

# **AGENDA**

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

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

**REGULAR MEETING OF APRIL 17, 2024**

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

### **ANNOUNCEMENT:**

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

### **1. PUBLIC COMMENTS ON CLOSED SESSION**

### **2. CONVENE CLOSED SESSION**

Conference Room Adjacent to Event Center Auditorium

A. Conference with Legal Counsel - Significant Exposure to Litigation (Government Code Section 54956.9(d)(2) – 1 Potential Case

B. Conference with Real Property Negotiators (Government Code Section 54956.8)

Property: Norton Regional Event Center, 1601 E. 3<sup>rd</sup> Street, San Bernardino

Agency Negotiator: Samuel Martinez, LAFCO Executive Officer

Negotiating Party: Inland Valley Development Agency/San Bernardino International Airport Authority

Under Negotiation: Price and Terms of Lease

### **3. RECONVENE PUBLIC SESSION**

### **4. Comments from the Public**

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

### **CONSENT ITEMS:**

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion unless a request has been received prior to the hearing to discuss the matter.

5. [Approval of Minutes for Regular Meeting of February 21, 2024](#)

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

7. [Ratify Payments as Reconciled and Note Cash Receipts for the Months of January and February 2024](#)

8. Consent Items Deferred for Discussion

**PUBLIC HEARING ITEMS:**

9. Review and Accept Audit Report for Fiscal Year Ended June 30, 2023
10. Consideration of: (1) CEQA Statutory Exemption for LAFCO SC#521; and (2) LAFCO SC#521 – Authorization for the Running Springs Water District to Provide Ground Ambulance Services Outside its Boundary and Outside its Sphere of Influence Pursuant to Government Code Section 56133.5
11. Third Quarter Financial Review for FY 2023/24
12. Review and Consideration of Amendments to Policy and Procedure Manual Section III – Human Resources to Reflect the County Approved Non-Substantive Amendments related to its Exempt Group
13. Preliminary Budget Review for Fiscal Year 2024/25:
  - a. Proposed Schedule of Fees, Deposits, and Charges for Fiscal Year 2024/25
  - b. Proposed Budget for Fiscal Year 2024/25

**DISCUSSION ITEMS:**

14. Legislative Update Report

**INFORMATION ITEMS:**

15. Executive Officer's Report
16. 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.)

The Commission may adjourn for lunch from 12:00 to 1:30 p.m. The Commission may take action on any item listed in this Agenda whether or not it is listed for Action. In its deliberations, the Commission may make appropriate changes incidental to the above-listed proposals.

Materials related to an item on this Agenda submitted to the Commission or prepared after distribution of the agenda packet will be available for public inspection in the LAFCO office at 1170 West Third Street, Unit 150, San Bernardino, during normal business hours, on the LAFCO website at [www.sbclafco.org](http://www.sbclafco.org).

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

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

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

A person with a disability or with limited English proficiency 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 or language interpretation accommodations, including auxiliary aids or services, to participate in the public meeting. Later requests will be accommodated to the extent feasible.

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

**REGULAR MEETING**

**9:00 A.M.**

**FEBRUARY 21, 2024**

**PRESENT:**

**COMMISSIONERS:**

**Regular Member**

Jim Bagley  
Kimberly Cox  
Phil Dupper  
Steven Farrell, Vice Chair  
Acquanetta Warren, Chair

**Alternate Member**

Rick Denison  
Jim Harvey  
Kevin Kenley

**STAFF:**

Samuel Martinez, Executive Officer  
Paula de Sousa, Legal Counsel  
Michael Tuerpe, Assistant Executive Officer  
Arturo Pastor, Analyst  
Angela Schell, Commission Clerk  
Tom Dodson, Environmental Consultant

**ABSENT:**

**COMMISSIONERS:**

**Regular Member**

Joe Baca, Jr.  
Curt Hagman

**Alternate Member**

Dawn Rowe

**CONVENE REGULAR MEETING OF THE LOCAL AGENCY FORMATION COMMISSION –  
9:02 A.M. – CALL TO ORDER – FLAG SALUTE AND ROLL CALL**

**ANNOUNCEMENT OF CONTRIBUTIONS**

**1. Comments from the Public**

There are none.

**CONSENT ITEMS:**

**2. Approval of Minutes for Regular Meeting of January 17, 2024**

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

Recommendation: Approve the Executive Officer's Expense for Procurement Card Purchases from November 23, 2023, to December 22, 2023 and December 23, 2023 to January 22, 2024.

**4. Ratify Payments as Reconciled for the Month of December 2023 and Note Revenue Receipts**

Recommendation: Ratify payments as reconciled for the month of December 2023 and note revenue receipts for the same period.

**5. Consent Items Deferred for Discussion (None)**

*Commissioner Cox moves the approval of the Consent Items. Second by Commissioner Farrell. The motion passes with the following roll call vote:*

*Ayes: Cox, Dupper, Farrell, Harvey, and Warren.*

*Noes: None.*

*Absent: Baca, Bagley (Harvey voting in his stead), and Hagman.*

**PUBLIC HEARING ITEMS:**

*Commissioner Bagley arrives at 9:07am.*

**6. LAFCO SC#502 – City of San Bernardino Irrevocable Agreement to Annex No. 2022-369 for Sewer Service:**

Recommendation: Staff recommends that the Commission approve LAFCO SC#502 by taking the following actions:

1. Certify that LAFCO SC#502 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#502 authorizing the City of San Bernardino to extend sewer service outside its boundaries to Assessor Parcel Numbers 0271-0131-03 and 0271-031-04.
3. Adopt LAFCO Resolution #3393 setting forth the Commission's determinations and approval of the agreement for service outside the City of San Bernardino's boundaries.

*Commissioner Dupper moves the approval of the Consent Items. Second by Commissioner Cox. The motion passes with the following roll call vote:*

*Ayes: Bagley, Cox, Dupper, Farrell, and Warren.*

*Noes: None.*

*Absent: Baca and Hagman.*

**7. LAFCO SC#518 – City of Rialto Extraterritorial Wastewater Agreement (ASG Development Advisors)**

Recommendation: Staff recommends that the Commission approve LAFCO SC#518 by taking the following actions:



1. For environmental review as a responsible agency:
  - a. Certify that the Complete Final Environmental Impact Report (EIR) and other related environmental documents prepared by the County of San Bernardino for the Slover/Cactus Avenue Warehouse Project (SCH No. 2019039033) have been independently reviewed and considered by the Commission, its staff, and its Environmental Consultant;
  - b. Determine that the Complete Final EIR for the project prepared by the County of San Bernardino is adequate for the Commission's use as a California Environmental Quality Act (CEQA) Responsible Agency for its determinations related to LAFCO SC#518;
  - c. Determine that the Commission does not intend to adopt alternatives or additional mitigation measures for the Slover/Cactus Avenue Warehouse Project, and that the mitigation measures identified for the project are the responsibility of the County and others, not the Commission;
  - d. Adopt the Facts, Findings and Statement of Overriding Considerations regarding environmental effects from approval of LAFCO SC#518; and,
  - e. Direct the Executive Officer to file a Notice of Determination for LAFCO SC#518 within five days.
2. Approve LAFCO SC#518 authorizing the City of Rialto to extend sewer service outside its boundaries to Assessor Parcel Number 0257-071-70; and,
3. Adopt LAFCO Resolution No. 3394 setting forth the Commission's determinations and approval of the agreement for service outside the City of Rialto's boundaries.

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

*Ayes: Bagley, Cox, Dupper, Farrell, and Warren.  
Noes: None.  
Absent: Baca and Hagman.*

**8. LAFCO SC#519 – City of Chino Covenant Agreement to Annex for Sewer Service (Chino East End Industrial, LLC)**

Recommendation: Staff recommends that the Commission approve LAFCO SC#519 by taking the following actions:

1. For environmental review, take the following actions as a responsible agency:
  - a) Certify that the Commission, staff, and environmental consultant, have independently reviewed and considered the County of San Bernardino's Notice of Exemption ("NOE") package approving a Class 3 Categorial Exemption (New Construction or Conversion of Small Structures) for a Minor Use Permit to construct a vehicle wholesale auction facility and vehicle storage yard on approximately nine acres and found it to be adequate for the Commission's use as Responsible Agency;

- b) The Commission has considered the County's NOE and the minimal environmental effects of the project and finds the information adequate for the Commission's use for its authorization of said service agreement;
  - c) Determine that the Commission does not intend to adopt alternatives or additional mitigation measures for this project; that all mitigation measures are the responsibility of the County and/or others, not the Commission; and are self-mitigating through the Conditions of Approval; and,
  - d) Direct the Executive Officer to file a Notice of Exemption within five (5) days of this action.
- 2. Approve SC#519 authorizing the City of Chino to extend sewer service outside its boundaries to the project area, Assessor Parcel Numbers 1013-271-01 and 1013-261-17; and,
  - 3. Adopt LAFCO Resolution No. 3395, setting forth the Commission's determinations and conditions of approval of the agreement for service outside the City of Chino's boundaries.

*Commissioner Farrell moves to approve staff recommendations. Second by Commissioner Dupper. The motion passes with the following roll call vote:*

*Ayes: Bagley, Cox, Dupper, Farrell, and Warren.*

*Noes: None.*

*Absent: Baca and Hagman.*

**9. For LAFCO 3263 and LAFCO 3264:**

- A. Consideration of (1) CEQA Exemption for LAFCO 3263; and (2) LAFCO 3263 – Sphere of Influence Amendment (Expansion) for West Valley Water District
- B. Consideration of (1) CEQA Exemption for LAFCO 3264; and (2) LAFCO 3264 – Annexation to West Valley Water District (APN 0254-192-02 – GATX Corporation)

Recommendation: Staff recommends that the Commission approve LAFCOs 3263 and 3264 by taking the following actions:

- 1. With respect to environmental review for LAFCO 3263 and LAFCO 3264:
  - a) Certify that LAFCO 3263 and LAFCO 3264 are exempt from the provisions of the California Environmental Quality Act, and
  - b) Direct the Executive Officer to file the Notices of Exemption within five (5) days.
- 2. For LAFCO 3263 (Sphere Amendment):
  - a) Determine that the proposed sphere of influence amendment, submitted under the provisions of Government Code Section 56428, does not require a service review;

- b) Approve the sphere of influence amendment (expansion) for the West Valley Water District;
- c) Affirm the description of the functions and services for the West Valley Water District, as identified in the *LAFCO Policy and Procedure Manual*; and,
- d) Adopt LAFCO Resolution No. 3396 reflecting the Commission's determinations for the sphere of influence amendment as identified.

3. For LAFCO 3264 (Annexation):

- a) Approve LAFCO 3264, with the standard terms and conditions that include, but not limited to, the "hold harmless" clause for potential litigation costs by the applicants.
- b) Waive protest proceedings, as permitted by Government Code Section 56662(d), with 100% landowner consent to the annexation proposal; and,
- c) Adopt LAFCO Resolution No. 3397 setting forth the Commission's determinations and conditions for LAFCO 3264.

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

*Ayes: Bagley, Cox, Dupper, Farrell, and Warren.*

*Noes: None.*

*Absent: Baca and Hagman.*

**10. LAFCO 3265 – Annexation to the Bighorn-Desert View Water Agency and its Improvement Zone CSA 70 W-1 (APN 0631-071-29)**

Recommendation: The staff recommends that the Commission approve LAFCO 3265 by taking the following actions:

- 1. For environmental review, certify that LAFCO 3265 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 3265, with the condition for the "hold harmless" clause for potential litigation costs, continuation of fees, charges, assessments, etc.;
- 3. Waive protest proceedings, as permitted by Government Code Section 56662(d), with 100% landowner consent to the annexation; and,
- 4. Adopt LAFCO Resolution No. 3391 setting forth the Commission's determinations and conditions of approval concerning LAFCO 3265.

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

*Ayes: Bagley, Cox, Dupper, Farrell, and Warren.*

*Noes: None.*

*Absent: Baca and Hagman.*

**DISCUSSION ITEM:**

**11. Review and Accept Audit Report for Fiscal Year Ended June 30, 2023  
(TAKEN OFF CALENDAR)**

**INFORMATION ITEMS:**

**12. Legislative Oral Report**

Executive Officer Samuel Martinez states he has no legislative report. He notes that the indemnification bill has been introduced and that he will be requesting the Commission's support on the bill in April along with a number of recommendations.

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

Executive Officer Martinez states that there will be no March meeting and that the next meeting will be in April. He also makes note that the Commission's Governance Training on Ethics AB 1234 Compliance was held earlier this month stating that the Commission sponsored 10 attendees for that training. He concludes his report that the CALAFCO January Newsletter is attached to the staff report and that the weblink to the new Cortese-Knox-Hertzberg (CKH) Guide is on the staff report, which is available on the LAFCO website.

**14. Commissioner Comments**

Commissioner Bagley provides comments on the indemnification bill language.

**15. Comments from the Public**

There is none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE  
MEETING ADJOURNS AT 9:37 A.M.**

**ATTEST:**

\_\_\_\_\_  
ANGELA SCHELL, Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

\_\_\_\_\_  
ACQUANETTA WARREN, Chair

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

DATE : APRIL 8, 2024  
FROM: SAMUEL MARTINEZ, Executive Officer   
TO: LOCAL AGENCY FORMATION COMMISSION

---

SUBJECT: AGENDA ITEM #6 – APPROVAL OF EXECUTIVE OFFICER'S  
EXPENSE REPORT

---

## **RECOMMENDATION:**

Approve the Executive Officer's Expense Report for Procurement Card Purchases from January 23, 2024 to February 22, 2024 and February 23, 2024 to March 22, 2024.

## **BACKGROUND INFORMATION:**

The Commission participates in the County of San Bernardino's Procurement Card Program to supply the Executive Officer a credit card to provide for payment of routine official costs of Commission activities as authorized by LAFCO Policy and Procedure Manual Section II – Accounting and Financial Policies #3(H). Staff has prepared an itemized report of purchases that covers the billing period of:

- January 23, 2024 to February 22, 2024
- February 23, 2024 to March 22, 2024

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

PAGE 1 OF 1

Cardholder								Travel	Billing Period	
Samuel Martinez									1/23/24 to 2/22/2024	
DATE	VENDOR NAME	#	DESCRIPTION	PURPOSE	COST CENTER	G/L ACCOUNT	\$ AMT	TRIP NUMBER	*R/D	SALES TAX INCL
01/23/24	Frontier Comm	1	Phone Service	Communication	8900005012	52002041	\$649.38			
01/23/24	CSDA	2	Govt Training	Govt. Training	8900005012	52002445	\$460.00			
02/05/24	Thomas West	3	Law Library Updates	Law Library Updates	8900005012	52002080	\$316.68			
02/12/24	Zoom	4	Video Conferencing	Staff online meeting	8900005012	52002305	\$16.15			
02/18/24	SmartSheet Inc.	5	Computer Software	Monthly Subscription	8900005012	52002115	\$9.00			
02/15/24	Southwest Airlines	6	Air Travel - A. Pastor	Staff Workshop - Pleasanton, CA	8900005012	52942945	\$225.96			
02/20/24	Southwest Airlines	7	Air Travel - M. Tuerpe	Staff Workshop - Pleasanton, CA	8900005012	52942945	\$159.95			
02/22/24	Panera Bread	8	Office Expense	Commission Meeting	8900005012	52002305	\$49.36			

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 	04/08/24


Approving Official (Print & Sign)	Date
Acquanetta Warren	04/17/24

Approving Official (Print & Sign)	Date
Acquanetta Warren	04/17/24

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

DATE : APRIL 10, 2024   
FROM: SAMUEL MARTINEZ, Executive Officer  
TO: LOCAL AGENCY FORMATION COMMISSION

---

SUBJECT: AGENDA ITEM #7 - RATIFY PAYMENTS AS RECONCILED FOR  
THE MONTHS OF JANUARY AND FEBRUARY 2024 AND NOTE  
REVENUE RECEIPTS

---

## **RECOMMENDATION:**

Ratify payments as reconciled for the months of January and February 2024 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 period of:

- January 1 through January 31, 2024
- February 1 through February 29, 2024



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

SM/MT

Attachment



JANUARY 2024 PAYMENTS PROCESSED							
Document Number	Account	Posting Date	Vendor	Invoice	Reference	Amount	
1901643734	5200	2085	01/09/24	SB County Sun	B3766563	Notice of Hearing SB County Sun	\$ 340.40
1901660720	5200	2085	01/24/24	Daily Press	B3766546	Notice of Protest Hearing -- Daily Press	\$ 1,732.61
1901660724	5200	2085	01/24/24	Daily Press	B3766552	Notice of Hearing Daily Press	\$ 1,732.60
1901639597	5200	2090	01/03/24	City Comm	UNIT: 150	City Comm payment 12/26/2023	\$ 372.00
1901640818	5200	2090	01/04/24	Jan Pro	96059	Fee for Janitorial Service Month of January 2024	\$ 588.00
1901656042	5200	2180	01/17/24	So Cal Edison	6433-1-9-24	Cust acct 700099666433 Svc Acct 8002108287	\$ 571.10
1901656043	5200	2400	01/17/24	Best, Best, Krieger	985146	Legal counsel	\$ 698.49
1901656046	5200	2400	01/17/24	Best, Best, Krieger	985147	Legal counsel	\$ 139.20
1901656040	5200	2444	01/17/24	Bay Alarm	21124220	Security Alarm Monitoring Svc 2-1-24 to 4-30-24	\$ 123.00
1901639600	5200	2445	01/03/24	Rebecca Lowery	12	Invoice for Dec. 16 - Dec. 31, 2023	\$ 625.00
1901658619	5200	2445	01/22/24	Baca	BACA1-17-24	Commissioner Stipend 1-17-24 Mtg	\$ 200.00
1901658622	5200	2445	01/22/24	Bagley	BAGLEY1-17-24	Commissioner Stipend 1-17-24 Mtg	\$ 200.00
1901658623	5200	2445	01/22/24	Cox	COX1-17-24	Commissioner Stipend 1-17-24 Mtg	\$ 200.00
1901658626	5200	2445	01/22/24	Denison	DENISON1-17-24	Commissioner Stipend 1-17-24 Mtg	\$ 200.00
1901658628	5200	2445	01/22/24	Farrell	FARRELL1-17-24	Commissioner Stipend 1-17-24 Mtg	\$ 200.00
1901658629	5200	2445	01/22/24	Hagman	HAGMAN1-17-24	Commissioner Stipend 1-17-24 Mtg	\$ 200.00
1901658632	5200	2445	01/22/24	Harvey	HARVEY1-17-24	Commissioner Stipend 1-17-24 Mtg	\$ 200.00
1901658634	5200	2445	01/22/24	Kenley	KENLEY1-17-24	Commissioner Stipend 1-17-24 Mtg	\$ 200.00
1901658638	5200	2445	01/22/24	Event Design Lab	06000	Live Stream Broadcast Package Per Event Day 1-17	\$ 900.00
1901659575	5200	2445	01/23/24	Rebecca Lowery	13	Invoice for Jan. 1- Jan. 15, 2024	\$ 500.00
1901639597	5200	2905	01/03/24	City Comm	UNIT: 150	City Comm payment 12/26/2023	\$ 14,256.00
1901639599	5200	2905	01/03/24	Inland Valley Dev. Authority	1711	Monthly rent for using Auditorium Jan 2024	\$ 405.00
1901658622	5294	2940	01/22/24	Bagley	BAGLEY1-17-24	Travel reimbursement for 1-17-24 Mtg	\$ 116.58
1901658623	5294	2940	01/22/24	Cox	COX1-17-24	Travel reimbursement for 1-17-24 Mtg	\$ 79.06
1901658626	5294	2940	01/22/24	Denison	DENISON1-17-24	Travel reimbursement for 1-17-24 Mtg	\$ 89.64
1901658628	5294	2940	01/22/24	Farrell	FARRELL1-17-24	Travel reimbursement for 1-17-24 Mtg	\$ 24.52
1901658632	5294	2940	01/22/24	Harvey	HARVEY1-17-24	Travel reimbursement for 1-17-24 Mtg	\$ 112.56
1901658634	5294	2940	01/22/24	Kenley	KENLEY1-17-24	Travel reimbursement for 1-17-24 Mtg	\$ 32.42
<b>TOTAL</b>							<b>\$ 25,038.18</b>
JANUARY 2024 COUNTY TRANSFERS PROCESSED							
4103237924	5200	2032	01/01/24	IT		DEC 2023 Virtual Private Network (VPN)	\$ 20.76
4103237926	5200	2037	01/01/24	IT		DEC 2023 Dial Tone	\$ 249.84
4103237933	5200	2420	01/01/24	IT		DEC 2023 Data Storage and Backup	\$ 100.76
4103237933	5200	2420	01/01/24	IT		DEC 2023 Enterprise Content Management	\$ 115.00
4103237933	5200	2420	01/01/24	IT		DEC 2023 File Sharing Storage	\$ 100.18
4103237933	5200	2420	01/01/24	IT		DEC 2023 Wireless Device (Exchange Active Sync)	\$ 32.28
4103237934	5200	2421	01/01/24	IT		DEC 2023 Desktop Support Services	\$ 760.09
4103237930	5241	2410	01/01/24	IT		IT Infrastructure - Period 7	\$ 711.00
4200128127	5200	2310	01/22/24	MAIL		Mail Services - DEL	\$ 193.04
4200128129	5200	2310	01/22/24	MAIL		Mail Services - FLAT	\$ 26.14
4200128171	5200	2310	01/23/24	MAIL		Mail Services - HAN	\$ 58.97
<b>TOTAL</b>							<b>\$ 2,368.06</b>
JANUARY 2024 CASH RECEIPTS							
4103253611	various		01/30/24	City of Chino		LAFCO 3269	\$ 14,004.00

<b>TOTAL</b>							<b>\$ 14,004.00</b>
<b>JANUARY 2024 COUNTY TRANSFERRED RECEIVED</b>							
101107215	4030	8500	01/26/24	County Treasury		QE 12/31/2023 INTEREST APPORTIONMENT	\$ 12,085.92
<b>TOTAL</b>							<b>\$ 12,085.92</b>
COMPLETED BY: MICHAEL TUERPE				APPROVED BY: SAMUEL MARTINEZ			
Assistant Executive Officer				Executive Officer			
							
Date: 4/5/2024				4/5/2024			




FEBRUARY 2024 PAYMENTS PROCESSED							
Document Number	Account	Posting Date	Vendor	Invoice	Reference	Amount	
1901686903	5200	2085	02/27/24	Hi-Desert Star	B3776634	Hi-Desert Star Notice of Hearing	\$ 735.59
1901686906	5200	2085	02/27/24	Alpine Mountaineer	B3766561	The Alpine Mountaineer Notice of Hearing	\$ 198.83
1901669654	5200	2090	02/05/24	Jan Pro	96408	Fee for Janitorial Service Month of february 2024	\$ 588.00
1901673410	5200	2180	02/09/24	So Cal Edison	6433-2-28-24	Cust acct 700099666433 Svc Acct 8002108287	\$ 593.35
1901669652	5200	2305	02/05/24	Shred-It	8006137115	01-16-24 Regular Service Off-site	\$ 20.00
1901668202	5200	2315	02/01/24	Vital Records Control	3965961LAX1	Storage Summary Inv#3965961LAX1	\$ 117.99
1901669641	5200	2315	02/05/24	Vital Records Control	4037834LAX1	Storage Summary Inv 4037834LAX1	\$ 119.76
1901670582	5200	2400	02/06/24	Best, Best, Krieger	986726	Legal Counsel	\$ 939.30
1901669648	5200	2424	02/05/24	Tom Dodson	LAFCO 23-10	LAFCO Projects 2023 FY23/24	\$ 85.00
1901688042	5200	2424	02/28/24	Tom Dodson	LAFCO 24-1	LAFCO Projects 23/24	\$ 5,175.00
1901668209	5200	2445	02/01/24	Rebecca Lowery	14	Invoice for Jan. 16 - Jan 31, 2024	\$ 625.00
1901673685	5200	2445	02/09/24	SDRMA	R113535	Webinar: Ethics SB 1234 Compliance Training	\$ 675.00
1901684460	5200	2445	02/22/24	Bagley	BAGLEY2-21-24	Commissioner Stipend 2/21/24 meeting	\$ 200.00
1901684463	5200	2445	02/22/24	Cox	COX2-21-24	Commissioner Stipend 2/21/24 meeting	\$ 200.00
1901684467	5200	2445	02/22/24	Denison	DENISON2-21-24	Commissioner Stipend 2/21/24 meeting	\$ 200.00
1901684470	5200	2445	02/22/24	Dupper	DUPPER2-21-24	Commissioner Stipend 2/21/24 meeting	\$ 200.00
1901684473	5200	2445	02/22/24	Farrell	FARRELL2-21-24	Commissioner Stipend 2/21/24 meeting	\$ 200.00
1901684474	5200	2445	02/22/24	Harvey	HARVEY2-21-24	Commissioner Stipend 2/21/24 meeting	\$ 200.00
1901684475	5200	2445	02/22/24	Kenley	KENLEY2-21-24	Commissioner Stipend 2/21/24 meeting	\$ 200.00
1901684476	5200	2445	02/22/24	Warren	WARREN2-21-24	Commissioner Stipend 2/21/24 meeting	\$ 200.00
1901684737	5200	2445	02/23/24	Event Design Lab	06001	Live Stream Broadcast Package Per Event Day 2-21	\$ 900.00
1901684738	5200	2445	02/23/24	Rebecca Lowery	15	Invoice for Feb 1 - Feb 15, 2024	\$ 725.00
1901680895	5200	2449	02/20/24	Coluntuano, Highsmith...	59200	In reference to Lake Arrowhead CSD Annexation	\$ 1,950.00
1901669651	5200	2895	02/05/24	Konica Minolta	44059088	Invoice 44059088	\$ 16.02
1901669651	5200	2895	02/05/24	Konica Minolta	44059088	Invoice 44059088	\$ 365.38
1901668215	5200	2905	02/01/24	Inland Valley Dev Authority	1727	Monthly rent for using Auditorium Feb 2024	\$ 405.00
1901684460	5294	2940	02/22/24	Bagley	BAGLEY2-21-24	Travel reimbursement for 2/21/24 meeting	\$ 116.58
1901684463	5294	2940	02/22/24	Cox	COX2-21-24	Travel reimbursement for 2/21/24 meeting	\$ 79.06
1901684467	5294	2940	02/22/24	Denison	DENISON2-21-24	Travel reimbursement for 2/21/24 meeting	\$ 89.64
1901684473	5294	2940	02/22/24	Farrell	FARRELL2-21-24	Travel reimbursement for 2/21/24 meeting	\$ 24.52
1901684474	5294	2940	02/22/24	Harvey	HARVEY2-21-24	Travel reimbursement for 2/21/24 meeting	\$ 112.56
1901684475	5294	2940	02/22/24	Kenley	KENLEY2-21-24	Travel reimbursement for 2/21/24 meeting	\$ 32.42
1901684476	5294	2940	02/22/24	Warren	WARREN2-21-24	Travel reimbursement for 2/21/24 meeting	\$ 26.26
1901678212	5294	2941	02/15/24	CALAFCO	STAFF WORKSHOP	Calafco Staff Workshop April 24-26 Pleasanton CA	\$ 1,110.00
<b>TOTAL</b>							<b>\$ 17,425.26</b>
FEBRUARY 2024 COUNTY TRANSFERS PROCESSED							
4103276926	5200	2031	02/01/24	IT		JAN 2024 Payroll System Services (EMACS)	\$ 55.92
4103276927	5200	2032	02/01/24	IT		JAN 2024 Virtual Private Network (VPN)	\$ 20.76
4103276929	5200	2037	02/01/24	IT		JAN 2024 Dial Tone	\$ 249.84
4103276936	5200	2420	02/01/24	IT		JAN 2024 Wireless Device (Exchange Active Sync)	\$ 32.28
4103276936	5200	2420	02/01/24	IT		JAN 2024 File Sharing Storage	\$ 100.18
4103276936	5200	2420	02/01/24	IT		JAN 2024 Enterprise Content Management	\$ 115.00
4103276936	5200	2420	02/01/24	IT		JAN 2024 Data Storage and Backup	\$ 100.76
4103276937	5200	2421	02/01/24	IT		JAN 2024 Desktop Support Services	\$ 684.39
4103276933	5241	2410	02/01/24	IT		IT Infrastructure - Period 8	\$ 711.00
4200129181	5200	2424	02/15/24	Clerk to the Board		NOE - LAFCO 3260	\$ 50.00
4200130008	5200	2310	02/28/24	Mail		Mail Services - FLAT	\$ 5.46

4200130042	5200	2310	02/28/24	Mail		Mail Services - DEL	\$	203.20
4200130045	5200	2310	02/28/24	Mail		Mail Services - HAN	\$	804.46
<b>TOTAL</b>							\$	<b>3,133.25</b>
<b>FEBRUARY 2024 CASH RECEIPTS</b>								
4103273920	4070	9655	02/14/24	Lake Arrowhead CSD		Mapping Fees	\$	550.00
<b>TOTAL</b>							\$	<b>550.00</b>
<b>FEBRUARY 2024 COUNTY TRANSFERRED RECEIVED</b>								
			NONE					
<b>TOTAL</b>							\$	-
COMPLETED BY:	MICHAEL TUERPE					APPROVED BY:	SAMUEL MARTINEZ	
	Assistant Executive Officer						Executive Officer	
	Date:	4/5/2024					4/5/2024	

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

**DATE:** APRIL 10, 2024   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
MICHAEL TUERPE, Assistant Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

---

**SUBJECT:** Agenda Item #9: Review and Accept Audit Report for Fiscal Year  
Ended June 30, 2023

---

## **RECOMMENDATION:**

Staff recommends that the Commission receive and file the materials submitted by Davis Farr LLP related to the Commission's audit for Fiscal Year 2022/23.

## **BACKGROUND:**

The public accounting firm of Davis Farr LLP has conducted the Commission's annual audit for the period July 1, 2022 through June 30, 2023 (copy attached to this staff report). The auditor has independently verified the financial documents prepared by LAFCO staff, outlined its professional responsibilities and findings, and disclosed its compliance with current *Government Auditing Standards*. The auditor reports a material adjustment related to the accounting records provided by the County at the beginning of the audit.

### **1. Meeting with Audit/Budget Committee**

On March 26 the LAFCO Administrative Committee (composed of Chair Warren, Vice-Chair Farrell, and Commissioner Cox), LAFCO management, and the auditor discussed the draft audit.

### **2. Material Adjustment**

The County's year-end closing process ends in early July. Whereas this deadline is adequate for the County's purposes, it does not work well for LAFCO. We receive invoices for May and June activities into July and August. Therefore, these transactions are not recorded in the year of activity. To correct for the incorrect

recording, the independent auditor has been making adjustments to the financial statements. The independent auditor recommends that LAFCO work with County staff to determine the best course of action to post these entries in the proper period. Staff will post these entries as “prior year adjustments” as a part of the year end closing process. Below are details on the material adjustment, the auditor’s recommendation, and LAFCO staff’s action plan.

2023-001 – Material Audit Adjustments

Auditing standards require auditors to report material adjusting journal entries as a result of the audit. Material entries indicate a weakness in internal control over financial reporting.

During the audit we noted that the beginning fund balance of the Commission did not agree to the prior year audited financial statements. Upon investigation, we discovered the County had recorded transactions in the fiscal year ended June 30, 2023 that were related to the prior period. As a result of our procedures, a material adjustment was made to correct the accounting records.

Recommendation

We recommend the Commission prepare a reconciliation of the accounting records provided by the County at the beginning of the audit. This should include a reconciliation of beginning fund balance and identify any entries posted by the County that are not pertaining to the fiscal year under audit. While we acknowledge that the County does not allow entries after a specific date, the Commission and the County should come to an agreement how to address posting adjusting journal entries.

Response

LAFCO staff contacted the General Accounting Division of the County Auditor. They will not allow entries past its closing. They do recommend that LAFCO post a prior year adjustment that will be recorded as a part of the year-end process. At the close of an audit engagement (e.g. FY 22/23), LAFCO staff will consult with the independent auditor to determine a preliminary adjustment figure that will be used as the prior year adjustment for the subsequent audit (FY 23/24). After posting, LAFCO staff will reconcile the ending fund balance per the prior year Financial Statements (FY 22/23) to Beginning Fund Balance per the subsequent year trial balance (FY 23/24).

**3. Additional Pension Payments**

For the past five years, the Commission had made additional payments to SBCERA as a credit towards LAFCO’s net pension liability (NPL). These payments will credit with earnings based on the Plan’s market value investment return every year.

The \$50,163 payment made during 2021/22, is: (1) used to reduce the NPL in this audit (blue highlight in the chart below) and (2) reflected in the employer contribution rates for FY 23/24.

In June 2023, the Commission made an additional payment of \$50,000. This payment will: (1) be used to reduce the NPL for the FY 23/24 audit and (2) reflect in the FY 24/25 employer contribution rates. Below is the yearly information:

<i>Pay Here</i>	<i>Reflect NPL Here</i>	<b>Net Pension Liability</b>			
Measurement (Budget) Year	Audit Year	Begin NPL	Actuary Increase (Decrease)	LAFCO Additional Contribution	End NPL
2012/13	2013/14				581,103
2013/14	2014/15	581,103	3,628		584,731
2014/15	2015/16	584,731	96,716		681,447
2015/16	2016/17	681,447	87,726		769,173
2016/17	2017/18	769,173	95,787		864,960
2017/18	2018/19	864,960	20,287		885,247
2018/19	2019/20	885,247	273,317	(184,963)	973,601
2019/20	2020/21	973,601	273,739	(42,500)	1,204,840
2020/21	2021/22	1,204,840	(1,043,969)	(43,852)	117,019
2021/22	2022/23	117,019	249,842	(50,163)	316,698
2022/23	2023/24	316,698	TBD	(50,000)	TBD

Two audit years prior, you will notice that the NPL decreased from \$1,204,840 to \$117,019. This significantly lower figure is tied to a June 30, 2021 measurement date. According to SBCERA's Actuarial Valuation, the plan's overall NPL decreased from \$4.01 billion as of June 30, 2020 to \$1.32 billion as of June 30, 2021 primarily due to the 32.61% return on the market value of assets during 2020/21 (that was higher than the assumed return of 7.25%). For this audit, the NPL increased to \$316,698 based on a June 2022 measurement date.

#### 4. **Net Position**

The primary reason for the increase in Net Position is the increase in Revenues related to the SALC grant, roughly \$110,000.

#### 5. **Fund Balance**

On a cash basis:

- Total Expenditures were within appropriation authority (93%).
  - Salaries and Benefits were within appropriation authority (91%).
  - Services and Supplies were within appropriation authority (97%).

- Total Revenues were slightly more than budgeted (101%). The budget projected the receipt of 10 applications that require a Commission hearing, with 15 applications received.

## 6. **Conclusion**

The Administrative Committee and LAFCO management staff have discussed the draft audit with the independent auditor. Neither party has issues or concerns with the conduct of the audit or letters provided by the auditors. Per Commission policy, an auditor representative will present the audit at this hearing.

Staff recommends that the Commission receive and file the materials submitted by Davis Farr LLP related to the Commission's audit for Fiscal Year 2022/23. Once accepted the audit will be posted on the LAFCO website under the "Open Government Portal".

Should you have any questions, LAFCO staff would be glad to answer them prior to or at the hearing.

SM/MT

Attachment



To the Board of Commissioners  
Local Agency Formation Commission for San Bernardino County

We have audited the financial statements of the Local Agency Formation Commission for San Bernardino County for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence under the American Institute of Certified Public Accountants ("AICPA") independence standards, contained in the Code of Professional Conduct.

We identified self-review threats to independence as a result of non-attest services provided. Those non-attest services included the preparation of the financial statements and recording

journal entries detected during the audit process. To mitigate the risk, management has compared the draft financial statements and footnotes to the underlying accounting records to verify accuracy.

Additionally, we utilize a quality control reviewer to perform a second review of journal entries and the financial statements. We believe these safeguards are sufficient to reduce the independence threats to an acceptable level.

### **Significant Risks Identified**

As a result of a new accounting pronouncement, Governmental Accounting Standards Board 96: Subscription-Based Information Technology Arrangements, we identified the new standard as a significant risk as part of the audit risk assessment.

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most significant estimate is the estimate the net pension liability which is calculated by an actuary.

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements is Footnote 9: Pension Plan.

### **Significant Difficulties Encountered during the Audit**

We encountered no difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further,

professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected misstatements noted as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. A material misstatement to fund balance that we identified as a result of our audit procedures was brought to the attention of, and corrected by, management.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management dated April 3, 2024.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

### **Other Information Included in the Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Commission's annual report, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that

such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This information is intended solely for the information and use of Board of Commissioners and management of Local Agency Formation Commission for San Bernardino County and is not intended to be, and should not be, used by anyone other than these specified parties.

*Davis Farr LLP*

Irvine, California  
April 3, 2024

**Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

The Commission Members  
Local Agency Formation Commission  
for San Bernardino County  
San Bernardino, California

**Independent Auditor's Report**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Local Agency Formation Commission for San Bernardino County (the Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated April 3, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph 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. However, we identified a deficiency in internal control that we consider to be a material weaknesses.

*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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described as item 2023-001 to be a material weakness.

*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.

## 2023-001 – Material Audit Adjustments

Auditing standards require auditors to report material adjusting journal entries as a result of the audit. Material entries indicate a weakness in internal control over financial reporting.

During the audit we noted that the beginning fund balance of the Commission did not agree to the prior year audited financial statements. Upon investigation, we discovered the County had recorded transactions in the fiscal year ended June 30, 2023 that were related to the prior period. As a result of our procedures, a material adjustment was made to correct the accounting records.

### Recommendation

We recommend the Commission prepare a reconciliation of the accounting records provided by the County at the beginning of the audit. This should include a reconciliation of beginning fund balance and identify any entries posted by the County that are not pertaining to the fiscal year under audit. While we acknowledge that the County does not allow entries after a specific date, the Commission and the County should come to an agreement how to address posting adjusting journal entries.

### Response

LAFCO staff contacted the General Accounting Division of the County Auditor. They will not allow entries past its closing. They do recommend that LAFCO post a prior year adjustment that will be recorded as a part of the year-end process. At the close of an audit engagement (e.g. FY 22/23), LAFCO staff will consult with the independent auditor to determine a preliminary adjustment figure that will be used as the prior year adjustment for the subsequent audit (FY 23/24). After posting, LAFCO staff will reconcile the ending fund balance per the prior year Financial Statements (FY 22/23) to Beginning Fund Balance per the subsequent year trial balance (FY 23/24).

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

## **Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the response to the findings identified in our audit, identified as 2023-001. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

*Davis Farr LLP*

Irvine, California  
April 3, 2024

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

**Basic Financial Statements**

**Year Ended June 30, 2023**



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

**Basic Financial Statements**

**Year ended June 30, 2023**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balance	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	15
Notes to the Basic Financial Statements	16
Required Supplementary Information:	
Schedule of the Plan's Proportionate Share of the Net Pension Liability	33
Schedule of Plan Contributions	34
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	35
Notes to the Required Supplementary Information	36

## **Independent Auditor's Report**

Board of Commissioners  
Local Agency Formation Commission for San Bernardino County  
San Bernardino, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the Local Agency Formation Commission for San Bernardino County (the "Commission"), as of and for the year June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The Commission's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for one year after the date that the financial statements are issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will

always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Schedule of the Plan's Proportionate Share of the Net Pension Liability, Schedule of Plan Contributions, and Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund* be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Report on Summarized Comparative Information***

We have previously audited the Commission's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year

ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2024 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of 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 Commission's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California  
April 3, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the Local Agency Formation Commission for San Bernardino County (Commission) provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the financial statements as outlined in the table of contents.

### Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer view of the Commission's finances. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how the services were financed in the short-term as well as what remains for future spending.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of two parts - management's discussion and analysis (this section), and the basic financial statements. The basic financial statements provide both long-term and short-term information about the Commission's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The basic financial statements also include additional budgetary information.

### Reporting the Commission as a Whole – Net Position

The accompanying Government-wide financial statements include two statements that present financial data for the Commission as a whole. An important question to be asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows.

The statements report the Commission's net position and changes in them. You can think of the Commission's net position – the difference between assets and liabilities – as one way to measure the Commission's financial health or financial position. Over time, increases and decreases in the Commission's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other factors, such as changes in the Commission's revenues, to assess the overall health of the Commission.

The following table provides the Statement of Net Position for the past two fiscal years:

**TABLE 1**  
**NET POSITION – GOVERNMENTAL ACTIVITIES**

	Governmental Activities	
	2023	2022
Assets:		
Cash and investments (note 3)	\$ 539,794	480,770
Accounts receivable	6,481	24,395
Capital assets, net (note 4)	211,674	264,594
Total assets	<u>757,949</u>	<u>769,759</u>
Deferred outflow of resources:		
Deferred outflows from pension plan (note 8)	<u>524,942</u>	<u>387,510</u>
Liabilities:		
Accounts payable	5,864	91,151
Deposit payable	10,521	18,129
Other accrued liabilities	21,290	23,507
Unearned revenues (note 5)	27,976	25,340
Long-term liabilities:		
Due within one year (note 6)	103,130	47,334
Due beyond one year (note 6)	289,010	378,986
Net pension liability (note 8)	316,698	117,019
Total liabilities	<u>774,489</u>	<u>701,466</u>
Deferred inflow of resources:		
Deferred inflows from pension plan (note 8)	<u>303,233</u>	<u>501,346</u>
Total Deferred inflow of resources:	<u>303,233</u>	<u>501,346</u>
Net position (deficit):		
Net investment in capital assets	-	-
Unrestricted	<u>205,169</u>	<u>(45,543)</u>
Total net position	<u>\$ 205,169</u>	<u>(45,543)</u>

The following table provides the Statement of Activities for the past two fiscal years:

**TABLE 2**  
**CHANGE IN NET POSITION – GOVERNMENTAL ACTIVITIES**

	<b>2023</b>	<b>2022</b>
<b>Revenues:</b>		
Charges for services	191,258	138,486
Apportionment	1,090,497	1,090,497
Interest	16,438	(14,731)
<b>Total Revenues</b>	<b>\$1,298,193</b>	<b>\$ 1,214,252</b>
<b>Expenses</b>	<b>\$1,047,481</b>	<b>1,021,489</b>
<b>Change in Net Position</b>	<b>250,712</b>	<b>192,763</b>
Net Position Beginning	\$ (45,543)	(238,306)
<b>Net Position Ending</b>	<b>\$ 205,169</b>	<b>\$ (45,543)</b>

Explanation of Change in Net Position

The tables presented above show an overall slight increase in revenues and expenditures. Some of the significant reasons for the changes in the revenues and expenses of the Commission's governmental activities are outlined as follows:

- On a cash basis:
  - Total Expenditures were within appropriation authority (93%).
    - Salaries and Benefits were within appropriation authority (91%).
    - Services and Supplies were within appropriation authority (97%).
  - Total Revenues were slightly more than budgeted (101%). The budget projected the receipt of 10 applications that require a Commission hearing, with 15 applications received.
- For the past five years, the Commission had made additional payments to SBCERA as a credit towards LAFCO's net pension liability (NPL). These payments will credit with earnings based on the Plan's market value investment return every year.

The \$50,163 payment made during 2021/22, is: (1) used to reduce the NPL in this audit (blue highlight in the chart below) and (2) reflected in the employer contribution rates for FY 23/24.

In June 2023, the Commission made an additional payment of \$50,000. This payment will: (1) be used to reduce the NPL for the FY 23/24 audit and (2) reflect in the FY 24/25 employer contribution rates. Below is the yearly information:

<i>Pay Here</i>	<i>Reflect NPL Here</i>	<b>Net Pension Liability</b>			
<b>Measurement (Budget) Year</b>	<b>Audit Year</b>	<b>Begin NPL</b>	<b>Actuary Increase (Decrease)</b>	<b>LAFCO Additional Contribution</b>	<b>End NPL</b>
<b>2012/13</b>	<b>2013/14</b>				581,103
<b>2013/14</b>	<b>2014/15</b>	581,103	3,628		584,731
<b>2014/15</b>	<b>2015/16</b>	584,731	96,716		681,447
<b>2015/16</b>	<b>2016/17</b>	681,447	87,726		769,173
<b>2016/17</b>	<b>2017/18</b>	769,173	95,787		864,960
<b>2017/18</b>	<b>2018/19</b>	864,960	20,287		885,247
<b>2018/19</b>	<b>2019/20</b>	885,247	273,317	(184,963)	973,601
<b>2019/20</b>	<b>2020/21</b>	973,601	273,739	(42,500)	1,204,840
<b>2020/21</b>	<b>2021/22</b>	1,204,840	(1,043,969)	(43,852)	117,019
<b>2021/22</b>	<b>2022/23</b>	117,019	249,842	(50,163)	316,698
<b>2022/23</b>	<b>2023/24</b>	316,698	TBD	(50,000)	TBD

Two audit years prior, you will notice that the NPL decreased from \$1,204,840 to \$117,019. This significantly lower figure is tied to a June 30, 2021 measurement date. According to SBCERA's Actuarial Valuation, the plan's overall NPL decreased from \$4.01 billion as of June 30, 2020 to \$1.32 billion as of June 30, 2021 primarily due to the 32.61% return on the market value of assets during 2020/21 (that was higher than the assumed return of 7.25%). For this audit, the NPL increased to \$316,698 based on a June 2022 measurement date.

#### Reporting the Commission's Fund Activity

The fund financial statements provide detailed information about the Commission's governmental fund as it operates under a single-program government fund. All the Commission's basic services are reported in its General Fund. The fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. We describe the relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) in the reconciliation following the fund financial statements.

#### Long-Term Liabilities (Non-Pension)

The following table provides a summary of the Long-Term Liabilities (non-pension) for the past two fiscal years:



**TABLE 3  
LONG-TERM LIABILITIES**

	<b>2022/23</b>	<b>2021/22</b>
<b>Compensated Absences</b>	173,245	157,778
<b>Lease Payable</b>	218,895	268,542
<b>TOTAL</b>	<b>\$392,140</b>	<b>\$426,320</b>

- Compensated Absences increased by \$15,467 (natural balance accruals minus leave taken during the year and elective cashouts)
- The Commission leases office space from the San Bernardino Association of Governments. The term of the lease is through 2027. Payments remaining are \$218,895 for the five-year lease.

***Contacting the Commission's Financial Management:***

This financial report is designed to provide our citizen's, taxpayers, governments, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Officer at 1170 W. Third Street, Unit 150, San Bernardino, CA 92415-0490, or 909-388-0480.

## **BASIC FINANCIAL STATEMENTS**

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

**Statement of Net Position**

**June 30, 2023  
(with comparative totals as of June 30, 2022)**

	Governmental Activities	
	2023	2022
Assets:		
Cash and investments (note 3)	\$ 539,794	480,770
Accounts receivable	6,481	24,395
Capital assets, net (note 4)	211,674	264,594
Total assets	<u>757,949</u>	<u>769,759</u>
Deferred outflow of resources:		
Deferred outflows from pension plan (note 8)	<u>524,942</u>	<u>387,510</u>
Liabilities:		
Accounts payable	5,864	91,151
Deposit payable	10,521	18,129
Other accrued liabilities	21,290	23,507
Unearned revenues (note 5)	27,976	25,340
Long-term liabilities:		
Due within one year (note 6)	103,130	47,334
Due beyond one year (note 6)	289,010	378,986
Net pension liability (note 8)	316,698	117,019
Total liabilities	<u>774,489</u>	<u>701,466</u>
Deferred inflow of resources:		
Deferred inflows from pension plan (note 8)	<u>303,233</u>	<u>501,346</u>
Total Deferred inflow of resources:	<u>303,233</u>	<u>501,346</u>
Net position (deficit):		
Net investment in capital assets	-	-
Unrestricted	<u>205,169</u>	<u>(45,543)</u>
Total net position	<u>\$ 205,169</u>	<u>(45,543)</u>

See accompanying notes to the basic financial statements

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

**Statement of Activities**

**Year ended June 30, 2023  
(with comparative totals for the year ended June 30, 2022)**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position - Governmental Activities</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>2023</u>	<u>2022</u>
Governmental activities:						
General government	\$ 1,040,104	191,258	-	-	(848,846)	(874,951)
Interest Expense	<u>7,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,377)</u>	<u>(8,052)</u>
Total governmental activities	<u>\$ 1,047,481</u>	<u>191,258</u>	<u>-</u>	<u>-</u>	<u>(856,223)</u>	<u>(883,003)</u>
General revenues:						
Apportionment					1,090,497	1,090,497
Investment income (loss)					<u>16,438</u>	<u>(14,731)</u>
Total general revenues					<u>1,106,935</u>	<u>1,075,766</u>
Change in net position					250,712	192,763
Net position (deficit), beginning of year					<u>(45,543)</u>	<u>(238,306)</u>
Net position (deficit), end of year					<u>\$ 205,169</u>	<u>(45,543)</u>

See accompanying notes to the basic financial statements

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

**Balance Sheet - Governmental Funds**

**June 30, 2023  
(with comparative totals as of June 30, 2022)**

		<u>General Fund</u>	
		<u>2023</u>	<u>2022</u>
	<u>Assets</u>		
Cash and investments		\$ 539,794	480,770
Accounts receivable		<u>6,481</u>	<u>24,395</u>
Total assets		<u>\$ 546,275</u>	<u>505,165</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable		\$ 5,864	91,151
Deposits payable		10,521	18,129
Salaries and benefits payable		21,290	23,507
Unearned revenues		<u>27,976</u>	<u>25,340</u>
Total liabilities		<u>65,651</u>	<u>158,127</u>
Fund balance:			
Committed:		155,095	-
Assigned:			
General reserve		300,529	166,943
Contingency		<u>25,000</u>	<u>25,000</u>
Total fund balance		<u>480,624</u>	<u>347,038</u>
Total liabilities and fund balance		<u>\$ 546,275</u>	<u>505,165</u>

See accompanying notes to the basic financial statements

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

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**

**June 30, 2023**

Fund balances of governmental funds		\$ 480,624
-------------------------------------	--	------------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets and accumulated depreciation have not been included as financial resources in governmental fund activity:

Capital assets	702,090	
Accumulated depreciation	<u>(490,416)</u>	211,674

Pension related deferred outflows of resources, net of accumulated amortization, have not been reported in the governmental funds:

Employer contributions subsequent to the measurement date	204,364	
Differences between actual and expected experience	7,898	
Changes in actuarial assumptions	21,917	
Changes in proportion and differences between employer contributions and the proportionate share of contributions	<u>290,763</u>	524,942

Long-term liabilities are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds. Long-term liabilities consist of the following:

Net pension liability	(316,698)	
Lease liability	(218,895)	
Compensated absences	<u>(173,245)</u>	(708,838)

Pension related deferred inflows of resources, net of accumulated amortization, have not been reported in the governmental funds:

Differences in expected and actual experience	(7,133)	
Net difference between projected and actual earnings on pension plan investments	(5,788)	
Changes in proportion and differences between employer contributions and the proportionate share of contributions	<u>(290,312)</u>	<u>(303,233)</u>

Net position of governmental activities		\$ <u>205,169</u>
---	--	-------------------

See accompanying notes to the basic financial statements

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

**Year ended June 30, 2023**

**(with comparative totals for the year ended June 30, 2022)**

	General Fund	
	2023	2022
Revenues:		
Apportionment	\$ 1,090,497	\$1,090,497
Charges for services	191,258	139,186
Investment income (loss)	16,438	(14,731)
Total revenues	<u>1,298,193</u>	<u>1,214,952</u>
Expenditures:		
General government:		
Salaries and employee benefits	759,070	756,110
Services and supplies	348,513	407,867
Principal expense	49,647	48,972
Interest expense	7,377	8,052
Total expenditures	<u>1,164,607</u>	<u>1,221,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>133,586</u>	<u>(6,049)</u>
Net change in fund balance	<u>133,586</u>	<u>(6,049)</u>
Fund balances at beginning of year	<u>347,038</u>	<u>353,087</u>
Fund balances at end of year	<u>\$ 480,624</u>	<u>347,038</u>

See accompanying notes to the basic financial statements

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

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balance to the Statement of Activities**

**Year ended June 30, 2023**

Net changes in fund balances - total governmental funds \$ 133,586

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

The governmental fund reports capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the capital outlays, if any, and depreciation in the current period.

Depreciation expense (52,920)

Long term liability expenses reported in the Statement of Activities do not require the use of current financial resources. Therefore, these expenses are not reported as expenditures in governmental funds. Long term liability expenses reported in the Statement of Activities includes the changes of the following:

Change in net pension liability	(199,679)	
Payment in lease payable	49,647	
Change in deferred outflows of resources related to pensions	137,432	
Change in deferred inflows of resources related to pensions	<u>198,113</u>	185,513

Accrued compensated absence expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental fund.

(15,467)

Change in net position of governmental activities \$ 250,712

See accompanying notes to the basic financial statements



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

## **Notes to the Basic Financial Statements**

**Year ended June 30, 2023**

### **1. Summary of Significant Accounting Policies:**

The accounting policies of the Local Agency Formation Commission for San Bernardino County (the Commission) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

#### **a. Reporting Entity**

Following the end of World War II, California entered a new era of demographic growth and diversity, and economic development. With this growth came the need for housing, jobs and public services. To provide for these services, California experienced a wave of newly formed cities and special districts, but with little forethought as to how the new agencies should plan for services. The lack of coordination and adequate planning for future governance led to a multitude of overlapping, inefficient jurisdictional and service boundaries.

In 1963, the State Legislature created Local Agency Formation Commissions (Commissions) to help direct and coordinate California's growth in a logical, efficient, and orderly manner. Each county within California is required to have a Commission. The Commissions are charged with the responsibility of making difficult decisions on proposals for new cities and special districts, spheres of influence, consolidations, and annexations.

The Commission is composed of seven voting members, with four alternate members who vote only in the absence or abstention of a voting member. Two members are elected county supervisors and are selected by the Board of Supervisors. Two members are elected city council members and are selected by the mayors of the cities within San Bernardino County. Two members are elected members of a special district board of directors and are selected by the presidents of the independent special districts in San Bernardino County. These six elected officials select a "public" member who is not affiliated with county, city, or special district governments. Alternate members for the county, city, special district, and public categories are selected in the same manner. Each commissioner and alternate serve a four-year term.

#### **b. Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Commission.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include charges for services that are restricted to meeting the operational or capital requirements of particular function or segment. Investment income and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund. The Commission operates under a single-program governmental fund.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 1. **Summary of Significant Accounting Policies (Continued):**

#### c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are not recognized until paid.

Intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include charges for services and operating contributions from members.

#### d. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Commission has five items that qualify for reporting in this category for the fiscal year ended June 30, 2023, all of which relate to pensions. These include pension contributions subsequent to the measurement date, differences between actual and expected experience, change in assumptions, and change in employer's proportion and differences between the employer's contributions and employer's proportionate share of contributions.

The first of these items will be amortized in full in the following fiscal year. The second item is a deferred outflow related to pensions for the net difference between projected and actual earnings on plan investments. This amount is amortized over a closed 5-year period. These last three items are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 1. Summary of Significant Accounting Policies (Continued):

In addition to liabilities, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Commission has three items that qualify for reporting in this category for the fiscal year ended June 30, 2023, all of which relate to pension. These include differences between expected and actual experience, and changes in employer's proportion and differences between the employer's contributions, the employer's proportionate share of contributions, and the net difference between projected and actual earnings on pension plan investments. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

#### e. Cash and Investments

Cash and investments include the cash balances of substantially all funds, which are pooled and invested by the County Treasurer to increase interest earnings through investment activities. Investment activities are governed by the California Government Code Sections 53601, 53635, and 53638 and the County's Investment Policy.

Interest income, and realized gains and losses earned on pooled investments are deposited quarterly to the Commission's accounts based upon the Commission's average daily deposit balances during the quarter. Unrealized gains and losses of the pooled investments are distributed to the Commission annually. Cash and investments are shown at fair value.

#### f. Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 1. Summary of Significant Accounting Policies (Continued):

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the Commission's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the Commission's own data.

#### g. Capital Assets

Capital assets are reported as governmental activities in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 and have an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Equipment of the Commission is depreciated using the straight-line method over a 5 to 7 year estimated useful life. Lease assets are amortized over the estimated useful life of the asset or contract term, whichever is shorter.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend asset life is not capitalized.

#### h. Employee Compensated Absences

Liabilities for vacation, holidays, sick pay and compensatory time are accrued when incurred in the government-wide financial statements. Upon retirement or termination, an employee is compensated for 100% of unused accrued vacation and holiday time. Those with more than five years of LAFCO service receive 75% of their accumulated sick leave up to a maximum of fourteen hundred (1,400) hours. A liability for accrued leave is reported in the governmental fund financial statements only if it has matured. A matured liability may result from employees who terminate prior to year-end and are paid for their leave subsequent to year-end.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 1. Summary of Significant Accounting Policies (Continued):

#### i. Fund Balance

Nonspendable fund balances includes amounts that cannot be spent because they are either not spendable in form (such as prepaid expenses) or legally or contractually required to be maintained intact.

Restricted fund balance includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Commission action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Commission's highest level of authority. The governing board is the highest level of decision-making authority that can commit fund balances. Once adopted, the limitation imposed by the commitment remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balance includes amounts to be used by the Commission for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance includes the residual amounts that have not been committed or assigned to specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Commission's policy is to apply restricted fund balance first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balances are available, the Commission's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

#### j. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's San Bernardino County Employees' Retirement Association (SBCERA) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by SBCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 1. **Summary of Significant Accounting Policies (Continued):**

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

#### k. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### l. Comparative Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

### 2. **Stewardship, Compliance and Accountability: General Budget Policies:**

In accordance with provisions of Section 56381 of the Government Code of the State of California, commonly known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), the Commission shall adopt a proposed budget by May 1 and a final budget by June 15 of each fiscal year.

Budgets are prepared on the cash basis of accounting. After adoption of a final budget, the County of San Bernardino Auditor shall apportion one-third of net operating expenses of the Commission to each of the following: the county, cities, and independent special districts. The legal level of budgetary control is the fund level.

Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balance as provided for in the County Budget Act.

### 3. **Cash and Investments:**

Cash and investments as of June 30, 2023 consist of the following:

Petty cash	\$ 250
Investment in County of San Bernardino Investment Pool	<u>539,544</u>
Total Cash and Investments	<u>\$ 539,794</u>

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 3. **Cash and Investments (Continued):**

#### Investments Authorized by the Commission's Investment Policy

The Commission's investment policy authorizes investments only in the County of San Bernardino Investment Pool.

#### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of the fair value to changes in market interest rates. As of June 30, 2023, the Commission's cash was voluntarily invested in the County of San Bernardino Investment Pool, and therefore was not exposed to any interest rate risk as described above.

The County of San Bernardino Investment Pool is a pooled investment fund program governed by the San Bernardino County Board of Supervisors, and is administered by the County Treasurer. Investments in the pool are highly liquid as deposits and withdrawal can be made at any time without penalty. The Commission's fair value of its share in the pool is the same value of the pool shares, which amounted to \$539,544. Information on the pool's use of derivative securities in its investment portfolio and the Commission's exposure to credit, market, or legal risk is not available.

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The money pooled with the County of San Bernardino Investment Pool is not subject to a credit rating.

#### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 3. Cash and Investments (Continued):

California law also allows financial institutions to secure Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the money invested by the Commission in the County of San Bernardino Investment Pool).

The Commission is a participant in the San Bernardino County Investment Pool (SBCIP). The SBCIP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The County Treasury Oversight Committee and the County Board of Supervisors conduct SBCIP oversight. Cash on deposit in the SBCIP at June 30, 2023, is stated at fair value. The SBCIP values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the SBCIP, refer to the County of San Bernardino Annual Comprehensive Financial Report.

### 4. Capital Assets:

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets:				
Lease asset	\$ 317,514	-	-	\$ 317,514
Leasehold improvements	384,576	-	-	384,576
subtotal	<u>702,090</u>	<u>-</u>	<u>-</u>	<u>702,090</u>
Less accumulated depreciation for:				
Lease asset	(52,920)	(52,920)	-	(105,840)
Leasehold improvements	<u>(384,576)</u>	<u>-</u>	<u>-</u>	<u>(384,576)</u>
Total capital assets, net	<u>\$ 264,594</u>	<u>(52,920)</u>	<u>-</u>	<u>\$ 211,674</u>

### 5. Unearned Revenues:

At June 30, 2023, the Commission deferred recognition of \$27,976 from fee revenues and deposits that have been received but not yet earned.



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

## **Notes to the Basic Financial Statements**

**Year ended June 30, 2023**

**(Continued)**

### **6. Long Term Liabilities:**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023	Due within one year
Compensated Absences	\$ 157,778	91,605	(76,138)	173,245	51,973
Lease Payable	268,542	-	(49,647)	218,895	51,157
Total long term debt	<u>\$ 426,320</u>	<u>91,605</u>	<u>(125,785)</u>	<u>392,140</u>	<u>103,130</u>

The Commission leases office space from the San Bernardino Association of Governments. The term of the lease is through 2027. A discount rate of 3% was used to discount the lease liability. Principal and interest payments are as follows:

	Principal	Interest
2024	\$ 51,157	5,867
2025	52,711	4,313
2026	54,317	2,707
2027	55,968	1,056
2028	<u>4,742</u>	<u>12</u>
	<u>\$ 218,895</u>	<u>13,955</u>

### **7. Insurance:**

The Commission is a member of the Special District Risk Management Authority, an intergovernmental risk sharing joint powers authority. The schedule of insurance coverage is as follows:

Coverage	Amount	Limit of Insurance
Property Coverage	\$ 1,000,000,000	Per Occurrence
Property - Boiler & Machinery	100,000,000	Per Occurrence
Property - Pollution Coverage	2,000,000	Per Occurrence
Property - Cyber Coverage	Limits on file	Per Occurrence
General Liability - Bodily Injury	2,500,000	Per Occurrence
General Liability - Property Damage	2,500,000	Per Occurrence
General Liability - Public Officials	500,000	Per Occurrence
Personal	2,500,000	Per Occurrence
General Liability - Employment Benefits		
General Liability - Employee/Public Officials E & O	2,500,000	Per Occurrence
General Liability - Employment Practices Liability	2,500,000	Per Occurrence
General Liability - Employee/Public Officials Dishonesty	1,000,000	Per Occurrence
Auto Liability - Auto Bodily Injury	2,500,000	Per Occurrence
Auto Liability - Auto Property Damage	2,500,000	Per Occurrence
Auto Liability - Uninsured Motorist	Limits on file	Per Occurrence
Employers Liability	5,000,000	Per Occurrence
Worker's Compensation	Statutory	Per Occurrence

The Commission is self-insured for unemployment insurance.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 8. Pension Plan:

#### a. General Information about the Pension Plan

##### Plan Description

The San Bernardino County Employees' Retirement Association (SBCERA) administers the SBCERA pension plan - a cost-sharing multiple-employer defined benefit pension plan (the Plan). SBCERA provides retirement, disability, death and survivor benefits to its members, who are employed by 17 active participating employers (including SBCERA) and 4 withdrawn employers. SBCERA publishes its own Comprehensive Annual Financial Report (CAFR) which is available on SBCERA's website at [www.SBCERA.org](http://www.SBCERA.org).

##### Benefits Provided

SBCERA provides service retirement, disability, death and survivor benefits to eligible employees. Generally, any employee of the County of San Bernardino or participating employers who is appointed to a regular position whose service is greater than fifty percent of the full standard of hours required by a participating SBCERA employer (e.g. 20 hours per week or more) must become a member of SBCERA effective on the first day of employment.

The retirement benefits the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Prior to <u>January 1, 2014</u>	On or After <u>January 1, 2014</u>
Hire date		
Benefit formula	2%@55	2.5%@67
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 65	52 - 67
Monthly benefits, as a % of eligible compensation	1.49% - 3.13%	1.0% - 2.5%
Required employee contribution rates	10.74%	8.74%
Required employer contribution rates	34.53%	30.09%

##### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 8. Pension Plan (Continued):

Funding contributions for both Plans are determined annually on an actuarial basis as of June 30. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

#### Actuarial Assumptions

The total pension liabilities were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	7.25%
Inflation	2.75%
Payroll Growth	3.50%
Projected Salary Increase	4.55% - 12.75% (1)
Investment Rate of Return	7.25% (2)
Mortality	(3)

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) Mortality rates are based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2019 projection scale. For healthy Safety members, the Safety Healthy Retiree rates were used. For disabled General members, the Non-Safety Disabled Retiree rates were used. For disabled Safety members, the Safety Disabled Retiree rates were used. For beneficiaries, the General Contingent Survivor rates were used. For beneficiaries, the General Contingent Survivor rates increased by 10% were used.

#### Discount Rate

The discount rates used to measure the Total Pension Liability was 7.25% as of the June 30, 2022 measurement date. The projection of cash flows used to determine the discount rate assumed employer and member contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 8. Pension Plan (Continued):

Therefore, the long-term expected rate of return on pension plan investments of 7.25% were applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2022.

The long-term expected rate of return on Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. These target allocations and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the June 30, 2022 and 2021 actuarial valuations. This information will change every three years based on the actuarial experience study.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap Equity	11.00%	5.42%
Small Cap Equity	2.00%	6.21%
International Developed Equity	9.00%	6.50%
Emerging Market Equity	6.00%	8.80%
Core Bonds	2.00%	1.13%
High Yield Bonds	13.00%	3.40%
Global Bonds	1.00%	-0.04%
Emerging Market Debt	8.00%	3.44%
Real Estate	3.50%	4.57%
Cash	2.00%	-0.03%
Value Added Real Estate	3.50%	6.53%
Real Assets	5.00%	10.64%
Absolute Return	7.00%	3.69%
International Credit	11.00%	5.89%
Private Equity	16.00%	10.70%
Total	100.00%	

- b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 8. Pension Plan (Continued):

#### Allocation of Net Pension Liability

The Commission's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures.

The Commission's proportionate share of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following Table shows the Commission's proportionate share of net pension liability over measurement period:

Balance at June 30, 2021	\$	117,019
Balance at June 30, 2022		<u>316,698</u>
Change - Increase (Decrease)	\$	<u>199,679</u>

The Commission's proportionate share of the net pension liability for the Plan as of the June 30, 2021 and 2022 measurement dates was as follows:

Proportion - June 30, 2021	0.009%
Proportion - June 30, 2022	<u>0.014%</u>
Change - Increase (Decrease)	<u>0.005%</u>

For the year ended June 30, 2023, the Commission recognized pension income of \$68,497. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

## **Notes to the Basic Financial Statements**

**Year ended June 30, 2023**

**(Continued)**

### **8. Pension Plan (Continued):**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 204,364	-
Differences between actual and expected experience	7,898	(7,133)
Change in assumptions	21,917	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	290,763	(290,312)
Net Difference between projected and actual earnings on Pension Plan Investments	-	(5,788)
Total	<u>\$ 524,942</u>	<u>(303,233)</u>

The deferred outflows of resources related to contributions subsequent to the measurement date of \$204,364 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2024	18,166
2025	2,036
2026	(63,768)
2027	46,927
2028	13,984
Thereafter	-
	<u>\$ 17,345</u>

### **Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Commission's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

## Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

### 8. Pension Plan (Continued):

1% Decrease		6.25%
Net Pension Liability	\$	821,068
Current Discount Rate		7.25%
Net Pension Liability	\$	316,698
1% Increase		8.25%
Net Pension Liability	\$	(95,837)

#### Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued SBCERA financial reports.

### 9. Salary Savings Plans:

#### Benefit Plan Groups

For the purpose of the salary savings plans, employees shall be divided into the following groups:

- a. Group A      Executive Officer
- b. Group B      All Commission Employees not in Group A or C
- c. Group C      Administrative Assistant

#### 401(k) Plan

Bi-weekly contributions of Commission employees to the County's 401(k) Defined Contribution Plan will be matched by a Commission contribution on the basis of two times the employee's contribution. The bi-weekly contributions of employees in Groups A and B of up to four percent of bi-weekly base salary will be matched by a Commission contribution of two times the employee's contribution, not to exceed eight percent of an employee's bi-weekly base salary.

The bi-weekly contributions of employees in Group C to the County's 401(k) Defined Contribution Plan of up to three percent of bi-weekly base salary will be matched by a Commission contribution of two times the employee's contribution. The Commission's contribution shall not exceed six percent of an employee's bi-weekly base salary.

The Commission contributed \$32,756 to this plan for the fiscal year ended June 30, 2023.

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

**Notes to the Basic Financial Statements**

**Year ended June 30, 2023**

**(Continued)**

**9. Salary Savings Plan (Continued):**

*457 Deferred Compensation Plan*

Bi-weekly contributions of Commission Group A employees to the County's Section 457 Deferred Compensation Plan up to one percent (1%) of an employee's bi-weekly base salary will be matched by a Commission contribution on the basis of one (1) times the employee's contribution. The Commission contribution shall not exceed one percent of the employee's bi-weekly salary. The contribution shall be deposited in the County's 401(a) Plan.

Bi-weekly contributions of Commission Group B and C employees to the County's Section 457 Deferred Compensation Plan up to one percent (1%) of an employee's bi-weekly base salary will be matched by a Commission contribution of one-half (1/2) times the employee's contribution. The Commission's contribution shall not exceed one-half percent (1/2%) of the employee's bi-weekly salary. The contribution shall be deposited in the County's 401(a) Plan.

The Commission contributed \$2,977 to this plan for the fiscal year ended June 30, 2023.

**10. Commitments & Contingencies**

In conducting its activities, the LAFCO, from time to time is the subject of various legal claims. Management is currently unable to determine the ultimate resolution of such legal claims, or the monetary impact on the financial statements.



**REQUIRED SUPPLEMENTARY INFORMATION**

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

## **Schedule of the Plan's Proportionate Share of the Net Pension Liability**

### **Last Ten Fiscal Years\***

	Measurement Date								
	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the Collective Net Pension Liability	0.014%	0.009%	0.030%	0.036%	0.035%	0.033%	0.031%	0.035%	0.034%
Proportionate Share of the Collective Net Pension Liability	\$ 316,698	\$ 117,019	\$ 1,204,840	973,602	885,247	864,960	769,173	681,447	584,731
Covered-Employee Payroll	\$ 434,992	\$ 418,564	\$ 492,258	478,224	475,010	369,541	359,294	341,542	289,935
Proportionate Share of the Collective Net Pension Liability as a Percentage of Covered-Employee Payroll	72.81%	27.96%	244.76%	203.59%	186.36%	234.06%	214.08%	199.52%	201.68%
Plan's Fiduciary Net Position	\$ 3,439,121	\$ 3,383,284	\$ 3,017,494	3,043,279	2,181,226	1,943,960	1,639,622	1,736,731	1,505,924
Plan's Total Pension Liability	\$ 3,755,819	\$ 3,500,303	\$ 4,222,334	4,016,881	3,066,474	2,808,921	2,408,795	2,418,178	2,090,655
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.57%	96.66%	71.47%	75.76%	71.13%	69.21%	68.07%	71.82%	72.03%

#### Notes to Schedule:

##### Benefit Changes:

There were no changes in benefits.

##### Changes in Assumptions:

There were no changes in Assumptions.

\* - Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

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

## **Schedule of Plan Contributions**

### **Last Ten Fiscal Years\***

	Fiscal Year								
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Actuarially Determined Contribution	\$ 204,364	\$ 220,882	\$ 148,859	185,762	177,400	125,543	132,171	120,963	122,480
Contributions in Relation to the									
Actuarially Determined Contribution	(204,364)	(220,882)	(192,711)	(228,262)	(361,363)	(125,543)	(132,171)	(120,963)	(122,480)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (43,852)	(42,500)	(183,963)	-	-	-	-
Covered-Employee Payroll	\$ 444,707	\$ 434,992	\$ 418,564	492,258	478,224	475,010	369,541	359,294	341,542
Contributions as a Percentage of									
Covered-Employee Payroll	45.95%	50.78%	35.56%	37.74%	37.10%	26.43%	35.77%	33.67%	35.86%

#### Notes to Schedule:

Valuation Date 6/30/2021

#### Methods and Assumptions Used to Determine Contribution Rates:

Cost sharing employers	Entry Age Actuarial Cost Method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	4.55 to 12.75%, including inflation of 2.75%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Retirement age	50-70 years (2%@50 and 2.5%@67)
Mortality	Pub-2010 Amount-Weighted Above-Median Mortality Table

\* - Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

**Budget and Actual - General Fund**

**Year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Apportionment	\$ 1,090,497	1,090,497	1,090,497	-
Charges for services	105,579	205,579	191,258	(14,321)
Investment income	<u>10,000</u>	<u>10,000</u>	<u>16,438</u>	<u>6,438</u>
Total revenues	<u>1,206,076</u>	<u>1,306,076</u>	<u>1,298,193</u>	<u>(7,883)</u>
Expenditures:				
General government:				
Salaries and benefits	833,866	833,866	759,070	74,796
Service and supplies	327,830	377,667	348,513	29,154
Principal expense	49,647	49,647	49,647	-
Interest expense	7,377	7,377	7,377	-
Total expenditures	<u>1,218,720</u>	<u>1,268,557</u>	<u>1,164,607</u>	<u>103,950</u>
Excess (deficiency) of revenues over (under) expenditures	(12,644)	37,519	133,586	96,067
Net change in fund balance:	<u>(12,644)</u>	<u>37,519</u>	<u>133,586</u>	<u>96,067</u>
Fund balances at beginning of year	<u>347,038</u>	<u>347,038</u>	<u>347,038</u>	<u>-</u>
Fund balances at end of year	<u>\$ 334,394</u>	<u>384,557</u>	<u>480,624</u>	<u>96,067</u>

See notes to the required supplementary information

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

## **Notes to the Required Supplementary Information**

**Year ended June 30, 2023**

### **1. Budgetary Reporting**

The Commission established accounting control through formal adoption of an annual budget for the Governmental Fund. The budget is prepared on a basis consistent with generally accepted accounting principles. The adopted budget can be amended by the Commission to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations require Commission's approval. Expenditures may not exceed total appropriations at the individual fund level. It is the practice of the Commission's management to review the budget monthly and provide quarterly updates to the Commission.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

**DATE :** APRIL 10, 2024   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
MICHAEL TUERPE, Assistant Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

---

**SUBJECT:** AGENDA ITEM #10 – LAFCO SC#521 – Authorization for the Running Springs Water District to Provide Ground Ambulance Services Outside its Boundary and Outside its Sphere of Influence Pursuant to Government Code Section 56133.5

---

## **RECOMMENDATIONS:**

Staff recommends that the Commission take the following actions related to LAFCO SC #521:

1. For environmental review, certify that LAFCO SC #521 is exempt from environmental review, and direct the Executive Officer to file the Notice of Exemption within five (5) days.
2. Approve LAFCO SC #521 authorizing the Running Springs Water District to provide ground ambulance service outside its boundary and sphere of influence within the areas identified in Attachment #1.
3. Adopt LAFCO Resolution No. 3400 setting forth the Commission's determinations for service outside the Running Springs Water District boundary and sphere of influence pursuant to Government Code Section 56133.5.

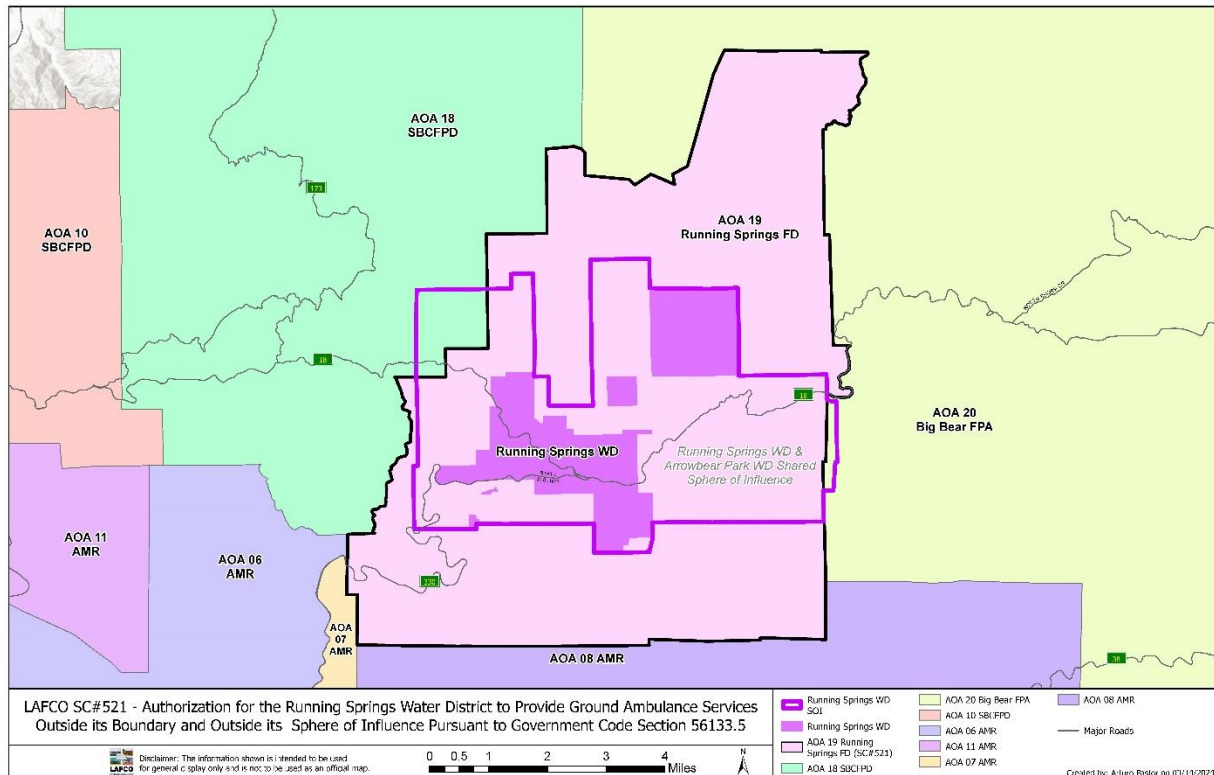
## **BACKGROUND:**

The Running Springs Water District (District) is an independent special district that provides retail water distribution, wastewater service (collection and treatment), as well as fire protection and pre-hospital emergency medical aid services, which includes ambulance and paramedic services to the Hilltop Community. The District operates its fire protection and emergency medical services via its Running Springs Fire Department.

In 1980, California's Emergency Medical Services System and Prehospital Emergency Care Personnel Act created the state's Emergency Medical Services Authority. Emergency



However, the District's assigned AOA goes beyond the District's actual boundaries and beyond its sphere of influence that extends southerly along State Route 330 towards the San Bernardino/Highland area, northerly towards Shay Mountain, and easterly towards the Snow Valley Ski area. The map below shows AOA 19 (pink shade) in relation to the District's boundaries (magenta shade) and the District's sphere of influence (dark magenta outline). The preceding map and the map below are also included as part of Attachment #1.



## GOVERNMENT CODE SECTION 56133

ICEMA granted the District the exclusive right to provide ground ambulance service within AOA 19. However, there are areas within AOA 19 that are outside of the District's boundary and outside of its sphere of influence. Under the provisions outlined in Government Section 56133, such extension of service is prohibited since the Commission's approval to authorize an agency to provide service outside its boundary and sphere of influence is only to respond to a health and safety issue. Although ambulance service is a health and safety type of service, the actual provision of ambulance service within its operating area is not necessarily responding to a threat to a public health and safety issue.

## PILOT PROGRAM:

In 2016, Government Code Section 56133.5 established a pilot program, for Napa and San Bernardino LAFCOs to authorize a city or district to extend services outside of a sphere for



additional purposes beyond responding to threat to a public health or safety, based upon specific criteria.

In 2020, LAFCO's *Countywide Service Review for Fire Protection, Emergency Medical Services, and Dispatch* identified and evaluated the District's fire and emergency medical service -- particularly as it relates to its ambulance service and serving within the entirety of AOA 19. The area of the assigned AOA 19 (see Attachment #1 to this report), and the applicability of the Pilot Program to the District's circumstance was discussed (see Attachment #2 to this report for an excerpt from LAFCO 3231).

For the District, the pilot program provides a mechanism for it to serve within its entire AOA (AOA 19) and not be subject to further LAFCO review and approval.

### **PILOT PROGRAM DETERMINATIONS:**

The pilot program requires that the Commission make the following determinations regarding the area to be served outside the agency's sphere of influence, at a noticed public hearing. In the case of LAFCO SC#521, staff's position is that all three determinations can be made by the Commission.

1. That the proposed service extension was identified and evaluated in a service review. The ambulance service for the District was identified and evaluated in the Countywide Service Review for Fire Protection, Emergency Medical Services, and Dispatch, LAFCO 3231 (2020).
2. That the proposed service extension will not have an adverse impact on open space/agricultural lands and/or is not growth inducing. Continuation of the District's ground ambulance service within the assigned AOA 19 is not anticipated to have an adverse impact on open space or agricultural lands.
3. That inclusion of the area to be served into the agency's sphere of influence is not feasible or desirable based on adopted commission policies. The area served by the District outside of its boundary and outside its sphere of influence are well beyond the District's sphere of influence. Therefore, inclusion within the District's sphere is not feasible or desirable.

### **ENVIRONMENTAL DETERMINATION:**

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Dodson and Associates, has reviewed this item and has indicated that it is his recommendation that the review of LAFCO SC#521 is exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the Commission's approval of this item does not have the potential to cause a significant adverse impact on the environment; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061(b)(3).

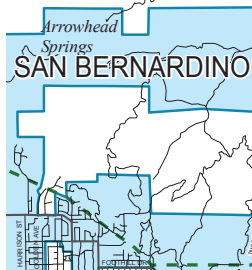
**CONCLUSION:**

The Running Springs Water District provides ground ambulance service within its AOA as defined by the memorandum of agreement with ICEMA. The District's AOA goes beyond the District's actual boundaries and its sphere of influence. This pilot program, unique to two counties, provides a mechanism to accommodate unique circumstances and harmonize with the other statutes regarding out-of-agency service agreements. For these reasons, staff recommends the Commission approve LAFCO SC #521, which allows the Running Springs Water District to provide its ground ambulance service outside its boundary and outside its sphere within ICEMA's AOA 19, outlined in Attachment #1.

SM/MT




Attachments:

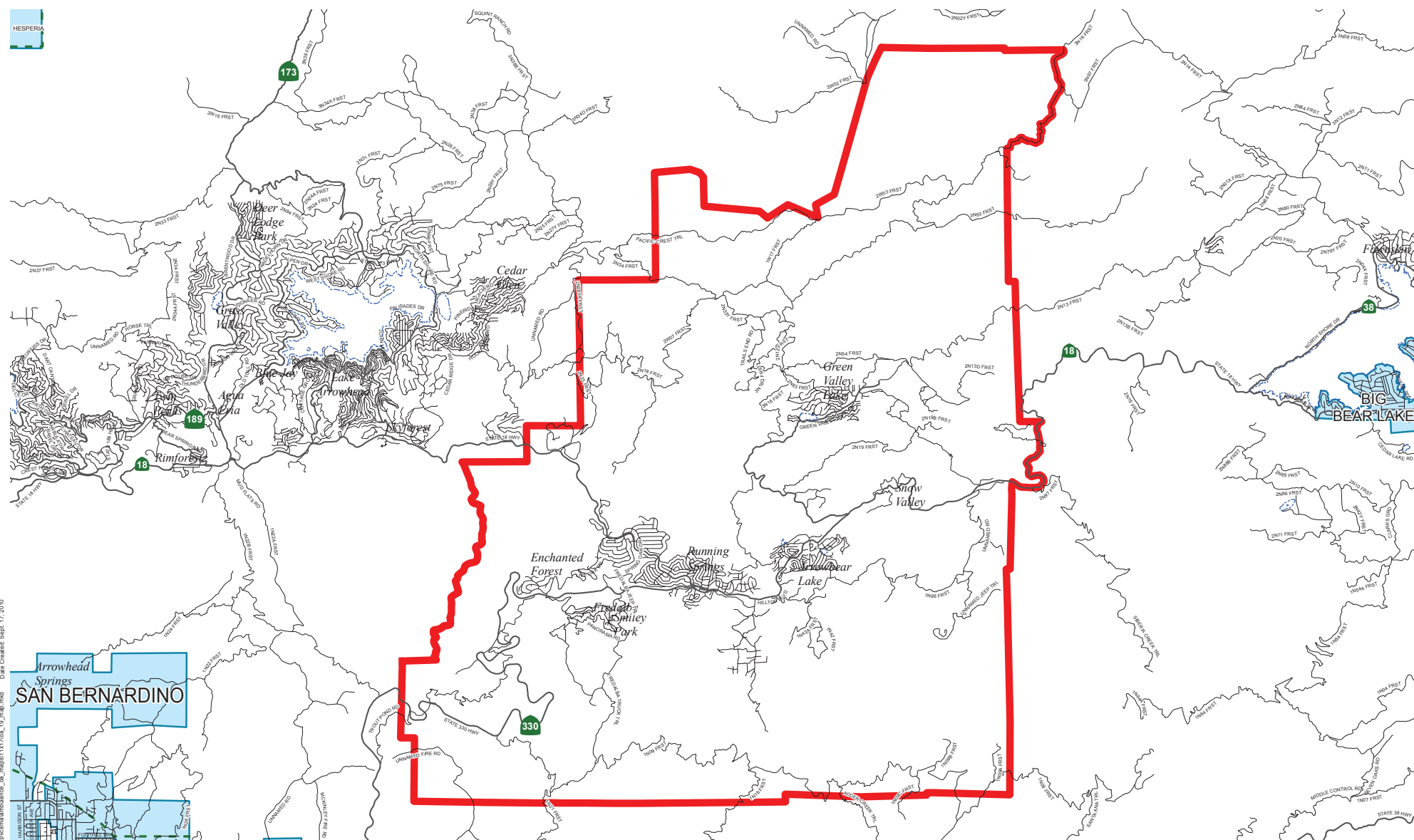
1. [Maps of Running Springs Water District Ground Ambulance Service Outside its Boundary and Outside its Sphere of Influence](#)
2. [Excerpt from LAFCO 3231 \(Countywide Service Review for Fire Protection, Emergency Medical Services, and Dispatch\) and Copy of Resolution No. 3301](#)
3. [Running Springs Water District Application Materials](#)
4. [Response from Tom Dodson and Associates](#)
5. [Draft Resolution No. 3400](#)

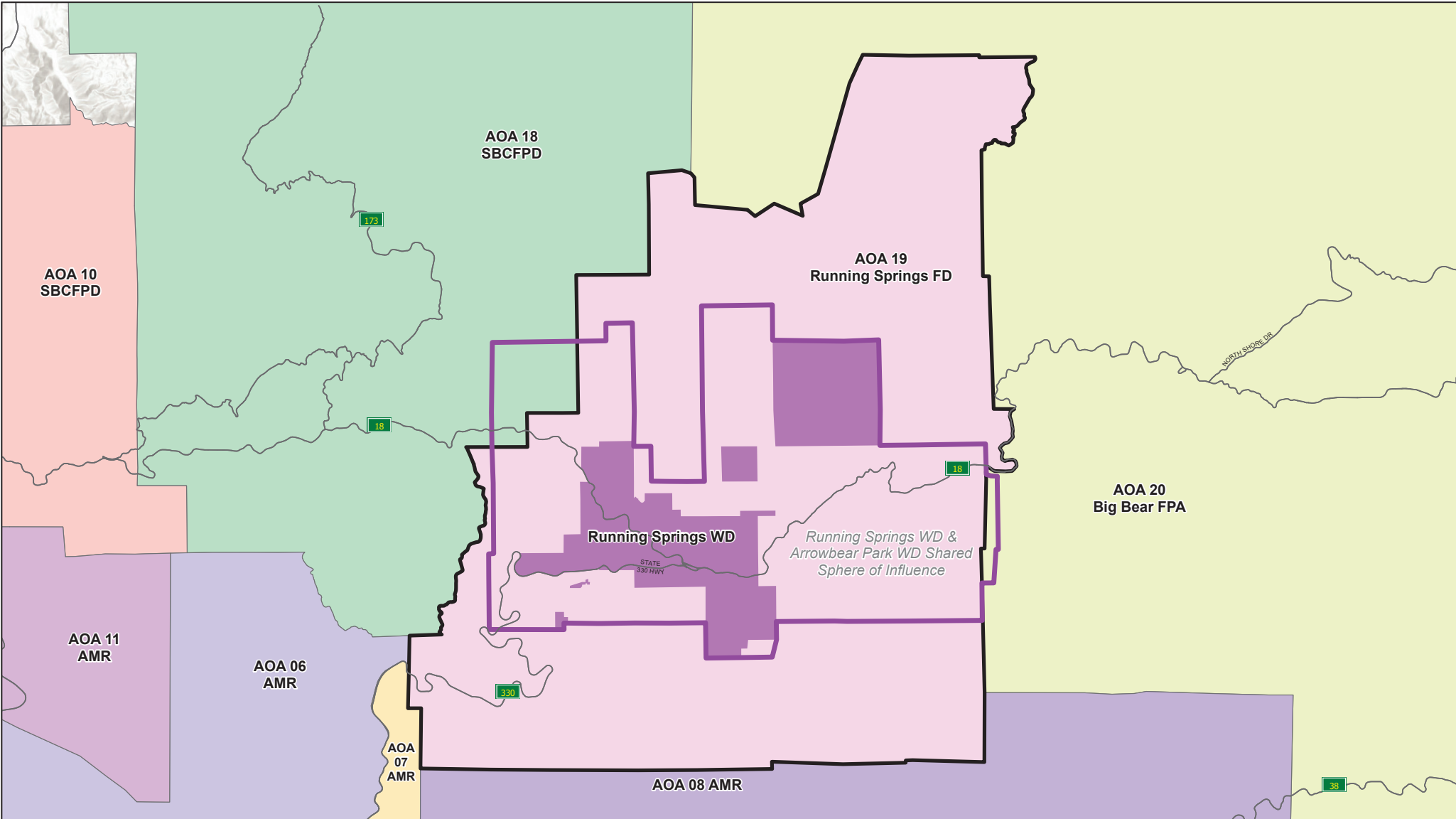


Map Prepared On: Sept. 17, 2010




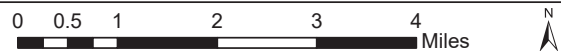
-  Ambulance OA Boundary  
 City Jurisdictions  
 National Forest Boundary














**LAFCO SC#521 - Authorization for the Running Springs Water District to Provide Ground Ambulance Services Outside its Boundary and Outside its Sphere of Influence Pursuant to Government Code Section 56133.5**

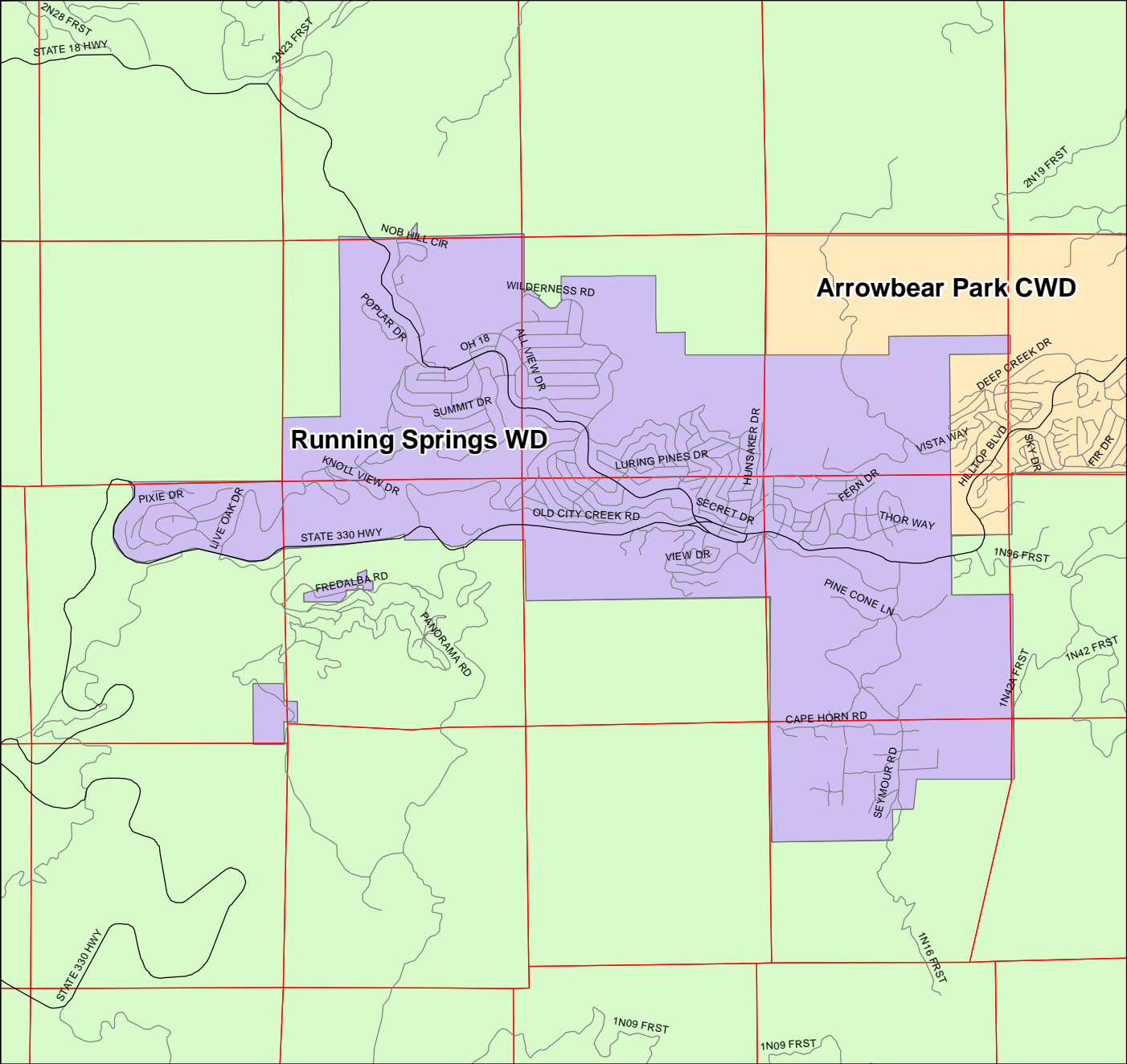
 Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.



- |  |   |   |
|--|---|---|
|  Running Springs WD SOI             |  AOA 20 Big Bear FPA |  AOA 08 AMR  |
|  Running Springs WD                 |  AOA 10 SBCFPD       |  Major Roads |
|  AOA 19 Running Springs FD (SC#521) |  AOA 06 AMR          |   |
|  AOA 18 SBCFPD                      |  AOA 11 AMR          |   |
|  |  AOA 07 AMR          |   |

Created by: Arturo Pastor on 03/14/2024

# Running Springs Water District



Principal Act	Water Code Division 12 - §30000 et seq.	Year Formed	1958	Governance	Board of Directors
Area	4.09 sq mi	Population	4,489 (2018)	Website	<a href="http://www.runningspringswaterdistrict.com">www.runningspringswaterdistrict.com</a>
LAFCO Fiscal Indicators	<a href="http://www.sbclafco.org/FiscalIndicators/IndependentDistricts/RunningSpringsWaterDistrict.aspx">http://www.sbclafco.org/FiscalIndicators/IndependentDistricts/RunningSpringsWaterDistrict.aspx</a>				
LAFCO Service Reviews					
Round 1, by agency	<a href="http://www.sbclafco.org/Proposals/ServiceReviews/MountainRegion.aspx">http://www.sbclafco.org/Proposals/ServiceReviews/MountainRegion.aspx</a>				
Round 2, water	<a href="http://www.sbclafco.org/Proposals/ServiceReviews/WSR.aspx">http://www.sbclafco.org/Proposals/ServiceReviews/WSR.aspx</a>				
Round 2, sewer	<a href="http://www.sbclafco.org/Proposals/ServiceReviews/WWSR.aspx">http://www.sbclafco.org/Proposals/ServiceReviews/WWSR.aspx</a>				
<div><div><div>0</div><div>0.375</div><div>0.75</div><div>1.5</div></div><div>Miles</div></div> <div><div>N</div></div>				<div><div><div>Arrowbear Park County Water District</div><div>Running Springs Water District</div><div>San Bernardino County Fire Protection District Mountain Service Zone</div></div></div>	
<div><div><div><div><div></div><div>LAFCO</div><div>LOCAL AGENCY FIRE COORDINATION OFFICE</div></div></div><div>Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.</div></div></div>		Agency service area shown, not jurisdiction boundary			

## 1. LAFCO Conclusion and Recommendation

### A. Service outside Boundary and Sphere of Influence

*The Inland Counties Emergency Medical Agency (“ICEMA”) authorizes the Running Springs Water District to provide ground and air ambulance services to an assigned Exclusive Operating Area (“EOA”). As a result, the District provides both first responder and ambulance transportation services throughout the assigned EOA, which extend beyond its sphere of influence.*

*LAFCO concludes that this circumstance can be addressed in the context of Gov’t. Code §56133.5 - a pilot program, through 2020, for Napa and San Bernardino LAFCOs to authorize a city or district to extend services outside of a boundary and sphere of influence.*

*LAFCO recommends that the Running Springs Water District submit an application to LAFCO to address this circumstance.*

### B. Countywide Plan, Hilltop Communities Action Guide

*The Hilltop Communities Action Guide of the County’s Countywide Plan does not include the Running Springs Water District, the adjacent Arrowbear Park County Water District, or their respective fire departments as agencies to implement the Focus Statement to “Improve Public Safety”.*

*LAFCO recommends that the County of San Bernardino include the Running Springs Water District, the adjacent Arrowbear Park County Water District, or their respective fire departments as agencies to implement the Focus Statement to “Improve Public Safety”.*

## 2. Overview and Brief History

The Running Springs Water District (District) is an independent special district that formed in March 1958. The District is a multi-service organization that presently operates three departments: (1) a water department that provides retail water distribution, (2) wastewater department that collects, treats, and disposes the area’s wastewater, and (3) fire department that provides fire protection and pre-hospital emergency medical aid services.

In October 1962, fire protection became the second service provided for the community by the District. Until that time, an all-volunteer fire department provided fire protection for the area. Because of increased community need, and after considering a number of service alternatives, the District formed its own fire department. Today, the Department is served by a combination of full-time and paid-call staff with eight full-time staff and seventeen paid-call firefighters providing 24-hour emergency response. The Fire Department operates from two fire stations located within the District boundaries. Cal Fire personnel are currently co-located in Running Springs Fire Department Station 51.

Over the years, medical aid responses increased to the point where they significantly outnumbered fire-related responses. To provide better service and more fully meet the needs of the community, in September 1978, the District's Fire Department implemented advanced life support (paramedics) into its medical care services. With the implementation of advanced life support procedures, the District's Fire Department became the first fire agency in the San Bernardino Mountains to provide a 24-hour continuous paramedic program.

In 1984, to further enhance its emergency medical care system, the District's Board of Directors authorized the Fire Department to provide ambulance transportation services. Prior to 1984, the Lake Arrowhead Fire Protection District provided ambulance service. The Running Springs Water District's ambulance service boundary, through its assigned Emergency Operations Area, currently includes Running Springs, Smiley Park, Arrowbear, Green Valley Lake, Snow Valley and along State Highway 18 to Lake View Point. The ambulance coverage also includes State Highway 330 to City Creek Ranger Station.

### **3. Boundary and Sphere of Influence Review**

#### **A. Combined Sphere of Influence**

The Running Springs Water District and the Arrowbear Park County Water District provide fire protection and emergency services to adjacent territory, and both operate under the same principal act within a distinct community. Prior service reviews have identified opportunities within the Crest Forest, Lake Arrowhead and Hilltop communities for service consolidations. The possibility of consolidating the two county water districts (Running Springs Water District and Arrowbear Park County Water District) has been discussed since the early 1970s. In March 2011, the Commission assigned a combined sphere of influence for the Running Springs Water District, Arrowbear Park County Water District and County Service Area 79<sup>1</sup>.

#### **B. Service outside Boundary and Sphere**

The Inland Counties Emergency Medical Agency ("ICEMA") authorizes the Running Spring WD to provide ground ambulance services to an assigned Exclusive Operating Area ("EOA"), in this case EOA 19. Thus, the District provides both first responder and ambulance transportation services throughout the assigned EOA, which extend beyond its boundary and sphere of influence.

However, the California law does not allow agencies to provide service outside their boundary and sphere of influence, other than in response to a threat to public health or safety. Fortunately, Government Code §56133.5 (Assembly Bill 402 effective 2016) establishes a pilot program, through 2020, for Napa and San Bernardino LAFCOs to authorize a city or district to extend services outside its boundary and sphere of influence. This process requires that the Commission make the following

---

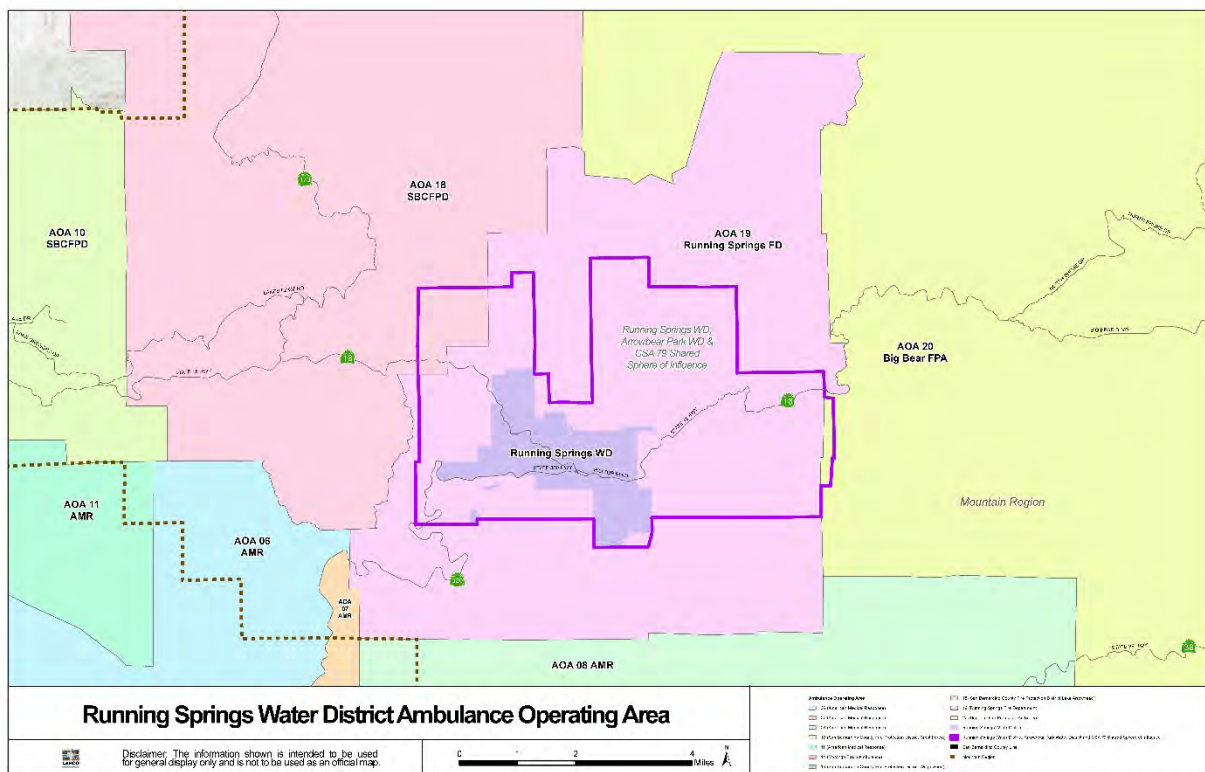
<sup>1</sup> LAFCO Resolutions 3134, 3131 and 3133, respectively.

determinations regarding the area to be served outside the agency's sphere of influence, at a noticed public hearing:

1. That the proposed service extension was identified and evaluated in a service review;
2. That the proposed service extension will not have an adverse impact on open space/agricultural lands and/or is not growth inducing; and,
3. That inclusion of the area to be served into the agency's sphere of influence is not feasible or desirable based on adopted commission policies.

Particular to Item 1 above, this service review identifies the area for any future service extensions, as outlined above and shown in the map below. To evaluate the proposed service extension, LAFCO staff has reviewed all prior service reviews involving the Running Springs Water District and the area identified. Further, Part III, Section 3 of this service review provides service review information, on a regional basis, which includes the proposed service extension area.

### Running Springs Water District Boundary and Sphere with EOA 19





#### **4. General Operations**

The District completed a questionnaire that identifies services performed within its boundary, automatic and mutual aid agreements, full-time services provided outside its boundary (if any), fire station listing, apparatus listing, shared facilities, if it has a special tax or assessment, and ISO rating(s).

The District's response is included at the rear of this agency's profile.

#### **5. Service Delivery Unique to the Agency**

##### **A. Ambulance Transportation Services**

The Running Springs Water District provides ambulance and paramedic services to the Hilltop Community. Since 1988, the County of San Bernardino Board of Supervisors has authorized the implementation of ambulance provider Exclusive Operating Areas ("EOA") as authorized by Sections 1797 et seq. of the Health and Safety Code. The local emergency medical services agency for San Bernardino County which define EOAs is the joint powers agency known as the Inland Counties Emergency Medical Agency ("ICEMA").

The Running Springs Water District provides ambulance service within its EOA as defined by the memorandum of agreement with ICEMA. The District's EOA goes beyond the District's actual boundaries, extending southerly along SR 330 towards the San Bernardino/Highland area, northerly towards Shay Mountain, and easterly towards the Snow Valley Ski area within the Arrowbear Park CWD.

According to the District, the 2013 ICEMA EOA Financial Assessment Report states that EOA Nineteen is located in the upper region of the southwestern corner of the county. It contains no incorporated cities. The EOA population is estimated at 5,277. Running Springs Fire Department serves this EOA and responded to 542 medical requests in 2011. The majority of the EOA is rural, with a small area urban designation in the western portion of the EOA. The EOA Determination from the report is Grandfathered EOA Nineteen is designated exclusive via the "grandfathering" provision of Health and Safety Code Section 1797.224, as the EMS Agency determined that Running Springs Fire Department or its predecessors have delivered uninterrupted service with no changes to the scope and manner of service to the operating area since prior to January 1, 1981.

##### **B. Cooperative Agreement for Fire Station Joint Use**

On September 18, 2019, the District approved a cooperative agreement for joint use with the California Department of Forestry and Fire Protection ("Cal Fire") to co-locate at Fire Station 51. Benefits to both agencies include the availability of additional staff, equipment and expanded training opportunities.

## 6. Master or Strategic Plan

In October or November of each year, the District holds strategic planning meetings to develop and update a five-year Strategic Plan. According to the District, the Strategic Plan allows the District to better serve District customers, and is a critical tool in conducting the remaining portions of the annual planning process which consists of the Annual Board Workshop and the Annual District Budget. Access to the Strategic Plan is not available on the District's website. Because of the importance of the Strategic Plan, and to promote agency transparency, the District should make an effort to post the Plan on its website.

## 7. Previous Service Review

As referenced above, consolidation of Running Springs Water District with Arrowbear Park County Water District has been under consideration since the early 1970s:

- The 1973 LAFCO staff report recommending sphere boundaries for these two water districts stated that the districts should consider consolidation since both provide similar services and have adjacent boundaries.
- The 2011 *Hilltop Community Service Review* and the 2017 *Countywide Water Service Review* identified that a consolidation of water and wastewater services would benefit the community and would solidify the community through a single service agency.
- In March 2011, the Commission assigned a combined sphere of influence for the Running Springs Water District, Arrowbear Park County Water District and County Service Area 79<sup>2</sup> signaling the Commission's intent for a future change of organization.
- The 2018 Countywide Wastewater Service Review, when referencing Running Springs Water District and Arrowbear Park County Water District, stated:

*Through reorganization, a reduction in administrative and staffing costs would likely occur for these agencies. Specifically, there would only be the need for a single general manager and fire chief for the consolidated Hilltop area. Through assimilation of these districts into a single structure, the costs for these independent managerial positions can be reduced or eliminated as well the duplicative administrative charges of operating an agency (budgets, audits, legal counsel, insurance, purchasing, etc.)...*

## 8. Financial Ability to Provide Services

To make the required service review determination of an agency's financial ability to provide services, LAFCO referenced the agency's own financial documents (audits,

---

<sup>2</sup> LAFCO Resolutions 3134, 3131 and 3133, respectively.

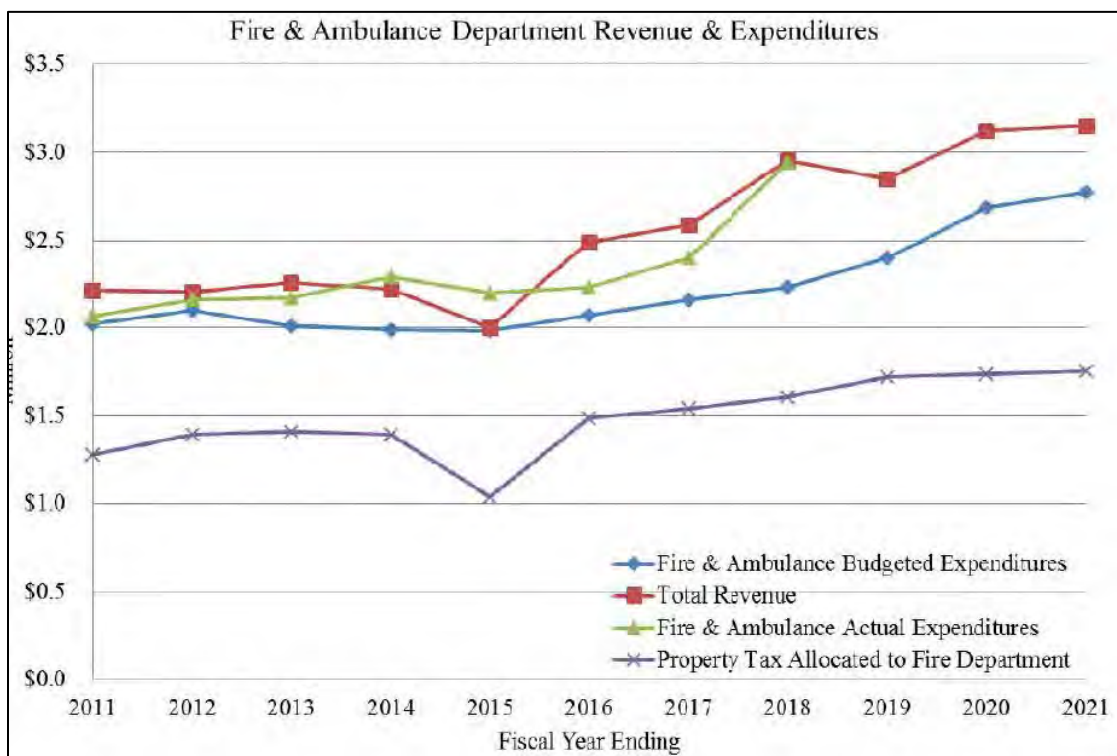
budgets, capital improvement program). Additionally, LAFCO's Fiscal Indicators Program shows fiscal trends for an agency and allows for an agency comment. The information below incorporates all of the information and sources identified above.

#### A. Overview

The District prepares a two-year budget, the current being for FY 2019-20 and FY 2020-21. The budget also includes five-year operating cash flow projections for each service. Net cash flows are positive for the first three projection years, with negative cash flows in years four and five due to significant capital improvement expenditures.

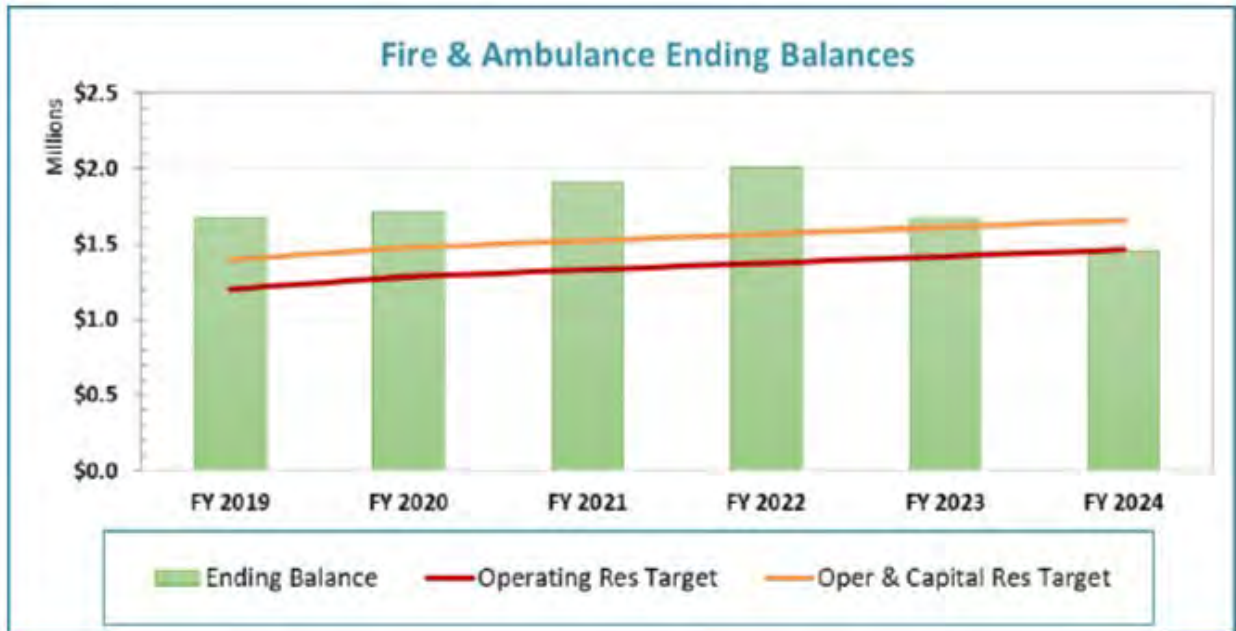
The District's Government Activities, which includes the Fire Department, are funded by a combination of property taxes and a special tax (Fire Availability Fee) that was established in 1980. Ambulance services are funded by a combination of property taxes and ambulance fees and charges.

The District's ambulance service, presented as a business-type activity, is partially funded from a portion of the property tax revenue. Historically, a portion of the property tax revenue was also allocated to the water and sewer divisions, but in recent years, all of property tax revenue has been allocated to the Fire Department. For FY 2019-20 and FY 2020-21, all of the anticipated property tax revenue has been allocated to fund the "Fire Department" and "Ambulance Services". The following figure shows the Fire and Ambulance Department historical revenue and expenditures extending through 2021.



Source: FY 2019-20 and FY 2020-21 Budget

The District accepted and approved a Fire and Ambulance Financial Plan in April 2019 to project the financial health of the enterprise. The Plan assumes that the only revenue growth was a one percent yearly increase in property tax revenue and that expenses would grow three to four percent per year (five percent for electricity). The figure below shows the resulting projected reserve balances. Fire and Ambulance reserves decrease in FY 2023 due to the planned purchase of a new fire engine.



Source: Water and Wastewater Rate Study and Fire and Ambulance Financial Plan, Final Report, April 2019

## B. Fiscal Indicators

Select fiscal indicators are shown graphically below. Additional fiscal indicators are available via the Fiscal Indicator link located underneath the agency map on the first page of this profile section. These indicators provide a measurement of the agency's financial condition over time.

### *Property Tax*

Property tax revenues are showing a slight improvement. The District anticipates property tax revenue for FY 2019-20 to increase one percent from the actual amount received in FY 2018-19.

### *Pension Liability and Payments*

For FY 2019-20 and FY 2020-21 the District is budgeting an additional lump sum pre-payment to the CalPERS Unfunded Accrued Liability ("UAL") in order to pay down the UAL and save on interest cost. The additional lump sum UAL prepayment amounts are as follows:

Administration Division = \$15,000  
Water Division = \$15,000  
Wastewater Division = \$20,000  
Fire Department = \$100,000

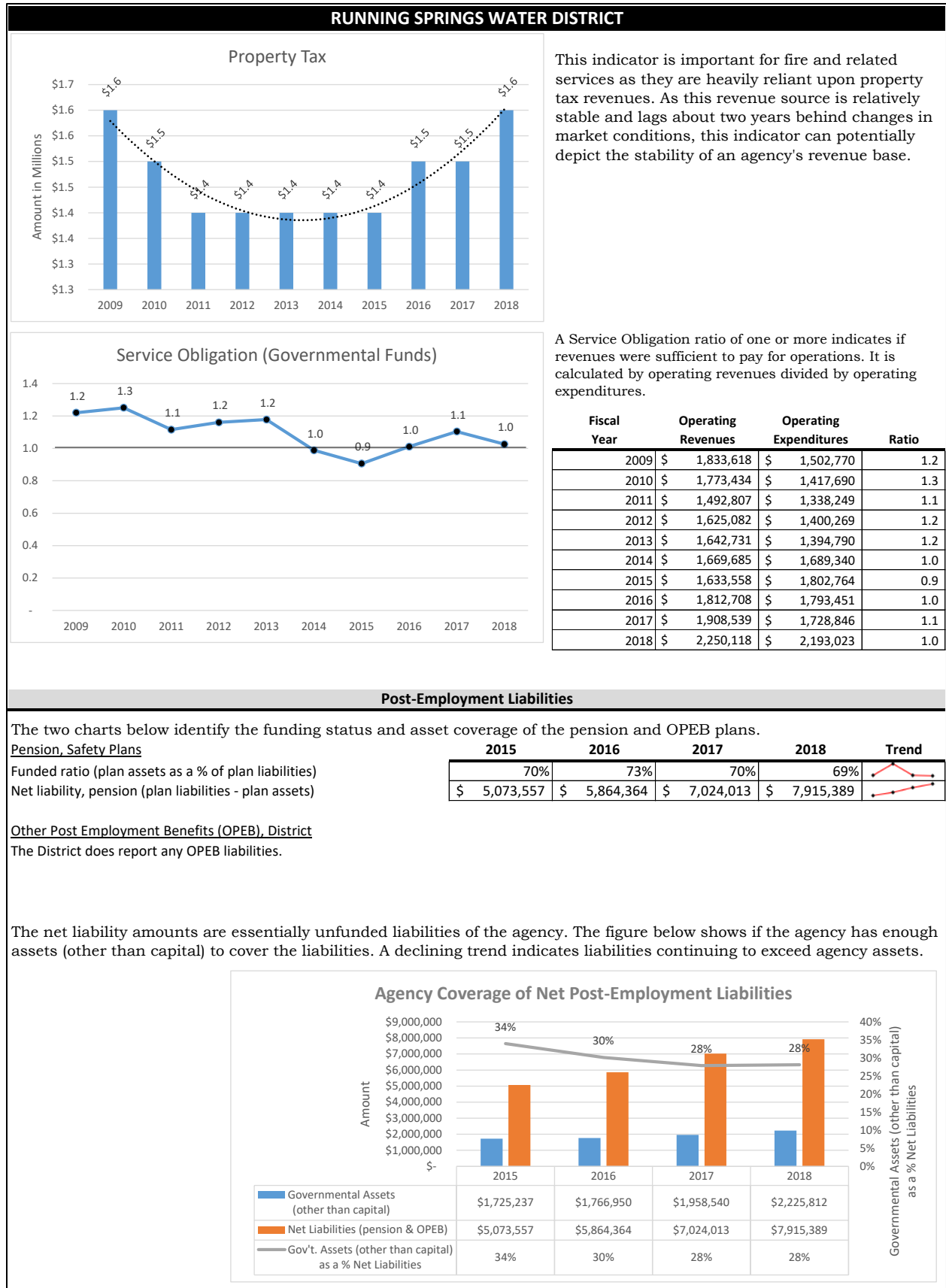
C. Capital Outlay

The District has a five-year capital improvement program. For fire protection and ambulance services, four significant equipment replacements are planned:

- 2020, MA50A ambulance, \$210,000
- 2023, Type 1 KME Engine (E-51), \$500,000
- 2024, KME Pumper, \$500,000
- 2024, MA51 ambulance, \$210,000

The budget also includes a Vehicle and Equipment Replacement Schedule with outlines each vehicle, current mileage, estimated replacement year, and estimated replacement cost.

Part II, Section 3  
Running Springs Water District



**Post-Employment Liabilities**

The two charts below identify the funding status and asset coverage of the pension and OPEB plans.

Pension, Safety Plans

Funded ratio (plan assets as a % of plan liabilities)

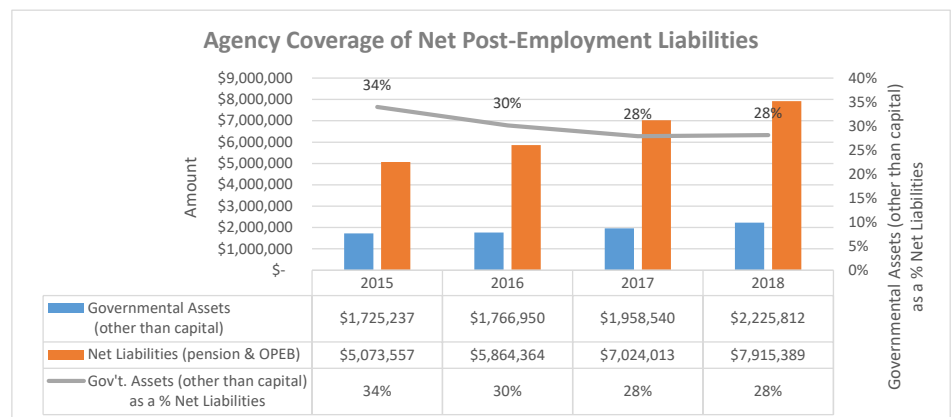
Net liability, pension (plan liabilities - plan assets)

	2015	2016	2017	2018	Trend
Funded ratio	70%	73%	70%	69%	
Net liability	\$ 5,073,557	\$ 5,864,364	\$ 7,024,013	\$ 7,915,389	

Other Post Employment Benefits (OPEB), District

The District does report any OPEB liabilities.

The net liability amounts are essentially unfunded liabilities of the agency. The figure below shows if the agency has enough assets (other than capital) to cover the liabilities. A declining trend indicates liabilities continuing to exceed agency assets.



## 9. Website Transparency

Senate Bill 929 added Government Code Sections 6279.6 and 53087.8 to provide the public easily accessible and accurate information through agency websites. By January 1, 2020, every California independent district is required to maintain a website.

The table, below, is not an exhaustive inventory of website criteria required under current law. Rather, it identifies key components (required by the Government Code and/or recommended by the California Special Districts Association and other organizations) for websites to enhance transparency and accountability.

Government Code Sections 54954.2 and 54957.5 require agencies to post all agendas 72 hours in advance on their websites. Government Code Section 6253 requires that agencies post content most requested by constituents (and most often requested via Public Record Act requests). Because of the difficulty for LAFCO staff to verify this information, these criteria are not included in the website checklist. However, agencies should address these criteria to comply with current website requirements.

Running Springs Water District Website Checklist			
website accessed 8/8/19 <a href="https://www.runningspringswaterdistrict.com">https://www.runningspringswaterdistrict.com</a>			
Required			
		Yes	No
Government Code §53087.8	Agency maintains a website with current contact information? <i>(required for independent special districts by 1/1/2020)</i>	X	
Government Code §6270.5	Agency has created an Enterprise System Catalog and posted it to website?	X	
Government Code §54954.2	Agency has current agenda posted to website homepage and is accessible through a prominent, direct link?	X	
Government Code §53908	Agency's website provides information on compensation of elected officials, officers and employees or has link to State Controller's Government Compensation website?	X	
The following criteria are recommended for agency websites by a number of governance associations and organizations.			
		Yes	No
	Description of services?	X	
	Service area map?	X	
	Board meeting schedule?	X	
	Budgets (past 3 years)?	X	
	Audits (past 3 years)?	X	
	List of elected officials and terms of office?	X	
	List of key agency staff with contact information?	X	
	Meeting agendas/minutes (last six months)?	X	
Notes: The District's Strategic Plan should be posted on the website.			

**Sources:**

*Hilltop Communities Action Guide*, Draft. Countywide Plan. San Bernardino County. May 2019.

LAFCO

Fiscal Indicators Program

LAFCO 3108, 3137, 3131, 3123 - Hilltop Service Review (2011)

LAFCO 3187 – Countywide Service Review for Water (2017)

LAFCO 3190 – Countywide Service Review for Wastewater (2018)

Running Springs Water District

Budget, FY 2019-20 and FY 2020-21

Financial Statements, FYs 2009-2018

Water and Wastewater Rate Study and Fire and Ambulance Financial Plan, Final Report, April 2019

Website. <https://www.runningspringswaterdistrict.com> Accessed 2 October 2019



# 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 3231**

**HEARING DATE: FEBRUARY 19, 2020**

## **RESOLUTION NO. 3301**

### **A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3231 – COUNTYWIDE SERVICE REVIEW FOR FIRE PROTECTION/EMERGENCY MEDICAL SERVICES/DISPATCH.**

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

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

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

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

**WHEREAS**, a public hearing by this Commission was called for February 19, 2020 at the time and place specified in the notice of public hearing and in any order or orders continuing the hearing; and,

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

**WHEREAS**, at this hearing, this Commission certified that the service review is statutorily exempt from environmental review pursuant to the provisions of the California Environmental Quality Act (CEQA) and such exemption was adopted by this Commission on February 19, 2020. The Commission directed its Executive Officer to file a Notice of Exemption within five working days of its adoption; and,

**WHEREAS**, the determinations required by Government Code Section 56430 and local

## RESOLUTION NO. 3301

Commission policy are included in the service review prepared and submitted to the Commission dated January 29, 2020 and was recommended for acceptance and filing by the Commission on February 19, 2020, a complete copy the service review is on file in the LAFCO office.

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

- As required by State Law, notice of the hearing was provided through publication in newspapers of general circulation within the area, the *Big Bear Grizzly*, *Mountain News*, and *San Bernardino Sun*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in State Law and Commission Policy, in-lieu of individual notice the notice of hearing publication was provided through an eighth page legal ad.
- As required by State law, individual notification of the hearing was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.
- The first draft of the service review document was released to all affected agencies on January 7, 2020.
- The final draft of the service review was released on January 29, 2020 to all parties as well as the Commission and posted on the LAFCO website. Due to the size and scope of the service review, the final draft was released in advance of the staff report to allow for additional time for review and comment.
- Comments from the public and any affected agency were reviewed and considered by the Commission in making its determinations.

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

1. For environmental review, certify that the service review is statutorily exempt from environmental review and direct the Executive Officer to file the Notice of Exemption within five (5) days.
2. Accept and file the Countywide Service Review for Fire Protection/Emergency Medical Services/Dispatch which sets forth the written statements for the six determinations outlined in Government Code Section 56430 made by the Commission.
3. As outlined in the service review presented to the Commission, take the following actions for specific agencies/entities:
  - a) Direct LAFCO staff to continue to monitor the Barstow Fire Protection District and the City of Barstow, and direct staff to return to the Commission at its September 16, 2020 meeting.
  - b) Direct LAFCO staff to continue to monitor the San Bernardino County Fire Protection District, and direct staff to return to the Commission at its September 16, 2020 meeting.

RESOLUTION NO. 3301

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

AYES: COMMISSIONERS: Bagley, Cox, Curatalo, Lovingood, Rowe, Denison

NOES: COMMISSIONERS: None

ABSENT: COMMISSIONERS: McCallon and Warren (Denison voting in her stead)

\*\*\*\*\*

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

I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of February 19, 2020.

DATED: February 20, 2020

  
\_\_\_\_\_  
SAMUEL MARTINEZ  
Executive Officer



RUNNING SPRINGS WATER DISTRICT  
A MULTI-SERVICE INDEPENDENT SPECIAL DISTRICT

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

February 21, 2024

Mr. Samuel Martinez, Executive Director  
San Bernardino County LAFCO  
1170 W. 3<sup>rd</sup> Street, Unit 150  
San Bernardino, CA 92415  
[smartinez@lafco.sbcounty.gov](mailto:smartinez@lafco.sbcounty.gov)

Subject: Submittal of Extension of Service Application for Ground Ambulance Services

Dear Mr. Martinez,

The Running Springs Water District (District) is hereby requesting the San Bernardino County Local Agency Formation Commission (SBCLAFCO) authorize the extension/continuation of its ground ambulance service outside the District's boundary and sphere of influence pursuant to Government Code Section 56133.5. The District is submitting the attached SBCLAFCO application for said extension/continuation of service related to the Inland Counties Emergency Medical Agency (ICEMA) authorized Running Springs Fire Department Exclusive Operating Area (EOA) 19 for ground ambulance services. This application is based on the recommendations in SBCLAFCO Countywide Service Review for Fire Protection/Emergency Medical Services/Dispatch in 2020 (LAFCO 3231) and therefore requests authorization for the extension/continuation of service within the entire EOA 19 per Government Code Section 56133.5.

Please contact me at 909-403-5387 or [rgross@runningspringswd.com](mailto:rgross@runningspringswd.com) should you have any questions regarding the application.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Gross".

Ryan Gross, P.E., BCEE  
General Manager  
Running Spring Water District  
[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)  
909-403-5387

Attachments: Application for Extension of Service to include EOA 19

**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: Running Springs Water District

CONTACT PERSON: Ryan Gross, General Manager

ADDRESS: 31242 Hilltop Boulevard, PO Box 2206  
Running Springs, CA 92382

PHONE: (909) 403-5387

EMAIL: [rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

**CONTRACTING PARTY:**

NAME OF  
PROPERTY OWNER: Not Applicable

CONTACT PERSON: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PHONE: \_\_\_\_\_

EMAIL: \_\_\_\_\_

ADDRESS OF PROPERTY  
PROPOSED FOR CONTRACT: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CONTRACT NUMBER/IDENTIFICATION: \_\_\_\_\_

PARCEL NUMBER(S): \_\_\_\_\_

ACREAGE: \_\_\_\_\_

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.

Provide Basic and Advanced Life Support Emergency Ambulance service within the  
Inland Counties Emergency Medical Services Agency (ICEMA) designated Exclusive  
Operating Area (EOA) 19. Refer to Attachment 1 for a description of EOA 19.

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

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

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

Memorandum of Understanding (MOU) between ICEMA and the Running Springs Fire  
Department (Running Springs Water District) dated October 17, 2006, granting the  
District Exclusive Ambulance Operating rights for San Bernardino County EOA 19. This  
was a solidification of the original granting to the District of Exclusive Operating Rights  
for EOA 19 by ICEMA in 1984. Refer to Attachment 2 for further details.

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.

SBLAFCO has recommended consolidation of water districts for CSA 79 and Arrowbear Lake, inclusive of fire and EMS treatment and transportation into the RSWD in three distinct reports, the last being in SBLAFCO's 2020 Countywide Service Review for Fire Protection/Emergency Medical Services/Dispatch. The District has recently assumed Sewer and Wastewater service within CSA 79. There are no current formal negotiations for Fire and EMS Transport annexation, but exploratory talks have occurred previously and are being reviewed for resumption currently.

- (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.

Refer to above response.

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?

The existing property is a mix of residential and some commercial intermixed within San Bernardino National Forest lands.

- (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.

Not Applicable.

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



The District is requesting authorization for the extension/continuation of providing ALS and BLS service outside of the District's boundary and sphere of influence pursuant to Government Code Section 56133.5 and current ICEMA MOU within the entire San Bernardino County EOA 19. The District makes this request pursuant to SBCLAFCO recommendation (LAFCO 3231). Please reference Attachments 1 & 2 for further details.

- | <i>Description of Fees/Charges</i>        | <i>Cost</i> | <i>Total</i> |
|---|-------------|--------------|
| Fees for BLS & ALS services and transport |             |              |
| are set annually by ICEMA and adopted by  |             |              |

RSWD Board Resolution # 23-59. Please		
reference Attachment #3 for further details.		
<b>Total Costs</b>		

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

Not Applicable

- (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 Running Springs Water District 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.

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:

Ryan Gross

POSITION TITLE:

General Manager

DATE:

02/21/2024

### 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**

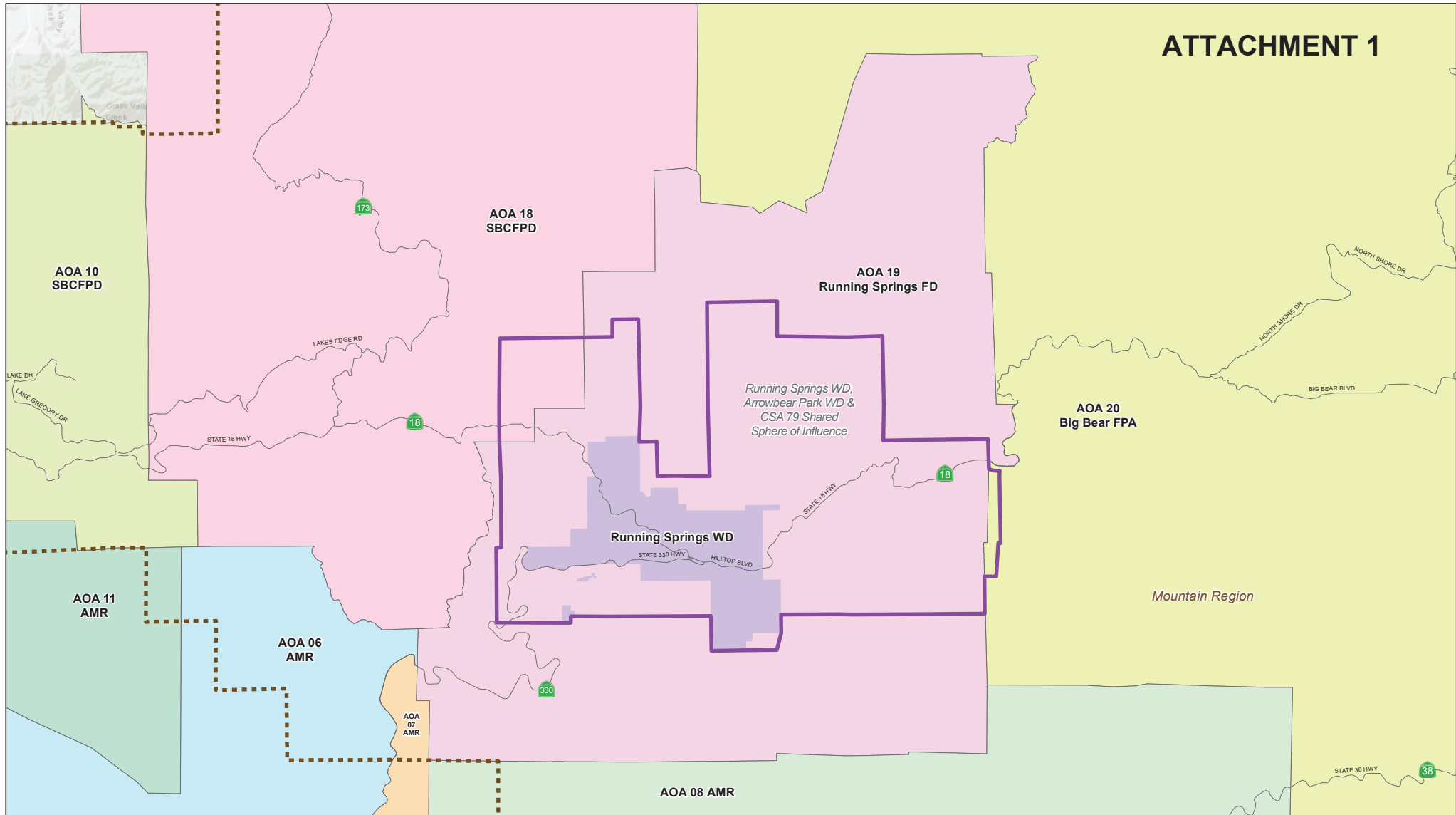
1170 West 3rd Street, Unit 150

San Bernardino, CA 92415-0490

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

Rev: krm – 8/19/2015

# ATTACHMENT 1



## Running Springs Water District Ambulance Operating Area



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



Ambulance Operating Area	
06 (American Medical Response)	18 (San Bernardino County Fire Protection District Lake Arrowhead)
07 (American Medical Response)	19 (Running Springs Fire Department)
08 (American Medical Response)	20 (Big Bear Fire Protection Authority)
10 (San Bernardino County Fire Protection District Crest Forest)	Running Springs Water District
11 (American Medical Response)	Running Springs Water District, Arrowbear Park Water District and CSA 79 Shared Sphere of Influence
14 (Morongo Basin Ambulance)	San Bernardino County Line
16 (San Bernardino County Fire Protection District Wrightwood)	Mountain Region

**INLAND COUNTIES EMERGENCY MEDICAL AGENCY  
MEMORANDUM OF UNDERSTANDING  
FOR AMBULANCE SERVICES  
IN SAN BERNARDINO COUNTY**

**EXCLUSIVE OPERATING AREA (EOA) 19  
RUNNING SPRINGS FIRE DEPARTMENT**

THIS Memorandum of Understanding herein referred to as "MOU", is made and entered into by and between the INLAND COUNTIES EMERGENCY MEDICAL AGENCY, (hereinafter referred to as "ICEMA"), as the local Emergency Medical Services Agency for the County of San Bernardino and Running Springs Fire Department, (hereinafter referred to as "PROVIDER"); **WITNESSETH:**

WHEREAS, ICEMA is authorized by law to develop an emergency medical services system pursuant to the Emergency Medical Services and Pre-hospital Care Personnel Act (Health and Safety Code sections 1797 et seq.), hereinafter, "the EMS Act"; and

WHEREAS, PROVIDER provides said Basic and Advanced Life Support emergency ambulance services pursuant to the EMS Act in the area referred to herein as Exclusive Operating Area (EOA) 19 as presented in Attachment 1 (Exclusive Operating Area Map) and which is incorporated herein as if fully set forth; and

WHEREAS, PROVIDER is willing to provide said services according to the terms and conditions herein stated; and

WHEREAS, the parties hereto recognize and agree that the creation and assignment of the EOA, as presented, in Attachment 1 (Exclusive Operating Area Map) under this MOU shall not exclude providers of special events or industrial ambulance permits from operating within the boundaries of said EOA.

WHEREAS, the parties hereto will utilize their best efforts to promote a good working relationship with first responder agencies and law enforcement agencies; and

WHEREAS, the parties hereto agree that nothing in this MOU shall in any way restrict PROVIDER from maintaining or entering into partnerships or other cooperative agreements, approved by ICEMA, with public safety agencies for the purposes of augmenting or improving services contemplated by this MOU.

WHEREAS, the parties hereto acknowledge and agree that agreement to this MOU constitutes notice, in accordance with Section V (G) of the San Bernardino County EOA Plan,



that the EOA being served under this MOU shall lose its non-competitive status, if applicable, at expiration or termination of this MOU, unless otherwise provided by law.

NOW, THEREFORE, the parties hereto agree as follows:

I. **DEFINITIONS**

For the purpose of this MOU, the following terms, phrases, words and the derivation shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words used in the plural include the singular and words used in the singular include the plural. The words "include", "including", or other similar words of inclusion shall mean without limitation or restriction.

- A. **"Advanced Life Support" or "ALS"** means special services designed to provide definitive pre-hospital emergency medical care as defined in California Health and Safety Code section 1797.52.
- B. **"ALS Ambulance"** means an emergency ambulance, as that term is defined herein, staffed and equipped to provide advanced life support and transport capabilities in compliance with ICEMA protocols/policies, authorized by ICEMA, and permitted by the County of San Bernardino.
- C. **"Ambulance" or "Ambulance Unit"** means any vehicle specially constructed, modified and/or equipped, and licensed by the California Highway Patrol, if required, pursuant to Title 13 CCR 1100 2(a), and used for the sole purpose of response readiness and transporting sick, injured, convalescent, infirmed or otherwise incapacitated person(s).
- D. **"Basic Life Support" or "BLS"** means special services designed to provide definitive pre-hospital emergency medical care as defined in Health and Safety Code section 1797.60.
- E. **"BLS Ambulance"** means an emergency ambulance, as that term is defined herein, staffed and equipped, at a minimum, to provide basic life support and transport capabilities in compliance with ICEMA protocols/policies and permitted by the County of San Bernardino.
- F. **"Cancelled call"** means a 9-1-1 call, which has been canceled prior to arrival of an emergency ambulance at the scene.
- G. **"Critical Care Transport" or "CCT"** means the provision of specialized ambulance services in accordance with current ICEMA policy relating to critical care transport requirements.

- H. **"Emergency Ambulance"** means an ambulance, which is staffed and equipped to provide EMS levels at BLS or higher at the scene of an emergency or during inter-facility transfers.
- I. **"Exclusive Operating Area" or "EOA"** means a specific geographic area of the County of San Bernardino designated as authorized by the Health and Safety Code, sections 1797.6, 1797.85, 1797.185, 1797.224 and 1797.226.
- J. **"First Responder Agency"** means a public safety agency that provides, at a minimum, basic life support at the scene of an emergency.
- K. **"Fiscal Year"** means the annual time period beginning on July 1 and ending on June 30.
- L. **"Force Majeure"** means flood, earthquake, storm, fire, lightning, explosion, epidemic, war, national emergency, civil disturbance, sabotage, restraint by any governmental authority not due to violation by the party claiming force majeure of a statute, ordinance or regulation, or other similar circumstances beyond the control of such party, the consequences of which in each case, by exercise of the due foresight such party could not reasonably have been expected to avoid, and which by exercise of due diligence it would not have been able to overcome.
- M. **"Fractile Response Time"** means a method of measuring response times in which all applicable response times are stacked in ascending length. The total number of calls generating response within a given response time standard (for example, 9 minutes, 59 seconds) is calculated as a percent of the total number of calls.
- N. **"ICEMA Administration Cost"** means the annual expenses incurred by ICEMA to monitor and enforce the provisions of this MOU within the County of San Bernardino during the Fiscal Year, including, without limitation, all identifiable direct charges, an allocated share of common charges (e.g., office supplies) and indirect overhead. The budgeted ICEMA Administration Cost for Fiscal Year 2006-2007 amounts to \$437,920 as shown by Attachment 10 attached hereto and incorporated herein by this reference.
- O. **"Management Fee"** means PROVIDER's Pro Rata Share of the ICEMA Administration Cost calculated in the proportion that PROVIDER's number of 9-1-1 transports bears to the total of all 9-1-1 transports within the County of San Bernardino (including County Fire) during the previous Fiscal Year, as illustrated in Attachment 11.



- P. **"Minor Breach"** means failure to fulfill any of the terms and conditions of this MOU that do not amount to a MAJOR BREACH of the MOU, as delineated in Section XX (A).
- Q. **"Mutual Aid"** means a request, originating outside of PROVIDER's EOA to provide services outside of the EOA, or a request initiated by the PROVIDER for emergency ambulance at the scene within the EOA. The request could be initiated through dispatch centers, public safety enforcement agencies, ICEMA or the San Bernardino County Health Officer.
- R. **"Provide, Operate, or Furnish"** means with regard to PROVIDER's responsibilities set forth in this MOU, the terms **"provide"**, **"operate"** or **"furnish"** means to perform, make available or utilize either directly through PROVIDER's personnel and resources or through sub-contracts or other agreements, which have been approved by ICEMA, the services, personnel, materials or supplies required herein.
- S. **"Preventable Mechanical Failure"** means failure of equipment and/or vehicles to operate properly due to lack of proper maintenance.
- T. **"PSAP"** is defined as Public Service Answering Point. The primary PSAP is the designated agency at which the 9-1-1 call is first received. The secondary PSAP is the designated agency to which the 9-1-1 call is directed for dispatching of appropriate resources.
- U. **"Special Event Services"** is defined as any situation where a previously announced event places a group or gathering of people in a general locale sufficient in number, or subject to activity that creates the need to have one or more ambulances at the site.
- V. **"Supervisor Support Vehicle"** means a response vehicle for the purpose of providing support services in the field.
- W. **"Units"** are defined as ambulances and/or response vehicles.
- X. **"Cycle"** is defined as the time period sufficient to enable ICEMA to calculate a statistically valid estimate of response time compliance pursuant to the method set forth in Section X(B).

## II. GENERAL RESPONSIBILITIES AND DUTIES OF PROVIDER

- A. **Personnel, Equipment and Materials Required** - PROVIDER shall provide the personnel, equipment and materials necessary to provide advanced life support

and other services as described herein to persons in need thereof within their designated EOA. PROVIDER's obligations are set forth in detail in the provisions of this MOU.

- B. **In-Service Training Required** - PROVIDER shall provide or contract for employee in-service training. Such in-service program shall include training on ICEMA policies and procedures, location of all hospital facilities, level of service of first responder agencies within the EOA, field care audits, grief support training, peer support, critical incident stress management, driver training, multi-casualty/disaster training, and Incident Command System training.
- C. **EMS System Interaction** - PROVIDER, when requested, shall participate regularly in all aspects of development of the local EMS system including, but not limited to:
  - 1. "Treat and release" and "alternate destination" programs as established by ICEMA.
  - 2. Expanded scope of practice treatment and equipment programs.
  - 3. First Responder, EMT-I, Paramedic, MICN, Base Hospital physician and provider dispatcher education and training, and ride-along programs.
  - 4. Disaster exercises and drills.
  - 5. Continuing education programs.
- D. **Equipment Maintenance** - PROVIDER shall provide or contract for equipment maintenance.
- E. **Response Standards** - PROVIDER shall be subject to any and all response time standards, which may be adopted by ICEMA with input from transporting agencies.
- F. **Mutual Aid Agreements** - PROVIDER shall develop, implement and maintain mutually beneficial support agreements with ICEMA approved emergency ambulance providers within one (1) year of the effective date of this MOU. These agreements are subject to approval by ICEMA. If PROVIDER is unable to develop and implement mutual aid agreements, PROVIDER shall notify ICEMA in writing outlining reason(s) for inability to comply with this requirement. ICEMA shall assist in development and implementation of mutual aid agreements if requested.
- G. **Quality Improvement or "QI"** - PROVIDER shall participate actively in and comply with the ICEMA QI audit process, provide special training and support to

PROVIDER's personnel found in need of special assistance in specific skill or knowledge areas, and provide additional clinical leadership by maintaining a current and extensive knowledge of developments in equipment and procedures throughout the industry and by regularly reporting such developments to ICEMA. PROVIDER shall submit a QI Plan and subsequent revisions and update for approval to ICEMA.

- H. **Permits and Certifications** - PROVIDER shall maintain all appropriate and required state and county permits.
- I. **Implementation of ICEMA Policies** - PROVIDER shall cause ICEMA policies to be properly implemented in the field. Where questions related to clinical performance are concerned, PROVIDER shall satisfy ICEMA's requirements, PROVIDER shall ensure that knowledge gained during the medical audit process is routinely translated into improved field performance by way of in-service training, amendments to the employee handbook, newsletters, new employee orientation, etc. PROVIDER shall also respond to all quality improvement and incident reports in accordance with established ICEMA policies.
- J. **Expanded Scope Programs** - PROVIDER may assist ICEMA in evaluating and implementing expanded scope programs for Paramedics, EMT-Is and first responder personnel.
- K. **Paramedic Preceptors** - In coordination with the approved training institutions, providers are encouraged to provide paramedic preceptors for prehospital training programs.
- L. **Financial Implications of Operations** - PROVIDER shall advise ICEMA concerning financial implications of operational changes under consideration affecting level of EMS services.
- M. **Reports to ICEMA** - PROVIDER shall provide data, reports and records to ICEMA as set forth herein.

### III. MEDICAL CONTROL

- A. **Medical Control Authority** - PROVIDER acknowledges that the ICEMA Medical Director has the authority to develop overall plans, policies, and medical standards to assure that effective levels of emergency ambulance services are maintained within the ICEMA region; and that the Medical Director has the authority for establishing the required drug inventories and medical protocols and

that PROVIDER, its employees, and all personnel providing services under sub-contract(s) or agreements are subject to said plan, policies, standards and protocols and applicable county ordinances and state laws.

- B. **Adherence to Medical Control Standards** - ICEMA has an established system of medical control through the ICEMA Medical Director. The PROVIDER shall adhere to the standards of medical control established by ICEMA.
- C. **Compliance with Laws and Policies** - PROVIDER shall comply with the all ICEMA policies and protocols and applicable local County ordinances.

#### IV. SCOPE OF SERVICE

- A. **Emergency Ambulance Services** - PROVIDER shall provide sufficient resources, which may include mutual aid resources from outside of the EOA, to ensure adequate availability and response to all requests originating within their service area for emergency ambulance response on a continuous twenty-four (24) hour per day basis.
- B. **Critical Care Transport Services** - PROVIDER may provide CCT service within the EOA for those calls requiring such services upon approval by ICEMA. Specialized CCT services, such as high-risk pregnancy, neonate, etc, may be authorized to operate in expanded geographic areas based on need and necessity.
- C. **EMS Aircraft** - PROVIDER does not have the right to provide air ambulance or air rescue services by virtue of this MOU.
- D. **Standby Special Event Services** - PROVIDER agrees to comply with all ICEMA policies/protocols regarding the provision of EMS service during special events. ICEMA expressly states that special events services are not subject to the EOA.
- E. **Specialized Emergency Medical Care Services** - PROVIDER may provide specialized emergency medical care services upon approval of ICEMA.
- F. **Indigent Transport Services** - PROVIDER shall provide emergency ambulance services to indigent patients pursuant to its contract with the County of San Bernardino for such services. In the event PROVIDER shall terminate its contract with the County, such termination shall be considered a MAJOR BREACH of this MOU. However, if the County shall terminate the contract, PROVIDER shall not be required to continue to provide such services under this MOU.



**V. FIRST RESPONDER COORDINATION**

- A. **Re-supply** - PROVIDER shall re-supply first responder units at no cost to the first responder agencies with disposable medical supplies utilized in direct patient care where patient is transported by PROVIDER, if applicable.
- B. **Stand-by Requests** - PROVIDER shall provide, if it does not jeopardize emergency ambulance service to the operating area, a non-dedicated unit to hazardous material incidents, fire, and law enforcement standbys upon request by any public safety agency or dispatch center within their EOA, excluding special event services. A non-dedicated unit may respond to a 9-1-1 call when on stand-by.
- C. **Contact Number** - PROVIDER shall provide a contact and a telephone number to be made available to all public safety EMS agencies within PROVIDER's EOA. This number will be used for inquiries regarding lost equipment used in connection with a patient transported by PROVIDER.
- D. **Continuing Education Programs** - PROVIDER's internal continuing education programs authorized by the State in which PROVIDER issues a continuing education course number shall be made reasonably available to interested first responder personnel.

**VI. PROVIDER DISPATCH SERVICES**

- A. **Compliance with ICEMA Policies** - PROVIDER shall provide all dispatching of ambulance units in accordance with ICEMA policies and procedures.
- B. **CAD Requirements** - PROVIDER shall maintain a computer aided dispatch (CAD) system that includes the necessary hardware and software to provide EMS provider dispatch services.

**VII. SERVICE AREA AND RESPONSE ZONES**

- A. **Service Area Defined** - A map of the EOA is set forth in Attachment 1 (Exclusive Operating Area Map).
- B. **Resource Requirements** - PROVIDER shall locate an appropriate number and type of resources throughout the EOA in order to meet the performance standards as set forth herein.
- C. **Response Zones** - Population density based "response zones" (urban, suburban, rural and wilderness) and sub-response zones as established within

each EOA or service area are depicted in Attachment 2 (Response and Sub-response zones).

#### **VIII. PERSONNEL**

- A. **Personnel Required** - PROVIDER shall provide the personnel necessary to provide emergency ambulance services and other support services as described herein within the PROVIDER's EOA in compliance with ICEMA protocols, policies and applicable county ordinances and state laws.
- B. **Certification and Licensure of Personnel** - PROVIDER shall ensure that all PROVIDER's employees functioning as emergency medical technicians and paramedics are appropriately certified, accredited and licensed by both the State EMS Authority and ICEMA.
- C. **Records** - PROVIDER shall maintain, and make available to ICEMA upon request, records and data pertaining to the certifications, licenses, and other applicable credentials of its employees and subcontracted personnel used to provide services under this MOU.
- D. **EMS Incidents Forms** - PROVIDER shall furnish to all employees approved ICEMA Incident Report Forms (either hard copy or electronically) and shall require employees to utilize such forms, and shall furnish a copy of such completed form to ICEMA in accordance with ICEMA policies.

#### **IX. RIGHTS AND RESPONSIBILITIES OF FIELD PERSONNEL**

- A. **Certification, Licensure, Accreditation** - Field personnel are certified, licensed and accredited pursuant to the Health and Safety Code, section 1797 et seq. A linkage exists between field personnel and the system's physician leadership and medical control. Where issues involving questions of patient care are concerned, each of the certified personnel working in the system has not only a right, but also a legal obligation, to work under the direction of the EMS system's physician leadership on issues related to patient care.

#### **X. RESPONSE TIME STANDARDS**

- A. **Performance Requirements** - The overall response time performance requirement for services under this MOU is intended to ensure that PROVIDER responds to and arrives at each incident with an appropriate resource in accordance with ICEMA policies and procedures. The standards set forth herein

establish the level of response time performance required by PROVIDER for calls within the designated EOA as depicted in Attachment 2 (Response Zones and Sub-response Zones).

- B. **Response Time Performance Calculation** - Response times are measured and calculated on a fractile basis using CAD data, where available, in conformity with Attachment 3 (Response Time Measurement and Methods), Attachment 4 (Response Time Terminology) and Attachment 5 (Measuring Response Time Standard Compliance) and Attachment 6 (Measuring EOA Compliance) on a monthly basis for each overall EOA incorporating all response zones. Canceled calls will be included in determining compliance. For an EOA in which, after excluding runs with approved exemptions, multi-patient runs, and multi-unit runs, less than 1,600 annual runs occur, the calculation of EOA response time compliance for the purpose of determining major breach of contract (Section XX A(2)(3)) will be deferred until the combined number of runs for a given month and subsequent months is greater than or equal to the number of runs necessary for a statistically valid estimate of the percentage of compliant runs. The number of runs necessary for a statistically valid estimate (cycle) will be based on the number of annual runs in the previous calendar year (Attachment 8).
- C. **Exemptions** - If PROVIDER thinks that any run or group of runs should be exempt from response time standards due to unusual circumstances beyond PROVIDER's reasonable control, PROVIDER may request, in writing, that these runs be exempted from response time performance calculations and late run assessments. If ICEMA concurs that the circumstances are reasonable to allow such exemption, ICEMA may allow such exemptions in calculating overall response time performance. Preventable equipment failure, and/or provider dispatcher error, shall not furnish grounds for release from response time standards. Additional information regarding exemptions and automatic exemptions may be found in Section XIV (H).
- D. **Reporting Requirements** - PROVIDER shall provide to ICEMA, on a monthly basis, each instance wherein a call resulted in a response time in excess of the maximum response time as depicted in Attachment 3. This report shall include, at a minimum, the location, date, and time of said occurrence(s). PROVIDER will participate in quality improvement efforts relating to these instances.

- E. **Performance Committee** - PROVIDER shall establish and maintain a Performance Committee comprised of representatives of PROVIDER's management and field personnel and ICEMA staff, governing boards and/or City Managers or their designated representative (within the EOA covered by this MOU) and representative of the County supervisorial district(s) (within the EOA covered by this MOU) which shall meet on a regular basis to review response compliance performance.

XI. **DISASTER, MULTI-CASUALTY AND INSTANT AID RESPONSE**

- A. **Mutual Aid Response** - To the extent that PROVIDER may have resources available, PROVIDER shall respond to requests from neighboring jurisdictions and ambulance providers for mutual aid that require a Code 3 (lights and siren) response.
- B. **Declared State-of-Emergency** - During a declared state-of-emergency, locally or in a neighboring jurisdiction, the normal course of business may be interrupted from the moment the state-of-emergency is made known to PROVIDER by ICEMA. PROVIDER shall then, as provided for in approved disaster plans and protocols, commit such resources as are reasonably necessary and appropriate, given the nature of the disaster. During such periods, PROVIDER shall be exempted from response time performance requirements, including late run deductions, until notified by ICEMA that disaster assistance may be terminated. At the scene of such disasters, PROVIDER's personnel shall perform in accordance with ICEMA medical protocols and policies. When state-of-emergency has been terminated, PROVIDER shall resume normal operations as rapidly as is practical considering exhaustion levels of personnel, need for restocking, etc.
- C. **Multi-casualty Incidents** - Normal (i.e., not disaster related) multi-casualty incident calls rendered by PROVIDER shall be performed in accordance with approved ICEMA policies in support of the Incident Command System. In the course of rendering services, PROVIDER shall not be automatically exempt from late-run assessments, but may appeal assessments for individual calls, otherwise imposed by this MOU.



## **XII. SPECIFIC PROVISIONS**

- A. **User Fees Rate Adjustment** – PROVIDER acknowledges that ICEMA has the authority to determine rates for services provided under this MOU and has exercised that authority by establishing the rates. The rates shall remain in force and effect throughout the term of this MOU unless modified or adjusted pursuant to process as defined in Attachment 7 (San Bernardino County Ambulance Ordinance).
- B. **On-Scene Collections** - PROVIDER's personnel shall not request payment for services rendered under this MOU in response to any 9-1-1 call either at the scene of the call, en route, or upon delivery of the patient.
- C. **Billing and Collections** - PROVIDER's billing and collection program shall be managed in compliance with all applicable local, state and federal laws and regulations.

## **XIII. ICEMA MANAGEMENT FEE**

PROVIDER shall pay ICEMA PROVIDER's pro rata share of the total 9-1-1 county wide ambulance transports of an annual fee in an amount estimated to be sufficient to cover ICEMA's costs related to monitoring and enforcing the provisions of this MOU for the subsequent fiscal period. PROVIDER's pro rata share of cost will be determined based solely on total number of 9-1-1 transports within its EOA during the most recent 12-month period for which data is available at the time of cost estimate. Except for the initial partial fiscal year of this MOU, ICEMA will provide an estimate of PROVIDER's share of cost for the coming fiscal period not later than 30 days prior to the start of such period. By March 31<sup>st</sup> of each year, ICEMA shall provide a budget outlining expenditures related to management/monitoring of contracts. Within 90 days after the end of a fiscal year (July 1 - June 30), ICEMA will determine actual cost for that period and determine whether revenues collected based on estimates resulted in over or underpayment by PROVIDER. Any over or under payments for the prior period will be credited or added to the provider payments in the current period. When determining actual cost, ICEMA will include all identifiable direct charges, an allocated share of common charges, (e.g. office supplies, etc.) and indirect overhead. Additional adjustments to the fee can be made for other changes, such as, a change in monitored components (Le. Inter-facility transports code 2 calls). Fees for the partial first fiscal year are prorated based on the number of months remaining in the fiscal year as of the date

of ICEMA Board approval and shall be paid to ICEMA within thirty (30) days of the effective date of this MOU. Fees thereafter shall be paid to ICEMA within thirty (30) days of the beginning of the quarter. Any increases in the Management/Monitoring Fee imposed by ICEMA shall be considered an "Extraordinary Cost Increase" that shall be considered in any application for rate increase by PROVIDER under Section XII A above.

#### **XIV. DATA COLLECTION AND REPORTING REQUIREMENTS**

- A. **PROVIDER** shall maintain data collection and reporting systems that meet the following minimum standards:
1. For each patient contacted, PROVIDER's personnel shall complete an ICEMA approved patient report form, and PROVIDER shall routinely furnish a copy of such completed form monthly to the ICEMA according to ICEMA policy.
  2. Provide for submission of monthly data, including CAD data, where a CAD system is in use for dispatching of the PROVIDER, for each response, and patient care data as specified in Attachment 13 (ICEMA Scantron Form). PROVIDER is required to fulfill this requirement using an ICEMA approved electronic data collection and submission format upon implementation by ICEMA as funding becomes available
  3. Accuracy and completeness patient data - PROVIDER will assure that Scantron forms, or other acceptable means of transmitting data to ICEMA, are complete and accurate prior to submission to ICEMA. All patient data will be provided to ICEMA monthly according to policy. For on-going problems with data submission, PROVIDER will submit a plan of correction.
  4. Data Audits - ICEMA or the County Health Officer may require an audit of patient care records and response time data.
- B. **Financial Audits** - ICEMA or the County Health Officer may require an audit of books and records of the PROVIDER as relates to ambulance billing issues.
- C. **On-site Disclosure** - In addition to the aforementioned reports and data, Provider shall maintain up-to-date records and data pertaining to its services specific to San Bernardino County, as listed below. PROVIDER shall make such

reports and data available for on-site review and inspection, upon request of ICEMA.

1. Services by payor source.
2. Services provided by category (e.g., ALS, BLS and mileage) and by financial classification.
3. Services by date of service.
4. Collections by payor source.
5. Annual fixed asset schedule.

D. **Changes in Practices and Procedures** - PROVIDER shall adhere to said practices, procedures, schedules, and policies except as provided herein. The parties acknowledge and agree that certain of the items contained therein are dependent upon rules, regulations, policies, and procedures adopted by the Federal and State Governments, private insurance companies, and other thirdparty payors. Such rules, regulations, policies, and procedures may change from time to time and PROVIDER's practices and procedures must change in response to such changes. The parties agree that it would be impractical to amend this MOU to reflect such changes each time they occur and therefore agree that PROVIDER may change the practices, procedures, schedules, and policies referred to above without a formal amendment to this MOU, subject, however, to the review and approval of the ICEMA Administrator. Nothing in this section, however, shall be construed as authorizing any increase in the user fees or rates without complying with such rate adjustment provisions as contained herein.

E. **Ownership of Data**

1. PROVIDER AND ICEMA agree that all data and records submitted to ICEMA under the terms of this MOU, including but not limited to dispatch data and records, shall remain the property of ICEMA subject to disclosure by ICEMA pursuant to the California Public Records Act.
2. PROVIDER may assert that any portion of such data or records provided pursuant to this section should be treated as confidential, and is exempt from disclosure under the California Public Records Act. With each item claimed to be confidential, PROVIDER shall provide a statement as to the basis for the claim of confidentiality specifying any exemption in law (e.g. Uniform Trade Secrets Act, Civil Code section 3426 et seq.)

3. ICEMA shall notify PROVIDER of any request for information. PROVIDER may pursue its legal remedies to prevent disclosure of such information.

- F. **Vehicle Breakdown Reporting Requirements** - PROVIDER shall submit to ICEMA, within seven (7) calendar days, a report for every incident where PROVIDER's emergency ambulance breaks down while assigned to a 9-1-1 emergency medical response or during an inter-facility transport. The report shall document whether the break down occurred while en-route, while on-scene, or during transport of a patient.
- G. **Data Reporting Assessment** - In the event PROVIDER fails to furnish information required by this subsection concerning a call, transport or account, ICEMA staff shall notify PROVIDER of such failure and PROVIDER shall have a period of time, which shall be reasonable under the circumstances, to furnish the required information.
- H. **Exemptions** - ICEMA may grant exemptions to the response time requirements stated herein. Exemptions may be granted for calls where, road conditions, or multicasualty or other situations beyond PROVIDER's control cause unavoidable delays. All such calls shall be individually examined and if the circumstances warrant, ICEMA will exclude them from the database utilized for calculating monthly compliance. In order to be eligible for an exception, the PROVIDER must include a full explanation of its reasons for requesting such exception as part of the PROVIDER's monthly report. Equipment failure, and/or provider dispatcher error, shall not furnish grounds for release from late-run determination or response time standards.  
Automatic exemptions (subject to audit) will be granted for the following:
  1. inclement conditions
  2. reported delayed response times from the CAD system which do not correlate  
with provider data due to radio communication system failure
  3. the need to initiate mutual aid within the operating area
  4. having to respond from outside of the operating area due to patient transport
  5. other 9-1-1 emergency commitments



**XV. COMPLIANCE**

PROVIDER shall comply with all ICEMA policies, procedures, protocols and directives issued in accordance with law, including the EOA Plan for the County of San Bernardino. PROVIDER shall comply with all applicable federal, state and local laws and regulations, including but not limited to the requirements of the United States Department of Health and Human Services, Health Care Financing Administration, California Highway Patrol, California Department of Health Services, California Emergency Medical Services Authority, and County of San Bernardino.

**XVI. AUDITS AND INSPECTIONS**

- A. **Reasonable Inspection Notice** - Representatives of ICEMA may at any time during normal business hours, and as often as may reasonably be deemed necessary, observe PROVIDER's operations. PROVIDER shall make available to ICEMA for its examination, its records with respect to all matters covered by this MOU, and make excerpts or transcripts from such records, and may make audits of all Agreements, invoices, materials, inventory records, roster of all EMS licensed/certified and/or accredited personnel, daily logs, and other data related to all matters covered by this MOU. ICEMA representatives may, at any time, and without notification, directly observe PROVIDER's operation at the PROVIDER's dispatching center, maintenance facility, and any ambulance post location. ICEMA representatives may ride as "third person" on any of the PROVIDER's units at any time, provided, however, that in exercising this right to inspection and observation, ICEMA representatives provide appropriate identification, conduct themselves in a professional manner, be courteous, not interfere in any way with PROVIDER's personnel in the performance of their duties, and complies PROVIDER'S liability requirements.
- B. **Normal Business Hours Restriction** - ICEMA's right to inspect records in PROVIDER's business office shall, however, be restricted to normal business hours, and reasonable notification (24 hours) shall be given the PROVIDER in advance of any such visit. ICEMA's right to observe and inspect operations shall not be restricted by normal business hours and shall not require advance notification. ICEMA will not disrupt normal operations.
- C. **Authorized Observers** - This right to directly observe PROVIDER's field operations, provider dispatch operations, and maintenance shop operations shall

also extend to authorized representatives of ICEMA or other persons authorized by ICEMA. Such persons shall conduct themselves in a professional manner, be courteous and shall not interfere in any way with PROVIDER's personnel in the performance of their duties.

- D. **Exception to Section** - The terms of this section shall not apply where ICEMA has a reasonable cause to believe that a significant and substantial violation of this MOU has occurred, or is imminent to occur, that may endanger the general public health or is necessary to preserve records that relate to the enforcement provisions of this MOU.

## **XVII. GENERAL RESPONSIBILITIES AND DUTIES OF ICEMA**

ICEMA shall:

- A. **Monitoring and Enforcement** - ICEMA shall monitor and enforce performance under this MOU to ensure service areas covered under this MOU receive adequate emergency medical services including emergency ambulance service.
- B. **Rate Approval** - Review, reserving the right to approve, reasonable rates and charges by the PROVIDER.
- C. **Competitive Bid Process** - Except as may be required under Health and Safety Code sections 1797.224 and 1797.226, ICEMA shall develop, implement, and conduct a competitive bid process for the selection of emergency ambulance providers to serve EOAs for emergency takeovers or irresolvable MAJOR BREACH.
- D. **Medical Control** - Provide for system medical control/Medical Director.
- E. **Default Provisions** - In the event of default, initiate a takeover and manage all operations until a new PROVIDER can be secured. ICEMA shall conduct a competitive bid process for the selection of a PROVIDER to provide emergency ambulance services within the affected contracted EOA.
- F. **Compliance Reports** - ICEMA shall provide monthly compliance reports for review by the Performance Committee. This report shall contain a summary of compliance to performance standards and a summary of exemptions requested and granted.
- G. **Annual Audit** - In addition to ICEMA's audit authority under section XVI, ICEMA shall conduct an annual audit to verify accuracy of performance data to include, but not limited to, response time compliance data.

- H. **Annual Report** - ICEMA shall provide an annual compliance report for review to the San Bernardino County Emergency Medical Care Committee (EMCC) and the ICEMA Governing Board.

## **XVIII. GENERAL PROVISIONS**

### **A. TERM OF MOU AND RENEWAL PROVISIONS**

1. **Initial Term** - The term of the Agreement shall commence when executed by the parties and continue in effect until December 31, 2013, but shall automatically be renewed for successive three (3) year periods unless otherwise terminated or amended and provided that PROVIDER has not committed an unresolved MAJOR BREACH of the MOU. Notwithstanding the foregoing, PROVIDER may terminate this contract, at any time, upon ninety (90) days written notice to ICEMA.
2. In the event that PROVIDER is temporarily unable to meet the terms of this Agreement, PROVIDER shall promptly notify ICEMA. In the event the PROVIDER elects to not automatically extend the contract term, PROVIDER shall give ICEMA no less than ninety (90) days written notice prior to the expiration date of the current term.
3. **Continuity of Service** - ICEMA hereby declares and makes a finding that it is in the public's best interest to assure that persons needing emergency medical services will not be negatively impacted by changing providers of emergency ambulance services and that the public continues to receive high quality ambulance services. It is also in the best interest that PROVIDER provide an experienced and stable work force of supervisors, paramedics, EMT's, dispatchers and other support personnel; and that it is in the public best interest that PROVIDER establishes a systematic capital replacement policy that focuses on long term investment in the EOA and ensures their ability to comply with the terms of this MOU.

### **B. TRANSITION PROVISIONS:**

1. **Transition Period** - In the event this MOU is terminated, PROVIDER may be required to continue to provide services during the transition period, and shall assist both ICEMA and the successor service provider in effecting a safe and orderly transition. The following provisions are

designed to protect the interests of both PROVIDER and ICEMA during the period of transition from PROVIDER to the successor service provider. In the event that a successor service provider has not been established prior to the termination date of this MOU, the PROVIDER shall continue to provide services for a period not to exceed six (6) months after said termination date, in the discretion of ICEMA.

2. **Right to Required Replacement** - Throughout the term of this MOU and any extension period, ICEMA may, after an inspection and for cause, require PROVIDER to replace any mandatory equipment items listed on the ICEMA Standard Drug and Equipment list at any time after that item's scheduled replacement date. However, if through superior maintenance or by other means, PROVIDER is able to extend the safe useful life of an equipment item beyond its time of scheduled replacement, ICEMA shall not, except for cause, require replacement of that item.
3. **Transfer of Goodwill** - Upon termination of this MOU, PROVIDER shall convey to ICEMA or the successor service provider, all rights to business for ambulance service pursuant to the EOA provisions of this MOU that have been developed by PROVIDER during the term of this MOU. PROVIDER shall assert no claim of rights to conduct business within the contracted EOA after the termination of this MOU, nor shall PROVIDER assert any claim of compensation owed relative to the loss of such business.

#### **XIX. DISPUTE AND GRIEVANCE PROCEDURE**

- A. **Dispute Resolution** - ICEMA's duties shall include monitoring the operation of this MOU and insuring that PROVIDER fulfills its obligations hereunder. In fulfilling this responsibility, ICEMA shall employ a staff member knowledgeable in issues concerning emergency medical services, emergency ambulance services and the terms of this MOU.
- B. **Monthly Performance Reports** - ICEMA shall review monthly reports regarding PROVIDER's performance under the terms and conditions of this MOU. Such reports shall include, but are not limited to, a summary report of all response time exemptions requested by PROVIDER. The reports shall provide a detailed explanation of all response time exemption requests with the exception of the



automatic exemptions, which PROVIDER chooses to submit for consideration. PROVIDER shall have a full opportunity to present any exculpatory or mitigating evidence prior to ICEMA's public release of the monthly reports.

- C. **Disputes and Grievances** - ICEMA shall attempt to resolve disputes or grievances concerning MOU performance matters between PROVIDER and any public agency, consumer of service, and any other interested person or party. ICEMA shall not consider a dispute and grievance unless it concludes that the person or party filing said dispute and grievance has exhausted all other remedies, which are reasonably available.
- D. **Work Action** - PROVIDER shall notify ICEMA, local hospitals and area EMS providers upon reasonable knowledge of any potential service interruption as the result of personnel action. This notification shall occur as soon as the information becomes verifiable. An action plan will be provided to ICEMA as soon as possible, but not more than 24 hours following ICEMA notification. The action plan must be acceptable to ICEMA.

## **XX. MAJOR BREACH AND EMERGENCY TAKEOVER PROVISIONS**

- A. **Major Breach Definitions** - Conditions and circumstances which, shall constitute a MAJOR BEACH of MOU by the PROVIDER shall include the following:
  - 1. Failure of the PROVIDER to operate its services in a manner which enables ICEMA and the PROVIDER to remain in compliance with the requirements of the applicable federal, state and local laws, rules and regulations. Minor infractions of such requirements shall not constitute a MAJOR BREACH of this MOU. Once a takeover has been completed, ICEMA shall, as soon as reasonably possible, select a new ambulance provider, utilizing a competitive bid process.
  - 2. Failure to comply with response time requirements within the EOA during three (3) consecutive cycles or four (4) cycles within any twelve consecutive cycles shall be considered a MAJOR BREACH of contract.
  - 3. Response time compliance falls below 80 percent (80%) for any cycle within the term of this Agreement.

4. Intentional falsification or omission of data or information supplied to ICEMA, which affects or has the effect of enhancing PROVIDER's performance under this MOU.
5. Failure to maintain in force throughout the term of this MOU, including any extensions thereof, the insurance coverage required herein.
6. Multiple or unremediated failures to correct any MINOR BREACH within a reasonable period of time.
7. Any act or omission of PROVIDER, which, in the reasonable opinion of the ICEMA Medical Director, poses a serious risk to public health and safety.
8. PROVIDER terminates its contract with the County for provision of indigent transport services.

**B. Notice to PROVIDER**

If it appears that any of the conditions or circumstances set forth above exists or has occurred, then the ICEMA Administrator, in consultation with the ICEMA Medical Director, shall notify PROVIDER of such existence or occurrence. PROVIDER shall have a period of time, which shall be reasonable under the circumstances, to take appropriate remedial action to correct the deficiencies. PROVIDER and ICEMA staff shall attempt in good faith and with all reasonable effort to resolve the allegations between and among themselves without recourse to the other remedies available herein.

- C. Unresolved Allegation** - If an allegation of MAJOR BREACH has not been resolved under the above provisions, the ICEMA Administrator, in consultation with the ICEMA Medical Director, shall notify PROVIDER in writing and ICEMA shall proceed to arrange a hearing or expedited hearing with the ICEMA Governing Board pursuant to the provisions herein.

- D. ICEMA Discretion** - If ICEMA finds that only a MINOR BREACH has occurred, or that a MAJOR BREACH has occurred but the public health and safety would not be endangered by allowing PROVIDER to continue its operations, then ICEMA may require remedial actions, as it deems appropriate under the circumstances.

**E. Governing Board Hearing**

1. After PROVIDER is given reasonable notice, the ICEMA Governing Board shall hold a hearing upon the ICEMA Administrator's

recommendations. The ICEMA Governing Board shall receive and consider any additional information and evidence on the matter which PROVIDER or others may wish to present, and determine whether a MAJOR BREACH of this MOU has occurred and whether said breach is such that the public health and safety would be endangered by allowing PROVIDER to continue its operations under this MOU. If the ICEMA Governing Board finds that a MAJOR BREACH has occurred, it shall declare this MOU terminated and commence action to effect an immediate takeover by ICEMA of PROVIDER'S operations.

2. If the ICEMA Governing Board finds that only a MINOR BREACH has occurred, or that a MAJOR BREACH has occurred but that allowing PROVIDER to continue its operations would not endanger the public health and safety, the ICEMA Governing Board may take such other actions, short of termination and takeover, as it deems appropriate under the circumstances.

- F. **Expedited Hearing Process** - If, in the judgment of the ICEMA Administrator, it appears a condition or circumstance of MAJOR BREACH exists or has occurred and that such condition or circumstance presents an immediate danger to the public health and safety, the ICEMA Administrator, after giving notice to PROVIDER, may take the matter directly and immediately to the ICEMA Governing Board for its determination under the above provisions.
- G. **Notice of Default** - Pursuant to the above provisions, the ICEMA Governing Board shall have the right to terminate, cancel, or takeover services provided under this MOU or to pursue any appropriate legal remedy in the event of a MAJOR BREACH. In such instance, the ICEMA Governing Board shall provide written notice to PROVIDER specifying the date and time of intended termination or takeover.
- H. **Declaration of Public Health Officer** - The parties understand and agree that the San Bernardino County Public Health Officer may determine that the facts constituting a default under this MOU may also constitute a public health emergency. In the event that the Public Health Officer declares a public health emergency arising out of a default by PROVIDER, PROVIDER agrees that the Public Health Officer may exercise any power of the ICEMA Governing Board under this MOU in addition to any power authorized by law.

- I. **Emergency Takeover** - Without limiting ICEMA's rights as set forth herein, in the event ICEMA determines that a MAJOR BREACH, actual or threatened, has or will occur, or that another event has or will occur that prevents performance, and if the nature of the breach or inability to perform is, in the reasonable opinion of the ICEMA Administrator, such that public health and safety are endangered, and after PROVIDER has been given notice and an opportunity deemed reasonable by the ICEMA Administrator to correct the deficiency (which notice may be less than 30 days, depending on the circumstances and gravity of the breach), the matter may be presented to the ICEMA Governing Board. If the ICEMA Governing Board concurs that a MAJOR BREACH has occurred or is imminent and that the health and safety would be endangered by allowing PROVIDER to continue its operations, PROVIDER shall cooperate fully with ICEMA to effect an immediate takeover by ICEMA of PROVIDER's EOA. Such takeover may be effected at any time after action by the ICEMA Governing Board or within such time period as the ICEMA Governing Board deems to be appropriate.

J. **Takeover Cooperation**

1. PROVIDER shall not be prohibited from disputing any such finding of MAJOR BREACH through litigation, provided, however, that such litigation shall not have the effect of delaying, in any way, the immediate takeover of operations by the ICEMA.
2. These provisions are specifically stipulated and agreed to by both parties as being reasonable and necessary to the protection of public health and safety, and any legal dispute concerning the finding that a MAJOR BREACH has occurred shall be initiated and shall take place only after the emergency takeover has been completed, and shall not under any circumstances, delay the process of the emergency takeover by ICEMA.
3. PROVIDER's cooperation with and full support of such emergency takeover shall not be construed as acceptance by the PROVIDER of the finding of MAJOR BREACH, and shall not in any way jeopardize PROVIDER'S right to recovery should a court later find that declaration of MAJOR BREACH was made in error. However, failure on the part of the PROVIDER to cooperate fully with ICEMA to effect a safe and smooth takeover of operations shall itself constitute a MAJOR BREACH of this



MOU, even if it was later determined that the original declaration of MAJOR BREACH was made in error.

4. The ICEMA Governing Board shall be the final authority for ICEMA.

## **XXI. INSURANCE REQUIRED**

A. **At all times** during the terms of the MOU, and throughout any extension periods, the PROVIDER shall maintain current insurance coverage in accordance with the criteria set forth below. PROVIDER may provide a policy of self-insurance equivalent to the requirements set forth below, and specifically acknowledging and designating ICEMA, its officers and employees, as named additional insureds for all liability arising out of the PROVIDER'S operations in the performance of this MOU. In the event self-insurance is not satisfactory for any reason, ICEMA reserves the right to require additional insurance.

1. With respect to performance of work under this MOU, PROVIDER shall maintain insurance as described below:

- a) Worker's compensation insurance with statutory limits as required by the labor Code of the State of California. Said policy shall be endorsed with the following specific language:

- (1) "This policy shall not be canceled, transferred, assigned, reduced or changed without first giving thirty (30) days prior written notice to ICEMA"

- b) Commercial or comprehensive general liability insurance covering bodily injury and property damage utilizing an occurrence policy form in an amount as required by San Bernardino County Risk Management.

- (1) **Additional Insured** - "ICEMA, its officers and employees, is named as additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this MOU."

- (2) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion

of more than one insured shall not operate to increase the limits of the company's liability.

- c) Automobile liability insurance covering bodily injury and property damage in an amount as required by San Bernardino County Risk Management. Said insurance shall include coverage for owned, hired, and non-owned vehicles. Said policy shall be endorsed with the following language:

- (1) Additional Insured - "ICEMA, its officers and employees, is named as additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this MOU."
- (2) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.
- (3) The insurance provided herein is primary coverage to ICEMA with respect to any insurance or self-insurance programs maintained by ICEMA.
- (4) This policy shall not be canceled, transferred, assigned, reduced or changed without first giving thirty (30) days prior written notice to ICEMA.

- d) PROVIDER may provide a policy of self-insurance for vehicle damages. In the event self-insurance is not satisfactory for any reason, ICEMA reserves the right to require additional insurance.

- e) Professional Liability

- (1) Professional liability insurance for all activities of the PROVIDER arising out of or in connection with this MOU in an amount as required by San Bernardino County Risk Management.

Said policy shall be endorsed with the following specific language:

- (a) **Additional Insured** - "ICEMA, its officers and employees, is named as additional insured for all

liability arising out of the operations by or on behalf of the named insured in the performance of this MOU."

(b) "This policy shall not be canceled, transferred, assigned, reduced or changed without first giving thirty (30) days prior written notice to ICEMA."

(2) In the event PROVIDER cannot provide an occurrence policy, PROVIDER shall provide insurance covering claims made as a result of performance of this MOU and shall maintain such insurance in effect for not less than two (2) years following completion of performance of this MOU.

**B. Documentation**

1. The following documentation shall be submitted to ICEMA:

- a) Properly executed Certificates of Insurance clearly evidencing all coverage, limits, and endorsements required above. Said Certificates shall be submitted prior to the execution of this MOU.
- b) Signed copies of the specified endorsements for each policy. Said endorsement copies shall be submitted within thirty (30) days of execution of MOU.
- c) Upon ICEMA's written request, certified copies of insurance policies. Said policy copies shall be submitted within thirty (30) days of execution of MOU.

C. **Obligations Not Limited by Insurance** - PROVIDER's indemnity and other obligations, owed to ICEMA shall not be limited by the foregoing insurance requirements.

D. **Breach** - If PROVIDER, for any reason, fails to maintain insurance coverage which is required pursuant to this MOU, the same shall be deemed a breach of the MOU. ICEMA, at its sole option, may terminate this MOU and obtain damages from the PROVIDER resulting from said breach.

**XXII. COMPENSATION TO PROVIDER**

A. **Compensation** - As compensation for the services, equipment, and materials furnished under this MOU, PROVIDER shall receive the following as full compensation:

1. Market rights as specified herein
  2. Income from fee for service billing and other reimbursement mechanisms as specified.
- B. **Exclusivity** - In consideration for the all of the services, equipment, materials and supplies to be furnished by PROVIDER, the ICEMA Governing Board has designated PROVIDER as an exclusive provider of emergency ambulance services, including inter-facility transfers, within the geographical areas defined by this MOU. PROVIDER and ICEMA agree that said designation shall begin on September 1, 2006 and shall continue throughout the term of this MOU, unless otherwise mutually agreed upon. The parties further agree that by such designation and through the other provisions for PROVIDER compensation incorporated herein, ICEMA has fulfilled any and all obligations it may have presently or at any time during the term of this MOU to compensate, reimburse, or otherwise pay PROVIDER for services provided to medically-indigent patients. Nothing in this section shall effect County's obligation to pay for services to medically indigent patients. Nothing in this MOU is intended to create any duty on the part of ICEMA to pay for ambulance or emergency medical services rendered to any individual.

### **XXIII. RIGHTS AND REMEDIES NOT WAIVED**

The PROVIDER agrees and guarantees that the work herein specified shall be completed without further or additional compensation than that provided for in this MOU; and that the acceptance of work herein and the payment thereof shall not be deemed to be a waiver by ICEMA of any breach of covenants or conditions, or any default which may then exist on the part of the PROVIDER, and the making of such payment while any such breach or default exists, shall in no way impair or prejudice any right or remedy available to ICEMA with respect to such breach or default.

### **XXIV. ENTIRE MOU, AMENDMENTS, INTERPRETATION, VENUE, NOTICES**

- A. **Entire MOU/Amendments** - This MOU constitutes the entire MOU between ICEMA and PROVIDER with respect to the subject matter hereof and supersedes any and all previous negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature whatsoever unless specifically included or incorporated herein. No modification of this MOU



shall be effective unless it is in writing and executed by the duly authorized representatives of the parties hereto.

- B. **Rights and obligations** - The rights and obligations of the parties and all interpretations and performance of this MOU shall be governed in all respects by the laws of the State of California. The parties further acknowledge and agree that the rights and obligations established under this MOU are subject to, and shall not supersede, the rights under Health and Safety Code section 1797.201 provided to any city or fire protection district within the PROVIDER's assigned EOA under this MOU.
- C. **Venue** - The parties agree that this MOU shall be construed under the laws of the State of California and that any action relating to this MOU shall be instituted in the San Bernardino County Superior Court.
- D. **Notices/Communications** - Notices and other communications required hereunder shall be transmitted in writing by certified U.S. mail, postage prepaid, return receipt requested, addressed to the parties as follows:

To PROVIDER:

Running Springs Fire Department  
Fire Chief  
P.O. Box 2206  
Running Springs, CA 92382

To ICEMA:

Executive Director  
ICEMA  
515 North Arrowhead Avenue  
San Bernardino, CA 92415-0060

With courtesy copies to:

San Bernardino County Public Health Officer

Except as otherwise provided, any notice given pursuant to this MOU shall be effective seven (7) days after the postmark or upon receipt as evidenced by the U.S. Postal Service return receipt card, whichever is later.

## **XXV. FORCE MAJEURE**

- A. **Effect** - Except as otherwise expressly provided in this MOU, no default in the performance of any obligations hereunder will be deemed to exist if such default is solely the result of a Force Majeure. In the event either party hereto is unable, by reason of Force Majeure, to carry out its obligations under this MOU, it is agreed that on such party's giving prompt notice of the full particulars of such event of Force Majeure, to be confirmed in writing, to the other party as soon as possible after the occurrence of the event of Force Majeure relied upon, the obligations of the party giving such notice so far as they are affected by such event of Force Majeure, shall be excused during the continuance of such event of Force Majeure. A breach of this MOU caused by an event of Force Majeure shall as far as practical be remedied with all reasonable dispatch.
- B. **Diligent efforts** - During any period in which any party hereto is excused from performance by reason of the occurrence of an event of Force Majeure, the party so excused shall promptly, diligently, and in good faith take all reasonable action required in order for it to be able to commence or resume performance of its obligations under this MOU. Without limiting the generality of the foregoing, the party so excused from performance shall, during any such period of Force Majeure, take all actions reasonably necessary to terminate any temporary restraining orders, preliminary or permanent injunctions to enable it to so commence or resume performance of its obligations under this MOU.

## **XXVI. INDEPENDENT PROVIDER**

- A. **Status of PROVIDER** - The parties intend that PROVIDER, in performing the services specified herein, shall act as an independent PROVIDER and shall control the work and the manner in which it is performed. PROVIDER is not to be considered an agent or employee of ICEMA and is not entitled to participate in any pension plan, insurance, bonus, or similar benefits ICEMA provides its employees.
- B. **Taxes** - PROVIDER agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this MOU and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. PROVIDER agrees to indemnify and hold ICEMA harmless from any liability which it may incur to the United

States or to the State of California as a consequence of PROVIDER's failure to pay, when due, all such taxes and obligations. In case ICEMA is audited for compliance regarding any withholding or other applicable taxes, PROVIDER agrees to furnish ICEMA with proof of payment of taxes.

#### **XXVII. PARTIAL INVALIDITY**

In the event any provision of this MOU shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

#### **XXVIII. HOLD HARMLESS**

- A. PROVIDER agrees to defend, indemnify, hold harmless and release ICEMA, their officers, agents and employees, from and against any and all actions claims, damages, disabilities or expenses that may be asserted by any person or entity, to the extent arising out of the negligent acts or omissions or willful misconduct in the performance by PROVIDER hereunder, whether or not there is concurrent negligence on the part of ICEMA, but excluding liability due to the active negligence or willful misconduct of ICEMA. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for PROVIDER or its agents under workers' compensation acts, disability benefit acts, or other employee benefit acts. The duty of PROVIDER to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.
- B. ICEMA agrees to indemnify, hold harmless and release PROVIDER, its officers, agents and employees, from and against any and all actions claims, damages, disabilities or expenses that may be asserted by any person or entity, to the extent arising out of the negligent acts or omissions in the performance by ICEMA hereunder, whether or not there is concurrent negligence on the part of the PROVIDER, but excluding liability due to the active negligence or willful misconduct of the PROVIDER. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for ICEMA or its agents under workers' compensation acts, disability benefit acts, or other employee benefit acts. ICEMA shall be liable to PROVIDER for any loss of or damage to PROVIDER's property arising from

ICEMA's negligence. The duty of ICEMA to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

**XXIX. PREVENTION OF IMPLEMENTATION**

The parties agree that in the event ICEMA, or PROVIDER, or both, are delayed or prevented due to legal action from implementing the provisions of the ICEMA Governing Board's action, relating to the establishment of an EOA for service, the terms and conditions of this MOU may be modified as mutually agreed upon by the parties.

**XXX. NON-DISCRIMINATION**

PROVIDER shall comply with all applicable federal, state and local laws, rules and regulations relating to non-discrimination in employment and services because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition and handicap.

**XXXI. NON-TRANSFERABLE MOU**

- A. **Consent of ICEMA** - This MOU shall not be assigned or transferred, nor shall the duties hereunder be delegated without the express written permission of ICEMA. Any change of more than 50% of the ownership of PROVIDER shall be deemed to be an assignment of this MOU, provided, however, that ICEMA shall not unreasonably withhold its approval of such change of ownership.
- B. **Application of Health & Safety Code** - The consent of ICEMA to any assignment of this MOU is independent of and will have no affect on the rights of PROVIDER and/or its assignee under sections 1797.224 and 1797.226 of the California Health and Safety Code.

**XXXII. SECTION HEADINGS AND TABLE OF CONTENTS**

Section headings and Table of Contents are inserted for convenience only and shall not be used in any way to construe the terms of this MOU.

**XXXIII. COOPERATION**

PROVIDER's obligations of cooperation with the ICEMA hereunder shall survive termination of this MOU and shall remain in force and effect until fulfilled.

#### **XXXIV. CONFLICT OF LAWS**

This MOU shall not be construed to confer any further or additional rights on PROVIDER than may otherwise exist under the provisions of EMS Act (Health & Safety Code § 1797, et seq.) and remains subject to the provisions of Health and Safety Code sections 1797.201, 1797.224, and 1797.226, where applicable.

#### **XXXV. FORMER COUNTY AND ICEMA OFFICIALS**

PROVIDER agrees to provide or has already provided information on former County of San Bernardino administrative and ICEMA officials (as defined below) who are employed by or represent PROVIDER. The information provided includes a list of former County or ICEMA administrative officials who terminated County or ICEMA employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of PROVIDER. For purposes of this provision, "County or ICEMA administrative official" is defined as a member of the Board of Supervisors, or such officer's staff, County Administrative Officer or member of such officer's staff, County department or group head, assistant department or group head, any employee in the Exempt Group, Management Unit or Safety Management Unit or any employee of the County Emergency Medical Services Program. If during the course of the administration of the MOU, ICEMA determines that the PROVIDER has made a material misstatement or misrepresentation or the materially inaccurate information has been provided to ICEMA, this MOU may be immediately terminated. If the MOU is terminated according to this provision, ICEMA is entitled to pursue any available legal remedies.



IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed as of the day and year first above written.

ICEMA

06-1050

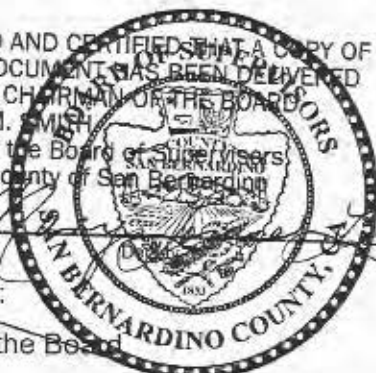
PROVIDER

By Bill Postmus  
Chairman, ICEMA Governing Board  
BILL POSTMUS OCT 17 2006

By Kenneth Cygus  
Name  
President, Board of Directors  
Title

SIGNED AND CERTIFIED THAT A COPY OF  
THIS DOCUMENT HAS BEEN DELIVERED  
TO THE CHAIRMAN OF THE BOARD  
DENA M. SMITH  
Clerk of the Board of Supervisors  
of the County of San Bernardino

By



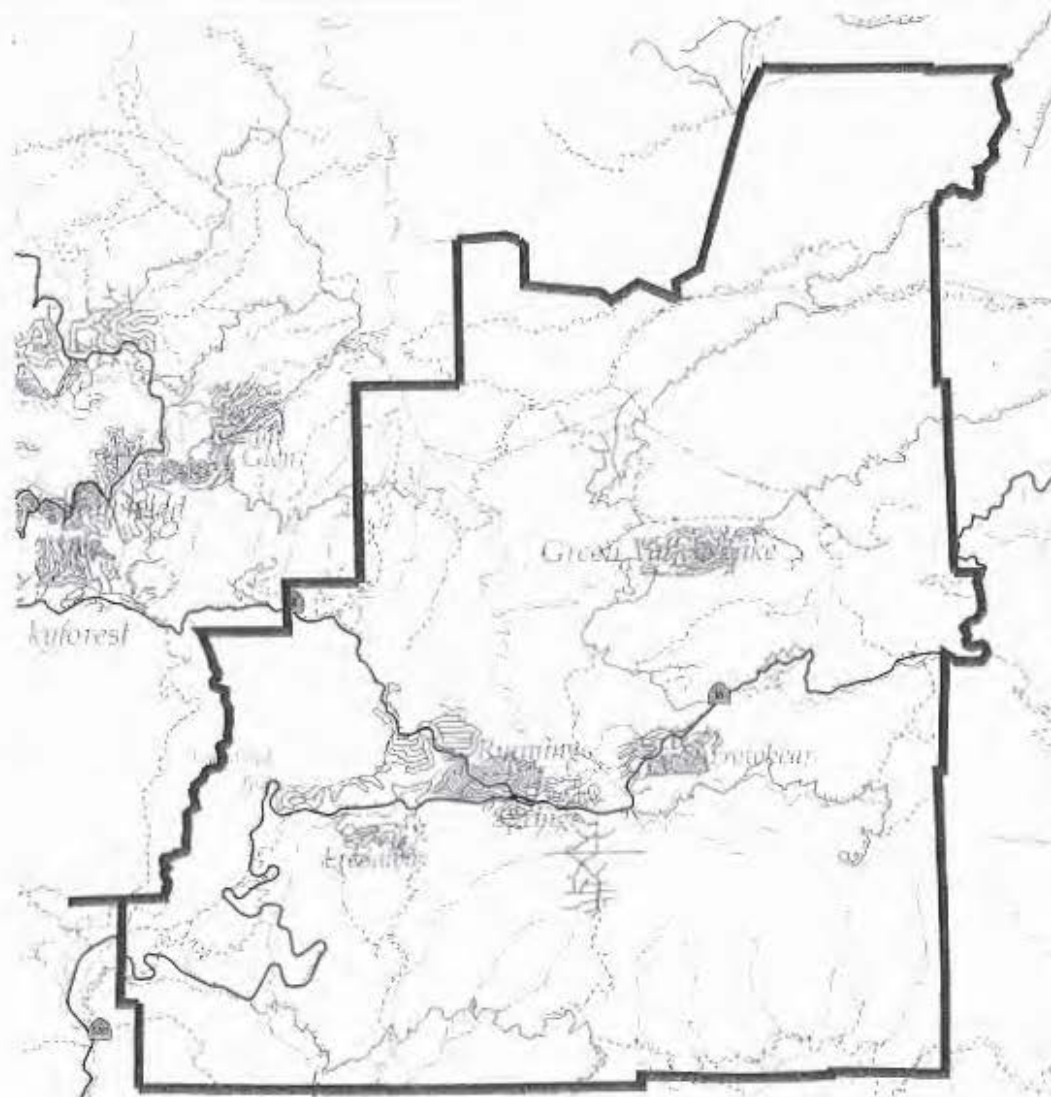
ATTEST:

Clerk to the Board

By

APPROVED AS TO FORM:

ICEMA/County Counsel



**SAN BERNARDINO COUNTY AMBULANCE EXCLUSIVE OPERATING AREA**  
**Area 19 - Running Springs Fire Department**

Map Prepared On January 03, 2006



**ORDINANCE NO. 59  
OF THE RUNNING SPRINGS WATER DISTRICT  
ESTABLISHING FEES FOR AMBULANCE SERVICES AND OTHER  
MISCELLANEOUS FIRE DEPARTMENT FEES**

**WHEREAS**, pursuant to Water Code section 31120, the Running Springs Water District has the authority to exercise any of the powers, functions, and duties which are vested in, or imposed upon, a fire protection district pursuant to the Fire Protection District Law of 1987; and

**WHEREAS**, the District provides ambulance services pursuant to the Fire Protection District Law of 1987, specifically Section 13862 of the Health and Safety Code; and

**WHEREAS**, the Inland Counties Emergency Medical Agency ("ICEMA") has approved a list of ambulance fees as set forth in Exhibit "A" incorporated herein by this reference, that are calculated so as not to exceed the estimated cost to provide ambulance services; and

**WHEREAS**, Health and Safety Code Section 13916 authorizes this District to charge a fee to cover the cost of any service which the District provides and to adopt an ordinance establishing a schedule of such fees at a meeting conducted by the Board of Directors following notice of the Board's intention to establish such fees as provided in Health and Safety Code Section 13916; and

**WHEREAS**, this District has provided notice of the fees set forth herein and has made available to the public, at least ten (10) days in advance hereof, the data indicating the estimated cost required to provide the services.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Directors of Running Springs Water District as follows:

1. The fees for ambulance services set forth in Exhibit "A" are hereby adopted.
2. The fees may be collected by any means available to the District.
3. This ordinance shall become effective immediately upon its adoption.

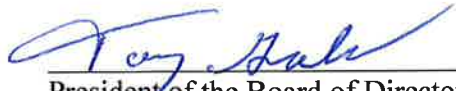
**ADOPTED** this 21<sup>st</sup> day of June, 2023.

**Ayes:** GRABOW, TERRY, CONRAD, ACCIANI

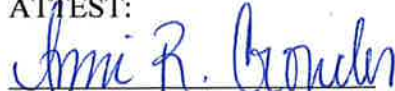
**Noes:** 0

**Abstentions:** 0

**Absent:** DYBERG

  
\_\_\_\_\_  
President of the Board of Directors  
of Running Springs Water District

**ATTEST:**

  
\_\_\_\_\_  
Board Secretary







# Inland Counties Emergency Medical Agency

1425 South D Street, San Bernardino, CA 92415-0060 ■ (909) 388-5823 ■ Fax (909) 388-5825 ■ [www.icema.net](http://www.icema.net)

*Serving San Bernardino, Inyo, and Mono Counties*

*Daniel Munoz, Interim EMS Administrator*

*Reza Vaezazizi, MD, Medical Director*

**DATE:** May 23, 2023,

**TO:** EMS Ground Transport Providers - San Bernardino County

**FROM:** Daniel Munoz  
Interim EMS Administrator

**SUBJECT:** **FY 2023-24 AMBULANCE RATE ADJUSTMENT**  
**EFFECTIVE JULY 1, 2023 - JUNE 30, 2024**

In conformance with the ICEMA Reference #3060 - ICEMA Ground Based Ambulance Rate Setting Policy - San Bernardino County approved by the ICEMA Governing Board on May 8, 2012, the following represents ambulance rate adjustments effective July 1, 2023. The attached "Ground Ambulance Service Rate Definitions" will be utilized in the application of the rates.

Ambulance Rate Components	Base Rate FY 2022-2023 Rate		Increase CPI + County Comparison		Final Rate FY 2023-2024 Rate	
	Urban Operating Areas	Rural/ Wilderness Operating Areas	Urban Operating Areas	Rural/ Wilderness Operating Areas	Urban Operating Areas	Rural/ Wilderness Operating Areas
Advanced Life Support (ALS) Base Rate (All Inclusive)	\$1,870.61	\$2,057.67	\$93.53	\$102.88	\$2,062.35	\$2,268.58
Basic Life Support (BLS) Rate	\$1,347.55	\$1,482.31	\$67.38	\$74.12	\$1485.67	\$1,634.25
Emergency Fee	\$313.92	\$345.32	\$15.70	\$17.27	\$329.61	\$362.58
Oxygen	\$194.71	\$214.18	\$9.74	\$10.71	\$204.45	\$224.88
Night Charge	\$224.75	\$247.27	\$11.24	\$12.36	\$235.99	\$259.64
Critical Care Transport	\$2,109.12	\$2,320.01	\$105.46	\$116.00	\$2,214.58	\$2,436.02
Mileage (per mile or fraction thereof)	\$33.02	\$33.02	\$1.65	\$1.65	\$34.67	\$34.67
Wait Time	\$58.96	\$58.96	\$2.95	\$2.95	\$61.91	\$61.91
EKG	\$134.03	\$134.03	\$6.70	\$6.70	\$140.73	\$140.73

If you have any questions regarding the policy and associated rate calculations, please contact Gerry Gardner, Supervising EMS Specialist, at (909) 388-5816 or via e-mail at [gerald.gardner@cao.sbcounty.gov](mailto:gerald.gardner@cao.sbcounty.gov).

DM/ggg

Attachment

c: File Copy

## BOARD OF SUPERVISORS

COL. PAUL COOK (RET.)  
Vice Chairman, First District

JESSE ARMENDAREZ  
Second District

DAWN ROWE  
Chair, Third District

CURT HAGMAN  
Fourth District

JOE BACA, JR.  
Fifth District

Leonard X. Hernandez  
Chief Executive Officer

## Ground Ambulance Service Rate Definitions

### ICEMA Region

Effective July 1, 2018

*NOTE: Rates are allowable only upon transport of a patient.*

#### ***BLS All Inclusive Base Rate:***

1. When an EMT staffed ambulance responds to a call; or
2. When an advanced life support (ALS) or limited advanced life support (LALS) staffed ambulance responds to a scheduled call when not requested and/or ALS or LALS intervention is not provided.

#### ***ALS All Inclusive Base Rate:***

Any response of an approved ALS (paramedic) or LALS (AEMT) transport provider to a request for service. This charge will include, but not necessarily be limited to, the provision of the following:

1. An authorized ALS or LALS staffed and equipped ambulance response.
2. Care modalities including cardiac monitoring, telemetry, IV administration, drug administration, defibrillation, blood draw, wound dressing, splinting and disposable first aid and medical supplies related to such care and treatment.

#### ***Emergency:***

Applies to BLS All Inclusive Base Rate when a BLS scheduled response is upgraded to emergency status either in response or during transport. **This charge is included in the ALS All Inclusive Rate and cannot be charged in addition to the ALS All Inclusive Rate.**

#### ***ECG Monitoring:***

Applies when ECG Monitoring is performed as per protocol or base hospital order. **This charge is included in the ALS All Inclusive Base Rate and cannot be charged in addition to the ALS All Inclusive Base Rate.** In most cases, this charge is broken out as a line item for Medi-Cal which does not recognize the charge in the ALS All Inclusive Base Rate.

#### ***EMS Aircraft - Appropriate fee for service:***

EMS ground transportation providers may charge All Inclusive Base Rate when;

1. Ambulance personnel and/or equipment are directly involved in patient care prior to the transport and transfer of patient(s) to EMS aircraft.
2. Provider's supplies and/or procedures are utilized at rate specified in the current ambulance rates.
3. Approved mileage rate from point of transport by ground ambulance to transfer site to EMS aircraft.

#### ***Mileage:***

Applies for each patient mile or fraction thereof from point of pick-up to destination.

#### ***Night:***

Applies for services provided between the hours 1900 and 0659, military time.

***Oxygen:***

Applies for services provided whenever oxygen is administered. This charge is inclusive of material such as tubing, masks, etc., which may be used for the administration of oxygen.

***Wait Time:***

Applies to scheduled calls and is charged per fifteen (15) minutes of waiting time or portion thereof, after the first fifteen-minute period lapse occurs when an ambulance must wait for a patient at the request of the person/organization hiring the service. This rate is not contractual “stand-by” charge rate for special events.

***Specialty Care Transport:***

Applies to transportation provider’s medical personnel when equipment is needed to provide care, monitoring at a level outside and/or higher than a paramedic’s scope of practice; or utilization of specialized equipment or specialized vehicle, based upon patient’s needs. Examples of Specialty Care Transport may include Neonatal (incubator/team) transport, Bariatric unit transport, high-risk maternal team transport, ALS Respiratory Therapist transport, PA-NP-OD-MD transport, etc.

## RUNNING SPRINGS FIRE DEPARTMENT FEE SCHEDULE

Service	DESCRIPTION	FEE
<b>Adminstration/FIRE</b>	Returned Check	\$30.00
	Collections	\$40.00
	Fire Cause and Origin Report	\$30.00
	Blank	\$0.00
<b>Plans Review</b>	<b>FIRE SPRINKLER SYSTEMS</b>	
	<b>New Commercial NFPA Fire Sprinkler System</b>	
	Plans Review/FIRE Letter	\$260.00
	Inspection, 1-20 fire sprinkler heads, 1st riser	\$301.00
	Inspection, 21-50 fire sprinkler heads, 1st riser	\$301.00
	Inspection, 51-100 fire sprinkler heads, 1st riser	\$301.00
	Inspection, >101 fire sprinkler heads, 1st riser	\$401.00
	Each additional riser (same hazard class)	\$100.00
	<b>Single Family Residential -NFPA 13D Fire Sprinkler</b>	
	Plans Review/FIRE Letter	\$197.00
	Inspection, 1-3,600 sq.ft	\$201.00
	Inspection, 3,600-5,000 sq.ft	\$201.00
	Inspection, >5,000 sq.ft	\$301.00
	<b>Multi-Family Residential Fire Sprinkler, NFPA 13R</b>	<b>Per Riser</b>
	Plans Review/FIRE Letter	\$260.00
	Inspection, 1-50 fire sprinkler heads, per riser	\$201.00
	Inspection, >100 fire sprinkler heads, per riser	\$301.00
	<b>Per-Engineered Systems/Equipment</b>	
	Inspection, Industrial Ovens, per system	\$201.00
	Inspection, Hood and Duct Extinguishing System	\$201.00
	<b>CONSTRUCTION PROJECTS</b>	
	<b>Single Family Residential Construction Projects</b>	
	Plans Review	\$170.00
	Inspection,new construction	\$110.00
	Inspection, addition	\$110.00
	<b>Multi-Family Residential Construction Projects</b>	
	Plans Review	\$219.00
	Inspection, 1-10,000 sq. ft	\$201.00
	Inspection, >10,000 sq. ft	\$301.00
	<b>Commercial/Industrial New Construction Projects</b>	
	Plans Review	\$219.00
	Inspection, 1-10,000 sq. ft	\$201.00
	Inspection >10,000 sq.ft	\$301.00

## RUNNING SPRINGS FIRE DEPARTMENT FEE SCHEDULE

<b>Special Permits</b>	<b>Special Event</b>	
	Film/Movie Shoot	\$110.00
	Special Event/Temporary Use	\$110.00
	Tents, Canopies, and Temporary Membrane Structure	\$110.00
***Fee can be waived or adjusted for other Agencies or Non-Profit or Special Community Groups		
<b>Mandated Inspections</b>	<b>State Fire Marshall Regulated Occupancies</b>	
	Organized Camps- Group C Occupancy	\$331.00
	Day Care Facility- Group E Occupancy	\$210.00
	Multi-Family Housing- Hotel/Motel/Apartments	\$331.00
	Public and Private Schools-Group E Occupancy	\$210.00
	Short -Term Residential Rental	\$210.00
<b>Fire Prevention</b>	<b>Weed Abatement Program</b>	
	Property Violation/Non-Compliance	\$255.00
	Property Warrant/Cost Recovery	\$425.00
	Non-Compliance Extension	\$34.00
	Property Abatement- Contractor Cost	Actual Cost
	Defensible Space Inspections (AB38)	\$50.00
	<b>Hydrants</b>	
	Hydrant Flow Test	\$225.00
<b>Public Education</b>	<b>Education</b>	<b>Per Student</b>
	CPR Training/Certification	\$78.00
	First Aid Training/Certification	\$52.00
<b>Cost Recovery</b>	<b>Employee Clasification</b>	<b>Per Hour</b>
	Administrative Secretary	\$59.76
	Fire Chief	\$113.62
	Battalion Chief	\$110.42
	Fire Captian/Paramedic	\$60.67
	Engineer/Pramedic	\$54.57
	Firefighter/Paramedic	\$50.57

## RUNNING SPRINGS FIRE DEPARTMENT FEE SCHEDULE

<b>Cost Recovery</b>	<b>Equipment Rates (does not include staffing)</b>	<b>Per Hour</b>
	Ambulance	\$230.00
	Engine Type I	\$140.00
	Engine Type III	\$126.50
	Squad Unit	\$120.00
	Snow Cat ( Includes Truck & Trailer)	\$225.26
	Utility Vehicle	\$140.00
	<b>Special Event Stand By Fee</b>	<b>Per Hour</b>
	<b>Personnel</b>	
	Billed at the same rate as the employee classification	
	hourly rate	
	<b>Equipment Stand By (does not include staffing)</b>	
	Fire Engine Type I	\$27.72
	Fire Engine Type III	\$25.20
	Ambulance	\$15.05
	Squad Unit	\$20.23



# **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

**Web:** tdaenvironmental.com



April 8, 2024

Mr. Samuel Martinez  
Executive Officer  
Local Agency Formation Commission  
1170 West 3<sup>rd</sup> Street, Unit 150  
San Bernardino, CA 92415-0480

Dear Sam:

I have completed the California Environmental Quality Act (CEQA) review of out-of-area service contract, LAFCO SC#521 for the Commission. LAFCO SC#521 consists of a request by the Running Springs Water District (District) to provide ground ambulance services outside its current service area boundary and outside of its Sphere of Influence, pursuant to Government Code Section 56133.5. The District is seeking extension/continuation of this service related to the Inland Counties Emergency Medical Agency (ICEMA) authorizing the Running Springs Water District to provide ground ambulance services to its assigned Exclusive Operating Area (EOA) 19. Approval of LAFCO SC#521 would allow the District to both continue and extend these services within the entirety of the EOA 19.

Based on the above proposal and the analysis and findings presented below, I conclude that LAFCO SC#521 can be implemented without causing significant adverse environmental impacts. As noted, the administrative record does not identify any action by the District to comply with the California Environmental Quality Act (CEQA) for this proposed project. Therefore, LAFCO will consider this extension of service as the CEQA lead agency. Based on the proposal to provide an essential service to EOA 19 in conformance with ICEMA determinations, I conclude that this project provides an essential service that has no potential to cause a significant adverse impact on the environment.

Therefore, I recommend that LAFCO SC#521 does not constitute a project under CEQA and adoption of an exemption (under the "Common Sense" finding in the State CEQA Guidelines) and filing of a Notice of Exemption is the most appropriate determination to comply with the CEQA for this action. This exemption is found in Section 15061(b)(3) for this action. See the attached definition. The Commission can approve this review and finding for this action based on the preceding analysis, and I recommend that you notice LAFCO SC#521 as exempt from CEQA for the reasons outlined in the State CEQA Guideline section cited above. The Commission needs to file a Notice of Exemption (NOE) with the County Clerk of 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, this proposed out-of-area service extension does not appear to have any potential to significantly alter the existing physical environment. Since no other project is known to be pending or will occur, as a result of approving this application, no other potential significant physical changes in the environment are forecast to result from this action.

Based on this review of LAFCO SC#521 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 substantiation in accordance with the Commission's CEQA lead agency status. If you have any questions regarding this recommendation, 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

Attachments



# 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  
lafo@lafo.sbcounty.gov  
www.sbclafo.org

---

**PROPOSAL NO.: LAFCO SC#521**

**HEARING DATE: APRIL 8, 2024**

## **RESOLUTION NO. 3400**

**A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO SC#521 – AUTHORIZATION FOR THE RUNNING SPRINGS WATER DISTRICT TO PROVIDE GROUND AMBULANCE SERVICES OUTSIDE ITS BOUNDARY AND OUTSIDE ITS SPHERE OF INFLUENCE PURSUANT TO GOVERNMENT CODE SECTION 56133.5**

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

**WHEREAS**, Government Code Section 56133.5 requires the Local Agency Formation Commission to review and approve or deny applications for agencies to provide services outside their existing boundaries and outside their spheres of influence to support existing or planned uses; and,

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

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

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

**WHEREAS**, the public hearing by this Commission was called for April 17, 2024 at the time and place specified in the notice of public hearing; and,

**WHEREAS**, at the hearing, this Commission heard and received all oral and written support and/or opposition; 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. 3400

**WHEREAS**, the Commission certifies that LAFCO SC #521 is exempt from environmental review, and directs the Executive Officer to file the Notice of Exemption within five (5) days.

**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.** Government Code Section 56133.5 requires that the Commission make the following determinations regarding the area to be served outside the agency's sphere of influence, at a noticed public hearing.

1. That the proposed service extension was identified and evaluated in a service review. The ambulance service for the Running Springs Water District was identified and evaluated in the Countywide Service Review for Fire Protection, Emergency Medical Services, and Dispatch, LAFCO 3231 (2020).
2. That the proposed service extension will not have an adverse impact on open space/agricultural lands and/or is not growth inducing. Continuation of the Running Springs Water District's ground ambulance service within the assigned Ambulance Operating Area (AOA) 19 is not anticipated to have an adverse impact on open space or agricultural lands.
3. That inclusion of the area to be served into the agency's sphere of influence is not feasible or desirable based on adopted commission policies. The area served by the Running Springs Water District outside of its boundary and outside its sphere of influence are well beyond the Running Springs Water District's sphere of influence. Therefore, inclusion within the Running Springs Water District's sphere is not feasible or desirable.

**SECTION 2. CONDITION.** The Running Springs Water District shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this 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 authorize the Running Springs Water District to provide ground ambulance service outside its boundary and outside its sphere of influence within the assigned EOA 19 identified in Exhibit A pursuant to Government Code Section 56133.5.

**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#521 – Authorization for the Running Springs Water District to Provide Ground Ambulance Services Outside its Boundary and Outside its Sphere of Influence Pursuant to Government Code Section 56133.5, has been approved.

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

RESOLUTION NO. 3400

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

\*\*\*\*\*

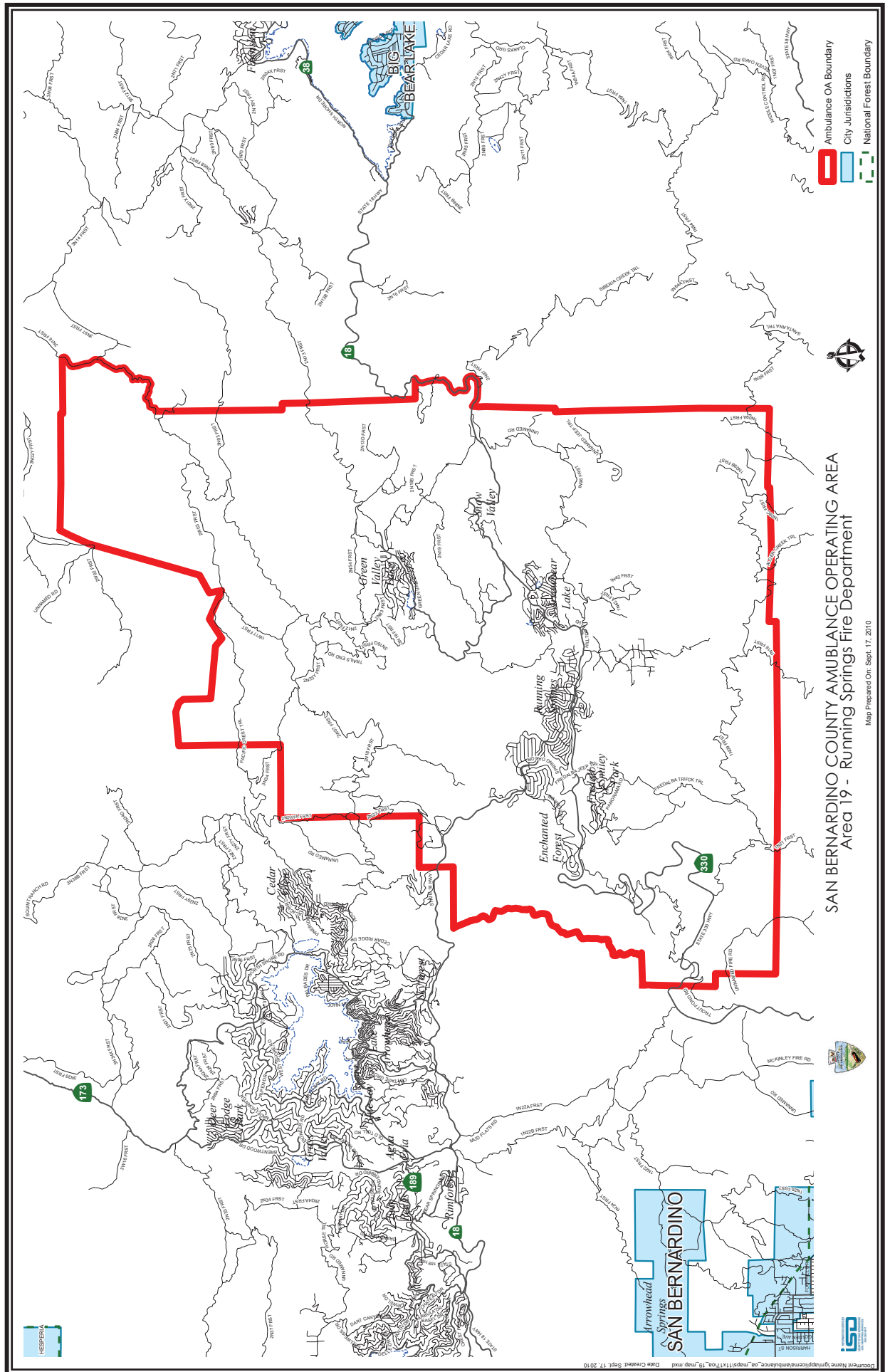
STATE OF CALIFORNIA                    )  
  ) ss.  
COUNTY OF SAN BERNARDINO        )

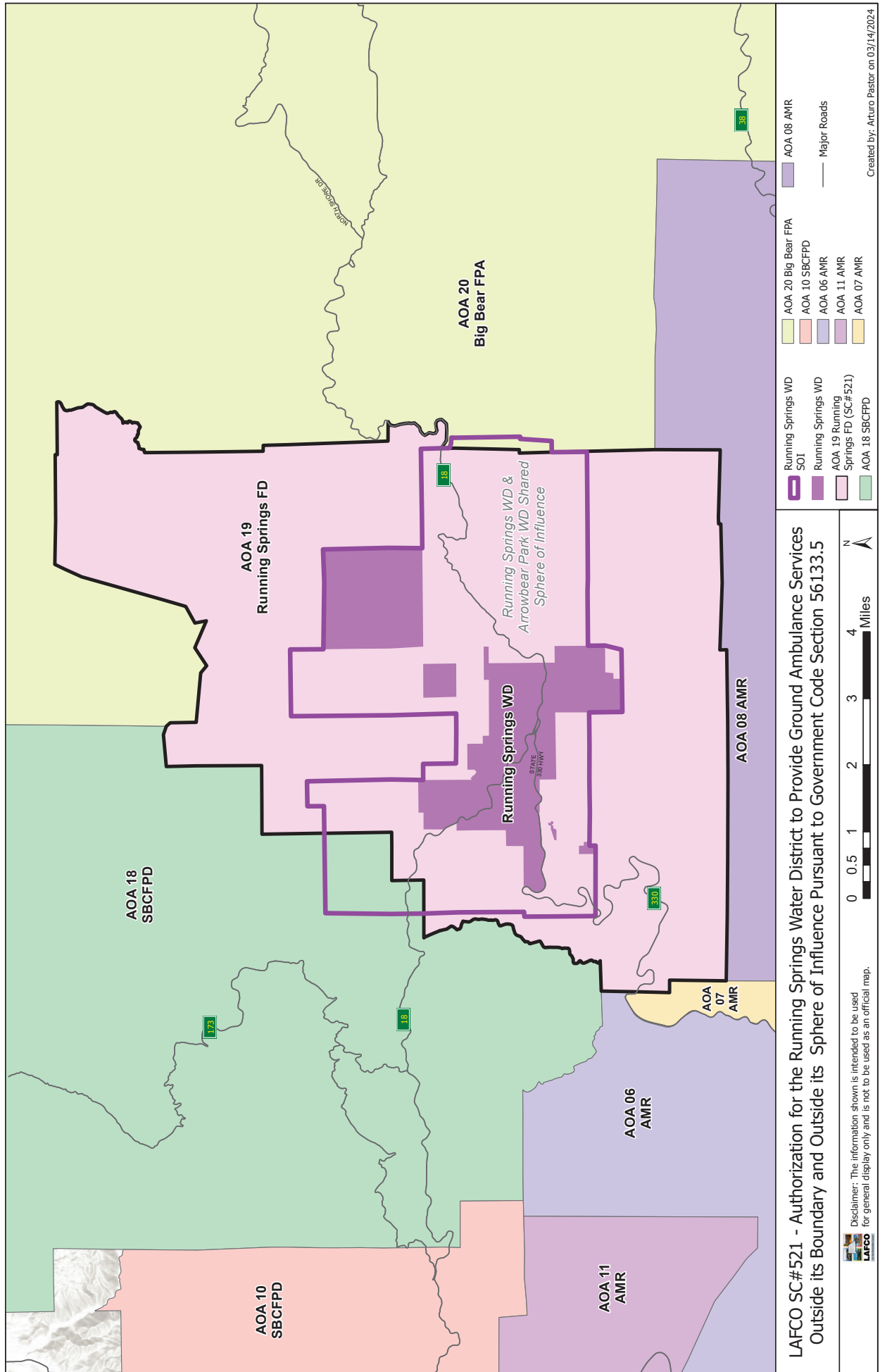
I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of April 17, 2024.

DATED:

---

SAMUEL MARTINEZ  
Executive Officer





# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

DATE: APRIL 10, 2024  
FROM: SAMUEL MARTINEZ, Executive Officer  
MICHAEL TUERPE, Assistant Executive Officer  
TO: LOCAL AGENCY FORMATION COMMISSION

---

SUBJECT: Agenda Item #11: Third Quarter Financial Review for FY 2023/24

---

## **RECOMMENDATION:**

Staff recommends that the Commission take the following actions:

1. Note receipt of this report and file.
2. Direct the Executive Officer to issue payment to SBCERA for \$52,500 as a credit towards paying down LAFCO's share of the Unfunded Actuarial Liability.

## **SUMMARY:**

### **1. Budget Markers**

The third quarter of Fiscal Year 2023/24 has concluded and staff is presenting the Commission with its third financial report. This report includes a review of the financial activities and the presentation of a spreadsheet (see Attachment) showing the line-item expenditures and receipts during the period. The table below shows that Total Expenditures are on-track with Third Quarter markers. For Revenues, Applications are at 127%, above the 75% mark. The table below is a snapshot through the third quarter.

Expenditures		Revenues	
Salaries and Benefits	73%	County Treasury	103%
(below appropriations)		(met goal)	
Services and Supplies	56%	Applications	127%
(below appropriations)		(above goal)	
<b>TOTAL</b>	<b>67%</b>	<b>TOTAL</b>	<b>108%</b>

## 2. Applications

The table below identifies the number of proposals and service contracts received. When taking activities that the Commission approves (proposals and one category of service contracts), 10 were budgeted with 14 received.

Activity	Budget	THRU	Q3
		No.	% of Budget
Commission: Proposals	6	4	67%
Commission: Service Contracts	4	10	250%
Administrative: Service Contracts	4	6	150%

## 3. Cash in Treasury

As of March 31, the Commission's cash in the County Treasury was \$1,098,804. A breakdown of this amount is shown below. Currently, staff projects to end the year with a cash surplus.

<b>March 31, 2024 Balance</b>		<b>\$1,098,804</b>
<b>Cash Balance is composed of the following:</b>		
<b><i>Reserves: Committed (constrained to specific purposes)</i></b>		
Compensated Absences (Account 6030)		167,095
Salary for Extra Pay Period: Year 3 of 10 (Account 6035)		9,000
<b><i>Reserves: Assigned (intended for specific purposes)</i></b>		
Contingency (Account 6000)		35,000
General Reserve (Account 6025)		225,000
<b><i>Remaining Expenditures</i></b>		<b>449,913</b>
<b><i>Carryover: Open Proposals</i></b>		<b>50,000</b>
<b><i>Carryover: Assigned for 2024/25 Budget, Application Reserve</i></b>		<b>110,000</b>
<b>Projected Additional Cash Carryover</b>		<b>\$52,797</b>

## DETAIL:

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

### 1. Expenditures

Expenditures are composed of two categories of accounts: 1) Salaries and Benefits, and 2) Services and Supplies. Through the third quarter, expenditures were at 67% of Approved Budget authority. At this time, no request is being presented 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) Third Quarter Activity*

The Salaries and Benefits series of accounts (1000 series) had expenditures of \$552,375 representing 73% of Approved Budget authority.

*(2) Anticipated Activity*

Currently, no additional activity is anticipated outside of the budget.

**B. Services and Supplies (2000 and 5000 series)**

*(1) Third Quarter Activity*

The Services and Supplies series of accounts (2000 and 5000 series) had expenditures of \$244,496, or 56% of the Approved Budget authority.

*(2) Anticipated Activity*

Staff will continue to monitor the Commission's finances closely. No other activity is anticipated to have a significant effect on the budget.

As a part of the FY 2023/24 Budget, the Commission approved payment to SBCERA of \$52,500 as a credit towards paying down LAFCO's share of the Unfunded Actuarial Liability. This staff report includes a recommendation directing the Executive Officer to issue said payment.

**2. Reserves**

No spending activity has been requested by staff or authorized by the Commission to take place in the Reserve accounts. 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**

In May 2021 the CA Department of Conservation (DOC) awarded LAFCO the SALC Program Planning Grant. LAFCO's partner in the grant is the Inland Empire Resource Conservation District (via a cooperative agreement setting



terms for roles and reimbursement). All work with the DOC is complete, and the grant is now officially closed. Staff will provide the Commission with a closing report on the SALC Grant at the July meeting. Additionally, staff is currently formulating policies for Commission review.

#### **B. Service Reviews and Special Studies**

The Commission considered and accepted the focused service review for Barstow Cemetery District in January, and an update is scheduled for the May meeting. Anticipated in the summer is the focused service review for the Big River Community Services District, followed by the Healthcare District service review.

#### **C. Governance Training Program**

LAFCO and CSDA partnered on this year's Governance Training sessions. The first session, *Introduction to Special District Finances for Board Members*, was held at the Mojave Water Agency on November 17. The second session was *Ethics AB1234 Compliance*, held as a webinar on January 31.

### **4. Revenues**

The Commission has received 108% of Adopted Budget revenues through the third quarter. The items below outline the revenue activity:

- Interest (Account 8500) – The County made an interest adjustment in August of \$20,258. An additional \$20,698 was allocated so far this year.
- 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) – The Fees and Deposits series of accounts have received 127% of its budgeted revenue (\$136,464). This amount is made up of a combination of application fees, service contract filing fees, and cost recovery.
- Miscellaneous (Account 9930) – \$31,879 was recovered related to environmental processing from a closed application.

### **CONCLUSION:**

Through the third quarter, expenditures are on track, 100% of the apportionment receipts were received, and application activity is as anticipated. Reimbursements received from the State related to the SALC grant contribute to a healthy carryover into the next year.

Staff will be glad 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	ADOPTED FY 23/24	TOTAL THRU MID YEAR	JAN	FEB	MAR	TOTAL THRU Q3	PERCENT THRU Q3	ESTIMATED AMOUNT YEAR END	ESTIMATED PERCENT YEAR END
	<b>SALARIES AND BENEFITS</b>									
1010	Earnable Compensation	480,931	233,477	47,173.47	35,530.02	35,530.02	351,710	73%	471,943	98%
1030	Auto and Cell Phone Allowances	9,275	4,550	700.00	700.00	700.00	6,650	72%	8,969	97%
1045	Termination Payment		-				-		-	
1110	General Member Retirement	144,590	71,088	13,590.54	10,680.90	10,680.90	106,040	73%	142,188	98%
1130	Survivors Benefits	87	48	7.36	7.36	7.36	70	80%	92	105%
1200	Medical Premium Subsidy	48,287	24,942	3,872.94	3,872.94	3,872.94	36,561	76%	48,633	101%
1205	Long-Term Disability	1,085	639	104.18	104.18	104.18	952	88%	1,223	113%
1207	Vision Care Insurance	568	311	47.92	47.92	47.92	455	80%	597	105%
1215	Dental Insurance Subsidy	897	497	76.52	76.52	76.52	727	81%	951	106%
1222	Short-Term Disability	5,322	2,527	386.52	386.52	386.52	3,687	69%	5,018	94%
1225	Medicare	5,568	2,712	591.98	423.18	423.15	4,150	75%	5,542	100%
1240	Life Insurance & Medical Trust Fund	15,527	7,362	1,145.94	1,145.94	1,145.94	10,800	70%	14,682	95%
1305	Medical Reimbursement Plan	4,767	1,345	211.70	211.70	211.70	1,980	42%	3,171	67%
1314	457/401a Contribution	3,290	1,596	248.30	248.30	248.30	2,341	71%	3,164	96%
1315	401k Contribution	34,183	17,890	2,786.96	2,786.96	2,786.96	26,251	77%	34,796	102%
	<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$ 754,378</b>	<b>\$ 368,986</b>	<b>\$ 70,944.33</b>	<b>\$ 56,222.44</b>	<b>\$ 56,222.41</b>	<b>\$ 552,375</b>	<b>73%</b>	<b>\$ 740,970</b>	<b>98%</b>
	<b>SERVICES AND SUPPLIES</b>									
2031	Payroll System Services (County IT)	676	336	55.92	55.92	55.92	503	74%	672	99%
2032	Virtual Private Network (County IT)	213	86	20.76	20.76	19.92	147	69%	200	94%
2033	Network Labor Services (County IT)	-	-				-		-	
2037	Dial Tone (County IT)	2,721	1,249	249.84	249.84	249.84	1,999	73%	2,679	98%
2041	Data Line	8,400	3,233	1,939.53	646.51		5,819	69%	7,919	94%
2043	Electronic Equipment Maintenance (County IT)	-	-				-		-	
2075	Membership Dues	12,769	13,936				13,936	109%	17,128	134%
2076	Tuition Reimbursement	2,000	-				-	0%	500	25%
2080	Publications	3,587	1,874	316.68	682.72		2,873	80%	3,770	105%
2085	Legal Notices	23,500	3,621	3,805.61	934.42	1,593.90	9,955	42%	15,830	67%
2090	Building Expense	7,056	8,072	960.00	588.00	588.00	10,208	145%	11,972	170%
2115	Software	1,904	8,392	44.99	9.00		8,446	444%	8,922	469%
2135	Utilities	-	-				-		-	
2180	Electricity	7,800	3,240	571.10	593.35	595.48	5,000	64%	6,950	89%
2245	Other Insurance	19,840	13,220				13,220	67%	18,180	92%
2305	General Office Expense	4,198	4,809	65.51	419.39	23.52	5,318	127%	6,367	152%
2308	Credit Card Clearing Account	-	585	(975.29)	(1,346.43)	1,886.48	150		150	
2310	Postage - Direct Charge	5,916	4,487	278.15	1,013.12	447.37	6,226	105%	7,705	130%
2315	Records Storage	914	811		237.75	116.22	1,165	127%	1,393	152%
2322	Enterprise Printing (County IT)	86	34				34	39%	55	64%
2323	Reproduction Services	500	260				260	52%	385	77%

## Attachment #1

## Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ADOPTED FY 23/24	TOTAL THRU MID YEAR	JAN	FEB	MAR	TOTAL THRU Q3	PERCENT THRU Q3	ESTIMATED AMOUNT YEAR END	ESTIMATED PERCENT YEAR END
2335	Temporary Services	21,600	393				393	2%	5,793	27%
2400	Legal Counsel	59,000	9,941	837.69	939.30	4,009.04	15,728	27%	30,478	52%
2405	Auditing	12,073	-			6,707.14	6,707	56%	9,725	81%
2410	IT Infrastructure (County IT)	6,840	4,266	711.00	711.00	711.00	6,399	94%	8,109	119%
2414	Application Dev. & Maint. (County IT)	8,076	-				-	0%	2,019	25%
2415	Countywide Cost Allocation Program (COWCAP)	-	-				-		-	
2416	Enterprise Printing (County IT)	-	-				-		-	
2417	Inactive Account (County IT)	-	-				-		-	
2418	Data Storage Services (County IT)	-	-				-		-	
2420	Enterprise Content Management (County IT)	4,724	1,717	348.22	348.22	348.22	2,762	58%	3,943	83%
2421	Desktop Support Services (County IT)	9,636	4,158	760.09	684.39	684.39	6,287	65%	8,696	90%
2424	Environmental Consultant	8,230	4,735		5,310.00	350.00	10,395	126%	12,453	151%
2444	Security Services	492	246	123.00			369	75%	492	100%
2445	Other Professional Services	97,269	22,506	3,625.00	5,473.15	1,656.56	33,261	34%	57,578	59%
2449	Outside Legal (Litigation & Special Counsel)	-	878		1,950.00	162.50	2,990		2,990	
2450	Systems Development Charges (County IT)	2,588	-				-	0%	647	25%
2460	Aerial Imagery (County IT)	3,000	-				-	0%	750	25%
2895	Rent/Lease Equipment (copier)	5,400	2,415		381.40	478.85	3,276	61%	4,626	86%
2905	Office/Hearing Chamber Rental	63,917	28,892	14,661.00	405.00	4,766.22	48,724	76%	64,704	101%
2940	Private Mileage	7,311	3,155	454.78	481.04		4,091	56%	5,919	81%
2941	Conference/Training	6,780	5,815		1,110.00		6,925	102%	8,620	127%
2942	Hotel	12,050	6,591				6,591	55%	9,603	80%
2943	Meals	1,050	413				413	39%	676	64%
2944	Car Rental	-	1,062				1,062		1,062	
2945	Air Travel	800	1,152				1,152	144%	1,352	169%
2946	Other Travel	300	577				577	192%	652	217%
5012	Transfer to County (Staples & Microsoft)	6,690	941			195.99	1,137	17%	2,810	42%
<b>TOTAL SERVICES &amp; SUPPLIES</b>		<b>\$ 439,905</b>	<b>\$ 168,098</b>	<b>\$ 28,853.58</b>	<b>\$ 21,897.85</b>	<b>\$ 25,646.56</b>	<b>\$ 244,496</b>	<b>56%</b>	<b>\$ 354,472</b>	<b>81%</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,194,283</b>	<b>\$ 537,083</b>	<b>\$ 99,797.91</b>	<b>\$ 78,120.29</b>	<b>\$ 81,868.97</b>	<b>\$ 796,871</b>	<b>67%</b>	<b>\$ 1,095,441</b>	<b>92%</b>
<b>TRUST TRANSFERS</b>										
9990	SBCERA Additional Payment	52,500					-		52,500	
<b>TOTAL TRUST TRANSFERS</b>		<b>\$ 52,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ 52,500</b>	<b>100%</b>
<b>TOTAL APPROPRIATION</b>		<b>\$ 1,246,783</b>	<b>\$ 537,083</b>	<b>\$ 99,797.91</b>	<b>\$ 78,120.29</b>	<b>\$ 81,868.97</b>	<b>\$ 796,871</b>	<b>64%</b>	<b>\$ 1,147,941</b>	<b>92%</b>

## Attachment #1

## Budget Spreadsheets

ACCT. #	ACCOUNT NAME	YEAR END FY 22/23	Increase FY 23/24	THRU MID YEAR	THRU 3RD Q	THRU YEAR END	TOTAL as of Q3
	<b>RESERVES (Increases)</b>						
6000	Contingency (Assigned)	30,000	5,000	-	-	-	35,000
6025	General (Assigned)	200,000	25,000	-	-	-	225,000
6030	Compensated Absences (Committed)	157,095	10,000	-	-	-	167,095
6035	Salary for Extra Pay Period (Committed)	6,000	3,000	-	-	-	9,000
<b>TOTAL RESERVES (Increases)</b>		<b>\$ 393,095</b>	<b>\$ 43,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 436,095</b>

## Attachment #1


## Budget Spreadsheets

ACCT #	ACCOUNT NAME	ADOPTED FY 23-24	THRU MID YEAR	JAN	FEB	MARCH	TOTAL THRU Q3	PERCENT THRU Q3
	County Treasury:							
8500	Interest	10,000	8,612	12,085.92			20,698	207%
9984	Interest Adjustment		20,258				20,258	
8842	Apportionment	1,172,284	1,172,283				1,172,283	100%
	<b>Total County Treasury</b>	<b>1,182,284</b>	<b>1,201,153</b>	<b>12,085.92</b>	<b>-</b>	<b>-</b>	<b>1,213,239</b>	<b>103%</b>
	Applications:							
9545	Individual Notice Deposit	9,000	11,275	1,000.00		1,000.00	13,275	147%
9555	Legal Services Deposit	12,000	13,600	2,000.00		700.00	16,300	136%
9595	Protest Hearing Deposit	3,000	1,500				1,500	50%
9655	Digital Mapping Fee	2,735	880		550.00		1,430	52%
9660	Environmental Deposits	7,800	20,121	1,000.00		700.00	21,821	280%
9800	LAFCO Fee	72,964	70,367	10,004.00		1,768.00	82,139	113%
	<b>Total Fees and Deposits</b>	<b>107,499</b>	<b>117,742</b>	<b>14,004.00</b>	<b>550.00</b>	<b>4,168.00</b>	<b>136,464</b>	<b>127%</b>
	Other:							
9560	Indemnification Recovery		-				-	
9910	Prior Year Activity (refunds, collections)		-				-	
9930	Miscellaneous		37,250		948.15		38,198	
9970	Carryover of Fund Balance		-				-	
9973	Stale-dated Checks		-				-	
	<b>Total Other Revenues</b>	<b>-</b>	<b>37,250</b>	<b>-</b>	<b>948.15</b>	<b>-</b>	<b>38,198</b>	
	<b>TOTAL REVENUES</b>	<b>\$ 1,289,783</b>	<b>\$ 1,356,146</b>	<b>\$ 26,089.92</b>	<b>\$ 1,498.15</b>	<b>\$ 4,168.00</b>	<b>\$ 1,387,902</b>	<b>108%</b>

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

**DATE:** APRIL 10, 2024   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
MICHAEL TUERPE, Assistant Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

---

**SUBJECT:** AGENDA ITEM #12 – REVIEW AND CONSIDERATION OF  
AMENDMENTS TO POLICY AND PROCEDURE MANUAL SECTION  
III – HUMAN RESOURCES TO REFLECT THE COUNTY APPROVED  
(NON-SUBSTANTIVE) AMENDMENTS RELATED TO ITS EXEMPT  
GROUP

---

## **RECOMMENDATION:**

Staff recommends that the Commission take the following actions:

1. Provide staff with any additional changes, corrections or amendments to the Human Resources Section of the Policy and Procedure Manual as presented.
2. Schedule a public hearing for May 15, 2024 for formal approval of the amendments to the Human Resources Section of the Policy and Procedure Manual.

## **BACKGROUND:**

The adopted policy of the Commission is to provide “benefits for SB LAFCO employees equivalent to those provided to County “Exempt” employees”.<sup>1</sup> On February 6, 2024, the County Board of Supervisors approved a variety of amendments relating to compensation and working terms and conditions of its Exempt Group.

Two of the changes related to Medical Premium Subsidy and Retention Pay, which have an effect on the Commission’s finances, are being discussed as part of the Budget item (Item 13b).

---

<sup>1</sup> LAFCO Policy and Procedure Manual, Section III – Human Resources, Chapter 4 – Benefits Plan, Policy 1A – Administration of Benefits

The other amendments are generally minor non-substantive changes and/or technical updates to the language to reconcile with previous statutory, regulatory, and policy changes. The following updates (in track-change format) have no financial impact on the Commission and are deemed non-substantial:

## **CHAPTER 3: TIME OFF**

...

### **2. VACATION**

...

#### **D. CONVERSION OF VACATION LEAVE TO CASH** *(Amended June 16, 2011; Amended April 18, 2018)*

##### **(1) Elective Conversion**

...

- a. Option 1, Future Accruals - An employee must make an irrevocable election during the month of December specifying the number of hours to be sold back from the next calendar year's vacation time accrual. Such election must be made, in increments of not less than 10 hours and may not exceed 160 hours. All designated hours remaining in the last pay period of the calendar year ~~at the end of pay period 25~~ will automatically be converted into cash in the last pay period of the calendar year.

...

### **3. HOLIDAY**

...

#### **B. CONVERSION OF HOLIDAY LEAVE TO CASH** *(Amended April 18, 2018)*

##### **(1) Elective Conversion**

...

- a. Option 1. Future Accruals. An employee must make an irrevocable election during the month of December, specifying the number of hours to be sold back from the next calendar year's holiday time accrual. Such election must be made in increments of not less than eight hours and may not exceed the annual amount to be accrued for the next calendar year. All designated hours remaining in the last pay period of the calendar year ~~at the end of pay period 25~~ will automatically be converted into cash in the last pay period of the calendar year.

...



#### **4. OTHER TIME OFF**

##### **A. BEREAVEMENT LEAVE** *(Amended June 16, 2011)*

Employees in regular positions may use up to two days paid leave, not charged to the employee's personal leave balances, per occurrence for bereavement due to the death of the employee's family member, as defined in this Section, except for a person "designated" by the employee for sick leave purposes. One additional day shall be granted if the employee travels over 1,000 miles from his/her residence to the bereavement service(s). This additional day shall not be charged to the employee's personal leave balances. The appointing authority may request verification of distance traveled. All employees are entitled to a total of five days of unpaid bereavement leave. The five days of leave shall include paid leave under this Section, and use of sick leave as defined in this Section.

An employee who has been with SB LAFCO for 30 days or more may utilize Bereavement Leave for each occurrence of reproductive loss. Reproductive loss includes failed adoption, failed surrogacy, miscarriage, stillbirth, and unsuccessful assisted reproduction as defined by California Government Code section 12945.6. The leave may be non-consecutive, but must be taken within 3 months of the event as defined by California Government Code section 12945.6(a)(7). If an employee experiences more than one reproductive loss event in a 12-month period, Bereavement Leave for reproductive loss shall not exceed 20 days within a 12-month period.

...

### **CHAPTER 4: BENEFITS PLAN**

*(Benefit Plan Consolidated with Section III - Human Resources Policies and Procedures on August 19, 2015)*

...

#### **3. MEDICAL AND DENTAL INSURANCE** *(Amended August 17, 2005; June 16, 2011; August 19, 2015)*

Except as otherwise provided, all eligible employees scheduled to work 40 hours or more per pay period in a regular position must enroll in a medical and dental plan offered by SB LAFCO through the County. Employees who fail to elect medical and dental plan coverage will be automatically enrolled in the medical [broad network HMO plan](#) and dental [HMO plan](#) with the lowest biweekly minimum premium rates available in the geographical location of the employee's primary residence. Medical and dental plan coverage will become effective on the first day of the pay period following the first pay period in which the employee is scheduled to work forty (40) hours or more and be in paid status.

...

#### **4. LIFE INSURANCE**

...

##### **E. LONG-TERM DISABILITY INSURANCE *(Amended August 19, 2015)***

SB LAFCO will provide employees with long-term disability insurance through the county subject to carrier requirements and approval. The benefit levels ~~or such insurance shall be those approved by the County's Director of Human Resources~~ are subject to carrier requirements. Integration of leave balances (e.g., sick, vacation, etc.), either partially or fully, are allowed in conjunction with long-term disability benefits.

...

##### **G. VISION CARE INSURANCE *(Amended August 19, 2015)***

SB LAFCO will pay the premiums for vision care insurance for employees who are in paid status and their eligible dependents, subject to carrier requirements the same as provided to County exempt employees.

...

#### **9. RETIREMENT**

...

##### **E. RETIREMENT MEDICAL TRUST FUND *(Amended July 18, 2007; Amended August 20, 2008; August 19, 2015; May 19, 2021)***

...

Sick Leave Conversion Eligibility - SB LAFCO employees with five (5) or more years of participation in SBCERA are eligible to participate in the Trust. The purchase of additional retirement credit or other retirement service credit and/or participation in other public sector retirement systems may be counted towards the service requirement provided that the employee has not withdrawn their contributions from the system(s) and the employee is also a participant in SBCERA. Employees who wish to receive credit for participation in other public retirement systems must provide the Plan Administrator written evidence of participation and that contributions made to the system(s) have not been withdrawn. Requests for prior service credit should be made at the time of hire or as soon as possible thereafter but in no event later than one year from the employee's hire date.

Sick Leave Conversion Formula - At separation from SB LAFCO service for reasons other than death, all eligible employees will be required to contribute the cash value of their unused sick leave balances to the Trust, at the rate of 80% of the cash value of the employee's unused sick leave hours, up to a maximum of 1,500 hours.

SB LAFCO Contributions - SB LAFCO will contribute to the Retirement Medical Trust Fund as follows:

Years of Service	Percentage of Base Salary*
5-9 Years	2.00%
10-15 Years	2.75%
16 or more years	3.75%

\*For purposes of the RMT contribution, base salary is as defined in the RMT plan document.

Employees who wish to receive credit for participation in other public retirement systems must provide the Plan Administrator written evidence of participation and that contributions made to the system(s) have not been withdrawn. Requests for prior service credit should be made at the time of hire or as soon as possible thereafter but in no event later than one year from the employee's hire date.

## **CONCLUSION:**

Staff recommends that the Commission provide its additions, amendments or corrections to the Human Resources Section of the Policy and Procedure Manual as presented and schedule its formal approval—including any additional Human Resources Section changes to be approved by the Commission through the Budget discussion item (Item #13b)—at the May 15, 2024 hearing.

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

**DATE:** APRIL 10, 2024  
**FROM:** SAMUEL MARTINEZ, Executive Officer   
**TO:** LOCAL AGENCY FORMATION COMMISSION

---

**SUBJECT:** Agenda Item #13a – Proposed Schedule of Fees, Deposits, and Charges for FY 2024/25

---

## **RECOMMENDATION:**

Staff recommends that the Commission take the following actions related to the Proposed Schedule of Fees, Deposits and Charges for Fiscal Year 2024/25:

1. Review the proposed amendments and provide staff with direction on changes, corrections, or modifications to be included.
2. Direct staff to forward the Proposed Schedule of Fees, Deposits, and Charges for FY 2024/25 to the County, all Cities/Towns, and all Independent Special Districts for their review and comments pursuant to Government Code Section 56383.
3. Schedule the final review and adoption of the Schedule of Fees, Deposits, and Charges for the May 15, 2024 hearing.

## **BACKGROUND:**

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

The Proposed Schedule has fees for Jurisdictional Changes (page 2 of the attachment) and the fees for Service Contracts (page 6) increasing by 4.7%. For 2023, the CPI for the Riverside-San Bernardino-Ontario area was 4.7%.<sup>1</sup>

This report does not recommend any changes to Deposits (services provided by consultants) or Charges (e.g. reproduction) because these costs are passed directly onto the applicant and the current deposits and charges are adequate at this time.

In contrast to previous years, the charge for digital mapping of completed actions (see page 5, Section 2A) is no longer needed because LAFCO staff can now process these mapping changes in house. With LAFCO no longer receiving invoices from County IT, staff recommends that this charge be removed from the Schedule.

### **CONCLUSION:**

At this hearing staff requests the Commission provide staff with any changes, corrections, or additions to the Schedule. Should the Commission have any changes/modifications, staff would then modify the FY 2024/25 Proposed Budget accordingly.

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

SM/MT

Attachment:

Draft Schedule of Fees, Deposits, and Charges for FY 2024/25 (track change format)

---

<sup>1</sup>Data derived from the annual (12-month percent change) CPI for All Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario Area for 2023 (<https://www.bls.gov/regions/west/factsheet/consumer-price-index-data-tables.htm>).

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

## **SCHEDULE OF FEES, DEPOSITS, AND CHARGES EFFECTIVE JULY 1, ~~2023~~ 2024**

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

### **Financial Policies for Application Processing**

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

#### Indemnification Policy

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

### **Annual Review and Adjustment**

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

### **Table of Contents**

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

## Section 1. Proposals - Application Submission and Processing

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

### Annexation/Detachment Chart

Valley and Mountain Region				
	Under 20 acres	20 – 150 acres	151 – 300 acres	Over 300 acres
City	<del>\$ 7,008</del> \$7,337	<del>\$ 9,344</del> \$9,783	<del>\$ 11,680</del> \$12,229	<del>\$12,229</del> <del>\$ 11,680</del> plus \$1 per acre over 300 acres
District	<del>\$ 5,840</del> \$6,114	<del>\$ 7,593</del> \$7,950	<del>\$ 9,344</del> \$9,783	<del>\$9,783</del> <del>\$ 9,344</del> plus \$1 per acre over 300 acres
Desert Region (North and South Desert)				
	Under 100 acres	100-640 acres	641-1,920 acres	Over 1,920 acres
City	<del>\$ 7,008</del> \$7,337	<del>\$ 9,344</del> \$9,783	<del>\$ 11,680</del> \$12,229	<del>\$12,229</del> <del>\$ 11,680</del> plus \$1 per acre over 1,920 acres
District	<del>\$ 5,840</del> \$6,114	<del>\$ 7,593</del> \$7,950	<del>\$ 9,344</del> \$9,783	<del>\$9,783</del> <del>\$ 9,344</del> plus \$1 per acre over 1,920 acres

Sphere of Influence Amendment	<del>\$6,114</del> <del>\$ 5,840</del>	\$4,000	<del>\$ 9,840</del>	\$10,114
District: Dissolution, Merger, or Establishment of Subsidiary District(s)	<del>\$6,114</del> <del>\$ 5,840</del>	\$4,000	<del>\$ 9,840</del>	\$10,114
District: Formation or Consolidation	<del>\$18,343</del> <del>\$ 17,520</del>	\$4,000	<del>\$ 21,520</del>	\$22,343
District: Activation/Divestiture of Functions and/or Services	<del>\$9,172</del> <del>\$ 8,760</del> each function/service	\$4,000	<del>\$ 12,760</del>	\$13,172
City: Consolidation	<del>\$24,458</del> <del>\$ 23,360</del>	\$4,000	<del>\$ 27,360</del>	\$28,458
City: Incorporation or Disincorporation	<del>\$24,458</del> <del>\$ 23,360</del>	\$54,000	<del>\$ 77,360</del>	\$78,458
Reorganization <i>For a reorganization that involves changes other than annexations and detachments, the fee will be based upon the components of the reorganization.</i>	Sum of Components	\$4,000		



San Bernardino LAFCO  
Schedule of Fees, Deposits, and  
Charges July 1, 2023 ~~2024~~

**\*DEPOSITS BREAKDOWN**

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

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



San Bernardino LAFCO  
Schedule of Fess, Deposits, and  
Charges July 1, ~~2023~~ 2024

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

**ADDITIONAL FEES AND DEPOSITS**

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

## Section 2. Proposals - Completion Fees and Charges

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

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

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

<del>Acreage</del>	<del>Primary Charge</del>	<del>Additional Agency</del>
<del>0.00 to 100 acres</del>	<del>\$400</del>	<del>\$ 85</del>
<del>101.00 to 640.99 acres</del>	<del>\$550</del>	<del>\$110</del>
<del>641.00 to 2,560.99 acres</del>	<del>\$825</del>	<del>\$150</del>
<del>over 2,560.00 acres</del>	<del>\$1,100</del>	<del>\$175</del>

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

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

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

Single Area Charges:	
Less than 1 acre	\$300
1.00 – 5.99 acres	\$350
6.00 – 10.99 acres	\$500
11.00 – 20.99 acres	\$800
21.00 – 50.99 acres	\$1,200
51.00 – 100.99 acres	\$1,500
101.00 – 500.99 acres	\$2,000
501.00 - 1,000.99 acres	\$2,500
1,001.00 - 2,000.99 acres	\$3,000
2,001.00 acres and above	\$3,500

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

### Section 3. Out-of-Agency Service Contract

FEE AND DEPOSITS SUMMARY				
Type of Service Contract	Fee	Deposits*	Total	
Contracts involving developments such as: subdivisions/tracts as defined by the Subdivision Map Act (five or more units), Specific Plans	<del>\$ 5,840</del> \$6,114	\$2,400	<del>\$ 8,240</del> \$8,514	
Contracts involving the development of units requiring only a parcel map as defined by the Subdivision Map Act (up to four units)	<del>\$ 1,168</del> \$1,223 per connection	\$2,400	<del>\$ 3,568</del> to \$7,072	\$3,623 \$7,292
Any contract for fire protection services outside a public agency's jurisdictional boundaries pursuant to Govt. Code Section 56134	<del>\$ 5,840</del> \$6,114	\$2,400	<del>\$ 8,240</del> \$8,514	
Contracts to provide services outside a sphere of influence pursuant to Govt. Code Section 56133.5	<del>\$ 1,168</del> \$1,223	\$2,400	<del>\$ 3,568</del>	\$3,623
Contract Requiring Approval pursuant to Govt. Code Section 56133 (c)	<del>\$ 1,168</del> \$1,223	\$2,400	<del>\$ 3,568</del>	\$3,623
Development-Related Request for Exemption from Govt. Code Section 56133, requires noticed Commission hearing	<del>\$ 2,627</del> \$2,750	\$0	<del>\$ 2,627</del>	\$2,750
Non-development-related (Administrative Review from Executive Officer): (1) Out-of-Agency Service Contract (City or District) or (2) Exemption from Govt. Code Section 56133 as Authorized by Commission Policy	<del>\$ 606</del> \$634	\$0	<del>\$ 606</del>	\$634

#### \*DEPOSITS BREAKDOWN

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

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

*San Bernardino LAFCO*  
*Schedule of Fees, Deposits, and*  
*Charges July 1, ~~2023~~ 2024*

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

---



---

## **Section 4.**

### **Reproduction Charges**

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

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

---




---

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

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

**DATE:** APRIL 10, 2024   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
MICHAEL TUERPE, Assistant Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

---

**SUBJECT:** Agenda Item #13b: Proposed Budget and Work Plan for FY 2024/25

---

## **RECOMMENDATION:**

Staff recommends that the Commission take the following actions:

1. Adopt the Proposed Budget and Work Plan for FY 2024/25 as presented by staff.
2. Direct staff to forward the adopted Proposed Budget, as may be modified at this hearing, to all the independent special districts, cities/towns, and the County for their comment pursuant to Government Code Section 56381.
3. Schedule a public hearing for May 15, 2024 for formal:
  - a. Approval of the amendments to the Policy and Procedure Manual for Salaries and Benefits and Reserves;
  - b. Authorization for the Executive Officer to sign Amendment #1 to the contract with Rebecca Lowery for staff support; and,
  - c. Adoption of the Final Budget for FY 2024/25.

## **SUMMARY:**

Staff's goals for this budget are to: (1) fund statutory regulations, (2) maintain Commission operations, and (3) achieve substantial progress on the Commission's goals from its Strategic Plan. As with prior years, the Executive Officer and the Administrative Committee discussed the budget process, staff's goals and position, and the Committee's goals and position. The Proposed Budget includes a 4.5% Cost of Living Allowance (COLA) to Salaries and Benefits, the current clerk's planned retirement along with hiring of a new clerk, scheduling of nine Commission meetings, and no increase to apportionment.

There are two circumstances continuing for the coming year.

- First, the housing crises remains which most likely will result in annexations to cities as well as out-of-agency service contracts.
- Second, high yet easing inflation impacts LAFCO's purchasing power.
- All the while, the need to remain cognizant of the local agencies that contribute to LAFCO's net operating costs—specifically the smaller agencies.

## Report Organization

<b>Narratives</b> (staff recommendations, discussions)	
Work Plan	Page 3
Salaries and Benefits	Page 4
Services and Supplies	Page 6
Trust Transfers	Page 9
Reserves	Page 11
Revenues	Page 12
<b>Account Details</b> (detail of each account to include: account description, charge measurement, identification of increase or decrease, and detail cost)	
General Ledger with Prior Year Actuals	Attachment #1
Salaries and Benefits	Attachment #2
Services and Supplies	Attachment #3
Revenues	Attachment #4
Apportionment Schedule	Attachment #5

## WORK PLAN

This is the fourth year where the budget includes a proposed work plan, which would prioritize the work of the Commission and staff and guide the budget. The work plan is shown on the next page. Each item is prioritized as either Continual, High, Medium, or Low. The subsequent columns categorize the item (such as Statutory, Budgetary, or Administrative), identify the program/project, and provide details.

	Priority	Function	Program/Project	Description and Key Issues
1	<b>LAFCO Mission</b>	Statutory	Proposals	LAFCO's core function is to process changes of organization & sphere amendments
2		Statutory	Out-of-Agency Service Contracts	LAFCO's other function is authorizing the provision of services outside an agency
3	<b>High</b>	Statutory & Strategic Plan	Service Reviews & Special Studies	Healthcare districts & streetlighting, and special studies that may arise
4		Statutory	Annual Audit	Coordinate independent auditor's review of financial statements
5		Statutory	Hire new Clerk	Clerk position is statutorily mandated for a LAFCO. Current Clerk retiring March 2025
6		Strategic Plan	Policies for Open Space and Agricultural Lands	Consider policies related to open space and agricultural lands
7		Strategic Plan	Conclude Litigation	Successfully conclude litigation and properly assess litigation costs
8	<b>Medium</b>	Strategic Plan	Apportionment	Restructure LAFCO special districts apportionment. Target FY 25/26 for implementation
9		Strategic Plan	Unfunded Pension Liability	Fund per Commission direction
10		Strategic Plan	Education and Outreach	LAFCO further its outreach and messaging to the public and other agencies
11		Statutory	Archive Closed Files, Paper	Gov Code 56382 mandates LAFCO to maintain its records in perpetuity
12		Statutory & Risk Reduction	Archive Closed Files, Digital	Migrate digital archive from the County servers to the vendor's cloud server
13		Liability	Compensated Absences	Fully fund per Commission policy
14		Liability	Salary Reserve	Fund one-tenth of a pay period per Commission policy
15		Budgetary	General Reserve	Increase General Reserves by \$10,000 to \$235,000
16		Administrative	Update online mapping program	Add new features and make more user friendly
17		Administrative	Fiscal Indicators Program	The program was on hold due to incompatibility with the previous website. A new application is necessary. In addition to a current and viable application, improvements would include new design, better mobile accessibility, and replacement of certain indicators with more representative indicators.
18		Administrative	Policy Manual Update	Periodic review and update of the Policy and Procedure Manual
19		Administrative	Review and Comment on Agency Plans	Review and comment on draft changes/updates to general plans & env. documents
21		Administrative	Goverance Training Program	Two sessions are scheduled
22		Administrative	CALAFCO	Participate in CALAFCO through Board, Leg Committee, and Annual Workshop & Conference
23		Administrative	Association of So Cal LAFCOs	Participate in Southern Region CALAFCO Group through Board and staff committees & positions
24	<b>Low</b>	Budgetary	Contingency Reserve	Contribute an additional \$5,000 for a balance of \$40,000
25		Administrative	Internal Databases	Revise proposal log
26		Budgetary	Provide a COLA to Salaries	Propose COLA of 4.5%.



## **SALARIES AND BENEFITS**

This budget includes Angela Schell retiring in March 2025 and the hiring of a new clerk in January 2025 for training, with supplemental staffing used for clerical support. The current fiscal year includes the following staffing structure: Executive Officer, Assistant Executive Officer, GIS Analyst, and Clerk to the Commission/Office Manager.

### **Salaries and Benefit Changes**

This budget proposes three policy amendments related to salaries and benefits:

#### **Salaries**

1. Provide a 4.5% COLA for all employees. Inflation for Calendar Year 2023 was 4.7% for our region.<sup>1</sup> County Payroll prefers COLA rounded to the quarter point; and this budget rounds down to 4.5%.

#### **Benefits**

LAFCO generally mirrors the salary schedule and benefits provided in the County's Exempt Group as identified in the LAFCO Policy and Procedure Manual and contracts with the County to administer the benefits for its employees, with exceptions as identified in the Policy and Procedure Manual. In February the County Board approved increases to its Exempt Group Compensation and Working Terms and Conditions Ordinance. LAFCO staff has reviewed the amendments to the Ordinance and recommends that the Commission consider and approve the following:

2. Increase the Medical Premium Subsidy for all coverage levels effective the pay period following Commission approval; July 13, 2024; July 12, 2025; and July 11, 2026. The subsidy effective May 18, 2024 will be a known amount and will become the base amount. Subsequent subsidies shall increase by 100% of the benefit plan year premium increase.
3. Increase the current Retention Pay tier at 15 years of service to 3%, and establish a new tier of 1% at 10 years of service.

Should the Commission support these three proposed changes, then staff would present the amendments to the Policy and Procedure Manual to the Commission as a separate item at the May 15 hearing, when it reviews and adopts the final budget.

---

<sup>1</sup>Data derived from the annual (12-month percent change) CPI for All Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario Area for 2023 (<https://www.bls.gov/regions/west/factsheet/consumer-price-index-data-tables.htm>).



## FY 2023/24 Highlights

Attachment #2 to this report includes a detail of each account to include: account description, charge measurement, identification of increase or decrease, and total cost. The content below contains highlights for FY 2024/25 and forecasts for two years.

Earnable Compensation (Account 1010) totals \$529,170 and includes:

- 4.5% COLA for all employees;
- One-step increase for three eligible employees;
- 3.0% longevity pay for those employees with 15 years of service - three employees;
- Leave cashouts as permitted by policy (Note: leave cashouts reduce the compensated absences liability);

The retirement rates approved by the retirement board for FY 24/25 are:

- Tier 1. Decreases 6.13% from 30.19% to 28.34%
- Tier 2. Decreases 8.53% from 25.32% to 23.16%

The rates from the past five years and upcoming year are shown below.

<b>Tier 1</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Employer Rate	38.02	35.76	39.92	35.30	30.19	28.34
Change over prior year (% points)	0.99	-2.26	4.16	-4.62	-5.11	-1.85
Change over prior year (%)	2.67%	-5.94%	11.63%	-11.57%	-14.48%	-6.13%
<b>Tier 2</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Employer Rate	35.61	33.24	34.99	30.30	25.32	23.16
Change over prior year (% points)	1.31	-2.37	1.75	-4.69	-4.98	-2.16
Change over prior year (%)	3.82%	-6.66%	5.26%	-13.40%	-16.44%	-8.53%

## FY 2025/26 and 2026/27 Forecasts

Currently, only a COLA is projected for 2025/26 and 2026/27.

## SERVICES AND SUPPLIES

Generally, services and supplies include payments for: proposal processing, Commission-approved programs and projects, and costs associated with running a government agency. Attachment #3 to this report includes a detail of each account to include: account description, charge measurement, identification of increase or decrease, and total cost. The remainder of this section contains highlights for FY 2024/25.

### Proposal Processing

The past three years have seen a return in application submissions. Further, staff has been coordinating with agencies regarding many likely and potential applications for the next fiscal year. The Commission continues to outsource its environmental processing through its contract with Tom Dodson and Associates.

### Programs and Projects

#### Service Reviews and Special Studies

LAFCOs are required by Govt. Code 56430 to conduct reviews of municipal services. This LAFCO chose to conduct its first round by community and its second round by service, countywide, except where a community review or special study is warranted. The second round service reviews and special studies have been:

COMPLETED		
Valley Region (5 districts)	Water Conservation Districts & Municipal Water Districts	2015
Special Study	Daggett, Newberry, and Yermo CSDs	2016
Special Study	Morongo Valley CSD	2016
Countywide	Water (53 systems)	2017
Countywide	Wastewater (44 systems)	2018
One Agency	Wrightwood CSD: One year following formation	2019
Countywide	Fire/Emergency Medical Services/Dispatch (25 agencies)	2020
Countywide	Public Cemetery Districts (4 districts)	2020
Special Study	Morongo Valley CSD	2022
Agency Request	Twentynine Palms (3 agencies)	2022
Special Study	Barstow Cemetery District	2024

For the coming year, staff anticipates presenting one special study and two services reviews to the Commission. First, staff has apprised the Commission of the challenges at Big River Community Services District. This past year staff has coordinated with the Third Supervisorial District regarding said district. A special study is nearing completion.

Second, for healthcare districts, the Little Hoover Commission identified systemic concerns regarding healthcare districts, but the Commission delayed this service review due to the pandemic because health agencies were facing extra ordinary burdens. This service review is ready to commence.

The third report is a countywide review for streetlighting service. The streetlighting service review from 2005 identified numerous instances where the County, cities, and other agencies paid for streetlights outside of their respective agency boundaries. Since then, many of the city annexations and district formations have included a transfer of streetlights from the county to cities and other agencies. A current service review would review the corrective measures from the 2005 service review and review the implementation of 20 years of streetlight transfers to cities and other agencies.

CURRENT AND SCHEDULED		
Special Study	Big River CSD	2024
Countywide	Healthcare Districts	2024
Countywide	Streetlighting	2025

### Fiscal Indicators

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

The program was on hold due to incompatibility with the former website. A new application is necessary. Staff reviewed with the Admin Committee a draft plan to revive the program. In addition to a current and viable platform, improvements include a new design, better mobile accessibility, and replacement of certain indicators with more relevant indicators. Although there are nominal costs related to services and supplies, costs for this program mainly relate to LAFCO staff time.

### Governance Training

The Commission's Governance Training Program provides training opportunities that agencies, namely rural special districts but open to all, do not readily have access. Below are the past year's and coming year's schedules.

- |               |  |
|---------------|--|
| • Fall 2023   | Intro to Special District Finances for Board Members |
| • Winter 2024 | Ethics AB1234 Compliance                             |
| • Fall 2024   | Special District Finances, Part II                   |
| • Winter 2025 | Meeting Management Through Parliamentary Procedure   |

## Agency Costs

In addition to processing proposals and conducting programs and projects, there are costs associated with running a government agency. The Commission continues to outsource its conduct of the annual audit with an independent auditor, Davis Farr LLP, processing of its accounting operations through the County Auditor's office, and the maintenance of computer systems through the County's IT.

Highlights for the year include:

- Accounts 2115 Software. The law requires LAFCO's application files to be held in perpetuity. The paper files are in storage and they have been digitally scanned. For the past two decades, County IT has stored the digital data and managed the program. We are transitioning from the County to the vendor for storage and management. The cost will roughly be even, but the change will remove County IT from the process and the data will flow directly between LAFCO and the vendor.
- Account 2245 Other Insurance. Liability insurance and Workers' Comp coverage are purchased through the Special District Risk Management Authority (SDRMA). The quotes for the year are \$13,756 and \$5,550, respectively.
- Account 2445 Temporary Services. This budget includes a recommendation to amend the contract with Rebecca Lowery, former San Bernardino LAFCO Clerk, for supplemental staffing, to allow for a COLA at the discretion of the Executive Officer. The budget marks \$27,170 for her services. Such services include:
  - Tasks supporting the Clerk.
  - Scanning closed files and input into the digital archive. Gov Code 56382 mandates LAFCO to maintain its records in perpetuity. (Medium priority of Work Plan, Items 11 and 12)
  - Reformat one internal databases (Low priority of Work Plan, Item 24)
- Account 2405 Auditing. A joint RFP was issued in 2020 with the other Southern California LAFCOs, and Davis Farr LLP was chosen. The contract cost for the 2023/24 audit is \$9,316.
- Ongoing costs associated with being at the Train Depot are as follows:

<u>Account 2905 Rent.</u> Office Lease	\$ 60,497
<u>Account 2090 Building Expense.</u> Janitorial & HVAC	\$ 8,923
<u>Account 2180 Electricity.</u>	\$ 7,800
<b>Total</b>	<b>\$ 77,220</b>

---

## TRUST TRANSFERS

### The Process

This category of accounts isolates the additional payments made to SBCERA, the retirement association, where SBCERA will hold the funds in trust.

### Review of Unfunded Pension Liability

The Commission has been making additional contributions to SBCERA as a credit towards LAFCO's pension liability and credit with earnings based on the Plan's market value investment return every year. Previously the Commission used amortization as its additional payment method. At its February 2022 meeting, the Commission revised its additional payment method to be:

*Budget for additional contributions to SBCERA in order to pay down the Commission's share of the pension plan's net pension liability by a static amount of \$50,000 beginning with the FY 2022-23 budget with annual increases tied to the CPI for the Riverside-San Bernardino-Ontario Region, not to exceed 5%.*

Two audit years prior, you will notice that the NPL decreased from \$1,204,840 to \$117,019. This significantly lower figure is tied to a June 30, 2021 measurement date. According to SBCERA's Actuarial Valuation, the plan's overall NPL decreased from \$4.01 billion as of June 30, 2020 to \$1.32 billion as of June 30, 2021 primarily due to the 32.61% return on the market value of assets during 2020/21 (that was higher than the assumed return of 7.25%). For the June 30, 2023 audit, the NPL increased to \$316,698 based on a June 2022 measurement date.

Since that measurement date, the Commission contributed an additional amount of \$50,000 and is scheduled to contribute an additional \$52,500 this May. Pursuant to Commission direction, the coming year's additional contribution will be 4.7% greater, or \$54,968.

Pay Here Measurement (Budget) Year	Reflect NPL Here Audit Year	Net Pension Liability			
		Begin NPL	Actuary Increase (Decrease)	LAFCO Additional Contribution	End NPL
2012/13	2013/14				581,103
2013/14	2014/15	581,103	3,628		584,731
2014/15	2015/16	584,731	96,716		681,447
2015/16	2016/17	681,447	87,726		769,173
2016/17	2017/18	769,173	95,787		864,960
2017/18	2018/19	864,960	20,287		885,247
2018/19	2019/20	885,247	273,317	(184,963)	973,601
2019/20	2020/21	973,601	273,739	(42,500)	1,204,840
2020/21	2021/22	1,204,840	(1,043,969)	(43,852)	117,019
2021/22	2022/23	117,019	249,842	(50,163)	316,698
2022/23	2023/24	316,698		(50,000)	
2023/24	2024/25			(52,500)	
2024/25	2025/26			(54,968)	

## The Rates

Previous additional payments resulted in LAFCO's contribution rate decreasing for the past three years. This budget year the rates decreased 7% on average and are the lowest since 2015.

## RESERVES

At this time, the Commission has two Committed Reserves and two Assigned Reserves.

### **Committed Reserves** (constrained to specific purposes)

Compensated Absences – The budget adds an additional \$15,467 to this account to fund the increase in compensated absences. The increase is due to natural increases.

Salaries for Extra Pay Period - Since the County pay schedule is every two weeks, rather than twice a month, the result is an additional pay period every ten years. This reserve funds the next occurrence, which would take place in 2031/32. The annual budget includes a 1/10<sup>th</sup> contribution (\$3,000).

### **Assigned Reserves** (intended for specific purposes or general use)

Contingency – The Contingency Reserve is not defined in the Policy and Procedure Manual. Instead, it has been the Commission's practice to fund a Contingency Reserve for unanticipated expenses. The budget includes an additional \$5,000.

General – The General Reserve is for any purpose, but is generally the reserve for special legal matters or special needs. The budget includes an additional \$10,000 towards this reserve.

### **Summary**

Below are the estimated balances on June 30, 2024 and funding summary of the reserve accounts.

Reserve Account	June 30, 2024 (est.)	FY 2024/25	
		Increase	Balance
<b>Contingency</b>	35,000	5,000	<b>40,000</b>
<b>General</b>	225,000	10,000	<b>235,000</b>
<b>Compensated Absences</b>	167,095	15,467	<b>182,562</b>
<b>Salary for Extra Pay Period</b>	9,000	3,000	<b>12,000</b>

---

## REVENUES

Attachment #4 to this report includes a detail of each account to include: account description, charge measurement, identification of increase or decrease, and total cost. The remainder of this section contains highlights for FY 2024/25.

### County Treasury

LAFCO participates in the County's interest pool and is apportioned interest receipts quarterly.

Government Code Section 56381 requires that the net costs for LAFCO be apportioned equally to those seated on the Commission: the County, the 24 Cities, and the 51 Independent Special Districts within the county. The previous years' apportionment to each group has been:

2019/20	\$363,499
2020/21	\$373,499
2021/22	\$363,399
2022/23	\$363,499
2023/24	\$390,761

This budget has no change in total apportionment for the year. State law requires the County Auditor to apportion this amount by July 1, 2024.

### Applications

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

The past three years have seen a return in application submissions. Further, staff has been coordinating with agencies regarding likely and potential applications for the year.

You will notice that the General Ledger sheet for Revenues (Attachment #1, page 4) contains no figures for applications. This year's budget proposes a different methodology to account for applications. In years past, staff counts applications that are likely to arrive and applications that may arrive. Generally, a significant number of applications arrive with little notice; therefore, they are unknown or unknown as to their timing. In short, budgeting anticipated application revenues is an educated guess.

Furthering the challenge:

- Not all applications are equal.
- The fees charged for each application are variable depending on size, type, etc.



- County accounting policies regarding refunds to applicants dictate that refunds process from the same revenue account. Refunds are highly variable due to the unique nature of each application. Therefore, actuals are less than budget.

As a result, the budget lacks accuracy regarding application revenues and refunds due to their variability.

Fortunately, the past two years the Commission's funds have been favorable due to the receipt of grant funds related to the SALC grant. Conveniently, this \$110,000 amount is near the amount gained from applications in years past. What staff proposes is to allocate the grant funds as a reserve in place of application receipts. Then, towards the end of the fiscal year, staff will recommend that the Commission amend the budget to fill the gap between \$110,000 and application revenue gained for the year, if any. What occurs is a budget methodology that does not count this variable revenue as a part of the budget but accurately accounts for it closer to the end of the fiscal year. Finally, this would help with audit preparation because the final budget would be closer to actuals.

Should the Commission approve this methodology, then formal adoption of the new reserve would occur in May as a part of the overall Policy and Procedure Manual update.

## **Other Revenues**

Other revenues are not addressed in the budget because they are unknown.

---

### **Attachments:**

1. [General Ledger](#)
2. [Salaries and Benefits Detail](#)
3. [Services and Supplies Detail](#)
4. [Revenues Detail](#)
5. [Apportionment](#)

## Attachment #1

## Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 20/21	ACTUAL YEAR-END FY 21/22	ACTUAL YEAR-END FY 22/23	ESTIMATED YEAR-END FY 23/24	YEAR 1 PROPOSED FY 24/25	YEAR 2 FORECAST FY 25/26	YEAR 3 FORECAST FY 26/27
	<b>Salaries and Benefits:</b>							
1010	Earnable Compensation	437,456	426,130	440,201	481,038	529,170	523,610	546,864
1030	Auto and Cell Phone Allowances	9,450	9,100	9,132	9,115	9,275	9,275	9,275
1045	Termination Payment	1,839	-	-	-	-	-	-
1110	General Member Retirement	155,303	170,502	153,414	144,924	146,892	143,002	149,151
1130	Survivors Benefits	140	95	91	92	101	95	95
1200	Medical Premium Subsidy	44,613	43,461	46,308	48,935	60,784	65,968	67,947
1205	Long-Term Disability	945	980	996	1,196	1,515	1,511	1,578
1207	Vision Care Insurance	603	621	601	596	674	635	635
1215	Dental Insurance Subsidy	891	738	940	948	1,112	1,047	1,047
1222	Short-Term Disability	4,743	4,906	4,978	5,132	5,817	5,768	6,019
1225	Medicare	5,127	5,152	5,154	5,624	6,683	7,553	7,889
1240	Life Insurance & Medical Trust Fund	9,238	12,969	13,925	14,978	16,483	14,743	15,268
1305	Medical Reimbursement Plan	2,859	2,474	2,488	3,543	3,962	4,162	4,162
1314	457/401a Contribution	2,849	2,935	2,977	3,215	3,551	3,575	3,718
1315	401k Contribution	30,506	27,835	32,756	34,920	38,991	37,250	38,876
<b>Total Salaries and Benefits</b>		<b>\$ 706,562</b>	<b>\$ 707,898</b>	<b>\$ 713,961</b>	<b>\$ 754,254</b>	<b>\$ 825,010</b>	<b>\$ 818,195</b>	<b>\$ 852,525</b>
	<b>Services and Supplies:</b>							
2031	Payroll System Services (County IT)	694	707	655	673	756	779	802
2032	Virtual Private Network (County IT)	350	158	165	195	129	132	136
2033	Network Labor Services (County IT)	1,006	-	-	-	-	-	-
2037	Dial Tone (County IT)	3,061	2,975	2,721	2,633	2,955	3,044	3,135
2041	Data Line	8,552	8,226	8,144	8,672	8,400	8,652	8,912
2075	Membership Dues	12,144	12,316	12,921	19,256	14,224	14,651	15,090
2076	Tuition Reimbursement	999	999	-	833	2,000	2,060	2,122
2080	Publications	3,483	2,942	3,734	3,685	4,064	4,186	4,311
2085	Legal Notices	18,240	6,018	6,206	17,218	23,500	24,205	24,931
2090	Building Expense	7,260	7,362	9,425	11,972	8,923	9,191	9,466
2115	Software	4,933	1,948	3,058	9,230	3,591	3,699	3,810
2180	Electricity	4,335	4,878	5,941	7,061	7,800	8,034	8,275
2245	Other Insurance	14,561	12,637	12,523	21,486	19,265	19,843	20,438
2305	General Office Expense	9,359	1,787	5,588	6,624	2,260	2,328	2,398
2308	Credit Card Clearing Account	79	(323)	679	(390)	-	-	-
2310	Mail (County Mail)	5,792	6,166	5,290	7,230	8,344	8,594	8,852
2315	Records Storage	837	772	1,107	1,192	1,680	1,730	1,782
2322	Enterprise Printing (County IT)	90	95	98	69	72	74	76
2323	Reproduction Services	560	174	283	468	500	515	530

## Attachment #1

## Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 20/21	ACTUAL YEAR-END FY 21/22	ACTUAL YEAR-END FY 22/23	ESTIMATED YEAR-END FY 23/24	YEAR 1 PROPOSED FY 24/25	YEAR 2 FORECAST FY 25/26	YEAR 3 FORECAST FY 26/27
2335	Temporary Services	2,487	240	2,480	9,393	-	-	-
2400	Legal Counsel	34,148	137,746	53,938	35,363	37,500	38,625	39,784
2405	Auditing	8,445	10,620	8,450	5,030	11,708	12,059	12,421
2410	IT Infrastructure (County IT)	9,673	6,671	6,839	7,827	9,010	9,280	9,559
2414	Application Dev. & Maint. (County IT)			8,075	3,365	-	-	-
2415	Countywide Cost Allocation Program	4,581	3,454	-	-	5,981	6,160	6,345
2416	Enterprise Printing (County IT)	-	3	-	-	-	-	-
2417	Inactive Account (County IT)	1,886	1,844	-	-	-	-	-
2418	Data Storage Services (County IT)	4,842	4,117	-	-	-	-	-
2420	Enterprise Content Management (County IT)	211	211	4,986	4,034	2,024	2,085	2,148
2421	Desktop Support Services (County IT)	11,994	12,830	9,477	8,933	7,642	7,872	8,108
2424	Environmental Consultant	15,474	15,906	14,445	8,164	10,950	11,279	11,617
2444	Security Services	642	492	692	574	492	507	522
2445	Other Professional Services	39,509	45,253	138,592	66,660	82,981	85,471	78,587
2449	Outside Legal (Litigation & Special Counsel)	275	35	3,063	878	10,000	12,868	13,254
2450	Systems Development Charges (County IT)		5,823	-	1,078	1,294	1,333	1,373
2460	Aerial Imagery (County IT)	3,000	3,000	3,000	1,250	3,000	3,090	3,183
2895	Rent/Lease Equipment (copier)	1,786	5,257	4,737	4,665	5,400	5,562	5,729
2905	Office/Hearing Chamber Rental	93,535	101,369	60,462	70,185	64,142	66,066	68,048
2940	Private Mileage	-	953	4,866	6,657	7,428	7,651	7,881
2941	Conference/Training	375	-	7,989	8,640	8,680	8,940	9,209
2942	Hotel	-	-	5,582	11,612	11,297	11,636	11,985
2943	Meals	-	-	318	851	1,050	1,082	1,114
2944	Car Rental	-	-	337	1,062	-	-	-
2945	Air Travel	-	-	595	1,485	800	824	849
2946	Other Travel	-	-	377	702	300	309	318
5012	Transfer to County (Staples & Microsoft)	1,227	3,671	4,275	3,729	8,697	8,958	9,227
<b>Total Services and Supplies</b>		<b>\$ 330,425</b>	<b>\$ 429,335</b>	<b>\$ 422,113</b>	<b>\$ 380,245</b>	<b>\$ 398,839</b>	<b>\$ 413,372</b>	<b>\$ 416,325</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,036,987</b>	<b>\$ 1,137,233</b>	<b>\$ 1,136,074</b>	<b>\$ 1,134,499</b>	<b>\$ 1,223,849</b>	<b>\$ 1,231,567</b>	<b>\$ 1,268,850</b>
<b>Trust Transfers:</b>								
9990	SBCERA Additional Payment	43,852	50,163	50,000	52,500	54,968	57,716	60,602
<b>TOTAL APPROPRIATION</b>		<b>\$ 1,080,839</b>	<b>\$ 1,187,396</b>	<b>\$ 1,186,074</b>	<b>\$ 1,186,999</b>	<b>\$ 1,278,816</b>	<b>\$ 1,289,283</b>	<b>\$ 1,329,452</b>

## Attachment #1

## Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 20/21	ACTUAL YEAR-END FY 21/22	ACTUAL YEAR-END FY 22/23	ESTIMATED YEAR-END FY 23/24		YEAR 1 PROPOSED FY 24/25	YEAR 2 FORECAST FY 25/26	YEAR 3 FORECAST FY 26/27
	<b>RESERVES</b>								
6000	Contingency (Assigned)	18,600	25,000	30,000	35,000		40,000	45,000	50,000
6010	Application (Assigned) <b>*NEW*</b>	-	-	-	-		110,000	110,000	110,000
6025	General (Assigned)	150,000	175,000	200,000	225,000		235,000	245,000	250,000
6030	Compensated Absences (Committed)	142,623	152,095	157,095	167,095		182,562	187,562	192,562
6035	Salary for Extra Pay Period (Committed)	-	3,000	6,000	9,000		12,000	15,000	18,000
<b>TOTAL RESERVES (Increases)</b>		<b>\$ 311,223</b>	<b>\$ 355,095</b>	<b>\$ 393,095</b>	<b>\$ 436,095</b>		<b>\$ 579,562</b>	<b>\$ 602,562</b>	<b>\$ 620,562</b>

## Attachment #1

## Budget Spreadsheets

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 20/21	ACTUAL YEAR-END FY 21/22	ACTUAL YEAR-END FY 22/23	ESTIMATED YEAR-END FY 23/24	YEAR 1 PROPOSED FY 24/25	YEAR 2 FORECAST FY 25/26	YEAR 3 FORECAST FY 26/27
	<b>Beginning Balance:</b>							
6010	Application Reserve (Assigned)		96,575	43,469	-	110,000	110,000	110,000
	<b>Total Carryover</b>	<b>-</b>	<b>96,575</b>	<b>43,469</b>	<b>-</b>	<b>110,000</b>	<b>110,000</b>	<b>110,000</b>
	<b>County Treasury:</b>							
8500	Interest and Investments	7,512	6,288	13,634	20,698	15,000	15,000	15,000
9984	Interest Adjustment			16,582	20,258	15,000	15,000	15,000
8842	Apportionment	1,120,497	1,090,497	1,090,497	1,172,283	1,172,283	1,172,283	1,207,451
	<b>Total County Treasury</b>	<b>1,128,009</b>	<b>1,096,785</b>	<b>1,120,713</b>	<b>1,213,239</b>	<b>1,202,283</b>	<b>1,202,283</b>	<b>1,237,451</b>
	<b>Applications:</b>							
9545	Individual Notice Deposit	6,032	12,060	13,797	12,275			
9555	Legal Services Deposit	15,650	14,300	14,377	15,600			
9595	Protest Hearing Deposit	10,595	1,500	-	4,600			
9655	Digital Mapping Fee	4,760	740	-	880			
9660	Environmental Deposits	11,328	4,282	11,700	18,021			
9800	LAFCO Fee	48,278	75,459	58,600	80,371			
	<b>Total Applications</b>	<b>96,643</b>	<b>108,341</b>	<b>98,474</b>	<b>131,746</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Other:</b>							
9560	Indemnification Recovery	-	-	-	-	-	-	-
9910	Prior Year Activity (refunds, collections)		(15,421)	(9,443)	-	-	-	-
9930	Miscellaneous	158	33,968	109,758	37,250	-	-	-
9973	Stale-dated Checks	60		725	-	-	-	-
	<b>Total Other</b>	<b>218</b>	<b>18,547</b>	<b>101,040</b>	<b>37,250</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL REVENUES</b>	<b>\$ 1,224,870</b>	<b>\$ 1,320,247</b>	<b>\$ 1,363,696</b>	<b>\$ 1,382,236</b>	<b>\$ 1,312,283</b>	<b>\$ 1,312,283</b>	<b>\$ 1,347,451</b>

## Attachment #2

## Salaries and Benefits Detail

	Account	Charge Measurement	Rate Inc/Dec	Total
1010	<b>Earnable Compensation</b>	Per Salary Schedule	Increasing 5.5%	\$ 529,170
	<i>Includes step increases (3 employees), 3% longevity pay for those with 15 yrs (3 employees), leave cashouts, 4.5% COLA (all).</i>			
1030	<b>Auto &amp; Phone Allowances</b>	Auto Allowance (\$300 per pay period)	--	\$ 9,275
		Mobile Phone Allowance (\$50 per pay period)	--	
	<i>Executive Officer auto and phone allowances, per Benefit Plan.</i>			
1110	<b>General Member Retirement</b>	Tier 1: Decrease from 30.19% to 28.34%	Decreasing 6.1%	\$ 146,892
		Tier 2: Decrease from 25.32% to 23.16%	Decreasing 8.5%	
	<i>Contributions to retirement plan. Per SBCERA and Retirement Board adopted rates.</i>			
1130	<b>Survivors Benefits</b>	\$0.90 per pay period per employee	Decreasing 2.2%	\$ 101
	<i>The survivor benefit is provided by SBCERA in lieu of Social Security's death benefits since members do not participate in Social Security. General members pay a contribution each pay period to fund this benefit.</i>			
1200	<b>Medical Premium Subsidy</b>	\$702.02 per period (employee +2): 2 employees	Increasing 4.6%	\$ 60,784
		\$499.87 per period (employee +1): 0 employees	Increasing 4.5%	
		\$310.75 per period (employee +0): 2 employees	Increasing 2.3%	
	<i>A subsidy is provided to offset employee medical premiums.</i>			
1205	<b>Long-Term Disability</b>	0.24% of Base Pay	Increasing 25%	\$ 1,515
	<i>Long-term disability insurance.</i>			
1207	<b>Vision Insurance</b>	\$5.99 per employee per period	--	\$ 674
	<i>Vision insurance.</i>			
1215	<b>Dental Insurance Subsidy</b>	\$9.46 per employee per period	Increasing 4.4%	\$ 1,112
	<i>A subsidy is provided to offset employee dental premiums.</i>			
1222	<b>Short-Term Disability</b>	Short-term disability insurance (1.12% of Base Pay)	--	\$ 5,817
		FMLA program charge (\$1.57 per employee per period)	Increasing 2.5%	
	<i>Short-term disability insurance &amp; admin cost for family medical leave.</i>			
1225	<b>Medicare</b>	1.5% of Earnable Compensation	Increasing 6.2%	\$ 6,683
	<i>Contribution to Social Security Medicare for those entering after 1985 (4 employees).</i>			
1240	<b>Life Insurance &amp; Med Trust Fund</b>	Life Insurance (\$1.69 per employee per period)	Increasing 3.5%	\$ 16,483
		Variable Life Insurance (\$1,423 for 2 employees)	--	
		Retirement Medical Trust Fund (\$14,863 for 3 employees)	Increasing 5.0%	
	(1) Life Insurance is a benefit for all employees.			
	(2) Employees may purchase Variable Life Insurance, which has an employer contribution (2 employees).			
	(3) LAFCO contributes to a Retirement Medical Trust Fund for employees with over 5 years of service (3 employees).			
1305	<b>Medical Reimbursement Plan</b>	Medical Reimbursement (up to \$40 per employee/period)	--	\$ 3,962
		Healthy Lifestyles (gym, \$324 per employee - 3)	--	
1314	<b>457/401a Contribution</b>	1% match for Executive Officer, 0.5% for all others	--	\$ 3,551
	<i>LAFCO matches employee contributions to the 457 savings plan of the County up to 0.5% for Groups B and C, and 1% for Group A (Executive Officer).</i>			
1315	<b>401k Contribution</b>	8% match for Group A & B, 6% match for Group C	--	\$ 38,991
	<i>LAFCO matches employee contributions to the 401(k) savings plan of the County up to 8% for Groups A and B, and up to 4% for Group C (new hires except for EO).</i>			
<b>TOTAL SALARIES AND BENEFITS</b>				\$ 825,010

## Attachment #3

## Services and Supplies Detail

Act. #	Account Name	Charge Measurement	Increase/Decrease	Total
2031	<b>Payroll System Services (County IT)</b>	Average of \$29 per pay period (26)	Increase of 7.7%	\$ 756.08
	<i>Maintenance, support, and enhancements for County's payroll system and infrastructure.</i>			
2032	<b>Virtual Private Network (County IT)</b>	\$2.68 per month per user (4 users)	Decrease of 28.2%	\$ 128.64
	<i>Use of the County's VPN for remote data access.</i>			
2033	<b>Network Labor Services (County IT)</b>	No activity	--	\$ -
	<i>County IT labor for the network.</i>			
2037	<b>Dial Tone (County IT)</b>	\$30.78 per line (8) per month	Increase of 10.2%	\$ 2,954.88
	<i>Phone line. Includes support services.</i>			
2041	<b>Data Line</b>	\$700 per month	--	\$ 8,400.00
	<i>Fiber optic data line from Verizon.</i>			
2075	<b>Membership Dues</b>	CSDA: \$1,715	Increasing 5.0%	\$ 14,224.00
		CALAFCO: \$12,509	Increasing 2.4%	
	<i>Membership in Professional Associations.</i>			
2076	<b>Tuition Reimbursement</b>	Two employees at max reimbursement	No change	\$ 2,000.00
	<i>Pursuant to the LAFCO Benefits Plan, employees can be reimbursed for up to \$1,000 for approved tuition, course/seminar or degree related expenses, and membership dues in professional organizations.</i>			
2080	<b>Publications</b>	CA Land Use & Planning Law: \$101.00	--	\$ 4,063.64
		CA Annotated Code Books: \$330/month	Increasing 4.5%	
	<i>Purchase or subscription to professional publications related to LAFCO study areas.</i>			
2085	<b>Legal Notices</b>	General paper: \$1,000 per hearing (9 meetings)	--	\$ 23,500.00
		Local Paper: \$1,000 per hearing (9 meetings)	--	
		Vacancy notices: \$1,500 each (3 notice)	--	
		Protest hearing: \$1,000 per hearing (1 hearings)	--	
	<i>Legal and policy requirement for notices: hearing, protest hearing, public member vacancy, etc... An eighth-page display ad in general newspapers is required for the countywide service reviews and when advertisement is authorized in-lieu of individual landowner and/or registered voter notice.</i>			
2090	<b>Building Expense</b>	Janitorial: \$614 per month	Increasing 4.5%	\$ 8,922.96
		HVAC maintenance (\$389 per month)	Increasing 4.5%	
	<i>Ongoing maintenance of the staff office.</i>			
2115	<b>Software</b>	Laserfische archiving: \$3,000 annual	--	\$ 3,591.00
		Adobe license for office, annual, (\$351)	--	
		Vimeo subscription for digital archive of meetings (\$240/yr)		
	<i>Purchases, subscriptions, and updates of software and online programs, to include digital archiving software for LAFCO to maintain its records in perpetuity per Government Code Section 56382.</i>			
2180	<b>Electricity</b>	\$650 per month	Decreasing 3.5%	\$ 7,800.00
	<i>LAFCO is responsible for electricity payments while located at the train depot.</i>			
2245	<b>Other Insurance</b>	Annual Insurance (\$13,765)	Increasing 4.5%	\$ 19,265.00
		Workers' Compensation (\$5,500)	--	
	<i>Liability insurance (property, general, personal, employment, benefits, auto) errors and omissions, and employee dishonesty coverage, as well as Workers' Comp. Purchased through the Special District Risk Management Authority (SDRMA).</i>			
2305	<b>General Office Expense</b>	Petty Cash Reimbursement: \$250 per quarter (\$1,000)	--	\$ 2,260.00
		Paper shredding: \$120	--	
		Zoom subscription for meetings (\$20 per month)	--	
		New computer for new clerk	--	
		Printer cartridges:\$400	--	
	<i>Niche and random items for the office. See Account 5012 for Office Supplies per contract pricing.</i>			
2308	<b>Credit Card Clearing Account</b>			\$ -
	<i>Clearing account for credit card issued to the Executive Officer. All charges post to this account temporarily with charges then transferred to the appropriate accounts.</i>			
2310	<b>Mail (County Mail)</b>	Months with meetings (9): \$500 per month	Increasing 6.2%	\$ 8,343.60
		Months with no meetings (3): \$300 per month	Increasing 6.2%	
		Mail delivery: \$11.15 per stop (22 per month)	--	

## Attachment #3

## Services and Supplies Detail

Act. #	Account Name	Charge Measurement	Increase/Decrease	Total
	<i>On avg. USPS rates increasing 10%. Each year, staff utilizes more digital delivery over paper mail, which generally offsets rate increases.</i>			
2315	<b>Records Storage</b>	\$140 per month	--	\$ 1,680.00
	<i>Off-site retention of records. Gov Code 56382 mandates LAFCO to maintain its records in perpetuity.</i>			
2322	<b>Enterprise Printing (County IT)</b>	\$6.00 per month	Decreasing 19%	\$ 72.00
	<i>County printing of payroll documents.</i>			
2323	<b>Reproduction Services</b>	\$500 estimate based on prior year		\$ 500.00
	<i>Printing activity outside of the LAFCO office (County Printing Services, Kinkos, etc.).</i>			
2335	<b>Temporary Services</b>	No activity	--	\$ -
	<i>Use of temporary services for clerical support.</i>			
2400	<b>Legal Counsel</b>			\$ 37,500.00
		Months with meetings (9): \$4,000 per month	Increasing 4.7%	
		Months with no meetings (3): \$1,500 per month	Increasing 4.7%	
		Continuing legal matter	Decreasing 50%	
	<i>Contract with Best, Best, and Krieger for general and special counsel. Costs related to a proposal are recoverable pursuant to Commission policy. Payments received for cost recovery are deposited into Revenue Account 9555.</i>			
2405	<b>Auditing</b>	SBCERA costs for GASB 67 & 68: \$2,392	Decreasing 21%	\$ 11,708.00
		Independent auditor: \$9,316	Increasing 5%	
	<i>Contract with Davis Farr LLP for independent auditing services. SBCERA is required to determine the unfunded liability for its participants and by legislative action can charge for that requirement.</i>			
2410	<b>IT Infrastructure (County IT)</b>	\$125.14 per month per user for network access	Increase of 24.7%	\$ 9,010.08
	<i>Support of computer/server systems, email, wide area network, internet access, IT security, virus protection, help desk, and data center.</i>			
2414	<b>Application Dev. &amp; Maint. (County IT)</b>			\$ -
	<i>County IT work on LAFCO and County applications and software</i>			
2415	<b>Countywide Cost Allocation Program</b>	Per the County COWCAP publication	Prior year \$0	\$ 5,981.00
	<i>The County Auditor charges for county-related costs incurred in the prior year.</i>			
2416	<b>Enterprise Printing (County IT)</b>	Per print impression, annual estimate	--	\$ -
	<i>Printing from County's enterprise server related to payroll.</i>			
2417	<b>Inactive Account (County IT)</b>	Activity transferred to Account 2420		\$ -
2418	<b>Data Storage Services (County IT)</b>	Activity transferred to Account 2420		\$ -
2420	<b>Enterprise Content Management (County IT)</b>		--	\$ 2,024.40
	<i>Data Storage &amp; backup (enterprise storage, backup &amp; recovery)</i>	\$18.34 per user/mo		
	<i>File Sharing Storage (File sharing services, backup &amp; recovery)</i>	\$37.17 per unit of storage/mo (2 units)		
	<i>Wireless Device Access (mobile access to County email)</i>	\$5.25 per user/mo (4 users)		
2421	<b>Desktop Support Services (County IT)</b>	\$90.98 per month, per computer (7 computers)	Decreasing 2.6%	\$ 7,642.32
	<i>County tech support &amp; monitoring for computers and applications.</i>			
2424	<b>Environmental Consultant</b>	Consultant work, per contracted rate, 15 reviews	--	\$ 10,950.00
		File with County Clerk, 15 actions, \$50 each	--	
	<i>The Commission contracts with an independent consultant, Tom Dodson and Associates, for the environmental assessment associated with its proposals. Most environmental consultant costs are billable under the Commission's existing fee schedule. Payments received for cost recovery are deposited into Revenue Account 9660.</i>			
2444	<b>Security Services</b>	\$123 per quarter	--	\$ 492.00
	<i>Maintain and monitor the security system.</i>			
2445	<b>Other Professional Services</b>	Surveyor proposal review: \$450 each proposal (7)	--	\$ 82,981.40
		Commissioner stipend: \$200 per meeting (9)	--	
		Commissioner stipend: \$200 per committee mtg (4)		
		ROV: \$100.60 per hour (11)	--	
		Staff support from Rebecca Lowery		
		County processing of quarterly taxes: \$1,000/quarter	--	
		Recruitment for Clerk (\$5,000)	one-time activity	
		County work on apportionment: \$5,600	Decreasing 10%	



## Attachment #3

## Services and Supplies Detail

Act. #	Account Name	Charge Measurement	Increase/Decrease	Total
		Video recording of meetings: \$900 per meeting (9)	Increasing 20%	
		Commissioner stipend for SoCal LAFCO: \$200 per mtg. (4)	--	
		Governance Training Program for Local Agencies	Increasing 20%	
	<i>This account is for outside services to assist in processing applications and service reviews as well as conducting Commission hearings. Staffing support from Rebecca Lowery will continue. Governance training will include two courses &amp; assistance for Barstow Cemetery District.</i>			
2449	<b>Outside Legal (Litigation &amp; Special Counsel)</b>	Per special counsel rate		\$ 10,000.00
	<i>Legal services conducted through special contract for either litigation or when a conflict of interest waiver is not granted. For proposals not initiated by the Commission, the applicant agrees to indemnify the Commission against legal costs. Payments received for cost recovery are deposited into Revenue Account 9660.</i>			
2450	<b>Systems Development Charges (County IT)</b>	Estimate of 10 hours at \$129.40/hr	Decrease of 50%	\$ 1,294.00
	<i>Maintenance and Support of LAFCO website.</i>			
2460	<b>Aerial Imagery (County IT)</b>	Aerial Imagery \$1,000 per user (3)	--	\$ 3,000.00
	<i>Generation &amp; maintenance of digitized maps &amp; aerial images, access to County's parcel &amp; street layers.</i>			
2895	<b>Rent/Lease Equipment (copier)</b>	\$450 per month	--	\$ 5,400.00
	<i>LAFCO implementing more digital circulation as cost savings.</i>			
2905	<b>Office/Hearing Chamber Rental</b>	Meeting Facility: \$405 per meeting (9)	--	\$ 64,141.76
		Office Lease: \$5,041 monthly	Increasing 3.0%	
	<i>Use of Norton Conference Center for meetings and office lease.</i>			
2940	<b>Private Mileage</b>	ESRI Conference San Diego	Increasing 11.6%	\$ 7,428.29
		Employee travel, misc.: \$67	Increasing 11.6%	
		CALAFCO Conf. (Yosemite)	Increasing 11.6%	
		CALAFCO Staff Workshop (Temecula)	Increasing 11.6%	
		Commissioner So Cal participation, 4 trips: \$268	Increasing 11.6%	
		Commissioner Meetings (9)	Increasing 11.6%	
	<i>Commissioners and staff private auto mileage at the IRS rate, excluding the Executive Officer.</i>			
2941	<b>Conference/Training</b>	CALAFCO Staff Workshop (Temecula) 3 staff	Increasing 21%	\$ 8,680.00
		CALAFCO Conference (Yosemite) \$700 each (10)	Increasing 23%	
	<i>The CALAFCO Staff Workshop location is in Temecula. 3 staff attending</i>			
	<i>The CALAFCO Conference will be held in Yosemite, with 7 Commissioners and 3 staff budgeted.</i>			
2942	<b>Hotel</b>	CALAFCO/So Cal participation: \$200 per night (4)	--	\$ 11,297.00
		ESRI Conference San Diego: (1 staff)	--	
		CALAFCO Conf. (Yosemite), \$253/night, 10 people, 3 nights	Decreasing 15.6%	
		CALAFCO Staff Workshop (Temecula), 3 staff	Decreasing 10.6%	
	<i>Hotel charges for Commissioners and staff on LAFCO business.</i>			
2943	<b>Meals</b>	Staff travel: \$50	--	\$ 1,050.00
		ESRI Conference San Diego (1 staff)	--	
		CALAFCO Conference (Yosemite) \$50 each for 10 people	--	
		CALAFCO Staff Workshop (Temecula), 3 staff	--	
		So Cal participation - Staff: \$50/trip (2)	--	
		So Cal participation - Commissioner: \$50/trip (2)	--	
	<i>Meal charges for Commissioners and staff on LAFCO business. Per diem max \$50/day.</i>			
2945	<b>Air Travel</b>	CALAFCO participation: \$200/trip (4)		\$ 800.00
	<i>Airfare on Southwest Airlines for approved travel.</i>			
2946	<b>Other Travel</b>	CALAFCO participation: \$75/trip (4)		\$ 300.00
	<i>Miscellaneous travel charges such as parking and taxi charges.</i>			
5012	<b>Transfer to County (Staples &amp; Microsoft)</b>	Staples supplies: \$300 per month	--	\$ 8,697.00
		Microsoft Licenses	--	
<b>TOTAL SERVICES AND SUPPLIES</b>				\$ 398,839.05

## Attachment #4

## Revenues Detail

Account		Charge Measurement	Rate Inc/Dec	Total
6010	<b>Application Reserve</b>	Beginning balance		\$ 110,000
	<i>A reserve in place of application revenues</i>			
8500 & 9984	<b>Interest</b>	County Interest Pool returns	Variable	\$ 30,000
	<i>LAFCO participates in the County's interest pool and is apportioned interest receipts quarterly.</i>			
8842	<b>Apportionment</b>		--	\$ 1,172,283
	<i>Govt Code §56381 requires that the net costs for LAFCO be apportioned equally to those seated on the Commission: the County, the 24 Cities, and the 51 Independent Special Districts within the County of San Bernardino. The County Auditor will be required to apportion this amount on July 1, 2024 pursuant to the requirements of law and Commission policies.</i>			
8545	<b>Individual Notice Deposit</b>	\$1,000 deposit	--	\$ -
	<i>This account is for landowner and registered voter notification requirements. This \$1,000 deposit is applied to proposals and development-related service contract less refunds. Should a proposal require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices.</i>			
9555	<b>Legal Services Deposit</b>	\$2,000 for proposals; \$700 for applicable service contracts	--	\$ -
	<i>This account is for deposits for legal services which are calculated at \$2,000 for proposals and \$700 for service contracts requiring a hearing.</i>			
9595	<b>Protest Hearing Deposit</b>	\$1,500 each	--	\$ -
	<i>The account is for deposits related to the processing of the protest hearing which are calculated at \$1,500 each. Should a proposal require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices.</i>			
9655	<b>Digital Mapping Fee</b>	LAFCO Fee Schedule, based on acreage	--	\$ -
	<i>This account is for receipt of revenue to recover the costs associated with the County's digital maps for sphere or boundary changes, maintenance and updates. The charge is based upon the acreage of each consideration area.</i>			
9660	<b>Environmental Deposit</b>	\$1,000 for proposals; \$750 for applicable service contracts	--	\$ -
	<i>Deposits for environmental review processing are calculated at \$1,000 for proposals and \$750 for service contracts requiring a hearing.</i>			
9800	<b>LAFCO Fee</b>	LAFCO Fee Schedule, based on region and acreage	Increasing 4.5%	\$ -
	<i>Revenues in this account are based on anticipated activity and conservatively calculated at the median annexation filing fee for the activity identified above.</i>			
9560	<b>Indemnification Recovery</b>		--	\$ -
	<i>This accounts segregates legal cost recovery.</i>			
9910	<b>Prior Year Activity</b>		--	\$ -
	<i>This account refunds deposits submitted by applicants less costs incurred for activity which carry over from one year to another.</i>			
9930	<b>Miscellaneous Revenue</b>		--	\$ -
	<i>This account is for revenues received for duplication of CDs, DVDs, paper copies, and other miscellaneous receipts.</i>			
9973	<b>Stale-dated Checks</b>			\$ -
	<i>Uncashed checks that are credited</i>			
<b>TOTAL REVENUES</b>				\$ 1,312,283

**LAFCO Cost Allocation  
County of San Bernardino Allocation  
PY 2024-2025**

	<b>Amount</b>	<b>Percentage of Total Cost</b>
<b>County of San Bernardino</b>		
Total LAFCO Cost	\$ 1,172,283.00	100.00%
County of San Bernardino Allocation (1/3)*	\$ 390,761.00	33.33%
<b>Total San Bernardino County Allocation</b>	<b>\$ 390,761.00</b>	<b>33.33%</b>

**Note:**

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

\* Total LAFCO Apportionment for FY 2024-25 is \$1,172,283.00 (by letter dated March 7, 2024)

**LAFCO Cost Allocation  
Cities Allocation  
PY 2024-2025**

City	Total Revenues FY 21-22	LAFCO Allocation	Allocation Percentage
Adelanto	\$ 21,460,508.00	\$ 2,180.50	0.56%
Apple Valley	\$ 99,387,272.00	\$ 10,098.26	2.58%
Barstow	\$ 53,682,795.00 *	\$ 5,454.45	1.40%
Big Bear Lake	\$ 63,921,283.00 *	\$ 6,494.70	1.66%
Chino	\$ 272,353,376.00	\$ 27,672.50	7.08%
Chino Hills	\$ 114,099,087.00	\$ 11,593.05	2.97%
Colton	\$ 148,090,632.00	\$ 15,046.77	3.85%
Fontana	\$ 334,726,591.00 *	\$ 34,009.94	8.70%
Grand Terrace	\$ 10,295,402.00	\$ 1,046.07	0.27%
Hesperia	\$ 103,229,722.00 *	\$ 10,488.67	2.68%
Highland	\$ 43,336,868.00	\$ 4,403.25	1.13%
Loma Linda	\$ 47,061,622.00	\$ 4,781.70	1.22%
Montclair	\$ 69,149,857.00	\$ 7,025.98	1.80%
Needles	\$ 47,856,801.00	\$ 4,862.50	1.24%
Ontario	\$ 720,511,972.00	\$ 73,207.71	18.73%
Rancho Cucamonga	\$ 270,590,537.00 *	\$ 27,493.38	7.04%
Redlands	\$ 249,099,739.00	\$ 25,309.81	6.48%
Rialto	\$ 247,572,659.00	\$ 25,154.65	6.44%
San Bernardino	\$ 375,496,838.00	\$ 38,152.40	9.76%
Twentynine Palms	\$ 25,468,977.00	\$ 2,587.78	0.66%
Upland	\$ 134,564,041.00	\$ 13,672.40	3.50%
Victorville	\$ 314,016,969.00 *	\$ 31,905.73	8.17%
Yucaipa	\$ 49,865,058.00	\$ 5,066.55	1.30%
Yucca Valley	\$ 30,040,321.00	\$ 3,052.25	0.78%
	<b>\$ 3,845,878,927.00</b>	<b>\$ 390,761.00</b>	<b>100.00%</b>

Allocation is based on Cities revenues extracted from Fiscal Year 2021-22 tables published on the State Controller's website ([www.sco.ca.gov](http://www.sco.ca.gov)).

\* Cities with subsidiary districts. Subsidiary districts are excluded from the special district distribution and their revenues are included in the cities' revenues. Blended Component Units are below:

- Barstow Fire Protection District (City of Barstow)
- Big Bear Lake Fire Protection District (City of Big Bear Lake)
- Fontana Fire Protection District (City of Fontana)
- Hesperia County Water District (City of Hesperia)
- Hesperia Fire Protection District (City of Hesperia) - inactive as of 11/01/2018
- Rancho Cucamonga Fire Protection District (City of Rancho Cucamonga)
- Victorville Water District (City of Victorville)

**LAFCO Cost Allocation  
Special Districts Allocation  
PY 2024-2025**

District Name	Total Revenues*	LAFCO Cost	Allocation
	FY 21-22	Allocation	Percentage
Apple Valley Fire Protection	\$ 14,380,893.00	\$ 10,000.00	2.56%
Apple Valley Foothill County Water	\$ 333,267.00	\$ 262.64	0.07%
Apple Valley Heights County Water	\$ 387,173.00	\$ 305.12	0.08%
Arrowbear Park County Water	\$ 1,474,580.00	\$ 1,162.06	0.30%
Baker Community Services	\$ 666,168.00	\$ 524.98	0.13%
Barstow Cemetery	\$ 984,786.00	\$ 776.07	0.20%
Barstow Heights Community Services	\$ 81,370.00	\$ 64.12	0.02%
Bear Valley Community Healthcare	\$ (2,278,906.00)	\$ -	0.00%
Big Bear Airport	\$ 2,527,080.00	\$ 1,991.50	0.51%
Big Bear City Community Services	\$ 17,630,792.00	\$ 10,000.00	2.56%
Big Bear Municipal Water	\$ 6,244,167.00	\$ 10,000.00	2.56%
Big River Community Services	\$ 136,564.00	\$ 107.62	0.03%
Bighorn-Desert View Water Agency	\$ 2,502,985.00	\$ 1,972.51	0.50%
Chino Basin Water Conservation	\$ 3,757,499.00	\$ 2,961.15	0.76%
Chino Valley Independent Fire	\$ 57,463,127.00	\$ 30,000.00	7.68%
Crestline Lake Arrowhead Water Agency	\$ 9,698,100.00	\$ 10,000.00	2.56%
Crestline Sanitation District	\$ 4,905,894.00	\$ 3,866.17	0.99%
Crestline Village Water	\$ 3,824,919.00	\$ 3,014.28	0.77%
Cucamonga Valley Water District	\$ 105,294,466.00	\$ 30,000.00	7.68%
Daggett Community Services	\$ 318,343.00	\$ 250.87	0.06%
East Valley Water	\$ 44,032,398.00	\$ 20,000.00	5.12%
Helendale Community Services District	\$ 6,544,298.00	\$ 10,000.00	2.56%
Hesperia Recreation and Park	\$ 10,072,271.00	\$ 10,000.00	2.56%
Hi-Desert Memorial Healthcare District	\$ 14,913,644.00	\$ 1,500.00	0.38%
Hi-Desert Water District	\$ 21,334,963.00	\$ 20,000.00	5.12%
Inland Empire Resource Conservation	\$ 2,835,782.00	\$ 2,234.78	0.57%
Inland Empire Utilities Agency	\$ 246,437,788.00	\$ 30,000.00	7.68%
Joshua Basin Water	\$ 10,109,361.00	\$ 10,000.00	2.56%
Juniper-Riviera County Water	\$ 385,667.00	\$ 303.93	0.08%
Lake Arrowhead Community Services	\$ 19,930,429.00	\$ 10,000.00	2.56%
Mariana Ranchos County Water	\$ 683,605.00	\$ 538.72	0.14%
Mojave Desert Resource Conservation	\$ 150,736.00	\$ 118.79	0.03%
Mojave Water Agency	\$ 80,887,587.00	\$ 30,000.00	7.68%
Monte Vista Water	\$ 34,188,090.00	\$ 20,000.00	5.12%
Morongo Valley Community Services	\$ 1,199,144.00	\$ 945.00	0.24%
Newberry Community Services	\$ 256,223.00	\$ 201.92	0.05%
Phelan Pinon Hills Community Services District	\$ 11,483,232.00	\$ 10,000.00	2.56%
Rim of the World Recreation and Park	\$ 1,279,054.00	\$ 1,007.98	0.26%
Running Springs Water	\$ 8,442,139.00	\$ 10,000.00	2.56%
San Bernardino Mountains Community Hospital	\$ (2,591,782.00)	\$ -	0.00%
San Bernardino Valley Municipal Water	\$ 119,413,066.00	\$ 30,000.00	7.68%
San Bernardino Valley Water Conservation	\$ 3,273,698.00	\$ 2,579.88	0.66%
Thunderbird County Water	\$ 242,456.00	\$ 191.07	0.05%
Twentynine Palms Cemetery	\$ 310,307.00	\$ 244.54	0.06%
Twentynine Palms Water District	\$ 6,545,689.00	\$ 10,000.00	2.56%
West Valley Mosquito and Vector Control	\$ 3,603,927.00	\$ 2,840.12	0.73%
West Valley Water District	\$ 34,395,518.00	\$ 20,000.00	5.12%
Wrightwood Community Services District	\$ 510,062.00	\$ 401.96	0.10%
Yermo Community Services	\$ 197,015.00	\$ 155.26	0.04%
Yucaipa Valley Water	\$ 29,061,041.00	\$ 20,000.00	5.12%
Yucca Valley Airport	\$ 301,957.00	\$ 237.96	0.06%
<b>Totals</b>	<b>\$ 940,762,632.00</b>	<b>\$ 390,761.00</b>	<b>100.00%</b>

All data in this worksheet are extracted from Fiscal Year 2021-22 Special Districts revenues published on the State Controller's website.


Exception: Data used for Bear Valley Community Healthcare and San Bernardino Mountains Community Hospital is 'Net from Operations' from FY 2021-22, published by the Office of Statewide Health Planning and Development

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

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

---

DATE: APRIL 10, 2024   
FROM: SAMUEL MARTINEZ, Executive Officer  
TO: LOCAL AGENCY FORMATION COMMISSION

---

SUBJECT: AGENDA ITEM #14: LEGISLATIVE REPORT

---

## **RECOMMENDATION:**

Staff recommends that the Commission:

1. Receive and file the Legislative Report;
2. Indicate its support for AB 3277 (Carrillo), which streamlines the property tax exchange process for formation of a district;
3. Indicate its support for SB 1209 (Cortese) which seeks to add indemnification provisions in CKH; and,
4. Provide direction to staff on legislation of interest or future actions, if any, and authorize the Chair to sign the letters identifying these positions and direct staff to forward said letters to the appropriate recipients.

## **BACKGROUND:**

Attachment #1 is the CALAFCO Daily Legislative Report for Wednesday, April 10, 2024 outlining the current status of all bills considered to be of importance to LAFCO. The following are the bills that LAFCO staff recommends support from the Commission:

- **AB 3277 (Assembly Local Government Committee) – Local agency formation commission: districts: property tax.**

AB 3277 intends to facilitate the ability for LAFCOs to process applications involving a special district formation in a more efficient and timely manner (included as Attachment #2). The bill adds language to Section 56810 that would maintain the authority and requirement for LAFCOs to determine the property tax revenues to be

exchanged for an affected agency for applications involving the formation of a special district seeking a share of the ad valorem tax, while excluding this requirement if the agency indicates it will not be seeking a share of said ad valorem tax.

AB 3277 is currently scheduled for hearing before the ALGC on April 10.

*Recommendation:*

Staff recommends that the Commission adopt a support position for AB 3277 and direct staff to forward its letter of support (draft copy included as Attachment #3) to Assemblymember Carrillo (Chair of the Committee), Committee members and consultant, CALAFCO, and to our San Bernardino County Legislative Delegation.

- **SB 1209 (Cortese) – Local agency formation commission: indemnification.**

In 2022, the Second District Court of Appeals opined that LAFCOs operate only under and within the authorities expressly given to them by the legislature and, consequently, determined that LAFCOs have no statutory authority to impose an indemnity agreement as a condition of a LAFCO application.

In January 2023, the CALAFCO Board approved the bill proposal adding indemnification provisions to CKH and successfully submitted it to the Legislative Counsel. However, CALAFCO was not able to find a legislator to carry the bill last year. Early this year, CALAFCO received word from Senator Cortese that he would carry the bill.

The text for SB 1209 is included as Attachment #4.

*Recommendation:*

Staff recommends that the Commission adopt a support position for SB 1209 and direct staff to forward its letter of support (draft copy included as Attachment #5) to Senator Cortese, the Chair and Members of the Senate Local Government Committee, its consultants, CALAFCO, and to our San Bernardino County Legislative Delegation.

**Congress News**

Legislation to federally define “special district” is on the move. Last month, the U.S. House Oversight and Accountability Committee approved the Special District Grant Accessibility Act (H.R. 7525), which codifies in federal law a first-ever, formal definition of “special district”. In addition to establishing such a definition, H.R. 7525 would direct federal agencies to recognize special districts as local governments for the purpose of

ensuring that districts are eligible to receive appropriate forms of federal assistance, including funding and resources through key grant programs.

The next step is to get House leadership to identify a suitable date for the legislation to be considered on the House floor. This is an important milestone for special districts across the United States, which aims to provide special districts access to federally-funded grants and programs.

**CONCLUSION:**

If there are other pieces of legislation that Commissioners are aware of that should be brought to the attention of CALAFCO or you wish staff to review in more detail, please provide the bill number reference and we will be happy to bring it back to the Commission for review.

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

**Attachments:**

1. [CALAFCO Daily Legislative Report – Dated April 10, 2024](#)
2. [Assembly Bill 3277](#)
3. [AB 3277 Support Letter](#)
4. [Senate Bill 1209](#)
5. [SB 1209 Support Letter](#)



## CALAFCO List of Current Bills

### 4/10/2024

#### [AB 805](#)

#### **(Arambula D) Sewer service: disadvantaged communities.**

**Current Text:** Amended: 1/22/2024 [html](#) [pdf](#)

**Introduced:** 2/13/2023

**Last Amend:** 1/22/2024

**Status:** 1/30/2024-Read third time. Urgency clause adopted. Passed. Ordered to the Senate. (Ayes 76. Noes 0.). In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 1/30/2024-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Under current law, the State Water Resources Control Board and the 9 California regional water quality control boards regulate water quality in accordance with the Porter-Cologne Water Quality Control Act and the federal Clean Water Act. Current law authorizes a regional board to order the provision of sewer service by a receiving sewer system, as defined, to a disadvantaged community served by an inadequate onsite sewage treatment system, as defined. This bill would authorize the state board to require a sewer service provider to contract with an administrator designated or approved by the state board for administrative, technical, operational, legal, or managerial services to assist a designated sewer system with the provision of adequate sewer service, as defined. The bill would also authorize the state board to order a designated sewer system to accept those services, including full management and control of all aspects of the designated sewer system, from an administrator. The bill would define "designated sewer system" for these purposes as a sewer system that serves a disadvantaged community and that the state board finds to be either an inadequate sewage treatment system or a sewer system that has demonstrated difficulty in maintaining technical, managerial, and financial capacity to prevent fraud and mismanagement, or a sewer system that voluntarily accepts financial assistance for the provision of adequate sewer service.

#### **Position**

Support if  
Amended

#### **Subject**

Disadvantaged  
Communities,  
Waste Water

**CALAFCO Comments:** 1/26/2024: Support, if amended, approved. Amendment requested is the inclusion of language requiring the state board to consult with the local LAFCO.

1/22/2024: Gutted and amended. No longer addresses consolidation of waste water systems but, rather, would set up a program in which the state would provide technical, managerial, administrative, and financial assistance, where applicable, to disadvantaged communities. Position changed to support if amended to include a provision requiring the state board to consult with the local LAFCO regarding the system.

As introduced, this bill would have authorized the state board, if sufficient funds are available, to order consolidation of sewer service along with an order of consolidation of drinking water systems when both of the receiving and subsumed water systems provide sewer service and after the state board engages in certain activities. It failed to meet 2023 deadlines and became a 2 year bill that cannot be acted upon until January, 2024.

#### [AB 817](#)

#### **(Pacheco D) Open meetings: teleconferencing: subsidiary body.**

**Current Text:** Amended: 1/17/2024 [html](#) [pdf](#)

**Introduced:** 2/13/2023

**Last Amend:** 1/17/2024

**Status:** 1/25/2024-Read third time. Passed. Ordered to the Senate. (Ayes 54. Noes 8.) In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 1/25/2024-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The Ralph M. Brown Act requires, with specified exceptions, each legislative body of a local agency to provide notice of the time and place for its regular meetings and an agenda containing a brief general description of each item of business to be transacted. The act also requires that all meetings of a legislative body be open and public, and that all persons be permitted

to attend unless a closed session is authorized. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. Current law authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency (emergency provisions) and, until January 1, 2026, in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met (nonemergency provisions). This bill, until January 1, 2026, would authorize a subsidiary body, as defined, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

**Position**

Watch

**Subject**

Brown Act

**CALAFCO Comments:** 1/25/2024; Moved out of the Assembly. Waiting on assignment from Senate Rules Committee.

1/17/2024: Amended to add a Sunset date of January 1, 2026.

3/16/2023: The bill was amended to speak specifically to teleconferenced meetings of subsidiary bodies, defined as a body that serves exclusively in an advisory capacity, and is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements. For qualifying bodies, this bill would remove the requirement to post an agenda at the location of the subsidiary body member who was participating from off site- providing that the legislative body that formed the subsidiary body has previously made findings noting that teleconferenced meetings of the subsidiary body would enhance public access, and would promote the attractions, retention and diversity of the subsidiary body. The superior legislative body would need to revisit the matter and repeat those finding every 12 months thereafter. This bill also reaffirms that other provisions of the Brown Act are applicable to subsidiary bodies.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 828**

**(Connolly D) Sustainable groundwater management: managed wetlands.**

**Current Text:** Amended: 1/11/2024 [html](#) [pdf](#)

**Introduced:** 2/13/2023

**Last Amend:** 1/11/2024

**Status:** 1/29/2024-Read third time. Passed. Ordered to the Senate. (Ayes 47. Noes 15.) In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 1/29/2024-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Current law defines various terms for purposes of the act. This bill would add various defined terms for purposes of the act, including the terms "managed wetland" and "small community water system."

**Position**

None at this time

**Subject**

Water

**CALAFCO Comments:** 1/11/24: Amended to strike provisions regarding small community water systems serving disadvantaged communities and pivots to groundwater sustainability agencies with provisions that go into effect on January 1, 2028, that address spacing requirements on new groundwater wells, extraction controls, authorization for temporary and permanent transfers with an agency's boundaries, and to establish accounting rules.

4/17/2023: Amended to define agencies and entities required or excluded from existing 10726.4 (a)

(4). Amends Water Code section 10730.2 to add language regarding fees, and amends Water Code section 10733 to address groundwater sustainability plans.

Failed to make April policy committee deadline and now cannot be acted upon until January 2024.

As introduced, would add definitions for Managed Wetlands, and Small community water system to Water Code Section 10721.

**AB 930**

**(Friedman D) Local government: Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts.**

**Current Text:** Amended: 1/22/2024 [html](#) [pdf](#)

**Introduced:** 2/14/2023

**Last Amend:** 1/22/2024

**Status:** 1/29/2024-Read third time. Passed. Ordered to the Senate. (Ayes 52. Noes 16.) In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 1/29/2024-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Would authorize the legislative bodies of 2 or more cities or counties to jointly form a Reinvestment in Infrastructure for a Sustainable and Equitable California district (RISE district) in accordance with specified procedures. The bill would authorize a special district to join a RISE district, by resolution, as specified. The bill would require the Office of Planning and Research (OPR) to develop guidelines for the formation of RISE districts no later than November 30, 2026. The bill would provide for the establishment of a governing board of a RISE district with representatives of each participating local government.

**Position**

Neutral

**Subject**

Special District  
Principle Acts

**CALAFCO Comments:** 1/22/2024 Amended to remove section of definitions, change the word "standards" to "guidelines", and to strike section 62412 relative to the elements of a RISE development plan to be reviewed.

Missed 2023 deadlines and became a 2 year bill.

This bill has a similar overtone to SB 852 Dodd in 2022 regarding the formation of climate resilience districts outside of the LAFCo process. As introduced, it focuses on the generation of funding and the governance of the expenditure of those funds. However, it should be carefully tracked in case that mission is expanded.

**AB 1928**

**(Sanchez R) Worker classification: employees and independent contractors.**

**Current Text:** Amended: 3/4/2024 [html](#) [pdf](#)

**Introduced:** 1/25/2024

**Last Amend:** 3/4/2024

**Status:** 3/6/2024-Re-referred to Com. on L. & E.

**Location:** 2/12/2024-A. L. & E.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Current law, as established in the case of Dynamex Operations W. v. Superior Court (2018) 4 Cal.5th 903 (Dynamex), creates a presumption that a worker who performs services for a hirer is an employee for purposes of claims for wages and benefits arising under wage orders issued by the Industrial Welfare Commission. Current law requires a 3-part test, commonly known as the "ABC" test, to determine if workers are employees or independent contractors for those purposes. Current law establishes that, for purposes of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration is considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity's business, and the person is customarily engaged in an independently established trade, occupation, or business. This test is known as the "ABC" test, as described above. This bill would repeal the above-described provisions that codify the ABC test. The bill would declare that its purpose is to suspend and nullify the California Supreme Court's decision in Dynamex and provide that this decision does not apply for purposes of California law.

**Position****Subject**

**CALAFCO Comments:** Of interest to CALAFCO because of its potential effect on operations. 1/25/2024, bill introduced. AB 1928 would repeal the provisions that were enacted by the passage of AB 5 in 2019. Known as the Gig Worker law, AB 5 reclassified which workers could be considered as contractors. A limited number of professional categories were set aside and excluded from the law. However, those not included in the exclusions were required, under new reclassification requirements, to be considered as employees regardless of whether they were performing the services in connection to an ongoing business. The shift required CALAFCO to amend its internal practices to re-classify its contractors to employees, resulting in increased costs, as well as extra reporting requirements.

**AB 1987 (Bennett D) Local government.**

**Current Text:** Introduced: 1/30/2024 [html](#) [pdf](#)

**Introduced:** 1/30/2024

**Status:** 1/31/2024-From printer. May be heard in committee March 1.

**Location:** 1/30/2024-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Current law sets forth provisions for the formation, duties, and other authorizations, among other things, relating to cities, counties, cities and counties, and other local agencies. This bill would state the intent of the Legislature to enact legislation relating to local government.

**Position**

None at this time

**Subject**

**CALAFCO Comments:** Spot holder bill relative to local government. Monitoring because of its topic.

**AB 2302 (Addis D) Open meetings: local agencies: teleconferences.**

**Current Text:** Introduced: 2/12/2024 [html](#) [pdf](#)

**Introduced:** 2/12/2024

**Status:** 2/26/2024-Referred to Com. on L. GOV.

**Location:** 2/26/2024-A. L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/10/2024 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, CARRILLO, JUAN, Chair

**Summary:** The Ralph M. Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year. This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets.

**Position**

Watch

**Subject**

Brown Act

**CALAFCO Comments:** Introduced on 2/12/2024, this bill would enact changes to Brown Act provisions that allow members of legislative bodies to teleconference for meetings. Currently, the

law limits teleconferencing to no more than 3 consecutive months, 20% of the regular meetings in a calendar year, or 2 meetings for bodies that meet less than 10 times in a calendar year. This bill redefines those limits as 2 meetings per year for bodies meeting monthly or less; 5 meetings per year for those meeting twice per month; or 7 meetings per year if the body meetings three times or more per month.

**[AB 2715](#) (Boerner D) Ralph M. Brown Act: closed sessions.**

**Current Text:** Introduced: 2/14/2024 [html](#) [pdf](#)

**Introduced:** 2/14/2024

**Status:** 4/9/2024-In committee: Set, first hearing. Hearing canceled at the request of author.

**Location:** 3/4/2024-A. L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The Ralph M. Brown Act generally requires that all meetings of a legislative body of a local agency be open and public and that all persons be permitted to attend and participate. Current law authorizes a legislative body to hold a closed session on, among other things, matters posing a threat to the security of essential public services, as specified. This bill would additionally authorize a closed session to consider or evaluate matters related to cybersecurity, as specified, provided that any action taken on those matters is done in open session.

**Position**

None at this time

**Subject**

Brown Act

**CALAFCO Comments:** As introduced on 2/14/2024, would make minor changes in the Brown Act. Monitoring.

**[AB 2986](#) (Carrillo, Wendy D) Local Agency Formation Commission for the County of Los Angeles: East Los Angeles Task Force.**

**Current Text:** Amended: 3/21/2024 [html](#) [pdf](#)

**Introduced:** 2/16/2024

**Last Amend:** 3/21/2024

**Status:** 4/1/2024-Re-referred to Com. on L. GOV.

**Location:** 3/21/2024-A. L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require the Local Agency Formation Commission for the County of Los Angeles (LALAFCO) to establish the East Los Angeles Task Force for the purposes of identifying and evaluating the potential impacts of incorporation of, or the establishment of special districts within, East Los Angeles, as defined. The bill would require the task force to be composed of 11 members appointed by LALAFCO in consultation with the County of Los Angeles. The bill would require the task force to meet quarterly, incorporating robust community engagement, to discuss the potential impacts of incorporation or the establishment of special districts in East Los Angeles, as specified. The bill, by December 1, 2026, would require the task force to complete and submit a report to the Legislature on the potential impacts of city and special district incorporation in East Los Angeles, including an analysis of advantages, disadvantages, and recommendations for future actions. The bill would repeal these provisions on January 1, 2027.

**Position**

None at this time

**Subject**

Special District Consolidations

**CALAFCO Comments:** 3/21/2024, the bill was gutted and amended and now requires the LA LAFCO to develop an East Los Angeles Formation Task Force. Not a statewide issue; however, awaiting response from LA LAFCO.

**[AB 3277](#) (Committee on Local Government) Local agency formation commission: districts: property tax.**

**Current Text:** Introduced: 2/27/2024 [html](#) [pdf](#)

**Introduced:** 2/27/2024

**Status:** 3/18/2024-Referred to Com. on L. GOV.

**Location:** 3/18/2024-A. L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							



**Calendar:** 4/10/2024 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, CARRILLO, JUAN, Chair

**Summary:** The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 establishes the sole and exclusive authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. Current law requires proceedings for the formation of a district to be conducted as authorized by the principal act of the proposed district, and authorizes the local agency formation commission in each county to serve as the conducting authority, as specified. Current law requires a commission to determine the amount of property tax revenue to be exchanged by an affected local agency, as specified, if the proposal includes the formation of a district, as defined. This bill would, instead, require a commission to determine the amount of property tax revenue to be exchanged by an affected local agency if the proposal includes the formation of a district and the applicant is seeking a share of the 1% ad valorem property taxes.

**Position**  
Sponsor

**Subject**  
Incorporation  
Proceedings

**CALAFCO Comments:** CALAFCO's 2024 Omnibus bill.

**SB 537**    **(Becker D) Open meetings: multijurisdictional, cross-county agencies: teleconferences.**

**Current Text:** Amended: 9/5/2023    [html](#)    [pdf](#)

**Introduced:** 2/14/2023

**Last Amend:** 9/5/2023

**Status:** 9/14/2023-Ordered to inactive file on request of Assembly Member Bryan.

**Location:** 9/14/2023-A. INACTIVE FILE

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Current law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely. This bill would expand the circumstances of "just cause" to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely. The bill would authorize the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require the legislative body to provide a record of attendance of the members of the legislative body, the number of community members in attendance in the teleconference meeting, and the number of public comments on its internet website within 10 days after a teleconference meeting, as specified. The bill would require at least a quorum of members of the legislative body to participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction.

**Position**  
Watch

**Subject**  
Brown Act

**CALAFCO Comments:** This is a spotholder bill that states an intent to expand local government's access to hold public meetings through teleconferencing and remote access.

3/22/2023: was amended and fleshed out to add teleconferencing provisions to allow legislative bodies of multijurisdictional agencies to meet remotely. Multijurisdictional agencies are defined as boards, commissions, or advisory bodies of a multijurisdictional, cross county agency, which is composed of appointed representatives from more than one county, city, city and county, special district, or a joint powers entity.

The bill is sponsored by Peninsula Clean Energy, a community choice aggregator with a board

comprised of local elected officials from the County of San Mateo and its 20 cities, as well as the City of Los Banos.

4/24/2023: The bill was amended to further clarify definitions and the requirements needed for members of an eligible legislative body to meet remotely.

The bill passed Senate Judiciary on 5/2/23, and had its third reading in the Senate on 5/30/2023.  
7/12/23: The bill passed the Assembly Local Government Committee.

Amended on August 14, 2023, to require eligible legislative bodies that receive compensation to participate from a physical location that is open to the public.

9/14/2023, the bill was moved into the inactive file.

**SB 768**    **(Caballero D) California Environmental Quality Act: State Air Resources Board: vehicle miles traveled: study.**

**Current Text:** Amended: 1/11/2024    [html](#)    [pdf](#)

**Introduced:** 2/17/2023

**Last Amend:** 1/11/2024

**Status:** 1/29/2024-Read third time. Passed. (Ayes 34. Noes 4.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Location:** 1/29/2024-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. Current law requires the Office of Planning and Research to prepare, develop, and transmit to the Secretary of the Natural Resources Agency for certification and adoption proposed revisions to guidelines establishing criteria for determining the significance of transportation impacts of projects within transit priority areas to promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses. Current law creates the State Air Resources Board as the state agency charged with coordinating efforts to attain and maintain ambient air quality standards, to conduct research into the causes of and solution to air pollution, and to systematically attack the serious problem caused by motor vehicles, which is the major source of air pollution in many areas of the state. Existing law authorizes the state board to do those acts as may be necessary for the proper execution of the powers and duties granted to, and imposed upon, the state board. This bill would require the state board, by January 1, 2026, to conduct and submit to the Legislature a study on how vehicle miles traveled is used as a metric for measuring transportation impacts pursuant to CEQA, as specified.

**Position**

**Subject**

CEQA

**CALAFCO Comments:** Introduced as a spotholder bill that noted an intent to enact subsequent legislation that would create a new transportation impact analysis for rural areas for purposes of the California Environmental Quality Act.

3/22/2023: The bill was amended and would add language into the Public Resource Code to provide that a public agency, in approving or carrying out certain types of projects, is not required to issue a statement of overriding consideration for significant effects on the environment identified by a project's vehicle miles traveled if the lead agency has imposed all feasible mitigation measures on the project and it finds no feasible alternatives to the project.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

1/11/2024: Gutted and Amended. Topic now specific to a study by the state regarding vehicle miles traveled in CEQA studies. Continuing to monitor for any detrimental changes to CEQA but, at this time, bill is not a concern to CALAFCO.

**SB 1209**    **(Cortese D) Local agency formation commission: indemnification.**

**Current Text:** Introduced: 2/15/2024    [html](#)    [pdf](#)

**Introduced:** 2/15/2024

**Status:** 3/20/2024-From committee: Do pass. (Ayes 6. Noes 0.) (March 20).

**Location:** 2/29/2024-S. THIRD READING

Desk	Policy	Fiscal	<b>Floor</b>	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Calendar:**

4/11/2024 #30 SENATE SENATE BILLS -THIRD READING FILE

4/11/2024 #31 SENATE SENATE BILLS -THIRD READING FILE

**Summary:** The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 continues in existence in each county a local agency formation commission (LAFCO) that consists of members appointed, as specified, and oversees those changes of organization and reorganization. The act authorizes a LAFCO to, among other things, review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, as specified. This bill would authorize a LAFCO to require, as a condition for, among other things, processing a change of organization or reorganization, that the applicant agrees to defend, indemnify, and hold harmless the LAFCO, its agents, officers, and employees from and against any claim, action, or proceeding, as specified, arising from or relating to the action or determination by the LAFCO.

**Position**

Sponsor

**Subject**

LAFCo

Administration

**CALAFCO Comments:** CALAFCO sponsored bill in response to a 2022 appellate decision out of San Luis Obispo that held that LAFCOs could not use indemnification provisions in applications because indemnifications are a form of agreement that LAFCOs are currently not authorized to enter into. As introduced, the bill would allow LAFCOs to use provisions similar to counties and cities.

**Total Measures: 13**

**Total Tracking Forms: 13**

4/10/2024 2:20:25 AM



**ASSEMBLY BILL**

**No. 3277**

---

**Introduced by Committee on Local Government**

February 27, 2024

---

An act to amend Section 56810 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 3277, as introduced, Committee on Local Government. Local agency formation commission: districts: property tax.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, establishes the sole and exclusive authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. Existing law requires proceedings for the formation of a district to be conducted as authorized by the principal act of the proposed district, and authorizes the local agency formation commission in each county to serve as the conducting authority, as specified. Existing law requires a commission to determine the amount of property tax revenue to be exchanged by an affected local agency, as specified, if the proposal includes the formation of a district, as defined.

This bill would, instead, require a commission to determine the amount of property tax revenue to be exchanged by an affected local agency if the proposal includes the formation of a district and the applicant is seeking a share of the 1% ad valorem property taxes. By adding to the duties of a local agency formation commission, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 56810 of the Government Code is  
2 amended to read:

3 56810. (a) (1) If the proposal includes the incorporation of a  
4 city, as defined in Section 56043, the commission shall determine  
5 the amount of property tax revenue to be exchanged by the affected  
6 local agency pursuant to this section and Section 56815.

7 (2) If the proposal includes the formation of a district, as defined  
8 in Section 2215 of the Revenue and Taxation Code, *and if the*  
9 *applicant is seeking a share of the 1 percent ad valorem property*  
10 *taxes*, the commission shall determine the amount of property tax  
11 to be exchanged by the affected local agency pursuant to this  
12 section.

13 (b) The commission shall notify the county auditor of the  
14 proposal and the services which the new jurisdiction proposes to  
15 assume within the area, and identify for the auditor the existing  
16 service providers within the area subject to the proposal.

17 (c) If the proposal would not transfer all of an affected agency's  
18 service responsibilities to the proposed city or district, the  
19 commission and the county auditor shall do all of the following:

20 (1) The county auditor shall determine the proportion that the  
21 amount of property tax revenue derived by each affected local  
22 agency pursuant to subdivision (b) of Section 93 of the Revenue  
23 and Taxation Code bears to the total amount of revenue from all  
24 sources, available for general purposes, received by each affected  
25 local agency in the prior fiscal year. For purposes of making this  
26 determination and the determination required by paragraph (3),  
27 "total amount of revenue from all sources available for general  
28 purposes" means the total amount of revenue which an affected

1 local agency may use on a discretionary basis for any purpose and  
2 does not include any of the following:

3 (A) Revenue which, by statute, is required to be used for a  
4 specific purpose.

5 (B) Revenue from fees, charges, or assessments which are levied  
6 to specifically offset the cost of particular services and do not  
7 exceed the cost reasonably borne in providing these services.

8 (C) Revenue received from the federal government which is  
9 required to be used for a specific purpose.

10 (2) The commission shall determine, based on information  
11 submitted by each affected local agency, an amount equal to the  
12 total net cost to each affected local agency during the prior fiscal  
13 year of providing those services which the new jurisdiction will  
14 assume within the area subject to the proposal. For purposes of  
15 this paragraph, "total net cost" means the total direct and indirect  
16 costs that were funded by general purpose revenues of the affected  
17 local agency and excludes any portion of the total cost that was  
18 funded by any revenues of that agency that are specified in  
19 subparagraphs (A), (B), and (C) of paragraph (1).

20 (3) The commission shall multiply the amount determined  
21 pursuant to paragraph (2) for each affected local agency by the  
22 corresponding proportion determined pursuant to paragraph (1) to  
23 derive the amount of property tax revenue used to provide services  
24 by each affected local agency during the prior fiscal year within  
25 the area subject to the proposal. The county auditor shall adjust  
26 the amount described in the previous sentence by the annual tax  
27 increment according to the procedures set forth in Chapter 6  
28 (commencing with Section 95) of Part 0.5 of Division 1 of the  
29 Revenue and Taxation Code, to the fiscal year in which the new  
30 city or district receives its initial allocation of property taxes.

31 (4) For purposes of this subdivision, in any county in which,  
32 prior to the adoption of Article XIII A of the California  
33 Constitution, and continuing thereafter, a separate fund or funds  
34 were established consisting of revenues derived from the  
35 unincorporated area of the county and from which fund or funds  
36 services rendered in the unincorporated area have been paid, the  
37 amount of property tax revenues derived pursuant to paragraph  
38 (3), may, at the discretion of the commission, be transferred to the  
39 proposed city over a period not to exceed 12 fiscal years following  
40 its incorporation. In determining whether the transfer of the amount

1 of property tax revenues determined pursuant to paragraph (3)  
2 shall occur entirely within the fiscal year immediately following  
3 the incorporation of the proposed city or shall be phased in over  
4 a period not to exceed 12 full fiscal years following the  
5 incorporation, the commission shall consider each of the following:

6 (A) The total amount of revenue from all sources available to  
7 the proposed city.

8 (B) The fiscal impact of the proposed transfer on the transferring  
9 agency.

10 (C) Any other relevant facts which interested parties to the  
11 exchange may present to the commission in written form.

12 The decision of the commission shall be supported by written  
13 findings setting forth the basis for its decision.

14 (d) If the proposal would transfer all of an affected agency's  
15 service responsibilities to the proposed city or district, the  
16 commission shall request the auditor to determine the property tax  
17 revenue generated for the affected service providers by tax rate  
18 area, or portion thereof, and transmit that information to the  
19 commission.

20 (e) The executive officer shall notify the auditor of the amount  
21 determined pursuant to paragraph (3) of subdivision (c) or  
22 subdivision (d), as the case may be, and, where applicable, the  
23 period of time within which and the procedure by which the  
24 transfer of property tax revenues will be effected pursuant to  
25 paragraph (4) of subdivision (c), at the time the executive officer  
26 records a certificate of completion pursuant to Section 57203 for  
27 any proposal described in subdivision (a), and the auditor shall  
28 transfer that amount to the new jurisdiction.

29 (f) The amendments to this section enacted during the 1985–86  
30 Regular Session of the Legislature shall apply to any proposal  
31 described in subdivision (a) for which a certificate of completion  
32 is recorded with the county recorder on or after January 1, 1987.

33 (g) For purposes of this section, "prior fiscal year" means the  
34 most recent fiscal year for which data on actual direct and indirect  
35 costs and revenues needed to perform the calculations required by  
36 this section are available preceding the issuance of the certificate  
37 of filing.

38 (h) An action brought by a city or district to contest any  
39 determinations of the county auditor or the commission with regard  
40 to the amount of property tax revenue to be exchanged by the

1 affected local agency pursuant to this section shall be commenced  
2 within three years of the effective date of the city's incorporation  
3 or the district's formation. These actions may be brought by any  
4 city that incorporated or by any district that formed on or after  
5 January 1, 1986.

6 (i) This section applies to any city that incorporated or district  
7 that formed on or after January 1, 1986.

8 (j) The calculations and procedures specified in this section  
9 shall be made prior to and shall be incorporated into the  
10 calculations specified in Section 56815.

11 SEC. 2. If the Commission on State Mandates determines that  
12 this act contains costs mandated by the state, reimbursement to  
13 local agencies and school districts for those costs shall be made  
14 pursuant to Part 7 (commencing with Section 17500) of Division  
15 4 of Title 2 of the Government Code.



# LAFCO

**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.sbciafco.org

**COMMISSIONERS**

JOE BACA, Jr.  
Board of Supervisors

JIM BAGLEY  
Public Member

DR. KIMBERLY COX  
Special District

PHILL DUPPER  
City Member

STEVEN FARRELL, Vice Chair  
Special District

CURT HAGMAN  
Board of Supervisors

ACQUANETTA WARREN, Chair  
City Member

**ALTERNATES**

RICK DENISON  
City Member

JIM HARVEY  
Public Member

KEVIN KENLEY  
Special District

DAWN ROWE  
Board of Supervisors

**EXECUTIVE OFFICER**

SAMUEL MARTINEZ

**LEGAL COUNSEL**

PAULA DE SOUSA

April 17, 2024

Honorable Juan Carrillo, Chair  
Assembly Local Government Committee  
1020 N St.  
Rm. 157  
Sacramento, CA 95814

RE: **SUPPORT of AB 3277, Local agency formation commission:  
districts: property tax**

Dear Assemblymember Carrillo:

The Local Agency Formation Commission for San Bernardino County (LAFCO) is pleased to **support Assembly Bill 3277**, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO), which makes a clarifying change to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

Under existing statute, a commission must perform a financial analysis of ad valorem property taxes when a proposal is received that includes the incorporation of a city and the formation of a district. The only purpose of the analysis is to determine how best to apportion the property taxes between the agencies. However, occasionally, an application is received in which the district waives any portion of the ad valorem taxes. In those situations, no analysis is needed for the process, yet it remains required by statute.

This bill will add language that clarifies that the performance of the financial analysis in that situation only needs to be performed in those instances where a portion of the ad valorem property taxes is being sought.

By making this minor change, AB 3277 will apply this time-consuming process only to those applications that require it.

For the reasons noted above, we are pleased to support AB 3277.

Yours sincerely,

ACQUANETTA WARREN  
Chair

cc: Members, Assembly Local Government Committee  
William Weber, Consultant, Assembly Republican Caucus  
René LaRoche, Executive Director, CALAFCO  
San Bernardino County Legislative Delegation

**Introduced by Senator Cortese**

February 15, 2024

---

An act to add Section 56383.5 to the Government Code, relating to local government.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1209, as introduced, Cortese. Local agency formation commission: indemnification.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. The act continues in existence in each county a local agency formation commission (LAFCO) that consists of members appointed, as specified, and oversees those changes of organization and reorganization. The act authorizes a LAFCO to, among other things, review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, as specified.

This bill would authorize a LAFCO to require, as a condition for, among other things, processing a change of organization or reorganization, that the applicant agrees to defend, indemnify, and hold harmless the LAFCO, its agents, officers, and employees from and against any claim, action, or proceeding, as specified, arising from or relating to the action or determination by the LAFCO.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 56383.5 is added to the Government  
2     Code, to read:  
3     56383.5. The commission may require, as a condition for  
4     processing a change of organization or reorganization, a sphere  
5     amendment or a sphere update, or any other action or determination  
6     requested from the commission, that the applicant agrees to defend,  
7     indemnify, and hold harmless the commission, its agents, officers,  
8     and employees from any claim, action, or proceeding against the  
9     commission, its agents, officers, or employees arising from or  
10    relating to the action or determination by the commission.

O





# LAFCO

## 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

### COMMISSIONERS

JOE BACA, Jr.  
Board of Supervisors

JIM BAGLEY  
Public Member

DR. KIMBERLY COX  
Special District

PHILL DUPPER  
City Member

STEVEN FARRELL, Vice Chair  
Special District

CURT HAGMAN  
Board of Supervisors

ACQUANETTA WARREN, Chair  
City Member

### ALTERNATES

RICK DENISON  
City Member

JIM HARVEY  
Public Member

KEVIN KENLEY  
Special District

DAWN ROWE  
Board of Supervisors

### EXECUTIVE OFFICER

SAMUEL MARTINEZ

### LEGAL COUNSEL

PAULA DE SOUSA

April 17, 2024

Honorable David Cortese  
California State Senate  
1021 O Street, Suite 6630  
Sacramento, CA 95814

RE: **SUPPORT of SB 1209 (Cortese): Local agency formation  
commission: indemnification**

Dear Senator Cortese:

The Local Agency Formation Commission for San Bernardino County (LAFCO) is pleased to support Senate Bill 1209, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO). SB 1209 would add a new section into the Government Code authorizing LAFCOs to enter into an indemnification agreement with an applicant. Counties and cities are already empowered to require indemnification, and routinely do so with respect to discretionary land-use approvals. SB 1209 would merely provide LAFCOs with the same authority.

This bill addresses a 2022 decision of the Second District Court of Appeals, which found that existing State law does not provide explicit authority to require indemnification. Absent indemnification authority - and because LAFCO funding is statutorily required in a specified ratio from the county, cities, and special districts within a county - the costs to defend litigation must be absorbed by all of LAFCO's funding agencies.

Consequently, SB 1209 will:

- Provide LAFCOs with the ability to use a tool already in use by counties and cities;
- Prevent costs to defend litigation from being shifted to a county, its cities, and its special districts; and,
- Remove the possibility that an applicant threatens litigation to coerce a desirable LAFCO determination.

Thus, for the above reasons, we are in strong support of SB 1209.

Yours sincerely,

ACQUANETTA WARREN  
Chair

cc: The Honorable Maria Elena Durazo, Chair, and Members, Senate  
Local Government Committee (SLGC)  
Anton Favorini-Csorba, Chief Consultant, SLGC  
Ryan Eisberg, Consultant, Senate Republican Caucus  
René LaRoche, Executive Director, CALAFCO  
San Bernardino County Legislative Delegation