

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

REGULAR MEETING OF NOVEMBER 17, 2021

IMPORTANT NOTICE REGARDING THE NOVEMBER 17, 2021 COMMISSION MEETING

The Local Agency Formation Commission for San Bernardino County (LAFCO or Commission) will conduct this meeting virtually by videoconference and/or teleconference pursuant to Government Code section 54953(e)(1)(A), which provides waivers to certain Brown Act provisions during a proclaimed state of emergency when state or local officials have imposed or recommended measures to promote social distancing, and members of the Commission and/or LAFCO staff will participate in this meeting telephonically or by videoconference. There will be no physical location from which member of the public may participate. Instead, the public may participate in the meeting by joining the meeting virtually, by phone, or viewing the meeting live, and may provide general comments and comments on specific agenda items, as described below:

Instructions for Viewing or Listening to the meeting:

Members of the public may:

- Join the virtual meeting on Zoom using the following link: <https://zoom.us/j/85771297250>
- Listen to the meeting by calling (669) 900-9128 and enter the Meeting ID: 85771297250#
- Watch the meeting via YouTube live stream using the following link:
https://www.youtube.com/channel/UCpEpEankM-uoTTa8c_OyV1Q

Instructions for Making Comments and Testimony:

If you wish to make comment on a specific agenda item or a general comment under public comment you can do so by:

- On Zoom video conference via the web or the Zoom App, click the 'Raise Hand' button when the item you wish to comment on is being discussed.
- On Zoom via phone, you can also raise your hand by pressing *9 when the item you wish to comment on is being discussed.

Alternatively, if you wish to make written comments on specific agenda items, make general comments, or submit testimony for public hearing items, you can send comments and testimony to LAFCO, limited to a maximum of 250 words, by email at lafco@lafco.sbcounty.gov, online at www.sbclafco.org/AgendaandNotices/Agendas/PublicComments.aspx, or by mail to LAFCO, 1170 West 3rd Street, Unit 150, San Bernardino, CA 92415-0490, for receipt no later than 7:30 a.m. on the meeting day. These comments and testimony will be read on to the meeting record at the appropriate time.

This change in public participation will continue until further notice and supersede any LAFCO standard public comment and testimony policies and procedures to the contrary

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. Presentation of Resolution of Appreciation to Pamela Miller for her Service as CALAFCO Executive Director

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.

2. [Approval of Minutes for Regular Meeting of September 2021](#)
3. [Approval of Executive Officer's Expense Report](#)
4. [Ratify Payments as Reconciled and Note Cash Receipts for Months of August and September 2021](#)
5. [First Quarter Financial Review for Period July 1 through September 30, 2021](#)
6. [Consideration of: \(1\) CEQA Exemption for LAFCO SC#470; and \(2\) LAFCO SC#470 – City of Chino Irrevocable Agreement to Annex for Water and Sewer Service \(APN 1019-071-32\)](#)
7. [Consideration of: \(1\) CEQA Exemption for LAFCO SC#474; and \(2\) LAFCO SC#474 – City of San Bernardino Irrevocable Agreement to Annex No. 2021-366 for Sewer Service \(APN 0265-191-19\)](#)
8. Consent Items Deferred for Discussion

DISCUSSION ITEMS:

9. [Continued Monitoring from LAFCO 3231 \(Countywide Fire Service Review\) for Barstow Fire Protection District and the City of Barstow \(Continued from September 15, 2021\)](#)
10. [Continued Monitoring for the Barstow Cemetery District related to LAFCO 3245 - Countywide Service Review for Public Cemetery Districts](#)
11. [Initiation of Service Review for the Twentynine Palms Community per Request of the City of Twentynine Palms and Retaining Special Counsel for the Service Review](#)
12. [Discussion on Conducting Future LAFCO Meetings via Teleconference or In-Person](#)

INFORMATION ITEMS:

13. [Legislative Update Report](#)
14. [Executive Officer's 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,

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

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

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

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

10/19/21:as

DRAFT
**ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY**

REGULAR MEETING

9:00 A.M.

SEPTEMBER 15, 2021

The Commission conducts the meeting virtually by videoconference (via Zoom) and teleconference (via Zoom phone) and broadcast live via YouTube live stream in compliance with the Governor's Executive Order N-08-21 in response to the COVID-19 pandemic.

PRESENT:

COMMISSIONERS:

Regular Member	Alternate Member
Jim Bagley, Chair	Dieter Dammeier
Joe Baca Jr.	Rick Denison
Kimberly Cox	Steven Farrell
James Curatalo	
Curt Hagman	
Larry McCallon	
Acquanetta Warren	

STAFF:

**Samuel Martinez, Executive Officer
Paula de Sousa, Legal Counsel
Michael Tuerpe, Senior Analyst
Hannah Larsen, Analyst
Angela Schell, Commission Clerk**

ABSENT: Dawn Rowe

**CONVENE REGULAR MEETING OF THE LOCAL AGENCY FORMATION COMMISSION –
9:07 A.M. – CALL TO ORDER – FLAG SALUTE AND ROLL CALL**

Chair Bagley makes an announcement regarding the meeting/hearing being conducted via videoconference and teleconference as well as broadcast live via YouTube in compliance with waivers to certain Brown Act provisions under the Governor's Executive Orders due to the COVID-19 Coronavirus pandemic.

ANNOUNCEMENT OF CONTRIBUTIONS

CONSENT ITEMS:

- 1. Approval of Minutes for Regular Meeting of July 21, 2021**
- 2. Approval of Executive Officer's Expense Report**

Recommendation: Approve the Executive Office's Expense for Procurement Card Purchases from June 23, 2021 to July 22, 2021 and July 23, 2021 to August 23, 2021.

- 3. Ratify Payments as Reconciled and Note Cash Receipts for the Months of June and July 2021 and Note Revenue Receipts**

Recommendation: Ratify payments as reconciled for the months of June 2021 and July 2021 and note revenue receipts for the same period.

4. LAFCO SC#470 – City of Chino Irrevocable Agreement to Annex for Sewer Service (APN 1019-071-32) (REMOVE FROM CONSIDERATION; TO BE RE-NOTICED AND CONSIDERED AT THE NOVEMBER 17, 2021 MEETING)

Recommendation: Staff recommends that the Commission Remove LAFCO SC3470 from Commission consideration and direct staff to re-notice LAFCO SC#470 for the November 17, 2021 hearing.

5. Note receipt of Proposal Initiated by Landowner Petition Pursuant to Government Code Section 56857 – LAFCO 3251 – Reorganization to Include Annexation to the Yucaipa Valley Water District and its Improvement District No. 1

No action is required of the Commission other than to note receipt of the proposal.

6. Update on Countywide Service Review for Park and Recreation

Recommendation: Staff recommends that the Commission receive and file this report.

7. Consent Items Deferred for Discussion (None)

Executive Officer Martinez makes note of one minor change to Item 17 of the July minutes. He states Commissioner Curatalo's motion was to take Item 1 as recommended in the staff report and nominated Commissioner Cox as the southern region district member representative for the CALAFCO board of directors for Item 2. Commissioner McCallon moves the approval of the Consent Items including the changes to the July minutes. Second by Commissioner Warren. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Curatalo, Farrell, McCallon and Warren.

Noes: None.

Abstain: None.

Absent: Cox, (Farrell voting in her stead) and Hagman.*

PUBLIC HEARING ITEM:

8. LAFCO 3250– Annexation to the Bighorn-Desert View Water Agency and Bighorn-Desert View Water Agency Improvement Zone CSA 70 W-1 (APN 0631-051-28)

Recommendation: Staff recommends that the Commission approve LAFCO 3250 by taking the following actions:

1. For environmental review, certify that LAFCO 3250 is exempt from the provisions of the California Environmental Quality Act and direct the Executive Officer to file the Notice of Exemption within five (5) days;
2. Approve LAFCO 3250, with the condition for the “hold harmless” clause for potential litigation costs, continuation of fees, charges, assessments, etc.;

**Unavailable due to technical difficulties*

3. Waive protest proceedings, as permitted by Government Code Section 56662(d), with 100% landowner consent to the annexation; and,
4. Adopt LAFCO Resolution #3336, setting forth the Commission's determinations and conditions of approval concerning LAFCO 3250.

Commissioner Hagman moves approval of staff recommendations. Second by Commissioner Farrell. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Curatalo, Farrell, Hagman, McCallon and Warren.
Noes: None.
Abstain: None.
Absent: Cox (Farrell voting in her stead).

9. LAFCO SC#469 – City of Redlands OSC 19-53 for Water Service (APN 029-094-21)

Recommendation: Staff recommends that the Commission approve LAFCO SC#469 by taking the following actions:

1. Certify that LAFCO SC#469 is 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#469 authorizing the City of Redlands to extend water service outside its boundaries to Assessor Parcel Number 0298-095-21.
3. Adopt LAFCO Resolution 3337 setting forth the Commission's determinations and approval of the agreement for service outside the City of Redlands' boundaries.

Commissioner Hagman moves approval of staff recommendations. Second by Commissioner Curatalo. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Curatalo, Farrell, Hagman, McCallon and Warren.
Noes: None.
Abstain: None.
Absent: Cox (Farrell voting in her stead).

Commissioner Cox joins the Zoom Meeting at 9:26 am.

DISCUSSION ITEMS:

10. Continued Monitoring for the Twentynine Palms Public Cemetery District related to LAFCO 3245 – Countywide Service Area Review for Public Cemetery Districts

Recommendation: Staff recommends that the Commission:

1. Receive and file this report.
2. Cease monitoring of the Twentynine Palms Public Cemetery District, unless otherwise directed by the Commission.

Commissioner McCallon moves to approve staff recommendations. Second by Commissioner Hagman. The motion passes with the following roll call vote:

*Ayes: Baca Jr., Bagley, Cox, Curatalo, Hagman, McCallon and Warren.
Noes: None.
Abstain: None.
Absent: None.*

11. Continued Monitoring from LAFCO 3231 (Countywide Fire Service Review) for Barstow Fire Protection District and the City of Barstow (Continued to November 17, 2021 Meeting)

Recommendation: Staff recommends that the Commission continue the update for the Barstow Fire Protection District/City of Barstow for the November 17, 2021 meeting.

Commissioner Cox moves to approve staff recommendations. Second by Commissioner Hagman. The motion passes with the following roll call vote:

*Ayes: Baca Jr., Bagley, Cox, Curatalo, Hagman, McCallon and Warren.
Noes: None.
Abstain: None.
Absent: None.*

INFORMATION ITEMS:

12. Legislative Update Oral Report

Executive Officer Samuel Martinez notes that a number of bills being tracked by CALAFCO including this Commission's pilot program bill, SB 13, have now been enrolled and awaiting the Governor's signature. He states that the last day for the Governor to sign or veto a bill is October 10.

13. Executive Officer's Oral Report

Mr. Martinez reminds the Commission that the next scheduled meeting will be on November 17. He states that the CALAFCO Board cancelled the annual conference again this year and that staff already informed the Commissioners planning to attend the conference of said cancelation. He further states that the annual business meeting will still move forward as a virtual meeting and the board election will be held by electronic vote, which is done via email to the voting delegates. He also states that at the last meeting, the Commission assigned the Chair to cast its ballot for the board member election and that there is no need to take any additional action at this time.

Mr. Martinez informs the Commission that the August 31 Consolidated Mailed Ballot Election with the ballot measure for the Apple Valley annexation, LAFCO 3244, failed with one vote cast for the reorganization and 13 votes cast against the reorganization. A certificate of termination will be issued.

Mr. Martinez concludes his report by stating that he was informed, that the City of Twentynine Palms, by unanimous vote, took an action by resolution to request the Commission to do a service review for the overall Twentynine Palms community and the overlapping agencies.

14. Commissioner Comments

There is none.

15. Comments from the Public

There is none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE MEETING ADJOURNS AT 9:40 A.M.

ATTEST:


ANGELA SCHELL, Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

JIM BAGLEY, Chair

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

DATE : NOVEMBER 8, 2021 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #3 – APPROVAL OF EXECUTIVE OFFICER'S
EXPENSE REPORT

RECOMMENDATION:

Approve the Executive Officer's Expense Report for Procurement Card Purchases from August 24, 2021 to September 22, 2021 and September 23, 2021 to October 22, 2021.

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 periods of:

- August 24, 2021 to September 22, 2021; and,
- September 23, 2021 to October 22, 2021.

Staff recommends that the Commission approve the Executive Officer's expense reports as shown on the attachment.

SM/AS

Attachment



PROCUREMENT CARD PROGRAM


ATTACHMENT G

MONTHLY PROCUREMENT CARD PURCHASE REPORT

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[illegible]

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

Cardholder (Print & Sign)	Date
Samuel Martinez 	11/08/21

Approving Official (Print & Sign)	Date
Jim Bagley	11/17/21



PROCUREMENT CARD PROGRAM

ATTACHMENT G

MONTHLY PROCUREMENT CARD PURCHASE REPORT

PAGE 1 OF 1

[illegible]


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

Cardholder (Print & Sign)	Date
Samuel Martinez <i>Samuel Martinez</i>	11/08/21

Approving Official (Print & Sign)	Date
Jim Bagley	11/17/21

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : NOVEMBER 10, 2021
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #4 - RATIFY PAYMENTS AS RECONCILED FOR
THE MONTHS OF AUGUST 2021 AND SEPTEMBER 2021 AND
NOTE REVENUE RECEIPTS

RECOMMENDATION:

Ratify payments as reconciled for the months of August 2021 and September 2021 and note revenue receipts for the same period.

BACKGROUND INFORMATION:

Staff 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 periods of:

- August 1 through August 31, 2021
- September 1 through September 30, 2021

Staff recommends that the Commission ratify the payments as outlined on the attached listing and note the revenues received.

SM/MT

Attachment

MONTH OF AUGUST 2021 PAYMENTS PROCESSED							
Document Number	Account	Posting Date	Vendor	Invoice	Reference	Amount	
1901069193	5200 2041	8/30/2021	Century Link	238502330	Century Link Inv 238502330	\$	44.89
1901053286	5200 2090	8/2/2021	Jan-Pro Cleaning Service	78443	Jan-Pro Cleaning Service for August	\$	490.00
1901060872	5200 2180	8/16/2021	So Cal Edison	700099666433	Edison Inv 8/10/2021	\$	465.46
1901060860	5200 2305	8/16/2021	Shred It	8182602351	Inv 8182602351	\$	19.25
1901055516	5200 2315	8/5/2021	Storetrieve	0161267	Svc Period 07/01/2021 to 7/31/2021	\$	64.37
1901053283	5200 2335	8/2/2021	Kelly Staffing Services	01-5993043	Temp Services Inv 01-5993043 7/24/2021	\$	100.10
1901069176	5200 2400	8/30/2021	Best, Best, & Krieger	913065	BBK General Inv 913065	\$	823.60
1901069177	5200 2400	8/30/2021	Best, Best, & Krieger	913066	BBK Litigation Inv 913066	\$	4,207.30
1901069178	5200 2400	8/30/2021	Best, Best, & Krieger	913067	BBK Adv Montecito Inv 913067	\$	12,085.22
1901069180	5200 2400	8/30/2021	Best, Best, & Krieger	913068	BBK MVWD Swr Pwr Actv Inv 913068	\$	1,984.50
1901065556	5200 2424	8/23/2021	Tom Dodson	LAFCO 21-7	Tom Dodson Inv. LAFCo 21-7	\$	255.00
1901055487	5200 2444	8/5/2021	Mijac Alarm	475739	Inv 475739 from 8/01/21 to 10/31/21	\$	123.00
1901069175	5200 2445	8/30/2021	Robert Aldrich	# 11	Aldrich & Assoc. Inv. # 11	\$	1,575.00
1901055512	5200 2895	8/5/2021	Konica Minolta	38201737	Inv 38201737	\$	365.38
1901055512	5200 2895	8/5/2021	Konica Minolta	38201737	Inv 38201737	\$	71.72
1901058525	5294 2941	8/11/2021	CALAFCO	2021 ANN. CONF.	2021 Ann. Conf. Registration for Staff & Corners	\$	3,275.00
TOTAL						\$	25,949.79
MONTH OF AUGUST 2021 INTERNAL TRANSFERS PROCESSED							
4101979012	5200 2031	8/1/2021	County IT		JUL 2021 Payroll System Services (EMACS)	\$	81.60
4101979013	5200 2032	8/1/2021	County IT		JUL 2021 Virtual Private Network (VPN)	\$	13.20
4101979014	5200 2037	8/1/2021	County IT		JUL 2021 Dial Tone	\$	255.06
4101979016	5200 2322	8/1/2021	County IT		JUL 2021 Enterprise Printing (EMACS)	\$	7.14
4101979019	5200 2420	8/1/2021	County IT		JUL 2021 Wireless Device (Exchange Active Sync)	\$	17.59
4101978996	5200 2421	8/1/2021	County IT		JUL 2021 Desktop Support Services	\$	1,069.20
4101979017	5241 2410	8/1/2021	County IT		IT Infrastructure - Period 2	\$	556.00
4101978994	5241 2417	8/1/2021	County IT		Enterprise Content Management - Period 2	\$	154.00
4101978995	5241 2418	8/1/2021	County IT		Storage Tier 1 - Period 2	\$	151.00
4101978995	5241 2418	8/1/2021	County IT		Storage Tier 3 - Period 2	\$	192.00
4200083233	5200 2445	8/18/2021	County Auditor		Quarterly Tax Filing	\$	999.60
4200082699	5200 2424	8/9/2021	County Clerk to the Board		NOE - LAFCO 3249	\$	50.00
4200082964	5200 2310	8/6/2021	County Mail		Mail Services - HAN	\$	39.80
4200082965	5200 2310	8/6/2021	County Mail		Mail Services - FLAT	\$	25.68
4200082968	5200 2310	8/6/2021	County Mail		Mail Services - DEL	\$	136.50
4200082671	5200 2445	8/4/2021	County ROV		Certification of Voters	\$	52.14
4200082673	5200 2445	8/4/2021	County ROV		Certification of Voters	\$	52.47
4200082675	5200 2445	8/4/2021	County ROV		Certification of Voters	\$	52.47
4200082677	5200 2445	8/4/2021	County ROV		Certification of Voters	\$	52.47
4200082674	5200 2445	8/9/2021	County ROV		Certification of Voters	\$	648.41
TOTAL						\$	4,606.33


MONTH OF AUGUST 2021 CASH RECEIPTS							
				NONE			
TOTAL							\$ -
MONTH OF AUGUST 2021 INTERNAL TRANSFERRED RECEIVED							
				NONE			
TOTAL							\$ -
COMPLETED BY: MICHAEL TUERPE Senior Analyst					APPROVED BY: SAMUEL MARTINEZ Executive Officer		
Date: 11/9/2021					11/9/2021		

MONTH OF SEPTEMBER 2021 PAYMENTS PROCESSED							
Document Number	Account		Posting Date	Vendor	Invoice	Reference	Amount
1901082357	5200	2085	9/21/2021	Hi-Desert Star	B3503005	Hi-Desert Star Notice of Hearing	\$ 415.30
1901082358	5200	2085	9/21/2021	San Bernardino Sun	B3502992	SB Sun Publication NOH 9-15-2021	\$ 664.40
1901072610	5200	2090	9/7/2021	Jan Pro	78866	Fee for Service Month of Sept 2021	\$ 490.00
1901076808	5200	2180	9/14/2021	So Cal Edison	700099666433	Edison 9/29/2021 Cost Period Jun 01-Sep 30	\$ 442.63
1901072609	5200	2315	9/7/2021	Storetrieve	0162968	Svc Period 08/01/21 - 08/31/2021	\$ 64.37
1901084195	5200	2400	9/22/2021	Best, Best, & Krieger	914641	Fees for General	\$ 1,015.40
1901084196	5200	2400	9/22/2021	Best, Best, & Krieger	914646	Adv. Montecito Equities	\$ 49.20
1901084197	5200	2400	9/22/2021	Best, Best, & Krieger	914647	MVWD Sewer Power Activation Request	\$ 4,315.50
1901072613	5200	2405	9/7/2021	SBCERA	GASB 68	LAFCO Fee for Share Cost of GASB 68	\$ 2,320.00
1901075500	5200	2424	9/13/2021	Tom Dodson	LAFCO 21-6	Tom Dodson Inv LAFCO 21-5	\$ 170.00
1901089308	5200	2424	9/28/2021	Tom Dodson	LAFCO 21-8	LAFCO Projects - 2021	\$ 2,710.00
1901077834	5200	2445	9/15/2021	Baca	BACA9-15-21	Baca Stipend 9-15-2021	\$ 200.00
1901077835	5200	2445	9/15/2021	Bagley	BAGLEY9-15-21	Bagley Stipend 9-15-21	\$ 200.00
1901077837	5200	2445	9/15/2021	Cox	COX9-15-21	Cox Stipend 9-15-21	\$ 200.00
1901077839	5200	2445	9/15/2021	Curatalo	CURATALO9-15-21	Curatalo Stipend 9-15-21	\$ 200.00
1901077842	5200	2445	9/15/2021	Dammeier	DIETER9-15-21	Dieter Dammeier Stipend 9-15-21	\$ 200.00
1901077844	5200	2445	9/15/2021	Denison	DENISON9-15-21	Denison Stipend 9-15-21	\$ 200.00
1901077846	5200	2445	9/15/2021	Farrell	FARRELL9-15-21	Farrell Stipend 9-15-21	\$ 200.00
1901077847	5200	2445	9/15/2021	Hagman	HAGMAN9-15-21	Hagman Stipend 9-15-21	\$ 200.00
1901077850	5200	2445	9/15/2021	McCallon	MCCALL9-15-21	McCallon Stipend 9-15-21	\$ 200.00
1901078925	5200	2445	9/16/2021	Warren	WARREN9-15-21	Warren Stipend 9-15-21	\$ 200.00
1901084179	5200	2445	9/22/2021	Riverside County ROV	LAFCO 3251	ROV Regis List & GIS Services	\$ 205.00
1901090941	5200	2445	9/30/2021	Robert Aldrich	# 12	Work hrs for Sept. 6, 16 & 23	\$ 1,200.00
1901076787	5200	2895	9/14/2021	Konica Minolta	38384201	Konica Inv 38384201	\$ 56.63
1901076787	5200	2895	9/14/2021	Konica Minolta	38384201	Konica Inv 38384201	\$ 365.38
TOTAL							\$ 16,483.81
MONTH OF SEPTEMBER 2021 INTERNAL TRANSFERS PROCESSED							
4102017531	5200	2031	9/1/2021	County IT		AUG 2021 Payroll System Services (EMACS)	\$ 54.40
4102017533	5200	2032	9/1/2021	County IT		AUG 2021 Virtual Private Network (VPN)	\$ 13.20
4102017535	5200	2037	9/1/2021	County IT		AUG 2021 Dial Tone	\$ 255.06
4102017537	5200	2322	9/1/2021	County IT		AUG 2021 Enterprise Printing (EMACS)	\$ 7.14
4102017543	5200	2420	9/1/2021	County IT		AUG 2021 Wireless Device (Exchange Active Sync)	\$ 17.59
4102017544	5200	2421	9/1/2021	County IT		AUG 2021 Desktop Support Services	\$ 1,069.20
4102017545	5200	2450	9/1/2021	County IT		AUG 2021 Application Development and Enhancement	\$ 1,164.60
4102017538	5241	2410	9/1/2021	County IT		IT Infrastructure - Period 3	\$ 556.00
4102017541	5241	2417	9/1/2021	County IT		Enterprise Content Management - Period 3	\$ 154.00
4102017542	5241	2418	9/1/2021	County IT		Storage Tier 3 - Period 3	\$ 192.00
4102017542	5241	2418	9/1/2021	County IT		Storage Tier 1 - Period 3	\$ 151.00
4200085039	5200	2424	9/24/2021	County Clerk to the Board		NOE - LAFCO SC#471	\$ 50.00
4200085048	5200	2424	9/24/2021	County Clerk to the Board		NOE - LAFCO 3250	\$ 50.00
4200085050	5200	2424	9/24/2021	County Clerk to the Board		NOE - LAFCO SC#469	\$ 50.00

4200085169	5200	2424	9/24/2021	County Clerk to the Board		NOE - LAFCO SC#472	\$	50.00
4200085170	5200	2424	9/24/2021	County Clerk to the Board		NOE - LAFCO SC#473	\$	50.00
4200084293	5540	5012	9/30/2021	County IT		Transfer from LAFCO to ITD for 21-22 MS EA Reimb	\$	3,089.76
4200084132	5200	2310	9/2/2021	County Mail		Mail Services - DEL	\$	143.00
4200084134	5200	2310	9/2/2021	County Mail		Mail Services - FLAT	\$	17.90
4200084135	5200	2310	9/2/2021	County Mail		Mail Services - HAN	\$	398.65
4200084271	5200	2415	9/8/2021	County Auditor		2021/2022 COWCAP-QTR1 (Local Agency Formation	\$	863.50
TOTAL							\$	8,397.00
MONTH OF SEPTEMBER 2021 CASH RECEIPTS								
4102050850	various		09/27/21	I-10 Logistics LLC		Annexation to Yucaipa Valley Water District	\$	9,299.00
4102037141	4070	9800	09/20/21	City of Chino		Service Contract 471	\$	560.00
4102037141	4070	9800	09/20/21	City of Chino		Service Contract 472	\$	560.00
4102050850	4070	9800	09/27/21	City of San Bernardino		Service Contract 473	\$	560.00
4102050850	4075	9930	09/27/21	Special Districts Risk Mgmt		Workers' Comp Credit	\$	542.49
TOTAL							\$	11,521.49
MONTH OF SEPTEMBER 2021 INTERNAL TRANSFERRED RECEIVED								
				NONE				
TOTAL							\$	-
COMPLETED BY:	MICHAEL TUERPE				APPROVED BY:	SAMUEL MARTINEZ		
	Senior Analyst					Executive Officer		
	Date: 11/9/2021					11/9/2021		

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: NOVEMBER 10, 2021 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #5: First Quarter Financial Review for Period
July 1 through September 30, 2021

RECOMMENDATION:

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

SUMMARY:

1. Budget Markers

The first quarter of Fiscal Year 2020-21 has concluded and staff is presenting the Commission with its first financial report. This report includes a review of the financial activities and the presentation of a spreadsheet (Attachment #1) showing the line item expenditures and revenues during the period. The summary table below shows that Total Expenditures are on-track with First Quarter markers; however, Services and Supplies has incurred additional legal activity. For Revenues, all of the Apportionment receipts were received, and Fees and Deposits are at the 25% mark. The table below is a snapshot through the quarter.

Expenditures		Revenues	
Salaries and Benefits (below appropriations)	22%	Apportionment (met goal)	100%
Services and Supplies (above appropriations)	32%	Fees and Deposits (met goal)	25%
TOTAL	25%	TOTAL	94%

2. Applications

The table below identifies the number of proposals and service contracts received. When taking activity that the Commission approves (proposals and one category of service contracts), three of nine have been received through the first quarter (33%).

Activity	Budget	Through September	
		No.	% of Budget
Proposals	7	1	14%
Service Contracts - Commission approval	2	2	100%
Service Contracts - Admin (E.O.) approval	2	5	250%

3. Cash in Treasury

As of September 30, the Commission's cash in the County Treasury was \$1,235,796. A breakdown of this amount is shown below. As shown, roughly \$42,000 in additional funds carried forward into FY 2021-22. This report reviews this carryover with the Commission – staff's position is to not to take action on these funds at this time due to the uncertainty on legal costs that are not recoverable.

September 30, 2021 Balance		\$1,235,796
Cash Balance is composed of the following:		
<i>Committed (constrained to specific purposes)</i>		
Compensated Absences (Account 6030)		152,095
Salary for Extra Pay Period: Year 1 of 10 (Account 6035)		3,000
<i>Assigned (intended for specific purposes)</i>		
Contingency (Account 6000)		25,000
General Reserve (Account 6025)		175,000
<i>Remaining Budgeted Expenditures</i>		909,529
<i>Remaining Budgeted Revenues (shown as negative)</i>		(77,363)
<i>Accounts Payable/(Receivable)</i>		6,463
<i>Additional Carryover into FY 2021-22</i>		42,072

DETAIL:

The following provides a discussion of (1) expenditures, (2) reserves, (3) projects and programs, and (4) revenues.

1. Expenditures

Expenditures are comprised of two categories of accounts: 1) Salaries and Benefits, and 2) Services and Supplies. Through the first quarter, expenditures were at 25% 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:

A. Salaries and Benefits (1000 series)

(1) First Quarter Activity

The Salaries and Benefits series of accounts (1000 series) had expenditures of \$159,088, representing 22% of Approved Budget authority.

(2) Anticipated Activity

At this time, no additional activity is anticipated outside of the budget.

B. Services and Supplies (2000 and 5000 series)

(1) First Quarter Activity

For the first quarter, the Services and Supplies series of accounts (2000 and 5000 series) had expenditures of \$135,405, or 32% of Approved Budget authority. The first quarter includes full-year and one-time payments. Payments that are typical to the first quarter that have taken place include: California Association of LAFCOs (CALAFCO) membership, the Commission's property and liability insurance, and the annual payment to SBCERA for GASB 68 processing. These one-time and full-year expenditures are generally on target for the fiscal year.

(2) Anticipated Activity

Activity for legal counsel is at 138% of budget authority through the quarter. As of the end of September, the Commission was engaged in three legal matters where costs could not be recoverable. As shown in the Cash Balance figure on page 2, roughly \$42,000 in additional funds carried forward into FY 2021-22. Staff's position is to not take action on these funds at this time due to the uncertainty on legal costs that are not recoverable. Most likely, these funds will be used to satisfy the legal costs.

2. Reserves

No spending activity has been requested by staff or authorized by the Commission to take place in the Reserve accounts during the first quarter. Reserve balances are shown in the Cash Balance figure on page 2.

3. Projects and Programs

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

A. Sustainable Agricultural Lands Conservation (SALC) Program

At the July 2020 meeting, the Commission authorized the Executive Officer to submit the SALC Program Planning Grant to the CA Department of Conservation (DOC). LAFCO finalized contracts with the DOC (grant contract with a start date of May 6) and Inland Empire Resource Conservation District (cooperative agreement setting terms for roles and reimbursement).

Staffs formulated the work plan and other documents. Staffs held a “SALC Kickoff” meeting on June 29 with interested stakeholders. The meeting was well attended with a variety of stakeholders from the Valley Region (the project area). Work continues on mapping agricultural lands as well as meeting with County and City representatives.

B. Service Reviews:

The next service review for Commission presentation is the *Countywide Service Review for Park and Recreation*, which is scheduled for the March 2022 meeting.

C. Governance Training Program

Due to the pandemic, the Governance Training Program was on hiatus. The FY 2021-22 budget resumes this program. Staff will coordinate with CSDA on a remote training program for later in the fiscal year.

D. New Website

The platform of the LAFCO website will not be supported in the coming year or two. The FY 2021-22 Budget allocates funds for a new website, and work is underway with the contractor (County IT) at this time.

E. Fiscal Indicators Program

Portions of the website will be incompatible with the new website platform, including the Fiscal indicators. Once the new website is live, staff will assess the program’s revival with the Commission.

4. Revenues

The Commission has received 94% of Adopted Budget revenues through the first quarter. The items below outline the revenue activity:

- Interest (Account 8500) – \$1,589 in interest revenue was earned from the Commission’s cash in the County Treasury reflecting the final quarter of Fiscal Year 2020-21 cash. The bulk of LAFCO’s revenues are received during the first half of the fiscal year through receipt of its annual apportionment. However, it is anticipated that the annual interest rate will remain low for the balance of the year providing limited resources.

- Apportionment (Account 8842) - 100% of the mandatory apportionment payments from the County, cities, and independent special districts billed by the County Auditor have been received.
- Fees and Deposits (Accounts 9545 – 9800) – Through the first quarter, the Fees and Deposits series of accounts have received 25% of its budgeted revenue (\$23,090). This amount is made up of a combination of application fees, service contract filing fees, and cost recovery.
- Carryover from Prior Year (Account 9970) - Prior Year Contingency and Reserve funds of \$311,243 from FY 2020-21 carried forward into FY 2021-22.

CONCLUSION:

For the first quarter, total expenditures are on track (although legal activity is high), 100% of the apportionment receipts were received, and proposal revenue is on track for one quarter.

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

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 19-20	ACTUAL YEAR-END FY 20-21	ADOPTED FY 21-22	JULY	AUG	SEPT	TOTAL THRU Q1	PERCENT THRU Q1
	SALARIES AND BENEFITS								
1010	Earnable Compensation	481,359	437,453	437,906	31,195.39	32,735.01	31,818.62	95,749	22%
1030	Auto and Cell Phone Allowances	9,735	9,450	9,275	700.00	700.00	700.00	2,100	23%
1035	Overtime		3					-	
1045	Termination Payment		1,839					-	
1110	General Member Retirement	184,013	155,303	175,386	12,506.64	13,119.01	12,750.94	38,377	22%
1130	Survivors Benefits	176	140	143	7.28	7.28	7.28	22	15%
1135	Retirement Subsidy (no longer active)							-	
1200	Medical Premium Subsidy	56,704	44,613	48,373	3,253.08	3,350.68	3,350.68	9,954	21%
1205	Long-Term Disability	1,110	945	988	71.10	73.17	75.24	220	22%
1207	Vision Care Insurance	779	603	613	46.24	47.92	47.92	142	23%
1215	Dental Insurance Subsidy	1,240	891	1,003	56.76	56.76	56.76	170	17%
1222	Short-Term Disability	5,642	4,743	4,873	355.88	366.35	376.82	1,099	23%
1225	Medicare	5,805	5,127	5,074	368.21	369.90	378.39	1,117	22%
1235	Workers' Compensation		2,534	-				-	
1240	Life Insurance & Medical Trust Fund	9,714	9,238	14,182	667.12	886.21	1,026.72	2,580	18%
1305	Medical Reimbursement Plan	3,900	2,859	5,212	186.66	188.71	190.76	566	11%
1310	Annuitant Employee Medical (no longer active)							-	
1314	457/401a Contribution	2,850	2,849	3,009	220.56	222.76	224.96	668	22%
1315	401k Contribution	37,060	30,506	31,082	2,087.16	2,108.02	2,128.88	6,324	20%
TOTAL SALARIES & BENEFITS		\$ 800,085	\$ 709,096	\$ 737,120	\$ 51,722.08	\$ 54,231.78	\$ 53,133.97	\$ 159,088	22%
	Staffing (Full time equivalent units)	5.0	4.5	4.0					
	SERVICES AND SUPPLIES								
2031	Payroll System Services (County IT)	794	694	707		81.60	54.40	136	19%
2032	Virtual Private Network (County IT)		350	158		13.20	13.20	26	17%
2033	Network Labor Services (County IT)		1,006	-				-	
2037	Dial Tone (County IT)	3,434	3,061	2,381		255.06	255.06	510	21%
2041	Data Line	7,592	8,552	8,400	1,349.08	44.89	1,349.08	2,743	33%
2043	Electronic Equipment Maintenance (County IT)	-	-	-				-	
2075	Membership Dues	11,822	12,144	12,242	10,760.00			10,760	88%
2076	Tuition Reimbursement	999	999	2,000				-	0%
2080	Publications	2,758	3,483	3,180	520.43		269.01	789	25%
2085	Legal Notices	12,361	18,240	18,000	312.95		1,079.70	1,393	8%

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 19-20	ACTUAL YEAR-END FY 20-21	ADOPTED FY 21-22	JULY	AUG	SEPT	TOTAL THRU Q1	PERCENT THRU Q1
2090	Building Expense	7,672	7,260	7,260	835.00	490.00	490.00	1,815	25%
2115	Software	-	4,933	17,283	1,343.87		29.94	1,374	8%
2135	Utilities	2,557	-	-				-	
2180	Electricity	5,206	4,335	6,000	449.78	465.46	442.63	1,358	23%
2245	Other Insurance	12,683	12,027	18,340	12,637.27			12,637	69%
2305	General Office Expense	3,117	9,359	2,564	531.01	19.25	339.37	890	35%
2308	Credit Card Clearing Account	677	79	-	(1,380.83)	1,692.31	(1,692.31)	(1,381)	
2310	Postage - Direct Charge	11,150	5,792	5,316	76.43	201.98	559.55	838	16%
2315	Records Storage	1,134	837	772	64.37	64.37	64.37	193	25%
2322	Enterprise Printing (County IT)		90	86	3.57	7.14	7.14	18	21%
2323	Reproduction Services	1,074	560	500				-	0%
2335	Temporary Services	-	2,487	5,400		100.10		100	2%
2400	Legal Counsel	39,798	34,148	34,200	22,768.95	19,100.62	5,380.10	47,250	138%
2405	Auditing	21,365	8,445	11,500			2,320.00	2,320	20%
2410	IT Infrastructure (County IT)	11,252	9,673	586	556.00	556.00	556.00	1,668	285%
2415	Countywide Cost Allocation Program (COWCAP)	13,328	4,581	14,049			863.50	864	6%
2416	Enterprise Printing (County IT)	31	-	31	3.00			3	10%
2417	Enterprise Content Management (County IT)		1,886	1,884	154.00	154.00	154.00	462	25%
2418	Data Storage Services (County IT)	8,457	4,842	4,836	343.00	343.00	343.00	1,029	21%
2420	Wireless Device Access (County IT)	286	211	211		17.59	17.59	35	17%
2421	Desktop Support Services (County IT)	15,171	11,994	9,623		1,069.20	1,069.20	2,138	22%
2424	Environmental Consultant	20,796	15,474	10,600	100.00	305.00	3,130.00	3,535	33%
2444	Security Services	691	642	492		123.00		123	25%
2445	Other Professional Services	63,255	39,509	78,068	2,175.00	3,432.56	3,405.00	9,013	12%
2449	Outside Legal (Litigation & Special Counsel)	7,453	275	-				-	
2450	Application Development and Enhancements						1,164.60	1,165	
2460	Aerial Imagery (County IT)	3,000	3,000	14,500				-	0%
2895	Rent/Lease Equipment (copier)	5,776	1,786	5,100	441.44	437.10	422.01	1,301	26%
2905	Office/Hearing Chamber Rental	97,951	93,535	98,258	23,506.23			23,506	24%
2940	Private Mileage	3,427	-	2,192				-	0%
2941	Conference/Training	5,305	375	4,710		3,275.00		3,275	70%
2942	Hotel	5,926	-	6,710				-	0%
2943	Meals	744	-	1,000				-	0%
2945	Air Travel	1,592	-	400				-	0%
2946	Other Travel	773	-	150				-	0%

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 19-20	ACTUAL YEAR-END FY 20-21	ADOPTED FY 21-22	JULY	AUG	SEPT	TOTAL THRU Q1	PERCENT THRU Q1
5012	Trust Transfer to County (Staples & Microsoft)	2,732	1,227	6,689	69.62		3,089.76	3,159	47%
TOTAL SERVICES & SUPPLIES		\$ 414,139	\$ 327,891	\$ 416,379	\$ 77,620.17	\$ 32,248.43	\$ 25,175.90	\$ 135,045	32%
TOTAL EXPENDITURES		\$ 1,214,223	\$ 1,036,988	\$ 1,153,499	\$ 129,342.25	\$ 86,480.21	\$ 78,309.87	\$ 294,132	25%
TRUST TRANSFERS									
9990	SBCERA Additional Payment	42,500	43,852	50,163					
TOTAL TRUST TRANSFERS		\$ 42,500	\$ 43,852	\$ 50,163	\$ -	\$ -	\$ -	\$ -	0%
TOTAL APPROPRIATION		\$ 1,256,723	\$ 1,080,840	\$ 1,203,662	\$ 129,342.25	\$ 86,480.21	\$ 78,309.87	\$ 294,132	24%

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	INCREASES (DECREASES) FY 19-20	INCREASES (DECREASES) FY 20-21	ADOPTED Increases FY 21-22	TOTAL
	RESERVES (Increases)				
6000	Contingency (Assigned)			6,400	25,000
6025	General (Assigned)			25,000	175,000
6030	Compensated Absences (Committed)	12,769	32,477	9,452	152,095
6035	Salary for Extra Pay Period (Committed)			3,000	3,000
TOTAL RESERVES (Increases)		\$ 12,769	\$ 32,477	\$ 43,852	\$ 355,095


Attachment #1

Budget Spreadsheets

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 19-20	ACTUAL YEAR-END FY 20-21	ADOPTED FY 21-22	JULY	AUG	SEPT	TOTAL THRU Q1	PERCENT THRU Q1
	Use of Money:								
8500	Interest	16,325	7,512	11,000	1,589.43			1,589	14%
	Mandatory Contribution from Governments:								
8842	Apportionment	1,090,497	1,120,497	1,090,497	1,090,497.00			1,090,497	100%
	Fees and Deposits (Current Services):								
9545	Individual Notice Deposit	7,429	6,032	9,000	2,000.00		1,000.00	3,000	33%
9555	Legal Services Deposit	18,404	15,650	15,000	1,400.00		2,000.00	3,400	23%
9595	Protest Hearing Deposit	-	10,595	4,500				-	0%
9655	Digital Mapping Fee	1,605	4,760	595				-	0%
9660	Environmental Deposit	10,245	11,328	8,400	1,400.00		1,000.00	2,400	29%
9800	LAFCO Fee	93,422	48,278	54,019	7,240.00		6,979.00	14,219	26%
	Total Fees and Deposits	131,105	96,643	91,514	12,040.00	-	10,979.00	23,019	25%
	OTHER REVENUES								
9560	Indemnification Recovery							-	
9910	Prior Year Activity (refunds, collections)							-	
9930	Miscellaneous	580	158				542.19	542	
9970	Carryover of Fund Balance		1,123	54,503	54,503.00			54,503	100%
9973	Stale-dated Checks	38	60					-	
	TOTAL OTHER REVENUES	618	1,341	54,503	54,503.00	-	542.19	55,045	101%
	TOTAL REVENUES	\$ 1,238,544	\$ 1,225,993	\$ 1,247,514	\$ 1,158,629.43	\$ -	\$ 11,521.19	\$ 1,170,151	94%

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: NOVEMBER 10, 2021 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #6: LAFCO SC#470 – City of Chino Irrevocable Agreement to Annex for Water and Sewer Service (APN 1019-071-32)

INITIATED BY:

City of Chino, on behalf of the property owners

RECOMMENDATION:

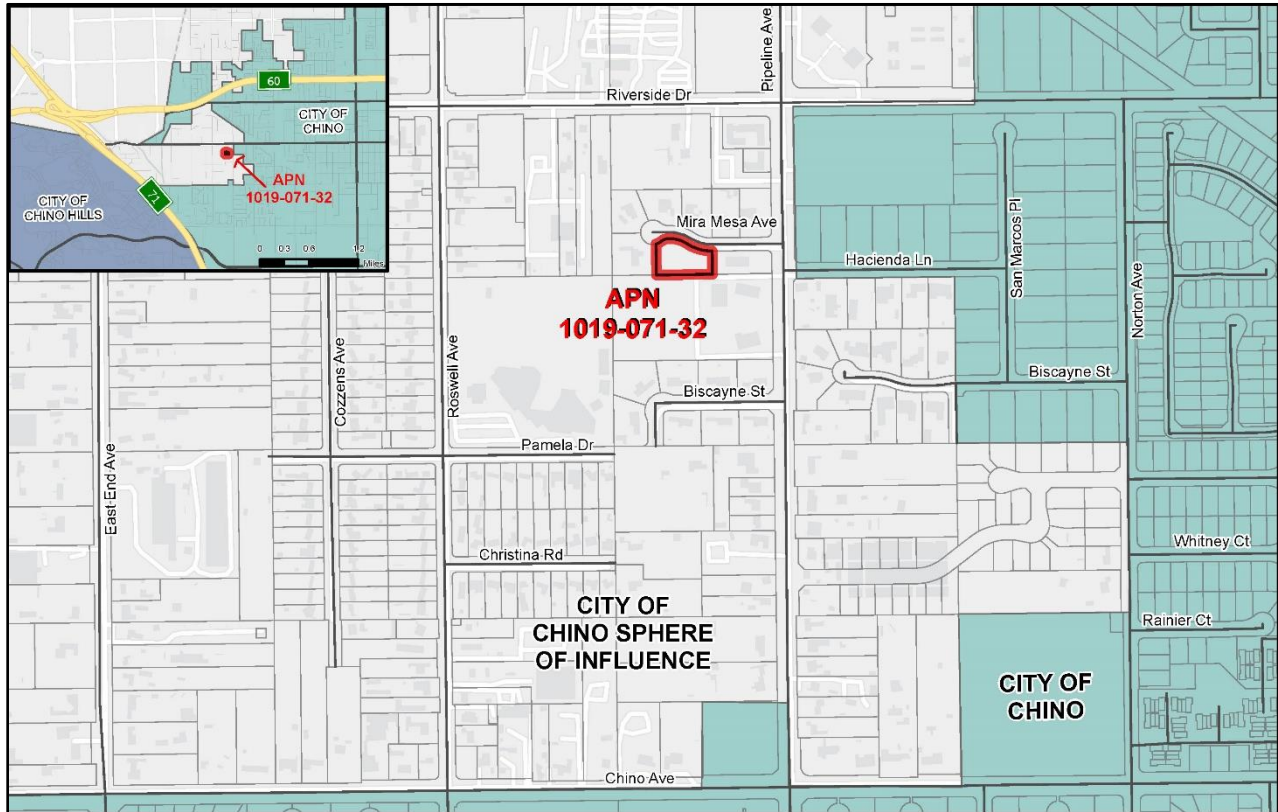
Staff recommends that the Commission approve LAFCO SC#470 by taking the following actions:

1. Certify that LAFCO SC #470 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 #470 authorizing the City of Chino to extend water and sewer service outside its boundaries to Assessor Parcel Number 1019-071-32.
3. Adopt LAFCO Resolution #3338 setting forth the Commission's determinations and approval of the agreement for service outside the City of Chino's boundaries.

BACKGROUND:

The City of Chino (hereinafter the "City") has submitted a request for approval of an out-of-agency service agreement that outlines the terms by which it will extend water and sewer service. The agreement relates to Assessor Parcel Number (APN) 1019-071-32, generally located on the south side of Mira Mesa Avenue, a residential subdivision located on the west side of Pipeline Avenue between Riverside Drive and Chino Avenue, within the City of Chino's northwestern sphere of influence. The map below,

along with a map outlining the location of the infrastructure to be extended, is included as Attachment #1.



The parcel, which is currently vacant, is slated for development of a single-family residence that requires connection to the City's water and sewer facilities. Therefore, the City, on behalf of the property owners, has requested that the Commission authorize the extension of water and sewer service to the parcel pursuant to the provisions of Government Code Section 56133. Authorization of this agreement is required before the City can take the final actions to implement the terms of the agreement.

PLAN FOR SERVICE:

The City's application, included as Attachment #2, identifies that water service will be provided through connection to the City's existing 6-inch water main in Mira Mesa Avenue that connects to the existing 8-inch water main in Pipeline Avenue. Likewise, sewer service will be provided through connection to the existing 8-inch sewer main in Mira Mesa Avenue that then connects to the existing 18-inch sewer main in Pipeline Avenue. 4-inch laterals will be extended into the property.

Pursuant to the Commission's application requirements for service contracts, information must be provided regarding all financial obligations for the extension of service outside an agency's boundaries. The City has submitted an estimated total cost

of \$17,796 in fees and charges for the extension of water and sewer service to the parcel. Following is a table with a detailed calculation of the City's related fees:

Water and Sewer Fees	Cost
Water Development Impact Fee	\$2,589
Sewer Development Impact Fee	\$552
IEUA Fee	\$6,955
4-inch lateral at \$75/ft. (50 ft.x2) <i>by owner</i>	\$7,500
City Permit	\$200
TOTAL	\$17,796

In addition to the cost outlined above, the property owners will be responsible for any other costs related to the installation of the lateral extensions (i.e. permit fees, road repair, etc.).

ENVIRONMENTAL DETERMINATION:

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Dodson and Associates, has reviewed this proposal and has indicated that it is his recommendation that the review of LAFCO SC#470 is 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 service agreement has no potential to cause a significant adverse impact on the environment; and therefore, the proposal is exempt (under the "Common Sense Rule") from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061(b)(3).

CONCLUSION:

The purpose of the service contract review is to receive authorization to provide water and sewer service outside its boundaries via contract to the parcel that requires connection to the City of Chino's water/sewer facilities.

Staff has reviewed this request for authorization to provide water and sewer service from the City of Chino outside its corporate boundaries against the criteria established by Commission policy and Government Code Section 56133. The area to be served is within the sphere of influence assigned the City of Chino and is anticipated to become a part of the City sometime in the future. Staff supports the City's request for authorization to provide water and sewer service to APN 1019-071-32 since its facilities are adjacent to the parcel.

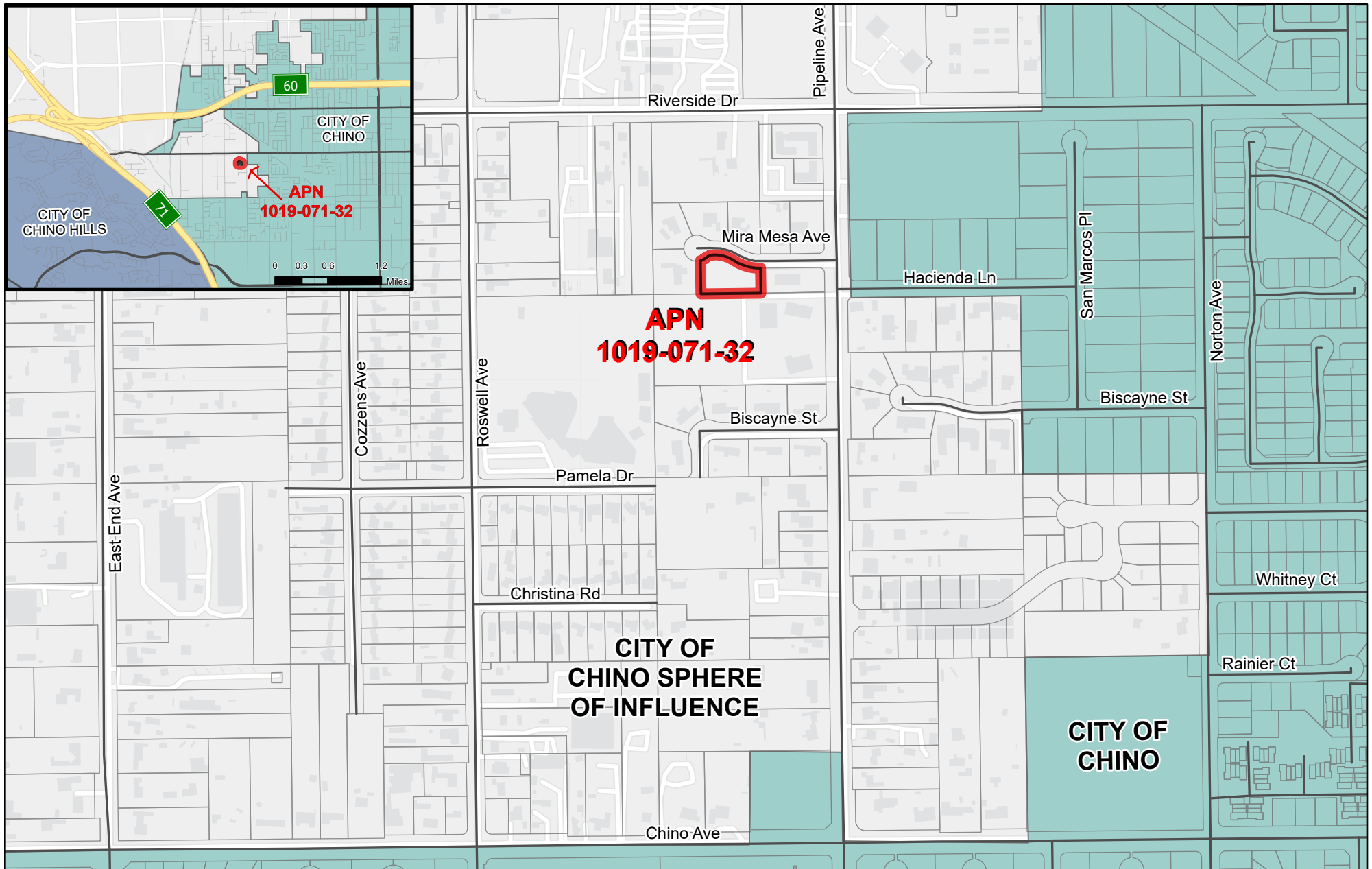
DETERMINATIONS:

1. The parcel, identified as APN 1019-071-32, is within the sphere of influence assigned the City of Chino and is anticipated to become a part of that City sometime in the future. The application requests authorization to receive City of Chino water and sewer service.

2. The City of Chino's Irrevocable Agreement to Annex being considered is for the provision of water and sewer service to APN 1019-071-32, generally located on the south side of Mira Mesa Avenue, a residential subdivision located on the west side of Pipeline Avenue between Riverside Drive and Chino Avenue, within the City of Chino's northwestern sphere of influence. This contract will remain in force in perpetuity or until such time as the area is annexed. Approval of this request for authorization will allow the property owner and the City of Chino to proceed in finalizing the contract for the extension of water and sewer service.
3. The fees charged this project by the City of Chino for the extension of water and sewer service are identified as totaling \$17,796 (for a breakdown of charges, see table on page 3). Payment of these fees is required prior to connection to the City's water/sewer facilities. In addition, the property owner will be responsible for the entire costs of the installation of the lateral extensions.
4. As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the service contract submitted by the City of Chino and recommended that this application is exempt from environmental review. A copy of Mr. Dodson's response is included as Attachment #3 to this report.

Attachments:

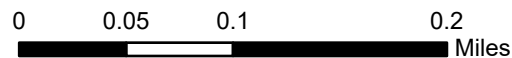
1. [Vicinity Maps](#)
2. [City of Chino's Application and Contract](#)
3. [Response from Tom Dodson and Associates](#)
4. [Draft Resolution #3338](#)



LAFCO SC #470 - City of Chino Irrevocable Agreement to Annex for Sewer Service (APN 1019-071-32)



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



- City of Chino
- City of Chino Hills
- APN 1019-071-32

RIVERSIDE DR

EXHIBIT B

COZZENS AVE

EXISTING WATER LINE
6" PVC

MIRA MESA

EXISTING SEWER LINE 8" VCP

4059 MIRA MESA AVE
APN 1019-071-32

HACIENDA

DORIS
DICKSON
ELEMENTARY

PROPOSED 4"
WATER LATERAL

PROPOSED 4"
SEWER LATERAL
BISCAYNE

MELROSE

PAMELA

PIPELINE AVE

PRECIADO

COZZENS AVE

ROSWELL AVE

CHRISTINA

COUNTY OF SAN BERNARDINO

CITY OF CHINO

CHINO AVE

SAN MARTIN PL
SAN PEDRO PL

EXISTING WATER LINE 8" PVC

SEWER SERVICE OUTSIDE CITY IF CHINO BOUNDARY

**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 Chino
CONTACT PERSON: Christoper Magdosku
ADDRESS: 13220 Central Avenue
Chino, CA 91710
PHONE: 909 - 334-3417
EMAIL: cmagdosku@cityofchino.org

CONTRACTING PARTY:

NAME OF PROPERTY OWNER: Fabian Huizar & Rosa A. Alvarez
CONTACT PERSON: Fabian Huizar
MAILING ADDRESS: 12835 Tebo Avenue
Chino, CA 91710
PHONE: (818) 632-9227
EMAIL: fabian@moddb.la
ADDRESS OF PROPERTY PROPOSED FOR CONTRACT: 4059 Mira Mesa Avenue
Chino, CA 91710
CONTRACT NUMBER/IDENTIFICATION: See attached legal description
PARCEL NUMBER(S): 1019-071-32
ACREAGE: 20,000 SF to 1.50 acres

*Extension of Service by Contract
Application Form*

(FOR LAFCO USE ONLY)

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

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

Sewer and water services to single-family residential property in the SOI.

- (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.

Owner requested to connect to the City's sanitary sewer and water systems as a
better long-term solution than constructing an on-site septic system for
the project, as conditioned by the County.

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 property owner and the City will enter into an Irrevocable Agreement
to Annex to the City of Chino.

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 property is located roughly 300 feet from the City's boundary.

Annexation will not occur until a tract or whole block is ready to annex.

*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.

See response 4(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).

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

Vacant Land

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

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

n/a

*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.

The property is located at 4059 Mira Mesa Avenue. The owner will arrange for a contractor to install 4" laterals from the property to the existing 8" sewer line and 6" water line in Mira Mesa Avenue, which connects to the City's 18" sewer line and 8" water line in Pipeline Avenue.

See attached exhibit, Permits must be obtained from the City of Chino and the County of San Bernardino.

*Extension of Service by Contract
Application Form*

(FOR LAFCO USE ONLY)

- (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>
Sewer DIF	\$ 552.00	\$ 552.00
Water DIF	\$2,589.00	\$ 2,589.00
IEUA SFDF Fee (post 1979 construction)	\$6,955.00	\$ 6,955.00
4" Lateral, 50 feet @ \$75/ft by owner x 2	\$ 75.00	\$ 7,500.00
City Permit	\$ 200.00	\$ 200.00
		\$17,796.00
Note: Does not include other costs such as		
County permit fees, mobilization, road		
repair, etc.		
Total Costs		\$17,796.00

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

SB County permits for both on-site private sewer and road/sidewalk

- (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).

Not applicable.

- 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.

See attached City Council Resolution #2020-060

CERTIFICATION

As a part of this application, the City of Chino agrees 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.

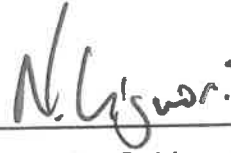
The agency signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless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

Nicholas S. Liguori, AICP

POSITION TITLE:

Director of Development Services

DATE:

7/22/21

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

RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO:

City of Chino
City Clerk
P.O. Box 667
Chino, CA 91708

Exempt from recording fees according to
Government Code Section No. 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

COVENANT AGREEMENT TO ANNEX AND FOR SANITARY SEWER & POTABLE WATER CONNECTIONS

This Covenant Agreement ("**Agreement**") is made this ____ day of _____, 2021, by and between the City of Chino, a municipal corporation, hereinafter referred to as "**City**", and Fabian Huizar and Rosa A. Alvarez hereinafter referred to as "**Owner**."

RECITALS

A. Owner owns that certain real property located at 4059 Mira Mesa Avenue, Chino, CA (APN 1019-071-32) in the County of San Bernardino, State of California, and more particularly described in Exhibit "A" attached hereto ("**Property**").

B. The Property is outside of City's territorial boundaries but within City's Sphere of Influence.

C. Owner has requested permission to connect the Property, and existing and/or proposed improvements on the Property, to the City's sanitary sewer and potable water systems ("**Sewer and Water**").

D. City is willing to allow Owner to connect the Property to Sewer and Water on the condition that Owner (i) enter into an irrevocable agreement to annex the Property to the City at such time as the City determines a sufficient number of parcels are assembled for annexation and the number of parcels or area qualifies for annexation in accordance with the Local Agency Formation Commission (LAFCO) policy pertaining to such annexations, and (ii) that Owner agrees to develop the Property in accordance with the City's General Plan and in conformance with all City codes and standards pertaining to Sewer and Water.

E. As required by Government Code Section 56133, the City has requested and received approval from the Local Agency Formation Commission (LAFCO) of San Bernardino County ("**LAFCO**") to provide Sewer and Water services to the Property.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are incorporated herein by reference.

2. **Effective Date; Duration.** This Agreement shall be effective ("**Effective Date**") on the date it is recorded in the Official Records of San Bernardino County ("**Official Records**") and shall continue in full force and effect until terminated in accordance with Section 7 below. Owner shall execute and acknowledge this Agreement and deliver it to City for execution after which City shall have it recorded in the Official Records and send a recorded copy to Owner.

3. **Owner's Representations and Warranties.** Owner represents and warrants to the City that, as of the Effective Date, Owner is the fee owner of the Property, that there are no other owners of the Property other than those listed in this Agreement, and that Owner has authority to execute this Agreement which shall be binding on the Property.

4. **Covenants, Restrictions and Obligations.** Owner covenants and agrees as follows:

(a) **Annexation.**

(i) At such time as the City decides to seek annexation of the Property to the City ("**Annexation**"), in the City's sole discretion, Owner shall consent to the Annexation, shall fully cooperate with and provide all necessary assistance to the City during the Annexation process, and shall take all actions required to effectuate the Annexation. Owner waives all rights to protest or otherwise oppose the Annexation of the Property to the City of Chino. Specifically, Owner shall not present any written or oral protest of or objection to Annexation to LAFCO and shall not object (either orally or in writing) to any proposal by LAFCO to waive protest proceedings concerning the Annexation, whether at a public hearing or otherwise.

(ii) Additionally, Owner shall pay all fees and costs, at the time that they become due and payable, as would ordinarily be charged to an Owner whose property is being considered for annexation or is annexed to the City, if any.

(b) **Development of Property.** Upon and after connecting the Property to Sewer and Water, Owner shall use and develop the Property only in a manner consistent with the permitted use(s) for the Property as show in the Land Use Element of the City's General Plan ("**General Plan**"), in addition to any other land use and development standards imposed by the County of San Bernardino. Prior to connecting to and receiving Sewer service, Owner shall provide the City with sufficient information and documentation, including plans, drawings, and specifications, if necessary, to demonstrate to the City's reasonable satisfaction that the existing or proposed use of the Property is consistent with the General Plan. Notwithstanding any other provision of this Agreement, a current or proposed use that is not consistent with the General Plan will not be permitted to connect to Sewer and Water.

(c) **Sewer and Water Connection.** Owner shall (i) pay all fees, charges, and deposits required by the City and the Inland Empire Utilities Agency for connection to and

use of the Sewer and Water, (ii) shall complete all improvements required to extend the Sewer and Water to the Property, in accordance with City standards (as determined by the City Engineer), at Owner's sole expense; and (iii) shall comply with all City codes and standards regarding use of the Sewer and Water, including but not limited to, discharge regulations.

5. **Extension of Sewer and Water Services.** City agrees to allow the Property to connect to Sewer and Water, subject to Owner's compliance with the terms of this Agreement and subject to any conditions imposed by LAFCO in its approval of City's request to extend Sewer and Water services to the Property, if any, which are incorporated herein.

6. **Runs with the Land.** This Agreement shall run with and burden the Property and all future owners, tenants, and occupants of the Property, and shall run in favor of the City in gross as a covenant and equitable servitude and shall benefit all real property owned by the City from time to time.

7. **Release of Covenant.** Provided Owner is not in default of this Agreement, Owner may request that this Agreement be released by sending written notice to City requesting the release after the Property has been annexed to the City of Chino. Upon confirmation of compliance with the foregoing to the reasonable satisfaction of the City, City shall execute a release in a form approved by the City Attorney, which shall be executed and acknowledged by the City and recorded in the Official Records. The release may be executed by the City Manager.

8. **Violations; Remedies.**

(a) **Breach of Annexation Covenant.**

(i) Owner's breach of Section 4(a)(i) of this Agreement will cause substantial injury to the City, including but not limited to delaying and potentially preventing City's ability to annex the Property and other properties to the City, which is the City's primary aim and intent in entering into this Agreement. Since the determination of actual damages caused by a breach of Section 4(a)(i) would be difficult or impractical to determine, City and Owner agree that if Owner breaches Section 4(a)(i) either by making a protest or objection as described in Section 4(a)(i) or refusing to take any actions required to effectuate the Annexation, Owner shall be liable for and shall pay to the City the sum of Ten Thousand Dollars (\$10,000), and shall also reimburse the City for all costs (including legal fees) incurred by the City as a result of Owner's breach, all of which shall be due upon demand by the City, and shall be due whether or not Owner's breach prevents Annexation. City may also seek any other remedy for such breach available under law.

(ii) If Owner refuses or fails to timely make any payment described in Section 4(a)(ii), Owner authorizes City to make such payment on Owner's behalf and Owner shall reimburse City for such payment within (30) days of a written demand by the City.

(b) **Breach of Sewer Regulations.** If the City believes Owner has violated Section 4(c) of this Agreement, City may provide written notice of breach and demand that Owner remedy the breach within thirty (30) days of receipt of the notice. If Owner fails to remedy the breach in the specified time period and provide proof thereof to the reasonable satisfaction of

the City, Owner shall be liable for and shall pay to the City One Hundred Dollars (\$100.00) per day until the breach is cured to the City's reasonable satisfaction.

(c) **Rights and Remedies are Cumulative.** The rights and remedies of the City listed in this Section 8 are cumulative and the exercise by City of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by Owner.

(d) **Lien.** If any amount due to the City under this Section 8 is not paid within thirty (30) days of a written demand by the City, City shall have the right to record a lien against the Property for such amount.

9. **Amendment or Modification.** This Agreement may not be amended or modified except (i) in writing executed by the then current owner(s) of the Property and the City, and (ii) recorded in the Official Records.

10. **Notices.** Any notice to be given under this Agreement shall be given by personal delivery or by depositing the same in the United States Mail, certified or registered, postage prepaid, at the following addresses:

City: City of Chino
13220 Central Avenue
Chino, CA 91710
Attn: Director of Development Services

With Copy to: City of Chino
13220 Central Avenue
Chino, CA 91710
Attn: City Attorney

Owner: Fabian Huizar & Rosa A. Alvarez
12835 Tebo Avenue
Chino, CA 91710

Any notice delivered personally shall be effective upon delivery. Any notice given by mail as above provided shall be effective forty-eight (48) hours after deposit in the mail. Any party may change address for notice by giving written notice of such change to the other party.

11. **Miscellaneous.**

(a) **Severability.** If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

(b) **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California and any legal action shall be brought in a court of competent jurisdiction in San Bernardino County.

(c) **Attorney's Fees.** In the event of any litigation or other legal proceeding arising from this Agreement, the prevailing party will be entitled to recover, in addition to any other relief awarded or granted, its reasonable costs and expenses, including attorney's fees, incurred in the proceeding.

(d) **Final Agreement.** This Agreement contains the entire understanding and agreement with respect to the subject matter of this Agreement and all prior or contemporaneous documents, communications, understandings, representations, and statements shall be of no force or effect.

(e) **Construction.** This Agreement shall be construed according to its fair meaning as if prepared by all parties to this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

(f) **No Waiver.** The failure to enforce any term, covenant, or condition of this Agreement shall not be construed as a waiver of the right to enforce this, or any other, term, covenant, or condition of this Agreement.

(g) **Counterparts.** This Agreement may be executed in any number of counterparts each of which shall be an original but all of which shall constitute one and the same document.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective officials thereunto duly authorized.

CITY:

CITY OF CHINO, a municipal corporation

Matthew C. Ballantyne, City Manager

ATTEST:

Angela Robles, City Clerk

**APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP**

Fred Galante, City Attorney

APPROVED AS TO CONTENT:

Nicholas S. Liguori, AICP
Director of Development Services Department

OWNER:

By: 
Fabian Huizar

By: 
Rosa A. Alvarez

Title: Property Owners

Address: _____

[OWNER'S SIGNATURE SHALL BE NOTARIZED]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE § 1189**

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

State of California)

County of San Bernardino)On October 4, 2021 before me, Rosalinda Olguin, Notary Public,

Date

Here Insert Name and Title of the Officer

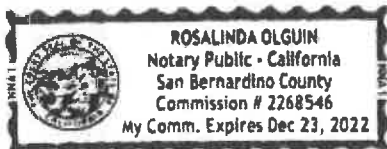
personally appeared Fabian Huizar and Rosa A. Alvarez

Name(s) of Signer(s)

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 [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

to Annex and for Sanitary Sewer & Potable Water

Title or Type of Document: Covenant Agreement ^ Connections Document Date: _____Number of Pages: 7 Signer(s) Other Than Named Above: _____**Capacity(ies) Claimed by Signer(s)**

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

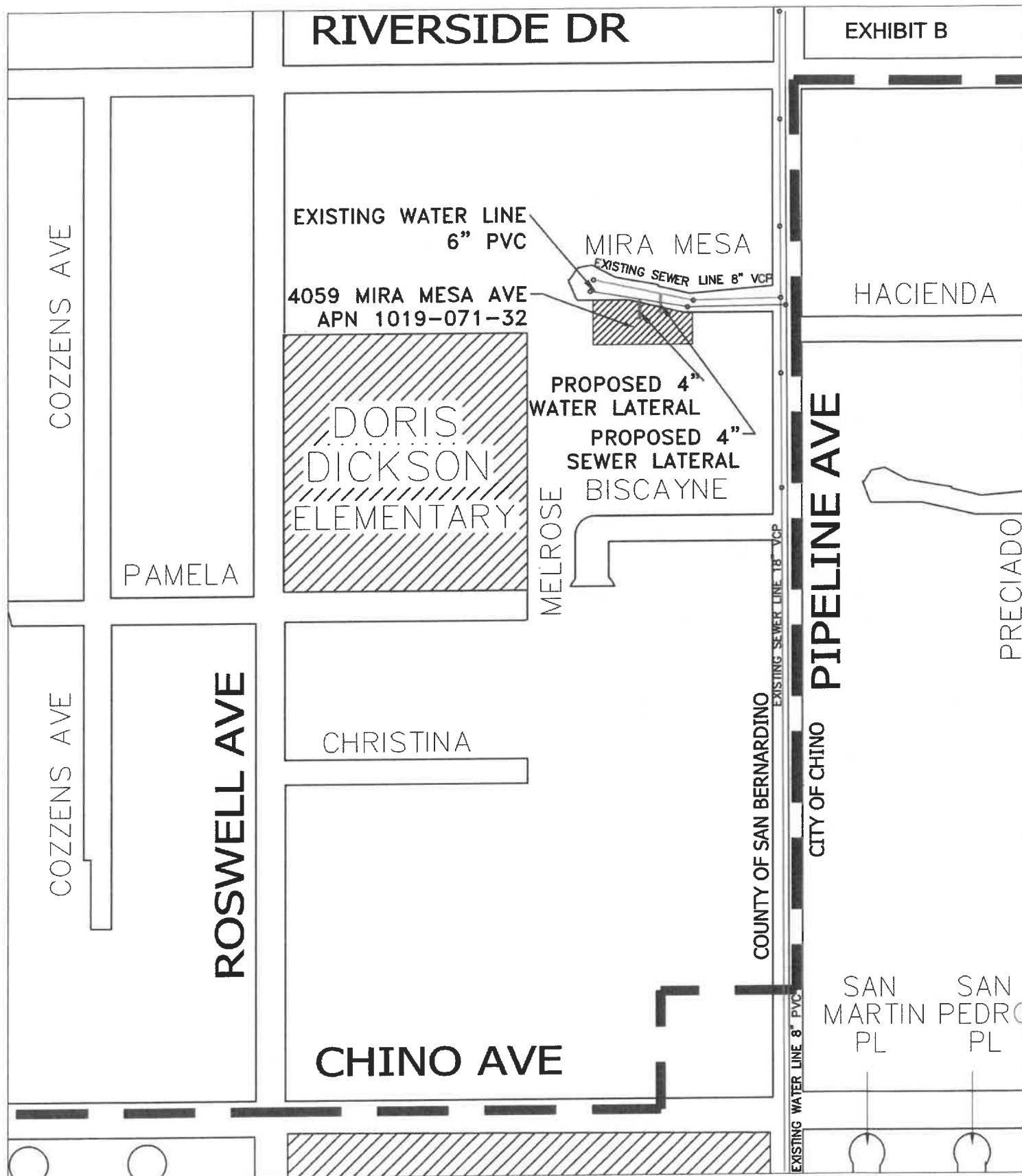
EXHIBIT A

PROPERTY DESCRIPTION

That certain real property in the County of San Bernardino, State of California, legally described as follows:

LOT 5, OF TRACT 16415, AS PER MAP RECORDED IN BOOK 318, PAGE(S) OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 1019-071-32



SEWER SERVICE OUTSIDE CITY IF CHINO BOUNDARY

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



November 1, 2021

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

RECEIVED

NOV 01 2021

LAFCO
San Bernardino County

Dear Sam:

I have completed the California Environmental Quality Act (CEQA) review of out-of-area service contract, SC#470 for the Commission. LAFCO SC#470 would permit the City of Chino to extend water and sewer service to a single parcel of land located in unincorporated territory on the west side of the City in its western Sphere of Influence. The parcel is located on the south side of Mira Mesa Avenue, west of Pipeline Avenue and south of Riverside Drive. If approved, the service extensions would provide water and sewer services and allow a single-family residence to be constructed in the near-term future on the lot that is currently vacant. If SC#470 is approved, this parcel would be connected to City of Chino's potable water distribution system and sewer collection system. An eight-inch (8") sewer and a potable water line are located in Mira Mesa and laterals will be extended to the property. In return, the owner makes a commitment to ultimately annex this parcel to the City. At the present time the property is noncontiguous with the City's boundary.

Based on the above proposal and the findings presented below, it appears that LAFCO SC#470 can be implemented without causing significant adverse environmental impacts. LAFCO will consider this extension of service contract as the CEQA lead agency. Based on the limited development that can ultimately be developed on this property, this project has no potential to cause a significant adverse impact on the environment. Therefore, I conclude that LAFCO SC#470 does not constitute a project under CEQA and adoption of the exemption (under the "common sense rule") and filing of a Notice of Exemption is the most appropriate determination to comply with the CEQA. This process is found in Section 15061(b)(3). The Commission can approve this review and finding for this action and I recommend that you notice LAFCO SC#470 as exempt from CEQA for the reasons outlined in the State CEQA Guideline section referenced above. The Commission needs to file a Notice of Exemption (NOE) with the County Clerk to the Board for this action once a decision is made for this out-of-area service agreement.

Thus, after independent review of this proposed action, the proposed water and sewer service extensions to this lot does not appear to have any potential to significantly alter the existing physical environment. Extending these utilities services has no effect on land uses which are governed by the County. Thus, this service extension does not involve any change in the authorized end use, which will consist of a single-family residence in the near future. Since no other project is pending or will occur as a result of approving this application, no other potential significant physical changes in the environment are forecast to result from this action.

Based on a review of LAFCO SC#470 and the pertinent sections of CEQA and the State CEQA Guidelines, I believe it is appropriate for the Commission's CEQA environmental determination to cite the "common-sense" exemption, as adequate CEQA compliance in accordance with the

Commission's CEQA lead agency status. If you have any questions regarding these recommendations, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink that reads "Tom Dodson". The signature is written in a cursive, flowing style.

Tom Dodson

TD/cmc

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#470

HEARING DATE: NOVEMBER 17, 2021

RESOLUTION NO. 3338

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO SC#470 – CITY OF CHINO IRREVOCABLE AGREEMENT TO ANNEX FOR WATER AND SEWER SERVICE (APN 1019-071-32)

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 extension 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 November 17, 2021 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. 3338

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 property identified as Assessor Parcel Number 1019-071-32 is within the sphere of influence assigned the City of Chino and is anticipated to become a part of that City sometime in the future. The application requests authorization to receive City of Chino's water and sewer service.
2. The City of Chino's Irrevocable Agreement to Annex being considered is for the provision of water and sewer service to Assessor Parcel Number 1019-071-32. This contract will remain in force in perpetuity or until such time as the area will be annexed. Approval of this application will allow the property owner and the City of Chino to proceed in finalizing the contract for the extension of water and sewer service.
3. The fees charged this project by the City of Chino for water and sewer service are identified as totaling \$17,796 (a breakdown of charges is on file in the LAFCO office). Payment of these fees is required prior to connection to the City's water/sewer facilities. In addition, the property owner shall bear all costs to complete improvements needed to extend the services to the parcel.
4. The Local Agency Formation Commission for San Bernardino County has determined that this service contract is exempt from environmental review since it does not have the potential for resulting in physical changes in the environment (Section 15161[b] [3] of the State California Environmental Quality Act Guidelines). Therefore, this proposal is not subject to environmental review under the provisions of the State CEQA Guidelines section cited above or the Commission's adopted CEQA Guidelines. The Commission hereby adopts the Statutory Exemption and directs its Executive Officer to file a Notice of Exemption within five (5) working days with the San Bernardino County Clerk of the Board of Supervisors.

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

SECTION 3. The Local Agency Formation Commission for San Bernardino County does hereby determine to approve the service extension contract submitted by the City of Chino to provide water and sewer service to Assessor Parcel Number 1019-071-32.

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#470 – City of Chino Irrevocable Agreement to Annex for Water and Sewer Service (APN 1019-071-32), has been approved.

RESOLUTION NO. 3338

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 November 17, 2021.

DATED:

SAMUEL MARTINEZ
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

DATE: NOVEMBER 10, 2021 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #7: LAFCO SC#474 – City of San Bernardino Irrevocable Agreement to Annex No. 2021-366 for Sewer Service (APN 0265-191-19)

INITIATED BY:

City of San Bernardino, on behalf of the property owner

RECOMMENDATION:

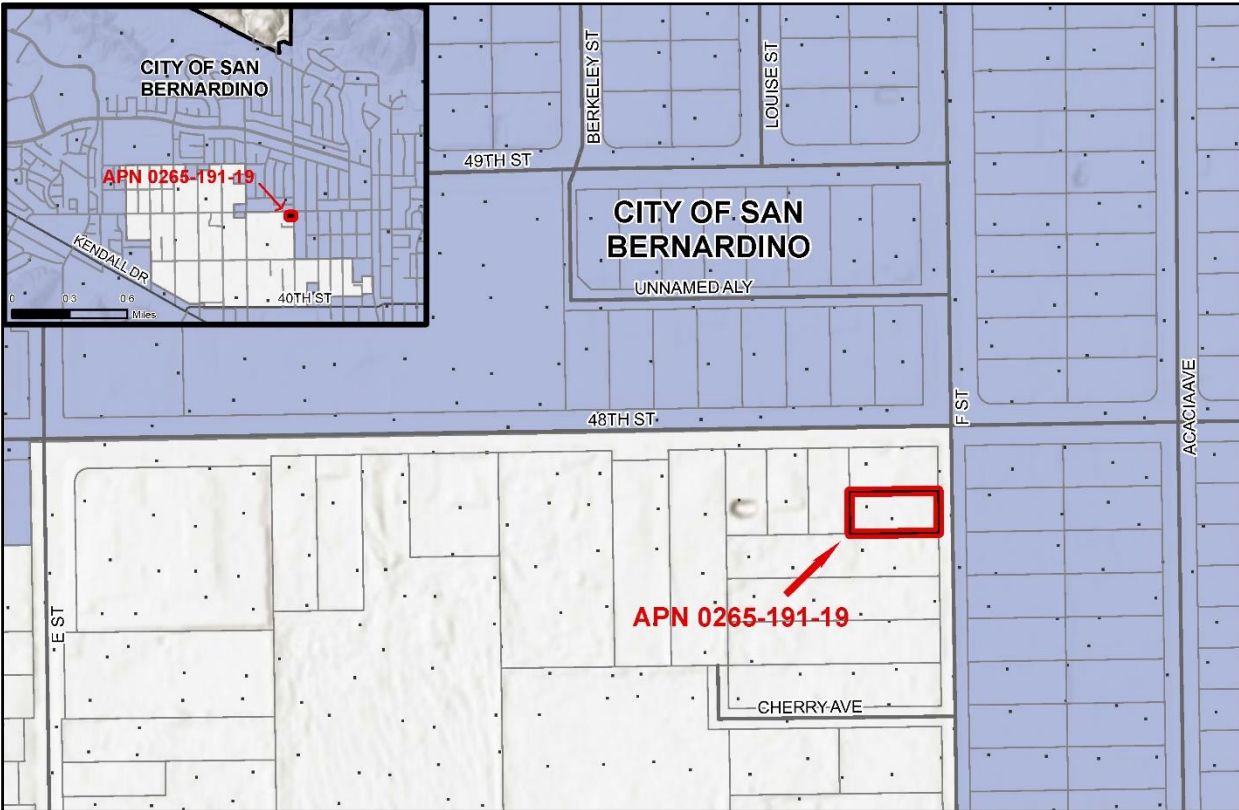
Staff recommends that the Commission approve LAFCO SC#474 by taking the following actions:

1. Certify that LAFCO SC #474 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 #474 authorizing the City of San Bernardino to extend sewer service outside its boundaries to Assessor Parcel Number 0265-191-19.
3. Adopt LAFCO Resolution #3341 setting forth the Commission's determinations and approval of the agreement for service outside the City of Chino's boundaries.

BACKGROUND:

The City of San Bernardino (City) submitted a request for approval of an out-of-agency service agreement that outlines the terms by which it will extend sewer service outside its boundaries. The agreement relates to Assessor Parcel Number (APN) 0265-191-19, generally located on the west side of F Street, between 48th and 41st Streets, in the City's unincorporated Arrowhead Farms community, within the City of San Bernardino's northern

sphere of influence. The map below, along with a map outlining the location of the infrastructure to be extended, is included as Attachment #1.



The parcel currently has an existing single-family residence on it. An accessory dwelling unit (ADU) is being added on the site that requires connection to the City's water and sewer facilities.

The existing dwelling unit on the parcel already receives water service from the City. In 2010, the Commission confirmed that the provision of water service by the City of San Bernardino within the area previously served by the Arrowhead Valley Mutual Water Company—which includes this parcel—is exempt from further review under Government Code Section 56133 (LAFCO SC#352). Therefore, the provision of water service to the parcel does not require further LAFCO consideration.

However, the extension of sewer service will require a contract with the City for the provision of service outside its boundaries. Therefore, the City, on behalf of the property owner, has requested that the Commission authorize the extension of sewer service to the parcel pursuant to the provisions of Government Code Section 56133. Authorization of this agreement is required before the City can take the final actions to implement the terms of the agreement.

PLAN FOR SERVICE:

The City's application, included as Attachment #2, identifies that sewer service will be provided through connection to the City's existing 8-inch sewer main in F Street.

Pursuant to the Commission's application requirements for service contracts, information must be provided regarding all financial obligations for the extension of service outside an agency's boundaries. The City has submitted an estimated total cost of \$5,600 in fees and charges for the extension of sewer service to the parcel. Following is a list of the City's sewer fees:

Sewer Fees	Cost
Sewer Capacity Fee - \$3,500/EDU	\$3,500
Sewer Connection Fee - \$420/Bedroom	\$2,100
Total	\$5,600

In addition to the cost outlined above, the property owner will be responsible for the entire cost of the construction and installation of the sewer improvement to the parcel.

ENVIRONMENTAL DETERMINATION:

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Dodson and Associates, has reviewed this proposal and has indicated that it is his recommendation that the review of LAFCO SC#474 is 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 service agreement has no potential to cause a significant adverse impact on the environment; and therefore, the proposal is exempt (under the "Common Sense Rule") from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061(b)(3).

CONCLUSION:

The purpose of the service contract review is to receive authorization to provide sewer service outside its boundaries through connection to the City of San Bernardino's sewer facilities to serve the existing single-family dwelling unit and the accessory dwelling unit on the property.

Staff has reviewed this request for authorization to provide sewer service from the City of San Bernardino outside its corporate boundaries against the criteria established by Commission policy and Government Code Section 56133. The area to be served is within the sphere of influence assigned the City of San Bernardino and is anticipated to become a part of the City sometime in the future. Staff supports the City's request for authorization to provide sewer service to APN 0265-191-19 since its facilities are adjacent to the parcel.

DETERMINATIONS:

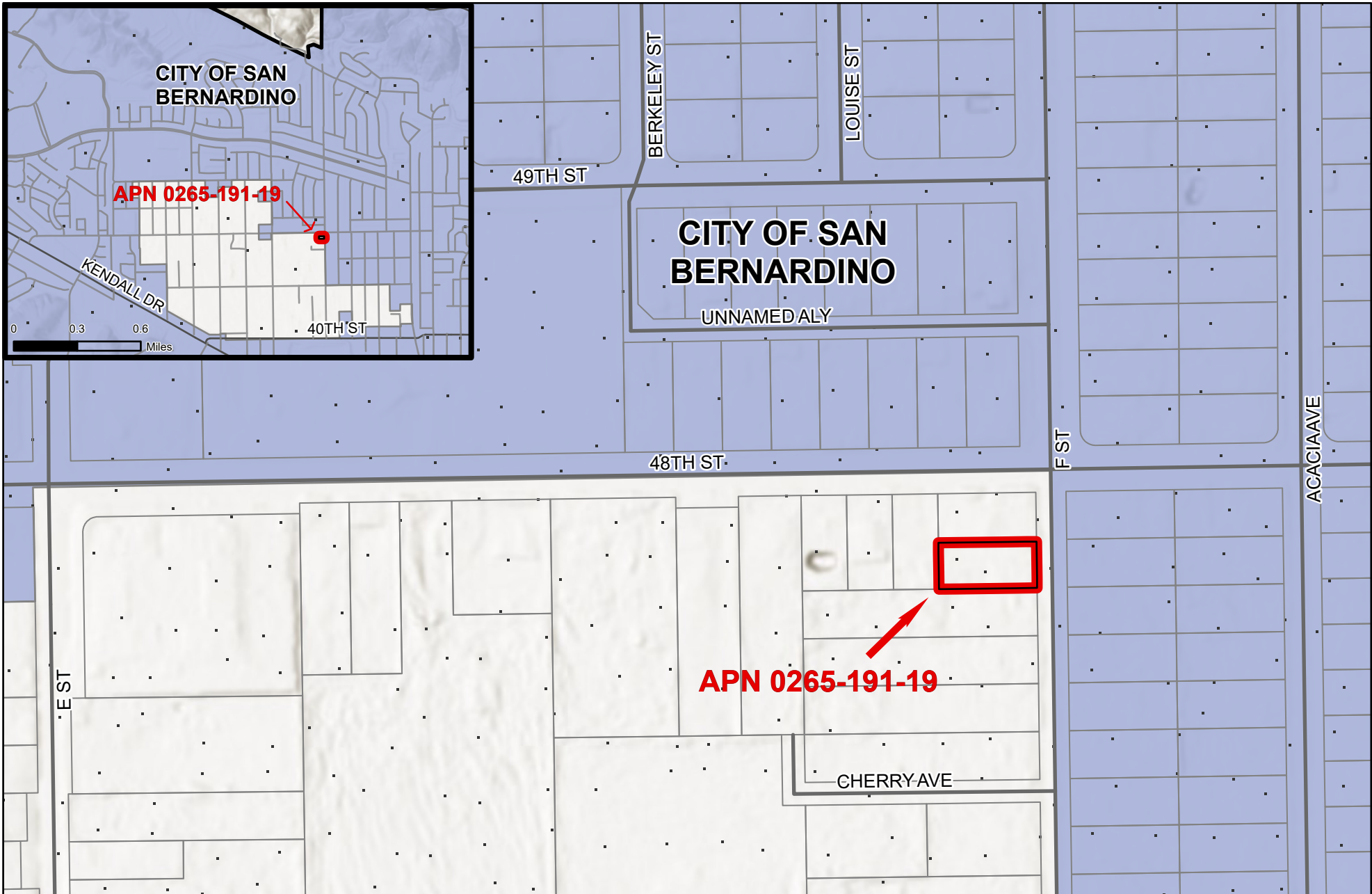
1. The parcel, identified as APN 0265-191-19, is within the sphere of influence assigned the City of San Bernardino and is anticipated to become a part of that City sometime in the future. For water service, the Commission has previously confirmed that the provision of water service within the area previously served by the Arrowhead Valley Mutual Water Company—which includes this parcel—is exempt

from further LAFCO review (LAFCO SC#352). Therefore, the application requests authorization to receive City of San Bernardino sewer service only.

2. The City of San Bernardino's Irrevocable Agreement to Annex No. 2021-366 being considered is for the provision of sewer service to APN 0265-191-19, generally located on the west side of F Street, between 48th and 41st Streets, in the City of San Bernardino's northern sphere of influence. This contract will remain in force in perpetuity or until such time as the area is annexed. Approval of this request for authorization will allow the property owner and the City of San Bernardino to proceed in finalizing the contract for the extension of sewer service to the parcel.
3. The fees charged this project by the City of San Bernardino for the extension of sewer service are identified as totaling \$5,600. Payment of these fees is required prior to connection to the City's sewer facilities. In addition, the property owner will be responsible for the entire costs of the installation of the lateral extension.
4. As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the service contract submitted by the City of San Bernardino and recommended that this application is exempt from environmental review. A copy of Mr. Dodson's response is included as Attachment #3 to this report.

Attachments:

1. [Vicinity Maps](#)
2. [City of San Bernardino's Application and Contract](#)
3. [Response from Tom Dodson and Associates](#)
4. [Draft Resolution #3341](#)



**LAFCO SC#474 – City of San Bernardino Irrevocable Agreement
to Annex No. 2021-366 (APN 0265-191-19)**



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

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Miles



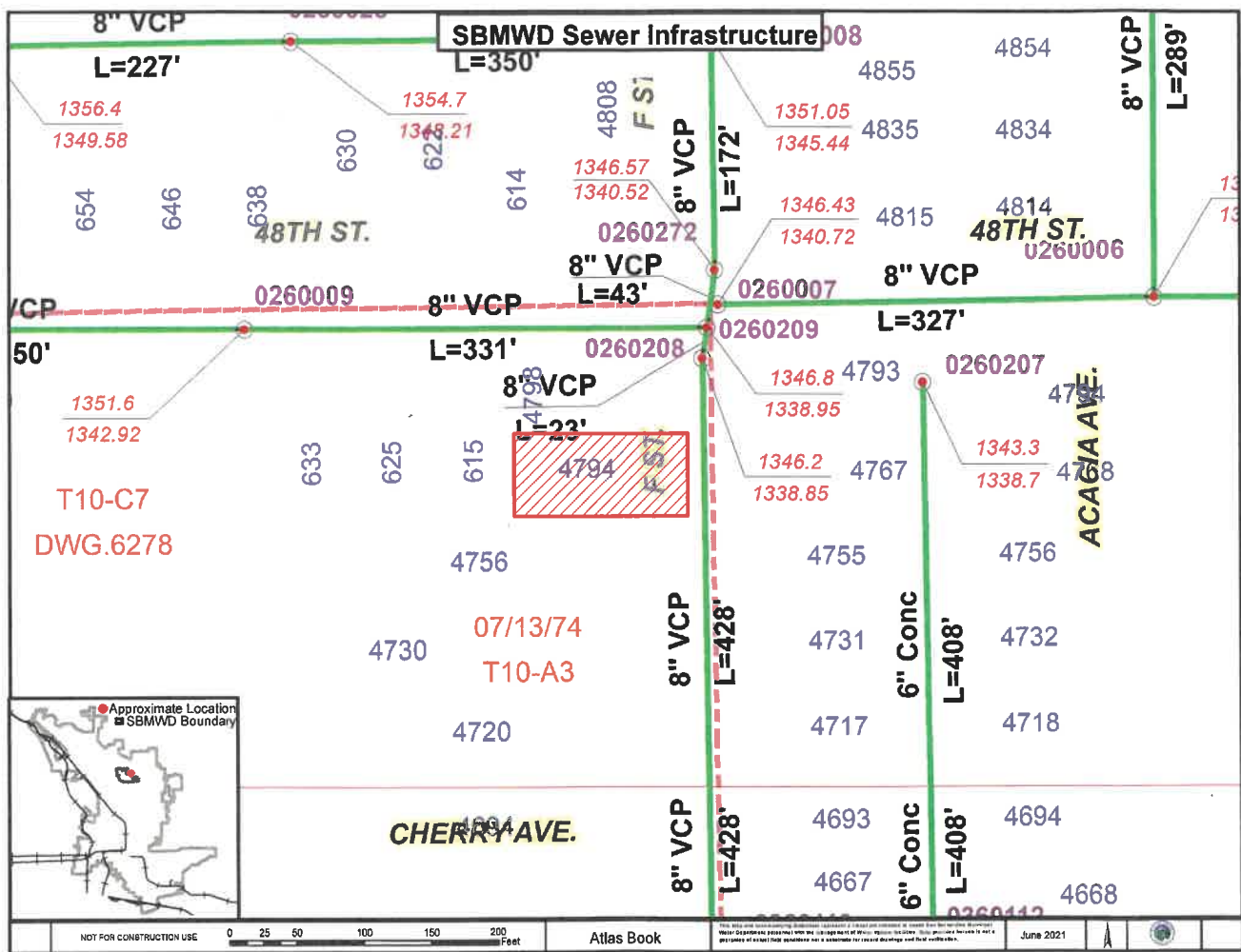
APN 0265-191-19



City of San Bernardino



City of San Bernardino Sphere of Influence



SAN BERNARDINO LAFCO APPLICATION FOR EXTENSION OF SERVICE BY CONTRACT

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

AGENCY TO EXTEND SERVICE:

AGENCY NAME: San Bernardino Municipal Water Department

CONTACT PERSON: Ted Brunson

ADDRESS: 397 Chandler Place
San Bernardino, CA 92408

PHONE: (909) 453-6165

EMAIL: Ted.Brunson@sbmwd.org

CONTRACTING PARTY:

NAME OF
PROPERTY OWNER: Ms. Ann P. John

CONTACT PERSON: Ms. Ann P. John

MAILING ADDRESS: 1813 Wedgewood Avenue
Upland, CA 91784

PHONE: (626)216-0828

EMAIL: Annpjohn@gmail.com

ADDRESS OF PROPERTY
PROPOSED FOR CONTRACT: 4794 North "F" Street
San Bernardino, CA 91407

CONTRACT NUMBER/IDENTIFICATION: _____

PARCEL NUMBER(S): 0265-191-19

ACREAGE: 0.18 acres (7,927 square feet)

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.

Sanitary Sewer Collection (Sewer Connection)

Waste Water Treatment (Sewer Capacity)

- (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.

Existing sanitary sewer collection mains exist within street fronting parcel.

Existing wastewater treatment plant has available treatment capacity.

Sewer lateral to connect to SBMWD sanitary sewer main to be installed by owner.

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.

SBMWD Sewer Connection Invoice to be paid prior to issuance of permits and sewer connection.

Sewer collection and treatment to be added to property's SBMWD account for monthly billing.

Irrevocable Annexation Agreement was established as a required condition of connection.

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.

City of San Bernardino may elect to annex contiguous portions of San Bernardino County over time. No time frame exists. Goals of providing the City the future opportunity to annex will be furthered by Irrevocable Annexation Agreements for new sewer connections.

- (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.

Not applicable. Annexation is being considered.

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).

Not applicable. Contract property is within Agency's sphere of influence.

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

Single family residence

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

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

To continue as a single family residence

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 checked="" type="checkbox"/>

Building permit with San Bernardino County Building & Safety for ADU addition.

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.

SBMWD 8" VCP sanitary sewer main exists in California Street fronting the contract
property. Capacity exists in the 8" sanitary sewer main, as well as at the San
Bernardino Water Reclamation Plant, to serve this contract property. Sewer lateral
to be installed by owner's licensed contractor (Class A or Classes C-34 & C-42),
from the existing single family residence up to and including the connection to the
the existing sanitary sewer main. All necessary permits for excavation and pavement
replacement to be obtained by owner's contractor with the respective governing
agencies. SBMWD to provide sewer connection permit and certificate of paid sewer
capacity charges, as well as perform inspection of the completed sewer lateral
installation.

Extension of Service by Contract
Application Form

(FOR LAFCO USE ONLY)

- (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>
Sewer Capacity Fee	\$3,500.00/EDU	\$3,500.00
Sewer Connection Fee - Residential	\$420/Bedroom	\$2,100.00
Total Costs		\$5,600.00

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

Outside City Sewer Service Permit Application Fee

Fee amounts to \$1,125.00, due upon receipt of SBMWD application for

sewer service. Fee was paid by project applicant on 6/08/21.

- (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).

Not applicable.

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

CERTIFICATION

As a part of this application, the City/Town of _____, or the _____ SBMWD 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

Ted Brunson

NAME:

Ted Brunson

POSITION TITLE:

Development Services Manager

DATE:

Sep 15, 2021

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 West 3rd Street, Unit 150

San Bernardino, CA 92415-0490

PHONE: (909) 388-0480 • FAX: (909) 388-0481

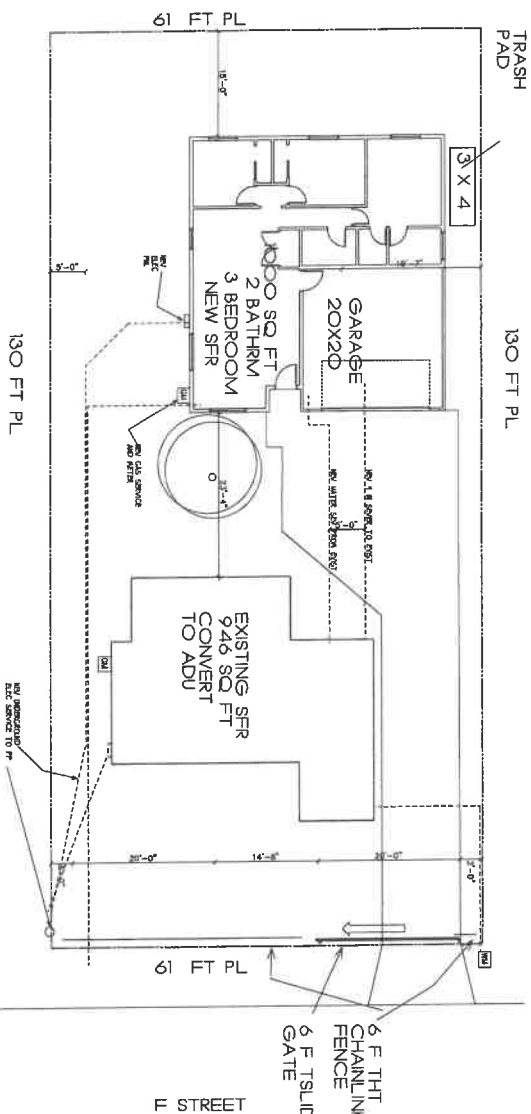
Rev: krm – 8/19/2015

ADU FOR ANN JOHN
1000 SQ FT
PH 626 216 0628

THIS PROJECT SHALL CONSTRUCTED PER THE 2019
EDITION OF THE CALIFORNIA BUILDING CODE TITLE 24
WHICH ADOPTED:
-2019 CBC, RE
-2019 CALIF ELECTRICAL CODE
-2019 CALIF MECH CODE
-2019 CALIF PLUMB CODE
-2019 CALIF FIRE ALARM & COMMUNICATIONS CODE
-2019 CALIF ENERGY STDS.
-2019 GREEN CODE

STORMS
CONSTRUCTION V6
OCCUPANCY R3/U
SPRINKLERED NO

4794 N F ST
San Bernardino, CA 922407
2 beds 1 bath 946 sqft
Lot
7,927 sqft
Lot width: 61 ft
Lot depth: 130 ft
0265191900000



SITE PLAN

SCALE 1 INCH = 8 FT

INDEX

- 1 SITE PLAN
- 2 FLOOR PLAN
- FOUNDATION
- ROOF
- FRAMING
- 3 ELEVATION
- D1 DETAILS
- SW 1 SIMPOSN SRWALL

REV	DATE
1	

SITE PLAN
RES FOR ANN
4794 N F ST

DESIGN	DATE	5	10	20
DRAWN BY:	PL AN CHECK			
CHECKED:	APPROVED			
OWNER APPROVAL:	NO SET			
FORMING CHOICES/REVISIONS/REVISIONS/REVISIONS				

PETE VOLBEDA Architecture Planning
164 N 2ND AVE, SUITE 100, UPLAND CA 91786
TEL 909 373 1150 FAX 909 373 1152



Recorded in Official Records
San Bernardino County

Bob Dutton
Assessor-Recorder-County Clerk

DOC # 2021-0378346

08/23/2021
01:14 PM
SAN
C5032

Titles: 1 Pages: 6
Fees: \$0.00
Taxes: \$0.00
CA SB2 Fee: \$0.00
Total: \$0.00

Ginebome 2

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of San Bernardino
290 N. D Street
San Bernardino, California 92401
Attn: City Manager

Exempt from Recording fee
pursuant to Gov't Code §§ 27383, 6103

(Space above for Recorder's use)

IRREVOCABLE AGREEMENT TO ANNEX
No. 2021-366

This Irrevocable Agreement to Annex ("Agreement"), is entered into this day of August 4, 2021; by and between Ann P. John, Trustee of the Ann P. John Living Trust Dated 12/30/2010 Hereinafter referred to as "OWNER," and the CITY OF SAN BERNARDINO, a charter city and municipal corporation, hereafter referred to as a "CITY." OWNER and CITY may be referred to in this Agreement individually as "Party" and collectively as "Parties".

RECITALS:

WHEREAS, OWNER holds title to the unincorporated parcel, located at 4790 and 4794 North F Street, San Bernardino, California, and parcel is further described as follows: The North 1 Acre of Lot 1, Arrowhead Suburban Farms, in the County of San Bernardino, State of California, as per Plat recorded in Book 21, Page 2 of Maps, in the office of the County Recorder, records of said County, described as follows: Commencing at the Northeast corner of said Lot 1, running thence West 310 feet; thence South 126 feet; thence East 310 feet; thence North 126 feet to the point of beginning with Assessor's Parcel Number(s): 0265-191-19 ("Property").

WHEREAS, the Property is within the CITY's sphere of influence; and

WHEREAS, OWNER desires to obtain CITY's sewage system and wastewater treatment plant service for the Property; and

WHEREAS, CITY's sewage system and wastewater treatment plant service could be provided to the Property by connecting to the CITY's sewage system; and

WHEREAS, CITY's sewage system and wastewater treatment plant have sufficient capacity to convey and treat the sewage generated by the Property; and

WHEREAS, the covenants and conditions set forth herein shall create an equitable servitude upon the parcel, and shall be fully binding upon OWNER's heirs, successors and assigns.

NOW, THEREFORE, the Parties hereto agree as follows:

SECTION I

OWNER AGREES:

- a. To consent to the annexation of the Property to the CITY. OWNER agrees to covenant for itself, its agents, employees, contractors, heirs, successors and assigns ("Successors") not in any way object to, protest, delay, frustrate or otherwise impede any annexation proceedings concerning the annexation of the Property to the CITY. OWNER and its Successors shall cooperate in every reasonable way with the requests of the CITY, the San Bernardino Local Agency Formation Commission ("LAFCO"), or any other public agency in any proceedings to annex the Property to the CITY. The OWNER's and its Successor's cooperation shall include, but not be limited to, the filing of all necessary applications, petitions, plans, drawings, and any other documentation or information required by the CITY, LAFCO, or any other public agency.
- b. To pay such annexation fees and costs and other municipal charges as would ordinarily be charged in the annexation of property to the CITY. Said fees shall be payable when the same becomes due and payable.
- c. To pay all fees and charges and make all deposits required by the CITY to connect to and use the CITY's sewage system and wastewater treatment plant service system, and further agrees to be bound by all CITY ordinances, rules and regulations respecting the sewage system.
- d. To acknowledge that execution of this Agreement to annex is on behalf of all future heirs, successors and assigns; and that said Agreement shall be irrevocable without written consent of CITY.
- e. To comply with the San Bernardino Municipal Code and any rules and regulations promulgated by the Water Board of the San Bernardino Municipal Water Department relating to CITY's sewage system and wastewater treatment plant service system.
- f. To make application to LAFCO, and allow CITY to make application on behalf of the OWNER and pay all application fees, for approval to connect to CITY's sewage system, pursuant to Section 56133 of the Government Code.
- g. To execute a standard form agreement with CITY stipulating the terms and conditions under which the connection to the CITY's sewage system and wastewater treatment plant service system shall be made and maintained.
- h. OWNER acknowledges and agrees that if CITY determines that any attempted annexation fails or is unreasonably delayed because the OWNER or Successor failed to exercise good faith and best efforts to cause or assist in permitting the annexation to occur, any connection to CITY's sewage system and wastewater treatment plant service system permitted or authorized by this agreement may

be disconnected at the sole option of CITY and upon reasonable notice to the OWNER to provide for alternative service.

- i. OWNER agrees to maintain the Property in good condition and in compliance with reasonable residential standards. Reasonable standards are defined as the level of maintenance service necessary to keep the appearance and operation of the Property free from visible defects, deterioration, dirt and debris.
- j. OWNER shall indemnify, defend, and hold the CITY and its officials and staff harmless from any and all liability, claims, costs (including reasonable attorneys' fees), damages, expenses and causes of action resulting from any construction performed under or otherwise related to performance of this Agreement.

SECTION II CITY AGREES:

- a. To allow OWNER's parcel, described hereinbefore, to connect to CITY's sewage system and wastewater treatment plant service system, subject to payment of all applicable fees and permits.

SECTION III BE IT MUTUALLY AGREED, AS FOLLOWS:

- a. City Clerk for CITY shall record this Agreement with the County Recorder.
- b. The benefit to the subject parcel will inure to the benefit of subsequent owners, their heirs, successors, and assigns, and the agreements, conditions, and covenants contained herein shall be binding upon them and upon the land.
- c. The approval granted to connect said parcel to CITY's sewage system and wastewater treatment plant service system is contingent upon OWNER securing approval from LAFCO.
- d. This Agreement may be executed in counterparts.
- e. CITY and OWNER acknowledge that this Agreement is the product of mutual arms-length negotiation and drafting. Accordingly, the rule of construction which provides the ambiguities in a document shall be construed against the drafter of that document shall have no application to the interpretation and enforcement of this Agreement. In any action or proceeding to interpret or enforce this Agreement, the finder of fact may refer to any extrinsic evidence not in direct conflict with any specific provision of this Agreement to determine and give effect to the intention of the parties.
- f. This Agreement may only be amended by the written consent of all of the Parties at the time of such amendment. If either Party commences an action against the other Party arising out of or in connection with this Agreement, the

prevailing party shall be entitled to have and recover from the losing Party reasonable attorneys' fees and costs of suit, and, if CITY is awarded such attorneys' fees and costs, such award shall constitute a lien upon the Property.

- g. Failure to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.
- h. This Agreement has been executed in and shall be governed by the laws of the State of California. Venue shall be in the County of San Bernardino.

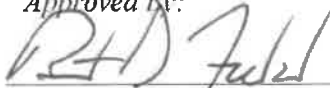
SIGNATURE PAGE TO IRREVOCABLE AGREEMENT TO ANNEX

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be entered into as of the Effective Date set forth above.

CITY OF SAN BERNARDINO

OWNER

Approved By:



Robert D. Field
City Manager

PP.



Sonia Carvalho
City Attorney

Attested By:



Genoveva Rocha
Acting City Clerk


Signature

Ann P. Johns (trustee)
Name

X SEE ATTACHED ACKNOWLEDGEMENT

NOTARY

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

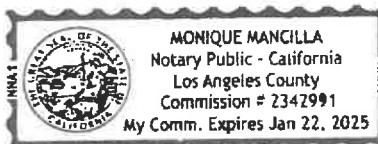
County of SAN BERNARDINO)

On JUNE 29, 2021 before me, MONIQUE MANCILLA, NOTARY PUBLIC
(insert name and title of the officer)

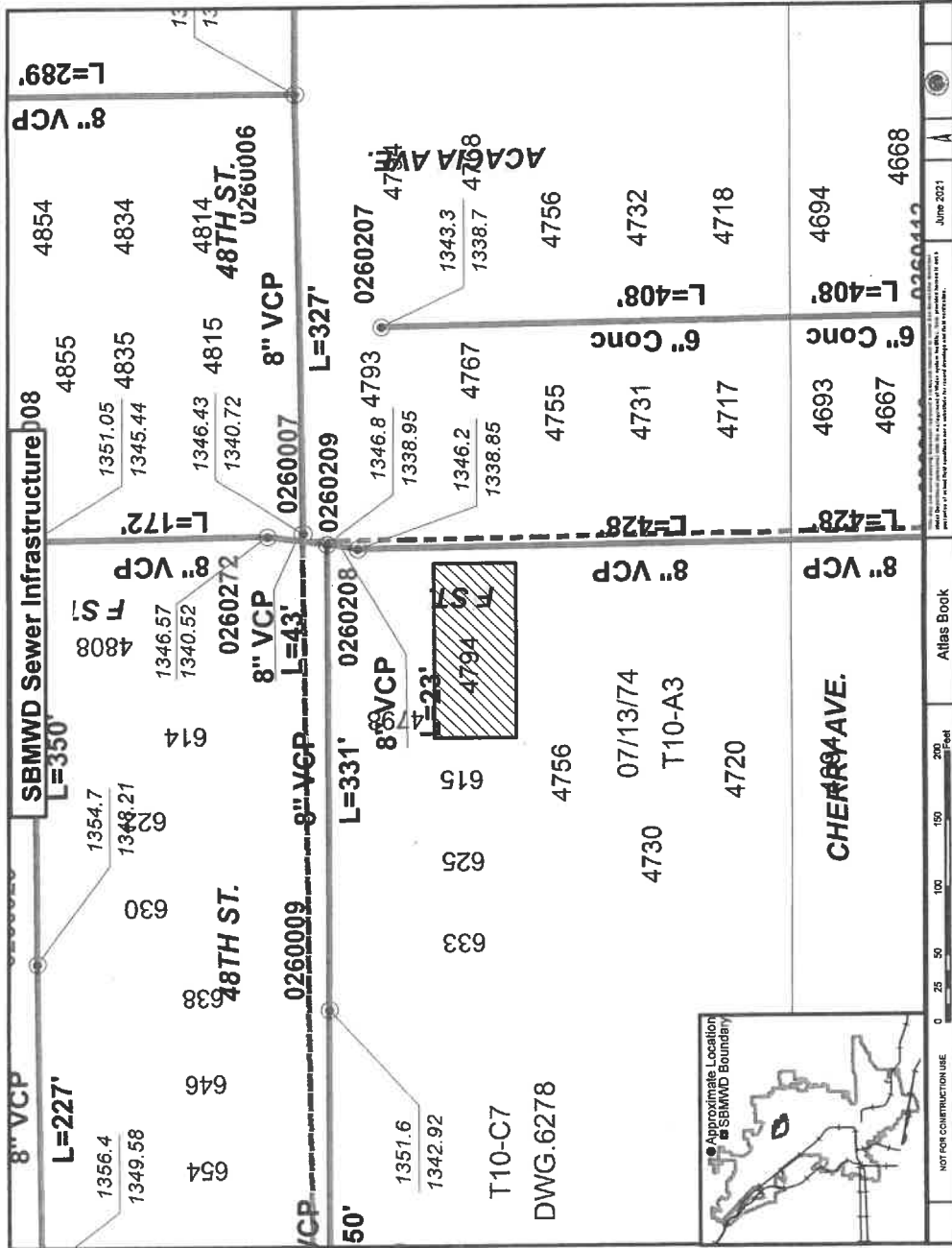
personally appeared ANN P. JOHN
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) 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 *Monique Mancilla* (Seal)



**SAN BERNARDINO MUNICIPAL WATER DEPARTMENT
SEWER LATERAL CONNECTION INVOICE**



Approval:	 Development Services Manager
Approval:	 Warren Huang (Sep 2, 2021 16:17 PDT) Engineering Manager
Approval:	 Steve Miller (Sep 2, 2021 16:41 PDT) Director of WU
Pynt Rcvd By:	Customer Service

Date: September 2, 2021

Request For Information (RFI) No.: 4594

Applicant: **Ms. Ann P. John**
1813 Wedgewood Avenue
Upland, CA 91784

Service Address: **4794 North "F" Street**
APN 0265-191-19

Type of Service: **New Sewer Lateral Connection**
Project No. **11045**
W.F. CATEGORY: **Sewer**

Sewer Lateral Location: Type of Main: **8" Vitrified Clay Pipe**
Location of Main: **Approximately 3 feet west of the
Centerline of "F" Street**

SEWER LATERAL CONNECTION FEE:

The San Bernardino Municipal Water Department (SBMWD) has received a Request For Information (RFI) to install and/or modify a sewer lateral at the address listed above.

Treatment Capacity Charge (\$3,500.00 / EDU)
Sewer Capacity Certificate No. TBD
Total Charge for 1.00 EDUs\$3,500.00
(TREATMENT CAPACITY CHARGE CODE: 85)

Collection Capacity Charge (Residential – Main Dwelling)
\$420.00/Bedroom x 2 Bedrooms
Collection Capacity Charge\$840.00
(COLLECTION CAPACITY CHARGE CODE: 101)

Collection Capacity Charge (Residential - ADU)

\$420.00/Bedroom x 3 Bedrooms

Collection Capacity Charge\$1,260.00

(COLLECTION CAPACITY CHARGE CODE: 101)

Sewer Lateral Inspection Fee.....N/A

(Residence has Existing Sewer Lateral Connection, ADU to Connect On-Site;

SEWER INSPECTION FEE CODE: 72)

Sewer Lateral Connection Fee Total.....\$5,600.00

TERMS OF SEWER LATERAL CONNECTION INVOICE:

Please refer to the rules and regulations adopted by the San Bernardino Municipal Water Department Water Board for all terms of this invoice. The rules and regulations are available on-line at www.sbmwd.org.

All permits required by authorizing agencies shall be submitted to the SBMWD prior to the issuance of a sewer connection permit. All fees shall be paid prior to the issuance of a sewer connection permit.

To ensure the timely inspection of your sewer facilities, we recommend that the payment be made as soon as possible. Please allow up to two (2) weeks lead time between application payment and the required date of inspection required for your new sewer connection installation.

This invoice and commitment to provide inspection supersedes all previous commitments and shall remain in effect for a period of ninety (90) days from date of issuance.

Due to current health concerns during the COVID-19 emergency protocols in place, both the SBMWD Customer Service and Engineering counters are closed to the public.

Check payments are accepted in person via the Customer Service drop-off box at 1350 South "E" Street or by mail to SBMWD Customer Service, Post Office Box 710, San Bernardino, CA 92402. Make checks payable to the SBMWD.

You may also submit payment by e-check or credit card. Please contact SBMWD Customer Service at (909) 384-5141 for details on these alternative payment methods.

For technical questions, please contact Deanna Lestina of the SBMWD's Engineering staff at (909) 453-6175. Once payment is made, please contact SBMWD's Engineering section at (909) 453-6175 regarding scheduling of inspection. Please reference your service address and Project Number 11045 in any communications regarding this project.

TOM DODSON & ASSOCIATES

Mailing Address: PO Box 2307, San Bernardino, CA 92406

Physical Address: 2150 N. Arrowhead Avenue, San Bernardino, CA 92405

Tel: (909) 882-3612 ♦ *Fax:* (909) 882-7015 ♦ *Email:* tda@tdaenv.com



November 9, 2021

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

RECEIVED

NOV 09 2021

LAFCO
San Bernardino County

Dear Sam:

I have completed the California Environmental Quality Act (CEQA) review of out-of-area service contract, SC#474 for the Commission. LAFCO SC#474 would permit the City of San Bernardino to extend sewer service to a single parcel of land located in unincorporated territory on the north side of the City in the City's northern Sphere of Influence. The parcel is located on F Street, just south of 48th Street. If approved, the service extension would provide wastewater collection service and allow the City to issue a building permit for an additional unit on a parcel, APN 0265-191-19, which is a single parcel of about 0.18 acre (7,927 square feet) in size. In return, the owner makes a commitment to ultimately annex this parcel to the City. At the present time the property is contiguous with the City's boundary, but would create an island to the north if annexed now.

Based on the above proposal and the findings presented below, it appears that LAFCO SC#474 can be implemented without causing significant adverse environmental impacts. LAFCO will consider this extension of service contract as the CEQA lead agency. Based on the limited additional development that would be allowed on this property, this project has no potential to cause a significant adverse impact on the environment. Therefore, I conclude that LAFCO SC#474 does not constitute a project under CEQA and adoption of an exemption (under the "Common Sense Rule") 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). The Commission can approve this review and finding for this action and I recommend that you notice LAFCO SC#474 as exempt from CEQA for the reasons outlined in the State CEQA Guideline section referenced above. The Commission needs to file a Notice of Exemption (NOE) with the County Clerk to the Board for this action once a decision is made for this out-of-area service agreement.

Thus, after independent review of this proposed action, the proposed sewer service extension to this lot does not appear to have any potential to significantly alter the existing physical environment. Extending wastewater collection service has no effect on land uses which are presently governed by the County at this location. Thus, this service extension does not involve any change in the authorized end use, which will consist of residential uses now and in the future. Since no other project is pending or will occur as a result of approving this application, no other potential significant physical changes in the environment are forecast to result from this action.

Based on a review of LAFCO SC#474 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 Rule" exemption, as adequate CEQA compliance in accordance with the Commission's CEQA lead agency status. If you have any questions regarding the content of this memo, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Tom Dodson". The signature is written in a cursive, slightly slanted style.

Tom Dodson

TD/cmc

LAFCO/LA-1015 SC#474 NOE Memo

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#474

HEARING DATE: NOVEMBER 17, 2021

RESOLUTION NO. 3341

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO SC#474 – CITY OF SAN BERNARDINO IRREVOCABLE AGREEMENT TO ANNEX NO. 2021-366 FOR SEWER SERVICE (APN 0265-191-19)

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 extension 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 November 17, 2021 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. 3341

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 property identified as Assessor Parcel Number 0265-191-19 is within the sphere of influence assigned the City of San Bernardino and is anticipated to become a part of that City sometime in the future.

For water service, the Commission has previously confirmed that the provision of water service within the area previously served by the Arrowhead Valley Mutual Water Company—which includes this parcel—is exempt from further LAFCO review (LAFCO SC#352). Therefore, the application requests authorization to receive City of San Bernardino's sewer service only.

2. The City of San Bernardino's Irrevocable Agreement to Annex 2021-366 being considered is for the provision of sewer service to Assessor Parcel Number 0265-191-19. This contract will remain in force in perpetuity or until such time as the area will be annexed. Approval of this application will allow the property owner and the City of San Bernardino to proceed in finalizing the contract for the extension of sewer service.
3. The fees charged this project by the City of San Bernardino for the extension of sewer service are identified as totaling \$5,600 (a breakdown of charges is on file in the LAFCO office). Payment of these fees is required prior to connection to the City's sewer facilities. In addition, the property owner shall bear all costs to complete improvements needed to extend the sewer service to the parcel.
4. The Local Agency Formation Commission for San Bernardino County has determined that this service contract is exempt from environmental review since it does not have the potential for resulting in physical changes in the environment (Section 15161[b] [3] of the State California Environmental Quality Act Guidelines). Therefore, this proposal is not subject to environmental review under the provisions of the State CEQA Guidelines section cited above or the Commission's adopted CEQA Guidelines. The Commission hereby adopts the Statutory Exemption and directs its Executive Officer to file a Notice of Exemption within five (5) working days with the San Bernardino County Clerk of the Board of Supervisors.

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

SECTION 3. The Local Agency Formation Commission for San Bernardino County does hereby determine to approve the service extension contract submitted by the City of San Bernardino to provide sewer service to Assessor Parcel Number 0265-191-19.

RESOLUTION NO. 3341

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#474 – City of San Bernardino Irrevocable Agreement to Annex No. 2021-366 for Sewer Service (APN 0265-191-19), 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 November 17, 2021.

DATED:

SAMUEL MARTINEZ
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

DATE: NOVEMBER 10, 2021
FROM: MICHAEL TUERPE, Senior Analyst
TO: LOCAL AGENCY FORMATION COMMISSION



SUBJECT: AGENDA ITEM #9: Continued Monitoring from LAFCO 3231
(Countywide Fire Service Review) for Barstow Fire Protection District and
the City of Barstow (CONTINUED TO JANUARY 19, 2022 MEETING)

RECOMMENDATION:

Staff recommends that the Commission continue the update for the Barstow Fire Protection District/City of Barstow for the January 19, 2022 meeting.

BACKGROUND:

As an outgrowth from LAFCO's February 2020 Countywide Fire Service Review (LAFCO 3231), the Commission directed staff to continue to monitor the sustainability of the Barstow Fire Protection District and its parent agency, the City of Barstow. Staff provided the first update to the Commission in March 2021.

Since that time, the City Council/Board of Directors have appointed new leadership at the City and Fire District. LAFCO staff met with the City Manager and Fire Chief, and all parties recognized that, due to the recent appointments, additional time is needed to provide LAFCO staff with the information to present a proper update on the sustainability of the City and the Fire District.

CONCLUSION:

Staff recommends that the Commission continue the update for the Barstow Fire Protection District/City of Barstow for the January 19, 2022 meeting.

Attachment



November 9, 2021

Local Agency Formation Commission for San Bernardino County
1170 West Third Street, Unit 150
San Bernardino, CA 92415-0490

VIA email to: mtuerpe@lafco.sbcounty.gov

Dear Commissioners,

This letter requests that the Commission continue the item regarding monitoring of the City of Barstow and its subsidiary Barstow Fire Protection District. The Commission directed this update as an outgrowth of its Countywide Service Review for Fire Protection/EMS/Dispatch. Recently, the City Council/Board of Directors have appointed new leadership at the City and District. The Fire Chief and I met with your staff this week, and both sides agree that due to our recent appointments that more time is needed to provide your staff with the information to present a proper update on the sustainability of the City and the District.

According to your Executive Officer, we would return with an update at your January 19, 2022 meeting.

If you have any questions, please contact me at whopkins@barstowca.org or by phone at 760-255-5101.

Sincerely,

A handwritten signature in black ink, appearing to read "Willie A. Hopkins, Jr.", written over a horizontal line.

Willie A. Hopkins, Jr.
City Manager

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

DATE: NOVEMBER 10, 2021
FROM: MICHAEL TUERPE, Senior Analyst
TO: LOCAL AGENCY FORMATION COMMISSION



SUBJECT: AGENDA ITEM 10: Continued Monitoring for the Barstow Cemetery District related to LAFCO 3245 - Countywide Service Review for Public Cemetery Districts

RECOMMENDATION:

Staff recommends that the Commission:

1. Receive and file this report.
2. Schedule an update for the Barstow Cemetery District for the March 16, 2022 meeting, unless otherwise directed by the Commission.

BACKGROUND:

As an outgrowth from LAFCO's December 2020 Countywide Service Review for Public Cemetery Districts (LAFCO 3231), the Commission directed staff to return with an update on the sustainability of the Barstow Cemetery District, to include the status of its audits. The first update was at the March 2021 hearing. This is the fourth update.

AUDITS:

In June, the District contracted with a new independent auditor, who contacted LAFCO staff with an update. At that time, work began on the FY 2017-18 and 2018-19 audits. When a backlog of audits occurs, the earlier audits require additional work.

For this update, the independent auditor provided the following information:

We have recently completed the 2017-18 audit for Barstow Cemetery District which I have attached for you to this email. [See the attachment to this staff report] We issued a modified audit opinion "Qualified" on the financial statements for a variety of reasons that are outlined in the Findings and Recommendations section of the audit report. Additionally, the district implemented GASB 68 within their financial statements to account for their CalPERS pension liability which resulted in a restatement to their beginning net position.

As was highlighted in our prior email to you back in July, numerous documents related to supporting accounting records were not available for review for 2017-18 and this appears to still be an issue as we review the supporting records for 2018-19.

In a subsequent conversation with the independent auditor, he identified that the 2018-19 financial statements are in draft form as of this writing. It is the hope that 2019-20 statements will be complete by March 2022 and 2020-21 statements by June 2022.

LAFCO staff has reviewed the audit and has three main concerns. First, the most recent completed audit is for 2017-18. Second, for that audit, serious concerns are identified regarding sustainability. Fund balance is reported at negative \$32,005 (page 10 of the statement). LAFCO staff will wait until the subsequent audits are complete to present the Commission with a multi-year balance sheet. Third, for that audit, serious concerns are identified regarding controls which will appear in the subsequent statements.

LANDSCAPE CONVERSION PROJECT:

The service review identified that the District has challenges with its wells and uses domestic water for irrigation, which averages \$10,000 to \$20,000 per month depending on the season.

The Mojave Water Agency (MWA), the wholesale water agency, is working with the District to convert the grass to xeriscape. MWA provided a timeline for the project:

Timeline for Barstow Cemetery Landscape Renovation

2021

July 14 - Cemetery Board Meeting – Present concept drawings and timeline to Board.

August 1 - Shut off water to grass that will be removed.

August 7 – Hold public meeting to discuss the future of the cemetery. Nick Schneider from Mojave Water Agency will discuss the drought and lack of water in our area as well as the current grant and future grant possibilities (Prop 1) and timeline. Landscape architect, Jaime Yamashita, will present concept designs and renderings for public comment.

September - Cemetery will request for Prop 1 grant funding through the MWA's Technical Advisory Committee.

October - Cemetery will remove 8.6 acres of turf as well as some failing trees. Once this turf is removed photos will be submitted along with check request to MWA.

November - Cemetery will receive a check from MWA for \$375,000 for 8.6 acres of turf removal. (Approximately 4.4 acres of turf will still be eligible for removal. MWA may be able to fund removal of this area if money becomes available.)

December – Finalize landscape and irrigation plans and cost estimate.

2022

January - Begin installation of irrigation system, extruded curbing and “crusher fines” (from Brubaker Mann). Prop 1 applications will be prepared and submitted by an MWA consultant on behalf of the cemetery.

February - March – Complete irrigation system installation. Plant new trees and plants as weather permits.

June - September - Prop 1 is a competitive process. If Prop 1 funding is awarded to the Barstow cemetery, MWA will manage the project with an expected completion date of late 2022 or early 2023.

CONCLUSION:

Many outstanding matters remain regarding the District's governance and sustainability. Staff recommends that the Commission schedule an update for the Barstow Cemetery District for the Commission's March 16, 2022 meeting, unless otherwise directed by the Commission.

SM/MT

Attachment

BARSTOW CEMETERY DISTRICT

**Financial Statements
& Required Supplementary Information
With Independent Auditors' Report**

**For the Year Ended
June 30, 2018**

BARSTOW CEMETERY DISTRICT
For the Fiscal Year Ended June 30, 2018
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Barstow Cemetery District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund of Barstow Cemetery District (the District) as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District'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.

Auditors' Responsibility

Our responsibility is to express opinions on these 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 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 opinions.

Basis for Qualified Opinion

Because of the inadequacy of accounting records for the current and prior fiscal year, we were unable to obtain sufficient appropriate audit evidence as more fully described in the Findings and Recommendations section of this report, the District failed to maintain certain supporting source documents for many disbursement transactions. Quantification of the effects of that departure on the financial statements is not practicable.

Qualified Opinion

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Barstow Cemetery District, as of June 30, 2018, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Correction of Error

As discussed in Note 12 to the financial statements, there were certain items that occurred in the prior year net position that have been restated as of June 30, 2017, to more accurately reflect the substance of the underlying transactions. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information schedule of proportionate share of the net pension liability, schedule of pension contributions, and the notes to the required supplementary information 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 required supplementary information 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 our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information 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 a separate report dated October 13, 2021, on our consideration of the District'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 the District's internal control over financial reporting and compliance.



October 13, 2021

BARSTOW CEMETERY DISTRICT

Management's Discussion and Analysis (Unaudited) For the Fiscal Year Ended June 30, 2018

Management's Discussion and Analysis (MD&A) offers readers of the Barstow Cemetery District's financial statements a narrative overview of the District's financial activities for the year ended June 30, 2018. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- District's net position decreased by approximately 2.4% compared to the prior fiscal year.
- The District experienced a decrease in net position of \$28,944.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's financial statements. The District's basic financial statements reflect the combined results of the Operating and Capital Programs and include three components: (1) Statement of Net Position; (2) Statements of Revenues, Expenses, and Changes in Net Position; and (3) Notes to the Financial Statements.

The financial statements accompanying this MD&A present the net position and results of operations during the year ending June 30, 2018. These financial statements have been prepared using the accrual basis of accounting, which is similar to the accounting basis used by for-profit entities. Each financial statement is identified and defined in this section, and analyzed in subsequent sections of this MD&A.

REQUIRED FINANCIAL STATEMENTS

Statement of Net Position

The Statement of Net Position presents information on the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Assets exceed liabilities, resulting in a net position of \$1,180,230- as of June 30, 2018.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position present information showing how the District's net position changed during the fiscal year. All of the year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the results of the District's operations for the year and can be used to determine if the District has successfully recovered all of its costs through user fees and other charges. Operating revenues and expenses are related to the District's core activities (sale of internment rights and burial services). General revenues and expenses are not directly related to the core activities of the District (e.g. interest income, interest expense, property taxes). For the fiscal year ended June 30, 2018 net position decreased by \$28,944.

BARSTOW CEMETERY DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Fiscal Year Ended June 30, 2018*

REQUIRED FINANCIAL STATEMENTS (continued)**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by grantor requirements.

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION**Analysis of Net Position****Table A-1: Condensed Statement of Net Position**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
ASSETS			
Current assets	\$ 922,783	\$ 913,233	\$ 9,550
Capital assets, net	<u>336,236</u>	<u>335,829</u>	<u>407</u>
Total assets	<u>1,259,019</u>	<u>1,249,062</u>	<u>9,957</u>
DEFERRED OUTFLOWS	<u>158,606</u>	<u>235,855</u>	<u>(77,249)</u>
LIABILITIES			
Current liabilities	5,315	28,495	(23,180)
Non-current liabilities	<u>224,209</u>	<u>225,929</u>	<u>(1,720)</u>
Total liabilities	<u>229,524</u>	<u>254,424</u>	<u>(24,900)</u>
DEFERRED INFLOWS	<u>7,871</u>	<u>21,319</u>	<u>(13,448)</u>
NET POSITION			
Investment in capital assets	336,236	335,829	407
Restricted	786,119	792,682	(6,563)
Unrestricted	<u>57,875</u>	<u>80,663</u>	<u>(22,788)</u>
Total net position	<u>\$ 1,180,230</u>	<u>\$ 1,209,174</u>	<u>\$ (28,944)</u>

At the end of the fiscal year, the District shows a balance in its unrestricted net position of \$57,875. The restricted assets decreased because of a decreased balance in the endowment fund. Unrestricted assets decreased which was due to the deficit spending from the General Fund.

BARSTOW CEMETERY DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Fiscal Year Ended June 30, 2018***FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)****Analysis of Revenues and Expenses****Table A-2: Condensed Statements of Activities**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
Program revenue	\$ 212,648	\$ 287,114	\$ (74,466)
Expenses	<u>410,087</u>	<u>442,174</u>	<u>(32,087)</u>
Net program expense	(197,439)	(155,060)	(42,379)
General revenues	<u>168,495</u>	<u>151,033</u>	<u>17,462</u>
Change in net position	(28,944)	(4,027)	(24,917)
Net position			
Beginning of year	1,209,174	1,213,201	(4,027)
End of year	<u>\$ 1,180,230</u>	<u>\$ 1,209,174</u>	<u>\$ (28,944)</u>

While the Statement of Net Position shows the change in financial position, the Statements of Revenues, Expenses and Changes in Net Position provides answers to the nature and source of these changes. The main factors in the change in net position is increased revenue from service fees, charges, and property taxes which surpassed its expenses.

Table A-3: Total Revenues

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase (Decrease)</u>
Program revenues:			
Charges for services	\$ 195,230	\$ 260,098	\$ (64,868)
Endowment care fees	<u>17,418</u>	<u>27,016</u>	<u>(9,598)</u>
Total program revenues	<u>212,648</u>	<u>287,114</u>	<u>(74,466)</u>
General revenues:			
Property taxes	156,074	149,191	6,883
Operating contributions	7,121	202	6,919
Investment earnings	<u>5,300</u>	<u>1,640</u>	<u>3,660</u>
Total general revenues	<u>168,495</u>	<u>151,033</u>	<u>17,462</u>
Total revenues	<u>\$ 381,143</u>	<u>\$ 438,147</u>	<u>\$ (57,004)</u>

Total revenue from all sources decreased by 13.0%, or \$57,004, from the prior year due to decreases in charges for services.

BARSTOW CEMETERY DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Fiscal Year Ended June 30, 2018*

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)**Analysis of Revenues and Expenses****Table A-4: Total Expenses**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase (Decrease)</u>
Expenses:			
Salaries and employee benefits	\$ 281,100	\$ 232,591	\$ 48,509
Utilities	66,032	96,760	(30,728)
Services and supplies	50,938	102,666	(51,728)
Depreciation	<u>12,017</u>	<u>10,157</u>	<u>1,860</u>
Total expenses	<u>\$ 410,087</u>	<u>\$ 442,174</u>	<u>\$ (32,087)</u>

Total expenses for the District's operations decreased by 7.3%, or \$32,087, from the prior year due to increases in salaries/benefits cost due to changes in staffing offset by decreases in services and supplies.

CAPITAL ASSETS

Net capital assets increased by \$407 from the prior year due to current year equipment acquisition offset by the depreciation costs during the fiscal year.

Table A-5: Capital Assets at Year-End, Net of Depreciation

	<u>Balance June 30, 2018</u>	<u>Balance June 30, 2017</u>
Capital assets:		
Land	\$ 12,840	\$ 12,840
Depreciable assets	687,649	675,225
Accumulated depreciation	<u>(364,253)</u>	<u>(352,236)</u>
Total capital assets, net	<u>\$ 336,236</u>	<u>\$ 335,829</u>

ANALYSIS OF INDIVIDUAL DISTRICT FUNDS**General Operating Fund**

Total budgeted revenues for the fiscal year show expenditures outpacing revenues by \$201,525. The actual results for the year show revenues exceeding expenditures by \$9,566. Significantly lower than expected general fund expenditures resulted in an ending fund balance of \$(32,005).

BARSTOW CEMETERY DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2018

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Individual District Funds

Endowment Care Fund

The Endowment Care Fund decreased by \$6,563 over the prior year. The principal portion of this fund is restricted and cannot be used for general operations. The decrease is due to the district transferring out portions of the interest earned on the principal portion.

Pre-Need Fund

The Pre-Need Fund increased by \$29,727 over the prior year. The District continued to account for pre-need sales within this fund for the fiscal year.

FACTORS AFFECTING CURRENT FINANCIAL POSITION

The District is heavily reliant on generating at-need and pre-need sales to help operations. Any disruption in the number of services performed during a given year will have a dramatic impact on the level of spending the district can accommodate.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our Board of Trustees, citizens, customers, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives and the stewardship of the facilities it owns and operates. If you have questions about this report or need additional information, please contact the Barstow Cemetery District at 37067 Irwin Road, Barstow, CA 92311, (760) 256-2797.

BARSTOW CEMETERY DISTRICT*Statement of Net Position**June 30, 2018*

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 222,926
Accounts receivable	54,535
Investments	645,322
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>336,236</u>
Total assets	<u>1,259,019</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources for pension	<u>158,606</u>
LIABILITIES	
Current liabilities	
Accounts payable	5,315
Non-current liabilities:	
Due within one year - compensated absences	7,365
Due in more than one year - pension	<u>216,844</u>
Total liabilities	<u>229,524</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources for pension	<u>7,871</u>
NET POSITION	
Net investment in capital assets	336,236
Restricted for:	
Nonexpendable	786,119
Unrestricted	<u>57,875</u>
Net position	<u><u>\$ 1,180,230</u></u>

BARSTOW CEMETERY DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2018

	Governmental Activities
EXPENSES	
Salaries and employee benefits	\$ 281,100
Utilities	66,032
Services and supplies	50,938
Depreciation	12,017
Total expenses	410,087
PROGRAM REVENUES	
Charges for current services	212,648
Net program revenues (expenses)	(197,439)
GENERAL REVENUES	
Property taxes	156,074
Investment income	5,300
Other revenues	7,121
Total genral revenues	168,495
Change in net position	(28,944)
Net position, July 1, 2017, as orginally stated	1,337,879
Adjustment for restatement (Note 12)	(128,705)
Net position, July 1, 2017, as restated	1,209,174
Net position, June 30, 2018	\$ 1,180,230

BARSTOW CEMETERY DISTRICT
Balance Sheet – Governmental Funds
June 30, 2018

	General Fund	Permanent Fund Endowment Care Fund	Special Revenue Fund Pre-Need Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 90,698	\$ 127,015	\$ 5,213	\$ 222,926
Investments	-	645,322	-	645,322
Due from other funds	-	13,782	103,606	117,388
Accounts receivable	-	-	54,535	54,535
Total assets	<u>\$ 90,698</u>	<u>\$ 786,119</u>	<u>\$ 163,354</u>	<u>\$ 1,040,171</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 5,315	\$ -	\$ -	\$ 5,315
Due to other funds	<u>117,388</u>	<u>-</u>	<u>-</u>	<u>117,388</u>
Total liabilities	<u>122,703</u>	<u>-</u>	<u>-</u>	<u>122,703</u>
Fund balance				
Nonspendable	-	786,119	-	786,119
Assigned	-	-	163,354	163,354
Unassigned	<u>(32,005)</u>	<u>-</u>	<u>-</u>	<u>(32,005)</u>
Total fund balances	<u>(32,005)</u>	<u>786,119</u>	<u>163,354</u>	<u>917,468</u>
Total liabilities and fund balances	<u>\$ 90,698</u>	<u>\$ 786,119</u>	<u>\$ 163,354</u>	<u>\$ 1,040,171</u>

BARSTOW CEMETERY DISTRICT*Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position**June 30, 2018*

Total fund balances - governmental funds **\$ 917,468**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.

Cost of capital assets:	700,489	
Accumulated depreciation:	<u>(364,253)</u>	
Capital assets, net of depreciation		336,236

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the governmental funds:

Deferred outflows of resources - pension	158,606	
Deferred inflows of resources - pension	(7,871)	
Net pension liability	(216,844)	
Compensated absences	<u>(7,365)</u>	

Total net position - governmental activities **\$ 1,180,230**

BARSTOW CEMETERY DISTRICT*Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds**For the Fiscal Year Ended June 30, 2018*

	General Fund	Permanent Fund Endowment Care Fund	Special Revenue Fund Pre-Need Fund	Total Governmental Funds
REVENUES				
Property taxes	\$ 156,074	\$ -	\$ -	\$ 156,074
Charges for current services	161,649	17,418	33,581	212,648
Other revenues	7,121	-	-	7,121
Investment income	360	4,848	92	5,300
Total revenues	325,204	22,266	33,673	381,143
EXPENDITURES				
Current:				
Salaries and employee benefits	215,324	-	3,695	219,019
Utilities	66,032	-	-	66,032
Services and supplies	50,687	-	251	50,938
Capital outlay	12,424	-	-	12,424
Total expenditures	344,467	-	3,946	348,413
OTHER FINANCING SOURCES/USES				
Operating transfers in	28,829	-	-	28,829
Operating transfers out	-	(28,829)	-	(28,829)
Total other financing sources/uses	28,829	(28,829)	-	-
Net change in fund balances	9,566	(6,563)	29,727	32,730
FUND BALANCE				
Fund balances, July 1, 2017	75,741	792,682	133,627	1,002,050
Adjustment for restatement	(117,312)	-	-	(117,312)
Fund balances, July 1, 2017, as restated	(41,571)	792,682	133,627	884,738
Fund balances, June 30, 2018	<u>\$ (32,005)</u>	<u>\$ 786,119</u>	<u>\$ 163,354</u>	<u>\$ 917,468</u>

BARSTOW CEMETERY DISTRICT***Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2018***

Net change in fund balances - total governmental funds **\$ 32,730**

Amounts reported for governmental activities in the statement of activities are different because:

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Net pension expense	(61,663)
Compensated absences	(418)

Governmental funds report capital outlay as expenditures, however, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay	12,424	
Depreciation expense	<u>(12,017)</u>	
Net:		<u>407</u>

Change in net position - governmental activities **\$ (28,944)**

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

The Barstow Cemetery District (the District) is a public cemetery district operating under the provisions of the Health and Safety Code Sections 8890 et seq. The District was established as a “for profit” cemetery in the 1930s. In the 1960s the County of San Bernardino took over operations of the cemetery and continues to operate it as a special district. The District is governed by a Board of Trustees (Board) that acts as the authoritative body of the entity. The Board is comprised of five members appointed by the County Supervisors. Each member serves a term of four years; there are no term limits for reappointment.

Reporting Entity

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practice within California Special Districts. The District accounts for its financial transactions in accordance with the policies and procedures of the State Controller’s Office Division of Local Government Fiscal Affairs Minimum Audit Requirements and Reporting Guidelines for California Special Districts.

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues, and expenditures, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Management also determines the accounting principles to be used in the preparation of the financial statements. A description of the significant accounting policies employed in the preparation of these financial statements follows:

Accounting principles generally accepted in the United States of America require that these financial statements present the accounts of the District and any of its component units. Component units are legally separate entities of which the District is considered to be financially accountable or otherwise has a relationship, which is such that the exclusion of the entity would cause the financial statements to be misleading. Blended component units are considered, in substance, part of the District’s operations, so the accounts of these entities are to be combined with the data of the District. Component units, which do not meet these requirements, are reported in the financial statements as discrete units to emphasize their separate legal status. However, the District has determined that it is not financially accountable for, nor has any other relationship with, any other organization, which would require its inclusion in these financial statements.

Government-Wide and Fund 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 nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately, compared to business-type activities, which rely to a significant extent on fees and charges for support. The District currently has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES **(continued)**

Government-Wide and Fund Financial Statements (continued)

Taxes and other items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, payments for services, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period. 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 District considers all revenues available if they are collected within 120 days after yearend, except for contracts for services which are recognized at the time the contract is signed. Property taxes and investment income are susceptible to accrual. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Permanent funds account for assets for which the principal may not be spent.

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund: This fund is used to account for all financial resources of the District except those required to be accounted for in another fund. Included are transactions for services, rents, property taxes, and interest. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the rules of the Health and Safety Code and by approval of the Board of Trustees.

Endowment Care Fund: This fund is used to account for financial resources to be used for future maintenance of the Cemetery at such time when all lots have been sold and there is no longer revenue generated from such sales. The resources are derived from an endowment care fee assessed on each sale of a burial right and earnings on these resources. The principal must be preserved intact. Endowment Fund is in accordance with Section 9065(e) of the California Health and Safety Code.

Pre-Need Fund: This fund accounts for funds received on account from cemetery customers whom are prepaying internment services. The prepayments received on accounts accrue interest. The interest is used to cover inflationary increases to burial costs when used.

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES **(continued)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Budgetary Data

Health and Safety Code Section 9070(a) states that on or before August 30 of each year, the board of trustees shall adopt a final budget, which shall conform to the accounting and budgeting procedures for special districts contained in Subchapter 3 (commencing with § 1031.1) of, and Article 1 (commencing with § 1121) of Subchapter 4 of Division 2 of Title 2 of the California Code of Regulations. The board of trustees may divide the annual budget into categories, including, but not limited to maintenance and operation, employee compensation, interest and redemption for indebtedness, as well as reserves (for endowment income fund, capital outlay, pre-need, contingencies, and unallocated general reserve).

The District follows these procedures in establishing budgetary data reflected in the Required Supplementary Information – Budgetary Comparison Schedule. The annual budget is a complete financial plan for the ensuing budget year and consists of an operating budget and a capital budget. The General Fund is the only Fund for which an annual budget is legally adopted on a basis consistent with generally accepted accounting principles (GAAP). The Board then considers the proposed budget at its regular meeting, which is open to the public.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The County of San Bernardino Assessor's Office assesses all real and personal property within the County each year.

Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The County of San Bernardino Treasurer's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

Pension

The District follows *GASB Statement No. 68, Accounting and Financial Reporting for Pensions* which became applicable as of July 2014. This statement requires accrual-based measurement and recognition of the cost of pension benefits during the periods when employees render their services.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes.

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes mandate the District maintain substantially all of its cash in the Contra Costa County Treasury. The County's investment pool operates in accordance with appropriate state laws and regulations. The fair value of the District's position in the pool is not the same as the value of the pooled shares. The method used to determine the value of participants' equity withdrawn is based on the book value, amortized cost plus accrued interest, multiplied by the District's percentage at the date of such withdrawal. The County Treasurer's investments, including U.S. Treasury and Agency securities, are carried at fair value based on current market prices. Bond anticipation notes are carried at fair value. Commercial paper is carried at amortized cost. Investments in bankers' acceptances and nonparticipating guaranteed investment contracts are carried at cost. Participating guaranteed investment contracts are carried at fair value based on net realizable value.

The District has adopted GASB Statement No. 72, Fair Value Measurement and Application; investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Mutual funds are carried at fair value based on the funds' share price. Local agency obligations are carried at fair value based on the value of each participating dollar.

Receivables and Allowance for Doubtful Accounts

Contracts for services include both preneed and at-need receivables to be collected. The accounts are evaluated on an annual basis to determine those that may not be collectable using the specific identification method. The allowance for accounts receivable is based on those accounts that have been identified as uncollectable that must be approved by the District's Board of Trustees to be written-off. At June 30, 2018 there was no allowance for accounts receivable.

Inventory

Inventory of preneed supplies and fuel is valued at the lower of cost or market using the first-in/first-out method. The costs of government fund-type inventories are recorded as expenditures when consumed rather than when purchased. As of June 30, 2018, the district had no inventory balances.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of five years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful lives. Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Buildings and Improvements	20-40 years
Machinery, Vehicles, and Equipment	10-15 years

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES **(continued)**

Interfund Balances and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as due to/from other funds (i.e. current portion of interfund loans). Interfund transfers occur because the District receives charges for services through the special revenues funds and transfers these funds to the general fund as expenditures are incurred or due to contractual requirements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents the consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

Currently, the District has deferred inflows/outflows of resources for its pension plan.

Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES **(continued)**

Pension

The District follows GASB Statement No. 68, Accounting and Financial Reporting for Pensions as of July 1, 2014. This statement requires accrual-based measurement and recognition of the cost of pension benefits during the periods when employees render their services.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Barstow Cemetery District's California Public Employees' Retirement System (CalPERS) 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 the CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

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, 2016
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

- **Nonspendable:** Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.
- **Restricted:** Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.
- **Committed:** The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.
- **Assigned:** Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.
- **Unassigned:** Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose.

When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES **(continued)**

Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Compensated absences expected to be paid with expendable available resources are accrued and recorded as liabilities and expenditures of the general fund. Amounts not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2018, are reported at fair value and consisted of the following:

External Investment Pool - Cash in San Bernardino County Treasury	\$	165,955
Deposits - Bank of America		21,798
Cash and Sweep balances - Wells Fargo Advisors		17,440
Cash on hand		<u>17,733</u>
Total cash and cash equivalents		<u>222,926</u>
Investments		<u>645,322</u>
Total cash and investments	\$	<u><u>868,248</u></u>

California statutes authorize governments to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. For the year ended June 30, 2018, the District's permissible investments included the following instruments:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
U.S. Treasury Obligations	5 years
U.S. Agency Securities	5 years
Insured or Collateralized Certificates of Deposit	5 years
State of California Local Agency Investment Fund	N/A
Local Government Investment Pools	N/A
Money Market Funds	N/A
Passbook Savings and Money Market Accounts	N/A

Pooled Funds

The District maintains balances of cash in the County Treasury in each of its funds at June 30, 2018. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited to participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2018, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 2 – CASH AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits and Investments

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District 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 a failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Neither the California Government Code nor the County's investment policy contains legal or policy requirements that would limit the District's exposure to custodial credit risk for deposits or investments, except that the California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Concentration of Credit Risk

The District's investment policy places limits on the amounts the District may invest in any one issuer or type of investment and as of June 30, 2018, and the District was in compliance with its investment policy.

Investment Valuation

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.

The following presentation represents investment disclosures for investments held by the District as of June 30, 2018.

	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ -	\$ 150,353	\$ -	\$ 150,353
Government/Municipal bonds	-	185,699	-	185,699
Government Asset Backed/CMO Securities	-	17,213	-	17,213
Negotiable Certificates of Deposit	-	123,499	-	123,499
Mutual Funds	168,558	-	-	168,558
	<u>\$ 168,558</u>	<u>\$ 476,764</u>	<u>\$ -</u>	<u>\$ 645,322</u>

BARSTOW CEMETERY DISTRICT*Notes to Financial Statements**June 30, 2018*

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2018:

	Pre-Need Fund
Interest	\$ 253
Pre-Need Contracts	<u>54,282</u>
Total	<u><u>\$ 54,535</u></u>

NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2018:

Accounts payable and accrued liabilities	<u><u>\$ 5,315</u></u>
--	------------------------

NOTE 5 – PROPERTY TAXES

Property taxes allocated to the District for the year ended June 30, 2018 were as follows:

Current:	
Secured	\$ 101,016
Unsecured	3,441
Supplemental	1,275
Tax relief subventions	1,019
Unitary	16,527
Prior:	
Secured	1,877
Unsecured	163
Supplemental	1,626
Unitary	13,627
Redevelopment	<u>15,503</u>
Total	<u><u>\$ 156,074</u></u>

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 12,840	\$ -	\$ -	\$ 12,840
Total capital assets not being depreciated	12,840	-	-	12,840
Capital assets being depreciated:				
Building & improvements	506,865	12,424	-	519,289
Equipment & Machinery	168,360	-	-	168,360
Total capital assets being depreciated	675,225	12,424	-	687,649
Accumulated depreciation for:				
Building & improvements	(187,182)	(10,634)	-	(197,816)
Equipment & Machinery	(165,054)	(1,383)	-	(166,437)
Total accumulated depreciation	(352,236)	(12,017)	-	(364,253)
Total capital assets being depreciated, net	322,989	407	-	323,396
Governmental activity capital assets, net	\$ 335,829	\$ 407	\$ -	\$ 336,236

Depreciation expense for cemetery operations amounted to \$12,017 for the fiscal year ended June 30, 2018. The district has no estimated costs remaining on the current contracts.

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2018, the District was insured with the American Alternative Insurance Corporation for general liability, property damage, employee dishonesty, and automobile liability. Preferred Employers Insurance Company provides the District with worker's compensation insurance for all employees in extra or full time positions. Unemployment insurance is provided through the State of California's Employment Development Department. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

NOTE 8 – NON-CURRENT LIABILITIES

A schedule of changes in non-current liabilities for the fiscal year ended June 30, 2018 is shown below:

	Balance July 1, 2017	Additions	Decreases	Balance June 30, 2018	Due Within One Year
Compensated absences	\$ 6,947	\$ 418	\$ -	\$ 7,365	\$ 7,365

BARSTOW CEMETERY DISTRICT*Notes to Financial Statements**Years Ended June 30, 2018*

NOTE 9 – FUND BALANCE

At June 30, 2018, fund balances of the District's governmental funds were classified as follows:

	General Fund	Permanent Endowment Fund	Special Revenue Pre-Need Fund	Total
Nonspendable:				
Endowment principle	\$ -	\$ 786,119	\$ -	\$ 786,119
Total Nonspendable	-	786,119	-	786,119
Assigned:				
Pre-need reserves	-	-	168,978	168,978
Total Assigned	-	-	168,978	168,978
Unassigned:				
Unassigned balances	(32,005)	-	-	(32,005)
Total Unassigned	(32,005)	-	-	(32,005)
Total	<u>\$ (32,005)</u>	<u>\$ 786,119</u>	<u>\$ 168,978</u>	<u>\$ 923,092</u>

NOTE 10 – COMMITMENTS, CONTINGENCIES AND OTHER UNCERTAINTIES

The District is involved in routine litigation incidental to its business and may be subject to claims and litigation from outside parties. After consultation with legal counsel, management believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Investment securities are exposed to various risks such as interest rate, market and credit. The financial markets in recent months have shown heightened volatility and the markets are significantly down. Due to the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the various risk factors, in the near term could materially affect investment balances and the amounts reported in the financial statements. Additionally, many mutual funds invest in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies.

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 11 – PENSION PLAN

Plan Description, Benefits Provided and Employees Covered

All qualified permanent and probationary employees are eligible to participate in the Barstow Cemetery District Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of an individual rate plan within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pools. Accordingly, rate plans within the miscellaneous pools are not separate plans under GASB Statement No. 68.

Individual employers may sponsor more than one rate plan in the miscellaneous pools. Barstow Cemetery District sponsors two rate plans (Classic and PEPRA). Benefit provisions under the Plan are established by State statute and Barstow Cemetery District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found at CalPERS' website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and will be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contributions to the Plan for the year ended June 30, 2018 were \$43,417.

For the measurement period ended June 30, 2017 (the measurement date), the active employee contribution rate is 6.500 percent of annual pay, and the employer's contribution rate is 7.809 percent (6.930 percent for PEPRA) of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution. CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis.

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 11 – PENSION PLAN (continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a net pension liability of \$216,844 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participants actuarially determined.

At June 30, 2018, the District's net pension liability as a proportion of the miscellaneous pool was 0.005501%. The District recognized pension expense of \$55,217 for the year ended June 30, 2018. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and proportionate share of employer contributions	\$ 27,079	\$ 1,014
Changes in proportions	53,603	3,634
Changes of assumptions	27,720	-
Differences between expected and actual experiences	-	3,223
Net differences between projected and actual earnings on plan investments	6,787	-
Contributions made subsequent to the measurement date	43,417	-
Total	<u>\$ 158,606</u>	<u>\$ 7,871</u>

The \$43,417 reported as deferred outflows of resources related to the pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2019	\$ 66,046
2020	28,313
2021	16,988
2022	(4,029)
	<u>\$ 107,318</u>

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 11 – PENSION PLAN (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2016 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age & Service
Investment Rate of Return	7.5% net of pension plan investment and administrative expenses; includes inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality Rate Table (1)	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefits Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website at www.calpers.ca.gov under Forms and Publications.

Change in Assumption

There were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The discount rate was changed from 7.65 percent (net of administrative expense) to 7.15. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary.

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 11 – PENSION PLAN (continued)

The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Taking in to account historical returns of all the Public Employees Retirement Funds' asset classes which includes the agent plan and two cost-sharing plans for PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11 - 60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 ^(a)
Global Equity	47%	4.9%
Fixed Income	19%	0.8%
Inflation Assets	6%	0.6%
Private Equity	12%	6.6%
Real Estate	11%	2.8%
Infrastructure and Forest Land	3%	3.9%
Liquidity	2%	-0.4%

(a) Expected Inflation of 2.5% was used for this period

(b) Expected Inflation of 3.0% was used for this period

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 11 – PENSION PLAN (continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 315,760
Current Discount Rate	7.15%
Net Pension Liability	\$ 216,844
1% Increase	8.15%
Net Pension Liability	\$ 134,920

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net positions is available in the separately issued CalPERS financial report. The District did not report a payable outstanding for contributions to the pension plan required for the year ended June 30, 2018.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss: Net differences between projected and actual earnings on pension plan investments (5 year straight-line amortization) and all other amounts (Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period).

BARSTOW CEMETERY DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 12 – CORRECTION OF AN ERROR OF PRIOR YEAR NET POSITION

Certain items that occurred in the prior year net position have been restated as of June 30, 2017 to more accurately reflect the substance of the underlying transactions. Previously the District did not properly reflect their associated assets, liabilities and deferred items related to their pension. Additionally, the district was unable to substantiate their inventory balance as of June 30, 2017.

The following table lists the reasons for the restatements.

Net Position - July 1, 2017, as originally stated	\$ 1,337,879
Understatement of net pension liability	(218,982)
Understatement of deferred outflows of resources - pension	235,855
Understatement of deferred inflows of resources - pension	(21,319)
Understatement of compensated absences	(6,947)
Overstatement of inventory	(117,312)
Net Position - July 1, 2017, as restated	<u><u>\$ 1,209,174</u></u>

General Fund Balance - July 1, 2017, as originally stated	\$ 75,741
Overstatement of inventory	(117,312)
General Fund Balance - July 1, 2017, as restated	<u><u>(41,571)</u></u>

NOTE 13 – NEGATIVE FUND BALANCE

At June 30, 2018, the District had a negative fund balance in its General Fund (\$32,007). The negative fund balance in the General Fund was caused by the owing amounts to its other funds. At June 30, 2018, the General Fund owed \$103,606 to the Pre-Need Fund and \$13,782 to the Endowment Fund.

NOTE 14 – SUBSEQUENT EVENTS

Events subsequent to June 30, 2018 have been evaluated through October 13, 2021, the date at which the District's audited financial statements were available to be issued. No events requiring disclosure have occurred through this date.

Required Supplementary Information

BARSTOW CEMETERY DISTRICT*Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2018*

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 144,030	\$ 144,030	\$ 156,074	\$ 12,044
Charges for current services	350,000	350,000	161,649	(188,351)
Investment & other revenues	10,345	10,345	7,481	(2,864)
Total revenues	504,375	504,375	325,204	(179,171)
EXPENDITURES				
Current:				
Salaries and employee benefits	296,400	296,400	215,324	81,076
Utilities	111,000	111,000	66,032	44,968
Services and supplies	131,000	131,000	50,687	80,313
Capital outlay	167,500	167,500	12,424	155,076
Total expenditures	705,900	705,900	344,467	361,433
OTHER FINANCING SOURCES/USES				
Operating transfers in	-	-	28,829	28,829
Total other financing sources/uses	-	-	28,829	28,829
Net change in fund balances	(201,525)	(201,525)	9,566	211,091
FUND BALANCE				
Balances, July 1, 2017, as restated	75,741	75,741	(41,571)	
Balances, June 30, 2018	<u>\$ (125,784)</u>	<u>\$ (125,784)</u>	<u>\$ (32,005)</u>	

BARSTOW CEMETERY DISTRICT*Schedule of the District's Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2018*

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the Net Pension Liability	<u>0.000055</u>	<u>0.000063</u>	<u>0.000076</u>
Proportionate Share of the Net Pension Liability	<u>216,844</u>	<u>218,982</u>	<u>209,718</u>
Covered Payroll	<u>89,492</u>	<u>74,093</u>	<u>66,195</u>
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	<u>242.31%</u>	<u>295.55%</u>	<u>316.82%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>69.85%</u>	<u>67.64%</u>	<u>71.74%</u>

Note to Schedule

Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.

BARSTOW CEMETERY DISTRICT
Schedule of District's Pension Contributions
For the Fiscal Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution (Actuarially Determined)	\$ 43,417	\$ 41,908	\$ 39,251
Contributions in Relation to the Actuarially Determined Contributions	<u>(43,417)</u>	<u>(41,908)</u>	<u>(39,251)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 89,492</u>	<u>\$ 74,093</u>	<u>\$ 66,195</u>
Contributions as a Percentage of Payroll	<u>48.51%</u>	<u>56.56%</u>	<u>59.30%</u>

Note to Schedule

Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.

BARSTOW CEMETERY DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2018

NOTES TO SCHEDULE

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Excess of Expenditures Over Appropriations

At June 30, 2018, the District did not incur any excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), and the plans' fiduciary net position. In the future, as data become available, ten years of information will be presented.

- **Change in Benefit Terms:** There were no changes in benefit terms since the previous valuation.
- **Changes in Assumptions:** There were no changes in economic assumption for the plan from previous valuation.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data become available, ten years of information will be presented.

Other Independent Auditors' Report

**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**

To the Board of Trustees
Barstow Cemetery District

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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barstow Cemetery District as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Barstow Cemetery District's basic financial statements, and have issued our report thereon dated October 13, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Barstow Cemetery District'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 Barstow Cemetery District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Barstow Cemetery District'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 District'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal controls, described in the accompanying schedule of findings and recommendations as Findings 2018-001 and 2018-02 that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and recommendations as Finding 2018-003 through Finding 2018-005 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Barstow Cemetery District's financial statements are free of 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*.

District's Response to Findings

Barstow Cemetery District's response to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. Barstow Cemetery District's responses were not subjected to the auditing procedures applied to the audit of financial statements and, accordingly, we express no opinion on it.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, reading "Kene Zappala CPA". The signature is fluid and cursive, with the letters "CPA" written in a slightly more formal, blocky style at the end.

October 13, 2021

Findings and Recommendations

BARSTOW CEMETERY DISTRICT

Schedule of Audit Findings and Recommendations For the Fiscal Year Ended June 30, 2018

FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding 2018-001: Financial Reporting

Finding: The District's management is responsible for the preparation and fair presentation of financial statements in accordance with applicable accounting principles. This includes the design and implementation of relevant internal controls to ensure accurate and timely financial reporting. It appeared various accounts in the district's general ledger had not been analyzed and adjusted. Nor were certain assets/liabilities recognized for areas related to the districts pension plan administered through CalPERS. Throughout the audit process, the District's staff provided the necessary analysis, documentation, and adjustments, as requested.

Recommendation: We recommend the District receive training on various areas related to governmental accounting and internal controls.

Views of Responsible Officials:

The district hired a financial advisor in April 2021 to educate and fiscally guide the district in recommending updates to financial procedures and processes.

Finding 2018-002: Policies and Procedures

Findings: Our audit procedures involve obtaining and evaluating various policies and procedures. During our audit, we noted the District could benefit from establishing formal policies in applicable accounting areas such as payroll, disbursements, credit cards, receipting, capitalization threshold, fund balances, etc. Although the District may have informal policies in these areas, we believe the district could benefit from a more formal and comprehensive policy and procedures manual, approved by the governing board. They would provide detailed guidance to employees, especially given the small size of the District. This will help to ensure consistency in these areas if there is staff turnover.

Communication is an essential component of a comprehensive framework of internal controls. One method of communication that is particularly effective for controls over accounting and financial reporting is the formal documentation of policies and procedures. A well-designed and properly maintained system of documenting policies and procedures enhances both accountability and consistency.

Accounting Policies and Procedures:

The documentation of accounting policies and procedures should be evaluated and updated periodically, as necessary. It should be readily accessible to all applicable employees. An accounting policies and procedures manual should indicate which employees are to perform which procedures. Areas such as payroll, purchasing, disbursements, credit cards, cash receipting, capitalization threshold, records retention, fund balances, etc. should be included.

Capital Assets:

A board approved capitalization policy should be approved that outlines capitalization thresholds for various asset types. Additionally, the policy should specify how often an inventory of assets should be completed.

BARSTOW CEMETERY DISTRICT

Schedule of Audit Findings and Recommendations For the Fiscal Year Ended June 30, 2018

Finding 2018-002: Policies and Procedures (continued)

Month-End Closing:

At the conclusion of each month the district should have set procedures that close out the financial entries for the month, including recognizing the activity that occurred within its funds held within the county treasury. Additionally, the activity in the local bank account, credits cards and cash receipting should be reconciled and review by the District Manager and/or board of trustees. Bank reconciliations were not completed in a timely fashion, nor were they review by management. Monthly account reconciliations should be completed within two weeks of the close of the month and the manager should review and document their approval. Funds that are collected for specific purposes such as pre-need and endowment need to be transferred out of the districts local bank account into either an authorized investment account or the county treasury monthly.

Fiscal Year Closing:

At the conclusion of the fiscal year, the district must update its fund financial accounting records on a modified accrual basis and it's government-wide financial accounting records on a full-accrual basis. This includes updating records for capital assets, pension liabilities, compensated absences, investment gains/losses, etc. The district did not have the underlying accounting record prepared for audit until well after the fiscal year had closed. There were many accounts that did not have supporting records to substantiate the opening balances. The district should create a calendar that outlines the entirety of the year with all applicable fiscal deadlines identified.

Negative Fund Balance – General Fund:

The district needs to take action to eliminate its negative fund balance in the General Fund through a combination of actions that reduce expenditures/deficits and/or increase revenues/surpluses.

All of the areas outlined above require the formal documentation of policies and procedures which will delineate the authority and responsibility of all employees. Procedures should be described as they are intended to be performed, rather than in some idealized form. The documentation of accounting policies and procedures should explain the design and purpose of control related procedures to increase employee understanding.

Recommendation: We recommend the District develop and establish formal policies and procedures as discussed above. The policies and procedures should be developed by appropriate personnel and approved by the governing board. The District should consider GFOA's recommended practices and other resources during the process.

The District should develop formal accounting policies, procedures manuals and prepare a schedule of routine accounting tasks that need to be performed each month, quarter and at the close of the fiscal and calendar years, as applicable.

- The schedule should include a detailed description of the required analysis and adjustments, along with due dates for the various procedures.
- The schedule should include provisions for signoffs, indicating when the applicable procedures were performed and reviewed as necessary.

Views of Responsible Officials:

The district hired legal Council in November 2020 to help update district policies and procedures.

BARSTOW CEMETERY DISTRICT

Schedule of Audit Findings and Recommendations For the Fiscal Year Ended June 30, 2018

Finding 2018-003: Cash Disbursements

Findings: During our review of cash disbursements our sample of 34 disbursements identified 23 that were missing supporting documentation such as a receipt or invoice. Additionally, one of the 11 that had supporting documentation did not include an itemized receipt substantiating the charges.

Recommendation: We recommend that the district establish formal procedures related to cash disbursements functions. Those procedures should indicate the type of documentation that are required to be obtained in advance of issuing payment. They should also clearly identify the records to retain, where they will be kept and for how long these records will be stored. Safeguarding documents related to disbursements and ensuring that the accounting records are complete are paramount to good internal controls.

Views of Responsible Officials:

The district hired an employee that will focus their time on maintaining the accounting records in January 2021.

Finding 2018-004: CalPERS Reporting

Finding: During our inquiries of the pension reporting process, it was discovered that the district does not have a procedure to monitor when part-time or seasonal employees qualify for membership. Additionally, during our review of the CalPERS submission reports it was noted that, while the correct pay rate was reported, the reported earnings for both employees tested were not accurately reported to CalPERS. In both cases employees reported earnings were equal to one week, while the reporting window covered a two-week period.

Recommendation: We recommend that the district work with CalPERS to proactively report the correct information and retroactively report any payroll information that was incorrectly submitted to CalPERS.

Views of Responsible Officials:

In May 2021 the district Financial Advisor made the district aware of their CalPERS discrepancies which the district worked with CalPERS to rectify.

Finding 2018-005: Cash Receipting Procedures

Finding: During our review of the cash receipting process, we noted 23 instances, in our sample of 30 receipts, where the receipt noting the services to be rendered used pricing amounts that were inconsistent with the districts adopted pricing sheet, incorrectly calculated the total due or was a partial payment collected for pre-need services with no documentation of the future amounts due or the services to be rendered. Additionally, we noted one instance where a Veteran's discount was provided, but no proof of Veteran status was retained with the receipt.


Recommendation: We recommend that the district identify a process which automates and standardizes the invoicing process for services, including pre-need contracts. Additionally, we recommend that the district establish a policy to ensure appropriate supporting documentation is retained for any discounted services.

Views of Responsible Officials:

The district is currently researching companies the specialize in cemetery records management to improve the retention and accessibility of district records.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: NOVEMBER 10, 2021 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Senior Analyst
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #11 – INITIATION OF SERVICE REVIEW FOR THE
TWENTYNINE PALMS COMMUNITY PER REQUEST OF THE CITY OF
TWENTYNINE PALMS AND RETAINING SPECIAL COUNSEL FOR THE
SERVICE REVIEW

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

- 1) Initiate the *Service Review for the Twentynine Palms Community*;
- 2) Note Ms. de Sousa Mills' disqualification from representation on the *Service Review for the Twentynine Palms Community*;
- 3) Grant a waiver of conflict to Twentynine Palms Water District for the *Service Review for the Twentynine Palms Community* to use BB&K;
- 4) Direct staff to retain the firm of CH&W as Special Counsel to represent the Commission in the matter of the *Service Review for the Twentynine Palms Community* and,
- 5) Authorize the Executive Officer to sign the agreement retaining Colantuono, Highsmith & Whatley, PC to provide legal services.

BACKGROUND:

The City of Twentynine Palms, by unanimous City Council vote, requests that the Commission initiate and conduct a service review for the Twentynine Palms community.

The City states that as a small rural community with limited resources it is time to review the services provided in our community to maximize the limited resources that are available.

Once the service review is complete, the next step would be to create a committee of the community to review the findings and make recommendations as to next steps, if any. As the City begins the evaluation of the necessity, opportunity, affordability, and requirements of a centralized wastewater treatment facility and collection system, it believes a community conversation on potentially how to efficiently manage its resources is warranted. The City's staff report states that this review is not about identifying what the community is doing wrong, but an evaluation of how the community can manage its resources better.

The City has provided a resolution of its request to the Commission (included as Attachment #1 to this email) as well as the required fees and deposits for the service review.

LAFCO STAFF ANALYSIS:

Overlaying local agencies and their degree of review would include the following:

LOCAL AGENCY	DEGREE OF REVIEW
City of Twentynine Palms	Full Review
Twentynine Palms Water District	Full Review
Twentynine Palms Cemetery District	Full Review
County of San Bernardino Public Works Department, Special Districts	Discussion, no review
San Bernardino County Fire Protection District	Discussion, no review

Staff would begin work on the review in December, and a timeline for the review as follows:

- Issue a working copy of each agency's portion of the report as well as a working copy of the executive summary to agency (early February)
- Issue a draft service review as a public document for review and comment (late February).
- Publish the service review (late March).
- Present the service review at the Commission's April 20 meeting in San Bernardino.

LEGAL COUNCIL CONFLICT (Best Best & Krieger):

LAFCO Legal Counsel Paula de Sousa Mills is a partner in the firm Best Best and Krieger (BB&K). BB&K is general counsel for the Twentynine Palms Water District. Pursuant to Commission policy, the issue of waiving conflict of interest is required to be addressed. As indicated in the Commission's policy on Waiver of Legal Counsel Conflict (see Attachment #2), the Executive Officer and Legal Counsel reviewed the question of the potential for controversy on this proposal and are of the opinion that controversy exists. The City is the requestor of this service review, and the service review may contain recommendations. With two of the parties using the same legal firm (LAFCO and the Water District), for optics the Executive Officer and Legal Counsel agree that one party should not use BB&K, and that party would be LAFCO.

As for the Water District, the Executive Officer and Legal Counsel agree that a waiver of legal counsel conflict is appropriate for the Water District. In accordance with Commission policy, this waiver has been granted to the Water District.

RETAINING SPECIAL COUNSEL (Colantuono, Highsmith & Whatley, PC):

LAFCO staff contacted the firm of Colantuono, Highsmith & Whatley, PC (CH&W) to represent the Commission on this proposal. Ms. Holly Whatley of CH&W has identified that her firm does not currently represent any of the agencies identified in the table above. CH&W has provided a representation agreement for special counsel services and a written request for conflict waiver (see Attachment #3).

Staff is requesting that the Commission take the actions to:

- 1) Initiate the *Service Review for the Twentynine Palms Community*;
- 2) Note Ms. de Sousa Mills' disqualification from representation on the *Service Review for the Twentynine Palms Community*;
- 3) Grant a waiver of conflict to Twentynine Palms Water District for the *Service Review for the Twentynine Palms Community* to use BB&K;
- 4) Direct staff to retain the firm of CH&W as Special Counsel to represent the Commission in the matter of the *Service Review for the Twentynine Palms Community* and,
- 5) Authorize the Executive Officer to sign the agreement retaining Colantuono, Highsmith & Whatley, PC to provide legal services.

Attachments:

1. [City of Twentynine Palms Resolution](#)
2. [Commission Policy on Waiver of Legal Counsel Conflict of Interest](#)
3. [Representation Letter from Holly Whatley Dated October 22, 2021](#)

**CITY OF TWENTYNINE PALMS
CITY COUNCIL
RESOLUTION NO. 21-17**

A RESOLUTION OF THE CITY OF TWENTYNINE PALMS, SAN BERNARDINO COUNTY, CALIFORNIA, REQUESTING THAT THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) FOR SAN BERNARDINO COUNTY CONDUCT A SERVICE REVIEW FOR THE TWENTYNINE PALMS COMMUNITY

WHEREAS, the City of Twentynine Palms desires LAFCO to commence a service review pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, to identify potential savings of community resources with the elimination of redundant tasks and services within the Twentynine Palms Community; and

WHEREAS, a service review consists of:

- The Twentynine Palms Water District operations of retail water management; and
- The City of Twentynine Palms municipal operations in development of Wastewater and Sewer, Roads, recreations, law enforcement, land use management, and parks; and
- The Twentynine Palms Public Cemetery District operations with operations of public cemetery; and

WHEREAS, it is desired that:

- This report may be used as a basis to initiate agency sphere of influence updates, where warranted, and to address identified service deficiencies; and
- A local stakeholder group will be formed to provide peer review of the service review that may identify operational and financial reasons for potential consolidation; and
- A draft copy will be circulated to the affected entities for review and comment; and

WHEREAS, the City of Twentynine Palms acknowledges and agrees to LAFCO's requirement for imposing legal indemnification as outlined in Policy 3 of Chapter 2 of the Accounting and Financial Section of its Policy and Procedure Manual.

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Twentynine Palm that LAFCO is hereby requested to commence a service review for the Twentynine Palms Community in the manner provide by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PASSED, APPROVED AND ADOPTED on the 14th day of September, 2021.



Cindy Villescas
Cindy Villescas CMC, City Clerk

Daniel L. Mintz, Sr.
Daniel L. Mintz, Sr., Mayor

I, do hereby certify that the foregoing Resolution No. 21-17 was duly adopted by the City Council of the City of Twentynine Palms at a regular meeting thereof held on the 14th day of September, 2021, by the following vote:

AYES:	COUNCILMEMBER: BILDERAIN, KLINK, O'GILVIE, WRIGHT, MINTZ
NOES:	COUNCILMEMBER: NONE
ABSENT:	COUNCILMEMBER: NONE
ABSTAIN:	COUNCILMEMBER: NONE

Cindy Villescas
Cindy Villescas CMC, City Clerk

10. WAIVER OF LAFCO LEGAL COUNSEL CONFLICTS OF INTEREST *(Adopted May 18, 2005)*

Subject to procedures defined below, the Commission authorizes the Executive Officer to waive conflicts of interest under Rule 3.310 of the California Rules of Professional Conduct for LAFCO Counsel's public agency clients.

PROCEDURE:

LAFCO Counsel and the Executive Officer shall discuss each potential conflict and make the following determinations:

- A. Where controversy is identified by either party, no waiver is approved.
- B. Where no controversy is identified, a waiver will be tentatively approved subject to the following:
 - (1) In each case where a waiver is tentatively approved, the Executive Officer shall individually notify the Commission members of his/her proposed decision.
 - (2) In the event the Executive Officer receives no objection from any Commissioner, the waiver is approved.

**COLANTUONO
HIGHSMITH
WHATLEY, PC**

HOLLY O. WHATLEY | (213) 542-5704 | HWHATLEY@CHWLAW.US

October 22, 2021

VIA ELECTRONIC MAIL

Samuel Martinez
Executive Director
San Bernardino, LAFCo
1170 West 3rd Street, Unit 150
San Bernardino, CA 92415-0490

**Re: Special Counsel Services to San Bernardino LAFCo
re: Twentynine Palms Community Service Review**

Dear Sam:

As you asked, I write to propose the terms under which we agree to represent San Bernardino LAFCo ("you" or "LAFCo") regarding the Twentynine Palms Community Service Review. This will be our sole project for you; if we can assist you on other matters, please let me know. Colantuono, Highsmith & Whatley, PC and all of its professionals are very pleased to have the opportunity to represent you in this matter.

This letter sets forth the basis upon which our firm will provide legal services to you and bill you for services and costs. The firm maintains a conflict of interest index which lists all clients of our firm and matters in which we represent them. We will not represent any party with an interest that may be adverse to an indexed person without first determining if a professional conflict of interest would arise. We propose to index the following with respect to this matter:

Client: San Bernardino LAFCo

Affected/Interested Agencies:

City of Twentynine Palms
Twentynine Palms Water District
Twentynine Palms Public Cemetery District
San Bernardino County Fire Protection District

790 E. COLORADO BOULEVARD, SUITE 850, PASADENA, CALIFORNIA 91101-2109 | (213) 542-5700

GRASS VALLEY | PASADENA | SACRAMENTO | SOLANA BEACH | SONOMA

Samuel Martinez
San Bernardino LAFCO
October 22, 2021
Page 2

Please let me know if any of these names are incorrect or if there are other parties with an interest in this matter that we should list. Unless we hear from you to the contrary, we will assume that the above listing is accurate and complete.

We have reviewed our files and our conflicts index and have no other client relationships which would interfere with our ability to represent you in this matter. We recently represented the San Bernardino County Fire Protection District ("Fire District") in two lawsuits that challenge whether existing voter-approved special taxes apply to territory later annexed to the Fire District. Those suits were: *Brennan v. Board of Supervisors of San Bernardino County et al.* (SBSC Case No. CIVDS182659) and *Austin v. San Bernardino FPD* (SBSC Case No. CIVDS1826749). The trial court in each case ruled in favor of the Fire District. Those matters are concluded and we no longer actively represent the Fire District. Thus, there is no current potential conflict but we wanted to alert you to that recent, though past, representation.

The nature of the matter makes it impossible for us to precisely estimate the fees you may incur. You will receive monthly statements informing you of the fees and costs incurred during the prior month. We will, of course, do our best to represent you efficiently and without undue expense.

Please make payments payable to Colantuono, Highsmith & Whatley, PC directly to our Grass Valley office at:

Colantuono, Highsmith & Whatley, PC
420 Sierra College Drive, Suite 140
Grass Valley, CA 95945-5091

Our federal employer identification number is 75-3031545.

I and Aleks Giragosian will have primary responsibility for your representation, and the firm will use other attorneys and legal assistants in the best exercise of our professional judgment. If you have questions, concerns or criticisms at any time, please contact me at once. Naturally, we expect you to keep us reasonably informed of all significant developments regarding this representation.

We review all statements before they are issued to ensure the amount charged is appropriate. The statement for fees is simply the product of the hours worked multiplied by the hourly rates for the attorneys and legal assistants who did the work.

Our hourly rates are based upon the experience, reputation and ability of the lawyer or legal assistant performing the services, and for 2021 range between \$210 and \$525 per hour for attorneys' time, and between \$135 and \$170 for the time of paralegals and legal assistants. As a courtesy to you, however, we agree to cap our rates at \$300 per hour for advisory services, \$350 per hour for advisory services if such services are reimbursable to LAFCO by third-parties associated with the service review and at \$395 per hour for any litigation services that might be required regarding the service review. Our rate structure in general and the rates of particular lawyers may be increased from time to time, and are usually adjusted as of the beginning of each calendar year.

It may be necessary to bill you for items such as, but not limited to, authorized travel, long distance telephone calls, filing fees, photocopying, computerized legal research outside the scope of our Westlaw contract and the like. These items are separately itemized on our statement as "disbursements." These amounts will be billed in addition to our fees.

We will send you monthly statements, and expect payment within 30 days of the billing date. If payment is not received within 60 days of the billing date, we reserve the right to charge interest on the unpaid balance at the rate of 1% per month and to terminate our representation.

We rarely have disputes with clients over our fees. Nevertheless, you should be aware that you are entitled to require that any fee dispute be resolved by binding arbitration in Los Angeles or Nevada Counties pursuant to the arbitration rules for legal fee disputes of the respective County Bar Association. We agree that all disputes between us regarding the services rendered or fees charged not resolved via County Bar fee arbitration will be submitted to binding arbitration in Santa Barbara to be conducted by ADR Services, Inc. in accordance with its commercial arbitration rules. **YOU SHOULD REVIEW THIS PARAGRAPH CAREFULLY AND, IF YOU WISH, SEEK INDEPENDENT LEGAL COUNSEL REGARDING IT, AS YOU AND WE ARE**

AGREEING TO FOREGO SIGNIFICANT RIGHTS IN THE EVENT OF A DISPUTE BETWEEN US, INCLUDING THE RIGHT TO A JURY TRIAL.

You have the right to terminate our representation at any time. We have the same right, subject to an obligation to give you reasonable notice to arrange alternative representation. In either circumstance, you agree to secure new counsel to represent you as quickly as possible and to cooperate fully in the substitution of the new counsel as counsel of record in any litigation in which we may subsequently agree to represent you. Notwithstanding the termination of our representation, you will remain obligated to pay to us all fees and costs incurred previously.

You agree that we may, in our discretion, maintain all or part of your client file in electronic format. The firm may store part or all of your documents using secure cloud storage services. If so, the firm will apply all reasonable methods to maintain the confidentiality of your files, just as it does for your non-digital information. Your data will be password protected and encrypted using currently available technology. Clients requiring information from their files may obtain that information only by written request to us.

You also agree that following termination of our attorney-client relationship, we will not be required to maintain your client file for more than two years. If you ask us to deliver your file to you, you agree that delivery of an electronic version, together with any materials that cannot be saved electronically, satisfies our obligation to release all your client papers and property to you. Two years after termination of our relationship, and after reasonable notice, you agree that we will be free to destroy your client file, including all electronic records. We may also discharge our obligation to maintain your file before two years expire by mailing a copy to you at your address last known to us. You agree that "reasonable notice" means our mailing a notice of our intent to destroy your client file to you at that address.

I apologize for the formality of this letter, but we are required by California law to provide this information to you in writing. We are also required to inform you that we currently maintain professional liability insurance coverage.

Samuel Martinez
San Bernardino LAFCO
October 22, 2021
Page 5

Please review the foregoing and, if it meets with your approval, execute it and return it to me. If you have any questions, please feel free to call me at the direct-dial number above. Thank you for the opportunity to represent you!

Very truly yours,



Holly O. Whatley

HOW:cmr

On behalf of San Bernardino LAFCO, I agree to retain Colantuono, Highsmith & Whatley, PC to provide legal services as set forth above.

Signature


Date: _____, 2021

By: _____

Title: _____

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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(909) 388-0480 • Fax (909) 388-0481
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DATE: NOVEMBER 10, 2021 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #12: Discussion on Conducting Future LAFCO Meetings In-Person or Virtually (via Video/Teleconference) and the Provisions Outlined in Assembly Bill 361

RECOMMENDATION:

Staff recommends that the Commission:

1. Receive and file the report and the information related to AB 361; and,
2. Provide direction to staff on the following:
 - a) Whether to resume meeting in-person—if the Commission determines to resume meetings in person, direct staff to schedule the next meeting (January 19, 2022) and all other subsequent meetings, unless otherwise thereafter determined by the Commission, at the Commission's usual meeting venue - the Norton Regional Event Center; or,
 - b) Whether to continue to have the flexibility to meet virtually (via video/teleconference) in light of the continued COVID-19 pandemic—if the Commission determines it best to continue to meet virtually (via video/teleconference), direct staff to call a special Commission meeting within 30 days prior to the January 19, 2022 Commission meeting—scheduled virtually—to consider adoption of required findings outlined in Government Code Section 54953 (e).

SUMMARY:

In consultation with Legal Counsel, there are two options for future LAFCO meetings: The Commission can choose to have in-person meetings or continue to meet virtually via video/teleconference in light of the continued COVID-19 pandemic. The remainder of this report discusses these option in detail.

BACKGROUND:

The Brown Act generally requires in-person meetings and allows legislative body members to participate in a meeting by teleconference, provided that the teleconference locations are identified on the agenda, that the teleconference locations are open to the public to attend and participate in the meeting, and that a quorum of the members is located within the agency's jurisdiction.

In March 2020, following the Governor's declaration of a state of emergency due to the COVID-19 pandemic, the Governor issued a series of executive orders (N-25-20, N-29-20, and N-08-21) that waived certain Brown Act provisions allowing for virtual meetings without having to post the location of the legislative body members attending virtually. The most recent of these executive orders, N-08-21, was set to expire on September 30, 2021.

On September 16, 2021, the Governor signed Assembly Bill 361 (AB 361), which provides flexibility to conduct meetings virtually (via video/teleconference) during a Governor proclaimed state of emergency without having to post the location of the legislative body members attending virtually, if the legislative body of the agency makes certain findings.

Assembly Bill 361

AB 361 authorizes local agencies to hold virtual meetings without having to post the location of the legislative body members attending virtually, if certain requirements are met, including during a proclaimed state of emergency if state or local officials have imposed or recommended measures related to physical. The modifications to the Brown Act outlined in AB 361 are included as an Attachment to the staff report.

AB 361 imposes additional rules for how these virtual (video/teleconferenced) meetings are to be conducted:

- Agencies cannot require that written comments be submitted in advance of a meeting, and agencies may only close the comment period at the same time it is closed during the meeting;
- The public must be given an opportunity to comment directly during the meeting in real time through either call-in or internet based comment option; and,
- In the event of a disruption in broadcasting the meeting, the agency must take no further action until meeting access is restored.

Since April 2020, the Commission has conducted its meetings virtually, via Zoom video and teleconference, as allowed under the Governor's previous executive orders. It should be noted that this Commission—since the very beginning—has complied with all

the additional rules outlined in AB 361 including the ability of the public to provide comments directly during the meeting.

If the Commission wishes to continue to conduct its meetings virtually (via Zoom video and teleconference) without having to post the location of the Commissioners attending virtually, under AB 361, the Commission's current system already aligns with the provisions outlined in AB 361. It would just need to make specific findings by majority vote within 30 days of the Commission's November 17, 2021 meeting (it being the first meeting held virtually after the effective date of AB 361) as required by subsection (e)(3), which states:

“(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

- (A) The legislative body has reconsidered the circumstances of the state of emergency.*
- (B) Any of the following circumstances exist:*
 - (i) The state of emergency continues to directly impact the ability of the members to meet safely in person.*
 - (ii) State or local officials continue to impose or recommend measures to promote social distancing.”*

LAFCO staff has verified that: 1) the Governor's declared state of emergency is still in effect; 2) the state, through its Department of Public Health under the “Do's and don'ts for daily life” section of its [Covid19 Website](#) includes a link to the CDC's guidance titled [How to Protect Yourself and Others](#) that recommends social distancing as a safety measure; and 3) the County's [Frequently Asked Questions](#) portion of its [Latest News Regarding COVID-19](#) page, answers the question “What can I do to protect myself and prevent the spread of the virus?” with social distancing as a recommended practice. Therefore, based on these facts, the Commission can continue to meet virtually (via video/teleconference) provided these circumstances remain accurate each time the Commission make said findings.

If the Commission wishes to continue to meet virtually (via Zoom video and teleconference), staff is recommending that the Commission direct staff to call a special Commission meeting within 30 days prior to the January 19, 2022 Commission meeting—conducted virtually—to consider adoption of the required findings outlined in Government Code Section 54953(e).

In-Person Meetings

If the Commission decides to resume meeting in-person, it would be staff's recommendation that the Commission direct staff to schedule the next Commission meeting (January 19, 2022) and all other subsequent meetings, unless otherwise thereafter determined by the Commission, at its usual meeting venue - the Norton Regional Event Center.

CONCLUSION:

Given the information outlined above, staff is requesting that the Commission provide direction on its preference for future Commission meetings—whether fully virtually or all in-person—so that staff can plan accordingly.

Attachment

Government Code

54953.

...

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

- (A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
 - (B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
 - (C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
- (2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:
- (A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.
 - (B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.
 - (C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the


parties and the public appearing before the legislative body of a local agency.

- (D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.
- (E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.
- (F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.
- (G)
 - (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.
 - (ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

- (iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.
- (3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:
 - (A) The legislative body has reconsidered the circumstances of the state of emergency.
 - (B) Any of the following circumstances exist:
 - (i) The state of emergency continues to directly impact the ability of the members to meet safely in person.
 - (ii) State or local officials continue to impose or recommend measures to promote social distancing.
- (4) For the purposes of this subdivision, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).
- (f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : NOVEMBER 10, 2021 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #13 – Legislative Report

RECOMMENDATION:

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

BACKGROUND:

2021 Legislative Session:

The table below provides a brief summary of the bills that were of interest to LAFCOs and/or CALAFCO. As noted, SB 13, which extends this Commission's pilot program under Government Code Section 56133.5, was signed by the Governor on October 4, 2021.

AB 339	One of the many open and public meeting bills. This bill requires agencies to provide closed caption services and language access services. The bill also requires the agenda and instructions for accessing the meeting to be translated into all languages for which 5% of the population in the area is a speaker. This bill was significantly amended that eventually became applicable only to city councils and county boards of supervisors with a population of at least 250,000 people.	Vetoed by Governor on 10/7/21
AB 361	One of the many open and public meeting bills. This bill authorizes local agencies to use teleconferencing without complying with certain teleconferencing requirements outlined in the Brown Act during a declared state of emergency. This bill was sponsored by CSDA.	Chaptered on 9/16/21
AB 703	One of the many open and public meeting bills. This bill requires local agencies hold teleconference meeting with at least a quorum of the governing body participating in-	Failed; now a 2-year bill

	person from a single location that is to be open to the public (and located within the boundaries of the jurisdiction).	
AB 1581	This is the annual omnibus bill that makes minor and/or non-substantive changes to the Cortese-Knox-Hertzberg Act.	Chaptered on 6/28/21
AB 1250	This bill, the Consolidation for Safe Drinking Water Act of 2021, would authorize a water or sewer system corporation to file an application and obtain approval from the Public Utilities Commission through an order authorizing the water or sewer system corporation to consolidate with a small community water system or state small water identified as failing or at risk of failing by the state board. This bill has no impact on LAFCOs.	Chaptered on 10/8/21
SB 403	The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water or where a disadvantaged community is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water. This bill would revise those consolidation provisions, including, among other revisions, authorizing the state board to also order consolidation where a water system serving a disadvantaged community is an at-risk water system, as defined, or where a disadvantaged community is substantially reliant on at-risk domestic wells, as defined.	Chaptered on 9/23/21
SB 13	This bill extends the sunset clause of the Pilot Program for Napa and San Bernardino Counties (Section 56133.5).	Chaptered on 10/4/21
SB 55	This bill prohibits the creation or approval of a new development (housing, commercial, retail or industrial) in a very high fire hazard severity zone or a state responsibility area.	Failed; now a 2-year bill
SB 273	This bill is a redo of SB 1052 from 2020. This bill adds authority to municipal wastewater agencies relating to stormwater runoff and management. This bill authorizes municipal wastewater agencies to enter into voluntary agreements with entities responsible for stormwater management – including municipal, industrial, and commercial stormwater dischargers – to more effectively manage stormwater and dry weather runoff. The bill authorizes this additional authority while keeping the LAFCO process to activate these latent powers intact.	Chaptered on 9/23/21

SB 274	This bill is a modified redo of SB 931 from 2020. This bill updates the Government Code to require a public agency to email the agenda or agenda items to anyone who requests it or the link to the website where the documents can be accessed (current law requires the mailing of such documents upon request, this bill adds the option to email if requested).	Chaptered on 10/9/21
SB 499	As introduced, this bill would prohibit the land use element of a general plan from designating or expanding land uses that have the potential to significantly degrade local air, water, or soil quality or to adversely impact health outcomes within or adjacent to disadvantaged communities (DACs) or a racially and ethnically concentrated area of poverty.	Failed; now a 2-year bill
SB 574	This bill narrows the role of Department of Conservation (DOC) in administering the Williamson Act. It does not change other provisions in the Act except for lessening reporting requirements by local governments to the DOC.	Chaptered on 10/7/21

2022 Legislative Session:

The 2022 Legislative Session will convene on January 3, 2022. Attached is the 2022 Tentative Legislative Calendar.

Attachment

JANUARY							
	S	M	T	W	TH	F	S
Interim Recess							1
Wk. 1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	29
Wk. 1	30	31					

FEBRUARY							
	S	M	T	W	TH	F	S
Wk. 1			1	2	3	4	5
Wk. 2	6	7	8	9	10	11	12
Wk. 3	13	14	15	16	17	18	19
Wk. 4	20	21	22	23	24	25	26
Wk. 1	27	28					

MARCH							
	S	M	T	W	TH	F	S
Wk. 1			1	2	3	4	5
Wk. 2	6	7	8	9	10	11	12
Wk. 3	13	14	15	16	17	18	19
Wk. 4	20	21	22	23	24	25	26
Wk. 1	27	28	29	30	31		

APRIL							
	S	M	T	W	TH	F	S
Wk. 1						1	2
Wk. 2	3	4	5	6	7	8	9
Spring Recess	10	11	12	13	14	15	16
Wk. 3	17	18	19	20	21	22	23
Wk. 4	24	25	26	27	28	29	30

MAY							
	S	M	T	W	TH	F	S
Wk. 1	1	2	3	4	5	6	7
Wk. 2	8	9	10	11	12	13	14
Wk. 3	15	16	17	18	19	20	21
No Hrgs.	22	23	24	25	26	27	28
Wk. 4	29	30	31				

DEADLINES

- Jan. 1

Statutes take effect (Art. IV, Sec. 8(c)).
- Jan. 3

Legislature reconvenes (J.R. 51(a)(4)).
- Jan. 10

Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- Jan. 14

Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the odd-numbered year (J.R. 61(b)(1)).
- Jan. 17

Martin Luther King, Jr. Day.
- Jan. 21

Last day for any committee to hear and report to the **floor** bills introduced in that house in the odd-numbered year. (J.R. 61(b)(2)).

Last day to submit **bill requests** to the Office of Legislative Counsel.
- Jan. 31

Last day for each house to pass bills introduced in that house in the odd-numbered year (J.R. 61(b)(3)) (Art. IV, Sec. 10(c)).
- Feb. 18

Last day for bills to be **introduced** (J.R. 61(b)(4), J.R. 54(a)).
- Feb. 21

Presidents' Day.
- Apr. 1

Cesar Chavez Day observed.
- Apr. 7

Spring Recess begins upon adjournment (J.R. 51(b)(1)).
- Apr. 18

Legislature reconvenes from Spring Recess (J.R. 51(b)(1)).
- Apr. 29

Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house (J.R. 61(b)(5)).
- May 6

Last day for **policy committees** to hear and report to the floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).
- May 13

Last day for **policy committees** to meet prior to May 31 (J.R. 61(b)(7)).
- May 20

Last day for **fiscal committees** to hear and report to the **floor** bills introduced in their house (J.R. 61 (b)(8)).

Last day for **fiscal committees** to meet prior to May 31 (J.R. 61 (b)(9)).
- May 23 – 27

Floor session only. No committee may meet for any purpose except for Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(10)).
- May 27

Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).
- May 30

Memorial Day.
- May 31

Committee meetings may resume (J.R. 61(b)(12)).

*Holiday schedule subject to final approval by Rules Committee.

JUNE							
	S	M	T	W	TH	F	S
Wk. 4				1	2	3	4
Wk. 1	5	6	7	8	9	10	11
Wk. 2	12	13	14	15	16	17	18
Wk. 3	19	20	21	22	23	24	25
Wk. 4	26	27	28	29	30		

June 15 Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)).

June 30 Last day for a legislative measure to qualify for the Nov. 8 General Election ballot (Elections Code Sec. 9040).

JULY							
	S	M	T	W	TH	F	S
Wk. 4						1	2
Summer Recess	3	4	5	6	7	8	9
Summer Recess	10	11	12	13	14	15	16
Summer Recess	17	18	19	20	21	22	23
Summer Recess	24	25	26	27	28	29	30
Wk. 1	31						

July 1 Last day for **policy committees** to meet and report bills (J.R. 61(b)(14)).

Summer Recess begins upon adjournment, provided Budget Bill has been passed (J.R. 51(b)(2)).

July 4 Independence Day.

AUGUST							
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
Wk. 2	7	8	9	10	11	12	13
No Hrgs.	14	15	16	17	18	19	20
No Hrgs.	21	22	23	24	25	26	27
No Hrgs.	28	29	30	31			

Aug. 1 Legislature reconvenes from **Summer Recess** (J.R. 51(b)(2)).

Aug. 12 Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(15)).

Aug. 15 – 31 Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(16)).

Aug. 25 Last day to **amend** bills on the floor (J.R. 61(b)(17)).

Aug. 31 Last day for each house to pass bills (Art. IV, Sec 10(c), J.R. 61(b)(18)).

Final Recess begins upon adjournment (J.R. 51(b)(3)).

IMPORTANT DATES OCCURRING DURING FINAL RECESS

2022

- Sept. 30Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).
- Oct. 2Bills enacted on or before this date take effect January 1, 2023. (Art. IV, Sec. 8(c)).
- Nov. 8General Election.
- Nov. 30Adjournment *sine die* at midnight (Art. IV, Sec. 3(a)).
- Dec. 52023-24 Regular Session convenes for Organizational Session at 12 noon. (Art. IV, Sec. 3(a)).


2023

- Jan. 1Statutes take effect (Art. IV, Sec. 8(c)).

*Holiday schedule subject to final approval by Rules Committee.

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DATE: NOVEMBER 10, 2021
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #14: EXECUTIVE OFFICER'S REPORT

REMINDER:

The Commission will be dark in December. Please note that the next Commission meeting will be on January 19, 2022.

CY 2022 LAFCO CALENDAR:

Every year, LAFCO staff provides the Commission with its proposed schedule for the upcoming calendar year, which include the Commission's meeting dates for the year, the holidays, as well as the Fridays that the LAFCO Office is closed. Attached is the proposed 2022 LAFCO Calendar.

Attachment: CY 2022 LAFCO Calendar

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LAFCO Office Calendar – 2022

JANUARY 2022

7 Office Closed
17 Martin Luther King Jr. Holiday (Office Closed)
19 LAFCO Meeting
21 Office Closed

FEBRUARY 2022

4 Office Closed
16 **NO LAFCO MEETING**
18 Office Closed
21 President's Day Holiday (Office Closed)

MARCH 2022

4 Office Closed
16 LAFCO Meeting
18 Office Closed

APRIL 2022

1 Office Closed
15 Office Closed
20 **NO LAFCO MEETING**
29 Office Closed

MAY 2022

13 Office Closed
18 LAFCO Meeting
27 Office Closed
30 Memorial Day Holiday (Office Closed)

JUNE 2022

10 Office Closed
15 **NO LAFCO MEETING**
24 Office Closed

JULY 2022

4 Independence Day Holiday (Office Closed)
8 Office Closed
20 LAFCO Meeting
22 Office Closed

AUGUST 2022

5 Office Closed
17 **NO LAFCO MEETING**
19 Office Closed

SEPTEMBER 2022

2 Office Closed
5 Labor Day Holiday (Office Closed)
16 Office Closed
21 LAFCO Meeting
30 Office Closed

OCTOBER 2022

10 Columbus Day Holiday (Office Closed)
14 Office Closed
19 LAFCO Meeting
28 Office Closed

NOVEMBER 2022

11 Veteran's Day Holiday (Office Closed)
16 LAFCO Meeting
24- Thanksgiving Holiday (Office Closed)
25

DECEMBER 2022

9 Office Closed
21 **NO LAFCO MEETING**
23 Christmas Eve Holiday observance (Office Closed)
26 Office Closed
-30 (26th Christmas observance & 30th New Year's Eve observance)