential to significantly alter the existing physical environment. Extending waste water service has no effect on land uses which are governed by the County. Thus, this service extension does not involve any change in the authorized end use of the parcels, which have already been developed. Since no other project is pending or will occur as a result of approving this application, no other potential significant physical changes in the environment are forecast to result from this action.

Based on a review of LAFCO SC#438 and the pertinent sections of CEQA and the State CEQA Guidelines, I believe it is appropriate for the Commission's CEQA environmental determination to cite the "Common Sense" exemption, as adequate CEQA compliance in accordance with the Commission's CEQA lead agency status. If you have any questions regarding these recommendations, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dodson". The signature is written in a cursive, slightly slanted style.

Tom Dodson
President

TD/cmc

Draft Resolution #3284

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 SC#438

HEARING DATE: APRIL 17, 2019

RESOLUTION NO. 3284

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO SC#438 – CITY OF SAN BERNARDINO EXTRATERRITORIAL WASTEWATER SERVICE FOR ASSESSOR PARCEL NUMBERS 0164-202-49, 0265-272-04, 0268-031-11, AND 0268-211-22.

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

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

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

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

WHEREAS, the Executive Officer has reviewed available information and prepared a report including 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 April 17, 2019 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 protests; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the contract, in evidence presented at the hearing;

RESOLUTION NO. 3284

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

DETERMINATIONS:

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

1. The City of San Bernardino's request is to provide wastewater service to Assessor Parcel Numbers 0164-202-49, 0265-272-04, 0268-031-11, and 0268-211-22.
2. The wastewater service to Assessor Parcel Number 0164-202-49, which is a service agreement between two public agencies—the City of San Bernardino and the City of Colton—where the wastewater service to be provided is an alternative to (or substitute for) wastewater service 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, complies with the exemption provisions outlined within Government Code Section 56133 (e).
3. Assessor Parcel Numbers 0265-272-04 and 0268-211-22 are within the sphere of influence assigned the City of San Bernardino and are anticipated to become a part of the City of San Bernardino sometime in the future.
4. LAFCO staff modified LAFCO SC #438 to exclude Assessor Parcel Number 0268-031-11 since said parcel (along with Assessor Parcel Numbers 0268-031-12, 0268-031-13, and 0268-031-14) already had prior authorization from LAFCO.
5. The Local Agency Formation Commission for San Bernardino County has determined that this service contract, as modified, is statutorily exempt from environmental review since it does not have the potential for resulting in physical changes in the environment (Section 15161[b] [3] of the State California Environmental Quality Act Guidelines). Therefore, this proposal is not subject to environmental review under the provisions of the State CEQA Guidelines section cited above or the Commission's adopted CEQA Guidelines. The Commission hereby adopts the Statutory Exemption and directs its Executive Officer to file a Notice of Exemption within five (5) working days with the San Bernardino County Clerk of the Board of Supervisors.

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

SECTION 3. The Local Agency Formation Commission for San Bernardino County does hereby determine to approve the service extension request submitted by the City of San Bernardino to provide wastewater service.

RESOLUTION NO. 3284

SECTION 4. The Commission instructs the Executive Officer of this Local Agency Formation Commission to notify the affected agencies that the application identified as LAFCO SC#438 – City of San Bernardino Extraterritorial Wastewater Service for Assessor Parcel Numbers 0164-202-49, 0265-272-04, and 0268-211-22, as modified, has been approved.

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

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

* * * * *

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

I, 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 April 17, 2019.

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: APRIL 9, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM # 10: LAFCO 3232 – Sphere of Influence Amendment
for the City of Adelanto

INITIATED BY:

Local Agency Formation Commission for San Bernardino County

RECOMMENDATION:

Staff recommends that the Commission take the following actions related to the sphere of influence amendment for the City of Adelanto:

1. Certify that LAFCO 3232 is statutorily exempt from environmental review, and direct the Executive Officer to file a Notice of Exemption within five (5) days;
2. Reduce the sphere of influence for the City of Adelanto by approximately 5,372 acres, as outlined in this report;
3. Direct staff to return with an update on the City's sustainability at the Commission's September 2019 hearing; and,
3. Adopt LAFCO Resolution No. 3285 reflecting the Commission's determinations for the sphere of influence amendment (reduction) as identified.

BACKGROUND:

LAFCO's 2017 *Countywide Service Review for Water* (LAFCO 3187) and its 2018 *Countywide Service Review for Wastewater* (LAFCO 3190) identified the City of Adelanto as a "hot spot" noting significant financial, operational and managerial challenges for the City and the Adelanto Public Utilities Authority ("APUA"), which is a

component unit of the City. The Commission reinforced the “hot spot” designation by expressing concerns regarding the City’s history of not completing current audits of the City and its component units.

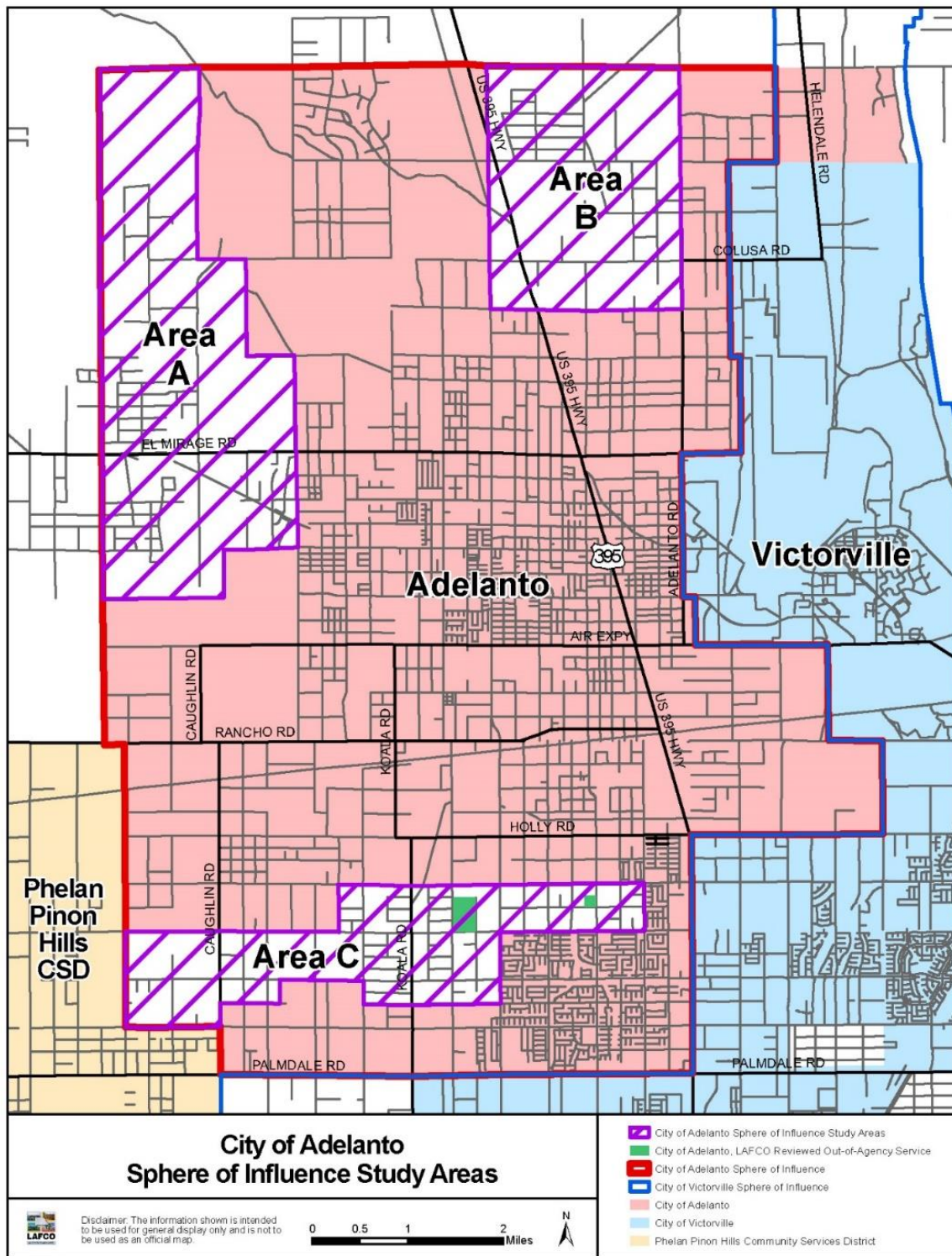
As part of its *Countywide Service Review for Wastewater*, LAFCO, at its August 15, 2018 hearing, initiated a sphere of influence amendment for the City of Adelanto to determine the appropriate sphere of influence for the City. (The City had previously expressed interest in LAFCO expanding its sphere of influence to potentially take advantage of its proximity to the future High Desert Corridor/E220, a new freeway/expressway from SR 14 to I-15 Freeway, and the additional future commercial and industrial development opportunities and their related economic benefits.) The Commission directed that this sphere review process include a meeting between City and County representatives to discuss the current sphere area and any proposed sphere amendment. The meeting was intended to allow both parties to: (1) explore sphere boundary options, and (2) to reach agreement on development standards and planning and zoning requirements to ensure that any development within the sphere occurs in a manner that promotes logical and orderly development of the identified areas.

Representatives from the County and the City met on October 30, 2018; however, an agreement on any proposed sphere of influence adjustment or related planning and zoning requirements was not reached.

Current Sphere of Influence

Currently, the City has three distinct sphere of influence (sphere) areas located outside its corporate boundaries as depicted on the map below and included as Attachment #1. Combined, the total acreage of the three unincorporated sphere areas is 11,602 acres.

- Area “A”, encompassing approximately 5,372 acres, is located near the northwest portion of the City and is generally north of Bartlett Avenue, east of Lessing Avenue, south of Desert Flower Road and west of a combination of parcel lines, Vinton Road, and Richardson Road.
- Area “B” contains approximately 3,291 acres and is located near the northeast area of the City and is generally north of Calleja Road, east of Aster Road, south of Sierra Road, and west of Adelanto Road. U.S. Highway 395 traverses the western portion of Area B.
- Area “C”, the smallest of the sphere areas, comprises approximately 2,939 acres and is located in the southern portion of the City, generally east of Lessing Avenue, north of a combination of parcel lines, Coughlin Road, Villa Street, Aster Road, and Mojave Drive, west of Jonathan Street, and south of a combination of parcel lines, Cactus Road, and Mojave Drive. It is surrounded on the north, east and south by the City. To the west, the sphere abuts the boundary for the Phelan Pinon Hills Community Services District.



SPHERE OF INFLUENCE ALTERNATIVES:

Government Code Section 56076 defines a sphere of influence as "...a plan for the probable physical boundaries and service area of a local agency, as determined by the commission." LAFCOs retain full authority for establishing and amending spheres. This section will evaluate each of the City's three current sphere areas based on the mandatory sphere of influence determinations discussed later in this report.

Area A

The County's General Plan designates approximately half the territory as Resource Conservation and the remaining portion as Rural Living with 5-acre minimum lot sizes. The area is undeveloped with the exception of a small poultry ranch operation and very limited rural residential development. The City's water or sewer lines are roughly one mile from the eastern edge of this unincorporated sphere area.

No significant development is anticipated within this area for the foreseeable future, and no extension of City services appears to be necessary. Staff recommends that Area A be removed from the City of Adelanto sphere of influence.

Area B

The County General Plan designates the entire area as Rural Living with minimum 5 – acre lots. The area is surrounded on the south, west and east by the City. No water or sewer lines are located within or near Area B. The area is almost entirely vacant with the exception of a small number of large lot single family homes. The presence of Highway 395, however, may provide an incentive for development opportunities. If that materializes, the City would be the logical, long-term service provider for this area. Staff recommends that the City of Adelanto retain Area B within its sphere of influence at this time.

In September 2019, LAFCO staff will return to the Commission with an update on the City's sustainability. Should the City not be able to reconcile its bank statements and complete its backlog of audits (see Attachment #5), then the financial picture of the City and the APUA, and its ability to provide adequate public services, would remain unclear. LAFCO staff would then re-evaluate the appropriate sphere configuration for Area B.

Area C

Area C is largely undeveloped, but does contain two public schools (Adelanto High School and Theodore Vick Elementary School) and a few large lot single-family residential developments. The County's General Plan designates the area as Rural Living with 5 and 10-acre minimum lot sizes. The area is located within the El Mirage Community Plan. LAFCO has approved two out-of-agency service agreements with the City of Adelanto to provide water and sewer service to the two public schools within Area C.

The City has sewer and water line infrastructure in place which serve residential subdivisions within Adelanto located immediately adjacent to the sphere boundary south of Mojave Drive, west of U.S. 395, and east of Aster Road (see the City's Water and Sewer Map included as part of Attachment #4). Area C is surrounded on three sides by City territory, and Adelanto remains the logical, long-term service provider for this area. Staff recommends that the City of Adelanto retain Area C within its sphere of influence.

CONCLUSION:

LAFCO's 2009 and 2018 service reviews identified serious financial, operational and managerial challenges for the City of Adelanto and its public utility (APUA). The lack of updated and accurate financial statements make it impossible for staff to paint an accurate picture of the City's finances and assess its ability to provide public services inside and outside its current boundaries. The City has made it clear that steps to stabilize the City's management and clean up its financial house are underway, however much work remains to be done. At this time, staff is recommending a reduction to the City's current sphere based upon the analysis provided in this report.

Of the three unincorporated sphere areas analyzed, staff is recommending that Areas B and C be retained within the City's sphere of influence. Both are surrounded by the City on three sides. Within Area C, the City is already providing sewer service to two public schools through a LAFCO-approved out-of-agency service agreement. City water and sewer lines are immediately adjacent which could facilitate future development in the area. Within Area B, Highway 395 provides a major transportation corridor through the area which provides an incentive for new development. In both cases, the City of Adelanto is the only logical municipal service provider which can serve these areas should development occur.

Area A, the largest of the three unincorporated sphere areas, is designated by the County General Plan as Resource Conservation (approximately 50 percent) and Rural Living with 5-acre minimum lots (approximately 50 percent). The General Plan notes that Resource Conservation designated areas are generally distant from urban centers, have steep terrain and limited access, and limited or no infrastructure facilities and where none are planned for the next 20 years. As identified in the report, the City's Plan designates the entire area as Open Space and also designates the area as having the least priority in terms of growth. Without a need to extend municipal services to this area within the foreseeable future, staff is recommending that Area A be removed from the Adelanto sphere of influence at this time.

The City has provided a letter dated April 2, 2019 respectfully disagreeing with LAFCO staff's recommendation for Area A (see Attachment #3 to this report). The letter identifies insufficient power supply for the cannabis industry and that Area A has the potential for solar power generation.

After reviewing the City's letter, staff's recommendation remains. This is based on the fact that the City's facilities are nowhere near Area A, and the City's Sustainable Plan designates the area as having the least priority in terms of growth. In addition, the City's current land use designation for the entire Area A is Open Space.

However, the "sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission (Section 56076). Therefore, the Commission has sole authority to determine the City's sphere of influence. Thus, the Commission has multiple tools and options for this matter, should it choose to modify staff's recommendation.

In October 2019, LAFCO staff will return to the Commission with an update on the City's sustainability. Should the City not be able to clear its bank reconciliations and complete its backlog of audits (see Attachment #5), then the financial picture of the City and the APUA, and its ability to provide adequate public services, would remain unclear. LAFCO staff would then re-evaluate the appropriate sphere of influence configuration for Area B.

The remainder of this report contains the mandatory determinations for a sphere of influence review which staff considered for its recommendation for the City's sphere of influence.

SPHERE OF INFLUENCE DETERMINATIONS:

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

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

The Adelanto General Plan (last comprehensively updated in 1994) incorporates a wide variety of land uses, including: Airport Development District, Airport Park, Business Park, Commercial, Light Manufacturing, Manufacturing/Industrial, Mixed Use, Open Space, Public Utilities and eight categories of Residential uses with varying densities.

Unincorporated Sphere of Influence

The City of Adelanto's current unincorporated sphere of influence encompasses approximately 11,602 acres located in three distinct, non-contiguous areas near the northern and southern portions of the City. The territory is largely undeveloped, with scattered large lot single family homes and two public schools.

A large portion of Area A is designated by the County's General Plan as Resource Conservation. Resource Conservation-designated areas generally have limited access with limited or no infrastructure. The balance of Area A is designated by the County for Rural Living with minimum 5-acre lots.

Adelanto North 2035 Sustainable Plan

In 2014, the City completed the *Adelanto North 2035 Sustainable Plan* ("Sustainable Plan") which promotes a variety of land use strategies that promote sustainable development (see the Sustainable Plan's Land Use Map included as part of Attachment #4). The Sustainable Plan includes land use development levels within the City of Adelanto's jurisdiction and within the City's unincorporated sphere area. However, since the City uses a single map for its land use and zoning designations, the City only adopted the land use/zoning designations within the City's corporate boundaries.

The Sustainable Plan identifies the entire northwestern area (including the entirety of Area A) as Open Space. In addition, the Sustainable Plan designates the area as having the least priority in terms of growth. Therefore, it is improbable that Area A will need municipal level public facilities or services in the foreseeable future.

The Sustainable Plan does not include a projected timeframe for achieving expected development levels. Nonetheless, it should be noted that the Sustainable Plan identifies growth priorities within its boundaries and within its unincorporated sphere area. The chart below identifies the land use designations within the City and its unincorporated sphere of influence and the expected development levels.

City of Adelanto – Land Use Designations and Expected Development Levels

Land Use Designations	Acres	Dwelling Units	Non-Residential Square Feet
Desert Living (DL-9)	3,405	17	--
Desert Living (DL-5)	5,561	42	--
Desert Living (DL-2.5)	2,317	35	--
Single Family Residential (RS-1 and RS-5)	2,309	10,434	--
Medium Density Residential (R-Mi2)	678	8,130	--
Mixed Use	348	4,176	4,547,236
Business Park	1,199	--	15,665,778
Light Manufacturing	1,560	--	33,971,073
Manufacturing/Industrial	1,328	--	28,919,638
Airport Development District	2,870	--	1,875,440
Open Space	9,773	195	--
Greenbelt Corridor Easement	1,030	--	--
Greenbelt Corridor Drainage	378	--	--
Public Utilities	274	--	--
Roads and Roadway Right-of-Way	2,274	--	--
TOTAL	35,304	23,029	84,979,165

Source: Adelanto North 2035 Comprehensive Sustainable Plan

Agricultural Lands

No agricultural land uses are designated within the City's sphere of influence territory. Because a sphere of influence is a planning tool only, no land use changes are anticipated as a result of any sphere change.

Recent Designations

The City also recently approved designated "Cannabis Dispensary Zones" for medical/adult use cannabis-related uses. The E-220 High Desert Corridor, a proposed freeway/expressway designed to connect the High Desert's Antelope and Victor Valleys, parallels Air Expressway in central Adelanto.

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

Present Need

The present need for public facilities and services within the City's existing unincorporated sphere of influence is limited. With the exception of two public schools and a small number of scattered large lot single family homes, the City's entire 11,602-acre unincorporated sphere area is largely vacant. A large portion of Area A is designated by the County's General Plan as Resource Conservation. Resource Conservation-designated areas generally have limited access with limited

or no infrastructure. The balance of Area A is designated by the County for Rural Living with minimum 5-acre lots.

Within Area B, Highway 395 provides a major transit corridor through the area. Within Area C, the City is already providing sewer service to two public schools through a LAFCO-approved out of area service agreement, and City water and sewer lines are immediately adjacent which could facilitate future development in the area.

Probable Need

The City's population as of 1/1/18 was 35,293.¹ The City is projected to grow to 50,182 by 2040, an increase of approximately 42 percent.² This level of anticipated growth, if realized, will require an increase in public facilities and services to adequately serve the City's growing population.

As for the City's designation for Area A, the Plan identifies the entire northwestern area (including the entirety of Area A) as Open Space. In addition, the City's Plan also designates the area as having the least priority in terms of growth. Therefore, it is improbable that Area A will need municipal level public facilities or services in the foreseeable future. However, it is probable that Areas B and C may see some development activity in the foreseeable future which will require City services.

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

The City provides or contracts for all municipal-level services within its current service territory. Police, fire and emergency response services are provided through contracts with the San Bernardino Sheriff's Department and the San Bernardino County Fire Protection District, respectively. Water and wastewater services are provided through the City's Adelanto Public Utilities Authority ("APUA") within and outside the City's boundaries.

Present Capacity of Public Facilities

The 2017 water service review and 2018 wastewater service review identifies adequate capacity in the water and wastewater facilities.

Adequacy of Public Services

LAFCO's 2009 Service Review for the City of Adelanto (LAFCO 3080) determined that there were serious financial, operational and management challenges for the

¹ CA Department of Finance

² 2015 City of Adelanto Urban Water Management Plan

City and the APUA. The 2018 *Countywide Service Review for Wastewater* (LAFCO 3190) did not reveal significant improvement in these deficiencies.

As of this writing, the APUA is current on its audits. As for the City, as of this writing, the most current audit completed is for FY 2013-14. However, the City is making ground towards completion of its backlog of audits. The City provided an update on its backlog of completing the audits of itself and its component units (shown below). This update was provided to the City Council on January 23, 2019 (a copy of the City staff report is included as Attachment #5). The update also identifies that bank reconciliations are cleared through August 31, 2018.

Audit Description	Status
Fiscal Year 2014/2015 (City)	Field work completed. Auditor preparing draft report.
Fiscal Year 2015/2016 (City)	Field work completed. Auditor reviewing provided financial information.
Fiscal Year 2016/2017 (City)	Field work scheduled for April.
Fiscal Year 2017/2018 (City)	Field work scheduled for June.
Fiscal Year 2018/2019 (City)	Field work scheduled for October.
Fiscal Year 2017/2018 (APUA)	Currently underway. Financial data being provided to auditor. Field work scheduled for end of January.
Fiscal Year 2017/2018 (Measure I)	Field work completed. Auditor preparing draft report.

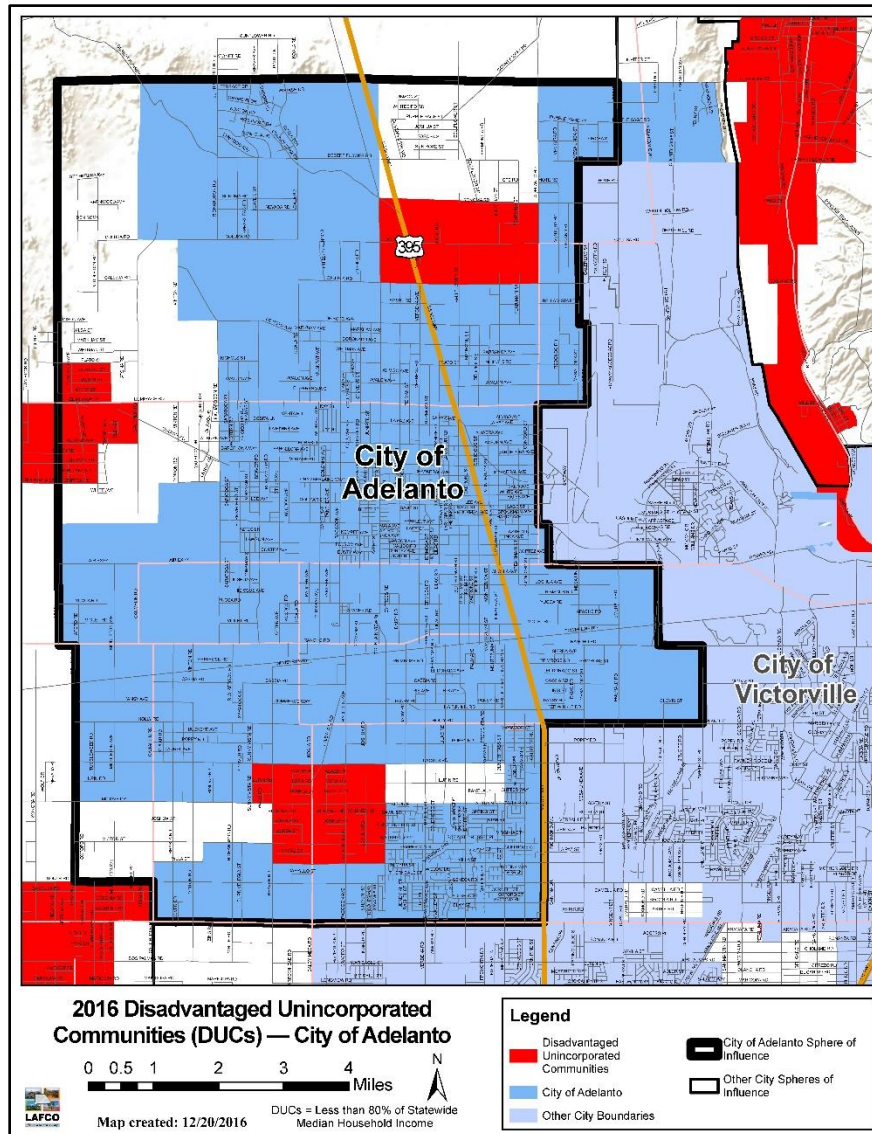
Nonetheless, the lack of current financial statements and cleared bank reconciliations make the financial picture of the City and the APUA, and its ability to provide adequate public services, unclear.

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

The City of Adelanto is the social and economic community of interest for the Adelanto community. There is no distinct social community wholly within the Adelanto sphere, but the community of El Mirage extends into the western Adelanto sphere, as defined by the boundaries of County Service Area 70 Zone P-6. Economic communities of interest are the Highway 395 and Hi-Desert Corridors and the industries adjacent to the Southern California Logistics Airport. The community is within the Adelanto Elementary School District (western county line to the Mojave River) and the Victor Valley High School District (western county line to I-15).

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The disadvantaged unincorporated community (“DUC”) areas identified in red on the map below.



The present need for public facilities and services within the City’s existing sphere of influence is limited. With the exception of two public schools and a small number of scattered large lot single family homes, the City’s entire 11,602-acre sphere area is largely vacant. Within Area B, Highway 395 provides a major transit corridor

through the area. It is probable that Areas B and C may see some development activity in the foreseeable future which will require City services. A large portion of Area A is designated by the County's General Plan as Resource Conservation. Resource Conservation-designated areas generally have limited access with limited or no infrastructure. The balance of Area A is designated by the County for Rural Living with minimum 5-acre lots.

As noted previously, the City's Plan designates the entire northwestern area (including the entirety of Area A) as Open Space and also designates the area as having the least priority in terms of growth. Therefore, it is improbable that Area A will need municipal level public facilities or services in the foreseeable future.

ADDITIONAL DETERMINATIONS:

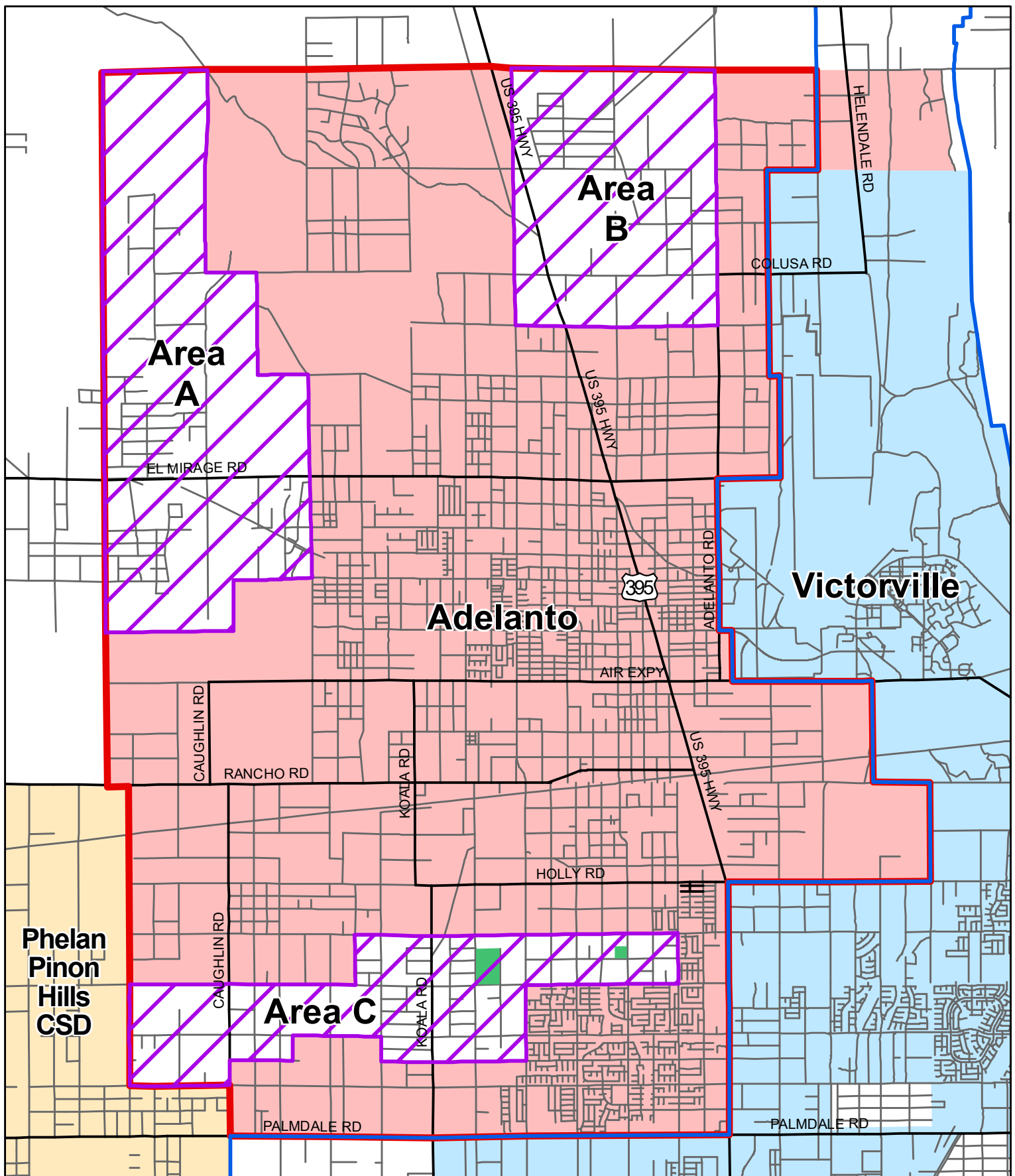
1. The Commission is the lead agency for review of the potential environmental consequences of sphere of influence amendments. LAFCO staff has provided the Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, with the application materials for review. Mr. Dodson has indicated the proposed sphere amendment is not judged to pose any adverse changes to the physical environment. Therefore, his recommendation is that the sphere of influence amendment is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061(b). A copy of Mr. Dodson's analysis is included as Attachment #6 to this report.
2. Legal notice of the Commission's consideration of the sphere amendment has been provided through publication of a 1/8th page legal advertisement in the *Daily Press*, a newspaper of general circulation in the area.
3. Individual notices were provided to all affected and interested agencies, County departments and those individuals and agencies requesting special notice.

Attachments:

1. [Map of City of Adelanto Boundary and Sphere](#)
2. [Map of LAFCO Staff Proposed Sphere Reduction](#)
3. [City of Adelanto Letter dated April 2, 2019](#)
4. [Application Materials: LAFCO Application and Sphere Supplement Forms with LAFCO Resolution 3270](#)
5. [City of Adelanto's General Plan Land Use & Zoning Map, the Adelanto North 2035 Sustainable Plan Land Use Map and Growth Area Map, and the City of Adelanto's Sewer and Water Map](#)
6. [City of Adelanto Staff Report dated January 23, 2019](#)
7. [Letter from Commission Environmental Consultant, Tom Dodson of Tom Dodson and Associates](#)
8. [Draft LAFCO Resolution No. 3285](#)

Map of City of Adelanto Boundary and Sphere

Attachment 1



City of Adelanto Sphere of Influence Study Areas

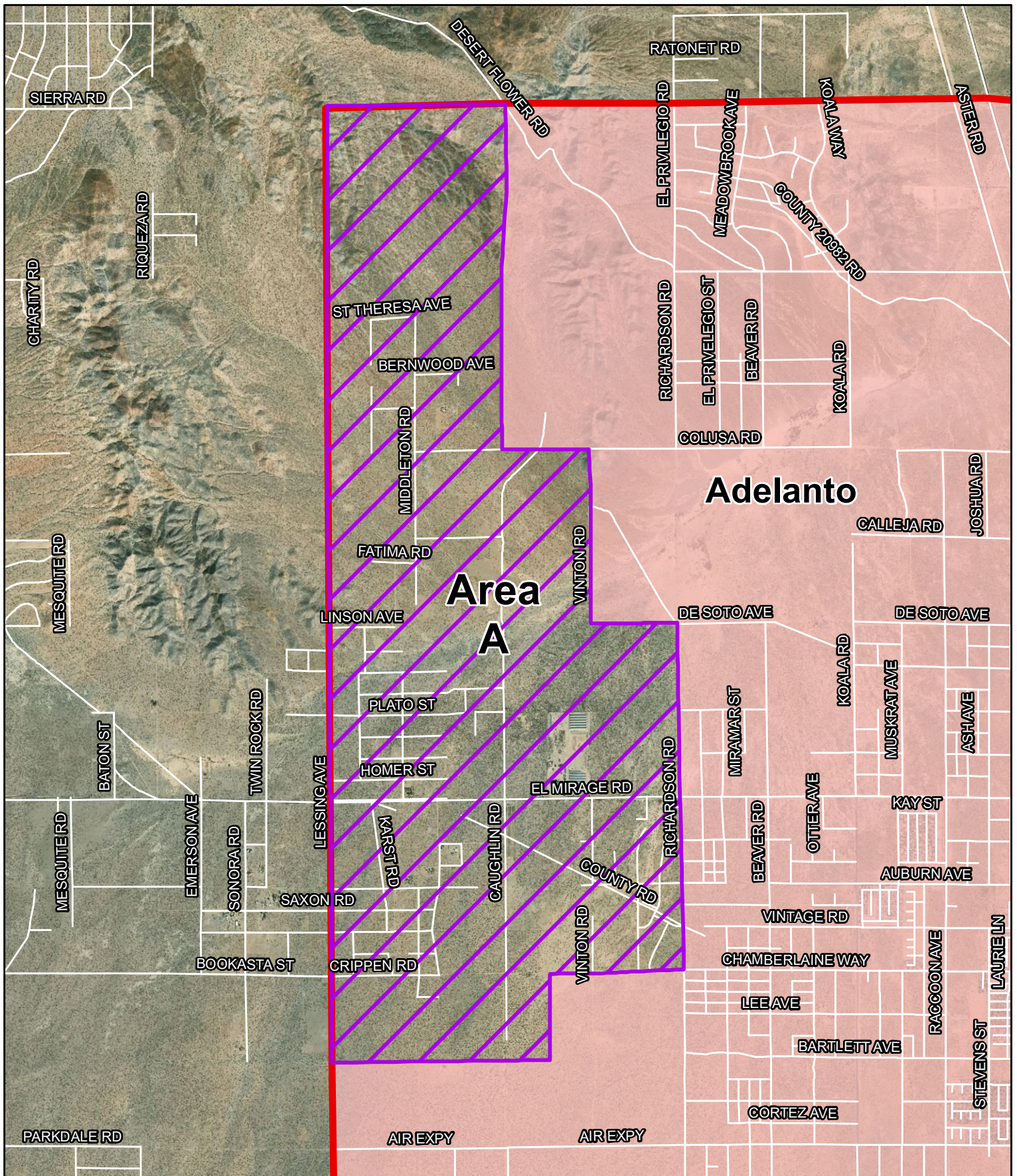


Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.




0 0.5 1 2 Miles



- City of Adelanto Sphere of Influence Study Areas
- City of Adelanto, LAFCO Reviewed Out-of-Agency Service
- City of Adelanto Sphere of Influence
- City of Victorville Sphere of Influence
- City of Adelanto
- City of Victorville
- Phelan Pinon Hills Community Services District

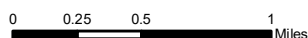


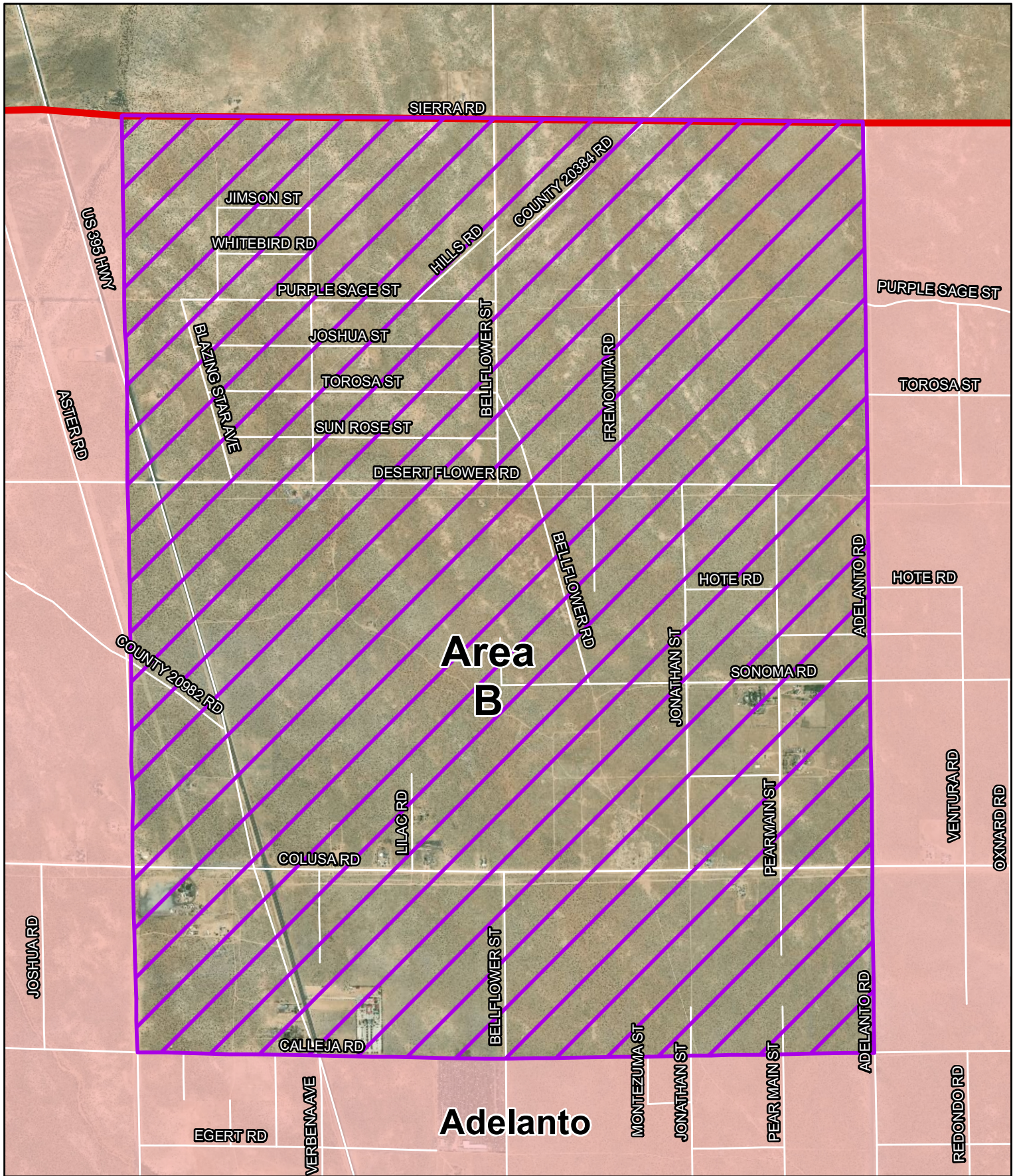
Area A

-  City of Adelanto Sphere of Influence Study Areas
-  City of Adelanto Sphere of Influence
-  City of Adelanto



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



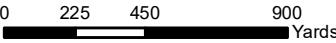


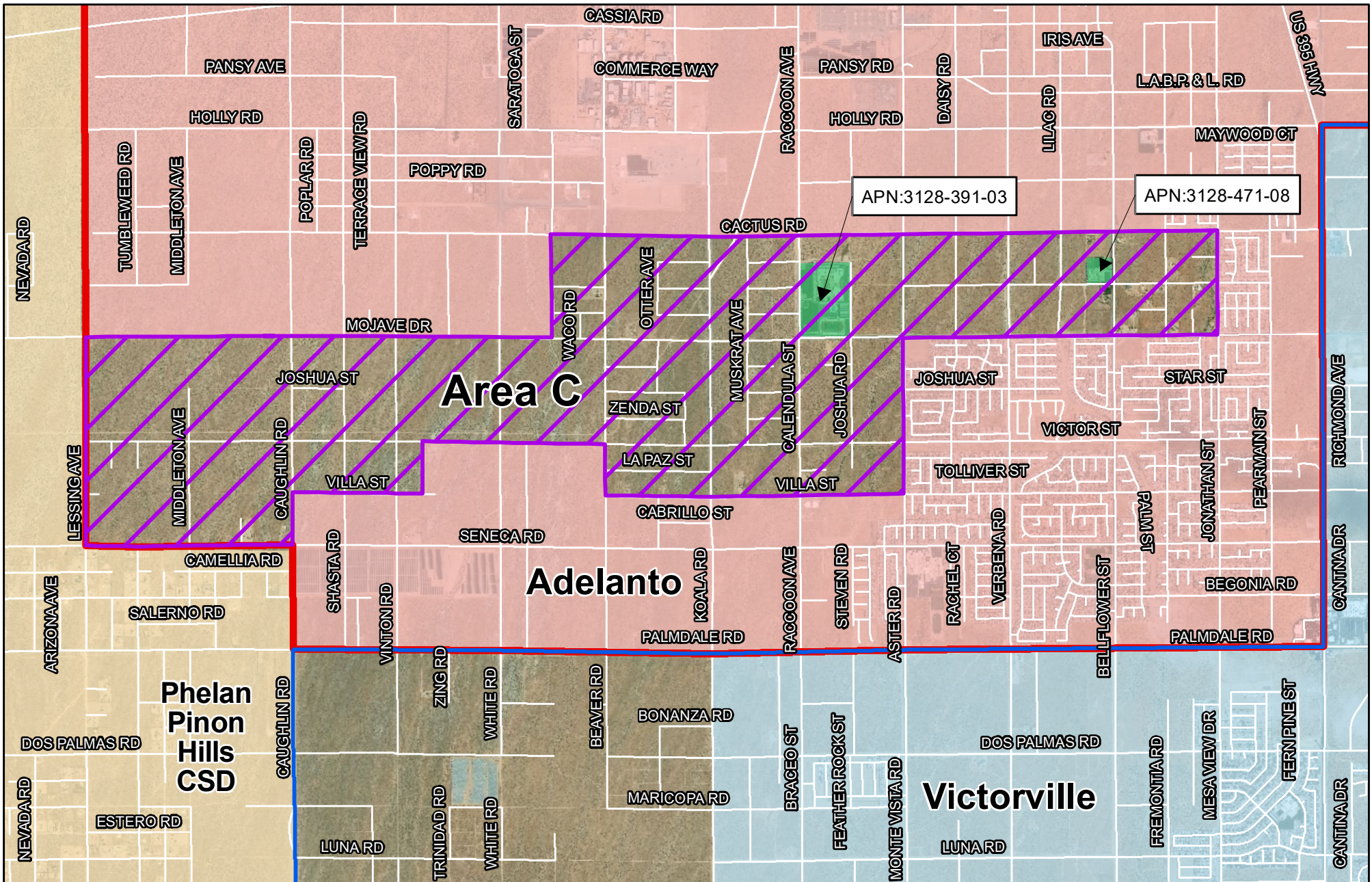
Area B

- City of Adelanto Sphere of Influence Study Areas
- City of Adelanto Sphere of Influence
- City of Adelanto



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



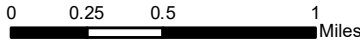


Area C

- City of Adelanto Sphere of Influence Study Areas
- City of Adelanto, LAFCO Reviewed Out-of-Agency Service
- City of Adelanto Sphere of Influence
- City of Victorville Sphere of Influence
- City of Adelanto
- City of Victorville
- Phelan Pinon Hills Community Services District

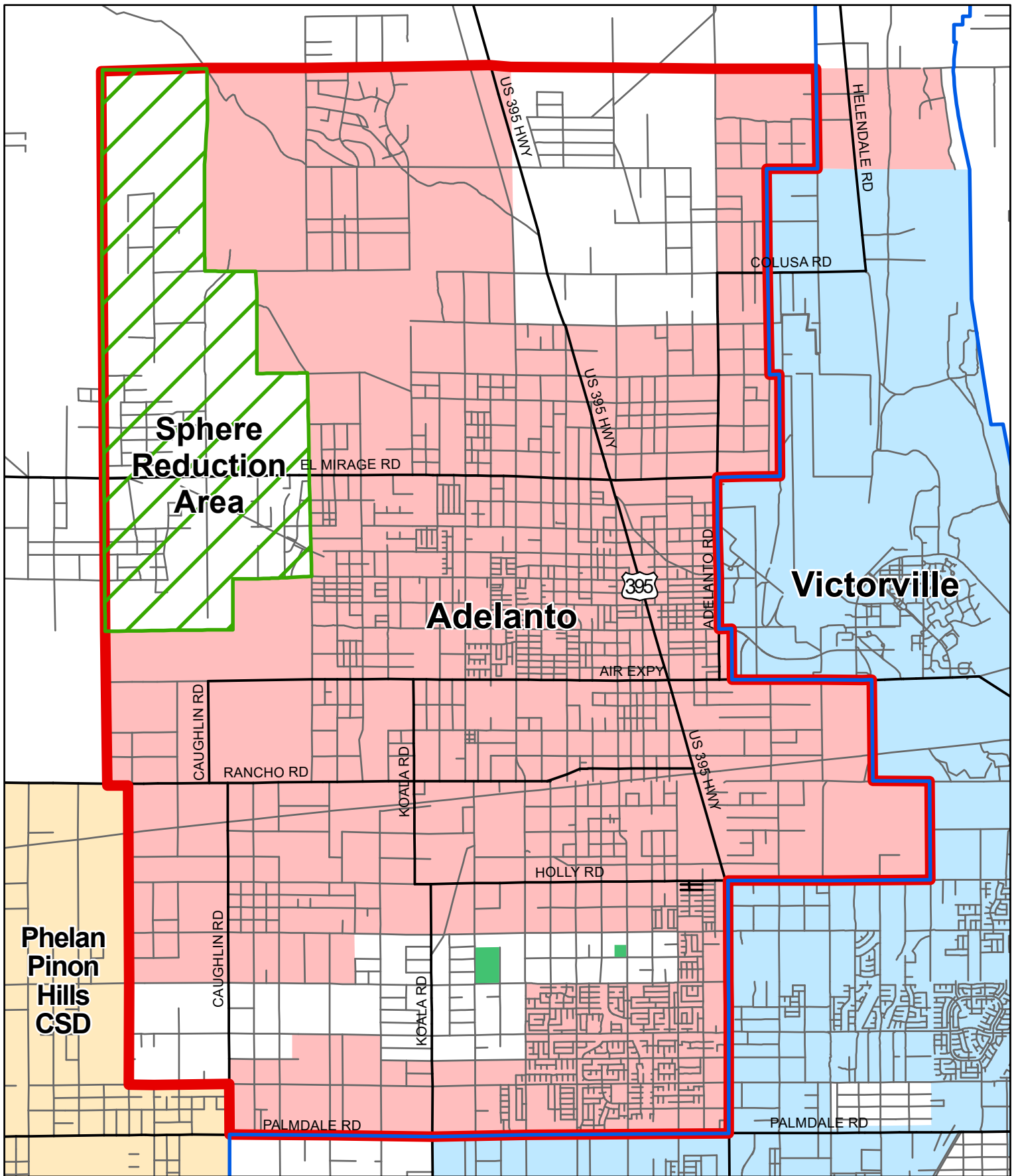


Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.



Map of LAFCO Staff Proposed Sphere Reduction

Attachment 2










LAFCO Staff Proposed City of Adelanto Sphere of Influence Reduction Area



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

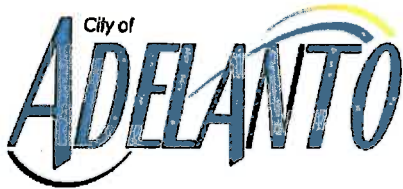
0 0.5 1 2 Miles



-  LAFCO Staff Proposed Sphere Reduction Area
-  City of Adelanto Current Sphere of Influence
-  City of Adelanto, LAFCO Reviewed Out-of-Agency Service
-  City of Adelanto
-  City of Victorville
-  City of Victorville Sphere of Influence
-  Phelan Pinon Hills Community Services District

**City of Adelanto Letter Dated
April 2, 2019**

Attachment 3



RECEIVED

2019 APR -3 PM 3:12

LOCAL AGENCY
FORMATION COMMISSION

Gabriel Reyes
Mayor

Stevevonna Evans
Mayor Pro Tem

Ed Camargo
Council Member

Gerardo Hernandez
Council Member

Joy Jeannette
Council Member

Jessie Flores
City Manager

April 2, 2019

Samuel Martinez, Executive Director
LOCAL AGENCY FORMATION COMMISSION
1179 West 3rd Street, Unit 150
San Bernardino, CA 92415-0490

Subject: Agenda Item LAFCO 3232 Sphere of Influence Amendment for the City of Adelanto Areas A, B, and C

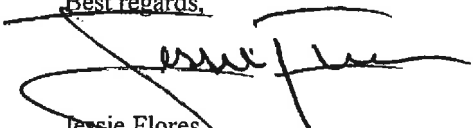
Dear Mr. Martinez:

Thank you for the opportunity to comment on the City of Adelanto Sphere of Influence Amendment which will be considered at the April 17, 2019 LAFCO hearing. The City of Adelanto concurs with the conclusions that the City retain areas B and C as outlined in the staff report. The City, however respectfully disagrees with the LAFCO staff recommendation that Area A be removed from the Adelanto Sphere of Influence.

The City has experienced unrepresented growth in the last 4 years due in part to the burgeoning cannabis industry. Over 165 cannabis business, now operational are paying millions of dollars in special taxes and providing hundreds of jobs. Many of these operations have an insufficient supply of electricity which has forced many factories to operate in only a portion of their buildings. Worse yet, many other operators are being told by Edison officials that they may not get all the power to meet their needs until the year 2021. It cannot be stressed enough how the lack of adequate electrical power is threatening the economic stability of the City's future. Many operators are therefore turning to alternative sources of energy to solve their problems.

It is important to note that several solar power companies are currently looking at thousands of acres in the north west quadrant of the city, specifically in and adjacent to Areas A and C to see if these parcels are suitable for large-scale solar power. City staff has been in discussions with these firms who are in the process of conducting habitat assessments and other project related suitability analyses. Additionally, these solar companies are negotiating with the property owners. Some of these companies have expressed interest in sending letters or attending the LAFCO hearing to convey an important message: please do not remove Area A from the Adelanto Sphere of Influence.

Best regards,


Jessie Flores
City Manager
City of Adelanto

Application Materials:

LAFCO Application and Sphere Supplement Forms with LAFCO Resolution 3270

Attachment 4

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: LAFCO 3232 – Sphere of Influence Amendment for City of Adelanto

2. NAME OF APPLICANT: LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

APPLICANT TYPE: ☐ Landowner ☐ Local Agency
☐ Registered Voter ☒ Other LAFCO

MAILING ADDRESS:

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490

PHONE: (909) 388-0480

FAX: (909) 388-0481

E-MAIL ADDRESS: lafco@lafco.sbcounty.gov

3. GENERAL LOCATION OF PROPOSAL:

The City has three distinct sphere of influence (SOI) areas located outside its current boundaries. SOI Area "A", approximately 5,372 acres, is located near the northwest portion of the City and is generally north of Bartlett Avenue, east of Lessing Avenue, south of Desert Flower Road and west of Richardson Road. SOI Area "B", contains approximately 3,291 acres, is located near the northeast area of the City and is generally north of Calleja Road, south of Sierra Road, east of Aster Road and west of Adelanto Road. SOI Area "C", the smallest of the sphere areas, comprises approximately 2,939 acres and is located near the southern portion of the City, generally east of Lessing Avenue, north of Palmdale Avenue, south of Cactus Road, and west of Jonathon Street. Combined, the total acreage of the three SOI areas is approximately 11,602 acres.

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.

LAFCO's 2018 Countywide Service Review for Wastewater (LAFCO 3190) identified the City of Adelanto as a "hot spot" noting significant financial, operational and managerial challenges for the City and its Adelanto Public Utilities Authority. The City has previously expressed interest in expanding its sphere of influence to take advantage of its proximity to the future High Desert Corridor/E220 and increased future commercial and industrial development opportunities and their related economic benefits. At issue is the City's long-term sustainability. As part of its Countywide Service Review for Wastewater, LAFCO, at its August 15, 2018 hearing, initiated a sphere of influence amendment for the City of Adelanto to determine the appropriate sphere of influence for the City.

LAND USE AND DEVELOPMENT POTENTIAL

1. Total land area of subject territory (defined in acres):
The current sphere of influence for the City of Adelanto encompasses approximately 11,602 acres located in three distinct, non-contiguous areas near the northern and southern portions of the City.
2. Current dwelling units within area classified by type (single-family residential, multi-family [duplex, four-plex, 10-unit], apartments)
The City's sphere of influence is largely undeveloped. There are some scattered large lot single family homes in SOI Areas A, B and C, and two public schools are located in SOI Area C.
3. Approximate current population within area:
According to the latest Census Bureau data, as of January 1, 2018, the City of Adelanto has a population of 35,293 residents. Population within the City's SOI is minimal due to a lack of development, although no exact population figure is available.
4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s):
The Adelanto General Plan incorporates a wide variety of land uses, including: Airport Development District, Airport Park, Business Park, Commercial, Light Manufacturing, Manufacturing/Industrial, Mixed Use, Open Space, Public Utilities and eight categories of Residential development with varying densities. The City also recently approved designated "Cannabis Dispensary Zones" for medical/adult use cannabis-related uses.
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:

None

6. Indicate the existing use of the subject territory.

Scattered large lot single family homes and two public schools. The territory is predominantly vacant open space.

7. What is the proposed land use? N/A

8. 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:

N/A

ENVIRONMENTAL INFORMATION

1. Provide general description of topography. _____

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

Residential	_____1%	Agricultural	_____%
Commercial	_____%	Vacant	_____99%
Industrial	_____%	Other	_____%

3. Describe the surrounding land uses:

NORTH	SOI Area A: Open Space SOI Area B: Open Space SOI Area C: Manufacturing/Industrial and Single Family Residential
EAST	SOI Area A: Residential SOI Area B: Residential, Airport Development SOI Area C: Residential
SOUTH:	SOI Area A: Residential SOI Area B: Airport Development, Residential SOI Area C: Open Space
WEST:	SOI Area A: Residential SOI Area B: Open Space SOI Area C: Open Space

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 ☐

N/A

6. Are there any existing out-of-agency service contracts/agreements within the area? YES ☒
NO ☐ If YES, please identify.

LAFCO has approved two out-of-agency services contracts allowing the City to provide wastewater collection/treatment and/or retail water with SOI Area A (southern sphere).

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 Jesse Flores, City Manager TELEPHONE NO. 760-246-2300

ADDRESS:

11600 Air Expressway, Adelanto, CA 92301

NAME Charles Rangel, Development Services Director TELEPHONE NO. 760-246-2300

ADDRESS:

11600 Air Expressway, Adelanto, CA 92301

NAME _____ TELEPHONE NO. _____

ADDRESS:

CERTIFICATION

As a part of this application, the City/Town of N/A, or the N/A District/Agency, _____ (the applicant) and/or the _____ (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 February 6, 2019

SIGNATURE

Prepared by LAFCO staff

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

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 SPHERE OF INFLUENCE AMENDMENT

INTRODUCTION: The questions on this form are designed to obtain data about the specific sphere of influence amendment application to allow the Commission, staff and others to adequately assess the application. You may also include any additional information that you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please provide an identification of the agencies involved in the proposed sphere of influence change(s):

City of Adelanto; SOI amendment application is to determine the appropriate sphere of influence for the City.

SPHERE EXPANSION

SPHERE REDUCTION

2. Provide a narrative description of the following factors of consideration as outlined in Government Code Section 56425. (If additional room for response is necessary, please attach additional sheets to this form.)

The present and planned land uses in the area, including agricultural and open-space lands.

The Adelanto General Plan incorporates a wide variety of land uses, including: Airport Development District, Airport Park, Business Park, Commercial, Light Manufacturing, Manufacturing/Industrial, Mixed Use, Open Space, Public Utilities and eight categories of Residential uses with varying densities. The City also recently approved designated "Cannabis Dispensary Zones" for medical/adult use cannabis-related uses.

The City of Adelanto's current sphere of influence encompasses approximately 11,602 acres located in three distinct, non-contiguous areas near the northern and southern portions of the City. The territory is largely vacant open space, with scattered large lot single family homes and two public schools. The City has previously expressed interest in expanding its sphere of influence to take advantage of its proximity to the future High Desert Corridor/E220 and potential commercial and industrial development opportunities in the future.

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

Because the territory is largely undeveloped open space, there is no need for additional public facilities and services to the serve the area at the present time. Future opportunities may include industrial and commercial development, however the timing and extent of such development is unknown at this time.

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

The City provides or contracts for all municipal-level services within its current service territory. The City's Public Utility Authority provides retail water and distribution within its boundaries. LAFCO's 2009 Service Review for the City of Adelanto (LAFCO 3080) determined that there were serious financial, operational and management challenges for the City and its Adelanto Public Utilities Authority. The 2018 Countywide Service Review for Wastewater (LAFCO 3190) did not reveal significant improvement in these deficiencies. The FY 2015-16 independent auditor's report indicates that the APUA's flawed reporting could lead to financial misinformation, abuse, or fraud if not changed. The 2014 audit stated that APUA may not be able to continue as a going concern due to the inability to secure financing to address the payment of an outstanding settlement. The APUA was able to satisfy this obligation, but had to incur bond debt secured by water and wastewater rates to do so. The APUA 2014-15 and 2016-17 audits are incomplete. The lack of current financial statements makes the financial picture of the City and APUA, and its ability to provide adequate public services, unclear.

The existence of any social or economic communities of interest in the area.

The City of Adelanto is the social and economic community of interest for the Adelanto community. There is no distinct social community wholly within the Adelanto sphere, but the community of El Mirage extends into the western Adelanto sphere, as defined by the boundaries of County Service Area 70 Improvement Zone P-6. Economic communities of interest are the Highway 395 and Hi-Desert Corridors and the industries adjacent to the Southern California Logistics Airport. The community is within the Adelanto Elementary School District (western county line to the Mojave River) and the Victor Valley High School District (western county line to I-15).

The present and probable need for public facilities or services related to sewers, municipal and industrial water, or structural fire protection for any disadvantaged unincorporated community, as defined by Govt. Code Section 56033.5, within the existing sphere of influence.

Not applicable

3. If the sphere of influence amendment includes a city sphere of influence change, provide a written statement of whether or not agreement on the sphere change between the city and county was achieved as required by Government Code Section 56425. In addition, provide a written statement of the elements of agreement (such as, development standards, boundaries, zoning agreements, etc.) (See Government Code Section 56425)

An agreement between the County and the City has not been reached.

4. If the sphere of influence amendment includes a special district sphere of influence change, provide a written statement: (a) specifying the function or classes of service provided by the district(s) and (b) specifying the nature, location and extent of the functions or classes of service provided by the district(s). (See Government Code Section 56425(i))

Not applicable

5. For any sphere of influence amendment either initiated by an agency or individual, or updated as mandated by Government Code Section 56425, the following service review information is required to be addressed in a narrative discussion, and attached to this supplemental form (See Government Code Section 56430): **(Not Required)**
- a. Growth and population projections for the affected area.
 - b. Location and characteristics of disadvantaged unincorporated communities within or contiguous to the sphere of influence.
 - c. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies, including those associated with a disadvantaged unincorporated community.
 - d. Financial ability of agencies to provide services.
 - e. Status of, and opportunities for, shared facilities.
 - f. Accountability for community service needs, including governmental structure and operational efficiencies.

If additional sheet are submitted or a separate document provided to fulfill Item #5, the narrative description shall be signed and certified by an official of the agency(s) involved with

the sphere of influence review as to the accuracy of the information provided. If necessary, attach copies of documents supporting statements.

CERTIFICATION

As a part of this application, the City/Town of N/A, or the N/A District/Agency, _____ (the applicant) and/or the _____ (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

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

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

I hereby certify that the statements furnished above present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE February 6, 2019

SIGNATURE

Prepared by LAFCO staff

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

Title and Affiliation (if applicable)

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 3190

HEARING DATE: AUGUST 15, 2018

RESOLUTION NO. 3270

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3190 – COUNTYWIDE SERVICE REVIEW FOR WASTEWATER (COLLECTION, TREATMENT, DISPOSAL).

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

WHEREAS, a service review mandated by Government Code 56430 has been conducted by the Local Agency Formation Commission for San Bernardino County (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

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

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

WHEREAS, a public hearing by this Commission was called for August 15, 2018 at the time and place specified in the notice of public hearing and in any order or orders continuing the hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written support and opposition; the Commission considered all objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the service review, in evidence presented at the hearing; and,

WHEREAS, at this hearing, this Commission certified that the service review is statutorily exempt from environmental review pursuant to the provisions of the California Environmental Quality Act (CEQA) and such exemption was adopted by this Commission on August 15, 2018. The Commission directed its Executive Officer to file a Notice of Exemption within five working days of its adoption; and,

WHEREAS, the determinations required by Government Code Section 56430 and local Commission policy are included in the report prepared and submitted to the Commission dated June

RESOLUTION NO. 3270

20, 2018 and was recommended for acceptance and filing by the Commission on August 15, 2018, a complete copy the service review is on file in the LAFCO office.

WHEREAS, the following additional determinations are made in conformance with the Government Code and local Commission policy:

- Each wastewater system identified in this review was provided a draft of the report for review and comment. Comments from the water purveyors are included in Appendix A of the service review.
- A meeting with LAFCO staff and affected agency representatives was held within each region (Valley on June 4, 2018; Mountain on May 31, 2018; North Desert on June 5, 2018; and South Desert on May 31, 2018) to review the draft service review and receive input.
- As required by State Law, notice of the hearing was provided through publication in newspapers of general circulation within the area, the *Big Bear Grizzly*, *Daily Press*, *Hi-Desert Star*, *Inland Valley Daily Bulletin*, *Mountain News*, and *San Bernardino Sun*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in State Law and Commission Policy, in-lieu of individual notice the notice of hearing publication was provided through an eighth page legal ad.
- As required by State law, individual notification of the hearing was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.
- Due to the size and scope of the report, the service review document was provided in advance of the staff report to allow additional time for review. The service review document was published June 20, 2018 and a copy was provided to affected and interested agencies and County departments, as well as those agencies and individuals requesting mailed notice. The service review document was also made accessible on the LAFCO website.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission for San Bernardino County, State of California, that this Commission shall:

1. Accept and file the Countywide Service Review for Wastewater, included as Exhibit A to this resolution (available at the LAFCO office and on the San Bernardino LAFCO website www.sbclafco.org), which sets forth the written statements for the six determinations outlined in Government Code Section 56430 as presented and as amended at the hearing.
2. Initiate a sphere of influence amendment for the City of Adelanto to determine the appropriate sphere of influence for the City, and direct that this process include a meeting between City and County representatives to discuss the current sphere area and LAFCO staff's proposed sphere amendment.
3. Direct LAFCO staff to continue to monitor the Victorville Water District and the City of Victorville, and direct staff to return to the Commission six months following the completion of this service review.

RESOLUTION NO. 3270

4. Direct LAFCO staff to continue to monitor the Victor Valley Wastewater Reclamation Authority, and direct staff to return to the Commission six months following the completion of this service review.
5. Identify the Twentynine Palms community as a “hot spot” and recognize that an opportunity exists for the community to develop a joint wastewater system with the nearby Marine Corps base.
6. For the Inland Empire Utilities Agency (“IEUA”):
 - a) Determine the following for IEUA service outside its boundary, as shown in Figure 3-3 to the service review in yellow color:
 - i. Parcels connected on or before January 1, 2001 are exempt from LAFCO review pursuant to Gov. Code §56133(e)(4).
 - ii. Parcels connected after January 1, 2001, including the currently developed parcels as listed by the City of Fontana per maps included in Attachment #1 to the staff report for LAFCO 3190 dated August 8, 2018, as a result of the 1995 settlement agreement between IEUA and the City of Fontana which outlines an agreement for services to be rendered by IEUA.
 - iii. Connecting the remaining unserved area will come under the provisions of Gov. Code §56133.5, which can be considered by the Commission through a blanket authorization for the entire area.
 - b) Reflect the following for IEUA in the LAFCO Policy and Procedure Manual, Section VI (Special Districts), Chapter 3 (Listing of Special Districts within San Bernardino County LAFCO Purview – Authorized Functions and Services), as these are the functions and services that IEUA has historically and actively provides:

<u>Water</u>	Wholesale, replenishment
<u>Sewer</u>	Collection, regional treatment, reclamation, disposal, recycled water, composting, non-reclaimable wastewater collection
<u>Energy</u>	Energy recovery and production
<u>Total Basin Management</u>	Planning for Chino hydrological basin

7. For the City of San Bernardino:
 - a) Determine that the parcels identified in Section III of the service review were provided service on or before January 1, 2001 and are exempt from LAFCO review pursuant to Gov. Code §56133(e)(4).

RESOLUTION NO. 3270

- b) Request the City of San Bernardino submit an Out-of-Agency Service application to LAFCO to encompass all of the parcels that were provided wastewater service after January 1, 2001, to date, as identified in Section III of this report.
8. For the City of Upland, determine that its 1982 agreement with the City of Claremont and Los Angeles County Sanitation District is exempt from LAFCO review as it is:
- a) Service between two public agencies where the public service provided is an alternative to, or substitute for, public services already being provided by an existing public service provider (the City of Upland) and where the service provided is consistent with the level of service of the existing service provider (the City of Upland). (Gov. Code §56133(e)(1))
 - b) An extended service that was provided on or before January 1, 2001. (Gov. Code §56133(e)(4))
9. For the City of Rialto:
- a) Determine that the three parcels identified in Section III of the service review provided service by the City of Rialto are exempt from LAFCO review as they are an extended service that was provided on or before January 1, 2001 pursuant to Gov. Code §56133(e)(4).
 - b) Determine that the 1991 Rialto/Fontana Extraterritorial Wastewater Service Agreement is exempt from LAFCO review as it is:
 - i. Service between two public agencies where the public service provided is an alternative to, or substitute for, public services already being provided by an existing public service provider (the City of Rialto) and where the service provided is consistent with the level of service of the existing service provider (the City of Rialto). (Gov. Code §56133(e)(1)).
 - ii. An extended service that was provided on or before January 1, 2001. (Gov. Code §56133(e)(4)).
 - c) Request the City of Rialto submit an Out-of-Agency Service application to LAFCO to encompass all of the City's other extraterritorial service agreements that have not been authorized by LAFCO to date.

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

AYES: COMMISSIONERS: Bagley, Cox, Curatalo, McCallon, Ramos, Williams

NOES: COMMISSIONERS: None

ABSENT: COMMISSIONERS: Lovingood

RESOLUTION NO. 3270

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

I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of August 15, 2018.

DATED: August 20, 2018



SAMUEL MARTINEZ
Executive Officer



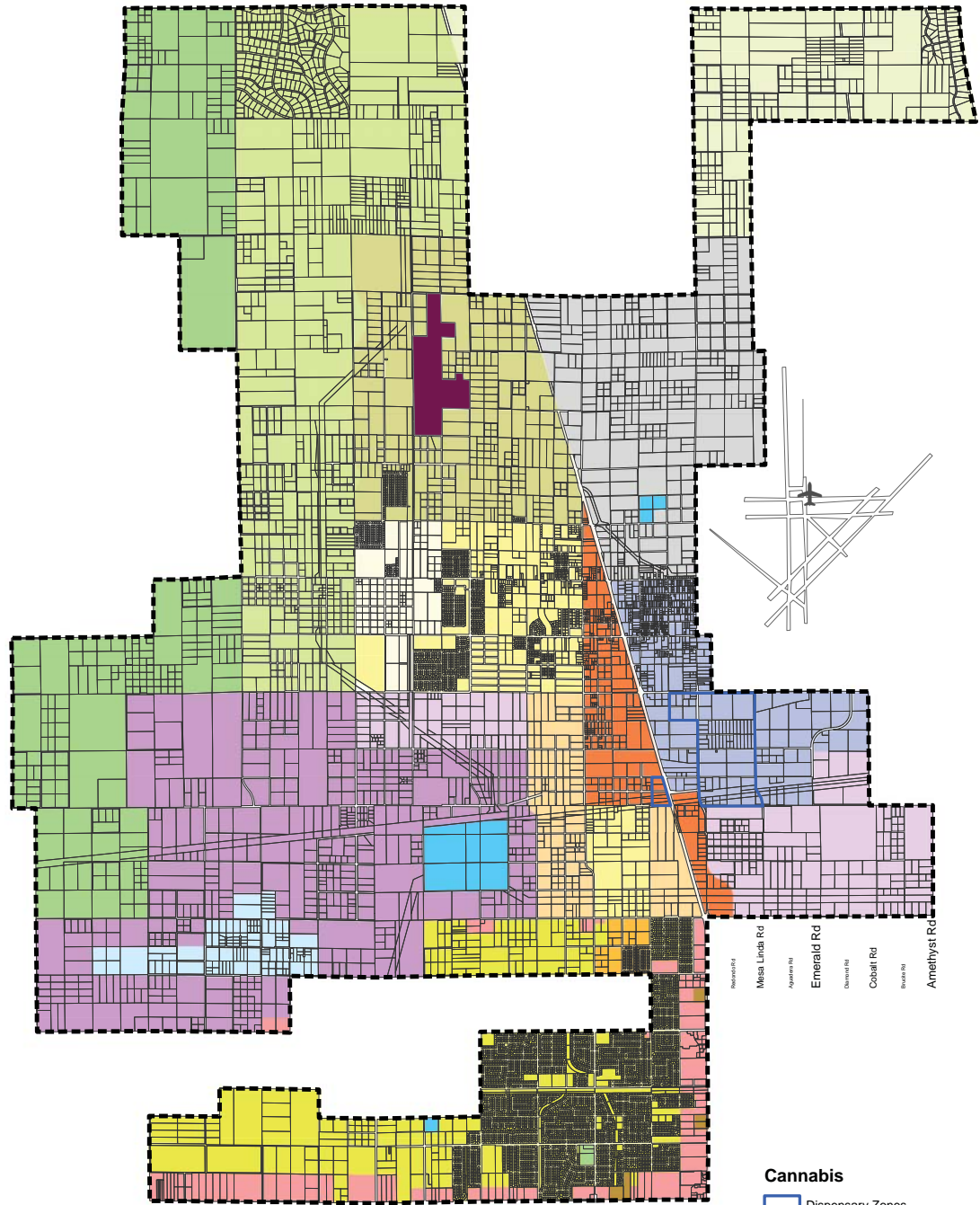
**City of Adelanto's General Plan
Land Use & Zoning Map, the
Adelanto North 2035
Sustainable Plan Land Use Map
and Growth Area Map, and the
City of Adelanto's Sewer and
Water Map**

Attachment 5



General Plan Land Use & Zoning Map

Oleander St
Jensen St
Purple Sage St
Tomas St
Desert Flower Rd
Haze Rd
Sonoma Rd
Dayton St
Colusa Rd
Calaveras Rd
Calleja Ave
Egert Rd
Desoto Ave
Cottonwood Ave
Nichols Rd
Aviston Ave
El Mirage Rd
La Paz Ave
Auburn Ave
Village Rd
Chamberlaine Way
Lee Avenue
Bartlett Ave
Lasson Ave
Air Expressway
Joshua Ave
Yucca Rd
Violet Ave
Rancho Rd
Pierocree Ave
Cassia Rd
Penny Ave
Holly Rd
Poppy Rd
Cactus Rd
Lupin Rd
Mojave Dr
Joshua St
Victor St
Villa St
Seneca Rd
Begrone Rd
Palmdale Rd



Cannabis
Dispensary Zones

* Zones for cannabis related uses

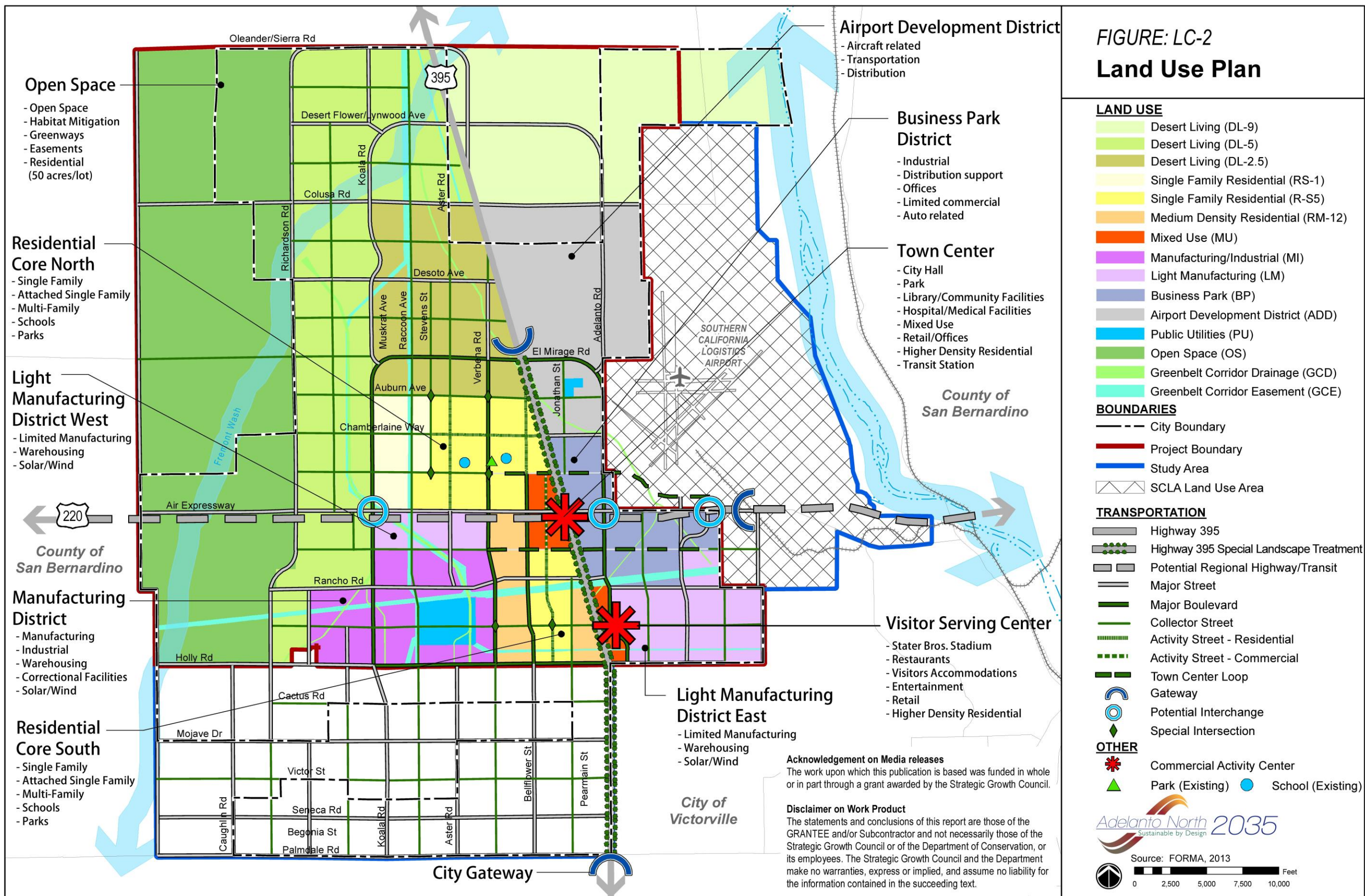
LAND USE AND ZONING DISTRICTS

* Light Manufacturing Cannabis Only (LMCO)	Desert Living (DL-2.5) (1 du/2.5 ac)	High Density Residential (R3-30)
* Airport Development District (ADD)	* Light Manufacturing (LM)	Single Family Residential (R-S1)
Airport Park (AP)	* Manufacturing/Industrial (MI)	Single Family Residential (R-S5)
Business Park (BP)	Mixed Use (MU) (12 - 18 du/ac)	Single Family Residential (R-1)
Commercial (C)	Open Space (OS)	Medium Density Residential (R3-8)
Desert Living (DL-5) (1 du/5 ac)	Public Utilities (PU)	
Desert Living (DL-9) (1 du/9 ac)	Medium Density Residential (R-M12)	

1 0.5 0 1 Miles



City of Adelanto
General Plan Zoning Map (1994 General Plan Update)
& (2014 North Adelanto Sustainable Community Program)
Adelanto Geographical Information Systems
11600 Air Expressway
Adelanto, CA 92301
Zoning Layer Updated: September 27, 2018
<http://ci.adelanto.ca.us>



Date: Thursday, September 04, 2014

FIGURE: LC-4
Growth Areas

GROWTH PRIORITY

1 Growth Priority Area Boundary

LAND USE

- Desert Living (DL-9)
- Desert Living (DL-5)
- Desert Living (DL-2.5)
- Single Family Residential (R1-0.5)
- Single Family Residential (R1)
- Medium Density Residential (R3-8)
- Mixed Use (MU)
- Manufacturing/Industrial (MI)
- Light Manufacturing (LM)
- Business Park (BP)
- Airport Development District (ADD)
- Public Utilities (PU)
- Open Space (OS)
- Greenbelt Corridor - Drainage
- Greenbelt Corridor - Easement

BOUNDARIES

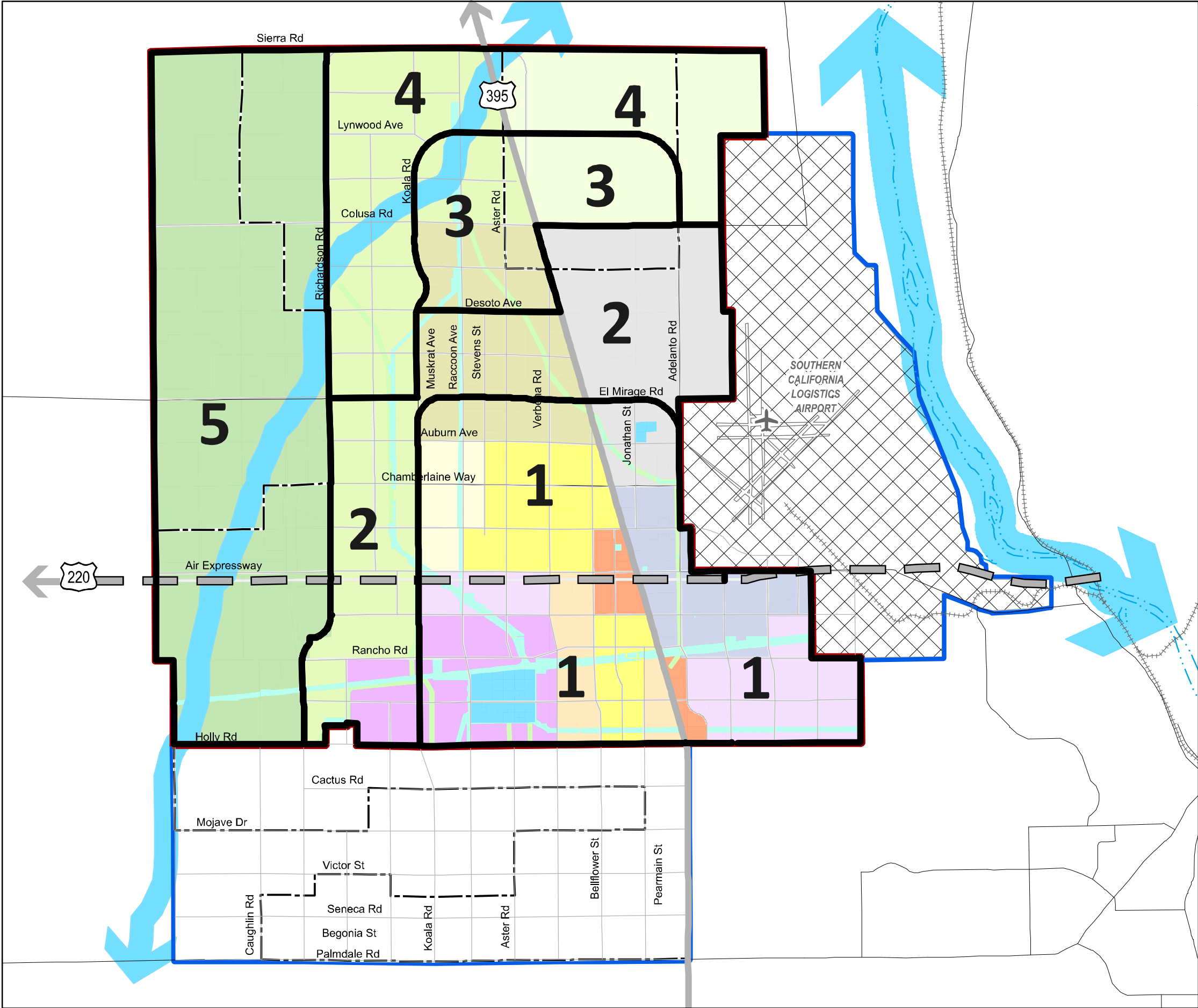
- City Boundary
- Project Boundary
- Study Area
- SCLA Land Use Area

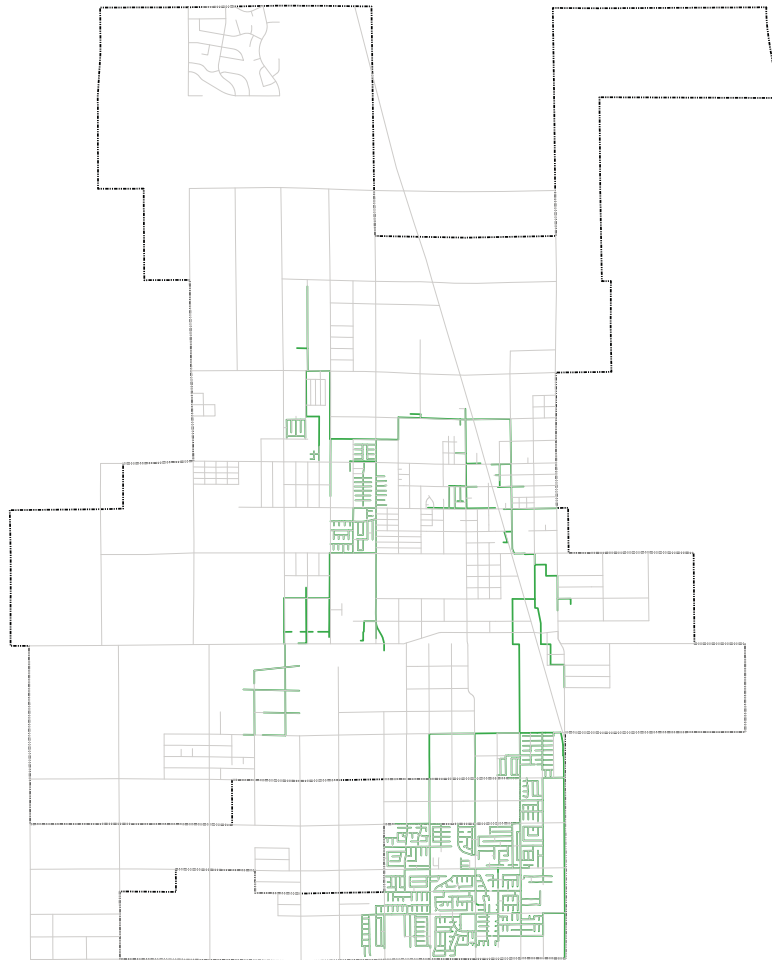


Source: FORMA, 2013

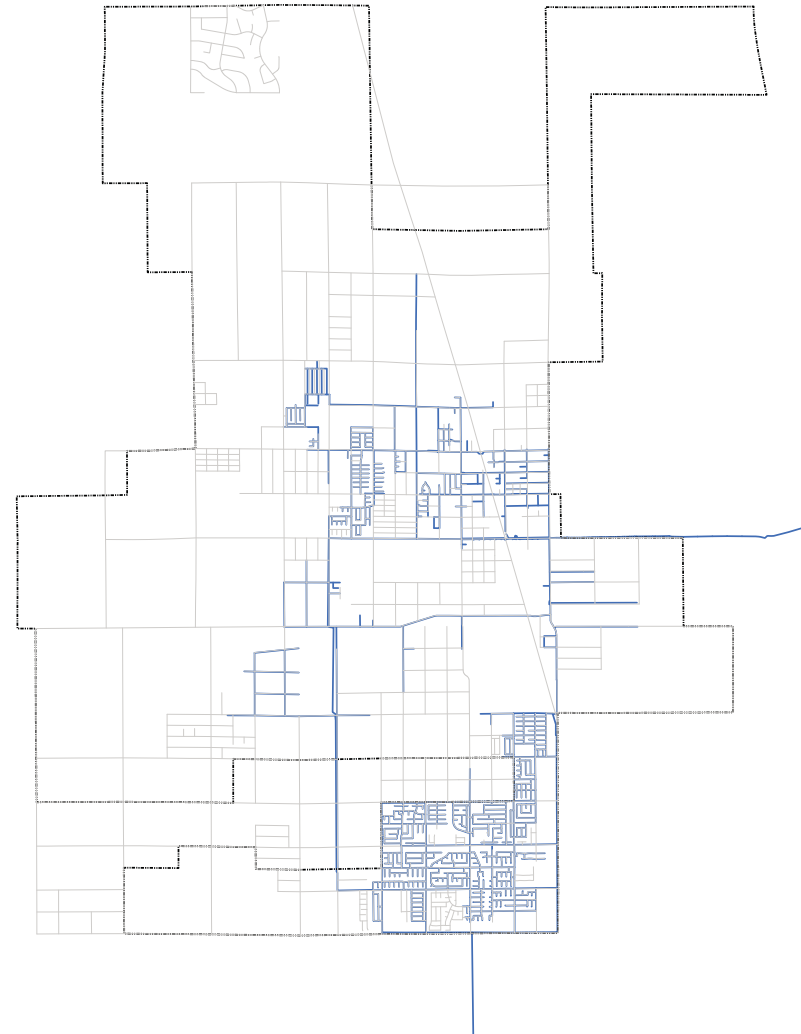


0 2,500 5,000 7,500 10,000 Feet





Sewer



Water

Legend

- CityBoundary
- Sewer
- Sewer Manhole
- Water
- Hydrants



0 0.5 1 2 Miles



Sewer Map
 Adelanto Geographical Information Systems
 11600 Air Expressway
 PO Box 10
 Adelanto, CA 92301
 (760) 246 - 2300 x11178
 Updated: January 10, 2013
<http://ci.adelanto.ca.us>

**City of Adelanto Staff Report
dated January 23, 2019**

Attachment 6



CITY COUNCIL AGENDA REPORT

ADELANTO GOVERNMENTAL CENTER | 11600 AIR EXPRESSWAY
| ADELANTO, CALIFORNIA 92301

DATE: January 23, 2019

TO: Honorable Mayor and City Council Members

FROM: Jessie Flores, City Manager

BY: Ward Komers, Finance Director

SUBJECT: RECEIVE AND FILE REPORT PROVIDING AN UPDATE ON CITY AUDITS

STAFF RECOMMENDATION:

It is recommended that the City Council receive and file the report providing an update on the status of City audits.

BACKGROUND:

The following report is intended to provide a brief update regarding the status of the City's audits. Bank reconciliations are current through August 31, 2018.

Audit Description	Status
Fiscal Year 2014/2015 (City)	Field work completed. Auditor preparing draft report.
Fiscal Year 2015/2016 (City)	Field work completed. Auditor reviewing provided financial information.
Fiscal Year 2016/2017 (City)	Field work scheduled for April.
Fiscal Year 2017/2018 (City)	Field work scheduled for June.
Fiscal Year 2018/2019 (City)	Field work scheduled for October.
Fiscal Year 2017/2018 (APUA)	Currently underway. Financial data being provided to auditor. Field work scheduled for end of January.
Fiscal Year 2017/2018 (Measure I)	Field work completed. Auditor preparing draft report.

FISCAL IMPACT:

None.

ATTACHMENTS:

None.

**Letter from Commission
Environmental Consultant,
Tom Dodson of Tom Dodson and
Associates**

Attachment 7

RECEIVED

2019 APR -9 AM 11:16

FOR OFFICIAL USE ONLY

TOM DODSON & ASSOCIATES

2150 N. ARROWHEAD AVENUE

SAN BERNARDINO, CA 92405

TEL (909) 882-3612 • FAX (909) 882-7015

E-MAIL tda@tdaenv.com



April 9, 2019

Mr. Samuel Martinez
Local Agency Formation Commission (LAFCO)
1170 West Third Street, Unit 150
San Bernardino, CA 92415-0490

Dear Sam:

LAFCO 3232 consists of a Sphere of Influence (SOI) Amendment for the City of Adelanto that would remove planning Area A (approximately 5,372 acres) from the City's Sphere of Influence. This area is located in the northwest portion of the City's existing Sphere of Influence as shown on the attached graphic. The City is located in the southwestern portion of the Mojave Desert. As we have learned from previous sphere reviews, the designation or reduction of a sphere, which focuses on a planning boundary, does not by itself cause any modifications to the physical environment. Only when the subsequent step is taken to physically revise the jurisdictional boundary or range of services of a Sphere area does a potential for physical change in the environment occur.

LAFCO Staff analysis and the City's previous studies indicate that planning Area A of the City's Sphere is unlikely to require municipal services in the foreseeable future, therefore the Staff recommendation to the Commission is to remove planning Area A of the City's Sphere from the City. Thus, a finding that LAFCO 3232 is Statutorily Exempt appears to be the appropriate CEQA environmental determination for this action before the Commission.

Based on this information, it appears that LAFCO 3232 can be implemented without causing any physical changes to the environment or any adverse environmental impacts. Therefore, I recommend that the Commission find that a Statutory Exemption (as defined in the California Environmental Quality Act, CEQA) under the Common Sense exemption applies to LAFCO 3215 under Section 15061(b)(3) of the State CEQA Guidelines, which states: "*A project is exempt from CEQA if the activity is covered by the common sense exemption 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 3232. In this case, reducing the City's Sphere does not alter the existing environmental setting.

Based on this review of LAFCO 3232 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 3232 does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate 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 3232 as Statutorily Exempt under the Common Sense exemption 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.

A copy of this exemption 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 stylized with a large, looped "T" and a cursive "D".

Tom Dodson
President

TD/cmc

Attachment

Draft LAFCO Resolution No. 3285

Attachment 8

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 3232

HEARING DATE: APRIL 17, 2019

RESOLUTION NO. 3285

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3232 AND AMENDING THE SPHERE OF INFLUENCE FOR THE CITY OF ADELANTO (sphere of influence reduction by approximately 5,372 acres).

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

WHEREAS, an application for the proposed sphere of influence amendment in San Bernardino County was initiated by the Local Agency Formation Commission (hereinafter referred to as "the Commission") for the City of Adelanto and was filed by the Executive Officer of the Commission in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

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

WHEREAS, the Executive Officer has reviewed available information and prepared a report including 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 April 17, 2019 at the time and place specified in the notice of public hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written support and opposition; the Commission considered all objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing; and,

WHEREAS, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that the sphere of influence amendment is statutorily exempt from CEQA and such exemption was adopted by this Commission on April 17, 2019. The Commission directed its Executive Officer to file a Notice of Exemption within five

RESOLUTION NO. 3285

working days with the San Bernardino County Clerk of the Board of Supervisors; and,

WHEREAS, based on presently existing evidence, facts, and circumstances presented to and considered by this Commission, it is determined that the sphere of influence for the City of Adelanto should be reduced by approximately 5,372 acres, as more specifically described on the attached Exhibit “A” to this resolution; and,

WHEREAS, the Commission has conducted service reviews which included the City of Adelanto:

- LAFCO 3080 - Service Reviews for the Communities of Adelanto and El Mirage (2009)
- LAFCO 3187 - Countywide Service Review for Water (2017)
- LAFCO 3190 - Countywide Service Review for Wastewater (2018)

WHEREAS, the following determinations are made in conformance with Government Code Section 56425 and local Commission policy:

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

The Adelanto General Plan (last comprehensively updated in 1994) incorporates a wide variety of land uses, including: Airport Development District, Airport Park, Business Park, Commercial, Light Manufacturing, Manufacturing/Industrial, Mixed Use, Open Space, Public Utilities and eight categories of Residential uses with varying densities.

Unincorporated Sphere of Influence

The City of Adelanto’s current unincorporated sphere of influence encompasses approximately 11,602 acres located in three distinct, non-contiguous areas near the northern and southern portions of the City. The territory is largely undeveloped, with scattered large lot single family homes and two public schools.

A large portion of Area A is designated by the County’s General Plan as Resource Conservation. Resource Conservation-designated areas generally have limited access with limited or no infrastructure. The balance of Area A is designated by the County for Rural Living with minimum 5-acre lots.

Adelanto North 2035 Sustainable Plan

In 2014, the City completed the *Adelanto North 2035 Sustainable Plan* (“Sustainable Plan”) which promotes a variety of land use strategies that promote sustainable development. The Sustainable Plan includes land use development levels within the City of Adelanto’s jurisdiction and within the City’s unincorporated sphere area. However, since the City uses a single map for its land use and zoning designations, the City only adopted the land use/zoning designations within the City’s corporate boundaries.

The Sustainable Plan identifies the entire northwestern area (including the entirety of Area A) as Open Space. In addition, the Sustainable Plan designates the area as having the least priority in

RESOLUTION NO. 3285

terms of growth. Therefore, it is improbable that Area A will need municipal level public facilities or services in the foreseeable future.

The Sustainable Plan does not include a projected timeframe for achieving expected development levels. Nonetheless, it should be noted that the Sustainable Plan identifies growth priorities within its boundaries and within its unincorporated sphere area. The chart below identifies the land use designations within the City and its unincorporated sphere of influence and the expected development levels.

City of Adelanto – Land Use Designations and Expected Development Levels

Land Use Designations	Acres	Dwelling Units	Non-Residential Square Feet
Desert Living (DL-9)	3,405	17	--
Desert Living (DL-5)	5,561	42	--
Desert Living (DL-2.5)	2,317	35	--
Single Family Residential (RS-1 and RS-5)	2,309	10,434	--
Medium Density Residential (R-Mi2)	678	8,130	--
Mixed Use	348	4,176	4,547,236
Business Park	1,199	--	15,665,778
Light Manufacturing	1,560	--	33,971,073
Manufacturing/Industrial	1,328	--	28,919,638
Airport Development District	2,870	--	1,875,440
Open Space	9,773	195	--
Greenbelt Corridor Easement	1,030	--	--
Greenbelt Corridor Drainage	378	--	--
Public Utilities	274	--	--
Roads and Roadway Right-of-Way	2,274	--	--
TOTAL	35,304	23,029	84,979,165

Source: Adelanto North 2035 Comprehensive Sustainable Plan

Agricultural Lands

No agricultural land uses are designated within the City's sphere of influence territory. Because a sphere of influence is a planning tool only, no land use changes are anticipated as a result of any sphere change.

Recent Designations

The City also recently approved designated "Cannabis Dispensary Zones" for medical/adult use cannabis-related uses. The E-220 High Desert Corridor, a proposed freeway/expressway designed to connect the High Desert's Antelope and Victor Valleys, parallels Air Expressway in central Adelanto.

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

Present Need

The present need for public facilities and services within the City's existing unincorporated sphere of influence is limited. With the exception of two public schools and a small number of scattered

RESOLUTION NO. 3285

large lot single family homes, the City's entire 11,602-acre unincorporated sphere area is largely vacant. A large portion of Area A is designated by the County's General Plan as Resource Conservation. Resource Conservation-designated areas generally have limited access with limited or no infrastructure. The balance of Area A is designated by the County for Rural Living with minimum 5-acre lots.

Within Area B, Highway 395 provides a major transit corridor through the area. Within Area C, the City is already providing sewer service to two public schools through a LAFCO-approved out of area service agreement, and City water and sewer lines are immediately adjacent which could facilitate future development in the area.

Probable Need

The City's population as of 1/1/18 was 35,293. The City is projected to grow to 50,182 by 2040, an increase of approximately 42 percent. This level of anticipated growth, if realized, will require an increase in public facilities and services to adequately serve the City's growing population.

As for the City's designation for Area A, the Plan identifies the entire northwestern area (including the entirety of Area A) as Open Space. In addition, the City's Plan also designates the area as having the least priority in terms of growth. Therefore, it is improbable that Area A will need municipal level public facilities or services in the foreseeable future. However, it is probable that Areas B and C may see some development activity in the foreseeable future which will require City services.

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

The City provides or contracts for all municipal-level services within its current service territory. Police, fire and emergency response services are provided through contracts with the San Bernardino Sheriff's Department and the San Bernardino County Fire Protection District, respectively. Water and wastewater services are provided through the City's Adelanto Public Utilities Authority ("APUA") within and outside the City's boundaries.

Present Capacity of Public Facilities

The 2017 water service review and 2018 wastewater service review identifies adequate capacity in the water and wastewater facilities.

Adequacy of Public Services

LAFCO's 2009 Service Review for the City of Adelanto (LAFCO 3080) determined that there were serious financial, operational and management challenges for the City and the APUA. The 2018 *Countywide Service Review for Wastewater* (LAFCO 3190) did not reveal significant improvement in these deficiencies.

As of this date, the APUA is current on its audits. As for the City, as of this writing, the most current audit completed is for FY 2013-14. However, the City is making ground towards completion of its backlog of audits. The City provided an update on its backlog of completing the audits of itself and its component units (shown below). This update was provided to the City Council on January 23, 2019. The update also identifies that bank reconciliations are cleared through August 31, 2018.

RESOLUTION NO. 3285

Audit Description	Status
Fiscal Year 2014/2015 (City)	Field work completed. Auditor preparing draft report.
Fiscal Year 2015/2016 (City)	Field work completed. Auditor reviewing provided financial information.
Fiscal Year 2016/2017 (City)	Field work scheduled for April.
Fiscal Year 2017/2018 (City)	Field work scheduled for June.
Fiscal Year 2018/2019 (City)	Field work scheduled for October.
Fiscal Year 2017/2018 (APUA)	Currently underway. Financial data being provided to auditor. Field work scheduled for end of January.
Fiscal Year 2017/2018 (Measure I)	Field work completed. Auditor preparing draft report.

Nonetheless, the lack of current financial statements and cleared bank reconciliations make the financial picture of the City and the APUA, and its ability to provide adequate public services, unclear.

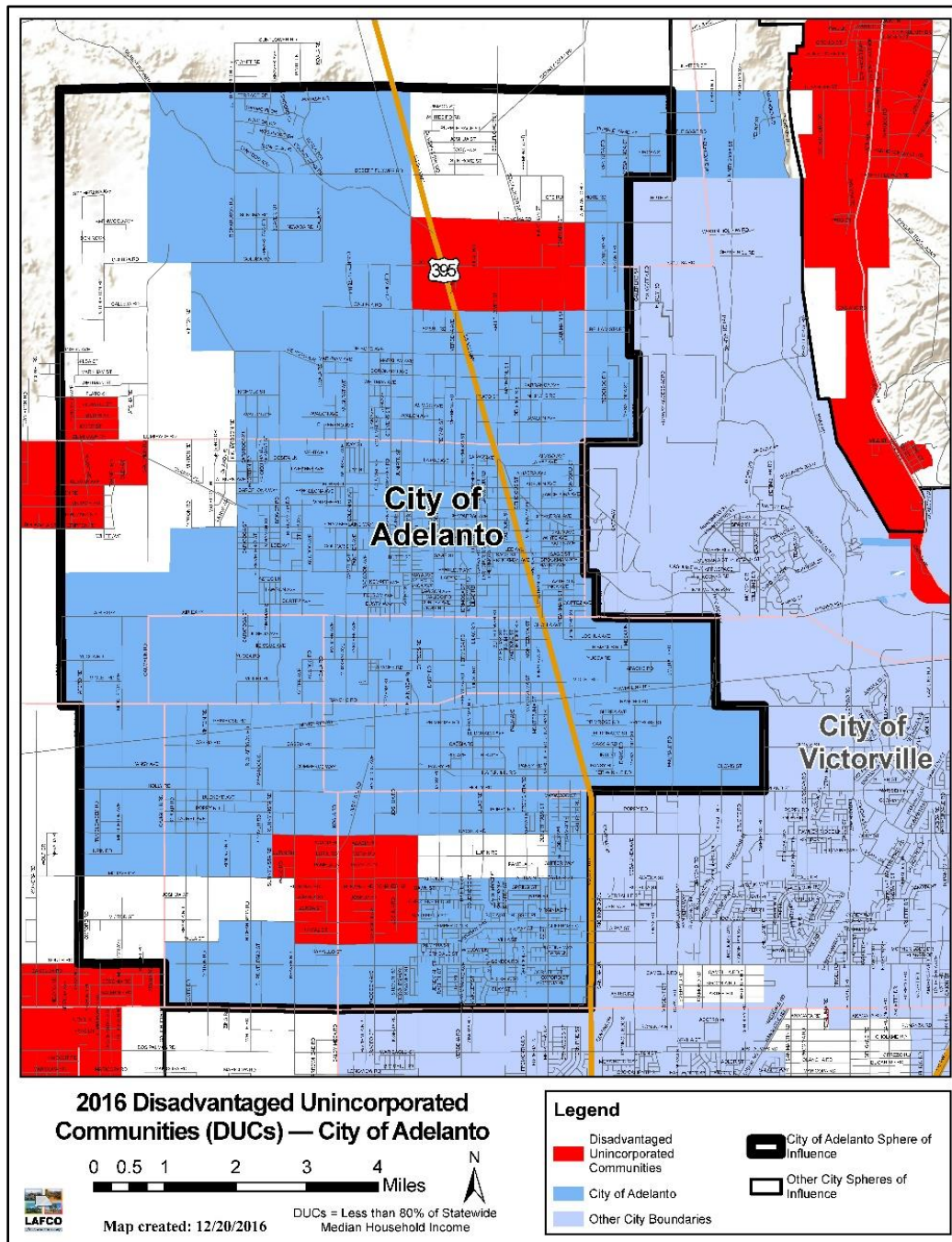
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency:

The City of Adelanto is the social and economic community of interest for the Adelanto community. There is no distinct social community wholly within the Adelanto sphere, but the community of El Mirage extends into the western Adelanto sphere, as defined by the boundaries of County Service Area 70 Zone P-6. Economic communities of interest are the Highway 395 and Hi-Desert Corridors and the industries adjacent to the Southern California Logistics Airport. The community is within the Adelanto Elementary School District (western county line to the Mojave River) and the Victor Valley High School District (western county line to I-15).

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The disadvantaged unincorporated community ("DUC") areas identified in red on the map below.

RESOLUTION NO. 3285



The present need for public facilities and services within the City's existing sphere of influence is limited. With the exception of two public schools and a small number of scattered large lot single family homes, the City's entire 11,602-acre sphere area is largely vacant. Within Area B, Highway 395 provides a major transit corridor through the area. It is probable that Areas B and C may see some development activity in the foreseeable future which will require City services. A large portion of Area A is designated by the County's General Plan as Resource Conservation. Resource Conservation-designated areas generally have limited access with limited or no infrastructure. The balance of Area A is designated by the County for Rural Living with minimum 5-acre lots.

RESOLUTION NO. 3285

As noted previously, the City's Plan designates the entire northwestern area (including the entirety of Area A) as Open Space and also designates the area as having the least priority in terms of growth. Therefore, it is improbable that Area A will need municipal level public facilities or services in the foreseeable future.

6. Additional Determinations

- Legal notice of the Commission's consideration of the sphere establishment has been provided through publication of a 1/8th page legal advertisement in *The Daily Press*, a newspaper of general circulation in the area.
- Individual notices were provided to all affected and interested agencies, County departments and those individuals and agencies requesting special notice.
- The Commission directed that this process include a meeting between City and County representatives to discuss the current sphere area and any proposed sphere amendment. The meeting was intended to allow both parties to: (1) explore sphere boundary options, and (2) to reach agreement on development standards and planning and zoning requirements to ensure that any development within the sphere occurs in a manner that promotes logical and orderly development of the identified areas. Representatives from the County and the City met on October 30, 2018, however an agreement on any proposed sphere of influence adjustment or related planning and zoning requirements was not reached at this time. As of the date of the hearing specified in this resolution, LAFCO has not received any additional input or a preferred sphere of influence boundary option from the City.

WHEREAS, having reviewed and considered the determinations as outlined above, the Commission determines to amend (reduce) the sphere of influence for the City of Adelanto by approximately 5,372 acres.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission for San Bernardino County, State of California, that this Commission shall consider the territory described in Exhibit "A" as being the sphere of influence for the City of Adelanto, it being fully understood that the adoption of such sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants.

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:

RESOLUTION NO. 3285

* * * * *

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 April 17, 2019.

DATED: _____

SAMUEL MARTINEZ
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: APRIL 10, 2019
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #11: Third Quarter Financial Review for FY 2018-19

RECOMMENDATION:

Staff recommends that the Commission:

1. Note receipt of this report and file.
2. Authorize the Executive Officer to submit payment of \$184,963 from Account 6010 (Net Pension Liability Reserve) to the San Bernardino County Employees Retirement Association by June 30, 2019 as a credit towards LAFCO's Net Pension Liability.
3. Provide direction to staff on items of concern for the remainder of the year.

BACKGROUND:

The first three quarters of Fiscal Year 2018-19 have concluded and staff is presenting the Commission with its third financial report. This report includes a review of the financial activities and the presentation of a spreadsheet showing the line item expenditures and receipts for the first half of the year. But first, the opportunity is now available to reduce LAFCO's Net Pension Liability.

NET PENSION LIABILITY:

In 2014 LAFCO inquired with the San Bernardino County Employees Retirement Association ("SBCERA") whether LAFCO could contribute funds to reduce its Net Pension Liability ("NPL"). At that time, the response was that the mechanisms were not in place for LAFCO to contribute outside of the per-pay period contribution. Nonetheless, the

Commission prudently adopted a Reserve Policy which included setting aside funds for future payment towards its NPL. The policy in part reads as follows:

The Commission will require the maintenance of three separate reserves which shall be funded as a part of the annual budget adoption process as follows:

...

- C. A committed reserve account shall set aside funds for future payment of the Commission's net pension liability to the San Bernardino County Employees Retirement Association (SBCERA).*

As a part of the FY 2019-20 budget process, LAFCO staff inquired with SBCERA once again. To LAFCO's benefit, SBCERA has responded that a mechanism is now in place for an agency to contribute an annual payment to SBCERA. It is staff's understanding that SBCERA's actuary runs the Unfunded Actuarial Accrued Liability ("UAAL") for the plan based on a June 30 measurement date. As long as SBCERA receives LAFCO's payment by June 30, for that plan year the actuary would recalculate LAFCO's NPL based upon the credits made.

Therefore, staff recommends that the Commission contribute the funds in the Net Pension Liability Reserve (currently \$184,963) to SBCERA by June 30, 2019. It would be best not to make an early contribution so LAFCO benefits from interest earnings. Thereafter, a contribution would be made annually by June 30 until the NPL is nil.

Staff also has requested the SBCERA Chief Financial Officer, Amy McInerny, to attend this month's hearing to respond to questions.

THIRD 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.

Expenditures and Reserves

Expenditures are comprised of two categories of accounts: 1) Salaries and Benefits, and 2) Services and Supplies. Through the third quarter, total expenditures are at 80% 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. Activity through Q-3

The Salaries and Benefits series of accounts (1000 series) had expenditures of \$645,106 through the third quarter, representing 77% of Approved Budget authority. The increase of two percentage points over the 75% benchmark is

primarily explained by the former executive officer's contract continuing through the first quarter, and ceasing September 30, 2018.

B. Anticipated Activity

The remainder of the year anticipates maintaining the adopted budget.

2. Services and Supplies (2000 and 5000 series)

A. Activity through Q-3

For the first three quarters, the Services and Supplies series of accounts (2000 and 5000 series) had expenditures of \$397,030 or 86% of Approved Budget authority.

To date, unanticipated or unbudgeted legal activity totals roughly \$55,000, which are outlined below. This has pushed the Legal Counsel Account 2400 to 260% 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 year-end 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 third quarter total roughly \$46,000.
- 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 matters. Payments made through the third quarter total roughly \$9,000.

B. Anticipated Activity

Outside of legal counsel activity, staff is not anticipating any additional significant activity. At this time staff is not recommending any budget adjustments; rather, as a part of the year-end 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:

- *Countywide Service Review for Fire/Emergency Medical Response/Ambulance/Dispatch:*

The third service review of the second round is underway. Significant portions of the report have been written to include: introduction and methodology, review of all fire reorganizations since 2008, and financial review. Staff has met with the San Bernardino County Fire Chiefs Association, Inland Counties Emergency Medical Agency, and San Bernardino County Dispatch Review Committee. In March a questionnaire and survey were sent to all fire chiefs within the county. The report is incorporating the information received.

The next few months will focus on the services that the individual agencies provide, to be followed by observations and recommendations.

- *Fiscal Indicators:*

The annual update to the fiscal indicators program has commenced. LAFCO staff has received each agency's audit and work has begun inputting the data into the program. Staff is working towards a summer release date.

3. Reserves (6000 series)

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

Revenues

1. Revenues through the Third Quarter

The Commission has received 95% of Approved Budget revenues through the end of the third quarter. Interest gains are above the budgeted amount and 100% of the mandatory apportionment payments from the County, cities, and independent special districts were received.

The budget projected the receipt of nine proposals. One proposals were received though April 9. The figure below identifies the number of proposals (one) and service contracts (12) received through April 9.

<u>Activity through April 9, 2019</u>			
Activity	Budget	Through January	
		No.	% of Budget
Proposals - Agency/LO/RV initiated	9	1	11%
Proposals - Commission initiated	--	2	--
Service Contracts - Commission approval	2	7	350%
Service Contracts - Commission approval for exemption	0	2	--
Service Contracts - Admin (E.O.) approval	4	3	75%
Protest Hearing Deposits	6	0	0%

2. Projected Revenues for the Fourth Quarter

This LAFCO has historically taken a conservative approach to projecting revenues. Keeping with this practice, staff is projecting \$64,750 in revenue for the final quarter, to include:

- Receipt of limited interest payments for the remaining quarter (\$3,400).
- Receipt of four proposals with the full complement of fees and deposits (\$61,350). These are tangible proposals with an imminent initiation by the applicants. If the proposals are not received by year's end, they would be received shortly after the start of FY 2019-20.

Based upon the recommended Amended Budget, Total Revenues are projected to end the year at 98% of the current budget authority.

Fund Balance

As of March 31, the Commission's cash in the County Treasury was \$654,296. A breakdown of this amount is shown below. As shown, at this time a \$29,889 deficit is projected for year-end.

March 31, 2019 Balance		\$654,296
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), July 2018 increase of \$34,852		50,000
General Reserve (Account 6025), July 2018 increase of \$64,392		150,000
Projected Expenditures		266,595
Projected Revenues (shown as negative)		(64,750)
Accounts Payable/(Receivable)		-
Carryover or (Deficit)		(\$29,889)

CONCLUSION:

This year's budget has encountered activities, or lack of, that have stressed the Commission's finances. First, significant legal charges were incurred, the vast majority of which are recoverable. Second, the receipt of proposals dropped precipitously to a low level, which results in fewer revenue receipts. The budget anticipated nine proposals for the year; however, through April 9, one proposal has been received. Based upon talks with agencies, staff projects an additional four proposals in the remaining months, for a total of five for the year.

At this time staff is not recommending any budget adjustments; rather, as a part of the year-end financial review staff will recommend the appropriate budget adjustments

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

Attachment:

Spreadsheet of Expenditures, Reserves, and Revenues

Spreadsheet of Expenditures, Reserves and Revenues

Attachment 1

4/8/2019

ACCT. #	ACCOUNT NAME	ADOPTED BUDGET MAY 2018	AMENDED BUDGET JULY 2018	MID-YEAR	JAN 3 pay periods	FEB	MAR	THRU 3rd Quarter	PERCENT OF BUDGET		PROJECTED REMAINING	PROJECTED YEAR-END	PERCENT OF BUDGET
	SALARIES AND BENEFITS												
1010	Regular Salary and Bilingual	\$ 632,018	\$ 442,774	\$ 272,962	\$ 52,042.21	\$ 34,694.81	\$ 36,498.20	\$ 396,197	89%		\$ 108,644	\$ 504,841	114%
1030	Auto and Cell Phone Allowances	21,577	21,577	11,969	1,684.62	1,123.08	1,123.08	15,900	74%		3,923	19,823	92%
1035	Overtime												
1045	Termination Payment												
1110	General Member Retirement	216,127	216,127	85,763	19,704.00	13,136.00	13,780.64	132,383	61%		41,250	173,633	80%
1130	Survivors Benefits	268	268	90	20.40	13.60	13.60	138	51%		41	179	67%
1135	Retirement Subsidy (no longer active)			1,995				1,995				1,995	
1200	Health Insurance Subsidy	63,515	63,515	26,908	6,245.13	4,163.42	4,163.42	41,480	65%		11,685	53,165	84%
1205	Long-Term Disability	1,528	1,528	533	123.03	82.02	82.56	821	54%		248	1,069	70%
1207	Vision Care Insurance	986	986	393	89.85	59.90	59.90	602	61%		180	782	79%
1215	Dental Insurance Subsidy	1,476	1,476	615	141.90	94.60	94.60	946	64%		284	1,230	83%
1222	Short-Term Disability	5,866	5,866	2,431	586.83	392.58	395.06	3,805	65%		1,160	4,965	85%
1225	Social Security Medicare	7,883	7,883	3,506	630.70	420.46	430.43	4,988	63%		1,283	6,271	80%
1235	Workers' Compensation	6,551	6,551	3,019				3,019	46%		1,104	4,123	63%
1240	Life Insurance & Medical Trust Fund	10,371	10,371	4,551	1,082.52	721.68	724.78	7,080	68%		2,355	9,435	91%
1305	Medical Reimbursement Plan	8,183	8,183	1,950	450.00	300.00	300.00	3,000	37%		2,172	5,172	63%
1310	Annuitant Employee Medical (no longer active)	3,301	3,301	3,774				3,774	114%		3,774	3,774	114%
1314	457/401a LAFCO Contribution	3,687	3,687	1,316	317.40	211.60	214.00	2,059	56%		713	2,772	75%
1315	401k Contribution	45,268	45,268	17,303	4,099.14	2,732.76	2,785.58	26,921	59%		8,281	35,202	78%
	TOTAL SALARIES & BENEFITS	\$ 1,028,605	\$ 839,361	\$ 439,076	\$ 87,217.73	\$ 58,146.51	\$ 60,665.85	\$ 645,106	77%		\$ 183,324	\$ 828,430	99%
	Staffing (Full time equivalent units)	5	5										
	SERVICES AND SUPPLIES												
	Services:												
2035	Communications												
2037	COMNET Charge (ISF)	\$ 3,504	\$ 3,504	\$ 1,553.76	\$ 291.33	\$ 291.33	291.33	\$ 2,428	69%		\$ 874	\$ 3,302	94%
2038	Long Distance Charges												
2040	Relocation Charges - Phone Service							-					
2041	Phone Service/Outside Company	8,813	8,813	3,583	1,638.88		1,475.41	6,697	76%		2,100	8,797	100%
2043	Electronic Equipment Maintenance	3,236	3,236	-			92.47	92	3%		-	92	3%
2075	Membership Dues	10,426	10,426	10,303				10,303	99%		-	10,303	99%
2076	Tuition Reimbursement	2,000	2,000	-				-	0%		-	-	0%
2080	Publications	3,187	3,187	1,444	218.08		436.16	2,098	66%		992	3,090	97%
2085	Legal Notices	17,250	17,250	15,443	523.60	858.83	523.60	17,349	101%		3,375	20,724	120%
2090	Building Expense	7,000	7,000	3,176	800.50	475.00	490.00	4,941	71%		1,751	6,692	96%
2115	Computer Software	3,277	3,277	1,313		1,741.32		3,054	93%		-	3,054	93%
2125	Inventoriable Equipment												
2130	Moving Expenses												
2180	Electricity for Office	4,356	4,356	931	969.93	516.84	521.88	2,939	67%		1,500	4,439	102%
2182	Electricity			959	(958.77)			-				-	
2195	Reimbursement Services and Supplies												
2245	Other Insurance	9,965	9,965	14,238				14,238	143%		50	14,288	143%

4/8/2019

ACCT. #	ACCOUNT NAME	ADOPTED BUDGET MAY 2018	AMENDED BUDGET JULY 2018	MID-YEAR	JAN 3 pay periods	FEB	MAR	THRU 3rd Quarter	PERCENT OF BUDGET	PROJECTED REMAINING	PROJECTED YEAR-END	PERCENT OF BUDGET
	Supplies:											
2305	General Office Expense	5,834	5,834	2,949	1,054.32		678.22	4,681	80%	1,450	6,131	105%
2308	Credit Card Clearing Account			(2,269)	(1,273.50)	988.48	(988.48)	(3,542)			(3,542)	
2309	Visa Temp Card											
2310	Postage - Direct Charge	6,656	6,656	3,547	346.12	642.99	766.03	5,302	80%	2,100	7,402	111%
2315	Records Storage	715	715	298	59.62	197.22	123.99	679	95%	179	858	120%
2316	Surplus Handling											
2323	Reproduction Services			77				77			77	
2335	Temporary Services		15,000.00	354		345.00		699	5%	-	699	5%
	Consultant & Special Services:											
2400	Legal Counsel	39,300	39,300	54,025		21,012.87	12,127.76	87,166	222%	15,000	102,166	260%
2405	Auditing	11,019	11,019	-	6,500.00		1,500.00	8,000	73%	3,019	11,019	100%
2410	Data Processing	12,851	12,851	6,426	1,071.00	1,071.00	1,071.00	9,639	75%	3,213	12,852	100%
2415	COWCAP	10,109	10,109	5,055		2,527.25		7,582	75%	2,527	10,109	100%
2420	ISD Other IT Services	225	225	168	18.72	18.72	18.72	225	100%	225	450	200%
2421	ISD Direct	18,755	18,755	7,992	1,346.40	1,346.40		10,685	57%	4,039	14,724	79%
2424	Environmental Consultant	7,350	7,350	5,770	50.00		2,820.00	8,640	118%	1,850	10,490	143%
2444	Security Services	468	468	234		123.00		357	76%	117	474	101%
2445	Other Professional Services	43,561	118,561	49,590	17,254.68	6,127.33	8,463.00	81,435	69%	8,332	89,767	76%
2449	Outside Legal (Litigation & Special Counsel)			3,216				3,216		-	3,216	
2450	Application Development Support	200	200	-				-	0%	-	-	0%
2460	GLIMS Charges	16,170	16,170	13,518				13,518	84%	-	13,518	84%
	Lease/Purchases:											
2895	Rent/Lease Equipment (copier)	4,800	4,800	2,704	885.43	459.27	434.93	4,483	93%	1,350	5,833	122%
2905	Office/Hearing Chamber Rental	99,212	99,212	49,272	23,894.80	405.00	405.00	73,976	75%	24,975	98,952	100%
	Travel Related Expenses:											
2940	Private Mileage	6,010	6,010	2,700	956.75	365.32	236.43	4,259	71%	869	5,128	85%
2941	Conference/Training	5,330	5,330	4,446		720.00		5,166	97%	720	5,886	110%
2942	Hotel	7,920	7,920	4,945	301.28	156.38		5,402	68%	1,260	6,662	84%
2943	Meals	1,735	1,735	285	35.54		30.06	351	20%	405	756	44%
2944	Car Rental	200	200	-				-	0%	-	-	0%
2945	Air Travel	800	800	259	248.96			508	63%	500	1,008	126%
2946	Other Travel	400	400	62	41.50			104	26%	200	304	76%
	Other Charges:											
5012	Services Out (Staples)	1,200	1,200	264.94			18.35	283	24%	300	583	49%</


4/8/2019

ACCT. #	ACCOUNT NAME	ADOPTED BUDGET MAY 2018	AMENDED BUDGET JULY 2018	MID-YEAR	JAN 3 pay periods	FEB	MAR	THRU 3rd Quarter	PERCENT OF BUDGET	PROJECTED REMAINING	PROJECTED YEAR-END	PERCENT OF BUDGET
	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%	\$ -	\$ -	0%
	TOTAL APPROPRIATION	\$ 1,790,830	\$ 1,785,536	\$ 707,905	\$ 143,492.90	\$ 98,536.06	\$ 92,201.71	\$ 1,042,136	58%	\$ 266,595	\$ 1,308,731	73%

[illegible]

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: APRIL 10, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #12(a) – Proposed Schedule of Fees, Deposits, and Charges for FY 2019-20

RECOMMENDATION:

Staff recommends that the Commission take the following actions related to the Proposed Schedule of Fees, Deposits and Charges for Fiscal Year 2019-20:

1. Review the proposed amendments and provide staff with direction on changes, corrections, or modifications to be included.
2. Direct staff to forward the Proposed Schedule of Fees, Deposits, and Charges for FY 2019-20 to the County, all Cities/Towns, and all Independent Special Districts for their review and comments pursuant to Government Code Section 56383.
3. Schedule the final review and adoption of the Schedule of Fees, Deposits, and Charges for the May 15, 2019 hearing.

BACKGROUND:

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

First, staff has changed the format of the Schedule with the applicant in mind. If an applicant plans to submit a jurisdictional change, then all items pertaining to a jurisdictional change are located in one designated section, rather than interspersed about – similarly for when an applicant plans to submit an out-of-agency service contract. Additionally, the first page identifies the Commission's policies related to proposal processing, which are included as an attachment, and specifically includes the policy on Indemnification. Together

with a new format, staff evaluated the fees, deposits, and charges. The following are the proposed Schedule changes for FY 2019-20:

Increase of Processing Fees

Section 56383 includes the provision that the fees shall not exceed the estimated reasonable cost of providing the service for which it is charged. Further, the Commission's position is to keep the fees charged for annexations and reorganizations, etc. at a level that recovers the processing costs but does not unduly burden the applicant(s).

During the previous Schedule review in April 2018, the Commission expressed its desire for the Schedule not to experience long gaps with no increases (2010 to 2018), followed by a sudden large increase. One possibility the Commission identified is for the Schedule items to increase annually with inflation. This works well for Fees because the Fees are generally tied to the Commission and staff's costs. The Fees identified on page 2 (Jurisdictional Change) and page 6 (Service Contract) increase with the 2019 inflation rate of 3.0%¹.

Revision to Processing Deposits Format

Deposits are for the recovery of outside costs such as legal counsel, environmental review, individual notification, and protest proceedings, etc... Historically, the Commission's position is to set the deposit at a level that requires minimal billing for costs and the norm is a refund of excess deposit. Currently, deposits are generally at a level where the applicants are refunded more often than requested for reimbursement.

There are two proposed changes, however. Currently there are two categories of Individual Notice deposits with only \$300 difference. The Proposed Schedule simplifies this by having only one category (the higher category). Additionally, the Proposed Schedule reduces the Legal Counsel deposit by \$300 as costs exceed the deposit for the average application.

CONCLUSION:

At this hearing the Commission is requested to provide staff with any changes, corrections, or additions to be included in the revisions proposed for the Schedule of Fees, Deposits, and Charges. Should the Commission have any changes/modifications, staff would then have to modify the FY 2019-20 Proposed Budget accordingly.

Staff will forward the proposed Schedule to the County, the Cities and Towns, and the Independent Special Districts for their review and comment as required by Govt. Code §56383. Any comments received will be reviewed with the Commission at the final budget hearing scheduled for May 15, 2019 when the adoption of the Schedule will be considered.

SM/MT

Attachments:

1. [Draft Schedule of Fees, Deposits, and Charges for FY 2019-20](#)
2. [Current Schedule for FY 2018-19, effective June 1, 2018](#)

¹ 3.047% for Riverside-San Bernardino-Ontario, CA

Draft Schedule of Fees, Deposits, and Charges for FY 2019-20

Attachment 1

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

SCHEDULE OF FEES, DEPOSITS, AND CHARGES EFFECTIVE JULY 1, 2019

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

Financial Policies for Application Processing

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

Indemnification Policy

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

Annual Review and Adjustment

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

Table of Contents

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

Section 1. Proposals - Application Submission and Processing

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

Annexation/Detachment Chart

Valley and Mountain Region				
	Under 20 acres	20 – 150 acres	151 – 300 acres	Over 300 acres
City	\$6,180	\$8,240	\$10,300	\$10,300 plus \$1 per acre over 300 acres
District	\$5,150	\$6,695	\$8,240	\$8,240 plus \$1 per acre over 300 acres
Desert Region (North and South Desert)				
	Under 100 acres	100-640 acres	641-1,920 acres	Over 1,920 acres
City	\$6,180	\$8,240	\$10,300	\$10,300 plus \$1 per acre over 1,920 acres
District	\$5,150	\$6,695	\$8,240	\$8,240 plus \$1 per acre over 1,920 acres

Type of Proposal	Fee	Deposits*	Total
Sphere of Influence Amendment	\$5,150	\$4,000	\$9,150
District: Dissolution, Merger, or Establishment of Subsidiary District(s)	\$5,150	\$4,000	\$9,150
District: Formation or Consolidation	\$15,450	\$4,000	\$19,450
District: Activation/Divestiture of Functions and/or Services	\$7,725 each function/service	\$4,000	\$11,725
City: Consolidation	\$20,600	\$4,000	\$24,600
City: Incorporation or Disincorporation	\$20,600	\$54,000	\$74,600
Reorganization <i>For a reorganization that involves changes other than annexations and detachments, the fee will be based upon the components of the reorganization.</i>	Sum of Components	\$4,000	

*DEPOSITS BREAKDOWN

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

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

San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
July 1, 2019

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

ADDITIONAL FEES AND DEPOSITS

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

Section 2.

Proposals - Completion Fees and Charges

Following Commission approval of an action, the following fees or charges may be required. LAFCO staff will notify the applicant at the time the Commission's resolution is forwarded which of the following fees or charges is applicable to the proposal:

- A. County Geographic Information Management System (GIMS) Processing, required prior to issuance of the Certificate of Completion for jurisdictional changes or issuance of the Commission's resolution for sphere of influence amendments/updates:

1. Changes requiring an update to current sphere or boundaries of participating agencies
(Fees identified below will be assessed for each area of consideration. The definition of area is provided under Processing Fees on Page 2.)

<u>Acreage</u>	<u>Primary Charge</u>	<u>Additional Agency</u>
0 to 100 acres	\$400	\$ 85
101 to 640 acres	\$550	\$110
641 to 2,560 acres	\$825	\$150
over 2,560 acres	\$1,100	\$175

2. Incorporation, Formation, or placement of a new agency boundary or sphere into the LAFCO-maintained GIMS system \$3,000

(The fees for incorporations or formations can be deferred until the new City/Town or District receives its first revenues. A request for deferral shall be made to the Executive Officer.)

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

Single Area Charges:	
Less than 1 acre	\$300
1-5 acres	\$350
6-10 acres	\$500
11-20 acres	\$800
21-50 acres	\$1,200
51-100 acres	\$1,500
101-500 acres	\$2,000
501-1,000 acres	\$2,500
1,001-2,000 acres	\$3,000
2,001 acres and above	\$3,500

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

Section 3. Out-of-Agency Service Contract

FEE AND DEPOSITS SUMMARY

Type of Service Contract	Fee	Deposits*	Total
Contracts involving developments such as: subdivisions/tracts as defined by the Subdivision Map Act (five or more units), Specific Plans	\$5,150	\$2,400	\$7,550
Contracts involving the development of units requiring only a parcel map as defined by the Subdivision Map Act (up to four units)	\$1,030 per connection	\$2,400	\$3,430 to \$6,520
Any contract for fire protection services outside a public agency's jurisdictional boundaries pursuant to Govt. Code Section 56134	\$5,150	\$2,400	\$7,550
Contracts to provide services outside a sphere of influence pursuant to Govt. Code Section 56133.5	\$1,030	\$2,400	\$3,430
Contract Requiring Approval pursuant to Govt. Code Section 56133 (c)	\$1,030	\$2,400	\$3,430
Development-Related Request for Exemption from Govt. Code Section 56133, requires noticed Commission hearing	\$2,317	\$0	\$2,317
Non-development-related (Administrative Review from Executive Officer): (1) Out-of-Agency Service Contract (City or District) or (2) Exemption from Govt. Code Section 56133 as Authorized by Commission Policy	\$772	\$0	\$772

*DEPOSITS BREAKDOWN

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

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

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

Section 4. Reproduction Charges

- | | | |
|----|--|--------------|
| A. | Charges for Purchase of Paper Copies, per page | |
| | (1) from paper materials (requests in excess of 10 pages) | 10 cents |
| | (2) from existing digital data (requests in excess of 20 pages) | 5 cents |
| B. | Charges for Purchase of Digital Data | |
| | (1) placement of materials on digital medium | \$10 |
| | (2) scan copies of paper materials (if applicable), per page | 5 cents |
| C. | DVD Copy of Commission Hearing
(available if production services are utilized for hearings) | \$25 per DVD |
| D. | Preparation of Transcript of Hearing | Actual Cost |
- (Those requesting a transcript of a Commission hearing will be notified of the estimated cost for preparation. The Requestor will be required to provide a deposit in the amount of the estimated cost. All costs in excess of the deposit amount will be the responsibility of the Requestor for payment. Any balance remaining after final charges are determined will be refunded to the Requestor.)

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

CHAPTER 2: FINANCIAL POLICIES FOR APPLICATION PROCESSING

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

A. AUTOMATIC WAIVERS

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

For reorganization proposals that require a concurrent sphere of influence amendment (expansion and/or reduction) and reorganization (annexation and/or detachment) for the same area, the Sphere of Influence Update/Service Review filing fee will be automatically waived - provided the reorganization/sphere proposal does not exceed 100 acres. The Annexation, Detachment, or Reorganization filing fee including all required deposits and any completion fees/deposits applicable will be charged at full cost.

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

B. AUTOMATIC REDUCTIONS

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

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

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

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

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

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

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

- A. Following issuance of the Notice of Filing but prior to the commencement of the property tax negotiations for changes of organization or Department Review Committee consideration for sphere of influence amendment: 2/3 refund.
- B. Following commencement of the property tax negotiations or Department Review Committee process but prior to the advertisement of the Commission's consideration: 1/3 refund.
- C. Following advertisement of the Commission's consideration but prior to the Commission's consideration: no refund.

PROCEDURES:

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

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

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

PROCEDURES:

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

LAFCO Counsel in that defense. In the latter case, the Executive Officer may require a deposit of funds sufficient to cover the anticipated expense of the litigation.

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

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

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

PROCEDURES:

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

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

- A. The Executive Officer shall promptly notify the proponents of the proposal that Special Counsel is required.
- B. An item shall be placed on the next available Commission Agenda to approve the contract for Special Counsel and to determine the method for apportioning the cost to the applicant.
- C. Once a determination is made regarding the apportionment of the cost, the Executive Officer may require a deposit of the estimated costs for Special Counsel.
- D. All Special Counsel costs that are the responsibility of the applicant shall be paid prior to issuance of the Certificate of Completion.

**Current Schedule for FY 2018-19,
effective June 1, 2018**

Attachment 2

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

SCHEDULE OF FEES, DEPOSITS AND CHARGES **EFFECTIVE JUNE 1, 2018**

The submission of a proposal to the Local Agency Formation Commission (hereinafter LAFCO) is not officially accepted for processing until the filing fees and deposits have been received (Gov't. Code Section 56383). These fees and deposits ordinarily involve the appropriate LAFCO filing fee and deposits for the recovery of the Commission's direct costs for such items as LAFCO Legal Counsel, environmental review, individual notification costs, and protest proceedings, etc. In addition, certain fees and charges are required at the conclusion of the application process and must be received prior to its official completion. Refer to Policy and Procedure Manual, Section II, Chapter 2 for the Commission's policy related to waivers and reductions of processing fees.

PROCESSING FEES

A. Processing Fees:

1. Annexation, Detachment, Reorganization – involving solely annexations and/or detachments:

Valley and Mountain Region

	Under 20 acres	20 – 150 acres	151 – 275 acres	Over 275 acres
City	\$ 6,000	\$ 8,000	\$ 10,000	\$10,000 plus \$1 per acre over 275 acres
District	\$5,000	\$ 6,500	\$ 8,000	\$8,000 plus \$1 per acre over 275 acres

Desert Region (North and South Desert)

	Under 100 acres	100 – 640 acres	641 – 1,920 acres	Over 1,920 acres
City	\$ 6,000	\$ 8,000	\$ 10,000	\$10,000 plus \$1 per acre over 1,920 acres
District	\$5,000	\$ 6,500	\$ 8,000	\$8,000 plus \$1 per acre over 1,920 acres

2. Reorganization

(For a reorganization that involves changes other than annexations and detachments, the fee will be based upon the components of the reorganization.

Sum of
Component
Fees

San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
June 1, 2018

- | | | |
|----|-------------------------------|---------|
| 3. | Sphere of Influence Amendment | \$5,000 |
|----|-------------------------------|---------|

The fees identified above for Items A-1 through A-3 shall be assessed for each area of consideration within the proposal. A single area means any separate geographical area requiring a legal description. A "single area" does not include two areas that are contiguous only at a point, or two or more areas that are contiguous to an existing boundary of a city or district but not to each other.

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| 4. | Dissolution, Merger, or Establishment of Subsidiary District(s) | \$5,000 |
|----|---|---------|

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|----|---|----------|
| 5. | Formation or Consolidation of Special District(s) | \$15,000 |
|----|---|----------|

- | | | |
|----|--|--|
| 6. | Incorporation or Disincorporation of a City or Consolidation of Cities | |
|----|--|--|

- | | | |
|--|-------------------|----------|
| | a. Processing Fee | \$20,000 |
|--|-------------------|----------|

- | | | |
|--|---|-------------|
| | b. Comprehensive Fiscal Analysis for Incorporation or Disincorporation Proposal | Actual Cost |
|--|---|-------------|

(A \$50,000 deposit is required at the time the application is submitted. Applicants shall be required to reimburse the Commission for all costs associated with the preparation of the Comprehensive Fiscal Analysis in excess of the deposit prior to the scheduling of the Commission hearing. If the charges billed to LAFCO for the preparation of the required document are less than the amount of the deposit, the balance will be refunded to the applicant or applied to other categories where excess charges have been incurred.)

- | | | |
|--|--|-------------|
| | c. State Controller's Fiscal Review for Incorporations | Actual Cost |
|--|--|-------------|

(A \$25,000 deposit is required at the time a Request for State Controller Review is submitted. All costs in excess of this amount will be the responsibility of the Requestor for payment. Any balance remaining after payments are made to the State will be refunded to the Requestor of Review.)

- | | | |
|----|---|--------------|
| 7. | Activation/Divestiture of Functions and/or Services for Special Districts | \$7,500 each |
|----|---|--------------|

(The fee shall be assessed for each function or service proposed for change.)

- | | | |
|----|---|-------------|
| 8. | Verification of Petition Signatures by Registrar of Voters Office | Actual Cost |
|----|---|-------------|

(A \$200 deposit from the applicants is required at the time of petition submission. This amount will be refunded upon certification of the petition and determination of billable charges. The charges assessed by the Registrar of Voters Office to verify petition signatures shall be payable by the affected entity in the same manner as the verification of initiative petition signatures is billed.)

- | | | |
|----|---|---------|
| 9. | Request for Reconsideration of LAFCO Decision/
Environmental Determination | \$2,500 |
|----|---|---------|

(Should a reconsideration request require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices.)

- | | | |
|-----|--|---------|
| 10. | Request for Extension of Time to Complete Change of Organization Proceedings (Gov't. Code Section 57001) | \$1,100 |
|-----|--|---------|

11. Workshop Fees Actual Cost

(Proponents of actions pending Commission review may request that a Commission workshop be held in their area. If the Commission agrees to conduct such a workshop session, the Commission may require reimbursement of all costs associated with that session by the proponents, subject to a \$1,000 deposit.)

**B. Processing Fee for Out-of-Agency Service Contract Review
(City or District):**

The following service contracts require a noticed Commission hearing and environmental review:

- | | | |
|----|--|---------------------------|
| 1. | Contracts involving developments such as: subdivisions/tracts as defined by the Subdivision Map Act (five or more units), Specific Plans | \$5,000 |
| 2. | Contracts involving the development of units requiring only a parcel map as defined by the Subdivision Map Act (up to four units) | \$1,000
per connection |
| 3. | Any contract for fire protection services outside a public agency's jurisdictional boundaries pursuant to Govt. Code Section 56134 | \$5,000 |
| 4. | Contracts to provide services outside a sphere of influence pursuant to Govt. Code Section 56133.5 | \$1,000 |
| 5. | Service Contract Requiring Approval Pursuant to Govt. Code Section 56133, Subsection (c) | \$750 |

The following service contracts request an exemption by the Commission or Administrative Review:

- | | | |
|----|--|---------|
| 6. | Development Related Request for Exemption from Govt. Code Section 56133, requires noticed Commission hearing | \$2,250 |
| 7. | Administrative Review of Non-development-related Out-of-Agency Service Contract (City or District) or Non-development Related Exemption from Govt. Code Section 56133 as Authorized by Commission Policy | \$500 |

PROCESSING DEPOSITS

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

A. Legal Counsel:

1. Legal Counsel Deposit

- a. Jurisdictional Change or Sphere of Influence Change (applicable to actions listed under Item A, #1 through #7)

\$300 non-refundable LAFCO fee	\$1,700 Deposit for LAFCO Legal Counsel costs	\$2,000 Total Deposit required upon application submission
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- b. Service Contracts Item B #1 through #5

\$300 non-refundable LAFCO fee	\$700 Deposit for LAFCO Legal Counsel costs	\$1,000 Total Deposit required upon application submission
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(It is the policy of this Commission that the costs for Special Counsel due to a representation conflict shall be the responsibility of the applicant. Refer to Policy and Procedure Manual, Section II, Chapter 2.)

2. Legal Defense

Actual Cost

(As a condition of approval of any action taken by LAFCO, the proponents shall be required to defend, indemnify and hold harmless LAFCO or its agents, officers, and employees from any claim, action, or proceeding against LAFCO or its agents, officers, and employees to attack, set aside, void, or annul the approval of LAFCO concerning the proposal or any action relating to, or arising out of, such approval when such action is brought within the applicable statute of limitations. Refer to Policy and Procedure Manual, Section II, Chapter 2.

B. Environmental Review:

1. Environmental Review Deposit

- a. Jurisdictional Change or Sphere of Influence Change (applicable to actions listed under Item A, #1 through #7)

\$200 non-refundable LAFCO fee	\$800 Deposit for LAFCO Environmental Consultant costs	\$1,000 Total Deposit required upon application submission
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San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
June 1, 2018

b. Service Contracts (Item B, #1 through #5)

\$200 non-refundable LAFCO fee	\$500 Deposit for LAFCO Environmental Consultant costs	\$700 Total Deposit required upon application submission
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(All applicants shall be required to pay the full costs of the Commission's Environmental Consultant's review regardless whether the Commission is the lead or responsible agency as defined under CEQA.)

2. Appeal of Environmental Recommendation \$750

3. Preparation of Environmental Impact Report Actual Cost

(A \$20,000 deposit with LAFCO shall be required before proceeding toward preparation of the required environmental documents.)

4. If the proposal requires that LAFCO prepare a Negative Declaration/Mitigated Negative Declaration or Environmental Impact Report as CEQA lead agency, the California Department of Fish and Wildlife CEQA Environmental Document Filing Fees are required to be paid at the time LAFCO files the Notice of Determination with the Clerk of the Board of the affected County. The fees listed below (which include the County's \$50 processing fee) are current as of January 1, 2018. The applicant will be notified of the appropriate fees, which must be received by LAFCO prior to the Commission hearing:

a.	Negative Declaration (LAFCO as lead agency)	\$2,330.75
b.	Environmental Impact Report (LAFCO as lead agency)	\$3,218.00

C. Individual Notice:

1. Deposit for Individual Notice (Registrar of Voters Review, and Registered Voter and Landowner Notification Requirements)

a. Proposals listed under Items A1, A2, A3, B1-B5

\$250 non-refundable LAFCO fee	\$450 Deposit for Individual Notification costs	\$700 Total Deposit required upon application submission
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(Pursuant to Policy and Procedure Manual, Section IV, Chapter 1, Policy 9: Individual Notice of Commission Hearings to Landowners and Registered Voters, the individual notice of Commission proceedings shall be provided for all changes of organization, sphere of influence changes, or development-related service contracts, except as identified in item C2 below. Please contact the LAFCO office if the proposal would require individual notice or is eligible for a waiver.)

b. Deposit for Publication of Display Ad in lieu of Individual Notice \$1,000
 Proposals listed under Items A4 – A7, and those actions where individual notice has been waived by the Commission.
 (Policy and Procedure Manual, Section IV, Chapter 1, Policy 9: Individual Notice of Commission Hearings to Landowners and Registered Voters)

San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
June 1, 2018

(In cases where the change would involve mailing more than 1,000 notices, the Commission may waive the individual notice requirement and direct its staff to publish a 1/8th page display ad in a newspaper of general circulation within the area. By policy, individual notice to landowners and registered voters shall not be waived for city island annexations filed pursuant to Government Code Section 56375.3, even if it includes more than 1,000 notices.)

2. **Additional Deposit for Proposals Extending an Existing Special Tax** **Actual Cost**

(Should a proposal require individual notice due to the extension of an existing special tax, the proponent will be required to submit a deposit for the direct costs such as: (1) the County Assessor to compile the mailing list, (2) outside printing to produce the printed notices, (3) and County Mail for shipping and handling, to include a \$250 non-refundable LAFCO fee. Please contact the LAFCO office for the estimated deposit cost.)

D. **Protest Proceeding:**

(Deposit required within 30 days of Commission approval of action. The Protest Hearing will not be set until deposit has been paid. Applicants shall be required to reimburse the Commission for any protest proceeding costs in excess of the deposit. Reimbursement to LAFCO shall be required prior to issuance of the Certificate of Completion. If charges billed to LAFCO are less than the amount of the deposit, the balance of the fee will be refunded to the applicant or applied to other categories where excess charges have been incurred.)

1. **All Proposals Subject to a Protest Proceeding**

\$200 non-refundable LAFCO fee	\$1,300 Deposit for LAFCO Protest Proceeding costs	\$1,500 Total Deposit required for Protest Proceeding
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2. **Additional Deposit for Proposals Extending an Existing Special Tax** **Actual Cost**

(Should a proposal require individual notice due to the extension of an existing special tax, the proponent will be required to submit a deposit for the direct costs such as: (1) the County Assessor to compile the mailing list, (2) outside printing to produce the printed notices, (3) and County Mail for shipping and handling, to include a \$250 non-refundable LAFCO fee.)

COMPLETION FEES AND CHARGES

Following Commission approval of an action, the following fees or charges may be required. LAFCO staff will notify the applicant at the time the Commission's resolution is forwarded which of the following fees or charges is applicable to the proposal:

- A. County Geographic Information Management System (GIMS) Processing, required prior to issuance of the Certificate of Completion for jurisdictional changes or issuance of the Commission's resolution for sphere of influence amendments/updates:

1. Changes requiring an update to current sphere or boundaries of participating agencies

(Fees identified below will be assessed for each area of consideration. The definition of area is provided under Processing Fees on Page 1.)

<u>Acreage</u>	<u>Primary Charge</u>	<u>Additional Agency</u>
0 to 100 acres	\$400	\$ 85
101 to 640 acres	\$550	\$110
641 to 2,560 acres	\$825	\$150
over 2,560 acres	\$1,100	\$175

2. Incorporation, Formation, or placement of a new agency boundary or sphere into the LAFCO-maintained GIMS system \$3,000

(The fees for incorporations or formations can be deferred until the new City/Town or District receives its first revenues. A request for deferral shall be made to the Executive Officer.)

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

Single Area Charges:

Less than 1 acre	\$300
1-5 acres	\$350
6-10 acres	\$500
11-20 acres	\$800
21-50 acres	\$1,200
51-100 acres	\$1,500
101-500 acres	\$2,000
501-1,000 acres	\$2,500
1,001-2,000 acres	\$3,000
2,001 acres and above	\$3,500

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

MISCELLANEOUS CHARGES

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

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

KRM/June 1, 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: APRIL 11, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #12(b) – Proposed Budget for Fiscal Year 2019-20

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Adopt the Proposed Budget for Fiscal Year 2019-20 presented by staff which includes:
 - a. Proposed changes to Salaries and Benefits as identified on pages 3 and 4 of this report; and,
 - b. Continuance of the contract with Robert Aldrich for staffing support services.
2. Direct staff to forward the adopted Proposed Budget, as may be modified at this hearing, to all the independent special districts, cities/towns, and the County for their comment pursuant to Government Code Section 56381; and,
3. Schedule a public hearing for May 15, 2019 for formal:
 - a. Approval of the amendments to the Policy and Procedure Manual for Salaries and Benefits; and,
 - b. Adoption of the Final Budget for Fiscal Year 2019-20.

BACKGROUND:

Spring is here – baseball returns and so does the LAFCO budget. You will notice a different format, but the same detailed information is included. The first two pages of this report include staff's recommendations, a basic summary, and the attachment listing. Beginning on page 3 are policy discussions and narratives for the budget categories: (1) Salaries and Benefits, (2) Services and Supplies, (3) Reserves, and (4) Revenues.

Attachments #3 (Salaries and Benefits), #4 (Services and Supplies), and #5 (Revenues) include a detail of each account to include: account description, charge measurement, identification of increase or decrease, and total cost.

The chart below is a basic summary of the FY 2019-20 budget, with notation on where to access the summary and detail information.

SAN BERNARDINO LAFCO			
FY 2019-20			
		Narrative Summary	Account Detail
OPERATIONS			
EXPENDITURES			
Salaries and Benefits	(823,068)	Page 3	Attachment 3
Services and Supplies	(437,882)	Page 5	Attachment 4
	\$ (1,260,950)		
REVENUES		Page 10	Attachment 5
Apportionment	1,090,497		
Fees and Deposits	177,740		
Interest	16,000		
Carryover of Open Proposals	31,982		
	\$ 1,316,219		
RESERVES		Page 8	
INCOMING RESERVES			
Contingency (Assigned)	50,000		
Net Pension Liability Reserve (Committed)	184,963		
General Reserve (Assigned)	150,000		
Compensated Absences Reserve (Committed)	97,377		
	\$ 482,340		
FY 2019-20 BUDGETED RESERVES			
Contingency (Assigned)	(50,000)		
Net Pension Liability Reserve (Committed)	(227,463)		
General Reserve (Assigned)	(150,000)		
Compensated Absences Reserve (Committed)	(110,146)		
	\$ (537,609)		

Attachments:

1. [Proposed Budget Spreadsheet with Prior Year Actuals](#)
2. [Senior Analyst Job Description](#)
3. [Salaries and Benefits Detail](#)
4. [Services and Supplies Detail](#)
5. [Revenue Detail](#)
6. [Auditor's Apportionment Distribution for the County, Cities and Towns, and Independent Special Districts](#)

SALARIES AND BENEFITS

The current fiscal year includes the following staffing structure: Executive Officer, contract Executive Officer (transition of 360 hours which ended September 30), Project Manager, LAFCO Analyst-GIS/Database, Clerk to the Commission/Office Manager, and Administrative Assistant. With one less full-time person in the office, the Commission contracted with Robert Aldrich for supplemental staffing services (said services are paid from Services and Supplies).

After reviewing current staffing and compensation, the FY 2019-20 budget proposes amendments to (1) Compensation in relation to (a) salary step advancement and (b) reclassification of LAFCO position and (2) Benefits associated with the Executive Officer allowances. Should the Commission support these proposed changes, then staff would present the related amendments to the Policy and Procedure Manual to the Commission at the May 15 hearing, when it reviews and adopts the final budget.

Compensation Changes

In April 2018, the Commission approved a policy whereby an eligible employee receives two step increases per year, until the top step is reached. This budget recommends a return to one step increase per year. The financial effect would be savings of at least \$4,989 for the first year then an ongoing annual savings of \$8,689.

When the Executive Officer position was filled from within, the Executive Officer chose not to fill the Assistant Executive Officer position. With one less full-time person in the office, the current Project Manager has assumed additional duties. In reviewing the job descriptions available, the duties currently performed are in line with the Senior Analyst position, which is between Project Manager and Assistant Executive Officer. Therefore, this budget recommends that Michael Tuerpe's position of Project Manager (Range 62) reclassify to Senior Analyst (Range 67) in order for compensation to be commensurate with duties performed. The Senior Analyst job description is included as Attachment #2. Mr. Tuerpe would enter at Step 11 and be eligible for an annual step increase until he reaches Step 14. The financial effect would be an ongoing annual cost of \$6,680.

As discussed throughout this report, the current fiscal year is experiencing historically low proposal activity. However, staff anticipates numerous significant proposals for the coming year. Therefore, it would be prudent for the reclassification not to take effect until the proposal level (financial position) improves. Such effective date would be determined by the Executive Officer.

Benefit Changes

The current auto and phone allowances provided to the Executive Officer are \$561.54 and \$92.31 per pay period, respectively. These allowances far exceed actual costs. As a part of this review, information was gathered of the surrounding LAFCOs on their auto and phone allowances. With both the actual cost and surrounding LAFCO allowances in mind, this budget recommends the allowances per pay period be reduced to: auto \$300 and

phone \$50. The financial effect would be an ongoing annual savings of \$9,385 (auto) and \$1,507 (phone).

FY 2019-20 Highlights

Attachment #3 to this report includes a detail of each account to include: account description, charge measurement, identification of increase or decrease, and total cost. The remainder of this page contains highlights for FY 2019-20 and FY 2020-21 forecast.

LAFCO mirrors the salary schedule and benefits provided in the County's Exempt Compensation Plan as identified in the LAFCO Policy and Procedure Manual and contracts with the County to administer the benefits for its employees. In April 2018, the Commission approved the following salary and benefit increases, effective July 20, 2019:

- 3.0% across-the-board COLA
- Medical Premium Subsidy, as shown below

Declaration	Employee only	E+1	E+2
Current	\$234.50	\$361.19	\$495.34
Effective 7-20-19	\$243.33	\$379.03	\$529.94

Earnable Compensation (Account 1010) totals \$503,357 and includes:

- 3.0% COLA for all employees;
- One-step increases for three eligible employees;
- 2% longevity pay for those employees with 15 years of service - two employees,
- Leave cashouts as permitted by policy (Note: leave cashouts reduce the compensated absences liability); and,
- Reclassification of one employee (Note: the Executive Officer would determine the effective date of the employee's reclassification; however, the budget liberally calculates for a full year of this position).

Contributions to the SBCERA retirement plan are per the SBCERA and Retirement Board approved rates. The Tier 1 rate increases by 0.99% to 38.02%, and the Tier 2 rate increases by 1.31% to 35.61%.

FY 2020-21 Forecast

The forecast for FY 2020-21 includes retention of the staffing model recommended in this budget, and a 3.0% across-the-board salary increase approved by the Commission in April 2018. The current Policy Manual does not include any salary or benefit increases beyond July 18, 2020. Additionally, FY 2020-21 has an additional pay period. Since the County pay schedule is every two weeks, rather than twice a month, the result is an additional pay period every ten years. As discussed in the Reserves portion of this report, staff will recommend to the Policy Committee the creation of a Salary Reserve to fund the next occurrence, which would take place in another ten years.

SERVICES AND SUPPLIES

Generally, services and supplies include payments for: proposal processing, Commission-approved programs and projects, and costs associated with running a government agency. Attachment #4 to this report includes a detail of each account to include: account description, charge measurement, identification of increase or decrease, and total cost. The remainder of this section contains highlights for FY 2019-20 and FY 2020-21 forecast.

LAFCO staff still continues to operate under the direction provided by the Commission, that the staff prioritize its activities in the following order: fire proposals, other jurisdictional changes, and service reviews. Continuing the contract with Robert Aldrich for supplemental staffing will help the processing burden as well as assisting on the completion and development of the complex service reviews (*Recommendation 1b on page 1 of this report*).

Proposal Processing

The current year has seen a precipitous drop in application submission, reducing funded activity level. However, staff has been coordinating with agencies regarding many likely and potential applications. A good number will be complex and controversial such as a city incorporation and formation of a community services district. The budget includes processing these proposals.

The Commission continues to outsource its environmental processing through its contract with Tom Dodson and Associates, conduct of the annual audit with an independent auditor, Davis Farr LLP, processing of its accounting operations through the County Auditor's office, and the maintenance of computer systems through the County's ISD.

The Commission expressed its desire to transition to digital media and reduce paper circulation. Staff has reviewed the life span of a proposal and identified that excess paper or CD reproduction occurs in the staff circulation, required noticing agenda, staff reports, and resolutions. To staff's surprise, mailing a CD in a small envelope actually costs more due to its unique size. Further, the materials are then placed onto the LAFCO website anyway. With this in mind, staff will move forward with the Commission's position and focus on digital access of materials. However, it is paramount that we still adhere to the statutory requirements of providing proper notices and agendas. The notice and agenda will still be mailed via USPS with staff signing a declaration of mailing, with the mailing list attached, for the administrative record. The mailing would then reference the LAFCO website for access to the reference materials. The mailed items would also state that if a CD or paper copy is needed, to contact the office. Staff estimates that the ongoing annual savings would be \$1,500 in materials and postage and \$1,200 in staff time.

Programs and Projects

Service Reviews

LAFCOs are required by Govt. Code 56430 to conduct reviews of municipal services. This LAFCO chose to conduct its first round by community and its second round by service, countywide. The Countywide Service Review for Water was completed last fiscal year, with

Wastewater completed this fiscal year. In late summer/early fall, the Commission will review Fire/Emergency Medical Services/Ambulance/Dispatch.

At the January workshop, the Commission determined that subsequent service reviews occur in the following order: healthcare districts, solid waste, streetlighting, parks & recreation, roads, and any other review as determined by the Commission.

Fiscal Indicators

In 2014 LAFCO advanced the use of audits and implemented an online Financial Indicators program. The purpose of the program is to provide more robust information on the financial condition of local agencies within San Bernardino County which will allow for better understanding of where an agency has been. Additionally, LAFCO uses the information in conducting state-mandated service reviews as a means to make the required determination of the financial ability of an agency to provide services.

Staff is working towards completion of 2017 data by July. Although there are nominal costs related to services and supplies, costs for this program mainly relate to LAFCO staff time.

Governance Training

The Commission's Governance Training program is budgeted to continue for the special districts and other governments within the County. For the coming year, the budget anticipates two courses, as shown below. The total cost for the year is estimated to be \$5,000.

<i>Training Session, Partner</i>	<i>Date</i>
<i>How to Handle Pension Cost and Liability</i> California Special Districts Association	December 2019
<i>LAFCO 101</i> CALAFCO	January/February 2020

Agency Costs

In addition to processing proposals and conducting programs and projects, there are costs associated with running a government agency. As a part of the preliminary budget review, the Executive Officer and Administrative Committee discussed cost savings measures to include the preparation of meeting minutes. Currently, the minutes are a narrative summary of the meeting. To provide such detail requires the Clerk to prepare the draft, management to review the draft, followed by legal counsel review. In the end, the written narrative requires much time and cost. Further, this written product replicates the content available on the video file that is accessible on the LAFCO website. As a result, one could question the narrative as not reflective of what was actually said at the meeting. Therefore, in order to reduce this exposure and as a cost savings measure, this budget recommends that the minutes of the Commission meetings be action minutes. Staff estimates that the ongoing

annual savings would be at least \$4,800 in staff time and at least \$1,250 in legal counsel charges.

Highlights for the year include:

- Account 2075 Membership Dues. Due to funding challenges, the CALAFCO board approved a dues increase of 16% for this fiscal year (\$10,376). The CALAFCO board is currently working on a long-term strategy of revising its dues structure to a more sustainable and equitable model.
- Account 2125 Inventoriable Equipment. No inventoriable equipment is budgeted for purchase this or next fiscal year.
- Account 2245 Other Insurance. Liability insurance is purchased through the Special District Risk Management Authority (SDRMA). SDRMA notified LAFCO that due to catastrophic fires and increasing liability court judgements, liability rates are increasing 5% and property rates are increasing 11%. The insurance quote for the year is \$14,238.
- Account 2405 Auditing. We will be entering the fourth year of a four-year contract with Davis Farr LLP for independent auditing services. A joint RFP was issued in 2016 with the other Southern California LAFCOs. This matter will be addressed with the Southern California LAFCO group during the year.
- Account 2415 COWCAP. After a few years of low COWCAP charges, the County's FY 2019-20 charge is \$13,328, broken down as follows: \$7,265 Auditor; \$3,874 Human Resources, \$1,587 County Administrative Office; \$84 Purchasing; and \$518 Information Services Department (County ISD).
- Account 2418 Enterprise Storage Data. Instead of housing and maintaining a server at the LAFCO office, when staff moved to the new office we transitioned from storing and maintaining an in-house server to the County's virtual server. For the past two years, the County has not charged LAFCO for use of its server, with the expectation that the County would adopt charges beginning FY 2019-20. As adopted, the County's schedule is based on allocated space not used space. LAFCO's allocation is roughly three times its actual use. As a result, the cost estimate is \$8,457 for the year. LAFCO staff is working with County ISD to reduce our allocation, but this most likely will not take effect until FY 2020-21.
- Ongoing costs associated with being at the Train Depot are as follows:

<u>Account 2905 Rent.</u> Office Lease & Common Area Expense	\$ 66,085
<u>Account 2905 Rent.</u> Amortization (matures June 2022)	\$ 33,793
<u>Account 2090 Building Expense.</u> HVAC & janitorial	\$ 7,000
<u>Account 2180 Electricity.</u>	\$ 6,000
Total	\$112,878

RESERVES

Reserve Policy

The Commission's Reserve policy was last updated in 2014, and reads as follows:

The Commission will require the maintenance of three separate reserves which shall be funded as a part of the annual budget adoption process as follows:

- A. *The balance of San Bernardino LAFCO employee compensated absences at April 1 of each fiscal year shall be funded and placed in a committed reserve account in the following fiscal year budget;*
- B. *Annually the Commission shall set aside a minimum of \$200,000 in a committed reserve account for payment of potential litigation or other special need; and,*
- C. *A committed reserve account shall set aside funds for future payment of the Commission's net pension liability to the San Bernardino County Employees Retirement Association (SBCERA).*

Reserve Funding Cycle

Per policy and practice, reserves have been a part of the budget - in essence funded at the beginning of the year, before revenues are received, then reset in the next year's budget. If one were to look at the annual budget (see Attachment #1), history is shown for prior year Expenditures but on the same page Reserves are blank because Reserves are tied to the budget column, not actuals. As a result, fluctuations to Assigned Reserves occur with the budget, not with actual transactions, as shown below:

Fiscal Year Budget	14-15	15-16	16-17	17-18	18-19	19-20
Significant Activity			Move deposit \$100,000	Move costs \$149,401 Legal \$67,376		
ASSIGNED						
Contingency	98,356	105,501	155,501	139,116	20,442	50,000
General	300,000	291,007	279,841	225,229	85,608	150,000
TOTAL ASSIGNED	398,356	396,508	435,342	364,345	106,050	200,000
COMMITTED						
Compensated Absences	72,897	83,329	87,222	89,708	97,377	110,146
Net Pension Liability	40,503	82,750	109,170	148,450	184,963	227,463
TOTAL COMMITTED	113,400	166,079	196,392	238,158	282,340	337,609

Staff will be working with the Policy Committee to amend the Reserve Policy by transitioning away from a budget adoption process. One option would be to fund the Assigned Reserves

only when funds are received. For example, the budget can plan for a Reserve increase, but only after the funds are received will a recommendation be provided to the Commission to increase the Reserve accounts. Staff's position is that the change would promote transparency and reduce the fluctuations for the Assigned Reserves. Should funds be needed during the budget process, then a specific line item would require Commission approval.

Net Pension Liability

Please refer to Item 11 on this month's agenda for a discussion on contributing the Net Pension Liability Reserve funds to credit the unfunded liability. This budget staff report does not assume that the Commission will adopt the recommendation in Item 11 for payment to SBCERA. Should the Commission take action to contribute the funds, then this budget would be modified accordingly. Either way, this year the budget includes an increase of \$42,500 to this reserve to keep with the 20-year amortization schedule.

Salary Reserve

FY 2020-21 has an additional pay period (27 instead of the usual 26). Since the County pay schedule is every two weeks, rather than twice a month, the result is an additional pay period every ten years. Staff will recommend to the Policy Committee the creation of a Salary Reserve to fund the next occurrence.

FY 2018-19

With the Assistant Executive Officer position being unfilled, in July the Commission increased the following Assigned 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

FY 2019-20

When combined the two Assigned Reserves, Contingency and General, meet the Commission's policy of a minimum \$200,000 for general/litigation. Therefore, the budget does not necessitate an increase to these reserves. For the Committed Reserves, Compensated Absences and Net Pension Liability, the budget increases these reserves per current Commission policy.

	Incoming	FY 2019-20 Budget
ASSIGNED		
Contingency	50,000	50,000
General	150,000	150,000
COMMITTED		
Compensated Absences	97,377	110,146
Net Pension Liability	184,963	227,463
TOTAL	\$ 482,340	\$ 537,609

REVENUES

Attachment #5 to this report includes a detail of each account to include: account description, charge measurement, identification of increase or decrease, and total cost. The remainder of this section contains highlights for FY 2019-20 and FY 2020-21 forecast.

Proposal Activity (Accounts 8545-9800)

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

The current year has seen a precipitous drop in application submission, reducing funded activity level. However, staff has been coordinating with agencies regarding many likely and potential applications. A good number will be complex and controversial such as a city incorporation with district dissolutions and formation of a community services district with dissolution of a county service area. The budget includes these revenue receipts.

During the previous Fee Schedule review in April 2018, the Commission expressed its desire for the Schedule not to experience long gaps with no increases (2010 to 2018), followed by a sudden large increase. One possibility the Commission identified is for the Fee items to increase annually with inflation. This works well for Fees because the Fees are generally tied to the Commission and staff's costs. Item 9a on this month's agenda is the Fee Schedule staff report, which recommends that Fees increase with the 2019 inflation rate of 3.0%¹. There are two proposed changes for Deposits: (1) an increase of \$300 for Individual Noticing, and (2) a decrease of \$300 for Legal Counsel.

Apportionment (Account 8842)

Government Code Section 56381 requires that the net costs for LAFCO be apportioned equally to those seated on the Commission: the County, the 24 Cities, and the 51 Independent Special Districts within the county. The proposed apportionment to each group is \$363,499 (a decrease of \$5,000 for each group, or 1.4%). The County Auditor will be required to apportion this amount on July 1, 2019 pursuant to the requirements of law and Commission policies (see Attachment #6).

Interest and Other Revenues

LAFCO participates in the County's interest pool and is apportioned interest receipts quarterly. Interest rates have been steadily increasing but do not result in significant revenue.

Cost recovery for proposals and service contracts is not addressed in the budget due to its speculative nature.

¹ 3.047% for Riverside-San Bernardino-Ontario, CA

Proposed Budget Spreadsheet with Prior Year Actuals

Attachment 1

Attachment #1

4/8/2019

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 16-17	ACTUAL YEAR-END FY 17-18	PROJECTED YEAR-END FY 18-19	PROPOSED BUDGET FY 19-20 26 Pay Periods	PROPOSED BUDGET FY 20-21 27 Pay Periods
	SALARIES AND BENEFITS					
1010	Earnable Compensation	\$ 466,526	\$ 477,488	\$ 503,357	\$ 492,781	\$ 538,947
1030	Auto and Cell Phone Allowances	17,000	17,000	20,192	9,135	9,450
1035	Overtime	38				
1045	Termination Payment	632				
1110	General Member Retirement	112,783	124,459	173,231	189,146	206,141
1130	Survivors Benefits	210	224	179	176	182
1135	Retirement Subsidy (no longer active)	18,264	16,980	1,995		
1200	Medical Premium Subsidy	45,801	52,779	52,628	53,799	55,654
1205	Long-Term Disability	883	955	1,070	1,141	1,242
1207	Vision Care Insurance	771	822	782	782	809
1215	Dental Insurance Subsidy	1,251	1,235	1,230	1,235	1,277
1222	Short-Term Disability	3,477	3,756	4,951	5,316	5,771
1225	Social Security Medicare	6,143	6,170	6,276	5,917	6,457
1235	Workers' Compensation	2,097	2,160	4,859	5,074	5,520
1240	Life Insurance & Medical Trust Fund	5,316	6,986	9,558	10,735	11,604
1305	Medical Reimbursement Plan	3,380	3,840	5,372	6,516	6,696
1310	Annuitant Employee Medical (no longer active)	17,453	12,264	3,774		
1314	457/401a Contribution	1,544	1,498	2,822	3,275	3,566
1315	401k Contribution	26,020	28,405	35,204	38,040	41,384
TOTAL SALARIES & BENEFITS		\$ 729,589	\$ 757,022	\$ 827,479	\$ 823,068	\$ 894,700
	Staffing (Full time equivalent units)	5.5	5.5	5.25	5.0	5.0
	SERVICES AND SUPPLIES					
	General Services & Supplies					
2031	Payroll System Services				\$ 826	\$ 826
2035	Communications	\$ 1,053				
2037	COMNET Charge (ISF)	2,872	\$ 3,777	\$ 3,302	3,434	3,434
2040	Relocation Charges - Phone Service	10,647	3,151			
2041	Phone Service/Outside Company	947	4,295	8,722	8,400	8,400
2043	Electronic Equipment Maintenance		6,159	-	-	-
2075	Membership Dues	9,338	9,973	10,303	11,753	11,753
2076	Tuition Reimbursement	2,000	950	-	1,000	1,030

Attachment #1

4/8/2019

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 16-17	ACTUAL YEAR-END FY 17-18	PROJECTED YEAR-END FY 18-19	PROPOSED BUDGET FY 19-20 26 Pay Periods	PROPOSED BUDGET FY 20-21 27 Pay Periods
2080	Publications	3,021	4,218	3,411	3,163	3,163
2085	Legal Notices	18,129	20,698	21,592	18,750	18,750
2090	Building Expense	100,000	103,019	7,002	7,000	7,000
2115	Computer Software	2,552	1,707	2,777	3,054	3,054
2125	Inventoriable Equipment	2,685			-	-
2130	Moving Expenses					
2180	Electricity		2,778	4,400	6,000	6,000
2182	Electricity		2,372	-		
2195	Reimbursement Services and Supplies					
2245	Other Insurance	9,100	10,013	14,238	14,238	14,665
2305	General Office Expense	8,105	8,629	6,583	4,850	4,850
2308	Credit Card Clearing Account	(465)	2,046	(3,542)	-	-
2309	Visa Temp Card					
2310	Postage - Direct Charge	75,917	14,683	7,393	6,116	6,299
2315	Records Storage	749	606	656	900	900
2316	Surplus Handling					
2323	Reproduction Services	15,084	2,000	77	-	-
2335	Temporary Services	3,033	132	354	-	-
	Consultant & Special Services:					
2400	Legal Counsel	37,867	130,898	75,525	46,300	47,689
2405	Auditing	11,492	10,819	10,819	11,268	11,268
2410	Data Processing	7,827		12,852	11,252	11,252
2414	Application Development Maint.				2,000	-
2415	COWCAP	13,236	8,458	10,109	13,328	13,728
2416	Enterprise Printing				31	31
2418	Enterprise Data Storage				8,457	8,457
2420	Wireless Device Access	245	199	412	286	286
2421	Desktop Support Services	8,949	15,568	16,081	16,762	16,762
2424	Environmental Consultant	9,077	8,590	8,970	14,200	14,200
2444	Security Services	390	1,267	468	468	468
2445	Other Professional Services	124,571	137,937	99,865	80,826	83,251
2449	Outside Legal (Litigation & Special Counsel)			3,216	-	-
2450	Application Development Support			-	-	-
2460	GIMS Charges	13,500	13,500	13,518	16,500	16,500

Attachment #1

4/8/2019


ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 16-17	ACTUAL YEAR-END FY 17-18	PROJECTED YEAR-END FY 18-19	PROPOSED BUDGET FY 19-20 26 Pay Periods	PROPOSED BUDGET FY 20-21 27 Pay Periods
	Lease/Purchases:					
2895	Rent/Lease Equipment (copier)	7,226	6,034	5,839	4,800	4,800
2905	Office/Hearing Chamber Rental	49,874	100,455	98,952	100,928	102,947
	Travel Related Expenses:					
2940	Private Mileage	4,963	4,374	5,617	3,436	3,436
2941	Conference/Training	6,465	5,422	4,756	4,740	4,740
2942	Hotel	12,417	6,739	5,666	7,990	7,990
2943	Meals	1,502	780	696	1,200	1,200
2944	Car Rental	228	260	200	-	-
2945	Air Travel	4,188	3,291	1,108	2,200	2,200
2946	Other Travel	871	665	204	825	825
	Other:					
5012	Services Out (Staples)	14	185	765	600	600
TOTAL SERVICES & SUPPLIES		\$ 579,668	\$ 656,644	\$ 462,903	\$ 437,882	\$ 442,754
TOTAL EXPENDITURES		\$ 1,309,258	\$ 1,413,665	\$ 1,290,382	\$ 1,260,950	\$ 1,337,454
	RESERVES					
6000	Contingency (Assigned)	\$ -			\$ 50,000	\$ 50,000
6010	Net Pension Liability Reserve (Committed)	-			227,463	269,963
6025	General Reserve (Assigned)	-			150,000	150,000
6030	Compensated Absences Reserve (Committed)	(1,216)			110,146	115,653
TOTAL CONTINGENCIES & RESERVES		\$ (1,216)	\$ -	\$ -	\$ 537,609	\$ 585,616
TOTAL APPROPRIATION		\$ 1,308,042	\$ 1,413,665	\$ 1,290,382	\$ 1,798,559	\$ 1,923,070

Attachment #1

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 16-17	ACTUAL YEAR-END FY 17-18	PROJECTED YEAR-END FY 18-19	PROPOSED BUDGET FY 19-20	PROPOSED BUDGET FY 20-21
	CONTRIBUTION REVENUES					
	Use of Money:					
8500	Interest	\$ 9,318	\$ 12,561	\$ 15,193	\$ 16,000	\$ 18,000
	Mandatory Contribution from Governments:					
8842	Local Government -- For FY 2019-20 apportionment to County, Cities, and Independent Special Districts (\$363,499 total for each category)	926,223	1,009,583	1,105,497	1,090,497	1,090,497
	Fees and Deposits (Current Services):					
9545	Individual Notice	27,507	6,351	8,916	14,300	14,300
9555	Legal Services	10,311	42,206	45,294	28,000	28,000
9595	Protest Hearing	34,000	3,000		10,800	10,800
9655	GIMS Fees	5,015	8,430		10,945	10,945
9660	Environmental	7,145	4,546	10,319	14,900	14,900
9800	LAFCO Fees	117,531	52,821	54,000	98,795	101,759
	Total Fees and Deposits	201,509	117,354	118,529	177,740	180,704
	TOTAL CONTRIBUTION REVENUES	1,137,049	1,139,498	1,239,219	1,284,237	1,289,201
	OTHER REVENUES					
9910	Prior Year Activity (refunds, collections)	\$ (20,757)	\$ 2,438	\$ (373)	\$ -	\$ -
9930	Miscellaneous Revenues	345	2,140	10	-	-
9970	Carryover of Open Proposals/Projects	42,219	5,058	(50)	31,982	46,261
9970	Carryover from Prior Year, Assigned	296,065	101,741	50	-	50,000
	TOTAL OTHER REVENUES	317,873	111,377	(363)	31,982	96,261
	TOTAL REVENUES	\$ 1,454,922	\$ 1,250,875	\$ 1,238,856	\$ 1,316,219	\$ 1,385,462
	RESERVES FROM PRIOR YEAR, as of July 1					
9970	Contingency (Assigned)	\$ 155,501	\$ 155,501	\$ 57,783	\$ 50,000	\$ 50,000
9970	Net Pension Liability Reserve (Committed)	82,750	117,097	148,450	184,963	227,463
9970	General Reserve (Assigned)	291,007	284,917	200,000	150,000	150,000
9970	Compensated Absences Reserve (Committed)	76,607	88,438	89,708	97,377	110,146
	TOTAL RESERVES FROM PRIOR YEAR	\$ 605,865	\$ 645,953	\$ 495,941	\$ 482,340	\$ 537,609
	TOTAL REVENUE AND RESERVES	\$ 2,060,787	\$ 1,896,828	\$ 1,734,797	\$ 1,798,559	\$ 1,923,071
	Note: Spreadsheet utilizes the cash basis of accounting and does not include accrual/reversal data.					

Senior Analyst Job Description

Attachment 2

 <p>LAFCO <i>for San Bernardino County</i></p>	<p>LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY</p> <p>JOB DESCRIPTION</p> <p>SENIOR ANALYST</p>
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THE JOB:

The Local Agency Formation Commission (LAFCO) is an independent agency established by State law to regulate boundaries for cities and special districts, to plan the ultimate service areas for all local agencies, and provide for service reviews of agencies within San Bernardino County. Under the general direction of the Executive Officer of the Local Agency Formation Commission, provide project research and management for State-mandated programs of LAFCO as established by local policy and State law. May exercise functional and technical supervision over lower level staff.

DUTIES AND RESPONSIBILITIES:

Assist in the research of broad public policy issues dealing with development patterns of the cities and unincorporated areas of San Bernardino County. This will include communication with other agencies or individuals to obtain research information. Provide project planning, research, and analysis on routine applications for jurisdictional change and/or out-of-agency service reviews. Assist in the preparation of research for reports and/or presentations to the Local Agency Formation Commission. Provide support to Executive Officer in compiling and analyzing the annual LAFCO budget and assist in its processing. Provide support to the Executive Officer in community meetings within unincorporated communities, cities, and/or special districts for the purpose of analyzing the fiscal, environmental and service effects of a change of organization.

EDUCATION, EXPERIENCE, KNOWLEDGE:

Completed upper division college level coursework in accounting, public or business administration, land use/urban planning, statistics, or closely-related field, and a minimum of four years of administrative experience in which the primary duty was conducting a variety of analytical studies and writing narrative reports of findings in areas such as organizational operations, fiscal analysis, and service delivery. Or Bachelor's degree in liberal arts or liberal science with course work at the upper division level in accounting, public or business administration, land use/urban

planning, statistics or closely related field, and a minimum of two years of administrative experience in which the primary duty was conducting a variety of analytical studies and writing narrative reports of findings in areas such as organizational operations, fiscal analysis, and service delivery. Or a Master's degree in accounting, public or business administration, land use/urban planning, statistics or closely related field. No experience required. Must be somewhat familiar with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the California Environmental Quality Act.

SPECIFIC SKILLS:

Position requires excellent research and organization skills plus strong analytical skills. Must have excellent oral, written and presentation skills. Position requires good computer skills, i.e., spreadsheets, word-processing, database and program management software. Knowledge of GIS and website application software highly desirable.

Salaries and Benefits Detail

Attachment 3

Attachment #3

Salaries and Benefits Detail

Account		Charge Measurement	Increase/Decrease	Total
1010	Earnable Compensation	Per Salary Schedule	Decreasing 2%	\$ 492,780.98
	<i>Includes base pay with 3% COLA, step increases (4 employees), 2% longevity pay for those with 15 yrs (2 employees), & leave cashouts.</i>			
1030	Auto & Phone Allowances	Auto Allowance (\$300 per pay period)	Decreasing 47%	\$ 9,135.00
		Mobile Phone Allowance (\$50 per pay period)	Decreasing 46%	
	<i>Executive Officer auto and phone allowances, per Benefit Plan. The Executive Officer proposes reductions of these allowances to be inline with surrounding LAFCOs.</i>			
1110	General Member Retirement	Tier 1 (38.02%)	Increasing 0.99%	\$ 189,146.05
		Tier 2 (35.61%)	Increasing 1.31%	
	<i>Contributions to retirement plan. Per SBCERA and Retirement Board adopted rates.</i>			
1130	Survivors Benefits	\$1.35 per pay period per employee	Decreasing 0.5%	\$ 176.18
	<i>The survivor benefit is provided by SBCERA in lieu of Social Security's death benefits since members do not participate in Social Security. General members pay a contribution each pay period to fund this benefit.</i>			
1200	Medical Premium Subsidy	\$529.94 (employee +2) per period: 2 employees	Increasing 6.5%	\$ 53,799.15
		\$379.03 (employee +1) per period: 2 employees	Increasing 4.7%	
		\$243.33 (employee +0) per period: 1 employees	Increasing 3.6%	
	<i>A subsidy is provided to offset employee medical premiums. In April 2018 the Commission approved increases effective FY 19-20.</i>			
1205	Long-Term Disability	0.24% of Base Pay	--	\$ 1,141.20
	<i>Long-term disability insurance.</i>			
1207	Vision Insurance	\$5.99 per employee per period	--	\$ 781.70
	<i>Vision insurance.</i>			
1215	Dental Insurance Subsidy	\$9.46 per employee per period	--	\$ 1,234.53
	<i>A subsidy is provided to offset employee dental premiums.</i>			
1222	Short-Term Disability	Short-term disability insurance (1.07% of Base Pay)	--	\$ 5,316.23
		FMLA program charge (\$1.75 per employee per period)	--	
	<i>Short-term disability insurance & admin cost for family medical leave.</i>			
1225	Social Security Medicare	1.412% of Earnable Compensation	--	\$ 5,917.14
	<i>Contribution to Social Security Medicare for those entering after 1985 (4 employees).</i>			
1235	Workers' Compensation	1.07% of Base Pay	Increase 5%	\$ 5,073.59
	<i>Purchased thorough Special Districts Management Authority (SDRMA), a joint powers authority.</i>			
1240	Life Insurance & Med Trust Fund	Life Insurance (\$1.80 per employee per period)	--	\$ 10,735.30
		Variable Life Insurance (\$960 for 3 employees)	--	
		Retirement Medical Trust Fund (\$9,540 for 4 employees)	--	

Attachment #3

Salaries and Benefits Detail

Account		Charge Measurement	Increase/Decrease	Total
	<i>Life Insurance is a benefit for all employees. Employees may elect to purchase Variable Life Insurance, for which there is an employer contribution. LAFCO contributes to a Retirement Medical Trust Fund for employees with over 5 years of service.</i>			
1305	Medical Reimbursement Plan	Medical Reimbursement (up to \$40 per employee/period)	--	\$ 6,516.00
		Healthy Lifestyles (gym, \$324 per employee - 4)	--	
1314	457/401a Contribution	1% match for Executive Officer, 0.5% for all others	--	\$ 3,275.24
	<i>LAFCO matches employee contributions to the 457 savings plan of the County up to 0.5% for Groups B and C, and 1% for Group A (Executive Officer).</i>			
1315	401k Contribution	8% match for Group A & B, 6% match for Group C	--	\$ 38,040.02
	<i>LAFCO matches employee contributions to the 401(k) savings plan of the County up to 8% for Groups A and B, and up to 6% for Group C (Analyst-GIS).</i>			
TOTAL SALARIES AND BENEFITS				\$ 823,068.29

Services and Supplies Detail

Attachment 4

Attachment #4

Services and Supplies Detail

Account		Charge Measurement	Increase/Decrease	Total
2031	Payroll System Services	\$6.35 per payroll warrant (26), 5 employees	Decreasing 17%	\$ 825.50
	<i>Maintenance, support, and enhancements for County's payroll system and infrastructure.</i>			
2037	COMNET Charge	\$31.80 per line (9) per month	Decreasing 2%	\$ 3,434.40
	<i>Phone line. Includes support services.</i>			
2041	Outside Phone - Verizon	\$700 per month	--	\$ 8,400.00
	<i>Fiber optic data line from Verizon.</i>			
2043	Electronic Equip. Maint.	No activity		\$ -
	<i>County ISD services for data line installation.</i>			
2075	Membership Dues	CSDA: \$1,377	--	\$ 11,753.00
		CALAFCO: \$10,376	Increasing 16%	
	<i>Membership in Professional Associations.</i>			
2076	Tuition Reimbursement	One employee at max reimbursement	No change	\$ 1,000.00
	<i>Pursuant to the LAFCO Benefits Plan, employees can be reimbursed for up to \$1,000 for approved tuition, course/seminar or degree related expenses, and membership dues in professional organizations.</i>			
2080	Publications	CA Land Use & Planning Law: \$101.00	--	\$ 3,163.06
		CA Annotated Code Books: \$218.08/month	--	
		CA Planning & Development: \$222	--	
		County calendars: \$8.90 each (5)	--	
		Longtin's CA Land Use: \$78.60	--	
		CEQA desktop book: \$100.00	--	
	<i>Purchase or subscription to professional publications related to LAFCO study areas.</i>			
2085	Legal Notices	General paper: \$750 per hearing (10)	--	\$ 18,750.00
		Local Paper: \$750 for 6 hearings	--	
		Protest hearing: \$750 per protest hearing (9)	--	
	<i>Legal and policy requirement for notices: hearing, protest hearing, public member vacancy, etc... An eighth-page display ad in general newspapers is required for the countywide service reviews and when advertisement is authorized in-lieu of individual landowner and/or registered voter notice.</i>			
2090	Building Expense	HVAC: \$325 per quarter	--	\$ 7,000.00
		Janitorial: \$475 per month	--	
	<i>Ongoing maintenance of the staff office.</i>			
2115	Software	Laserfische archiving: \$1,313.00 annual	--	\$ 3,054.32
		Microsoft licenses: \$1,741.32 annual	--	
	<i>Purchases, subscriptions, and updates of software and online programs, to include digital archiving software for LAFCO to maintain its records in perpetuity per Government Code Section 56382.</i>			
2125	Inventoriable Equipment	No activity		
	<i>Purchase of equipment with a value over \$5,000.</i>			

Attachment #4

Services and Supplies Detail

Account		Charge Measurement	Increase/Decrease	Total
2180	Electricity	\$500 per month		\$ 6,000.00
	<i>LAFCO is responsible for electricity payments while located at the train depot.</i>			
2245	Other Insurance	\$14,328 annual	Increasing 8%	\$ 14,238.00
	<i>Liability insurance (property, general, personal, employment, benefits, auto) errors and omissions, and employee dishonesty coverage. Purchased through the Special District Risk Management Authority (SDRMA). Due to catastrophic fires and increasing liability court judgements, liability rates are increasing 5% and property rates are increasing 11%.</i>			
2305	Office Expense	Petty Cash Reimbursement: \$250 per quarter	--	\$ 4,850.00
		Daisy Office Supplies: \$300 per month	Decreasing 25%	
		Paper shredding: \$50	--	
		HP Printer cartridges:\$200	--	
	<i>Expenses to run the office such as office supplies and non-inventoriable items.</i>			
2308	Credit Card Clearing			\$ -
	<i>Clearing account for credit card issued to the Executive Officer. All charges post to this account temporarily with charges then transferred to the appropriate accounts.</i>			
2310	Postage	Months with hearings (10): \$400 per month	Decreasing 20%	\$ 6,116.00
		Months with no hearings (2): \$200 per month	--	
		Mail delivery: \$6.50 per stop (22 per month)	Decreasing 31%	
	<i>On avg. USPS rates increasing 10%. County mail handling increasing 18%. LAFCO implementing more digital circulation as cost savings, which reduce costs overall.</i>			
2315	Record Storage	\$75 per month	--	\$ 900.00
	<i>Off-site retention of records. Gov Code 56382 mandates LAFCO to maintain its records in perpetuity.</i>			
2323	Reproduction	No activity		\$ -
	<i>Printing activity outside of the LAFCO office (County Printing Services, Kinkos, etc.).</i>			
2335	Temp Services	No activity		\$ -
	<i>Use of temporary services for clerical support.</i>			
2400	Legal	BB&K Public Policy & Ethics Program: \$3,300	--	\$ 46,300.00
		Months with hearings (10): \$4,000 per month	Increasing 3.0%	
		Months with no hearings (2): \$1,500 per month	Increasing 3.0%	
	<i>Contract with Best, Best, and Krieger for general and special counsel. Costs related to a proposal are recoverable pursuant to Commission policy. Payments received for cost recovery are deposited into Revenue Account 9555.</i>			
2405	Auditing	SBCERA costs for GASB 67 & 68: \$3,018		\$ 11,268.00
		BB&K response: \$250		
		Independent auditor: \$8,000		

Attachment #4

Services and Supplies Detail

Account		Charge Measurement	Increase/Decrease	Total
	<i>The fourth year of a four-year contract with Davis Farr LLP for independent auditing services. SBCERA is required to determine the unfunded liability for its participants and by legislative action can charge for that requirement.</i>			
2410	IT Infrastructure	\$117.21 per email address (8) per month	Decreasing 4%	\$ 11,252.16
	<i>Support of computer/server systems, email, wide area network, internet access, IT security, virus protection, help desk, and data center.</i>			
2414	Application Development Maint.	\$2,000 for migration of website to new architecture	--	\$ 2,000.00
	<i>County ISD services for upgrades to applications such as website.</i>			
2415	COWCAP	\$13,329 per County COWCAP publication	Increasing 32%	\$ 13,328.00
	<i>The County Auditor charges for county-related costs incurred in the prior year.</i>			
2416	Enterprise Printing	Per print impression, annual estimate	--	\$ 31.00
	<i>Printing from County's enterprise server related to payroll.</i>			
2418	Enterprise Data Storage	\$704.72 per month, based on storage allocation	--	\$ 8,456.64
	<i>High-speed enterprise data storage services, including data backup and recovery.</i>			
2420	Wireless Device Access	\$23.83 per user per month	Increasing 27%	\$ 285.96
	<i>Phone sync to County email.</i>			
2421	Desktop Support Services	\$139.68 per computer (10) per month	Increasing 4%	\$ 16,761.60
	<i>County tech support & monitoring for computers and applications.</i>			
2424	Environmental	Consultant work, per contracted rate, 12 proposals	--	\$ 14,200.00
		File with County Clerk, 14 actions, \$50 each	--	
	<i>The Commission contracts with an independent consultant, Tom Dodson and Associates, for the environmental assessment associated with its proposals. Most environmental consultant costs are billable under the Commission's existing fee schedule. Payments received for cost recovery are deposited into Revenue Account 9660.</i>			
2444	Security	\$117 per quarter	--	\$ 468.00
	<i>Maintain and monitor the security system.</i>			
2445	Other Professional Services	Surveyor proposal review: \$450 each proposal (11)	--	\$ 80,826.40
		Commissioner stipend: \$200 per hearing (10)	--	
		ROV: \$100.60 per hour (14)	--	
		Bob Aldrich for staffing: \$75/hr for 480 hours	--	
		County processing of quarterly taxes: \$1,000/quarter	--	
		County work on apportionment: \$5,568	--	
		Video recording of hearings: \$360 per hearing (10)	--	
		Commissioner stipend for SoCal LAFCO: \$200 per mtg. (4)	--	
		Governance Training CSDA: \$2,500 flat fee	--	

Attachment #4

Services and Supplies Detail

Account		Charge Measurement	Increase/Decrease	Total
	<i>This account is for outside services to assist in processing applications and service reviews as well as conducting Commission hearings. Staffing support from Bob Aldrich will correspond with proposal activity levels. Governance training will include two courses: Pension liability and LAFCO 101.</i>			
2449	Outside Legal	Per special counsel rate		\$ -
	<i>Legal services conducted through special contract for either litigation or when a conflict of interest waiver is not granted. For proposals not initiated by the Commission, the applicant agrees to indemnify the Commission against legal costs. Payments received for cost recovery are deposited into Revenue Account 9660.</i>			
2450	System Development	per County rate schedule		\$ -
	<i>County support to develop new software programs or systems. None anticipated.</i>			
2460	GIMS	Google Earth: \$1,000 per user (3)	--	\$ 16,500.00
		Street Network Subscription: \$10,500 flat fee	--	
		ArcMap Desktop - GIMS license: \$1,000 per user	--	
	<i>Generation & maintenance of digitized maps & aerial images, access to County's parcel & street layers.</i>			
2895	Copier	\$400 per month	Decreasing 20%	\$ 4,800.00
	<i>LAFCO implementing more digital circulation as cost savings.</i>			
2905	Rent	Hearing Chambers: \$405 per hearing (10)	--	\$ 100,928.14
		Amortization Payment: \$8,448.33 quarterly	--	
		Office Lease & Common Area Expense: \$15,771.21 quarterly	Increasing 3%	
	<i>Use of Norton Conference Center for hearings, amortizing the renovations of the staff office for 60 monthly payments, and office lease with associated costs for common area expenses such as security, landscaping, lighting, etc.</i>			
2940	Private Mileage	ESRI Conference San Diego, 2 staff: \$264	--	\$ 3,436.40
		Employee travel, misc.: \$55	--	
		CALAFCO Staff Workshop Orange, 3 autos: \$174.90	--	
		Commissioner So Cal participation, 4 trips: \$220	--	
		Commissioner Hearings (10): \$2,502.50	--	
	<i>Commissioners and staff private auto mileage at the IRS rate, excluding the Executive Officer.</i>			
2941	Conference/Training	CALAFCO Staff Workshop Orange: \$310 each (4)	--	\$ 4,740.00
		CALAFCO Conference Sacramento: \$500 each (7)	--	
	<i>The CALAFCO Staff Workshop will be held in Orange, with 4 staff budgeted.</i>			
	<i>The CALAFCO Conference will be held in Sacramento, with 5 Commissioners and 2 staff budgeted.</i>			
2942	Hotel	CALAFCO/So Cal participation: \$200 per night (2)	--	\$ 7,990.00
		ESRI Conference San Diego: \$250/night, 2 staff, 3 nights	--	
		CALAFCO Conf. Sac., \$210/night, 7 people, 3 nights	--	

Attachment #4

Services and Supplies Detail

Account		Charge Measurement	Increase/Decrease	Total
		CALAFCO Staff Work. Orange: \$210/night, 4 staff, 2 nights	--	
	<i>Hotel charges for Commissioners and staff on LAFCO business.</i>			
2943	Meals	Staff travel: \$50	--	\$ 1,200.00
		ESRI Conference San Diego: \$50/day, 2 staff, 3 days	--	
		CALAFCO Conference Sacramento: \$350 for 7 people	--	
		CALAFCO Staff Workshop Orange: \$200 for 4 staff	--	
		So Cal participation - Staff: \$50/trip (4)	--	
		So Cal participation - Commissioner: \$50/trip (2)	--	
	<i>Meal charges for Commissioners and staff on LAFCO business. Per diem max \$50/day.</i>			
2944	Car Rental	No activity		\$ -
	<i>Car rental by Commissioners or staff.</i>			
2945	Air Travel	CALAFCO participation: \$200/trip (4)		\$ 2,200.00
		CALAFCO Conference Sacramento: \$200/trip for 7 people		
	<i>Airfare on Southwest Airlines for approved travel to Sacramento.</i>			
2946	Other Travel	CALAFCO participation: \$75/trip (4)		\$ 825.00
		CALAFCO Conference Sacramento: \$75/trip for 7 people		
	<i>Miscellaneous travel charges such as parking and taxi charges.</i>			
5012	Staples Office Supply	\$50 per month utilizing County's contract	--	\$ 600.00
TOTAL SERVICES AND SUPPLIES				\$ 437,881.58

Revenue Detail

Attachment 5

Attachment #5

Revenues Detail

Account		Charge Measurement	Increase/Decrease	Total
8500	Interest	County Interest Pool returns	--	\$ 16,000.00
	<i>LAFCO participates in the County's interest pool and is apportioned interest receipts quarterly. Interest rates have been steadily increasing.</i>			
8842	Apportionment		Decreasing 1.4%	\$ 1,090,497.02
	<i>Government Code Section 56381 requires that the net costs for LAFCO be apportioned equally to those seated on the Commission: the County, the 24 Cities, and the 51 Independent Special Districts within the County of San Bernardino. The proposed apportionment to the County, Cities, and Independent Special Districts is \$363,499 each. The County Auditor will be required to apportion this amount on July 1, 2019 pursuant to the requirements of law and Commission policies.</i>			
8545	Individual Notice	\$1,000 deposit	--	\$ 14,300.00
	<i>This account is for landowner and registered voter notification requirements. This \$1,000 deposit is applied to proposals and development-related service contract less refunds. Should a proposal require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices.</i>			
9555	Legal Services	\$2,000 for proposals; \$700 for applicable service contracts	--	\$ 28,000.00
	<i>This account is for deposits for legal services which are calculated at \$2,000 for proposals and \$700 for service contracts requiring a hearing.</i>			
9595	Protest Hearing	\$1,500	--	\$ 10,800.00
	<i>The account is for deposits related to the processing of the protest hearing which are calculated at \$1,500 each. Should a proposal require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices.</i>			
9655	GIMS Fees	LAFCO Fee Schedule, based on acreage	--	\$ 10,945.00
	<i>This account is for receipt of revenue to recover the costs associated with the County's digital maps for sphere or boundary changes, maintenance and updates. The charge is based upon the acreage of each consideration area.</i>			
9660	Environmental	\$1,000 for proposals; \$750 for applicable service contracts	--	\$ 14,900.00
	<i>Deposits for environmental review processing are calculated at \$1,000 for proposals and \$750 for service contracts requiring a hearing.</i>			
9800	LAFCO Fee	LAFCO Fee Schedule, based on region and acreage	Increasing w/ CPI	\$ 98,795.00
	<i>Revenues in this account are based on anticipated activity and conservatively calculated at the median annexation filing fee for the activity identified above.</i>			
9910	Prior Year Activity		--	\$ -
	<i>This account refunds deposits submitted by applicants less costs incurred for activity which carry over from one year to another and includes prior year payment of indemnification of legal costs.</i>			
9930	Miscellaneous Revenues		--	\$ -
	<i>This account is for revenues received for duplication of CDs, DVDs, paper copies, and other miscellaneous receipts.</i>			

Attachment #5

Revenues Detail

Account		Charge Measurement	Increase/Decrease	Total
9970	Carryover of Open Proposals		--	\$ 31,982.00
	<i>Proposals received in FY 2018-19 but still being processed will carryover unearned funds.</i>			
TOTAL SALARIES AND BENEFITS				\$ 1,316,219.02

**Auditor's Apportionment
Distribution for the County, Cities
and Towns, and Independent
Special Districts**

Attachment 6

**LAFCO Cost Allocation
County of San Bernardino Allocation
PY 2019-2020**

	Amount	Percentage of Total Cost
County of San Bernardino		
Total LAFCO Cost	\$ 1,090,497.00	100.00%
County of San Bernardino Allocation (1/3)*	\$ 363,499.00	33.33%
Total San Bernardino County Allocation	\$ 363,499.00	33.33%

Note:

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

* Total LAFCO Apportionment for FY 2019-20 is \$1,090,497 (by letter dated March 15, 2019)

**LAFCO Cost Allocation
Cities Allocation
PY 2019-2020**

City	Total Revenues FY 16-17	LAFCO Allocation	Allocation Percentage
Adelanto	\$ 15,171,753.00	\$ 3,106.46	0.85%
Apple Valley	\$ 43,301,284.00	\$ 8,866.05	2.44%
Barstow	\$ 26,199,135.00 *	\$ 5,364.34	1.48%
Big Bear Lake	\$ 31,712,544.00 *	\$ 6,493.22	1.79%
Chino	\$ 93,030,658.00	\$ 19,048.26	5.24%
Chino Hills	\$ 89,626,149.00	\$ 18,351.18	5.05%
Colton	\$ 41,989,700.00	\$ 8,597.50	2.37%
Fontana	\$ 202,292,337.00 *	\$ 41,419.87	11.39%
Grand Terrace	\$ 8,338,172.00	\$ 1,707.26	0.47%
Hesperia	\$ 74,132,216.00 *	\$ 15,178.76	4.18%
Highland	\$ 28,027,570.00	\$ 5,738.72	1.58%
Loma Linda	\$ 21,258,508.00	\$ 4,352.73	1.20%
Montclair	\$ 38,998,872.00	\$ 7,985.12	2.20%
Needles	\$ 7,696,038.00	\$ 1,575.78	0.43%
Ontario	\$ 299,613,706.00	\$ 61,346.68	16.88%
Rancho Cucamonga	\$ 167,744,700.00 *	\$ 34,346.15	9.45%
Redlands	\$ 75,580,647.00	\$ 15,475.33	4.26%
Rialto	\$ 132,371,142.00	\$ 27,103.33	7.46%
San Bernardino	\$ 150,770,389.00	\$ 30,870.62	8.49%
Twentynine Palms	\$ 11,855,414.00	\$ 2,427.43	0.67%
Upland	\$ 60,187,471.00	\$ 12,323.54	3.39%
Victorville	\$ 113,234,594.00 *	\$ 23,185.07	6.38%
Yucaipa	\$ 28,750,709.00	\$ 5,886.78	1.62%
Yucca Valley	\$ 13,425,086.00	\$ 2,748.82	0.76%
	\$ 1,775,308,794.00	\$ 363,499.00	100.00%

Allocation is based on Cities revenues extracted from Fiscal Year 2016-17 tables published on the State Controller's website (www.sco.ca.gov). Fiscal Year 2017-18 was not available as of March 22, 2019.

* Cities with subsidiary districts. Subsidiary districts are excluded from the special district distribution and revenue added to the City (confirmed for FY 2019-20 by email dated March 22, 2019.)

Barstow Fire Protection District (City of Barstow)

Big Bear Lake Fire Protection District (City of Big Bear Lake)

Fontana Fire Protection District (City of Fontana)

Hesperia County Water District (City of Hesperia)

Hesperia Fire Protection District (City of Hesperia)

Rancho Cucamonga Fire Protection District (City of Rancho Cucamonga)

Victorville Water District (City of Victorville)

LAFCO Cost Allocation
Special Districts Allocation
PY 2019-2020

District Name	Total Revenues* FY 16-17	LAFCO Cost Allocation	Allocation Percentage
Apple Valley Fire Protection	\$ 8,830,218.00	\$ 10,000.00	2.75%
Apple Valley Foothill County Water	\$ 159,601.00	\$ 285.22	0.08%
Apple Valley Heights County Water	\$ 319,805.00	\$ 571.52	0.16%
Arrowbear Park County Water	\$ 1,524,151.00	\$ 2,723.80	0.75%
Baker Community Services	\$ 667,925.00	\$ 1,193.65	0.33%
Barstow Cemetery	\$ 332,917.00	\$ 594.95	0.16%
Barstow Heights Community Services	\$ 66,541.00	\$ 118.92	0.03%
Bear Valley Community Healthcare	\$ 1,224,910.00	\$ 1,500.00	0.41%
Big Bear Airport	\$ 2,088,009.00	\$ 3,731.47	1.03%
Big Bear City Community Services	\$ 18,242,838.00	\$ 10,000.00	2.75%
Big Bear Municipal Water	\$ 5,540,003.00	\$ 10,000.00	2.75%
Big River Community Services	\$ 102,437.00	\$ 183.06	0.05%
Bighorn-Desert View Water Agency	\$ 2,073,087.00	\$ 3,704.81	1.02%
Chino Basin Water Conservation	\$ 2,650,760.00	\$ 4,737.17	1.30%
Chino Valley Independent Fire	\$ 35,816,023.00	\$ 20,000.00	5.50%
Crestline Lake Arrowhead Water Agency	\$ 6,532,381.00	\$ 10,000.00	2.75%
Crestline Sanitation District	\$ 3,996,148.00	\$ 5,000.00	1.38%
Crestline Village Water	\$ 2,795,705.00	\$ 4,996.20	1.37%
Cucamonga Valley Water District	\$ 86,775,873.00	\$ 30,000.00	8.25%
Daggett Community Services	\$ 331,863.00	\$ 593.07	0.16%
East Valley Water	\$ 37,919,109.00	\$ 20,000.00	5.50%
Helendale Community Services District	\$ 4,665,430.00	\$ 5,000.00	1.38%
Hesperia Recreation and Park	\$ 5,318,361.00	\$ 10,000.00	2.75%
Hi-Desert Memorial Healthcare District	\$ 7,017,128.00	\$ 1,500.00	0.41%
Hi-Desert Water District	\$ 11,076,052.00	\$ 10,000.00	2.75%
Inland Empire Resource Conservation	\$ 2,059,582.00	\$ 3,680.67	1.01%
Inland Empire Utilities Agency	\$ 172,755,874.00	\$ 30,000.00	8.25%
Joshua Basin Water	\$ 5,814,193.00	\$ 10,000.00	2.75%
Juniper-Riviera County Water	\$ 298,744.00	\$ 533.88	0.15%
Lake Arrowhead Community Services	\$ 17,656,448.00	\$ 10,000.00	2.75%
Mariana Ranchos County Water	\$ 540,327.00	\$ 965.62	0.27%
Mojave Desert Resource Conservation	\$ 132,779.00	\$ 237.29	0.07%
Mojave Water Agency	\$ 47,269,336.00	\$ 20,000.00	5.50%
Monte Vista Water	\$ 18,045,943.00	\$ 10,000.00	2.75%
Morongo Valley Community Services	\$ 1,327,246.00	\$ 2,371.92	0.65%
Newberry Community Services	\$ 198,823.00	\$ 355.32	0.10%
Phelan Pinon Hills Community Services District	\$ 7,578,152.00	\$ 10,000.00	2.75%
Rim of the World Recreation and Park	\$ 1,113,942.00	\$ 1,990.72	0.55%
Running Springs Water	\$ 6,691,035.00	\$ 10,000.00	2.75%
San Bernardino Mountains Community Hospital	\$ 2,264,936.00	\$ 1,500.00	0.41%
San Bernardino Valley Municipal Water	\$ 114,554,013.00	\$ 30,000.00	8.25%
San Bernardino Valley Water Conservation	\$ 2,211,193.00	\$ 3,951.62	1.09%
Thunderbird County Water	\$ 239,070.00	\$ 427.24	0.12%
Twentynine Palms Cemetery	\$ 246,065.00	\$ 439.74	0.12%
Twentynine Palms Water District	\$ 4,798,324.00	\$ 5,000.00	1.38%
West Valley Mosquito and Vector Control	\$ 3,168,481.00	\$ 5,000.00	1.38%
West Valley Water District	\$ 27,141,111.00	\$ 20,000.00	5.50%
Wrightwood Community Services District	\$ 150,017.00	\$ 268.09	0.07%
Yermo Community Services	\$ 124,236.00	\$ 222.02	0.06%
Yucaipa Valley Water	\$ 25,102,215.00	\$ 20,000.00	5.50%
Yucca Valley Airport	\$ 67,727.00	\$ 121.03	0.03%
Totals	\$ 707,617,087.00	\$ 363,499.00	100.00%

All data in this worksheet are extracted from Fiscal Year 2016-17 Special Districts revenues published on the State Controller's website. Fiscal Year 2017-18 was not available as of March 22, 2019.

Exception: Data used for Bear Valley Community Healthcare and San Bernardino Mountains Community Hospital is 'Net from Operations' from FY 2017-18, published by the Office of Statewide Health Planning and Development

- On March 28, 1995, Hi- Desert Memorial Hospital's name was changed to Hi-Desert Memorial Healthcare District.
- By the Resolution No. 2003 -10-8, Cucamonga County Water District name changed to Cucamonga Valley Water District.
- Effective July 15, 2015, Hi-Desert Memorial Healthcare District, DBA Morongo Basin Healthcare District, has no longer operates a hospital as it leased operations to Tenet Healthcare Corporation.
- Effective July 1, 2017, the Wrightwood Community Services District is subject to LAFCO apportionment after its formation from CSA 56, LAFCO Resolution No. 3235.