

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

REGULAR MEETING OF SEPTEMBER 18, 2019

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

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

1. **PUBLIC COMMENTS ON CLOSED SESSION**
2. **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
3. **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.

4. [Approval of Minutes for Regular Meeting of August 21, 2019](#)
5. [Approval of Executive Officer's Expense Report](#)
6. [Ratify Payments as Reconciled and Note Cash Receipts for Month of July 2019](#)
7. Consent Items Deferred for Discussion

PUBLIC HEARING ITEMS:

8. [Consideration of: \(1\) CEQA Statutory Exemption for LAFCO 3234 and \(2\) LAFCO 3234 – Service Review for the Wrightwood Community Services District](#)

DISCUSSION ITEMS:

9. [Update on Sustainability of the City of Adelanto, related to LAFCO 3232 - Sphere of Influence Amendment for the City of Adelanto](#)
10. [Status Report Outlining the Progress of the Town of Apple Valley in fulfilling its Obligation to Initiate an Island Annexation as a Condition of LAFCO 3229](#)
11. [Appointment of Voting Delegate and Alternate Voting Delegate for the Southern Region Caucus and for the CALAFCO Business Meeting at the Annual CALAFCO Conference](#)
12. [Report on Proposed CALAFCO Dues Structure](#)

INFORMATION ITEMS:

13. [Legislative Update 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.

**ACTION MINUTES TAKEN BY THE
LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY**

REGULAR MEETING

9:00 A.M.

AUGUST 21, 2019

PRESENT:

COMMISSIONERS:

Regular Member	Alternate Member
Jim Bagley	Louisa Amis
James Curatalo, Vice Chair	Steven Farrell
Larry McCallon, 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
 Kimberly Cox**

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

ANNOUNCEMENT OF CONTRIBUTIONS

1. PUBLIC COMMENTS ON CLOSED SESSION

There were no members of the public who requested to speak on the Closed Session items.

2. CONVENE CLOSED SESSION

LAFCO Legal Counsel Paula de Sousa Mills' announced that Closed Session would not convene since there is nothing to discuss in Closed Session.

- 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 CIVDS1712271

- 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 Superior Court Case No. CIVDS1906437

3. 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.

4. Approval of Minutes for Regular Meeting of July 17, 2019

5. Approval of Executive Officer’s Expense Report

Recommendation: Approve the Executive Officers’ Expense Report for Procurement Card Purchases from June 24, 2019 to July 23, 2019.

6. Ratify Payments as Reconciled and Note Cash Receipts for Month of June 2019

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

7. Consent Items Deferred for Discussion (none)

Commissioner Rowe abstains from Item 4

Commissioner Bagley moves approval of the consent items. Second by Commissioner McCallon. The motion on the Consent Items passes with the following roll call vote: Ayes: Bagley, Denison, Farrell, McCallon, and Rutherford. Noes: None. Abstain: Rowe (Item 4). Absent: Lovingood (Rutherford voting in his stead), Curatalo, Cox (Farrell voting in her stead) and Warren (Denison voting in her stead).

PUBLIC HEARING ITEMS:

Vice-Chair Curatalo takes his place at the dais at 9:07 A.M.

Commissioner Warren takes her place at the dais at 9:13 A.M.

- 8. Consideration of: (1) Final Environmental Impact Report Adopted by the City of San Bernardino for the Spring Trails Specific Plan (SCH No. 2009111086) as a CEQA Responsible Agency for LAFCO 3188A; (2) Adoption of Facts, Findings and Statement of Overriding Considerations; and (3) LAFCO 3188A – Reorganization to Include Annexation to the City of San Bernardino and to SBCFPD Zone FP-5 San Bernardino and Detachment from County Service Area 70 (Spring Trails Specific Plan) (CONTINUED AT THE REQUEST OF THE PROPERTY OWNER)**

Recommendation: Staff recommends that the Commission continue the item to the October 16, 2019 hearing.

Public Comment was provided by:

Richard Kaplan
City of San Bernardino Councilman Henry Nickel
Cruz Ruiz
Lagos Castaneda
Eddie Evans
Darcee Klapp
Lynette Kaplan

Commissioner Bagley moves to continue Item 8 to the October 16, 2019 hearing date. Second by Commissioner Curatalo. The motion passes with the following roll call vote: Ayes: Bagley, Curatalo, Farrell, McCallon, Rowe, Rutherford and Warren. Noes: None. Abstain: None. Absent: Lovingood (Rutherford voting in his stead), Cox (Farrell voting in her stead)

9. Update on LAFCO 3187 – Countywide Service Review for Water, Required Continued Monitoring for Daggett Community Services District

Recommendation: Staff recommends that the Commission take the following actions:

- Note receipt of status report and file.
- Direct that no further monitoring occur for Daggett Community Services District.

Commissioner Bagley moves approval of the staff recommendation, Second by Commissioner Farrell. The motion passes with the following roll call vote: Ayes: Bagley, Curatalo, Farrell, McCallon, Rowe, Rutherford and Warren. Noes: None. Abstain: None. Absent: Lovingood (Rutherford voting in his stead), Cox (Farrell voting in her stead).

10. Update on LAFCO 3190 – Countywide Service Review for Wastewater, Required Continued Monitoring for Victor Valley Wastewater Reclamation Authority

Recommendation: Staff recommends that the Commission take the following actions:

- Note receipt of status report and file
- Direct that no further monitoring occur for the Victor Valley Wastewater Reclamation Authority.

Commissioner Bagley moves approval of the staff recommendation. Second by Commissioner Curatalo. The motion passes with the following roll call vote: Ayes: Bagley, Curatalo, Farrell, McCallon, Rowe, Rutherford and Warren. Noes: None.

Abstain: None. Absent: Lovingood (Rutherford voting in his stead), Cox (Farrell voting in her stead).

INFORMATION ITEMS:

11. Legislative Oral Report

Executive Officer Samuel Martinez did not provide a Legislative Report.

12. Executive Officer's Oral Report

Executive Officer Samuel Martinez provided an update on the new video streaming service for the Commission Hearings and the upcoming items tentatively scheduled for the September Hearing.

13. Commissioner Comments

Commissioner Farrell indicates he is really excited about the new video system.

14. Comments from the Public

Elizabeth Surzack, the new Executive Officer for the Chino Basin Water Conservation District introduces herself to the LAFCO Commission.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING ADJOURNS AT 9:43 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

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(909) 388-0480 • Fax (909) 388-0481
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DATE : SEPTEMBER 9, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #5 – APPROVAL OF EXECUTIVE OFFICERS’ EXPENSE REPORT

RECOMMENDATION:

Approve the Executive Officers’ Expense Report for Procurement Card Purchases from July 23, 2019 to August 24, 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 July 23, 2019 to August 24, 2019.

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

SM/lj

Attachments



PROCUREMENT CARD PROGRAM

MONTHLY PROCUREMENT CARD PURCHASE REPORT

Card Number		Cardholder						Travel	Billing Period	
[REDACTED]		Samuel Martinez							7/23/19 - 8/24/19	
DATE	VENDOR NAME	#	DESCRIPTION	PURPOSE	COST CENTER	G/L ACCOUNT	\$ AMT	TRIP NUMBER	*R/D	SALES TAX
07/24/19	Daisy IT	1	Office Supplies	Office Supplies	8900005012	52002305	\$97.17		R	
07/24/19	Daisy IT	2	Office Supplies	Office Supplies	8900005012	52002305	\$159.24		R	
07/25/19	Frontier	3	Phone Service	Communication	8900005012	52002041	\$745.88		R	
08/21/19	CALAFCO	4	CALAFCO (Curatalo)	Annual Conference	8900005012	52942941	\$553.28		R	
08/21/19	CALAFCO University	5	CALAFCO (Tuerpe)	Education	8900005012	52942941	\$86.50		R	


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

Cardholder (Print & Sign) Samuel Martinez <i>Samuel Martinez</i>	Date 09/09/19
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Approving Official (Print & Sign) James Curatalo	Date 09/18/19
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DATE : SEPTEMBER 9, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM #6 - RATIFY PAYMENTS AS RECONCILED FOR
THE MONTH OF JULY 2019 AND NOTE REVENUE RECEIPTS**

RECOMMENDATION:

Ratify payments as reconciled for the month of July 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 July 1, 2019 through July 30, 2019

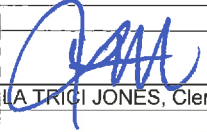

Staff is recommending that the Commission ratify the payments for July 2019 as outlined on the attached listings and note the revenues received.

SM/Ilj

Attachments


MONTH OF JULY 2019 PAYMENTS PROCESSED

Document Number	Account	Posting Date	Activity	Reference	Vendor	Amount
1900484994	52002075	7/2/2019	2019 CALAFCO MEMBERSHIP DUES	INVOICE 2019-36	CALAFCO	\$10,376.00
1900485035	52002090	7/2/2019	JANITORIAL SERVICE FOR LAFCO OFFICE	INVOICE 66809	JAN PRO	\$490.00
1900486991	52002090	7/3/2019	HVAC SERVICES	INVOICE UNIT 150	CITY COM	\$325.50
1900486998	52002090	7/3/2019	JANITORIAL SERVICE FOR LAFCO OFFICE	INVOICE 67227	JAN PRO	\$490.00
1900484819	52002180	7/2/2019	EDISON UTILITY BILL 6/12/2019	ACCT. 2-39-945-2309	EDISON	\$322.54
1900497025	52002180	7/18/2019	EDISON UTILITY BILL 7/12/2019	ACCT. 2-39-945-2309	EDISON	\$410.17
1900486327	52002245	7/3/2019	WORKERS COMP INSURANCE	INVOICE 66069	SDRMA	\$2,392.76
1900486328	52002245	7/3/2019	PROPERTY LIABILITY INSURANCE	INVOICE 66514	SDRMA	\$10,290.73
1900490760	52002305	7/10/2019	LAFCO LETTERHEAD	INVOICE 109294	CROWN PRINTERS	\$119.88
1900495027	52002305	7/16/2019	PAPER RECYCLING & SHREDDING SERVICES	INVOICE 8127653175	SHRED-IT	\$19.25
1900485039	52002315	7/2/2019	RECORDS MANAGEMENT/ARCHIVES	INVOICE 0112415	STORETREIVE	\$89.08
1900486892	52002315	7/3/2019	RECORDS MANAGEMENT/ARCHIVES	INVOICE 0114460	STORETREIVE	\$88.81
1900486971	52002315	7/3/2019	RECORDS MANAGEMENT/ARCHIVES	INVOICE 0080402	STORETREIVE	\$59.62
1900490762	52002315	7/10/2019	RECORDS MANAGEMENT/ARCHIVES	INVOICE 0081394	STORETREIVE	\$59.62
1900490765	52002315	7/10/2019	RECORDS MANAGEMENT/ARCHIVES	INVOICE 0092586	STORETREIVE	\$79.47
1900490768	52002315	7/10/2019	RECORDS MANAGEMENT/ARCHIVES	INVOICE 0100593	STORETREIVE	\$113.49
1900486992	52002424	7/3/2019	ENVIRONMENTAL CONSULTANT	INVOICE 19-4	TOM DODSON & ASSOC.	\$730.00
1900500526	52002424	7/23/2019	ENVIRONMENTAL CONSULTANT	INVOICE 19-5	TOM DODSON & ASSOC.	\$1,445.00
1900484817	52002445	7/2/2019	LAFCO CONSULTANT	INVOICE 84	ALDRICH & ASSOCIATES	\$1,950.00
1900485600	52002445	7/2/2019	LAFCO CONSULTANT	INVOICE 85	ALDRICH & ASSOCIATES	\$2,250.00
1900495033	52002445	7/16/2019	LAFCO CONSULTANT	INVOICE 1	ALDRICH & ASSOCIATES	\$1,800.00
1900486324	52002895	7/3/2019	LAFCO OFFICE COPIER	INVOICE 33671994	KONICA MINOLTA	\$446.37
1900486325	52002895	7/3/2019	LAFCO OFFICE COPIER	INVOICE 33538395	KONICA MINOLTA	\$438.01
1900486894	52002400	7/3/2019	BEST BEST & KRIEGER - SPECIAL COUNSEL	INVOICE 851609	BBK	\$120.00
1900486896	52002400	7/3/2019	BEST BEST & KRIEGER - GENERAL INVOICE	INVOICE 851606	BBK	\$1,554.58
1900486918	52002400	7/3/2019	BEST BEST & KRIEGER - SAHA CIVDS1715504	INVOICE 851607	BBK	\$60.00
1900486920	52002400	7/3/2019	BEST BEST & KRIEGER - LITIGATION	INVOICE 851608	BBK	\$870.00
1900497033	52002400	7/3/2019	BEST BEST & KRIEGER - GENERAL INVOICE	INVOICE 854362	BBK	\$220.18
1900497035	52002400	7/3/2019	BEST BEST & KRIEGER - SAN ANTONIO HEIGHTS ASSOC.	INVOICE 854363	BBK	\$2,291.73
1900497036	52002400	7/3/2019	BEST BEST & KRIEGER - SAHA CIVDS1715504	INVOICE 854364	BBK	\$511.00
1900484815	52002905	7/2/2019	COMMISSION HEARING ROOM RENTAL	INVOICE 781	IVDA	\$405.00
1900484957	52002905	7/2/2019	TENANT AMORTIZATION	INVOICE TEN AM 9	SBCTA	\$8,448.33
1900486991	52002905	7/3/2019	LAFCO OFFICE LEASE	INVOICE UNIT 150	CITY COM	\$8,464.50
1900486991	52002905	7/3/2019	LAFCO OFFICE CAM CHARGES	INVOICE UNIT 150	CITY COM	\$6,593.40
1900495009	52002445	7/16/2019	LASERFISCHE SCANNING PROJECT	INVOICE 14258	ECS IMAGING	\$1,313.00
1900496151	52002445/2940	7/17/2019	COMMISSIONER STIPEND & MILEAGE	BAGLEY 7-17-19	JAMES BAGLEY	\$304.00
1900496996	52002445/2940	7/18/2019	COMMISSIONER STIPEND & MILEAGE	COX 7-17-19	KIMBERLY COX	\$262.64
1900496997	52002445/2940	7/18/2019	COMMISSIONER STIPEND & MILEAGE	CURATALO 7-17-19	JAMES CURATALO	\$229.00
1900496998	52002445/2940	7/18/2019	COMMISSIONER STIPEND & MILEAGE	FARRELL 7-17-19	STEVEN FARRELL	\$219.95
1900496999	52002445/2940	7/18/2019	COMMISSIONER STIPEND & MILEAGE	DENISON 7-17-19	RICK DENISON	\$281.20
1900497002	52002445/2940	7/18/2019	COMMISSIONER STIPEND & MILEAGE	WARREN 7-17-19	ACQUANETTA WARREN	\$218.56
1900497010	52002445	7/18/2019	COMMISSIONER STIPEND	MCCALLON 7-17-19	LARRY MCCALLON	\$200.00
1900497011	52002445	7/18/2019	COMMISSIONER STIPEND	AMIS 7-17-19	LOUISA AMIS	\$200.00
1900504991	52942941	7/30/2019	J. LUM REIMBURSEMENT CALAFCO STAFF WORKSHOP	INVOICE TRIP500370	JEFFREY LUM	\$610.83
1900504992	52942941	7/30/2019	J. LUM REIMBURSEMENT ESRI CONFERENCE	INVOICE TRIP500360	JEFFREY LUM	\$854.70

TOTAL						\$69,018.90
MONTH OF JULY 2019 INTERNAL TRANSFERS PROCESSED						
4200035557	52002310	7/1/2019	MAIL SERVICES - FLAT	COUNTY MAIL		\$0.67
4200035559	52002310	7/1/2019	MAIL SERVICES - HAN	COUNTY MAIL		\$17.75
4100953496	52412410	7/25/2019	IT INFRASTRUCTURE - PERIOD 1	ISD		\$938.00
4100962584	52412416	7/26/2019	CPU USAGE & ENTERPRISE PRINTING - PERIOD 1	ISD		\$3.00
4100953501	52412418	7/25/2019	ENTERPRISE STORAGE - PERIOD 1	ISD		\$705.00
TOTAL						\$1,664.42
MONTH OF JULY 2019 CASH RECEIPTS						
4100935642	40709545	7/2/2019	LAFCO 3238 RUNNING SPRINGS WATER DISTRICT	INDIVIDUAL NOTICE		\$700.00
4100935642	40709660	7/2/2019	LAFCO 3238 RUNNING SPRINGS WATER DISTRICT	ENVIRONMENTAL		\$1,000.00
4100937952	40709800	7/8/2019	SC#441 CITY OF MONTCLAIR	LAFCO FEES		\$500.00
4100935642	40709800	7/2/2019	LAFCO 3238 RUNNING SPRINGS WATER DISTRICT	LAFCO FEES		\$6,500.00
4100935642	40709555	7/2/2019	LAFCO 3238 RUNNING SPRINGS WATER DISTRICT	LEGAL DEPOSIT		\$2,000.00
TOTAL						\$10,700.00
MONTH OF JULY 2019 INTERNAL TRANSFERRED RECEIVED						
100234991	40308500	7/29/2019	INTEREST APPORTIONMENT	INTEREST		\$4,026.55
4200035775	40308500	7/16/2019	APPORTIONMENT PAYMENT	APPORTIONMENT		\$363,499.00
4200035413	40709555	7/10/2019	LAFCO 3216 SBCFPD	INDEMNIFICATION		\$219.97
4200035414	40709555	7/10/2019	LAFCO 3216 SBCFPD	INDEMNIFICATION		\$233.25
4200036549	40709555	7/29/2019	LAFCO 3216 SBCFPD	INDEMNIFICATION		\$30.00
4200036552	40709555	7/29/2019	LAFCO 3216 SBCFPD	INDEMNIFICATION		\$1,401.37
TOTAL						\$369,410.14
					9/9/2019	
PATRICIA JONES, Clerk to the Commission				DATE		
RECONCILIATION APPROVED BY:						
					9/9/2019	
SAMUEL MARTINEZ, Executive Officer				DATE		

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DATE : SEPTEMBER 11, 2019 
FROM: MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM 8: LAFCO 3234 – Service Review for the
Wrightwood Community Services District

RECOMMENDATION:

Staff recommends that the Commission continue LAFCO 3234 to the October 16, 2019 hearing.

BACKGROUND:

The Wrightwood CSD requests that the Commission continue the service review for the District to the October hearing (see letter attached to this report). The general manager assumed office in August and has a previously booked commitment during the Commission's September hearing. She feels it would be best that she attend the Commission's hearing when staff presents the service review to the Commission.

Staff recommends that the Commission continue LAFCO 3234 to the October 16, 2019 hearing.

Attachment

MT/

Wrightwood Community Services District

Charting Wrightwood's Destiny for Parks & Rec, Solid Waste and Streetlights
1275 Hwy2, Wrightwood, CA 92397 Mailing Address: POB 218, Wrightwood, CA 92397 Phone: 760 249-3205

September 4, 2019

Samuel Martinez, Executive Officer
LAFCO for San Bernardino County
1170 West Third Street, Unit 150
San Bernardino, CA 92415-0490

Dear Mr. Martinez:

This letter is a request for the Commission to grant a continuance of the service review for the Wrightwood Community Services District to its October 16, 2019 hearing.

I recently assumed the position of general manager, and I have a previous engagement scheduled for September 18, 2019. It would be best if I could attend the hearing when you present the service review to the Commission. In the meantime, I would continue to work with you and Michael Tuerpe on the service review.

Should you have any questions, please contact me at 760-249-3205.

Sincerely,



Lori Golden
General Manager

MICHELLE SCHNIEDER
DIRECTOR


WES ZUBER
PRESIDENT

NATALIE LOPICCOLO
DIRECTOR

LEO HORDYK
VICE-PRESIDENT

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : SEPTEMBER 11, 2019
FROM: MICHAEL TUERPE, Project Manager 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM 9: Update on Sustainability of the City of Adelanto, related to LAFCO 3232 - Sphere of Influence Amendment for the City of Adelanto

RECOMMENDATION:

Staff recommends that the Commission:

1. Receive and file this report.
2. Schedule an update for the City for the March 2020 hearing.

BACKGROUND:

As an outgrowth from LAFCO's 2017 Countywide Service Review for Water (LAFCO 3187) and its 2018 Countywide Service Review for Wastewater (LAFCO 3190), the Commission initiated a sphere of influence amendment for the City of Adelanto to determine the appropriate sphere of influence for the City.

At its April 2019 hearing, the Commission:

- Reduced the sphere for the City of Adelanto by approximately 8.4 square miles, and
- Directed staff to return with an update on the City's sustainability at the Commission's September 2019 hearing.

SEPTEMBER 2019 UPDATE:

For this update, LAFCO staff requested City responses to four items. The City provided its response, dated September 9, 2019 (see the Attachment to this report). LAFCO's questions with a summary of the City's responses are below:

1. Schedule of completing outstanding audits for the City and APUA

The auditors have completed the FY14/15 City audit, which was presented to the City Council on July 10, 2019. The auditors have provided the City with the following tentative schedule to complete the outstanding audits:

Audit	Dates	Description
FY15/16	08-05-19 to 08-08-19	Year End Fieldwork
	08-12-19 to 08-15-19, 08-19-19	Year End Fieldwork
	09-23-19	Draft Reports
	10-07-19	Finalize Reports
FY16/17	09-09-19 to 09-13-19	Interim/Year End Fieldwork
	09-16-19 to 09-19-19	Year End Fieldwork
	10-07-19	Draft Reports
	10-21-19	Finalize Reports
FY17/18	10-28-19 to 10-31-19	Interim Fieldwork
	11-04-19 to 11-07-19	Year End Fieldwork
	11-25-19	Draft Reports
	12-09-19	Finalize Reports
FY18/19 (City & APUA)	12-09-19 to 12-12-19	Interim Fieldwork
	12-16-19 to 12-19-19	Interim/Year End Fieldwork
	01-06-20 to 01-09-20	Year End Fieldwork
	01-20-20	Draft Reports
	02-03-20	Finalize Reports

2. The purpose of hiring and/or contracting of risk management and additional human resources personnel

The City is currently recruiting for a Senior Human Resources / Risk Analyst who will oversee the Human Resource and Risk Management functions within the City. The City recognizes the need for a full-time, seasoned and experienced HR professional who can provide the high-level oversight on a full-time basis and ensure that the City utilizes best practices. It is hoped that the addition of this position will help ensure that sustainable staffing and compensation levels are developed and maintained, and that unbiased, ethical standards are used in dealing with employees.

3. Obtaining insurance

Early this year, the insurance pool Board advised the City that because of an upsurge in employment related claims, it was cancelling the City's employment practices liability coverage. In May 2019, the City presented its application to a different insurance pool which voted unanimously to accept the City as a member effective July 1, 2019.

4. Status of the items identified in the Corrective Action Plan from the 2015 City audit

In conjunction with the FY14/15 financial statements, the City's auditors issued an internal control report finding three material weaknesses and six significant deficiencies. The City prepared a Corrective Action Plan in response to the findings and is actively working towards implementing the necessary changes. A summary of the finding, the City's action, and the status are provided in the attachment.

The City's letter closes with the following:

"Given the progress and commitment that the City has demonstrated by addressing these issues in a very short period of time, we respectfully request that the LAFCO Commission consider no further reductions in the City's Sphere of Influence ("SOI") and reconsider the SOI reduction of Area A, which was approved by the LAFCO Commission via Resolution No. 3285 at its April 17, 2019 meeting."

It is LAFCO staff's position that the City is making strides to come into compliance. Therefore, at this time, staff is not recommending any additional sphere of influence amendments. As for the City's request that the Commission reconsider the sphere reduction that the Commission approved in April 2019, this matter cannot be considered today since such a consideration would require a formal initiation/application, noticing, and public hearing.

Staff recommends that the Commission schedule another update for the City for the March 2020 hearing.

Attachment

MT/



September 9, 2019

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

Gabriel Reyes
Mayor

Gerardo Hernandez
Mayor Pro Tem

Ed Camargo
Council Member

Steevonna Evans
Council Member

Joy Jeannette
Council Member

Jessie Flores
City Manager

RE: Status Update on City of Adelanto

Dear Mr. Martinez:

The purpose of this letter is to respond to your letter dated August 30, 2019, and to provide you with an update regarding the City of Adelanto in anticipation of the LAFCO Commission meeting scheduled for September 18, 2019.

You have requested updates regarding the following:

1. Schedule of completing outstanding audits for the City and APUA

Response:

Since the City's last update to LAFCO in January of 2019, City staff and the City's audit firm of Teaman, Ramirez & Smith, Inc. ("TRS"), and the Adelanto Public Utility Authority's ("APUA") audit firm of The Pun Group, LLP ("Pun Group"), have been actively working to prepare the City's financial records in order to complete the outstanding audits.

The Pun Group conducted on site fieldwork for the APUA Fiscal Year (FY) 17/18 audit from January 28, 2019 through January 31, 2019. Since then, both City and Pun Group staff have been working to resolve outstanding accounting items and to prepare adjusting journal entries. At this time, the draft of the audit has been completed and is awaiting final review by the City and the Pun Group. It is anticipated that the final audit report will be presented to the City Council before the end of October.

Regarding the City audits, over the last nine months TRS has had three to four staff members on site at the City for a total of 25 days. During that time, the auditors have been conducting fieldwork for the FY14/15, FY15/16, FY16/17, and FY17/18 audits.

The auditors have completed the FY14/15 City audit, which was presented to the City Council to receive and file on July 10, 2019.

The TRS auditors have provided the City with the following tentative schedule to complete the outstanding audits:

Audit	Dates	Description
FY15/16	08-05-19 to 08-08-19	Year End Fieldwork
	08-12-19 to 08-15-19, 08-19-19	Year End Fieldwork
	09-23-19	Draft Reports
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	11-25-19	Draft Reports
	12-09-19	Finalize Reports
FY18/19 (City & APUA)	12-09-19 to 12-12-19	Interim Fieldwork
	12-16-19 to 12-19-19	Interim/Year End Fieldwork
	01-06-20 to 01-09-20	Year End Fieldwork
	01-20-20	Draft Reports
	02-03-20	Finalize Reports

It should be noted that the above schedule is tentative and assumes that there will be no anomalies in the accounting data. If such issues are encountered, then the schedule will be adjusted accordingly.

2. The purpose of hiring and/or contracting of risk management and additional human resources personnel

Response:

The City is currently recruiting for a Senior Human Resources / Risk Analyst who will oversee the Human Resource and Risk Management functions within the City.

The City’s Human Resources responsibilities are currently handled in-house by one full-time clerical level HR Technician who receives direction from the City’s Finance Director and the City Clerk. The City recently contracted with Regional Government Services (“RGS”) to provide higher-level Human Resources and Risk Management consulting services. The City recognizes the need for a full-time, seasoned and experienced HR professional who can provide the high-level oversight on a full-time

basis and ensure that the City utilizes best practices. By implementing best practices, the City will experience reduced exposure from employment liability claims. This is essential for the financial sustainability of the City.

The soon to be hired Senior Analyst will work closely with Directors and Division heads on matters relating to recruitment and staffing, compensation and benefits, employee relations as well as overseeing the City's risk management program. Priorities will include the revision and adoption of the City's Personnel Rules and Administrative Policies as well as evaluating the City's organizational structure and its classification and compensation plan.

It is hoped that the addition of this position will help ensure that sustainable staffing and compensation levels are developed and maintained, and that unbiased, ethical standards are used in dealing with employees.

3. Obtaining insurance

Response:

The City of Adelanto had been a member of Public Entity Risk Management Authority ("PERMA"), a Joint Powers Authority insurance pool, since 1993. Through PERMA, the City purchased its liability, workers' compensation and property insurances. PERMA also allowed the City to participate in the Employment Risk Management Authority ("ERMA"), which is a risk pool designed to provide separate coverage for employment practices liability claims. Early this year, the ERMA Board of Directors advised the City that because of an upsurge in employment related claims, the Board was cancelling the City's employment practices liability coverage but would reconsider their position if the City adopted a Performance Improvement Plan ("PIP"). The City and the ERMA Board of Directors met and agreed on the PIP, the PIP was approved and adopted by the Board on February 8, 2019, and adopted by the City through a Council resolution on March 5, 2019.

The PIP required that within 30 days of being adopted that the City complete training for the City Council, City Manager, and Management staff; identify a mentor for the City Manager; retain a recommended employment attorney from the ERMA defense panel; and the City Manager meet with ERMA staff monthly via telephone. The City has initiated or completed each of these steps; however, ERMA did not commit to maintaining the City's coverage. Thus, the City began seeking a viable alternative.

The City reviewed its options and identified Independent Cities Risk Management Association ("ICRMA") as its most viable option. ICRMA was established for the purpose of operating and maintaining a cooperative program of self-insurance and risk management. Consisting of 18 cities primarily in Orange and Los Angeles Counties, ICRMA offers pooled liability, workers' compensation, and property insurance programs. In addition to excess insurance coverage, the pool offers its members a wide range of services including risk management, cost containment, training, and loss control services.

The Pool is governed by a board consisting of one representative from all of the member cities.

In May 2019, the City presented its application to the ICRMA Board which voted unanimously to accept the City of Adelanto as a member effective July 1, 2019. The City Council adopted the necessary resolution to authorize participation in the various ICRMA self-insurance and excess insurance programs. City staff has consulted with ICRMA staff on a number of issues and as a result, they have developed a strong working relationship.

4. Status of the items identified in the Corrective Action Plan from the 2015 City audit

Response:

In conjunction with the FY14/15 financial statements, the City’s auditors issued an internal control report finding three material weaknesses and six significant deficiencies. The City prepared a Corrective Action Plan in response to the findings and is actively working towards implementing the necessary changes. A summary of the finding, the City’s action, and the status are provided in the following tables:

Finding:	2015-001 - Financial Close and Reporting Process
Condition:	The City’s financial close and reporting process has been behind in preparing year-end reconciliations and adjustments to adequately close the most current fiscal year-end accounting records.
Action:	The Finance Department will use outside accounting consultants in order to work towards timely year-end closings. At such time that the year-end closings are current, the process will be transitioned to City staff.
Status:	The corrective action is ongoing. As each audit is completed, the fiscal year is being closed in the accounting system. Year-end closing reconciliations and adjusting entries for FY18/19 are currently being prepared. This finding will be resolved with the completion of the FY18/19 audit in early 2020.

Finding:	2015-002 - Formal Written Payroll and Accounting Policies and Procedures Manual
Condition:	There is no formal written payroll and accounting policies and procedures manual.
Action:	The Finance and Department is in the process of developing and implementing formal written payroll and accounting policies as well as a procedures manual.
Status:	The corrective action is ongoing. Five policies have been completed including: cash handling, accounts payable, bank reconciliation, revenue recordation, and unclaimed funds. The

	policies were presented to the City Council at its August 28, 2019 meeting. Additional policies are currently being drafted. This finding will be resolved with the completion of the FY18/19 audit in early 2020.
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Finding:	2015-003 - Outstanding Checks
Condition:	For the Adelanto Water Authority checking account, the amount of outstanding checks was estimated and there was no detail listing of the outstanding checks on the bank reconciliation.
Action:	The Finance Department is reviewing its bank reconciliation to apply the unclaimed funds policy on outstanding and uncashed checks.
Status:	The corrective action is ongoing. The unclaimed funds policy has been implemented. Finance department staff are currently reviewing the outstanding checks and are applying the unclaimed funds policy as appropriate. This finding will be resolved with the completion of the FY18/19 audit in early 2020.

Finding:	2015-004 - Cash Disbursement and Purchasing Policies
Condition:	The current cash disbursements and purchasing practices of the City do not follow the limits set forth under the City of Adelanto's municipal code.
Action:	The Finance Department is reviewing the outdated cash disbursement and purchasing policies in the municipal code in order to recommend changes that are in line with those used in our software system and present these recommendations to City Council as replacement for the outdated codes.
Status:	The corrective action is ongoing. The cash handling and accounts payable policies have been implemented. The City's purchasing rules, as set forth in the municipal code, are being adhered to. This finding has been resolved; however, it will remain open until the completion of the FY18/19 audit in early 2020.

Finding:	2015-005 - Bank Reconciliations
Condition:	Bank reconciliations were completed several months after the close of each month.
Action:	The City hired an accountant and outside accounting staff to perform all bank account reconciliation and are now current.
Status:	This finding has been resolved; however, it will remain open until the completion of the FY18/19 audit in early 2020.

Finding:	2015-006 - Payroll Rate Approvals
Condition:	During our test of payroll controls, there were several personnel action forms that had missing approval signatures.
Action:	The Finance and Human Resource Departments are reviewing payroll policies to ensure payroll rate approvals are properly approved and documented.
Status:	The corrective action is ongoing. Policies and procedures have been implemented along with a revised payroll approval form. City staff are conducting an internal audit of all payroll transactions dating back to calendar year 2012. Corrections are being made as necessary. This finding will be resolved with the completion of the FY18/19 audit in early 2020.

Finding:	2015-007 - Accounts Payable Reconciliations
Condition:	The City implemented a new accounting software which had various new reports and options. The reports that were used to reconcile accounts payable did not reflect all the invoices that had been accrued as of June 30, 2015.
Action:	The Finance Department has identified the correct accounts payable aging report in order to properly perform reconciliations of accounts payable.
Status:	This finding has been resolved; however, it will remain open until the completion of the FY18/19 audit in early 2020.

Finding:	2015-008 - Construction Recycling Deposits
Condition:	The City has construction recycling deposits but there are no formal tracking procedures that keep an updated listing and verification of outstanding deposits.
Action:	The Finance Department is in the process of developing and implementing formal written policies and procedures to monitor construction recycling deposits as well as the reconciliation of those deposits.
Status:	The corrective action is ongoing. The Finance Department is working with the land use departments to develop policies and procedures to track outstanding deposits. It is anticipated that this finding will be resolved with the completion of the FY18/19 audit in early 2020.

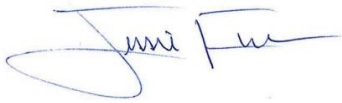
Finding:	2015-009 - Cash Management
Condition:	There were several adjustments made at the end of the fiscal year to reimburse the General Fund for expenditures from prior years.
Action:	The Finance Department has reviewed its cash management procedures and is in the process of updating those procedures to ensure timely transfer reimbursements between funds.

Status:	The corrective action is ongoing. The cash handling and accounts payable policies have been implemented. Other policies will be implemented outlining the timeframes for proper recordation of transactions. Once the City is current on its audits, procedures will be implemented in order to close prior fiscal years such that additional transactions cannot be recorded. It is anticipated that this finding will be resolved with the completion of the FY18/19 audit in early 2020.
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Given the progress and commitment that the City has demonstrated by addressing these issues in a very short period of time, we respectfully request that the LAFCO Commission consider no further reductions in the City's Sphere of Influence ("SOI") and reconsider the SOI reduction of Area A, which was approved by the LAFCO Commission via Resolution No. 3285 at its April 17, 2019 meeting.

We welcome any questions the LAFCO Commission may have and look forward to continuing to build a positive working relationship.


Sincerely,



Jessie Flores
City Manager

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: SEPTEMBER 9, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #10: Status Report Outlining the Progress of the Town of Apple Valley in Fulfilling its Obligation to Initiate an Island Annexation as a Condition of LAFCO 3229

RECOMMENDATION:

Staff recommends that the Commission receive and file the update.

BACKGROUND:

At the December 5, 2018 LAFCO hearing, the Commission approved LAFCO 3229, the reorganization that included the annexation of the I-15 Freeway portion of the Town of Apple Valley's northwestern sphere of influence, including adoption of Resolution No. 3280 setting forth the Commission's conditions and determinations (copy included as Attachment #1). As a condition of approval, the Town of Apple Valley (hereafter the "Town") is required to initiate the annexation of the remainder of its northwestern sphere of influence within a year. The condition, as approved by the Commission, reads as follows:

Condition No. 5. The Town of Apple Valley shall be required to initiate annexation of the remainder of the island within one year of the Commission's approval of LAFCO 3229. A resolution by the Town Council of the Town of Apple Valley shall be submitted to the Executive Officer of LAFCO outlining the Town's commitment to fulfilling this requirement prior to the issuance of the Certificate of Completion for LAFCO 3229. A status report shall be provided to the Commission at the six month date outlining the progress of the Town of Apple Valley in fulfilling its obligation. Failure on the part of the Town of Apple Valley to fulfill its commitment for annexation of the remainder island shall require that the next annexation proposed to the Town of Apple Valley, either by

the Town through resolution or by property owner/registered voter petition, include a condition requiring the initiation of annexation of the remainder island. Said condition of approval shall be deemed completed upon the issuance of the Certificate(s) of Filing for the island.

At its February 12, 2019 Town Council meeting, the Town adopted a resolution (No. 2019-03) to commit to initiating the annexation of the remainder portion of the island (see Attachment #2).

In response to staff's request for an update on fulfilling its obligation, the Town's staff indicated that the proposed annexation of the remainder island was, in fact, included in its budget for Fiscal Year 2019-20 and had recently selected Terra Nova Planning and Research, a consultant, to help the Town in processing said annexation. As outlined in the Town's letter dated September 5, 2019, it hopes to have the proposed island initiated and submitted by early 2020 (see Attachment #3).

CONCLUSION:

LAFCO staff is providing the Commission with the required update on the status of the Town's compliance with Condition No. 5 as outlined in LAFCO Resolution No. 3280.

Since the Town has executed an agreement with Terra Nova Planning and Research to help the Town in processing the annexation, staff believes the Town is moving forward with its commitment to annex the remainder of the island within one year of approval of LAFCO 3229. Therefore, staff is recommending that the Commission take the action outlined on page one of this staff report and direct staff to continue to monitor the Town's progress in annexing the remainder island and return to the Commission with an update on any actions of the Town related to initiating the remainder island.

SM

Attachment:

1. [LAFCO Resolution No. 3280](#)
2. [Town of Apple Valley's Resolution No. 2019-03](#)
3. [Town of Apple Valley's Letter Dated September 5, 2019.](#)

LAFCO Resolution No. 3280

Attachment 1

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 3229

HEARING DATE: DECEMBER 5, 2018

AMENDED RESOLUTION NO. 3280

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 3229 - REORGANIZATION TO INCLUDE ANNEXATION TO THE TOWN OF APPLE VALLEY AND DETACHMENT FROM COUNTY SERVICE AREA 70. The reorganization area encompasses approximately 1,365 acres, which is generally bordered by a combination of parcel lines and Morro Road (existing Town boundaries) on the north, a combination of Fairfield Avenue and parcel lines on the east, a combination of parcel lines, Johnson Road (existing Town boundaries) on the south, and the centerline of the Interstate 15 Freeway on the west. The area is generally located in the northern Town of Apple Valley sphere of influence area.

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

WHEREAS, an application for the proposed reorganization in San Bernardino County was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.), and the Executive Officer has examined the application and executed his certificate in accordance with law, determining and certifying that the filings are sufficient; and,

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

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

WHEREAS, the public hearing by this Commission was called for December 5, 2018 at the time and place specified in the notice of public hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written support and/or opposition; the Commission considered all plans and proposed changes of

RESOLUTION NO. 3280

organization, objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing.

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

DETERMINATIONS:

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

CONDITIONS:

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

Condition No. 2. The following distinctive short-form designation shall be used throughout this proceeding: LAFCO 3229.

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

Condition No. 4. The Town of Apple Valley will accept the transfer of all previously offered or dedicated drainage easements within the affected area as shown on exhibits to the resolution of approval, which exclude any regional drainage facilities identified. The Town will assume authority over these drainage easements upon completion of LAFCO 3229.

Condition No. 5. The Town of Apple Valley shall be required to initiate annexation of the remainder of the island within one year of the Commission's approval of LAFCO 3229. A resolution by the Town Council of the Town of Apple Valley shall be submitted to the Executive Officer of LAFCO outlining the Town's commitment to fulfilling this requirement prior to the issuance of the Certificate of Completion for LAFCO 3229. A status report shall be provided to the Commission at the six month date outlining the progress of the Town of Apple Valley in fulfilling its obligation. Failure on the part of the Town of Apple Valley to fulfill its commitment for annexation of the remainder island shall require that the next annexation proposed to the Town of Apple Valley, either by the Town through resolution or by property owner/registered voter petition, include a condition requiring the initiation of annexation of the remainder island. Said condition of approval shall be deemed completed upon the issuance of the Certificate(s) of Filing for the island.

Condition No. 6. The Town of Apple Valley shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

RESOLUTION NO. 3280

Condition No. 7. Pursuant to Government Code Section 56886.1, public utilities, as defined in Section 216 of the Public Utilities Code, have ninety (90) days following the recording of the Certificate of Completion to make the necessary changes to impacted utility customer accounts.

Condition No. 8. The date of issuance of the Certification of Completion shall be the effective date of the reorganization;

SECTION 2. The Commission determines that approval of LAFCO 3229 will create an unincorporated island completely surrounded by the Town of Apple Valley. Since the east side of Interstate 15 within the Town's unincorporated sphere cannot be developed in conformity with the Town's standards unless the area is annexed, the Commission determines, pursuant to the provision of Government Code Section 56375(m), to waive the restrictions on the creation of a totally surrounded island contained within Government Code Section 56744 because it would be detrimental to the orderly development of the community, and it further determines that the area to be surrounded cannot reasonably be annexed to another city or incorporated as a new city.

SECTION 3. DETERMINATIONS. The following determinations are required to be provided by Commission policy and Government Code Section 56668:

1. The reorganization area is legally uninhabited containing zero registered voters as certified by the Registrar of Voters as of November 1, 2018.
2. The County Assessor's Office has determined that the total assessed valuation of land within the reorganization area is \$11,775,061 as of August 2, 2018, broken down as: \$11,033,461 (land) and \$741,600 (improvements).
3. The reorganization area is within the sphere of influence assigned the Town of Apple Valley.
4. Legal notice of the Commission's consideration of the proposal has been provided through publication in the *Daily Press*, a newspaper of general circulation within the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notice.
5. In compliance with the requirements of Government Code Section 56157 and Commission policies, LAFCO staff has provided individual notice to:
 - landowners (206) and registered voters (0) within the reorganization area (totaling 206 notices); and,
 - landowners (220) and registered voters (23) surrounding the reorganization area (totaling 243 notices).

Comments from registered voters, landowners, and other individuals and any affected local agency in support or opposition have been reviewed and considered by the Commission in making its determination.

RESOLUTION NO. 3280

6. The Town of Apple Valley has assigned the reorganization area pre-zone land use designations as a part of its 2009 General Plan Update, which include the following: Estate Residential (1 unit/1 to 2.5 acres), General Commercial (retail and services), Regional Commercial (retail, services, restaurant, and hotel/motel), Office Professional (office and ancillary retail), and Planned Industrial (warehousing, light manufacturing, research/development, and administrative). These zoning designations are consistent with the Town's General Plan and is generally compatible with the surrounding land uses in the area. The Town's pre-zone designations will remain in effect for a minimum of two years following annexation unless specific actions are taken by the Town Council.
7. The Southern California Associated Governments ("SCAG") adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy pursuant to Government Code Section 65080. LAFCO 3229 includes the eastern portion of the I-15 Freeway, which is part of the RTP-SCS's State highway improvement (expansion/rehabilitation) program including reconstruction of Stoddard Wells Road Overcrossing and as well as Stoddard Wells Road.
8. An Addendum to the Environmental Impact Report (SCH#2008091077) was prepared and certified by the Town of Apple Valley for its 2009 General Plan and Annexation 2008-001. The Commission, its staff, and its Environmental Consultant have independently reviewed the Town's General Plan Environmental Impact Report and Addendum.

The Commission certifies that it has considered the Town's General Plan Environmental Impact Report and the Addendum and the environmental effects as outlined in the Addendum prior to reaching a decision on the project and finds the information substantiating the Addendum adequate for the reorganization decision as a CEQA responsible agency. The Commission further finds that it does not intend to adopt alternatives or additional mitigation measures for this project as all changes, alternations, and mitigation measures are within the responsibility and jurisdiction of the Town and/or other agencies and not the Commission, and find that it is the responsibility of the Town to oversee and implement these measures.

The Commission directs its Executive Officer to file a Notice of Determination within five (5) days within the San Bernardino County Clerk of the Board of Supervisors. The Commission, as a responsible agency, also notes that this proposal is exempt from the California Department of Fish and Wildlife fees because the fees were the responsibility of the Town of Apple Valley as a CEQA lead agency.

9. The reorganization area is served by the following local agencies: Apple Valley Fire Protection District, County of San Bernardino, County Service Area 60 (airport), County Service Area 70 (unincorporated County-wide multi-function), Mojave Desert Resource Conservation District (portion), Mojave Water Agency.

County Service Area 70 will be detached upon successful completion of this proposal. None of the other agencies will be directly affected by the completion of this proposal through an adjustment in their boundaries as they are regional in nature.

RESOLUTION NO. 3280

10. The Town of Apple Valley has submitted a plan for the extension of municipal services to the study area as required by Government Code Section 56653, which indicate that the Town of Apple Valley can, at a minimum, maintain the existing level of service delivery and can improve the level and range of services currently available in the area.

The Plan for Service and Fiscal Impact Analysis have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Plan for Service and the Fiscal Impact Analysis conform to those adopted standards and requirements.

11. The reorganization proposal complies with Commission policies that indicate the preference for areas proposed for development at an urban-level land use to be included within a Town or City so that the full range of municipal services can be planned, funded, extended and maintained.

However, the approval of this proposal will create an island of unincorporated territory to be totally surrounded by the Town. Based on the termination of LAFCO 3169 in 2012 due to registered voter protest, LAFCO 3229 cannot be expanded to eliminate the island area without the risk of termination again.

12. The reorganization area can benefit from the availability and extension of municipal services from the Town of Apple Valley upon future development.
13. This proposal will assist the Town of Apple Valley's ability to achieve its fair share of the regional housing needs as the land use designation include Estate Residential, which allows one unit to 2.5 acres.
14. With respect to environmental justice, which is the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services, the following demographic and income profile was generated using ESRI's Community Analyst within the Town of Apple Valley and within and around the reorganization area (2018 data):

Demographic and Income Comparison	Town of Apple Valley (%)	Reorganization Area and Unincorporated Sphere (%)
Race and Ethnicity		
• African American Alone	9.3 %	8.5 %
• American Indian Alone	1.2 %	0.8 %
• Asian Alone	3.4 %	5.9 %
• Pacific Islander Alone	0.5 %	0.8 %
• Hispanic Origin (Any Race)	39.5 %	25.4 %
Median Household Income	\$55,261	\$82,990

Through future development, the reorganization area will benefit from the extension of services and facilities from the Town and, at the same time, the approval of the

RESOLUTION NO. 3280

reorganization proposal will not result in the unfair treatment of any person based on race, culture or income.

- 15. The County of San Bernardino and the Town of Apple Valley have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this annexation. This fulfills the requirements of Section 99 of the Revenue and Taxation Code.
- 16. The map and legal description, as revised, are in substantial compliance with LAFCO and State standards through certification by the County Surveyor's Office.

SECTION 4. Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change of organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

SECTION 5. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

SECTION 6. The Commission hereby directs that, following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer is hereby directed to initiate protest proceedings in compliance with this resolution and State law.

SECTION 7. Upon conclusion of the protest proceedings, the Executive Officer shall adopt a resolution setting forth his determination on the levels of protest filed and not withdrawn and setting forth the action on the proposal considered.

SECTION 8. Upon adoption of the final resolution by the Executive Officer, either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

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

AYES: COMMISSIONERS: Bagley, Cox, Curatalo, Williams, Warren

NOES: COMMISSIONERS: None

ABSTAIN: COMMISSIONERS: Lovingood

ABSENT: COMMISSIONERS: McCallon (Warren voting in his stead)

RESOLUTION NO. 3280

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 December 5, 2018.

DATED: December 7, 2018



SAMUEL MARTINEZ
Executive Officer

LAFCO 3229 REORGANIZATION TO INCLUDE ANNEXATION TO THE TOWN OF
APPLE VALLEY AND DETACHMENT FROM COUNTY SERVICE AREA 70

TOWN OF APPLE VALLEY ANNEXATION NO. 2018-001

IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, A PORTION OF
SECTIONS 5, 6, 7, 8 AND 18, TOWNSHIP 6 NORTH, RANGE 3 WEST AND A PORTION
OF SECTION 13, TOWNSHIP 6 NORTH, RANGE 4 WEST, SAN BERNARDINO
MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTHWEST QUARTER OF SAID SECTION 5 EXCEPT THEREFROM THAT
PORTION LYING NORTHWESTERLY OF THE SOUTHEASTERLY BOUNDARY OF
LAFCO 2533;

TOGETHER WITH THE SOUTHEAST QUARTER OF SAID SECTION 6 EXCEPT
THEREFROM THAT PORTION LYING NORTHWESTERLY OF THE SOUTHEASTERLY
BOUNDARY OF LAFCO 2533;

TOGETHER WITH SAID SECTION 7, EXCEPT THEREFROM THAT PORTION LYING
NORTHWESTERLY OF THE SOUTHEASTERLY BOUNDARY OF LAFCO 2533;

TOGETHER WITH THE NORTHWEST QUARTER OF SAID SECTION 8;

TOGETHER WITH THE NORTH HALF OF SAID SECTION 18 EXCEPT THEREFROM
THAT PORTION LYING NORTHWESTERLY OF THE SOUTHEASTERLY BOUNDARY
OF LAFCO 2533;

TOGETHER WITH THE SOUTHWEST QUARTER OF SAID SECTION 18;

TOGETHER WITH THE WEST HALF OF THE WEST HALF OF THE SOUTHEAST
QUARTER OF SAID SECTION 18;

TOGETHER WITH THE WEST HALF OF THE SOUTHEAST QUARTER OF THE
SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 18;

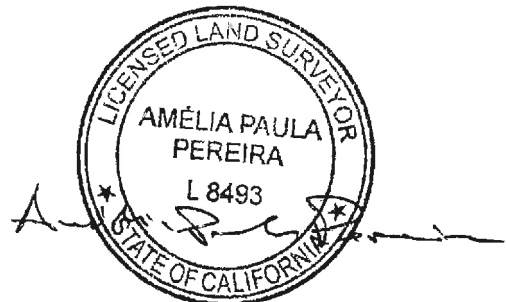
TOGETHER WITH SAID SECTION 13 EXCEPT THEREFROM THAT PORTION LYING
NORTHWESTERLY OF THE SOUTHEASTERLY BOUNDARY OF LAFCO 2533.

TOTAL AREA CONTAINING 1,365.11 ACRES, MORE OR LESS.

PREPARED BY:


AMÉLIA PAULA PEREIRA - P.L.S. NO. 8493

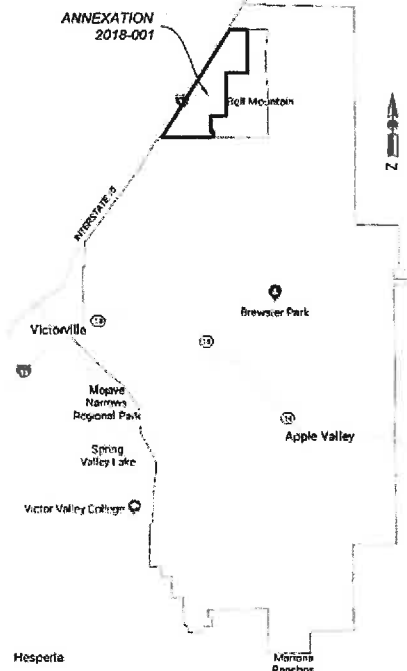
SEPTEMBER 19, 2018
DATE



FOR QUESTIONS REGARDING THIS MAP OR TO OBTAIN A COPY OF THIS MAP IN ELECTRONIC FORM, PLEASE CONTACT LAFCO FOR SAN BERNARDINO COUNTY

ANNEXATION 2018-001

TOWN OF APPLE VALLEY



VICINITY MAP
NOT TO SCALE

LEGEND

- ANNEXATION BOUNDARY
- EXISTING TOWN OF APPLE VALLEY BOUNDARY
- EXISTING CITY OF VICTORVILLE BOUNDARY
- TAX ASSESSOR PARCELS
- SECTION LINE
- SECTION CORNER
- SEC. 13, T6N, R4W SECTION / TOWNSHIP, RANGE

AGENCIES

TOWN OF APPLE VALLEY
COUNTY SERVICE AREA 70

ANNEXATION AREA
1,385.17 ACRES

ABBREVIATIONS
PGB POINT OF BEGINNING
SEC SECTION

TAX ASSESSOR PARCEL NUMBER TABLE									
#	APN	#	APN	#	APN	#	APN	#	APN
1	46916201	35	47226103	71	47226307	106	47227305	141	47229312
2	46916210	37	47226104	72	47226308	107	47227306	142	47229313
3	46916211	38	47226105	73	47226401	108	47227307	143	47229314
4	46916212	39	47226106	74	47226402	109	47227308	144	47229315
5	46916213	40	47226107	75	47226403	110	47227309	145	47229316
6	46916214	41	47226108	76	47226404	111	47227310	146	47229317
7	46916215	42	47226109	77	47226405	112	47227311	147	47229318
8	46916216	43	47226110	78	47226406	113	47227312	148	47229319
9	46916217	44	47226111	79	47226407	114	47227313	149	47229320
10	46916218	45	47226112	80	47226408	115	47227314	150	47229321
11	46916219	46	47226113	81	47226501	116	47227315	151	47229322
12	46916220	47	47226114	82	47226502	117	47227316	152	47229323
13	46916221	48	47226115	83	47226503	118	47227317	153	47229324
14	46916222	49	47226116	84	47226504	119	47227318	154	47229325
15	46916223	50	47226201	85	47226505	120	47227319	155	47229326
16	46916224	51	47226202	86	47226506	121	47227320	156	47229327
17	46916225	52	47226203	87	47226507	122	47227321	157	47229328
18	46916226	53	47226204	88	47226508	123	47227322	158	47229329
19	47223205	54	47226205	89	47227105	124	47227323	159	47229330
20	47223206	55	47226206	90	47227202	125	47227324	160	47236101
21	47223209	56	47226207	91	47227203	126	47227325	161	47236102
22	47223210	57	47226208	92	47227204	127	47227326	162	47236103
23	47223211	58	47226209	93	47227205	128	47227327	163	47236104
24	47223212	59	47226210	94	47227206	129	47227328	164	47236105
25	47223213	60	47226211	95	47227209	130	47227329	165	47236106
26	47223214	61	47226212	96	47227210 & 31	131	47227330	166	47236107
27	47223215	62	47226213	97	47227211	132	47227331	167	47236108
28	47223216	63	47226214	98	47227213	133	47229302	168	47236109
29	47223217	64	47226215	99	47227214	134	47229303	169	47236110
30	47223218	65	47226216	100	47227215 & 16	135	47229304	170	47236111
31	47223219	66	47226217	101	47227217	136	47229305	171	47236112
32	47223220	67	47226218	102	47227218	137	47229306	172	47236113
33	47223221	68	47226219	103	47227219	138	47229307	173	47236114
34	47226201	69	47226220	104	47227220	139	47229308	174	47236115
35	47226202	70	47226221	105	47227221	140	47229309	175	47236116

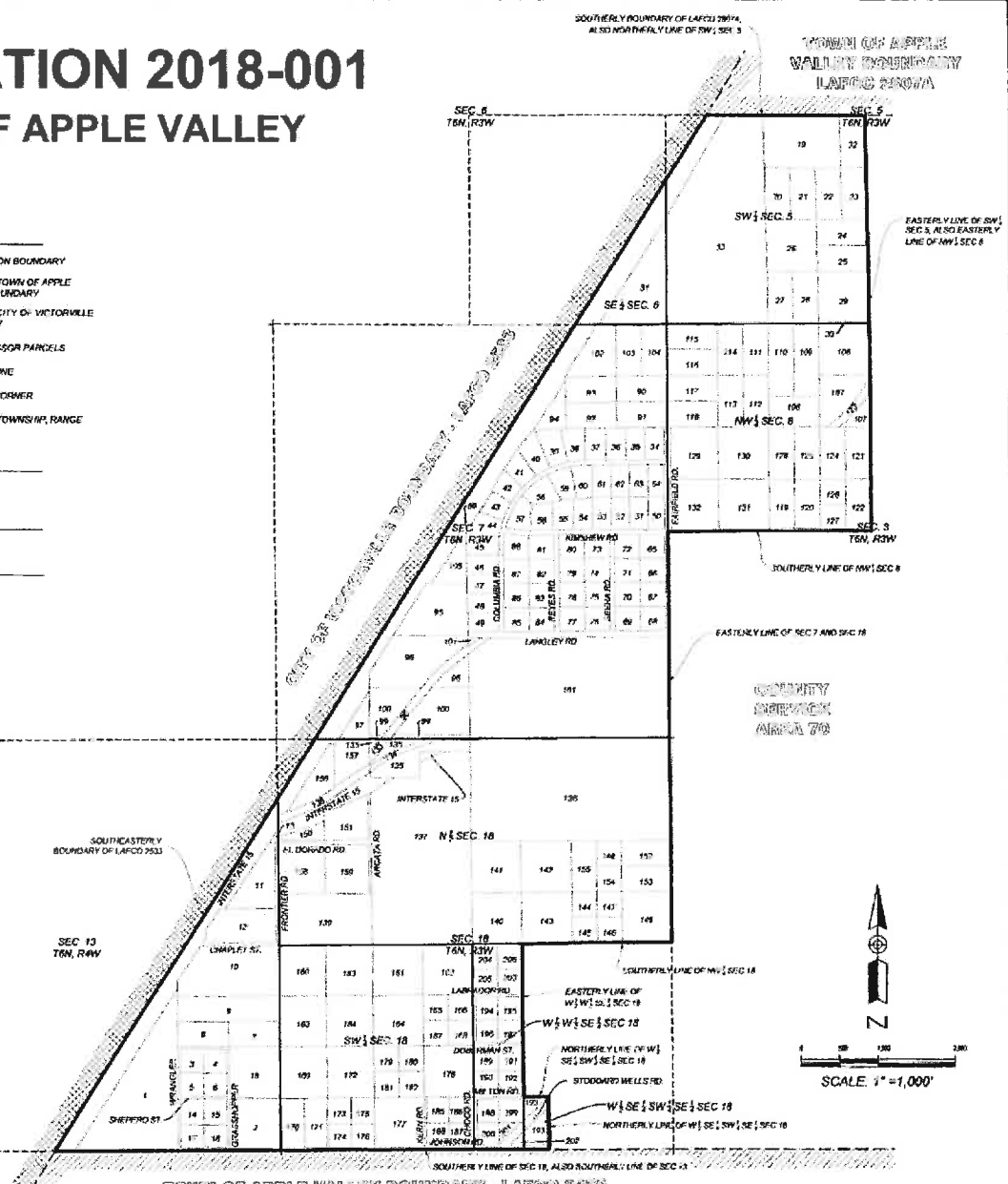


EXHIBIT A-1

EXHIBIT A-1



PREPARED BY
Angela Paula Perera
ANGELA PAULA PERERA
P.L.S. NO. 8493
DATE: 5/15/2018

PREPARED
REVISION #1
DECEMBER 2017
SEPTEMBER 2018

SCALE: 1" = 1,000'

TOWN OF APPLE VALLEY

1495 DALE EVANS PARKWAY
APPLE VALLEY, CA 92307
760-240-7000 (MAIN)
760-240-7223 (FAX)

LAFCO NO. 3229

REORGANIZATION TO INCLUDE ANNEXATION TO THE TOWN OF APPLE VALLEY AND DETACHMENT FROM COUNTY SERVICE AREA 70 - ANNEXATION 2018-001

SHEET
1 OF 1

FOR QUESTIONS REGARDING THIS MAP OR TO OBTAIN A COPY OF THIS MAP IN ELECTRONIC FORM, PLEASE CONTACT LAFCO FOR SAN BERNARDINO COUNTY

**Town of Apple Valley's
Resolution No. 2019-03**

Attachment 2

Town of Apple Valley
Resolution No. 2019-03

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

TOWN OF APPLE VALLEY

I, LA VONDA M-PEARSON, Town Clerk for the Town of Apple Valley, Apple Valley, California, do hereby certify that Resolution No. 2019-03, duly and regularly adopted by the Town Council at a meeting thereof held on the 12th day of February, 2019 by the following vote:

AYES: Council Members Bishop, Emick, Leon, Mayor Pro Tem Nassif, Mayor Cusack.

NOES: None.

ABSTAIN: None.

ABSENT: None.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Town of Apple Valley, California, this 13th day of February, 2019.

LA VONDA M-PEARSON, CMC
TOWN CLERK

By:


Kiel Mangerino, Deputy

(SEAL)



RESOLUTION NO. 2019-03

A RESOLUTION OF THE TOWN OF APPLE VALLEY, SAN BERNARDINO COUNTY, CALIFORNIA, COMMITTING THE TOWN TO INITIATE ANNEXATION PROCEEDINGS WITH THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) OF SAN BERNARDINO COUNTY FOR THE ANNEXATION OF A 1,470.6 ACRE COUNTY ISLAND THAT INCLUDES PARCELS THAT LIE WEST OF DALE EVANS PARKWAY, NORTH OF JOHNSON ROAD, EAST OF U.S. INTERSTATE 15, AND SOUTH OF MORRO ROAD

WHEREAS, On December 5, 2018 LAFCO adopted Resolution No. 3280 approving the annexation of LAFCO No. 3229 with conditions of approval;

WHEREAS, Condition No. 5 of the conditions of approval of Resolution No. 3280 requires the Town to initiate the annexation process for the 1,470.6 acre island east of the approved annexation, within one year of the date of the Certificate of Completion of LAFCO Annexation No. 3229;

WHEREAS, in order to receive the Certificate of Completion of LAFCO Annexation No. 3229 the Town must adopt a resolution committing the Town to initiate the annexation of said remainder island;

WHEREAS, a status report shall be provided to LAFCO within 6 months of the Certificate of Completion date for Annexation No. 3229, outlining the progress the Town has achieved in pursuing the filing of the annexation application for said remainder island;

WHEREAS, According to Condition No. 5, if the Town does not fulfill its commitment outlined in this resolution, to initiate the annexation of the remainder island, the following future annexation request to LAFCO will require inclusion of the remainder island;

WHEREAS, Condition No. 5 shall be deemed complete by LAFCO once they issue a Certificate of Filing for the remainder island;


WHEREAS, to comply with Condition No. 5 of LAFCO Resolution No. 3280, the Town of Apple Valley commits to initiating the filing for annexation of the remaining 1,470.6 acre island east of the approved annexation (LAFCO No. 3229), west of Dale Evans Parkway, north of Johnson Road and south of Morro Road, within one year from the date of Certificate of Completion of LAFCO No. 3229 and obtain a Certificate of Filing;

WHEREAS, the Town of Apple Valley commits to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government code, for the annexation

of this 1,470.6 acre remainder of unincorporated property that is presently within the Town's Sphere of Influence; and

NOW, THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Apple Valley that the Local Agency Formation Commission of San Bernardino County is hereby requested to issue a Certificate of Compliance for LAFCO Annexation No. 3229, due to the Town's commitment, as stated above, complying with the requirement of Condition No. 5 of LAFCO Resolution No. 3280 for the approval of Annexation No. 3229.

APPROVED and **ADOPTED** by the Town Council of the Town of Apple Valley this 12th day of February 2019.



Larry Cusack, Mayor

ATTEST:



La Vonda M. Pearson, Town Clerk

**Town of Apple Valley's Letter
Dated September 5, 2019**

Attachment 3



Town of Apple Valley

RECEIVED
SEP 05 2019

LAFCO
San Bernardino County

Get a Slice of the Apple

September 5, 2019

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

RE: LAFCO 3229 – Status of Annexation

Dear Mr. Martinez:


The Town of Apple Valley has entered into contract with Terra Nova Planning and Research to prepare the Plan for Service for the proposed annexation. Our first meeting is scheduled for September 11, 2019. We will begin the preparation in October and hope to have it submitted in early 2020.

Sincerely,

Lori Lamson
Assistant Town Manager
Town of Apple Valley

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 : SEPTEMBER 9, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM 11: APPOINTMENT OF VOTING DELEGATE AND
ALTERNATE VOTING DELEGATE FOR THE SOUTHERN REGION
CAUCUS AND FOR THE CALAFCO BUSINESS MEETING AT THE
ANNUAL CALAFCO CONFERENCE

RECOMMENDATION:

Staff recommends that the Commission select Larry McCallon as voting delegate and Samuel Martinez as alternate voting delegate for the Southern Region Caucus and for the CALAFCO annual membership Business Meeting.

BACKGROUND:

At the Annual CALAFCO Conference in October 2019, two elections will occur:

- During the Southern Region Caucus, delegates will vote for the Southern Region representatives on the Board of Directors.
- During the CALAFCO Business Meeting, delegates will vote on CALAFCO business matters. This year's agenda has an item related to a revision to the CALAFCO Dues Structure.


Pursuant to the CALAFCO 2019 election packet, voting delegates for the regional caucuses and for the Business Meeting must be forwarded to the CALAFCO Executive Director on or before September 30, 2019. Therefore, LAFCO staff recommends that the Commission designate:

1. Chair Larry McCallon as the voting delegate; and,
2. Executive Officer Samuel Martinez as the alternate voting delegate.

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

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: SEPTEMBER 10, 2019
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #12: Report on Proposed CALAFCO New Dues Structure

RECOMMENDATION:

Staff recommends that the Commission support the new dues structure proposed by the CALAFCO Board and direct its voting delegate to cast San Bernardino LAFCO's vote in support of the new dues structure.

INTRODUCTION:

In May 2019, the CALAFCO Board unanimously approved a proposed new dues structure, which will be presented to the entire CALAFCO membership at the annual membership Business Meeting during the CALAFCO Conference in October 2019. Since the new dues structure is a change in the CALAFCO Bylaws, it requires approval of majority of the membership present at the meeting. The Commission will consider whether it will support the new dues structure.

Current Dues Structure

The current dues structure, as outlined in the bylaws, was presented to the membership at the 2005 annual Business Meeting, subsequently approved, and adopted by the membership at the 2006 annual Business Meeting. The current structure is population-based using three categories: urban, suburban, and rural, which was modeled after the California State Association of Counties (CSAC) membership structure. The formula uses a per capita rate that includes a maximum rate and minimum rates for both the rural and suburban categories. In addition, dues can be increased by the CALAFCO Board on an annual basis to reflect the Consumer Price Index (CPI).

BACKGROUND

In 2017, the CALAFCO Board identified concern that its core expenses¹ continue to increase at a rate higher than its core revenue². CALAFCO relies on the Annual Conference net profit as well as carryover funds from prior years to help close the gap between member dues and operating expenses. Based on the financial analysis made relative to CALAFCO's expenses and revenues, the following determinations were made:

On Expenses:

1. Overall, the cost of doing business is increasing and CALAFCO is not accounting for the additional inflow of revenue to keep up with rising costs. As a result, the deficit grows;
2. The net core deficit grew in FY 2014-15 as a result of \$17,000 in Contingency expenses for administrative purchases, special projects, a one-time bonus the CALAFCO Board approved for the CALAFCO Executive Director, and the need for additional legal services; and,
3. The net core deficit grew in FY 2015-16 as a direct result of several decisions made by the CALAFCO Board in July 2015. Those included:
 - Doubling the stipends for CALAFCO volunteer staff (EO/DEOs)
 - Allowing for partial comps for a certain number of Conference registrations for volunteers; and,
 - Increasing the hours of the CALAFCO Executive Director to 32 hours/week.

On Revenues:

1. Core revenue is not increasing at the same rate as core expenses;
2. The amount of the Annual Conference net profit is inconsistent -- therefore unreliable; and,
3. The Conference/Workshop/training events net surplus is connected to the amount of sponsorship revenue received that year, the costs of the facility (whether high or low), and the number of attendees.

In response to the ongoing challenges, the CALAFCO Board formed an Ad Hoc Committee to find ways to close the structural deficit and propose a plan that would fully cover the core operational expenses of CALAFCO.

¹ Core expenses are defined as operational expenses – those not relating to educational events such as the Conferences, workshops, or training events

² Core revenue is defined as member dues – revenue that is reliable and sustainable.

At the Annual Conference in October 2018, the Board also sought feedback from the membership on the dues structure issue. At that time, the Southern Region members collectively agreed to continue to support CALAFCO and agreed with the CALAFCO Board's assessment of generating additional revenues for the necessary resources that CALAFCO needs. However, the Southern Region members stated that CALAFCO should continue to explore sponsorship opportunities as an important revenue resource and that the potential changes to the dues should be appropriately structured that improves equity among the members.

Expenses

The Ad Hoc Committee conducted a line-by-line review of CALAFCO's expenses to determine possible reductions without reducing the level of service provided to the membership. Ultimately, the Ad Hoc Committee determined there were no potential substantial savings in any particular line item. It was noted that CALAFCO staff had been reducing costs where possible with no direct impact to the service level provided to the membership.

Revenue

The Ad Hoc Committee then determined a need for a two-fold approach to addressing the ongoing structural deficit. The first was a short-term strategy to close the structural deficit for FY 2019-20. The second was to look into a sustainable dues structure for the long-term.

- Short-term strategy

For FY 2019-20, the deficit was projected at \$67,489. In order to bridge that gap, the Ad Hoc Committee provided the Board with a number of options including a flat rate of \$1,163 and one option that included a percentage increase of 32%. The Board ended up adopting a hybrid option that increased the LAFCO member dues by 16.25% and used \$36,447 of carryover funds to cover the remaining gap. For San Bernardino LAFCO, the dues for FY 2019-20 amounted to \$10,376.

- Long-term strategy

The Ad Hoc Committee discussed a number of long-term options including dues structure based on population as well as LAFCO budget based structures. The Ad Hoc Committee discussed the need to expand beyond the existing three categories to better reflect the diversity of the population numbers and the diversity of CALAFCO member LAFCOs.

The Ad Hoc Committee again provided the Board with a number of options. After much discussion and consideration, the Board unanimously adopted a dues

structure that is population based with a number of variables including an annual base rate (for FY 2020-21, the base is \$1,000), a population threshold, plus a per capita rate. For San Bernardino LAFCO, the dues for FY 2020-21 are \$1,000 (base rate) + [700,000 (population threshold) x 0.013802199 (per capita rate)] for a total of \$10,662.

Other options that were evaluated included one that proposed an increase for many urban LAFCOs, including San Bernardino LAFCO, resulting in dues greater than \$14,000.

CALAFCO provided a letter to the membership dated August 12, 2019, which outlines the new dues structure that will require a vote from the membership at the annual Business Meeting (see Attachment #1). A Q&A document was also provided which provides additional information regarding the new dues structure (see Attachment #2), as well as a matrix of what the new dues structure looks like for FY 2020-21 (see Attachment #3).

CONCLUSION:

The new dues structure provides for some equity across the entire membership and includes a population ceiling to the benefit of the larger LAFCOs such as ours. Therefore, LAFCO staff recommends that the Commission support the new dues structure and direct its voting and alternative voting delegate to vote in favor of the new dues structure at the 2019 Annual Business Meeting.

Attachment:

1. [Letter from CALAFCO on Proposed New Dues Structure](#)
2. [Proposed LAFCO Membership New Dues Structure Questions & Answers](#)
3. [Proposed LAFCO Dues Structure and Dues Beginning FY 2020-21](#)
4. [LAFCO Dues for FY 2019-20 \(including FY 2016-17 to FY 2018-19\)](#)

**Letter from CALAFCO on
Proposed New Dues Structure**

Attachment 1

August 12, 2019

TO: Member LAFCos
SUBJECT: Proposed new dues structure for approval at 2019 Annual Business Meeting

Dear Member LAFCos:

The CALAFCO Board of Directors continues to develop services to meet the evolving needs of our members, yet we find ourselves continually challenged to meet those needs with limited resources.

At the CALAFCO Annual Meeting in Yosemite last fall, the Board explained that additional revenues must be raised to close the ongoing structural deficit, which the association has operated with since its inception. As many of you heard, CALAFCO has had an unhealthy reliance on Conference revenue to balance the budget which is not a sound fiscal practice. After receiving your feedback during the roundtable discussions at that Conference and after process of almost 18 months, the Board took a two-phase approach to addressing the ongoing structural deficit.

First, as a short-term strategy to address this structural deficit in FY 2019-20, the Board approved a one-time cost sharing option in which member LAFCo dues were increased by 16.25% and the Board used one-time Conference net profits to close the deficit (\$33,452 raised through the 16.25% increase and \$31,138 coming from Conference net profit). As we move into FY 2019-20, the adopted budget has a structural deficit of \$37,980.

The Board was also committed to a long-term strategy of revising the current dues structure into a more sustainable model. As a result, at their May 10, 2019 meeting, the Board considered several options for a new dues structure brought forward from the Finance Ad Hoc Committee. This Committee undertook a lengthy and detailed process, considering eleven (11) different options before deciding on the two brought to the Board.

After much discussion and careful consideration, the Board unanimously approved presenting the proposed new dues structure to you, the membership, for a vote at the October 31, 2019 Annual Business Meeting. A new dues structure requires the approval of the membership as it is a change in the Bylaws.

The structure is population based with a number of variables including an annual base rate, population threshold and a per capita rate. Population data will be updated annually.

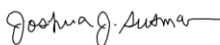
The first step to changing the dues structure is for the membership to discuss it at the Annual Business Meeting and vote. Should the membership approve the new structure, the Board will adopt policies relating to the three variables. To help you better understand the process up to this point in time, a Q&A document has been created and included with this letter. It provides details and answers to the questions we know many of you have. Additionally we are including a matrix of what the new dues structure looks like for the first year of implementation (FY 2020-21) should the membership approve.

Also the Annual Business Meeting Agenda and meeting packet will contain a full staff report with details and the proposed changes to the Bylaws associated with the new dues structure. This will be published early August.

We understand raising dues at any time is a difficult proposition. Our work at CALAFCO strives to support the success and meet the needs of all member LAFCos, large and small. We are committed to continually enhancing the services of CALAFCO and fulfilling our mandate "to assist member LAFCos with educational and technical resources that otherwise would not be available." We hope you will agree when we discuss this at our Annual Business Meeting at this year's Conference.

We and the rest of the Board are available to answer any questions you may have. You are encouraged to seek out the feedback of your regional Board members.

On behalf of the CALAFCO Board of Directors,



Josh Susman
Chair of the Board



Pamela Miller
Executive Director

Cc: CALAFCO Board of Directors
enclosures

**Proposed LAFCO Membership
New Dues Structure
Questions & Answers**

Attachment 2

CALAFCO BULLETIN

Proposed LAFCo Membership New Dues Structure



To be presented to the Membership for consideration and vote at the
2019 Annual Business Meeting in Sacramento, California on
October 31, 2019

Questions & Answers

Question: *How did the Board come up with the proposed dues structure?*

Answer: The Board spent over a year deliberating the structural deficit and dues structure through their Finance Ad Hoc Committee. They considered feedback received from the membership at the 2018 Annual Conference from the regional roundtable discussions and the message to work towards a more sustainable dues structure model. The Board discussed at length options presented to them by the Ad Hoc Committee in February and May.

Question: *Why was this structure selected over other options considered?*

Answer: After extensive research and discussion by the Ad Hoc Committee, and after considering a variety of possible structures including those based on LAFCo budget, County category (urban-suburban-rural), flat rate increases and population, ultimately it was a population-based structure that was favored. The Ad Hoc Committee presented two options to the Board with this population-based structural model and the Board agreed the population-based structure created the fewest irregularities to resolve and created a more sustainable funding formula. Ultimately this structure was unanimously approved by the Board.

Question: *What are the variables in the formula?*

Answer: The formula includes: (1) A flat annual fee or base rate (each LAFCo will pay the same flat rate); (2) Population threshold number; and (3) A per capita rate.

Question: *How will these variables be determined each year as CALAFCO considers member LAFCo dues?*

Answer: Should the membership approve the new structure, the Board will create policies to support the new structure. These policies will include the consideration of each of these variables and possible future adjustments. These policies will include keeping the Board's discretion to increase the dues by the CPI annually.

Question: *Where will the population data come from?*

Answer: The population data will be updated annually as the Board considers the next fiscal year dues. The data source to be used for updates is the California Department of Finance population estimates.

Question: *Is CALAFCO still budgeting for a net profit for the Annual Conference and how does that impact the annual budget?*

Answer: Yes. The Board has given clear direction that each year the annual budget should have a 15% net profit built into the budget for the Annual Conference (pursuant to Board Policy 4.2). CALAFCO's current FY 2019-20 budget calls for a 15% (or \$20,817) net profit. This net profit is still used to help balance the budget. However, the goal is for CALAFCO to move away from the unhealthy and unsustainable reliance on any higher net profit assumptions to balance the budget and fill the structural deficit.

The Ad Hoc Committee and the Board discussed at length using sponsorships to boost revenue and the Board continues to feel this revenue is unreliable and unpredictable and therefore unrealistic to use as a reliable revenue source.

Question: *How were the proposed base rate, population threshold and per capita rate selected?*

Answer: First, the Board committed to using the FY 2018-19 dues as the baseline from which to work, which they did (the FY 2018-19 dues are lower than the FY 2019-20 dues). The Board anticipated the FY 2020-2021 operational costs to be close to \$300,000, which was the baseline budget number from which they worked. The Ad Hoc Finance Committee considered eleven (11) different options before deciding on the population-based model with the three variables. To narrow that further, after looking at several (three) options with different variable numbers, the Board selected the current formula (\$1,000 base rate, 700,000 population threshold, per capita rate of 0.013802199 and population estimates for 2020 given that is the year the new dues structure would take effect, should it be approved). While this and other formulas realized the \$300,000 anticipated operational budget, these particular variables created dues for each LAFCo that the Board felt were the most equitable at this time.

Question: *How is this structure different than the current structure?*

Answer: The straight 3-category model no longer effectively serves the Association's member LAFcos. County populations vary enough that 3 categories just did not accurately capture the broader population picture. With the proposed model, the gap in the amount paid between the more populated rural LAFcos and their suburban colleagues has been reduced, as has the gap between the higher populated suburban LAFcos and the urban LAFcos.

Question: *Are LAFcos in counties with a population over 700,000 exempt from any future increase based on population growth?*

Answer: The proposed changes call for the Board to set the population threshold annually. Should the membership approve this proposed structure, the Board will set policies around the variables of population threshold, base rate and per capita rate. This means that population threshold can change based on Board discretion.

Question: *What if our LAFCo has a financial hardship? Is that still addressed in the Bylaws?*

Answer: Yes. The Board unanimously agreed to keep the provision of allowing any LAFCo with a financial hardship to bring that to the Board for consideration. (Please refer to Bylaws Section 2.2.4).

Question: *What will the dues be for my LAFCo if the membership approves this new structure?*

Answer: The spreadsheet accompanying this bulletin details what the first year will look like with this formula. As a starting point, the Bylaws will reflect the formula used to get at these rates and the rate chart itself. That detailed information will be contained in the meeting packet for the October 31, 2019 Annual Membership meeting.

Question: *When will the membership vote on this proposed structure?*

Answer: The proposed structure is being presented to member LAFcos for voting at the Annual Business meeting on October 31, 2019 during the Annual Conference in Sacramento. The Annual Business Meeting agenda and meeting packet will be distributed in early August, allowing approximately three months for discussion prior to the vote.

Question: *Can we vote by proxy or absentee ballot if we are not attending the Annual Business meeting?*

Answer: No, all member LAFcos must be present to vote at the Annual Business meeting pursuant to Bylaws Section 3.7. **For purposes of voting, each member LAFCo must be in good standing – which means all dues are current and paid in full by September 30, 2019. Further, each member LAFCo shall submit to CALAFCO the name of their voting delegate by September 30, 2019.**

Question: *What happens if the membership does not approve the proposed new dues structure?*

Answer: The Association will continue to have a structural deficit and may need to rely on accessing Fund Reserves to balance the budget. Further, in order to have a balanced budget, without additional sustainable and reliable revenues, expenses will need to be reduced which will equate to a reduction in services offered.

Question: *Who can I talk to if I have questions?*

Answer: If you have questions you are encouraged to contact Pamela Miller, CALAFCO's Executive Director at pmiller@calafco.org or 916-442-6536. You can also contact the CALAFCO Board Chair Josh Susman at jsusman@calafco.org. You are highly encouraged to reach out to any of your regional Board members and/or your regional staff representatives. All of their names and contact information can be found on the CALAFCO website at www.calafco.org.

**Proposed LAFCO Dues
Structure and Dues Beginning
FY 2020-21**

Attachment 3

CALAFCO
Proposed member LAFCo dues structure and dues beginning FY 2020-21

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
ALAMEDA	1,703,660	700,000	1,000	9,662	10,662	0.0063
ALPINE	1,107	1,107	1,000	15	1,015	0.9171
AMADOR	37,560	37,560	1,000	518	1,518	0.0404
BUTTE	230,701	230,701	1,000	3,184	4,184	0.0181
CALAVERAS	44,953	44,953	1,000	620	1,620	0.0360
COLUSA	23,144	23,144	1,000	319	1,319	0.0570
CONTRA COSTA	1,178,639	700,000	1,000	9,662	10,662	0.0090
DEL NORTE	26,997	26,997	1,000	373	1,373	0.0508
ELDORADO	189,576	189,576	1,000	2,617	3,617	0.0191
FRESNO	1,033,095	700,000	1,000	9,662	10,662	0.0103
GLENN	29,691	29,691	1,000	410	1,410	0.0475
HUMBOLDT	137,711	137,711	1,000	1,901	2,901	0.0211
IMPERIAL	195,814	195,814	1,000	2,703	3,703	0.0189
INYO	18,724	18,724	1,000	258	1,258	0.0672
KERN	930,885	700,000	1,000	9,662	10,662	0.0115
KINGS	154,549	154,549	1,000	2,133	3,133	0.0203
LAKE	65,302	65,302	1,000	901	1,901	0.0291
LASSEN	30,626	30,626	1,000	423	1,423	0.0465
LOS ANGELES	10,435,036	700,000	1,000	9,662	10,662	0.0010
MADERA	162,990	162,990	1,000	2,250	3,250	0.0199
MARIN	265,152	265,152	1,000	3,660	4,660	0.0176
MARIPOSA	18,031	18,031	1,000	249	1,249	0.0693
MENDOCINO	90,175	90,175	1,000	1,245	2,245	0.0249
MERCED	286,746	286,746	1,000	3,958	4,958	0.0173
MODOC	9,422	9,422	1,000	130	1,130	0.1199
MONO	13,986	13,986	1,000	193	1,193	0.0853
MONTEREY	454,599	454,599	1,000	6,274	7,274	0.0160
NAPA	143,800	143,800	1,000	1,985	2,985	0.0208
NEVADA	99,548	99,548	1,000	1,374	2,374	0.0238
ORANGE	3,260,012	700,000	1,000	9,662	10,662	0.0033
PLACER	397,368	397,368	1,000	5,485	6,485	0.0163
PLUMAS	19,374	19,374	1,000	267	1,267	0.0654
RIVERSIDE	2,500,975	700,000	1,000	9,662	10,662	0.0043
SACRAMENTO	1,572,886	700,000	1,000	9,662	10,662	0.0068
SAN BENITO	60,067	60,067	1,000	829	1,829	0.0305
SAN BERNARDINO	2,230,602	700,000	1,000	9,662	10,662	0.0048
SAN DIEGO	3,398,672	700,000	1,000	9,662	10,662	0.0031
SAN FRANCISCO	905,637	700,000	1,000	9,662	10,662	0.0118
SAN JOAQUIN	782,662	700,000	1,000	9,662	10,662	0.0136
SAN LUIS OPISPO	284,126	284,126	1,000	3,922	4,922	0.0173
SAN MATEO	792,271	700,000	1,000	9,662	10,662	0.0135

CALAFCO
Proposed member LAFCo dues structure and dues beginning FY 2020-21

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
SANTA BARBARA	460,444	460,444	1,000	6,355	7,355	0.0160
SANTA CLARA	2,011,436	700,000	1,000	9,662	10,662	0.0053
SANTA CRUZ	282,627	282,627	1,000	3,901	4,901	0.0173
SHASTA	180,198	180,198	1,000	2,487	3,487	0.0194
SIERRA	3,129	3,129	1,000	43	1,043	0.3334
SISKIYOU	44,186	44,186	1,000	610	1,610	0.0364
SOLANO	453,784	453,784	1,000	6,263	7,263	0.0160
SONOMA	515,486	515,486	1,000	7,115	8,115	0.0157
STANISLAUS	572,000	572,000	1,000	7,895	8,895	0.0156
SUTTER	101,418	101,418	1,000	1,400	2,400	0.0237
TEHAMA	65,119	65,119	1,000	899	1,899	0.0292
TRINITY	13,389	13,389	1,000	185	1,185	0.0885
TULARE	487,733	487,733	1,000	6,732	7,732	0.0159
TUOLUMNE	53,976	53,976	1,000	745	1,745	0.0323
VENTURA	869,486	700,000	1,000	9,662	10,662	0.0123
YOLO	229,023	229,023	1,000	3,161	4,161	0.0182
YUBA	79,087	79,087	1,000	1,092	2,092	0.0264

As proposed, the formula described below is used to create the proposed FY 2020-21 dues as noted above.

Notwithstanding the foregoing, Member LAFCO annual membership dues shall be levied based upon a formula that includes the following components:

1. Dues are population based. The fiscal year 2020-2021 dues uses a 0.013802199 per capita rate and 2020 population estimates based on data from the California Department of Finance.
2. A base charge as set by the Board of Directors, which shall be the same for each LAFCO. The base charge for fiscal year 2020-2021 is \$1,000 per LAFCO.
3. A population threshold as set by the Board of Directors.
4. Population estimates per County updated annually based on data provided by the California Department of Finance.
5. The per capita rate shall be set by the Board of Directors.
6. No LAFCO will pay less than its current dues based on the baseline dues of fiscal year 2018-2019.

**LAFCO Dues for FY 2019-20
(Including FY 2016-17 to FY 2018-19)**

Attachment 4


CALAFCO LAFCo Dues FY 2019-2020

As adopted by the Board March 1, 2019

County	DOF Population Jan 2018	Category	2016-2017 Dues	7.0% Increase	2017-2018 Dues	2.9% Increase	2018-2019 Dues	16.25% Increase	2019-2020 Dues
ALAMEDA	1,660,202	Urban	8,107	567	8,674	252	8,926	1,450	10,376
ALPINE	1,154	Rural	840	59	899	26	925	150	1,075
AMADOR	38,094	Rural	840	59	899	26	925	150	1,075
BUTTE	227,621	Suburban	2,548	178	2,726	79	2,805	456	3,261
CALAVERAS	45,157	Rural	840	59	899	26	925	150	1,075
COLUSA	22,098	Rural	840	59	899	26	925	150	1,075
CONTRA COSTA	1,149,363	Urban	8,107	567	8,674	252	8,926	1,450	10,376
DEL NORTE	27,221	Rural	840	59	899	26	925	150	1,075
EL DORADO	188,399	Suburban	2,548	178	2,726	79	2,805	456	3,261
FRESNO	1,007,229	Urban	7,163	501	7,664	222	7,887	1,282	9,169
GLENN	28,796	Rural	840	59	899	26	925	150	1,075
HUMBOLDT	136,002	Suburban	2,548	178	2,726	79	2,805	456	3,261
IMPERIAL	190,624	Suburban	2,548	178	2,726	79	2,805	456	3,261
INYO	18,577	Rural	840	59	899	26	925	150	1,075
KERN	905,801	Urban	6,105	427	6,532	189	6,722	1,092	7,814
KINGS	151,662	Suburban	2,548	178	2,726	79	2,805	456	3,261
LAKE	65,081	Rural	840	59	899	26	925	150	1,075
LASSEN	30,911	Rural	840	59	899	26	925	150	1,075
LOS ANGELES	10,283,729	Urban	8,107	567	8,674	252	8,926	1,450	10,376
MADERA	158,894	Suburban	2,548	178	2,726	79	2,805	456	3,261
MARIN	263,886	Suburban	2,548	178	2,726	79	2,805	456	3,261
MARIPOSA	18,129	Rural	840	59	899	26	925	150	1,075
MENDOCINO	89,299	Rural	840	59	899	26	925	150	1,075
MERCED	279,977	Suburban	2,548	178	2,726	79	2,805	456	3,261
MODOC	9,612	Rural	840	59	899	26	925	150	1,075
MONO	13,822	Rural	840	59	899	26	925	150	1,075
MONTEREY	443,281	Suburban	3,446	241	3,687	107	3,794	617	4,411
NAPA	141,294	Suburban	2,548	178	2,726	79	2,805	456	3,261
NEVADA	99,155	Rural	840	59	899	26	925	150	1,075
ORANGE	3,221,103	Urban	8,107	567	8,674	252	8,926	1,450	10,376
PLACER	389,532	Suburban	2,548	178	2,726	79	2,805	456	3,261
PLUMAS	19,773	Rural	840	59	899	26	925	150	1,075
RIVERSIDE	2,415,955	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SACRAMENTO	1,529,501	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN BENITO	57,088	Rural	840	59	899	26	925	150	1,075
SAN BERNARDINO	2,174,938	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN DIEGO	3,337,456	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN FRANCISCO	883,963	Urban	6,481	454	6,935	201	7,136	1,160	8,296
SAN JOAQUIN	758,744	Suburban	5,297	371	5,668	164	5,832	948	6,780
SAN LUIS OBISPO	280,101	Suburban	2,548	178	2,726	79	2,805	456	3,261
SAN MATEO	774,155	Urban	5,864	410	6,274	182	6,456	1,049	7,505
SANTA BARBARA	453,457	Suburban	3,399	238	3,637	105	3,742	608	4,350
SANTA CLARA	1,956,598	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SANTA CRUZ	276,864	Suburban	2,548	178	2,726	79	2,805	456	3,261
SHASTA	178,271	Suburban	2,548	178	2,726	79	2,805	456	3,261
SIERRA	3,207	Rural	840	59	899	26	925	150	1,075
SISKIYOU	44,612	Rural	840	59	899	26	925	150	1,075
SOLANO	439,793	Suburban	3,419	239	3,658	106	3,764	612	4,376
SONOMA	503,332	Suburban	3,879	272	4,151	120	4,271	694	4,965
STANISLAUS	555,624	Suburban	4,090	286	4,376	127	4,503	732	5,235
SUTTER	97,238	Rural	840	59	899	26	925	150	1,075
TEHAMA	64,039	Rural	840	59	899	26	925	150	1,075
TRINITY	13,635	Rural	840	59	899	26	925	150	1,075
TULARE	475,834	Suburban	3,323	233	3,556	103	3,659	595	4,254
TUOLUMNE	54,740	Rural	840	59	899	26	925	150	1,075
VENTURA	859,073	Urban	6,591	461	7,052	205	7,257	1,179	8,436
YOLO	221,270	Suburban	2,548	178	2,726	79	2,805	456	3,261
YUBA	74,727	Rural	840	59	899	26	925	150	1,075
TOTAL	39,809,693		\$187,012	\$13,091	\$200,103	\$5,803	\$205,906	\$33,452	\$239,358

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: SEPTEMBER 11, 2019
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #13 – LEGISLATIVE UPDATE REPORT

RECOMMENDATION:

Staff recommends that the Commission Note receipt of the report and file.

BACKGROUND:

As the Legislature wraps up the last week of the 2019 legislative year, there's been a lot of last minute amendments. The following provides an update on the bills this Commission supported:

- **AB 1253 (Rivas)** – LAFCO grant program

This is the CALAFCO sponsored bill to provide one-time grant funding used specifically for conducting special studies to identify and support opportunities to create greater efficiencies and to potentially initiate reorganization actions including dissolution of inactive districts.

At the last update, staff noted that the \$1.5M request did not make it into the budget—which meant needing to request an appropriation from the General Fund. Last year, the same thing occurred, which was then vetoed by then Governor Brown. Rather than risking getting vetoed again, the author decided to make it a 2-year bill and try one last time to get it into the budget next year.

- **AB 1822 (ALGC)** – Local Government: omnibus

This is the annual CALAFCO omnibus bill that makes minor and non-substantive changes to the Act. This was signed by the Governor on June 26, 2019.

- **AB 213 (Reyes)** – Local government finance: property tax revenue allocations: VLF adjustments

This bill would reinstate ERAF funding for inhabited annexations. At the last update

staff noted that the bill was held in Senate Appropriations and has now become a 2-year bill.

- **AB 818 (Cooley)** – Local government finance: VLF adjustment amounts

This bill would reinstate ERAF funding for cities incorporating after 2012. At the last update, staff noted that this is also now a 2-year bill.

The following bills are bills that CALAFCO has taken a watch position.

- **AB 508 (Chu)** – Drinking water: consolidation and extension of service: domestic wells

This bill allows the State Water Resource Control Board (SWRCB) to order an extension of service in the case a disadvantaged community has at least one residence that are reliant on a domestic well that fails to provide safe drinking water. It allows members of the disadvantaged community to petition the SWRCB to initiate the process. It allows the owner of the property to opt out of the extension. The bill also places limitations on fees, charges and terms and conditions imposed as a result of the extension of service. Finally, the extension of service does not require annexation in the cases where that would be appropriate. The bill is now in enrollment.

- **AB 600 (Chu)** – Local government: organization: disadvantaged unincorporated communities

This bill would clarify that the prohibition on approving an annexation involving a disadvantaged unincorporated community if the Commission finds that a majority of the registered voters within the affected disadvantaged unincorporated community would prefer to address the service deficiencies through an extraterritorial service extension, or if there are two or more contiguous areas that are annexed within five years of each other and are individually less than 10 acres but cumulatively greater than 10 acres. CALAFCO worked with the author's office on potential amendments and has removed its opposition; however, CALAFCO remains concerned over the lack of a holistic approach by the Legislature to address service delivery issues to DUCs and the definition of a DUC. The bill is in the Senate Floor ordered to third reading.

- **AB 1628 (Rivas)** – Environmental justice

Government Code Section 56668 includes a factor that requires the Commission to consider the extent to which a proposal will promote environmental justice and defines environmental justice as “the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.” The author expands the scope of the definition of environmental justice to include national origins and a reference to the effects of pollution not being disproportionately borne by any particular population or community. The bill is now headed for the Governor's desk.

Finally, the following bills are now 2-year bills that are of interest to this Commission:

- **SB 272 (Morrell)** – Fire Protection District Law of 1987

As amended, the bill amends the Health & Safety Code regarding the formation of zones within a fire protection district by requiring the district hold an election, regardless of the protest level, if the district wants to substantially expand (as defined in the bill) services outside the zone.

- **SB 414 (Caballero)** – Small System Water Authority Act of 2019

This bill is very similar to AB 2050 (Caballero) from 2018. This bill allows for the dissolution of water providers (public and private) and the formation of a new water authority.

- **AB 1457 (Reyes)** – Omnitrans Transit District

Would create the Omnitrans Transit District in the County of San Bernardino. This is a special act district formation. The bill takes what is currently a JPA and transforms it into a special district. LAFCO staff and CALAFCO will continue to work with the author and sponsor on minor technical amendments.

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