

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

**NORTON REGIONAL EVENT CENTER
1601 E. 3rd STREET, SAN BERNARDINO, CA**

REGULAR MEETING OF MAY 21, 2025

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

1. Swear in Regular (Supervisor Curt Hagman) and Alternate (Supervisor Jesse Armendarez) County Members and Presentation
2. [Selection of Chair & Vice Chair](#)

ANNOUNCEMENT:

The Political Reform Act requires the disclosure of campaign contributions made to any member of the Commission. Any applicant seeking a change of organization/reorganization or approval of a contract/agreement, any financially interested person who actively supports or opposes any such item, or any agent representing an applicant or interested party on any such item, who has made a contribution of more than \$500 in the past 12 months to any member of the Commission must state for the record the amount and the name of the Commissioner to whom the contribution was made and the item to which they are involved. If you are affected, please contact LAFCO staff prior to consideration of the item.

3. 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.

4. [Approval of Minutes for Regular Meeting of April 16, 2025](#)
5. [Approval of Executive Officer's Expense Report](#)
6. [Ratify Payments as Reconciled and Note Cash Receipts for the Month of March 2025](#)
7. [Review and Approve Amendment No. 2 to the Agreement for Services with Rebecca Lowery](#)
8. Consent Items Deferred for Discussion

PUBLIC HEARING ITEMS:

9. [Consideration of: \(1\) CEQA Exemption for LAFCO 3273; and \(2\) LAFCO 3273 – Annexation to the Twentynine Palms Water District \(APN 0634-121-15\)](#)

10. Review and Adoption of Amendments to LAFCO Policy and Procedure Manual Section III (Human Resources)
11. Consideration of: (1) CEQA Statutory Exemption for Schedule of Fees, Deposits, and Charges Revisions; and (2) Review and Adoption of Schedule of Fees, Deposits, and Charges Effective July 1, 2025
12. Review and Adoption of Final Budget for Fiscal Year 2025/26 including the Apportionment for Independent Special Districts, Cities and County

DISCUSSION ITEMS:

13. Legislative Update Report

INFORMATION ITEMS:

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

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 1601 E. 3rd Street, Suite 102, San Bernardino, during normal business hours, on the LAFCO website at www.sbclafco.org.

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

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

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

A person with a disability 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.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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www.sbclafco.org

DATE: MAY 14, 2025 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #2 – SELECTION OF CHAIR AND VICE-CHAIR

Pursuant to the Commission's Rule of Order #2, the Commission selects its Chair and Vice-Chair annually at its May meeting. The terms of office are for one year and the Chair and Vice-Chair may serve no more than two consecutive full terms in those offices.

Any regular voting member of the Commission may be appointed to these positions. It should be noted that Chair Warren and Vice-Chair Farrell are completing their second full term of office and are not eligible for reappointment to their current positions for at least two years per Commission policy.

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

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

REGULAR MEETING

9:00 A.M.

April 16, 2025

PRESENT:

COMMISSIONERS:

Regular Member

Joe Baca Jr.
Jim Bagley
Kimberly Cox
Steven Farrell, Vice Chair
Acquanetta Warren, Chair

Alternate Member

Jesse Armendarez
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
Gavin Centeno, Project Manager/Clerk to the Commission

ABSENT:

COMMISSIONERS:

Regular Member

Phill Dupper
Curt Hagman

Alternate Member

None

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

ANNOUNCEMENT OF CONTRIBUTIONS

Commissioners Cox and Kenley arrive at the dais at 9:03 a.m.

1. Comments from the Public

There are none.

CONSENT ITEMS:

2. Approval of Minutes for Regular Meeting of March 19, 2025

3. Approval of Executive Officer's Expense Report

Recommendation: Approve the Executive Officer's Expense for Procurement Card Purchases from February 24, 2025 to March 24, 2025.

4. Ratify Payments as Reconciled for the Month of February 2025 and Note Revenue Receipts

Recommendation: Ratify payments as reconciled for the month of February 2025 and note revenue receipts for the same period.

5. Consent Items Deferred for Discussion (None)

Commissioner Baca moves the approval of the Consent Items. Second by Commissioner Denison. The motion passes with the following roll call vote:

Ayes: Armendarez, Baca, Bagley, Cox, Denison, Farrell, and Warren.

Noes: None.

Abstain: None.

Absent: Dupper (Denison voting in his stead), and Hagman (Armendarez voting in his stead).

PUBLIC HEARING ITEMS:

6. LAFCO 3271 - Annexation to the Barstow Fire Protection District (Wastewater Treatment Facility Area)

Recommendation: Staff recommends that the Commission approve LAFCO 3271 by taking the following actions:

1. For environmental review, certify that LAFCO 3271 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 3271, with the standard LAFCO terms and conditions that include the "hold harmless" clause for potential litigation costs; and,
3. Adopt LAFCO Resolution No. 3415, setting forth the Commission's determinations and conditions of approval concerning this annexation proposal.

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

Ayes: Armendarez, Baca, Bagley, Cox, Denison, Farrell, and Warren.

Noes: None.

Abstain: None.

Absent: Dupper (Denison voting in his stead); and Hagman (Armendarez voting in his stead).

7. Third Quarter Financial Review for FY 2024/25

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 \$54,968 as a credit towards paying down LAFCO's share of the Unfunded Actuarial Liability.

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

Ayes: Armendarez, Baca, Bagley, Cox, Denison, Farrell, and Warren.

Noes: None.

Abstain: None.

Absent: Dupper (Denison voting in his stead), and Hagman (Armendarez voting in his stead).

8. Preliminary Budget Review for Fiscal Year 2025/26:

8a. Proposed Schedule of Fees, Deposits, and Charges for FY 2025/26

Recommendation: Staff recommends that the Commission take the following actions related to the Proposed Schedule of Fees, Deposits and Charges for Fiscal Year 2025/26:

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 2025/26 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 21, 2025, hearing.

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

Ayes: Armendarez, Baca, Bagley, Cox, Denison, Farrell, and Warren.

Noes: None.

Abstain: None.

Absent: Dupper (Denison voting in his stead), and Hagman (Armendarez voting in his stead).

8b. Proposed Budget and Work Plan for FY 2025/26

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

1. Adopt the Proposed Budget and Work Plan for FY 2025/26 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 21, 2025 for formal:
 - a. Approval of the amendments to the Policy and Procedure Manual for Salaries and Benefits;
 - b. Authorization for the Executive Officer to sign Amendment #2 to the contract with Rebecca Lowery for staff support; and,
 - c. Adoption of the Final Budget for FY 2025/26.

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

Ayes: Armendarez, Baca, Bagley, Cox, Denison, Farrell, and Warren.

Noes: None.

Abstain: None.

Absent: Dupper (Denison voting in his stead), and Hagman (Armendarez voting in his stead).

DISCUSSION ITEMS:

9. Review and Approve the Memorandum of Understanding by and between Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions

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

1. Approve the Memorandum of Understanding by and between Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions; and,
2. Authorize the Executive Officer to sign the Memorandum of Understanding.

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

Ayes: Armendarez, Baca, Bagley, Cox, Denison, Farrell, and Warren.

Noes: None.

Abstain: None.

Absent: Dupper (Denison voting in his stead), and Hagman (Armendarez voting in his stead).

INFORMATION ITEMS:

10. Legislative Update Report

Executive Officer Samuel Martinez provides an update to the previous month's Legislative Update staff report, including an update on the following proposed legislative bills: AB 259, SB 489, SB 598, SB 634, SB 707, SB 777, and SB 740.

Chair Warren states the item is to receive and file.

11. Executive Officer's Report

Executive Officer Samuel Martinez provides a summary of the staff report.

12. Commissioner Comments

There are none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE MEETING ADJOURNS AT 10:02 A.M.

ATTEST:

GAVIN CENTENO
Project Manager/Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

ACQUANETTA WARREN, Chair

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 14, 2025 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #5 – APPROVAL OF EXECUTIVE OFFICER'S
EXPENSE REPORT

RECOMMENDATION:

Approve the Executive Officer's Expense Report for Procurement Card Purchases from March 25, 2025, to April 22, 2025.

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:

- March 25, 2025 to April 22, 2025

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

SM/GC

Attachment



PROCUREMENT CARD PROGRAM


ATTACHMENT G

MONTHLY PROCUREMENT CARD PURCHASE REPORT

PAGE 1 OF 1

F		Cardholder Samuel Martinez						Travel	Billing Period 3/25/25 to 4/22/2025	
DATE	VENDOR NAME	#	DESCRIPTION	PURPOSE	COST CENTER	G/L ACCOUNT	\$ AMT	TRIP NUMBE	*R/D	SALES TAX INCL
03/26/25	CALAFCO	1	Staff Workshop Registration	CALAFCO Staff Workshop	8900005012	52942941	\$1,620.00			
03/27/25	BB&K Law	2	Staff Seminar Training	Public Records Act Training	8900005012	52002445	\$75.00			
03/29/25	Survey Monkey	3	Computer Software	Annual Subscription	8900005012	52002115	\$468.00			
04/02/25	Thomson West	4	Law Library Updates	Law Library Updates	8900005012	52002080	\$345.18			
04/12/25	Zoom	5	Video Conference	Communication	8900005012	52002305	\$17.23			
04/16/25	Frontier Comm.	6	Phone Service	Communication	8900005012	52002041	\$1,514.74			
04/17/25	Panera Bread	7	Office Supplies	Commission Meeting	8900005012	52002305	\$42.98			
04/22/25	Amazon	8	Office Supplies	Computer Monitors	8900005012	52002305	\$899.70			
04/21/25	Golden Star Technology	9	Computer Software	Enterprise for Adobe Acrobat	8900005012	52002115	\$585.36			

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 	05/12/25

Approving Official (Print & Sign)	Date
Acquanetta Warren	05/21/25

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DATE: MAY 14, 2025 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #6 - RATIFY PAYMENTS AS RECONCILED FOR
THE MONTH OF MARCH 2025 AND NOTE REVENUE RECEIPTS

RECOMMENDATION:

Ratify payments as reconciled for the month of March 2025 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:



- March 1 through March 31, 2025

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

SM/MT

Attachment

MARCH 2025 PAYMENTS PROCESSED							
Document Number	Account	Posting Date	Vendor	Invoice	Reference	Amount	
1901974566	5200	2090	03/03/25	Inland Valley Dev. Authority	INV1101	March Janitorial Service	\$ 90.00
1901974565	5200	2445	03/03/25	Rebecca Lowery	40	Staff Support	\$ 564.38
1901982864	5200	2445	03/17/25	Rebecca Lowery	41	Staff Support	\$ 1,430.63
1901985605	5200	2445	03/20/25	Baca	BACA3-20	Commission meeting stipend	\$ 200.00
1901985609	5200	2445	03/20/25	Bagley	BAGLEY3-20	Commission meeting stipend	\$ 200.00
1901985610	5200	2445	03/20/25	Cox	COX3-20	Commission meeting stipend	\$ 200.00
1901985613	5200	2445	03/20/25	Denison	DENISON3-20	Commission meeting stipend	\$ 200.00
1901985614	5200	2445	03/20/25	Harvey	HARVEY3-20	Commission meeting stipend	\$ 200.00
1901985615	5200	2445	03/20/25	Kenley	KENLEY3-20	Commission meeting stipend	\$ 200.00
1901985616	5200	2445	03/20/25	Warren	WARREN3-20	Commission meeting stipend	\$ 200.00
1901974566	5200	2905	03/03/25	Inland Valley Dev. Authority	INV1101	March Rent	\$ 2,509.00
1901974588	5200	2905	03/03/25	Inland Valley Dev. Authority	INV1182	March Auditorium use for Commission meeting	\$ 405.00
1901985609	5200	2940	03/20/25	Bagley	BAGLEY3-20	Commission meeting mileage	\$ 121.80
1901985610	5200	2940	03/20/25	Cox	COX3-20	Commission meeting mileage	\$ 82.60
1901985613	5200	2940	03/20/25	Denison	DENISON3-20	Commission meeting mileage	\$ 93.66
1901985614	5200	2940	03/20/25	Harvey	HARVEY3-20	Commission meeting mileage	\$ 117.60
1901985615	5200	2940	03/20/25	Kenley	KENLEY3-20	Commission meeting mileage	\$ 33.88
1901985616	5200	2940	03/20/25	Warren	WARREN3-20	Commission meeting mileage	\$ 27.44
1901974517	4080	9910	03/03/25	Cucamonga Valley WD	Refund	Partial refund of application deposits	\$ 2,305.52
							\$ 9,181.51
MARCH 2025 COUNTY TRANSFERS PROCESSED							
4103812437	5200	2031	3/1/2025	IT		FEB 2025 Payroll System Services (EMACS)	\$ 72.70
4103812438	5200	2032	3/1/2025	IT		FEB 2025 Virtual Private Network (VPN)	\$ 10.72
4103812440	5200	2037	3/1/2025	IT		FEB 2025 Dial Tone	\$ 246.24
4103794108	5200	2305	3/3/2025	Purchasing		Staples surcharge	\$ 1.75
4103817130	5200	2305	3/24/2025	Purchasing		Staples surcharge	\$ 11.58
4103835652	5200	2305	3/31/2025	Purchasing		Staples surcharge	\$ 3.97
4103812447	5200	2420	3/1/2025	IT		FEB 2025 Wireless Device (Exchange Active Sync)	\$ 15.75
4103812447	5200	2420	3/1/2025	IT		FEB 2025 File Sharing Storage	\$ 74.34
4103812447	5200	2420	3/1/2025	IT		FEB 2025 Enterprise Content Management	\$ 89.44
4103812447	5200	2420	3/1/2025	IT		FEB 2025 Data Storage and Backup	\$ 73.36
4103812448	5200	2421	3/1/2025	IT		FEB 2025 Desktop Support Services	\$ 727.84
4103812450	5200	2460	3/1/2025	IT		FEB 2025 Aerial Imagery	\$ 3,000.00
4103812444	5200	2410	3/1/2025	IT		IT Infrastructure - Period 9	\$ 751.00
4103794108	5200	5012	3/3/2025	Purchasing		Staples	\$ 14.62
4103817130	5200	5012	3/24/2025	Purchasing		Staples	\$ 96.48
4103835652	5200	5012	3/31/2025	Purchasing		Staples	\$ 33.09
4200149829	5200	2310	3/6/2025	Mail		Mail Services DEL	\$ 211.85
4200149830	5200	2310	3/6/2025	Mail		Mail Services FLAT	\$ 3.15
4200149831	5200	2310	3/6/2025	Mail		Mail Services HAN	\$ 67.12
TOTAL							\$ 5,505.00
MARCH 2025 CASH RECEIPTS							
4103811378	various		03/12/25	City of San Bernardino		LAFCO 3274	\$ 16,278.00
4103811378	various		03/12/25	City of San Bernardino		LAFCO 3275	\$ 13,783.00
4103804957	various		05/05/25	Hi-Desert Water District		LAFCO 3276/3277	\$ 10,114.00
TOTAL							\$ 40,175.00

MARCH 2025 COUNTY TRANSFERRED RECEIVED									
TOTAL				none				\$	-
COMPLETED BY:		MICHAEL TUERPE			APPROVED BY:		SAMUEL MARTINEZ		
		Assistant Executive Officer					Executive Officer		
Date:		5/12/2025			5/12/2025				

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DATE: MAY 14, 2025 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #7: Review and Approve Amendment No. 2 to the Agreement for Services with Rebecca Lowery

RECOMMENDATION:

Staff recommends that the Commission approve Amendment No. 2 to the Agreement for Services between LAFCO and Rebecca Lowery and authorize the Executive Officer to sign.

BACKGROUND:

In May 2023, the Commission approved the agreement with Rebecca Lowery for professional services for administrative and clerical projects. In May 2024, Amendment No. 1 increased her base compensation that also included an annual escalator based on CPI¹ not to exceed five percent.

Amendment No. 2 increases the base compensation to \$35.00 per hour commensurate with duties performed effective July 1, 2025.

CONCLUSION:

Staff is recommending that the Commission approve Amendment No. 2 to the agreement for services with Rebecca Lowery and authorize the Executive Officer to sign said Amendment No. 2. LAFCO staff will be happy to answer any questions on this item prior to or at the hearing.

Attachment: Amendment No. 2 to the Agreement for Services between LAFCO and Rebecca Lowery

¹ Annual (12-month percent change) CPI for All Urban Consumers for the Riverside-San Bernardino-Ontario area.

AMENDMENT # 2
AGREEMENT FOR SERVICES BETWEEN
LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY
AND
REBECCA LOWERY

This Amendment #2 is made and entered into this ____ day of May, 2025 by and between the LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY (hereinafter referred to as "LAFCO"), organized and operating pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code sections 56000, et seq. and REBECCA LOWERY (hereinafter referred to as "Consultant"). LAFCO and Consultant are sometimes referred to herein as "Party" or the "Parties."

- A. The Parties entered into that certain Agreement for Services dated as of May 18, 2023 ("Original Agreement") establishing the terms for the provision of administrative and clerical projects services by Consultant to LAFCO.
- B. Section 10 of the Original Agreement provides that it can be amended by a writing signed by both Parties.
- C. The Parties amended the Original Agreement on May 20, 2024 increasing the hourly base compensation and includes future cost-of-living adjustments.
- D. The Parties desire to amend the Original Agreement as set forth in this Amendment #2.

IN CONSIDERATION OF THE MUTUAL OBLIGATIONS OF THE PARTIES AS SET FORTH IN THIS AMENDMENT #2, THE PARTIES HEREBY AGREE TO AMEND THE ORIGINAL AGREEMENT AS FOLLOWS:

- 1. Section 2 (a) of the Original Agreement is hereby deleted in its entirety replaced with the following:
 - 2. Compensation.
 - a. The Consultant shall be paid at the rate of \$35.00 per hour effective July 1, 2025, billed in increments of one-half hour. LAFCO will provide written or oral requests for any services to be provided by Consultant. Consultant will respond to requests made by LAFCO within 72 hours. If the task cannot be accomplished within the specified time, Consultant will respond via email within 48 hours on a schedule as to when the task can be accomplished. Payments to Consultant for work performed will be made on a bi-weekly billing basis.

Hourly rate shall increase for the services provided by Consultant on and after July 1 of each calendar year (commencing July 1, 2026) in an amount equal to the increase in the Consumer Price Index (CPI) for the

previous calendar year for all Urban Consumers in the Riverside-San Bernardino-Ontario area; provided that the CPI adjustment shall be rounded to the nearest quarter (25 cents), and further provided that the CPI adjustment shall not exceed five percent (5%) for any year.

2. Except as amended herein, all other terms and conditions of the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment #2 as of the date first written above.

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

**REBECCA LOWERY
CONSULTANT**

BY: _____
SAMUEL MARTINEZ
Executive Officer

BY: _____
REBECCA LOWERY

Approved as to form:

PAULA DE SOUSA, Legal Counsel
Local Agency Formation Commission
for San Bernardino County

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 14, 2025 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Assistant Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9: LAFCO 3273 – Annexation to the Twentynine Palms Water District (APN 0634-121-15)

INITIATED BY:

Resolution of the Board of Directors of the Twentynine Palms Water District

RECOMMENDATION:

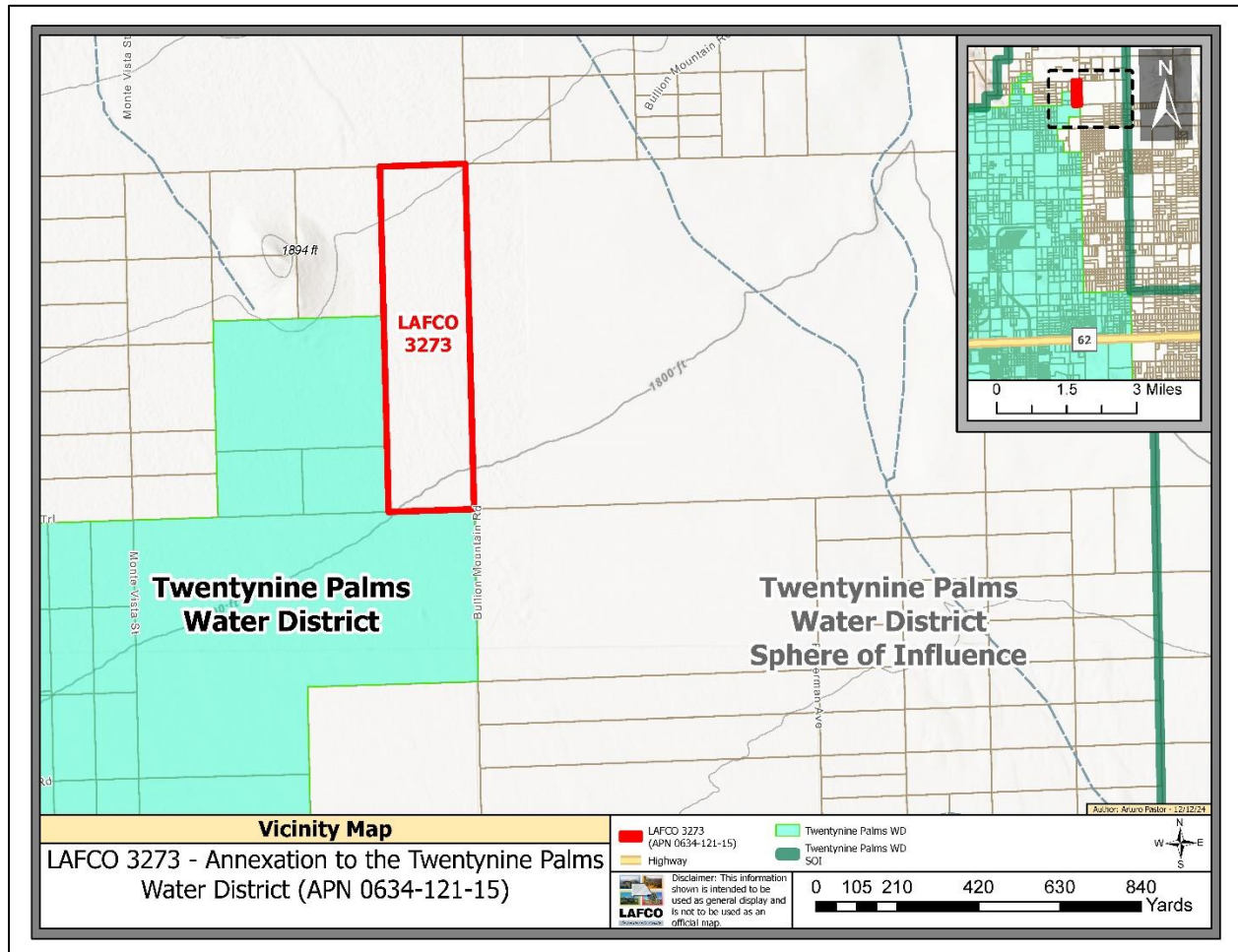
The staff recommends that the Commission approve LAFCO 3273 by taking the following actions:

1. For environmental review, certify that LAFCO 3273 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 3273, 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. 3418, setting forth the Commission’s determinations and conditions of approval concerning LAFCO 3273.

BACKGROUND:

In November 2024, the Twentynine Palms Water District (hereafter the “District”) initiated an annexation application—with 100% landowner consent—to annex approximately 40 acres into the District. The annexation area includes Assessor Parcel

Number (APN) 0634-121-15, which is adjacent to the District's boundary generally located at the northwest corner of Chisholm Trail and Bullion Mountain Road. The annexation area is within the District's northeastern sphere of influence. Location and vicinity maps are included as Attachment #1 to this report. The map below provides a general location of the proposed annexation area.



VICINITY MAP

The primary reason for the annexation request is to provide water service to a single-family residence proposed to be built on the parcel. The parcel is currently not within the District's boundary; therefore, annexation to the District is required in order to receive water service.

This report will provide the Commission with the information related to the four major areas of consideration required for a jurisdictional change – boundaries, land uses, service issues and the effects on other local governments, and environmental considerations.

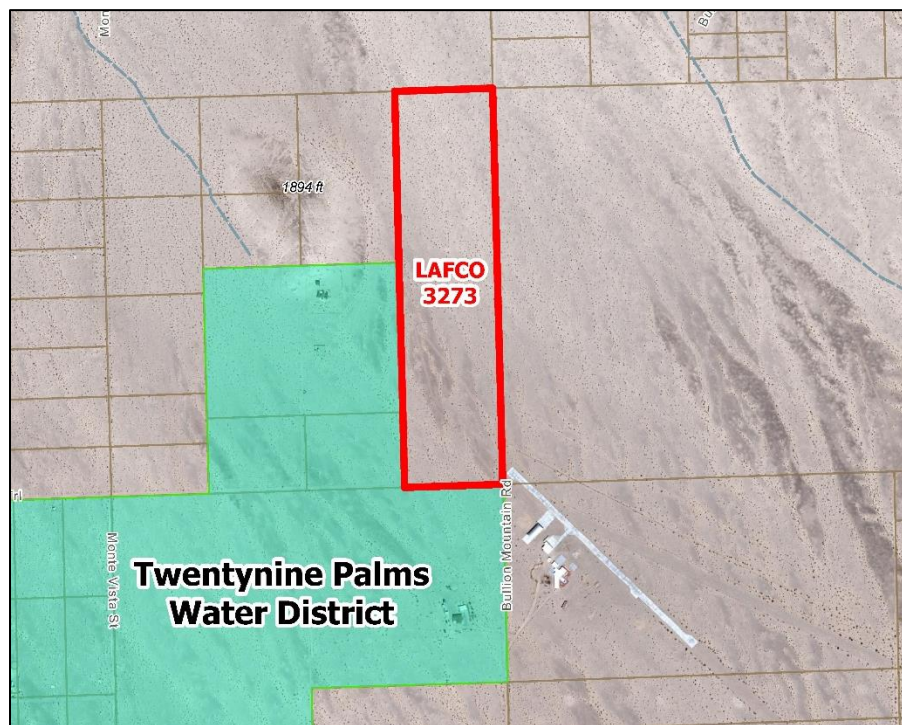
BOUNDARIES:

As outlined above, the annexation area includes a single parcel, APN 0634-121-15, comprising approximately 40 acres. The annexation area is bounded by parcel lines to the north, parcel lines and the natural extension of Bullion Mountain Road to the east, parcel lines and the natural extension of Chisholm Trail (existing District boundary) to the south, and parcel lines (portion of existing District boundary) to the west.

LAFCO 3273 has no boundary concern since annexation into the District is required in order for the receipt of water service. In addition, LAFCO 3273 is adjacent to the District's boundary to the west and south of the property.

LAND USE:

The parcel is currently vacant. The County's current General Plan land use designation for the parcel is RL-10 (Rural Living, one unit per 10 acres), which allows for rural residential development set in expansive open space areas. An aerial display of the general vicinity is shown below:



VICINITY MAP

No change in land use is anticipated as a result of the annexation. In addition, approval of this annexation proposal will have no direct impact on the current land use designation for the parcel. Therefore, there are no land use concerns for this proposal.

SERVICE ISSUES AND EFFECTS ON OTHER LOCAL GOVERNMENTS:

In every consideration for jurisdictional change, the Commission is required to look at the existing and proposed service providers within an area. The County service providers within the annexation area are County Service Area 70 Zone TV-4 (TV transmission), and County Service Area 70 (multi-function entity, unincorporated countywide). In addition, the following entities overlay the annexation area: Hi-Desert Memorial Healthcare District (dba Morongo Basin Healthcare District), Mojave Desert Resource Conservation District, San Bernardino County Fire Protection District and its South Desert Service Zone and its Zone FP-5.

The application includes a plan for the extension of water service to the parcel as required by law and Commission policy (included as part of Attachment #2 to this report). The Plan for Service indicates that the District will provide water service to the parcel using a 1-inch service line extension from the District's existing 6-inch water main in Chisholm Trail. The District has identified the estimated costs associated with the extension of water service to the parcel:

District Acre Fee (\$116.45/acre)	\$4,658
5/8" Meter and Capital Impact Fees	\$8,181
Total fees	\$12,839

In addition, the property owner will be responsible for construction of the necessary extension from the existing water main.

As required by Commission policy and State law, the Plan for Service shows that the extension of its services will maintain, and/or exceed, current service levels provided to the parcel.

ENVIRONMENTAL CONSIDERATIONS:

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Tom Dodson and Associates, has indicated that the review of LAFCO 3273 is exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the fact that the annexation will not result in any physical impacts on the environment. Therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). Staff recommends that the Commission adopt the Common Sense Exemption for this proposal. A copy of Mr. Dodson's analysis is included as Attachment #4 to this report.

WAIVER OF PROTEST PROCEEDINGS:

The annexation area is legally uninhabited and LAFCO staff verified that the study area possesses 100% landowner consent to the annexation (see Attachment #3). Therefore, if the Commission approves LAFCO 3273 and none of the affected agencies has

submitted written opposition to a waiver of protest proceedings, staff recommends pursuant to Government Code Section 56662(d) that the Commission waive the protest proceedings and direct the Executive Officer to complete the action following completion of the mandatory reconsideration period of 30-days.

CONCLUSION:

LAFCO 3273 was submitted to provide water service to APN 0634-121-15, which the property owner is proposing to build a single-family residence on. The parcel is currently not within the District's boundary; therefore, annexation to the District is required in order for the receipt of water service. For these reasons, and those outlined throughout the staff report, staff supports the approval of LAFCO 3273.

DETERMINTIONS:

The following determinations are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/annexation proposal:

1. The annexation area is legally uninhabited containing zero registered voters as certified by the County Registrar of Voters as of April 21, 2025.
2. The County Assessor has determined that the total assessed value of land within the annexation area is \$42,598.
3. The annexation area is within the sphere of influence assigned the Twentynine Palms Water District.
4. Legal notice of the Commission's consideration of the proposal has been provided through publication in the *Hi Desert Star*, a newspaper of general circulation within the area. As required by State law, individual notices were provided to all affected and interested agencies, County departments, and those individuals and agencies having requested such notice.
5. In compliance with the requirements of Government Code Section 56157 and Commission policies, LAFCO staff has provided individual notice to landowners and registered voters surrounding the annexation area (totaling 25 notices). Comments from landowners, registered voters, and other individuals and any affected local agency in support or opposition have been reviewed and considered by the Commission in making its determination.
6. The County's land use designation for the annexation area is RL-10 (Rural Living, 10 acres minimum). No change in land use is anticipated as a result of the annexation to the Twentynine Palms Water District.

7. The Southern California Associated Governments (SCAG) has adopted its 2024-2050 Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS), referred to as Connect SoCal 2024, pursuant to Government Code Section 65080. LAFCO 3273 has no direct impact on SCAG's Connect SoCal 2024.
8. The Local Agency Formation Commission has determined that this proposal is exempt from environmental review. The basis for this determination is that the Commission's approval of the annexation has no 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). The Commission adopted the Exemption and directed its Executive Officer to file a Notice of Exemption within five (5) days with the San Bernardino County Clerk of the Board of Supervisors.
9. The annexation area is served by the following local agencies: County of San Bernardino, Hi-Desert Memorial Healthcare District (dba Morongo Basin Healthcare District), Mojave Desert Resource Conservation District, San Bernardino County Fire Protection District and its South Desert Service Zone and its Zone FP-5, and County Service Area 70 (unincorporated County-wide multi-function agency) and its Zone TV-4.

None of these agencies are affected by this annexation proposal as they are either regional in nature or identified for other services for the annexation area.

10. A plan was prepared for the extension of water service to the annexation area, as required by law. The Plan for Service indicates that the Twentynine Palms Water District can provide water service to APN 0631-051-28 and can maintain and/or improve the level of service currently available. A copy of this plan is included as a part of Attachment #2 to this report.

The Plan for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that the Plan for Service conforms to those adopted standards and requirements.

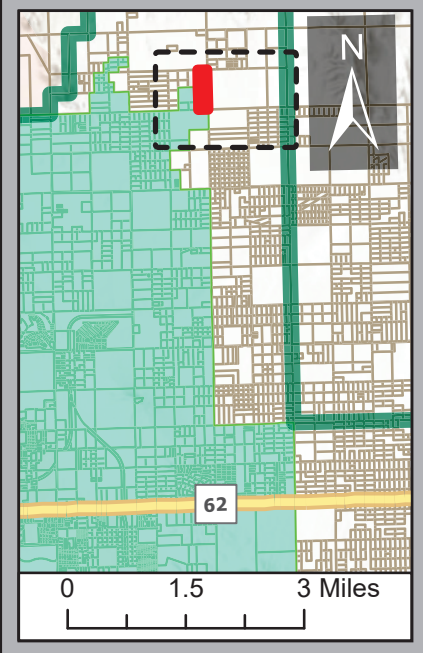
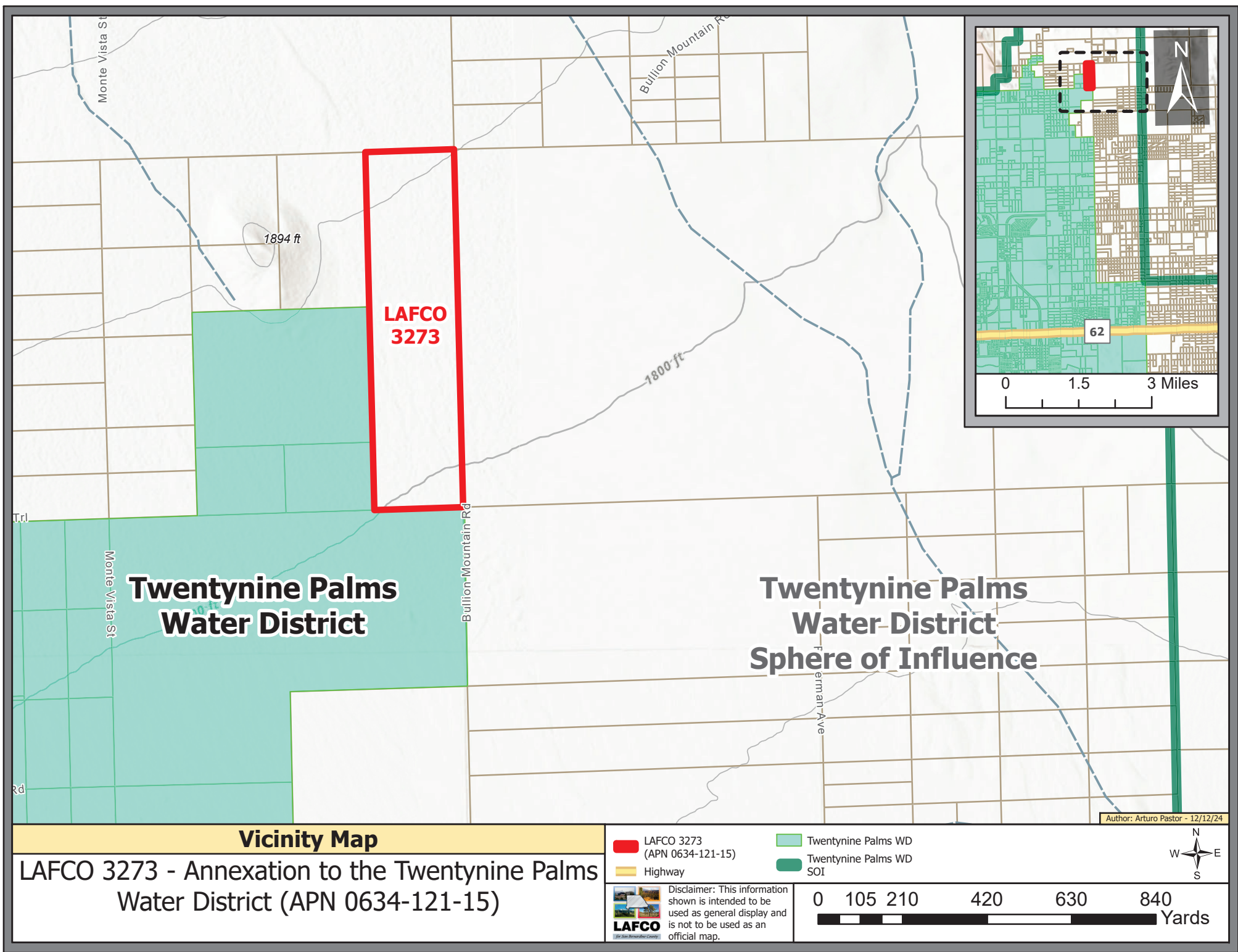
11. The annexation area can benefit from the availability and extension of water service from the Twentynine Palms Water District.
12. With respect to environmental justice, the annexation proposal—which is to provide water service to the parcel—will not result in unfair treatment of any person based on race, culture or income.
13. The County of San Bernardino, acting on behalf of the Twentynine Palms Water District, adopted a resolution indicating there will be no transfer of property tax

revenues as a result of the annexation. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.

14. The maps and legal descriptions are in substantial compliance with LAFCO and State standards.

Attachments:

1. [Vicinity Maps for the Annexation Proposal](#)
2. [Twentynine Palms Water District Application and Plan for Service](#)
3. [Landowner Consent Form](#)
4. [Tom Dodson's Environmental Response for LAFCO 3273](#)
5. [Draft Resolution No. 3418](#)



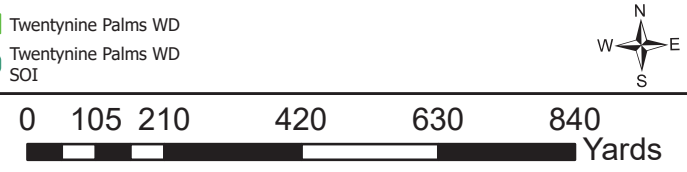
Vicinity Map

LAFCO 3273 - Annexation to the Twentynine Palms Water District (APN 0634-121-15)

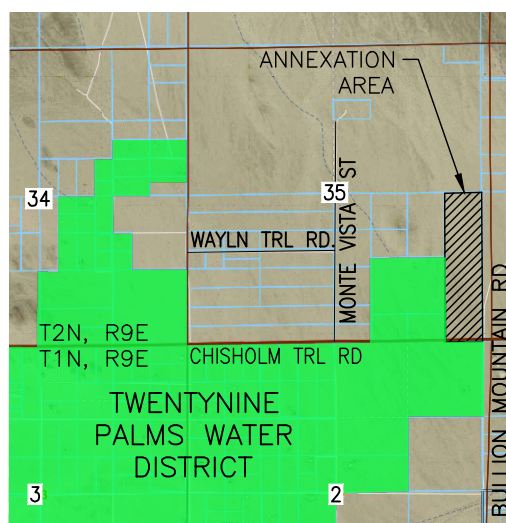
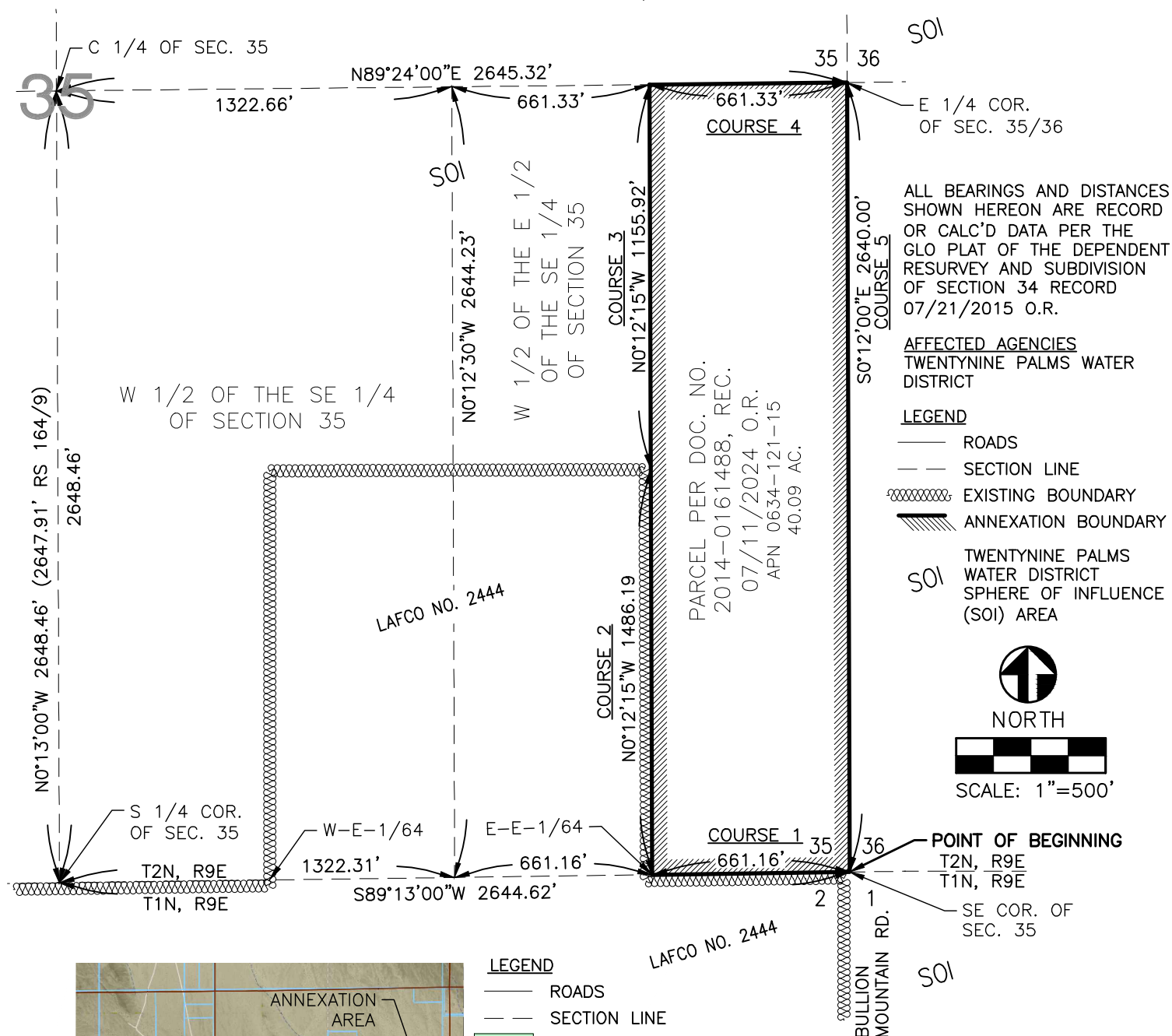
- LAFCO 3273 (APN 0634-121-15)
- Highway

- Twentynine Palms WD
- Twentynine Palms WD SOI

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

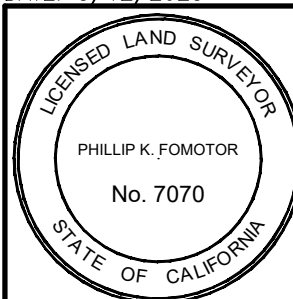


Author: Arturo Pastor - 12/12/24

LAFCO 3273**ANNEXATION TO TWENTYNINE PALMS WATER DISTRICT (APN 0634-121-15)**E 1/2 OF THE E 1/2 OF SE 1/4 OF SECTION 35
TOWNSHIP 2 NORTH, RANGE 9 EAST**LEGEND**

- ROADS
- SECTION LINE
- EXISTING BOUNDARY
- SOI AREA
- ANNEXATION BOUNDARY

DATE: 5/12/2025

**FOMOTOR ENGINEERING**225 S. CIVIC DRIVE, SUITE 1-5
PALM SPRINGS, CA. 92262
PH. (760) 323-1842THIS DOCUMENT WAS PREPARED
BY ME OR UNDER MY DIRECTION,
BASED ON RECORD INFORMATION.

PHILLIP K. FOMOTOR, P.L.S.

SAN BERNARDINO LAFCO APPLICATION AND PRELIMINARY ENVIRONMENTAL DESCRIPTION FORM

INTRODUCTION: The questions on this form and its supplements are designed to obtain enough data about the application to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

GENERAL INFORMATION

1. NAME OF PROPOSAL: **ANNEXATION APN #0634-121-15 (JOHN D. RUDOMETKIN-OWNER)**
2. NAME OF APPLICANT: **TWENTYNINE PALMS WATER DISTRICT**
APPLICANT TYPE: ☒ Landowner ☒ Local Agency
 ☐ Registered Voter ☐ Other _____
MAILING ADDRESS: **72401 HATCH RD. TWENTYNINE PALMS, CA 92277**
PHONE: **(760) 367-7546**
FAX: **(760) 367-6612**
E-MAIL ADDRESS: **mshragge@29palmswater.org**
3. GENERAL LOCATION OF PROPOSAL: **Mr. Rudometkin purchased a 40.09-acre lot on the north side of Old Chisholm Trail (Squaw Road) between Monte Vista Street and Bullion Mountain Road.**
4. Does the application possess 100% written consent of each landowner in the subject territory?
YES ☒ NO ☐ If YES, provide written authorization for change.
5. Indicate the reason(s) that the proposed action has been requested. **Mr. Rudometkin desires to annex this property into the District to obtain water service so that he can build a single family residence.**

LAND USE AND DEVELOPMENT POTENTIAL

1. Total land area of subject territory (defined in acres): **One 40.09-acre parcel.**
2. Current dwelling units within area classified by type (single-family residential, multi-family [duplex, four-plex, 10-unit], apartments): **This property is currently vacant land and has not undergone any development to date.**
3. Approximate current population within area: **Zero (0).**

4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s): **N/A- Not annexing into a city.**

San Bernardino County General Plan designation(s) and uses permitted by this designation(s):
RL-10

5. Describe any special land use concerns expressed in the above plans. In addition, for a City Annexation or Reorganization, provide a discussion of the land use plan's consistency with the regional transportation plan as adopted pursuant to Government Code Section 65080 for the subject territory: **None.**
6. Indicate the existing use of the subject territory. **Vacant Land.**

What is the proposed land use? **Owner desires to build a single family residence.**

7. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES ☐ NO ☒ If YES, please explain. **The District is not operating at or near capacity. Therefore, this project would not have an impact on the District's ability to supply water to a single family residence on this property.**
8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:
- | | |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| <input type="checkbox"/> Agricultural Land Uses | <input type="checkbox"/> Agricultural Preserve Designation |
| <input type="checkbox"/> Williamson Act Contract | <input type="checkbox"/> Area where Special Permits are Required |
| <input type="checkbox"/> Any other unusual features of the area or permits required: _____ | |

9. Provide a narrative response to the following factor of consideration as identified in §56668(p):
The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services:

Parcel #0634-121-15, is located within the Sphere of Influence of the Twentynine Palms Water District as determined by San Bernardino Local Agency Formation Commission. Given that this parcel is in the sphere of influence, the owner of the parcel desires to annex in order to get access to water service, the annexation process positively promotes environmental justice by providing a pathway to water service while meeting the goals and objectives of San Bernardino LAFCO.

There is another option for the property owner to drill a water well. However local geologic data and institutional knowledge tends to support a lack of groundwater, sustainable or suitable for the development of the property. This is the primary reason for the request to annex the parcel into the boundaries of the Twentynine Palms Water District.

ENVIRONMENTAL INFORMATION

1. Provide general description of topography. **Generally Flat Alluvial Plain with Light Rock Formation. No Blue Line Streams Noted.**
2. Describe any existing improvements on the subject territory as % of total area.

Residential	0%	Agricultural	0%
Commercial	0%	Vacant	0%
Industrial	0%	Other	0%
3. Describe the surrounding land uses:

NORTH	Residential and vacant desert land - private or BLM/Federal ownership
EAST	Residential land – private or BLM/Federal ownership
SOUTH	Residential and vacant desert land - private or BLM/Federal ownership
WEST	Residential and vacant desert land - private or BLM/Federal ownership
4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).

The water meter will be installed on the mainline running east to west on Old Chisholm Trail (Squaw Road) immediately adjacent to the south property boundary. The meter will be placed on either the southwest (SW) or southeast (SE) corner of the parcel.
5. Will service extensions accomplished by this proposal induce growth on this site? YES
NO ☒ Adjacent sites? YES ☐ NO ☐ Unincorporated ☐ Incorporated ☐
6. Are there any existing out-of-agency service contracts/agreements within the area? YES ☐
NO ☒ If YES, please identify.
7. Is this proposal a part of a larger project or series of projects? YES ☐ NO ☒ If YES, please explain.

NOTICES

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME: **TWENTYNINE PALMS WATER DISTRICT** TELEPHONE NO.: **760-367-7546**

ADDRESS: **72401 HATCH ROAD TWENTYNINE PALMS, CA 92277**

NAME: **MR. MATTHEW SHRAGGE** TELEPHONE NO.: **760-367-7546**

ADDRESS: **72401 HATCH RD. TWENTYNINE PALMS, CA 92277**

CERTIFICATION

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

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

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

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

DATE 12-16-24


SIGNATURE

MATTHEW SHRAGGE

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

GENERAL MANAGER/TWENTYNINE PALMS WATER DISTRICT

Title and Affiliation (if applicable)

NAME: **TWENTYNINE PALMS WATER DISTRICT** TELEPHONE NO.: **760-367-7546**

ADDRESS: **72401 HATCH ROAD TWENTYNINE PALMS, CA 92277**

NAME: **MR. JOHN D. RUDOMETKIN** TELEPHONE NO.: **310-409-8130**

ADDRESS: **55068 BAKER TRAIL YUCCA VALLEY, CA 92284**

CERTIFICATION

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


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

DATE

11/25/24



SIGNATURE

John D. Rudometkin

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

Land Owner/Applicant

Title and Affiliation (if applicable)

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- ☒ ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- ☐ SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- ☐ CITY INCORPORATION SUPPLEMENT
- ☐ FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- ☐ ACTIVATION OR DIVESTITURE OF FUNCTIONS AND/OR SERVICES FOR SPECIAL DISTRICTS SUPPLEMENT

KRM-Rev. 8/19/2015

SUPPLEMENT

ANNEXATION, DETACHMENT, REORGANIZATION PROPOSALS

INTRODUCTION: The questions on this form are designed to obtain data about the specific annexation, detachment and/or reorganization proposal to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please identify the agencies involved in the proposal by proposed action:

ANNEXED TO
Twentynine Palms Water District

DETACHED FROM

2. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following: **N/A**

a. Has pre-zoning been completed? YES ☐ NO ☐

b. If the response to "a" is NO, is the area in the process of pre-zoning? YES ☐ NO ☐

Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.

N/A

3. For a city annexation, would the proposal create a totally or substantially surrounded island of unincorporated territory?

YES ☐ NO ☐ If YES, please provide a written justification for the proposed boundary configuration.

N/A

4. Will the territory proposed for change be subject to any new or additional special taxes, any new assessment districts, or fees?

Not to the District's knowledge.

5. Will the territory be relieved of any existing special taxes, assessments, district charges or fees required by the agencies to be detached?

Not to the District's knowledge.

6. If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of non-renewal (if appropriate) and any protest to the contract filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract.

N/A

7. Provide a description of how the proposed change will assist the annexing agency in achieving its fair share of regional housing needs as determined by SCAG.

N/A

8. **PLAN FOR SERVICES:**

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) must be submitted. This plan shall, at a minimum, respond to each of the following questions and be signed and certified by an official of the annexing agency or agencies.

- A. A description of the level and range of each service to be provided to the affected territory.
- B. An indication of when the service can be feasibly extended to the affected territory.
- C. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.
- D. The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.
- E. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.
- F. If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)).

CERTIFICATION

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

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

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

As the proponent, I acknowledge that annexation to the **Twentynine Palms Water District** may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIIC and XIID of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

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

DATE 12-16-24

Matthew Shragge
SIGNATURE

Matthew Shragge

Property)

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

General Manager/Twentynine Palms Water District

Title and Affiliation (if applicable)

CERTIFICATION

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

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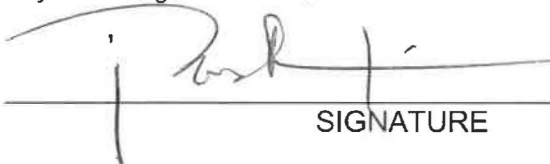
As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party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

As the proponent, I acknowledge that annexation to the **Twentynine Palms Water District** may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIII C and XIII D of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

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

DATE

11/25/24



SIGNATURE

John D. Rudmoetkin

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

Land Owner/Applicant

Title and Affiliation (if applicable)



TWENTYNINE PALMS WATER DISTRICT

INDEMNIFICATION AGREEMENT BY PROPERTY OWNER IN FAVOR OF TWENTYNINE PALMS WATER DISTRICT (DISTRICT) IN CONNECTION WITH THE DISTRICT'S SAN BERNARDINO LAFCO APPLICATION FOR ANNEXATION OF THE PROPERTY OWNER'S PROPERTY TO THE DISTRICT'S SERVICE TERRITORY FOR WATER SERVICE

In consideration for the LAFCO application filed by Twentynine Palms Water District (District) for the benefit of the undersigned Property Owner in order for the Property Owner to connect to the District's water system for water service to the Property Owner's property located at:

APN: 0634-121-15

A 40 Acre Vacant Lot on Old Chisholm Trail (Squaw Road) at Bullion Mountain (Northwest Corner)

The Property Owner agrees as follows:

The Property Owner shall be responsible for all fees, costs and expenses (LAFCO Costs) incurred by the District in connection with the District's LAFCO application mentioned above which, if successful, should enable the Property Owner to apply for a water connection to and water service from the District. Such LAFCO Costs include any fees, costs, and expenses charged by LAFCO and any attorneys' fees charged by LAFCO or incurred by the District in connection with the District's LAFCO application. Such costs and expenses are in addition to the regular payment by the Property Owner of the District's water rates, fees, and charges for such water connection and water service.

In addition, the Property Owner and the District agree that the District shall, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs, or any other costs arising out of or in any way related to the District's LAFCO application or any third party legal challenge to the Agency's LAFCO application. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible to the District.

Therefore, the Property Owner shall defend, indemnify, and hold harmless the District (with legal counsel chosen by the District), its employees, agents, and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, or costs of any kind, whether actual, alleged or threatened, including actual attorney's fees incurred by the District, courts costs, interest, defense costs including expert witness fees, and any other costs or expenses of any kind whatsoever, without restriction or limitation, incurred in relation to, as a consequence of or arising out of, or in any

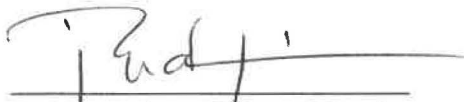
LAFCO Application – Annexation Indemnification Agreement APN 0634-121-15

way attributable actually, allegedly or impliedly, in whole or in part, in connection with the District's LAFCO application. All obligations under this provision are to be paid by Property Owner as they are incurred by the District.

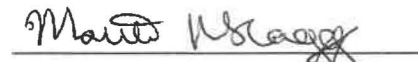
Each of the persons signing below represent that they have the authority to act on behalf of the respective parties to this indemnification agreement and to bind those parties to the obligations of this agreement.

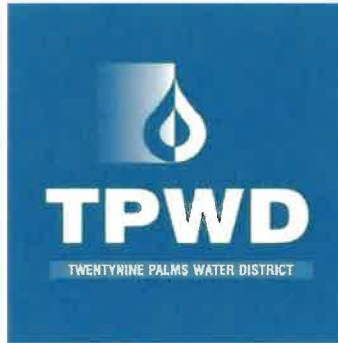
Executed in Twentynine Palms, California on the date indicated by each signature below.

Property Owner


By: John D. Rudometkin
Date: 11/25/24

Twentynine Palms Water District


By: Matthew Shrage
Date: 11-25-24



San Bernardino Local Agency Formation Commission

PLAN OF SERVICE REPORT- ANNEXATION OF PARCEL #0634-121-15

October 2024

Prepared on Behalf of Applicant/Property Owner: John D. Rudometkin

By

Twentynine Palms Water District

Matthew Shragge

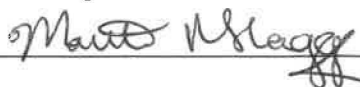
Twentynine Palms Water District

72401 Hatch Rd.

Twentynine Palms, CA

92277

I certify the information
contained in this Plan of Service
Report is accurate to the best of my
knowledge.



SUMMARY:

This Plan for Service was prepared in accordance with Government Code Section 56653 and is included as an attachment to the application for annexation of Assessor Parcel No. 0634-121-15 (40.09- acres located north of Old Chisholm Trail between Monte Vista street and Bullion Mountain Road, Twentynine Palms, CA).

The annexation was requested by the property owner, John D. Rudometkin. Twentynine Palms Water District will serve as the applicant on behalf of the landowner.

Mr. Rudometkin recently purchased this vacant 40-acre parcel with the understanding that the parcel would require annexation from the District's Sphere of Influence into its service territory in order to access water service from the Twentynine Palms Water District.

The annexation is for one single parcel and one water meter which is the basis for this Plan of Service in meeting the minimum requirements for such under the LAFCO guidelines.

- A. Level and Range of Service to be Provided:** The property owner is seeking access to water service from the Twentynine Palms Water District. To the District's knowledge, there would be no other entity that would be providing a "service" for which LAFCO would be required to approve (ie. sewer service).

The level of service would be provided through a 1-inch water service and a 5/8-inch water meter installed at the southern edge of the property connected to an existing 6-inch water main.

- B. Discuss When Service can be Feasibly Extended to the Parcel:** The parcel in question lies adjacent to an existing 6-inch water mainline. The only additional work needed is to install the 1-inch service line and 5/8-inch meter. Once the annexation proceeding are completed to bring the parcel into the District's service territory, the water meter and service line can be installed within three weeks of that request.

- C. Identify and Improvements or Upgrades the District would Impose on the Territory:** There would be no additional infrastructure needed to serve this parcel.

- D. Fiscal Impact Analysis:** The District has the capacity to serve this parcel. The fiscal impact of adding one additional service connection would not be significant and is within the projected annual growth for the District. The District's 2020 Rate Study and 2021 Water Capital Facility Study were designed to adequately fund the District's future operations moving forward. The District's Rate Study includes a 20 year financial plan that forecasts the District's water utility revenues and expenditures, including reserves.

The District's 2020 Rate Study was received and approved October 28, 2020 and the 2021 Water Capital Facility Study was received and approved February 24, 2021. Both studies are submitted as Appendix to this report.

- E. **Annexing Parcel to Existing Improvement District:** This parcel would be part of the Cooper Area pressure zone 2080. The Cooper Area was known as Assessment District 4 and was annexed into the District in 1987. (LAFCO Resolution No. 2105)

- F. **Water Availability to Parcel:** Upon finalization of approvals by San Bernardino LAFCO to annex the territory (a single 40.09-acre parcel) and payment of fees applicable to initiating water service, the District can install the needed improvements within approximately three weeks.

APPENDICES

1. Water Rate Study Finding - Financial Plan and Resulting Rate Study, NBS Government, October 2020 - Received and filed by the Board of Directors on October 28, 2020.
2. Water Capital Facility Fee Study Findings, NBS Government, February 2021, Received and filed by the Board of Directors on February 24, 2021.
3. Ordinance No. 99 Adoption of New or Increased Fees, adopted December 16, 2020.



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Temecula, CA 92592

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nbsgov.com

DRAFT TECHNICAL MEMORANDUM

TO: RAY KOLISZ, GENERAL MANAGER, TWENTYNINE PALMS WATER DISTRICT
CINDY BYERRUM, MPA, CPA, EIDE BAILLY CONSULTING GROUP

FROM: KIM BOEHLER, NBS DIRECTOR
JORDAN TAYLOR, NBS CONSULTANT

SUBJECT: WATER RATE STUDY FINDINGS

DATE: OCTOBER 2, 2020

SECTION 1. PURPOSE

Twentynine Palms Water District (District, Utility) retained NBS to update the 2015 Water Rate Study that we completed for the District. This memo summarizes the updated rate analyses, including projected revenues and expenditures, net revenue requirements, cost-of-service analyses, and the new water rate alternatives. Findings documented in this memo focus on strategies for meeting the District's revenue requirements in order to fully fund the forecasted operations and planned capital improvement expenditures in a manner that is fiscally sustainable, complies with industry standard cost-of-service principles, and minimizes projected rate increases.

Tables and descriptions of the financial plan, along with the resulting rates, are presented in this technical memo. More detailed results of this rate study are provided in the appendix.

SECTION 2. OVERVIEW OF THE RATE STUDY

Comprehensive rate studies such as this one typically include three components: (1) preparation of a financial plan which identifies the net revenue requirements for the utility; (2) analysis of the cost to serve each customer class, and; (3) the rate structure design. These steps are shown in **Figure 1** and are intended to follow industry standards and reflect the fundamental principles of cost-of-service rate making embodied in the American Water Works Association (AWWA) Principles of Water Rates, Fees,

and Charges¹, also referred to as the Manual M1. They also address requirements under California Constitution article XIII D, section 6 (commonly referred to as Proposition 218) that rates not exceed the cost of providing the service and be proportionate to the cost of service for all customers.

FIGURE 1. PRIMARY COMPONENTS OF A RATE STUDY



In terms of the chronology of the rate study, these three steps represent the order in which they are generally performed. Tables for each of the water rate study components are provided in the Appendix included at the end of this technical memorandum.

SECTION 3. KEY RATE STUDY FINDINGS

3.1 FINANCIAL PLAN

It is important for municipal utilities to follow sound financial management practices. This includes developing and adopting water rates that are fair and equitable, meet annual revenue requirements, maintain reasonable reserves, adequately fund working capital, promote good credit ratings, and comply with industry standards.

The following is a summary of the current financial state of the water utility:

- **Meeting Revenue Requirements:** The Water Utility is in a financial position where there is currently enough revenue to cover operating expenses; however, the District is not able to pay for necessary capital improvement projects over the long-term and maintain reserves at sufficient levels. Under its adopted budget and implicit levels of service, operating expenses are projected to be approximately \$4.6 million and planned capital expenditures are \$3.3 million for Fiscal Year 2020/21. Annual revenues that may be applied toward these expenditures are projected to total just over \$5 million, which is primarily from water rates and the water

¹ *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017.*

availability assessment. Without changes to current water rates, the District is faced with a deficit of nearly \$2.9 million in the current fiscal year, because current rates will not be able to fully fund the District's capital improvement program and the annual deficit is projected to continue in future years. It is important for the District to ensure rates will be sufficient to fund capital improvements and investments in the long run. Without an increase to existing rates, this will not be possible. This is not a sustainable position and it should be remedied.

- **Maintaining Reserve Funds:** The District should maintain sufficient operating and capital reserves. Currently, reserves are not adequate to meet the adopted reserve targets. The District should adopt a plan that will provide the revenue necessary to build reserves up to the appropriate levels over time. NBS recommends the following reserve targets:
 - **Operating Reserve** – An Operating Reserve is intended to maintain financial viability by providing a “cash cushion” for normal operations in the event of any short-term or unanticipated fluctuation in revenues and/or expenditures. The District should maintain an Operating Reserve equal to six-months (or 50%) of the annual operating expenses for the utility, or \$2.17 million (in 2020 dollars).
 - **Capital Rehabilitation and Replacement Reserve** – It is a best management practice to annually set aside funds in a Capital Replacement Reserve for ongoing and future system repair, rehabilitation, and replacement. The District should maintain a minimum of six percent of the Utility's net assets plus the annual capital improvement budget in this reserve. If ratepayers can generate revenues to maintain the reserve balance at this level, they will have reserved a cash resource that can be applied toward future replacement and rehabilitation needs. This six percent of net assets plus the annual capital improvement budget equates to approximately \$3.36 million (in 2020 dollars).
- **Capital Improvement Program:** The District must also be able to fund necessary capital improvements for the District to maintain current service levels. District staff has identified roughly \$7 million (current year value) in planned capital improvements for the District's water system for FY 2020/21 through 2024/25. Without the rate adjustments recommended in this study, the District will not be able to sufficiently fund planned capital improvements.

3.2 WATER UTILITY REVENUE REQUIREMENTS

To identify the District's long-term financial needs, NBS developed a 20-year financial plan that forecasts water utility revenues and expenditures, including reserves. The financial plans are based on the District's Fiscal Year 2020/21 operating budget for the Utility, discussions with District staff, and related information such as financial statements and capital improvement plans. The rate alternatives proposed in this study are inclusive of the projected costs of inflation. The cost inflation factors used in this study were developed in conjunction with District Staff and are shown in **Figure 2**.

Figure 2. Cost Inflation Assumptions

Cost Inflation Factors ¹	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Customer Growth ²	0.00%	0.00%	0.00%	0.00%	0.00%
General Cost Inflation	2.00%	2.00%	2.00%	2.00%	2.00%
Salary Cost Inflation	0.00%	5.00%	5.00%	5.00%	5.00%
Benefit Cost Inflation	5.00%	5.00%	5.00%	5.00%	5.00%
OPEB Liability Cost Inflation	6.00%	6.00%	6.00%	6.00%	6.00%
Past Unfunded OPEB Liability Cost Inflation	6.00%	6.00%	6.00%	6.00%	6.00%
Electricity Cost Inflation - Source of Supply	3.00%	3.00%	3.00%	3.00%	3.00%
Electricity Cost Inflation - Pumping	3.00%	3.00%	3.00%	3.00%	3.00%
Electricity Cost Inflation - Other	3.00%	3.00%	3.00%	3.00%	3.00%
Chemical Cost Inflation - Treatment Wells	3.00%	3.00%	3.00%	3.00%	3.00%
Chemical Cost Inflation - Treatment Facility	3.00%	3.00%	3.00%	3.00%	3.00%
Conservation (Water sales decline)	0.00%	0.00%	0.00%	0.00%	0.00%

1. Inflation factors are per District 2020/21 Adopted Budget (source file: 29 Palms Adopted Budget FY 2020-21.xlsm, Assumptions tab).

2. Customer growth is preliminarily estimated at 0%.

Figure 3 summarizes the five-year financial plan, showing a more traditional “sources and uses” of funds, along with the estimated annual surplus or deficit; **Figure 4** summarizes water revenues for the next seven years under current rates and proposed rate increase alternatives compared to the District’s expenses. There are two Financial Plan alternatives for the District’s consideration that are structured to collect additional revenue as follows:

- Alternative 1 – the goal is to collect 8% more revenue from rates overall each year through FY 2024/25.
- Alternative 2 – the goal is to collect 10% more revenue from rates overall each year through FY 2024/25.

Figure 5 summarizes seven years of projected ending cash balances compared to recommended reserve targets for the two proposed rate increase alternatives. The additional two years past the Prop 218 rate period are shown to demonstrate that cash reserves are projected to meet target levels in FY 2026/27 under the 8% rate increase alternative. Under the 10% rate increase alternative, cash reserves are projected to meet target levels in FY 2025/26.

Figure 3. Summary of Five-Year Financial Plan

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget	Projected			
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Sources of Water Funds					
Rate Revenue Under Prevailing Rates ¹	\$ 4,640,400	\$ 4,640,400	\$4,640,400	\$4,640,400	\$ 4,640,400
Water Availability Assessment	578,900	578,900	578,900	578,900	578,900
Miscellaneous Fees	124,100	158,900	177,300	191,800	201,600
Interest Earnings	110,000	110,600	111,200	111,800	112,400
Total Sources of Funds	\$ 5,453,400	\$ 5,488,800	\$5,507,800	\$5,522,900	\$ 5,533,300
Uses of Water Funds					
Operating Expenses	\$ 4,669,100	\$ 4,956,100	\$5,034,200	\$5,378,700	\$ 5,423,600
Debt Service	243,732	243,732	243,733	243,734	243,735
Rate-Funded Capital Expenses	2,995,000	1,400,800	965,419	704,809	979,193
Total Use of Funds	\$ 7,907,832	\$ 6,600,632	\$6,243,352	\$6,327,243	\$ 6,646,527
Surplus (Deficiency) before Rate Increase	\$(2,454,432)	\$(1,111,832)	\$ (735,552)	\$ (804,343)	\$(1,113,227)
Net Revenue Requirement²	\$ 7,526,132	\$ 5,782,832	\$5,408,952	\$5,480,443	\$ 5,792,127

1. Includes projected reductions in water sales due to conservation.

2. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from water rates.

Figure 4. Summary of Revenue Requirements and Existing vs. Increased Rates

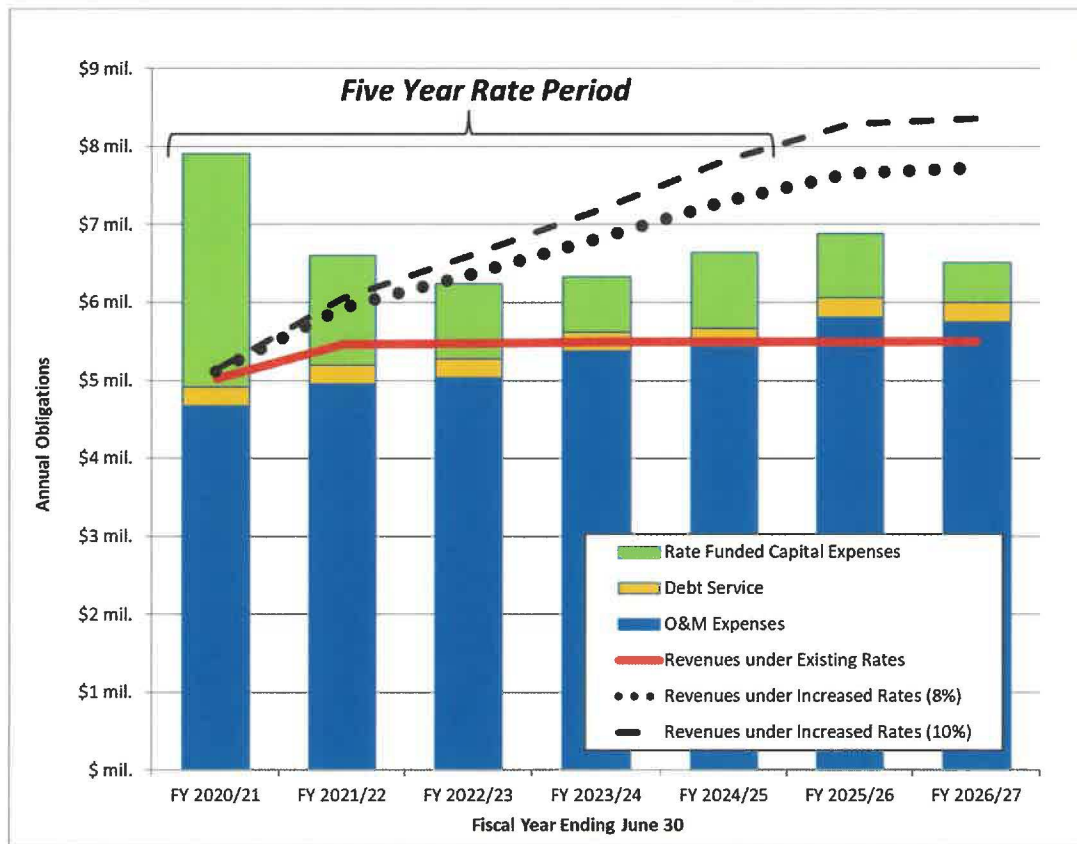
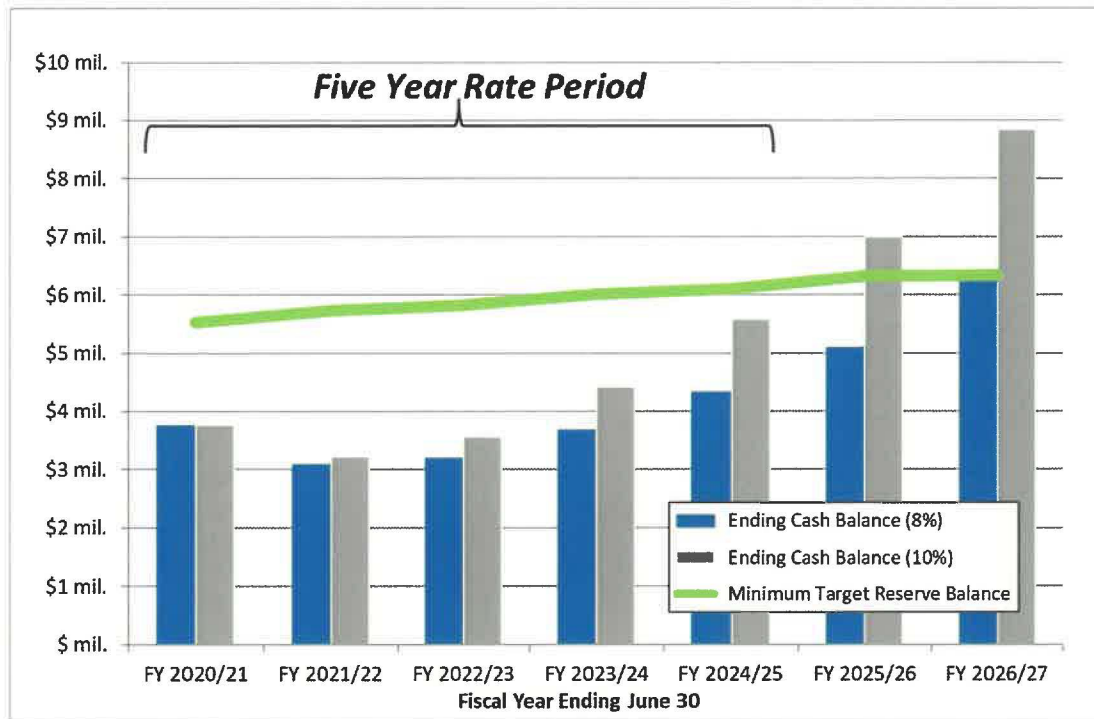


Figure 5. Summary of Ending Cash Balances vs. Recommended Reserve Targets



3.3 CAPITAL IMPROVEMENT PROGRAM

The District has a five-year Capital Improvement Program with approximately \$7 million (current value) in planned capital projects for the District's water system. **Figure 6** shows the list of capital projects that were factored into the financial plans and the amount planned for Fiscal Year 2020/21 through 2024/25. Project costs are listed in current and future values; future values reflect the estimated cost of each project in the year the project is planned, including projected cost inflation of 3% per year, per the Engineering News Record Construction Cost Inflation Index².

² See Appendix Tables 13 for the detailed capital project costs that include projected cost inflation and Table 14 for the cost inflation factors applied to project costs.

Figure 6. Five-Year Capital Improvement Program

Project Description	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
District Projects					
GW Mgmt. Plan & Urban Water Mgmt. Plan	\$ 100,000	\$ -	\$ 47,741	\$ -	\$ -
Treatment Feasibility & Exploration Costs	35,000	-	-	-	168,826
Vulnerability Assessment AWIA	45,000	-	-	-	-
Standard Drawings Update	25,000	-	-	-	-
Salt Nutrient Monitoring Wells\Sampling	50,000	-	106,090	-	112,551
Asset Management Plan	50,000	-	-	-	-
USGS Study\Feasibility Study	25,000	-	-	-	-
Centralized Sewer Planning\Groundwater Analysis	-	-	106,090	-	-
Master Plan Updates	85,000	-	-	-	-
Subtotal : District Projects	\$ 415,000	\$ -	\$ 259,921	\$ -	\$ 281,377
Capital Improvement Plan					
Chromium VI and Fluoride for Well 11B	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Fluoride Variance (Expiring) - TP-2, W12, W16	1,000,000	-	-	-	-
AMI/AMR* (see footnote)	300,000	-	-	-	-
Emergency Intertie Connection	-	257,500	-	-	-
Pay Meter Station Upgrade	-	-	132,613	-	-
Subtotal : Capital Improvement Plan	\$ 2,300,000	\$ 257,500	\$ 132,613	\$ -	\$ -
Repairs, Rehabilitation, & Maintenance					
Plant 6 Electrical and Well Upgrade	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Emergency Repairs, Unspecified	75,000	61,800	79,568	81,955	90,041
Repiping/Distribution System Upgrades	75,000	77,250	79,568	87,418	90,041
Reservoir Recoating / Cathodic Protection	20,000	-	-	-	196,964
Large Meter Replacement Program	30,000	-	-	-	-
Well Rehabilitation	-	92,700	-	98,345	-
Fluoride Plant Instrumentation\Coating\ SCADA Upgrades	10,000	25,750	106,090	27,318	28,138
Distribution SCADA System	-	-	-	163,909	-
Treated Water Reservoir Coating	50,000	618,000	-	-	-
Campbell Reservoir Road Paving\Seal Coating	100,000	-	-	21,855	-
Hansen Booster Station	-	-	159,135	-	-
Stock well Booster Station	-	36,050	-	-	-
Cactus Booster Station	-	-	42,436	-	-
Lupine Booster Station	-	-	-	43,709	-
2400 Booster Station	-	128,750	-	-	45,020
Subtotal : Total Repairs & Maintenance	\$ 385,000	\$ 1,040,300	\$ 466,796	\$ 524,509	\$ 450,204
Capital Outlay					
Vehicle/Equipment Replacements	\$ 40,000	\$ 46,350	\$ 63,654	\$ 65,564	\$ 45,020
Computer/Technology Replacements	30,000	10,300	10,609	49,173	22,510
GIS	20,000	10,300	21,218	-	-
Administrative Building\Office Remodel	35,000	10,300	10,609	-	11,255
Energy Efficiency Projects	35,000	-	-	27,318	-
One-Time Existing Conditions Sampling Event	20,000	-	-	38,245	-
Parking Lot Seal\Paving	15,000	25,750	-	-	168,826
Subtotal : Total Capital Outlay	\$ 195,000	\$ 103,000	\$ 106,090	\$ 180,300	\$ 247,612
Total: Capital Improvement Program Costs (Future-Year Dollars)	\$ 3,295,000	\$ 1,400,800	\$ 965,419	\$ 704,809	\$ 979,193

The District is planning to fully cash-fund the planned capital expenditures with a combination of existing reserves and rates, thereby avoiding the need for debt financing.

SECTION 4. CURRENT VS. UPDATED WATER RATE

4.1 FIXED AND VARIABLE COSTS

The updated water rates developed in this study are structurally the same as the District's existing rates, which consist of a fixed service charge by meter size and a uniform commodity charge per one hundred cubic foot (HCF) of consumption that is the same for all customers. However, there is a different commodity charge for customers receiving non-potable water and those using potable water from the

District's pay station, in addition to a different *fixed charge* for non-potable customers. The non-potable and pay station commodity rates reflect the differences in the cost of service for those customers, which is described in Section 4.3 of this technical memo.

Ideally, utilities should recover all of their fixed costs from fixed charges and all of their variable costs from volumetric charges, because fluctuations in water sales revenues would be directly offset by reductions or increases in variable expenses. Additionally, it also provides greater revenue stability. However, other factors are often considered when designing water rates such as community values, water conservation goals, ease of understanding, and ease of administration.³

Fixed costs generally consist of costs that a utility incurs to serve customers irrespective of the amount of water they use.⁴ These include (1) the infrastructure (capacity-related facilities) required to provide service to customers, (2) costs associated with the peaking requirements, or maximum demand which affects the maximum size of water supply, treatment and delivery system, and (3) administrative and billing costs associated with meter reading, postage and billing.

Variable costs are those that change as the volume of water produced and delivered changes. These commonly include the costs of chemicals used in the treatment process, energy related to pumping for transmission and distribution, and source of supply.

Appendix Tables 15-17 show how the District's expenses were classified and allocated to the different functions of water service, which translate to fixed and variable charges. Most costs are allocated to multiple functions of water service because costs are rarely 100% allocable to fixed or variable categories. For example, the majority of the source of supply labor costs are allocated equally to commodity and capacity costs and a small portion is allocated to non-potable and pay station water based on the amount of water delivered to these customers, which is shown in Appendix Table 18. The classification (i.e., functionalization) of costs allows us to better allocate the classified costs to the cost causation components, as described in Section 4.2 of this memo. **Figure 7** below shows the types of costs that are fixed vs. variable.

Figure 7. Fixed vs. Variable Costs

Fixed Costs	Variable Costs
Capacity	Commodity
Customer	Non-Potable
Fire Protection	Pay Station

Capacity related costs are those costs associated the maximum demand required at one point in time or the maximum size of facilities required to meet this demand. **Customer** related costs are costs associated with having a customer on the water system, such as meter reading, postage and billing. **Fire protection** costs are those costs associated with providing sufficient capacity in the system for fire

³ *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, American Water Works Association, Seventh Edition, see pp. 5 and 96.*

⁴ *Ibid, pp. 137-138.*

meters and other operations and maintenance costs of providing water to properties for private fire service protection. **Commodity** related costs are those costs associated with the total consumption (i.e., flow) of water over a specified period of time (e.g., annual). **Non-potable** related costs are costs associated with operation and maintenance of the non-potable well, source of supply, billing customers and the eventual replacement of the well. **Pay Station** costs are costs related to operating and maintaining the pay station, delivering water to the pay station that customers purchase from the District.

4.2 FUNCTIONALIZATION AND CLASSIFICATION METHODOLOGY

The methodology used in this study to allocate costs to each function of water service is described below. While many of these costs have joint-purposes, and therefore can be allocated to several functional categories, there are no exact or widely accepted industry standards that can be applied. NBS professional judgment and District staff input were considered in developing these allocations. See Appendix Tables 15-17 for the detailed listing for each budget line item.

- **Source of Supply Costs** (excluding electricity) are allocated to pay station and non-potable customers based on the percentage of water these customers consume compared to potable users, which totals 6.88% of source of supply costs. The remaining costs are split evenly between the commodity and capacity component of the rate, because the costs are related to the amount of water sold (commodity) and the size of the supply required to meet customer demand (capacity). Electricity costs are the exception, where they are allocated entirely to the commodity component of the rate, with direct allocations made to non-potable that is based on the actual amount of electricity required to operate the well, and to the pay station based on the amount of water consumed.
- **Pumping Costs** related to labor and supplies are allocated to the pay station customers based on the percentage of water these customers consume compared to potable users, which totals 2.31%. The remaining costs are allocated 67.69% to commodity and 30% to capacity components of the rate, because the costs are closely tied to the size of the system (capacity), and amount of water sold (commodity). Pumping electricity costs are allocated to the pay station based on the amount of water consumed, which is 2.31%, and the other 97.69% is allocated to the commodity component of the rate because they are entirely related to the amount of water consumed.
- **Transmission and Distribution Costs** are allocated 5% to the pay station due to their actual impact on the distribution system, and the remaining is allocated 30% to commodity, 52% to capacity, 5% to customer and 8% to fire protection, based on estimated impacts to the water system. Non-potable customers don't share in these costs because they have a totally separate system that is not connected to the potable water system.
- **Treatment Wells Costs** are allocated overall 30% to commodity, 54.69% to capacity, 5% to customer, 8% to fire protection and 2.31% to the pay station. The allocation percentages are based on the estimated impact to each function of water service.

- **Treatment Facilities Costs** are split equally between commodity and capacity since it is a shared cost for both functions of water service, with the other 2.31% allocated to the pay station, based on the amount of water consumed by these customers.
- **Customer Account Costs** are allocated entirely to the customer component with a small portion allocated to the pay station and non-potable system based on the number of customers each has compared to all other users.
- **General Administration Costs** are allocated 17.65% to commodity, 50% to capacity and 30% to customer since most costs are related to the number of customers and size of the system, and partially related to the amount of water consumed, since they won't change drastically if customers increase or decrease consumption in line with normal consumption patterns. A small portion of these costs are allocated to the pay station and non-potable components based on the number of customers each has compared to all other users.
- **Payouts and Retiree Medical Costs** are allocated 37.65% to commodity, 50% to capacity and 10% to customer based on the approximate amount of impact each function of water service has on operations staff time. A portion of these costs are also allocated to the pay station and non-potable components based on the number of customers each has compared to all other users.
- **Board of Director Costs** are allocated entirely to the customer component, since the Board's purpose is to serve the customers of the water system. A small portion of these costs are allocated to pay station and non-potable components based on the number of customers each has compared to all other users.
- **Non-Operating Expenditures** consist of Unfunded PERS and OPEB liabilities. These costs are allocated 30% to commodity, 54.65% to capacity, 5% to customer, 8% to fire protection, 0.04% to the non-potable system, and 2.31% to the pay station. These allocations are based on the estimated impact to each function of water service.

4.3 ALLOCATION OF COSTS TO CUSTOMER CLASSES

Customer classes are typically determined by grouping customers with similar demand characteristics into categories that reflect the cost differentials to serve each type of customer. The District currently uses meter sizes as customer classes, but also differentiates fixed charges for standard water service, fire service and non-potable water customers.

Variable Charges

There are three separate variable charges for potable, non-potable and pay station customers based on the costs to provide water service to each of these types of customers. The differences in how costs are allocated to each volumetric charge are based on the amount of each type of water consumed, the number of customers, and specific cost differences, such as the amount of electricity required to deliver water to non-potable water customers, as described below.

Once the total amount of revenue to collect from potable water rates is determined (based on the functionalization and classification process described in Section 4.2 of this memo), costs are allocated to each customer class. For **potable water** customers (e.g. single-family, multi-family, commercial, irrigation and fire), the total costs allocated to the commodity component of the rate are then allocated to these customer classes based on the amount of water they consume, which is shown in Appendix Table 22.

For **non-potable** water customers, a direct allocation is made in the functionalization and classification process that reflects this system's fair share of system-wide costs that is primarily based on the number of customers that receive non-potable water, and the amount of water they consume in relation to other customers. The non-potable system operates independently of the District's main potable water system, which is the reason a separate cost of service is determined for this customer class.

As with non-potable customers, a direct allocation is made in the functionalization and classification process to the **pay station rate** that reflects this group of customers share of system-wide costs. Most expenses are allocated to these customers based on the portion of water purchased from the pay station in relation to all other customers, and their share of transmission and distribution costs, as determined by District Staff. A detailed breakdown of how costs are allocated to each of these components is shown in Appendix Tables 14-18, and a summary of this information is shown in Appendix Table 25.

Fixed Charges

Meter sizes have different fixed charges based on the capacity requirements of each size meter connected to the system. This is because larger meters have the potential to use more of the system's capacity, or said differently, they have higher peaking factors compared to smaller meters. The potential capacity demanded (peaking) is proportional to the maximum hydraulic flow through each meter size as established by the AWWA hydraulic capacity ratios shown in **Figure 8**⁵. This figure shows the ratio of potential flow through each meter size compared to the flow of a 3/4-inch meter, which is the base meter size in the District. For the purpose of maintaining continuity in the rate structure, District staff recommends keeping 5/8-3/4-inch meters both equivalent to one meter; which is a common practice in rate setting for meters serving small water users.

As an example, a 2-inch meter has a greater capacity, or potential peak demand than a 3/4-inch meter; therefore the fixed charge for a 2-inch meter is larger than a 3/4-inch meter based on their proportionate capacity requirements⁶. A "hydraulic capacity factor" is calculated by dividing the maximum capacity or flow of large meters by the capacity of the base meter size, which is typically the most common residential meter size (in this case a 3/4-inch meter).

⁵ See American Water Works Association, *Principles of Water Rates, Fees and Charges: Manual of Water Supply Practices M1*, page 386, Appendix B (7th ed. 2017).

⁶ This is reflected in the fixed charge calculations by using the AWWA hydraulic capacity factors to represent the maximum volume each meter size is capable of delivering.

The actual number of meters by size is multiplied by the corresponding capacity ratios to calculate equivalent meters. The number of equivalent meters is used as a proxy for the potential demand that each customer can place on the water system. A significant portion of a water system's peak capacity and in turn, the utility's fixed operating and capital costs are related to meeting system capacity requirements⁷. The fixed charges developed in this study reflect current hydraulic capacity factors based on AWWA standards, as shown in Figure 8⁷.

Figure 8. Hydraulic Capacity Factors Used in Fixed Charge Calculations

Meter Size	Standard Meters		Fire Service	
	Meter Capacity (gpm)	Hydraulic Capacity Factor	Meter Capacity (gpm)	Hydraulic Capacity Factor
<u>Displacement Meters</u>			<u>Displacement Meters</u>	
5/8 inch	20	1.00	20	1.00
3/4 inch	30	1.00	N/A	N/A
1 inch	50	1.67	N/A	N/A
1.5 inch	100	3.33	N/A	N/A
2 inch	160	5.33	160	8.00
<u>Turbine Class 1</u>			<u>Fire Service Type I</u>	
3 inch	350	11.67	350	11.67
			<u>Compound Class I</u>	
4 inch	630	21.00	500	16.67
6 inch	1,300	43.33	1,000	33.33
<u>Turbine Class 2</u>				
8 inch	2,800	93.33	1,600	53.33
			<u>Fire Service Type I</u>	
10 inch	4,200	140.00	4,400	146.67
12 inch	5,300	176.67	N/A	N/A

1. Source: AWWA Manual M1, "Principles of Water Rates, Fees and Charges", Table VI 2-5.

2. Source: AWWA Manual M6, "Water Meters - Selection, Installation, Testing, and Maintenance" Table 5-3 for 10 inch fire service meter capacity only.

The District's existing rates reflect different fixed charges for commercial fire meters than for standard water service customers. Fire service customers differ from other water service customers because their service is more of a standby nature, where a readiness-to-serve charge is appropriate. Except in the event of a fire, these users are not intended to use water on a regular basis. However, the District still needs to provide sufficient capacity for fire meters and recover other operations and maintenance costs of providing water to such properties for private fire service protection.

Based on the cost of service analysis and the standby nature of fire meters, the overall cost to serve these users is less than that of a standard service; therefore, the fixed charges are less. Please note that no capacity factors are shown in Figure 8 for 3/4 through 1 ½ inch meters because the District does not have any, nor does it plan to add any fire service meters of those sizes.

⁷ See American Water Works Association, Principles of Water Rates, Fees and Charges: Manual of Water Supply Practices M1, page 386, Appendix B (7th ed. 2017).

As described in Section 4.2 of this memo, the District has separate variable charges for non-potable water users. The non-potable system is separate from the District's potable water system and therefore, has distinct costs such as electricity, staff time and the eventual replacement of the non-potable well, which is used only to serve these customers. In this study, separate fixed charges were also developed for non-potable water customers that are based on the estimated costs⁸ of serving these customers, which is approximately \$40,500 for Fiscal Year 2020/21, as shown in **Figure 9**.

Figure 9. Non-Potable Costs

Costs Allocated to Non-Potable Charges	2020/21 Cost
Allocated System-Wide Costs	11,195
Operations Staff Time	5,040
Billing Staff Time	840
Well Replacement Cost	23,449
Total Annual Non-Potable Cost	\$40,524

4.4 PROPOSED RATES

In this study, NBS developed several rate structures for the District to consider that reflect various allocations of fixed and variable charges. The rates that are presented in this memo collect approximately 70% of revenue from variable charges and 30% of revenue from fixed charges, which is the same allocation as the existing water rates. The five-year rate schedules for the Financial Plan alternatives (e.g. the 8% and 10% increases in total rate revenue) are shown in **Figure 10** and **Figure 11**.

⁸ Costs for staff time were the District's estimate for both the staff time required to serve these customers and a fully burdened hourly rate of \$70/hr. The estimated \$290,000 cost (in 2020 dollars) for eventual replacement of the well is also included in the total cost basis for the non-potable rates.

Figure 10. Current and Proposed Water Rates – Financial Plan Alternative 1 (8% increases)

Water Rate Schedule	Current Rates	Proposed Water Rates				
		Effective 1/1/2021	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025
Fixed Service Charge						
5/8-inch	\$27.70	\$27.13	\$29.30	\$31.64	\$34.17	\$36.90
3/4-inch	\$27.70	\$27.13	\$29.30	\$31.64	\$34.17	\$36.90
1-inch Dual Service-Residential	\$27.70	\$27.13	\$29.30	\$31.64	\$34.17	\$36.90
1-inch	\$38.69	\$38.29	\$41.35	\$44.66	\$48.23	\$52.09
1.5-inch	\$66.18	\$66.21	\$71.51	\$77.23	\$83.41	\$90.08
2-inch	\$99.17	\$99.72	\$107.70	\$116.32	\$125.63	\$135.68
3-inch	\$203.63	\$205.82	\$222.29	\$240.07	\$259.28	\$280.02
4-inch	\$357.57	\$362.17	\$391.14	\$422.43	\$456.22	\$492.72
6-inch	\$725.93	\$736.30	\$795.20	\$858.82	\$927.53	\$1,001.73
Commercial Fire Meters - Fixed Service Charge						
2-inch meter	\$64.61	\$88.02	\$95.06	\$102.66	\$110.87	\$119.74
3-inch meter	\$128.11	\$123.62	\$133.51	\$144.19	\$155.73	\$168.19
4-inch meter	\$178.24	\$172.17	\$185.94	\$200.82	\$216.89	\$234.24
6-inch meter	\$345.33	\$333.98	\$360.70	\$389.56	\$420.72	\$454.38
8-inch meter	\$545.84	\$528.16	\$570.41	\$616.04	\$665.32	\$718.55
10-inch meter	\$1,481.57	\$1,434.34	\$1,549.09	\$1,673.02	\$1,806.86	\$1,951.41
Non-Potable Meters - Fixed Service Charge						
2-inch meter	\$1,027.33	\$675.39	\$729.42	\$787.77	\$850.79	\$918.85
Commodity Charges for All Water Consumed						
Commodity Charge Per HCF - Potable	\$3.33	\$3.55	\$3.83	\$4.14	\$4.47	\$4.83
Commodity Charge Per HCF - Non-Potable	\$0.61	\$0.63	\$0.68	\$0.73	\$0.79	\$0.85
Pay Station, Utah Trail Charge Per Gallon	\$0.0122	\$0.0082	\$0.0089	\$0.0096	\$0.0104	\$0.0112

Figure 11. Current and Proposed Water Rates – Financial Plan Alternative 2 (10% increases)

Water Rate Schedule	Current Rates	Proposed Water Rates				
		Effective 1/1/2021	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025
Fixed Service Charge						
5/8-inch	\$27.70	\$27.39	\$30.13	\$33.14	\$36.45	\$40.10
3/4-inch	\$27.70	\$27.39	\$30.13	\$33.14	\$36.45	\$40.10
1-inch Dual Service-Residential	\$27.70	\$27.39	\$30.13	\$33.14	\$36.45	\$40.10
1-inch	\$38.69	\$38.66	\$42.53	\$46.78	\$51.46	\$56.61
1.5-inch	\$66.18	\$66.85	\$73.54	\$80.89	\$88.98	\$97.88
2-inch	\$99.17	\$100.68	\$110.75	\$121.83	\$134.01	\$147.41
3-inch	\$203.63	\$207.79	\$228.57	\$251.43	\$276.57	\$304.23
4-inch	\$357.57	\$365.65	\$402.22	\$442.44	\$486.68	\$535.35
6-inch	\$725.93	\$743.38	\$817.72	\$899.49	\$989.44	\$1,088.38
Commercial Fire Meters - Fixed Service Charge						
2-inch meter	\$64.61	\$88.87	\$97.76	\$107.54	\$118.29	\$130.12
3-inch meter	\$128.11	\$124.81	\$137.29	\$151.02	\$166.12	\$182.73
4-inch meter	\$178.24	\$173.82	\$191.20	\$210.32	\$231.35	\$254.49
6-inch meter	\$345.33	\$337.19	\$370.91	\$408.00	\$448.80	\$493.68
8-inch meter	\$545.84	\$533.24	\$586.56	\$645.22	\$709.74	\$780.71
10-inch meter	\$1,481.57	\$1,448.13	\$1,592.94	\$1,752.23	\$1,927.45	\$2,120.20
Non-Potable Meters - Fixed Service Charge						
2-inch meter	\$1,027.33	\$677.19	\$744.91	\$819.40	\$901.34	\$991.47
Commodity Charges for All Water Consumed						
Commodity Charge Per HCF - Potable	\$3.33	\$3.58	\$3.94	\$4.33	\$4.76	\$5.24
Commodity Charge Per HCF - Non-Potable	\$0.61	\$0.63	\$0.69	\$0.76	\$0.84	\$0.92
Pay Station, Utah Trail Charge Per Gallon	\$0.0122	\$0.0083	\$0.0091	\$0.0100	\$0.0110	\$0.0121

Figures 12 and 13 show bill comparison charts for residential and commercial customers under current and proposed rates. Figure 14 shows a comparison of single family residential bi-monthly bills compared to other regional water districts.

Figure 12. Residential Bi-Monthly Bill Comparison

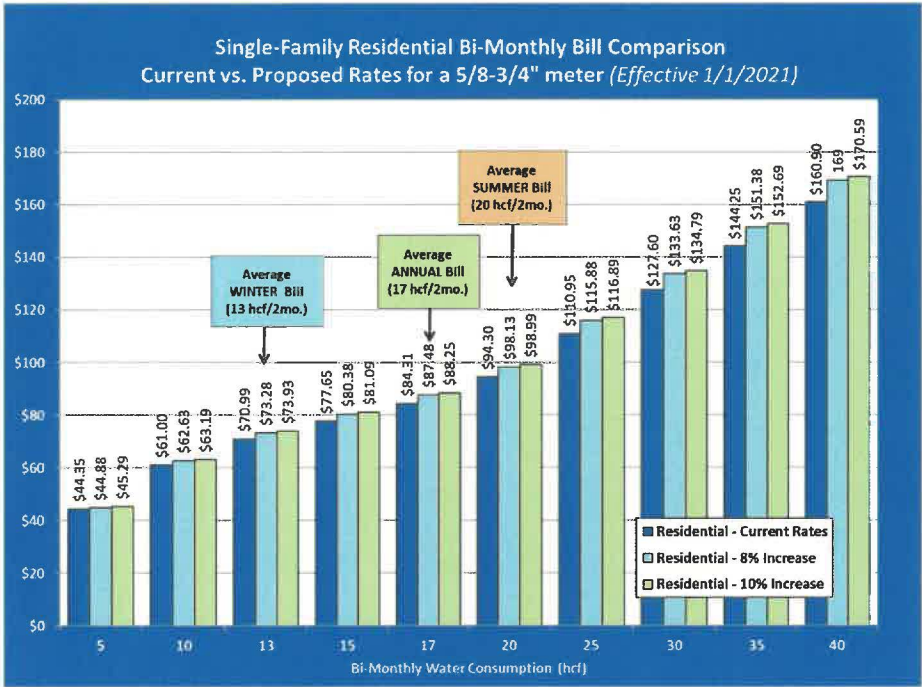


Figure 13. Commercial Bi-Monthly Bill Comparison

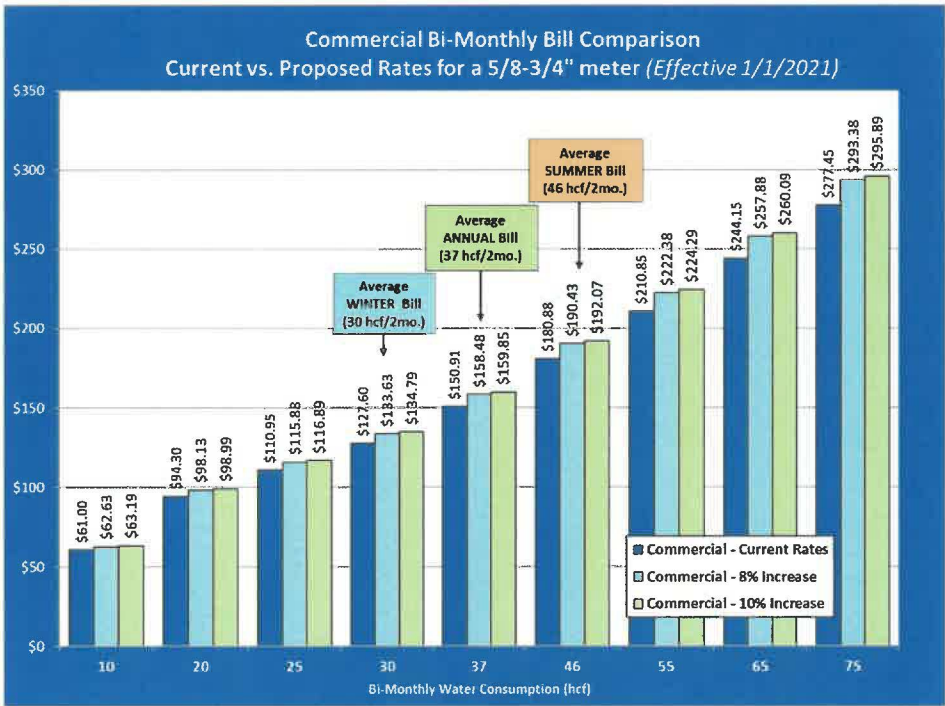
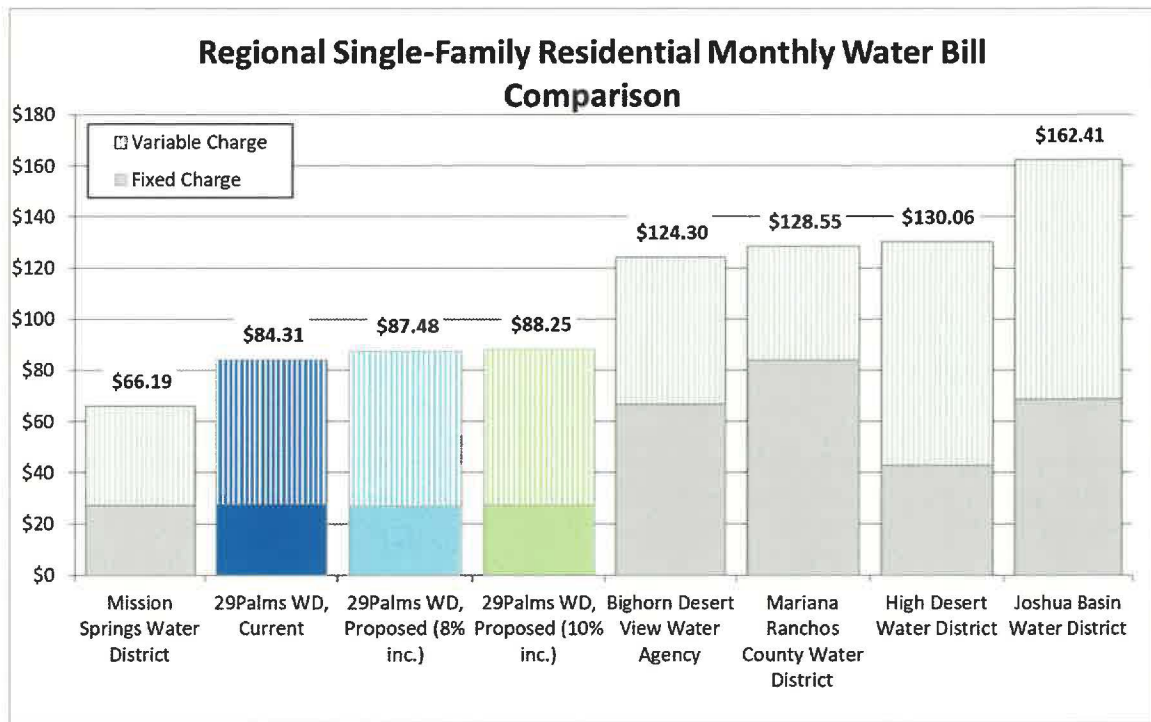


Figure 14. Regional Bi-Monthly Water Bill Comparison for Single Family Residential



SECTION 5. RECOMMENDATIONS AND NEXT STEPS

5.1 CONSULTANT RECOMMENDATIONS

NBS recommends the District's Board of Directors accept this report and its recommendations, and select a rate alternative (shown in Figures 10 and 11) and proceed with next steps outlined below in order to adopt and implement new rates.

5.2 NEXT STEPS

If the Board of Directors chooses to move forward with implementing the proposed financial plan and water rates, the following steps will be required:

1. Schedule a Public Hearing, which requires adequate public noticing, to consider moving forward with the Proposition 218 process to adopt new water rates.
2. Direct Staff to mail a notice describing the proposed changes to the rates to all customers and/or property owners receiving water service from the District.
3. Allow for a 45-day period during which the District receives written protests from customers and/or property owners (protests can be received until the end of the Public Hearing).
4. Conduct a Public Hearing after at least 45-days after the notices have been mailed.
5. Assuming there is not a majority protest, the Board of Directors will need to formally adopt the new rates at the end of the Public Hearing.

5.3 PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

In preparing this technical memo and the opinions and recommendations included herein, NBS has relied on various assumptions and data with regard to financial matters, conditions, and events that may occur in the future. We believe the information and assumptions, including the budgets, projected capital improvement costs, and customer data received from District staff, were provided by reliable sources.

While we believe the use of such information and assumptions is reasonable for the purpose of this rate study, NBS has not independently verified this information and data. Additionally, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others. Given that, the District should closely monitor future revenues, costs and capital plans to determine any significant variances from the results shown in this report and take appropriate action to reconcile differences as needed.

Note: The attached Technical Appendices provide more detailed information on the analysis of the water revenue requirements, cost-of-service analysis and the rate design analyses that have been summarized above in this Technical Memorandum.



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FINAL TECHNICAL MEMORANDUM

TO: RAY KOLISZ, GENERAL MANAGER, TWENTYNINE PALMS WATER DISTRICT
CINDY BYERRUM, MPA, CPA, EIDE BAILLY CONSULTING GROUP

FROM: KIM BOEHLER, NBS DIRECTOR
JORDAN TAYLOR, NBS CONSULTANT

SUBJECT: WATER CAPITAL FACILITY FEE STUDY FINDINGS

DATE: FEBRUARY 19, 2021

SECTION 1. INTRODUCTION

A. BACKGROUND

Twentynine Palms Water District (District) retained NBS to conduct a water capital impact fee study in conjunction with the water rate study update for two primary reasons: (1) to ensure that the fees are updated to comply with legal requirements and industry standards, and (2) that these fees reflect the cost of capital infrastructure needed to serve new connections, or any person requesting additional capacity in the District's water system (referred to throughout as "future customers").

Please note, the types of fees reviewed in this study are referred to in the California Government Code as "capacity charges" and the terms are often used interchangeably with other terms such as "capacity fees" or in the District's case, they are referred to as "capital impact fees." To be consistent with the District's terminology, we refer to these fees as "capital impact fees" throughout this memo; however, they are considered "capacity charges" per the California Government Code.

California Government Code Section 66013 defines a capacity charge as a one-time "charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities." It authorizes public agencies to impose "capital impact fees" which are more appropriately called system capacity charges, on customers connecting to or upsizing their connection to the water system, to ensure that they pay their fair share of water utility assets, plus the costs of new facilities

needed to serve them. In its simplest form, capital impact fees are the result of dividing the cost (or value) of the Utility's current system assets plus planned capital improvements, by the expected number of future customers. As a result, future customers connecting to the District's water utility would enter as equal participants, along with current customers, regarding their financial commitment and obligations to the District.

SECTION 2. WATER CAPITAL IMPACT FEE STUDY

A. STUDY METHODOLOGY

Capital impact fees are one-time fees intended to reflect the cost of existing infrastructure and planned improvements available to new services, and place new utility customers on equal basis from a financial perspective with existing customers. Once new customers are added to the system, they then incur the obligation to pay the same water rates that existing customers pay.

Various methodologies have been and are currently used to calculate capital impact fees. The most common methodologies are based on the following:

- The value of existing (historical) system assets, often called a "system buy-in" methodology.
- The value of planned future improvements, also called the "incremental" or "system development" methodology.
- A combination of these two approaches.

This analysis uses the "Combination Approach"¹ which requires new customers to pay their fair share of existing system assets and any planned capital improvements that have capacity to serve new customers. In their simplest form, capital impact fees are calculated by dividing the costs of infrastructure allocated to future development by the number of units of new development anticipated, further defined as follows:

- The cost of existing assets that have capacity to serve new development are those that can reasonably be allocated to future development.
- The number of new units (i.e., growth) are those units projected to occur within the timeframe covered by the capital impact fee analysis.

B. EXISTING CONNECTIONS AND PROJECTED FUTURE GROWTH

NBS calculated that there are currently about 8,500 equivalent 5/8-3/4-inch meter units connected to the water utility. **Figure 1** shows the number of current water meter connections and the equivalent meter units.

¹ Method of calculating capital impact fees (also known as System Development Fees, Connection Fees, Capacity Fees) are set forth in the American Water Works Association's *Principles of Water Rates, Fees and Charges* Seventh Edition (2017) pages 311 to 347.

Figure 1. Estimated Existing Equivalent Meter Units

Meter Size	Existing Potable Water Meters ¹	Meter Equivalence		Potable Water Meter Equivalent Units
		Maximum Flow (gpm) ²	Equivalency to 3/4 inch meter	
Standard Meters:				
5/8-3/4 inch	7,269	30	1.00	7,269
1 inch	281	50	1.67	468
1.5 inch	48	100	3.33	160
2 inch	47	160	5.33	251
3 inch	3	350	11.67	35
4 inch	16	630	21.00	336
6 inch	0	1,300	43.33	0
8 inch	0	2,800	93.33	0
10 inch	0	4,200	140.00	0
Total	7,664			8,519

1. Number of meters from source file: 29PalmsWD_Billing data_Manipulated_08.20.20.xlsx, Account # Pivot tab.

2. Source: AWWA M1, Table B-2. Assumes displacement meters for 5/8" through 2", Turbine Class I for 8" through 10".

Capacity in the District's water utility is allocated to current and future customers, as shown in **Figure 2**. Using the average 5-year customer growth rate of 2% annually, the estimated number of new connections is calculated for a ten-year period. The percentage of capacity assigned to current and future customers is based upon the number of equivalent meter units that are estimated to connect in the next ten years.

Figure 2. Allocation of Capacity to Current and Future Customers

Demographic Statistics Potable System	Existing Total	Projected Service Total ¹ (thru FY2029/30)	% Allocation Factors		Cumulative Change	
			Existing Customers	New Customers	Number of Units	% Increase
Equivalent 5/8-3/4-inch meters	8,519	10,385	82.0%	18.0%	1,866	21.9%

1. Customer growth estimated at historical growth from 2015 to 2020.

C. EXISTING AND PLANNED ASSETS

The capital assets addressed in this study include existing assets and planned capital improvements (i.e., the system buy-in). An important aspect of this study is how the value of existing utility assets is determined. This study uses the replacement cost new – less depreciation (RCNLD) approach summarized in **Figure 3** to estimate existing asset values and depreciation, because it provides an up-to-date asset value that reflects estimated cost inflation.²

² The RCNLD approach was used to estimate all existing asset values, except for land, which does not depreciate.

Figure 3. Summary of Existing Asset Values

Asset Category ¹	Original Asset Cost	Replacement Cost ²	System Buy-In Cost Basis ³
Water Fund			
Infrastructure	1,194,722	2,287,255	1,419,971
Land	165,044	165,044	165,044
Equipment	495,894	651,109	296,536
Water Mains and Pipelines	23,839,643	62,111,079	51,793,436
Meters and Hydrants	182,368	354,205	207,323
Office Equipment	488,015	624,709	283,610
Pumping	312,359	413,919	368,769
Wells	1,810,913	3,829,143	2,620,336
Reservoirs	4,771,127	13,170,661	9,932,029
Treatment Plant	11,567,918	18,869,823	11,279,989
Vehicle	1,106,518	1,183,383	807,675
Water Supply/Engineering Studies	518,443	594,849	175,243
AMI Meter System	1,983,897	1,983,897	1,983,897
Total Capital Facilities & Equipment	\$ 48,436,861	\$ 106,239,074	\$ 81,333,857

1. Source file for current assets as of June 30, 2019: 29PWD_Asset Listing 6.30.19_manipulated.xlsx, Manipulated tab.

Additional assets added 08.25.20 per source file: FY19-20 Additional - For Rate Study NOT FINAL.xlsx

2. Takes into account estimated cost inflation, noted in Footnote 3.

3. System Buy-In Cost Basis values are calculated by escalating the District's book values from service date to current year values using historical cost inflation factors from the Handy-Whitman Index of Public Utility Construction Costs for Water Utility Construction in the Pacific Region.

The Engineering News Record (ENR) Construction Cost Index and Handy-Whitman Index of Public Utility Construction Costs are cost inflation indices that track construction costs and were used to estimate the replacement value of the District's existing assets. The replacement cost is calculated by escalating the book value of existing assets (including depreciation) to current-day values using the ENR Construction Cost or Handy-Whitman Index values. Figure 3 also summarizes the system buy-in cost basis by Asset Category for the District. For this analysis, assets that are no longer in service were excluded from the analysis. This approach was used for all assets, except land, which does not depreciate.

Most of the asset costs were allocated to current customers based on the 82 percent allocation factor previously shown in Figure 2 (and the 18 percent allocation factor for future customers). **Figure 4** shows the allocation of the \$81.3 million in total existing assets to current and future customers. Future customers are allocated about \$12.2 million of the existing water utility assets, or about 15% of the total. Some assets are excluded from the cost basis because they were contributed to the District and not funded by current ratepayers.

Figure 4. Existing Asset Values Allocated to Current and Future Customers

Asset Category ¹	System Buy-In Cost Basis	Allocation Basis (%) ²			Distribution of Cost Basis (\$)		
		Exclude from Analysis ³	Existing Customers	Future Customers	Exclude from Analysis ³	Existing Customers	Future Customers
Water Fund							
Infrastructure	\$ 1,419,971	0.0%	84.7%	15.3%	\$ -	\$ 1,202,473	\$ 217,498
Land	\$ 165,044	0.0%	84.7%	15.3%	\$ -	\$ 139,764	\$ 25,280
Equipment	\$ 296,536	0.0%	84.7%	15.3%	\$ -	\$ 251,115	\$ 45,421
Water Mains and Pipelines	\$ 51,793,436	1.6%	83.4%	15.1%	\$ 814,296	\$ 43,170,628	\$ 7,808,511
Meters and Hydrants	\$ 207,323	0.0%	94.3%	5.7%	\$ -	\$ 195,586	\$ 11,737
Office Equipment	\$ 283,610	0.0%	84.7%	15.3%	\$ -	\$ 240,169	\$ 43,441
Pumping	\$ 368,769	0.0%	84.7%	15.3%	\$ -	\$ 312,284	\$ 56,485
Wells	\$ 2,620,336	0.0%	84.7%	15.3%	\$ -	\$ 2,218,977	\$ 401,359
Reservoirs	\$ 9,932,029	0.0%	84.7%	15.3%	\$ -	\$ 8,410,733	\$ 1,521,296
Treatment Plant	\$ 11,279,989	0.0%	84.7%	15.3%	\$ -	\$ 9,552,225	\$ 1,727,764
Vehicle	\$ 807,675	0.0%	84.7%	15.3%	\$ -	\$ 683,962	\$ 123,712
Water Supply/Engineering Studies	\$ 175,243	0.0%	100.0%	0.0%	\$ -	\$ 175,243	\$ -
AMI Meter System	\$ 1,983,897	0.0%	88.2%	11.8%	\$ -	\$ 1,750,575	\$ 233,322
Total Capital Facilities & Equipment	\$ 81,333,857	1.0%	84.0%	15.0%	\$ 814,296	\$ 68,303,736	\$ 12,215,825

1. Source file for current assets as of June 30, 2019: 29PWD_Asset Listing 6.30.19_manipulated.xlsx, Manipulated tab.

Additional assets added 08.25.20 per source file: FY19-20 Additional - For Rate Study NOT FINAL.xlsx

2. Based on proportionate allocation between existing and future users for most assets (see Table 2 in Exhibit 1 for demographic expectations).

Contributed assets are excluded and meters/services are allocated 100% to existing customers. See Existing Assets Detail tab for information for each asset.

The District's capital improvement plans extend to FY 2029/30. **Figure 5** shows a summary of the District's future capital projects, all of which are needed to rehabilitate existing assets. Because of this, planned project costs were excluded from the capital impact fee calculation. Future customers will pay for these project in rates once connected to the water system. For a complete list of the District's planned capital projects, refer to the *Appendix*.

Figure 5. Planned Assets Allocated to Current and Future Customers

Capital Project Description ¹	Future Cost Estimate (2019-2034) ¹	External Funding ²	System Development Cost Basis ³	% Allocation		Distribution of Cost Basis (\$)	
				Existing Customers	Future Customers	Existing Customers	Future Customers
District Projects	\$ 1,085,000	\$ -	\$ 1,085,000	100.0%	0.0%	\$ 1,085,000	\$ -
Capital Improvement Plan	\$ 4,917,500	\$ 1,700,000	\$ 3,217,500	87.5%	0.0%	\$ 3,217,500	\$ -
Repairs, Rehabilitation, & Maintenance	\$ 6,235,000	\$ -	\$ 6,235,000	100.0%	0.0%	\$ 6,235,000	\$ -
Capital Outlay	\$ 1,623,000	\$ -	\$ 1,623,000	100.0%	0.0%	\$ 1,623,000	\$ -
Total	\$ 13,860,500	\$ 1,700,000	\$ 12,160,500	96.9%	0.0%	\$12,160,500	\$ -

1. Capital project cost data was provided by District Staff in the following file: 29PWD_CIP Schedule 2020-21,V3.xlsx

2. The AMI / AMR project is funded by debt proceeds received by the District in May 2019.

3. Project cost allocated to existing customers since it is for meter replacement.

The District may have additional capital projects that are needed to serve future developments, and the costs of such projects may be recovered through a development agreement. This will be evaluated on a case by case basis as part of the development review process.

D. ADJUSTMENTS TO THE COST BASIS

Before the capital impact fees are developed, a credit is applied to the cost basis to account for outstanding principal on the current bond issue that funded capital projects that serve future customers. **Figure 6** shows the percent allocation between current and future customers in the AMI project costs for the outstanding bond. Approximately 10% of the project costs are deemed to serve future customers.

Figure 6. AMI Project Costs Allocated to Future Customers

AMI System Component	Project Cost Allocation ¹		
	Existing	Future	Total
AMI Meter System - Meters	\$ 685,151	\$ -	\$ 685,151
AMI Meter System - Poles/Repeaters	826,326	149,462	975,788
AMI Meter System - Other Equipment	273,490	49,468	322,958
Total	\$ 1,784,967	\$ 198,930	\$ 1,983,897
Percentage of Project Costs	90%	10%	100%

1. Project cost allocation is based on the *AMI Disbursements Detail.xlsx*. Meter costs are allocated 100% to existing customers, the poles/repeaters and other Equipment is shared by existing and future customers based on the allocations in Table 2.

Using the allocations calculated in Figure 6, 10% of the \$2 million bond issue is credited to future customers, as they will be paying for debt service through bi-monthly water rates. A summary of the calculation of the credit for debt service payments is shown in **Figure 7**, and future customers are credited about \$200,000 of the outstanding principal debt.

Figure 7. Debt Service Allocated to Future Customers

Bond Issue	Outstanding Principal	% Allocation		\$ - Allocation ²	
		Existing Customers	Future Customers	Existing Customers	Future Customers
2019 AMR & AMI Project Bond ¹	\$ 2,000,000	90.0%	10.0%	\$ 1,799,455	\$ 200,545
Grand Total	\$ 2,000,000	90.0%	10.0%	\$ 1,799,455	\$ 200,545

1. 2019 Bond Issuance detail and payment schedule found in source files: *29PWD_3.25.19 AMI debt.pdf*, *29PWD_Revised Rental Payment Schedule- final.pdf*.

2. Debt issue is allocated to existing and future customers proportionately based on the AMI System Component allocations for the project as shown in Table 6.

E. CALCULATED CAPITAL IMPACT FEES

The sum of the existing and planned asset values (that is, the system buy-in and system development costs), along with the adjustment for cash reserves and debt service, defines the total cost basis allocated to future customers as shown in **Figure 8**.

Figure 8. Summary of Cost Basis Allocated to Future Customers

System Asset Values Allocated to Future Development	Total Costs
<i>Costs Included in Existing System Buy-In:</i>	
Existing Assets	\$ 12,215,825
Planned, Future Capital Projects	-
Credit for Outstanding Debt (Principal)	(200,545)
Total Adjusted Cost Basis for New Development	\$ 12,015,281

The Total Adjusted Cost Basis for future customers is divided by the planned customer growth (measured in equivalent meter units) over the next 10 years. This represents the maximum capital impact fee that the District can charge per 5/8 or 3/4-inch meter for future customers. The calculation is shown in **Figure 9**.

Figure 9. Summary of New Base Capacity Charges

Summary of Fee Calculation	Adjusted System Cost Basis	Planned New Meter Equivalents (thru FY2029/30)	Base Capital Impact Fee (per Meter Equivalent)
Water Capital Impact Fee per Meter Equivalent	\$ 12,015,281	1,866	\$6,440

The capital impact fees for meters greater than 5/8 or 3/4-inch connecting to the District's water system will be calculated by the equivalency to 3/4-inch meters. NBS has provided the District with a fee schedule for meter sizes up to 10-inch, which is shown in **Figure 10**.

Figure 10. Capital Impact Fee for All Meter Sizes

Meter Size	Equivalency Factor		Unit Cost (\$/3/4-inch meter)	Updated Capital Impact Fee Per Meter
	Maximum Continuous Flow (gpm) ¹	Equivalency to 3/4 inch meter		
5/8-3/4 inch	30	1.00	\$6,440	\$6,440
1 inch	50	1.67	\$6,440	\$10,734
1.5 inch	100	3.33	\$6,440	\$21,468
2 inch	160	5.33	\$6,440	\$34,349
3 inch	350	11.67	\$6,440	\$75,138
4 inch	630	21.00	\$6,440	\$135,248
6 inch	1,300	43.33	\$6,440	\$279,084
8 inch	2,800	93.33	\$6,440	\$601,103
10 inch	4,200	140.00	\$6,440	\$901,655

1. Source: AWWA M1, Table B-2. Assumes displacement meters for 5/8" through 2", Turbine Class I for 3" through 6", and Turbine Class II for 8" through 10".

SECTION 3. RECOMMENDATIONS AND NEXT STEPS

Consultant Recommendations

The following are NBS' recommendations for the District's consideration:

- **Approve and Accept This Study Report:** NBS recommends the District Board formally approve and adopt this report, its recommendations, and accompanying appendix as documentation of the capital impact fee analyses and the basis for adopting the capital impact fees.

- **Implement Recommended Capital Impact Fee Charges:** Based on the analyses presented in this report, the District Board should implement the proposed water capital impact fees shown in Figure 10. These adjustments are structured based on industry standards and are necessary to ensure that the capital impact fees that reflect the cost of capacity needed to serve future customers connecting to the District’s water system.

Next Steps

Periodically Review Water Capital Impact Fees – Any time an Agency adopts new utility rates or capacity charges, those new rates and fees should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements and reviewed to incorporate new capital facility plans and/or significant repair and replacement projects. Changing economic factors, water consumption patterns, new regulatory mandates, and unplanned capital improvements all underscore the need for this annual review.

Note: The attached Technical Appendix provides more detailed information on the analysis of the water capital impact fee studies summarized in this report.

Principal Assumptions and Considerations

In preparing this report and the recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, number of customer accounts, billing and asset records, planned capital improvements, and other conditions and events that may occur in the future. This information and assumptions were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS’ use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein or may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by NBS or provided to NBS by others.

APPENDIX – WATER CAPITAL IMPACT FEE ANALYSIS

ORDINANCE NO. 99

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE TWENTYNINE PALMS WATER DISTRICT AUTHORIZING ADOPTION OF NEW OR INCREASED FEES OR CHARGES BY RESOLUTION OR ORDINANCE AND TAKING CERTAIN OTHER ACTIONS RELATING THERETO

WHEREAS, the Twentynine Palms Water District (the "District") operates and is organized under Water Code section 30000 et seq.; and

WHEREAS, the District is authorized to fix and collect charges for the provision of services provided by the District; and

WHEREAS, the District continually strives to operate more efficiently and with greater flexibility on behalf of its ratepayers; and

WHEREAS, the District previously adopted fees and charges for certain services or governmental activity provided by the District, and now wishes to authorize future new or increased fees and charges by resolution, in the interests of flexibility and efficiency;

NOW THEREFORE, BE IT ORDAINED, by the Board of Directors of the Twentynine Palms Water District as follows:

1. The Board of Directors of the District finds and determines that the foregoing Recitals are true and correct and incorporates the Recitals herein.

2. Unless otherwise prohibited under any relevant statute, the District hereby authorizes any future new or increased fees or charges for services or regulatory activity provided by the District, to be adopted by resolution or ordinance. Any new or increased fee or charge adopted by resolution pursuant to the authority granted by this Ordinance shall have the same force and effect as if such new or increased fee or charge had been adopted by ordinance, and to the extent authorized in such resolution, shall repeal or replace any conflicting fee or charge previously adopted by the Board of Directors, whether such conflicting fee or charge had been adopted by resolution or ordinance.

3. The provisions of this Ordinance are hereby declared to be severable. If any provision, clause, sentence, or paragraph of this Ordinance, or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance or the application of those provisions.

4. This Ordinance shall become effective immediately upon adoption.

5. The Board Secretary shall certify to the adoption of this Ordinance and cause the same to be published as required by law.

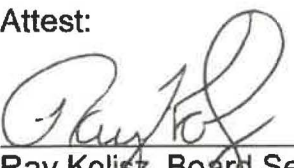
PASSED, APPROVED AND ADOPTED this 16h day of December, 2020 by the following vote.

AYES:	Directors Arthur, Coghill, Horn, Leazer, and Giannini
NOES:	None
ABSTAIN:	None
ABSENT:	None



Carol Giannini, President
Board of Directors

Attest:



Ray Kolisz, Board Secretary
Twentynine Palms Water District



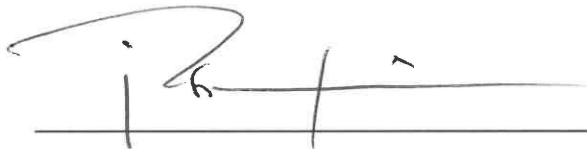
LANDOWNER CONSENT FORM

Local Agency Formation Commission For San Bernardino County

I (We), John D. Rudometkin, consent to the
annexation/ reorganization of my (our) property located at:
**NORTH SIDE OF OLD CHISHOLM TRAIL (SQUAW ROAD) BETWEEN
MONTE VISTA STREET AND BULLION MOUNTAIN ROAD**

which is identified as Assessor's Parcel Number(s) 0634-121-15,
to the TWENTYNINE PALMS WATER DISTRICT.
(name of agency)

Signature(s):



Address:

55068 Baker Trail

City, State, Zip

Yucca Valley, CA 92284

Date Signed:

11/25/24

*If a corporation or company owns the property, please provide with
this form authorization from the entity for the signer to sign on its
behalf.*

TOM DODSON & ASSOCIATES

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

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

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



May 13, 2025

Mr. Samuel Martinez
Local Agency Formation Commission
1601 east 3rd Street, Suite 102
San Bernardino, CA 92415-0490

Dear Sam:

The Local Agency Formation Commission (LAFCO) is considering a proposed annexation to the Twentynine Palms Water District (District), LAFCO 3273. This proposed annexation encompasses approximately 40 acres, generally located at the northeast corner of the Old Chisholm Trail (Squaw Road) and Bullion Mountain Road. The annexation area includes Assessor Parcel Number 0634-121-15 and is within the District's sphere of influence. This annexation request has been submitted to annex the property in order to provide water service to a proposed single-family residence.

Therefore, after careful review of LAFCO 3273, I am recommending that the Commission consider the adoption of a "Common Sense" Exemption. I recommend that the Commission find that an Exemption (as defined in CEQA) applies to LAFCO 3273 under Section 15061 (b) (3) of the State CEQA Guidelines, which states: *"A project is exempt from CEQA if: the activity is covered by the common Sense exemption that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."* It is my opinion, and recommendation to the Commission, that this circumstance applies to all LAFCO 3273.

This recommendation is based on the fact that development of the site with a single-family residence has no potential to cause a significant adverse environmental impact. Based on this review of the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that the proposed annexation to the District to obtain water service does not constitute a project under CEQA and adoption of the common sense exemption and filing of a Notice of Exemption is the most appropriate environmental determination to comply with CEQA for this action. The Commission can approve the review and findings for this action and I recommend that you notice LAFCO 3273 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guidelines (2025) section cited above. The Commission needs to file a Notice of Exemption with the County Clerk to the Board for this action once the hearing is completed.

A copy of this exemption recommendation should be retained in LAFCO's project file to serve as verification of this evaluation and as the CEQA environmental determination record. If you have any questions, please feel free to give me a call.

Sincerely,

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

Tom Dodson

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1601 E. 3rd Street, Suite 102, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

PROPOSAL NO.: LAFCO 3273

HEARING DATE: MAY 21, 2025

RESOLUTION NO. 3418

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3273 AND APPROVING THE ANNEXATION TO THE TWENTYNINE PALMS WATER DISTRICT (ASSESSOR PARCEL NUMBER 0634-121-15). The annexation area comprises approximately 40 acres generally located at the northwest corner of Chisholm Trail and Bullion Mountain Road.

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

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

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

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

WHEREAS, the public hearing by this Commission was called for May 21, 2025, at the time and place specified in the notice of public hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written support and/or opposition; the Commission considered all plans and proposed changes of organization, objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing.

RESOLUTION NO. 3418

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

DETERMINATIONS:

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

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

Condition No. 2. The following distinctive short-form designation shall be used throughout this proceeding: LAFCO 3273.

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

Condition No. 4. Both the Twentynine Palms Water District and the property owner, John D. Rudometkin, shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

Condition No. 5. The date of issuance of the Certificate of Completion shall be the effective date of this annexation.

SECTION 2. The Commission determines that:

- a) this proposal is certified to be legally uninhabited;
- b) it has 100 % landowner consent; and,
- c) no written opposition to a waiver of protest proceedings has been submitted by any subject agency.

Therefore, the Commission does hereby waive the protest proceedings for this action as permitted by Government Code Section 56662(d).

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

1. The annexation area is legally uninhabited containing zero registered voters as certified by the County Registrar of Voters as of April 21, 2025.

RESOLUTION NO. 3418

2. The County Assessor has determined that the total assessed value of land within the annexation area is \$42,598.
3. The annexation area is within the sphere of influence assigned the Twentynine Palms Water District.
4. Legal notice of the Commission's consideration of the proposal has been provided through publication in the *Hi Desert Star*, a newspaper of general circulation within the area. As required by State law, individual notices were provided to all affected and interested agencies, County departments, and those individuals and agencies having requested such notice.
5. In compliance with the requirements of Government Code Section 56157 and Commission policies, LAFCO staff has provided individual notice to landowners and registered voters surrounding the annexation area (totaling 25 notices). Comments from landowners, registered voters, and other individuals and any affected local agency in support or opposition have been reviewed and considered by the Commission in making its determination.
6. The County's land use designation for the annexation area is RL-10 (Rural Living, 10 acres minimum). No change in land use is anticipated as a result of the annexation to the Twentynine Palms Water District.
7. The Southern California Associated Governments (SCAG) has adopted its 2024-2050 Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS), referred to as Connect SoCal 2024, pursuant to Government Code Section 65080. LAFCO 3273 has no direct impact on SCAG's Connect SoCal 2024.
8. The Local Agency Formation Commission has determined that this proposal is exempt from environmental review. The basis for this determination is that the Commission's approval of the annexation has no 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). The Commission adopted the Exemption and directed its Executive Officer to file a Notice of Exemption within five (5) days with the San Bernardino County Clerk of the Board of Supervisors.
9. The annexation area is served by the following local agencies: County of San Bernardino, Hi-Desert Memorial Healthcare District (dba Morongo Basin Healthcare District), Mojave Desert Resource Conservation District, San Bernardino County Fire Protection District and its South Desert Service Zone and its Zone FP-5, and County Service Area 70 (unincorporated County-wide multi-function agency) and its Zone TV-4.

None of these agencies are affected by this annexation proposal as they are either regional in nature or identified for other services for the annexation area.

RESOLUTION NO. 3418

10. A plan was prepared for the extension of water service to the annexation area, as required by law. The Plan for Service indicates that the Twentynine Palms Water District can provide water service to APN 0631-051-28 and can maintain and/or improve the level of service currently available. A copy of this plan is included as a part of Attachment #2 to this report.

The Plan for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that the Plan for Service conforms to those adopted standards and requirements.

11. The annexation area can benefit from the availability and extension of water service from the Twentynine Palms Water District.
12. With respect to environmental justice, the annexation proposal—which is to provide water service to the parcel—will not result in unfair treatment of any person based on race, culture or income.
13. The County of San Bernardino, acting on behalf of the Twentynine Palms Water District, adopted a resolution indicating there will be no transfer of property tax revenues as a result of the annexation. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.
14. The maps and legal descriptions are in substantial compliance with LAFCO and State standards.

SECTION 4. The primary reason for this annexation is to provide water service to APN 0631-051-28, to serve a single-family residence proposed to be built on the property. The parcel is currently not within the Twentynine Palms Water District's boundary; therefore, annexation to the District is required in order to receive water service.

SECTION 5. Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change of organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

SECTION 6. The Commission hereby orders the territory described in Exhibits "A" and "A-1" reorganized. The Commission hereby directs, that following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer shall prepare and file a Certificate of Completion, as required by Government Code Section 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204.

SECTION 7. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

RESOLUTION NO. 3418

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

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

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

I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of May 21, 2025.

DATED:

SAMUEL MARTINEZ
Executive Officer

LAFCO 3273

ANNEXATION TO THE TWENTYNINE PALMS WATER DISTRICT (APN 0634-121-15)

BEING THE EAST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 2 NORTH, RANGE 9 EAST, SAN BERNARDINO BASE MERIDIAN, IN SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, ACCORDING TO THE OFFICAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID EAST HALF AND BEING THE SOUTHEAST CORNER OF SAID SECTION 35, SAID CORNER ALSO BEING A POINT ON THE EXISTING TWENTYNINE PALMS WATER DISTRICT "LAFCO 2444" BOUNDARY;

COURSE 1, THENCE ALONG THE SOUTHERLY LINE OF SAID EAST HALF, AND ALSO ALONG THE EXISTING LAFCO 2444 BOUNDARY, SAID LINE ALSO BEING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 35, SOUTH 89° 13' 00" WEST A DISTANCE OF 661.16 FEET TO THE SOUTHWEST CORNER OF SAID EAST HALF;

COURSE 2, THENCE LEAVING SAID SECTION LINE ALONG THE WESTERLY LINE OF SAID EAST HALF, NORTH 00° 12' 15" WEST A DISTANCE OF 1486.19 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH 1/2, OF THE SOUTH 1/2, OF THE SOUTH 1/2, OF THE NORTH 1/2, OF THE SOUTH 1/2, OF SAID SECTION;

COURSE 3, THENCE LEAVING THE EXISTING LAFCO 2444 BOUNDARY ALONG THE WESTERLY LINE OF SAID EAST HALF, NORTH 0° 12' 15" WEST A DISTANCE OF 1155.92 FEET TO THE NORTHWEST CORNER OF SAID EAST HALF;

COURSE 4, THENCE ALONG THE NORTHERLY LINE OF SAID EAST HALF, NORTH 89° 24' 00" EAST A DISTANCE OF 661.33 FEET TO A POINT ON THE EASTERLY LINE OF SAID EAST HALF;

COURSE 5, THENCE ALONG THE EASTERLY LINE OF SAID EAST HALF, SOUTH 0° 12' 00" EAST A DISTANCE OF 2640.00 THE **POINT OF BEGINNING**.

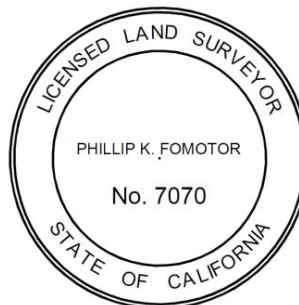
SAID ABOVE DESCRIBED AREA CONTAINS 40.09 ACRES, MORE OR LESS.

THIS DOCUMENT WAS PREPARED BY
ME OR UNDER MY DIRECTION,
BASED ON RECORD INFORMATION.



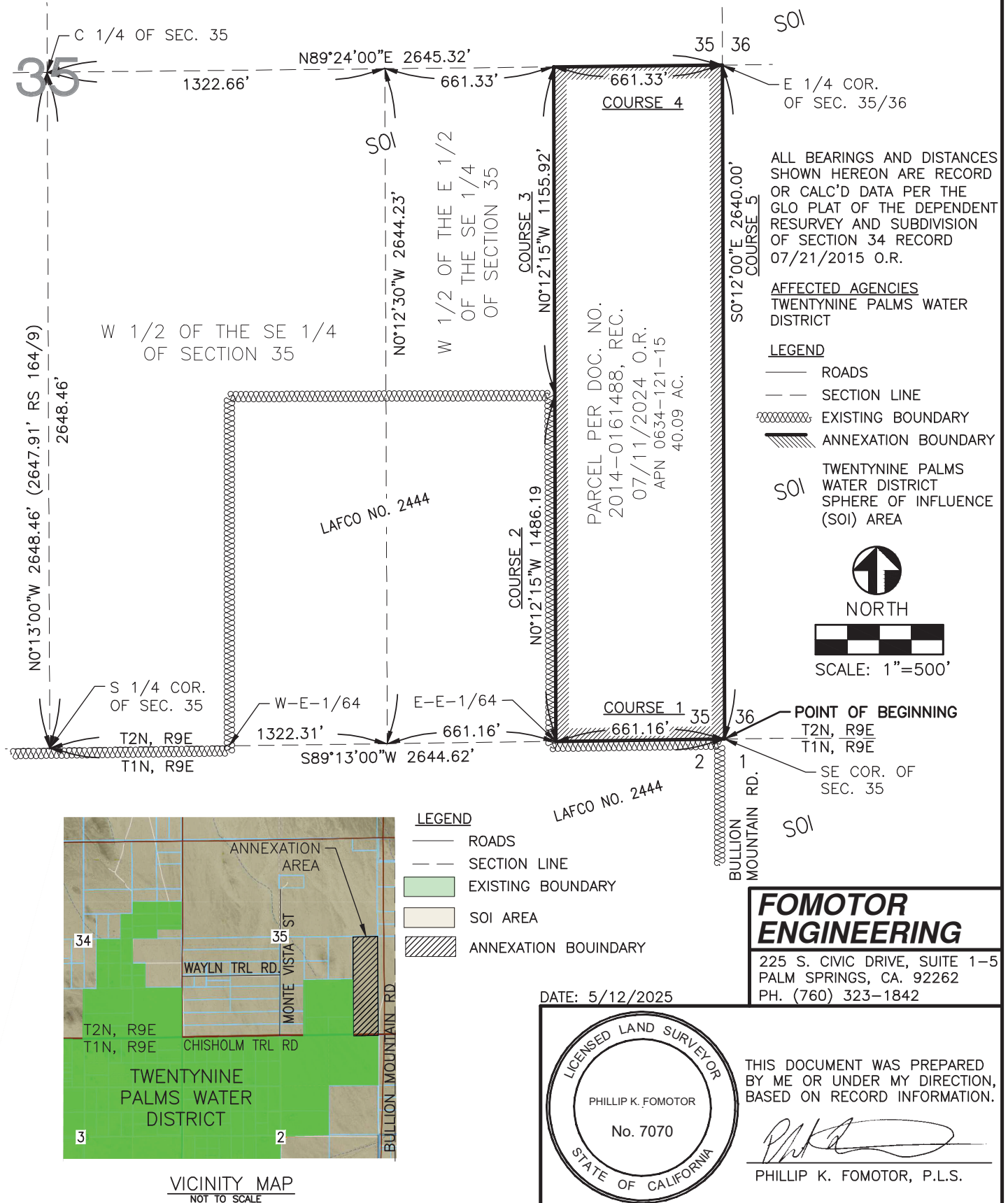
PHILLIP K. FOMOTOR, P.L.S.

DATE 5/12/2025



ANNEXATION TO TWENTYNINE PALMS WATER DISTRICT (APN 0634-121-15)

E 1/2 OF THE E 1/2 OF SE 1/4 OF SECTION 35
TOWNSHIP 2 NORTH, RANGE 9 EAST



LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1601 E. 3rd Street, Suite 102, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: MAY 14, 2025 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Assistant Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #10 – REVIEW AND ADOPTION OF AMENDMENTS TO
POLICY AND PROCEDURE MANUAL:
SECTION III (HUMAN RESOURCES)

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Provide staff with any additional changes, corrections, or amendments to the Policy and Procedure Manual as presented.
2. Adopt the amendments to the Policy and Procedure Manual.
3. Adopt Resolution No. 3417 approving the amendments to the Policy and Procedure Manual and direct the Executive Officer to make the document available on the Commission's website.

BACKGROUND:

In 2023 staff and the Commission comprehensively updated each section of the Policy and Procedure Manual. This included the addition of a new Information Technology section; and amendments to rules of order, service contract policies and reserve policies, and non-substantive updates to clarify language.

Following the 2023 comprehensive review, legal counsel recommended that the Commission conduct a legal review of each Section to identify areas of improvement to comply with current laws and regulations. In March 2025, the Commission amended:

- Section I (Mission Statement and Commission Operations)
- Section II (Internal Operations, Accounting, and Financial)

This item includes a review of Section III (Human Resources). Below are the amendments which are composed of new policies, substantial amendments, and non-substantial amendments. Staff also reformatted some of the multi-level numbering to make them consistent throughout the document.

CHAPTER 1: WORKING ENVIRONMENT

Policy 3: Equal Employment Opportunity

Updated language regarding “race” and “intersectionality”. Effective January 1, 2025:

- AB 1815 incorporates that “race” shall include “traits associated with race” including “hair texture and protective hairstyles such as braids, locs, and twists.”
- SB 1137 amends Gov. Code §12926(o) to specifically address claims based on a combination of protected characteristics, or “intersectionality.” Individuals are now explicitly allowed to bring allegations of discrimination based on the intersection of multiple protected characteristics.

Policy 4: Disability Accommodation

Updated language due to recent legislation:

- Reasonable Accommodations Related to Disability and Religion
Required by Gov. Code §12940(l). Applicable to all California employers with 5 or more employees.
- Reasonable Accommodations Relating to Pregnancy
Required by Gov. Code §12945 and Gov. Code §12945(a)(3). Applicable to all California employers with 5 or more employees.
- Retaliation and Discrimination Prohibited
As required by Gov. Code §12940(h); Labor Code §§ 230 and 230.1.

Policy 5: Policy Against Harassment, Discrimination, and Retaliation

Updated language due to recent legislation:

- “race” and “intersectionality” (see Policy 3 above).
- External reporting procedures added pursuant to Gov. Code §12950(b)(5).
- Sexual Harassment Training added pursuant to Gov. Code §12950.1, applicable when employing more than five employees. (*NEW POLICY*)

Policy 6: Workplace Anti-Violence Policy

Effective July 1, 2024, SB 553 requires that all California employers implement a Workplace Violence Prevention Plan. Legal Counsel recommends its clients adopt the Model Written Workplace Violence Prevention Plan, as provided by CalOSHA. The policy directs employees to reference the separate Workplace Violence Prevention Plan, which is distributed to all employees and on file with the Clerk to the Commission.

Policy 8: Relocation

Revised pursuant to County Ordinance Section 13 (Exempt Compensation), Section 13.0613(r)(2)(A) and (B). Increases moving expenses from \$5,000 to \$10,000 for a new Executive Officer and clarification on moving expenses for Group B employees.

Policy 12: Lactation Accommodation Policy (*NEW POLICY*)

California law requires that every California employer have a lactation policy including these provisions. (Cal. Labor Code Section 1031; Cal. Labor Code Section 1030.) Employers with less than 50 employees may be exempt if they can demonstrate this would impose an undue hardship.

CHAPTER 2: EMPLOYMENT

Policy 2: Compensation

Reflects the COLA that the Commission approved in April 2025 as a part of the budget.

Policy 4: Performance Management

Revised pursuant to County Ordinance Section 13 (Exempt Compensation), Section 13.0613 Section (c)(5). (Page 20.). Increases the top step that the Executive Officer can offer a new employee from Step 7 to Step 8.

CHAPTER 3: TIME OFF

Policy 1: Sick Leave

Gov. Code §12945.7(e)(2)(3)(4) provides that employees are entitled to five days of unpaid bereavement leave and may use vacation, personal leave, accrued and available sick leave, or compensatory time. The policy increases from three days to five days.

Policy 4B: Reproductive Loss Event Leave (*NEW POLICY*)

Effective January 1, 2024, California law expanded the labor code to provide Reproductive Loss Event Leave. (Cal. Gov. Code § 12945.6.), applicable to all California public agencies, regardless of size. This is now a separate leave from bereavement leave under California law, with its own distinct requirements and provisions. As such, legal counsel recommends that LAFCO incorporate a separate policy to address reproductive loss event leave.

Policy 7: Family and Medical Leave and California Family Rights Act

Adds clarifying language to include California Family Rights Act. CFRA leave is more generous and defines family member more broadly than the FMLA does.

The remaining sections of the Policy Manual will be provided to the Commission in the subsequent months.

CONCLUSION:

Staff requests that the Commission provide staff with any additional changes or corrections to the proposed amendments to the Policy and Procedure Manual for staff to include in the document. Staff recommends that the Commission take the actions outlined on page 1 of this report to approve the changes.

Attachment:

1. [Proposed Section III \(Human Resources\) Amendments in Track Change Format](#)
2. [Draft LAFCO Resolution No. 3417 \(without Exhibit A\)](#)

SECTION III
HUMAN RESOURCES

Internal Operating Guidelines consolidated into Human Resources Policies and Procedures – June 16, 2011

Human Resources Policies and Procedures and Benefit Plan incorporated into Policy and Procedure Manual as separate sections – September 28, 2011

Benefit Plan section consolidated into Human Resources Policies and Procedures section as Chapter V – August 19, 2015

CHAPTER 1: WORKING ENVIRONMENT

1. EMPLOYEE ACKNOWLEDGEMENT FORM

Consistent with applicable laws, the following policies represent the Human Resources Policies and Procedures established by the San Bernardino Local Agency Formation Commission (hereinafter “SB LAFCO”). These policies and procedures shall in no manner be interpreted as a guaranteed or implied contract between the SB LAFCO and any employee or group of employees.

All employees shall acknowledge receipt of the Human Resources Policies and Procedures by signing the form titled “Employee Receipt of San Bernardino LAFCO Human Resources Policies and Procedures” with placement of the signed form in the employee’s personnel file.

2. AT- WILL-EMPLOYMENT

The employment relationship between San Bernardino LAFCO and its employees is for an unspecified term and may be terminated by the employee, or SB LAFCO Executive Officer or the Commission of SB LAFCO at any time, with or without cause or advanced notice. The LAFCO Commission is the appointing authority for the LAFCO Executive Officer. The LAFCO Executive Officer is the appointing authority for all other LAFCO employees. Also, SB LAFCO reserves the right to transfer, demote, suspend and administer discipline with or without cause or advance notice.

None of the policies, procedures or contents of this manual is intended to create any contractual obligations which in any way conflict with the SB LAFCO’s policy of At-Will-Employment. The at-will relationship can only be modified by a written agreement signed by the employee and the Executive Officer or the Commission of SB LAFCO.

3. EQUAL EMPLOYMENT OPPORTUNITY

SB LAFCO is strongly committed to providing equal opportunity to all employees and applicants for employment. SB LAFCO does not discriminate on the basis of race (including but not limited to traits associated with race, such as hair texture and protective hairstyles such as braids, locs, and twists), color, religion, national origin, ancestry, citizenship, sex, age, medical condition, sexual orientation, genetic characteristics, gender identity, marital status, pregnancy, physical or mental disability, caregiver responsibilities, veteran or other protected status, or on the basis of any perception that an applicant or employee has any of these characteristics or on the basis that an applicant or employee is associated with someone who has or is perceived to have these characteristics. SB LAFCO strictly prohibits the harassment of

any individual on any basis listed above (see the Policy Against Harassment for further clarification).

This policy applies to all employment practices, including recruitment, advertising, job application procedures, hiring, firing, advancement, compensation, training, benefits, transfers, social and recreational programs, and any other terms, conditions and privileges of employment.

SB LAFCO prohibits unlawful harassment, discrimination, and retaliation based on:

- A. Any combination of the above characteristics;
- B. A perception that the person has any of the above characteristics or any combination of those characteristics;
- C. A perception that the person is associated with a person who has, or is perceived to have, any of those characteristics of any combination of the above characteristics.

An employee who believes that he or she has been subjected to any form of unlawful discrimination should make a complaint, preferably written, to the Executive Officer. Complaints should be specific and should include the names of individuals involved and the names of any witnesses. SB LAFCO will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. If SB LAFCO determines that unlawful discrimination has occurred, effective remedial action will be taken to deter any future discrimination.

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Commitment Policy or the Policy Against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith.

4. DISABILITY ACCOMMODATION

SB LAFCO is committed to complying fully with state and federal disability discrimination laws. As previously stated, no program or activity administered by the employer shall exclude from participation, deny benefits to or subject to discrimination any individual based on an employee's actual or perceived disability or based on an employee's association with someone who has an actual or perceived disability.

SB LAFCO is further committed to providing reasonable accommodation to the known physical or mental limitations of an otherwise qualified applicant or employee. If you believe you are a qualified individual with a disability and that you need a reasonable accommodation in order to perform the essential functions of your job, please notify the Executive Officer. The accommodation process is interactive and allows the applicant or employee to identify possible accommodations. However, SB LAFCO has the right to choose among effective accommodations.

Reasonable Accommodations Related to Disability and Religion: SB LAFCO will provide reasonable accommodations for applicants and employees with disabilities in accordance with the Americans with Disabilities Act (the “ADA”) and California law, and for applicants and employees based on their sincerely held religious beliefs, practices, or observance under state and federal law. Employees seeking such accommodations should promptly notify SB LAFCO’s Human Resources Department.

Reasonable Accommodations Relating to Pregnancy: SB LAFCO will provide reasonable accommodations to employees who are affected by a pregnancy, childbirth, or related medical conditions, as medically advisable. Such accommodations may consist of:

- A. Modified work duties or a modified schedule to permit earlier or later hours or more frequent breaks; stools, chairs, or other furniture; modified or acquired equipment or devices; reduced work hours; or other accommodations.
- B. Temporary transfers to a less strenuous or less hazardous position, if such transfer can be reasonably accommodated, or
- C. A “Pregnancy-Related Disability Leave” if the employee is disabled by pregnancy, as described in SB LAFCO’s leave of absence policy.

Employees seeking pregnancy-related accommodation, including transfer under this policy, should notify SB LAFCO’s Human Resources Department. This notice must be timely and be provided by employees in advance when the need for reasonable accommodation is foreseeable; in all other circumstances, notice must be provided as soon as practicable. Failure to give advance notice when the need is foreseeable may delay the reasonable accommodation or transfer until 30 days after the date the employee provides notice (unless such delay would endanger the health of the employee, her pregnancy or her coworkers).

Retaliation and Discrimination Prohibited: SB LAFCO prohibits discrimination, discharge, retaliation, or any other unlawful acts against an

individual because such person requests or receives an accommodation under this (or another applicable) policy, or because such individual engaged in any other conduct protected by the law. Additionally, as addressed in SB LAFCO's separate policy on harassment, discrimination and retaliation, SB LAFCO prohibits unlawful harassment, discrimination, or retaliation against any employee on the basis of an individual's disability, religion, religious creed, sex (including pregnancy, childbirth and related medical conditions), status as a victim of domestic violence, sexual assault or stalking, or any other status as protected by law.

5. POLICY AGAINST HARASSMENT, DISCRIMINATION, AND RETALIATION

- A. SB LAFCO prohibits and will not tolerate unlawful harassment. This policy applies to all persons involved with SB LAFCO including employees, applicants, customers or persons providing services pursuant to a contract. This policy prohibits sexual harassment and harassment, as well as discrimination and retaliation -based on an individual's inclusion in a protected class, such as race (including but not limited to traits associated with race, such as hair texture and protective hairstyles such as braids, locs, and twists), color, religion, national origin, ancestry, sex, age, medical condition, sexual orientation, gender characteristics, gender identity, marital status, caregiver responsibilities, citizenship, pregnancy, physical and mental disabilities, veteran or any other consideration made unlawful by federal, state or local laws, including persons perceived to have any of these characteristics. SB LAFCO will also take all responsible steps to prevent or eliminate unlawful harassment by non-employees, including customers, clients, and suppliers, who have workplace contact with SB LAFCO's employees.

B. DEFINITION

Unlawful harassment is generally defined as verbal, physical, or visual conduct that creates an intimidating, offensive, or hostile working environment, or that interferes with an employee's work performance, and that is based on a protected status. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment. ~~is generally conduct that: does not relate to the business of SB LAFCO; has the purpose or effect of interfering with an individual's ability to work, or that creates a hostile, intimidating or abusing work~~

~~environment; and is directed at an individual because of the individual's inclusion in a protected class.~~

Sexually harassing conduct in particular may include all of these prohibited actions, as well as other unwelcome conduct, such as requests for sexual favors, conversation containing sexual comments, and other unwelcome sexual advances.

Conduct prohibited by this policy includes, but is not limited to the following:

- (1) Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- (2) Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawing or gestures;
- (3) Physical conduct such as assault, unwanted touching, blocking, normal movement or interfering with work because of sex, race or any other protected basis;
- (4) Threats, demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss and offers of employment benefits in return for sexual favors.

C. REPORTING AND COMPLAINT PROCEDURE

An employee who believes that he or she has been subjected to any form of prohibited harassment should make a complaint, preferably written, to his or her supervisor, the Executive Officer or the Chair of the Commission. If the employee is uncomfortable approaching either his or her supervisor, the Executive Officer or the Chair of the Commission, any other member of management is available to hear their concerns. Managers must report all harassment complaints. Complaints should be specific and should include the names of individuals involved and the names of any witnesses.

SB LAFCO will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. SB LAFCO will maintain confidentiality to the extent possible during the investigation, however, disclosures of certain information to members of management or as required by law may be necessary. If SB LAFCO determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense up to and including termination. Appropriate action will also be taken to deter any future harassment.

D. NON-RETALIATION

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Policy or the Policy Against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. Such retaliation is a separate violation of the law and of SB LAFCO policy and is subject to disciplinary action up to employment termination. Individuals who believe they have experienced or been threatened with such retaliation, and any manager or supervisor who learns of possible retaliation, must immediately report it using the same Complaint Reporting Process above. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith.

E. EXTERNAL REPORTING PROCEDURES

In addition to SB LAFCO's internal complaint procedure, an employee may file an external complaint by contacting the following:

- (1) Department of Civil Rights (CRD) [formerly known as the Department of Fair Employment and Housing (DFEH)] at 800-884-1684 or visiting <https://calcivilrights.ca.gov/contactus/>
- (2) Equal Employment Opportunity Commission (EEOC) at 800-669-4000 or visiting <https://www.eeoc.gov/contact-eeoc>

SB LAFCO will not tolerate retaliation against an individual for good faith reports of harassment, discrimination, or retaliation; assisting another in making a report; cooperating in an investigation; filing an administrative complaint with a government agency; or engaging in other protected activity. Such retaliation is a separate violation of the law and of SB LAFCO policy and is subject to disciplinary action up to employment termination. Individuals who believe they have experienced or been threatened with such retaliation, and any manager or supervisor who learns of possible retaliation, must immediately report it using the same Complaint Reporting Process above.

F. SEXUAL HARASSMENT TRAINING

All non-managerial employees must attend a one-(1) hour Sexual Harassment Prevention Training, and all managerial employees must attend a two-hour Sexual Harassment Prevent Training. All SB LAFCO employees will be required to attend a sexual harassment training every two years as assigned by SB LAFCO. Managers will

[receive two \(2\) hours of training every two \(2\) years as assigned by SB LAFCO. Staff may be required to attend additional anti-harassment or other sensitivity trainings in regard to any protected class. SB LAFCO employees may refer to the Department of Civil Rights \(CRD\) sexual harassment prevention online training course appropriate for their position. You may also visit <https://calcivilrights.ca.gov> to access the online training courses.](#)

6. WORKPLACE ANTI-VIOLENCE POLICY

SB LAFCO is committed to providing a workplace that is free from acts of violence or threats of violence. In keeping with this commitment, SB LAFCO has established a strict policy that prohibits any employee from threatening or committing any act of violence in the workplace, while on duty, while on SB LAFCO-related business, or while operating any vehicle or equipment owned or leased by SB LAFCO. This policy applies to all employees.

In order to achieve our goal of providing a workplace that is secure and free from violence, SB LAFCO must enlist each employee's support. Compliance with this policy and SB LAFCO's commitment to a zero-tolerance policy with respect to workplace violence is every employee's responsibility. A violation of the policy's terms, by engaging in or contributing to violent behavior or by threatening others with violence may lead to disciplinary action, up to and including immediate termination.

If an employee becomes aware of an imminent act of violence or threat of violence, the employee is to immediately call 911 and then notify the Executive Officer or any member of management. Employees should also immediately inform the Executive Officer about any workplace security hazards. If the Executive Officer is not readily available, employees should immediately inform any member of Management so that appropriate action can be taken.

There will be no retaliation against employees for bringing a complaint in good faith under the Workplace Anti-Violence Policy or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith.

[This policy directs employees and Commissioners to reference the separate Workplace Violence Prevention Plan, which is on file with the Clerk to the Commission.](#)

7. DRUG AND ALCOHOL POLICY

Because all employees deserve to work in a safe, efficient and productive

environment, all employees must work free from the effects of drugs, alcohol or other controlled substances.

Drugs refer to any drug, including prescribed medication, which is not legally obtained. Using prescribed drugs for other than prescribed purposes is also not acceptable.

SB LAFCO strictly prohibits using, being under the influence of, possessing, distributing, selling or buying drugs or alcohol on SB LAFCO property or time, including break or meal periods. The possession or use of drug paraphernalia is also prohibited on SB LAFCO property or time, including break or meal periods.

Each employee is accountable for the performance of his or her job duties and personal conduct at all times. Employees should be aware that if a problem with their job performance exists, SB LAFCO will address those issues with the employee, regardless of any substance problem that the employee may have.

SB LAFCO considers failure to comply with these guidelines to be a serious matter. It may result in disciplinary action, up to and including immediate termination.

8. RELOCATION

The appointing authority may approve reimbursement of moving expenses incurred by new employees upon proof/receipts provided. Such reimbursement is restricted to airfare, auto mileage, meals, overnight stay, and airport transit.

Policy:

- A. The ~~SB LAFCO Executive Officer~~Commission Chair may approve moving expenses up to but not exceeding ~~five~~ten thousand dollars (\$~~105~~,000) for any ~~employee~~Executive Officer new to SB LAFCO employment for moving expenses authorized, incurred and documented as a result of accepting the position and remaining for twelve (12) months subsequent to hire. Reimbursement of moving expenses in excess of \$10,000 must be approved by the Commission.
- B. The SB LAFCO Executive Officer may approve moving expenses up to but not exceeding five thousand dollars (\$5,000) for any Benefit Group B employee new to SB LAFCO employment for Benefit Group B. The ~~Chairman of the Commission may approve such moving expenses for the SB LAFCO Executive Officer.~~ Reimbursement of moving

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expenses in excess of five thousand dollars (\$5,000) must be approved by the Commission.

- C. For employees not covered by A and B above, the following provision applies.

To assist with the recruitment and appointment of qualified individuals to hard-to-recruit positions/classifications, upon request of the appointing authority, the Executive Officer or designee may authorize reimbursement of a new employee's relocation-related expenses incurred as a result of accepting employment with SB LAFCO, as follows:

Miles Relocated	Maximum Reimbursement
250*-1000 Miles	\$1,000.00
1001-2000 Miles	\$2,000.00
More than 2000 Miles	\$2,500.00

*The 250-mile distance shall only apply if the relocation is from outside San Bernardino County

- D. Such reimbursement may be provided to employees upon initial employment with SB LAFCO, provided that the employee (1) is appointed to a regular position; (2) submits original receipts documenting expenses incurred; and (3) agrees to remain employed in the regular position for at least twelve months.

If the employee voluntarily resigns employment prior to completion of 12 months service, the employee shall be required to reimburse SB LAFCO for any payment made under this subsection. If the employee fails to reimburse SB LAFCO, the amount shall be recovered via payroll recovery from the employee's final pay.

9. WORK-AT-HOME/TELECOMMUTE

- A. This Work-at-Home Policy applies to employee work-at-home arrangements, whether on a continuous basis or for a specific, limited period of time. This policy and its procedures applies to LAFCO staff, and will be administered by the Executive Officer.
- B. Working at home is not an employee right or benefit and may be discontinued by the Commission or Executive Officer for any reason that is not arbitrary or capricious, at any time. Employees will be permitted to work at home at the discretion of the Executive Officer.

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Employees may be removed from the Telecommuting Program if they do not comply with the terms of this policy and its procedures.

- C. Telecommuting does not change the duties, obligations, responsibilities, or terms and conditions of LAFCO employment. Whether or not specifically articulated in the policy and procedures, work-at-home employees are subject to the same federal and State of California laws and LAFCO policies and procedures applicable to employees at the regular LAFCO worksite.
- D. A telecommuting employee must perform work during scheduled telecommuting hours. Employees may not engage in activities while telecommuting that would not be permitted at the regular worksite, such as child, elder, or other dependent care. Telecommuting employees may take care of personal business during unpaid lunch periods, as they would at the regular worksite. Any exceptions to deviating from the normal work hours must receive Executive Officer authorization beforehand. Additionally, orders from a health authority, safety authority, governor, etc... regarding shelter-in-place, safer-at-home, school closures, etc... may necessitate alternate working hours and must receive Executive Officer authorization before work begins.

PROCEDURE:

Work-at-Home Criteria

To be eligible to work at home, employees must, among other things: (1) have portable job duties; (2) have a work site and equipment (telephone, Internet, supplies, etc.) suitable for working at home; and (3) be able to work independently and productively.

Some positions, responsibilities and projects are more suitable for working from home than others and may be appropriate to maintain continuity in the event of an emergency, or as part of a flexible work arrangement. Also, responsibilities that do not require face-to-face interaction, require minimal supervision, involve the extensive use of computers and/or telephones, and have clearly defined and easily measurable tasks are more appropriate for a work-at-home arrangement. The Executive Officer must examine the distinct activities, functions and tasks to determine whether a work-at-home arrangement is appropriate.

Work Schedule

In addition to Section D, as is required for the LAFCO worksite, the Executive Officer will establish the employee's home work schedule. The employee will document all time worked and account for hours not worked with the

appropriate leave designation (vacation, administrative, sick, holiday, leave without pay, etc.) and, if eligible for overtime, must receive Executive Officer authorization before working overtime.

Documentation

The Executive Officer must complete the Work-At-Home Approval Form. Work-at-home documentation must include the following components:

- A. a description of the work to be accomplished as well as clearly defined performance requirements that are measurable and results oriented—especially when the work differs from the employee’s regular job description and performance plan;
- B. the work schedule, including as required above, the actual hours worked each day, with the start and end times of the work day and of any breaks and meal periods;
- C. a telephone number where the employee can be reached during the agreed-upon work schedule; and,
- D. if LAFCO equipment is used at home, a record of such equipment

In the event of an emergency closure or situation for which the Work-at-Home Approval Form cannot be formalized ahead of time, the work-at-home approval must be documented in an email between the employee and the Executive Officer.

Equipment, Supplies, and Telephone/Data Connection

The employee will use his/her own equipment, supplies, and telephone/Internet connection to perform his/her job duties. In special cases where the Executive Officer determines it is in the best interest of the organization, the Executive Officer may provide equipment necessary for the employee to perform the desired work at home. LAFCO equipment, software, data and supplies may be used only for official LAFCO business, and must be returned to LAFCO at the termination of the work-at-home arrangement, or upon request by LAFCO. The employee is responsible for operating costs, home maintenance and any other cost associated with the use of the home as an alternate work location. In the event of equipment failure or malfunction, the employee will immediately notify the Executive Officer. In the event of delay in repair or replacement, or any other circumstance which makes work from the home location impracticable, the employee understands that the Executive Officer may require the employee to report to the regular work site. The Executive Officer has the sole discretion to reimburse employees for the costs of using personal equipment while telecommuting.

Employees authorized to work from home under this policy may be entitled to reimbursement for additional expenses incurred as a result of working from home. However, to be eligible for such reimbursement and to the extent reasonably possible, employees must notify and obtain approval from the Executive Officer prior to incurring the expense.

Security

All LAFCO information security, and records management and retention policies that apply at the regular LAFCO worksite apply when the employee works from home.

All LAFCO rules regarding the use of computers and the internet apply while an employee is telecommuting, regardless of whether the employee is using LAFCO-provided or personal equipment.

Liability

LAFCO is not liable for injuries to third persons, including family members, at the home work site. LAFCO is not liable for damages to the employee's personal or real property.

Workers' Compensation/Safe Work Spaces

The employee is covered by Workers' Compensation during the performance of official LAFCO business at the home worksite during work hours. The employee must report work-related injuries immediately to the Executive Officer and will comply with all LAFCO reporting requirements established for the purpose of reporting such claims.

Employees are expected to maintain their home workspace in a safe manner, free from safety hazards.

10. SAFETY

Every employee is responsible for safety. To achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Employees should report any unsafe or hazardous condition directly to their supervisor immediately.

In case of an accident involving a personal injury, regardless of how serious, employees should notify a supervisor or the Executive Officer immediately. Failure to report accidents can result in a violation of legal requirements, and

can lead to difficulties in processing insurance and benefit claims.

If an employee is injured on the job, he or she will be entitled to benefits under the state workers' compensation law in most cases. SB LAFCO carries workers' compensation insurance and will assist employees to obtain all benefits to which they are legally entitled.

11. DESK INSPECTION POLICY

Although desks, lockers, cabinets, and shelves are made available for the convenience of employees while at work, employees should remember that all desks, lockers, cabinets, and shelves remain the sole property of SB LAFCO. Employees shall have no expectation of privacy with regard to personal items stored in desks, lockers, cabinets, and shelves. Moreover, SB LAFCO reserves the right to open and inspect desks, lockers, cabinets, and shelves, as well as any contents, effects, or articles in desks, cabinets, and shelves. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after working hours by a supervisor, manager, or security personnel designated by SB LAFCO.

Prohibited materials, including weapons, explosives, alcohol and non-prescribed drugs or medications, may not be placed in a desk, locker, cabinet or shelf. Employees may keep "lawful over-the-counter or legally prescribed drugs" in their desks, lockers or cabinets. Employees, who, if requested, fail to cooperate in any inspection, will be subject to disciplinary action, up to and including termination. SB LAFCO is not responsible for any articles that are placed or left in a desk, locker, cabinet, or shelf that are lost, damaged, stolen or destroyed.

12. LACTATION ACCOMMODATION POLICY

SB LAFCO provides accommodations to lactating employees who need to express breastmilk during work hours in accordance with applicable law. SB LAFCO will provide a room or other location (not a bathroom) for employees to express breastmilk in private. SB LAFCO will ensure that the lactation room or location will:

- A. Be in close proximity to the employee's work area, shielded from view, and free from intrusion while the employee is expressing milk;
- B. Be clean, safe and free of hazardous materials;
- C. Contain a surface to place a breast pump and other personal items;

D. Contain a place to sit; and

E. Have access to electricity or alternative devices, including, but not limited to, extension cords or charging stations, needed to operate an electric or battery powered breast pump.

In addition, SB LAFCO will provide access to a sink with running water and a refrigerator suitable for storing milk (or other cooling device suitable for storing milk) in close proximity to an employee's workspace. In the event that more than one employee needs use of the lactation room, SB LAFCO will discuss alternative options with the employees to determine what arrangement addresses their needs, such as finding an alternative space or creating a schedule for such use.

SB LAFCO shall also provide a reasonable amount of break time for an employee to express any breast milk each time that she needs to do so. The break time, if possible, should run concurrently with any break time already provided to the employee. Break time for a nonexempt employee that does not run concurrently with rest time already authorized for the employee is unpaid. However, if the employee performs any work during such a break, she must accurately record all time worked and SB LAFCO will compensate her for such time.

Employees who are nursing have a right to request lactation accommodation. Such requests may be made verbally or in writing, should indicate the need for accommodation in order to express breastmilk at work, and should be directed to SB LAFCO's Human Resources Department. SB LAFCO shall respond to such requests in a reasonable manner, not exceeding five business days. If SB LAFCO cannot provide break time, location, or other reasonable accommodations in accordance with this policy, it will inform the requesting employee in writing. Because lactation accommodation needs may change over time, employees may request changes to existing accommodations by a written request to SB LAFCO's Human Resources Department that describes the nature of the change that is requested.

SB LAFCO prohibits any form of retaliation or discrimination against an employee for exercising or attempting to exercise any rights provided under the above policies. Any such conduct or violations of the above-referenced policies should be reported to the Human Resources Department. Employees also have the right to file a complaint with the California Labor Commissioner for violation of a lactation accommodation right as set forth in the Policy Against Harassment, Discrimination, and Retaliation.

CHAPTER 2: EMPLOYMENT

1. EMPLOYMENT CATEGORIES AND CLASSIFICATIONS

A. EMPLOYMENT CATEGORIES

- (1) These categories do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and SB LAFCO.
 - a. Exempt - Exempt employees are classified as being exempt from the provisions of the state and federal wage and hour laws and are compensated for performing defined functions and assignments, not for hours worked. Irregular hours can be expected in these positions.
 - b. Non-Exempt - Non-exempt employees are classified as being non-exempt from the provisions of the state and federal wage and hour laws and are compensated for hours worked and are paid overtime wages in accordance with state and federal regulations.
 - c. An employee's EXEMPT or NON-EXEMPT classification may be changed only upon written notification by SB LAFCO management.
- (2) In addition to the above categories, each employee will belong to one other employment category:
 - a. Regular Full Time - Employees who are not in a temporary status and who are regularly scheduled to work 40 hours per week are Regular Full-Time Employees and are generally eligible for SB LAFCO's benefit package, subject to the terms, conditions, and limitations of each benefit program.
 - b. Part-Time - Employees who are not assigned to a temporary status and who are regularly scheduled to work less than 40 hours per week are Regular Part-Time Employees. While they do receive all legally mandated benefits on an hourly prorated basis (such as Social Security and workers' compensation insurance), they may not be eligible for all of SB LAFCO's additional benefit programs. (Eligibility for additional optional

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benefits such as medical, life, etc., is based on the current agreements with the insurance carriers. These are reviewed annually for hours eligibility.) For additional information please refer to benefit specifics.

- c. Temporary - Employees hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project are considered temporary. The duration of the temporary position will be based on the requirements of the project or assignment and may be full or part-time. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change in writing, signed by the Executive Officer. Temporary employees are ineligible for SB LAFCO's benefit programs except legally mandated benefits.
- d. Dual Appointments - The appointment of two (2) full time employees to the same budgeted regular position may be authorized by the Appointing Authority to facilitate training, to make assignments to a position which is vacant due to extended authorized leave of absence or in an emergency.
- e. Job Share - When appropriate for business conditions, SB LAFCO will make reasonable accommodations for employees who desire to share their position with other qualified employees or eligible person subject to the approval of the Executive Officer. These requests must be in writing. Jobs may be shared on an hourly or daily basis. Benefits provided by SB LAFCO shall be prorated to the extent practicable.

B. EMPLOYMENT CLASSIFICATIONS

Classification is a management tool to ensure the accurate reflection of tasks and duties involved in each position.

Whenever positions are subject to any change as a result of classification review and are allocated within the Exempt Group, any action shall be on the recommendation of the Appointing Authority. Any request to review a classification action shall be submitted to the Appointing Authority who shall have the final and binding authority in the review process determination.

Upgrade -- An upgrade is the reclassification of a position from one classification to another classification having a higher base salary range.

Downgrade -- A downgrade is the reclassification of a position from one classification to another classification having a lower base salary range. When a position is downgraded, the Appointing Authority may authorize continuation of the same salary rate payment to the incumbent employee that the employee received prior to the downgrading of the position by placing the employee on an "X" step, provided that the employee shall receive no future salary rate increases until the salary rate of the position held exceeds the "X" step.

2. COMPENSATION

- A. It is the intention of SB LAFCO to provide compensation to its employees based on identified responsibilities, skill levels, performance of responsibilities, educational accomplishments and current comparable wages for the region.

Annual compensation reviews will be conducted to assess the employees' performance of the responsibilities as outlined in their job description. The percentage and/or dollar amount to be allocated for merit increases will be determined in the annual budget process with the Commission by recommendation of the Executive Officer. Special compensation adjustments may be made if necessary.

Bi-annual review of the compensation structures will be conducted and if appropriate, adjustments made to accommodate any necessary changes to the established salary range.

Issues regarding compensation should be addressed to the immediate supervisor, Executive Officer or appointed Human Resources Representative.

B. SALARY RANGES

The following shall be the salary ranges for LAFCO positions.

Effective ~~July 13, 2024~~ July 12, 2025, the following shall be the salary ranges for LAFCO positions (~~4.5~~2.5% increase):

Position	Hourly Range
Executive Officer	\$96.80 to \$138.72

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	\$99.22 to \$142.19
Assistant Executive Officer	\$49.05 to \$70.04 \$50.28 to \$71.79
Senior Analyst	\$43.62 to \$62.18 \$44.71 to \$63.73
Project Manager	\$38.86 to \$55.31 \$39.83 to \$56.70
LAFCO Analyst – GIS/Database Manager	\$33.03 to \$47.11 \$33.85 to \$48.29
Clerk to the Commission/Office Manager	\$29.59 to \$41.82 \$30.33 to \$42.87
Administrative Assistant	\$24.77 to \$34.82 \$25.39 to \$36.69

Effective July 15, 2023, each salary range shall have 16 steps. The spread between steps shall be approximately two and one-half percent (2.5%). The salary schedule shows the hourly rate for each step in the salary range.

C. SPECIAL ASSIGNMENT COMPENSATION

Increases in pay may be granted to recognize the temporary assignment of additional responsibilities that are significant in nature and beyond the normal scope of the position. No award shall be made in any situation related to a vacation, short-term illness or other relief which is six (6) weeks or less. The duration of such assignments are not intended to exceed one (1) calendar year except in unusual circumstances approved by both the Executive Officer and the Commission or designee. Employees will normally not be in a probationary status. The employee shall be required to meet standards for satisfactory performance.

Compensation shall be awarded in pay period increments and shall be in the form of a specified percentage of the employee's base pay. The Appointing Authority will determine the amount in increments of one-half percent (1/2%) from a minimum of two and one-half percent (2-1/2%) up to a maximum of seven and one-half percent (7-1/2%). The additional compensation will be computed at the specified percentage of the current base pay of the employee for each pay period. Such

increases in pay shall not affect an employee's step advancement in the base range pursuant to the Salary Rates and Step Advancements section.

Requests for Special Assignment Compensation may be initiated by the Appointing Authority or an employee via the Appointing Authority. The Appointing Authority and the employee bear mutual responsibility for initiating the compensation request in a timely manner and adhering to the compensation provisions defined in this provision. It is important to obtain Appointing Authority review of the request in advance of the date the employee begins the assignment, since there is no guarantee that the request will be approved. Special Assignment Compensation is to be effective only with the Commission's written approval, assignment of the greater level of duties, and signed acceptance by the employee.

This provision shall not be utilized to circumvent or provide additional compensation over and above that which may be provided in "Classification" and "Assignment to Vacant Higher Position."

These aforementioned provisions are mutually exclusive concepts and as such there shall be no dual or multiple requests based on the same facts.

D. BILINGUAL COMPENSATION

Upon the approval of the Commission or designee, employees required to perform bilingual translation involving the use of English and a second language (including American Sign Language) as a condition of employment, shall be eligible for bilingual compensation in the amount of forty-five dollars (\$45.00) per pay period. Such compensation shall apply regardless of the total time required per day for such translation. Such employees must be certified as competent in translation skills by the Appointing Authority to be eligible for compensation.

E. RETENTION

LAFCO employees shall be eligible for retention pay above the base rate of pay, as indicated below, based on total hours of completed continuous service with LAFCO. Retention pay shall be paid on all paid hours up to an employee's standard hours, and shall not be considered when determining the appropriate rate of pay for a promotion or demotion. For purposes of retention pay only, a year of completed LAFCO service is defined as 2,080 service hours with LAFCO.

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Total Completed Service	Compensation
20,800 Continuous Service Hours (10 years)	1.0%
31,200 Continuous Service Hours (15 years)	3.0%

3. PAY POLICIES

A. PAYMENT OF WAGES

All employees are paid bi-weekly (every two weeks). There are 26 pay periods each year with paydays being every other Thursday. In the event that the normal payday falls on a SB LAFCO holiday, the pay date will be the first day immediately prior to the normal pay date.

Employees are required to make arrangements for the direct deposit of all paychecks into the financial institution of their choice via electronic fund transfer.

B. CORRECTIONS TO PAYROLL

Errors arising from the payroll processing will be worked out with the payroll contact and the employee. The employee's supervisor will be involved only if that supervisor was involved in the error. Payment due to a correction will be processed in accordance with state law.

C. OVERTIME PAY

When operating requirements or other needs cannot be met during regular working hours, employees may be required to work overtime. All overtime work must receive the Executive Officer's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

Overtime compensation is paid to all non-exempt employees in accordance with current federal and state wage and hour accommodations. Overtime pay is based on actual hours worked. Time off on sick leave, vacation leave, or any leave of absence will not be considered hours worked for purposes of overtime calculations.

D. WORK HOURS

Work schedules for employees may vary within the organization. Supervisors will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that

may be scheduled each day and week.

Effective July 18, 2011, the LAFCO office shall operate on a nine-day/80-hour work period with the office closed every other Friday. A schedule of days that the office is closed shall be posted on the SB LAFCO website.

E. TIME-KEEPING

Accurately recording time worked is the responsibility of every non-exempt employee. Federal and state laws require SB LAFCO to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Non-exempt employees should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Employees should record work hours only for themselves. An employee who submits erroneous or tardy timesheets will be subject to discipline, up to and including termination.

Altering, falsifying, or tampering with time records may result in termination.

If corrections or modifications are made to the time record, both the employee and the supervisor must verify the accuracy of the changes by initialing the time record.

4. PERFORMANCE MANAGEMENT

A. PERFORMANCE REVIEW

A review and discussion of each employee's performance is conducted annually to enable the employee and the supervisor to discuss the employee's performance relative to his/her goals and objectives in addition to those of SB LAFCO. Supervisors and employees are also strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A formal performance evaluation is conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

The performance of all employees is generally evaluated according to

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a one-year cycle, on or around the employee's anniversary date. However, the frequency of performance evaluations may vary depending upon length of service, job position, past performance, changes in job duties or recurring performance problems but never more than one year apart.

The terms for performance include:

- 1= Needs improvement
- 2= Proficient
- 3= Strong
- 4= Exceptional

While merit-based pay adjustments are awarded by SB LAFCO in an effort to recognize truly superior employee performance, positive performance evaluations do not always guarantee increases in salary or promotions. Salary increases and promotions are solely within the discretion of the agency and depend on many factors in addition to performance. Please refer to the Compensation Policy #2 for further information. After receiving their review, employees will be asked to sign the evaluation report acknowledging that it has been presented and discussed between the employee and supervisor. The employee's signature does not represent an agreement with the performance review but rather an acknowledgement of receipt of the report and discussion.

SB LAFCO's provision of performance evaluations does not alter the at-will employment relationship.

B. ELIGIBILITY FOR STEP ADVANCEMENT

Employees shall be hired at step 1 of the established base salary range, except as otherwise provided in this section. Variable entrance steps may be established if justified by recruitment needs through Step ~~7~~⁸ with the approval of the Executive Officer and through the top step with the approval of the Commission.

Within the base salary range, all step advancements will be made at the beginning of the pay period in which the employee completes the required number of service hours. However, when an employee reaches the required number of service hours with 80 hours in each pay period, the step advance will be made at the beginning of the next pay period. Approval for advancement shall be based upon completion of required service hours in the classification, satisfactory work performance, and Appointing Authority recommendation.

Completed service hours shall be defined as regularly scheduled hours in a paid status, up to 80 hours per pay period. Overtime hours, disability payments, medical emergency leave, and time without pay shall not count toward step advancements. Unless otherwise approved by the Commission, step advancements within a base salary range shall be based upon a ~~one-step~~one-step increment, approximately two and one-half percent. The employee shall be eligible for the first step advancement after completion of 1,040 hours and subsequent step advancements after completion of additional increments of 2,080 hours.

C. PROBATIONARY PERIOD

Exempt: The probationary period for exempt employees shall be 26 pay periods.

Non-Exempt: The probationary period for non-exempt employees shall be 13 pay periods.

Upon successful completion of the probationary period, regular employees will receive an annual review with their supervisor to discuss their performance relative to the established goals and objectives. The evaluation includes the measurement of both conduct and production standards. Disciplinary actions, in keeping with legal requirements in the form of suspensions, demotions, salary reductions and dismissal from SB LAFCO employment will be administered in accordance with the Human Resources Policies and Procedures. An Exempt employee with regular status may appeal an order of suspension, demotion, salary step reduction or dismissal from SB LAFCO employment to the Commission and request a hearing via a written request within five (5) work days of receipt of the order.

D. DEMOTIONS

A demotion is the appointment of an employee from an incumbent position to a position in a different classification for which the maximum rate of pay is lower. An employee demoted for disciplinary reasons shall be placed on the step within the base salary range of the class to which demoted as provided in the Order of Demotion. The Commission shall designate the classification and salary in the event demotion is authorized.

An employee demoted for non-disciplinary reasons shall be placed on a step closest to, but not less than, their current base rate of pay on the salary range of the classification to which the employee demotes, not to exceed the top step of the applicable range, in accordance with

the provisions of the Downgrade section, with the approval of the Appointing Authority.

E. **PROMOTIONS**

A promotion is the appointment of an employee from one classification to a classification having a higher base salary range. A promoted employee shall receive at least the entrance rate of the new range or a two (2) step salary increase, whichever is greater, provided that no employee is thereby advanced in step nor advanced above step 14 of the higher base salary range. At the discretion of the Appointing Authority an employee may be placed at any step within the higher base salary range. Promotions shall be effective only at the beginning of a pay period. All promotions are subject to the review and approval of the Commission.

5. PERSONNEL RECORDS

Employees have the right to inspect certain documents in their personnel file, as provided by law, in the presence of a SB LAFCO representative at a mutually convenient time. Only documents previously signed by the employee are allowed to be copied. Employees may add written versions of any disputed item to their file.

SB LAFCO will attempt to restrict disclosure of your personnel file to authorized individuals within the organization. Any request for information from the file must be made to the Executive Officer or specific designee. Only the Executive Officer or specific designee is authorized to release information regarding current or former employees. Disclosure of personnel information to outside sources will be limited. However, SB LAFCO will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations.

6. PROBLEM RESOLUTION PROCEDURE

SB LAFCO is committed to encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from supervisors and management.

SB LAFCO strives to ensure fair and honest treatment of all employees. Supervisors, managers, and employees are expected to treat each other with mutual respect. All employees are encouraged to offer positive and constructive criticism.

If there is a disagreement concerning established rules of conduct, policies, or practices, employees may express their concern through the problem

resolution procedure. No one will be penalized, formally or informally, for voicing a complaint with SB LAFCO in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs where an employee believes that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps:

- A. Employee presents problem to immediate supervisor after incident occurs. If supervisor is unavailable or employee believes it would be inappropriate to contact that person, employee may present problem to the Executive Officer or any other member of management.
- B. Supervisor responds to problem during discussion or after consulting with appropriate management, when necessary. Supervisor documents discussion.
- C. Employee presents problem to the Executive Officer in writing if problem is unresolved.
- D. The Executive Officer reviews and considers problem. The Executive Officer informs employee of decision and forwards copy of written response to the employee's file. The Executive Officer has full authority to make any adjustment deemed appropriate to resolve the problem.
- E. If the problem is of a nature that extends beyond or involves the Executive Officer, the employee may consult the Chair of the Commission to follow the resolution procedures.

Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussion of mutual problems can employees and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment.

7. TERMINATION

Termination of employment is an inevitable part of personnel activity within any organization. Because employment with SB LAFCO is based on mutual consent, both the employee and SB LAFCO have the right to terminate employment at-will, with or without cause at any time.

A. VOLUNTARY RESIGNATION

An employee who voluntarily resigns his/her employment is asked to prepare a written letter of resignation informing SB LAFCO of the intended resignation date. An employee is also considered to have voluntarily terminated employment by failing to report to work for three

consecutive scheduled workdays without notice, or without prior approval by their supervisor.

B. DISCHARGE

The violation of the policies and guidelines of SB LAFCO may result in disciplinary action up to and including termination. Although SB LAFCO may use progressive discipline including, but not limited to verbal and written warnings, suspension, probationary periods and termination of employment, the system is not formalized. SB LAFCO reserves the right to utilize any form of disciplinary action, up to and including immediate termination, at any stage it deems appropriate, depending on the circumstances. Although progressive discipline may be used the at-will relationship is still intact between the employee and SB LAFCO.

C. EXIT INTERVIEW

SB LAFCO will generally schedule exit interviews at the time of employment termination. The exit interview will provide an opportunity to discuss such issues as employee benefits, conversion privileges, and repayment of outstanding debts to SB LAFCO and return of property owned by SB LAFCO in accordance with applicable state laws. Suggestions, complaints and questions are encouraged.

Employees will receive their final pay in accordance with applicable state law. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued, and of the terms, conditions and limitations of such continuance.

8. REEMPLOYMENT

- A. A regular employee who has terminated from SB LAFCO employment, and who is subsequently rehired in the same classification in a regular position within one year (i.e., beginning the first day of work by the 365th calendar day), may receive restoration of salary step, vacation accrual rate, sick leave balance (unless the employee has received payment for unused sick leave in accordance with the Leave Provisions section and the Retirement Plan contribution rate provided the employee complies with any requirements established by the Retirement Board), subject to the approval and conditions established by SB LAFCO. Such employees begin accruing vacation and sick leave and may utilize the same immediately. The employee shall be required to serve a new probationary period, unless waived by the Executive Officer or designee. The employee shall be provided a new date of hire for purposes of SB LAFCO seniority.

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- B. A regular employee who has terminated from SB LAFCO employment and who is subsequently rehired to a regular position in the same job family within one year, (i.e., beginning the first day of work by the 365th calendar day), may receive restoration of vacation accrual rate, sick leave, and retirement contribution rate in the same manner as described above. Such employees begin immediately accruing vacation and sick leave and may utilize the same immediately. The employee shall be required to serve a new probationary period, unless waived by the Executive Officer or designee. The employee shall be provided a new date of hire for purposes of SB LAFCO seniority.
- C. A regular employee who has terminated SB LAFCO employment, and who is subsequently rehired to a regular position in another job family within a ninety (90) calendar day period, must begin the first day of work within ninety (90) calendar days, may receive restoration of salary step (in the instance of rehire in the same classification at the same pay range as the position originally held), vacation accrual rate, sick leave and retirement contribution rate in the same manner as described above. The employee shall be required to serve a new probationary period, unless waived by the Executive Officer or designee.
- D. A regular employee who has been laid off from SB LAFCO employment and is subsequently rehired to a regular position within one (1) year shall receive restoration of vacation accrual rate and sick leave in the same manner as described above. Restoration of retirement contribution rate shall be in accordance with applicable state law and in compliance with any requirements established by the San Bernardino Retirement Board. For purposes of this section, a regular employee shall mean an employee in a regular position who held regular status in any classification during the previous period of SB LAFCO employment.

CHAPTER 3: TIME OFF

1. SICK LEAVE

A. GENERAL

SB LAFCO provides paid sick leave benefits to all regular full-time and regular part-time employees for periods of temporary absence due to illnesses or injuries. Part-time employees accrue paid sick leave on a pro-rated basis.

B. DEFINITIONS

- (1) Sick Leave - Sick Leave with pay is an insurance or protection provided by SB LAFCO to be granted in circumstances of adversity to promote the health of the individual employee. It is not an earned right to time off from work. Sick leave is defined to mean the authorized absence from duty of an employee because of physical or mental illness, injury, pregnancy, confirmed exposure to a serious contagious disease, for a medical, optical, or dental appointment, or other purpose authorized herein.
- (2) Immediate Family - Immediate family is defined as parent, child, or spouse or domestic partner as defined by California Family Code Section 297.
- (3) Extended Family - Extended family is defined as grandchild, grandparent, sibling, parent/sibling-in-law, aunt, uncle, niece, nephew, foster child, ward of the court, or any step relations as defined herein.
- (4) A FAMILY MEMBER, as defined by Labor Code § 245.5, is a parent, child, spouse, registered domestic partner, grandparent, grandchild, sibling, or any person designated by the employee at the time the employee requests paid sick days. An employee shall not identify more than one “designated person” as a family member in a 12-month period from the first date of designation. PARENT means a biological, foster, or adoptive parent, a stepparent, legal guardian, or a person who stood in loco parentis when the employee was a minor child of the employee or the employee’s spouse or registered domestic partner. CHILD means a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child to whom the employee stands in loco parentis. DOMESTIC PARTNER is defined by Family Code § 297.

C. PRIOR SERVICE TIME

Regular employees hired by SB LAFCO who have been employed by a public or private jurisdiction and wish to have credit for their prior sick leave recognized by SB LAFCO shall do all of the following:

- (1) Provide documentation of the number of sick leave hours from the prior public or private jurisdiction paid in cash to the employee upon their termination; and,
- (2) Submit payment of the total amount paid at termination for sick leave to SB LAFCO.

SB LAFCO will then recognize those hours as sick leave subject to the provisions of the Human Resources Policies and Procedures.

D. ACCUMULATION OF SICK LEAVE

Regular employees shall accrue sick leave for each payroll period completed, prorated on the basis of 3.69 hours per pay period, except as provided in Leave Accruals While on Disability Leave section. Earned sick leave shall be available for use the first day following the payroll period in which it is earned. Employees in regular positions paid less than 80 hours per pay period shall receive sick leave accumulation on a pro-rated basis. There is no limit on sick leave accumulation.

Temporary employees do not earn sick leave.

E. INVESTIGATION

It shall be the responsibility of each appointing authority (as defined in Section 2 of Chapter 1) to investigate each request for sick leave and to allow sick leave with pay where the application is determined to be proper and fitting.

F. NOTICE OF SICKNESS

Employees are required to notify their appointing authority within one-half hour after the start of the workday on their first day of absence. It is the responsibility of the employee to keep the supervisor informed as to continued absence beyond the first day. In the event that the employee receives a doctor's off-work order and provides notice to the

supervisor, the employee is not required to contact the supervisor daily. The employee shall provide a doctor's certificate or other adequate proof in all cases of absence due to illness when requested by SB LAFCO. Violation of this policy will result in denial of sick leave with pay and shall be construed as grounds for disciplinary action up to and including termination.

G. USES OF SICK LEAVE

(1) Sick leave may be applied to the following circumstances:

- a. An absence necessitated by an employee's personal illness, injury or disability due to pregnancy, childbirth or adoption.
- b. A maximum of ~~three~~ five days earned sick leave may be used per occurrence for bereavement due to the death of an employee's family member as defined in this Section, except for a person "designated" by the employee for sick leave purposes, and for any member of the employee's extended family as defined in this Section, or any relative who resides with the employee.
- c. A maximum of 40 hours earned sick leave may be used per occurrence for arrival of an adoptive child at the employee's home. An employee (father) may utilize on an annual basis no more than 40 hours of accumulated sick leave per calendar year for the birth of his child.
- d. Medical, dental, or optical appointments when absence during working hours for this purpose is authorized by SB LAFCO.
- e. Absence due to exposure to a contagious disease when quarantine is imposed by health authorities or when it is determined by a physician designated by SB LAFCO that the presence of the employee on duty would endanger the health of others.
- f. Absence from duty because the employee's presence is needed to attend to the serious illness of a member of his or her immediate family. Employees may use up to one-half of their yearly sick leave for the purpose of attending to a family member who is ill. All conditions and restrictions placed on an employee's use of sick leave apply also to sick leave used for care of a child, parent or

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spouse. Upon approval of the appointing authority, the employee may use part of this annual allowance for attendance upon members of the employee's extended family residing in the employee's household who require the attention of the employee.

- g. Illnesses while on paid vacation will be charged to sick leave rather than vacation only under the following conditions:
 - i. The illness or injury of the employee was of a nature that would preclude the effective use of vacation and would prevent the employee from performing his or her normal duties.
 - ii. The employee must notify his or her supervisor within 4 calendar days of the beginning of the illness or prior to the end of his or her vacation leave, whichever is sooner, to request that his or her illness on vacation be charged to sick leave.
 - iii. The agency shall be under no obligation to extend the vacation beyond the original scheduled vacation ending date.
- (2) Absence from duty because of personal emergencies not to exceed 20 working hours during the fiscal year.
- (3) An absence due to the air pollution alert, which prevents the employee traveling to his or her work location.
- (4) Sick leave shall not be applied to an absence that occurs on a SB LAFCO holiday.
- (5) In any use of sick leave, an employee's account shall be charged to the nearest quarter hour for a non-exempt employee, while exempt employees will be charged only for full-day absences.
- (6) An employee may be required to furnish a certificate issued by a licensed physician or registered nurse or other satisfactory evidence of illness, injury, medical condition or medical or dental office calls when the agency has notified the employee in advance of such a requirement or when the employee has been under the care of a physician.

H. PAYOUT OF SICK LEAVE

SB LAFCO employees who hold regular positions at SB LAFCO and who have contributed to the San Bernardino County Employees' Retirement Association (SBCERA) retirement system for more than five (5) years and have not withdrawn the contributions from the system(s), and who separate from SB LAFCO service for reasons other than death or disability retirement shall receive compensation in accordance with the provisions of the Retirement Medical Trust Fund (see Section 108E of the SB LAFCO Benefits Plan).

Employees with less than 5 (five) years of continuous service from the date of hire in a regular position are not eligible for payment of unused sick leave balances upon death.

For employees with 5 (five) years of continuous service from date of hire in a regular position, upon death, the estate of a deceased employee will be paid for unused sick leave balances according to the following formula:

Sick Leave Balance as of Separation Date	Cash Payment % of Hours of Sick Leave Balance
480 Hours or less	30%
481 to 600 Hours	35%
601 to 720 Hours	40%
721 to 840 Hours	45%
841 to 1000 Hours	50%

Employees who receive a disability retirement due to permanent incapacity to work shall be entitled to 100% cash payment of any unused sick leave balances, up to a maximum of 1000 hours, computed at the then current base hourly rate, if they elect early retirement in lieu of exhausting such accrued sick leave balances. In no event, shall any employee, except those receiving a disability retirement, receive compensation under this section in excess of 500 hours of pay computed at the then current base hourly rate of said employee.

While employed by SB LAFCO, employees who have contributed to a public sector retirement for over 5 (five) years and have not withdrawn the contribution from the system may exchange accrued sick leave hours in excess of 200 hours for vacation time on the following basis.

Sick Leave Balance at Time of Conversion	Sick Leave to Vacation Leave Conversion Ratio
201 to 599 Hours	3 sick hours to 1 hour of vacation
600 to 799 Hours	2.5 sick hours to 1 hour of vacation
800 or more Hours	2 sick hours to 1 hour of vacation

Any such exchange must be made in 10 hour increments of accrued sick leave under the procedures established by the Executive Officer or designee. Employees may elect this exchange once per calendar year.

2. VACATION

A. GENERAL

SB LAFCO provides paid vacation benefits to all regular full-time and regular part-time employees for the recreation and ~~well-being~~[well-being](#) of the employees. Part-time employees accrue paid vacation on a pro-rated basis. Employees will accrue vacation according to continuous years of service. If an employee has exhausted sick leave, vacation leave may be used for sick leave purposes upon a special request of the employee and with the approval of the appointing authority.

B. PRIOR SERVICE TIME

Regular employees hired by SB LAFCO who have been employed by a public or private jurisdiction and wish to have credit for their prior vacation leave recognized by SB LAFCO shall do the following:

- (1) Provide documentation of the number of vacation leave hours from the prior public or private jurisdiction paid in cash to the employee upon their termination.
- (2) Submit payment of the total amount paid at termination for vacation leave to SB LAFCO.

SB LAFCO will then recognize those hours as vacation leave.

C. ACCUMULATION

Employees in regular positions scheduled to work eighty (80) hours per pay period shall accrue, on pro-rata basis, vacation leave for completed pay periods. The vacation allowance shall be available for use on the first day following the pay period in which it is earned, provided an employee has worked six pay-periods from the

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employee's benefit date. Employees in regular positions paid less than 80 hours per pay period shall receive vacation accumulation on a pro-rated basis.

Length of Service from Service Date	Annual Vacation Allowance
After 1,600 and through 8320 service hours	80 Hours
Over 8,320 and through 18,720 service hours	120 Hours
Over 18,720 service hours	160 Hours

There shall be no limitation on vacation leave accruals until calendar year 2011. Effective pay period 1 of 2011, the maximum vacation leave accrual balance that may be carried over to a future calendar year shall be 480 hours. However, the maximum vacation leave accrual balance that may be carried over into a future calendar year for an employee with a balance of more than 480 hours at the end of calendar year 2010 shall be such employee's vacation leave balance at the end of pay period 26 of calendar year 2010. Thereafter, the employee's maximum vacation accrual balance for those employees with a balance greater than 480 hours at the end of calendar year 2010 shall be adjusted annually at the end of each calendar year and shall never be increased. Any vacation leave accrual balance in excess of the employee's maximum leave accrual balance at the end of the calendar year shall be cashed out and paid in accordance with this section.

Vacation should be taken annually with the approval of the appointing authority at such time as it will not impair the work schedule or efficiency of SB LAFCO but with consideration given to the wellbeing of the employee. The minimum charge against accumulated vacation leave shall be 15 minutes. Vacation leave shall be compensated at the employee's base rate of pay, except as otherwise provided. When a fixed holiday falls within a vacation period, the holiday time shall not be charged against an employee's earned vacation benefits.

An employee whose employment terminates will be paid for accrued, unused vacation hours. Retiring employees may elect to use vacation leave to enhance retirement benefits or be compensated in a lump sum payment for accrued vacation leave.

In cases where an employee terminates employment with SB LAFCO, and has been permitted to take vacation time prior to actual accrual,

the final paycheck will reflect a deduction relative to the amount of un-accrued time off taken.

D. CONVERSION OF VACATION LEAVE TO CASH

(1) Elective Conversion

Eligible employees may be approved by the appointing authority to sell back vacation time at the then hourly base rate of the employee. Eligible employees may exercise this option under procedures established by the Executive Officer or designee. In lieu of cash, the employee may designate that part or all of the value of vacation leave be contributed to LAFCO's section 401(k) Defined Contribution Plan or section 457(b) Deferred Compensation Plan.

In order to sell back vacation time prior to termination or retirement, an employee may exercise the following options:

- 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 will automatically be converted into cash in the last pay period of the calendar year.
- b. Option 2, Existing Accruals - Existing accruals may be cashed out in whole hour increments with a minimum cash-out of 10 hours and will be subject to a 10% penalty.

Upon approval of the appointing authority, eligible employees are permitted to sell back vacation time at the then hourly base rate of the employee, in increments of not less than 10 hours and may not exceed 160 hours.

(2) Automatic Conversion

Commencing with calendar year 2011, at the end of the last pay period of the calendar year, an employee shall automatically have any vacation leave accruals in excess of the employee's maximum vacation leave accrual balance converted to

cash. Such automatic vacation leave cash out shall be paid in pay period 1 of the next calendar year. At termination of employment, all existing vacation leave accruals shall be converted to cash and paid to the employee.

E. VACATION PRIOR SERVICE CREDIT

New employees hired into SB LAFCO in regular positions who have been employed by a public jurisdiction or private sector in a comparable position or a position which has prepared such employees for an assignment may receive credit for such previous experience in the former agency(s) in determining their vacation accrual rate. Such determination as to the comparability of previous experience and amount of credit to be granted rests solely with the appointing authority. 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.

3. **HOLIDAY**

A. GENERAL

Holiday time off with pay will be granted to all regular full-time and regular part-time employees, immediately upon their start date, for the days designated by SB LAFCO. Employees in regular positions are also entitled to a total of eight hours of floating holiday time annually provided that the employee is not on unpaid leave for the entire pay period and is in paid status for the pay period where the floating holiday time is to accrue. Eight hours floating holiday time shall be accrued during the first pay period prior to the third Monday in January.

Recognized holidays that fall on a Saturday will be observed on the preceding Friday except that when the preceding Friday is also a fixed holiday, the preceding Thursday will be observed as the fixed holiday. Those that fall on a Sunday will be observed on the following Monday except that when the following Monday is also a fixed holiday, the following Tuesday will be observed as the fixed holiday. SB LAFCO reserves the right to change or substitute holidays. Employees will be given notice of any such changes.

Regular full-time and regular part-time employees are eligible for holiday pay immediately upon their start date. Holiday pay will be calculated based on an employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day.

If a recognized holiday falls during an employee's paid absence (such as vacation or sick leave), holiday pay will be provided instead of the

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vacation or sick time off benefit that would otherwise have applied.

In the rare circumstances that a non-exempt employee must work on a recognized holiday, he/she will receive holiday pay plus wages at his/her straight time rate for the hours worked on the holiday. If an exempt employee must work on a recognized holiday, they may reschedule their observance of the holiday to a different (normally worked) date that is mutually acceptable to both the appointing authority and employee.

All employees in regular positions are entitled to the following holidays:

January 1	Second Monday in October
Third Monday in January	November 11
Third Monday in February	Thanksgiving Day
Last Monday in May	Day after Thanksgiving
June 19	December 24
July 4	December 25
First Monday in September	December 31

Floating holidays accrued shall be available for use on the first day following the pay period in which they are accrued, with the approval of the appointing authority. Appointing authorities have the right to schedule employees' time off for accrued holidays to meet the needs of the service but with consideration given to the well-being of the employee. Employees in regular positions budgeted less than 80 hours per pay period or job-shared positions shall receive floating holiday accruals on a pro-rata basis.

The maximum holiday leave accrual balance that may be carried over to a future calendar year shall be 112 hours. However, the maximum holiday leave accrual balance that may be carried over into a future calendar year for an employee with a balance of more than 112 hours at the end of calendar year 2010 shall be such employee's holiday leave balance at the end of pay period 26 of calendar year 2010. Thereafter, the employee's maximum holiday accrual balance for those employees with a balance greater than 112 hours at the end of calendar year 2010 shall be adjusted annually at the end of each calendar year, and shall never be increased.

Effective pay period 14 of calendar year 2022, the maximum holiday leave accrual balance will increase to 120 hours. The maximum holiday leave balance that may be carried over to a future calendar year shall be 120 hours. However, employees with a grandfathered balance of more than 120 hours shall carry over their maximum grandfathered accrual balance in accordance with this section.

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Any holiday leave accrual balance in excess of the employee's maximum holiday leave accrual balance at the end of the calendar year shall be cashed out and paid in accordance with this section.

When a fixed holiday falls within a vacation period, the holiday time shall not be charged against all employee's earned vacation benefits.

Whenever an employee is required to work on a fixed holiday or the fixed holiday falls on an employee's regularly scheduled day off, the employee shall accrue, on an hour-for-hour basis, up to a total of eight hours floating holiday time.

When a fixed holiday falls on a Saturday, the previous Friday will be observed as the fixed holiday except that when the preceding Friday is also a fixed holiday, the preceding Thursday will be observed as the fixed holiday. When a fixed holiday falls on a Sunday, the following Monday will be observed as the fixed holiday except that when the following Monday is also a fixed holiday, the following Tuesday will be observed as the fixed holiday.

B. CONVERSION OF HOLIDAY LEAVE TO CASH

(1) Elective Conversion

An employee may sell back holiday time at the base hourly rate of the employee as hereinafter provided, upon approval of the appointing authority. Eligible employees may exercise this option under procedures established by the Executive Officer. In lieu of cash, the employee may designate that part or all of the value of holiday time to be contributed to LAFCO section 401(k) Defined Contribution Plan or section 457(b) Deferred Compensation Plan.

In order to sell back holiday time prior to termination or retirement, an employee may exercise the following options:

- 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 will automatically be converted into cash in the last pay period of the calendar year.

- b. Option 2. Existing Accruals. Existing accruals may be cashed out in whole hour increments with a minimum cash out of eight hours and will be subject to a ten percent penalty.

(2) Automatic Conversion

Commencing with calendar year 2011, at the end of the calendar year, an employee shall automatically have any holiday leave accruals in excess of the employee's maximum holiday leave accrual balance converted to cash. Such automatic holiday leave cash out shall be paid in Pay Period 1 of the next calendar year.

Upon retirement or termination, employees shall be compensated for any unused accrued holiday time at the then current base rate.

4. OTHER TIME OFF

A. BEREAVEMENT LEAVE

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.~~

Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Bereavement pay is calculated based on the base pay rate at the time of absence and will not include any special forms of compensation such as incentives, commissions, bonuses, overtime, or shift differentials. Regular part-time employees will receive paid bereavement leave on a prorated basis.

Due to the death of persons in the immediate or extended family as defined in Section 1 of Chapter 3, employees may ~~also, with their appointing authority's approval, use~~ also use sick leave as set forth in Section 301 or any available vacation for additional time off as necessary.

Special consideration will also be given to any other person whose association with the employee is similar to any of the above relationships.

B. REPRODUCTIVE LOSS EVENT LEAVE

All employees who have been employed for SB LAFCO for at least 30 days are entitled to an unpaid leave of absence up to five (5) days in total following a reproductive loss event. Such leave must be taken within three (3) months of the reproductive loss event. If an employee experiences more than one reproductive loss event within a 12-month period, SB LAFCO will grant the employee a cumulative total of up to of 20 (twenty) unpaid days of leave; subject to the limitation that each unpaid leave of absence shall not exceed five (5) days.

A reproductive loss event is defined as: failed adoption, failed surrogacy, miscarriage, stillbirth, or unsuccessful assisted reproduction. If the employee would have been recognized as a parent if the aforementioned events were successful, the employee will be covered under this definition. This includes the employee, the employee's current spouse or domestic partner, or another individual if the person would have been a parent of a child as a result of the event.

The days of reproductive leave do not need to be taken consecutively, however, you must complete your reproductive loss leave within three months of your reproductive loss event, or, if prior to or immediately following your reproductive loss event, you are on or choose to go on leave under California's pregnancy disability law, the California Family Rights Act, or any other leave provided by state or federal law, then you may complete your reproductive loss leave within three months of the end of the other leave, at which time any remaining unused

reproductive loss leave will expire.

The leave of absence following a reproductive loss event is unpaid, though an employee may elect to utilize any accrued and available paid sick leave, vacation, personal leave, or compensatory time off that is otherwise available to the employee.

Any information provided to related to this leave will be maintained as confidential and will not be disclosed except to internal personnel or counsel, as necessary, or as required by law.

B.C. VOTING

Generally, employees are able to find time to vote either before or after their regular work schedule. If, however, full-time employees are unable to vote in an election during their non-working hours, SB LAFCO will grant up to 2 hours of paid time off to vote.

Employees requiring time off to vote should make their requests at least two working days prior to the election day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift, whichever provides the least disruption to the normal work schedule. Employees must submit a voter's receipt on the first working day following the election to qualify for paid time off.

D. JURY DUTY AND OTHER COURT-RELATED LEAVES

SB LAFCO encourages employees to fulfill their civic responsibilities by serving jury duty or appearing in court as a witness when required. SB LAFCO provides paid time off for jury duty service provided that the employee waives fees for service, other than mileage. Paid leave for jury duty is available for all regular full-time and part-time employees for the duration of the jury duty. Part-time employees will be paid on a pro-rated basis.

Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Employees are expected to report for work whenever the court schedule permits. SB LAFCO will continue to provide health insurance benefits for the full term of the jury duty absence. Vacation, sick leave, and holiday benefits will continue to accrue during jury duty leave.

Employees in regular positions shall be entitled to a leave of absence from work when subpoenaed to testify as a witness, such subpoena

being properly issued by a court, agency or commission legally empowered to subpoena witnesses. This benefit shall not apply in any case in which the subpoenaed employee is a party to the action, or the subpoena has arisen out of the employee's scope of employment. Witness leave shall not be charged against any accumulated leave balances and shall be compensated at the employee's base hourly rate. This benefit will be paid only if the employee has demanded witness fees at the time of service of the subpoena, and such fees are turned over to SB LAFCO.

E. ADMINISTRATIVE LEAVE

Effective pay period 1 of each year, an employee in a regular position who is in paid status will be provided with 80 hours of Administrative Leave time for the employee's use. An eligible employee in a regular position who is part-time or job sharing shall be eligible for a prorated number of administrative leave hours based on regularly scheduled hours. Employees hired after the beginning of pay period 1 shall receive a prorated number of hours. Such proration shall be based upon the remaining number of pay periods in the calendar year nearest the employee's appointment. Employees not in paid status in pay period 1 shall receive, upon return to paid status, a prorated number of Administrative Leave hours based on the number of pay periods remaining in the calendar year.

Administrative leave may be cashed out at the employee's then current base rate of pay in increments of one (1) hour, upon the approval of the appointing authority, during the calendar year. Any Administrative Leave accrual balances in effect at the end of the last pay period paid in the calendar year will automatically be paid at the employee's then current base rate of pay. Employees may designate that cash outs of Administrative Leave as permitted herein be allocated to SB LAFCO's 401(k) Plan or Section 457(b) Deferred Compensation Plan. Upon termination of employment, unused Administrative Leave will be paid at the current rate of pay.

F. PERFECT ATTENDANCE LEAVE

Employees in regular, full-time positions in SB LAFCO Groups B and C who do not utilize any sick leave, any leave (e.g. vacation) in lieu of sick leave, or benefits in lieu of sick leave (e.g. workers' compensation, Short-Term Disability partial/full integration, etc.) in a payroll calendar year (i.e., pay period 1 through pay period 26 or 27, when applicable, of the same year), and who do not record any sick leave without pay or absent without pay, medical emergency leave, or military leave as provided by law during that year, shall accrue sixteen (16) hours of

perfect attendance leave, for use in the next calendar year. Failure to utilize perfect attendance leave within the calendar year shall result in forfeiture of the same. Perfect attendance leave may not be cashed out.

G. EXAMINATION LEAVE

Employees in regular positions at the time of application shall be entitled to a reasonable amount of time off with pay for the purpose of attending all examination processes required for selection to a public sector position within San Bernardino County. Employees are responsible for notifying and obtaining approval from their supervisor prior to taking such leave. Examination time off shall not be charged against any accumulated leave balances and shall be compensated at the employee's base hourly rate. Employees on probationary status, including those who have previously held regular status in another classification, are not entitled to examination time off with pay.

H. BLOOD DONATIONS

Employees in regular positions who donate blood without receiving compensation for such donation may have up to 2 hours off with pay with prior approval from the supervisor for each blood donation. This benefit shall not be charged to any accumulated leave; provided, however, if the employee is unable to work, any time in excess of two hours may be charged to accumulated sick leave or be taken as leave without pay. Employees must provide evidence of the blood donation to the Executive Officer or Appointing Authority to receive this benefit.

Employees in regular positions who are aphaeresis donors may have up to 4 hours off with pay with prior approval of the immediate supervisor for each such donation, provided no compensation is received for such donation. This benefit shall not be charged to any accumulated leave; provided, however, if the employee is unable to work any time in excess of four hours, such time may be charged to accumulated sick leave or be taken as leave without pay. Evidence of each aphaeresis donation must be presented to the Executive Officer or Appointing Authority to receive this benefit.

I. LEAVE ACCRUALS WHILE ON DISABILITY LEAVE

Employees receiving the benefits of Workers' Compensation or short-term disability leave receive partial replacement of their income through these benefits. Employees on these types of disability leave may choose to fully integrate, partially integrate, or not integrate personal leave time with these disability payments.

The maximum amount the employee receives from integrating leave time with disability payments shall not exceed 100% of the employee's base salary. Paid personal leave time coded on the employee's time and labor report will be limited to the amount of leave necessary to integrate benefits to the level designated by the employee. When the exact amount is not known, a good faith estimate may be made and the amount will be adjusted later as necessary. If any overpayments are made, the employee will be required to repay that amount. An employee who knowingly receives payment in excess of his or her regular base salary is required to report it to his or her departmental payroll clerk.

Employees who are fully integrating accrued leave time with disability benefits and have at least 41 hours of any type of leave time accrued as of the prior pay period shall be eligible to receive full accruals of vacation and sick leave. Employees who are not fully integrating or employees who have less than 41 hours of any type of leave time accrued shall earn pro-rated vacation and sick leave accruals based upon paid leave time coded on the time and labor report only.

Employees who are fully integrating paid leave time with disability benefit(s) will be eligible for fixed holiday pay, provided they are on the payroll for the entire pay period, have no unapproved leave for the pay period and have enough leave accrued to equal at least one-half of the employee's normal scheduled hours. Employees who are partially integrating or not integrating paid leave time with disability benefits will be paid for holidays in accordance with the holiday leave provisions.

J. POLITICAL LEAVE

Any employee who is declared a candidate for public office shall have the right to a leave of absence without pay for a reasonable period to campaign for the election. Such leave is subject to the conditions governing special leaves of absence.

K. DOMESTIC VIOLENCE & SEXUAL ASSAULT VICTIM LEAVE

Employees who are victims of domestic violence or sexual assault may take unpaid time-off to appear in court to attempt to obtain relief or to ensure the health, safety or welfare of the employee or a child. This may include efforts to obtain a temporary restraining order, a restraining order, or other injunctive relief from a court. If desired, employees may use any accrued vacation time for this leave. Reasonable notice must be given to your supervisor before appearing in court. Employees who are victims of domestic violence may also

take unpaid time-off to seek medical attention, obtain services from a domestic violence program, obtain psychological counseling, or participate in safety planning. If desired, employees may use any accrued time off for this leave.

L. VOLUNTEER EMERGENCY LEAVE AND TRAINING

If employees volunteer their time as a firefighter, reserve peace officer, or emergency rescue personnel, they may be entitled to take unpaid leave to perform emergency duty. Employees may take unpaid leave of up to 14 days per calendar year for the purpose of engaging in fire or law enforcement training. Time spent on this leave counts for purposes of determining “length of service.” However employees will not accrue vacation or receive holiday pay during this leave.

M. ALCOHOL AND DRUG REHAB LEAVE

SB LAFCO will reasonably accommodate employees who wish to voluntarily enter and participate in an alcohol or drug rehabilitation program provided that the accommodation does not impose an undue hardship on SB LAFCO. SB LAFCO does not provide paid time off for participation in an alcohol or drug rehabilitation program. Employees may use any accrued vacation time or their time spent for rehabilitation leave will be unpaid.

This policy in no way restricts SB LAFCO’s right to impose discipline, including actions up to and including termination of employment, for violation of SB LAFCO’s drug and alcohol policy.

N. COMPULSORY LEAVE

If, in the opinion of the appointing authority, employees are unable to perform the duties of their position for physical or psychological reasons, they may be removed from duty without pay or may use accrued paid leave for which they are eligible. In addition, such employees may be required to submit to an examination by either a physician or other competent authority designated by the appointing authority or designee or by their own physician or practitioner, as appropriate. If the examination report of the competent authority (e.g., physician, appropriate practitioner) shows the employee to be in an unfit condition to perform the duties required of the position, the appointing authority shall have the right to compel such employee to take sufficient leave of absence with or without pay, to transfer to another position without reduction in compensation, and/or follow a prescribed treatment regimen until medically qualified to return to

unrestricted duty. An employee who has been removed from duty for physical or psychological reasons by the appointing authority, and was required to submit to an examination, may not return to duty until such time as medical clearance has been obtained.

O. SUSPENDED PUPIL/CHILD LEAVE

California law requires employers to provide time off for parents required to visit a child's school where the child has served a period of suspension from school. To be eligible for time off to attend a child's school, the employee must be the parent of a child in kindergarten or in grades 1 through 12 and must present to his/her supervisor the school's letter, which requests the employee's appearance at the school, at least two days before the requested time off. Employees may use accrued vacation or administrative leave to attend a child's school under these circumstances. If not, suspended pupil/ child leave will be unpaid.

P. TIME OFF FOR PARENTS

Employees, who are parents of one or more children in kindergarten, or in grades 1 through 12, may take time off of up to 40 hours per school year to attend authorized school activities which involve one or more of the employee's school age children. To be eligible for parental time off, the employee must obtain from the school, written verification that he or she attended or participated in the school activity. Parental time off may not exceed 8 hours in any calendar month.

Employees may use any accrued vacation or administrative leave while they attend their child's school activities. If not, employees' parental time off will be unpaid. For scheduling purposes, employees must notify their supervisors at least 1 week before the date of the school activity, so that their work duties may be covered.

5. MILITARY LEAVE

A. DEFINITION

Military leave is defined as the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active duty for training, initial active duty for training (weekend drills), full-time National Guard duty, and a period for which an employee is absent for the purpose of an examination to determine the fitness of the person to perform any such duty.

B. NOTICE AND ORDERS

All employees shall provide advance notice of military service unless military necessity prevents the giving of notice or the giving of notice is impossible or unreasonable. Where available, a copy of military orders must accompany the request for leave.

C. TEMPORARY DUTY

Any employee who is a member of the reserve corps of the Armed Forces, National Guard, or Naval Militia shall be entitled to temporary military leave of absence for the purpose of active military training provided that the period of ordered duty does not exceed 180 calendar days, including time involved in going to and returning from such duty. While on paid status, an employee on temporary military leave shall receive the same vacation, holiday, and sick leave, and step advances that would have been enjoyed had the employee not been absent, providing such employee has been employed by SB LAFCO for at least one year immediately prior to the date such leave begins. In determining the one year employment requirement, all time spent in recognized military service, active or temporary, shall be counted. An exception to the above is that an uncompleted probationary period must be completed upon return to the job. Any employee meeting the above one year employment requirement shall be entitled to receive his or her regular salary or compensation, pursuant to Sub-Section E.

D. ACTIVE DUTY

Employees who resign from positions to serve in the Armed Forces for more than 180 days, shall have a right to return to former classification upon serving written notice to the appointing authority, no later than 90 days after completion of such service. Returning employees are subject to a physical/psychological examination.

Should such employee's former classification have been abolished, then the employee shall be entitled to a classification of comparable functions, duties, and compensation if such classification exists, or to a comparable vacant position for which the employee is qualified.

The right to return to former classification shall include the right to be restored to such civil service status as the employee would have if the employee had not so resigned; and no other person shall acquire civil service status in the same position so as to deprive such employee of this right to restoration.

Eligible employees are also entitled to the reemployment and benefit rights as further described in the Uniformed Services and Employment

and Reemployment Rights Act, 38 U. S. C. §§ 4301-4333. Specifically, a returning employee will receive restoration of original hire and benefit date, salary step, vacation accrual rate, sick leave balance (unless the employee has received payment for unused sick leave in accordance with provisions contained herein), the retirement plan contribution rate, and retirement system contributions (provided the employee complies with any requirements established by the Retirement Board). However, such employee will not have accrued vacation, sick leave, or other benefit while absent from SB LAFCO employment, except as provided in the temporary duty provision.

E. COMPENSATION

This provision does not include an employee's attendance at weekend reserve meetings or drills. Employees must use their own time to attend such meetings. Should the meetings unavoidably conflict with an employee's regular working hours, the employee is required to use vacation or holiday leave, leave without pay, or make up the time. Employees who are called in for a medical examination to determine physical fitness for military duty must also use vacation leave, leave without pay, or make up the time. Employees cannot be required to use their accrued leave. Any employee meeting the requirements in sections C and D shall be entitled to receive their regular salary or compensation for the first 30 calendar days of any such leave. Pay for such purposes shall not exceed 30 days in any one fiscal year and shall be paid only for the employee's regularly scheduled workdays that fall within the 30 calendar days.

Employees who are called to active duty as a result of the activation of military reservists and are eligible to receive the 30 calendar days military leave compensation, and are on an involuntary order as defined by Enclosure 4 of the Department of Defense Instruction 1215.06 shall receive the difference between their regular SB LAFCO salary and their military salary starting on the 31st calendar day of military leave. The difference in salary shall continue for any additional period as outlined in the County Exempt Compensation Ordinance. During this period, SB LAFCO will continue to provide the employee all the benefits and leave accruals as were provided prior to such active duty. Retirement system contributions and service credit will be granted if the employee had enough pay to cover the entire retirement system contribution. If the employee does not receive enough pay to cover the retirement system contribution, no contribution or credit will be given. Employees should note that the Accidental Death and Dismemberment (AD&D) plan contains a war exclusion.

Employees who are eligible for military leave compensation will be placed on a leave of absence with right to return to their positions.

F. SPOUSE, CHILD OR PARENT EXIGENCY LEAVE

Eligible employees with a spouse, son, daughter, or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform his or her duties for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

6. WORKERS' COMPENSATION LEAVE

If an employee sustains a work-related injury, he or she will be eligible for a medical leave of absence for the period of disability in accordance with all applicable laws covering occupational injuries.

Where an employee's work-related injury qualifies as a serious health condition, any Workers' Compensation Leave taken will be considered part of his or her entitlement, if any, to leave under the Family and Medical Rights Act (FMLA) and the California Family Rights Act (CFRA). Employees on Workers' Compensation Leave are required to keep their supervisor updated as to their work status. Employees must provide a doctor's release before returning to work.

7. FAMILY AND MEDICAL LEAVE AND CALIFORNIA FAMILY RIGHTS ACT

A. ELIGIBILITY

An unpaid leave of absence for family or medical care will be granted for up to 12 weeks in a 12-month period. This includes family members of all active-duty military personnel. To be eligible for family

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care or medical leave, the employee must have at least one year of service with SB LAFCO and at least 1,250 hours of service during the 12-month period prior to the leave. The employee must notify SB LAFCO immediately of any decision not to return to work at the end of the leave.

Part-time employees who meet the requirements will calculate family/medical leave on a prorated basis according to the number of hours they are normally scheduled to work.

You may be eligible for an unpaid family/ medical leave in the event of:

- (1) The birth of a child
- (2) The placement of a child for adoption or foster care
- (3) Caring for veterans undergoing medical treatment, recuperation, or therapy for a serious injury or illness that occurred in the past five years.
- (4) The need to care for a parent, spouse, or child with a serious health condition [\(for CRRRA leave only, includes a domestic partner, grandparent, grandchild, sibling, and parent-in-law.\)](#)
- (5) If you are unable to perform your essential job duties due to a serious health condition.

SB LAFCO may require proper medical certification if leave is requested in connection with the employee's own serious health condition, or the serious health condition of a family member; and in certain cases SB LAFCO can require second and third opinions.

If the need for leave is foreseeable, the employee requesting leave must give reasonable advance notice (at least 30 days) of the need for the leave. In cases where the need for leave is not foreseeable, the employee must request the leave as soon as he or she learns of the need for leave. Employees using the family care or medical leave must use accrued vacation or sick time benefits during the period of leave.

If your need for leave is due to your own serious health condition or due to the need to care for a child, spouse or parent who has a serious health condition, you must provide a health care provider's statement verifying the need for such leave and its beginning and expected ending dates. For leave for your own serious health condition, SB LAFCO may require you to obtain a second or third medical opinion. If a second or third medical opinion is requested, the cost of the examination will be paid by SB LAFCO.

If your leave exceeds 30 days, or you ask for an extension of your leave, you may be required to provide additional medical certification of your inability to return to work.

If the leave is for the care of a child after birth, adoption or foster care placement, you must complete the leave within 1 year of birth, adoption or foster care placement.

Family/ Medical leave may be taken intermittently or on a reduced schedule if it is medically necessary to care for a spouse, parent or child with a serious health condition for your own serious health condition. Leave for the birth or adoption of a child or placement of a child in foster care may be taken in amounts approved by SB LAFCO. You may be temporarily transferred to an alternative position with equivalent pay and benefits which better accommodates a reduced or intermittent schedule. Intermittent leave, reduced schedules and leaves which are foreseeable must be scheduled in a manner which will minimize disruption to operations.

B. LENGTH OF LEAVE

Leave will be counted as part of entitlement to family and medical leave under the Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA). The maximum leave available is 12 weeks of FMLA or CFRA leave during any 12-month period (exception for pregnancy disability- see policy). For the purpose of calculating the 12-week maximum, any other qualifying disability leave, occupational disability leave or family leave taken during the 12-month period will be included. Prior pregnancy disability leave will not be included in computing the 12-week maximum under the CFRA. The 12-month period will be tracked as a rolling 12-month period measured backward from the first day of leave.

A leave to care for the child after birth, adoption or foster care placement may be limited to less than 12 weeks if your spouse is employed by SB LAFCO and is also taking family leave. If you are eligible and your leave is approved, you may not be employed with any employer, other than SB LAFCO during your leave of absence. Outside employment during your leave will result in immediate termination.

C. IMPACT ON BENEFITS

During any period that the employee takes leave, SB LAFCO will maintain and pay for the employee's medical coverage under a group health plan, on the same terms that apply when the employee is actively employed. The employee taking leave must make arrangements to pay the employee share of dependent premiums while on leave. The use of leave will not result in the loss of any employment benefit that accrued prior to the beginning of the

employee's leave. However, accrual of additional benefits, such as vacation and sick time benefits will cease during leave.

Upon return from leave, employees must submit a physician's release. Employees will generally be reinstated to the same or equivalent position unless otherwise permitted by law.

SB LAFCO will comply with the state and federal Family Care and Medical Leave statutes.

8. PREGNANCY DISABILITY LEAVE

A. GENERAL

Pregnancy disability leaves of absence without pay are available to eligible employees who are temporarily unable to work due to a disability related to pregnancy, childbirth, or related medical conditions. Employees are normally granted unpaid leave for the period of the disability up to a maximum of 4 months within any 12-month period. Employees may substitute any accrued paid leave time for unpaid leave as part of the pregnancy disability leave period.

In addition to the 4 months pregnancy disability leave, an employee may also be eligible for up to 12 additional weeks of unpaid California Family Rights Act (CFRA) Leave within a 12-month period. If an employee qualifies for CFRA Leave in addition to Pregnancy Disability Leave, the total time she may take off is 4 months for Pregnancy Disability Leave and 12 weeks for the CFRA Leave.

B. TO REQUEST A LEAVE

A health care provider's statement must be submitted verifying the need for pregnancy disability leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to SB LAFCO.

Employees requesting pregnancy disability leave should contact the local branch of their State Disability office to obtain the appropriate disability forms.

C. IMPACT ON BENEFITS

Where an employee's pregnancy disability leave runs concurrently with leave taken pursuant to the Family Medical Leave Act (FMLA), SB LAFCO will continue to provide health insurance benefits for up to 12 weeks of approved pregnancy disability leave.

If an employee chooses to combine pregnancy disability leave with family/medical leave, the maximum amount of time SB LAFCO will pay health insurance premiums is still 12 weeks in a 12-month period. Beyond the 12 weeks, the employee may choose continuation of health insurance coverage through COBRA.

Benefit accruals, vacation and sick leave, or holiday benefits, will be suspended during the leave and will resume upon return to active employment.

For pregnancy leaves of 30 calendar days or less, salary and performance reviews will continue as usual. A salary action which would have ordinarily taken place during the time of the leave will become effective upon return to work. For pregnancy disability leaves of over 30 days, salary and performance reviews will be extended equal to the length of the leave.

D. RETURN FROM LEAVE

So that an employee's return to work can be properly scheduled, an employee on pregnancy disability leave is requested to provide SB LAFCO with at least two weeks advance notice of the date she intends to return to work. When a pregnancy disability leave ends, the employee will be reinstated to the same position unless either the job ceased to exist because of legitimate business reasons or each means of preserving the job would substantially undermine the ability to operate SB LAFCO safely and efficiently. If the same position is not available, the employee may be offered a comparable position in terms of such issues as pay, location, job content, and promotional opportunities. An offer of a comparable position is contingent on such a position being available, and on SB LAFCO's determination that placing the employee in that position will not undermine SB LAFCO's ability to operate its business safely and efficiently. An employee returning from pregnancy disability leave has no greater right to reinstatement to the same or comparable position or to other benefits or conditions of employment than an employee who has been continuously employed in another position that is being eliminated.

If an employee fails to report to work promptly at the end of the pregnancy disability leave, SB LAFCO will assume that the employee has resigned.

E. ADDITIONAL ACCOMMODATIONS

SB LAFCO will provide reasonable accommodation to an employee for conditions related to pregnancy, childbirth, or related medical

conditions, if she so requests, with the advice of her health care provider.

CHAPTER 4: BENEFITS PLAN

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

1. INTRODUCTION

A. ADMINISTRATION OF BENEFITS

San Bernardino LAFCO has contracted with the County of San Bernardino to administer the benefits for SB LAFCO employees equivalent to those provided to County “Exempt” employees. When questions arise, employees will first contact the SB LAFCO payroll person. If additional information is required, employees will contact the Human Resources Employee Benefits and Services Division Chief or designee.

B. BENEFIT PLAN GROUPS

For the purpose of this Benefits Plan, employees shall be divided into the following groups:

- (1) Group A. Executive Officer
- (2) Group B. All SB LAFCO Employees not in Groups A or C
- (3) Group C. Employees hired after September 16, 2020, except for the Executive Officer

2. MEDICAL AND DENTAL SUBSIDIES

- A. SB LAFCO has established a Medical Premium Subsidy (MPS) to offset the cost of medical and dental plan premiums charged to eligible employees. The MPS shall be applied first to medical plan premiums and then to dental plan premiums. The applicable MPS amount shall be paid directly to the providers of the County-sponsored medical and dental plan in which the eligible employee has enrolled. In no case, shall the MPS exceed the total cost of the medical and dental insurance premium for the coverage selected.

Effective 5/18/24 the following MPS amounts shall apply:

	Scheduled for	Scheduled for
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	40 to 60 hours	61 to 80 hours
Employee Only	\$155.38	\$310.75
Employee +1	\$249.94	\$499.87
Employee +2	\$351.02	\$702.03

Effective July 13, 2024, the MPS amounts for employees scheduled for 61 to 80 hours, will increase for each tier (i.e., Employee-Only, Employee + 1, Employee + 2) by 100% of the benefit plan year premium increase of the County's Blue Shield Signature HMO. This new MPS amount shall be the new basis for subsequent years. For example, if the 2024/2025 Benefit Plan Year premium for the Employee-Only tier increases by \$20 per pay period, the MPS amount will increase by \$20 per pay period (i.e., 100% of \$20) and the total MPS for the Employee-Only tier will be \$330.75. Employees scheduled for 40 to 60 hours will receive an amount equal to one-half of the MPS for employees scheduled for 61 to 80 hours.

Effective July 12, 2025, the MPS amounts for employees scheduled for 61 to 80 hours, will increase for each tier (i.e., Employee-Only, Employee + 1, Employee + 2) by 100% of the benefit plan year premium increase of the County's Blue Shield Signature HMO. This new MPS amount shall be the new basis for subsequent years.

Employees scheduled for 40 to 60 hours will receive an amount equal to one-half of the MPS for employees scheduled for 61 to 80 hours.

Effective July 11, 2026, the MPS amounts for employees scheduled for 61 to 80 hours, will increase for each tier (i.e., Employee-Only, Employee + 1, Employee + 2) by 100% of the benefit plan year premium increase of the County's Blue Shield Signature HMO. This new MPS amount shall be the new basis for subsequent years.

Employees scheduled for 40 to 60 hours will receive an amount equal to one-half of the MPS for employees scheduled for 61 to 80 hours.

A dental Premium Subsidy (DPS) has been established for all employees who are enrolled in both County-sponsored medical and dental coverage whose premium costs for medical and dental exceeds the Medical Premium Subsidy. The amount of DPS shall be up to nine dollars forty-six cents (\$9.46), but not to exceed the combined total of the employee's out-of-pocket expenses. For example, an employee who selects "employee only" coverage for medical and dental with a combined per pay period premium cost of \$250.79 and receives a per

pay period MPS of \$243.33 will receive a DPS in the amount of \$7.46 per pay period.

B. ELIGIBILITY FOR MPS AND DPS WHILE ON LEAVE

- (1) FMLA/CFRA - Employees who are on approved leave, pursuant to FMLA/CFRA law and whose paid hours in a pay period are less than the required number of hours designated by the applicable benefit provision will continue to be enrolled in a County-sponsored medical plan and receive MPS and DPS in accordance with applicable law.
- (2) Pregnancy Disability Leave (PDL) – An employee on an approved pregnancy disability leave is eligible for continuation of MPS and DPS in accordance with PDL, Government Code section 12945.
- (3) Workers' Compensation – Employees who are on an approved leave based on an approved workers' compensation claim shall continue to receive the MPS and DPS for up to a total of twenty (20) pay periods while off work due to that work injury as long as the employee pays his/her portion of the premiums on time. If any subsequent workers' compensation claims occur during the initial twenty (20) pay periods, the remaining MPS eligibility from the original claim shall run concurrent with any additional approved workers' compensation claims that occur during the initial claim. For example, if the employee is receiving the MPS and DPS for twenty (20) pay periods for an injury and after ten (10) pay periods another workers' compensation claim is approved and the employee is eligible to receive the MPS and DPS for an additional twenty (20) pay periods, ten (10) pay periods will run concurrent with the initial claim, for a total of 30 pay periods. Employees who are still on workers' compensation after the expiration of the initial twenty (20) pay periods shall continue to receive MPS and DPS provided the employee is in paid status.
- (4) Short Term Disability – Employees who are on Short-Term Disability (STD) insurance provided by the County or State Disability Insurance (SDI) shall continue to receive the MPS and DPS provided the employee is in paid status.
- (5) Per Episode of Illness or Injury - Employees who are on an approved medical leave of absence and whose paid hours in a pay period are less than the required number of hours will

continue to receive the benefits of this subsection for up to six pay periods per episode of illness or injury.

3. MEDICAL AND DENTAL INSURANCE

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.

To continue enrollment in County-sponsored medical and dental plan coverage, a SB LAFCO employee must remain in a regular position scheduled to work for a minimum of 40 hours per pay period and be in paid status or be on approved leave for which continuation of medical and dental coverage is expressly provided for, or be eligible for and have timely paid the premium for COBRA continuation coverage.

Enrollment elections must remain in effect for the remainder of the Plan Year unless an employee experiences an IRS qualifying event.

Eligible employees may elect to enroll dependents upon initial eligibility for medical and dental insurance. Thereafter, newly eligible dependents may be enrolled within sixty (60) days of obtaining dependent status, such as birth, adoption, marriage, or registration of domestic partnership.

Notification of a mid-year qualifying event must be submitted to the SB County Human Resources Employee Benefits and Services Division Chief or designee in accordance with procedures adopted by the County. Employees are responsible for notifying the County within sixty (60) days of dependent's change in eligibility for the County plans.

Dependent(s) must be removed mid-Plan year when a dependent(s) becomes ineligible for coverage under the insurance plan eligibility rules, for example, divorce, over-aged dependent, or termination of domestic partnership.

Premiums for coverage will be automatically deducted from the employee's pay warrant. Failure to pay premiums will result in loss of coverage for the employee and/or the dependents. If the employee does not have sufficient earnings to cover the deduction for premiums, the employee must make

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alternative payment arrangements that are acceptable to the County Employee Benefits and Services Division.

Employees eligible for medical plan coverage who are also enrolled in comparable group medical plan sponsored by another employer or are covered by a spouse, domestic partner, or parent who is also employed with the County may elect to discontinue enrollment in the County-sponsored medical plan (opt-out or waive). Employees scheduled to work 61 to 80 hours per pay period who elect to opt-out or waive the County-sponsored medical plan coverage will be provided bi-weekly amounts as follows:

- A. Employees who elected to opt-out of County-sponsored health plan coverage prior to July 9, 2005 and continue to opt-out will receive the following bi-weekly amounts:

Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
\$80.77	\$161.54

- B. Employees who elected to waive health plan coverage to a spouse or domestic partner currently employed by the County prior to July 9, 2005 will receive the following bi-weekly amounts:

Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
\$115.00	\$230.00

- C. New opt-outs or waivers (i.e., new employees and current employees who opted-out or waived effective July 9, 2005 and any time thereafter) will receive the following bi-weekly amounts:

Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
\$20.00	\$40.00

To receive these amounts, the employee must be in paid status.

Employees eligible for County-sponsored dental plan coverage who are also enrolled in a comparable group dental plan sponsored by another employer or are covered by a spouse, domestic partner, or parent who is also employed with the County may elect to discontinue enrollment in their County-sponsored dental plan.

The rules and procedures for electing to opt-out or waive the County-sponsored medical and dental plan coverage are established and

administered by the SB County Human Resources Employee Benefits Department and Services Division.

Employees may elect to opt-out or waive the County-sponsored medical and/or dental plan coverage(s) within 60 calendar days of the effective date of gaining other employer group coverage. Proof of initial gain of other group coverage is required at the time that opt-out or waive is elected.

Employees may elect to opt-out or waive the County-sponsored medical and/or dental plan coverage during an annual open enrollment period. All employees who are newly opting-out or waiving during an open enrollment period must provide verification of other employer group coverage.

Except as required at the initial opt-out/waive election, employees are not required to provide verification of continued coverage unless requested by the plan administrator.

Employees who voluntarily or involuntarily lose other employer group health plan coverage must enroll in a County-sponsored medical and/or dental plan within 60 calendar days. Enrollment in the County-sponsored plan will be provided in accordance with the requirements of the applicable plan.

There must be no break in the employee's medical and/or dental plan coverage between the termination date of the other employer group coverage and enrollment in a County-sponsored medical and/or dental plan. Terms and conditions of the applicable plan will determine the required retroactive enrollment period and premiums required to implement coverage. Failure to notify the County of loss of group coverage within 60 calendar days will require the employee to pay insurance premiums retroactively on an after-tax basis.

4. LIFE INSURANCE

A. TERM LIFE INSURANCE

SB LAFCO will pay the premium for a term life insurance policy, the amount of which is based on the eligible employee's scheduled hours. Employees scheduled from 40 to 60 hours per pay period shall receive \$25,000 in coverage. An employee scheduled from 61 to 80 hours shall receive \$50,000 in coverage. Life insurance will become effective on the first day of the pay is in paid status. For pay periods in which the employee is not in paid status, the employee shall have the option of continuing life insurance coverage at the employee's expense.

B. GROUP UNIVERSAL LIFE INSURANCE

Eligible SB LAFCO employees may purchase, through payroll deductions, group universal life insurance subject to carrier requirements and approval. The benefit levels for such insurance shall be equivalent to no more than three (3) times the employee's annual base earnings. Employees who purchase group universal life insurance shall be provided a SB LAFCO contribution towards the bi-weekly premium based on the following:

Benefit Group A

(Executive Officer) = 50% of the premium for benefit level equal to the annual base salary or 100% of the premium for benefit level equal to 50 percent of the annual base salary.

Benefit Groups B and C

(All other SB LAFCO employees) = 25% of the premium for benefit level equal to the annual base salary.

C. VOLUNTARY LIFE INSURANCE

In accordance with the procedures established by the County Human Resources Employee Benefits and Services Division, eligible employees may purchase, through payroll deductions, term life insurance subject to carrier requirements.

New employees shall become initially eligible to participate in these programs on the first day of the pay period following the pay period in which the employee is in paid status. Participation will continue as long as premiums are paid timely. If the employee does not have sufficient earnings to cover the deduction for premiums, the employee must make alternative payment arrangements that are acceptable to the Employee Benefits and Services Division.

D. ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

Eligible employees may purchase amounts of Accidental Death and Dismemberment Insurance coverage for themselves and dependents through payroll deduction. New employees shall become initially eligible to participate in these programs on the first day of the pay period following the first pay period in which the employee is in paid status. Participation will continue as long as premiums are paid timely. If the employee does not have sufficient earnings to cover the deduction for premiums, the employee must make alternative payment arrangements that are acceptable to the County Human Resources, Employee Benefits and Services Division. The benefits will be provided

subject to carrier requirements, and will be administered by the County Employee Benefits and Services Division.

E. LONG-TERM DISABILITY INSURANCE

SB LAFCO will provide employees with long-term disability insurance through the county subject to carrier requirements and approval. The benefit levels 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.

F. SHORT-TERM DISABILITY INSURANCE

SB LAFCO will provide an employer paid Short-Term Disability Insurance Plan through the County for employees. This benefit shall apply to employees in regular positions who are regularly scheduled to work 40 or more hours per pay period. The Short-Term Disability Insurance Plan benefit coverage shall be governed by the Plan Document that has been approved and adopted by the Board of Supervisors for Exempt Group employees and is subject to carrier requirements and approval. The short-term disability insurance plan benefit coverage shall include a provision for a seven (7) consecutive calendar day waiting period from the first day of disability before benefits begin. Benefits shall be fifty-five percent (55%) of base salary up to a weekly maximum established a formula that incorporates the State of California for the State Disability Insurance fund maximum. Benefit payments terminate when the employee is no longer disabled or upon termination of employment from SB LAFCO, or after receiving 180 days of benefits at which time the employee would be eligible for long-term disability benefits if still medically disabled.

G. VISION CARE INSURANCE

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.

5. SECTION 125 PREMIUM CONVERSION PLAN

Eligible employees shall be provided with a Section 125 Premium Conversion Plan. The purpose of the Plan is to provide employees a choice between paying premiums with either pre-tax salary reductions or after-tax payroll deductions for medical insurance, dental insurance, vision insurance, voluntary life (to the IRS specified limit) and accidental death and dismemberment insurance premiums currently maintained for Exempt

employees or any other program(s). The amount of the pre-tax salary reduction or after-tax payroll deduction must be equal to the required insurance premium.

Medical and dental coverage elections shall not reduce earnable compensation for purposes of calculating benefits or contributions for the San Bernardino County Employees' Retirement Association. To be eligible for this benefit, an employee must be eligible to participate in medical, dental, vision, AD&D, and/or life insurance and have a premium deduction for these benefit plans.

Election of pre-tax and after-tax payroll deductions shall be made within sixty (60) days of the initial eligibility period in a manner and on such forms designated by the San Bernardino County Human Resources Employee Benefits Department and Services Division Chief, or designee. Failure to timely submit appropriate paperwork will result in after-tax deductions for all eligible premiums for the remainder of the Plan Year.

Once a salary reduction has begun, in no event will changes in elections be permitted during the Plan Year except to the extent permitted under Internal Revenue Service rulings and regulations and consistent with the County's Plan Document. The employee must submit request for a change due to a mid-year qualifying event within sixty (60) days of the qualifying event.

6. FLEXIBLE SPENDING ACCOUNT

The County has established a medical expense reimbursement plan, Flexible Spending Account (FSA). This plan has been established in accordance with the provisions of Internal Revenue Code (IRC) Section 125. Human Resources will serve as the Plan's Administrator and will administer the FSA in accordance with the County's plan document. The FSA's plan year will coincide with the County's benefit plan year. SB LAFCO contracts with SB County to provide this benefit to its employees.

Eligible employees may contribute to the FSA, on a pre-tax basis, up to the Internal Revenue Code's annual maximum. This annual contribution is made by the employee via equal biweekly payroll deductions. SB LAFCO will also contribute up to (\$40.00) per bi-weekly pay period, matching employee contributions dollar for dollar. Effective February 1, 2020, SB LAFCO will contribute up to an additional \$10.00 per biweekly pay period, matching Exempt employee contribution dollar for dollar, for employees who select the County-sponsored Blue Shield Access + HMO Plan or the Kaiser Choice HMO Plan and elect to enroll in the FSA.

FSA participants must elect to enroll each year in order to continue participation. Upon enrolling in the Plan, employees may not change their

designated bi-weekly contribution amount or discontinue making contributions for the remainder of the plan year except as permitted by the IRC. Any unused amounts remaining in an employee's FSA account at the end of the plan year shall be forfeited except as permitted by the IRC and the County's plan document.

Contributions made to the FSA may be used for receiving non-taxable reimbursements of eligible medical expenses not covered by insurance. Eligible reimbursable expenses are those medical expenses that qualify as determined under Internal Revenue Code section 213.

7. DEPENDENT CARE ASSISTANCE

The purpose of this Section 125 Dependent Care Assistance Plan (DCAP) is to permit eligible employees to make an election to pay for certain dependent care expenses with salary reductions from compensation contributed to the Plan before federal income or social security taxes are paid to the Internal Revenue Service ("Salary Reduction") in accordance with Sections 125 and 129 of the Internal Revenue Code of 1986 (IRC) and regulations issued pursuant thereto. DCAP shall be construed to comply with said Code Sections and to meet the requirements of any other applicable provisions of law.

SB LAFCO participates in the DCAP that is administered by the County's Human Resources Department, Division Chief, Employee Benefits and Services Division in accordance with the dependent care assistance plan document and applicable law.

To be eligible for this benefit, an employee must be in a regular position.

Enrollment in the Plan is required every Plan Year and is limited to the annual open enrollment period or no later than sixty (60) calendar days following the date of becoming eligible due to a mid-year change in status event. Failure to submit participation agreement within the time frame shall result in an election to not participate in the Plan.

An employee must elect to contribute to DCAP through salary reduction on forms approved by the County Human Resources Division Chief, Employee Benefits & Services Division. An employee election to participate shall be irrevocable for the remainder of the plan year. Once a salary reduction has begun, in no event will changes in elections be permitted during the Plan Year except to the extent permitted under Internal Revenue Service rulings and regulations and with the County's Plan Document.

Pursuant to IRC §125, any amounts remaining in the employee's account at the end of a Plan year must be forfeited except as permitted by the IRC and the Plan Document.

8. SALARY SAVINGS PLANS

A. 401K PLAN

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

The biweekly contributions of employees in Group C to the County's 401(k) Defined Contribution Plan of up to two percent of biweekly base salary will be matched by a SB LAFCO contribution of two times the employee's contribution. The SB LAFCO contribution shall not exceed four percent of an employee's biweekly base salary.

B. 457 DEFERRED COMPENSATION PLAN

(1) Bi-weekly contributions of SB LAFCO 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 SB LAFCO contribution on the basis of one (1) times the employee's contribution. The SB LAFCO contribution shall not exceed one percent of the employee's biweekly salary. The contribution shall be deposited in the County's 401(a) Plan.

(2) Bi-weekly contributions of SB LAFCO 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 SB LAFCO contribution of one-half (1/2) times the employee's contribution. The SB LAFCO 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.

9. RETIREMENT

A. SB LAFCO CONTRIBUTIONS

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LAFCO shall pay all required employer contributions to the San Bernardino County Employee's Retirement Association (SBCERA).

Any dollars that are remaining after all retirement system obligations are fully satisfied shall be paid to the employee in cash.

Pursuant to the California Public Employees' Pension Reform Act of 2013 (AB 340), SB LAFCO establishes a two-tier system for retirement contribution as follows:

Tier 1 employees are employees with an SBCERA membership date prior to January 1, 2013.

Tier 2 employees are employees with an SBCERA membership date on or after January 1, 2013.

SBCERA membership date is determined based on the following:

- (1) Date of hire as a regular or eligible contract (when applicable) employee, or
- (2) Date of transfer from a non-qualifying position (for example: extra-help, temporary, or part-time) to a regular position that requires membership in SBCERA, or
- (3) Date of entry into membership with another public retirement system with which the employee established reciprocity. Therefore, if the employee enters SBCERA membership under Tier 2, but establishes reciprocity with another public retirement system where the employee was a member prior to January 1, 2013, the employee will be reclassified as a Tier 1 employee.

B. REMAINING EMPLOYEE CONTRIBUTIONS

All employee retirement system contribution obligations shall be "picked up" for tax purposes only pursuant to this Section. SB LAFCO shall implement the pickup of such retirement system contribution under Internal Revenue Code Section 414(H) (2).

SB LAFCO shall make member contributions under this section on behalf of the employee, which shall be in lieu of the employee's contributions, and such contributions shall be treated as employer contributions for purposes of reporting and wage withholding under the Internal Revenue Code and the Revenue and Taxation Code. The amounts picked up under this section shall be recouped through offsets against the salary of each employee for whom SB LAFCO picks

up member contributions. These offsets are akin to a reduction in salary and shall be made solely for purposes of income tax reporting and withholding. The member contributions picked up by SB LAFCO under this section shall be treated as compensation paid to SB LAFCO employees for all other purposes. SB LAFCO paid employer contributions to the SBCERA under this section shall be paid from the same source of funds as used in paying the salaries of the affected employees. No employee shall have the option to receive the Retirement System contribution amounts directly instead of having them paid to SBCERA.

Until retirement or separation, all contributions picked up under this section will be considered for tax purposes as employer-paid contributions.

Upon retirement or separation, all contributions picked up under this section will be considered for tax purposes as employer-paid contributions. Contributions under this section shall be applied (as all employer or all employee contributions with the same value and restrictions) for Retirement System purposes in the same manner as the contributions under the SB LAFCO Contributions provision above.

C. SPECIAL PROVISIONS

Except as provided below, employees who have 30 years of service credit shall not be paid in cash seven percent (7%) of earnable compensation. Employees with at least 25 years of service as set forth in Government Code Section 31625.3 as of June 18, 2011, and who either already have or thereafter attain 30 years of service credit as set forth in Government Code Section 31625.3 shall have one opportunity during the employee's employment to receive cash payments of seven percent (7%) of earnable compensation for up to twenty-six (26) consecutive pay periods.

Employees who are over age 60 at time of hire, and who are in a regular position, and who choose not to be a member of the Retirement Association, shall be enrolled in the County's 401(k) Salary Savings Plan. SB LAFCO shall contribute the applicable percent of the employee's biweekly salary as defined in this Section to the Plan, and the employee shall contribute a minimum of three percent of biweekly salary to the plan, not to exceed the annual limits of the Plan as defined in the Internal Revenue Code.

D. SURVIVOR BENEFITS

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Survivor Benefits are payable to employed general retirement members with at least 18 months continuous retirement membership pursuant to Government Code Section 31855.12. An equal, non-refundable employer and employee bi-weekly contribution will be paid to SBCERA as provided in the annual actuarial study.

E. RETIREMENT MEDICAL TRUST FUND

A Retirement Medical Trust Fund has been established for SB LAFCO employees with five (5) or more years of participation in the San Bernardino County Employees' Retirement Association (SBCERA). The Trust Fund is a Voluntary Employees Benefit Association (VEBA) and will comply with all of the provisions of Section 501(c) (9) of the Internal Revenue Code.

The Retirement Medical Trust Fund will be administered by the Employee Benefits and Services Division as the plan administrator in accordance with the plan document and applicable law.

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.

10. HEALTHY LIFESTYLES PROGRAM

SB LAFCO contracts with SB County to provide to its employees the “Healthy Lifestyles” program. Under this program SB LAFCO employees are eligible for reimbursement for health club/fitness memberships up to \$324 on an annual basis. SB LAFCO employees wishing to participate in this program must submit a Healthy Lifestyles application as approved for use by SB County.

SB LAFCO employees are also eligible for an annual physical examination through Arrowhead Regional Medical Center.

11. PORTABLE COMMUNICATION DEVICE ALLOWANCE

The SB LAFCO Executive Officer, when in paid status, shall receive a bi-weekly portable communication device allowance in the amount of fifty dollars (\$50.00). The Executive Officer shall purchase a portable communication device capable of sending and receiving cellular telephone calls, and if approved by the appointing authority, capable of sending and receiving e-mails to and from the County of San Bernardino (County) e-mail system. SB LAFCO shall pay for any license and set up expense for the device if any, and the employee shall pay for the equipment and monthly voice and data plans.

12. AUTOMOBILE ALLOWANCE

The SB LAFCO Executive Officer, when in paid status, shall receive a bi-weekly automobile allowance in the amount of three hundred dollars (\$300.00) with no mileage reimbursement. Should the Executive Officer become eligible or ineligible for this benefit in the middle of a pay period they will receive a prorated sum of automobile allowance. The Executive Officer shall be required to have a vehicle available at all times for use on SB LAFCO business. This allowance shall be considered complete reimbursement for the acquisition, insurance, maintenance, repair, upkeep, fuel, and all other costs for the required vehicle.

13. TUITION REIMBURSEMENT AND MEMBERSHIP DUES

*San Bernardino LAFCO Policy and Procedure Manual
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SB LAFCO encourages and supports efforts by its employees to improve their skills and educate themselves for advancement. SB LAFCO believes that assisting the employee in the pursuit of an educational agenda or to otherwise expand their work-related knowledge base will benefit both the employee and SB LAFCO.

All regular Full-Time employees of SB LAFCO, who have been employed for at least 90 days prior to enrollment, are eligible to receive educational assistance.

Upon pre-approval by the employee's supervisor and Executive Officer, the following reimbursement policies have been outlined to cover tuition, course/seminar or degree related expenses, and membership dues in professional organizations:

- A. Maximum SB LAFCO reimbursement is \$1,000 per fiscal year for membership dues and/or all course expenses plus the cost of books.
- B. Courses and memberships in professional organizations must be related to the work of the employee's position or occupation and courses must be taken at accredited institutions.
- C. Pre-approval of classes (or course of study) is required by the appointing authority. Employees must apply for tuition reimbursement, prior to enrolling in the class, by completing the "Educational Assistance Request Form" and submitting it to the appointing authority for approval.
- D. To be eligible for tuition reimbursement, employees must be employed by SB LAFCO throughout the duration of the course. If the reimbursement is approved and paid to the employee, and the employee leaves SB LAFCO prior to completing two years of LAFCO service after completing the job-related education or coursework, the employee will reimburse SB LAFCO according to the following schedule:

<u>Job-related education/ course completion date</u>	<u>Reimbursement</u>
Within 9 months	100%
After 9 months, but before 18 months	50%
After 18 months, but before 24 months	25%
After 24 months	0%

San Bernardino LAFCO Policy and Procedure Manual
Section III – Human Resources Policies and Procedures

- E. The percentage of reimbursement is based on the grade earned for each college seminar, certification, associate, bachelors, masters or doctoral degree course:
- | | | |
|---|-------------|------|
| ○ | Grade A | 100% |
| ○ | Grade B | 100% |
| ○ | Grade C* | 50% |
| ○ | Pass/Credit | 50% |
- F. Masters and doctoral degree courses completed with a letter grade of “C” or below are not eligible for any reimbursement.
- G. Reimbursable expenses include tuition, required textbooks, lab fees, library fees, and required registration and parking fees.
- H. Upon completion of the course, official grades and receipts must be submitted to the Executive Officer for reimbursement. Taxes are withheld on educational reimbursements when required by law.

14. TUITION LOAN REPAYMENT

The Commission shall establish a Tuition Loan Repayment Program to assist employees with student loan obligations and encourage continued LAFCO employment.

- A. ~~(1)~~ Eligibility requirements - all requirements must be met before the employee is deemed eligible for loan repayment assistance:
- ~~(1)~~ — The employee is employed in a regular full time exempt ~~(2)~~(1) classification.
- ~~(3)~~(2) ~~(B)~~ The employee fully completes the County's Student Loan Repayment Application.
- ~~(4)~~(3) ~~(C)~~ The employee submits proof of the following:
- ~~(I)~~ — A qualifying degree.
 - ~~(II)~~ — Current statements from an unpaid loan.
 - ~~(III)~~ — The employee is in paid status in the pay period the repayment is made.
 - ~~(IV)~~ — The employee is not participating in another tuition loan repayment program. This does not include participation in any loan forgiveness program.
 - ~~(V)~~ — Employee's last Work Performance Evaluation rating is a “meets standards” or above and not on a work performance improvement plan.
 - ~~(VI)~~ — Employee is not on a current leave restriction plan.

~~B.~~ ~~(2)~~ Terms of Loan Repayment Assistance: Employees with 2 or more ~~C.B.~~ years of continuous service with LAFCO may apply for tuition loan repayment. Continuous service is defined as the total length of service from an employee's most recent beginning (hire) date in a regular position with no separation from employment. Employees must complete a new application and submit supporting documentation for each disbursement for loan repayment. Any additional annual incentive will require completion of new one-year continuous periods of Qualifying Service on and after the date of the implementation of this provision. In no event will the payments be combined. If the application meets LAFCO requirements, the payment shall be as follows:

- (1) ~~(A)~~ After completion of 2 continuous years with LAFCO: A single payment of up to \$1,000.
- (2) ~~(B)~~ After completion of 3 continuous years with LAFCO: A single payment of up to \$1,500.
- (3) ~~(C)~~ After completion of 4 continuous years with LAFCO: A single payment of up to \$2,000.
- (4) ~~(D)~~ After completion of 5 continuous years with LAFCO: A single payment of up to \$2,500.
- (5) ~~(E)~~ After completion of 6 continuous years with LAFCO: A single payment of up to \$3,000.

Payment shall not exceed the total amount of \$10,000 per employee.

Eligible employees may receive the payment within thirty (30) days after approval of the required documentation.

~~D.C.~~ ~~(3)~~ Restrictions

- (1) ~~(A)~~ Employee must have one or more qualifying student loans (including private loans provided they qualify pursuant to all applicable State and Federal laws, rules, and regulations).
- (2) ~~(B)~~ Degree must have been completed and employee must be in active repayment of the loan.
- (3) ~~(C)~~ Loans must not be in default status. Employees must provide a written statement from their lender(s) substantiating that the loan(s) are not in default, dated within ten (10) business days of the application for payment.
- ~~(4)~~ ~~(D)~~ Payments made on loans in the year prior to the repayment request that are less than the maximum yearly repayment amount will be eligible for the lesser amount paid only.
- ~~(4)~~ ~~(5)~~ ~~(E)~~ Employees who separate from LAFCO employment are not entitled to prorated payments.
- ~~(5)~~ ~~(6)~~ ~~(F)~~ The lender information must be verified annually, and must not be older than ten (10) days prior to the application for payment.

San Bernardino LAFCO Policy and Procedure Manual
Section III – Human Resources Policies and Procedures

- (7) ~~(G)~~ If loans have been consolidated, proof of consolidation must be provided.
- ~~(6)~~ (8) ~~(H)~~ Employees must show proof of loan payments for each of the prior twelve (12) consecutive months.

~~E.D.~~ ~~(4)~~ Program Details

- (1) ~~(A)~~ Payment will be made directly to the employee through EMACS. Payment will be subject to all required payroll deductions, and participants will be responsible for any and all applicable taxes resulting from the payments they receive.
- (2) ~~(B)~~ Qualifying Student Loan shall mean a loan (or the portion of a loan, if consolidated) taken and used to cover the cost of an eligible qualifying degree. The determination of whether or to what extent a loan is a Qualifying Student Loan shall be made based on guidelines established by the County's Human Resources Department.
- (3) ~~(C)~~ Notwithstanding the foregoing, reimbursement under this Section shall be made subject to any additional conditions approved by the appointing authority.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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HEARING DATE: MAY 21, 2025

RESOLUTION NO. 3417

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, AMENDING ITS POLICY AND PROCEDURE MANUAL

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

SECTION 1. The Local Agency Formation Commission for San Bernardino County, State of California (hereafter shown as "LAFCO"), hereby finds and determines that it wishes to amend its Policy and Procedure Manual.

SECTION 2. The Local Agency Formation Commission for San Bernardino County therefore determines, resolves and orders that:

1. The following section of the Policy and Procedure Manual is amended:

Section III – Human Resources
2. The amended section of the Policy and Procedure Manual is attached to this resolution as Exhibit "A" and incorporated herein by reference, is adopted and approved.

SECTION 3. The Executive Officer of LAFCO is ordered to certify the passage of this resolution and to cause a copy of the amended Policy and Procedure Manual to be posted on the LAFCO Website, and a certified copy of this resolution to be forwarded to the County Human Resources Department for implementation.

**THIS ACTION APPROVED AND ADOPTED BY THE LOCAL AGENCY FORMATION
COMMISSION FOR SAN BERNARDINO COUNTY BY THE FOLLOWING VOTE:**

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

RESOLUTION NO. 3417

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 May 21, 2025.

DATED:

SAMUEL MARTINEZ
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 14, 2025 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #11 – REVIEW AND ADOPTION OF SCHEDULE OF FEES, DEPOSITS, AND CHARGES EFFECTIVE JULY 1, 2025

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. For Environmental review:
 - a. Make the findings required by Section 21080(b)(8) of the CEQA and Section 15273(c) of the CEQA Guidelines as follows:
 - i. Filing and processing fees are authorized by Government Code Section 56383 to cover the estimated reasonable cost of providing the service; and,
 - ii. The rates and charges identified in the Schedule are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials; and (3) meeting financial reserve needs and requirements.
 - b. Certify that the proposed revisions to the Schedule of Fees, Deposits, and Charges are statutorily exempt from the provisions of the California Environmental Quality Act and direct the Executive Officer to file a Notice of Exemption within five (5) days of this action.
2. Adopt the Schedule of Fees, Deposits, and Charges, as revised, to be effective July 1, 2025.
3. Adopt LAFCO Resolution No.3416 reflecting the Commission's determinations related to the Schedule.

BACKGROUND:

At the April 16 hearing, LAFCO staff presented the Commission with its recommended changes to the existing Schedule of Fees, Deposits and Charges ("Schedule"), and the Commission adopted the proposed Schedule (Attachment #1). On April 16, a copy of the proposed Schedule was forwarded to the County, the cities/towns, and the independent special districts for review and comment with a response requested by May 9. As of the date of this report, no comments have been received. However, if staff receive comments prior to the hearing, they will be provided to the Commission along with staff's response at the hearing.

ENVIRONMENTAL REVIEW:

As for environmental review, the California Environmental Quality Act (CEQA) and the State CEQA Guidelines provide a statutory exemption for the review and modification of fee and rate schedules. Section 21080(b)(8) of the CEQA and Section 15273(c) of the CEQA Guidelines require that the Commission make findings regarding such an exemption indicating specifically the basis for the claim of exemption. Staff recommends that the Commission make the findings required by Section 21080(b)(8) of the CEQA and Section 15273(c) of the CEQA Guidelines as follows:

- a) Filing and processing fees are authorized by Government Code Section 56383 to cover the estimated reasonable cost of providing the service; and,
- b) The rates and charges identified in the Schedule are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials; and (3) meeting financial reserve needs and requirements.

Staff recommends that the Commission determine this action is statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline section cited above. The Commission is required to file a Notice of Exemption with the Clerk to the Board within five working days of its action to approve the Schedule modifications. The environmental determination is included as Attachment #2.

CONCLUSION:

Staff recommends that the Commission adopt the revised Schedule, as presented, with an effective date of July 1, 2025, by taking the recommended actions outlined on page 1.

Attachments:

- 1. [Revised Schedule of Fees, Deposits, and Charges](#)
- 2. [Environmental Determination](#)
- 3. [Draft Resolution No. 3416](#)

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

SCHEDULE OF FEES, DEPOSITS, AND CHARGES EFFECTIVE JULY 1, 2025

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	\$ 7,528	\$ 10,037	\$ 12,547	\$ 12,547 plus \$1 per acre over 300 acres
District	\$ 6,273	\$ 8,157	\$ 10,037	\$ 10,037 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	\$ 7,528	\$ 10,037	\$ 12,547	\$ 12,547 plus \$1 per acre over 1,920 acres
District	\$ 6,273	\$ 8,157	\$ 10,037	\$ 10,037 plus \$1 per acre over 1,920 acres

Sphere of Influence Amendment	\$ 6,273	\$ 4,000	\$ 10,273
District: Dissolution, Merger, or Establishment of Subsidiary District(s)	\$ 6,273	\$ 4,000	\$ 10,273
District: Formation or Consolidation	\$ 18,820	\$ 4,000	\$ 22,820
District: Activation/Divestiture of Functions and/or Services	\$ 9,410 each function/service	\$ 4,000	\$ 13,410
City: Consolidation	\$ 25,094	\$ 4,000	\$ 29,094
City: Incorporation or Disincorporation	\$ 25,094	\$ 54,000	\$ 79,094
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 Fess, Deposits, and Charges
July 1, 2025

***DEPOSITS BREAKDOWN**

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

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

San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
July 1, 2025

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

ADDITIONAL FEES AND DEPOSITS

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

Section 2.

Proposals - Completion Fees and Charges

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

When notified by LAFCO staff, please make check payable to the State Board of Equalization and reference Tax Area Services Section, MIC:59.

(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	\$ 6,273	\$2,400	\$ 8,673
Contracts involving the development of units requiring only a parcel map as defined by the Subdivision Map Act (up to four units)	\$ 1,255 per Connection	\$2,400	\$ 3,655 to \$7,419
Any contract for fire protection services outside a public agency's jurisdictional boundaries pursuant to Govt. Code Section 56134	\$ 6,273	\$2,400	\$ 8,673
Contracts to provide services outside a sphere of influence pursuant to Govt. Code Section 56133.5	\$ 1,255	\$2,400	\$ 3,655
Contract Requiring Approval pursuant to Govt. Code Section 56133 (c)	\$ 6,273	\$2,400	\$ 8,673
Development-Related Request for Exemption from Govt. Code Section 56133, requires noticed Commission hearing	\$ 2,822	\$0	\$ 2,822
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	\$ 650	\$0	\$ 650

*DEPOSITS BREAKDOWN

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

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

*San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
July 1, 2025*

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

Section 4. Reproduction Charges

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

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

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

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 14, 2025 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Environmental Determination – Revision of LAFCO for San Bernardino Schedule of Fees, Deposits, and Charges

The Local Agency Formation Commission is currently considering the revision of its "Schedule of Fees, Deposits, and Charges" which help support the services it provides to the County, cities/towns, special districts, and citizens of San Bernardino County. The California Environmental Quality Act (CEQA) and the State CEQA Guidelines provide a statutory exemption for the review and modification of fee and rate schedules. Specifically, Section 21080(b)(8) of the CEQA and Section 15273(a) of the CEQA Guidelines provide for such statutory exemptions if such rates or charges are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials; and (3) meeting financial reserve needs and requirements, etc.

Section 21080(b)(8) of the CEQA and Section 15273(c) of the CEQA Guidelines require that the Commission make findings regarding such an exemption indicating specifically the basis for the claim of exemption. Staff recommends that the Commission make the findings required by Section 21080(b)(8) of the CEQA and Section 15273(c) of the CEQA Guidelines as follows:

- a) Filing and processing fees are authorized by Government Code Section 56383 to cover the estimated reasonable cost of providing the service; and,
- b) The rates and charges identified in the Schedule of Fees, Deposits, and Charges are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials; and (3) meeting financial reserve needs and requirements.

Staff recommends that the Commission determine this action is statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline section cited above. The Commission is required to file a Notice of Exemption with the Clerk to the Board within five working days of its action to approve the Schedule modifications. A copy of this exemption shall be retained in the LAFCO file to serve as verification of this evaluation and as the CEQA environmental determination record.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1601 E. 3rd Street, Suite 102, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

HEARING DATE: MAY 21, 2025

RESOLUTION NO. 3416

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON THE ADOPTION OF A REVISED SCHEDULE OF FEES, DEPOSITS, AND CHARGES FOR FISCAL YEAR 2025/26.

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

WHEREAS, Section 56383 of the California Government Code authorizes a Local Agency Formation Commission to establish a schedule of fees for the filing and processing of applications submitted to the Commission pursuant to the provisions of Government Code Sections 56000 et seq.; and,

WHEREAS, the Local Agency Formation Commission for San Bernardino County (hereinafter referred to as the "Commission") adopted the existing Schedule of Fees, Deposits, and Charges on May 15, 2024; 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 this Commission upon the proposed amendments to the Schedule of Fees, Deposits, and Charges; and,

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

WHEREAS, the public hearing by this Commission was held upon the date and at the time and place specified in the notice of public hearing and in any order or orders continuing such hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written support and opposition; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the proposed amendments, in evidence presented at the hearing;

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

RESOLUTION NO. 3416

DETERMINATIONS:

SECTION 1. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

SECTION 2. The Local Agency Formation Commission hereby approves the revised Schedule of Fees, Deposits, and Charges, attached hereto as Exhibit "A", effective July 1, 2025.

SECTION 3. FINDINGS. The following findings are noted in conformance with Commission policy and the provisions of State law:

1. Notice of the Commission's consideration of the Schedule of Fees, Deposits, and Charges amendment has been provided pursuant to the provisions of Government Code Section 66016. To date, no expressions of either in support or opposition to the proposed revisions to the Schedule of Fees, Deposits, and Charges have been received.
2. The Commission determines that the proposed revisions to the Schedule of Fees, Deposits, and Charges are statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 21080(b)(8) of CEQA and Section 15273(a), Subsections (1), (2), and (3), of the State CEQA Guidelines. The Commission makes the following findings required by Section 21080(b)(8) of the CEQA and Section 15273(c) of the State CEQA Guidelines:
 - a. Filing and processing fees are authorized by Government Code Section 56383 to cover the estimated reasonable cost of providing the service for which the fee is charged.
 - b. The fees identified in the Schedule of Fees, Deposits, and Charges, attached as Exhibit "A", are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials; and (3) meeting financial reserve needs and requirements.

The Commission hereby adopts the Statutory Exemption and directs the Executive Officer to file a Notice of Exemption within five (5) working days of adoption of the Commission's action with the San Bernardino Clerk to the Board of Supervisors.

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

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

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

RESOLUTION NO. 3416

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 May 21, 2025.

DATED:

SAMUEL MARTINEZ
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 14, 2025 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #12 – REVIEW AND ADOPTION OF FINAL BUDGET
FOR FISCAL YEAR 2025/26

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Adopt the Fiscal Year 2025/26 Final Budget with the apportionment of net LAFCO costs based upon the Auditor's information attached to this report; and,
2. Direct the Executive Officer to submit to the County Auditor-Controller the adopted Final Budget and request the apportionment of the Commission's net costs to the County, Cities/Towns and Independent Special Districts pursuant to the provisions of Government Code Section 56381 as shown in the approved Final Budget.

BACKGROUND:

The Commission's annual budget process began at the April 16 hearing through adoption of the Proposed Budget for Fiscal Year 2025/26. The Proposed Budget included an outline of the anticipated expenditures, revenues, and reserves, and policy items for Commission consideration such as: payment of step increases, retirement costs, and a 2.5% Cost-of-Living Adjustment (COLA).

On April 16, as required by Government Code Section 56381, staff distributed the Proposed Budget for review and comment to the County, each city/town, and each independent special districts with the request to submit comments by May 9 for inclusion in the final report. As of the date of this report, no comments or concerns have been provided regarding the Proposed Budget as adopted at the April hearing. If concerns are

received following the publication of this report, staff will provide those to the Commission at the hearing along with an oral response.

In conclusion, LAFCO staff has provided copies of the Final Budget Spreadsheet recommended for adoption (Attachment #1 to this report). The apportionment for the County, Cities/Towns and Special Districts for Fiscal Year 2025/26 to be billed as of July 1, 2025 is included as Attachment #2. Also attached are the detailed spreadsheets for Salaries and Benefits (Attachment #3), Services and Supplies (Attachment #4), and Revenues (Attachment #5).

Staff will be happy to answer any questions from the Commission prior to or at the hearing regarding any of the items within the budget documents or this report. Staff recommends that the Commission take the actions identified on page 1 of this report.

Attachments:

1. [Final Budget Spreadsheet](#)
2. [Auditor's Apportionment Distribution for the County, Cities and Towns, and= Independent Special Districts](#)
3. [Salaries and Benefits Detail](#)
4. [Services and Supplies Detail](#)
5. [Revenue Detail](#)

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 21/22	ACTUAL YEAR-END FY 22/23	ACTUAL YEAR-END FY 23/24	ESTIMATE YEAR-END FY 24/25	YEAR 1 PROPOSED FY 25/26	YEAR 2 FORECAST FY 26/27	YEAR 3 FORECAST FY 27/28
	Salaries and Benefits:							
1010	Earnable Compensation	426,130	440,201	482,198	532,164	547,695	614,607	634,120
1030	Auto and Cell Phone Allowances	9,100	9,132	9,132	9,161	9,275	9,275	9,275
1045	Termination Payment	-	-	-	-	-	-	-
1110	General Member Retirement	170,502	153,414	144,520	147,587	131,150	144,602	149,168
1130	Survivors Benefits	95	91	96	101	96	121	121
1200	Medical Premium Subsidy	43,461	46,308	50,565	59,438	63,919	80,834	83,259
1205	Long-Term Disability	980	996	1,337	1,502	1,568	1,781	1,834
1207	Vision Care Insurance	621	601	625	671	635	635	635
1215	Dental Insurance Subsidy	738	940	998	1,082	762	1,265	1,265
1222	Short-Term Disability	4,906	4,978	5,054	5,645	5,814	6,540	6,732
1225	Medicare	5,152	5,154	5,674	6,519	7,838	8,905	9,172
1240	Life Insurance & Medical Trust Fund	12,969	13,925	14,907	16,258	16,654	15,115	15,518
1305	Medical Reimbursement Plan	2,474	2,488	2,743	3,371	5,212	6,596	6,596
1314	457/401a Contribution	2,935	2,977	3,230	3,435	3,664	4,051	4,173
1315	401k Contribution	27,835	32,756	36,239	38,309	41,803	42,103	43,366
Total Salaries and Benefits		\$ 707,898	\$ 713,961	\$ 757,318	\$ 825,243	\$ 836,085	\$ 936,428	\$ 965,234
	Services and Supplies:							
2031	Payroll System Services (County IT)	707	655	727	739	832	857	883
2032	Virtual Private Network (County IT)	158	165	216	118	144	148	153
2033	Network Labor Services (County IT)				-	11,538	-	-
2037	Dial Tone (County IT)	2,975	2,721	2,998	2,709	2,976	3,065	3,157
2041	Data Line	8,226	8,144	7,767	9,108	9,600	9,888	10,185
2043	Telecommunications Labor (County IT)	-	-		19,977			
2075	Membership Dues	12,316	12,921	13,936	19,059	13,854	14,270	14,698
2076	Tuition Reimbursement	999	-	-	667	2,000	2,060	2,122
2080	Publications	2,942	3,734	3,507	4,642	4,438	4,571	4,708
2085	Legal Notices	6,018	6,206	12,139	19,974	24,500	25,235	25,992
2090	Building Expense	7,362	9,425	12,344	5,645	1,080	1,112	1,146
2115	Software	1,948	3,058	9,425	2,265	840	865	891
2180	Electricity	4,878	5,941	6,366	5,031	-	-	-
2245	Other Insurance	12,637	12,523	13,220	19,087	17,500	18,025	18,566
2305	General Office Expense	1,787	5,588	5,664	4,936	2,058	2,120	2,183
2308	Credit Card Clearing Account	(323)	679	(312)	555	-	-	-
2310	Mail (County Mail)	6,166	5,290	9,095	8,615	8,568	8,825	9,090
2315	Records Storage	772	1,107	1,397	4,125	840	865	891
2322	Enterprise Printing (County IT)	95	98	34	24	72	74	76

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 21/22	ACTUAL YEAR-END FY 22/23	ACTUAL YEAR-END FY 23/24	ESTIMATE YEAR-END FY 24/25	YEAR 1 PROPOSED FY 25/26	YEAR 2 FORECAST FY 26/27	YEAR 3 FORECAST FY 27/28
2323	Reproduction Services	174	283	518	2,219	1,000	1,030	1,061
2335	Temporary Services	240	2,480	393	-	-	-	-
2400	Legal Counsel	137,746	53,938	21,410	23,736	52,000	53,560	55,167
2405	Auditing	10,620	8,450	15,332	15,130	11,500	11,845	12,200
2410	IT Infrastructure (County IT)	6,671	6,839	8,526	9,009	9,000	9,270	9,548
2414	Application Dev. & Maint. (County IT)		8,075	-	-	-	-	-
2415	Countywide Cost Allocation Program	3,454	-	-	4,715	9,182	10,000	10,000
2416	Enterprise Printing (County IT)	3	-	-	-	-	-	-
2417	Inactive Account (County IT)	1,844	-	-	-	-	-	-
2418	Data Storage Services (County IT)	4,117	-	-	-	-	-	-
2420	Enterprise Content Management (County IT)	211	4,986	4,122	2,445	1,200	1,236	1,273
2421	Desktop Support Services (County IT)	12,830	9,477	9,025	7,161	7,620	7,849	8,084
2424	Environmental Consultant	15,906	14,445	12,880	8,625	12,000	12,360	12,731
2444	Security Services	492	692	492	747	-	-	-
2445	Other Professional Services	45,253	138,592	54,203	109,274	88,262	49,800	56,376
2449	Outside Legal (Litigation & Special Counsel)	35	3,063	2,990	3,333	15,000	15,450	15,914
2450	Systems Development Charges (County IT)	5,823	-	-	431	1,300	1,339	1,379
2460	Aerial Imagery (County IT)	3,000	3,000	3,000	1,000	3,000	3,090	3,183
2895	Rent/Lease Equipment (copier)	5,257	4,737	4,204	4,091	5,400	5,562	5,729
2905	Office/Hearing Chamber Rental	101,369	60,462	64,218	60,265	34,665	35,705	36,776
2940	Private Mileage	953	4,866	5,101	7,397	7,700	7,931	8,169
2941	Conference/Training	-	7,989	6,925	9,763	10,680	11,000	11,330
2942	Hotel	-	5,582	7,630	11,861	12,707	13,088	13,481
2943	Meals	-	318	491	721	1,050	1,082	1,114
2944	Car Rental	-	337	1,269	60	-	-	-
2945	Air Travel	-	595	1,538	1,279	800	824	849
2946	Other Travel	-	377	893	504	300	309	318
5012	Transfer to County (Staples & Microsoft)	3,671	4,275	6,876	9,077	7,497	7,722	7,954
Total Services and Supplies		\$ 429,335	\$ 422,113	\$ 330,558	\$ 420,120	\$ 392,703	\$ 352,032	\$ 367,375
TOTAL EXPENDITURES		\$ 1,137,233	\$ 1,136,074	\$ 1,087,876	\$ 1,245,363	\$ 1,228,788	\$ 1,288,461	\$ 1,332,609
Trust Transfers:								
9990	SBCERA Additional Payment	50,163	50,000	52,500	54,968	56,397	59,217	62,178
TOTAL APPROPRIATION		\$ 1,187,396	\$ 1,186,074	\$ 1,140,376	\$ 1,300,331	\$ 1,285,185	\$ 1,347,678	\$ 1,394,787

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 21/22	ACTUAL YEAR-END FY 22/23	ACTUAL YEAR-END FY 23/24	ESTIMATE YEAR-END FY 24/25		YEAR 1 PROPOSED FY 25/26	YEAR 2 FORECAST FY 26/27	YEAR 3 FORECAST FY 27/28
	RESERVES								
6000	Contingency (Assigned)	25,000	30,000	35,000	40,000		45,000	50,000	50,000
6010	Application (Assigned)	-	-	-	110,000		110,000	110,000	110,000
6025	General (Assigned)	175,000	200,000	225,000	235,000		250,000	250,000	250,000
6030	Compensated Absences (Committed)	152,095	157,095	167,095	182,562		195,967	197,927	199,906
6035	Salary for Extra Pay Period (Committed)	3,000	6,000	9,000	12,000		15,000	18,000	21,000
TOTAL RESERVES (Increases)		\$ 355,095	\$ 393,095	\$ 436,095	\$ 579,562		\$ 615,967	\$ 625,927	\$ 630,906

Attachment #1

Budget Spreadsheets

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 21/22	ACTUAL YEAR-END FY 22/23	ACTUAL YEAR-END FY 23/24	ESTIMATE YEAR-END FY 24/25	YEAR 1 PROPOSED FY 25/26	YEAR 2 FORECAST FY 26/27	YEAR 3 FORECAST FY 27/28
	County Treasury:							
8500	Interest and Investments	6,288	13,634	34,791	24,633	25,000	25,000	25,000
9984	Interest Adjustment		16,582	20,258	9,176	15,000	15,000	20,000
8842	Apportionment	1,090,497	1,090,497	1,172,283	1,172,283	1,201,590	1,237,638	1,274,767
	Total County Treasury	1,096,785	1,120,713	1,227,332	1,206,092	1,241,590	1,277,638	1,319,767
	Applications:							
6010	Application Reserve					80,000	80,000	80,000
8545	Application Fee	75,459	58,600	86,268	46,832			
9655	Digital Mapping Fee (inactive)	740	-	1,830	-			
9555	Application Deposits	30,642	39,874	40,749	32,510			
9595	Protest Hearing Deposit	1,500	-	1,500	4,500			
	Total Applications	108,341	98,474	130,347	83,842	80,000	80,000	80,000
	Other:							
9910	Prior Year Activity (refunds, collections)	(15,421)	(9,443)		-			
9930	Miscellaneous	33,968	109,758	38,198	-			
9955	Returned Deposits: Non-Sufficient Funds				(606)			
9970	Accrued Payroll Liability				10,774			
9973	Returned Checks: Stale-dated		725	726	-			
	Total Other	18,547	101,040	38,924	10,168	-	-	-
	TOTAL REVENUES	\$ 1,223,673	\$ 1,320,227	\$ 1,396,603	\$ 1,300,101	\$ 1,321,590	\$ 1,357,638	\$ 1,399,767

ATTACHMENT #2**LAFCO Cost Allocation
County of San Bernardino Allocation
PY 2025-2026**

	Amount	Percentage of Total Cost
County of San Bernardino		
Total LAFCO Cost	\$ 1,201,590.00	100.00%
County of San Bernardino Allocation (1/3)*	\$ 400,530.00	33.33%
Total San Bernardino County Allocation	\$ 400,530.00	33.33%

Note:

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

* Total LAFCO Apportionment for FY 2025-26 is \$1,201,590.00 (by letter dated March 13, 2025)

ATTACHMENT #2

**LAFCO Cost Allocation
Cities Allocation
PY 2025-2026**

City	Total Revenues FY 22-23	LAFCO Allocation	Allocation Percentage
Adelanto	\$ 24,821,666.00	\$ 2,377.26	0.59%
Apple Valley	\$ 106,483,940.00	\$ 10,198.37	2.55%
Barstow	\$ 61,918,740.00 *	\$ 5,930.19	1.48%
Big Bear Lake	\$ 62,593,319.00 *	\$ 5,994.78	1.50%
Chino	\$ 285,830,018.00	\$ 27,375.01	6.83%
Chino Hills	\$ 146,461,698.00	\$ 14,027.19	3.50%
Colton	\$ 172,934,090.00	\$ 16,562.55	4.14%
Fontana	\$ 362,408,870.00 *	\$ 34,709.25	8.67%
Grand Terrace	\$ 13,292,039.00	\$ 1,273.03	0.32%
Hesperia	\$ 118,474,305.00 *	\$ 11,346.73	2.83%
Highland	\$ 44,165,340.00	\$ 4,229.88	1.06%
Loma Linda	\$ 47,132,376.00	\$ 4,514.04	1.13%
Montclair	\$ 74,232,971.00	\$ 7,109.57	1.78%
Needles	\$ 50,391,939.00	\$ 4,826.22	1.20%
Ontario	\$ 793,802,862.00	\$ 76,025.47	18.98%
Rancho Cucamonga	\$ 291,066,286.00 *	\$ 27,876.51	6.96%
Redlands	\$ 219,968,132.00	\$ 21,067.17	5.26%
Rialto	\$ 252,556,661.00	\$ 24,188.30	6.04%
San Bernardino	\$ 410,258,775.00	\$ 39,292.02	9.81%
Twentynine Palms	\$ 24,024,740.00	\$ 2,300.94	0.57%
Upland	\$ 148,423,628.00	\$ 14,215.09	3.55%
Victorville	\$ 381,358,959.00 *	\$ 36,524.18	9.12%
Yucaipa	\$ 55,967,914.00	\$ 5,360.26	1.34%
Yucca Valley	\$ 33,474,616.00	\$ 3,205.99	0.80%
	\$ 4,182,043,884.00	\$ 400,530.00	100.00%

Allocation is based on Cities revenues extracted from Fiscal Year 2022-23 tables published on the State Controller's website (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)

ATTACHMENT #2

LAFCO Cost Allocation
Special Districts Allocation
PY 2025-2026

District Name	Total Revenues*	LAFCO Cost	Allocation
	FY 22-23	Allocation	Percentage
Apple Valley Fire Protection	\$ 15,468,873.00	\$ 10,000.00	2.50%
Apple Valley Foothill County Water	\$ 280,559.00	\$ 79.47	0.02%
Apple Valley Heights County Water	\$ 406,746.00	\$ 115.22	0.03%
Arrowbear Park County Water	\$ 1,497,926.00	\$ 424.31	0.11%
Baker Community Services	\$ 694,299.00	\$ 196.67	0.05%
Barstow Cemetery	\$ 507,645.00	\$ 143.80	0.04%
Barstow Heights Community Services	\$ 91,572.00	\$ 25.94	0.01%
Bear Valley Community Healthcare	\$ (2,481,635.00)	\$ -	0.00%
Big Bear Airport	\$ 2,873,104.00	\$ 813.84	0.20%
Big Bear City Community Services	\$ 19,052,663.00	\$ 10,000.00	2.50%
Big Bear Municipal Water	\$ 7,259,693.00	\$ 10,000.00	2.50%
Big River Community Services	\$ 158,706.00	\$ 44.96	0.01%
Bighorn-Desert View Water Agency	\$ 2,359,833.00	\$ 668.45	0.17%
Chino Basin Water Conservation	\$ 4,569,530.00	\$ 1,294.38	0.32%
Chino Valley Independent Fire	\$ 54,655,222.00	\$ 30,000.00	7.49%
Crestline Lake Arrowhead Water Agency	\$ 10,675,722.00	\$ 10,000.00	2.50%
Crestline Sanitation District	\$ 5,340,411.00	\$ 10,000.00	2.50%
Crestline Village Water	\$ 4,029,983.00	\$ 1,141.54	0.29%
Cucamonga Valley Water District	\$ 100,492,390.00	\$ 30,000.00	7.49%
Daggett Community Services	\$ 398,921.00	\$ 113.00	0.03%
East Valley Water	\$ 44,154,543.00	\$ 20,000.00	4.99%
Helendale Community Services District	\$ 6,980,838.00	\$ 10,000.00	2.50%
Hesperia Recreation and Park	\$ 11,319,455.00	\$ 10,000.00	2.50%
Morongo Basin Healthcare District	\$ 14,572,489.00	\$ 1,500.00	0.37%
Hi-Desert Water District	\$ 21,238,734.00	\$ 20,000.00	4.99%
Inland Empire Resource Conservation	\$ 4,338,030.00	\$ 1,228.80	0.31%
Inland Empire Utilities Agency	\$ 252,855,640.00	\$ 30,000.00	7.49%
Joshua Basin Water	\$ 10,139,410.00	\$ 10,000.00	2.50%
Juniper-Riviera County Water	\$ 378,240.00	\$ 107.14	0.03%
Lake Arrowhead Community Services	\$ 21,536,922.00	\$ 20,000.00	4.99%
Mariana Ranchos County Water	\$ 660,237.00	\$ 187.02	0.05%
Mojave Desert Resource Conservation	\$ 187,284.00	\$ 53.05	0.01%
Mojave Water Agency	\$ 81,327,717.00	\$ 30,000.00	7.49%
Monte Vista Water	\$ 22,006,582.00	\$ 20,000.00	4.99%
Morongo Valley Community Services	\$ 1,227,151.00	\$ 347.61	0.09%
Newberry Community Services	\$ 385,089.00	\$ 109.08	0.03%
Phelan Pinon Hills Community Services District	\$ 12,710,394.00	\$ 10,000.00	2.50%
Rim of the World Recreation and Park	\$ 1,259,825.00	\$ 356.86	0.09%
Running Springs Water	\$ 9,246,326.00	\$ 10,000.00	2.50%
San Bernardino Mountains Community Hospital	\$ (2,491,374.00)	\$ -	0.00%
San Bernardino Valley Municipal Water	\$ 159,829,775.00	\$ 30,000.00	7.49%
San Bernardino Valley Water Conservation	\$ 5,212,205.00	\$ 10,000.00	2.50%
Thunderbird County Water	\$ 321,891.00	\$ 91.18	0.02%
Twentynine Palms Cemetery	\$ 339,392.00	\$ 96.14	0.02%
Twentynine Palms Water District	\$ 6,818,941.00	\$ 10,000.00	2.50%
West Valley Mosquito and Vector Control	\$ 3,803,762.00	\$ 1,077.46	0.27%
West Valley Water District	\$ 49,112,393.00	\$ 20,000.00	4.99%
Wrightwood Community Services District	\$ 769,784.00	\$ 218.05	0.05%
Yermo Community Services	\$ 197,015.00	\$ 55.81	0.01%
Yucaipa Valley Water	\$ 33,712,883.00	\$ 20,000.00	4.99%
Yucca Valley Airport	\$ 142,000.00	\$ 40.22	0.01%
Totals	\$ 1,002,625,736.00	\$ 400,530.00	100.00%

All data in this worksheet are extracted from Fiscal Year 2022-23 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 2022-23, published by the Office of Statewide Health Planning and Development

Attachment #3

Salaries and Benefits Detail

	Account	Charge Measurement	Rate Inc/Dec	Total
1010	Earnable Compensation	Per Salary Schedule	Increasing 2.9%	\$ 547,695
	<i>Includes step increases (3 employees), 3% retention pay for those with 15 yrs (2 employees), leave cashouts, 2.5% COLA (all).</i>			
1030	Auto & Phone Allowances	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	General Member Retirement	Tier 1: Decrease from 28.34% to 25.30%	Decreasing 10.7%	\$ 131,150
		Tier 2: Decrease from 23.16% to 19.74%	Decreasing 14.8%	
	<i>Contributions to retirement plan. Per SBCERA and Retirement Board adopted rates.</i>			
1130	Survivors Benefits	\$0.91 per pay period per employee	Increasing 1.1%	\$ 96
	<i>The survivor benefit is provided by SBCERA in lieu of Social Security's death benefits since members do not participate in Social Security. General members pay a contribution each pay period to fund this benefit.</i>			
1200	Medical Premium Subsidy	\$772.04 per period (employee +2): 2 employees	Increasing 2.5%	\$ 63,919
		\$549.44 per period (employee +1): 1 employee	Increasing 2.5%	
		\$318.52 per period (employee +0): 1 employee	Increasing 2.5%	
	<i>A subsidy is provided to offset employee medical premiums.</i>			
1205	Long-Term Disability	0.30% of Base Pay	Increasing 4.4%	\$ 1,568
	<i>Long-term disability insurance.</i>			
1207	Vision Insurance	\$5.99 per employee per period	--	\$ 635
	<i>Vision insurance.</i>			
1215	Dental Insurance Subsidy	\$9.46 per employee per period	--	\$ 762
	<i>A subsidy is provided to offset employee dental premiums.</i>			
1222	Short-Term Disability	Short-term disability insurance (1.08% of Base Pay)	Decreasing 1.1%	\$ 5,814
		FMLA program charge (\$1.61 per employee per period)	Increasing 0.9%	
	<i>Short-term disability insurance & admin cost for family medical leave.</i>			
1225	Medicare	1.5% of Earnable Compensation	--	\$ 7,838
	<i>Contribution to Social Security Medicare for those entering after 1985 (4 employees).</i>			
1240	Life Insurance & Med Trust Fund	Life Insurance (\$1.75 per employee per period)	Increasing 3.6%	\$ 16,654
		Variable Life Insurance (\$1,458 for 2 employees)	--	
		Retirement Medical Trust Fund (\$15,010 for 3 employees)	Increasing 1.0%	
	(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	Medical Reimbursement Plan	Medical Reimbursement (up to \$40 per employee/period)	--	\$ 5,212
		Healthy Lifestyles (gym, \$324 per employee - 3)	--	
1314	457/401a Contribution	1% match for Executive Officer, 0.5% for all others	--	\$ 3,664
	<i>LAFCO matches employee contributions to the 457 savings plan of the County up to 0.5% for Groups B and C, and 1% for Group A (Executive Officer).</i>			
1315	401k Contribution	8% match for Group A & B, 4% match for Group C	--	\$ 41,803
	<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>			
TOTAL SALARIES AND BENEFITS				\$ 836,085

Attachment #4

Services and Supplies Detail

Act. #	Account Name	Charge Measurement	Increase/Decrease	Total
2031	Payroll System Services (County IT)	Average of \$29 per pay period (26)	--	\$ 832.00
	<i>Maintenance, support, and enhancements for County's payroll system and infrastructure.</i>			
2032	Virtual Private Network (County IT)	\$2.68 per month per user (4 users)	No change	\$ 144.00
	<i>Use of the County's VPN for remote data access.</i>			
2033	Network Labor Services (County IT)	switch replacement, scheduled by County IT	--	\$ 11,538.00
	<i>County IT labor for the network.</i>			
2037	Dial Tone (County IT)	\$31 per line (8) per month	No change	\$ 2,976.00
	<i>Phone line. Includes support services.</i>			
2041	Data Line	\$800 per month; more cost at new location	Increasing 14%	\$ 9,600.00
	<i>Fiber optic data line from Frontier.</i>			
2075	Membership Dues	CSDA: \$1,854	Increasing 2.5%	\$ 13,854.00
		CALAFCO or similar: \$12,000	--	
	<i>Membership in Professional Associations.</i>			
2076	Tuition Reimbursement	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	Publications	CA Planning & Development Report	--	\$ 4,438.00
		CA Annotated Code Books: \$350/month	Increasing 6.0%	
	<i>Purchase or subscription to professional publications related to LAFCO study areas.</i>			
2085	Legal Notices	General paper: \$1,000 per hearing (9 meetings)	--	\$ 24,500.00
		Local Paper: \$1,000 per hearing (9 meetings)	--	
		Vacancy notices: \$1,500 each (3 notices)	--	
		Protest hearing: \$1,000 per hearing (2 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	Building Expense	Janitorial: \$90 per month	Decreasing 85%	\$ 1,080.00
	<i>Ongoing maintenance of the staff office.</i>			
2115	Software	Laserfische archiving: \$0 (moved to Microsoft storage)	Decreasing 100%	\$ 840.00
		Adobe license for office, annual, (\$400)	Increasing 14%	
		Survey Monkey: \$200		
		Vimeo subscription for digital archive of meetings (\$240/yr)		
	<i>Purchases, subscriptions, and updates of software and online programs.</i>			
2180	Electricity	\$0 per month	Decreasing 100%	\$ -
	<i>Electricity is included in the new lease, as opposed to former location.</i>			
2245	Other Insurance	Annual Insurance (\$12,000)	Decreasing 3.5%	\$ 17,500.00
		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	General Office Expense	Petty Cash Reimbursement: \$250 per quarter (\$1,000)	--	\$ 2,058.00
		Paper shredding: \$468	Increasing 60%	
		Zoom subscription for meetings (\$20 per month)	--	
		Printer cartridges: \$400	--	
		Meeting supplies: \$50 per meeting		
	<i>Niche and random items for the office. See Account 5012 for Office Supplies per contract pricing.</i>			
2308	Credit Card Clearing Account			\$ -
	<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	Mail (County Mail)	Months with meetings (9): \$500 per month	Increasing 4.5%	\$ 8,568.00
		Months with no meetings (3): \$300 per month	Increasing 4.5%	
		Mail delivery: \$11.15 per stop (22 per month)	--	

Attachment #4

Services and Supplies Detail

Act. #	Account Name	Charge Measurement	Increase/Decrease	Total
	<i>On avg. USPS rates increasing 4.5%. Each year, staff utilizes more digital delivery over paper mail, which genreally offests rate increases.</i>			
2315	Records Storage	\$70 per month	Decrease of 50%	\$ 840.00
	<i>Off-site retention of records. Gov Code 56382 mandates LAFCO to maintain its records in perpetuity.</i>			
2322	Enterprise Printing (County IT)	\$6.00 per month	Decreasing 19%	\$ 72.00
	<i>County printing of payroll documents.</i>			
2323	Reproduction Services	\$1,000 estimate based on prior year		\$ 1,000.00
	<i>Printing activity outside of the LAFCO office (County Printing Services, Kinkos, etc.).</i>			
2335	Temporary Services	No activity	--	\$ -
	<i>Use of temporary services for clerical support.</i>			
2400	Legal Counsel			\$ 52,000.00
		Months with meetings (9): \$4,000 per month	Increasing 2.6%	
		Months with no meetings (3): \$2,000 per month	Increasing 2.6%	
		Non-recoverable specific items (\$10,000)	--	
	<i>Contract with Best, Best, and Krieger for general and special counsel. Costs related to a proposal are recoverable pursuant to Commission policy. Payments received for cost recovery are deposited into Revenue Account 9555.</i>			
2405	Auditing	SBCERA costs for GASB 67 & 68: \$2,500	--	\$ 11,500.00
		Independent auditor: \$9,000	--	
	<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	IT Infrastructure (County IT)	\$750 per month for LAFCO access to County network	Increase of 24.7%	\$ 9,000.00
	<i>Support of computer/server systems, email, wide area network, internet access, IT security, virus protection, help desk, and data center.</i>			
2414	Application Dev. & Maint. (County IT)			\$ -
	<i>County IT work on LAFCO and County applications and software</i>			
2415	Countywide Cost Allocation Program	Per the County COWCAP publication	Increasing 153%	\$ 9,182.00
	<i>The County Auditor charges for county-related costs incurred in the prior year.</i>			
2416	Enterprise Printing (County IT)	Per print impression, annual estimate	--	\$ -
	<i>Printing from County's enterprise server related to payroll.</i>			
2417	Inactive Account (County IT)	Activity transferred to Account 2420		\$ -
2418	Data Storage Services (County IT)	Activity transferred to Account 2420		\$ -
2420	Enterprise Content Management (County IT)		--	\$ 1,200.00
	<i>Data Storage & backup (storage on county server)</i>	\$19 per storage unit per month (4 units)	--	
	<i>Enterprise Content Management (File Net - no longer in use)</i>	\$0	Decreasing 100%	
	<i>File Sharing Storage (Laserfiche - no longer in use)</i>	\$0	Decreasing 100%	
	<i>Wireless Device Access (mobile access to County email)</i>	\$5.25 per user/mo (4 users)	--	
2421	Desktop Support Services (County IT)	\$90.98 per month, per computer (5 computers)	Decreasing 5%	\$ 7,620.00
	<i>County tech support & monitoring for computers and applications.</i>			
2424	Environmental Consultant	Consultant work, per contracted rate, 15 reviews	--	\$ 12,000.00
		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 Revenues.</i>			
2444	Security Services	\$0, included in new office lease	Decreasing 100%	\$ -
	<i>Maintain and monitor the security system.</i>			
2445	Other Professional Services	Surveyor proposal review: \$450 each proposal (6)	--	\$ 88,262.00
		Commissioner stipend: \$200 per meeting (9)	--	
		Commissioner stipend: \$200 per committee mtg (4)	--	
		ROV: \$101.26 per hour (12)	--	
		Staff support from Rebecca Lowery	--	
		County processing of quarterly taxes: \$1,000/quarter	--	

Attachment #4

Services and Supplies Detail

Act. #	Account Name	Charge Measurement	Increase/Decrease	Total
		County work on apportionment: \$5,600	--	
		Video recording of meetings: \$900 per meeting (9)	--	
		Commissioner stipend for SoCal LAFCO: \$0	Decrease of 100%	
		Governance Training Program for Local Agencies	Decreasing 28%	
	<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.</i>			
2449	Outside Legal (Litigation & Special Counsel)	Per special counsel rate		\$ 15,000.00
	<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	Systems Development Charges (County IT)	Estimate of 10 hours at \$129.40/hr	Decrease of 50%	\$ 1,300.00
	<i>Maintenance and Support of LAFCO website.</i>			
2460	Aerial Imagery (County IT)	Aerial Imagery \$1,000 per user (3)	--	\$ 3,000.00
	<i>Generation & maintenance of digitized maps & aerial images, access to County's parcel & street layers.</i>			
2895	Rent/Lease Equipment (copier)	\$450 per month	--	\$ 5,400.00
	<i>LAFCO implementing more digital circulation as cost savings.</i>			
2905	Office/Hearing Chamber Rental	Meeting Facility: \$405 per meeting (9)	--	\$ 34,665.00
		Office Lease: \$2,585 monthly	Increasing 3%	
	<i>Use of Norton Conference Center for meetings and office lease.</i>			
2940	Private Mileage	ESRI Conference San Diego	--	\$ 7,700.00
		Employee travel, misc.: \$70	--	
		CALAFCO/Other Conference. (San Diego)	--	
		CALAFCO/Other Staff Workshop (see Air Travel)	--	
		Commissioner So Cal participation, 4 trips: \$268	--	
		Commissioner Meetings (9)	--	
	<i>Commissioners and staff private auto mileage at the IRS rate, excluding the Executive Officer.</i>			
2941	Conference/Training	CALAFCO/Other Staff Workshop (Sacramento) 3 staff	Increasing 21%	\$ 10,680.00
		CALAFCO/Other Conference (San Diego) \$900 each (10)	--	
	<i>The CALAFCO Staff Workshop location is in Sacramento. 3 staff attending</i>			
	<i>The CALAFCO Conference will be held in San Diego, with 7 Commissioners and 3 staff budgeted.</i>			
2942	Hotel	CALAFCO/Other participation: \$200 per night (4)	--	\$ 12,707.00
		ESRI Conference San Diego: (1 staff)	--	
		CALAFCO/Other Conf. \$300/night, 10 people, 3 nights	Decreasing 15.6%	
		CALAFCO/Other Staff Workshop (Sacramento), 3 staff	Decreasing 10.6%	
	<i>Hotel charges for Commissioners and staff on LAFCO business.</i>			
2943	Meals	Staff travel: \$50	--	\$ 1,050.00
		ESRI Conference San Diego (1 staff)	--	
		CALAFCO/Other Conf., \$50 each for 10 people	--	
		CALAFCO/Other Staff Workshop (Sacramento), 3 staff	--	
		Regional LAFCO - Staff: \$50/trip (2)	--	
		Regional LAFCO - Commissioner: \$50/trip (2)	--	
	<i>Meal charges for Commissioners and staff on LAFCO business. Per diem max \$50/day.</i>			
2945	Air Travel	CALAFCO/Other participation: \$200/trip (4)		\$ 800.00
	<i>Airfare on Southwest Airlines for approved travel.</i>			
2946	Other Travel	CALAFCO/Other participation: \$75/trip (4)		\$ 300.00
	<i>Miscellaneous travel charges such as parking and taxi charges.</i>			
5012	Transfer to County (Staples & Microsoft)	Staples supplies: \$200 per month	Decreasing 33%	\$ 7,497.00
		Microsoft Licenses	--	
TOTAL SERVICES AND SUPPLIES				\$ 392,703.00


Attachment #5

Revenues Detail

	Account	Charge Measurement	Rate Inc/Dec	Total
6010	Application Reserve	Beginning balance		\$ 80,000
	A reserve in place of application revenues			
8500 & 9984	Interest	County Interest Pool returns	Variable	\$ 40,000
	LAFCO participates in the County's interest pool and is apportioned interest receipts quarterly.			
8842	Apportionment		--	\$ 1,201,590
	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.			
8545	Application Fee	LAFCO Fee Schedule, based on region and acreage		\$ -
	Revenues in this account are based on anticipated activity and conservatively calculated at the median annexation filing fee for the activity identified above.			
9555	Application Deposits	\$4,000 for proposals; \$2,400 for applicable service contracts	--	\$ -
	This account is for deposits for outside services which are calculated at \$2,000 for proposals and \$700 for service contracts requiring a hearing.			
9595	Protest Hearing Deposit	\$1,500 each	--	\$ -
	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.			
9560	Indemnification Recovery		--	\$ -
	This accounts segregates legal cost recovery.			
9910	Prior Year Activity		--	\$ -
	This account refunds deposits submitted by applicants less costs incurred for activity which carry over from one year to another.			
9930	Miscellaneous Revenue		--	\$ -
	This account is for revenues received for duplication of CDs, DVDs, paper copies, and other miscellaneous receipts.			
9973	Stale-dated Checks			\$ -
	Uncashed checks that are credited			
TOTAL REVENUES				\$ 1,321,590

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 14, 2025
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #13: LEGISLATIVE REPORT

RECOMMENDATION:

Staff recommends that the Commission:

1. Receive and file the Legislative Report;
2. Indicate its Opposition to SB 777 (Richardson) related to abandoned endowment care cemeteries, and authorize the Chair to sign the opposition letter and direct staff to forward said letter to the appropriate recipients; and,
3. Provide direction to staff on legislation of interest or future actions, if any.

BACKGROUND:

In March, LAFCO staff provided the Commission with a list of bills that may be of interest to this LAFCO. In April, staff gave an update on those bills – there were bills that stayed the same, there were some that got amended, and there were spot bills that ended not having to do anything with LAFCO any longer. The following are additional updates on the previous bills as well as new bills that the Commission should be aware of, and a recommendation to adopt a position on one of the bills.

SB 777 (Richardson) – Abandoned endowment care cemeteries: local agency possession and responsibility.

This bill, when it was introduced in February 2025, placed the responsibility for the care and maintenance of an abandoned endowment care cemetery to the county. As staff outlined last month, the author has since revised the language to now

require LAFCOs to identify a successor local agency to take over the permanent operation and maintenance of said abandoned cemetery.

As noted previously, the California State Associate of Counties, the California Special Districts Association, and the League of California Cities are all oppose to the bill. SB 777 would now require LAFCOs to, even though endowment care cemeteries are not under its purview, determine (force) a public agency to take over an abandoned private cemetery without any direction or guidance on how LAFCOs are to make decisions on determining a successor local agency given that many local agencies don't have the expertise on how to operate a cemetery. In addition, taxpayers of a local agency would not appreciate having to take on additional funding obligation and liabilities on something that does not serve the public at large.

The text for SB 777, as amended, is included as Attachment #1. The bill was approved by the Senate Local Government Committee and is now with the Senate Appropriations Committee.

Recommendation:

Staff recommends that the Commission adopt an Oppose position to SB 777 and direct staff to forward its letter of opposition (draft copy included as Attachment #2) to Senator Richardson (author), Senator Caballero (Chair of the Appropriations Committee), Committee members and consultant, CALAFCO, and to the San Bernardino County Legislative Delegation.

- **AB 259 (Rubio, Blanca) – Open meetings: local agencies: teleconferences.**

As identified previously, this bill authorizes local agencies to use teleconferenced meetings with some flexibility including when a member participates remotely using the alternative teleconferencing provisions. The bill originally eliminated the January 1, 2026 sunset provisions. However, the bill was amended to—instead of removing the sunset provisions—now extend the sunset date to January 1, 2030.

AB 259 is now in the Senate scheduled for hearing before the Local Government and Judiciary Committees.

Conclusion: This is simply an update on AB 259.

- **AB 810 (Irwin) – Local government: internet websites and email addresses.**

The bill expands the list of local agencies—adding to cities and counties—that are required to use “.gov” or “.ca.gov” domain names for websites and email addresses. The amended bill adds special districts, school districts, JPAs, and other political subdivisions of the state. Although LAFCOs are not specifically identified, as a political subdivision of the state, LAFCOs will likely be subject to this bill if and when

it becomes law. This must be implemented by January 1, 2029 for cities and counties, and by January 1, 2031 for all other political subdivisions of the state.

The text for AB 810, as amended, is included as Attachment #3.

Conclusion: Staff will keep a watch on this bill.

- **SB 489 (Arreguín) – Local agency formation commissions: written policies and procedures: Permit Streamlining Act: housing development projects.**

This bill seeks to apply the provisions of the Permit Streamlining Act to ministerial housing development projects. At last month's meeting, staff provided an oral report regarding this bill and outlined some issues in the bill that were concerning to LAFCOs. This bill was again amended in April and now simply requires LAFCOs to make available on their websites any forms related to changes of organization/reorganization. In addition, the bill amends the existing requirement for LAFCOs to post on their website its written policies and procedures.

The text for SB 489, as amended, is included as Attachment #4.

Conclusion: It is the practice of this LAFCO to post all its forms including policies and procedures on its website; therefore, this LAFCO already meets the requirements of SB 489.

- **SB 740 (Rubio) -- Municipal wastewater agency: new agreement or amendment.**

There haven't been any changes to this bill. Existing law requires municipal wastewater agencies, who enter into agreements or amends agreements with entities responsible for stormwater management, to file a copy of the agreement or amendment with LAFCO within 30 days after the effective date of the agreement/amendment. This bill simply extends that filing requirement to 40 days instead of 30 days.

The bill has been referred back to the Environmental Quality Committee.

Conclusion: Staff will continue to keep a watch on this bill.

Other Related News:

Monterey LAFCO recently filed an appeal of a trial court's decision against Monterey LAFCO regarding its denial of an activation of latent powers proposal by the Monterey Peninsula Water Management District (hereafter MPWMD or District). The main issue of Monterey LAFCO's appeal is to establish "substantial evidence" as the standard of review for LAFCO and not a "rational connection."

In 2022, Monterey LAFCO denied an activation of latent powers proposal (to provide retail water service) by MPWMD to take over California American Water's system via eminent domain. LAFCO based its denial on several independent, well-supported reasons. The District challenged this denial in court, claiming it violated the Cortese-Knox-Hertzberg Act. According to the Act, a court can only overturn LAFCO's decision if it caused substantial harm and was unsupported by evidence. Although the trial court acknowledged some of LAFCO's reasons that were backed by substantial evidence, it still ruled in favor of the District by applying an incorrect legal standard, adding a "rational connection" requirement not found in the law.

Potential precedent setting for LAFCOs

If the court of appeals publishes its decision and it upholds the trial court's decision, this may reduce LAFCO's authority from a "substantial evidence" to a "rational connection" standard of review for proposals, requiring a LAFCO to prove that its decision is rationally connected to every single factor identified in Section 56668.

Monterey LAFCO has asked LAFCOs to file amicus briefs in support of its pending appeal and opening brief, which was filed with the 6th District Court of Appeal on May 12, 2025. Unfortunately, if one were to file an Amicus brief, one must do so within 14 days of the May 12 filing date, which does not provide enough time to file one. Therefore, staff recommends we keep a close watch on this pending appeal process.

CONCLUSION:

If there are other pieces of legislation that Commissioners are aware of that should be brought to the Commission's attention 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. [SB 777](#)
2. [SB 777 Letter of Opposition](#)
3. [AB 810](#)
4. [SB 489](#)

AMENDED IN SENATE MARCH 26, 2025

SENATE BILL

No. 777

Introduced by Senator Richardson

February 21, 2025

An act to amend the heading of Chapter 7 (commencing with Section 8825) of *Part 3 of Division 8 of, to add Section 8749 to, and to add Chapter 6 (commencing with Section 8800) to Part 3 of Division 8 of, the Health and Safety Code, relating to cemeteries.*

LEGISLATIVE COUNSEL'S DIGEST

SB 777, as amended, Richardson. Abandoned endowment care cemeteries: ~~county~~ *local agency* possession and responsibility.

Existing law, the Cemetery and Funeral Act, establishes the Cemetery and Funeral Bureau within the Department of Consumer Affairs and sets forth its powers and duties relating to the licensure and regulation of, among others, cemeteries and cemetery authorities, which includes cemetery associations, corporations sole, limited liability companies, and other persons owning or controlling cemetery lands or property. Existing law authorizes a cemetery authority that maintains a cemetery to place its cemetery under endowment care and to establish, maintain, and operate an endowment care fund. Ninety days following the cancellation, surrender, or revocation of a certificate of authority, existing law gives the bureau title to any endowment care funds of a cemetery authority and possession of all necessary books, records, property, real and personal, and assets, and requires the bureau to act as conservator over the management of the endowment care funds.

This bill would ~~make the~~ *require a local agency formation commission for the county in which an abandoned endowment care cemetery is located to identify a local agency to be responsible for the care,*

maintenance, and embellishment of the ~~cemetery~~; *cemetery, as specified.* The bill would vest fee title of the cemetery in the ~~county~~; *local agency* and would restrict the ~~county's local agency's~~ use of the property to *uses consistent with cemetery purposes, and would exempt the county from various provisions related to the care of active cemeteries.* *purposes.* The bill would give the ~~county~~ *local agency* title to any endowment care funds of the prior cemetery authority held by the bureau, and would require the ~~county~~ *local agency* to take possession of all necessary books, records, real property, personal property, and assets of the fund. The bill would require the assets to be liquidated, and the proceeds placed in a special fund ~~within the county treasury~~ to be expended on care, maintenance, or embellishment of the abandoned endowment care cemetery. The bill would define an abandoned endowment care cemetery and would make conforming changes. *By imposing additional duties on local agencies, this 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 8749 is added to the Health and Safety~~
- 2 ~~Code, to read:~~
- 3 ~~8749. This article shall not apply to a county that takes title to~~
- 4 ~~an abandoned endowment care cemetery pursuant to Chapter 6~~
- 5 ~~(commencing with Section 8800).~~
- 6 ~~SEC. 2.~~
- 7 ~~SECTION 1.~~ Chapter 6 (commencing with Section 8800) is
- 8 added to Part 3 of Division 8 of the Health and Safety Code, to
- 9 read:

CHAPTER 6. ABANDONMENT OF ENDOWMENT CARE CEMETERIES

8800. For purposes of this chapter, “abandoned endowment care cemetery” means a cemetery for which an endowment care fund was maintained, that was formerly licensed by the bureau, and for which the certificate of authority has been canceled, surrendered, or revoked and ownership has not been transferred pursuant to Section 8585 within one year of the cancellation, surrender, or revocation.

8801. (a) Upon the expiration of the one-year period described in Section 8800, ~~fee title of an abandoned care cemetery shall vest in the county in which the cemetery is located and shall be recorded with the county.~~ *the bureau shall notify the local agency formation commission for the county in which the abandoned endowment care cemetery is located that there is an abandoned endowment care cemetery in that county.*

(b) *No later than 30 days following the notification from the bureau described in subdivision (a), the local agency formation commission shall commence proceedings to identify a local agency take over the care, maintenance, and embellishment of the abandoned endowment care cemetery. The local agency formation commission shall complete its proceedings and identify the receiving local agency within six months of receiving the notification from the bureau.*

(c) *Upon completion of the proceeding described in subdivision (b), fee title of an abandoned endowment care cemetery shall vest in, and be recorded with, the local agency identified by the local agency formation commission.*

~~(b)~~

(d) ~~Any county~~ *local agency* acquiring fee title to a cemetery pursuant to this section shall be responsible for the care, maintenance, and embellishment of the abandoned endowment care cemetery, and shall only use the property for *uses consistent with* cemetery purposes.

8802. (a) Upon the transfer of title described in Section 8801, ~~the county~~ *local agency* shall also take title of any endowment care funds of the prior cemetery authority held by the bureau pursuant to Section 7613.11 of the Business and Professions Code, and shall take possession of all necessary books, records, real property, personal property, and assets of the fund.

(b) The assets of the fund described in subdivision (a) shall be liquidated, and the proceeds shall be placed in a special fund within the county treasury. *fund.* The moneys within the special fund shall only be expended on care, maintenance, or embellishment of the abandoned endowment care cemetery. *cemetery acquired by the local agency pursuant to this chapter and for which the endowment care funds were maintained.*

8803. A county local agency that acquires title to an abandoned endowment care cemetery shall keep a record of, and honor, all remaining contracts for burial executed by the prior cemetery authority.

~~SEC. 3.~~

SEC. 2. The heading of Chapter 7 (commencing with Section 8825) of Part 3 of Division 8 of the Health and Safety Code is amended to read:

CHAPTER 7. ABANDONED NONENDOWMENT CARE CEMETERIES

~~SEC. 4.~~

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.



LAFCO

**Local Agency
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PAULA DE SOUSA

May 21, 2025

The Honorable Laura Richardson
California State Senate
1021 O Street, Suite 7340
Sacramento, CA 95814

RE: LETTER OF OPPOSITION

- SB 777 (Richardson): Abandoned endowment care cemeteries: local agency possession and responsibility (as amended 3/26/25)
- Assembly Appropriations Committee Suspense File

Dear Senator Richardson:

The Local Agency Formation Commission for San Bernardino County OPPOSES SB 777, a measure that would require LAFCOs to determine a successor local agency to assume responsibility for abandoned privately-operated cemeteries. SB 777 would add significant responsibility to LAFCOs, lacks direction on how to assess which local agency is best suited to assume such responsibility, and will likely burden the local agency with additional fiscal and liability risks.

We are deeply sympathetic to situations where private cemeteries have been abandoned and left to vandalism and decay, especially for those families whose loved ones are interred in those cemeteries. However, a vast majority of local governments do not currently provide cemetery services. For a LAFCO to direct an entity to take responsibility for an abandoned private enterprise – especially one that likely does not have any expertise or certification that would lend itself to operate a cemetery – would be highly irresponsible. LAFCOs do not force service obligations upon local agencies; instead, we engage in a deliberative process that requires determinations including having a plan for service and a fiscal impact analysis with publicly noticed hearings and opportunity for public comment. SB 777 offers no direction as to how a LAFCO is to proceed under this statute; rather, it places the LAFCO in a difficult position of trying to assess without any guidance as to procedure or priorities from the Legislature.

We are aware of no funding mechanism that would accompany the transfer of responsibility for managing an abandoned cemetery, making the challenge of taking on the task even more difficult and less desirable for a local agency. We are concerned that taxpayers of a local agency will not want to take on a new fiscal responsibility and liability of a private enterprise, especially when that enterprise does not serve the public at large. Finally, this legislation may provide a perverse incentive for struggling private cemeteries to abandon the cemetery knowing that the government would be required to assume responsibility.

As a result, the Local Agency Formation Commission for San Bernardino County is OPPOSED to SB 777. Please feel free to reach out with any questions about our position.

ACQUANETTA WARREN
Chair

cc: The Honorable Anna Caballero, Chair, Senate Appropriations Committee
Members and Consultants, Senate Appropriations Committee
José Henriquez, Interim Executive Director, CALAFCO
San Bernardino County Legislative Delegation

AMENDED IN ASSEMBLY APRIL 10, 2025

AMENDED IN ASSEMBLY MARCH 27, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 810

Introduced by Assembly Member Irwin

February 19, 2025

An act to amend Section 50034 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 810, as amended, Irwin. Local government: internet websites and email addresses.

Existing law requires that a local agency that maintains an internet website for use by the public to ensure that the internet website uses a “.gov” top-level domain or a “.ca.gov” second-level domain no later than January 1, 2029. Existing law requires that a local agency that maintains public email addresses to ensure that each email address provided to its employees uses a “.gov” domain name or a “.ca.gov” domain name no later than January 1, 2029. Existing law defines “local agency” for these purposes as a city, county, or city and county.

This bill would ~~expand the definition of “local agency” to include~~ *recast these provisions by instead requiring a city, county, or city and county to comply with the above-described domain requirements and by deleting the term “local agency” from the above-described provisions. The bill would also require a special district, school district, joint powers authority, or other political subdivision, thereby requiring those entities subdivision to comply with the above-described similar domain requirements. requirements no later than January 1, 2031.* The

bill would allow a community college district or community college to use a “.edu” domain to satisfy these ~~requirements~~. *requirements, and would specify that these requirements do not apply to a K–12 public school district.* By adding to the duties of local officials, 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 50034 of the Government Code is
2 amended to read:
3 50034. (a) (1) (A) No later than January 1, 2029, a ~~local~~
4 ~~agency city, county, or city and county~~ that maintains an internet
5 website for use by the public shall ensure that the internet website
6 uses a “.gov” top-level domain or a “.ca.gov” second-level domain.
7 ~~(2)~~
8 (B) If a ~~local agency city, county, or city and county~~ that is
9 subject to ~~paragraph (1)~~ *subparagraph (A)* maintains an internet
10 website for use by the public that is noncompliant with ~~paragraph~~
11 ~~(1)~~ *subparagraph (A)* by January 1, 2029, that ~~local agency city,~~
12 ~~county, or city and county~~ shall redirect that internet website to a
13 domain name that does comply with ~~paragraph (1)~~. *subparagraph*
14 *(A)*.
15 ~~(b)~~
16 (2) No later than January 1, 2029, a ~~local agency city, county,~~
17 ~~or city and county~~ that maintains public email addresses for its
18 employees shall ensure that each email address provided to its
19 employees uses a “.gov” domain name or a “.ca.gov” domain
20 name.
21 (b) (1) (A) *Except as otherwise provided in paragraphs (3)*
22 *and (4), no later than January 1, 2031, a special district, joint*
23 *powers authority, or other political subdivision that maintains an*

1 *internet website for use by the public shall ensure that the internet*
2 *website uses a “.gov” top-level domain or a “.ca.gov” second-level*
3 *domain.*

4 *(B) If a special district, joint powers authority, or other political*
5 *subdivision that is subject to subparagraph (A) maintains an*
6 *internet website for use by the public that is noncompliant with*
7 *subparagraph (A) by January 1, 2031, that special district, joint*
8 *powers authority, or other political subdivision shall redirect that*
9 *internet website to a domain name that does comply with*
10 *subparagraph (A).*

11 *(2) Except as otherwise provided in paragraphs (3) and (4), no*
12 *later than January 1, 2031, a special district, joint powers*
13 *authority, or other political subdivision that maintains public email*
14 *addresses for its employees shall ensure that each email address*
15 *provided to its employees uses a “.gov” domain name or a*
16 *“.ca.gov” domain name.*

17 *(e)*
18 *(3) For purposes of this section, subdivision, a community*
19 *college district or community college may use a “.edu” domain*
20 *name.*

21 ~~*(d) For purposes of this section, “local agency” means a city,*~~
22 ~~*county, city and county, special district, school district, joint*~~
23 ~~*powers authority, or other political subdivision.*~~

24 *(4) This subdivision shall not apply to a K–12 public school*
25 *district.*

26 SEC. 2. If the Commission on State Mandates determines that
27 this act contains costs mandated by the state, reimbursement to
28 local agencies and school districts for those costs shall be made
29 pursuant to Part 7 (commencing with Section 17500) of Division
30 4 of Title 2 of the Government Code.

AMENDED IN SENATE APRIL 21, 2025
AMENDED IN SENATE MARCH 25, 2025

SENATE BILL

No. 489

Introduced by Senator Arreguín

February 19, 2025

An act to amend Sections ~~65940, 65950, and 65953~~ 56300, 65928, and 65940 of the Government Code, relating to ~~housing~~ local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 489, as amended, Arreguín. *Local agency formation commissions: written policies and procedures*: Permit Streamlining Act: housing development projects.

(1) *The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation and change of organization of cities and special districts and establishes a local agency formation commission in each county consisting of members appointed as provided. The act expresses the intent of the Legislature that each local agency formation commission, by January 1, 2002, establish written policies and procedures and exercise its powers in a way that encourages and provides planned, well-ordered, efficient urban development patterns, as specified. The act requires these written policies and procedures to include forms to be used for various submittals to the commission, as provided. The act requires each commission to provide access to notices and other information to the public on an internet website, as specified, including notice of all public hearings and commission meetings.*

This bill would require that each local agency formation commission establish the written policies and procedures described above. The bill

would require that the written policies and procedures include any forms necessary for a complete application to the commission concerning a proposed change of organization or reorganization. The bill would require each commission to provide access to its written policies and procedures to the public, including any forms necessary for a complete application for a change of organization or reorganization, through its internet website.

~~The~~

(2) *The Permit Streamlining Act requires a public agency to compile a list of the information required from an applicant for a development project, as provided, and, until January 1, 2030, specifies that a development project for purposes of this requirement includes a housing development project, as defined. The act defines various terms for its purposes, including, among others, a “development project,” which is generally defined as any project undertaken for the purpose of development, excluding ministerial projects proposed to be carried out or approved by public agencies.*

This bill would revise the definition of “development project” for purposes of the act to include a housing development project, as defined by specified other law that includes in that definition, notwithstanding the above-described exclusion for ministerial projects, projects that involve no discretionary approvals and projects that involve both discretionary and nondiscretionary approvals. The bill would make a conforming change in the above-described requirement to compile the above-described list by deleting the specification that a development project includes a housing development project. The bill, until January 1, 2030, would also require a public agency, for each approval issued in connection with a housing development project, to publish online the above-described list, including the criteria that the public agency will apply in order to determine the completeness of the development application and the name of the approval, as provided. The bill would revise the definition of “housing development project” for these purposes to include (1) an approval in connection with a housing development project, other than a postentitlement phase permit, as defined, or specified applications from a housing development project described in certain provisions governing applications made to a special district and (2) a change of organization or reorganization, as those terms are defined for purposes of specified law governing the initiation, conduct, and completion of changes of organization and reorganization for cities and districts.

~~The Permit Streamlining Act requires a public agency that is a lead agency to approve or disapprove a project within specified time periods. Among these time periods, until January 1, 2030, the act requires a public agency to approve a development project, defined for these purposes as a housing development project, defined by cross-reference to specified law, within 90 days from the date of certification by the lead agency of the environmental impact report, or 60 days from the date of certification by the lead agency of the environmental impact report if certain conditions are met, as provided.~~

~~This bill, until January 1, 2030, would revise the definition of “housing development project” for purposes of these time periods to include an approval in connection with a housing development project, other than a postentitlement phase permit, as defined, or specified applications from a housing development project described in certain provisions governing applications made to a special district.~~

~~The Permit Streamlining Act specifies that the time limits specified under its provisions are maximum time limits for approving or disapproving development projects, and requires all public agencies, if possible, to approve or disapprove development projects in shorter periods of time.~~

~~This bill would define “development project” for purposes of these provisions to include a housing development project. The bill would define a “housing development project” for these purposes to mean a use consisting of residential units only; mixed-use developments consisting of residential and nonresidential uses that meet specified conditions; transitional housing or supportive housing; or farmworker housing, as defined.~~

~~By~~

~~(3) By increasing the duties of local agency formation commissions in establishing and publishing written policies and procedures and of local planning officials in reviewing permit applications for housing development projects, this 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 no reimbursement is required by this act for a specified reason.~~

~~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 56300 of the Government Code is
2 amended to read:

3 56300. (a) ~~It is the intent of the Legislature that each~~
4 ~~commission, not later than January 1, 2002, Each commission~~ shall
5 establish written policies and procedures and exercise its powers
6 pursuant to this part in a manner consistent with those policies and
7 procedures and that encourages and provides planned, well-ordered,
8 efficient urban development patterns with appropriate consideration
9 of preserving open-space and agricultural lands within those
10 patterns.

11 (b) Each commission with a proposal pending on January 1,
12 2001, shall, by March 31, 2001, hold a public hearing to discuss
13 the adoption of policies and procedures to require the disclosure
14 of contributions, expenditures, and independent expenditures
15 authorized by Section 56100.1. Reporting requirements adopted
16 pursuant to this section shall be effective upon the date of adoption
17 or a later date specified in the resolution. Any commission that
18 does not have a proposal pending on January 1, 2001, shall hold
19 a public hearing to discuss the adoption of those policies and
20 procedures within 90 days of submission of a proposal or at any
21 time prior to submission of a proposal. Once a hearing has taken
22 place under this subdivision, no subsequent hearing shall be
23 required except by petition of 100 or more registered voters
24 residing in the county in which the commission is located.

25 (c) A commission may require, through the adoption of written
26 policies and procedures, lobbying disclosure and reporting
27 requirements for persons who attempt to influence pending
28 decisions by commission members, staff, or consultants. Disclosure
29 shall be made either to the commission's executive officer, in
30 which case it shall be posted on the ~~commission Web site,~~
31 ~~commission's internet website,~~ if applicable, or to the recorder,
32 registrar of voters, or clerk of the board of supervisors of the county
33 in which the commission is located. Each commission that on
34 January 1, 2001, has a pending proposal, as defined in Section
35 56069 shall, by March 31, 2001, hold a public hearing to discuss
36 the adoption of policies and procedures governing lobbying
37 disclosure authorized by this subdivision. Reporting requirements
38 adopted pursuant to this section shall be effective upon the date

1 of adoption or on a later date specified in the resolution. Any
2 commission that does not have a proposal pending on January 1,
3 2001, shall hold a public hearing to discuss the adoption of those
4 policies and procedures within 90 days of submission of a proposal,
5 or at any time prior to submission of a proposal.

6 (d) Any public hearings required by this section may be held
7 concurrently.

8 (e) The written policies and procedures adopted by the
9 commission shall include forms to be used for various submittals
10 to the commission including at a minimum a form for any protests
11 to be filed with the commission *and any forms necessary for a*
12 *complete application to the commission* concerning any proposed
13 ~~organization change.~~ *change of organization or reorganization.*

14 (f) (1) ~~On or before January 1, 2002, the~~ Each commission
15 shall establish and maintain, or otherwise provide access to ~~notices~~
16 *notices, written policies and procedures*, and other commission
17 information for the public through an ~~Internet Web site.~~ *internet*
18 *website.*

19 (2) The written policies and procedures adopted by the
20 commission shall require ~~that, to the extent that the commission~~
21 ~~maintains an Internet Web site, that~~ notice of all public hearings
22 ~~and commission meetings~~ *public hearings, commission meetings,*
23 *and any forms necessary for a complete application for a change*
24 *of organization or reorganization* shall be made available in
25 electronic format ~~on that site.~~ *the commission's internet website.*

26 SEC. 2. Section 65928 of the Government Code is amended to
27 read:

28 65928. (a) "Development project" means any project
29 undertaken for the purpose of development. ~~"Development~~

30 (b) "Development project" includes a project involving the
31 issuance of a permit for construction or reconstruction but not a
32 permit to operate. ~~"Development~~

33 (c) *Except as provided in subdivision (d), "development project"*
34 *does not include any ministerial projects proposed to be carried*
35 *out or approved by public agencies.*

36 (d) *"Development project" includes a housing development*
37 *project, as that term is defined in paragraph (3) of subdivision (b)*
38 *of Section 65905.5.*

1 ~~SECTION 1.~~

2 *SEC. 3.* Section 65940 of the Government Code, as amended
3 by Section 3 of Chapter 754 of the Statutes of 2023, is amended
4 to read:

5 65940. (a) (1) Each public agency shall compile one or more
6 lists that shall specify in detail the information that will be required
7 from any applicant for a development project. Each public agency
8 shall revise the list of information required from an applicant to
9 include a certification of compliance with Section 65962.5, and
10 the statement of application required by Section 65943. Copies of
11 the information, including the statement of application required
12 by Section 65943, shall be made available to all applicants for
13 development projects and to any person who requests the
14 information.

15 (2) An affected city or affected county, as defined in Section
16 66300, shall include the information necessary to determine
17 compliance with the requirements of Article 2 (commencing with
18 Section 66300.5) of Chapter 12 in the list compiled pursuant to
19 paragraph (1).

20 (b) The list of information required from any applicant shall
21 include, where applicable, identification of whether the proposed
22 project is located within 1,000 feet of a military installation,
23 beneath a low-level flight path or within special use airspace as
24 defined in Section 21098 of the Public Resources Code, and within
25 an urbanized area as defined in Section 65944.

26 (c) (1) A public agency that is not beneath a low-level flight
27 path or not within special use airspace and does not contain a
28 military installation is not required to change its list of information
29 required from applicants to comply with subdivision (b).

30 (2) A public agency that is entirely urbanized, as defined in
31 subdivision (e) of Section 65944, with the exception of a
32 jurisdiction that contains a military installation, is not required to
33 change its list of information required from applicants to comply
34 with subdivision (b).

35 (d) For each approval issued by a public agency in connection
36 with a housing development project, the list required to be
37 compiled by this section, including the criteria which the public
38 agency will apply in order to determine the completeness of an
39 application described in Section 65941, and the name of the
40 approval, shall be published online.

~~(e) For purposes of this section:~~

~~(1) “Development project” includes a housing development project as defined in paragraph (3) of subdivision (b) of Section 65905.5.~~

~~(2) “Housing development project” includes, but is not limited to, both of the following:~~

~~(A) An approval issued in connection with a housing development project, including any necessary permit, review, statement, action, authorization, determination, inspection, report, clearance, agreement that is required as a condition of approval, or similar provision, except an approval that is a postentitlement phase permit, as defined in Section 65913.3, or an application from a housing development project as described in subdivision (a) of Section 65913.3.1.~~

~~(B) A “change of organization,” as defined in Section 56021, or a “reorganization,” as defined in Section 56073.~~

~~(f)~~

~~(e) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.~~

~~SEC. 2. Section 65950 of the Government Code, as amended by Section 9 of Chapter 161 of the Statutes of 2021, is amended to read:~~

~~65950. (a) A public agency that is the lead agency for a development project shall approve or disapprove the project within whichever of the following periods is applicable:~~

~~(1) One hundred eighty days from the date of certification by the lead agency of the environmental impact report, if an environmental impact report is prepared pursuant to Section 21100 or 21151 of the Public Resources Code for the development project.~~

~~(2) Ninety days from the date of certification by the lead agency of the environmental impact report, if an environmental impact report is prepared pursuant to Section 21100 or 21151 of the Public Resources Code for a development project defined in subdivision (e).~~

~~(3) Sixty days from the date of certification by the lead agency of the environmental impact report, if an environmental impact report is prepared pursuant to Section 21100 or 21151 of the Public Resources Code for a development project defined in subdivision (e) and all of the following conditions are met:~~

1 ~~(A) At least 49 percent of the units in the development project~~
2 ~~are affordable to very low or low-income households, as defined~~
3 ~~by Sections 50105 and 50079.5 of the Health and Safety Code,~~
4 ~~respectively. Rents for the lower income units shall be set at an~~
5 ~~affordable rent, as that term is defined in Section 50053 of the~~
6 ~~Health and Safety Code, for at least 30 years. Owner-occupied~~
7 ~~units shall be available at an affordable housing cost, as that term~~
8 ~~is defined in Section 50052.5 of the Health and Safety Code.~~

9 ~~(B) Prior to the application being deemed complete for the~~
10 ~~development project pursuant to Article 3 (commencing with~~
11 ~~Section 65940), the lead agency received written notice from the~~
12 ~~project applicant that an application has been made or will be made~~
13 ~~for an allocation or commitment of financing, tax credits, bond~~
14 ~~authority, or other financial assistance from a public agency or~~
15 ~~federal agency, and the notice specifies the financial assistance~~
16 ~~that has been applied for or will be applied for and the deadline~~
17 ~~for application for that assistance, the requirement that one of the~~
18 ~~approvals of the development project by the lead agency is a~~
19 ~~prerequisite to the application for or approval of the application~~
20 ~~for financial assistance, and that the financial assistance is~~
21 ~~necessary for the project to be affordable as required pursuant to~~
22 ~~subparagraph (A).~~

23 ~~(C) There is confirmation that the application has been made~~
24 ~~to the public agency or federal agency prior to certification of the~~
25 ~~environmental impact report.~~

26 ~~(4) Sixty days from the date of adoption by the lead agency of~~
27 ~~the negative declaration, if a negative declaration is completed and~~
28 ~~adopted for the development project.~~

29 ~~(5) Sixty days from the determination by the lead agency that~~
30 ~~the project is exempt from the California Environmental Quality~~
31 ~~Act (Division 13 (commencing with Section 21000) of the Public~~
32 ~~Resources Code), if the project is exempt from that act.~~

33 ~~(b) This section does not preclude a project applicant and a~~
34 ~~public agency from mutually agreeing in writing to an extension~~
35 ~~of any time limit provided by this section pursuant to Section~~
36 ~~65957.~~

37 ~~(c) For purposes of paragraphs (2) and (3) of subdivision (a)~~
38 ~~and Section 65952, “development project” means a housing~~
39 ~~development project, as defined in paragraph (3) of subdivision~~
40 ~~(b) of Section 65905.5.~~

1 ~~(d) For purposes of this section:~~

2 ~~(1) “Housing development project” includes, but is not limited~~
3 ~~to, an approval issued in connection with a housing development~~
4 ~~project, including any necessary permit, review, statement, action,~~
5 ~~authorization, determination, inspection, report, clearance,~~
6 ~~agreement that is required as a condition of approval, or similar~~
7 ~~provision, except an approval that is a postentitlement phase permit,~~
8 ~~as defined in Section 65913.3, or an application from a housing~~
9 ~~development project as described in subdivision (a) of Section~~
10 ~~65913.3.1.~~

11 ~~(2) “Lead agency” and “negative declaration” have the same~~
12 ~~meaning as defined in Sections 21067 and 21064 of the Public~~
13 ~~Resources Code, respectively.~~

14 ~~(e) This section shall remain in effect only until January 1, 2030,~~
15 ~~and as of that date is repealed.~~

16 ~~SEC. 3. Section 65953 of the Government Code is amended~~
17 ~~to read:~~

18 ~~65953. (a) All time limits specified in this article are maximum~~
19 ~~time limits for approving or disapproving development projects.~~
20 ~~All public agencies shall, if possible, approve or disapprove~~
21 ~~development projects in shorter periods of time.~~

22 ~~(b) For the purposes of this section:~~

23 ~~(1) “Development project” includes, but is not limited to, a~~
24 ~~housing development project.~~

25 ~~(2) “Housing development project” means a use consisting of~~
26 ~~any of the following:~~

27 ~~(A) Residential units only.~~

28 ~~(B) Mixed-use developments consisting of residential and~~
29 ~~nonresidential uses that meet any of the following conditions:~~

30 ~~(i) At least two-thirds of the new or converted square footage~~
31 ~~is designated for residential use.~~

32 ~~(ii) At least 50 percent of the new or converted square footage~~
33 ~~is designated for residential use and the project meets both of the~~
34 ~~following:~~

35 ~~(I) The project includes at least 500 net new residential units.~~

36 ~~(II) No portion of the project is designated for use as a hotel,~~
37 ~~motel, bed and breakfast inn, or other transient lodging, except a~~
38 ~~portion of the project may be designated for use as a residential~~
39 ~~hotel, as defined in Section 50519 of the Health and Safety Code.~~

1 ~~(iii) At least 50 percent of the net new or converted square~~
2 ~~footage is designated for residential use and the project meets all~~
3 ~~of the following:~~

4 ~~(I) The project includes at least 500 net new residential units.~~

5 ~~(II) The project involves the demolition or conversion of at least~~
6 ~~100,000 square feet of nonresidential use.~~

7 ~~(III) The project demolishes at least 50 percent of the existing~~
8 ~~nonresidential uses on the site.~~

9 ~~(IV) No portion of the project is designated for use as a hotel,~~
10 ~~motel, bed and breakfast inn, or other transient lodging, except a~~
11 ~~portion of the project may be designated for use as a residential~~
12 ~~hotel, as defined in Section 50519 of the Health and Safety Code.~~

13 ~~(C) Transitional housing or supportive housing.~~

14 ~~(D) Farmworker housing, as defined in subdivision (h) of~~
15 ~~Section 50199.7 of the Health and Safety Code.~~

16 ~~(3) “Housing development project” includes, but is not limited~~
17 ~~to, all of the following:~~

18 ~~(A) An approval issued in connection with a housing~~
19 ~~development project, including any necessary permit, review,~~
20 ~~statement, action, authorization, determination, inspection, report,~~
21 ~~clearance, agreement that is required as a condition of approval,~~
22 ~~or similar provision, except an approval that is a “postentitlement~~
23 ~~phase permit,” as defined in Section 65913.3, or an application~~
24 ~~from a housing development project, as described in subdivision~~
25 ~~(a) of Section 65913.3.1.~~

26 ~~(B) Projects that involve no discretionary approvals and projects~~
27 ~~that involve both discretionary and nondiscretionary approvals.~~

28 ~~(C) A proposal to construct a single dwelling unit. This clause~~
29 ~~shall not affect the interpretation of the scope of paragraph (2) of~~
30 ~~subdivision (h) of Section 65589.5.~~

31 SEC. 4. No reimbursement is required by this act pursuant to
32 Section 6 of Article XIII B of the California Constitution because
33 a local agency or school district has the authority to levy service
34 charges, fees, or assessments sufficient to pay for the program or
35 level of service mandated by this act, within the meaning of Section
36 17556 of the Government Code.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 14, 2025 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

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

REMINDER:

The Commission will be dark in June. Please note that the next Commission meeting will be on July 16, 2025.

UPDATES ON PROPOSALS INCLUDING SERVICE REVIEWS/SPECIAL STUDIES, AND SPHERE OF INFLUENCE AMENDMENTS/UPDATES

- LAFCO 3271 – Annexation to the Barstow Fire Protection District (Wastewater Treatment Facility Area)

Reconsideration period ended. Protest Hearing scheduled for June 11, 2025, at the LAFCO Office.

- LAFCO 3273 – Annexation to the Twentynine Palms Water District (Assessor Parcel Numbers 0634-121-15)

LAFCO 3273 is scheduled for consideration at the May 21, 2025, LAFCO meeting.

- LAFCOs 3276 & 3277:
 - LAFCO 3276 – Sphere of Influence Amendment (Expansion) for the Hi-Desert Water District
 - LAFCO 3277 – Annexation to the Hi-Desert Water District (Assessor Parcel Number 0585-273-04)

Both LAFCO 3276 and LAFCO 3277 are tentatively scheduled for consideration at the July 16, 2025, LAFCO meeting.

CALAFCO NEWS:

As part of CALAFCO's effort to build a stronger Association, it is requesting commissioner and LAFCO staff engagement in a cultural assessment survey designed to get input from its members on opportunities to improve organizational leadership, identify short and long-term goals, and begin to rebuild trust between the membership and CALAFCO.

CALAFCO has put together a 10-minute survey where Commissioners and staff can anonymously respond to the survey. The survey touches on critical areas such as services of value, organizational culture, education, legislative advocacy, communication and transparency, CALAFCO Board structure, and desired skillset for an Executive Director as it prepares to recruit for a new one in the near future.

Results of the survey will be considered as part of the overall cultural and structural review being facilitated by Pamela Miller of Miller Consulting Group (and former Executive Director for CALAFCO), who has been tasked to provide the CALAFCO Board with recommendations on reforms to move the Association forward into the future.

Staff will be forwarding the survey information to the Commission via email. The survey will remain open until Friday, May 23 at 5 p.m.

CALAFCO Staff Workshop:

LAFCO Staff attended the CALAFCO Staff Workshop in Temecula from April 30 to May 2. Staff actively participated in the planning for this year's Workshop and were even involved in two of the workshop sessions - either as panelist or moderator for one of the General sessions, and one of the Breakout sessions regarding Island Annexations.

LAFCO NEWS:

Governance Training Program

The Commission's first governance training session for the year took place on April 29 at the Mojave Water Agency in Apple Valley. The session topic, "Finance 201", was a continuation of the prior session from last year, Finance 101. It was a huge success with more than 60 participants.

Registration is now underway for the Commission's second governance training session for the year entitled "Effective Meeting Management Through Parliamentary Procedures." The session is scheduled for May 29, from 10am-noon, and will again be held at the Mojave Water Agency in Apple Valley.