

# **AGENDA**

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

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

**REGULAR MEETING OF JANUARY 15, 2020**

### **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)) – 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 December 18, 2019](#)**

#### **5. [Approval of Executive Officer's Expense Report](#)**

#### **6. [Ratify Payments as Reconciled and Note Cash Receipts for Months of November 2019](#)**

#### **7. Consent Items Deferred for Discussion**

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

#### **8. [Consideration of: \(1\) CEQA Statutory Exemption for LAFCO SC#447; and \(2\) LAFCO SC#447 – City of Rialto Extraterritorial Wastewater Service for Assessor Parcel Numbers \(APNs\) 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru 07 and 0256-031-01, -02, & -03, 0257-051-46, 0240-181-51, 0253-171-16, and 1133-211-14; and City of Rialto Extraterritorial Water Service for APNs 0269-171-21, -27, -39, -46 \(previously 0269-171-37, -38, -40, & -41\)](#)**

9. Consideration of: (1) CEQA Statutory Exemption for Amendments to Policy and Procedure Manual; and (2) Review and Adoption of Amendments to LAFCO Policy and Procedure Manual (TO BE CONTINUED TO MARCH 18, 2020)

**DISCUSSION ITEMS:**

10. Review and Accept Audit Report for Fiscal Year Ended June 30, 2019
11. Update on Sustainability of the City of Adelanto, related to LAFCO 3232 – Sphere of Influence Amendment for the City of Adelanto
12. Mid-Year Budget Review for Fiscal Year 2019-20

**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](http://www.sbclafco.org), and at the hearing.

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

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

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

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

1/7/20:as

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

**REGULAR MEETING**

**9:00 A.M.**

**DECEMBER 18, 2019**

**PRESENT:**

**COMMISSIONERS:**

<b>Regular Member</b>	<b>Alternate Member</b>
<b>Jim Bagley</b>	<b>Louisa Amis</b>
<b>James Curatalo, Vice Chair</b>	<b>Steven Farrell</b>
<b>Dawn Rowe</b>	
<b>Larry McCallon, Chair</b>	
<b>Robert Lovingood</b>	
<b>Kimberly Cox</b>	

**STAFF:**

**Samuel Martinez, Executive Officer  
Paula de Sousa, LAFCO Legal Counsel  
Michael Tuerpe, Senior Analyst  
Jeffrey Lum, LAFCO Analyst  
La Trici Jones, Clerk to the Commission  
Angela Schell, Administrative Assistant**

**ABSENT:**

**COMMISSIONERS:**

**Acquanetta Warren  
Rick Denison, Alternate  
Janice Rutherford, Alternate**

**9:00 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**

- 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. 9:35 A.M. RECONVENE PUBLIC SESSION**

*On Motion of Commissioner Cox, Second by Commissioner Bagley, the Commission voted unanimously in favor to not ratify the Filing of the Notice of Appeal filed by Legal Counsel on December 6, 2019, in the San Antonio Heights matters listed on the agenda (Case No. CIVDS 1715504 and related Case No. 172771), and by taking this action the Commission is refraining to seek appellate review of the judgment entered by the court in those matters. Legal Counsel will withdraw the Notice of Appeal filed on December 6.*

Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon and Rowe.  
Noes: None.  
Abstain: None.  
Absent: Warren.

**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 November 20, 2019**

**5. Approval of Executive Officer's Expense Report**

Recommendation: Approve the Executive Officers' Expense Report for Procurement Card Purchases from October 24, 2019 to November 22, 2019.

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

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

**7. Consent Items Deferred for Discussion (none)**

*Commissioner Rowe moves approval of the consent items. Second by Commissioner Curatalo. The motion on the Consent Items passes with the following roll call vote:*

Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon and Rowe.  
Noes: None.  
Abstain: None.  
Absent: Warren.



**INFORMATION ITEMS:**

**8. Legislative Oral Report**

Executive Officer Samuel Martinez states that the Legislative Committee met last month to go over four omnibus items and one CALAFCO sponsored item that the Committee is recommending the CALAFCO Board support. He states the outcome of those recommendations will be presented to the Commission at the January 2020 meeting.

**9. Executive Officer's Oral Report**

Executive Officer Samuel Martinez provides an update on the Commission's 2020 calendar and tentative items scheduled for the January Commission meeting, as well as information on the governance-training that took place on December 13.

**10. Commissioner Comments**

Commissioners, Lovingood, Curatalo, Bagley, Cox and McCallon wished everyone a Merry Christmas and Happy Holidays.

Commissioner Bagley and Farrell expressed their enjoyment of the governance training on pension liability; stating that the training was well attended and informative. Commissioner Bagley communicated that that he would like a portion of the training to become a workshop for the Commission.

**11. Comments from the Public**

There were no members of the public who requested to speak.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE MEETING ADJOURNS AT 9:45 A.M.**

**ATTEST:**

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LA TRICI JONES, Clerk to the Commission


**LOCAL AGENCY FORMATION COMMISSION**

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LARRY McCALLON, Chair

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

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**DATE :** JANUARY 6, 2020   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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

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## **RECOMMENDATION:**

Approve the Executive Officers' Expense Report for Procurement Card Purchases from November 24, 2019 to December 23, 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 November 24, 2019 to December 23, 2019.

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

SM/llj


Attachments

<b>Approving Official (Print &amp; Sign)</b>	<b>Date</b>
Larry McCallon	01/15/20

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : JANUARY 6, 2020   
FROM: SAMUEL MARTINEZ, Executive Officer  
TO: LOCAL AGENCY FORMATION COMMISSION

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

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## **RECOMMENDATION:**

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

## **BACKGROUND INFORMATION:**


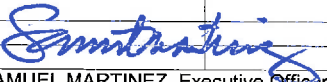
Staff has prepared a reconciliation of warrants issued for payments to various vendors, internal transfers for payments to County Departments, cash receipts and internal transfers for payments of deposits or other charges that cover the period of November 1, 2019 through November 30, 2019

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

SM/llj

Attachments


MONTH OF NOVEMBER 2019 PAYMENTS PROCESSED						
Document Number	Account	Posting Date	Activity	Reference	Vendor	Amount
1900580243	52002085	11/18/2019	LEGAL NOTICE NEWSPAPER	B3306453	DAILY JOURNAL	\$887.00
1900580245	52002085	11/18/2019	LEGAL NOTICE NEWSPAPER	B3306469	DAILY JOURNAL	\$570.00
1900580249	52002085	11/18/2019	LEGAL NOTICE NEWSPAPER	B3306459	DAILY JOURNAL	\$844.81
1900579963	52002090	11/18/2019	LAFCO OFFICE JANITORIAL SERVICE	INVOICE 68962	JAN PRO	\$490.00
1900580252	52002180	11/18/2019	Edison Utility Bill 11/09/2019	2-39-945-2309	SO CAL EDISON	308.01
1900566166	52002305	11/18/2019	BUSINESS CARDS - TUERPE	Invoice 110315	SHRED-IT	152.28
1900580240	52002305	11/18/2019	PAPER RECYCLING	Invoice 8128506859	CROWN CONNECT	19.25
1900580260	52002315	11/18/2019	RECORDS STORAGE	Invoice 012831	STORETRIEVE	64.37
1900586417	52002400	11/26/2019	BEST BEST & KRIEGER	Invoice 864188	BBK	1,499.68
1900586421	52002400	11/26/2019	BEST BEST & KRIEGER	Invoice 864189	BBK	976.50
1900586443	52002400	11/26/2019	BEST BEST & KRIEGER	Invoice 846190	BBK	361.00
1900583861	52002405	11/21/2019	2018-19 AUDIT	INVOICE 6411	DAVIS FARR LLP	\$6,000.00
1900570949	52002424	11/4/2019	ENVIRONMENTAL CONSULTING	INVOICE LAFCO 19-8	TOM DODSON	1,045.00
1900586915	52002424	11/27/2019	ENVIRONMENTAL CONSULTING	INVOICE LAFCO 19-9	TOM DODSON	5,015.00
1900580233	52002444	11/18/2019	MIJAC ALARM MONITORING	INVOICE 447014	MIJAC ALARM	\$123.00
1900579793	52002445	11/18/2019	VIDEO RECORD meeting on 10/16/2019	Invoice 2086	IEMG	360.00
1900579796	52002445	11/18/2019	VIDEO RECORD meeting on 9/18/2019	Invoice 2085	IEMG	225.00
1900579797	52002445	11/18/2019	VIDEO RECORD meeting on 8/21/2019	Invoice 2084 meeting	IEMG	180.00
1900579799	52002445	11/18/2019	VIDEO RECORD meeting on 7/17/2019	Invoice 2083	IEMG	180.00
1900583109	52002445	11/21/2019	LAFCO CONSULTANT	INVOICE 9	ALDRICH & ASSOCIATES	\$2,250.00
1900583966	52002445/2940	11/21/2019	COMMISSIONER STIPEND & MILEAGE	BAGLEY 11-20-19	JAMES BAGLEY	\$304.00
1900585470	52002445/2940	11/25/2019	COMMISSIONER STIPEND & MILEAGE	CURATALO 11-20-19	JIM CURATALO	\$229.00
1900585472	52002445/2940	11/25/2019	COMMISSIONER STIPEND & MILEAGE	FARRELL 11-20-19	STEVEN FARRELL	\$219.95
1900585478	52002445	11/25/2019	COMMISSIONER STIPEND	ROWE 11-20-19	DAWN ROWE	\$200.00
1900585481	52002445	11/25/2019	COMMISSIONER STIPEND	MCCALLON 11-20-19	LARRY MCCALLON	\$200.00
1900585486	52002445	11/25/2019	COMMISSIONER STIPEND	AMIS 11-20-19	LOUISA AMIS	\$200.00
1900585487	52002445	11/25/2019	COMMISSIONER STIPEND	LVNGOOD 11-20-19	ROBERT LOVINGOOD	\$200.00
1900580256	52002895	11/18/2019	LAFCO OFFICE COPIER	INVOICE 34207533	KONICA MINOLTA	\$450.46
1900570950	52002905	11/4/2019	LAFCO COMMISSION MEETING ROOM	INVOICE 839	IVDA	\$405.00
1900578739	52942940/3/5/6	11/14/2019	CALAFCO CONFERENCE REIMBURSEMENT	MCCALLON	LARRY MCCALLON	\$124.58
1900578763	52942940/3/5/6	11/14/2019	CALAFCO CONFERENCE REIMBURSEMENT	BAGLEY	JAMES BAGLEY	\$284.69
1900578808	52942940/3/5/6	11/14/2019	CALAFCO CONFERENCE REIMBURSEMENT	DENISON	RICK DENISON	\$347.23
1900583875	52942940/3/5/6	11/21/2019	CALAFCO CONFERENCE REIMBURSEMENT	AMIS	LOUISA AMIS	\$167.89
1900586924	52942940/3/5/6	11/27/2019	CALAFCO CONFERENCE REIMBURSEMENT	FARRELL	STEVEN FARRELL	\$528.83
1900587511	52942943/6	11/27/2019	CALAFCO CONFERENCE REIMBURSEMENT	TUERPE	MICHAEL TUERPE	\$170.44
<b>TOTAL</b>						<b>\$25,582.97</b>
MONTH OF NOVEMBER 2019 INTERNAL TRANSFERS PROCESSED						
4101102463	52002031	11/1/2019	OCTOBER 2019 PAYROLL SYSTEMS	ISD	ISD	\$95.25
4101102376	52002037	11/1/2019	OCTOBER 2019 DIAL TONE	ISD	ISD	\$286.20
4200042424	52002315	11/27/2019	NOE - LAFCO SC#443	COB	COB	\$50.00
4200041459	52002310	11/6/2019	MAIL SERVICES - HAN	COUNTY MAIL	COUNTY MAIL	613.61
4200041467	52002310	11/6/2019	MAIL SERVICES - FLAT	COUNTY MAIL	COUNTY MAIL	143.00
4200041492	52002310	11/6/2019	MAIL SERVICES - DEL	COUNTY MAIL	COUNTY MAIL	16.63
4200042069	52002323	11/19/2019	PRINT ENV DOC	COUNTY PRINTING	COUNTY PRINTING	88.96
4200042239	52002415	11/21/2019	COWCAP QUARTER 2	COUNTY	COUNTY	3,332.03
4101102385	52002420	11/1/2019	OCTOBER 2019 WIRELESS DEVICE	ISD	ISD	\$23.83

4101102386	52002421	11/1/2019	OCTOBER 2019 DESKTOP SUPPORT SERVICES	ISD	ISD	\$1,396.80
4200041668	52002424	11/14/2019	NOE - LAFCO SC#445	160 - COB	COB	50.00
4200041671	52002424	11/14/2019	NOE - LAFCO 3234	160 - COB	COB	50.00
4200042418	52002424	11/27/2019	NOE LAFCO 3235	160 - COB	COB	50.00
4200042419	52002424	11/27/2019	NOE LAFCO 3236	160 - COB	COB	50.00
4200042422	52002424	11/27/2019	NOE - LAFCO 3238	160 - COB	COB	50.00
4200042423	52002424	11/27/2019	NOE - LAFCO SC#446	160 - COB	COB	50.00
4101102387	52002460	11/1/2019	AERIAL IMAGERY SUBSCRIPTION	ISD	ISD	3,000.00
4101102381	52412410	11/1/2019	IT INFRASTRUCTURE - PERIOD 05	ISD	ISD	\$938.00
4101102464	52412416	11/1/2019	CPU USAGE & ENTERPRISE PRINTING - PERIOD 05	ISD	ISD	\$3.00
4101102384	52412418	11/1/2019	ENTERPRISE STORAGE - PERIOD 05	ISD	ISD	\$705.00
	55405012		MICROSOFT EA REIMBURSEMENT	ISD	ISD	
<b>TOTAL</b>						<b>\$10,992.31</b>
<b>MONTH OF NOVEMBER 2019 CASH RECEIPTS</b>						
4101107415	40709545	11/12/2019	SERVICE CONTRACT 437	INDIVIDUAL NOTICE		\$87.28
4101107415	40709545	11/14/2019	SERVICE CONTRACT 446	INDIVIDUAL NOTICE		\$1,000.00
4101107415	40709555	11/14/2019	LAFCO 3216 CITY OF UPLAND	INDEMNIFICATION		\$39.75
4101107415	40709555	11/14/2019	SERVICE CONTRACT 446	LEGAL DEPOSIT		\$700.00
4101107415	40709660	11/14/2019	SERVICE CONTRACT 446	ENVIRONMENTAL		\$700.00
4101107415	40709800	11/14/2019	SERVICE CONTRACT 446	LAFCO FEE		\$1,030.00
<b>TOTAL</b>						<b>\$3,557.03</b>
<b>MONTH OF NOVEMBER 2019 INTERNAL TRANSFERRED RECEIVED</b>						
<b>TOTAL</b>						<b>\$0.00</b>
 MICHAEL TUERPE, Senior Analyst				DATE	1/6/2020	
RECONCILIATION APPROVED BY:						
 SAMUEL MARTINEZ, Executive Officer				DATE	1/6/20/20	

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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**DATE:** JANUARY 7, 2020   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
JEFFREY LUM, LAFCO Analyst  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** Agenda Item #8: LAFCO SC#447 – City of Rialto Extraterritorial Wastewater Service for Assessor Parcel Numbers (APNs) 0240-181-51, 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07 and 0253-232-01 thru -07, 0256-031-01 thru -03, 0257-051-46, and 1133-211-14; and City of Rialto Extraterritorial Water Service for APNs 0269-171-21, -27, -39, -42, and -46 (previously 0269-171-37, -38, -40, &-41)

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## **INITIATED BY:**

City of Rialto

## **RECOMMENDATION:**

Staff recommends that the Commission approve LAFCO SC#447 by taking the following actions:

1. Certify that LAFCO SC #447 is statutorily exempt from environmental review and direct the Executive Officer to file a Notice of Exemption within five (5) days of this action;
2. Approve LAFCO SC #447 authorizing the City of Rialto to extend wastewater service outside its boundaries to Assessor Parcel Numbers 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07 and 0253-232-01 thru -07, 0256-031-01 thru -03, 0257-051-46, and 1133-211-14;
3. Determine that the wastewater service to Assessor Parcel Number 0240-181-51 is a service agreement between two public agencies, the City of Rialto and the City of Fontana, which complies with the exemption provisions outlined within Government Code Section 56133(e);
4. Determine that the water service to Assessor Parcel Numbers 0269-171-21, 0269-171-27, 0269-171-39, 0269-171-42, and 0269-171-46 (previously comprised of

Assessor Parcel Numbers 0269-171-37, 0269-171-38, 0269-171-40, & 0269-171-41) is a service agreement between two public agencies, the City of Rialto and the City of San Bernardino, which complies with the exemption provisions outlined within Government Code Section 56133(e); and,

5. Adopt LAFCO Resolution #3299 setting forth the Commission's determinations and approval of the wastewater services outside the City of Rialto boundaries.

### **BACKGROUND:**

As part of the Countywide Service Review for Wastewater, it was identified that the City of Rialto (hereinafter the "City") provides wastewater service to a number of parcels located in various areas within the City's unincorporated sphere of influence without LAFCO authorization. As part of the Commission's actions outlined for the service review, a recommendation was included that the City initiate an application to LAFCO to bring its service to these properties located outside its corporate boundaries in compliance pursuant to the provisions of Government Code Section 56133.

Therefore, the City is requesting that the Commission authorize the extension of its wastewater service to Assessor Parcel Numbers (APNs) 0240-181-51, 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07 and 0253-232-01 thru -07, 0256-031-01 thru -03, 0257-051-46, and 1133-211-14 pursuant to the provisions of Government Code Section 56133. In addition, the City is also requesting that the Commission authorize the extension of its water service to APNs 0269-171-21, 0269-171-27, 0269-171-39, 0269-171-42, and 0269-171-46 (previously comprised of APNs 0269-171-37, -38, -40, & -41) pursuant to the provisions of Government Code Section 56133. Attachment #1 provides vicinity maps for each of the parcels. In addition, Attachment #2 outlines the City's request and application documents.

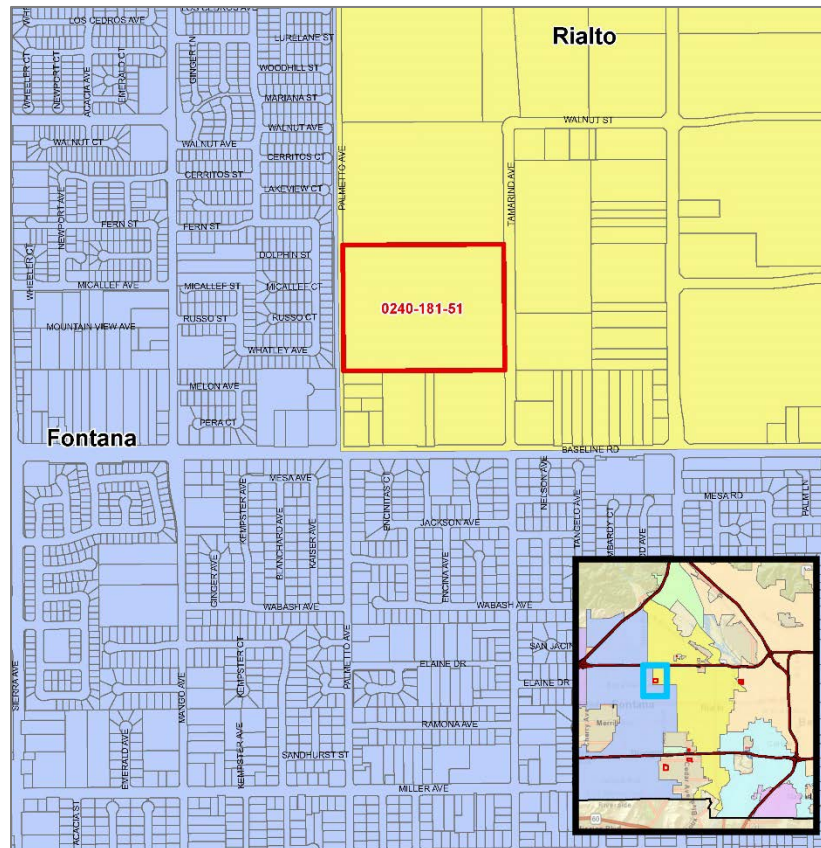
It should be noted that a number of the items listed in the City's application request have been removed from consideration. The wastewater collection and treatment service agreement between the City and County Service Area 70 Zone BL (Item 2) is being removed from consideration since the agreement was previously determined by the Commission to be exempt from further LAFCO review and approval (see Attachment #3, LAFCO Staff Report for LAFCO SC#383).

The extraterritorial sewer service agreement for APN 0253-171-16 (Item 12) is also being removed from consideration since the property owners/developers of the parcel, which is being developed with a high-cube warehouse facility, have opted to proceed with their project on a septic system (see Attachment #4, City of Rialto letter dated July 30, 2018). Finally, the extraterritorial sewer service agreement for APN 0257-081-01 (Item 3) is also being removed from consideration since the project has not been developed. The parcel, which is proposed to be developed as a Family Dollar retail store, is currently vacant; therefore, LAFCO staff has advised the City that this should be submitted separately as a development-related application through the normal review process.



**APN 0240-181-51:**

APN 0240-181-51 is generally located west of Tamarind Avenue, approximately 600 feet north of Base Line Road, within the City of Rialto. Figure 1 below, which is included as part of Attachment #1, provides a vicinity map of the site.



*Figure 1 – Vicinity Map of APN 0240-181-51*

The parcel, encompassing approximately 29.5 acres, has an existing distribution warehouse on it. The warehouse was connected to both the City of Fontana and Rialto wastewater systems due to a construction error that was not identified during construction. In order to avoid a substantial cost to plumb the subject line to the Rialto system, located on the opposite side of the site, the owner elected to retain both lateral connections. In 2016, the City of Fontana agreed to enter into an extraterritorial wastewater service agreement with the City to provide wastewater service to one side of this development.

However, as a service agreement between two public agencies—the City of Rialto and the City of Fontana--where the wastewater service provided is an alternative to (or substitute for) wastewater service already being provided by an existing public service provider and the level of service is consistent with the level of service contemplated by the existing service provider, the wastewater service to APN 0240-181-51 complies with the exemption provisions outlined within Government Code Section 56133(e) and, therefore, does not require Commission approval.

Bloomington Community

The following six out-of-agency wastewater service requests are generally located within the City's sphere of influence – in the unincorporated Bloomington community. Figure 2 below, which is included as part of Attachment #1, provides a vicinity map of APNs 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07 and 0253-232-01 thru -07, 0256-031-01 thru -03, and 0257-051-46.

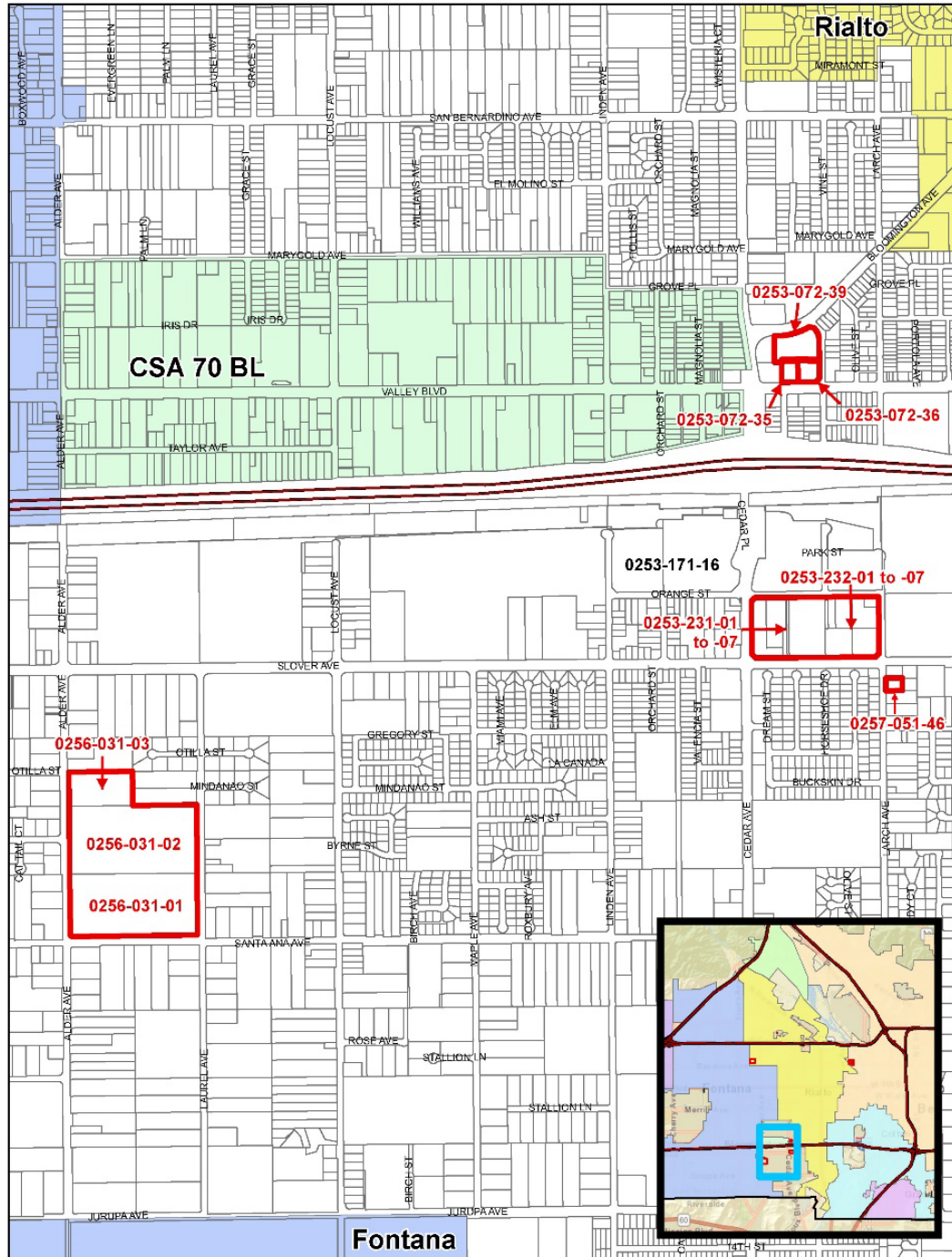


Figure 2 – Vicinity map of APNs: 0253-072-35, -36, -39, 0253-231-01 thru -07 and 0253-232-01 thru -07, 0256-031-01 thru -03, and 0257-051-46.



**APNs 0253-072-35, 0253-072-36, and 0253-072-39:**

APNs 0253-072-35, -36, and -39 are generally located easterly of Cedar Avenue, between Bloomington Avenue and Valley Boulevard.



*Figure 3 – Aerial map of APNs 0253-072-35, 0253-072-36, and 0253-072-39*

APN 0253-072-35, encompassing approximately 0.8 acre, has an existing Taco Bell fast-food restaurant on it. Wastewater service has been provided by the City since 1999; however, an extraterritorial service agreement between the City and the property owner was not executed until October 2015.

APN 0253-072-36, encompassing approximately 1 acre, has an existing multi-unit commercial property on it. Wastewater service has been provided by the City since 2004; however, an extraterritorial service agreement between the City and the property owner was not executed until September 2015.

APN 0253-072-39, encompassing approximately 2.7 acres, has an existing storage facilities on it. Although the wastewater connection was installed in 2003, the wastewater service was not provided by the City until 2011, and the extraterritorial service agreement between the City and the property owner was not executed until August 2015.

**APNs 0253-231-01 thru -07 and 0253-232-01 thru -07:**

APNs 0253-231-01 thru -07 and 0253-232-01 thru -07 (a total of 14 parcels) make-up the Slover Mountain High School. The entire area encompasses a total of approximately 16.4 acres and is generally located on the north side of Slover Avenue, between Cedar Avenue and Larch Avenue.



*Figure 4 – Aerial map of APNs 0253-231-01 thru -07 and 0253-232-01 thru -07*

Wastewater service to the Slover Mountain High School has been provided by the City since 2001; however, a wastewater service account for the said high school was never established. The matter was brought to the attention of the City, and an extraterritorial service agreement between the City and Colton Joint Unified School District was executed in October 2014.

**APNs 0256-031-01 thru -03:**

APNs 0256-031-01, 0256-031-02, and 0256-031-03 make-up the Bloomington High School. The entire area encompasses a total of approximately 40.3 acres and is generally located on the north side of Santa Ana Avenue, between Alder and Laurel Avenues (10750 Laurel Avenue).





Figure 5 – Aerial map of APNs 0256-031-01, 0256-031-02, and 0256-031-03

Wastewater service to the Bloomington High School has been provided by the City since 2001; however, a wastewater service account for the said high school was also never established. This too was brought to the attention of the City, and an extraterritorial service agreement between the City and Colton Joint Unified School District was also executed on October 2014.

However, after reviewing of the materials submitted by the City and reviewing the site location, LAFCO staff noticed that a parcel at the northeast corner of the site (highlighted in yellow) is actually part of the school but was not identified on the list of parcels provided by the City. Although the parcel, APN 0256-031-21, has been a School District property since 2004, it was somehow left off from the agreement that was executed in 2014.

The City has verified that wastewater service is being provided to the said parcel. The City will be addressing the additional parcel, as an amendment to its original agreement. Following the execution of the amended agreement, the City intends to submit a follow-on request to LAFCO to process the amended agreement as a non-development-related service contract review and approval.

#### **APN 0257-051-46**

APN 0257-051-46 is generally located on the east side of Larch Avenue (10533 South Larch Avenue) between Slover Avenue and Gregory Street.





*Figure 6 – Aerial map of APN 0257-051-46*

The parcel comprises approximately 0.4 acre and has an existing single-family residential property on it that is currently provided wastewater service by the City from an existing 8-inch sewer main in Larch Avenue. An extraterritorial service agreement between the City and the property owner was executed in August 2014.

**APN 1133-211-14:**

APN 1133-211-14 is generally located on the southeast corner of Maple Avenue and Bonhert Avenue (18311 Bonhert Ave.), within the City's unincorporated sphere of influence. Figure 3 below, which is included as part of Attachment #1, provides a vicinity map of the site.

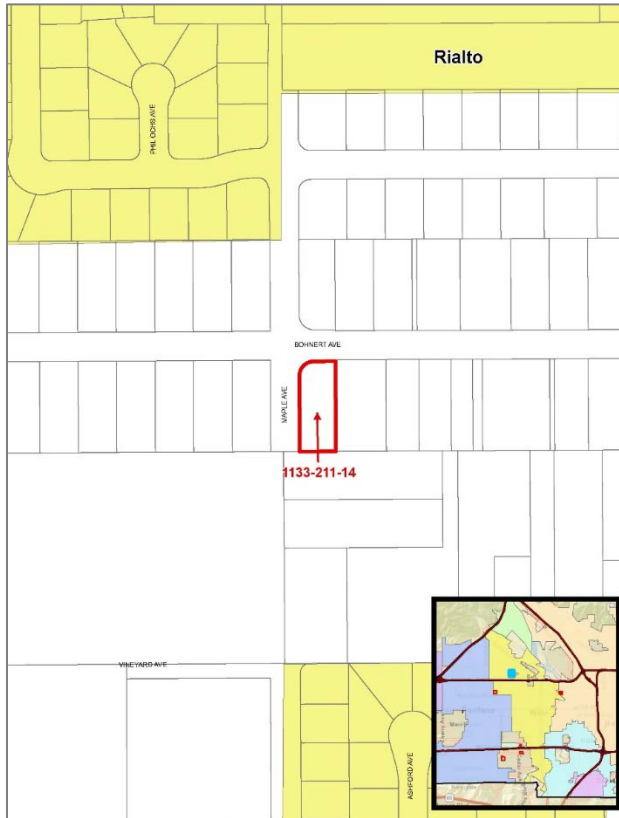


Figure 7 – Vicinity Map of APN 1133-211-14



Figure 8 – Vicinity Map of APN 1133-211-14

The parcel comprises approximately 0.3 acre and has an existing single-family residential property on it that is currently provided wastewater service by the City from an existing 8-inch sewer line in Maple Avenue. An extraterritorial service agreement was executed between the City and the property owner in March 2013.

**APNs 0269-171-21, 0269-171-27, 0269-171-39, 0269-171-42, and 0269-171-46:**

APN 0269-171-21, 0269-171-27, 0269-171-39, 0269-171-42, and 0269-171-46 (previously comprised of Assessor Parcel Numbers 0269-171-37, 0269-171-38, 0269-171-40, & 0269-171-41) are a group of parcels located along Lassen Street, which is generally north of Baseline Road and west of the Lytle Creek Wash, within the City of San Bernardino. Figure 9 below, which is included as part of Attachment #1, provides a vicinity map of the site.

In May 2006, the Commission already determined that the water service provision to APN 0269-171 41—said parcel was merged with three other parcels to form APN 0269-171-46—was exempt from LAFCO review and approval (see application materials included as part of Attachment #2 i, LAFCO letter to the City of Rialto dated May 19, 2006 including map of LAFCO SC#274).



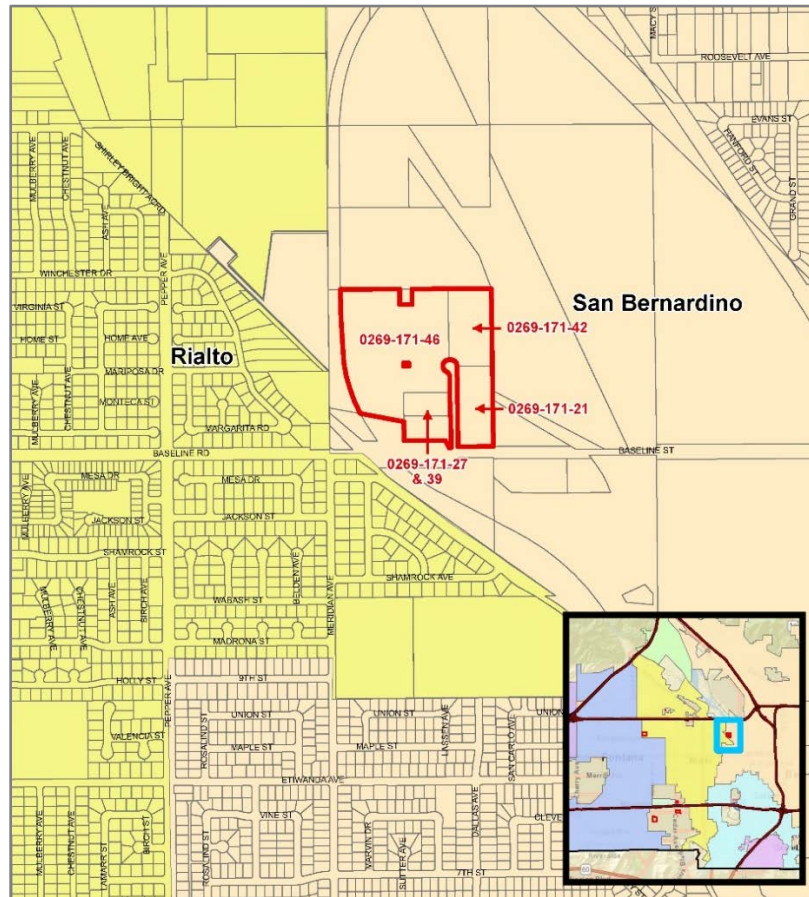


Figure 9 – Vicinity Map of APNs 0269-171-21, 0269-171-27, 0269-171-39, 0269-171-42, and 0269-171-46

Just like the water service provision to the prior APN 0269-171-41, as a service agreement between two public agencies—the City of Rialto and the City of San Bernardino—where the water service provided to the parcels is an alternative to (or substitute for) water service already being provided by an existing public service provider and the level of service is consistent with the level of service contemplated by the existing service provider, the water service to APNs 0269-171-21, 0269-171-27, 0269-171-39, 0269-171-42, and 0269-171-46 complies with the exemption provisions outlined within Government Code Section 56133(e) and, therefore, does not require Commission approval.

### **ENVIRONMENTAL DETERMINATION:**

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Dodson and Associates, has reviewed this application and has indicated that it is his recommendation that the review of LAFCO SC#447 is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the Commission's approval of the out-of-agency wastewater services do not have the potential to cause a significant adverse impact on the environment; and therefore, the request for authorization is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061(b)(3).



## **CONCLUSION:**

The purpose of this out-of-agency wastewater service request is to recognize, as well as to authorize after the fact, the wastewater service provided by the City of Rialto outside its boundaries to the existing developments on APNs 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07 and 0253-232-01 thru -07, 0256-031-01 thru -03, 0257-051-46, and 1133-211-14 located within the City's unincorporated sphere of influence.

In addition, LAFCO staff determined that the wastewater service to APN 0240-181-51, which is a service agreement between two public agencies, complies with the exemption provisions outlined within Government Code Section 56133(e).

LAFCO staff also determined that the water service to APN 0269-171-21, 0269-171-27, 0269-171-39, 0269-171-42, and 0269-171-46, which is a service agreement between two public agencies, also complies with the exemption provisions outlined within Government Code Section 56133(e).

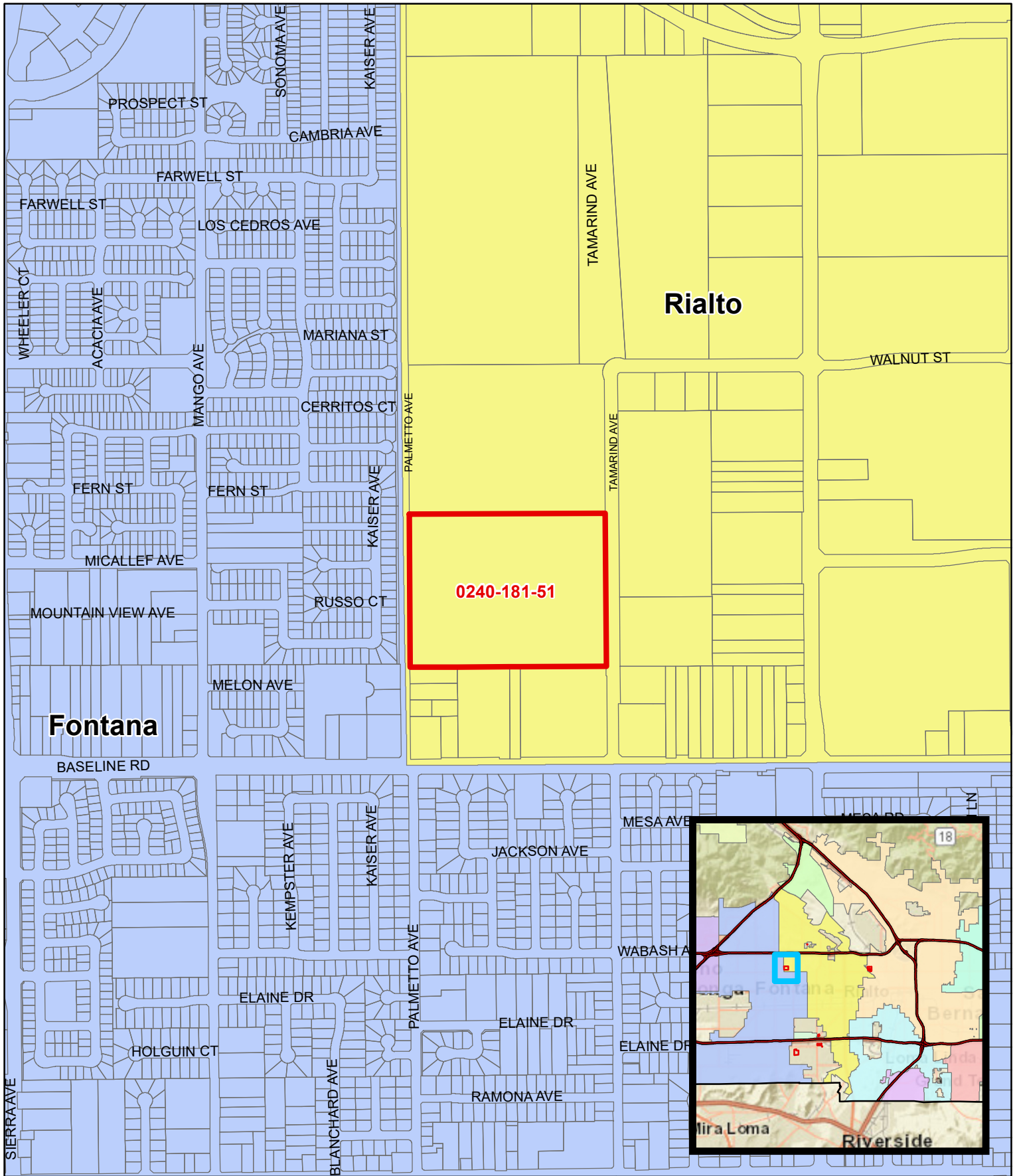
LAFCO SC#447, fulfills the Commission's recommendation outlined during the Countywide Wastewater Service Review that required the City to initiate an application to LAFCO to bring its wastewater service provision to said parcels in compliance pursuant to Government Code Section 56133. Therefore, staff supports the City's request for authorization to provide wastewater service to APNs 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07 and 0253-232-01 thru -07, 0256-031-01 thru -03, 0257-051-46, and 1133-211-14 since said request complies with the provisions of Government Code Section 56133 and Commission policy.

## Attachments:

1. [Vicinity Maps](#)
2. [City of Rialto Application Letter Dated November 13, 2019 and Application Materials for the Parcels Being Considered:](#)
  - a. [City of Rialto Letter and Copy of Agreement between the City of Rialto and the City of Fontana for APN 0240-181-51](#)
  - b. [City of Rialto Letter and Copy of Agreement for APN 0253-072-35](#)
  - c. [City of Rialto Letter and Copy of Agreement for APN 0253-072-36](#)
  - d. [City of Rialto Letter and Copy of Agreement for APN 0253-072-39](#)
  - e. [Application Form and Copy of Agreement for Bloomington High School](#)
  - f. [Application Form and Copy of Agreement for Slover Mountain High School](#)
  - g. [Application Form and Copy of Agreement for APN 0257-051-46](#)
  - h. [Application Form and Copy of Agreement for APN 1133-211-14](#)
  - i. [LAFCO Letter to the City Dated May 19, 2006 Including Map of SC#274 and Copy of Agreement between the City of Rialto and the City of San Bernardino](#)
3. [LAFCO Staff Report Dated January 6, 2014 for LAFCO SC#383](#)
4. [City of Rialto Letter Dated July 30, 2018](#)
5. [Response from Tom Dodson and Associates](#)
6. [Draft Resolution #3299](#)

# **Vicinity Maps**

**Attachment 1**

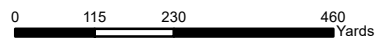


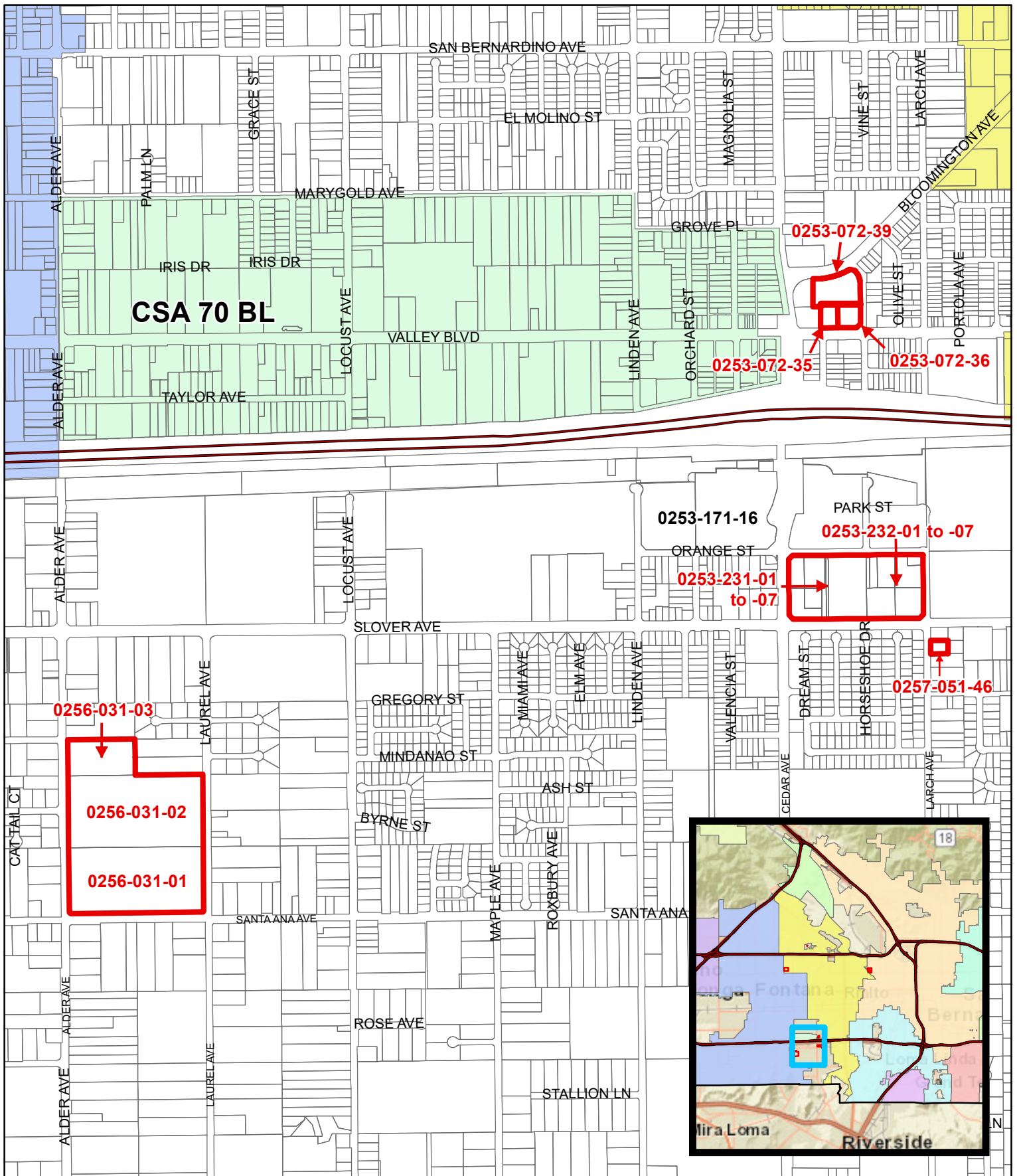
**LAFCO SC#447 – City of Rialto Extraterritorial Wastewater Service for Assessor ParcelNumbers (APNs) 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07, 0253-232-01 thru -07, 0256-031-01, -02, & -03, 0257-051-46, 0240-181-51, 0253-171-16, and 1133-211-14; and City of Rialto Extraterritorial Water Service for APNs 0269-171-21, -27, -39, -42, and -46 (previously 0269-171-37, -38, -40, & -41)**

- SC 447
- City of Fontana
- City of Rialto



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





**LAFCO SC#447 – City of Rialto Extraterritorial Wastewater Service for Assessor ParcelNumbers (APNs) 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07, 0253-232-01 thru -07, 0256-031-01, -02, & -03, 0257-051-46, 0240-181-51, 0253-171-16, and 1133-211-14; and City of Rialto Extraterritorial Water Service for APNs 0269-171-21, -27, -39, -42, and -46 (previously 0269-171-37, -38, -40, & -41)**




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


0 165 330 660 Yards

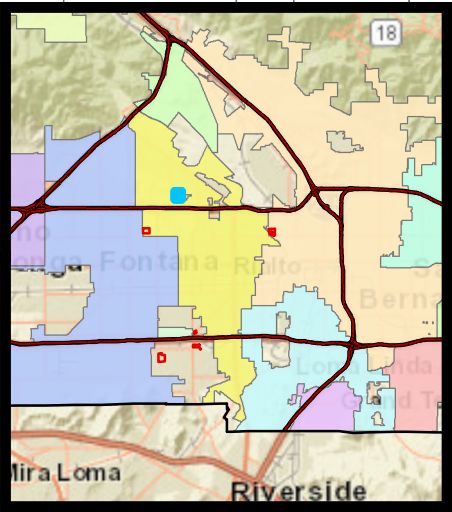
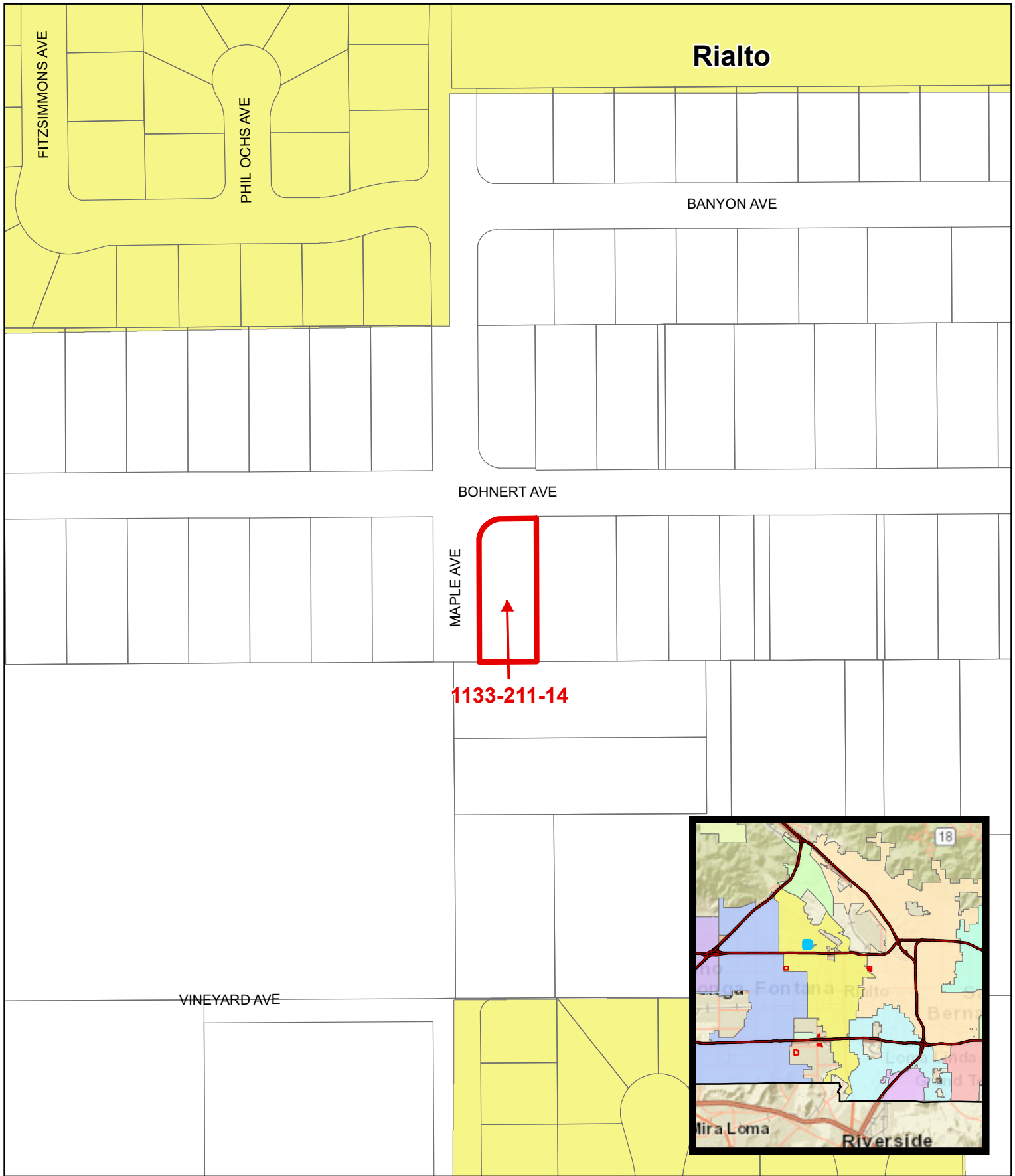


 SC 447



 CSA 70 BL

 City of Fontana

 City of Rialto



**LAFCO SC#447 – City of Rialto Extraterritorial Wastewater Service for Assessor Parcel Numbers (APNs) 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07, 0253-232-01 thru -07, 0256-031-01, -02, & -03, 0257-051-46, 0240-181-51, 0253-171-16, and 1133-211-14; and City of Rialto Extraterritorial Water Service for APNs 0269-171-21, -27, -39, -42, and -46 (previously 0269-171-37, -38, -40, & -41)**

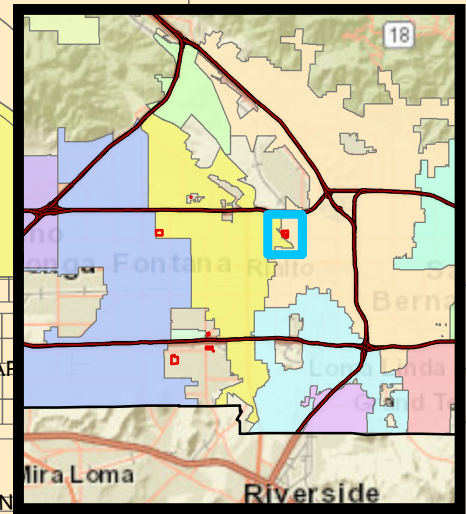
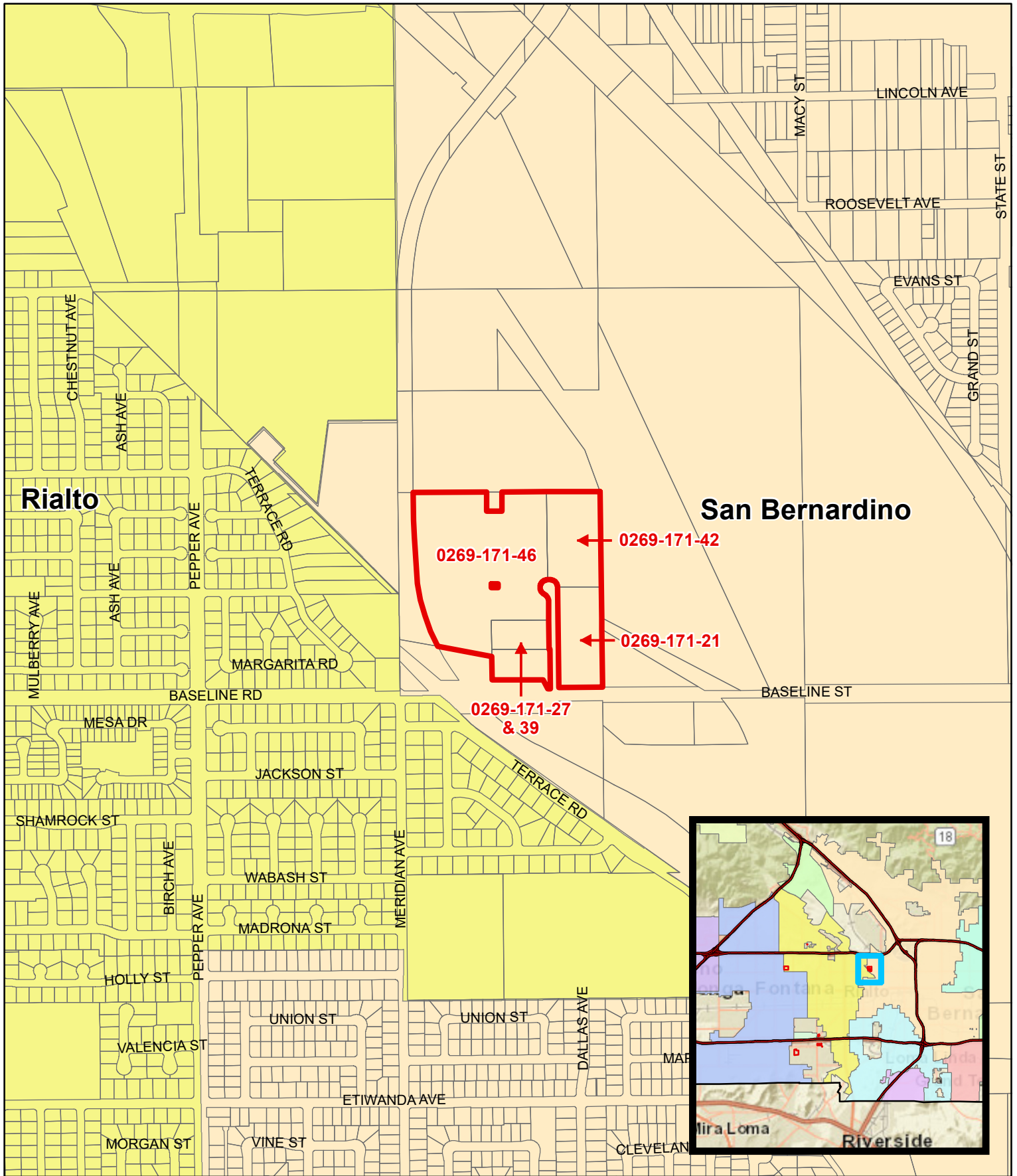
 SC 447  
 City of Rialto



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

0 20 40 80 Yards





**LAFCO SC#447 – City of Rialto Extraterritorial Wastewater Service for Assessor ParcelNumbers (APNs) 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07, 0253-232-01 thru -07, 0256-031-01, -02, & -03, 0257-051-46, 0240-181-51, 0253-171-16, and 1133-211-14; and City of Rialto Extraterritorial Water Service for APNs 0269-171-21, -27, -39, -42, and -46 (previously 0269-171-37, -38, -40, & -41)**

- SC 447
- City of Rialto
- City of San Bernardino

**City of Rialto Application Letter  
Dated November 13, 2019**

**Attachment 2**





# City of Rialto California

November 13, 2019

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

RE: Out of Agency Service Agreements

Dear Mr. Martinez;

Enclosed please find the copies of San Bernardino LAFCO Application for Extension of Service by Contract for Extraterritorial Agreements entered into by the City of Rialto from 2013 to 2016.

With this letter and the accompanying attachments, the City of Rialto requests LAFCO authorization to extend services outside of our boundaries for the properties as listed below.

The Extraterritorial Agreements entered into are as follows:

1. Extraterritorial Sewer Service Agreement with Jeffrey and Debby Blackmon – 18311 Bohnert Avenue (existing single family residence).

*This Extraterritorial Agreement was approved by the Rialto City Council on 3/12/2013. The San Bernardino LAFCO Application for Extension of Service by Contract is enclosed.*

2. Extraterritorial Sewer Service Agreement with San Bernardino County (CSA 70 Zone BL) – Unincorporated area in Bloomington.

*The agreement was presented to LAFCO and the exemption request was approved by the Commission on January 15, 2014. A copy of the approval is attached.*

3. Extraterritorial Sewer Service Agreement with Cedar Santa Ana Avenue 26, LLC – 10930 Cedar Avenue, development of Family Dollar store.





# City of Rialto California

*This Extraterritorial Agreement was approved by the Rialto City Council on 5/27/2014. The San Bernardino LAFCO Application for Extension of Service by Contract is enclosed.*

4. Extraterritorial sewer Services Agreement with Carlos Rubio – 10533 South Larch Avenue, existing single family residence.

*This Extraterritorial Agreement was approved by the Rialto City Council on 8/26/2014. The San Bernardino LAFCO Application for Extension of Service by Contract is enclosed.*

5. Extraterritorial Sewer Service Agreement with Colton Joint Unified School District - Bloomington High School, 10750 Laurel Avenue, existing high school.

*This Extraterritorial Agreement was approved by the Rialto City Council on 10/28/2014. The San Bernardino LAFCO Application for Extension of Service by Contract is enclosed.*

6. Extraterritorial Sewer Service Agreement with Colton Joint Unified School District – Slover Mountain High School, 18829 Orange Street, existing high/adult education school.

*This Extraterritorial Agreement was approved by the Rialto City Council on 10/28/2014. The San Bernardino LAFCO Application for Extension of Service by Contract is enclosed.*

7. Extraterritorial Sewer Service Agreement with Extra Space Storage – 18777 Bloomington Avenue, existing storage facility.

*The City of Rialto would like to request an exemption for this Agreement. A letter to LAFCO requesting an exemption is enclosed*

8. Extraterritorial Sewer Service Agreement with JBM, LLC – 18790 Valley Boulevard, existing multi-unit facility.

*The City of Rialto would like to request an exemption for this Agreement. A letter to LAFCO requesting an exemption is enclosed*

9. Extraterritorial Water Service Agreement with City of San Bernardino – Properties on North Lassen, existing facilities.



# City of Rialto

## California

*The City was advised that service to this property is exempt from the provisions of Government Code 56133 as confirmed by a letter to the City dated May 19, 2006. A copy of the letter is enclosed.*

*It should be noted that in researching the agreement and services being provided to the facilities through this agreement, staff discovered errors in the APNs referenced in the Agreement. The table below lists the APNs as referenced on the Agreement and how the numbers should have been listed.*

<b>APN Referenced On Agreement</b>	<b>Correct APN</b>
0269-171-27-0000	Correct as referenced on Agreement
026-171-39-0000	0269-171-39-0000 The number "9" (as shown in red) was missing from the APN listed on the Agreement.
0269-171-38-0000	Correct as referenced on Agreement
0269-171-37-0000	Correct as referenced on Agreement
0269-171-43-0000	0269-171-45-0000 The number "5" (as shown in red) was missing from the APN listed on the Agreement.
0269-171-42-0000	Correct as referenced on Agreement
0269-171-21-0000	Correct as referenced on Agreement
N/A	002-171-40-0000 This APN was missing from the Agreement.

10. Extraterritorial Sewer Service Agreement with James and Margaret Howard – 18772 Valley Boulevard, existing fast food restaurant (Taco Bell).

*The City of Rialto would like to request an exemption for this Agreement. A letter to LAFCO requesting an exemption is enclosed*

11. Extraterritorial Sewer Service Agreement with the City of Fontana – 1420 North Tamarind, warehouse development.

*The City of Rialto would like to request an exemption for this Agreement. A letter to LAFCO requesting an exemption is enclosed.*



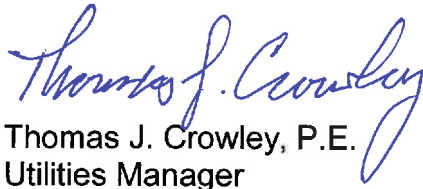
# City of Rialto California

12. Extraterritorial Sewer Service Agreement with Thrifty Oil Co. – (Street Address Not Available, APN No. 0253-171-16-0-000), high-cube warehouse development.

*A letter was sent to LAFCO dated July 30, 2018, regarding the property owner's decision to not pursue connecting to the City's sewer system. A copy of the letter is enclosed. Please let us know if this is not sufficient or if additional information is needed.*

Thank you for your time as assistance as we work through the process to present these agreements to the Commission. If you should have any questions or require any additional information, please contact Susanne Wilcox, Administrative Analyst, at (909) 820-2525, extension 2062, or via email at [swilcox@rialtoca.gov](mailto:swilcox@rialtoca.gov).

Sincerely,

  
Thomas J. Crowley, P.E.  
Utilities Manager

**City of Rialto Letter and Copy of  
Agreement between the City of  
Rialto and the City of Fontana  
for APN 0240-181-51**

**Attachment 2a**



# *City of Rialto*

## *California*

November 13, 2019

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

**SUBJECT: Request for Exemption / Government Code Section 56133  
City of Rialto and City of Fontana, 1420 North Tamarind Avenue**

Dear Mr. Martinez;

As you are aware, the City of Rialto (Rialto) and City of Fontana (Fontana) entered into an agreement on February 23, 2016, which provides conditions for the transfer of wastewater collected at the subject property on Tamarind in Fontana to Rialto's sanitary sewer system for conveyance and treatment. The agreement was reviewed and approved by the Rialto City Council on February 23, 2016. Rialto is able to accept the additional wastewater flow from Fontana under the terms and conditions in the agreement. Rialto would like to petition LAFCO for an exemption from "Out of Area Service Agreements", thereby authorizing Rialto to accept, convey and treat wastewater generated from within Fontana's service boundary for the 1420 North Tamarind Avenue property.

The aforementioned property is required to comply with Rialto's conditions for service, including but not limited to, the payment of monthly service fees. A copy of the agreement is enclosed for your reference.

If you have any questions or would like additional information, please contact Susanne Wilcox, Administrative Analyst, at (909) 820-2525, extension 2062, or by email at [swilcox@rialtoca.gov](mailto:swilcox@rialtoca.gov).

Sincerely,

Thomas J. Crowley P.E.  
Utilities Manager

## **EXTRATERRITORIAL SEWER SERVICES AGREEMENT**

This EXTRATERRITORIAL SEWER SERVICES AGREEMENT ("Agreement") is made and entered into this \_\_\_\_ of \_\_\_\_\_ 2016, by and between the CITY OF FONTANA, a California municipal corporation, ("Fontana"), and the CITY OF RIALTO, a California municipal corporation, ("Rialto"), referred to hereafter individually as a Party and collectively as the Parties, with reference to the following facts:

WHEREAS, Fontana and Rialto enter into this Agreement because sewage generated in that certain portion of Rialto in the land identified as Precise Plan of Design No. 2267 - Development of a 677,225 square foot distribution warehouse on 29.5 acres of land located at 1420 N. Tamarind Avenue as indicated on **Exhibit "A"** attached hereto and made a part hereof, (the "Service Area"), is being proposed to be serviced by Fontana at the request of the City of Rialto; and

WHEREAS, Fontana owns and operates certain wastewater collection and treatment systems (the "Fontana Disposal System") that has been made available to Rialto to facilitate providing sewer service to the Service Area up to a maximum of 1350 gallons per day (5 EDU) annual average gallons per day; and

WHEREAS, the Service Area will remain outside of Fontana's boundaries; and

WHEREAS, annexation of the Service Area to Fontana is not required so long as sewer service under this Agreement is strictly limited to the Property; and

WHEREAS, Rialto will not oppose any future annexation proceeding concerning the annexation of the Service Area to Fontana; and

WHEREAS, Fontana has accepted Service Area Sewage into the Fontana Disposal System at 2 connection points, those being at Palmetto Avenue, north of Baseline Avenue (the "Connection Points").

NOW, THEREFORE, in consideration of the foregoing and subject to the terms and conditions herein, the Parties hereby agree as follows:

### **ARTICLE I. RIGHTS AND OBLIGATIONS**

#### **Section 1.01      Recitals Incorporated**

The recitals set forth above are true and correct, and are hereby incorporated into and made a part of this Agreement.

## **Section 1.02      Delivery and Receipt of Wastewater**

At all times, except as may be restricted by unforeseen emergencies, Rialto shall have the right (but not the obligation) to deliver Service Area Sewage to the Fontana Disposal System in an amount up to the maximum capacity of 1350 gallons per day (on an annual average-per-day basis). Rialto agrees that it will not, without the prior written consent of Fontana, permit the collective amount of Service Area Sewage delivered to the Fontana Disposal System during any rolling 12-month period to exceed the amount set forth above for such period. Fontana shall continue to own, operate and maintain the Palmetto Avenue sewer line and the Fontana Disposal System for the conveyance, treatment and disposal of Service Area Sewage.

## **Section 1.03      Disposal of Service Area Sewage; Ownership and Reclamation of Effluent**

(a) The cost of constructing and operating the Palmetto Avenue sewer line and the Fontana Disposal System and of conveying, treating and disposing of the Service Area Sewage (including without limitation, effluent or by-products thereof) after delivery of such Service Area Sewage to the Fontana Disposal System shall be the sole responsibility of Fontana, and Rialto shall not be responsible for, and shall not be liable to Fontana or any third party for, any costs or other expenses incurred by Fontana in connection with or related thereto, other than payments identified in Article II and Article III of this agreement.

(b) Rialto shall continue to enforce an Industrial Pretreatment Program pursuant to Division 2 – Chapter 12.27 of the Rialto Municipal Code, and in compliance with the State of California Codes and policies, incorporated herein by reference as they relate to wastewater discharge for industrial and commercial customers.

## **Section 1.04      Ownership of Service Area Sewage**

Fontana shall have total ownership and control of all Service Area Sewage delivered to the Fontana Disposal System and shall indemnify and hold Rialto harmless with respect to such Service Area Sewage and the conveyance, treatment and disposal thereof once so delivered.

## **Section 1.05      Connection Points**

Fontana has provided the Connection Points for Rialto's benefit to accept Service Area Sewage into the Palmetto Avenue sewer line for conveyance to the Fontana Disposal System, providing service to the service area. Maintenance of the Connection Points shall be the responsibility solely of Fontana, and Rialto shall not be liable to Fontana or any third party with respect thereto or maintenance thereof.

**Section 1.06      Rialto Collection System**

Rialto has constructed, or has required construction of, a wastewater collection system to facilitate conveyance of Service Area Sewage through the Service Area, (the "Rialto Collection System"). Maintenance of the Rialto Collection System up to, but excluding, the Connection Points, shall be the responsibility solely of Rialto, and Fontana shall not be liable to Rialto or any third party with respect thereto or maintenance thereof.

**Section 1.07      Alternate Treatment Plant**

Rialto hereby consents to the treatment by Fontana of the Service Area Sewage at a suitable treatment facility other than the treatment plant that is part of the Fontana Disposal System (an "Alternate Treatment Plant"), provided that the use by Fontana of an Alternate Treatment Plant does not result in an increase in any fee, charge or other cost payable by Rialto or any Service Area user hereunder.

**Section 1.08      Vesting of Capacity**

Subject to Rialto's obligation to enforce an Industrial Pretreatment Program pursuant to Division 2 – Chapter 12.27 of the Rialto Municipal Code, and Rialto's obligation to pay when due the payments and fees expressly required by the terms of this Agreement, Rialto's right to deliver Service Area Sewage to the Fontana Disposal System for the conveyance, treatment and disposal thereof in the quantity set forth in Section 1.02 above shall continue to be vested in perpetuity.

**ARTICLE II. PAYMENTS FOR WASTEWATER TREATMENT**

**Section 2.01      Capacity and Collection of Fees**

(a) Rialto is responsible for issuing building permits and wastewater connection permits within the Service Area that will ultimately result in the delivery of Service Area Sewage to the Fontana Disposal System. Fontana levies a development impact fee on all such connections within Fontana, identified as the Sewage Connection and Treatment Facilities Development Fee in accordance with Chapter 23-311 through 23-326 of the Fontana Municipal Code ("Capacity Fee(s)"). The actual Capacity Fees are established from time to time by adoption of a Resolution of the City Council for the City of Fontana. Fontana shall be entitled to collect a Capacity Fee from all connections to the Rialto Collection System that generate Service Area Sewage for conveyance to and through the Fontana Disposal System. To ensure that Fontana receives its Capacity Fees, the Parties agree to the following procedures prior to Rialto's issuance of a building permit or a wastewater connection permit with respect to any structure located or to be located in the Service Area:

- (1) Rialto will refer applicants for building permits or sewer connection permits to Fontana for consultation on the appropriate Capacity Fee.



- (2) Fontana will determine a Capacity Fee with respect to such permit and directly invoice the applicant for such building permit or wastewater connection permit, with a copy provided to Rialto. Said fee shall equal the Capacity Fee imposed in accordance with Chapter 23-311 through 23-326 of the Fontana Municipal Code then currently in effect and imposed on new development within Fontana on the date of issuance of such permit.
- (3) Rialto shall not issue any such building or wastewater connection permit prior to receiving written acknowledgement from Fontana that the Capacity Fee was paid by the permit applicant.

(b) If Rialto allows a connection to the Rialto Collection System without the written acknowledgement by Fontana, then Fontana will use reasonable efforts to collect the Capacity Fee from the permit applicant. If Fontana does not receive the Capacity Fee from the permit applicant after reasonable diligence, then Rialto shall be liable to Fontana for payment of the Capacity Fee not more than thirty (30) days after notification by Fontana to Rialto that the Capacity Fee remains uncollected.

(c) This process shall also apply if the nature of the business within an existing building changes from that previously permitted. Rialto shall not issue a Certificate of Occupancy or building permit for a change of use unless and until Fontana has provided a written acknowledgement that all fees are paid in full by the proposed user.

## **Section 2.02      Permit Records**

Rialto shall maintain records of all permits issued by Rialto within the Service Area and shall submit copies of such records to Fontana on a monthly basis.

## **Section 2.03      Calculation of Service Area Sewage**

(a) The amount of Service Area Sewage attributable to any structure within the Service Area as well as the aggregate amount of Service Area Sewage delivered by Rialto to the Fontana Disposal System shall be estimated as follows:

- (1) Except as set forth in (2) below, each single-family residence, condominium unit, apartment unit and mobile home or mobile home space within the Service Area shall be assumed to generate two hundred and forty gallons per day (270 gpd), which amount shall constitute one Equivalent Dwelling Unit (1 EDU).
- (2) Each one-bedroom, one-bathroom residential unit shall be assumed to generate 0.8 EDU; and
- (3) The number of gallons attributable to commercial and/or industrial units shall be determined in accordance with the calculations set forth in **Exhibit "C"** attached hereto.

(b) In the event the actual monitored amount of Service Area Sewage delivered to the Fontana Disposal System substantially exceeds or is less than the estimated discharges so calculated, the Parties agree to amend this Agreement in accordance with Section 5.02 to substitute a more accurate method of calculating user discharges, which method shall be mutually agreeable to both Parties.

### **ARTICLE III. SEWER USER RATES**

#### **Section 3.01      Transition of Accounts**

(a) After the Commencement Date, Fontana shall collect fees from users of sewer services within the Service Area as identified in this Section 3.01 and Section 3.02 below.

(b) Within thirty (30) days following the Commencement Date, pursuant to California Government Code 53756 and Proposition 218 (as Fontana deems applicable), Fontana shall include appropriate legal notice of its adoption of a schedule of fees, consistent with the increased Sewer User Rates identified on **Exhibit "B"**, sufficient to allow Rialto to collect the increased Sewer User Rates adopted by Fontana to the Service Area Customers.

(c) As a condition of, and prior to Fontana's agreement to accept the Service Area Customers as identified in Section 3.02 below, Rialto shall facilitate and coordinate transmission of water billing data for commercial and industrial properties located in the Service Area (the "Commercial/Industrial Service Area Customers"). In accordance with Chapter 23 of the Fontana Municipal Code, Sewer User Rates for the Commercial/Industrial Service Area Customers are determined in part by the volume of domestic water used; the monthly transmission of water usage data of the Commercial/Industrial Service Area Customers, in a format acceptable to Fontana, is a requirement of Fontana's agreement to accept the Service Area Customers.

#### **Section 3.02      Acceptance of Accounts**

(a) Subject to Rialto's compliance with the requirements identified in Section 3.01 above, Fontana shall accept from Rialto the Service Area Customers, and shall consider the Service Area Customers as Fontana's retail sewer customers for which Fontana shall be solely responsible for coordinating sewer billing and customer service, to be effective the first day of the month following a determination by Fontana that:

- (1) Fontana has complied with California Government Code 53756 sufficient to legally pass the increased Sewer User Rates to the Service Area Customers.
- (2) Rialto has adopted any required Resolutions and/or Ordinances required to assign Fontana the legal right to order the levy and assessment of Sewer User Rates to the Residential Service Area Customers in lieu of direct monthly billings.

- (3) Rialto has submitted a complete billing database, in a format acceptable to Fontana, for all of the Service Area Customers.
- (4) Rialto has established required protocols with its domestic water supplier, acceptable to Fontana, sufficient to facilitate Fontana's continued and uninterrupted direct billing of the Commercial/Industrial Service Area Customers to be determined by Fontana in part by the volume of domestic water used by each individually metered Commercial/Industrial Service Area Customer.

(b) Notwithstanding Fontana's acceptance of the Service Area Customers pursuant to this Section 3.02, Rialto shall retain its sole responsibility to operate and maintain the Rialto Collection System, and to adequately respond to and mitigate any customer service requests submitted to Fontana by the Service Area Customers. Fontana shall promptly forward any such requests to Rialto for resolution.

### **Section 3.03      Monthly Sewer User Charges**

After the Acceptance Date, Fontana may impose and collect Sewer User Rates charged within the Service Area for the provision of sewer conveyance, treatment and disposal services Sewer User Rates adopted by Fontana identified on **Exhibit "B"**, and of any future Sewer User Rates thereafter adopted by Fontana. Rialto acknowledges, and hereby agrees that Fontana may, from time to time, by adoption of Resolution, adjust the Sewer User Rates charged to the Service Area Customers, and Fontana hereby agrees to provide Proposition 218 Notifications to the Service Area Customers regarding any such proposed increases to Sewer User Rates to be charged within the Service Area pursuant to Proposition 218 and Article XIID of the California Constitution. Fontana shall be entitled to retain, use and expend such monthly sewer user charges for any lawful purpose.

### **Section 3.04      Rialto Not to Charge Fontana Users**

Commencing on the Acceptance Date, Rialto shall not impose nor seek to impose Sewer User Rates charged within the Service Area, and shall release to and assign Fontana Rialto's legal rights and responsibilities to impose and collect any and all Sewer User Rates charged within the Service Area.

## **ARTICLE IV. MONITORING OF SERVICE AREA SEWAGE**

### **Section 4.01      Pretreatment Program**

Rialto shall at its sole cost and expense, establish, maintain and enforce an Industrial Pretreatment Program for the Service Area. Fontana shall have the right to monitor or restrict the discharge of any individual user located within the Service Area, as if the user was located in Fontana, if it suspects or discovers the user has discharged

prohibited substances, as described in Chapter 23 of the Fontana Municipal Code (or any subsequent Ordinance enacted in its replacement), into the Rialto Collection System, or violated other provisions of Federal or State statute or regulations. Fontana may, at its option, allow discharge to resume with the installation, and proper maintenance of, an approved pretreatment device or system.

**Section 4.02      Hold Harmless**

(a) Rialto shall indemnify, defend and hold Fontana harmless from and against any liability arising out of or in connection with the provisions of wastewater collection and treatment services to the Service Area, to the extent, and only to the extent, that such liability arises from Rialto's failure to comply with the discharge standards referred to in Section 4.01.

(b) Rialto hereby agrees to pay on demand any penalties, fines or surcharges that may be assessed against Fontana for any violation of the Clean Water Act or any similar Federal or State statute imposing restrictions on the quality of discharged treated sewage effluent, which results from Rialto's failure to implement, enforce or maintain the discharge standards referred to in Section 4.01.

**ARTICLE V. MISCELLANEOUS**

**Section 5.01      Effective Date; Term**

This Agreement shall become effective when it has been duly executed by both Parties hereto ("Commencement Date"), and shall be binding upon the heirs, assigns and successors of the Parties. This Agreement shall continue in perpetuity, unless terminated by mutual agreement of the Parties. No other termination of this Agreement shall be effective for any purpose.

**Section 5.02      Amendment and Waiver**

No amendment or waiver of any provisions of this Agreement or consent to departure from its terms shall be effective unless in writing and signed by the Parties.

**Section 5.03      Notices**

All notices and other communications provided for hereunder shall be in writing (including Telecopier communication) addressed to the parties at their addresses set forth below:

If to Rialto:                      City of Rialto  
   150 S. Palm Avenue  
   Rialto, California 92376  
   Attention: City Administrator  
   Telephone: (909) 421-4991  
   Fax No: (909) 820-2527

With a copy to: Aleshire & Wynder, LLP  
Attention: Fred Galante, Rialto City Attorney  
18881 Von Karman Ave, Suite 1700  
Irvine, CA 92612  
Telephone: (949) 250-5410  
Fax No: (949) 223-1180

If to Buyer: City of Fontana  
8353 Sierra Ave.  
Fontana, CA 92335  
Attention: City Manager  
Telephone No.: (909) 350-7654  
Fax No.: (909) 350-6613

With a copy to: Fontana City Attorney  
Best Best & Krieger LLP  
2855 East Guasti Road, Suite 400  
Ontario CA 91761

Attention: Jeffrey S. Ballinger  
Telephone: (909) 989-8584  
Fax No: (909) 944-1441

All such notices and communications shall, when mailed or telecopied, be effective when deposited in the U.S. mail, postage prepaid, or telecopied, respectively.

#### **Section 5.04      Costs and Expense of Enforcement**

Should litigation be necessary to enforce any term or provision of this Agreement, the prevailing Party shall be entitled to collect litigation costs and attorney fees incurred by the prevailing Party.

#### **Section 5.05      Binding Effect**

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, except that no Party hereto shall have the right to add to or transfer either directly or indirectly or by operation of law, its rights and obligations hereunder or interest herein without the prior written consent of the Parties. Any such attempted assignment shall be void and of no force and effect, and no such assignee or transferee shall acquire any right or interest because of such attempted assignment or transfer.

#### **Section 5.06      Indemnification**

Government Code Section 895.2 imposes certain tort liability jointly upon public agencies solely by reason of such public agencies being parties to an agreement as defined in Government Code Section 895. Therefore, the Parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections

01180.0009/274548.3

895.4 and 895.6, each assumes the full liability imposed upon it or any of its officers, agents, representatives or employees by law for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve this purpose, each Party indemnifies and holds harmless the other Party for any loss, cost, or expense, including reasonable attorneys' fees that may be imposed upon or incurred by such other Party solely by virtue of Government Code Section 895.2.

**Section 5.07      Partial Invalidity**

The invalidity of any provision of this Agreement will not affect the validity of the remainder hereof.

**Section 5.08      Execution in Counterparts**

This Agreement may be executed in counterparts, all of which taken together shall constitute an original hereof.

**Section 5.09      Time of Essence**

Time is of the essence in the fulfillment by the Parties hereto of their obligations under this Agreement.

**Section 5.10      Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(SIGNATURES ON FOLLOWING PAGES)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

**CITY OF RIALTO, CALIFORNIA**

By \_\_\_\_\_  
Deborah Robertson  
Mayor

**ATTEST:**

By \_\_\_\_\_  
Barbara McGee  
City Clerk

**APPROVED AS TO FORM:**

By \_\_\_\_\_  
Fred Galante  
City Attorney

**CITY OF FONTANA, CALIFORNIA**

By \_\_\_\_\_  
Kenneth R. Hunt  
City Manager

**ATTEST:**

By \_\_\_\_\_  
Tonia Lewis  
City Clerk

**APPROVED AS TO FORM:**

By \_\_\_\_\_  
Jeffrey S. Ballinger  
City Attorney

**EXHIBIT A**  
**SERVICE AREA**



## Site Plan

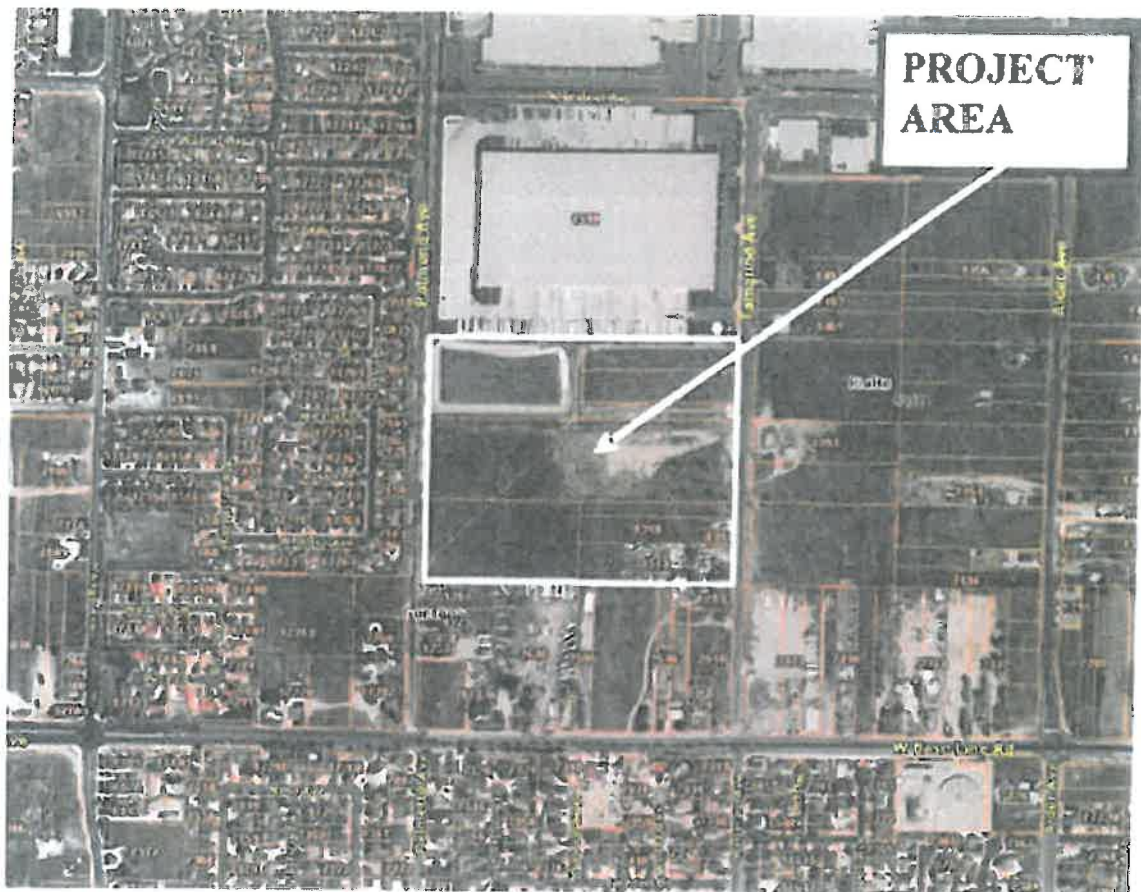


Exhibit A-1

## Site Plan

Precise Plan of Design No. 2267  
1420 N. Tamarind Avenue, Rialto

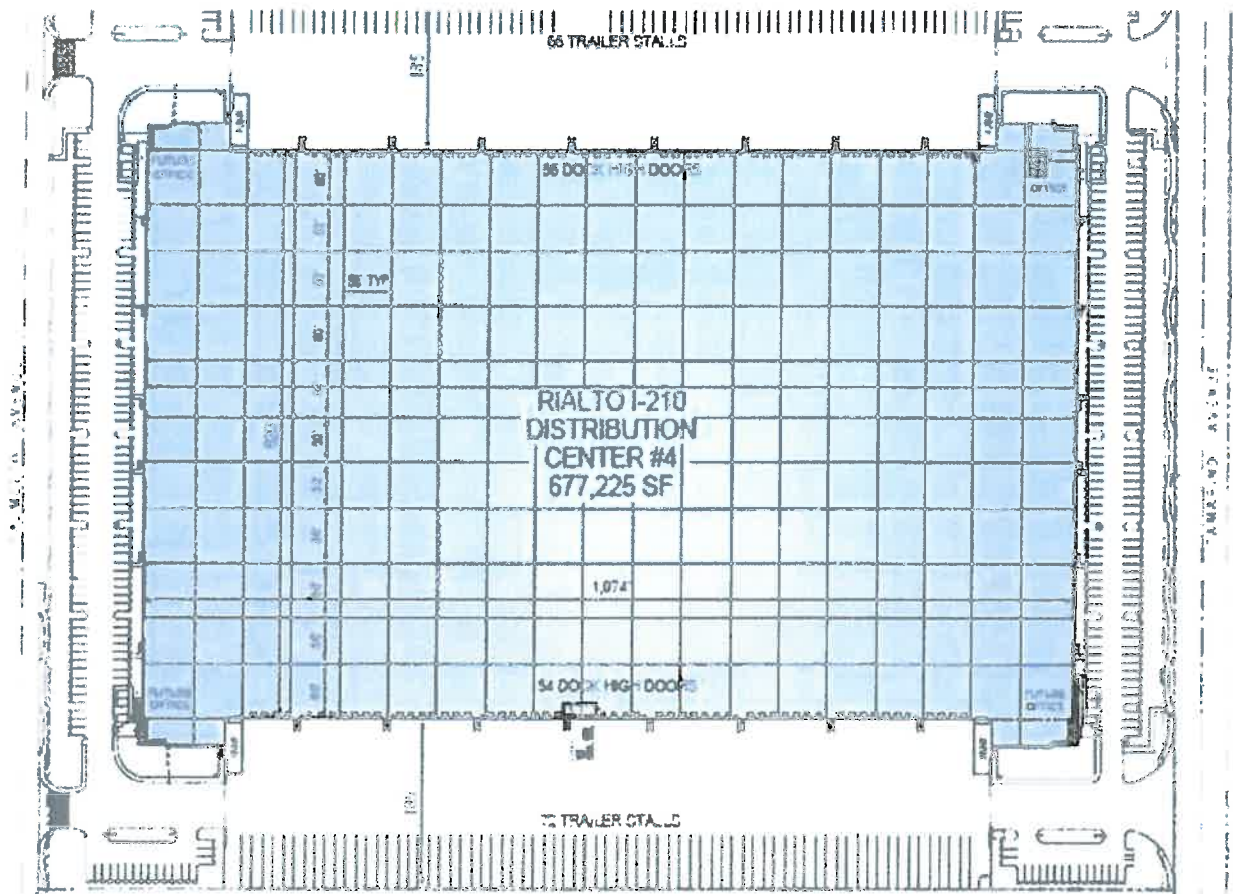


Exhibit A-2

**EXHIBIT B**  
**SEWER USER RATES**

## SEWER RATES

Sewer Expansion	\$5,107 per EDU
• Effective 01/01/16	\$5,415 per EDU
• Effective 01/01/17	\$6,009 per EDU
• Effective 07/01/17	\$6,309 per EDU
• Effective 07/01/18	\$6,624 per EDU
• Effective 07/01/19	\$6,955 per EDU
Sewer Connection Master	\$876.61 per EDU
Sewer Connection Permit	\$25 per Connection
Sewer Deposit	\$60.24 per Billing Account

**EXHIBIT C  
CALCULATION OF SERVICE AREA SEWAGE**

**(EXHIBIT J FROM CHINO BASIN REGIONAL SEWAGE SERVICE CONTRACT )**

(Adopted 4/12/84)  
(Amended 12/7/94)  
(Amended 3/2/05)  
(Amended 6/19/13)

## EXHIBIT "J"

### EQUIVALENT DWELLING UNIT COMPUTATIONS

#### GENERAL

Equivalent Dwelling Unit (EDU) is a numerical value designation where one EDU represents the sewage flow from a single family residential household. For the purposes of computing uniform financial obligations for each Contracting Agency using the Regional Sewerage System, the following computations shall be used to determine EDU's for residential, commercial, and industrial units:

1. Residential. Each structure or part of a structure which is designed for the purpose of providing permanent housing for one family or tenant shall be one EDU. This includes, but is not limited to, a single family detached residence, an apartment, a townhouse, a condominium, a mobile home or trailer space.
2. Commercial. All structures designed for the purpose of providing permanent housing for enterprises engaged in exchange of goods and services. This shall include, but not be limited to, all private business and service establishments, schools, churches, and public facilities. EDU's shall be determined by multiplying the fixture units (as defined by Table 1) shown on the approved building plans, by the appropriate sewage factor from the following Table 2 (also see Note A). Total EDU's for commercial centers for various use categories will be the sum of the EDU's computed for each category of use. For example, hotel complexes that contain restaurants, pools, health clubs, or

laundry facilities should be calculated based on the individual uses in the hotel complex with the fee based on the sum of the EDU's computed for each category of use.

3. Industrial. All structures designed for the purpose of providing permanent housing for an enterprise engaged in the production, manufacturing, or processing of material. EDU's for industrial users shall be determined as follows:

a. For domestic type wastewater, multiply the fixture units (as defined by Table 1) shown on the approved building plans by a sewage factor of 0.0741, based on a 20 gallons per fixture unit flow per day.

b. For non-domestic wastewater; compute from information contained on the industrial waste permit, using the following formula:

$$\text{EDU} = \frac{\text{Estimated non-domestic flow}}{270} \left[ .37 + .31 \frac{\text{BOD}}{230} + .32 \frac{\text{SS}}{220} \right]$$

c. Combine the resultant EDU's derived from a and b above.

NOTES:

- A. Sewage Factor is derived from the formula

$$SF = K \left[ .37 + .31 \frac{BOD}{230} + .32 \frac{SS}{220} \right]$$

Where:     SF     =     Sewage Factor

              K       =     Gallons per fixture unit divided by the average  
   domestic household flow of 270 gallons

              BOD    =     Biochemical Oxygen Demand

              SS      =     Suspended solids

- B. Reimbursement Fees to be levied on Pre-1979 Structures Connecting to the Regional System

For residential structures with a building permit issued prior to July 1, 1979, no Capital Capacity Reimbursement Account (CCRA) fees will be levied at the time of connection to the regional system. If the original permit was issued after 7/1/79, then the CCRA fees established at the time of permit issuance will apply.

The CCRA fees will apply to all commercial and industrial development regardless of when the structure was constructed. When a non-residential use requests to connect to the regional system or modify its use if already connected, the CCRA fee should be based on the current fee in effect at the time the connection or modified use is made (also see Note C).

- C. Reimbursement Fees to be Levied on Existing System Users Who Expand or Revise Use

In some situations existing commercial and industrial users will expand uses to meet increasing demands. As a result, additional fixture units will usually be included within the expanded facility. Under these situations the following criteria will apply:

- a. CCRA fees will only be levied on the fixture unit (FU) count difference between existing FU's and new FU's.
- b. The CCRA fee will be determined based on the fee in effect at the time of building or sewer permit issuance for the expanding development.
- c. A change in use, placing a commercial development in a different Exhibit "J" category, will not result in the recalculation of CCRA obligation for



the existing FU's. Only the new added FU's will be levied CCRA fees based on the Exhibit "J" category which best defines the proposed use.

D. Collection and Reporting of CCRA Fees

- a. CCRA fees shall be reported at no later than at the time of occupancy.
- b. CCRA fees shall be based on the EDU rate (as established by the EDU resolution adopted by the IEUA Board of Directors) in effect at the time of payment. For example, if CCRA fees are reported in the July report, any connection fees changes effective July 1, would be in effect.

E. Attachment of Sewer Use Rights; Tied to Property or Structure

Under certain situations an existing discharger may want to relocate or renovate a business. The issue may then arise as to ownership of certain existing discharge rights in the regional system.

All sewer capacity remains with the existing building and should be sold to building owners rather than tenants.

In cases where an existing building is completely demolished, the transfer or reuse of capacity rights can be permitted provided that:

- a. Proof of building demolition can be documented;
- b. Payment for original system capacity can be documented;
- c. The demolition occurs simultaneously with the transfer; and
- d. The transfer occurs within the Contracting Agency who originally sold the capacity.

Capacity rights would be determined based on fixture unit counts and the Exhibit "J" use category of the demolished structure. Because local collection systems may also be impacted by a relocation, this exception shall be at the sole discretion of the contracting agency who is accepting the relocated capacity.

Any additional EDUs required shall be purchased per Note C of this Exhibit.

TABLE 1 - Fixture Unit (FU) Values<sup>1,2</sup>

Appliances, Appurtenances or Fixtures	Fixture Units
Bathtub or Combination Bath/Shower	2.0
Clothes Washer, domestic, standpipe	3.0
High Efficiency Clothes Washer	2.0
Dental Unit, cuspidor	1.0
Dishwasher with independent drain	2.0
Drinking Fountain or Water Cooler	0.5
Food Waste Grinder (Commercial)	3.0
Floor Drain, Emergency	0.0
Floor Drain	2.0
Shower, single-head trap	2.0
Multi-head, each additional	1.0
Lavatory, single	1.0
Lavatory, In sets of two or three	2.0
Washfountain (1.5-in Minimum Fixture Branch Size)	2.0
Washfountain (2-in Minimum Fixture Branch Size)	3.0
Receptor, indirect waste <sup>3</sup>	
Bar	2.0
Clinical	6.0
Commercial with food waste (1.5-in Minimum Fixture Branch Size)	3.0
Commercial with food waste (2-in Minimum Fixture Branch Size)	4.0
Commercial with food waste (3-in Minimum Fixture Branch Size)	6.0
Kitchen, domestic (with or without food-waste grinder and/or dishwasher)	2.0
Laundry (with or without discharge from a clothes washer)	2.0
Service or Mop Basin	3.0
Service, flushing rim	6.0
Wash, each set of facets	2.0
Urinal	2.0
Waterless Urinal	1.0
Water Closet, 1.6 GPF	4.0
Water Closet, greater than 1.6 GPF	6.0

TABLE 1(a) – Discharge Capacity in Gallons per Minute for Intermittent Flow Only<sup>1,3</sup>

Gallons per Minute	Fixture Units
Up to 7.5	1
Greater than 7.5 to 15	2
Greater than 15 to 30	4
Greater than 30 to 50	6

TABLE 1(b) - Maximum Fixture Units for a Trap and Trap Arm<sup>1,3</sup>

<b>Size of Trap and Trap Arm (inches)</b>	<b>Fixture Units</b>
1.25	1
1.5	3
2	4
3	6
4	8

Footnotes:

1. Tables 1, 1(a), 1(b) are based on the 2010 California Plumbing Code
2. Additional information regarding definitions and plan checking are defined by latest Exhibit J - Table 1 Guideline.
3. Indirect waste receptors shall be sized based on the total drainage capacity of the fixtures that drain therein to, in accordance with Table 1(a). Maximum fixture units for a fixture trap and trap arm loadings for sizes up to 4 inches shall be in accordance with Table 1(b).

TABLE 2<sup>1</sup>

Category	Type of Commercial	Typical Descriptions of Establishment	Gal/ Fixture	BOD/TSS	Sewage Factor (see Note A)
I	Motel/ Hotel	Establishment typically engaged in short-term lodging and may offer food and beverage, recreation, conference/convention room, laundry, and parking services.	12	230/220	0.0444
	Recreation/Amusement	Recreational and amusement services and attractions			
	Restaurant (Fast Food)	Establishments where patrons order or select items and typically pay before eating. Serves food on trays with disposable dishware, has an available drive-thru service, and does not use a dishwasher.			
	Retail Store	Establishment typically engaged in providing retail goods for purchase			
	Office	Establishment where business or services are supplied.			
	Market (without Butcher Shop)	Establishments typically retailing a general line of food, such as canned and frozen foods, fresh fruits and vegetables. Establishment does not process (cut) meat, poultry, or seafood.			
	Bar/Tavern	Establishment typically engaged in preparing and serving alcohol beverages for immediate consumption. May also provide limited food services.			

Category	Type of Commercial	Typical Descriptions of Establishment	Gal/ Fixture	BOD/TSS	Sewage Factor (see Note A)
II	Market (with Butcher Shop)	Establishments typically retailing a general line of food, such as canned and frozen foods, fresh fruits and vegetables. Establishment does process (cut) meat, poultry, or seafood.	24	250/350	0.1081
	Bakery	Establishment typically manufacturing fresh and frozen bread and bread-type roll products, cookies, crackers, doughnuts, pastries, pies, ice cream cones, and etc. May include commercial and storefront bakeries.			
	Mortuary	Establishments typically preparing the dead for burial or interment and conducting funerals. May include crematories.			
III	Convalescent Home	Establishments providing inpatient nursing and rehabilitative services. The care is typically provided for an extended period of time to individuals requiring nursing care. May include nursing homes, Inpatient care hospices, rest homes with nursing care, etc.	42	250/300	0.1780
	Hospital	Establishments typically known and licensed as general medical and surgical hospitals primarily engaged in providing diagnostic and medical treatment to inpatients with any wide variety of medical conditions.			
	Health Spa with Pool	Establishments typically operating fitness and recreation sports facilities featuring exercise and other active physical conditioning. Must have a pool. May include physical fitness centers with pools, gyms with pools, day spas with pools, etc.			
	Restaurant (Full Service)	Establishments typically providing food services where patrons order and are served while seated and typically pay after eating. May serve food on non-disposable dishware, operates dishwashing equipment, has waiter/waitresses and includes buffets.			



Category	Type of Commercial	Typical Descriptions of Establishment	Gal/ Fixture	BOD/TSS	Sewage Factor (see Note A)
IV	Laundry (Laundromat)	Establishment typically operating coin-operated or similar self-service laundry equipment for customer use on premises. Laundries or Laundromats classified under this category are for non-water efficient washing machines.	43	350/500	0.2499
	Dry Cleaner (Processor)	Establishment typically engaged in laundering services, and specialty cleaning services for garments and other textile items on the premises using solvents other than water. Drop off and pickup sites that do not perform cleaning services are classified under Category I.			
V	Car Wash (Coin Operated) (See Footnote 2)	Establishments typically engaged in the cleaning and/or washing of automotive vehicles. Consists power washing spray wand car washes.	102	150/500	0.4910
VI	Church	Establishments typically engaged in operating religious organizations. May include monasteries, temples, mosques, synagogues, places of worship.	17	230/220	0.0630
	School	Establishments typically engaged in furnishing academic courses and associated coursework. May include universities (public/private), junior colleges (public/private), vocational schools.			
	Public Facility	Establishments typically operated by the local city or other government entities. May include government offices, community centers, fire/police stations, parks, city facilities, court houses, etc.			

Category	Type of Commercial	Typical Descriptions of Establishment	Gal/ Fixture	BOD/TSS	Sewage Factor (see Note A)
VII	Health Spa without Pool	Establishments typically operating fitness and recreation sports facilities featuring exercise and other active physical conditioning. Must not have a pool. May include physical fitness centers with pools, gyms without pools, day spas without pools, etc.	42	230/220	0.1555
	Laundromat	Establishment typically operating facilities with coin-operated or similar self-service laundry equipment for customer use on premises. Laundries or Laundromats classified under this category are for high efficiency front loading washing machines.			

Footnotes:

1. Non-coin operated car washes may be treated as an industrial user.

**City of Rialto Letter and Copy of  
Agreement for APN 0253-072-35**

**Attachment 2b**



# *City of Rialto*

## *California*

November 13, 2019

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

**SUBJECT: Request for Exemption / Government Code Section 56133  
James and Margaret Howard (Taco Bell), 18772 Valley Boulevard, Bloomington**

Dear Mr. Martinez;

As you are aware, the City of Rialto (Rialto) and James and Margaret Howard entered into an agreement which provides conditions for the transfer of wastewater collected to Rialto's sanitary sewer system for conveyance and treatment. Rialto is prepared to accept the additional wastewater flow from the property under the terms and conditions contained in the agreement. Rialto would like to petition LAFCO for an exemption from "Out of Area Service Agreements" within the District, thereby authorizing Rialto to accept, convey and treat wastewater generated from the property.

Rialto currently has the capacity to treat flows generated from the project identified as assessor's parcel number 0253-072-35.

The property requesting service will be required to comply with Rialto's conditions for service, including but not limited to, the payment of monthly treatment fees. A copy of the agreement dated October 27, 2015, is enclosed for your reference. It should be noted that service to this address began in 1999.

If you have any questions or would like additional information, please contact Susanne Wilcox, Administrative Analyst, at (909) 820-2525, extension 2062, or by email at [swilcox@rialtoca.gov](mailto:swilcox@rialtoca.gov).

Sincerely,

Thomas J. Crowley P.E.  
Utilities Manager

## **EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT**

This **EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT** ("Agreement") is made and entered into this 27th day of October, 2015, (the "Commencement Date"), between James D & Margaret A Howard, ("Owner"), and the **City of Rialto, a California municipal corporation**, ("Rialto"), with reference to the following facts:

**WHEREAS**, Owner represents that it holds lawful title to parcel of land identified by San Bernardino County Assessor's Parcel Number 0253-072-35 located at 18772 Valley Boulevard, Bloomington, CA 92316 (the "Property"), as identified on **Exhibit "A"** and shown on **Exhibit "B"**; said Property is located outside of the incorporated boundaries of Rialto and within the unincorporated area of Bloomington within the San Bernardino County; and

**WHEREAS**, neither San Bernardino County or any other public agency currently provides wastewater service to the Property; and

**WHEREAS**, Rialto currently operates a wastewater collection system on Valley Boulevard, south of the Property, and Owner has previously connected the Property to Rialto's wastewater collection system; and

**WHEREAS**, Owner previously provided, at Owner's cost, a sewer lateral with connections from the building drain to the sewer main on Valley Boulevard, including all road cuts, patching, permits and inspections; and

**WHEREAS**, Rialto owns and operates the sewer main running along and within Valley Boulevard which is within Rialto's defined Service Area; and any other related and/or additional facilities used for the conveyance, treatment or disposal of wastewater originating in the Service Area and any extensions, expansions or replacements of any of the above being hereinafter referred to as the "Rialto Disposal System"; and

**WHEREAS**, Rialto has defined and established by Council Resolution a policy and administrative guidelines to provide for wastewater service outside the City's corporate boundaries; and has agreed to provide wastewater conveyance, treatment and disposal services for wastewater originating in the Service Area through the Rialto Disposal System on the terms and conditions contained herein; and

**WHEREAS**, in order to accommodate the conveyance, treatment and disposal of wastewater originating in the Service Area, Rialto has agreed to maintain and/or construct the Rialto Disposal System and such related and/or additional facilities as may be necessary to adequately provide such service for the Service Area in perpetuity; and

**WHEREAS**, in consideration of Rialto's agreement to provide adequate conveyance, treatment and disposal services to the Service Area, Owner has agreed to make payments described herein with respect to wastewater from the Property discharged into the Rialto Disposal System (such wastewater being "Service Area Wastewater") calculated at one point three (1.3) times the monthly rates than charged by Rialto to its residential users, in accordance with Chapter 12.08.200 of the City Code, or as may be amended from time to time, as more fully set forth herein.



Now, therefore, in consideration of the foregoing and subject to the terms and conditions contained herein, the parties hereto hereby agree as follows:

## **ARTICLE I. RIGHTS AND OBLIGATIONS**

**Section 1.01 Recitals Incorporated.** The recitals set forth above are true and correct and are hereby incorporated into and made a part of this agreement.

**Section 1.02 Delivery and Receipt of Wastewater.** At all times, except as may be restricted by unforeseen emergencies, Owner shall have the right to deliver to the Rialto Disposal System normal strength wastewater, and Rialto shall have the obligation to receive all such wastewater into the Rialto Disposal System and to convey, treat and dispose of such wastewater.

**Section 1.03 Disposal of Service Area Wastewater; Ownership and Reclamation of Effluent.** The cost of constructing, expanding, extending, maintaining and operating the Rialto Disposal System and of conveying, treating and disposing of the Service Area Wastewater (including, without limitation, any effluent or by-product thereof) after delivery of such Service Area Wastewater to the Rialto Disposal System shall be the responsibility solely of Rialto, and Owner shall have no responsibility for, and shall not be liable to Rialto or any third party for, any costs or other expenses incurred by Rialto in connection with or related thereto, other than payment of the Wastewater User Fees set forth in Section 3.01, provided Owner complies with all aspects of Rialto's Code ordinances and policies, incorporated herein by reference, as they relate to wastewater discharge for a Group IV – Commercial (High Strength).

**Section 1.04 Ownership of Service Area Wastewater.** It is the intention and agreement of the parties that Rialto shall have total ownership and control of all Service Area Wastewater delivered to the Rialto Disposal System. Owner warrants that he shall comply with all aspects of the City Public Utility Code, Title 12, and Administrative Policies.

**Section 1.05 Connection Points.** Owner is authorized one (1) connection point to the Rialto Disposal System. Such connection point shall be located at a point mutually acceptable to the Owner, City Engineer and the Building Official. Construction of laterals and connection points shall be in conformance with the specifications and details set forth in Rialto's Utility Design Standards, Building Safety Codes and other applicable laws and regulations as may apply. Maintenance of the lateral including the connection point within the right-of-way shall be the responsibility solely of the Owner. All construction work and maintenance shall be performed under permit from, inspected and approved by Rialto.

## **ARTICLE II. PAYMENTS FOR CONSTRUCTION AND EXPANSION OF RIALTO DISPOSAL SYSTEM**

**Section 2.01 Initial Special Service Availability Payment.** In consideration of Rialto's agreements contained herein, Forecast Commercial, on behalf of the Owner, paid to Rialto a service connection and treatment fee of \$47,931.00, in accordance with its adopted fee schedule approved by City Council on September 2, 2003, Resolution No. 5022.

### **ARTICLE III. WASTEWATER USER CHARGES**

**Section 3.01 Monthly Wastewater User Fees.** After the Commencement Date, Owner shall establish an account with Rialto for wastewater service, and shall pay to Rialto for the provision of wastewater conveyance, treatment and disposal services a wastewater fee calculated at a rate equal to one point three (1.3) times the rate than charged by Rialto to its residential users, in accordance with chapter 12.08.200 of the City Code, or as may be amended from time to time.

### **ARTICLE IV. MONITORING OF SERVICE AREA WASTEWATER**

**Section 4.01 Pre-Treatment Program; Quality Specifications and Standards.** Pretreatment of wastewater from the Service Area may not be required under this Agreement, provided the Owner complies with all aspects of the City Public Utility Code, Title 12, and Administrative Policies. Rialto shall have the right to monitor or restrict the discharge of any individual user located within the Service Area if it suspects or discovers the user has discharged prohibited substances, as described in the Utility Code, into the Collection System, or violated other provisions of said Code. Rialto may, at its option, allow discharge to resume with the installation, and proper maintenance of, an approved pretreatment device or system.

### **ARTICLE V. MISCELLANEOUS**

**Section 5.01 Effective Date; Term.** This Agreement shall become effective when the Agreement has been duly executed by both parties hereto, and shall be binding upon the heirs, assigns and successors of the parties. The Agreement shall continue in perpetuity, or until such time as the Service Area is annexed into the corporate boundaries of Rialto. At such time, the Owner shall have such rights, privileges and duties, including fees and rates, as all other Rialto citizens for the then current wastewater disposal classification.

**Section 5.02 Amendment, Etc.** No amendment or waiver of any provisions of this Agreement, or consent to any departure from its terms, shall be effective unless the same shall be in writing and signed by the parties hereto.

**Section 5.03 Notices.** Any notice to be given or other document or documents to be delivered to either party by the other hereunder may be delivered in person, using a nationally-recognized overnight courier, or may be deposited in the United States Mail in the State of California, duly registered or certified, with postage prepaid, and addressed as follows:

Rialto:	City of Rialto 335 W. Rialto Avenue Rialto, CA 92376 Attn: City Administrator
Owner:	James D & Margaret A Howard 26451 Crown Valley Parkway, Suite 120 Mission Viejo, CA 92691

All notices regarding any new or increased fee or rate increases affecting the applicable fees and rates in Sections 2.01 and 3.01 herein, shall be provided in the same manner provided to all customers subject to the new or increased fees and charges.

**Section 5.04 Costs and Expense of Enforcement.** Should litigation be necessary to enforce any term or provision of this Agreement, the prevailing party shall be entitled to collect all litigation costs and attorney fees incurred by the prevailing party.

**Section 5.05 Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

**Section 5.06 Indemnification.** Owner hereto agrees to indemnify, defend, save and hold harmless Rialto and its officers, agents and employees from and against all liability, claims, damages, losses and expense of any nature whatsoever, including but not limited to bodily injury, death, personal injury, property damages and attorney's fees, arising directly or indirectly from any acts or omissions of such indemnified party or its officers, agents or employees in connection with this Agreement.

**Section 5.07 Partial Invalidity.** The invalidity of any provision of this Agreement will not affect the validity of the remainder hereof.

**Section 5.08 Execution In Counterparts.** This Agreement may be executed in counterparts, all of which taken together shall constitute an original hereof.


**Section 5.09 Time of Essence.** Time is of the essence in the fulfillment by the parties hereto of their obligations under this Agreement.

**Section 5.10 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

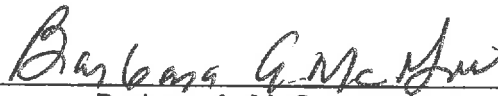
\*\*\*\*SIGNATURES ON NEXT PAGE\*\*\*\*

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed the day and year first above written.


**CITY OF RIALTO, CALIFORNIA**

By   
Deborah Robertson  
Mayor

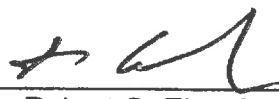
**ATTEST:**

By   
Barbara A. McGee  
City Clerk

**APPROVED AS TO FORM:**

By   
Fred Galante, Esq.  
City Attorney

**RECOMMENDED:**

By   
Robert G. Eisenbeisz, P.E.  
Public Works Director/City Engineer

**"OWNER"**

**James D & Margaret A Howard**

By: Margaret A. Howard

Signature (notarized)

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )ss

On \_\_\_\_\_  
before me, \_\_\_\_\_  
personally appeared \_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

see attached  
notary

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

WITNESS my hand and official seal.

Notary Signature:

Notary Seal:

# CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

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

State of California }

County of Orange }

On October 29, 2015 before me, Linda A. Gagnon, Notary Public,  
(Here insert name and title of the officer)

personally appeared James D. Howard, Margaret A. Howard,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose  
name(s) is/are subscribed to the within instrument and acknowledged to me that  
he/she/they executed the same in his/her/their authorized capacity(ies), and that by  
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of  
which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

[Signature]  
Notary Public Signature

(Notary Public Seal)



## ADDITIONAL OPTIONAL INFORMATION

### DESCRIPTION OF THE ATTACHED DOCUMENT

Extrajurisdictional Westgate  
Joint Agreement  
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages 6 Document Date Oct. 27,  
2015

### CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual(s)  
☐ Corporate Officer

(Title)

- ☐ Partner(s)  
☐ Attorney-in-Fact  
☐ Trustee(s)  
☐ Other \_\_\_\_\_

## INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - ❖ Indicate title or type of attached document, number of pages and date.
  - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

## **EXHIBIT "A"**

The following described property in the unincorporated area of Bloomington, County of San Bernardino, State of California, described as:

Parcel 4, according to plat of Bloomington Villa Lots & Re-Sub. Townsite of Bloomington, as per plat recorded in Book 19 of Maps, Pages 27-28, records of said County.

Assessor's Parcel Number 0253-072-35



Exhibit "B"

**City of Rialto Letter and Copy of  
Agreement for APN 0253-072-36**

**Attachment 2c**



# *City of Rialto*

## *California*

November 13, 2019

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

**SUBJECT: Request for Exemption / Government Code Section 56133  
JBM, LLC 18790 Valley Boulevard, Bloomington**

Dear Mr. Martinez;

As you are aware, the City of Rialto (Rialto) and JBM, LLC entered into an agreement which provides conditions for the transfer of wastewater collected in the District to Rialto's sanitary sewer system for conveyance and treatment. Rialto is prepared to accept the additional wastewater flow from the property under the terms and conditions contained in the agreement. Rialto would like to petition LAFCO for an exemption from "Out of Area Service Agreements" within the District, thereby authorizing Rialto to accept, convey and treat wastewater generated from the property.

Rialto currently has the capacity to treat flows generated from the project identified as assessor's parcel number 0253-072-36.

The JBM property requesting service will be required to comply with Rialto's conditions for service, including but not limited to, the payment of monthly treatment fees. A copy of the agreement dated September 22, 2015, is enclosed for your reference.

If you have any questions or would like additional information, please contact Susanne Wilcox, Administrative Analyst, at (909) 820-2525, extension 2062, or by email at [swilcox@rialtoca.gov](mailto:swilcox@rialtoca.gov).

Sincerely,

Thomas J. Crowley P.E.  
Utilities Manager

## **EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT**

This **EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT** ("Agreement") is made and entered into this 22th day of September, 2015, (the "Commencement Date"), between JBM,LLC , ("Owner"), and the **City of Rialto, a California municipal corporation**, ("Rialto"), with reference to the following facts:

**WHEREAS**, Owner represents that it holds lawful title to parcel of land identified by San Bernardino County Assessor's Parcel Number 0253-072-36 located at 18790 Valley Blvd, Ste. A-F, Bloomington, CA 92316 (the "Property"), as identified on **Exhibit "A"** and shown on **Exhibit "B"**; said Property is located outside of the incorporated boundaries of Rialto and within the unincorporated area of Bloomington within the San Bernardino County; and

**WHEREAS**, neither San Bernardino County or any other public agency currently provides wastewater service to the Property; and

**WHEREAS**, Rialto currently operates a wastewater collection system on Valley Boulevard, south of the Property, and Owner has previously connected the Property to Rialto's wastewater collection system; and

**WHEREAS**, Owner previously provided, at Owner's cost, a sewer lateral with connections from the building drain to the sewer main on Valley Boulevard, including all road cuts, patching, permits and inspections; and

**WHEREAS**, Rialto owns and operates the sewer main running along and within Valley Boulevard which is within Rialto's defined Service Area; and any other related and/or additional facilities used for the conveyance, treatment or disposal of wastewater originating in the Service Area and any extensions, expansions or replacements of any of the above being hereinafter referred to as the "Rialto Disposal System"; and

**WHEREAS**, Rialto has defined and established by Council Resolution a policy and administrative guidelines to provide for wastewater service outside the City's corporate boundaries; and has agreed to provide wastewater conveyance, treatment and disposal services for wastewater originating in the Service Area through the Rialto Disposal System on the terms and conditions contained herein; and

**WHEREAS**, in order to accommodate the conveyance, treatment and disposal of wastewater originating in the Service Area, Rialto has agreed to maintain and/or construct the Rialto Disposal System and such related and/or additional facilities as may be necessary to adequately provide such service for the Service Area in perpetuity; and

**WHEREAS**, in consideration of Rialto's agreement to provide adequate conveyance, treatment and disposal services to the Service Area, Owner has agreed to make payments described herein with respect to wastewater from the Property discharged into the Rialto Disposal System (such wastewater being "Service Area Wastewater") calculated at one point three (1.3) times the monthly rates then charged by Rialto to its residential users, in accordance with Chapter 12.08.200 of the City Code, or as may be amended from time to time, as more fully set forth herein.

Now, therefore, in consideration of the foregoing and subject to the terms and conditions contained herein, the parties hereto hereby agree as follows:

## **ARTICLE I. RIGHTS AND OBLIGATIONS**

**Section 1.01 Recitals Incorporated.** The recitals set forth above are true and correct and are hereby incorporated into and made a part of this agreement.

**Section 1.02 Delivery and Receipt of Wastewater.** At all times, except as may be restricted by unforeseen emergencies, Owner shall have the right to deliver to the Rialto Disposal System normal strength wastewater, and Rialto shall have the obligation to receive all such wastewater into the Rialto Disposal System and to convey, treat and dispose of such wastewater.

**Section 1.03 Disposal of Service Area Wastewater; Ownership and Reclamation of Effluent.** The cost of constructing, expanding, extending, maintaining and operating the Rialto Disposal System and of conveying, treating and disposing of the Service Area Wastewater (including, without limitation, any effluent or by-product thereof) after delivery of such Service Area Wastewater to the Rialto Disposal System shall be the responsibility solely of Rialto, and Owner shall have no responsibility for, and shall not be liable to Rialto or any third party for, any costs or other expenses incurred by Rialto in connection with or related thereto, other than payment of the Wastewater User Fees set forth in Section 3.01, provided Owner complies with all aspects of Rialto's Code ordinances and policies, incorporated herein by reference, as they relate to wastewater discharge for Group II – Commercial (Low Strength) and Group IV – Commercial (High Strength) customer.

**Section 1.04 Ownership of Service Area Wastewater.** It is the intention and agreement of the parties that Rialto shall have total ownership and control of all Service Area Wastewater delivered to the Rialto Disposal System. Owner warrants that he shall comply with all aspects of the City Public Utility Code, Title 12, and Administrative Policies.

**Section 1.05 Connection Points.** Owner is authorized one (1) connection point to the Rialto Disposal System. Such connection point shall be located at a point mutually acceptable to the Owner, City Engineer and the Building Official. Construction of laterals and connection points shall be in conformance with the specifications and details set forth in Rialto's Utility Design Standards, Building Safety Codes and other applicable laws and regulations as may apply. Maintenance of the lateral including the connection point within the right-of-way shall be the responsibility solely of the Owner. All construction work and maintenance shall be performed under permit from, inspected and approved by Rialto.

## **ARTICLE II. PAYMENTS FOR CONSTRUCTION AND EXPANSION OF RIALTO DISPOSAL SYSTEM**

**Section 2.01 Initial Special Service Availability Payment.** In consideration of Rialto's agreements contained herein, Forecast Commercial, on behalf of the Owner, paid to Rialto a service connection and treatment fee of \$74,818.74, in accordance with its adopted fee schedule approved by City Council on September 2, 2003, Resolution No. 5022.

### **ARTICLE III. WASTEWATER USER CHARGES**

**Section 3.01 Monthly Wastewater User Fees.** After the Commencement Date, Owner shall establish an account with Rialto for wastewater service, and shall pay to Rialto for the provision of wastewater conveyance, treatment and disposal services a wastewater fee calculated at a rate equal to one point three (1.3) times the rate than charged by Rialto to its residential users, in accordance with chapter 12.08.200 of the City Code, or as may be amended from time to time.

### **ARTICLE IV. MONITORING OF SERVICE AREA WASTEWATER**

**Section 4.01 Pre-Treatment Program; Quality Specifications and Standards.** Pretreatment of wastewater from the Service Area may not be required under this Agreement, provided the Owner complies with all aspects of the City Public Utility Code, Title 12, and Administrative Policies. Rialto shall have the right to monitor or restrict the discharge of any individual user located within the Service Area if it suspects or discovers the user has discharged prohibited substances, as described in the Utility Code, into the Collection System, or violated other provisions of said Code. Rialto may, at its option, allow discharge to resume with the installation, and proper maintenance of, an approved pretreatment device or system.

### **ARTICLE V. MISCELLANEOUS**

**Section 5.01 Effective Date; Term.** This Agreement shall become effective when the Agreement has been duly executed by both parties hereto, and shall be binding upon the heirs, assigns and successors of the parties. The Agreement shall continue in perpetuity, or until such time as the Service Area is annexed into the corporate boundaries of Rialto. At such time, the Owner shall have such rights, privileges and duties, including fees and rates, as all other Rialto citizens for the then current wastewater disposal classification.

**Section 5.02 Amendment, Etc.** No amendment or waiver of any provisions of this Agreement, or consent to any departure from its terms, shall be effective unless the same shall be in writing and signed by the parties hereto.

**Section 5.03 Notices.** Any notice to be given or other document or documents to be delivered to either party by the other hereunder may be delivered in person, using a nationally-recognized overnight courier, or may be deposited in the United States Mail in the State of California, duly registered or certified, with postage prepaid, and addressed as follows:

Rialto:                                      City of Rialto  
   335 W. Rialto Avenue  
   Rialto, CA 92376  
   Attn: City Administrator

Owner:                                        JBM, LLC  
   P.O. Box 548  
   Rancho Cucamonga

All notices regarding any new or increased fee or rate increases affecting the applicable fees and rates in Sections 2.01 and 3.01 herein, shall be provided in the same manner provided to all customers subject to the new or increased fees and charges.

**Section 5.04 Costs and Expense of Enforcement.** Should litigation be necessary to enforce any term or provision of this Agreement, the prevailing party shall be entitled to collect all litigation costs and attorney fees incurred by the prevailing party.

**Section 5.05 Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

**Section 5.06 Indemnification.** Owner hereto agrees to indemnify, defend, save and hold harmless Rialto and its officers, agents and employees from and against all liability, claims, damages, losses and expense of any nature whatsoever, including but not limited to bodily injury, death, personal injury, property damages and attorney's fees, arising directly or indirectly from any acts or omissions of such indemnified party or its officers, agents or employees in connection with this Agreement.

**Section 5.07 Partial Invalidity.** The invalidity of any provision of this Agreement will not affect the validity of the remainder hereof.

**Section 5.08 Execution In Counterparts.** This Agreement may be executed in counterparts, all of which taken together shall constitute an original hereof.

**Section 5.09 Time of Essence.** Time is of the essence in the fulfillment by the parties hereto of their obligations under this Agreement.

**Section 5.10 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

\*\*\*\*SIGNATURES ON NEXT PAGE\*\*\*\*




IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.


**CITY OF RIALTO, CALIFORNIA**

By   
Deborah Robertson  
Mayor

**ATTEST:**

By   
Barbara A. McGee  
City Clerk

**APPROVED AS TO FORM:**

By   
Fred Galante, Esq.  
City Attorney

**RECOMMENDED:**

By   
Robert G. Eisenbeisz, P.E.  
Public Works Director/City Engineer

**"OWNER"**  
**JBM, LLC**

By: [Signature]  
Signature (notarized)

State of California  
County of Los Angeles ss

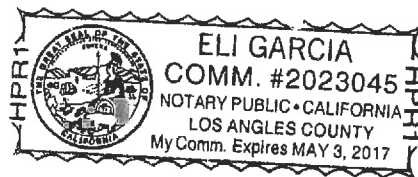
On November 24, 2015  
before me, Eli Garcia  
personally appeared Jahangir Yadehari  
who proved to me on the basis of satisfactory  
evidence to be the person(s) whose name(s)  
is/are subscribed to the within instrument and  
acknowledged to me that he/~~she/they~~ executed  
the same in his/~~her/their~~ authorized capacity(ies),  
and that by his/~~her/their~~ signature(s) on the  
instrument the person(s), or the entity upon behalf  
of which the person(s) acted, executed the  
instrument.

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

WITNESS my hand and official seal.

Notary Signature: [Signature]

Notary Seal:



## **EXHIBIT "A"**

The following described property in the unincorporated area of Bloomington, County of San Bernardino, State of California, described as:

Parcel 5, according to plat of Bloomington Villa Lots & Re-Sub. Townsite of Bloomington, as per plat recorded in Book 19 of Maps, Pages 27-28, records of said County.

Assessor's Parcel Number 0253-072-36

[illegible]

Exhibit "B"

**City of Rialto Letter and Copy of  
Agreement for APN 0253-072-39**

**Attachment 2d**



# *City of Rialto*

## *California*

November 13, 2019

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

**SUBJECT: Request for Exemption / Government Code Section 56133  
Extra Space Storage, 18777 Bloomington Avenue, Bloomington**

Dear Mr. Martinez;

As you are aware, the City of Rialto (Rialto) and Extra Space Storage entered into an agreement which provides conditions for the transfer of wastewater collected in the District to Rialto's sanitary sewer system for conveyance and treatment. Rialto is prepared to accept the additional wastewater flow from the District under the terms and conditions contained in the agreement. Rialto would like to petition LAFCO for an exemption from "Out of Area Service Agreements" within the District, thereby authorizing Rialto to accept, convey and treat wastewater generated from the property.

Rialto currently has the capacity to treat flows generated from the project identified as assessor's parcel number 0253-072-39.

The Extra Space Storage property requesting service will be required to comply with Rialto's conditions for service, including but not limited to, the payment of monthly treatment fees. A copy of the agreement dated August 25, 2015, is enclosed for your reference. It should be noted that sewer service to this address began in 1999.

If you have any questions or would like additional information, please contact Susanne Wilcox, Administrative Analyst, at (909) 820-2525, extension 2062, or by email at [swilcox@rialtoca.gov](mailto:swilcox@rialtoca.gov).

Sincerely,

  
Thomas J. Crowley P.E.  
Utilities Manager

## **EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT**

This **EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT** ("Agreement") is made and entered into this 25th day of August, 2015, (the "Commencement Date"), between Extra Space Properties Eighty Two LLC, dba Extra Space Storage ("Owner"), and the **City of Rialto, a California municipal corporation**, ("Rialto"), with reference to the following facts:

**WHEREAS**, Owner represents that it holds lawful title to parcel of land identified by San Bernardino County Assessor's Parcel Number 0253-072-39 located at 18777 Bloomington Avenue, Bloomington (the "Property"), as identified on **Exhibit "A"** and shown on **Exhibit "B"**; said Property is located outside of the incorporated boundaries of Rialto and within the unincorporated area of Bloomington within the San Bernardino County; and

**WHEREAS**, neither San Bernardino County or any other public agency currently provides wastewater service to the Property; and

**WHEREAS**, Rialto currently operates a wastewater collection system on Valley Boulevard, south of the Property, and Owner has previously connected the Property to Rialto's wastewater collection system; and

**WHEREAS**, Owner previously provided, at Owner's cost, a sewer lateral with connections from the building drain to the sewer main on Valley Boulevard, including all road cuts, patching, permits and inspections; and

**WHEREAS**, Rialto owns and operates the sewer main running along and within Valley Boulevard which is within Rialto's defined Service Area; and any other related and/or additional facilities used for the conveyance, treatment or disposal of wastewater originating in the Service Area and any extensions, expansions or replacements of any of the above being hereinafter referred to as the "Rialto Disposal System"; and

**WHEREAS**, Rialto has defined and established by Council Resolution a policy and administrative guidelines to provide for wastewater service outside the City's corporate boundaries; and has agreed to provide wastewater conveyance, treatment and disposal services for wastewater originating in the Service Area through the Rialto Disposal System on the terms and conditions contained herein; and

**WHEREAS**, in order to accommodate the conveyance, treatment and disposal of wastewater originating in the Service Area, Rialto has agreed to maintain and/or construct the Rialto Disposal System and such related and/or additional facilities as may be necessary to adequately provide such service for the Service Area in perpetuity; and

**WHEREAS**, in consideration of Rialto's agreement to provide adequate conveyance, treatment and disposal services to the Service Area, Owner has agreed to make payments described herein with respect to wastewater from the Property discharged into the Rialto Disposal System (such wastewater being "Service Area Wastewater") calculated at one point three (1.3) times the monthly rates than charged by Rialto to its residential users, in accordance with Chapter 12.08.200 of the Municipal Code, or as may be amended from time to time, as more fully set forth herein.



Now, therefore, in consideration of the foregoing and subject to the terms and conditions contained herein, the parties hereto hereby agree as follows:

## **ARTICLE I. RIGHTS AND OBLIGATIONS**

**Section 1.01 Recitals Incorporated.** The recitals set forth above are true and correct and are hereby incorporated into and made a part of this agreement.

**Section 1.02 Delivery and Receipt of Wastewater.** At all times, except as may be restricted by unforeseen emergencies, Owner shall have the right to deliver to the Rialto Disposal System normal strength wastewater, and Rialto shall have the obligation to receive all such wastewater into the Rialto Disposal System and to convey, treat and dispose of such wastewater.

**Section 1.03 Disposal of Service Area Wastewater; Ownership and Reclamation of Effluent.** The cost of constructing, expanding, extending, maintaining and operating the Rialto Disposal System and of conveying, treating and disposing of the Service Area Wastewater (including, without limitation, any effluent or by-product thereof) after delivery of such Service Area Wastewater to the Rialto Disposal System shall be the responsibility solely of Rialto, and Owner shall have no responsibility for, and shall not be liable to Rialto or any third party for, any costs or other expenses incurred by Rialto in connection with or related thereto, other than payment of the Wastewater User Fees set forth in Section 3.01, provided Owner complies with all aspects of Rialto's Codes, resolutions, rules, and policies, incorporated herein by reference, as they relate to wastewater discharge for a Group II – Commercial Use customer.

**Section 1.04 Ownership of Service Area Wastewater.** It is the intention and agreement of the parties that Rialto shall have total ownership and control of all Service Area Wastewater delivered to the Rialto Disposal System. Owner warrants that he shall comply with all aspects of the City Public Utility Code, Title 12, and Administrative Policies.

**Section 1.05 Connection Points.** Owner is authorized one (1) connection point to the Rialto Disposal System. Such connection point shall be located at a point mutually acceptable to the Owner, City Engineer and the Building Official. Construction of laterals and connection points shall be in conformance with the specifications and details set forth in Rialto's Utility Design Standards, Building Safety Codes and other applicable laws and regulations as may apply. Maintenance of the lateral including the connection point within the right-of-way shall be the responsibility solely of the Owner. All construction work and maintenance shall be performed under permit from, inspected and approved by Rialto.

## **ARTICLE II. PAYMENTS FOR CONSTRUCTION AND EXPANSION OF RIALTO DISPOSAL SYSTEM**

**Section 2.01 Initial Special Service Availability Payment.** In consideration of Rialto's agreements contained herein, Forecast Commercial RE, on behalf of the Owner, paid to Rialto a service connection fee of \$4,876.92, in accordance with its adopted fee schedule approved by City Council on September 2, 2003, Resolution No. 5022.

### ARTICLE III. WASTEWATER USER CHARGES

**Section 3.01 Monthly Wastewater User Fees.** After the Commencement Date, Owner shall establish an account with Rialto for wastewater service, and shall pay to Rialto for the provision of wastewater conveyance, treatment and disposal services a wastewater fee calculated at a rate equal to one point three (1.3) times the rate than charged by Rialto to its residential users, in accordance with chapter 12.08.200 of the Municipal Code, or as may be amended from time to time.

## **ARTICLE IV. MONITORING OF SERVICE AREA WASTEWATER**

**Section 4.01 Pre-Treatment Program; Quality Specifications and Standards.**

Pretreatment of wastewater from the Service Area may not be required under this Agreement, provided the Owner complies with all aspects of the City Public Utility Code, Title 12, and Administrative Policies. Rialto shall have the right to monitor or restrict the discharge of any individual user located within the Service Area if it suspects or discovers the user has discharged prohibited substances, as described in the City Public Utility Code, into the Collection System, or violated other provisions of said Code. Rialto may, at its option, allow discharge to resume with the installation, and proper maintenance of, an approved pretreatment device or system.

## ARTICLE V. MISCELLANEOUS

**Section 5.01 Effective Date; Term.** This Agreement shall become effective when the Agreement has been duly executed by both parties hereto, and shall be binding upon the heirs, assigns and successors of the parties. The Agreement shall continue in perpetuity, or until such time as the Service Area is annexed into the corporate boundaries of Rialto. At such time, the Owner shall have such rights, privileges and duties, including fees and rates, as all other Rialto citizens for the then current wastewater disposal classification.

**Section 5.02 Amendment, Etc.** No amendment or waiver of any provisions of this Agreement, or consent to any departure from its terms, shall be effective unless the same shall be in writing and signed by the parties hereto.

**Section 5.03 Notices.** Any notice to be given or other document or documents to be delivered to either party by the other hereunder may be delivered in person, using a nationally-recognized overnight courier, or may be deposited in the United States Mail in the State of California, duly registered or certified, with postage prepaid, and addressed as follows:

Rialto: City of Rialto  
335 W. Rialto Avenue  
Rialto, CA 92376  
Attn: City Administrator

Owner: Extra Space Properties Eighty Two LLC  
2795 E Cottonwood Parkway, STE 400  
Salt Lake City, Utah 84121-7033

All notices regarding any new or increased fee or rate increases affecting the applicable fees and rates in Sections 2.01 and 3.01 herein, shall be provided in the same manner provided to all customers subject to the new or increased fees and charges.

**Section 5.04 Costs and Expense of Enforcement.** Should litigation be necessary to enforce any term or provision of this Agreement, the prevailing party shall be entitled to collect all litigation costs and attorney fees incurred by the prevailing party.

**Section 5.05 Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

**Section 5.06 Indemnification.** Owner hereto agrees to indemnify, defend, save and hold harmless Rialto and its officers, agents and employees from and against all liability, claims, damages, losses and expense of any nature whatsoever, including but not limited to bodily injury, death, personal injury, property damages and attorney's fees, arising directly or indirectly from any acts or omissions of such indemnified party or its officers, agents or employees in connection with this Agreement.

**Section 5.07 Partial Invalidity.** The invalidity of any provision of this Agreement will not affect the validity of the remainder hereof.

**Section 5.08 Execution In Counterparts.** This Agreement may be executed in counterparts, all of which taken together shall constitute an original hereof.

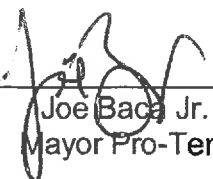
**Section 5.09 Time of Essence.** Time is of the essence in the fulfillment by the parties hereto of their obligations under this Agreement.

**Section 5.10 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

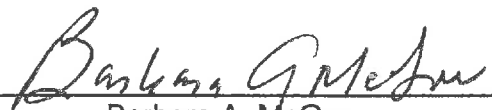
\*\*\*\*SIGNATURES ON NEXT PAGE\*\*\*\*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

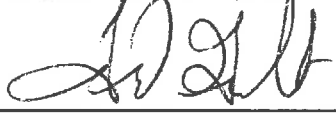
**CITY OF RIALTO, CALIFORNIA**

By  \_\_\_\_\_  
Joe Baca Jr.  
Mayor Pro-Tem

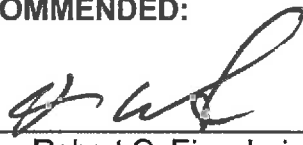
**ATTEST:**

By  \_\_\_\_\_  
Barbara A. McGee  
City Clerk

**APPROVED AS TO FORM:**


By  \_\_\_\_\_  
Fred Galante, Esq.  
City Attorney

**RECOMMENDED:**

By  \_\_\_\_\_  
Robert G. Eisenbeisz, P.E.  
Public Works Director/City Engineer

**"OWNER"**

**Extra Space Properties Eighty Two LLC**

By:   
Signature (notarized)

State of UTAH)  
County of SALT LAKE)ss

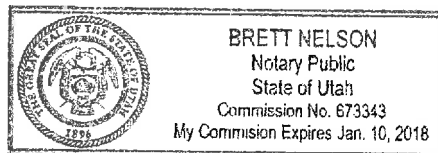
On August 24, 2015  
before me, Brett Nelson  
personally appeared Gwyn McNeal  
who proved to me on the basis of satisfactory  
evidence to be the person(s) whose name(s)  
is/are subscribed to the within instrument and  
acknowledged to me that he/she/they executed  
the same in his/her/their authorized capacity(ies),  
and that by his/her/their signatures(s) on the  
instrument the person(s), or the entity upon behalf  
of which the person(s) acted, executed the  
instrument.

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

WITNESS my hand and official seal.

Notary Signature: 

Notary Seal:



## **EXHIBIT "A"**

The following described property in the unincorporated area of Bloomington, County of San Bernardino, State of California, described as:

Parcel 3, according to plat of Bloomington Villa Lots & Re-Sub. Townsite of Bloomington, as per plat recorded in Book 19 of Maps, Pages 27-28, records of said County.

Assessor's Parcel Number 0253-072-39

# EXHIBIT "B"

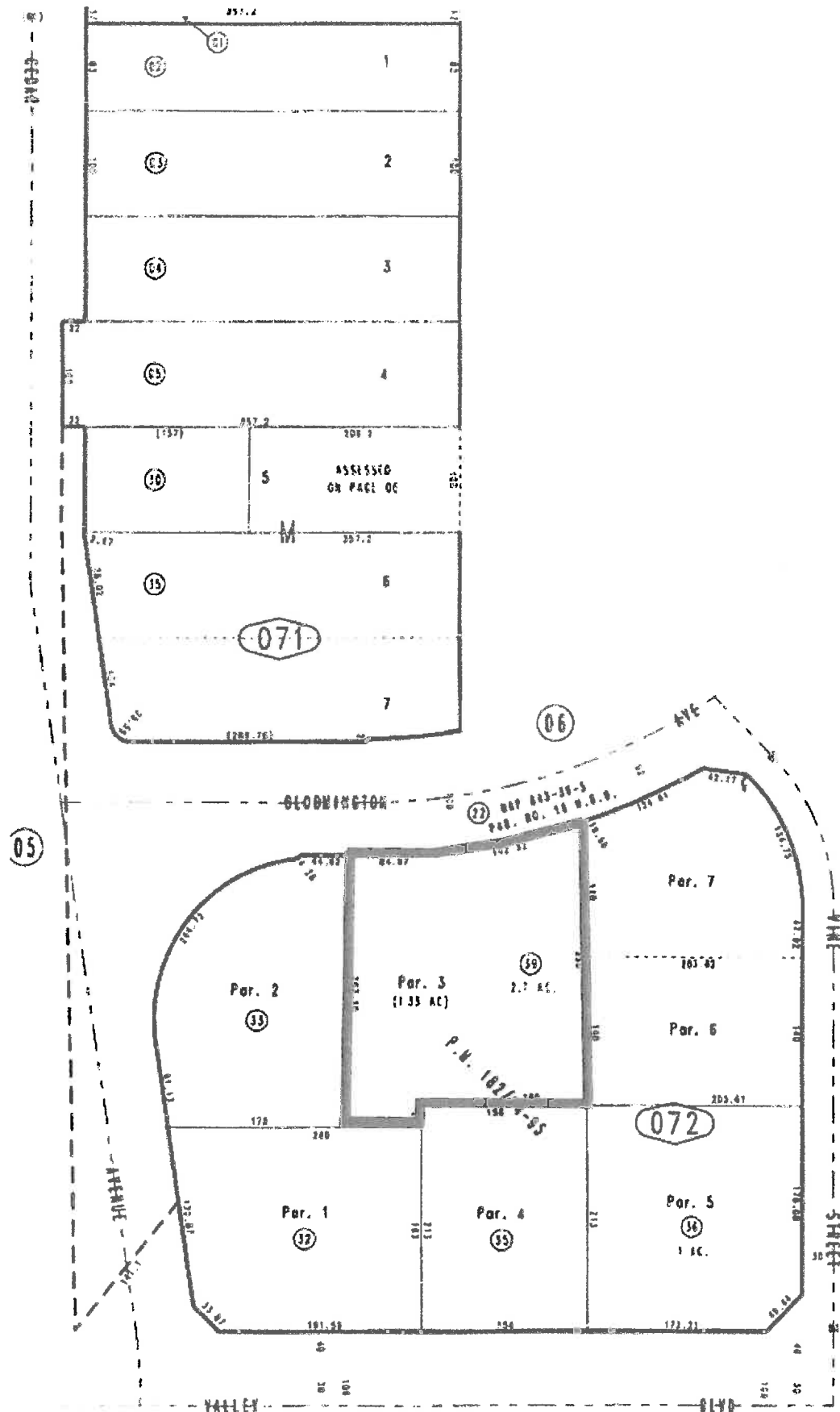


Exhibit "B"



**Application Form and Copy of  
Agreement for Bloomington  
High School**

**Attachment 2e**

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

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

**AGENCY TO EXTEND SERVICE:**

AGENCY NAME: City of Rialto  
CONTACT PERSON: Susanne Wilcox  
ADDRESS: 150 South Palm Avenue  
Rialto, CA 92376  
PHONE: (909) 820-2525, ext. 2062  
EMAIL: swilcox@rialtoca.gov

**CONTRACTING PARTY:**

NAME OF PROPERTY OWNER: Colton Joint Unified School District  
CONTACT PERSON: Not Available  
MAILING ADDRESS: 1212 Valencia Drive  
Colton, CA 92324  
PHONE: (909) 580-5000  
EMAIL: Not Available  
ADDRESS OF PROPERTY PROPOSED FOR CONTRACT: 10750 Laurel Avenue  
Bloomington, CA 92316  
CONTRACT NUMBER/IDENTIFICATION: Not Available  
PARCEL NUMBER(S): 0256-031-01, 0256-031-02 & 0256-031-03  
ACREAGE: Not Available

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

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

Wastewater/Sewer Service

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

N/A

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

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

The agreement documents the School District's intention to connect to and obtain wastewater services from the City of Rialto.

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

N/A

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

N/A

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

N/A

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

Educational Facility - Public High School

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

N/A

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

The agreement is not development related.

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

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

Parcel Map included as Attachment 1

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

10. Plan for Service:

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

Please refer to Attachment 2

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

<i>Description of Fees/Charges</i>	<i>Cost</i>	<i>Total</i>
<b>Total Costs</b>		\$252,089.40

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

In addition to the adopted fee and rate schedules, the  
City of Rialto charges an extra-territorial charge of  
1.3 times said fees.

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

N/A

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

N/A

## CERTIFICATION

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

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

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

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

SIGNED

NAME:

POSITION TITLE:

DATE:



Thomas J. Crowley, P.E.

Utilities Manager

November 4, 2019

REQUIRED EXHIBITS TO THIS APPLICATION:

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

Please forward the completed form and related information to:

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



**San Bernardino LAFCO  
Application for  
Extension of Service by Contract**

**Question No. 10  
Colton Adult School, 10750 Laurel Avenue**

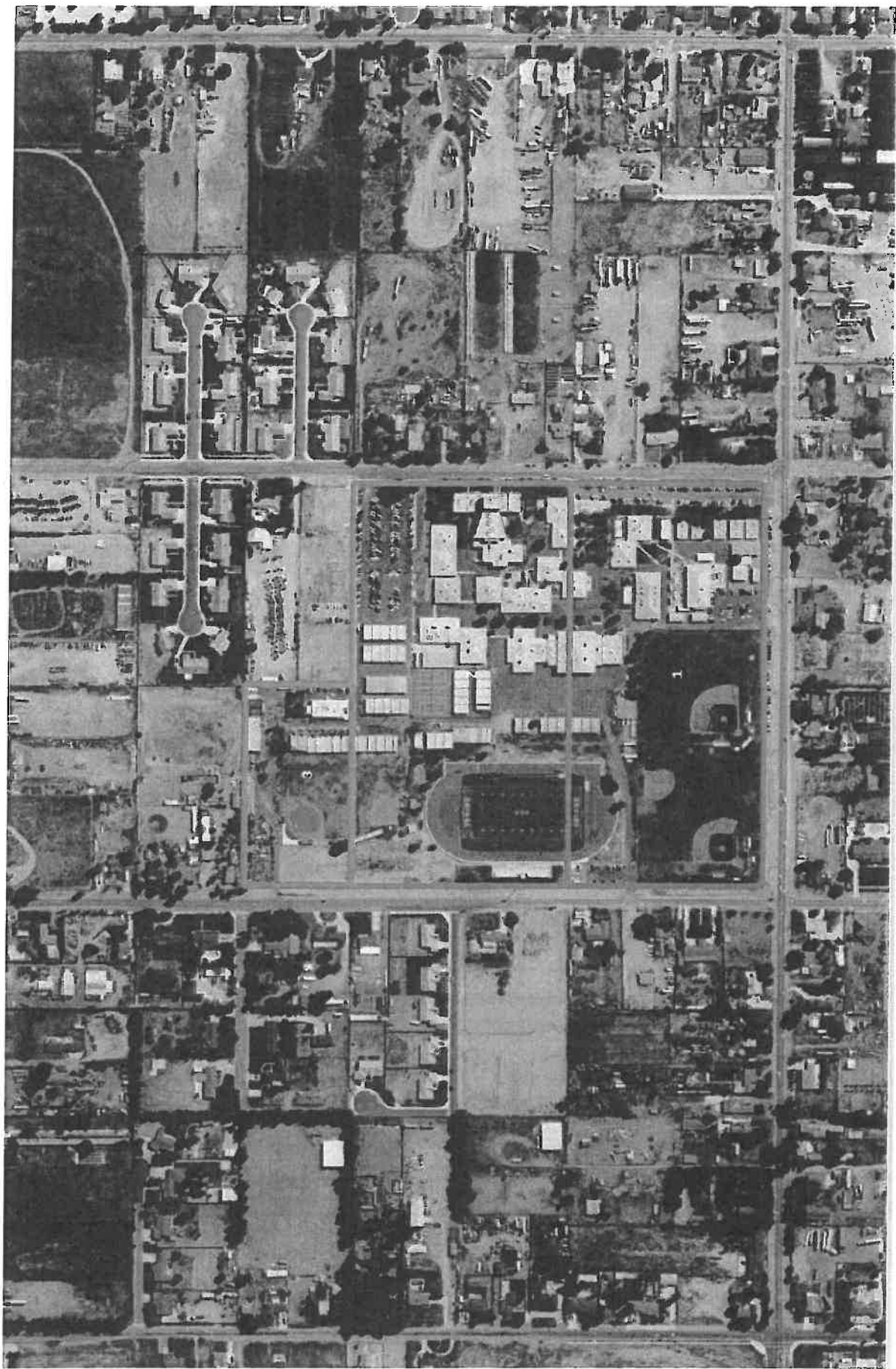
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The City of Rialto ("Rialto") owns and operates the wastewater collection main running along and within Laurel Avenue which is part of Rialto's wastewater collection system. The property owner, Colton Joint Unified School District ("CJUSD"), has connected to the "Rialto Disposal System," defined as the wastewater collection main and any other related and/or additional facilities used for the conveyance, treatment or disposal of wastewater originating in Rialto and areas located outside the incorporated boundaries of Rialto but approved by Rialto for extraterritorial wastewater service (the "Service Area").

The cost of constructing, expanding, extending, maintaining and operating the Rialto Disposal System and of conveying, treating and disposing of the Service Area Wastewater after delivery of such Service Area Wastewater to the Rialto Disposal System shall be the responsibility solely of Rialto, and Owner shall have no responsibility for, and shall not be liable to Rialto or any third party for, any costs or other expenses incurred by Rialto in connection with or related to, other than payment of the Wastewater User Fees owed for services rendered. It is the intention and agreement of the parties that Rialto shall have total ownership and control of all Service Area Wastewater delivered to the Rialto Disposal System.

Owner was authorized one (1) connection point to an existing 30" line on Santa Ana Avenue to the Rialto Disposal System. Construction of laterals and connection points were in conformance with the specifications and details set forth in Rialto's Utility Design Standards, Building Safety Codes and other applicable laws and regulations as may apply. Maintenance of the lateral including the connection point within the right-of-way shall be the responsibility solely of the Owner. All construction work and maintenance shall be performed under permit from, inspected, and approved by Rialto.

In consideration of Rialto's agreements contained herein, the Owner paid to Rialto a service connection fee for treatment, collections and related fees in the amount of \$252,089.40 in accordance with the adopted fee schedule, Resolution 6069, approved by the Rialto City Council /Rialto Utility Authority on December 27, 2011. Any additional fees related to plan check(s), inspection or not named in this agreement shall be the responsibility of the Owner.



Records: 3 PARCELS

APN

OWNER NAME

ADDRESS

- |   |             |  |                  |                                     |
|---|-------------|--|------------------|-------------------------------------|
| 1 | 0258-031-01 | COLTON UNION HIGH<br>SCH DIST SAN BDNO | 10750 LAUREL AVE | <input checked="" type="checkbox"/> |
| 2 | 0258-031-02 | COLTON UNION HIGH<br>SCH DIST SAN BDNO | 10750 LAUREL AVE | <input checked="" type="checkbox"/> |
| 3 | 0258-031-03 | COLTON UNION HIGH<br>SCH DIST SAN BDNO | 10750 LAUREL AVE | <input checked="" type="checkbox"/> |

## EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT

This **EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT** ("Agreement") is made and entered into this 28th day of October, 2014, (the "Commencement Date"), between **Colton Joint Unified School District**, ("Owner"), and the **City of Rialto**, a **California municipal corporation**, ("Rialto"), with reference to the following facts:

**WHEREAS**, Owner represents they hold lawful title to parcels of land identified by San Bernardino County Assessor's Parcel Number 0256-031-01, 0256-031-02 and 0256-031-03, located at 10750 Laurel Avenue, Bloomington (the "Property"), as identified on **Exhibit "A"** and shown on **Exhibit "B"**; said Property is located outside of the incorporated boundaries of Rialto within San Bernardino County; and

**WHEREAS**, neither San Bernardino County or any other public agency currently provides wastewater service to the Property; and

**WHEREAS**, Rialto currently operates a wastewater collection system in Laurel Avenue, adjacent to the Property, and Owner has previously connected the Property to Rialto's wastewater collection system; and

**WHEREAS**, Owner previously provided, at Owner's cost, a sewer lateral with connections from the building drain to the sewer main on Laurel Avenue, including all road cuts, patching, permits and inspections; and

**WHEREAS**, Rialto owns and operates the sewer main running along and within Laurel Avenue which is within Rialto's defined Service Area; and any other related and/or additional facilities used for the conveyance, treatment or disposal of wastewater originating in the Service Area and any extensions, expansions or replacements of any of the above being hereinafter referred to as the "Rialto Disposal System"; and

**WHEREAS**, Rialto has defined and established by Council Resolution a policy and administrative guidelines to provide for wastewater service outside the City's corporate boundaries; and has agreed to provide wastewater conveyance, treatment and disposal services for wastewater originating in the Service Area through the Rialto Disposal System on the terms and conditions contained herein; and

**WHEREAS**, in order to accommodate the conveyance, treatment and disposal of wastewater originating in the Service Area, Rialto has agreed to maintain and/or construct the Rialto Disposal System and such related and/or additional facilities as may be necessary to adequately provide such service for the Service Area in perpetuity; and

**WHEREAS**, in consideration of Rialto's agreement to provide adequate conveyance, treatment and disposal services to the Service Area, Owner has agreed to make payments described herein with respect to wastewater from the Property discharged into the Rialto Disposal System (such wastewater being "Service Area Wastewater") calculated at one point three (1.3) times the monthly rates then charged by Rialto to its residential users, in accordance with Chapter 12.08.200 of the City Code, or as may be amended from time to time, as more fully set forth herein.

Now, therefore, in consideration of the foregoing and subject to the terms and conditions contained herein, the parties hereto hereby agree as follows:

## **ARTICLE I. RIGHTS AND OBLIGATIONS**

**Section 1.01 Recitals Incorporated.** The recitals set forth above are true and correct and are hereby incorporated into and made a part of this agreement.

**Section 1.02 Delivery and Receipt of Wastewater.** At all times, except as may be restricted by unforeseen emergencies, Owner shall have the right to deliver to the Rialto Disposal System normal strength wastewater, and Rialto shall have the obligation to receive all such wastewater into the Rialto Disposal System and to convey, treat and dispose of such wastewater.

**Section 1.03 Disposal of Service Area Wastewater; Ownership and Reclamation of Effluent.** The cost of constructing, expanding, extending, maintaining and operating the Rialto Disposal System and of conveying, treating and disposing of the Service Area Wastewater (including, without limitation, any effluent or by-product thereof) after delivery of such Service Area Wastewater to the Rialto Disposal System shall be the responsibility solely of Rialto, and Owner shall have no responsibility for, and shall not be liable to Rialto or any third party for, any costs or other expenses incurred by Rialto in connection with or related thereto, other than payment of the Wastewater User Fees set forth in Section 3.01, provided Owner complies with all aspects of Rialto's Code ordinances and policies, incorporated herein by reference, as they relate to wastewater discharge for a Group V – High School customer.

**Section 1.04 Ownership of Service Area Wastewater.** It is the intention and agreement of the parties that Rialto shall have total ownership and control of all Service Area Wastewater delivered to the Rialto Disposal System. Owner warrants that he shall comply with all aspects of the City Public Utility Code, Title 12, and Administrative Policies.

**Section 1.05 Connection Points.** Owner is authorized one (1) connection point to the Rialto Disposal System. Such connection point shall be located at a point mutually acceptable to the Owner, City Engineer and the Building Official. Construction of laterals and connection points shall be in conformance with the specifications and details set forth in Rialto's Utility Design Standards, Building Safety Codes and other applicable laws and regulations as may apply. Maintenance of the lateral including the connection point within the right-of-way shall be the responsibility solely of the Owner. All construction work and maintenance shall be performed under permit from, inspected, and approved by Rialto.

## **ARTICLE II. PAYMENTS FOR CONSTRUCTION AND EXPANSION OF RIALTO DISPOSAL SYSTEM**

**Section 2.01 Initial Special Service Availability Payment.** In consideration of Rialto's agreements contained herein, Owner previously paid to Rialto a service connection fee in the amount of \$252,089.40 on January 7, 2003, in accordance with its adopted fee schedule.

### **ARTICLE III. WASTEWATER USER CHARGES**

**Section 3.01 Monthly Wastewater User Fees.** After the Commencement Date, Owner shall establish an account with Rialto for wastewater service, and shall pay to Rialto for the provision of wastewater conveyance, treatment and disposal services a wastewater fee calculated at a rate equal to one point three (1.3) times the rate then charged by Rialto to its residential users, in accordance with chapter 12.08.200 of the City Code, or as may be amended from time to time.

#### **ARTICLE IV. MONITORING OF SERVICE AREA WASTEWATER**

**Section 4.01 Pre-Treatment Program; Quality Specifications and Standards.**

Pretreatment of wastewater from the Service Area may not be required under this Agreement, provided the Owner complies with all aspects of the City Public Utility Code, Title 12, and Administrative Policies. Rialto shall have the right to monitor or restrict the discharge of any individual user located within the Service Area if it suspects or discovers the user has discharged prohibited substances, as described in the Utility Code, into the Collection System, or violated other provisions of said Code. Rialto may, at its option, allow discharge to resume with the installation, and proper maintenance of, an approved pretreatment device or system.

## ARTICLE V. MISCELLANEOUS

**Section 5.01 Effective Date; Term.** This Agreement shall become effective when the Agreement has been duly executed by both parties hereto, and shall be binding upon the heirs, assigns and successors of the parties. The Agreement shall continue in perpetuity, or until such time as the Service Area is annexed into the corporate boundaries of Rialto. At such time, the Owner shall have such rights, privileges and duties, including fees and rates, as all other Rialto citizens for the then current wastewater disposal classification.

**Section 5.02 Amendment, Etc.** No amendment or waiver of any provisions of this Agreement, or consent to any departure from its terms, shall be effective unless the same shall be in writing and signed by the parties hereto.

**Section 5.03 Notices.** Any notice to be given or other document or documents to be delivered to either party by the other hereunder may be delivered in person, using a nationally-recognized overnight courier, or may be deposited in the United States Mail in the State of California, duly registered or certified, with postage prepaid, and addressed as follows:

Rialto: City of Rialto  
335 W. Rialto Avenue  
Rialto, CA 92376  
Attn: City Administrator

Owner: Colton Joint Unified School District  
1212 Valencia Drive  
Colton, CA 92324-1798

All notices regarding any new or increased fee or rate increases affecting the applicable fees and rates in Sections 2.01 and 3.01 herein, shall be provided in the same manner provided to all customers subject to the new or increased fees and charges.

**Section 5.04 Costs and Expense of Enforcement.** Should litigation be necessary to enforce any term or provision of this Agreement, the prevailing party shall be entitled to collect all litigation costs and attorney fees incurred by the prevailing party.

**Section 5.05 Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

**Section 5.06 Indemnification.** Owner hereto agrees to indemnify, defend, save and hold harmless Rialto and its officers, agents and employees from and against all liability, claims, damages, losses and expense of any nature whatsoever, including but not limited to bodily injury, death, personal injury, property damages and attorney's fees, arising directly or indirectly from any acts or omissions of such indemnified party or its officers, agents or employees in connection with this Agreement.

**Section 5.07 Partial Invalidity.** The invalidity of any provision of this Agreement will not affect the validity of the remainder hereof.

**Section 5.08 Execution In Counterparts.** This Agreement may be executed in counterparts, all of which taken together shall constitute an original hereof.

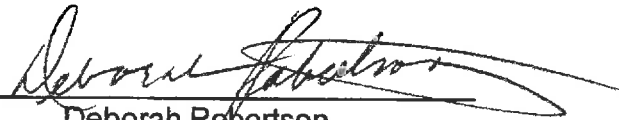
**Section 5.09 Time of Essence.** Time is of the essence in the fulfillment by the parties hereto of their obligations under this Agreement.

**Section 5.11 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

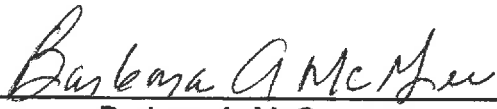
**\*\*\*\*SIGNATURES ON NEXT PAGE\*\*\*\***

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

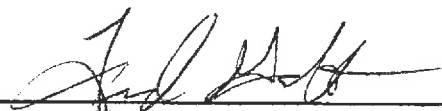
**CITY OF RIALTO, CALIFORNIA**

By   
Deborah Robertson  
Mayor

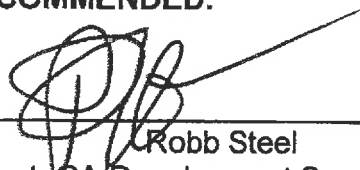
**ATTEST:**

By   
Barbara A. McGee  
City Clerk

**APPROVED AS TO FORM:**

By   
Fred Galante, Esq.  
City Attorney

**RECOMMENDED:**

By   
Robb Steel  
Asst. CA/Development Services Director



**"OWNER"**

**Colton Joint Unified School District**

By: \_\_\_\_\_

Signature (notarized)

State of California )  
County of San Bernardino ss

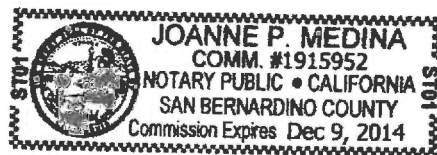
On December 1, 2014  
before me, Joanne P. Medina, Notary Public,  
personally appeared Jaime R. Ayala  
who proved to me on the basis of satisfactory  
evidence to be the person(s) whose name(s)  
(~~is/are~~) subscribed to the within instrument and  
acknowledged to me that (~~he/she/they~~) executed  
the same in ~~his/her/their~~ authorized capacity(ies),  
and that by ~~his/her/their~~ signature(s) on the  
instrument the person(s), or the entity upon behalf  
of which the person(s) acted, executed the  
instrument.

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

WITNESS my hand and official seal.

Notary Signature: Joanne P. Medina

Notary Seal:



## **EXHIBIT "A"**

The following described property in the unincorporated area of Bloomington, County of San Bernardino, State of California, described as:

Lots 470, 471, and the Southwest  $\frac{1}{4}$  of Lot 463, according to plat of Semi-Tropic Land and Water Company, as per plat recorded in Book 11 of Maps, Page 12, records of said County.

Map showing land parcels and acreages along the Santa Ana River. The map includes the following labeled parcels and acreages:

- Parcel 16: 2.27 AC.
- Parcel 17: 2.57 AC.
- Parcel 18: 2.57 AC.
- Parcel 19: 2.57 AC.
- Parcel 20: 2.57 AC.
- Parcel 21: 2.57 AC.
- Parcel 22: 2.57 AC.
- Parcel 23: 2.57 AC.
- Parcel 24: 2.57 AC.
- Parcel 25: 2.57 AC.
- Parcel 26: 2.57 AC.
- Parcel 27: 2.57 AC.
- Parcel 28: 2.57 AC.
- Parcel 29: 2.57 AC.
- Parcel 30: 2.57 AC.
- Parcel 31: 2.57 AC.
- Parcel 32: 2.57 AC.
- Parcel 33: 2.57 AC.
- Parcel 34: 2.57 AC.
- Parcel 35: 2.57 AC.
- Parcel 36: 2.57 AC.
- Parcel 37: 2.57 AC.
- Parcel 38: 2.57 AC.
- Parcel 39: 2.57 AC.
- Parcel 40: 2.57 AC.
- Parcel 41: 2.57 AC.
- Parcel 42: 2.57 AC.
- Parcel 43: 2.57 AC.
- Parcel 44: 2.57 AC.
- Parcel 45: 2.57 AC.
- Parcel 46: 2.57 AC.
- Parcel 47: 2.57 AC.
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- Parcel 50: 2.57 AC.
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- Parcel 86: 2.57 AC.
- Parcel 87: 2.57 AC.
- Parcel 88: 2.57 AC.
- Parcel 89: 2.57 AC.
- Parcel 90: 2.57 AC.
- Parcel 91: 2.57 AC.
- Parcel 92: 2.57 AC.
- Parcel 93: 2.57 AC.
- Parcel 94: 2.57 AC.
- Parcel 95: 2.57 AC.
- Parcel 96: 2.57 AC.
- Parcel 97: 2.57 AC.
- Parcel 98: 2.57 AC.
- Parcel 99: 2.57 AC.
- Parcel 100: 2.57 AC.

Other labels on the map include:

- SLOVER
- AVENUE
- SANTA ANA
- AVENUE
- H.P. 57/97-98
- Par. 1
- Par. 2
- 462 (72 AC.)
- 470 (72 AC.)
- 471 (72 AC.)
- 472 (72 AC.)
- 473 (72 AC.)
- 474 (72 AC.)
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- 500 (72 AC.)

Exhibit "B"

**Application Form and Copy of  
Agreement for Slover Mountain  
High School**

**Attachment 2f**

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

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

**AGENCY TO EXTEND SERVICE:**

AGENCY NAME: City of Rialto  
CONTACT PERSON: Susanne Wilcox  
ADDRESS: 150 South Palm Avenue  
Rialto, CA 92376  
PHONE: (909) 820-2525, ext. 2062  
EMAIL: swilcox@rialtoca.gov

**CONTRACTING PARTY:**

NAME OF PROPERTY OWNER: Colton Joint Unified School District  
CONTACT PERSON: Not Available  
MAILING ADDRESS: 1212 Valencia Drive  
Colton, CA 92324  
PHONE: (909) 580-5000  
EMAIL: Not Available  
ADDRESS OF PROPERTY PROPOSED FOR CONTRACT: 18829 Orange Street  
Bloomington, CA 92316  
CONTRACT NUMBER/IDENTIFICATION: Not Available  
PARCEL NUMBER(S): See Attachment 1  
ACREAGE: Not Available

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

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

Wastewater/Sewer Service

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

N/A

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

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

The agreement documents the School District's intention to connect to and obtain wastewater services from the City of Rialto.

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

N/A

Extension of Service by Contract  
Application Form

(FOR LAFCO USE ONLY)

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

N/A

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

N/A

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

Educational Facility - Public High School

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

N/A

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

The agreement is not development related.

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

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

\_\_\_\_\_  
\_\_\_\_\_

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

10. Plan for Service:

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

Please refer to Attachment 2

\_\_\_\_\_  
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\_\_\_\_\_  
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(FOR LAFCO USE ONLY)

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- | <i>Description of Fees/Charges</i> | <i>Cost</i> | <i>Total</i> |
|------------------------------------|-------------|--------------|
| Collection                         |             |              |
| Treatment                          |             |              |
|                                    |             |              |
|                                    |             |              |
|                                    |             |              |
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|                                    |             |              |
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|                                    |             |              |
|                                    |             |              |
| <b>Total Costs</b>                 |             | \$43,736.40  |

- In addition to the adopted fee and rate schedules, the City of Rialto charges an extra-territorial charge of 1.3 times said fees.

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

N/A

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

N/A

## CERTIFICATION

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

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

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

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

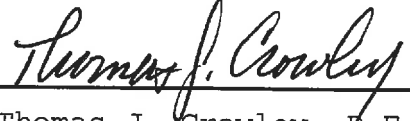
I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this evaluation of service extension to the best of my ability, and that the facts, statement and information presented herein are true and correct to the best of my knowledge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

SIGNED

NAME:

POSITION TITLE:

DATE:

  
\_\_\_\_\_  
Thomas J. Crowley, P.E.  
\_\_\_\_\_  
Utilities Manager  
\_\_\_\_\_  
November 4, 2019  
\_\_\_\_\_

REQUIRED EXHIBITS TO THIS APPLICATION:

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

Please forward the completed form and related information to:

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

## **Attachment 1**

APNs for Slover Mountain High School located at 18829 Orange Street, Bloomington,  
CA 92316

- 0253-231-01
- 0253-231-02
- 0253-231-03
- 0253-231-04
- 0253-231-05
- 0253-231-06
- 0253-231-07
- 0253-232-01
- 0253-232-02
- 0253-232-03
- 0253-232-04
- 0253-232-05
- 0253-232-06
- 0253-232-07

**San Bernardino LAFCO  
Application for  
Extension of Service by Contract**

**Question No. 10  
Slover Mountain High School, 18829 Orange Street, Bloomington**

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The City of Rialto ("Rialto") owns and operates the wastewater collection main running along and within Larch Avenue which is part of Rialto's wastewater collection system. The property owner, Colton Joint Unified School District ("CJUSD"), has connected to the "Rialto Disposal System," defined as the wastewater collection main and any other related and/or additional facilities used for the conveyance, treatment or disposal of wastewater originating in Rialto and areas located outside the incorporated boundaries of Rialto but approved by Rialto for extraterritorial wastewater service (the "Service Area").

Owner was authorized one (1) connection point to an existing 8" line on Larch Avenue to the Rialto Disposal System. Construction of laterals and connection points were in conformance with the specifications and details set forth in Rialto's Utility Design Standards, Building Safety Codes and other applicable laws and regulations as may apply. Maintenance of the lateral including the connection point within the right-of-way shall be the responsibility solely of the Owner. All construction work and maintenance shall be performed under permit from, inspected, and approved by Rialto.

It was discovered the parties had not entered into an agreement in 2014 and at that time, the agreement was presented to the Rialto City Council for approval.

## **EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT**

This **EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT** ("Agreement") is made and entered into this 28th day of October, 2014, (the "Commencement Date"), between **Colton Joint Unified School District**, ("Owner"), and the **City of Rialto**, a **California municipal corporation**, ("Rialto"), with reference to the following facts:

**WHEREAS**, Owner represents they hold lawful title to parcels of land identified by San Bernardino County Assessor's Parcel Number 0253-231-01, 0253-231-02, 0253-231-03, 0253-231-04, 0253-231-05, 0253-231-06, 0253-231-07, 0253-232-01, 0253-232-02, 0253-232-03, 0253-232-04, 0253-232-05, 0253-232-06, and 0253-232-07, located at 18829 Orange Street, Bloomington (the "Property"), as identified on **Exhibit "A"** and shown on **Exhibit "B"**; said Property is located outside of the incorporated boundaries of Rialto within San Bernardino County; and

**WHEREAS**, neither San Bernardino County or any other public agency currently provides wastewater service to the Property; and

**WHEREAS**, Rialto currently operates a wastewater collection system in Larch Avenue, adjacent to the Property, and Owner has previously connected the Property to Rialto's wastewater collection system; and

**WHEREAS**, Owner previously provided, at Owner's cost, a sewer lateral with connections from the building drain to the sewer main on Larch Avenue, including all road cuts, patching, permits and inspections; and

**WHEREAS**, Rialto owns and operates the sewer main running along and within Larch Avenue which is within Rialto's defined Service Area; and any other related and/or additional facilities used for the conveyance, treatment or disposal of wastewater originating in the Service Area and any extensions, expansions or replacements of any of the above being hereinafter referred to as the "Rialto Disposal System"; and

**WHEREAS**, Rialto has defined and established by Council Resolution a policy and administrative guidelines to provide for wastewater service outside the City's corporate boundaries; and has agreed to provide wastewater conveyance, treatment and disposal services for wastewater originating in the Service Area through the Rialto Disposal System on the terms and conditions contained herein; and

**WHEREAS**, in order to accommodate the conveyance, treatment and disposal of wastewater originating in the Service Area, Rialto has agreed to maintain and/or construct the Rialto Disposal System and such related and/or additional facilities as may be necessary to adequately provide such service for the Service Area in perpetuity; and

**WHEREAS**, in consideration of Rialto's agreement to provide adequate conveyance, treatment and disposal services to the Service Area, Owner has agreed to make payments described herein with respect to wastewater from the Property discharged into the Rialto Disposal System (such wastewater being "Service Area Wastewater") calculated at one point three (1.3) times the monthly rates then charged by Rialto to its residential users, in accordance with Chapter 12.08.200 of the City Code, or as may be amended from time to time, as more fully set forth herein.

Now, therefore, in consideration of the foregoing and subject to the terms and conditions contained herein, the parties hereto hereby agree as follows:

## **ARTICLE I. RIGHTS AND OBLIGATIONS**

**Section 1.01 Recitals Incorporated.** The recitals set forth above are true and correct and are hereby incorporated into and made a part of this agreement.

**Section 1.02 Delivery and Receipt of Wastewater.** At all times, except as may be restricted by unforeseen emergencies, Owner shall have the right to deliver to the Rialto Disposal System normal strength wastewater, and Rialto shall have the obligation to receive all such wastewater into the Rialto Disposal System and to convey, treat and dispose of such wastewater.

**Section 1.03 Disposal of Service Area Wastewater; Ownership and Reclamation of Effluent.** The cost of constructing, expanding, extending, maintaining and operating the Rialto Disposal System and of conveying, treating and disposing of the Service Area Wastewater (including, without limitation, any effluent or by-product thereof) after delivery of such Service Area Wastewater to the Rialto Disposal System shall be the responsibility solely of Rialto, and Owner shall have no responsibility for, and shall not be liable to Rialto or any third party for, any costs or other expenses incurred by Rialto in connection with or related thereto, other than payment of the Wastewater User Fees set forth in Section 3.01, provided Owner complies with all aspects of Rialto's Code ordinances and policies, incorporated herein by reference, as they relate to wastewater discharge for a Group V – High School customer.

**Section 1.04 Ownership of Service Area Wastewater.** It is the intention and agreement of the parties that Rialto shall have total ownership and control of all Service Area Wastewater delivered to the Rialto Disposal System. Owner warrants that he shall comply with all aspects of the City Public Utility Code, Title 12, and Administrative Policies.

**Section 1.05 Connection Points.** Owner is authorized one (1) connection point to the Rialto Disposal System. Such connection point shall be located at a point mutually acceptable to the Owner, City Engineer and the Building Official. Construction of laterals and connection points shall be in conformance with the specifications and details set forth in Rialto's Utility Design Standards, Building Safety Codes and other applicable laws and regulations as may apply. Maintenance of the lateral including the connection point within the right-of-way shall be the responsibility solely of the Owner. All construction work and maintenance shall be performed under permit from, inspected, and approved by Rialto.

## **ARTICLE II. PAYMENTS FOR CONSTRUCTION AND EXPANSION OF RIALTO DISPOSAL SYSTEM**

**Section 2.01 Initial Special Service Availability Payment.** In consideration of Rialto's agreements contained herein, Owner previously paid to Rialto a service connection fee in the amount of \$43,736.40 on January 7, 2003, in accordance with its adopted fee schedule.

### **ARTICLE III. WASTEWATER USER CHARGES**

**Section 3.01 Monthly Wastewater User Fees.** After the Commencement Date, Owner shall establish an account with Rialto for wastewater service, and shall pay to Rialto for the provision of wastewater conveyance, treatment and disposal services a wastewater fee calculated at a rate equal to one point three (1.3) times the rate then charged by Rialto to its residential users, in accordance with chapter 12.08.200 of the City Code, or as may be amended from time to time.

#### **ARTICLE IV. MONITORING OF SERVICE AREA WASTEWATER**

**Section 4.01 Pre-Treatment Program; Quality Specifications and Standards.**

Pretreatment of wastewater from the Service Area may not be required under this Agreement, provided the Owner complies with all aspects of the City Public Utility Code, Title 12, and Administrative Policies. Rialto shall have the right to monitor or restrict the discharge of any individual user located within the Service Area if it suspects or discovers the user has discharged prohibited substances, as described in the Utility Code, into the Collection System, or violated other provisions of said Code. Rialto may, at its option, allow discharge to resume with the installation, and proper maintenance of, an approved pretreatment device or system.

## ARTICLE V. MISCELLANEOUS

**Section 5.01 Effective Date; Term.** This Agreement shall become effective when the Agreement has been duly executed by both parties hereto, and shall be binding upon the heirs, assigns and successors of the parties. The Agreement shall continue in perpetuity, or until such time as the Service Area is annexed into the corporate boundaries of Rialto. At such time, the Owner shall have such rights, privileges and duties, including fees and rates, as all other Rialto citizens for the then current wastewater disposal classification.

**Section 5.02 Amendment, Etc.** No amendment or waiver of any provisions of this Agreement, or consent to any departure from its terms, shall be effective unless the same shall be in writing and signed by the parties hereto.

**Section 5.03 Notices.** Any notice to be given or other document or documents to be delivered to either party by the other hereunder may be delivered in person, using a nationally-recognized overnight courier, or may be deposited in the United States Mail in the State of California, duly registered or certified, with postage prepaid, and addressed as follows:

Rialto: City of Rialto  
335 W. Rialto Avenue  
Rialto, CA 92376  
Attn: City Administrator

Owner: Colton Joint Unified School District  
1212 Valencia Drive  
Colton, CA 92324-1798

All notices regarding any new or increased fee or rate increases affecting the applicable fees and rates in Sections 2.01 and 3.01 herein, shall be provided in the same manner provided to all customers subject to the new or increased fees and charges.



**Section 5.04 Costs and Expense of Enforcement.** Should litigation be necessary to enforce any term or provision of this Agreement, the prevailing party shall be entitled to collect all litigation costs and attorney fees incurred by the prevailing party.

**Section 5.05 Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

**Section 5.06 Indemnification.** Owner hereto agrees to indemnify, defend, save and hold harmless Rialto and its officers, agents and employees from and against all liability, claims, damages, losses and expense of any nature whatsoever, including but not limited to bodily injury, death, personal injury, property damages and attorney's fees, arising directly or indirectly from any acts or omissions of such indemnified party or its officers, agents or employees in connection with this Agreement.

**Section 5.07 Partial Invalidity.** The invalidity of any provision of this Agreement will not affect the validity of the remainder hereof.

**Section 5.08 Execution In Counterparts.** This Agreement may be executed in counterparts, all of which taken together shall constitute an original hereof.


**Section 5.09 Time of Essence.** Time is of the essence in the fulfillment by the parties hereto of their obligations under this Agreement.

**Section 5.11 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

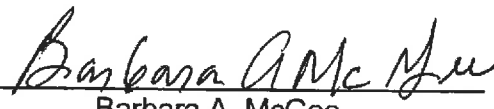
\*\*\*\*SIGNATURES ON NEXT PAGE\*\*\*\*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

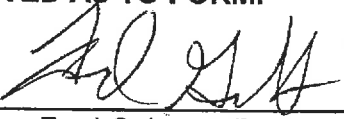
**CITY OF RIALTO, CALIFORNIA**

By   
Deborah Robertson  
Mayor

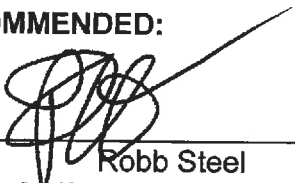
**ATTEST:**

By   
Barbara A. McGee  
City Clerk

**APPROVED AS TO FORM:**

By   
Fred Galante, Esq.  
City Attorney

**RECOMMENDED:**

By   
Robb Steel  
Asst. City Development Services Director

**"OWNER"**  
**Colton Joint Unified School District**

By: \_\_\_\_\_

Signature (notarized)

State of California )  
County of San Bernardino ss

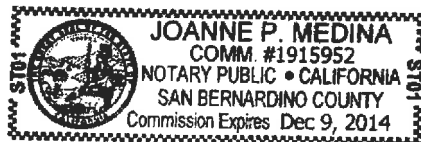
On December 1, 2014  
before me, Joanne P. Medina, Notary Public  
personally appeared Jaime R. Ayala  
who proved to me on the basis of satisfactory  
evidence to be the person(s) whose name(s)  
(s) subscribed to the within instrument and  
acknowledged to me that ~~he/she/they~~  
the same in ~~his/her/their~~ authorized capacity(ies),  
and that by ~~his/her/their~~ signatures(s) on the  
instrument the person(s), or the entity upon behalf  
of which the person(s) acted, executed the  
instrument.

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

WITNESS my hand and official seal.

Notary Signature: Joanne P. Medina

Notary Seal:



## EXHIBIT "A"

The following described property in the unincorporated area of Bloomington, County of San Bernardino, State of California, described as:

Lots 1 to 22, inclusive, in Block 25, according to Map of Bloomington Villa Lots and the Re-Subdivision of Part of the Townsite of Bloomington, as per plat recorded in Book 19 of maps, Pages 27-28, records of said County; and

The East 20 feet of Church Street adjoining Lots 1 to 22, inclusive, in Block 25, according to Map of Bloomington Villa Lots and the Re-Subdivision of Part of the Townsite of Bloomington, as per plat recorded in Book 19 of Maps, Page 27-28, records of said County; and

Lots 3 and 4 of Block 24 and the West 10 feet of Lots 3 and 4 of Block 25, according to the Townsite of Bloomington, as per plat recorded in Book 12 of Maps, Page 34, records of said County; and

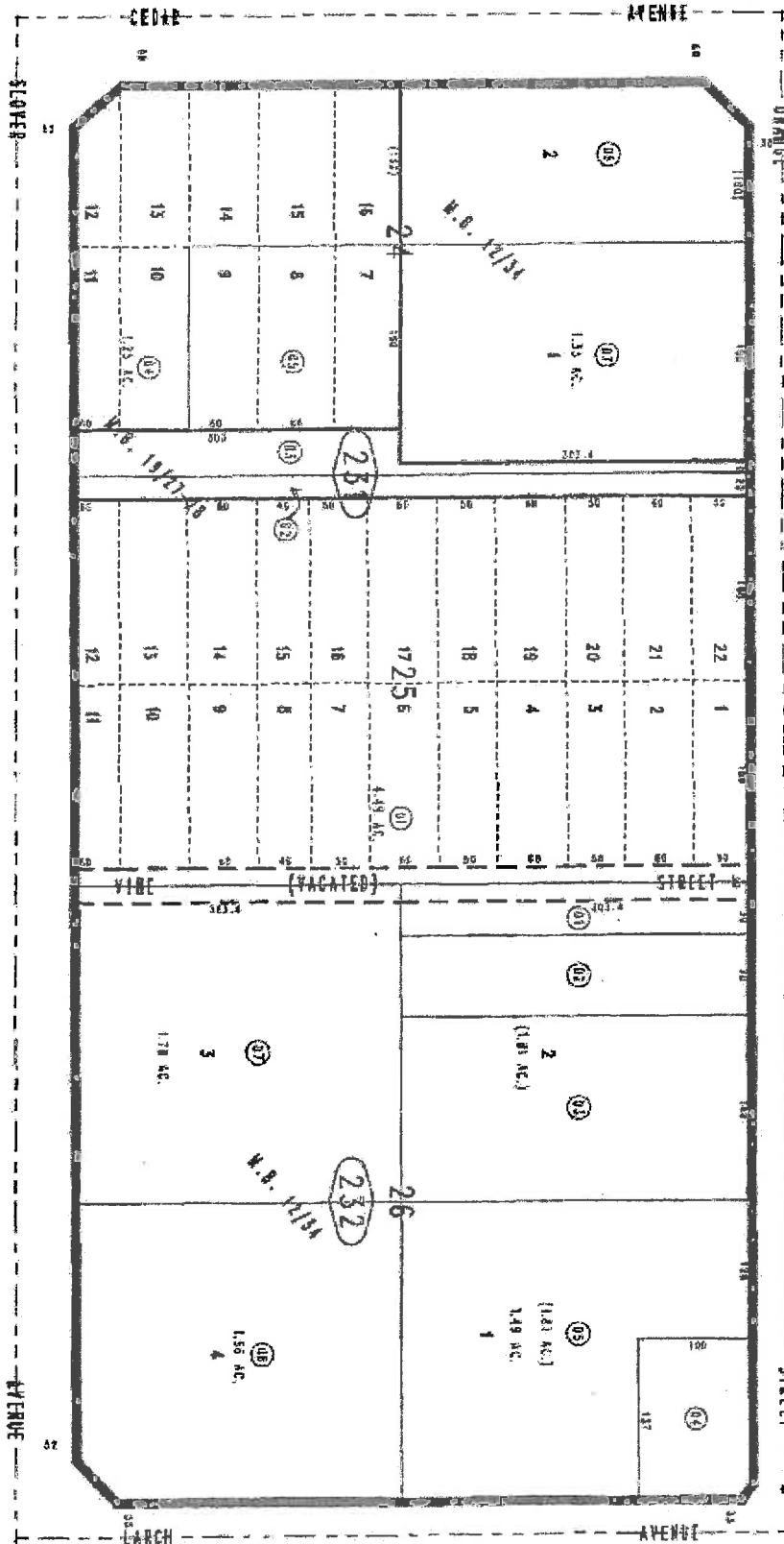
The north half of Block 24 Town of Bloomington. Containing 2 45/100 acres more or less in accordance with the Map showing subdivision of lands belong to the Semi-Tropic Land Water Company, as recorded in the Office of the Recorder of Deeds in and for said County, dated March 1, 1891, Book 11 of Maps, Page 12; and

Lots 2 and 3 of Block 26, according to the Townsite of Bloomington, as per plat recorded in Book 12 of Maps, Page 34, records of said County, excepting the west 100 feet excepting therefrom the west 30 feet of Lot 2; and

Lots 1 and 4 of Block 26, according to the Townsite of Bloomington, as per plat recorded in Book 12 of Maps, Page 34, records of said County, saving and excepting from said Lot 1 that portion thereof described as follows: Beginning at a point in the northeast corner of said Lot 1, thence South 100 feet, thence West 140 feet, thence North 100 feet, thence East 140 feet to the point of beginning; and

That portion of Lot 1, in Block 26, according to the Townsite of Bloomington, as per plat recorded in Book 12 of Maps, Page 34, records of said County, described as follows: Beginning at a point in the northeast corner of said Lot 1, thence South 100 feet, thence West 140 feet, thence North 100 feet, thence East 140 feet to the point of beginning

# EXHIBIT "B"



(22)

Exhibit "B"

**Application Form and Copy of  
Agreement for APN 0257-051-46**

**Attachment 2g**

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

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

**AGENCY TO EXTEND SERVICE:**

AGENCY NAME: City of Rialto  
CONTACT PERSON: Susanne Wilcox  
ADDRESS: 150 South Palm Avenue  
Rialto, CA 92376  
(909) 820-2525, ext. 2062  
PHONE: swilcox@rialtoca.gov  
EMAIL:

**CONTRACTING PARTY:**

NAME OF PROPERTY OWNER: Carlos J. Rubio  
CONTACT PERSON: Carlos J. Rubio  
MAILING ADDRESS: 10533 Larch Avenue  
Bloomington, CA 92316  
Not Available  
PHONE: Not Available  
EMAIL:   
ADDRESS OF PROPERTY PROPOSED FOR CONTRACT: 10533 Larch Avenue  
Bloomington, CA 92316  
Not Available  
CONTRACT NUMBER/IDENTIFICATION: 0257-051-46  
PARCEL NUMBER(S): Not Available  
ACREAGE:

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

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

Wastewater/Sewer Service

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

N/A

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

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

The agreement describes the property owner's intention to  
connect to and obtain wastewater service from the City of Rialto

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

N/A



*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

N/A

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

N/A

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

Residential/Single Family Dwelling

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

N/A

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

The agreement is not development related.

Extension of Service by Contract  
Application Form

(FOR LAFCO USE ONLY)

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

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

N/A

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

10. Plan for Service:

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

The City owns and operates an 8" sewer line within

Larch Avenue from Slover Avenue to Santa Ana Avenue.

This sewer line has sufficient capacity to accept the  
connect from the property located at 10533 Larch Avenue.

The limited sewer discharge has no significant impact to  
collection system or wastewater treatment plant.

(FOR LAFCO USE ONLY)

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- | <i>Description of Fees/Charges</i> | <i>Cost</i> | <i>Total</i> |
|------------------------------------|-------------|--------------|
| Collection Fees                    |             | \$2,126.01   |
| Treatments Fees                    |             | \$3,850.44   |
|                                    |             |              |
|                                    |             |              |
|                                    |             |              |
|                                    |             |              |
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|                                    |             |              |
|                                    |             |              |
|                                    |             |              |
|                                    |             |              |
| <b>Total Costs</b>                 |             | \$5,976.45   |

- In addition to the adopted fee and rate schedules, the  
City of Rialto charges an extra-territorial charge of  
1.3 times said fees.

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

N/A

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

N/A

## CERTIFICATION

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

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

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

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

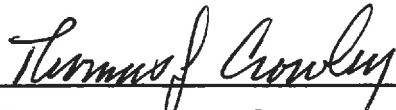
I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this evaluation of service extension to the best of my ability, and that the facts, statement and information presented herein are true and correct to the best of my knowledge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

SIGNED

NAME:

POSITION TITLE:

DATE:

  
Thomas J. Crowley, P.E.  
Utilities Manager  
November 4, 2019

REQUIRED EXHIBITS TO THIS APPLICATION:

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

Please forward the completed form and related information to:

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

## **EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT**

This **EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT** ("Agreement") is made and entered into this 26th day of August, 2014, (the "Commencement Date"), between **Carlos J. Rubio**, ("Owner"), and the **CITY OF RIALTO a California municipal corporation**, ("Rialto"), with reference to the following facts:

**WHEREAS**, Owner represents they hold lawful title to a residential zoned parcel identified by San Bernardino County Assessor's Parcel Number 0257-051-46, located at 10533 Larch Avenue, Bloomington (the "Property"), as identified on **Exhibit "A"** and shown on **Exhibit "B"**; said Property is located outside of the incorporated boundaries of Rialto within San Bernardino County; and

**WHEREAS**, neither San Bernardino County or any other public agency currently provides wastewater service to the Property; and

**WHEREAS**, Rialto currently operates a wastewater collection system in Larch Avenue, adjacent to the Property, and Owner desires to connect the Property to Rialto's wastewater collection system; and

**WHEREAS**, Owner desires to, and pursuant to the terms of this Agreement, has committed to, or will commit to provide, at Owner's cost, a sewer lateral with connections from the building drain to the sewer main on Larch Avenue, including all road cuts, patching, permits and inspections; and

**WHEREAS**, Rialto owns and operates the sewer main running along and within Larch Avenue which is within Rialto's defined Service Area; and any other related and/or additional facilities used for the conveyance, treatment or disposal of wastewater originating in the Service Area and any extensions, expansions or replacements of any of the above being hereinafter referred to as the "Rialto Disposal System"; and

**WHEREAS**, Rialto has defined and established by Council Resolution a policy and administrative guidelines to provide for wastewater service outside the City's corporate boundaries; and has agreed to provide wastewater conveyance, treatment and disposal services for wastewater originating in the Service Area through the Rialto Disposal System on the terms and conditions contained herein; and

**WHEREAS**, in order to accommodate the conveyance, treatment and disposal of wastewater originating in the Service Area, Rialto has agreed to maintain and/or construct the Rialto Disposal System and such related and/or additional facilities as may be necessary to adequately provide such service for the Service Area in perpetuity; and

**WHEREAS**, in consideration of Rialto's agreement to provide adequate conveyance, treatment and disposal services to the Service Area, Owner has agreed

to make payments described herein with respect to wastewater from the Property discharged into the Rialto Disposal System (such wastewater being "Service Area Wastewater") calculated at one point three (1.3) times the monthly rates then charged by Rialto to its residential users, in accordance with chapter 12.08.200 of the City Code, or as may be amended from time to time, as more fully set forth herein.

Now, therefore, in consideration of the foregoing and subject to the terms and conditions contained herein, the parties hereto hereby agree as follows:

## **ARTICLE I. RIGHTS AND OBLIGATIONS**

**Section 1.01 Recitals Incorporated.** The recitals set forth above are true and correct and are hereby incorporated into and made a part of this agreement.

**Section 1.02 Delivery and Receipt of Wastewater.** At all times, except as may be restricted by unforeseen emergencies, Owner shall have the right to deliver to the Rialto Disposal System normal strength wastewater, and Rialto shall have the obligation to receive all such wastewater into the Rialto Disposal System and to convey, treat and dispose of such wastewater.

**Section 1.03 Disposal of Service Area Wastewater; Ownership and Reclamation of Effluent.** The cost of constructing, expanding, extending, maintaining and operating the Rialto Disposal System and of conveying, treating and disposing of the Service Area Wastewater (including, without limitation, any effluent or by-product thereof) after delivery of such Service Area Wastewater to the Rialto Disposal System shall be the responsibility solely of Rialto, and Owner shall have no responsibility for, and shall not be liable to Rialto or any third party for, any costs or other expenses incurred by Rialto in connection with or related thereto, other than payment of the Wastewater User Fees set forth in Section 3.01, provided Owner complies with all aspects of Rialto's Code ordinances and policies, incorporated herein by reference, as they relate to wastewater discharge for a "Residential" customer.

**Section 1.04 Ownership of Service Area Wastewater.** It is the intention and agreement of the parties that Rialto shall have total ownership and control of all Service Area Wastewater delivered to the Rialto Disposal System. Owner warrants that he shall comply with all aspects of the City Public Utility Code, Title 12, and Administrative Policies.

**Section 1.05 Connection Points.** Owner shall provide one (1) connection point to the Rialto Disposal System. Such connection point shall be located at a point mutually acceptable to the Owner, City Engineer and the Building Official. Construction of laterals and connection points shall be in conformance with the specifications and details set forth in Rialto's Utility Design Standards, Building Safety Codes and other applicable laws and regulations as may apply. Maintenance of the lateral including the connection point within the right-of-way shall be the responsibility solely of the Owner. All construction work and maintenance shall be performed under permit from, inspected, and approved by Rialto.

## **ARTICLE II. PAYMENTS FOR CONSTRUCTION AND EXPANSION OF RIALTO DISPOSAL SYSTEM**

**Section 2.01 Initial Special Service Availability Payment.** In consideration of Rialto's agreements contained herein, Owner shall, promptly upon the effective date of this agreement, pay to Rialto a service connection fee in the amount of **\$5,976.45** in accordance with its adopted fee schedule, subject to an extra-territorial charge of 1.3 times said fees.

## **ARTICLE III. WASTEWATER USER CHARGES**

**Section 3.01 Monthly Wastewater User Fees.** After the Commencement Date, Owner shall establish an account with Rialto for wastewater service, and shall pay to Rialto for the provision of wastewater conveyance, treatment and disposal services a wastewater fee calculated at a rate equal to one point three (1.3) times the rate then charged by Rialto to its residential users, in accordance with chapter 12.08.200 of the City Code, or as may be amended from time to time.

## **ARTICLE IV. MONITORING OF SERVICE AREA WASTEWATER**

**Section 4.01 Pre-Treatment Program; Quality Specifications and Standards.** Pretreatment of wastewater from the Service Area may not be required under this Agreement, provided the Owner complies with all aspects of the City Public Utility Code, Title 12, and Administrative Policies. Rialto shall have the right to monitor or restrict the discharge of any individual user located within the Service Area if it suspects or discovers the user has discharged prohibited substances, as described in the Utility Code, into the Collection System, or violated other provisions of said Code. Rialto may, at its option, allow discharge to resume with the installation, and proper maintenance of, an approved pretreatment device or system.

## **ARTICLE V. MISCELLANEOUS**

**Section 5.01 Effective Date; Term.** This Agreement shall become effective when the Agreement has been duly executed by both parties hereto, and shall be binding upon the heirs, assigns and successors of the parties. The Agreement shall continue in perpetuity, or until such time as the Service Area is annexed into the corporate boundaries of Rialto. At such time, the Owner shall have such rights, privileges and duties, including fees and rates, as all other Rialto citizens for the then current wastewater disposal classification.

**Section 5.02 Amendment, Etc.** No amendment or waiver of any provisions of this Agreement, or consent to any departure from its terms, shall be effective unless the same shall be in writing and signed by the parties hereto.



**Section 5.03 Notices.** All notices and other communications provided for hereunder shall be in writing (including telecopier communication) addressed to the parties at their addresses set forth on the signature pages hereof. All such notices and communications shall, when mailed or telecopied, be effective when deposited in the U.S. mail, postage prepaid, or telecopied, respectively.

**Section 5.04 Costs and Expense of Enforcement.** Should litigation be necessary to enforce any term or provision of this Agreement, the prevailing party shall be entitled to collect all litigation costs and attorney fees incurred by the prevailing party.

**Section 5.05 Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

**Section 5.06 Indemnification.** Owner hereto agrees to indemnify, defend, save and hold harmless Rialto and its officers, agents and employees from and against all liability, claims, damages, losses and expense of any nature whatsoever, including but not limited to bodily injury, death, personal injury, property damages and attorney's fees, arising directly or indirectly from any acts or omissions of such indemnified party or its officers, agents or employees in connection with this Agreement.

**Section 5.07 Partial Invalidity.** The invalidity of any provision of this Agreement will not affect the validity of the remainder hereof.

**Section 5.08 Execution In Counterparts.** This Agreement may be executed in counterparts, all of which taken together shall constitute an original hereof.

**Section 5.09 Time of Essence.** Time is of the essence in the fulfillment by the parties hereto of their obligations under this Agreement.

**Section 5.11 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

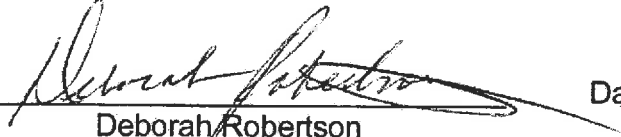
\*\*\*\*SIGNATURES ON NEXT PAGE\*\*\*\*

**IN WITNESS WHEREOF**, the City and the Contractor have caused this Agreement to be executed the day and year first above written.

**CITY OF RIALTO, CALIFORNIA**

**APPROVED BY THE CITY COUNCIL:**

By

  
Deborah Robertson  
Mayor

Date


8/26/14

Agreement No.

N/A


**ATTEST:**

By

  
Barbara A. McGee  
City Clerk

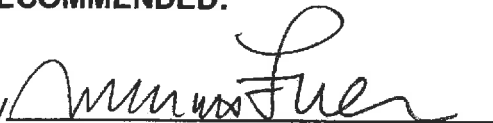
**APPROVED AS TO FORM:**

By

  
Fred Galante, Esq.  
City Attorney

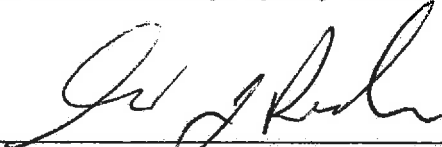
**RECOMMENDED:**

By

  
Marcus L. Fuller  
Public Works Director/City Engineer

**"OWNER"**

**Carlos J. Rubio, sole property owner**

By:   
Signature (notarized)

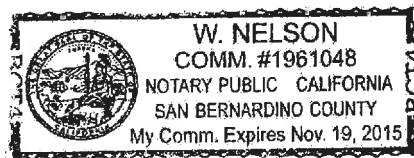
State of California  
County of San Bernardino ss  
On Aug 5th 2014  
before me, W. Nelson  
personally appeared Carlos J Rubio  
who proved to me on the basis of satisfactory  
evidence to be the person ~~to~~ whose name ~~s~~  
is ~~are~~ subscribed to the within instrument and  
acknowledged to me that he ~~she~~ ~~they~~ executed  
the same in his ~~her~~ ~~their~~ authorized capacity ~~(ies)~~,  
and that by his ~~her~~ ~~their~~ signature ~~s~~ on the  
instrument the person ~~s~~, or the entity upon behalf  
of which the person ~~s~~ acted, executed the  
instrument.

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

WITNESS my hand and official seal.

Notary Signature: W. Nelson

Notary Seal:



## **EXHIBIT "A"**

The LOT 2, D.A. Van Kranker's Resubdivision, in the County of San Bernardino, State of California, as per plat recorded in Book 24 of Maps, Page 11, Records of said county, Excepting therefrom the East 140 feet thereof.

# EXHIBIT "B"

THIS MAP IS FOR THE PURPOSE  
OF AN ALBERTA TAXATION ONLY

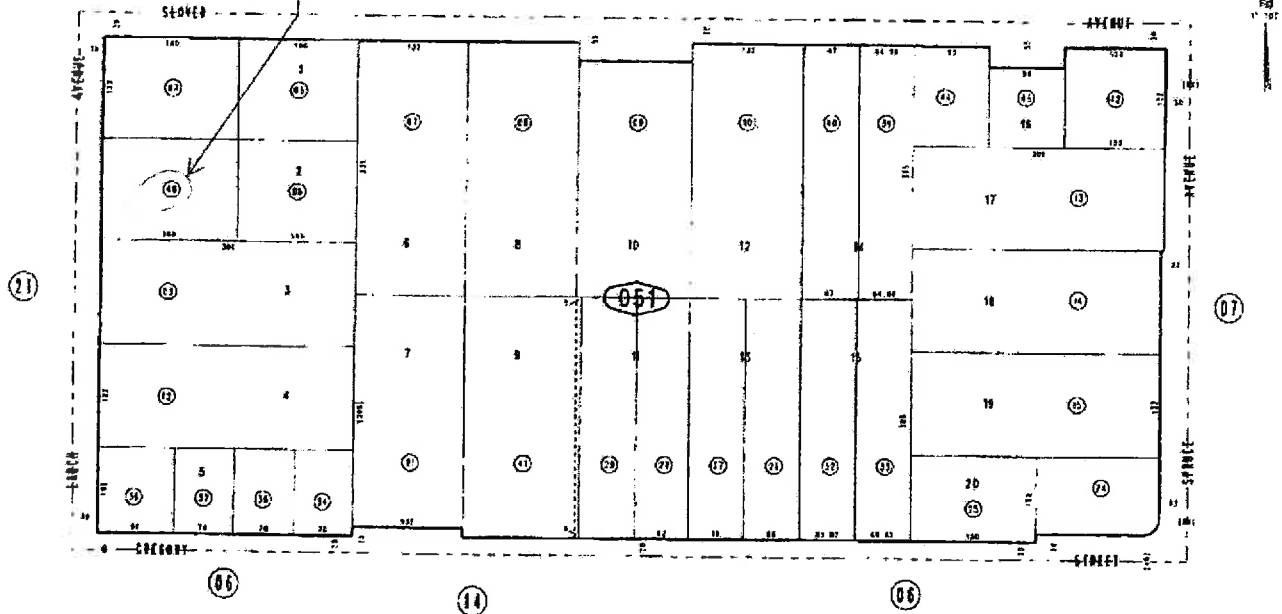
D.A. Van Vranken's Resub. Lot 365 S.T.L.&W. Co.  
M.B. 24/11

Colton Joint Unified 0257-05  
Tax Rate Area  
64027



10533 Larch Ave.  
Bloomington, Ca  
92316

0254  
24



September 1983

Assessor's Map  
Book 0257 Page 05  
San Bernardino County

**Application Form and Copy of  
Agreement for APN 1133-211-14**

**Attachment 2h**

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

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

**AGENCY TO EXTEND SERVICE:**

AGENCY NAME: City of Rialto  
CONTACT PERSON: Susanne Wilcox  
ADDRESS: 150 South Palm Avenue  
Rialto, CA 92376  
PHONE: (909) 820-2525, ext. 2062  
EMAIL: swilcox@rialtoca.gov

**CONTRACTING PARTY:**

NAME OF PROPERTY OWNER: Blackmon, J & D Family Trust  
CONTACT PERSON: Jeffrey or Debby Blackmon  
MAILING ADDRESS: 18311 Bohnert Avenue  
Rialto, CA 92377  
PHONE: Not Available  
EMAIL: Not Available  
ADDRESS OF PROPERTY PROPOSED FOR CONTRACT: 18311 Bohnert Avenue  
Rialto, CA 92377  
CONTRACT NUMBER/IDENTIFICATION: Not Available  
PARCEL NUMBER(S): 1133-211-14  
ACREAGE: Not Available

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

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

Wastewater/Sewer Service

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

N/A

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

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

Agreement discusses terms and conditions related to providing

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

The City of Rialto is in the process of annexing this parcel.



*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

The City of Rialto is in the process of annexing this  
parcel.

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

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

Residential

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

N/A

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

The agreement is not development related.

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

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

N/A

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

10. Plan for Service:

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

Please see Attachment 1.

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

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

<i>Description of Fees/Charges</i>	<i>Cost</i>	<i>Total</i>
Collection		\$1,722.50
Treatment		\$3,116.75
<b>Total Costs</b>		\$4,839.25

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

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

N/A

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

N/A

## CERTIFICATION

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

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

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

*Extension of Service by Contract  
Application Form*

(FOR LAFCO USE ONLY)

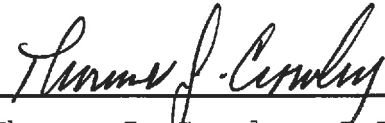
I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this evaluation of service extension to the best of my ability, and that the facts, statement and information presented herein are true and correct to the best of my knowledge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

SIGNED

NAME:

POSITION TITLE:

DATE:

  
Thomas J. Crowley, P.E.  
Utilities Manager  
November 4, 2019

REQUIRED EXHIBITS TO THIS APPLICATION:

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

Please forward the completed form and related information to:

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

18311 Bonhert Avenue, Rialto

Jeffrey Blackmon, the owner of the property located at 18311 Bohnert Avenue (at the southeast corner of Bohnert Avenue and Maple Avenue) has requested that the City approve a sewer connection for the existing home. The property is currently located in an unincorporated area of San Bernardino County, surrounding by the City of Rialto.

The City owns and operates an 8-inch diameter sewer line extending within Maple Avenue adjacent to the property located at 18311 Bohnert Avenue. This line has sufficient capacity to accept the proposed sewer connection for the property located at 18311 Bohnert Avenue.

All fees for extra-territorial sewer service have been established at a rate equal to 1.3 times the standard rates, including the monthly wastewater fee. Staff estimates one time service establishment fees for the property located at 18311 Bohnert Avenue as follows:

• Wastewater <i>collection</i> fee:	
\$1,325.00 X 1.3 =	<b>\$1,722.50</b>
• Wastewater <i>treatment</i> fee:	
\$2,397.50 X 1.3 =	<b><u>\$3,116.75</u></b>
<b>TOTAL</b>	<b>\$4,839.25</b>



**EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT  
18311 BOHNERT AVENUE  
APN NO. 1133-211-14**

This EXTRATERRITORIAL WASTEWATER SERVICE AGREEMENT ("Agreement") is made and entered into this 12th day of March, 2013 (the "Commencement Date"), between Jeffrey and Debby Blackmon ("Owner") and the City of Rialto, a California municipal corporation ("Rialto") with reference to the following facts:

WHEREAS, Owner represents they hold lawful title the a residential parcel identified by Assessor's Parcel Number 1133-211-14 located at 18311 Bohnert Avenue, as identified on Exhibit "A" and shown on Exhibit "B", attached hereto and made a part hereof (the "Property"); said Property is located outside the incorporated boundaries of Rialto; and

WHEREAS, other wastewater collection systems are unavailable; and Owner desires to connect the Property to Rialto's wastewater collection system for the general health safety and welfare; and

WHEREAS, Owner desires to and in accordance with the terms of this Agreement has committed to or will commit to provide, at Owner's cost, a wastewater lateral with connections from the Owner's private building drain to Rialto's wastewater main, including all road cuts, patching, permits and inspections; and

WHEREAS, Rialto owns and operates the wastewater collection main running along and within Maple Street which is part of Rialto's wastewater collection system; and any other related and/or additional facilities used for the conveyance, treatment or disposal of wastewater originating in Rialto and areas located outside the incorporated boundaries of Rialto approved by Rialto for extraterritorial wastewater service (the "Service Area"), and any extensions, expansions or replacements of any of the above being hereinafter referred to as the "Rialto Disposal System"; and

WHEREAS, Rialto has defined and established by Council Resolution a policy and administrative guidelines to provide for wastewater service outside Rialto's corporate boundaries; and has agreed to provide wastewater conveyance, treatment and disposal services for wastewater originating in the Service Area through the Rialto Disposal System on the terms and conditions contained herein; and

WHEREAS, in order to accommodate the conveyance, treatment and disposal of wastewater originating in the Service Area, Rialto has agreed to maintain and/or construct the Rialto Disposal System and such related and/or additional facilities as may be necessary to adequately provide such service for the Service Area in perpetuity; and

WHEREAS, in consideration of Rialto's agreement to provide adequate conveyance, treatment and disposal services to the Service Area, Owner has agreed to make payments described herein with respect to wastewater from the Service Area



discharged into the Rialto Disposal System (such wastewater being "Service Area Wastewater") calculated at one point three (1.3) times the monthly rates charged by Rialto to customers within Rialto, all on terms and conditions more fully set forth herein.

Now, therefore, in consideration of the foregoing and subject to the terms and conditions contained herein, the parties hereto hereby agree as follows:

#### ARTICLE I. RIGHTS AND OBLIGATIONS

Section 1.01 Recitals Incorporated. The recitals set forth above are true and correct and are hereby incorporated into and made a part of this agreement.

Section 1.02 Delivery and Receipt of Wastewater. At all times, except as may be restricted by unforeseen emergencies, Owner shall have the right to deliver to the Rialto Disposal System normal strength domestic wastewater, and Rialto shall have the obligation to receive all such wastewater into the Rialto Disposal System and to convey, treat and dispose of such wastewater.

Section 1.03 Disposal of Service Area Wastewater; Ownership and Reclamation of Effluent. The cost of constructing, expanding, extending, maintaining and operating the Rialto Disposal System and of conveying, treating and disposing of the Service Area Wastewater (including without limitation and effluent of by-product thereof) after delivery of such Service Area Wastewater to the Rialto Disposal System shall be the responsibility solely of Rialto, and Owner shall have no responsibility for, and shall not be liable to Rialto or any third party for, any costs or other expenses incurred by Rialto in connection with or related thereto, other than payment of the Wastewater User Fees set forth in Section 3.01, provided Owner complies with all aspects of Rialto's Municipal Code, ordinances and policies, incorporated herein by reference, as they relate to wastewater discharge for a Group I Residential customer.

Section 1.04 Ownership of Service Area Wastewater. It is the intention and agreement of the parties that Rialto shall have total ownership and control of all Service Area Wastewater delivered to the Rialto Disposal System. Owner warrants that Owner shall comply with all aspects of the Rialto Municipal Code, Title 12 – Public Utilities, and Administrative Policies.

Section 1.05 Connection Points. Owner shall provide one (1) connection point to the Rialto Disposal System. Such connection point shall be located at a point mutually acceptable to the Owner, City Engineer and the Building Official. Construction of laterals and connection points shall be in conformance with the specifications and details set forth in Rialto's Utility Design Standards, Building Safety Codes and other applicable laws and regulations as may apply. Maintenance of the lateral including the connection point within the right-of-way shall be the responsibility solely of the Owner. All construction work and maintenance shall be performed under permit from, inspected, and approved by Rialto.

## ARTICLE II. PAYMENTS FOR CONSTRUCTION AND EXPANSION OF RIALTO DISPOSAL SYSTEM

Section 2.01 Initial Special Service Availability Payment. In consideration of Rialto's agreements contained herein, Owner shall, promptly upon the effective date of this agreement, pay to Rialto a service connection fee, security deposit and all related fees in the amount of **\$4,839.25**.

## ARTICLE III. WASTEWATER USER CHARGES

Section 3.01 Monthly Wastewater User Fees. After the Commencement Date, Owner shall pay to Rialto for the provision of wastewater conveyance, treatment and disposal services a wastewater fee calculated at a rate equal to one point three (1.3) times the rate then charged by Rialto to properties located within the incorporated boundaries of Rialto, in accordance with Chapter 12.08.200 of the Rialto Municipal Code, or as may be amended from time to time.

## ARTICLE IV. MONITORING OF SERVICE AREA WASTEWATER

Section 4.01 Pre-Treatment Program; Quality Specifications and Standards. Pretreatment of wastewater from the Service Area may not be required under this Agreement, provided the Owner complies with all aspects of the Rialto Municipal Code, Title 12 – Public Utilities, and Administrative Policies. Rialto shall have the right to monitor or restrict the discharge of wastewater to the Rialto Disposal System if Rialto suspects or discovers the Owner has discharged prohibited substances, as described in the Rialto Municipal Code, into the Collection System, or violated other provisions of said Municipal Code. Rialto may, at its option, allow discharge to resume with the Owner's installation, and proper maintenance of, an approved pretreatment device or system.

## ARTICLE V. MISCELLANEOUS

Section 5.01 Effective Date; Term. This Agreement shall become effective when the Agreement has been duly executed by both parties hereto, and shall be binding upon the heirs, assigns and successors of the parties. The Agreement shall continue in perpetuity, or until such time as the Property is annexed into the corporate boundaries of Rialto. At such time, the Owner shall have such rights, privileges and duties, including fees and rates, as all other Rialto citizens for the then current wastewater disposal classification.

Section 5.02 Amendment, Etc. No amendment or waiver of any provisions of this Agreement or consent to any departure from its terms shall be effective unless the same shall be in writing and signed by the parties hereto.

Section 5.03 Notices. All notices and other communications provided for hereunder shall be in writing addressed to the parties at their addresses set forth herein.

All such notices and communications shall, when mailed, be effective when deposited in the U.S. mail, postage prepaid.

"Rialto"  
City of Rialto  
150 S. Palm Ave.  
Rialto, CA 92376

"Owner"  
Jeffrey and Debby Blackmon  
1041 18<sup>th</sup> Street A206  
Costa Mesa, CA 92627

Section 5.04 Costs and Expense of Enforcement. Should litigation be necessary to enforce any term or provision of this Agreement, the prevailing party shall be entitled to collect all litigation costs and attorney's fees incurred by the prevailing party.

Section 5.05 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

Section 5.06 Indemnification. Owner hereto agrees to indemnify, defend, save and hold harmless Rialto and its officers, agents and employees from and against all liability, claims, damages, losses and expense of any nature whatsoever, including but not limited to bodily injury, death, personal injury, property damages and attorney's fees, arising directly or indirectly from any acts or omissions of such indemnified party or its officers, agents or employees in connection with this Agreement.

Section 5.07 Partial Invalidity. The invalidity of any provision of this Agreement will not affect the validity of the remainder hereof.

Section 5.08 Execution In Counterparts. This Agreement may be executed in counterparts, all of which taken together shall constitute an original hereof.

Section 5.09 Time of Essence. Time is of the essence in the fulfillment by the parties hereto of their obligations under this Agreement.


Section 5.11 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

\*\*\*\* SIGNATURES ON NEXT PAGE \*\*\*\*

IN WITNESS WHEREOF, Rialto and Owner have caused this Agreement to be executed the day and year first above written.

**"RIALTO"**  
**CITY OF RIALTO, CALIFORNIA**

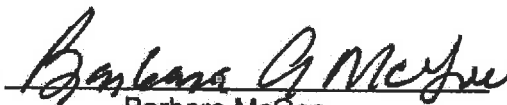
**APPROVED BY THE CITY COUNCIL:**

By   
Deborah Robertson  
Mayor

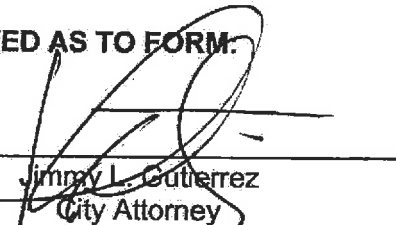
Date 3/20/13

Agreement No. \_\_\_\_\_

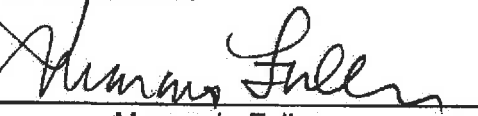
**ATTEST:**

By   
Barbara McGee  
City Clerk

**APPROVED AS TO FORM:**

By   
Jimmy L. Gutierrez  
City Attorney

**RECOMMENDED:**

By   
Marcus L. Fuller  
Public Works Director/City Engineer

"OWNER"

JEFFREY and DEBBY BLACKMON

By: [Signature]  
Signature (notarized)

Name: Jeffrey Blackmon

By: [Signature]  
Signature (notarized)

Name: Debbly Blackmon

State of California  
County of Orange )ss

On March 7<sup>th</sup> 2013

before me, Felipa Chavez, Notary Public  
personally appeared Jeffrey Blackmon  
who proved to me on the basis of satisfactory  
evidence to be the person(s) whose name(s)  
is/~~are~~ subscribed to the within instrument and  
acknowledged to me that he/~~she/they~~ executed  
the same in his/~~her/their~~ authorized capacity(ies),  
and that by his/~~her/their~~ signatures(s) on the  
instrument the person(s), or the entity upon behalf  
of which the person(s) acted, executed the  
instrument.

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

WITNESS my hand and official seal.

Notary Signature:

Notary Seal:

Felipa Chavez



State of California  
County of Orange )ss

On March 7<sup>th</sup> 2013

before me, Felipa Chavez, Notary Public  
personally appeared Debbly Blackmon  
who proved to me on the basis of satisfactory  
evidence to be the person(s) whose name(s)  
is/~~are~~ subscribed to the within instrument and  
acknowledged to me that he/~~she/they~~ executed  
the same in his/~~her/their~~ authorized capacity(ies),  
and that by his/~~her/their~~ signatures(s) on the  
instrument the person(s), or the entity upon behalf  
of which the person(s) acted, executed the  
instrument.

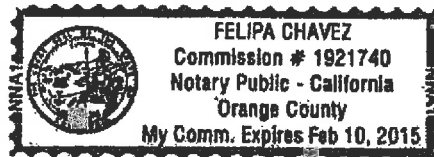
I certify under PENALTY OF PERJURY under the  
laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Notary Signature:

Notary Seal:

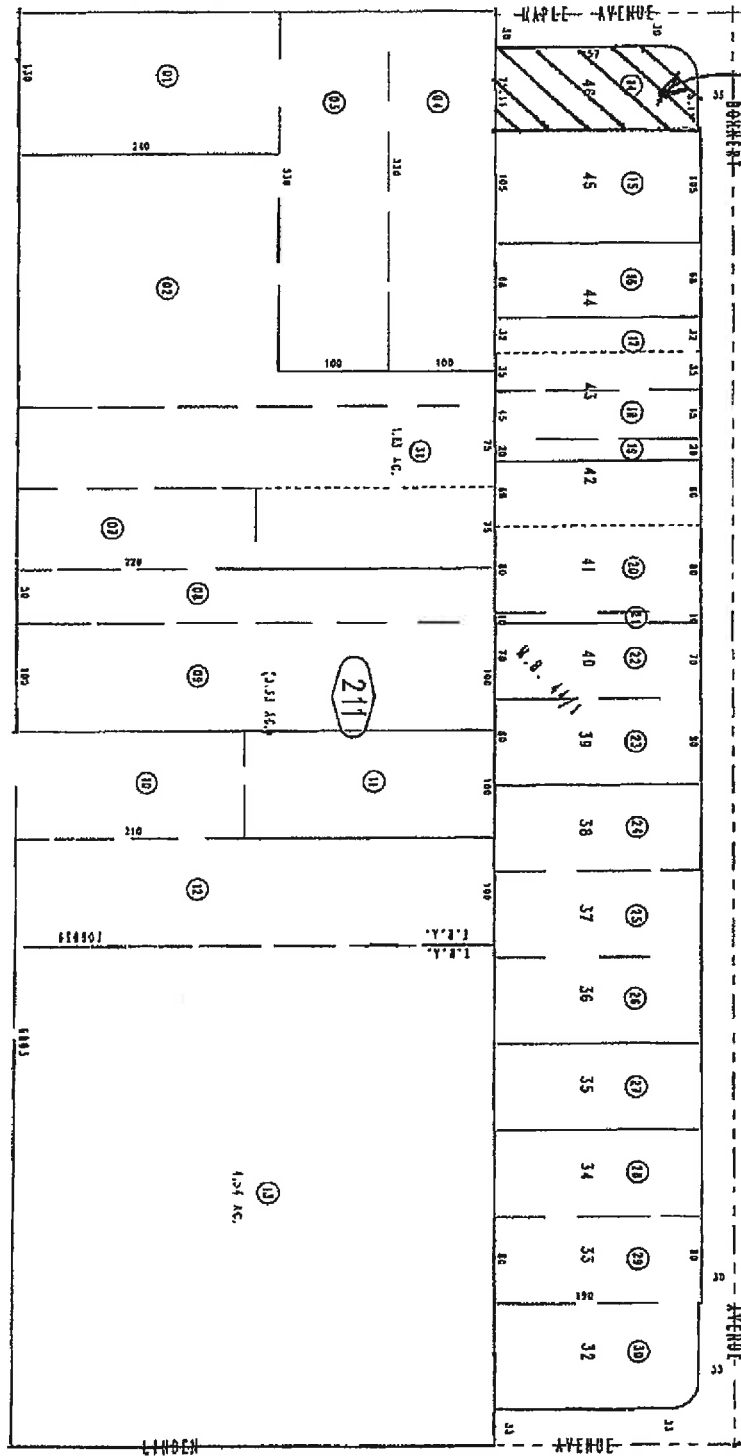
Felipa Chavez



## **EXHIBIT "A"**

That certain real property located in the unincorporated area of San Bernardino County identified as Lot 46 of Fontana Ranchos Unit No. 1, Tract No. 3279, recorded in Map Book 44, Page 1, records of San Bernardino County, California.

# EXHIBIT "B"



**LAFCO Letter to the City Dated  
May 19, 2006 Including Map of  
SC#274 and Copy of Agreement  
between the City of Rialto and  
the City of San Bernardino**

**Attachment 2i**





# LOCAL AGENCY FORMATION COMMISSION

175 West Fifth Street, Second Floor • San Bernardino, CA 92415-0490

(909) 387-5866 • Fax (909) 387-5871

E-mail: [lafoo@lafoo.sbcounty.gov](mailto:lafoo@lafoo.sbcounty.gov) • [www.sbclafco.org](http://www.sbclafco.org)

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

May 19, 2006

## COMMISSIONERS

PAUL BIANE, Chair  
Board of Supervisors

BOB COLVEN, Vice Chair  
Special District

KIMBERLY COX  
Special District

DENNIS HANSBERGER  
Board of Supervisors

LARRY McCALLON  
City Member

MARK NUAIMI  
City Member

RICHARD P. PEARSON  
Public Member

## ALTERNATES

JAMES V. CURATALO  
Special District

JOSIE GONZALES  
Board of Supervisors

A.R. "TONY" SEDANO  
Public Member

DIANE WILLIAMS  
City Member

## STAFF

KATHLEEN ROLLINGS-McDONALD  
Executive Officer

SAMUEL MARTINEZ  
LAFCO Analyst

MICHAEL A. TUERPE  
LAFCO Analyst

DEBBY CHAMBERLIN  
Clerk to the Commission

ANGELA M. SCHELL  
Deputy Clerk to the Commission

## LEGAL COUNSEL

CLARK H. ALSOP

Henry Garcia, City Administrator  
City of Rialto  
150 South Palm Avenue  
Rialto, CA 92376

Dear Mr. Garcia

Re: Confirmation of Exemption for LAFCO SC#274—Out-of-Agency  
Service Contract for Water Service by City of Rialto to  
APN 0269-171-41 within the City of San Bernardino

This is to advise you that on May 17, 2006, the Local Agency Formation Commission confirmed that LAFCO SC#274 is exempt from the provisions of Government Code Section 56133. This confirmation was based on the findings outlined in the staff report that was previously sent to you.

Please feel free to contact me if you have any questions.

Sincerely,

KATHLEEN ROLLINGS-McDONALD  
Executive Officer

KRM/dc

cc: Donn Montag, Principal Planner  
Mike Story, Development Services Director  
David Ullery, Utilities Operations Supervisor  
Barbara McGee, City Clerk  
Robert Cantero Jr. and Greg Baker, Property Owners  
Charles Bonadiman, J.E. Bonadiman & Associates Inc.  
City of San Bernardino:

Fred Wilson, City Manager  
James Funk, Development Services Director  
Rachel Clark, City Clerk  
Les Fogassy, Real Property Supervisor  
Terri Rahhal, Principal Planner  
Jeanne'marie Fitzpatrick, Real Property Specialist  
Stacy Aldstadt, General Manager, San Bernardino  
Municipal Water Department



- Service Contract Parcel
- City of San Bernardino
- City of Rialto

# LAFCO SERVICE CONTRACT 274



**EXTRATERRITORIAL WATER SERVICE AGREEMENT  
BETWEEN THE CITY OF RIALTO  
AND CITY OF SAN BERNARDINO**

This EXTRATERRITORIAL WATER SERVICES AGREEMENT (“**Agreement**”) is made and entered into this 13th day of October, 2015, (the “**Effective Date**”), between the CITY OF SAN BERNARDINO, a municipal corporation of the State of California (“**San Bernardino**”) and the CITY OF RIALTO, a municipal corporation of the State of California (“**Rialto**”) (individually, “**Party**,” and collectively, “**Parties**”), with reference to the following facts:

**RECITALS**

WHEREAS, certain properties located at North Lassen Street northerly of West Baseline Road (Assessor’s Parcel Numbers 0269-171-27-0000, 026-171-39-0000, 0269-171-38-0000, 0269-171-37-0000, 0269-171-43-0000, 0269-171-42-0000, 0269-171-21-0000), as more particularly shown in Exhibit “A” attached hereto and incorporated herein (the “**Service Area**”), encompass land within San Bernardino’s current incorporated area and sphere of influence; and

WHEREAS, Rialto, through its concessionaire Rialto Water Services and water system operator Veolia, provides water services (“**Water Services**”) to properties within the City of Rialto’s jurisdiction and spheres of influence, and has adequate pipelines, facilities, and infrastructure for said Water Services (“**Water System**”); and

WHEREAS, San Bernardino has not provided water service to the Service Area and has released the Service Area from the San Bernardino Municipal Water Department’s service area; and

WHEREAS, since the development of properties within the Service Area, Rialto has been providing Water Services to the Service Area; and

WHEREAS, Rialto has agreed to continue providing Water Services to the Service Area on the terms and conditions contained herein; and

WHEREAS, San Bernardino and Rialto desire to memorialize their arrangement for Rialto’s provision of Water Services to the Service Area through this Agreement.

NOW, THEREFORE, in consideration of the foregoing and subject to the terms and conditions contained herein, the Parties agree as follows:

**ARTICLE I  
RIGHTS AND OBLIGATIONS**

1.1. Recitals Incorporated. The recitals set forth above are true and correct and are hereby incorporated into and made a part of this Agreement.

1.2. San Bernardino’s Release of Service Area. San Bernardino has previously released all of the properties located within the Service Area from water service by the San Bernardino Municipal Water Department, and agrees that Rialto shall provide Water Services to the Service Area.

1.3. Metered Service Connection. Rialto shall allow metered water service connection for fire/commercial/domestic use to an existing water main in Lassen Street (“**Point of Service**”). All costs and expenses incident to any connection to the Water System from private property are to be borne by the property owner or water user, who shall indemnify Rialto from any loss or damage that may directly or indirectly be occasioned by the installation of water lines or appurtenances thereto.

1.4. Rialto To Provide Water Services. Rialto agrees to provide the properties within the Service Area with Water Services from the Water System. Rialto’s obligation to provide the Service Area with Water Services is conditioned upon Rialto and San Bernardino obtaining consent of all applicable governmental agencies including, if necessary, approval of this Agreement by the San Bernardino County Local Agency Formation Commission, and obtaining, if applicable, all necessary permits from the applicable governmental agencies.

1.5. Private Property Water Facilities. All water lines and facilities located from private properties within the Service Area to the Point of Service are private water facilities and shall not be part of the Water System owned by Rialto, and Rialto shall have no responsibility, duty, or obligation with respect to said private water facilities.

1.6. No Representation Regarding Water Service, Pressure, or Volume For Any Private Portion of the Water System. Rialto does not make any representation, warranty, or guaranty of any kind or nature and hereby specifically disclaims any kind of representation, warranty, or guaranty, of any private water facilities within the Service Area not owned by Rialto. If Rialto becomes owner of any private water facilities within the Service Area, Rialto shall provide appropriate Water Services and delivery up to the point of connection of the private water facilities to the public portion of the Water System.

## **ARTICLE II WATER USER CHARGES**

2.1. Payments to City. Pursuant to Rialto Municipal Code Chapter 12.04, all Water Service rates, fees, deposits, and water main charges shall be paid by each owner or water user within the Service Area directly to Rialto. Said rates, fees, deposits, and charges are set forth by the City Council by resolution and included in the Master Fee Schedule, which is attached hereto as Exhibit “B”, as may be amended by the City Council from time to time. Each owner or water user is responsible to pay directly to Rialto all applicable rates, fees, deposits, and water main charges currently in effect in the Master Fee Schedule, or as it may be amended.

2.2. San Bernardino Not to Charge Fees. Rialto shall not bill San Bernardino for, and San Bernardino has no duty or obligation to pay to Rialto, Water Service rates, fees, deposits, and charges. Likewise, San Bernardino shall not bill owners or water users within the Service Area any Water Service rates, fees, deposits, or charges owing and due to Rialto.

2.3. Delinquent Fees. Any and all services to which Chapter 12.04 applies may be discontinued upon any delinquent account for such services after a ten (10) day notice in writing is mailed to such delinquent owner or water user at the address as appears on the books and records of the delinquent account.

### ARTICLE III MAINTENANCE AND REPAIR OF WATER SYSTEM

3.1. Maintenance and Repair of Water System. Except as otherwise provided in this Agreement, Rialto shall, at its sole cost and expense, design, construct, install, and maintain all water pipes and related fixtures and appurtenances necessary to transport water from the Water System to the Service Area, up to and including the Point of Service. Rialto shall respond and repair all leaks or other damage to the Water System within the Service Area. However, any maintenance or repair of private water facilities that are not part of the Water System are to be borne by the owner or water user. San Bernardino shall have no right, duty, or obligation to maintain or repair any portion of the Water System owned by Rialto.

3.2. Inspection. Rialto shall have the right to inspect and examine the Water System at any time, including during construction and operation of any portion of the Water System within the Service Area, and the right to access all water meters within the Service Area.

### ARTICLE IV MISCELLANEOUS

4.1. Effective Date; Term. This Agreement shall become effective on the Effective Date written above and shall be binding upon the heirs, assigns, and successors of the Parties. The Agreement shall continue in perpetuity, unless earlier terminated by either Party through written notice, or until such time that San Bernardino decides to provide water services to the Service Area through the San Bernardino Municipal Water Department or successor department or agency.

4.2. Integration; Amendment. This Agreement including the attachments hereto is the entire, complete, and exclusive expression of the understanding of the Parties. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement, and this Agreement supersedes any and all previous negotiations, arrangements, agreements, and understandings, if any, between the Parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Parties.

4.3. Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

4.4. Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

4.5. Waiver. No delay or omission in the exercise of any right or remedy by a nondefaulting Party on any default shall impair such right or remedy or be construed as a waiver. A Party's consent to or approval of any act by the other Party requiring the Party's consent or approval

shall not be deemed to waive or render unnecessary the other Party's consent to or approval of any subsequent act. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

4.6. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by pre-paid First Class U.S. Mail, registered or certified mail, postage prepaid, return receipt requested, or delivered or sent by facsimile with attached evidence of completed transmission, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) three (3) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by facsimile. Any notice, request, demand, direction, or other communication sent by facsimile must be confirmed within forty-eight (48) hours by letter mailed or delivered. Other forms of electronic transmission such as e-mails, text messages, and instant messages are not acceptable manners of notice required hereunder. Notices or other communications shall be addressed as follows:

If to Rialto: City of Rialto  
150 S. Palm Ave.  
Rialto, CA 92376  
Attn: City Administrator  
Tel: (909) 820-2525  
Fax: (909) 820-2527

If to San Bernardino: City of San Bernardino  
Municipal Water Department  
P.O. Box 710  
San Bernardino, CA 92402  
Attn: General Manager  
Tel: (909) 384-5091  
Fax: (909) 384-5215

4.7. Costs and Expense of Enforcement. Should litigation be necessary to enforce any term or provision of this Agreement, the prevailing Party shall be entitled to collect all litigation costs and attorney fees incurred by the prevailing Party. The costs, salaries, and expenses of the City Attorney and members of his office shall be considered as costs and fees under this paragraph.

4.8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors and assigns.

4.9. Indemnification. Each of the Parties hereto agrees to indemnify, defend, save and hold harmless the other Party and its officers, agents and employees from and against all liability, claims, damages, losses and expense of any nature whatsoever, including but not limited to bodily injury, death, personal injury, property damages and attorney's fees, arising directly or indirectly from any acts or omissions of such indemnifying Party or its officers, agents or employees in connection with this Agreement.

4.10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

4.11. Time of Essence. Time is of the essence in the fulfillment by the Parties hereto of their obligations under this Agreement.

4.12. Governing Law. This Agreement in all respects shall be governed by, and construed in accordance with, the laws of the State of California. Any dispute arising herein shall be resolved in a court of law in the County of San Bernardino, California.

4.13. Corporate Authority. The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) entering into this Agreement does not violate any provision of any other Agreement to which said Party is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

**CITY OF RIALTO**  
A Municipal Corporation

Date: \_\_\_\_\_

\_\_\_\_\_  
Deborah Robertson, Mayor

ATTEST:

This document is the true and complete  
document approved by City Council on

\_\_\_\_\_  
Barbara McGee, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Fred Galante, City Attorney

**CITY OF SAN BERNARDINO**  
**MUNICIPAL WATER DEPARTMENT**  
A Municipal Corporation

Date: \_\_\_\_\_

\_\_\_\_\_  
Toni Callicot  
President, Board of Water Commissioners

ATTEST:

\_\_\_\_\_  
Robin Ohama  
Deputy City Clerk  
Ex-Officio Secretary



**EXHIBIT "A"**

**LEGAL DESCRIPTIONS OF SERVICE AREA**

The following described property in the unincorporated area of San Bernardino, County of San Bernardino, State of California, described as:

APN 0269-171-27-0000 Lot 27, according to plat of Muscupiabe Rancho, as per plat recorded in Book 1 of Maps, Page 24 and Book 7 of Maps, Page 23, records of said County.

APN 0269-171-39-0000 Parcel 3 of Parcel Map No. 17467, according to plat of Muscupiabe Rancho, as per plat recorded in Book 1 of Maps, Page 24 and Book 7 of Maps, Page 23, records of said County.

APN 0269-171-38-0000 Parcel 2 of Parcel Map No. 17467, according to plat of Muscupiabe Rancho, as per plat recorded in Book 1 of Maps, Page 24 and Book 7 of Maps, Page 23, records of said County.

APN 0269-171-37-0000 Parcel 1 of Parcel Map No. 17467, according to plat of Muscupiabe Rancho, as per plat recorded in Book 1 of Maps, Page 24 and Book 7 of Maps, Page 23, records of said County.

APN 0269-171-43-0000 Parcel 1 and 2 of Parcel Map No. 6403, according to plat of Muscupiabe Rancho, as per plat recorded in Book 1 of Maps, Page 24 and Book 7 of Maps, Page 23, records of said County.

APN 0269-171-42-0000 Lot 42, according to plat of Muscupiabe Rancho, as per plat recorded in Book 1 of Maps, Page 24 and Book 7 of Maps, Page 23, records of said County.

APN 0269-171-21-0000 Lot 21, according to plat of Muscupiabe Rancho, as per plat recorded in Book 1 of Maps, Page 24 and Book 7 of Maps, Page 23, records of said County.




**LAFCO Staff Report Dated  
January 6, 2014 for LAFCO  
SC#383**

**Attachment 3**

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

**DATE:** JANUARY 6, 2014   
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
SAMUEL MARTINEZ, Assistant Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

---

**SUBJECT:** **Agenda Item #6:** Consideration of Request for Exemption from Government Code Section 56133 for LAFCO SC#383 – Wastewater Collection and Treatment Service Agreement between the City of Rialto and County Service Area 70 Zone BL

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## **RECOMMENDATION:**

Determine that LAFCO SC#383 complies with the exemption criteria listed within Government Code Section 56133 Subsection (e) and, therefore, does not require Commission approval to proceed.

## **BACKGROUND:**

On November 14, 2013, the City of Rialto (hereinafter the "City") submitted a letter (included as Attachment #1) requesting that the Commission determine that the Out-of-Agency Service Agreement between the City and County Service Area 70 Zone BL (hereinafter "CSA 70 BL" or the "District") is exempt from the provisions of Government Code Section 56133. The agreement allows for the City's acceptance of wastewater collected from within the boundaries of CSA 70 BL for transportation and treatment at its facility. The facts surrounding the exemption request are outlined below.

### **County Service Area 70 Zone BL**

The County's Community Development and Housing Department has been working with a developer for more than a year on a proposal to build a 190-unit affordable housing project located in the unincorporated Bloomington community. The project, located on the north side of Valley Boulevard (between Alder and Locust Avenues), has been required by the County's Land Use Services Department to connect to a public sewer system.

The unincorporated Bloomington community generally has no public sewer system, except in those instances where the City of Rialto has extended sewer service outside its

boundaries. The current project could have contracted directly with the City for sewer service since it is within the City's existing sphere of influence. However, the County opted to establish a new public sewer provider to serve a portion of the unincorporated Bloomington community including the development project. On November 19, 2013, the County Board of Supervisors approved the formation of CSA 70 BL as a means to facilitate the provision of sewer service to this portion of the Bloomington community. Figure 1 below is a vicinity map of the boundaries for CSA 70 BL. Location and vicinity maps showing the existing City sewer facilities as well as the proposed sewer line to be constructed by the District are included as Attachment #2 to this report.

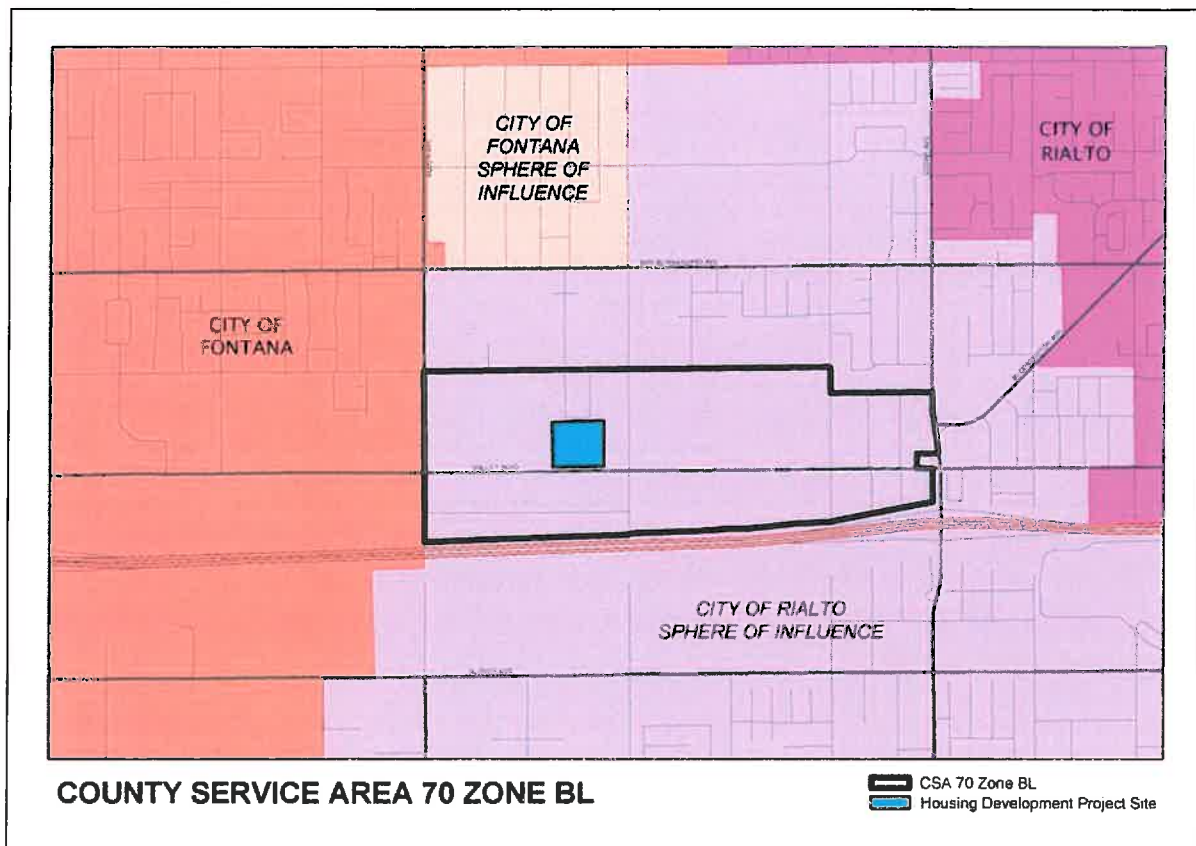


Figure 1 – Vicinity Map

The development project (information included as Attachment #4), which will include a County library, a community center, and medical and counseling facilities, will be the District's first user. The District will construct an 18-inch sewer line in Valley Boulevard from the project site located west of Locust Avenue extending approximately 5,150 feet to connect with the City's existing 18-inch sewer transmission line in Valley Boulevard at Cedar Avenue.

As an alternative to private on-site septic system, sewer service can also be extended to any of the properties within the District's service area. The City currently has excess capacity to treat flows generated from the project as well as additional properties within CSA 70 BL that may require sewer connection in the future up to 419 EDUs (equivalent dwelling units). Should additional capacity be needed, the City and the District have agreed to expand the scope of the agreement to develop the additional capacity that would include, but not be limited to, wastewater collection system improvements as well as improvements to the City's wastewater treatment plant.

The Out-of Agency Service Agreement, which is included as part of Attachment #3, outlines terms and conditions by which the City will accept wastewater generated from the District's sewer collection facilities. The agreement addresses the operation and maintenance responsibilities of each party, fees and charges, monitoring flows sent to the City's system, and miscellaneous other terms and conditions. The District will be responsible for billing and collection of sewer service payments from the properties within CSA 70 BL that connect to its sewer system at the rate of 1.3 times the in-City rate. The District will also be responsible for remitting payments to the City for all costs associated with the service connections. At the time new sewer connections are made to the District, the City will receive connection, permit and inspection fees in accordance with the fee schedules in effect at the time the connection permits are issued.

The agreement was ratified by the City of Rialto's City Council on December 10, 2013 and subsequently approved by the County Board of Supervisors, on behalf of CSA 70 BL, on December 17, 2013.

Additionally, the County Board of Supervisors also approved the 190-unit affordable housing project that includes the library and community benefit space on December 17, 2013 with the condition that it receives wastewater collection and treatment services from the District.

### **Exemption Discussion**

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

*"This section does not apply to contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider."*

After reviewing the materials presented for LAFCO SC#383, it is the staff's position that the exemption outlined above applies to the agreement between the City of Rialto and CSA 70 BL, and therefore should be exempted from further LAFCO review on the basis of the following facts:

1. The Out-of-Agency Service Agreement is between the City of Rialto and CSA 70 BL, both of which are legally defined public agencies.
2. The public service to be provided includes wastewater collection and treatment as identified in the agreement. The services to be provided by the City of Rialto are an alternative to CSA 70 BL providing wastewater treatment service on its own.
3. CSA 70 BL is contracting with the City to connect its sewer collection facilities to the City's existing wastewater transportation and treatment facilities. CSA 70 BL will collect wastewater within its service area and the City will then accept wastewater from the District into its existing wastewater transmission line located in Valley Boulevard just west of Cedar Avenue. Wastewater collected from the District will then be transported and treated at the City's wastewater treatment plant.
4. The level of service to be provided through this contract is consistent with the level of service contemplated by CSA 70 BL as identified in the Out-of-Agency Service Agreement. The agreement addresses the delivery and receipt of wastewater, connection requirements, wastewater plant capacity, user fees, connection fees, rate modification, terms and conditions, and others.

#### **CONCLUSION:**

On the basis of the determinations outlined above, LAFCO staff recommends that the Commission determine that pursuant to Government Code Section 56133 Subsection (e), the Extraterritorial Agreement for Wastewater Conveyance and Treatment between the City of Rialto and County Service Area 70 Zone BL is exempt from further review and approval by the Commission.

KRM/SM

#### **Attachments:**

1. [City of Rialto Letter Dated November 14, 2013 Requesting Exemption from Government Code Section 56133](#)
2. [Vicinity Map and Service Area Map for County Service Area 70 Zone BL including the City of Rialto's Existing Sewer Facilities and the District's Proposed Sewer Line Extension](#)
3. [Application for Extension of Service by Contract signed by the City of Rialto including a Copy of the Unsigned Extraterritorial Agreement, a Map and Legal Description for County Service Area 70 Zone BL, and a Copy of the City of Rialto's Resolution No. 6119 Establishing the City's Revised Schedule of Water and Sewer Rates and Charges](#)
4. [December 17, 2013 Board of Supervisors Agenda Item Approving Planned Development Permit and Tentative Tract Development for 190 Unit Affordable Housing Project](#)

**City of Rialto Letter Dated July  
30, 2018**

**Attachment 4**





# *City of Rialto*

## *California*

July 30, 2018

Samuel Martinez, Executive Officer  
Local Agency Formation Commission for San Bernardino County (LAFCO)  
1170 West 3<sup>rd</sup> Street, Unit 150  
San Bernardino, CA 92415-0490

Re: Extraterritorial Agreement for APN 0253-171-16-0-000 (Thrifty Oil Property)

Dear Mr. Martinez;

On April 12, 2016, City of Rialto staff presented an item to the Rialto City Council requesting approval an Extraterritorial Agreement with Thrifty Oil, LLC. The property is located at the northwest corner of Cedar Avenue and Orange Street intersection.

The Agreement was not executed and on April 2, 2018, Thrifty Oil notified the City by email they are no longer interested in connecting to the City's sewer system and will proceed with their project on a septic system. A copy of the email is included with this letter.

The City considers the matter closed.

Thank you for your assistance with this matter. If you have any questions or require any additional information, please contact Susanne Wilcox, Administrative Analyst, at (909) 820-2525, extension 2062 or via email at [swilcox@rialtoca.gov](mailto:swilcox@rialtoca.gov).

Sincerely,

Thomas J. Crowley, P.E.  
Utilities Manager

## Susanne Wilcox

---

**From:** Michael DeArmey <DeArmey@ThriftyOil.com>  
**Sent:** Monday, April 02, 2018 4:23 PM  
**To:** Moises Peralta  
**Cc:** Christopher Ellis; Susanne Wilcox; Thomas J. Crowley; 'Pablo, Michelle'; Thad Coffing; Jason Shields  
**Subject:** RE: Thrifty Oil Co. Extraterritorial Wastewater Agreement NWC Cedar Avenue & Orange Street

Moises,

We have decided to go with septic on the site and therefor will not need to connect to Rialto. The connection fees that Rialto is requiring are just too much for our budget to absorb. (approximately \$2psf of our building)

If Rialto annexes this area of Bloomington in the future as discussed , we would be interested in connecting to the system once we are part of Rialto.

Let me know if we need to do anything else on this.

Thanks  
Mike

**From:** Moises Peralta [mailto:mperalta@rialtoca.gov]  
**Sent:** Monday, April 02, 2018 4:18 PM  
**To:** Michael DeArmey <DeArmey@ThriftyOil.com>  
**Cc:** Christopher Ellis <Cellis@rialtoca.gov>; Susanne Wilcox <swilcox@rialtoca.gov>; Thomas J. Crowley <tjcrowley@rialtoca.gov>; 'Pablo, Michelle' <michelle.pablo@veolia.com>; Thad Coffing <tcoffing@rialtoca.gov>; Jason Shields <jshields@rialtoca.gov>  
**Subject:** Thrifty Oil Co. Extraterritorial Wastewater Agreement NWC Cedar Avenue & Orange Street

Good afternoon Mr. DeArmey,

Per my voicemail earlier this morning, please advise on the status of the wet-signed and executed Extraterritorial Wastewater Agreement for the Thrifty Oil Co. property at the NWC of Cedar Avenue and Orange Street.

Per previous conversations I recall you wanted to hold off on paying ETA sewer collection and sewer treatment fees until you obtained entitlements from the County and wait if possibly this area ever annexed into the City of Rialto to avoid paying the additional 1.3x fees associated with ETA's.

Nevertheless, could you provide a status update? Various staff from various departments are inquiring on the fees and the executed agreement.

Please advise.

Thank you,

Moisés Peralta, EIT  
Assistant Engineer

City of Rialto, Public Works  
335 W. Rialto Avenue  
Rialto, CA 92376  
P: (909) 421-7243  
F: (909) 421-7210  
[mperalta@rialtoca.gov](mailto:mperalta@rialtoca.gov)



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**Response from Tom Dodson  
and Associates**

**Attachment 5**

## TOM DODSON & ASSOCIATES

*Mailing Address:* PO Box 2307, San Bernardino, CA 92406-2307

*Physical Address:* 2150 N. Arrowhead Avenue, San Bernardino, CA 92405

*Tel:* (909) 882-3612 ♦ *Fax:* (909) 882-7015 ♦ *Email:* [tda@tdaenv.com](mailto:tda@tdaenv.com)



January 5, 2019

Mr. Samuel Martinez  
Local Agency Formation Commission  
1170 West 3<sup>rd</sup> Street, Unit 150  
San Bernardino, CA 92415-0480

Dear Sam:

I have completed the California Environmental Quality Act (CEQA) review of out-of-area service contract, LAFCO SC#447 for the Commission. LAFCO SC#447 consists of a request by the City of Rialto to authorize out-of-agency wastewater service agreements for a number of properties that it already serves. These include the following parcels located within the City's Sphere of Influence (Assessor Parcel Numbers (APNs) 0253-072-35 (existing Taco Bell), 0253-072-36 (existing multi-unit facility), 0253-072-39 (existing storage facility), 0253-231-01 thru -07 and 0253-232-01 thru -07 (Slover Mountain High School), 0256-031-01 thru -03 (Bloomington High School), 0257-051-46 (existing residence), and 1133-211-14 (existing residence). Parcels 0253-171-16 and 0257-081-01 were originally included in its request but have been withdrawn for other reasons. Approval of SC#447 would permit the City of Rialto to continue to provide wastewater service to these parcels of land. The project locations vary throughout the City's Sphere.

It was also noted that SC#447 included out-of-agency service agreements that were determined not to be LAFCO actions: the wastewater service to APN 0240-181-51, which is an agreement between the City of Rialto and the City of Fontana; and the water service to parcels located in the City of San Bernardino (APNs 0269-171-21, -27, -39, -42, and -46), which is an agreement between the City of Rialto and City of San Bernardino. Both agreements comply with the exemption provisions between two or more public agencies, as outlined in State law, which are not subject to LAFCO review.

Based on the above proposal and the findings presented below, it appears that LAFCO SC#447 can be implemented without causing significant adverse environmental impacts. The administrative record does not identify any action to comply with the California Environmental Quality Act (CEQA) for this proposed project. Therefore, LAFCO will consider this extension of service as the CEQA lead agency. Based on the existing developed character of these land parcels and the fact that the service connections to these parcels are already in place, this project has no potential to cause a significant adverse impact on the environment.

Therefore, I conclude that LAFCO SC#447 does not constitute a project under CEQA and adoption of the Statutory Exemption (under the "Common Sense" exemption and filing of a Notice of Exemption is the most appropriate determination to comply with the CEQA. This exemption is found in Section 15061(b)(3) for this action. The Commission can approve this review and finding for this action and I recommend that you notice LAFCO SC#447 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption (NOE) with the County Clerk to the Board for this action once a decision is made for this out-of-area service agreement. Thus, after independent review of this proposed action, these out-of-area service extensions do not appear to have any potential to significantly alter the existing physical environment. Since no other project is known to be pending

or will occur as a result of approving this application, no other potential significant physical changes in the environment are forecast to result from this action.

Based on this review of LAFCO SC#447 and the pertinent sections of CEQA and the State CEQA Guidelines, I believe it is appropriate for the Commission's CEQA environmental determination to cite the "Common Sense" exemption, as adequate documentation in accordance with the Commission's CEQA lead agency status. If you have any questions regarding these recommendations, please feel free to give me a call.

Sincerely,

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

Tom Dodson

TD/cmc

# **Draft Resolution #3299**

**Attachment 6**

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

**PROPOSAL NO.: LAFCO SC#447**

**HEARING DATE: January 15, 2020**

**RESOLUTION NO. 3299**

**A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO SC#447 – CITY OF RIALTO EXTRATERRITORIAL WASTEWATER SERVICE FOR ASSESSOR PARCEL NUMBERS 0240-181-51, 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 THRU -07 AND 0253-232-01 THRU -07, 0256-031-01 THRU -03, 0257-051-46, AND 1133-211-14; AND CITY OF RIALTO EXTRATERRITORIAL WATER SERVICE FOR ASSESSOR PARCEL NUMBERS 0269-171-21, 0269-171-27, 0269-171-39, 0269-171-42, AND 0269-171-46.**

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

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

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

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

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

**WHEREAS**, the public hearing by this Commission was called for January 15, 2020 at the time and place specified in the notice of public hearing; and,

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



## RESOLUTION NO. 3299

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

### **DETERMINATIONS:**

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

1. The City of Rialto's request is to provide wastewater service to Assessor Parcel Numbers (APNs) 0240-181-51, 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07 and 0253-232-01 thru -07, 0256-031-01 thru -03, 0257-051-46, and 1133-211-14. In addition, the City of Rialto's request is to provide water service to APNs 0269-171-21, 0269-171-27, 0269-171-39, 0269-171-42, and 0269-171-46 (previously comprised of APNs 0269-171-37, 0269-171-38, 0269-171-40, and 0269-171-41)
2. The wastewater service to Assessor Parcel Number 0240-181-51, which is a service agreement between two public agencies—the City of Rialto and the City of Fontana—where the wastewater service provided is an alternative to (or substitute for) wastewater service already being provided by an existing public service provider and where the level of service provided is consistent with the level of service contemplated by the existing service provider, complies with the exemption provisions outlined within Government Code Section 56133 (e).
3. The water service to Assessor Parcel Numbers 0269-171-21, 0269-171-27, 0269-171-39, 0269-171-42, and 0269-171-46, which is a service agreement between two public agencies—the City of Rialto and the City of San Bernardino—where the water service provided is an alternative to (or substitute for) water service already being provided by an existing public service provider and where the level of service provided is consistent with the level of service contemplated by the existing service provider, complies with the exemption provisions outlined within Government Code Section 56133 (e).
4. Assessor Parcel Numbers 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07 and 0253-232-01 thru -07, 0256-031-01 thru -03, 0257-051-46, and 1133-211-14 are within the sphere of influence assigned the City of Rialto and are anticipated to become a part of the City of Rialto sometime in the future.
5. The Local Agency Formation Commission for San Bernardino County has determined that this service contract is statutorily exempt from environmental review since it does not have the potential for resulting in physical changes in the environment (Section 15161[b] [3] of the State California Environmental Quality Act Guidelines). Therefore, this proposal is not subject to environmental review under the provisions of the State CEQA Guidelines section cited above or the Commission's adopted CEQA Guidelines. The Commission hereby adopts the Statutory Exemption and directs its Executive Officer to file a Notice of Exemption within five (5) working days with the San Bernardino County Clerk of the Board of Supervisors.

## RESOLUTION NO. 3299

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

**SECTION 3.** The Local Agency Formation Commission for San Bernardino County does hereby determine to approve the service extension request submitted by the City of Rialto to provide wastewater service to a number of parcels outlined in Section 4 as well as confirming that the wastewater service to Assessor Parcel Number 0240-181-51 and the water service to Assessor Parcel Numbers 0269-171-21, 0269-171-27, 0269-171-39, 0269-171-42, and 0269-171-46—as service agreements between two public agencies—are both exempt from further review and approval by the Commission.

**SECTION 4.** The Commission instructs the Executive Officer of this Local Agency Formation Commission to notify the affected agencies that the application identified as LAFCO SC#447 – City of Rialto Extraterritorial Wastewater Service for Assessor Parcel Numbers 0253-072-35, 0253-072-36, 0253-072-39, 0253-231-01 thru -07 and 0253-232-01 thru -07, 0256-031-01 thru -03, 0257-051-46, and 1133-211-14 has been approved.

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

**AYES: COMMISSIONERS:**

**NOES: COMMISSIONERS:**

**ABSENT: COMMISSIONERS:**

\* \* \* \* \*

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

**I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of January 15, 2020.**


**DATED:**

**SAMUEL MARTINEZ**  
Executive Officer

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

DATE : JANUARY 8, 2020   
FROM: SAMUEL MARTINEZ, Executive Officer  
TO: LOCAL AGENCY FORMATION COMMISSION

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SUBJECT: AGENDA ITEM #9 – Consideration of: (1) CEQA Statutory Exemption for Amendments to Policy and Procedure Manual; and (2) Review and Adoption of Amendments to LAFCO Policy and Procedure Manual

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## **RECOMMENDATION:**

Staff recommends that the Commission continue the item to the March 18, 2020 hearing.

## **BACKGROUND:**

In May 2019, LAFCO staff met with the Policy Committee to go over possible changes/amendments to the Commission's policies and procedures. The Policy Committee then provided staff with direction on the proposed changes as well as additional items to be considered.

Due to the holiday break, staff was not able to schedule and meet with the Policy Committee to go over the revised changes, before presenting the information to the Commission.


LAFCO staff is requesting additional time to provide the Policy Committee with ample time to review the materials/documents before the item is presented to the full Commission; therefore, it is staff's recommendation that the Commission continue the item to the March 18, 2020 hearing.

Staff will be happy to answer any questions prior to or at the Commission 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:** JANUARY 8, 2019   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
MICHAEL TUERPE, Senior Analyst  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** Agenda Item #10: Review and Accept Audit Report for Fiscal Year  
Ended June 30, 2019

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## **RECOMMENDATION:**

Staff recommends that the Commission receive and file the materials submitted by Davis Farr LLP related to the Commission's audit for Fiscal Year 2018-19.

## **BACKGROUND:**

The public accounting firm of Davis Farr LLP has conducted the Commission's annual audit for the period July 1, 2018 through June 30, 2019 (copy enclosed with this staff report). The auditor has independently verified the financial documents prepared by LAFCO staff, outlined its professional responsibilities and findings, and disclosed its compliance with current *Government Auditing Standards*. As outlined in its letter, during the audit process, the auditor did not identify any deficiencies in internal controls.

## **Meeting with Audit/Budget Committee**

On January 6 the LAFCO Administrative Committee (composed of Chair McCallon, Vice-Chair Curatalo, and Commissioner Lovingood), LAFCO management, and the auditors discussed the draft audit. The auditor identified that it performed tests on internal controls of LAFCO and the County, which resulted in no material weaknesses or significant deficiencies being identified.

## **Net Position**

The financial statements show a negative change of \$115,263 for Total Net Position. The primary reasons for such a large decrease in net position are:

- Depreciation of Capital Assets by \$76,915.

- Increase of Net Pension Liability by \$20,287.
- The budget projected the receipt of nine proposals; however, four proposals were received during the year.

As for Liabilities, Net Pension Liability continues to increase and the Note Payable for repayment of the office improvement remains until June 2022.

### **Additional Pension Contribution**

In June 2019, the Commission made an additional contribution of \$184,963 to SBCERA as credit towards LAFCO's net pension liability. Unfortunately, for this audit the additional contribution did not yet decrease LAFCO's net pension liability. In short, for this audit, the additional contribution counts as an expense without a corresponding reduction in net pension liability.

The reason for this circumstance is that the GASB 68 report available for this audit period is based on June 30, 2018 data. The additional contribution will reflect in the June 30, 2019 valuation (for the 2019-20 audit). The SBCERA June 30, 2019 valuation was recently released and it identifies a reduction in LAFCO's net pension liability as well as reduction in the contribution percentage beginning FY 2020-21.

In April 2020 as a part of the Third Quarter financial report, staff will request that the Commission submit an additional contribution to SBCERA for \$42,500.

### **Conclusion**

The Administrative Committee and LAFCO management staff have discussed the draft audit with the independent auditors. Neither have issues or concerns with the conduct of the audit or letters provided by the auditors. Per Commission policy, an auditor representative will present the audit at this hearing.

Staff recommends that the Commission receive and file the materials submitted by Davis Farr LLP related to the Commission's audit for Fiscal Year 2018-19. Once accepted the audit will be posted on the LAFCO website under the "Open Government Portal".

Should you have any questions, LAFCO staff would be glad to answer them prior to or at the hearing.

SM/MT

Enclosure

To the Board of Commissioners  
Local Agency Formation Commission for San Bernardino County

We have audited the financial statements of the governmental activities, and each major fund of the Local Agency Formation Commission for San Bernardino County ("Commission") for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 11, 2016. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Commission are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Commission's financial statements was allocations of the net pension liability and related amounts. These amounts were calculated by an actuary and audited by another firm.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was Footnote 9: Pension Plan.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 7, 2020.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the *Management's Discussion and Analysis*, the *Schedule of the Plan's Proportionate Share of the Net Pension Liability*, the *Schedule of Pension Plan Contributions*, and the *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual* which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of Board of Commissioners and management of the San Bernardino County Local Agency Formation Commission and is not intended to be, and should not be, used by anyone other than these specified parties.



Irvine, California  
January 7, 2020

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Commission Members  
Local Agency Formation Commission  
for San Bernardino County  
San Bernardino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Local Agency Formation Commission for San Bernardino County (the Commission), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated January 7, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink, appearing to read "David Lam".

Irvine, California  
January 7, 2020

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

**Basic Financial Statements**

**Year ended June 30, 2019**

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

**BASIC FINANCIAL STATEMENTS**

**Year ended June 30, 2019**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	10
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	13
Notes to the Basic Financial Statements	14
Required Supplementary Information:	
Schedule of the Plan's Proportionate Share of the Net Pension Liability	31
Schedule of Plan Contributions	32
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual: Governmental Fund	33
Notes to Required Supplementary Information	34

## **Independent Auditor's Report**

Board of Commissioners  
Local Agency Formation Commission for San Bernardino County  
San Bernardino, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and governmental fund of the Local Agency Formation Commission for San Bernardino County (the Commission) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the governmental fund of the Commission, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison information, schedule of the plan's proportionate share of the net pension liability and the schedule of plan contributions, identified as required supplementary information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2020 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "Dennis Lee".

Irvine, California  
January 7, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the Local Agency Formation Commission for San Bernardino County (Commission) provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the financial statements as outlined in the table of contents.

### Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer view of the Commission's finances. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how the services were financed in the short-term as well as what remains for future spending.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of two parts - management's discussion and analysis (this section), and the basic financial statements. The basic financial statements provide both long-term and short-term information about the Commission's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The basic financial statements also include additional budgetary information.

### Reporting the Commission as a Whole – Net Position

The accompanying Government-wide financial statements include two statements that present financial data for the Commission as a whole. An important question to be asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows.

The statements report the Commission's net position and changes in them. You can think of the Commission's net position – the difference between assets and liabilities – as one way to measure the Commission's financial health or financial position. Over time, increases and decreases in the Commission's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other factors, such as changes in the Commission's revenues, to assess the overall health of the Commission.

The following table provides the Statement of Net Position for the past two fiscal years:

**TABLE 1**  
**NET POSITION – GOVERNMENTAL ACTIVITIES**

	<b>2018-19</b>	<b>2017-18</b>	<b>Difference</b>
<b>Assets:</b>			
Cash and investments	\$ 289,081	\$ 476,181	(187,100)
Accounts receivable	-	14,091	(14,091)
Capital assets, net of depreciation	230,746	307,661	(76,915)
<b>Total Assets</b>	<b>519,827</b>	<b>797,933</b>	<b>(278,106)</b>
<b>Deferred outflow of resources:</b>			
<b>Deferred outflows from pension plan</b>	<b>632,522</b>	<b>469,426</b>	<b>163,096</b>
<b>Liabilities:</b>			
Accounts payable	9,529	46,088	(36,559)
Other accrued liabilities	46,897	44,669	2,228
Unearned revenues	56,002	13,982	42,020
Long-term liabilities:			
Compensated absences:			
Due within one year	76,579	66,837	9,742
Due beyond one year	167,426	178,483	(11,057)
Net pension liability	885,247	864,960	20,287
<b>Total Liabilities</b>	<b>1,241,680</b>	<b>1,215,019</b>	<b>26,661</b>
<b>Deferred inflow of resources:</b>			
<b>Deferred inflows from pension plan</b>	<b>120,144</b>	<b>146,552</b>	<b>(26,408)</b>
<b>Net Position:</b>			
Invested in capital assets	129,364	307,661	(178,297)
Unrestricted	(338,839)	(401,873)	63,034
<b>Total Net Position</b>	<b>\$(209,475)</b>	<b>\$ (94,212)</b>	<b>(115,263)</b>

The following table provides the Statement of Activities for the past two fiscal years:

**TABLE 2**  
**CHANGE IN NET POSITION – GOVERNMENTAL ACTIVITIES**

	<b>2018-19</b>	<b>2017-18</b>	<b>Difference</b>
<b>Revenues:</b>			
Charges for services	\$ 107,861	\$ 171,981	\$ (64,120)
Apportionment	1,105,497	1,009,583	95,914
Interest	21,762	6,645	15,117
<b>Total Revenues</b>	<b>1,235,120</b>	<b>1,188,209</b>	<b>46,911</b>
<b>Expenses</b>	<b>1,350,383</b>	<b>1,388,731</b>	<b>(38,348)</b>
<b>Change in Net Position</b>	<b>(115,263)</b>	<b>(200,522)</b>	<b>85,259</b>
Net Position Beginning	(94,212)	106,310	(200,522)
<b>Net Position Ending</b>	<b>\$ (209,475)</b>	<b>\$ (94,212)</b>	<b>\$ (115,263)</b>

#### Explanation of Change in Net Position

The tables presented above show an overall decrease in the receipt of revenues, as well as increase in expenditures. Some of the significant reasons for the changes in the revenues and expenses of the Commission's governmental activities are outlined as follows:

- The budget projected the receipt of nine proposals; however, four proposals were received during the year.
- Unbudgeted legal activity related to two proposals occurred, totaling roughly \$56,000. This pushed Legal Counsel (Account 2400) to 240% of budget authority. However, the applicants indemnified LAFCO for these matters.
- The Commission made an additional contribution of \$184,963 to SBCERA as credit towards LAFCO's net pension liability.

Note that in this audit the additional contribution did not yet decrease LAFCO's net pension liability. The GASB 68 report available for this audit period is based on June 30, 2018 data. The additional contribution will reflect in the June 30, 2019 valuation. This amount will amortize as a percent of pay over twenty years and it will credit with earnings based on the Plan's market value investment return every year.

- On a cash basis, expenditures exceeded revenues by \$673. The Commission transferred funds from its Contingency Reserve to cover this amount.



### Reporting the Commission's Fund Activity

The fund financial statements provide detailed information about the Commission's governmental fund as it operates under a single-program government fund. All of the Commission's basic services are reported in its General Fund. The fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. We describe the relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) in the reconciliation following the fund financial statements.

### Long-Term Liabilities

The following table provides a summary of the Long Term Liabilities for the past two fiscal years:

**TABLE 3  
LONG-TERM LIABILITIES**

	<b>2018-19</b>	<b>2017-18</b>	<b>Difference</b>
<b>Compensated Absences</b>	\$ 142,623	\$110,146	\$ 32,477
<b>Notes Payable</b>	\$ 101,382	\$135,174	\$ (33,792)
<b>TOTAL</b>	<b>\$ 244,005</b>	<b>\$ 245,320</b>	<b>\$ (1,315)</b>

Compensated Absences is comprised of the year-end balances for administrative, holiday, vacation, and sick leaves. For sick-leave calculations, LAFCO's Benefits Plan Section 108 (E) – Retirement Medical Trust – states that those employees with more than five years of service shall receive 75% of their accumulated sick leave, up to a max of 1,400 hours, paid into the Trust at their current rate of pay upon leaving the employ of the Commission. The calculation within the financial statements of compensated absences accommodates this Benefit Plan determination. During Fiscal Year 2018-19 compensated absences increased by \$32,477, and notes payable decreased by \$33,792, calculated as follows:

- Additions of \$95,000 comprised of natural balance accruals for five employees.
- Deletions of \$62,523 comprised of leave taken during the fiscal year for five employees.
- Deletions of \$33,793 comprised of payments made against the outstanding balance.

### ***Contacting the Commission's Financial Management:***

This financial report is designed to provide our citizen's, taxpayers, governments, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Officer at 1170 W. Third Street, Unit 150, San Bernardino, CA 92415-0490, or 909-388-0480.

## **BASIC FINANCIAL STATEMENTS**

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

**Statement of Net Position**

**June 30, 2019**

	<u>Governmental Activities</u>
Assets:	
Cash and investments (note 3)	\$ 289,081
Capital assets, net (note 4)	<u>230,746</u>
Total assets	<u>519,827</u>
 Deferred outflow of resources:	
Deferred outflows from pension plan (note 9)	<u>632,522</u>
 Liabilities:	
Accounts payable	9,529
Other accrued liabilities	46,897
Unearned revenues (note 5)	56,002
Long-term liabilities:	
Due within one year (note 6)	76,579
Due beyond one year (note 6)	167,426
Net pension liability (note 9)	<u>885,247</u>
Total liabilities	<u>1,241,680</u>
 Deferred inflow of resources:	
Deferred inflows from pension plan (note 9)	<u>120,144</u>
 Net position (deficit):	
Net investment in capital assets	129,364
Unrestricted	<u>(338,839)</u>
 Total net position	<u>\$ (209,475)</u>

See accompanying notes to the basic financial statements

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

**Statement of Activities**

**Year ended June 30, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
General government	<u>\$ 1,350,383</u>	<u>107,861</u>	<u>-</u>	<u>-</u>	<u>(1,242,522)</u>
Total governmental activities	<u>\$ 1,350,383</u>	<u>107,861</u>	<u>-</u>	<u>-</u>	<u>(1,242,522)</u>
General revenues:					
Apportionment					1,105,497
Investment income					<u>21,762</u>
Total general revenues					<u>1,127,259</u>
Change in net position					(115,263)
Net position, beginning of year					<u>(94,212)</u>
Net position, end of year					<u>\$ (209,475)</u>

See accompanying notes to the basic financial statements

**June 30, 2019**

10

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

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**

**June 30, 2019**

Fund balances of governmental funds		\$ 176,653
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets and accumulated depreciation have not been included as financial resources in governmental fund activity:		
Capital assets	392,768	
Accumulated depreciation	<u>(162,022)</u>	230,746
Pension related deferred outflows of resources, net of accumulated amortization, have not been reported in the governmental funds:		
Employer contributions subsequent to the measurement date	361,363	
Changes in actuarial assumptions	179,539	
Changes in proportion and differences between employer contributions and the proportionate share of contributions	85,835	
Differences in projected and actual earnings on investments	<u>5,785</u>	632,522
Long-term liabilities are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds. Long-term liabilities consist of the following:		
Net pension liability	(885,247)	
Notes payable	(101,382)	
Compensated absences	<u>(142,623)</u>	(1,129,252)
Pension related deferred inflows of resources, net of accumulated amortization, have not been reported in the governmental funds:		
Differences in expected and actual experience	(62,747)	
Net difference between projected and actual earnings on Pension Plan Investments	(16,117)	
Changes in proportion and differences between employer contributions and the proportionate share of contributions	<u>(41,280)</u>	<u>(120,144)</u>
Net position of governmental activities		\$ <u>(209,475)</u>

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

**Statement of Revenue, Expenditures, and Changes in  
Fund Balance - Governmental Funds**

**Year ended June 30, 2019**

Revenues:	<u>General Fund</u>
Apportionment	\$ 1,105,497
Charges for services	107,861
Investment income	<u>21,762</u>
Total revenues	<u>1,235,120</u>
Expenditures:	
General government:	
Salaries and employee benefits	1,006,606
Services and supplies	<u>437,394</u>
Total expenditures	<u>1,444,000</u>
Excess (deficiency) of revenues over (under) expenditures	(208,880)
Fund balances at beginning of year	<u>385,533</u>
Fund balances at end of year	<u>\$ 176,653</u>

See accompanying notes to the basic financial statements

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

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balance of Governmental Funds to the Statement of Activities**

**Year ended June 30, 2019**

Net changes in fund balances - total governmental funds \$ (208,880)

Amounts reported for governmental activities in the Statement of Activities are different because:

The governmental fund reports capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the capital outlays, if any, and depreciation in the current period.

Depreciation expense	<u>(76,915)</u>	(76,915)
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Pension Expense reported in the governmental fund includes the actual contributions made in the fiscal year. Pension expense reported in the Statement of Activities includes the changes in the net pension liability and pension related deferred outflows/inflows of resources.

Change in net pension liability	(20,287)	
Change in notes payable	33,793	
Change in deferred outflows of resources related to pensions	163,096	
Change in deferred inflows of resources related to pensions	<u>26,408</u>	203,010

Accrued compensated absence expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the government fund.

(32,478)

Change in net position of governmental activities	\$ <u>(115,263)</u>
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# **LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Year ended June 30, 2019**

### **1. Summary of Significant Accounting Policies:**

The accounting policies of the Local Agency Formation Commission for San Bernardino County (the Commission) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

#### **a. Reporting Entity:**

Following the end of World War II, California entered a new era of demographic growth and diversity, and economic development. With this growth came the need for housing, jobs and public services. To provide for these services, California experienced a wave of newly formed cities and special districts, but with little forethought as to how the new agencies should plan for services. The lack of coordination and adequate planning for future governance led to a multitude of overlapping, inefficient jurisdictional and service boundaries.

In 1963, the State Legislature created Local Agency Formation Commissions (Commissions) to help direct and coordinate California's growth in a logical, efficient, and orderly manner. Each county within California is required to have a Commission. The Commissions are charged with the responsibility of making difficult decisions on proposals for new cities and special districts, spheres of influence, consolidations, and annexations.

The Commission is composed of seven voting members, with four alternate members who vote only in the absence or abstention of a voting member. Two members are elected county supervisors and are selected by the Board of Supervisors. Two members are elected city council members and are selected by the mayors of the cities within San Bernardino County. Two members are elected members of a special district board of directors and are selected by the presidents of the independent special districts in San Bernardino County. These six elected officials select a "public" member who is not affiliated with county, city, or special district governments. Alternate members for the county, city, special district, and public categories are selected in the same manner. Each commissioner and alternate serve a four-year term.

#### **b. Government-wide Financial Statements:**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Commission.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include charges for services that are restricted to meeting the operational or capital requirements of particular function or segment. Investment income and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund. The Commission operates under a single-program governmental fund.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2019

(Continued)

### 1. **Summary of Significant Accounting Policies (Continued):**

#### c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are not recognized until paid.

Intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include charges for services and operating contributions from members.

#### d. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Commission has four items that qualify for reporting in this category for the fiscal year ended June 30, 2019, all of which relate to pensions. These include pension contributions subsequent to the measurement date, differences between actual and expected experience, change in assumptions, and change in employer's proportion and differences between the employer's contributions and employer's proportionate share of contributions. These last three items are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2019

(Continued)

### 1. Summary of Significant Accounting Policies (Continued):

#### d. Deferred Outflows/Inflows of Resources (Continued):

In addition to liabilities, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Commission has three items that qualify for reporting in this category for the fiscal year ended June 30, 2019, all of which relate to pensions. The first two items include differences between expected and actual experience, and changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan. The third item is a deferred inflow related to pensions for the net difference between projected and actual earnings on plan investments. This amount is amortized over a closed 5-year period.

#### e. Cash and Investments:

Cash and investments include the cash balances of substantially all funds, which are pooled and invested by the County Treasurer to increase interest earnings through investment activities. Investment activities are governed by the California Government Code Sections 53601, 53635, and 53638 and the County's Investment Policy.

Interest income, and realized gains and losses earned on pooled investments are deposited quarterly to the Commission's accounts based upon the Commission's average daily deposit balances during the quarter. Unrealized gains and losses of the pooled investments are distributed to the Commission annually. Cash and investments are shown at fair value.

#### f. Fair Value Measurements:

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2019

(Continued)

### 1. Summary of Significant Accounting Policies (Continued):

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable input reflect the Commission's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the Commission's own data.

#### g. Capital Assets:

Capital assets are reported as governmental activities in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 and have an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Equipment of the Commission is depreciated using the straight-line method over a 5 to 7 year estimated useful life.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend asset life is not capitalized.

#### h. Employee Compensated Absences:

Liabilities for vacation, holidays, sick pay and compensatory time are accrued when incurred in the government-wide financial statements. Upon retirement or termination, an employee is compensated for 100% of unused accrued vacation and holiday time. Those with more than five years of LAFCO service receive 75% of their accumulated sick leave up to a maximum of fourteen hundred (1,400) hours. A liability for accrued leave is reported in the governmental fund financial statements only if it has matured. A matured liability may result from employees who terminate prior to year-end and are paid for their leave subsequent to year-end.

#### i. Fund Balance:

Nonspendable fund balances includes amounts that cannot be spent because they are either not spendable in form (such as prepaid expenses) or legally or contractually required to be maintained intact.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2019

(Continued)

### 1. Summary of Significant Accounting Policies (Continued):

Restricted fund balance includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Commission action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Commission's highest level of authority. The governing board is the highest level of decision-making authority that can commit fund balances. Once adopted, the limitation imposed by the commitment remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balance includes amounts to be used by the Commission for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance includes the residual amounts that have not been committed or assigned to specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Commission's policy is to apply restricted fund balance first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balances are available, the Commission's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

#### j. Pensions:

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's San Bernardino County Employees' Retirement Association (SBCERA) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by SBCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	June 30, 2017 to June 30, 2018

#### k. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2019

(Continued)

### 2. **Stewardship, Compliance and Accountability: General Budget Policies:**

In accordance with provisions of Section 56381 of the Government Code of the State of California, commonly known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), the Commission shall adopt a proposed budget by May 1 and a final budget by June 15 of each fiscal year.

Budgets are prepared on the cash basis of accounting. After adoption of a final budget, the County of San Bernardino Auditor shall apportion one-third of net operating expenses of the Commission to each of the following: the county, cities, and independent special districts. The legal level of budgetary control is the fund level.

Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balance as provided for in the County Budget Act.

### 3. **Cash and Investments:**

Cash and investments as of June 30, 2019 consist of the following:

Petty cash	\$ 250
Investment in County of San Bernardino Investment Pool	<u>288,831</u>
Total Cash and Investments	<u>\$ 289,081</u>

#### Investments Authorized by the Commission's Investment Policy:

The Commission's investment policy authorizes investments only in the County of San Bernardino Investment Pool.

#### Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of the fair value to changes in market interest rates.

As of June 30, 2019, the Commission's cash was voluntarily invested in the County of San Bernardino Investment Pool, and therefore was not exposed to any interest rate risk as described above.

The County of San Bernardino Investment Pool is a pooled investment fund program governed by the San Bernardino County Board of Supervisors, and is administered by the County Treasurer. Investments in the pool are highly liquid as deposits and withdrawal can be made at any time without penalty. The Commission's fair value of its share in the pool is the same value of the pool shares, which amounted to \$289,081. Information on the pool's use of derivative securities in its investment portfolio and the Commission's exposure to credit, market, or legal risk is not available.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2019

(Continued)

### 3. Cash and Investments (Continued):

#### Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The money pooled with the County of San Bernardino Investment Pool is not subject to a credit rating.

#### Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the money invested by the Commission in the County of San Bernardino Investment Pool).

The Commission is a participant in the San Bernardino County Investment Pool (SBCIP). The SBCIP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The County Treasury Oversight Committee and the County Board of Supervisors conduct SBCIP oversight. Cash on deposit in the SBCIP at June 30, 2019, is stated at fair value. The SBCIP values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the SBCIP, refer to the County of San Bernardino Comprehensive Annual Financial Report.

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

**Notes to the Basic Financial Statements**

**Year ended June 30, 2019**

**(Continued)**

**4. Capital Assets:**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
Capital assets:				
Office equipment	\$ 8,192	-	-	8,192
Leasehold improvements	384,576	-	-	384,576
Less accumulated depreciation for:				
Office equipment	(8,192)	-	-	(8,192)
Leasehold improvements	(76,915)	(76,915)	-	(153,830)
Total capital assets, net	<u>\$ 307,661</u>	<u>(76,915)</u>	<u>-</u>	<u>230,746</u>

**5. Unearned Revenues:**

At June 30, 2019, the Commission deferred recognition of \$56,002 from fee revenues and deposits that have been received but not yet earned.

**6. Long Term Liabilities:**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019	Due within one year
Compensated Absences	\$ 110,146	95,000	(62,523)	142,623	42,787
Notes Payable	135,174	-	(33,792)	101,382	33,792
Total long term debt	<u>\$ 245,320</u>	<u>95,000</u>	<u>(96,315)</u>	<u>244,005</u>	<u>76,579</u>

On October 5, 2015 (amended on July 17, 2017), the LAFCO entered into a lease agreement with the San Bernardino County Transportation Authority (SBCTA), which included provisions for certain leasehold improvements and a related note payable. The cost of the project was paid for by SBCTA, however \$268,967 of the costs would be repaid to SBCTA by the LAFCO. The repayment terms included a \$100,000 initial lump sum payment made during fiscal year 16/17, while the remaining balance of \$168,967 was secured by a note payable. The note payable bears no interest and is due in quarterly payments of \$8,448 until the note is fully repaid in June 2022.

Fiscal Year	Notes Payable
19/20	\$ 33,794
20/21	33,794
21/22	33,794
	<u>\$ 101,382</u>



# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2019

(Continued)

### 7. Insurance:

The Commission is a member of the Special District Risk Management Authority, an intergovernmental risk sharing joint powers authority. The schedule of insurance coverage is as follows:

Coverage	Amount	Limit of Insurance
Property Coverage	\$ 1,000,000,000	Per Occurrence
Property - Boiler & Machinery	100,000,000	Per Occurrence
Property - Pollution Coverage	2,000,000	Per Occurrence
Property - Cyber Coverage	Limits on file	Per Occurrence
General Liability - Bodily Injury	2,500,000	Per Occurrence
General Liability - Property Damage	2,500,000	Per Occurrence
General Liability - Public Officials	500,000	Per Occurrence
Personal		
General Liability - Employment Benefits	2,500,000	Per Occurrence
General Liability - Employee/Public	2,500,000	Per Occurrence
Officials E & O		
General Liability - Employment Practices	2,500,000	Per Occurrence
Liability		
General Liability - Employee/Public	1,000,000	Per Occurrence
Officials Dishonesty		
Auto Liability - Auto Bodily Injury	2,500,000	Per Occurrence
Auto Liability - Auto Property Damage	2,500,000	Per Occurrence
Auto Liability - Uninsured Motorist	Limits on file	Per Occurrence
Employers Liability	5,000,000	Per Occurrence
Worker's Compensation	Statutory	Per Occurrence

The Commission is self-insured for unemployment insurance.

### 8. Operating Lease:

On October 5, 2015 (amended on July 17, 2017) the LAFCO entered into non-cancelable operating lease agreements for the rental of office space and office equipment, expiring in June 2022 with a tenant option to extend up to 10 years. The lease agreements also provide for annual rental adjustments in the amount of the Consumer Price Index, not to exceed 103%. Total rent expense for the year ended June 30, 2019 amounted to \$33,858.

Fiscal Year	Rent Expense *
19/20	\$ 33,858
20/21	33,858
21/22	33,858
	<u>\$ 101,574</u>

\* - these amounts do not consider annual CPI adjustments

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2019

(Continued)

### 9. Pension Plan:

#### a. General Information about the Pension Plan:

##### Plan Description:

The San Bernardino County Employees' Retirement Association (SBCERA) administers the SBCERA pension plan - a cost-sharing multiple-employer defined benefit pension plan (the Plan). SBCERA provides retirement, disability, death and survivor benefits to its members, who are employed by 17 active participating employers (including SBCERA) and 3 withdrawn employers. SBCERA publishes its own Comprehensive Annual Financial Report (CAFR) which is available on SBCERA's website at [www.SBCERA.org](http://www.SBCERA.org).

##### Benefits Provided:

SBCERA provides service retirement, disability, death and survivor benefits to eligible employees. Generally, any employee of the County of San Bernardino or participating employers who is appointed to a regular position whose service is greater than fifty percent of the full standard of hours required by a participating SBCERA employer (e.g. 20 hours per week or more) must become a member of SBCERA effective on the first day of employment. The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Prior to <u>January 1, 2014</u>	On or After <u>January 1, 2014</u>
Hire date		
Benefit formula	2%@55	2.5%@67
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 65	52 - 67
Monthly benefits, as a % of eligible compensation	1.49% - 3.13%	1.0% - 2.5%
Required employee contribution rates	10.74%	8.74%
Required employer contribution rates	34.53%	30.09%

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2019

(Continued)

### 9. Pension Plan (Continued):

Contributions:

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Actuarial Assumptions:

The total pension liabilities was determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	7.25%
Inflation	3.00%
Payroll Growth	3.50%
Projected Salary Increase	4.50% - 14.50% (1)
Investment Rate of Return	7.25% (2)
Mortality	(3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) The probabilities of mortality are derived using SBCERA's membership data for all funds. The mortality table used was developed based on SBCERA's specific data. The table includes 20 years of morality improvements using Projection Scale BB. For more details on this table, please refer to the Actuarial Experience Study dated May 30, 2014.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2010 through June 30, 2013. Further details of the Experience Study can found on the SBCERA website.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2019

(Continued)

### 9. Pension Plan (Continued):

Discount Rate:

The discount rates used to measure the Total Pension Liability was 7.25% as of the June 30, 2018 measurement date. The projection of cash flows used to determine the discount rate assumed employer and member contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.25% were applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin.

The June 30, 2019 target allocations (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following tables:

Asset Class	Target Allocation	Long-term
		Expected Real Rate of Return
Large Cap U.S. Equity	8.00%	5.61%
Small Cap U.S. Equity	2.00%	6.37%
Developed International Equity	6.00%	6.96%
Emerging Market Equity	6.00%	9.28%
U.S. Core Fixed Income	2.00%	1.06%
High Yield/Credit Strategies	13.00%	65.00%
Global Core Fixed Income	1.00%	0.07%
Emerging Market Debt	6.00%	3.85%
Real Estate	9.00%	4.37%
Cash & Equivalents	2.00%	-0.17%
International Credit	11.00%	6.75%
Absolute Return	13.00%	3.56%
Other Real Assets	5.00%	6.35%
Private Equity	16.00%	8.47%
Total	100%	

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

**Notes to the Basic Financial Statements**

**Year ended June 30, 2019**

**(Continued)**

**9. Pension Plan (Continued):**

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

Allocation of Net Pension Liability:

The Commission's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures.

The Commission's proportionate share of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following Table shows the Commission's proportionate share of net pension liability over measurement period:

Balance at June 30, 2017	\$ 864,960
Balance at June 30, 2018	885,247
Change - Increase (Decrease)	<u>\$ 20,287</u>

The Commission's proportionate share of the net pension liability for the Plan as of the June 30, 2017 and 2018 measurement dates was as follows:

Proportion - June 30, 2017	0.034%
Proportion - June 30, 2018	0.035%
Change - Increase (Decrease)	<u>0.001%</u>

For the year ended June 30, 2019, the Commission recognized pension expense of \$192,148. At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

**Notes to the Basic Financial Statements**

**Year ended June 30, 2019**

**(Continued)**

**9. Pension Plan (Continued):**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 361,363	-
Differences between actual and expected experience	5,785	(62,747)
Change in assumptions	179,539	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	85,835	(41,280)
Net Difference between projected and actual earnings on Pension Plan Investments	-	(16,117)
Total	<u>\$ 632,522</u>	<u>(120,144)</u>

The deferred outflows of resources related to contributions subsequent to the measurement date of \$361,963 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Amount
2020	\$ 76,864
2021	36,844
2022	(15,122)
2023	35,610
2024	15,915
2025	901
	<u>\$ 151,015</u>

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:**

The following presents the Commission's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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

**Notes to the Basic Financial Statements**

**Year ended June 30, 2019**

**(Continued)**

**9. Pension Plan (Continued):**

1% Decrease		6.25%
Net Pension Liability	\$	1,307,324
Current Discount Rate		7.25%
Net Pension Liability	\$	885,247
1% Increase		8.25%
Net Pension Liability	\$	539,042

Pension Plan Fiduciary Net Position:

Detailed information about each pension plan's fiduciary net position is available in the separately issued SBCERA financial reports.

**10. Salary Savings Plans:**

Benefit Plan Groups:

For the purpose of the salary savings plans, employees shall be divided into the following groups:

- a. Group A Executive Officer
- b. Group B All Commission Employees not in Group A or C
- c. Group C Administrative Assistant

401(k) Plan:

Bi-weekly contributions of Commission employees to the County's 401(k) Defined Contribution Plan will be matched by a Commission contribution on the basis of two times the employee's contribution. The bi-weekly contributions of employees in Groups A and B of up to four percent of bi-weekly base salary will be matched by a Commission contribution of two times the employee's contribution, not to exceed eight percent of an employee's bi-weekly base salary.

The bi-weekly contributions of employees in Group C to the County's 401(k) Defined Contribution Plan of up to three percent of bi-weekly base salary will be matched by a Commission contribution of two times the employee's contribution. The Commission's contribution shall not exceed six percent of an employee's bi-weekly base salary.

The Commission contributed \$35,173 to this plan for the fiscal year ended June 30, 2019.

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

**Notes to the Basic Financial Statements**

**Year ended June 30, 2019**

**(Continued)**

**10. Salary Savings Plans (Continued):**

457 Deferred Compensation Plan:

Bi-weekly contributions of Commission Group A employees to the County's Section 457 Deferred Compensation Plan up to one percent (1%) of an employee's bi-weekly base salary will be matched by a Commission contribution on the basis of one (1) times the employee's contribution. The Commission contribution shall not exceed one percent of the employee's bi-weekly salary. The contribution shall be deposited in the County's 401(a) Plan.

Bi-weekly contributions of Commission Group B and C employees to the County's Section 457 Deferred Compensation Plan up to one percent (1%) of an employee's bi-weekly base salary will be matched by a Commission contribution of one-half (1/2) times the employee's contribution. The Commission's contribution shall not exceed one-half percent (1/2%) of the employee's bi-weekly salary. The contribution shall be deposited in the County's 401(a) Plan.

The Commission contributed \$2,695 to this plan for the fiscal year ended June 30, 2019.

**11. Excess Expenditures over Appropriations**

For the fiscal year ended June 30, 2018, the Commission's expenditures exceeded appropriations by \$41,560.

**12. Commitments & Contingencies**

In conducting its activities, the LAFCO, from time to time is the subject of various legal claims. Management is currently unable to determine the ultimate resolution of such legal claims, or the monetary impact on the financial statements.



**REQUIRED SUPPLEMENTARY INFORMATION**

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

**Schedule of the Plan's Proportionate Share of the Net Pension Liability**

**Last Ten Fiscal Years\***

	Measurement Date				
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the Collective Net Pension Liability	0.035%	0.033%	0.031%	0.035%	0.034%
Proportionate Share of the Collective Net Pension Liability	\$ 885,247	864,960	769,173	681,447	584,731
Covered Payroll	\$ 475,010	369,541	359,294	341,542	289,935
Proportionate Share of the Collective Net Pension Liability as percentage of covered payroll	186.36%	234.06%	214.08%	199.52%	201.68%
Plan's fiduciary net position	\$ 2,181,226	1,943,960	1,639,622	1,736,731	1,505,924
Plan's total pension liability	\$ 3,066,474	2,808,921	2,408,795	2,418,178	2,090,655
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.13%	69.21%	68.07%	71.82%	72.03%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in Assumptions.

\* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

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

## **Schedule of Plan Contributions**

### **Last Ten Fiscal Years\***

	Fiscal Year				
	2018-19	2017-18	2016-17	2015-16	2014-15
Actuarially Determined Contribution	\$ 177,400	125,543	132,171	120,963	122,480
Contributions in Relation to the					
Actuarially Determined Contribution	<u>(361,363)</u>	<u>(125,543)</u>	<u>(132,171)</u>	<u>(120,963)</u>	<u>(122,480)</u>
Contribution Deficiency (Excess)	<u>\$ (183,963)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 478,224	475,010	369,541	359,294	341,542
Contributions as a Percentage of Covered Payroll	37.10%	26.43%	35.77%	33.67%	35.86%

#### Notes to Schedule:

Valuation Date 6/30/2017

#### Methods and Assumptions Used to Determine Contribution Rates:

Cost sharing employers	Entry Age Actuarial Cost Method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	4.50 to 14.50%, including inflation of 3.00%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Retirement age	50-70 years (2%@50 and 2.5%@67)
Mortality	RP-2000 Combined Healthy Mortality Table

\* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

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

## **Notes to the Required Supplementary Information**

**Year ended June 30, 2019**

1. **Budgetary Reporting**

The Commission established accounting control through formal adoption of an annual budget for the Governmental Fund. The budget is prepared on a basis consistent with generally accepted accounting principles. The adopted budget can be amended by the Commission to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations require Commission's approval. Expenditures may not exceed total appropriations at the individual fund level. It is the practice of the Commission's management to review the budget monthly and provide quarterly updates to the Commission.


2. **Excess Expenditures over Appropriations**

For the fiscal year ended June 30, 2019, the Commission's expenditures exceeded appropriations by \$41,560.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

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**DATE :** JANUARY 7, 2020   
**FROM:** MICHAEL TUERPE, Senior Analyst  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** AGENDA ITEM 11: Update on Sustainability of the City of Adelanto, related to LAFCO 3232 - Sphere of Influence Amendment for the City of Adelanto

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## **RECOMMENDATION:**

Staff recommends that the Commission:

1. Receive and file this report.
2. Schedule an update for the City for the March 2020 hearing, unless otherwise directed by the Commission.

## **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 ("City") 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. At the September hearing, staff presented an update to the Commission (a copy of which is included as Attachment 1 to this report).

At the September hearing, the Commission directed staff to return with the next update on Adelanto two months earlier - in January 2020, instead of March. This report constitutes the latest update on Adelanto and focuses on the status of audits prepared for the City and the Adelanto Public Utilities Agency (APUA).

**JANUARY 2020 UPDATE:**

For this update, LAFCO staff requested the City to provide a status update for completion of the FY 2016, 2017, 2018 and 2019 City audits. Figure 1, below, depicts the tentative schedule provided by the City's independent auditor in July 2019, and an updated schedule from December 2019.

**Figure 1:  
City of Adelanto Tentative Audit Schedules**

<b>Audit</b>	<b>Schedule – July 2019</b>	<b>Revised Schedule – December 2019</b>
FY 15-16 (City) Draft Final	9-23-2019 10-07-2019	11-18-2019 12-09-2019 (complete)
FY 16-17 (City) Draft Final	10-07-2019 10-21-2019	1-06-2020 1-20-2020
FY 17-18 (City) Draft Final	11-25-2019 12-09-2019	1-20-2020 2-03-2020
FY 18-19 (City and APUA) Draft Final	1-20-2020 2-03-2020	2-10-2020 2-24-2020

Since the previous Commission update in September 2019, the City has completed the final FY 15-16 City audit and the FY 17-18 audit for the APUA, and has provided those audits to LAFCO. Based on the latest tentative schedule provided by the City's independent auditor, progress continues on the City's FY 16-17 and FY 17-18 audits, although the completion of the final audits have been delayed two to three months from the schedule previously provided in July 2019. The FY 18-19 audits for both the City and APUA are anticipated to be completed by the end of February 2020.

It is LAFCO staff's position that the City is making strides to come into compliance, but ongoing monitoring continues to be warranted. Therefore, staff recommends that the Commission schedule another update for the City for the March 2020 LAFCO hearing (the originally schedule update). If the City's tentative audit schedule holds, the City should have final audits completed for all past fiscal years by the Commission's March hearing.


Attachment

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

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**DATE :**        **SEPTEMBER 11, 2019**

**FROM:**       **MICHAEL TUERPE, Project Manager** 

**TO:**         **LOCAL AGENCY FORMATION COMMISSION**

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**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**

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## **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/

# 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

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**DATE:** JANUARY 8, 2020   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
MICHAEL TUERPE, Project Manager  
**TO:** LOCAL AGENCY FORMATION COMMISSION

---

**SUBJECT:** Agenda Item #12: Mid-Year Financial Review for Period  
July 1 through December 31, 2019

---

## **RECOMMENDATION:**

Staff recommends that the Commission:

1. Note receipt of this report and file.
2. Provide direction to staff on items of concern for the second half.

## **BACKGROUND:**

The first two quarters of Fiscal Year 2019-20 have concluded and staff is presenting the Commission with its second financial report. This report includes a review of the financial activities and the presentation of a spreadsheet (Attachment #1) showing the line item expenditures and receipts for the first half of the year.

## **MID-YEAR REVIEW:**

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

### **Expenditures and Reserves**

Expenditures are comprised of two categories of accounts: 1) Salaries and Benefits, and 2) Services and Supplies. Through the mid-year, total expenditures are at 51% of

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

## **1. Salaries and Benefits (1000 series)**

### **A. Mid-Year Activity**

The Salaries and Benefits series of accounts (1000 series) had expenditures of \$402,698 through the mid-year, representing 49% of Approved Budget authority.

### **B. Anticipated Activity**

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

## **2. Services and Supplies (2000 and 5000 series)**

### **A. Mid-Year Activity**

For the first and second quarters, the Services and Supplies series of accounts (2000 and 5000 series) had expenditures of \$240,045, or 55% of Approved Budget authority. The first half includes full-year and one-time payments such as the Commission's property and liability insurance.

Additionally, a number of invoices received in June were not able to be processed by the year-end cutoff. The invoices, totaling \$10,245, were processed in July and are included in the FY 2019-20 First Quarter activity.

### **B. Second Half Anticipated Expenditures**

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

- Office lease and related costs totaling \$50,464.
- Subscription to the County Street Network (\$10,500) for maintenance of digital mapping.
- Significant payments for the processing of proposals (initial study with related noticing) and countywide fire service review (legal costs, advertising and mailing) are anticipated.

At this time staff is not recommending any budget adjustments; rather, as a part of the third quarter financial review staff will recommend the appropriate budget adjustments, if necessary.

### C. Status of Ongoing Commission-approved Projects

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

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

The third service review of the second round is scheduled for presentation to the Commission in February. The first draft was released on January 8, and the final draft is scheduled for release on January 29 (with copies provided to the Commission).

#### *Governance Training Program:*

The Commission is continuing its efforts to provide governance training for special districts, as well as other levels of government, within the County. *Peeling Back the Layers: Understanding Pension and OPEB Obligations*, was a course presented to a packed house at the Frontier Project in Rancho Cucamonga.

#### *Fiscal Indicators:*

The annual update to the Fiscal Indicators Program is scheduled for release on the LAFCO website for January 15.

### **3. Reserves (6000 series)**

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

## **Revenues**

### **1. Revenues through Mid-Year**

The Commission has received 89% of Adopted Budget revenues through the mid-year. The items below outline the revenue activity:

- Interest (Account 8500) – Interest rates have steadily increased over the past two years, albeit still providing a minimal cash amount. \$7,167 in interest revenue was earned from the Commission's cash in the County Treasury. The bulk of LAFCO's revenues are received during the first quarter of the fiscal year through receipt of its annual apportionment. However, it is anticipated that the annual interest rate will remain low for the balance of the year providing limited resources (\$5,000).

- Apportionment (Account 8842) - 100% of the mandatory apportionment payments from the County, cities, and independent special districts billed by the County Auditor have been received.
- Fees and Deposits (Accounts 9545 – 9800) – Through the first quarter, the Fees and Deposits series of accounts have received 24% of its budgeted revenue (\$41,685). This amount is made up of a combination of proposal/service contract filing fees and legal cost recovery.
- Carryover from Prior Year (Account 9970)

Prior Year Contingency and Reserve funds have been carried forward, \$296,704.

## 2. Proposal Activity

The figure below identifies the number of proposals and service contracts received through the mid-year. The figure identifies that two proposals and six service contracts were received in the first half.

Activity	Budget	Through December	
		No.	% of Budget
Proposals - Agency/LO/RV initiated	11	2	18%
Proposals - Commission initiated	0	0	--
Service Contracts - Commission approval	2	3	150%
Service Contracts - Commission approval for exemption	0	0	--
Service Contracts - Admin (E.O.) approval	4	3	75%
Protest Hearing Deposits	9	0	0%

In the first quarter, the Commission completed the service review for Wrightwood Community Services District.

## 3. Projected Remaining Activity

Proposals thought to have been received in the first half are anticipated for submission in the second half. Staff has been in discussion with potential applicants regarding significant reorganizations, to include five annexations and two service contracts. The total for these applications totals \$80,408.

In February, the Commission will consider the *Countywide Service Review for Fire/Emergency Medical Response/Dispatch*.

## Fund Balance

As of December 31, the Commission's cash in the County Treasury was \$793,928. A breakdown of this amount is shown below. The projections result in a deficit of roughly \$62,000. As a part of the third quarter budget update in April, staff will refine this figure with an update on activity. Based upon this refinement, future actions may be required for the Commission to close this gap.

However, in July 2018, the Commission approved increases to the Contingency account of \$34,852 and General Reserve of \$64,392. The funds placed into Contingency are available for general operations should the deficit remain at year's end.

<b>December 31, 2019 Balance</b>		<b>\$793,928</b>
<b>Cash Balance is composed of the following:</b>		
<b><i>Committed (constrained to specific purposes)</i></b>		
Net Pension Liability Reserve (Account 6010) <i>scheduled June payment to SBCERA</i>		42,500
Compensated Absences Reserve (Account 6030)		110,146
<b><i>Assigned (intended for specific purposes)</i></b>		
Contingency (Account 6000) <i>\$673 used to balance 18-19 budget</i>		49,327
General Reserve (Account 6025)		150,000
<b><i>Projected Expenditures</i></b>		589,683
<b><i>Projected Revenues (shown as negative)</i></b>		(85,408)
<b>Carryover or (Deficit)</b>		<b>(\$62,320)</b>

## **CONCLUSION:**

Through the first half of the year, expenditures are generally in line with first half activities, but revenues have not met mid-year targets. To date, two proposals have been received. Based upon talks with agencies, staff projects five proposals for the second half.

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

SM/MT

Attachment: Spreadsheet of Expenditures, Reserves, and Revenues

1/8/2020

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 18-19	FINAL BUDGET FY 19-20	FIRST QUARTER	OCT	NOV	DEC	THRU MID YEAR	PERCENT THRU MID YEAR
			26 Pay Periods						
	<b>SALARIES AND BENEFITS</b>								
1010	Earnable Compensation	\$ 503,704	\$ 492,781	\$ 125,087	\$ 35,778.34	\$ 35,778.34	\$ 46,398.32	\$ 243,042	49.3%
1030	Auto and Cell Phone Allowances	19,269	9,135	3,085	700.00	700.00	700.00	5,185	56.8%
1035	Overtime								
1045	Termination Payment								
1110	General Member Retirement	173,050	189,146	48,135	13,750.60	13,750.60	16,853.95	92,491	48.9%
1130	Survivors Benefits	179	176	47	13.50	13.50	13.50	88	49.8%
1135	Retirement Subsidy (no longer active)	1,995							
1200	Medical Premium Subsidy	53,970	53,799	15,013	4,388.50	4,388.50	4,388.50	28,179	52.4%
1205	Long-Term Disability	1,068	1,141	294	85.02	85.02	85.02	549	48.1%
1207	Vision Care Insurance	782	782	210	59.90	59.90	59.90	389	49.8%
1215	Dental Insurance Subsidy	1,230	1,235	333	95.44	95.44	95.44	620	50.2%
1222	Short-Term Disability	4,990	5,316	1,458	432.70	432.70	432.70	2,756	51.8%
1225	Social Security Medicare	6,277	5,917	1,499	430.57	439.33	567.89	2,937	49.6%
1235	Workers' Compensation	3,019	5,074						0.0%
1240	Life Insurance & Medical Trust Fund	9,251	10,735	2,574	745.45	745.26	745.26	4,809	44.8%
1305	Medical Reimbursement Plan	3,900	6,516	1,050	300.00	300.00	300.00	1,950	29.9%
1310	Annuitant Employee Medical (no longer active)	3,774							
1314	457/401a Contribution	2,695	3,275	755	218.48	218.48	218.48	1,411	43.1%
1315	401k Contribution	35,173	38,040	9,793	2,833.36	2,833.36	2,833.36	18,293	48.1%
	<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$ 824,325</b>	<b>\$ 823,068</b>	<b>\$ 209,333</b>	<b>\$ 59,831.86</b>	<b>\$ 59,840.43</b>	<b>\$ 73,692.32</b>	<b>\$ 402,698</b>	<b>48.9%</b>
	Staffing (Full time equivalent units)	5.25	5.0						
	<b>SERVICES AND SUPPLIES</b>								
	<b>General Services &amp; Supplies</b>								
2031	Payroll System Services		\$ 826	\$ 127	63.50	\$ 63.50	\$ 95.25	349	42.3%
2035	Communications							-	
2037	COMNET Charge (ISF)	\$ 3,593	3,434	572	286.20	286.20	286.20	1,431	41.7%
2040	Relocation Charges - Phone Service	-						-	
2041	Phone Service/Outside Company	8,644	8,400	2,238	572.71	671.87	671.87	4,154	49.5%
2043	Electronic Equipment Maintenance	92	-					-	
2075	Membership Dues	10,303	11,753	10,376	1,446.00			11,822	100.6%
2076	Tuition Reimbursement	-	1,000		999.00			999	99.9%
2080	Publications	2,723	3,163	1,125	233.36	233.36	466.72	2,058	65.1%
2085	Legal Notices	21,188	18,750	961	602.36	2,301.81		3,865	20.6%

1/8/2020

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 18-19	FINAL BUDGET FY 19-20	FIRST QUARTER	OCT	NOV	DEC	THRU MID YEAR	PERCENT THRU MID YEAR
			26 Pay Periods						
2090	Building Expense	6,466	7,000	2,286	815.50	490.00	490.00	4,081	58.3%
2115	Computer Software	3,054	3,054					-	0.0%
2125	Inventoriable Equipment		-					-	
2130	Moving Expenses							-	
2135	Utilities					50.00		50	
2180	Electricity	3,576	6,000	2,049	438.02	308.01		2,795	46.6%
2182	Electricity	-						-	
2195	Reimbursement Services and Supplies							-	
2245	Other Insurance	14,285	14,238	12,683				12,683	89.1%
2305	General Office Expense	4,918	4,850	1,497	337.46	353.08	459.04	2,646	54.6%
2308	Credit Card Clearing Account	(1,276)	-	(624)		-	-	(624)	
2309	Visa Temp Card							-	
2310	Postage - Direct Charge	7,121	6,116	605	955.36	773.24	252.85	2,586	42.3%
2315	Records Storage	808	900	619	64.37	64.37	64.37	812	90.2%
2316	Surplus Handling							-	
2323	Reproduction Services	162	-			88.96		89	
2335	Temporary Services	699	-					-	
								-	
	<b>Consultant &amp; Special Services:</b>							-	
2400	Legal Counsel	94,182	46,300	11,992	1,975.46	2,837.18	3,007.54	19,813	42.8%
2405	Auditing	8,000	11,268			6,000.00	6,328.23	12,328	109.4%
2410	Data Processing		11,252	2,814	938.00	938.00	938.00	5,628	50.0%
2414	Application Development Maint.	12,851	2,000					-	0.0%
2415	COWCAP	10,109	13,328	3,332		3,332.03		6,664	50.0%
2416	Enterprise Printing		31	9	3.00	3.00	3.00	18	58.1%
2418	Enterprise Data Storage		8,457	2,115	705.00	705.00	705.00	4,230	50.0%
2420	Wireless Device Access	300	286	48	23.83	23.83	23.83	119	41.7%
2421	Desktop Support Services	17,417	16,762	2,794	1,396.80	1,396.80	1,396.80	6,984	41.7%
2424	Environmental Consultant	10,605	14,200	3,755	3,535.00	6,360.00		13,650	96.1%
2444	Security Services	480	468	123		123.00	199.00	445	95.1%
2445	Other Professional Services	96,029	80,826	22,438	9,330.76	4,595.00	6,725.00	43,088	53.3%
2449	Outside Legal (Litigation & Special Counsel)	3,216	-	4,115				4,115	
2450	Application Development Support		-					-	
2460	GIMS Charges	13,518	16,500			3,000.00		3,000	18.2%
								-	
	<b>Lease/Purchases:</b>							-	



1/8/2020


ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 18-19	FINAL BUDGET FY 19-20	FIRST QUARTER	OCT	NOV	DEC	THRU MID YEAR	PERCENT THRU MID YEAR
			26 Pay Periods						
2895	Rent/Lease Equipment (copier)	5,289	4,800	1,704	456.68	450.46	422.41	3,033	63.2%
2905	Office/Hearing Chamber Rental	99,052	100,928	24,721	23,911.23	405.00	405.00	49,442	49.0%
								-	
	<b>Travel Related Expenses:</b>							-	
2940	Private Mileage	4,952	3,436	1,071	337.73	965.75	338.83	2,713	79.0%
2941	Conference/Training	5,231	4,740	4,410				4,410	93.0%
2942	Hotel	5,886	7,990	1,616			4,309.18	5,926	74.2%
2943	Meals	456	1,200	248		238.79	29.64	516	43.0%
2944	Car Rental	-	-					-	
2945	Air Travel	1,011	2,200		684.88	906.86		1,592	72.4%
2946	Other Travel	122	825	143		587.07	42.50	773	93.6%
								-	
	<b>Other:</b>							-	
5012	Services Out (Staples)	283	600	20			1,741.32	1,761	293.5%
<b>TOTAL SERVICES &amp; SUPPLIES</b>		<b>\$ 475,345</b>	<b>\$ 437,882</b>	<b>\$ 121,979</b>	<b>\$ 50,112.21</b>	<b>\$ 38,552.17</b>	<b>\$ 29,401.58</b>	<b>\$ 240,045</b>	<b>54.8%</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,299,670</b>	<b>\$ 1,260,950</b>	<b>\$ 331,312</b>	<b>\$ 109,944.07</b>	<b>\$ 98,392.60</b>	<b>\$ 103,093.90</b>	<b>\$ 642,743</b>	<b>51.0%</b>
<b>RESERVES</b>									
6000	Contingency (Assigned)		\$ 49,327						
6010	Net Pension Liability Reserve (Committed)		42,500						
6025	General Reserve (Assigned)		150,000						
6030	Compensated Absences Reserve (Committed)		110,146						
<b>TOTAL CONTINGENCIES &amp; RESERVES</b>		<b>\$ -</b>	<b>\$ 351,973</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>
<b>TOTAL APPROPRIATION</b>		<b>\$ 1,299,670</b>	<b>\$ 1,612,923</b>	<b>\$ 331,312</b>	<b>\$ 109,944.07</b>	<b>\$ 98,392.60</b>	<b>\$ 103,093.90</b>	<b>\$ 642,743</b>	<b>39.8%</b>



# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

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**DATE :** JANUARY 8, 2020   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT: AGENDA ITEM #13 – Legislative Report**

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## **RECOMMENDATION:**

Staff recommends that the Commission indicate its support for Senate Bill 799 (Dodd) related to the removal of the sunset clause for Government Code Section 56133.5.

## **BACKGROUND:**

Assembly Bill (AB) 402, which became effective on January 1, 2016—authored by (then) Assembly member (currently Senator) Bill Dodd—added Government Code Section 56133.5 that established a pilot program for Napa and San Bernardino commissions to authorize a city or district to extend service(s) outside an agency's boundary and sphere of influence. This pilot program is due to sunset on January 1, 2021, and both Napa and San Bernardino LAFCOs were required to submit a report to the Legislature on its participation in the pilot program before January 1, 2020.

This Commission directed staff to submit the required Report at its November 2019 meeting. Attachment #1 includes a copy of the said Report that was forwarded to the State Legislature, which includes a statement that this Commission requests the Legislature to consider repealing the January 1, 2021 sunset date and supports making the pilot program available for all LAFCOs.

Napa LAFCO also submitted its report to the Legislature, which also includes a statement that it recommends extending the pilot program beyond its scheduled repeal date.

Soon after both reports were submitted to the Legislature, staff from Senator Dodd's office reached out to both Napa and San Bernardino LAFCO staff, indicating that the Senator plans to introduce a bill that eliminates the sunset clause for Government Code Section 56133.5, and requested that both Napa and San Bernardino LAFCOs support the bill.

The bill, Senate Bill (SB) 799 was introduced by the Senator on January 7, 2020. A copy of the bill is included as Attachment #2.

Staff is recommending that the Commission adopt a support position for SB 799.

Attachments:

1. [Commission Report to the State Legislature Dated November 21, 2019](#)
2. [Senate Bill 799](#)

**Commission Report to the State  
Legislature Dated November 21,  
2019**

**Attachment 1**

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

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**To:** California State Legislature  
**From:** Local Agency Formation Commission for San Bernardino County  
**Date:** November 21, 2019  
**Subject:** Report on Pilot Program Related to Government Code Section 56133.5

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Government Code § 56133.5 (Assembly Bill No. 402, effective January 1, 2016) established a pilot program (through 2020) for Napa and San Bernardino commissions to authorize a city or district to extend service(s) outside an agency's boundary and sphere of influence subject to certain determinations, i.e., service extension was identified/evaluated in a service review, service extension will not have an adverse impact on open space/agricultural lands or is not growth inducing, and inclusion of the area to be served into an agency's sphere of influence is not feasible/desirable. This pilot program requires that the Local Agency Formation Commission for San Bernardino County (hereafter "San Bernardino LAFCO") submit a report to the Legislature on its participation in the pilot program, the number of requests made pursuant to § 56133.5, and its actions.

San Bernardino LAFCO received the following three (3) requests pursuant to § 56133.5:

1. **Inland Empire Utilities Agency (IEUA)** (*Authorized 11/20/2019*)

The IEUA is a regional wastewater treatment service provider. San Bernardino LAFCO authorized IEUA to continue to provide wastewater treatment service to the portions of the City of Fontana (wastewater collector) that are outside IEUA's boundary and sphere of influence.

2. **City of Big Bear Lake** (*Authorized 10/16/2019*)

In 1989, the City of Big Bear Lake acquired (through condemnation) a water system of a private water company and assumed responsibility for all the water company's certificated service area, which includes areas outside its boundary and sphere of influence. San Bernardino LAFCO authorized the City of Big Bear Lake to continue to provide water service to the said service areas, which include areas within Fawnskin, Big Bear City, Erwin Lake, Lake Williams and other areas outside the City of Big Bear Lake's boundary and sphere of influence.

3. **City of Colton** (*Authorized 10/23/2017*)

San Bernardino LAFCO authorized the City of Colton to provide water service to a parcel within the City of Grand Terrace, which is outside the City of Colton's boundary and sphere of influence.

San Bernardino LAFCO staff is aware of at least two more requests for approval (authorization) of service pursuant to § 56133.5. Based on the need to continue to process future requests, San Bernardino LAFCO respectfully asks that the Legislature consider repealing the January 1, 2021 sunset date for the pilot program. San Bernardino LAFCO also fully supports making the pilot program available for all LAFCOs throughout the State.

This report, as well as the full reports for all three (3) requests identified above, can be downloaded from the following link: [www.sbclafco.org/PilotProgram.aspx](http://www.sbclafco.org/PilotProgram.aspx). To order a hard copy of any of the said reports, please call San Bernardino LAFCO at (909) 388-0480.

**Distribution:** Secretary of the Senate  
Chief Clerk of the Assembly (electronic copy to amy.leach@asm.ca.gov)  
Legislative Counsel (electronic copy to agency.reports@lc.ca.gov)  
Senator Bill Dodd, Senate District 3  
Pamela Miller, Executive Director, CALAFCO  
Brendon Freeman, Executive Officer, Napa County LAFCO

# **Senate Bill 799**

**Attachment 2**

**Introduced by Senator Dodd**

January 7, 2020

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An act to amend Section 56133.5 of the Government Code, relating to local agency formation.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 799, as introduced, Dodd. Local agency services: contracts: Counties of Napa and San Bernardino.

Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, a city or district may only provide new or extended services by contract or agreement outside of its jurisdictional boundary if it requests and receives written approval, as provided, from the local agency formation commission in the county in which the extension of service is proposed. The act establishes a pilot program under which the commissions in the Counties of Napa and San Bernardino, upon making specified determinations at a noticed public hearing, may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to support existing or planned uses involving public or private properties, as provided. Existing law repeals this pilot program as of January 1, 2021.

This bill would delete the January 1, 2021, repeal date with regard to the pilot program, thereby continuing its operation indefinitely.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Counties of Napa and San Bernardino.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.



*The people of the State of California do enact as follows:*

SECTION 1. Section 56133.5 of the Government Code is amended to read:

56133.5. (a) A pilot program is hereby established for the Napa and San Bernardino commissions. If consistent with adopted policy, the Napa and San Bernardino commissions may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to support existing or planned uses involving public or private properties, subject to approval at a noticed public hearing in which the commission makes all of the following determinations:

(1) The extension of service or services deficiency was identified and evaluated in a review of municipal services prepared pursuant to Section 56430.

(2) The extension of service will not result in either (1) adverse impacts on open space or agricultural lands or (2) growth inducing impacts.

(3) A sphere of influence change involving the affected territory and its affected agency is not feasible under this division or desirable based on the adopted policies of the commission.

(b) Subdivision (d) of Section 56133 shall apply to any request for new or extended services pursuant to this section.

(c) For purposes of this section, “planned use” means any project that is included in an approved specific plan as of July 1, 2015.

(d) The Napa and San Bernardino commissions shall submit a report before January 1, 2020, to the Legislature on their participation in the pilot program, including how many requests for extension of services were received pursuant to this section and the action by the commission to approve, disapprove, or approve with conditions. The report required to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(e) The pilot program established pursuant to this section shall be consistent with Chapter 8.5 (commencing with Section 1501) of the Public Utilities Code.

~~(f) This section shall remain in effect only until January 1, 2021, and as of that date is repealed.~~

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable

1 within the meaning of Section 16 of Article IV of the California  
2 Constitution because of the unique circumstances relating to the  
3 continuing implementation of the pilot program described in  
4 Section 56133.5 of the Government Code in the Counties of Napa  
5 and San Bernardino.

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