

**Revised and Amended
Policy and Procedure Manual**

Attachment 1

INTRODUCTION

Since the establishment of Local Agency Formation Commissions (LAFCOs) in 1963, various acts of the state Legislature have defined, amended, and expanded the role of LAFCOs in the State of California. This manual contains the policies and procedures related to the operations of the Local Agency Formation Commission for San Bernardino County (hereafter San Bernardino LAFCO or Commission), its accounting, personnel, environmental, and application processing. LAFCO's governing statutes, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), requires that each LAFCO adopt written policies and procedures. Since 1979, San Bernardino LAFCO has adopted individual policies and procedures over the years as required by State Law or at the request of the Commission.

In August 2010, the Commission directed its Executive Officer to review, update and if necessary consolidate its Policy and Procedure Manual. The intent of the manual is to provide a single unified, current, and comprehensive resource document to better inform the Commission, its staff, public agencies and the citizens of San Bernardino County on its operations, responsibilities and function. The LAFCO policies and procedures contained within this document do not reiterate or interpret State law. They are intended to supplement State law and reflect the unique circumstances and conditions which exist within San Bernardino County.

For ease of reference, the manual is divided into seven major sections: (1) Mission Statement and Commission Operations; (2) Accounting and Financial Policies and Procedures; (3) Human Resources Personnel Policies and Procedures and LAFCO Benefit Plan; (4) Application/Project Processing Policies and Procedures; (5) Environmental Review Policies and Procedures; (6) Special District Representation Policies and Procedures; and (7) Forms.

Any questions concerning the Commission's adopted policies and procedures can be directed to the Commission's Executive Officer or Assistant Executive Officer as follows:

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MISSION STATEMENT AND COMMISSION OPERATIONS

Original Adoption Date:

TITLE:

This Commission shall be known as the Local Agency Formation Commission for San Bernardino County or San Bernardino LAFCO.

MISSION:

On June 30, 2011, the County of San Bernardino Board of Supervisors and the Board of Directors of the San Bernardino Associated Governments (SANBAG), made up of members from each of the 24 Cities in the County and each member of the Board of Supervisors, adopted a Countywide Vision Statement. That statement is:

We envision a complete county that capitalizes on the diversity of its people, its geography, and its economy to create a broad range of choices for its residents in how they live, work, and play.

We envision a vibrant economy with a skilled workforce that attracts employers who seize the opportunities presented by the county's unique advantages and provide the jobs that create countywide prosperity.

We envision a sustainable system of high quality education, community health, public safety, housing, retail, recreation, arts and culture, and infrastructure, in which development complements our natural resources and environment.

We envision a model community which is governed in an open and ethical manner, where great ideas are replicated and brought to scale, and all sectors work collaboratively to each shared goals.

From our valleys, across our mountains, and into our deserts, we envision a county that is a destination for visitors and a home for anyone seeking a sense of community and the best life has to offer.

On _____, 2011, the Commission adopted the following mission statement to reflect the unique circumstances and conditions which exist within San Bernardino County and to promote the Countywide Vision:

“The broad mission of the Local Agency Formation Commission for San Bernardino County is to implement the legislative direction and policies embodied in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 in a manner that provides for an orderly and efficient growth pattern that reconciles the varied needs of San Bernardino County, promotes the Countywide Vision Statement, is in

keeping with the provisions of the California Environmental Quality Act, and addresses the parameters of the principle acts for Cities and Special Districts.

One of the fundamental principles of the Local Agency Formation Commission is to ensure the establishment of an appropriate, sustainable, and logical municipal level government structure for the distribution of efficient and effective public services. The Local Agency Formation Commission for San Bernardino County will encourage and promote communication among agencies (public and private), property owners and residents of the County to achieve these goals. The Commission's policies shall be carried out in an efficient and courteous manner."

The implementation of this mission statement requires San Bernardino LAFCO to implement the direction of its enabling statute by coordinating logical and timely changes in local government boundaries (§56001); conducting municipal service reviews and special studies to determine the efficiency, effectiveness and sustainability of government structures (§56430 and §56301), and the preparation of spheres of influence for each city and special district within the county (§56425). In working towards these efforts the Commission encourages the protection of agricultural and open space lands and resources as defined by statute. In promoting the Countywide Vision, it is important to understand that Local Agency Formation Commissions are independent commissions that are not a part of county government. Each commissioner is independent when weighing and reviewing information and when making determinations (Attorney General Opinion 98.802).

AUTHORITY:

The statutes governing the activities of a Local Agency Formation Commission are found under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The declared state policy for LAFCO is found in Section 56301 of the Government Code:

"Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities."

The Cortese-Knox-Hertzberg Act gives LAFCO the authority to approve or disapprove, with or without amendment, wholly, partially, or conditionally a wide variety of proposals for jurisdictional change. These include, but are not limited to, proposals for:

- Annexation of territory to cities or special districts.
- Exclusion of land from cities or special districts.
- The consolidation of two or more cities, or two or more special districts formed under the same principal act.
- The formation of new special districts and the incorporation of new cities.
- The dissolution of special districts and disincorporation of cities.
- The establishment of a subsidiary district.
- The merger of cities and special districts.
- Reorganizations which involve boundary changes to two or more cities or special districts as part of one proceeding.
- Review and approval or denial of city or special district contracts for service outside their boundaries.

In addition to these regulatory review powers, the Commission has the authority to initiate and make studies of existing governmental agencies, which may include inventorying such agencies. As of July 1, 1994, based upon the findings of its special studies, the Commission has the authority to initiate proposals for consolidation of special districts, the merger of a special district with a city, the dissolution of a special district, the establishment of a subsidiary special district, or a reorganization which includes any of these outlined changes.

The Cortese-Knox-Hertzberg Act also provides the following powers and duties, among others, to LAFCO:

1. To determine whether territory proposed for annexation or detachment, or municipal reorganization is inhabited or uninhabited. ("Inhabited" means an area contains twelve [12] or more registered voters.)
2. With regard to a proposal for consolidation of two or more cities or special districts, to determine which city or district shall be the

consolidated, successor agency.

3. To waive the statutory restrictions against creation of islands (unincorporated areas totally or substantially surrounded by city boundaries) if the Commission finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area would be enclosed as a result of incorporation or annexation and is so located that it cannot reasonably be annexed to another city or incorporated as a new city.
4. To approve the annexation of unincorporated, noncontiguous territory not exceeding 300 acres in area, located in the same county as that in which the city is located, and which is owned by a city and used for municipal purposes; and to authorize the annexation such territory without notice or hearing. In addition, the Commission has the authority to approve the annexation of non-contiguous territory that is used as a state correctional facility, with no acreage limitation.
5. To establish spheres of influence for all cities and special districts within the county, and to review and update, if necessary, those spheres of influence at least once every five years.
6. To conduct "service reviews" on a regional or subregional basis, evaluating infrastructure needs or deficiencies, growth and population projections, financing constraints and opportunities, and other issues. These reviews can occur in conjunction with sphere of influence studies, and must be conducted at least once every five years.

In the approval of boundary change proposals, LAFCOs have strong powers to attach conditions. Government Code Section 56885.5 through Section 56890 provides a broad range of conditions that the Commission may impose in approving an application. Those conditions range from the authority to impose special assessments to the transfer of employees among districts in a consolidation. The reader is referred to the specific Code Sections for the complete conditions authorized by statute.

The following are a few examples of how authorized conditions may be applied:

- LAFCO can require as a condition of approval, that the territory being annexed shall be responsible for payment of existing fees, charges, or assessments currently in place by the annexing agency.
- LAFCO can require as a condition of its approval that another change

of organization for a related or overlapping agency be initiated, conducted, and completed. For example, if a proposal is for annexation of territory to a city, LAFCO can require that the territory also be annexed to or detached from special districts.

- LAFCO can require establishment of special assessment or improvement districts to finance capital facilities or improvements needed in affected territory.
- LAFCO can impose conditions related to the distribution of assets, financial contracts or obligations among affected agencies.
- LAFCO may impose conditions related to a local agency's employee salaries, benefits, and other personnel rights.
- LAFCO can impose a condition designating the method for selection of the Board of Directors and the number of Directors for a consolidated district.
- LAFCO can impose a condition that establishes the effective date for a change of organization.
- LAFCO can impose a condition that designates the agency to succeed to the rights, duties and obligations of an agency that is dissolved.

LAFCO is subject to and under the jurisdiction of the California Environmental Quality Act (CEQA), as are most public agencies. This statute requires certain procedures to be followed in terms of environmental review and the opportunity for public participation in the decision-making process.

On June 22, 1990, San Bernardino LAFCO adopted environmental review guidelines and administrative policies and procedures implementing CEQA (a subsequent amendment was adopted on January 18, 1995). The guidelines and policies outline the specific procedures used by the Commission to tailor the general provisions of the State Guidelines to LAFCO's specific functions as both a "Responsible" and a "Lead" agency as those terms are defined in CEQA. Section 5 of this document includes the Commission's adopted guidelines and policies for conducting the environmental assessment of its actions.

ORGANIZATION

1. Composition:

The Commission shall consist of seven regular and four alternate members (§56325 and §56332). By action taken in 1976, the Commission seated representatives from Independent Special Districts on the Commission (see Section 5 of this Manual for Special District Policies). All Commissioners must be residents of San Bernardino County.

2. Selection/Appointment of Members:

- A. County: The County Board of Supervisors shall appoint two regular commissioners and one alternate commissioner from the Board's membership to serve on the Commission.
- B. City: The City Selection Committee shall elect two regular commissioners and one alternate commissioner to serve on the Commission, each of whom shall be a mayor or city council member from one of the County's incorporated communities (§56325). Such selection shall be made in accordance with the procedures established by the City Selection Committee as described in its rules and regulations.
- C. Special Districts: The Special Districts Selection Committee shall select two regular commissioners and one alternate commissioner from the self-governed special districts within the County (§56332). Such appointment shall be made in accordance with the procedures established by the Special Districts Selection Committee as further described in Section 5 of the Manual.
- D. Public Member: The public member and one alternate public member are appointed by the other six commissioners (§56325(d)). The San Bernardino LAFCO policy for recruiting public member is as follows:

Upon announcement that a vacancy for the public member or alternate public member will exist, the Executive Officer shall:

1. Publish and post a vacancy notice inviting all interested citizens of San Bernardino County to apply within 30 days. The notice shall be published and posted as follows:
 - a. Posted at the LAFCO staff office, on the LAFCO website, at the regular LAFCO hearing chamber and at the Board of

Supervisors hearing chamber;

- b. Any other location directed by the Commission;
 - c. Publish a Notice of Vacancy in newspapers of general circulation in the County and provide mailed Notice of Vacancy to all City Clerks, the Secretary to the Board of Directors of all Independent Special Districts and the Clerk of the Board of Supervisors; and,
 - d. Issue a press release for the purpose of further advertising the vacancy
2. The Executive Officer shall accept no application after the expiration of the 30 days, and shall forward all applications to the members of the Commission. Only applications received by the Executive Officer may be considered for appointment. A review period of not less than 10 days shall follow the 30-day application period.
 3. The Commission may select a personnel committee from among its membership for the purpose of reviewing applications and bringing its recommendations to the full Commission.
 4. Pursuant to Government Code Section 56325 the Public and Alternate Public member candidate must receive an affirmative vote from at least one County member, one City member, and one Special District member for appointment to the position. Having met this threshold, the nominee receiving a majority of the votes cast will be appointed to the vacant position for either the unexpired or full term and/or until appointment and qualification of a successor.

3. TERMS OF OFFICE:

- A. The term of office of each Commission member shall be four years, expiring on the first Monday of May in the year in which the terms of the member expires (§56334).
- B. Any member of the Commission may be removed at any time and without cause by the body appointing that member. If a member who is a city, County, or special District officer ceases to hold that position during his or her term, that member's seat on the Commission shall become vacant.
- C. Any vacancy in the membership of the Commission shall be filled for the unexpired term by appointment by the body that originally appointed the

member whose office has become vacant. The alternate member in that category shall serve in his/her place until such time as a new regular member has been appointed.

COMMISSION RULES OF ORDER

The Rules of Order were originally adopted on June 14, 1978 for the conduct of business by the Local Agency Formation Commission for San Bernardino County. The following outlines the rules and related policies for the operation of the Commission:

1. **FINANCIAL DISCLOSURE:**

LAFCO members are subject to the requirements of the Levine Act and California Fair Political Practices Commission (FPPC), including annual filing of the Statement of Economic Interests (Form 700) with the San Bernardino LAFCO by the date determined by the FPPC. Any member of the Commission not in compliance with this requirement is subject to the fine and penalties established by the FPPC. Please review the San Bernardino LAFCO Conflict of Interest Code for further details.

2. **ELECTION OF CHAIRMAN AND VICE CHAIRMAN** (*Term limit adopted June 9, 1982*)

The Chairman shall be elected each year, during the first meeting in the month of May, by a majority of the Commission. The Vice Chairman is also elected at this meeting. The Chair and Vice-Chair positions shall be limited to two consecutive one- year terms

3. **CHAIRMAN'S ROLE**

The Chairman of the Commission shall preserve order and decorum and shall decide questions of order subject to appeal by the Commission. In the Chairman's absence, the Vice Chairman shall act as Chairman.

4. **CHAIRMAN'S VOTING PRIVILEGES**

The Chairman of the Commission shall, in voting procedures, have all the rights and obligations of other members.

5. **APPOINTMENT OF STANDING AND SPECIAL COMMITTEES**

The Commission shall appoint such standing and special committees as it may deem necessary. As of January 1, 2001, the Commission has appointed a standing Finance and Administrative Committee made up of the Chair, Vice-Chair, and the most recent past Chair or other Commission member determined by the Chair.

6. **REGULAR MEETING DATE** *(Amended November 14, 1984.)*
Regular meetings of the Local Agency Formation Commission shall be held on the third Wednesday of each month. Whenever a legal holiday falls on a regular meeting date, an alternate meeting date will be selected. All regular meetings of the Local Agency Formation Commission shall be called to order at nine o'clock a.m., unless advertised differently.
7. **AGENDAS**
An agenda shall be prepared by the Commission staff for each meeting of the Commission and shall be distributed in accordance with the Government Code.
8. **ORDER OF BUSINESS** *(Amended June 17, 2009, September 28, 2011.)*
The regular order of business of the Local Agency Formation Commission shall be:
- a. Call to Order by the Chairman
 - b. Salute to the Flag
 - c. Presentation of Consent Items; which shall include Approval of Minutes of Previous Meeting and Approval of Resolution for Previous Actions, as necessary
 - d. Public Hearing Items
 - e. Discussion Items
 - f. Information Items or Special Matters including Commissioner Comments and Comments from the Public
 - g. Adjournment
9. **SPEAKER'S PRESENTATION** *(Amended August 27, 1986 and April 16, 1997.)*
The Chair may establish a time limit at the beginning of the public hearing. All members of the public should be encouraged to speak and provide new and relevant information into the discussion.
10. **REFERRAL TO COMMITTEES**
Any matter coming before the Commission may, if deemed necessary, be referred to staff or a committee of the Commission for additional information.
11. **ADJOURNMENT OF COMMISSION HEARINGS**
The Commission may adjourn to a time and place specified in the order of adjournment. An insufficient number of Commissioners present to constitute a quorum shall be cause for adjournment. A majority of the members of the Commission (four) constitutes a quorum.

If all members are absent from any regular or adjourned regular meeting, the Clerk to the Commission may declare the meeting adjourned to a stated time and place, and shall cause a written notice of the adjournment to be given in the same manner as provided by law for special meetings.

12. **CLOSED SESSIONS OF COMMISSION** *(Amended August 27, 1986.)*
The Commission may hold Closed Sessions during a regular or special meeting to consider pending or potential litigation; the appointment, employment, or dismissal of an employee; or to hear complaints or charges brought against such employee, unless such employee requests a public hearing. The Commission may exclude from any such meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the Commission.
13. **PARTICIPATION OF ALTERNATE MEMBERS IN DISCUSSION OF PROPOSALS**
All members of the Commission, both regular and alternate, are encouraged to participate in the discussions of a proposal before the Commission; however, only regular members may vote on the action. Alternates may vote only when sitting in the place of a regular member who is absent or is disqualified for a particular action.
14. **DISQUALIFICATION OF MEMBERS ON VOTING**
The representation by a member or alternate of a city or district shall not disqualify, or be cause for disqualification of, the member or alternate from acting on a proposal affecting the city or the district, as provided by Government Code Section 56336.
15. **ABSTENTION OF VOTING**
The determination by a Commissioner to abstain from voting on any action before the Commission does not indicate, and shall not be counted as, either an "aye" or "no" vote on that count.
16. **TIE VOTES OF COMMISSION**
Four votes are necessary to approve a proposal or a motion. A proposal which receives a tie vote shall automatically be continued to the next Commission hearing. A subsequent tie vote at the next hearing of the proposal indicates automatic denial without prejudice.
17. **CALLING OF EMERGENCY OR SPECIAL HEARINGS**
An emergency or special meeting may be called at any time by the Chairman of the Commission, or by a majority of the members of the Commission. Notice of such meeting must be delivered personally or by mail at least twenty-four (24) hours before the time of such meeting. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such special meeting.

ACCOUNTING AND FINANCIAL POLICIES FOR SAN BERNARDINO LAFCO

Consolidation of Policy Manual – September 28, 2011

INTRODUCTION:

The following is intended to provide an overview of the accounting and financial policies and procedures applicable to San Bernardino LAFCO. San Bernardino LAFCO has entered into agreements with the County of San Bernardino to perform Information Technology (IT) support and financial and accounting services as follows:

- a. Production Support Agreement with the San Bernardino County Information Services Department. San Bernardino LAFCO contracted for the provision of IT services from the County for its network system, computer operations and Geographic Information System Services (GIMS). Original contract was entered into in October 1998, with its last revision dated September 2009. Payments for services are included in the County COWCAP (Countywide Cost Allocation Plan) charges to LAFCO.
- b. Agreement with Auditor for Services. San Bernardino LAFCO contracted with the San Bernardino County Auditor/Controller for the provision of accounts payable claims and deposits, consolidated banking, general and funding accounting, payroll/labor distributions. These services include data entry, computer systems, central files/document/records retention, verification of data integrity and signature authorization, error corrections, report, and other processes normally associated with the services and include the assignment of a County CALCARD. This contract was entered into in August 2004 and continues until terminated. Payments for services are included in the County COWCAP (Countywide Cost Allocation Plan) charges to LAFCO.
- c. Agreement with Auditor/Controller for Collection of Past Due Apportionment Contributions. San Bernardino LAFCO entered into an agreement with the County of San Bernardino and its Auditor/Controller to provide for the collection of the apportioned LAFCO costs identified in Government Code Section 56381. This agreement was entered into January 26, 2010. The costs for implementation are charged back to the entity paying the apportionment.

The following provides supplemental policies adopted by the Commission related to its financial and accounting procedures:

1. **COUNTY RULES AND REGULATIONS** (Adopted January 1, 1977; Amended February 20, 2002.)

The San Bernardino LAFCO has determined that for purposes of economy and convenience it chooses to use the rules and regulations of the County as those relate to working rules of staff and to allocation of space and supporting equipment and facilities necessary to accomplish its purpose. Exceptions to these rules and regulations shall be for specific situations in which the Commission has approved a policy which establishes a procedure which differs from County rules and regulations.

2. **RESOLUTIONS OF APPRECIATION** (Adopted September 12, 1979.)

The Commission authorizes expenditure for mounting and framing of resolutions of appreciation for retiring LAFCO Commissioners and LAFCO staff personnel who have rendered outstanding service.

In respect to retiring Commissioners, the public purpose being served by such expenditure is that through publicly adopted resolutions of appreciation, appropriately framed, other members of the public will also be encouraged to render public service by becoming members of various public agencies and commissions.

The public purpose of the framed resolutions of appreciation for the LAFCO staff is to give recognition for outstanding services rendered, with the purpose of maintaining high morale while at the same time providing further incentive for efficiency and productivity.

3. **DISCLOSURE OF LAFCO COMPENSATION AND BUDGET** (Adopted June 15, 2011)

In order to provide the residents, landowners and government agencies within San Bernardino County the ability to easily determine the costs for operating San Bernardino LAFCO and other financial disclosure information, the Commission hereby requires its staff to post the following information and/or documents on the Commission's website, accessible directly from its homepage:

- a. Current Fiscal Year Budget.
- b. Annual compensation paid to each Commissioner from the Local Agency Formation Commission for the preceding Calendar Year.
- c. Annual compensation paid by LAFCO for each employee position which shall include salary and total benefit costs in the current budget and those

reported as year-to-date on the final pay period of the calendar year, pay period 26 or 27 (when applicable), on the Statement of Leave and Earnings.

- d. Fair Political Practices Commission Form 700 – Statement of Economic Interests for LAFCO Commissioners and Management Staff.

4. **EXPENSE REIMBURSEMENT** *(Added to the Human Resources Policies and Procedures June 16, 2011, transferred and revised September 28, 2011 to general accounting policies)*

Scope:

Reimbursement for San Bernardino LAFCO business expenses including but not limited to travel, lodging, meals, laundering, gratuities and other related costs is subject to the approval of the Commission or appointing authority.

Commissioners attending conferences, seminars, or other meetings not classified as a regular Commission hearing or committee meeting (i.e., Finance and Administrative Committee or Coalition of California LAFCOs) shall only be reimbursed for their expenses in accordance with the provision outlined below if they have received prior approval of the Commission. Reimbursement for expenses for travel and subsistence will be as listed below.

Policy:

A. General Provisions. The purpose of this section is to define the policy and procedures by which employees and Commissioners shall report and be reimbursed for necessary expenses incurred on behalf of San Bernardino LAFCO, except as may be otherwise provided in this Benefit Plan and/or Human Resources Policies and Procedures.

B. Responsibilities. It shall be the responsibility of the Executive Officer and/or Appointing Authority or designee to investigate and approve each request for expense reimbursement. It shall be the responsibility of each Commissioner to receive prior approval from the Commission prior to incurring a business related expense. It shall be the responsibility of the employee to obtain prior approval from the appropriate Appointing Authority or designee to incur a business expense. Prior approval may be in the form of standing orders issued by the Appointing Authority.

C. Travel Authorization

1. Travel outside the State of California must be approved by the Commission or designee except when the trip outside California is within twenty (20) miles of the California border or travel through a location

anywhere in the adjacent state as a means of arriving at a location within California.

2. The appointing authority or designee shall initiate Travel Requests. The Commission and Auditor/Controller-Recorder shall be notified in writing of all such designees.
3. The Appointing Authority or designee is authorized to approve necessary travel within the State of California and use of transportation mode consistent with this section.

D. Authorization for Attendance at Meetings

1. The Commission or Appointing Authorities may authorize attendance at meetings at San Bernardino LAFCO expense when the program material is directly related to an important phase of San Bernardino LAFCO service and holds promise of benefit to the San Bernardino LAFCO as a result of such attendance.
2. Authorization for attendance at meetings without expense reimbursement, but on San Bernardino LAFCO time, may be granted when the employee is engaged on the San Bernardino LAFCO's behalf, but from which the gain will inure principally to the benefit of the employee and only incidentally to San Bernardino LAFCO.

E. Records and Reimbursements

1. Requests for expense reimbursement for Commissioners shall be submitted to the Executive Officer at the monthly Commission hearing or as soon as possible following completion of travel.
2. Requests for expense reimbursements for employees should be submitted once each month, except if the amount claimable for any month does not exceed twenty-five dollars (\$25.00), the submission may be deferred until the amount exceeds twenty-five dollars (\$25.00) quarterly, or until June 30th during the current fiscal year, whichever occurs first. At the end of the fiscal year, expense reimbursement claims for July 1st and beyond, must be on a separate claim from those expenses claimed for June 30th or earlier.
3. Receipts or vouchers which verify the claimed expenditures will be required for all items of expense, except
 - a. Subsistence, except as otherwise provided in this section.

- b. Private mileage (paid at the standard IRS rate).
 - c. Taxi, bus and ferryboat fares; bridge and road tolls; and parking fees.
 - d. Telephone, fax or internet connection charges.
 - e. Other authorized expenses of less than one dollar (\$1.00).
4. Claims for expense reimbursement totaling less than one dollar (\$1.00) in any fiscal year shall not be paid.
 5. Reimbursement shall not be made for any personal expenses such as, but not limited to, entertainment, barbering, etc.
 6. Except as otherwise provided in this section, expense reimbursements shall be made on an actual cost basis.

F. Transportation Modes

The general rule for selection of a mode of transportation is that mode which represents the lowest expense to San Bernardino LAFCO.

1. Travel via private automobile

Reimbursement for the use of privately owned automobiles to conduct San Bernardino LAFCO business shall be at the current IRS allowable rate. Reimbursement at this rate shall be considered as full and complete payment for actual necessary expenses for the use of the private automobile, insurance, maintenance and all other transportation-related costs. San Bernardino LAFCO does not provide any insurance for private automobiles used on San Bernardino LAFCO business. The owner of an automobile is responsible for the personal liability and property damage insurance when the vehicle is used on San Bernardino LAFCO business.

- a. When employees, traveling on official San Bernardino LAFCO business, leave directly from their principal place of residence rather than from their assigned work location, mileage allowed to the first work contact point shall be the difference between the distance from the residence to the assigned work location and the distance from the residence to the first work contact point. If the first work contact point is closer than the assigned work location, no mileage shall be allowed. If the employee departs from the last work contact point directly to the residence, the same principle governs.

Employees may have multiple assigned work locations. Mileage allowed is based on the assigned work location for that day. When

employees have more than one assigned work location in a standard tour of duty, mileage shall be allowed between assigned work locations. In no case will mileage be allowed between the employee's residence and the assigned work location.

- b. Travel via Rental Vehicles. Reimbursement will be provided for the cost of a rental vehicle used for business purposes if such use is approved by the Commission, Executive Officer or Appointing Authority. Reimbursement will not be provided for the additional costs incurred if any employee purchased any additional insurance or signs a Collision Damage Waiver (CDW) when renting a vehicle for San Bernardino LAFCO business. Requests for reimbursement for gasoline for rental vehicles must be accompanied by a copy of the rental agreement or rental receipt and gasoline receipt.

2. Travel via air

- a. Commercial Aircraft. When commercial aircraft transportation is approved, the "cost of public carrier" shall mean the cost of air coach class rate including tax and security surcharges. Travel via charter aircraft shall be limited to emergencies, or when other types of transportation are impractical or more expensive. Specific prior approval for travel via aircraft must be obtained from the Commission or Executive Officer.
- b. Private Aircraft. When private aircraft transportation is approved by the Appointing Authority, reimbursement will be as follows:
 - i. Reimbursement for use of aircraft owned or rented and flown by San Bernardino LAFCO personnel will be for equivalent road miles at the first mile rate of the current private automobile use reimbursement schedule. Landing or tie-down fees will be reimbursed similar to auto parking charges.
 - ii. Reimbursement for trips to and from the following destinations will be limited to the cost of public carrier except when justified by unusual circumstances as determined by the San Bernardino LAFCO Executive Officer or designee: Oakland, Sacramento, San Francisco and San Jose.
 - iii. Authorized charter flights with a licensed charter service providing the aircraft and pilot will be reimbursed at actual cost. Charter flights must be individually approved by the Commission prior to departure.

- iv. The employee or owner of the aircraft must have a minimum single-limit liability insurance coverage of five hundred thousand dollars (\$500,000.00) for bodily injury and/or property damage and have San Bernardino LAFCO included as an additional insured. Written evidence of such insurance must be on file with the San Bernardino LAFCO Office.

G. Subsistence

1. Subsistence allowances for lodging and meals shall not be allowed without prior approval of the appointing authority or designee as necessary for the purpose of conducting San Bernardino LAFCO business. Excess charges greater than the allowances listed below in paragraph (2) and (3) may be authorized under special conditions, such as a convention requirement or in an area of unusually high cost (such as, but not limited to, San Francisco Bay area, Sacramento, Fresno, Los Angeles and San Diego). Claims for lodging and meals which do not exceed the allowances listed below do not require receipts.
2. The allowance for lodging is seventy-five dollars (\$75.00) plus tax, per night, single.
3. The allowance for meals is fifty dollars (\$50.00) plus tax and gratuity per day, for three (3) meals, or when separate meals are claimed; eleven dollars (\$11.00) for breakfast; fifteen dollars (\$15.00) for lunch; and twenty-four dollars (\$24.00) for dinner, all plus tax and gratuity.
4. Meal allowances for a business meeting/conference including meals are the actual cost.
5. Expense Advances. Advancement of funds for business expenses can be obtained from the Auditor/Controller's office through submission of the appropriate form. Advancements shall not exceed the per diem allowance set forth herein. The minimum amount to be advanced is fifty dollars (\$50.00).

H. County Credit/Debit Cards

1. The Auditor/ Controller- Recorder may issue a County credit or debit card to the San Bernardino LAFCO Executive Officer and require business expenses be paid for with said card.
2. If unauthorized charges are placed on the card, the San Bernardino LAFCO Executive Officer shall be required to reimburse the County. If the employee fails to reimburse the County within fifteen (15) calendar days or

prior to separation from San Bernardino LAFCO service, the Auditor-Controller's Office may recover any unauthorized charges from the employee's pay.

5. **COMMISSION STIPEND/PER DIEM PAYMENT** (*Adopted February 20, 2002; Amended May 19, 2004, and May 16, 2007*)

- A. Commission members shall receive a stipend payment of \$200 per posted and attended Commission hearing. In addition, Commission members appointed to standing committees and/or the Coalition of California LAFCOs will receive payment of a stipend for attendance. No stipend shall be paid for attendance at a conference, seminar or other meetings.
- B. Mileage – All travel which is twenty (20) miles or less round trip from a member's home shall not be reimbursed. If the round trip exceeds twenty (20) miles, then all mileage is reimbursable as provided herein. All other mileage payment procedures are outlined in the Expense Reimbursement Policy, Item 4 above.

6. **ANNUAL AUDIT**

A. Role of the Independent Auditor

It is the policy of San Bernardino LAFCO to arrange for an annual audit of its financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by the Commission will be required to communicate directly with the Commission upon the completion of their audit. In addition, members of the Commission's Finance and Administrative Committee are authorized to initiate communication directly with the independent auditing firm.

Audited financial statements, including the auditor's opinion thereon, will be submitted to the Commission by the independent accounting firm after the financial statements have been reviewed and approved by the Finance and Administrative Committee.

B. Selection of the Auditor:

LAFCO shall review the selection of its independent auditor in the following circumstances:

- 1) Anytime there is dissatisfaction with the services of the current firm;
or,

- 2) The Auditor shall be changed every three (3) years to ensure competitive pricing and a high quality of service. San Bernardino LAFCO participates with the members of the Coalition of California LAFCOS (CCL) for a joint Request for Proposal (RFP) for auditing services.

7. **RESERVE POLICY** *(Adopted April 21, 2011)*

The Commission will require the maintenance of two separate reserves which shall be funded as a part of the annual budget adoption process as follows:

- a. The balance of San Bernardino LAFCO Employee Compensated Absences at April 1 of each fiscal year shall be funded and placed in a committed reserve account in the following fiscal year budget; and,
- b. Annually the Commission shall set aside a minimum of \$200,000 in a committed reserve account for payment of potential litigation.

8. **FEE WAIVER PROVISIONS** *(Adopted June 10, 1981; effective July 1, 1981. Amended March 20, 1996, July 18, 2001, May 17, 2006 and May 16, 2007.)*

- a. Automatic Waivers:

The LAFCO filing fee for proposals that correct a boundary alignment problem (i.e., a divided assessor's parcel or inadvertent exclusion) will be automatically waived provided, however, that a deposit will be required for the anticipated direct costs for environmental review and the required registered voter and landowner notification. Compliance with these conditions is to be determined by the LAFCO Executive Officer.

- b. Automatic Reductions:

City annexations of island areas that comply with Government Code Section 56375.3 will be assessed one-half of the LAFCO filing fee for each area of consideration within the proposal. All other fees and deposits will be assessed at full cost.

The realignment of city or special district boundaries required by the realignment of a roadway will be reduced to a single change of organization fee per entity involved no matter how many changes or separate areas are included in the proposal. The Executive Officer is authorized to notify the entities involved and no further action is required for this reduction.

- c. Request for Waiver or Reduction of Fees (to be reviewed by the Commission):

Any applicant may appeal for a waiver or reduction of the LAFCO filing fee to be charged. An appeal must be submitted in writing and accompany the submission of the application to the LAFCO Executive Officer. The Executive Officer shall present the waiver/reduction request at the next regular hearing for Commission consideration on the consent calendar. The Commission may waive the filing fee if it first determines that payment would be detrimental to the public interest (required by Government Code Section 56383). A waiver of fees is limited to those costs incurred by the Commission in processing the proposal. The Commission may authorize a reduction in the LAFCO filing fee based upon the special circumstances of the proposal, if any. Processing of the application shall be held in abeyance until a decision is rendered by the Commission regarding the appeal of fees.

9. **LAFCO FEE REFUNDS** (Adopted May 17, 2006)

If withdrawal of an application is requested, LAFCO filing fees paid to LAFCO for processing will be refunded in the following manner (Legal Counsel, Environmental Review, Registrar of Voters, Landowner Notification and Protest Proceeding fees are subject to their own refund procedures outlined on the Fee Schedule):

- a. If withdrawal is requested prior to the processing of the property tax negotiations for the item, 75% of the LAFCO Filing Fee will be refunded.
- b. If withdrawal is requested following commencement of the tax negotiations process but prior to the advertisement of the Commission's consideration, 50% of the LAFCO Filing Fee will be refunded.
- c. If withdrawal is requested following advertisement of the Commission's consideration, 25% of the LAFCO Filing Fee will be refunded.
- d. If withdrawal is requested following Commission continuance or deferral of the application, no refund shall be provided.

10. **LEGAL DEFENSE FEE RESPONSIBILITY** (Adopted May 19, 1993; effective June 1, 1993; Amended May 17, 2006.)

It is the policy of this Commission that the costs for legal defense of an issue, which has been approved by the Commission, should be the primary responsibility of the agency or person seeking that approval. Therefore, as a condition of approval for any action taken by the Local Agency Formation

Commission, the Commission may impose a condition within its resolution of approval that requires the applicant to defend, indemnify, hold harmless, and provide for reimbursement or assumption of all legal costs in connection with that approval.

The adopted procedure for the Legal Defense Policy is as follows:

If the Commission determines that costs for litigation or legal defense should be borne by the applicant, the following procedures will be implemented:

- a. The Commission will impose a condition of approval which requires the applicant to defend, indemnify, and hold harmless the Commission, its agents, and its employees from any claims, actions or proceedings against them to attack, set aside, void, or annul such approval.
- b. The Executive Officer shall promptly notify the applicant of any legal action brought challenging the Commission's action, and the Commission, its agents, and employees shall cooperate fully in the defense of that action.
- c. The applicant may provide his or her own counsel in the defense of the action taken, or the applicant may elect to use the services of LAFCO Counsel in that defense. In the latter case, the Executive Officer may require a deposit of funds sufficient to cover the anticipated expense of the litigation.

11. RESPONSIBILITY FOR PAYMENT OF SPECIAL LEGAL COUNSEL COSTS

(Adopted May 17, 2006)

It is the policy of this Commission that the costs for Special Counsel shall be the responsibility of the applicant subject to the following determinations:

- a. If Special Counsel is required due to a representation conflict with the applicant of the proposal, the applicant will be responsible for all Special Counsel charges.
- b. If Special Counsel is required due a representation conflict outside the control of the applicant, the applicant will be responsible for paying the regular LAFCO Legal Counsel hourly rate. The balance of Special Counsel costs will be the responsibility of the Commission.

The adopted procedure for the Responsibility for Payment of Special Legal Counsel Costs Policy is as follows:

Once a determination has been made pursuant to Commission Policy for Waiver of LAFCO Legal Counsel Conflicts of Interest that Special Counsel is required, the following procedure will be followed:

- 1) The Executive Officer will promptly notify the proponents of the proposal that Special Counsel is required.
- 2) An item will be placed on the next available Commission Agenda to approve the contract for Special Counsel and to determine the method for apportioning the cost to the applicant.
- 3) Once a determination is made regarding the apportionment of the cost, the Executive Officer may require a deposit of the estimated costs for Special Counsel.
- 4) All Special Counsel costs that are the responsibility of the applicant shall be paid prior to issuance of the Certificate of Completion.

12. **RECORDS RETENTION POLICY** (Adopted October 21, 2009)

It is the policy of this Commission to retain LAFCO's records of proceedings and financial documents and records in accordance with the Records Retention Schedule outlined below.

<u>TYPE OF RECORD</u>	<u>RETENTION PERIOD</u>
Records of Proceedings	Government Code § 56382
Financial:	
Expense Reports	7 years
Budgets	7 years
Billings/Accounting Reports	7 years
Budget Change Proposals	7 years
Budget Change Concepts	7 years
Audits	7 years
Invoices	7 years
Fees/Receipts	7 years
Checks/Ledgers/Registers	7 years
Cal Stars Reports	7 years
Cost Recovery – Federal	7 years
Cost Recovery – State	7 years
Grants	7 years
Resource: California Secretary of State. "Local Government Records Management Guidelines", Feb 2006. Under the authority established by Senate Bill 742 (1999), adding Section 12236 to the Government Code.	

The Commission has adopted the financial portion of the “Local Government Records Management Guidelines”, issued by the California Secretary of State pursuant to Government Code Section 12236, as may be amended from time to time by the Secretary of State, as the Commission’s official retention schedule. This policy shall be reviewed, and when necessary updated, at least every five years pursuant to the Secretary of State Guidelines.

To implement the retention and destruction of the records pursuant to the Schedule, the Commission designates the Executive Officer as the Records Management Coordinator who shall present a Commission agenda item once a year related to records to be destroyed.

HUMAN RESOURCES POLICIES AND PROCEDURES AND BENEFIT PLAN

INTRODUCTION:

The following provides the documents adopted by the Commission at its June 16, 2011 hearing outlining its policies and procedures for Human Resource administration and the Benefit Plan for all LAFCO employees.

HUMAN RESOURCES POLICIES AND PROCEDURES

(ADOPTED JUNE 16, 2011)

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Consolidated in Policy and Procedure Manual – September 28, 2011

Adopted September 15, 2004

Amended:

July 18, 2007

August 20, 2008

January 21, 2009

Repealed and Adopted as Revised and Amended June 16, 2011

CHAPTER I: WORKING ENVIRONMENT

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101: EMPLOYEE ACKNOWLEDGEMENT FORM

(Amended June 16, 2011)

Consistent with applicable laws, the following sections represent the Human Resources Policies and Guidelines established by the San Bernardino Local Agency Formation Commission (hereinafter "SB LAFCO"). These policies and guidelines 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 Guidelines by signing the form titled "Employee Receipt of San Bernardino LAFCO Human Resources Policies and Guidelines" with placement of the signed form in the employee's personnel file.

102: AT- WILL-EMPLOYMENT

(Amended June 16, 2011)

Scope: The intent of this policy is to establish the At-Will-Employment Policy of SB LAFCO.

Policy: 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.

103: EQUAL EMPLOYMENT OPPORTUNITY

(Amended June 16, 2011)

Scope: The intent of this policy is to establish the Equal Employment Opportunity Policy of SB LAFCO.

Policy: 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, 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.

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.

104: DISABILITY ACCOMMODATION

Scope: The intent of this policy is to establish the Disability Accommodation Policy of SB LAFCO.

Policy: 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.

105: POLICY AGAINST HARASSMENT

Scope: The intent of this policy is to establish the Policy Against Harassment for SB LAFCO.

Policy:

- 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 based on an individual's inclusion in a protected class, such as race, 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. *(Amended June 16, 2011)*
- B. Definition** - Unlawful harassment 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.

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 and 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. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith.

106: WORKPLACE ANTI-VIOLENCE POLICY

(Amended June 16, 2011)

Scope: The intent of this policy is to establish the Workplace Anti-Violence Policy for SB LAFCO.

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.

107: DRUG AND ALCOHOL POLICY

Scope: The intent of this policy is to provide a drug and alcohol free work environment for all SB LAFCO employees.

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.

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108: RELOCATION

(Added June 16, 2011)

Scope: 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: The SB LAFCO Executive Officer may approve moving expenses up to but not exceeding five thousand dollars (\$5,000) for any employee 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.

The SB LAFCO Executive Officer may approve moving expenses up to but not exceeding five thousand dollars (\$5,000) for any employee new to SB LAFCO employment. The Chairman of the Commission may approve such moving expenses for the SB LAFCO Executive Officer. Reimbursement of moving expenses in excess of five thousand dollars (\$5,000) must be approved by the Commission.

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
500-1000 Miles	\$1,000.00
1001-2000 Miles	\$2,000.00
More than 2000 Miles	\$2,500.00

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.

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201: EMPLOYMENT CATEGORIES AND CLASSIFICATIONS

Scope: The intent of this policy is to define employment categories and classifications so that employees understand their employment status and benefit eligibility.

Policy:

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

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insurance), they may not be eligible for all of SB LAFCO's additional benefit programs. (Eligibility for additional optional 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. *(Added June 16, 2011)*
- 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. *(Added June 16, 2011)*

B. EMPLOYMENT CLASSIFICATIONS *(Added June 16, 2011)*

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.

202: COMPENSATION

Scope: The intent of this policy is to provide guidelines on the compensation practices of SB LAFCO.

Policy: **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. Effective June 18, 2011, the following shall be the salary ranges for LAFCO positions (*Added June 16, 2011*):

Position	Hourly Range	Annual Range
Executive Officer	As determined by the Commission	
Assistant Executive Officer	\$38.58 to \$49.33	\$80,246 to \$102,606
Project Manager	\$30.17 to \$38.58	\$62,754 to \$80,246
Deputy Clerk to the Commission	\$18.52 to \$23.64	\$38,522 to \$49,171

C. Special Assignment Compensation (*Added June 16, 2011*)

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

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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 percent (1%) 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 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 *(Added June 16, 2011)*

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.

203: PAY POLICIES

Scope: The intent of this policy is to explain and clarify wage administration, work hours and time-keeping.

Policy:

A. Payment of Wages

All employees are paid bi-weekly (every two weeks). There are 26 pay periods each year with payday 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 (Amended June 16, 2011)

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. Please refer to current postings for additional information. 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 (Amended June 16, 2011)

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.

204: PERFORMANCE MANAGEMENT

Scope: The intent of the performance review process is to maximize organizational productivity and individual potential within a position and within SB LAFCO.

Policy:

A. Performance Review *(Amended June 16, 2011)*

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 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 #202 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 *(Added June 16, 2011)*

New 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 5 with the approval of the Executive Officer and through Step 11 with the approval of the Commission or designee.

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. 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 and time without pay shall not count toward step advancements. Step advancements within a base salary range shall be based upon two step increments, approximately five percent. Effective June 18, 2011, step advancements within a base salary range shall be based upon a one step increment, approximately two and one-half percent. The employee shall be eligible for the first step advancement after completion of 1040 hours and subsequent step advancements after completion of additional increments of 2080 hours.

C. Probationary Period *(Added June 16, 2011)*

1. Exempt: The probationary period for exempt employees shall be 26 pay periods.
2. Non-Exempt: The probationary period for non-exempt employees shall be 13 per 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 Guidelines. 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 *(Added June 16, 2011)*

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 retained at the same salary rate, provided the salary rate does not exceed step 11 in accordance with the provisions of the Downgrade section, with the approval of the Appointing Authority and the Commission.

E. Promotions *(Added June 16, 2011)*

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 11 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.

205: PERSONNEL RECORDS

Scope: The intent of this policy is to provide the guidelines for treatment of employee personnel records and information.

Policy: 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.

206: PROBLEM RESOLUTION PROCEDURE

Scope: The intent of this policy is to outline SB LAFCO's problem resolution procedure.

Policy: 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:

1. 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.
2. Supervisor responds to problem during discussion or after consulting with appropriate management, when necessary. Supervisor documents discussion.
3. Employee presents problem to the Executive Officer in writing if problem is unresolved.
4. 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

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Officer has full authority to make any adjustment deemed appropriate to resolve the problem.

5. If the problem is of a nature that extends beyond or involves the Executive Officer, the employee may consult with Human Resources or 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.

207: TERMINATION

Scope: The intent of this policy is to explain the types of termination and SB LAFCO's procedures for processing terminations.

Policy: 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 in tact 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.

208: REEMPLOYMENT

(Added June 16, 2011)

Scope:

Reemployment of regular employees may be entitled to previous benefits and status levels.

Policy:

- 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.
- 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.

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CHAPTER III: TIME OFF

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301: SICK LEAVE

Scope: The intent of this policy is to provide paid time off for the purpose of illness or other medical requirements.

Policy:

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 (*Added June 16, 2011*)

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.

C. Prior Service Time (*Added May 20, 2009*)

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 Guidelines.

D. Accumulation of Sick Leave *(Amended June 16, 2011)*

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 *(Added June 16, 2011)*

It shall be the responsibility of each appointing authority (as defined in Section 102) 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 *(Amended June 16, 2011)*

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 *(Amended June 16, 2011)*

Sick leave may be applied to the following circumstances:

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1. An absence necessitated by an employee's personal illness, injury or disability due to pregnancy, childbirth or adoption.
2. A maximum of three days earned sick leave may be used per occurrence for bereavement due to the death of persons in the immediate or extended family, as defined herein, or any relative who resides with the employee.
3. 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.
4. Medical, dental, or optical appointments when absence during working hours for this purpose is authorized by SB LAFCO.
5. 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.
6. 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 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.
7. Illnesses while on paid vacation will be charged to sick leave rather than vacation only under the following conditions:
 - a. 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.
 - b. The employee must notify his or her supervisor within 4 calendar days of the beginning of the illness or prior to

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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.

c. The agency shall be under no obligation to extend the vacation beyond the original scheduled vacation ending date.

8. Absence from duty because of personal emergencies not to exceed 20 working hours during the fiscal year.

9. An absence due to the air pollution alert, which prevents the employee traveling to his or her work location.

Sick leave shall not be applied to an absence that occurs on a SB LAFCO holiday.

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.

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 (*Amended July 18, 2007; Amended June 16, 2011*)

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).

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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.

302: VACATION

Scope: This policy applies to all regular full-time and part-time employees of SB LAFCO. The intent of this policy is to provide paid time off for employees as a means to rest and rejuvenate.

Policy: **A. General** (*Amended June 16, 2011*)

SB LAFCO provides paid vacation benefits to all regular full-time and regular part-time employees for the recreation and 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 (*Added May 20, 2009*)

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 (*Amended June 16, 2011*)

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 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.

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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 well being 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 (*Added and Amended June 16, 2011*)

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 time to be sold back is allocated to a deferred income plan if SB LAFCO approves such a plan and credit for vacation time is allowed under the 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 at the end 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

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employment, all existing vacation leave accruals shall be converted to cash and paid to the employee.

303: HOLIDAY

Scope: The intent of this policy is to provide paid time off for eligible employees for holidays throughout the year.

Policy: **A. General** (*Amended June 16, 2011*)

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 actively on the payroll 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 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:

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January 1
Third Monday in January
Third Monday in February
Last Monday in May
July 4
First Monday in September
Second Monday in October

November 11
Thanksgiving Day
Day after Thanksgiving
December 24
December 25
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.

There shall be no limitation on holiday leave accruals until calendar year 2011. Effective pay period 1 of 2011, 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. 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

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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 *(Added June 16, 2011)*

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 Director of Human Resources. In lieu of cash, the employee may designate that part or all of the value of holiday time to be sold back is allocated to a deferred income plan if such a plan is approved by the County and credit for holiday time is allowed under the 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 at the end of pay period 25 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

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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.

304: OTHER TIME OFF

Scope:

This policy applies to all regular full-time and regular part-time employees of SB LAFCO. The intent of this policy is to outline other types of paid and unpaid time-off available to eligible employees.

Policy:

A. Bereavement Leave *(Amended June 16, 2011)*

Employees in regular positions may use up to two days paid leave, not charged to the employee's personal leave balances, per occurrence for bereavement due to the death of the employee's parent, child, spouse or domestic partner, as defined by California Family Code Section 297. 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. 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 301, employees may also, with their appointing authority's approval, 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. 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.

C. Jury Duty and Other Court-Related Leaves *(Amended June 16, 2011)*

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.

D. Administrative Leave *(Amended June 16, 2011)*

Effective pay period 1 of each year, an employee in a regular position will be provided with 80 hours of Administrative Leave time for the employee's use. Employees hired after the beginning of pay period 1 shall receive a prorated number of hours. Such Administrative Leave may be cashed out at the employee's then current base rate of pay in increments of one 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 employee's then current base rate of pay. Employees may designate that cash outs of Administrative Leave be allocated to the County's 401(k) Plan or Section 457 Deferred Compensation Plan. Upon termination of employment, unused Administrative Leave will be paid at the current base rate of pay.

Effective pay period 1 of 2011, the following provision shall replace the preceding paragraph:

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Effective pay period 1 of each year, an employee in a regular position will be provided with 80 hours of Administrative Leave time for the employee's use. Employees hired after the beginning of pay period 1 shall receive a prorated number of hours. Except as provided below, if any Administrative Leave time is unused at the end of pay period 26 (or 27, when applicable), it shall be forfeited and shall not be converted to cash.

Commencing in calendar year 2011, each employee shall have one opportunity during the employee's employment and prior to retirement or separation, to convert Administrative Leave to cash. In order to exercise the employee's one opportunity to cash out Administrative Leave prior to separation of employment or retirement, an employee may exercise the following options:

Option 1. Future Accruals. An employee must make an irrevocable election during the month of December, specifying that hours are to be sold back from the next calendar year's Administrative Leave accrual. Such election must be made in the increment of 80 hours. All designated hours remaining at the end of the pay period 25 will automatically be converted into cash in the last period of the calendar year.

Option 2. Existing Accruals. An existing accrual balance (up to 80 hours) may be cashed out at one time, and will be subject to a ten percent penalty.

Submission of an irrevocable election to cash out future accruals or a request to cash out existing accruals with penalty shall constitute an employee's one opportunity to cash out administrative leave, regardless of the actual number of hours that are converted to cash.

Employees may designate that cash outs of Administrative Leave as permitted herein be allocated to the County's 401(k) Plan or Section 457 Deferred Compensation Plan.

E. Perfect Attendance Leave (*Added June 16, 2011*)

Employees in regular, full-time positions in SB LAFCO Groups B and C who do not utilize any sick leave in a calendar year (i.e., pay period 1 through pay period 26 or 27), and who do not record any sick leave without pay or absent without pay 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.

F. Examination Leave (*Amended June 16, 2011*)

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.

G. Blood Donations (*Amended June 16, 2011*)

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.

H. Leave Accruals while on Disability Leave (*Added June 16, 2011*)

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.

I. 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.

J. 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.

K. 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.

L. 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.

M. Compulsory Leave (*Added June 16, 2011*)

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.

N. 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.

O. 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.

305: MILITARY LEAVE*(Amended June 16, 2011)*

As provided in the California Military and Veterans Code Section 395 *et seq.*, and any amendment thereto, and the federal Uniformed Services Employment and Reemployment Rights Act of 1994, a SB LAFCO employee, regular or extra-help, may be entitled to the following rights concerning 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

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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 3 and 4. 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 day military leave compensation 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 up to 150 calendar days of active military service in addition to the 30 days provided for in this section. During this 150-day period, SB LAFCO will continue to provide the employee the benefit plan as was provided prior to such active duty. 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.

After June 30, 2002, no compensation shall be paid beyond the 30-day leave period, unless such compensation is expressly approved by SB LAFCO.

- 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.

306: WORKER'S COMPENSATION LEAVE

Scope: SB LAFCO employees are eligible for medical leave of absence related to a work-related injury, in accordance with applicable laws.

Policy:

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.

307: FAMILY AND MEDICAL LEAVE

Scope: The intent of this policy is to outline and explain some of the rules and requirements applying to Family/Medical Leave Act (FMLA) and the California Family Rights Act (CFRA).

Policy:

A. Eligibility (*Amended June 16, 2011*)

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 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:

- * The birth of a child
- * The placement of a child for adoption or foster care
- * Caring for veterans undergoing medical treatment, recuperation, or therapy for a serious injury or illness that occurred in the past five years.
- * The need to care for a parent, spouse, or child with a serious health condition
- * 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.

308: PREGNANCY DISABILITY LEAVE

Scope: The intent of this policy is to provide unpaid leave for pregnancy disability.

Policy:

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 IV: SECURITY, SAFETY AND EQUIPMENT

* Computer and E-Mail Usage	401
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401: COMPUTER and E-MAIL USAGE

(Amended June 16, 2011)

Scope: The intent of this policy is to assist in the understanding of the usage of E-mail, the Internet, computer files and software.

Policy:

- A. General** - Computers, computer files, the e-mail system, and software furnished to employees are SB LAFCO property intended for business use. Employees are not entitled to privacy in regard to computer files or e-mail messages. Employees should not use a password, access a file, or retrieve any stored communication without authorization. SB LAFCO may audit and/or access computer files and e-mail messages as needed. SB LAFCO owned computers, with the exception of laptops designated for remote use, shall not be removed from the premises.
- B. E-mail** - SB LAFCO utilizes the existing e-mail systems of the County of San Bernardino. The County of San Bernardino e-mail systems are valuable resources for communication of information that is necessary to conduct SB LAFCO business. Employees and other authorized users are encouraged to make use of this tool to carry out their responsibilities and duties in a professional and courteous manner, which is in the best interest of SB LAFCO.

Limited, occasional or incidental use of the e-mail systems for personal purposes may be acceptable, if done in a professional and appropriate manner, not used on SB LAFCO work time, not violating prohibited activities contained in this policy and not interfering with the conduct of SB LAFCO business or the performance of the employee's duties. All messages will be treated as business messages, therefore, employees should not use the email system for messages they wish to keep private.

In order to ensure the proper use of SB LAFCO resources, SB LAFCO reserves the right without advance notice to users of the e-mail systems to monitor, access, copy or delete any messages stored on any of its e-mail systems. **NO USER OF ANY COUNTY E-MAIL SYSTEM SHOULD HAVE AN EXPECTATION OF PRIVACY IN ITS USE.**

Employees are expected to respect the privacy of messages sent to others using the County's e-mail systems. Therefore, no employee, except those authorized to do so, shall access, view, retrieve, listen to, record, tamper with, copy, change, print or delete

another employee's information or communications without that employee's permission.

Some of the messages sent, received, or stored on the SB LAFCO e-mail system will constitute confidential, privileged communications between SB LAFCO and its inside or outside attorneys. Upon receipt of a message either from or to counsel, do not forward its contents to others without counsel's authorization.

SB LAFCO e-mail shall not be used to announce, advertise, or otherwise promulgate any event, cause, organization, or activity that is not an official SB LAFCO function or program. Any use of the e-mail system to promulgate a legitimate event must be approved by the SB LAFCO Executive Officer.

C. Prohibited Email Activities - It shall be a violation of this policy to use e-mail to violate any existing law, regulation, SB LAFCO policy, department or personnel rule. Other prohibited uses of the County's e-mail systems include, but are not limited to:

1. Activity that could subject SB LAFCO to civil or criminal liability.
2. Representing oneself as a spokesperson and/or making commitments on behalf of SB LAFCO without authorization.
3. Usage intended for personal or commercial financial gain (e.g., advertising), or participating in any gambling, gaming or wagering activities.
4. Any use of e-mail for the purpose of distributing materials, promoting causes or beliefs, or soliciting membership in, support for or donations to any organization, group or entity including, but not limited to, those of a commercial, political, charitable or ideological nature unless officially sanctioned by SB LAFCO.
5. Utilization of e-mail to distribute offensive, abusive, threatening, pornographic, and sexually explicit or hate messages or images.
6. Use of e-mail to commit illegal, fraudulent or malicious activities.
7. Originating or intentionally propagating computer viruses and/or chain letters or petitions.

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8. Disclosing confidential and/ or personal information without appropriate authorization or sharing SB LAFCO e-mail accounts or passwords to access those accounts with others.
9. Personal usage that results in any charges or other costs to SB LAFCO.
10. Subscribing to external mailing lists, notification services, or other e-mail services that are not reasonable related to the performance of assigned job duties.
11. Using animation, specialized graphics or colored backgrounds in e-mails.

D. Software - SB LAFCO purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, SB LAFCO does not have the right to reproduce such software for use on more than one computer. No software owned by an employee shall be installed on a SB LAFCO owned computer without permission from the licensing authority.

Employees may only use software on local area networks or on multiple machines according to the software license agreement. SB LAFCO prohibits the illegal duplication of software and its related documentation.

E. Responsibilities - The SB LAFCO Executive Officer is responsible for ensuring that all policy requirements are fulfilled. County ISD will not respond to requests for e-mail access without written approval from the SB LAFCO Executive Officer or LAFCO Legal Counsel. Employees should notify their appointing authority or the Executive Officer upon learning of violations of this policy.

F. Discipline - Violations of this policy may be considered as a basis for disciplinary action, up to and including termination.

402: SAFETY

Scope: The intent of this policy is to outline safety expectations.

Policy: 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.

403: DESK INSPECTION POLICY

Scope: The intent of this policy is to assist in the understanding of the usage of desks, lockers, cabinets and shelves.

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. 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.

BENEFIT PLAN

(ADOPTED JUNE 16, 2011)

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Adopted September 15, 2004

Amended:

August 17, 2005

May 16, 2007

July 18, 2007

August 20, 2008

June 16, 2011

SECTION 1: INTRODUCTION

A. EMPLOYEE ACKNOWLEDGEMENT *(Added June 16, 2011)*

Consistent with applicable laws, the following sections represent the Benefits Plan established by the San Bernardino Local Agency Formation Commission (hereinafter "SB LAFCO"). These policies and guidelines 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 Benefits Plan by signing the form titled "Employee Receipt of San Bernardino LAFCO Benefits Plan" with placement of the signed form in the employee's personnel file.

B. 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.

C. BENEFIT PLAN GROUPS

For the purpose of this Benefits Plan, employees shall be divided into the following groups: *(Added June 16, 2011)*

1. Group A. Executive Officer
2. Group B. All SB LAFCO Employees not in Groups A or C
3. Group C. Deputy Clerk to the Commission
(hired after July 7, 2007)

SECTION 2: BENEFIT PLAN ELECTIONS

A. Benefit Plan Contributions

Employees in a regular position scheduled for a minimum of 40 hours per pay period are eligible to receive the benefits of this section in the amounts described in the section below. Employees must be paid for at least one-half plus one hour of their scheduled hours in order to receive the benefits of the section.

B. 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 health insurance, dental insurance, voluntary life (to the IRS specified limit) and accidental death and dismemberment insurance premiums currently maintained for Exempt employees. The amount of the pre-tax salary reduction or after-tax payroll deduction must be equal to the required insurance premium.

Benefit Plan 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 in a regular position and be regularly scheduled to work at least 40 hours in a pay period or be on an approved leave pursuant to the Family Medical Leave Act.

Election of pre-tax and after-tax payroll deductions shall be made within 30 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 with the County's Plan Document. Examples of mid-year qualifying events include: marriage, divorce, birth, adoption, death, overage dependent loss of student status, the employee or employee's spouse's reduction in work hours, loss of spouse's employment, gain or loss of spouse's insurance, relocation outside an HMO network service area, entitlement to Medicare for the employee or employee's dependent, significant increase in County insurance cost during the plan year, loss of Medi-Cal or Medicaid coverage and spouse's or dependent's open enrollment. The employee must submit request for a change due to a mid-year qualifying event within thirty (30) days of the qualifying event.

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The San Bernardino County Human Resources Benefits Department and Services Division Chief or designee will authorize changes, as long as the change is made on account of or consistent with an employee's change in status.

C. MEDICAL AND DENTAL SUBSIDIES (*Amended August 17, 2005; August 20, 2008; June 16, 2011*)

The County of San Bernardino will establish a Medical Premium Subsidy (MPS) in an amount that, when combined with the Benefit Plan contributions, would offset the cost of health plan premiums charged to eligible employees. The MPS shall be applied first to health insurance premiums and then to dental plan premiums. The applicable MPS amount shall be paid directly to the provider of the County-sponsored health plan in which the eligible employee has enrolled. The MPS shall not be considered compensation earnable for purposes of calculating benefits or contributions for the San Bernardino County Employees Retirement Association. In no case, shall the MPS exceed the total cost of the health and dental insurance premium for the coverage selected.

Effective July 17, 2010, an MPS will be established in the following amounts:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	0	0
Employee +1	\$61.12	\$122.23
Employee +2	\$126.32	\$252.64

Effective June 18, 2011, an MPS will be established in the following amounts:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$115.00	\$230.00
Employee +1	\$176.12	\$352.23
Employee +2	\$241.32	\$482.64

Effective July 7, 2007, a dental Premium Subsidy (DPS) will be established for all employees whose premium costs for health and dental exceeds the Medical Premium Subsidy in an amount up to nine dollars forty-six cents (\$9.46), but not to exceed the combined total of the employee's out-of-pocket expenses.

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SECTION 3: HEALTH AND DENTAL INSURANCE

A. **BENEFIT PLAN** (Amended June 16, 2011)

SB LAFCO Employees in a regular position scheduled for a minimum of forty (40) hours per pay period are eligible to receive the benefits of this section in the amounts described in the section below. Employees must be paid for at least one-half plus one hour of their scheduled hours in order to receive the benefits of the section. For instance, an employee scheduled to work eighty (80) hours per pay period must be paid at least forty-one (41) hours to be eligible for the benefits of this section.

Except as provided in the Health and Dental Insurance section, the bi-weekly amount of the SB LAFCO provided Benefit Plan will be as follows:

Effective Date	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
June 25, 2005	\$115.00	\$230.00

Under no circumstances will the monetary value of the Benefit Plan be prorated.

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 section for up to six pay periods per episode of illness or injury. Employees who are on an approved Workers' Compensation claim shall receive the benefits of this section for up to 20 pay periods while off work due to that work injury. Employees who are integrating paid leave time with Short-Term Disability (STD) insurance provided by SB LAFCO shall receive the benefits of this section under the following circumstances: upon election of full integration of disability payments and paid leave time, employees who are paid less than one-half plus one of their scheduled hours but have available leave balances of one-half plus one of their scheduled hours or more shall receive the benefits of this section.

Employees who are on an approved leave of absence without pay under the Family Medical Leave Act of 1993 will continue to receive the Benefit Plan dollars and Medical Premium Subsidy, if any, for up to six pay periods. Employees who are on a leave of absence without pay shall not be eligible to receive the monetary benefits of this section unless on a medical leave or a Family Medical Leave Act eligible leave.

Effective June 18, 2011, the Benefit Plan amounts specified above shall be reduced to zero, and an equivalent amount shall be added to the Medical Premium Subsidy provided pursuant to Section 2C.

B. HEALTH AND DENTAL INSURANCE (*Amended August 17, 2005; June 16, 2011*)

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 health and dental plan offered by SB LAFCO through the County. Employees who fail to elect health and dental plan coverage will be automatically enrolled in the health and dental plan with the lowest biweekly minimum premium rates available in the geographical location of the employee's primary residence.

To be eligible for SB LAFCO health and dental plan coverage, a SB LAFCO employee must be in a regular position scheduled for a minimum of 40 hours and have received pay for at least one half plus one hour of scheduled hours or be on approved leave pursuant to the Family Medical Leave Act. Employees on an approved Worker's Compensation claim shall receive Benefit Plan contributions for up to 20 pay periods while off work due to that injury. However, after the sixth pay period off work, the employee is no longer eligible for health and dental plan coverage. The employee will then have the option of enrolling in 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 health and dental insurance. Thereafter, newly eligible dependents may be enrolled within thirty (30) days of obtaining dependent status, such as birth, adoption or marriage.

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 thirty one (31) 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 gain of coverage on spouse's or domestic partner's employer-provided insurance, 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.

Employees eligible for health and or dental plan coverage who are also enrolled in comparable group health or dental plan sponsored by another employer may

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elect to discontinue enrollment in the County-sponsored health 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 health plan coverage will be provided bi-weekly Benefit Plan amounts as follows:

- i. 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 Benefit Plan:

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

- ii. 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 Benefit Plan:

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

- iii. New employees or current employees who opt-out or waive County-sponsored health plan coverage will receive the following bi-weekly Benefit Plan:

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

The rules and procedures for electing to Opt-Out or Waive the County-sponsored health 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 of the SB LAFCO health and/or dental plan(s) within 31 calendar days of becoming eligible for another employer-sponsored group plan. Proof of initial gain of other group coverage is required at the time that opt-out is elected.

Employees may elect to Opt-Out of the SB LAFCO health and/or dental plan(s) during an annual open enrollment period. All employees who are newly opting-out during an open enrollment period must provide verification of other group coverage.

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

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Employees who voluntarily or involuntarily lose other group health plan coverage must enroll in a County-sponsored health plan within 31 calendar days. Enrollment in the County-sponsored plan will be provided in accordance with the requirements of the applicable plan. If the employee elects not to enroll eligible dependents, the dependents may only be added at a subsequent annual open enrollment period.

There must be no break in the employee's health plan coverage between the termination date of the other employer group coverage and enrollment in a County health 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 31 calendar days will require the employee to pay insurance premiums retroactively on an after-tax basis.

An eligible employee whose spouse or domestic partner is also an eligible County employee may elect coverage as a dependent on his or her spouse's or domestic partner's, or, if the employee is age 18 or younger, on parent's County health and/or dental insurance plan in lieu of individual employee coverage. This is called a "waiver" to County spouse's, domestic partner's, or parent's County insurance coverage. Such election must be made within 31 calendar days of the employee's, County parent's or the County spouse's eligibility for County health and dental insurance. During the Plan Year, an employee is responsible for notifying the County within 31 days of ineligibility for the waiver; for example, the dependent child turns 19 or the spouse leaves County employment. Changes will become effective on the first day of the pay period following the receipt and approval of all appropriate documentation. Loss of the spouse's or parent's County plan coverage will require the employee to immediately enroll in the County's health and dental plans. Waivers may be changed during any subsequent annual health and dental open enrollment period.

SECTION 4: LIFE INSURANCE**A. TERM LIFE INSURANCE.** *(Amended June 16, 2011).*

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 period following the employee's first pay period in which the employee is paid for one half plus one of their scheduled hours. For example, an employee scheduled for 80 hours must be paid for a minimum of 41 hours.

In accordance with procedures established by the SB County Human Resources Employee Benefits Department and Services Division Chief, eligible employees may purchase, through payroll deductions, term life insurance in \$10,000 increment amounts to a maximum benefit of \$700,000.

B. VARIABLE UNIVERSAL LIFE INSURANCE. *(Amended May 16, 2007; June 16, 2011).*

Eligible SB LAFCO employees may purchase, through payroll deductions, variable universal life insurance in amounts equivalent to no more than three (3) times the employee's annual base earnings. Employees who purchase variable universal life insurance shall be provided a SB LAFCO contribution towards the bi-weekly premium based on the following table:

Benefit Group A

(Executive Officer) = 50% of the premium of the one-time annual base salary or 100 of the premium equal to 50 percent of the one time annual base salary.

Benefit Groups B and C

(All other SB LAFCO employees) = 25% of the premium of the one-time annual base salary.

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- C. ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE.** Eligible employees may purchase amounts of Accidental Death and Dismemberment Insurance coverage for themselves and dependents through payroll deduction.
- D. PSYCHOLOGICAL SERVICES.** Subject to carrier requirements, SB LAFCO will pay the premium for a prepaid psychological services program for employees and their eligible dependents.
- 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 or such insurance shall be those approved by the County's Director of Human Resources.
- F. SHORT-TERM DISABILITY INSURANCE.** *(Amended June 16, 2011).*

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 position who are regularly scheduled to work 41 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 employees. Effective August 1, 2009, SB LAFCO will provide employees with short-term disability insurance subject to carrier requirements and approval. Effective January 30, 2010, the maximum weekly benefit is \$1,408. Each year thereafter, the weekly maximum benefit shall be adjusted at such times as the State of California for the State Disability Insurance fund adjusts. 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 after 180 days.

- G. VISION CARE INSURANCE** *(Added June 16, 2011)*

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

H. GENERAL PROVISIONS

All persons eligible for the foregoing programs of insurance will be covered for the insurance on the date the insurance becomes effective, or in the case of any employee absent because of illness on the date the insurance becomes effective, the insurance will commence on the date of return to work.

SECTION 5: FLEXIBLE SPENDING ACCOUNT

(Amended August 17, 2005; May 16, 2007; June 16, 2011)

The County has established a Health Expense Flexible Spending Account (FSA) for employees in regular positions who are regularly scheduled to work 41 hours or more a pay period. The Health Expense FSA is established in accordance with the provisions of Section 125 of the Internal Revenue Code (IRC). The Human Resources Employee Benefits Department and Services Division Chief, or designee, will serve as the Plan's Administrator. The Health Expense FSA Plan Year will coincide with the County's Benefit Plan Year. SB LAFCO contracts with SB County to provide this benefit to its employees.

Employees who choose to participate in the Health Expense FSA must complete and submit enrollment forms in accordance with procedures developed by the Plan's Administrator. Effective July 23, 2005, eligible employees may contribute, on a pre-tax basis, a minimum of ten dollars (\$10.00) and a maximum of one hundred dollars (\$100.00) per bi-weekly pay period to a flexible spending account. SB LAFCO will contribute twenty dollars (\$20.00) per bi-weekly pay period, matching employee contributions dollar for dollar, up to twenty dollars (\$20.00) each bi-weekly pay period. Effective for the plan year commencing July 7, 2007, SB LAFCO will contribute up to forty dollars (\$40.00) per bi-weekly pay period, matching employee contributions dollar for dollar, up to forty dollars (\$40.00) each bi-weekly pay period.

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 (until on or about June 30) unless they incur an eligible family status change as defined in Section 125 of the IRC. Section 125 also requires that any amounts remaining in an employee's account at the end of the plan year must be forfeited. The County will use any forfeited amounts to help defray the Plan's administrative expenses.

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

SECTION 6: DEPENDENT CARE ASSISTANCE

(Amended August 20, 2008; June 16, 2011)

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. DCAP exclusions from gross income do not affect compensation for retirement purposes.

SB LAFCO participates in the DCAP that is administered by the County's Human Resources Department, Division Chief, Employee Benefits and Services consistent with said IRC Sections, and consistent with the Plan Document for DCAP as approved by the County Board of Supervisors from time to time.

To be eligible for this benefit, an employee must be in a regular position and be scheduled and paid for a minimum of forty (40) hours per pay period and be paid for a minimum of one half plus one of the scheduled hours, or be on an approved leave designated as Family Medical Leave, or be on an approved Military Leave.

Enrollment in the Plan is limited to the annual open enrollment period or within thirty (30) calendar days of entry into an eligible position. Failure to submit participation agreement within the time frame shall result in an election to not participate in the Plan.

Enrollment is required every Plan Year. An employee must elect to contribute to DCAP through salary reduction on forms approved by the County Human Resources Division Chief, Employee Benefits & Services. 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. Examples of mid-year "Change in Status" events include: marriage, divorce, birth, adoption, death, overage dependent, loss of student status, the employee's or employee's spouse's reduction in work hours, loss of spouse's employment, significant increase or decrease in the cost of child care, and spouse's or dependent's enrollment in a similar plan. The employee must submit a request for a change due to a mid-year Change in Status event within 30 days of the qualifying event. The County Benefits Chief, Benefits and Services Division, or his/her designee, will authorize changes provided the change is made on account of and is consistent with an employee's Change in Status Event.

Pursuant to IRC §125, any amounts remaining in the employee's account at the end of a Plan year must be forfeited. The County will use any forfeited amounts to help defray the Plan's administrative expenses.

SECTION 7: SALARY SAVINGS PLANS**A. 401K PLAN** (*Amended August 17, 2005; May 16, 2007; August 20, 2008; June 16, 2011*)

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 three 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 six percent of an employee's biweekly base salary.

B. 457 DEFERRED COMPENSATION PLAN (*Amended June 16, 2011*)

- i. 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.
- ii. 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.

SECTION 8: RETIREMENT

A. SB LAFCO CONTRIBUTIONS (*Amended August 17, 2005; May 16, 2007; June 16, 2011*)

Except as otherwise provided, for all employees SB LAFCO will pick up a portion of the employee's required contribution to the San Bernardino County Employees' Retirement Association (SBCERA) in the amount of seven percent (7%) of the employee's earnable compensation as defined in the SBCERA bylaws. Effective June 18, 2011, the SB LAFCO seven percent (7%) pick up of a portion of the employee's required contribution to SBCERA shall be discontinued, and the supplemental amounts provided in the paragraph below shall be the only employee contribution pick up.

Employees shall receive the following supplemental amounts biweekly to be applied under this section: Group A employee, \$236.41 per bi-weekly pay period; Group B employees, \$152.17 per bi-weekly pay period; Group C employees, \$94.67 per bi-weekly pay period.

The employee must choose to have the contributions designated as all employer or all employee contributions for retirement purposes. If the employee designates the pick up as employer contributions, then for each dollar applied, the employee's retirement obligation shall be satisfied in the amount of the actuarial value of that dollar to the Retirement Association as determined by the Board of Retirement; and the employee may not withdraw this contribution from the Retirement Association.

If the employee designates the pick up as employee contributions, then for each dollar applied, the employee's retirement obligation shall be satisfied in the amount of one dollar, and upon separation without retirement, an employee may withdraw this contribution from the Retirement Association. Upon retirement or separation, all contributions applied under this Section will be considered for tax purposes as employer-paid contributions.

If the employee does not file a designation, the contribution shall be made as employee contributions. Employees receiving Retirement System contributions under the Benefit Plan in effect prior to the effective date of this provision shall continue to have contributions under this provision applied (as employer or employee contributions for retirement purposes) in the same manner as previously applied for the employee until the employee makes a revised designation.

Any dollars that are remaining after all retirement system obligations are fully satisfied shall be paid to the employee in cash.

B. REMAINING EMPLOYEE CONTRIBUTIONS

Any employee retirement system contribution obligations that are not paid by the application of the SB LAFCO Contributions provision above shall be “picked up” for tax purposes only pursuant to this section. The Auditor/Controller-Recorder shall implement the pickup of such retirement system contribution under Internal Revenue Code Section 414(H) (2) effective with the earnings paid and contributions made on and after the effective date of August 12, 1989.

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 County's Retirement System 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 the County Retirement System.

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 *(Amended June 16, 2011)*

Employees who have 30 years of service credit and no longer make retirement contributions under the provisions of the County Employees' Retirement Law of 1937 shall be paid in cash seven percent (7%) of earnable compensation as defined by the bylaws of the Retirement Board as well as the monthly dollar amount allocation to their group under the SB LAFCO Contributions provision above. This paragraph shall be effective through June 17, 2011.

Except as provided below, effective June 18, 2011, 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

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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 pay six percent (6%) of the employee's bi-weekly salary to the Plan, and the employee shall contribute a minimum of three percent (3%) of bi-weekly salary to the Plan, not to exceed the annual limits of the Plan as defined in the Internal Revenue Code. As these employees are not participating in the Retirement Association, they shall not be eligible for the SB LAFCO pickup of seven percent (7%) of earnable compensation. Exception: Those employees hired prior to July 1, 1996, and who have been receiving the seven percent (7%) pickup shall continue to receive the pickup as long as they remain an eligible employee. Eligible employees who waive participation in the County's Retirement System shall be eligible to receive the bi-weekly amounts applied under SB LAFCO Contributions above for their group of employees.

County Exempt Group Benefit Reductions

As stated in Section 1B, San Bernardino LAFCO employees mirror the benefits to those provided to County "Exempt" employees. As of April 19, 2011, the following changes have been approved for County Exempt employees:

1) Reduction of step increase increments from approximately five percent (5%) to approximately two and one-half percent (2.5%) for all current and newly hired employees; 2) Elimination of the seven percent (7%) pick-up of the employee's share of retirement system contributions (not including supplemental contribution amounts contributed on behalf of employees); and 3) Conversion of Benefit Plan payments to Medical Premium Subsidy payments and establishing fixed dollar caps at current levels for all Medical Premium Subsidy payments.

The above three changes are to be effective June 18, 2011, unless the County does not implement the above changes for its Exempt employees.

D. SURVIVOR BENEFITS

Survivor Benefits are payable to employed general retirement members with at least 18 months continuous retirement membership pursuant to Government Code Section 31855.12. of the County Employees Retirement Law of 1937. 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 *(Amended July 18, 2007; Amended August 20, 2008)*

A Retirement Medical Trust Fund has been established for SB LAFCO employees with ten (10) or more years of participation in the San Bernardino County

Employees' Retirement Association (SBCERA):. Effective June 23, 2007, 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 shall count as years of participation for determining eligibility in the Retirement Medical Trust. Participation in other public sector retirement systems may also 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.

The Trust is administered by a Board of Trustees, who manages resources of the Trust and determines applicable administrative fees for managing the Trust Fund. The Trustees ensure that payments of qualified medical expenses incurred by retirees or their eligible dependents will be appropriately reimbursed. The Trust will establish individual accounts for each participant's individual account. All of the contributions to the Trust Fund will be treated for tax purposes as employer, non-elective contributions resulting in tax-free contributions for SB LAFCO. All of the distributions from the Trust Fund made to retirees or their eligible dependents for the reimbursement of qualified medical expenses as defined by the Internal Revenue Codes (including medical insurance payments) will also be non-taxable to the retiree's eligible dependent(s).

Effective June 23, 2007, SB LAFCO will contribute one percent (1%) of an eligible employee's bi-weekly salary to the Trust. Effective August 2, 2008, SB LAFCO will contribute one and three-quarters percent (1.75%) of the biweekly salary of an eligible employee with ten (10) or more years of participation in SBCERA to the Trust, and the SB LAFCO will contribute two and three-quarters percent (2.75%) of the biweekly salary of an eligible employee with sixteen (16) or more years of participation in SBCERA to the Trust. Participation in other public sector retirement systems may also be counted towards the service requirement in the same manner as above.

At separation from SB LAFCO service for reasons other than death or disability retirement, all eligible employees will be required to contribute the cash value of

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their unused sick leave balances to the Trust, at the rate of seventy-five percent (75%) of the cash value of the employee's unused sick leave hours, up to a maximum of fourteen hundred (1,400) hours.

Employees retiring from SB LAFCO with a disability retirement are not eligible to contribute the cash value of their unused sick leave balances to the Trust. Those employees will be compensated for their unused sick leave in accordance with the Sick Leave Conversion section of the SB LAFCO Human Resources Policies and Guidelines.

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.

SECTION 9: HEALTHY LIFESTYLE PROGRAM

(Amended August 17, 2005; August 20, 2008)

SB LAFCO contracts with SB County to provide to its employees the “Healthy Lifestyles” program. Under this program SB LAFCO employees are eligible for annual prepaid memberships with health clubs that participate in the program, or reimbursement for other health club membership up to \$324 per year 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.

SECTION 10:
PORTABLE COMMUNICATION DEVICE ALLOWANCE

(Added April 20, 2005; Amended July 18, 2007)

Effective June 23, 2007, the SB LAFCO Executive Officer shall receive a bi-weekly portable communication device allowance in the amount of ninety-two dollars and thirty-one cents (\$92.31), if the following conditions are met: (1) 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. (2) Any portable communication device to be utilized for sending and receiving e-mail shall be selected from a list as approved by the County Information Services Department, which will be limited to devices utilizing Windows Mobile 5 or greater. (3) The Executive Officer may purchase a device currently in use at a cost to be determined by the County Information Services Department. (4) 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.

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SECTION 11: AUTOMOBILE ALLOWANCE

(Added July 18, 2007; Amended August 20, 2008)

Effective August 2, 2008, the SB LAFCO Executive Officer shall receive a bi-weekly automobile allowance in the amount of five hundred sixty-one dollars and fifty-four cents (\$561.54) with no mileage reimbursement. 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.

SECTION 12:
TUITION REIMBURSEMENT AND MEMBERSHIP DUES

(Added June 16, 2011)

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:

- Maximum SB LAFCO reimbursement is \$1,000 per fiscal year for membership dues and/or all course expenses plus the cost of books.
- 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.
- 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.
- 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%

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- 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%

- Masters and doctoral degree courses completed with a letter grade of “C” or below are not eligible for any reimbursement.

- Reimbursable expenses include tuition, required textbooks, lab fees, library fees, and required registration and parking fees.

- 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.

GUIDELINES FOR EVALUATING PROPOSALS

STATEMENT OF PURPOSE:

Beginning at Section 56000 of the California Government Code, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCO to review and make determinations on all changes of organization and reorganization. Section 56375(g) further requires that LAFCO adopt written procedures for the evaluation of proposals and requires that any policies for this purpose be in writing. Pursuant to this requirement, the following policies, procedures, and standards have been adopted by the San Bernardino LAFCO in order to assist in their evaluation of proposals filed.

These policies are based on existing circumstances unique to the County of San Bernardino and are primarily designed to ensure that local services are provided efficiently and economically and that the provision of the service is sustainable. The following policies have been adopted to direct its staff, communities, agencies, and citizens in the pursuit of jurisdictional change.

POLICIES:

1. **PRIORITIES FOR ANNEXATION AND FORMATION** *(Adopted April 12, 1972; Amended August 27, 1986.)*

The Commission will consider the following priorities or guidelines for annexation and formation with the provision that overriding circumstances must be stated in exceptions:

- a. Annexation to an existing city or district instead of formation of a new agency.
- b. Annexation to a city rather than a district if both can provide comparable services.
- c. Annexation to a multi-purpose district in preference to annexation to a single purpose district.
- d. Formation of a new political entity as the last and least desirable alternative.

2. **PRE-ZONING FOR CITY ANNEXATIONS** *(Adopted June 14, 1978; legislatively amended January 1, 2001).*

Effective January 1, 2001, pre-zoning is mandated by Government Code Section 56375, which specifies that all pre-zoning designations shall remain in effect for at least two years unless the City Council makes specified findings relating to changed conditions and circumstances. No city annexation application will be deemed complete unless the pre-zoning process has been completed. Exceptions to this requirement include the provision of evidence of vested entitlements for development within the study area or demonstration of buildout of the territory.

The adopted procedure for pre-zoning is as follows: Such pre-zoning shall also require that the city become the lead agency for environmental review for the proposed change and shall prepare and submit to LAFCO the environmental assessment forms in sufficient time for LAFCO's environmental consultant to comment before a determination of environmental effects is made.

3. **CONCURRENT CITY-DISTRICT ANNEXATION** (Adopted April 12, 1972; Amended December 12, 1979, May 16, 1980 and April 16, 1997.)

For any annexation within a community served by a variety of community-based local agencies, the Commission shall require concurrent annexation to all of the local agencies serving the community (concurrent city/district annexations).

4. **SUFFICIENCY OF SIGNATURES ON PETITIONS AND NUMBER OF REGISTERED VOTERS** (Adopted November 9, 1977; Amended June 14, 1978 and April 16, 1997.)

The Commission recognizes that the review and approval process for many proposals may be changed, and the number of registered voters affected:

1. For proposals which require petitions to be circulated, after LAFCO approval, the number of registered voters residing in an area on the date of LAFCO approval is the number of registered voters on which the sufficiency of any petition is based.
2. For proposals in which petitions are circulated prior to LAFCO approval and for the determination of inhabited or uninhabited actions, the date of the Notice of Filing issued by LAFCO shall be the determining date for the number of registered voters residing within the affected area.

5. **PLAN FOR SERVICE** (Amended May 17, 1989 and December 20, 2000.)

The plan for service shall be prepared and submitted by each local agency affected by a proposed change of organization, regardless whether that proposal is initiated by resolution or petition. In the case of a proposed annexation, the plan for service must demonstrate that the range and level of services currently available within the study area will, at least, be maintained by the annexing

agency. For those proposals involving a reorganization consisting of annexations to multiple agencies, a plan for service shall also be required for each affected agency.

PROCEDURE AND STANDARDS FOR REVIEW:

1. The Plan for Service submitted shall include a narrative description of all the following information:
 - a. A description of the level and range of each service to be provided to the affected territory.
 - b. An indication of when those services can feasibly be 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 affected 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 of organization, provide a description of the timely availability of water for projected needs within the area based upon the factors identified in Government Code Section 65352.5.
2. The Plan for Service shall be prepared and submitted by the local agency providing the service for all proposed changes of jurisdiction, regardless whether that proposal is initiated by resolution or by petition.
3. The Plan for Service shall be signed and dated by an official representative of the affected city or district(s), certifying the completeness and accuracy of the Plan.

4. The Plan for Service submitted for each proposal shall be attached to the staff report and distributed for review by the Commission, affected agencies, and the public no less than five days prior to the scheduled hearing.
5. In the case of a proposed annexation or reorganization including annexation, the Plan for Service must demonstrate that the range and level of services currently available within the study area will, at least, be maintained by the annexing agency.
6. In the case of a proposed reorganization consisting of annexations to multiple agencies, the Plan for Service shall address each of the items specified above for each affected agency.

6. **EFFECTIVE DATE AS A FUNCTION OF THE CERTIFICATE OF COMPLETION** *(Adopted June 13, 1979.)*

Unless otherwise specified by the Commission, the effective date for all actions shall be the date of issuance of the Certificate of Completion.

7. **REQUESTS FOR RECONSIDERATION** *(Adopted January 24, 1979; Amended April 9, 1980, June 8, 1983, May 18, 1988, August 29, 1990 and legislatively amended January 1, 2001.)*

Requests for reconsideration will be granted only when the petitioner can present some compelling new evidence, or show that significant factors relative to the situation were overlooked or have changed. The request shall be submitted in writing to the Executive Officer within thirty (30) days of the Commission's decision. No request shall be deemed filed unless appropriate filing fees are submitted. In the event multiple requests for reconsideration are filed, the Executive Officer will divide a single reconsideration fee among the various petitioners for reconsideration.

The adopted procedure for reconsideration requests is as follows:

Upon receipt of a legally filed request for reconsideration, the Executive Officer shall place the request on the agenda of the next Commission meeting for which notice can be provided. At the hearing, the Executive Officer will present the staff report and recommendations to the Commission and respond to questions. The Commission will then allow submission of any oral or written testimony on the issue; however, at the Chair's discretion, time limits may be placed on those wishing to provide an oral presentation. At the close of the hearing, the Commission may take one of the following actions:

1. The Commission may approve the request, and adopt a resolution superseding the resolution previously issued;

2. The Commission may deny the request; or
3. The Commission may continue the hearing for a maximum of seventy (70) days.

8. INCORPORATION POLICIES *(Adopted March 30, 1994.)*

In accordance with Government Code Section 56815.2, the Governor's Office of Planning and Research (OPR) issued Incorporation Guidelines that provide a step-by-step approach to understanding the cityhood process set forth in the law of the State of California. The San Bernardino LAFCO has adopted the OPR Incorporated Guidelines by reference and has indicated the incorporation proponents should undertake the cityhood process in the manner identified in the Guidelines (copies of the guidelines are included as Appendix 1).

In addition, the Commission has adopted the following policy statements unique to circumstances in San Bernardino County to assist in the guidance of unincorporated communities in their review of governmental options.

1. Incorporation proposals involving land within an existing city sphere of influence will not be accepted for filing. If a cityhood proposal would conflict with an established city's sphere of influence, the incorporation proponents must first initiate, and the Commission must approve, a sphere of influence amendment to exclude the study area from that sphere prior to circulation of formal incorporation petitions.
2. The Commission defines "financial feasibility" to mean the ability of a new city to maintain pre-incorporation service levels, with sufficient resources to provide a municipal-level law enforcement service consistent with the recommendations of the County Sheriff.
3. In determining feasibility, the Commission will consider only those revenues that are currently available to all general law cities. It will not consider revenues derived through special taxes or assessments, nor will it consider hypothetical revenues available through possible actions of a future city council (e.g., utility users taxes) in the determination of financial feasibility.
4. In determining feasibility, the Commission requires that proposed staff salary costs shall be based on an average of similar-sized cities or those cities which have the most comparable population within San Bernardino and Riverside Counties.
5. In determining compliance with Government Code Section 56720, the Commission finds that a "reasonable reserve" is a contingency fund equal to 10% of the projected general and special funds of the new city.

6. The Commission requires that a new city shall assume jurisdiction over all community-based special districts serving the incorporation area. A clear and compelling rationale must be provided if the continued overlay of a community-based district is proposed.
7. In order to qualify for incorporation, the community in question must contain a minimum of 10,000 people as determined by available census data or other reliable means (e.g., utility connections), and the sales tax revenues attributable to the study area must at least cover the expected administrative and legislative costs of the new city.
9. **INDIVIDUAL NOTICE OF COMMISSION HEARINGS TO LANDOWNERS AND REGISTERED VOTERS** *(Adopted February 19, 1997; Amended February 17, 1999, February 21, 2001{legislatively required}, April 17, 2002, January 17, 2007, and April 21, 2010)*

1. INDIVIDUAL NOTICE

In implementing the provisions of Government Code Section 56157, the Commission determines that LAFCO staff shall provide individual notice to all landowners and registered voters of Commission hearings within the boundaries of a proposal for change of organization, sphere of influence change, or development-related service contract. In addition, the distance requirements for providing notice to landowners and registered voters surrounding the exterior boundaries, as required by Section 56157, will be determined according to the following criteria:

PROPOSAL AREA

Less than 20 acres
20 acres or more

DISTANCE

Four (4) parcels or 700 feet
Four (4) parcels or 1,350 feet

For the periodic sphere of influence review and update program required by Government Code Section 56425, notice will be limited to the manner required by law unless specific sphere changes are identified.

The adopted procedure for Individual Notice is as follows:

- a. The proponents of a proposal or sphere of influence change shall be required to submit a completed "Assessor Parcel Number Listing" form for the area proposed for change.
- b. LAFCO staff shall utilize the parcel information provided by the applicant to prepare landowner information within and surrounding the proposal for change of organization, sphere of influence change or development-related service contract through data included on

the most current Assessment Roll prepared by the County Assessor's office. LAFCO staff shall also utilize the parcel information to coordinate with the Registrar of Voters office to provide information on the registered voters within and surrounding the area proposed for change.

- c. The parameters for preparing the notice for surrounding landowners and registered voters by LAFCO staff shall include the distance requirement, or number of parcels, in a linear direction from all points of the area proposed for change.
- d. The individual notice of Commission proceedings shall be provided for all changes of organization, sphere of influence changes or development-related service contracts. Exceptions to this requirement are noted in Items 2 and 3 below.

2. AUTOMATIC WAIVER OF INDIVIDUAL NOTICE

In implementing Government Code Section 56157, the Commission determines that for a dissolution, merger, or establishment of subsidiary district; formation or consolidation of special districts; activation or divestiture of powers for special districts; consolidation of cities; or incorporation or disincorporation of a city proposal, the individual notice requirement will be waived on the basis that such items routinely exceed 1,000 notices. As required by §56157, an 1/8th page legal ad will be placed in a newspaper of general circulation within the area of consideration.

3. WAIVER OF INDIVIDUAL NOTICE

Pursuant to Government Code Section 56157, in cases where such a change 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 legal ad in a newspaper of general circulation within the area. However, the Commission directs that 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.

The adopted procedure for the publication of 1/8th page legal ad in lieu of individual notice to landowners and registered voters, is as follows:

- a. After consultation with the applicant, if the Executive Officer has identified controversy related to the proposal, no waiver shall be granted.

- b. Where no controversy has been identified by the Executive Officer, the waiver will be tentatively authorized subject to the following:
 - i. The Executive Officer is to provide individual notice to each Commission member identifying the determination of no controversy and the preliminary determination to waive individual notice.
 - ii. If the Executive Officer receives objection from any Commissioner to the tentative determination, no waiver shall be granted.

Regardless of the waiver of individual notice, the requirement for completion of the Assessor Parcel Number Listing form for the proposal area will be maintained.

10. ISLAND ANNEXATION PURSUANT TO GOVERNMENT CODE SECTION 56375.3 (*Policy was repealed and replaced by action of the Commission March 31, 2005; Amended October 18, 2006*)

1. For the purpose of applying the provisions of Government Code Section 56375.3, the territory of an annexation proposal shall be deemed "substantially surrounded" if 52% of its boundary, as set forth in a boundary description accepted by the Executive Officer, is surrounded by (a) the affected City or (b) the affected City and adjacent Cities, or (c) the affected City and a service impediment boundary as defined by the Commission to include, but not be limited to, a freeway, a flood control channel or forest service land.
2. The Commission determines that no territory within an established County Redevelopment Area shall be included within an island annexation proposal, unless written consent has been received from the County Board of Supervisors and County Redevelopment Agency.
3. The Commission directs that a City that proposes an island annexation proposal as such is defined in Government Code Section 56375.3 shall be required to have conducted a public relations/education effort within the affected area prior to the placement of the item on a Commission agenda for consideration. Such outreach/education efforts shall include, but not be limited to, providing information on the grandfathering of existing legal County uses into the City, costs to the resident/taxpayer associated with annexation, and land use determinations. Documentation of these efforts shall be a part of the staff report presented for consideration by the Commission.

11. CONDUCT OF PROTEST HEARINGS (*Adopted December 20, 2000; Amended November 21, 2001*)

The Commission determines that the responsibility for conduct of protest hearings, including notice and evaluation of protest levels, is delegated to the Executive Officer. The Executive Officer shall issue the final resolution certifying the completion of the proceedings based upon the level of protest submitted.

OUT OF AGENCY SERVICE CONTRACTS

BACKGROUND

Beginning January 1, 1994 the Local Agency Formation Commission was charged with the responsibility for reviewing and taking action on a city or district contract to extend service outside its jurisdiction under the provisions of Government Code Section 56133. These are unique actions not directly related to the processing of other types of proposals as defined in the Cortese-Knox-Hertzberg Local Government Reorganization Act.

IMPLEMENTING POLICIES

LAFCO has adopted policy declarations which affect the implementation of its obligations under Government Code Section 56133. They are:

A. **DEFINITIONS:**

The definition of terms that follows has been developed to assist in the implementation of Government Code Section 56133 since its terminology, in some areas, is not reflective of current statutory definitions or has no statutory definition within Cortese-Knox-Hertzberg:

1. "New or extended services" shall mean for Cities, the provision of those services authorized a city under its enabling legislation; and for Special Districts, service shall remain as defined in Government Code Section 56074. It is important to note that a District would be precluded from providing a "new service" unless it has been first authorized that service under existing special district regulations regarding activation of latent functions or services.
2. "Contract or agreement" shall mean a contract, agreement, or other legal instrument, which requires or agrees to the delivery of service to property.
3. "Written approval of the Commission" shall mean for development related contracts, the adoption of a resolution of the Commission approving the service agreement/contract at a noticed public hearing; for non-development related contracts written approval of the Commission shall mean the document signed by the Executive Officer authorizing the completion of the contract.
4. "Affected County" shall be defined in the same manner as Govt. Code Section 56012 but relating to the area to which contractual service will be delivered.

5. "Anticipation of a later change of organization." The inclusion of an area to be served within the sphere of influence of the serving agency may be sufficient to comply with this provision.
6. "Public Agency" shall be defined in compliance with Government Code Section 56070. The statutory definition of Public Agency is "the state or any state agency, board or commission, any city, county, city and county, special district or other political subdivision, or any agency, board or commission of the city, county, city and county, special district, or other political subdivision".

The definition of public agency does not include a private or mutual water company. Any contract by a city or district to extend service to these types of service companies would require approval from the Commission prior to contract execution.

7. "Health and safety emergency concern" shall mean the extension of service to alleviate an immediate health and/or safety problem. Such connections would be limited to the provision of water and/or sewer service to an existing structure, the connection to a failing mutual or private water system requiring auxiliary service, the provision of fire protection and/or paramedic services as supplemental or alternative source for service, and other similar threats related to health and safety.

B. OPERATING POLICIES:

At the May 18, 1994 hearing the Commission adopted policies related to implementation of the provision of Government Code Section 56133. On December 20, 2000, the Commission amended its policies to address unique issues of implementation. Those amendments included: (a) an operating policy that delegates authority to the Executive Officer to approve or conditionally approve health and safety related service agreements/contracts and/or non-development related service extension; and (2) a policy which relates to the acquisition of a private water system by a public jurisdiction. This acquisition would require the city or district to continue the service and allow additional connections to the infrastructure without regard to the question of spheres of influence. In order for cities and districts to utilize this special policy it requires that they provide the Commission with documentation of the certificated service area of the system acquired. This documentation will be maintained on file by LAFCO for future reference.

The following are the adopted LAFCO policies:

OUT-OF-AGENCY SERVICE CONTRACTS OR AGREEMENTS (Adopted May 18, 1994; Amended December 20, 2000.)

1. The Commission has determined that the Executive Officer shall have the authority to approve, or conditionally approve, proposals to extend services outside jurisdictional boundaries in cases where the service extension is proposed to remedy a clear health and safety concern. In addition, the Executive Officer shall have the authority to approve or conditionally approve service extensions where the services in question will not facilitate development (for example, an inter-agency contract for fire protection services). In cases where the Executive Officer recommends denial of a proposed service extension, that proposal shall be placed on the next agenda for which notice can be provided. After the public hearing, the Commission may approve, conditionally approve, or deny the contract.

2. In the case where a city or district has acquired the system of a private or mutual water company prior to the enactment of this legislation, those agencies shall be authorized to continue such service and provide additional connections within the certificated service area of the private or mutual water company defined by the Public Utilities Commission or other appropriate agency, at the time of acquisition without LAFCO review or approval as outlined in Government Code Section 56133. The continuation of service connections under this policy shall not be constrained by the sphere of influence of that local agency at the time.

Proposals to extend service outside this previously defined certificated area would come under the provisions of Govt. Code Section 56133 for the review and approval by the Commission prior to the signing of a contract/agreement for the provision of the service.

C. PROCEDURES

Unlike the normal initiation process for proposals for jurisdictional change, Government Code Section 56133 provides that only a city or district may request LAFCO review of an out-of-agency service agreement/contract.

Government Code Section 56133 gives LAFCO the authority to review and approve, approve with conditions, or deny these agreements/contracts. For all development-related applications for service, the item will be considered by the Commission at a noticed public hearing. The authority for action for non-development-related agreements/contracts has been delegated to the LAFCO Executive Officer by the Commission, pursuant to policies adopted on December 20, 2000.

A. Application for Review:

The filing requirements for review of an out-of-agency service contract/agreement shall consist of:

1. Official Request from Applying Agency. A written request signed by the City Manager/District Manager requesting approval for an out-of-agency service agreement/contract or an adopted resolution from the city/district proposing to serve outside its boundaries must be submitted.
2. Payment of Appropriate Filing Fees. The applying agency must submit as part of the application the appropriate filing fees as outlined in the LAFCO Fee Schedule in effect at the time of application. In addition, these types of applications are also subject to the following deposits: legal counsel, environmental review, and individual notice. Applicants shall be required to reimburse the Commission for all charges and costs in excess of the deposits outlined above or will be refunded the balance at the close of the application.
3. A completed application form including the submission of a copy of the proposed agreement/contract that has been signed by the property owner(s) and, if necessary, the agency extending service(s), and maps showing the location of the property to be served, existing agency boundaries, the location of the existing infrastructure, and the proposed location of the infrastructure to be extended.
4. Any other information deemed appropriate by the Executive Officer in order to review the service extension request based upon its special circumstances.

B. Environmental Review Requirements:

The review of a service agreement/contract request will be subject to the review procedures defined in the California Environmental Quality Act (CEQA) and the San Bernardino LAFCO CEQA Guidelines. LAFCO will act as the Lead Agency under CEQA for its environmental review of any service extension request.

If an environmental assessment/analysis was prepared for the project associated with the service extension request (i.e. the County or agency's environmental analysis for a proposed Tentative Tract, Conditional Use Permit, etc.) and LAFCO Staff was afforded the opportunity to evaluate and comment during the Lead Agency's environmental review process,

then LAFCO can act as a Responsible Agency under CEQA for its environmental review of a service extension request. A complete set of the adopted environmental documents prepared for the project, a copy of the filed Notice of Determination/Notice of Exemption, and a copy of the Department of Fish and Game fee receipt must be submitted as part of the application.

D. REVIEW PROCEDURES

- A. Development-related agreements/contracts associated with the development of tracts, subdivisions, a single-family dwelling unit, a commercial/industrial development on a parcel, or other types of development-related projects will require the following review:
1. The city or district proposing to provide service(s) outside its boundaries shall submit to LAFCO a completed application, with all its component parts as previously defined, for review and consideration. Within 30 days, the LAFCO Executive Officer shall notify the entity whether or not the application filing is complete. If incomplete, the applying agency will be notified of the specific insufficiencies within 30 days, as required by law.
 2. The LAFCO staff shall forward a copy of the application to various County Departments for their review and comment.
 3. The LAFCO staff shall also forward the application for service extension to the Commission's environmental consultant for review. The Commission shall act as the Lead Agency under CEQA and shall prepare the appropriate environmental analysis for the application proposal. If an environmental assessment/analysis has been prepared for a project associated with the service extension request, and LAFCO has been afforded the opportunity to evaluate and comment during the Lead Agency's environmental review process, then the Commission may act as a Responsible Agency under CEQA and shall prepare the appropriate environmental analysis for the application proposal.

Completion of the CEQA review process will be required prior to placement on the Commission's agenda.

4. If necessary, a meeting with the applying agency and/or the various departments may be held dependent upon the circumstances and/or issues related to the service agreement/contract. The determination of whether or not to hold the meeting shall be made by the LAFCO Executive Officer.

5. Once these required elements have been completed, the item will be placed on a Commission Agenda. Surrounding property owners/registered voters will be notified of the proposed service extension request through individual notification. At a noticed public hearing, the Commission will consider the staff's presentation and presentations, if any, by interested and affected parties, and make a determination.
 6. The Commission has the authority to approve, approve with conditions, or deny the request for out-of-agency service extension. The Commission's determination and any required findings will be set out in a resolution which specifies the area to be served, the services to be provided, and the authority of the agency to provide its services outside its boundaries.
- B. Non-development related agreements/contracts (Administrative Review by LAFCO Executive Officer) that are related to providing service to an existing dwelling unit, commercial building, etc. or those contracts between public agencies for such items as fire protection mutual aid, etc. will be processed as follows:
1. Prior to the execution of an agreement/contract for service outside their boundaries, the city/district proposing to provide the service shall submit to LAFCO a completed application, with all its component parts as previously defined, for review and consideration.
 2. Completion of the CEQA review process will be required prior to action by the Executive Officer. If there has been no environmental determination made by the applying agency, LAFCO will be the Lead Agency and will prepare the required environmental analysis. Such a determination will be required prior to authorization of the service extension.
 3. The Executive Officer's administrative review will include the following determinations:
 - a. The proposed service extension is either nondevelopment-related and/or involves health and safety concerns as defined by Commission policy.
 - b. The area to be served is within the sphere of influence of the agency requesting to provide service outside its boundaries.
 - c. The environmental analysis/assessment, as required by CEQA, has been completed.

4. The Executive officer can approve, approve with conditions, or deny the request for service extension. If the Executive Officer's recommendation is denial, that determination will be placed on the next available Commission agenda for which notice can be provided for discussion of the determination.

SERVICE REVIEW POLICIES

SERVICE REVIEW (Adopted May 21, 2003)

Through adoption of AB 2838, the State of California established the requirements for conducting Service Reviews of municipal service providers (Government Code Section 56430) as well as requiring sphere of influence updates for all agencies under LAFCO purview on a reoccurring cycle. In accordance with the requirements outlined in §56430, the Governor's Office of Planning and Research (OPR) in 2003 issued Municipal Service Review Guidelines that provide a step-by-step approach to understanding the service review process as set forth in the laws of the State of California. On May 21, 2003, the San Bernardino LAFCO adopted the OPR Municipal Service Review Guidelines by reference for its use during the conduct of its Service Reviews. In 2007 the legislature amended §56430, reducing the number of factors to be considered and establishing a deadline for consideration. The Guidelines were not updated after these changes; however, the Commission has retained them as a source document for the conduct of service reviews. A copy of the guidelines are included as Appendix 2 of this manual.

1. **SERVICE REVIEW POLICIES** (Adopted February 20, 2002; Amended May 21, 2003)

The Commission determines that service reviews are an important tool in promoting logical, orderly, and efficient service patterns for local agencies. The Commission also recognizes that such reviews, to be meaningful, must be accomplished with the participation and cooperation of affected local agencies. Finally, the Commission recognizes that the applicability of specific factors required for such reviews may substantially vary based on the unique conditions and circumstances found in San Bernardino County.

Approach:

In furtherance of the goals of Government Code Section 56430, the Commission determines to conduct such service reviews on a sub-regional basis, utilizing its community-by-community sphere approach and policies. Within this parameter, the Commission shall provide a function-by-function review (e.g., water functions, fire functions, etc.) of municipal services. The service review shall include the participation of management staff and/or board members responsible for delivering such services.

Responses to Statutory Findings:

The Commission recognizes that Section 56430 requires written responses to specific determinations in the conduct of service reviews. The Commission also recognizes, however, that some or all of the factors listed may not be applicable to specific reviews. Based on discussions, testimony, and appropriate other input from affected agencies and interested parties, the Commission finds that its statutory obligation for written findings will be fulfilled by indicating that, "No substantive issues relative to this factor were identified" when appropriate.

The adopted service review procedures are:

It is the Commission's position that service reviews must be conducted, whenever possible, through a participative and cooperative approach with affected agencies. As the Commission begins to undertake its sphere review/service review responsibilities, the first step shall be to convene a meeting with managers/board members of affected agencies.

Through those discussions, specific service review factors can be identified for further review, and some review factors might be set aside as not requiring further study. Where disagreements among agencies or LAFCO staff might exist as to the applicability of a specific factor, the matter will be brought back to the Commission for a public hearing and decision.

The Commission determines that it shall incorporate its findings related to the service reviews within the staff report prepared for the required sphere of influence update/study. This streamlines the process and provides for a more efficient Commission hearing schedule. The Commission will then incorporate its sphere of influence review/update and service review determinations within one resolution.

2. SERVICE REVIEW REQUIREMENT FOR SPHERE OF INFLUENCE AMENDMENTS (Adopted February 20, 2002; Amended May 21, 2003)

The Commission adopts the following policies relative to sphere of influence amendments:

1. An amendment to a retail water district sphere of influence will require a service review if both the following are met:
 - a. The area is currently outside the sphere of influence of the appropriate wholesale purveyor.

- b. Objection is received from any agency that provides water service and whose Sphere of Influence underlies or is adjacent to the subject territory.
2. Notwithstanding the foregoing, the Commission reserves the discretion to conduct a service review when it deems appropriate based upon unique conditions and circumstances.

SPHERE OF INFLUENCE

SPHERES OF INFLUENCE:

Government Code Section 56425 requires that LAFCO establish spheres of influence for each city and special district under its purview within San Bernardino County. In addition Government Code Section 56425(g) requires that the Commission shall review, as necessary, and update an agency's sphere of influence every five years.

PURPOSE:

Government Code Section 56076 defines a sphere of influence as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission." It is an area within which a city or district may expand, over an undefined period of time, through the annexation process. In simple terms, a sphere of influence is a planning boundary within which a city or district is expected to grow into over time. In those instances where a sphere of influence is drawn less than the jurisdictional boundary of the agency, it is the Commission's position that overtime a reorganization should take place to address a redistribution of service provision.

The purpose of a sphere of influence is to encourage the "logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities." The following enumerated items comprise the statement of purpose adopted by San Bernardino LAFCO for spheres of influence:

1. To promote orderly growth of communities, whether or not services are provided by a city or district (board governed or independently governed);
2. To promote coordination of cooperative planning efforts among the county, cities, special districts, and identifiable communities by encouraging compatibility in their respective general plans;
3. To guide timely changes in jurisdiction by approving annexations, reorganizations, etc., within a sphere of influence only when reasonable and feasible provision of adequate services is assured;
4. To encourage economical use and extension of facilities by assisting governmental agencies in planning the logical and economical extension of governmental facilities and services, thereby avoiding duplication of services;
5. To provide assistance to property owners in relating to the proper agency to comprehensively plan for the use of their property;

6. To review, update, and/or change existing spheres of influence periodically to reflect planned, coordinated changes in factors which impact on spheres of influence; and
7. To encourage the establishment of urban-type services only within an adopted sphere of influence.

The Commission emphasizes that a sphere of influence is a planning tool and the establishment of a sphere of influence, or the inclusion of territory within a sphere of influence of an existing governmental entity, does not automatically mean that the area is being proposed for annexation or development.

1. Establishment of a Sphere:

As outlined under state law, the Commission is designated as the public body responsible for determining spheres of influence for each city and district within its jurisdiction.

As a function of incorporation and as outlined in Government Code Section 56426.5, the Commission must establish a sphere of influence for a newly-incorporated city or a newly formed special district within one year of its effective date. Usually within six months of the agency's effective date, the LAFCO staff notifies the city or district of the requirement pursuant to state law. The sphere proposal may be initiated by the Commission, the city council, special districts board of directors or the County Board of Supervisors, through adoption of a resolution of the governing body.

State law also stipulates that a sphere of influence will not be established or changed without specific review and study independent of any action before the Commission at the time. Public hearings are held to review sphere of influence proposals such as establishment, amendment, or in connection with any proposed annexation, which may or may not involve another agency's sphere of influence.

2. Factors of Consideration:

As part of a sphere of influence review and as outlined in Government Code Section 56425(e), LAFCO is required to review four "factors of consideration" in connection with any sphere of influence proposal. The factors of consideration are as follows:

1. The present and probable land uses within the area, including agricultural and open space lands;
2. The present and probable need for public facilities and services in the

study area;

3. The present capacity of public facilities and the adequacy of public services that the agency provides or is authorized to provide; and
4. The existence of any social or economic communities of interest in the study area, if the Commission determines they are relevant.

In these categories of review, a city or district must show that its planning activities can be beneficial to the area, and that the initiation of those activities is appropriate. None of the above factors by themselves shall be deemed to be a determining factor in the establishment or revision of a sphere of influence for a city, district, or community area, but shall be reviewed as part of the total project.

The factors of consideration noted above are addressed individually within the staff's report for each sphere of influence proposal.

COMMISSION POLICY FOR SPHERES OF INFLUENCE:

The approaches and/or methods listed below are policies adopted by San Bernardino LAFCO. The policies guide the Commission's review in its determination of spheres of influence, periodic reviews and/or updates, and any amendments of those sphere boundaries.

1. Concurrent Sphere Reviews:

The Commission may include additional agencies as part of its review of a sphere of influence proposal. In considering the sphere of influence of a community, the Commission will concurrently evaluate all agencies serving that community, and as a policy guideline, it will need to establish a single, coterminous sphere for all such agencies.

2. Community-by-Community Approach:

The community-by-community approach is a guide used to establish spheres of influence. The idea was adopted by San Bernardino LAFCO prior to the mandate for spheres of influence, and includes the practice of looking at a total area, which could be considered a community, and defining its boundaries. This approach also considers the existence of inter-related economic, environmental, geographic, and social interests, and attempts to harmonize the conflicting plans and services of the various service entities. Under this approach, an attempt is made to keep the spheres of influence of the various service districts as nearly the same as possible.

3. Coterminous Boundaries:

The Commission may establish a sphere of influence which is coterminous with existing city/district boundaries when it is not feasible for the public agency to expand beyond its present boundaries. However, as outlined in state law, a sphere of influence must be established for each city and district, regardless whether the sphere boundary is the same as the city or district boundary.

4. Zero Sphere of Influence:

The Commission may designate a “zero” sphere of influence indicating its position that a change of organization should take place assigning the entity’s service obligations and responsibilities to another agency. Such future action could be either a consolidation or dissolution process.

5. Environmental Review for a Sphere:

A sphere of influence proposal requires review of the environmental aspects of the proposed sphere. The environmental review process is a requirement outlined in the California Environmental Quality Act (CEQA) that applies to the review of sphere of influence proposals. In compliance with CEQA and the State CEQA Guidelines, San Bernardino LAFCO adopted its own Guidelines and Policies Implementing CEQA on June 22, 1990 with a subsequent amendment adopted on January 18, 1995. The Commission’s Guidelines and Policies tailor the general provisions of CEQA to LAFCO’s specific functions as both a “Responsible” and a “Lead” agency. The Guidelines and Policies also provide specific procedures used by San Bernardino LAFCO to implement CEQA.

6. Exclusion of Territory:

Under certain circumstances, a sphere of influence may exclude portions of the existing boundaries of a city or district. The Commission encourages reorganization and special studies in this situation to make final determination of which city or district should serve.

For example, certain portions of the City of San Bernardino are surrounded on three sides by the City of Highland, as there are certain portions of the City of Highland that are surrounded on three sides by the City of San Bernardino. In these situations, a sphere of influence study may be initiated to determine which public agency could better serve the area of review. The sphere of influence study would include a review of the possibility of excluding territory from one jurisdiction and the placement of the same territory in another jurisdiction’s sphere of influence. The purpose of excluding territory would be an attempt to straighten

irregular boundaries, and eliminate confusion arising from multiple jurisdictions.

7. Modification of a Sphere Review Area:

During the review of a sphere of influence proposal, the Commission may modify the area of review by expanding or reducing the area of review. The expansion or reduction of a sphere can be for several reasons, such as to include areas that may be better served by a public agency, or exclude areas that may be better served by another public agency.

8. Periodic Review/Update of a Sphere:

As a function of its duties and responsibilities, LAFCO is required to periodically review and/or update spheres of influence. Government Code Section 56425(e) requires the Commission to review and update, if necessary, all spheres of influence for cities and special districts at least once every five years.

The periodic sphere review does not preclude a public agency (city or district), or an individual from initiating a sphere proposal. The purpose of the periodic sphere review plan is to keep abreast of changes occurring within the public agencies under the jurisdiction of LAFCO.

9. Requirement for a Sphere Review in Relationship to Annexation:

State law precludes the Commission from approving annexation proposals lying outside of current sphere of influence boundaries for the affected city or district. If an annexation proposal lies outside the sphere of influence of a city or district, the annexation proposal must also include a sphere review. The joint sphere and annexation review is to maintain consistency in city or district boundaries and their sphere boundaries, for the extension and provision of services as it relates to proposed annexation sites.

10. Responsibility/Obligation for a Sphere of Influence Area:

When a sphere of influence is assigned, a city or district is required to commence long range land use and service planning activities, thereby enabling it to respond to any annexation requests it might receive from landowners or residents within the sphere. By accepting a sphere of influence, a city or district agrees to plan for the provision of services.

11. Urban Development within a City Sphere:

LAFCO takes the position that any new urban development which occurs within a city sphere of influence should take place as close to the city's

urban area as possible. This position is emphasized for two reasons: First, so that contiguous areas may easily be annexed to the city; and secondly, so that the new urban area can be served by reasonable extension of the city's already developed municipal services.

ENVIRONMENTAL REVIEW GUIDELINES, POLICIES, AND PROCEDURES

INTRODUCTION

On June 20, 1990, the Local Agency Formation Commission for San Bernardino County (LAFCO) adopted, by Resolution #2267, the California Environmental Quality Act's (CEQA) State Guidelines and any amendments, as its environmental guidelines. The following information outlines the specific procedures used by LAFCO to tailor the general provisions of the State Guidelines to LAFCO's specific functions as both a "Responsible" and a "Lead" agency.

These provisions and procedures incorporate by reference (and are to be utilized with) the State Guidelines, a copy of which is on file with the LAFCO Clerk. These procedures will be revised as necessary to conform to amendments to the State Guidelines, within 120 days after the effective date of such amendments. However, LAFCO will implement any such statutory changes as soon as they become effective. On January 18, 1995, the Commission amended, by Resolution #2469, its adopted Environmental Review Guidelines, and Administrative Policies and Procedures. These changes have been incorporated into this document. (A copy of LAFCO Resolution #2469 outlining the specific changes is on file in the LAFCO office.)

LAFCO's goals and mandates to protect the physical and human environment within its jurisdiction also encompass a responsibility to minimize delay and paperwork.

The Commission has hired an environmental consultant under contract to assist in the application of the California Environmental Quality Act. Tom Dodson, of the firm Tom Dodson and Associates, is the Commission's environmental consultant, who reviews proposals that are filed with LAFCO for any environmental effects and provides a written response. Mr. Dodson's recommendation is advisory to the Commission and Executive Officer. The Commission makes the final determination and takes the final action.

LAFCO's Environmental Responsibilities

LAFCO's role as a regulatory agency involves "the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies." A few of its duties require minimal environmental review, especially those involving the commissioning of studies, the hearing of protests, and consolidations, reorganizations and mergers of cities or districts.

Most of these duties only constitute jurisdictional changes with no potential for land use changes or for significant effects on the physical environment.

It's more prominent roles including, but not limited to, creation of spheres of influence, formation of new districts, incorporation of new cities, and annexations to cities or special districts require more in-depth analysis, especially if they result in the direct or indirect facilitation of growth and/or land-use alterations. Factors that must be assessed in these cases involve land area and use, all aspects of the physical and human environment, geographical features, population growth and density, social and economic changes, availability of infrastructure and government services, conformity with city or county land use- plans, creation of unincorporated "islands," etc.

1. **ENVIRONMENTAL PROCESS AND PROCEDURES**

A. LAFCO's Role as an "Interested" Agency

The Executive Officer will review, and, if necessary, comment on all environmental documents submitted by a Lead Agency involving projects/decisions relating to and/or affecting LAFCO projects or policies.

B. LAFCO's Role as a Responsible Agency

"Responsible" Agency status occurs when LAFCO is not the "Lead" Agency, but nevertheless has discretionary approval authority over a project, in tandem with, or separate from that of the Lead Agency.

An example of a lead agency involving LAFCO as a Responsible Agency includes but is not limited to:

A city approving an annexation request to LAFCO, only after pre-zoning the area in question. When a city has pre-zoned an area, the city will be the Lead Agency for any subsequent annexation of the area and should prepare the environmental documents at the time of pre-zoning or other land use approval.

LAFCO shall use the environmental document prepared by the Lead Agency for LAFCO's environmental determinations if the Executive Officer deems it adequate for such use. Procedures for determining adequacy are summarized as follows:

1. Consultation

- a. Each Lead Agency carrying out a project affecting LAFCO's jurisdiction and function shall inform LAFCO in writing of its intent and schedule at the beginning of its CEQA review process, including but not limited to copies of applications.
- b. The Lead Agency shall consult with LAFCO regarding preparation of its environmental documents (Initial Studies, Categorical Exemptions, Statutory Exemptions, Negative Declarations, EIRs, etc.) which must also be used by LAFCO in its role as a Responsible Agency; consultation can be written or verbal and LAFCO's input

shall be incorporated in the Lead Agency's determinations and analysis.

- c. The Executive Officer shall, as soon as practical but within 30 days of such notification, comment as to the appropriate environmental determination from LAFCO's perspective. The requirement for written notification from the Lead Agency can be waived at the Executive Officer's discretion.
 - d. Where LAFCO disagrees with the Lead Agency's proposed environmental determination (such as a Negative Declaration), LAFCO will identify the specific environmental effects which it believes could result from the project and recommend the project be mitigated with "conditions of approval" to reduce the potential impacts to less than "significant" or that an EIR be prepared.
 - e. When it intends to prepare an EIR, the Lead Agency shall send a Notice of Preparation by certified mail to LAFCO to solicit input.
 - f. LAFCO shall respond to this notice in writing within 30 days, specifying the scope and content of the environmental data and analysis germane to LAFCO's statutory responsibilities for the proposed project.
2. Preparation of Environmental Documents by a Lead Agency
- a. The Lead Agency shall include information in the Initial Study/Negative Declaration/EIR to allow its subsequent use by LAFCO for its considerations; referencing on the title page and in the project description any boundary changes or other such actions requiring discretionary action by LAFCO to fully implement the project.
 - b. The Lead Agency shall send the draft document to LAFCO as part of the public review process required by the CEQA and applicable guidelines. The Executive Officer will, within the allotted period, send comments to the Lead Agency in writing, all of which should be incorporated and assessed in the final document. These comments should focus on the appropriateness of a Negative Declaration, adequacy of the EIR, additional alternatives or mitigation measures, etc., but must be

confined to project aspects or environmental effects germane to LAFCO's subsequent discretionary action.

3. Filing with LAFCO

- a. Applications filed by Lead Agencies with LAFCO shall include copies of one of the following environmental documents as specified in LAFCO's filing requirements and all applicable findings per Sections 15091 and 15093 of the State Guidelines.
- Certification of Categorical Exemption;
 - Certification of Statutory Exemption;
 - Notice of Availability of a Proposed Negative Declaration;
 - Final Negative Declaration (including copy of Initial Study);
 - Final Negative Declaration with mitigation measures (including copy of Initial Study and Mitigation Monitoring/Reporting Plan);
 - Notice of Subsequent Use of an Existing EIR (which was previously available to LAFCO);
 - Final EIR; and/or
 - Statements of Findings/Overriding Considerations, and Mitigation Monitoring Plan; and
 - Notice of Determination and Certificate of Fee Exemption (De Minimis Impact Finding).
- b. The Executive Officer may deem an application incomplete, unless accompanied by the required CEQA documents. The Executive Officer shall review these documents to assure their adequacy for use by LAFCO for its determination as the Responsible Agency.

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4. LAFCO's Use of Lead Agency's Environmental Documents
- a. In making its determinations on jurisdictional change and/or sphere of influence proposals, LAFCO will use the environmental document prepared by the Lead Agency if the procedures outlined above have been followed.
 - b. Prior to project approval, the Commission will certify that it has reviewed and considered the information contained in the Lead Agency's document. LAFCO may request the Lead Agency furnish additional information or findings as required to support a legally adequate environmental determination.
 - c. When a Lead Agency's EIR identifies significant environmental effects, LAFCO will incorporate the Lead Agency's findings or formulate its own, for each significant effect, per Section 15091.
 - d. LAFCO may take any of the following actions to conform to CEQA requirements when rendering a decision on an application:
 - LAFCO shall not approve a proposed project with significant impacts if it can adopt feasible alternatives or mitigation measures within its powers that would substantially lessen the magnitude of such effects, unless it adopts a Statement of Overriding Considerations;
 - If LAFCO mitigates impacts listed in the EIR to a level below the "significant threshold" via the adoption of boundary alternatives or conditions of approval (negotiated with the local agency), such findings shall be reinforced by adequate rationale and inserted in the record; or
 - If the LAFCO decision does not include mitigation of significant impacts listed in the EIR below the "threshold of significance," LAFCO shall adopt the Lead Agency's Statement of Overriding Considerations or formulate its own, per Section 15093.
 - e. Upon project approval, LAFCO shall file a Notice of Determination in a like manner as a Lead Agency. The Notice of Determination shall be filed with the County Clerk of the Board of Supervisors.

2. **LAFCO'S ROLE AS A LEAD AGENCY**

A. General Information

LAFCO will be the Lead Agency responsible for performing CEQA mandated environmental review when its discretion for approval or denying a project involves general governmental powers. This is in contrast with a Responsible Agency role which only has single, limited powers over the project, normally subsequent and secondary to LAFCO's function.

Examples of projects requiring LAFCO to act as a Lead Agency include but are not limited to the following:

- Formation and boundary changes of cities and special districts: (Annexations, detachments, incorporations, disincorporations, dissolutions, and reorganizations).
- Establishment of spheres of influence for cities and special districts.
- Studies of local government agencies.

Where another public agency is initially the appropriate Lead Agency for a project requiring subsequent LAFCO approval, LAFCO will assume the role of Lead Agency in those instances where:

1. The Lead Agency failed to prepare an environmental document and the statute of limitations to a challenge of the action of the Lead Agency has expired.
2. An inadequate environmental document was prepared without consultation with San Bernardino LAFCO per State Guideline procedures and the statute of limitations for a challenge has expired.
3. A subsequent EIR is required pursuant to Section 15153 of the State Guidelines and the original Lead Agency chooses not to prepare a subsequent EIR.

LAFCO shall assume Lead Agency responsibility under situations (1) and (2) only when it has been unsuccessful in effecting necessary changes in environmental documentation by the Lead Agency through the normal administrative process.

B. Delegation of Responsibilities by the Commission to the Executive Officer

The following quotations from Section 15025 of the State Guidelines indicate those functions that can and cannot be delegated to the Executive Officer by the Commission:

A public agency (the Commission) MAY assign specific functions to its staff (Executive Officer) to assist in administering CEQA. Functions which may be delegated include but are not limited to:

1. Determining whether a project is exempt.
2. Conducting an Initial Study and deciding whether to prepare a draft EIR or Negative Declaration (refer to Section IV, F. 2. of these guidelines for a discussion of the appeal process when an EIR is required.)
3. Preparing a Negative Declaration or EIR.
4. Determining that a Negative Declaration has been completed within a period of 105 days (see Section 21100.2 of CEQA).
5. Preparing responses to comments on environmental documents.
6. Filing notices.

The decision-making body of a public agency (the Commission) shall NOT delegate the following functions:

7. Review and consideration of a final EIR or approval of a Negative Declaration prior to making a decision on a project before the Commission.
8. The making of findings as required by Sections 15091 and 15093.

3. LAFCO'S LEAD AGENCY PROCEDURES

The following process and procedures, specific to LAFCO's function, summarize or supplement the State CEQA Guidelines and are to be used to process all accepted applications:

A. Application Acceptance (Section 15101)

LAFCO will accept or reject a project application, based on its completeness, within 30 days of its filing.

B. Projects Exempt from CEQA

1. Statutory Exemptions (Section 15260)

Projects qualifying for this status are those determined by the Executive Officer to have no possibility of causing a physical change in the environment or of creating a significant adverse environmental effect. Although this “finding” is available for use by the Executive Officer, most such projects will fall within the following Ministerial or Exemption categories. Such findings will be included in the hearing record and cited accordingly.

2. Ministerial Projects (Section 15268)

Actions or Ministerial Projects involve the application of fixed standards without the option of exercising personal or subjective judgment by the Executive Officer or the Commission.

Examples include:

- a. Issuance of Certificates of Filing and Completion.
- b. Consolidation of special districts where the consolidation is approved by both district boards by resolution.
- c. Certain island annexations (under Section 56375 [a] and 56375.3) where approval is mandated if the annexation meets certain discretionary findings.

3. Categorical Exemptions (Section 15300)

The following classes of projects, specifically pertaining to LAFCO’s activities, have been identified in the State Guidelines as not having the potential for significant environmental effects, and are categorically exempt from the requirements of CEQA (Note: A categorical exemption shall not be used for these activities where there is a reasonable possibility that the activity will have a significant effect due to unusual and/or cumulative circumstances.):

a. Class 3: Construction or Conversion of New, Small Structures

Included within this category are out-of-agency service agreements involving the extension of water, sewer, or utility service by a city or district outside its boundaries but lying within its respective sphere of influence.

b. Class 19: Annexations of Existing Facilities and Lots for Exempt Facilities

Including within this category are:

- 1) Annexations to special districts where the district's services would be provided even without annexation and construction has been initiated prior to the issuance of a Certificate of Filing;
- 2) Annexations of areas containing existing public or private structures developed to the density allowed by current zoning or pre-zoning, whichever is more restrictive, (provided, however, that the extension of utility services within the annexed area would have a capacity to serve only those existing facilities);
- 3) Detachments from cities where the land being detached is committed, by virtue of an adopted land-use plan, to remain in agricultural use or open space; or where the land is presently developed and no change in land-use can be reasonably anticipated; and
- 4) Detachments from special districts which will not result in any change in zoning or land use.

c. Class 20: Changes in Organization of Local Agencies

Included within this category are changes in the organization or the reorganization of local agencies where the changes do not modify the geographic area in which previously existing powers are exercised. Examples include but are not limited to:

- 1) Establishment of a subsidiary district;

- 2) Consolidation of two or more districts having identical boundaries;
- 3) Merger with a city of a district lying entirely within the boundaries of the city; or
- 4) Reorganization of agencies consisting of annexations or detachments providing similar services.

4. Process

When a LAFCO project qualifies for an exemption, staff will file a LAFCO "Notice of Exemption" form, to include:

- a. A brief project description;
- b. The specific exemption (statutory/categorical); and
- c. The rationale for its selection, citing the State Guideline section.

5. Notice Requirements

The Notice should accompany the project application through the process and be filed upon project approval with the Clerk of the County Board of Supervisors. Copies shall be made available to the public and sent to all Responsible and affected agencies a minimum of 21 days prior to a LAFCO action on the project. A list of such notices shall be posted on a weekly basis in the Clerk's and/or LAFCO offices for a 30-day period. The filing and posting start a 35-day statute of limitations period on legal challenges to LAFCO's decision of 'exemption.' If a Notice is not filed, a 180-day statute of limitations will apply.

C. Initial Studies

A project for which LAFCO is the Lead Agency and which is not exempt will require the preparation of an Initial Study to determine if the project has the potential for causing a significant environmental effect. The Initial Study assessment shall consider all phases of the project; the purposes, policies, rules, regulations and standards set forth in CEQA and its State Guidelines; these procedures and the adopted plans and policies of cities, the County, and LAFCO. An Initial Study need not be prepared if the Executive Officer determines at the beginning stages of review that a full-scope EIR will be required, but

will be used to document the significance of specific impacts requiring a focused EIR.

1. Process

The Initial Study will be prepared on a LAFCO form using the project application, environmental description forms, appropriate literature, etc. A site visit may be necessary. Individual findings for environmental issues will be documented with sufficient technical data to support conclusions regarding the potential for significant adverse impact. Insufficiency of available information will be noted on the form if it affects the ability to reach a conclusion.

The preparer shall consult with all Responsible Agencies and other public agencies/persons/organizations affected by or knowledgeable of the project and its issues. Under appropriate circumstances such review could also involve use of the County's or a city's Environmental Review Committee and its public forum to more fully assess the physical, social and infra-structural implications of complex projects. The Initial Study will be the supporting document for findings of 'significance' and 'non-significance' (whether to prepare an EIR or Negative Declaration). It is a tool for modifying projects and/or stipulating mitigation measures to allow a finding of 'non-significance.' It can also be used to focus the EIR on effects determined to be 'significant' or to determine whether a previously prepared EIR could be used/modified for the project, etc.

The Initial Study shall contain:

- a. A project description and location;
- b. Environmental setting;
- c. Identification of all environmental impacts; and
- d. Examination of project consistency with zoning and land-use plans, etc.

Section 15063 of the State CEQA Guidelines contains a detailed description of the content of and uses for the Initial Study and it is hereby incorporated by reference.

D. Executive Officer's Determinations/Findings

After review of the Initial Study and all supporting information, the Executive Officer shall determine the appropriate environmental documentation based on one of the following findings:

1. The project is exempt (statutory or categorical exemption), assuming this was not determined prior to the preparation of an Initial Study. Recommend adoption of a Notice of Exemption.
2. The project will not have a significant environmental effect. Prepare a Negative Declaration and a Notice of Determination. Forward these to the Commission with a recommendation for adoption and publish a notice of intent to adopt a Negative Declaration.
3. The project, as proposed, would have a significant environmental effect, but with alterations, stipulations, or mitigation measures, all adverse impacts can be mitigated to a threshold less than 'significant.' Prepare a Negative Declaration with mitigation measures and a Notice of Determination. Forward these to the Commission with a recommendation for adoption and publish a notice of intent to adopt a Negative Declaration.
4. The project will have a significant environmental effect, but all such impacts have been adequately assessed in a final EIR previously reviewed by LAFCO and mitigated to the extent possible. Submit to the Commission with appropriate findings.
5. The project will have a significant environmental effect. An EIR will be prepared and submitted to the Commission with appropriate findings.
6. The project will have a significant environmental effect and an EIR has been prepared. However, new information or changed conditions affecting the project or the site warrant additional analysis. Prepare a 'subsequent' EIR or addendum to the original EIR focusing on these changes. Submit to the Commission with appropriate findings.

E. Negative Declaration

A Negative Declaration (finding of non-significant effect) or a Negative Declaration (finding of non-significant effect with project changes/mitigation measures/conditions of approval) will be prepared on a LAFCO form by staff per the findings of the Initial Study. Its contents will include a brief project description, location (i.e., vicinity

map), name of applicant, the 'finding of non-significance,' attached Initial Study, and a list of mitigation measures (if any). A determination of the Initial Study's adequacy and the preparation of the accompanying Negative Declaration initially rests with the Executive Officer. The formal adoption of the Negative Declaration rests ultimately with the Commission.

1. Notice Requirements

The document will be available at the LAFCO office for public review and comment for a minimum of 21 days prior to LAFCO action on the project. Recommended Negative Declarations (in the form of a notice of intent to adopt a Negative Declaration) will be noticed at least once in a newspaper of general circulation (The Sun); noticed in the "local" newspaper of the affected area (if any); mailed to all Responsible Agencies and public agencies with jurisdiction within the project area; mailed to those individuals and organizations who have requested such notices. Where one or more state agencies will be a Responsible or Trustee Agency or will exercise jurisdiction over natural resources affected by the project, LAFCO shall send copies of the Negative Declaration to the State Clearinghouse for distribution to these state agencies. Review by state agency(s) will require a 30-day period unless reduced by prior approval of the State Clearinghouse.

2. LAFCO Consideration

The Commission will consider the proposed Negative Declaration and any public and agency comments prior to approving a project, and will approve the Negative Declaration if it finds there is no substantial evidence that the project will have a 'significant environmental effect.' Where mitigation is included as a condition of the Negative Declaration, the annexing agency (city or district) will assume responsibility for the preparation and adoption of a mitigation measure monitoring plan or program when the Negative Declaration is approved by the Commission.

3. Notice of Determination

After the Commission's approval of a project for which a Negative Declaration has been approved, the Executive Officer shall file a Notice of Determination.

The Notice of Determination's content shall include:

- a. Project description, identification and location;
- b. Date project approved by LAFCO;
- c. Determination of “non-significant” effect;
- d. Statement that a Negative Declaration has been prepared; and
- e. Address of LAFCO office where a copy of Negative Declaration is filed.

The Notice shall be filed with the Clerk of the Board of Supervisors. If the project requires a discretionary approval from any state agency, the Notice will also be filed with the State Office of Planning and Research.

The filing of the Notice and the posting on a list of such notices starts a 30-day statute of limitations on court challenges to the adequacy of the environmental determination.

F. Environmental Impact Report

If the Executive Officer or the Commission finds, based on substantial evidence contained in the Initial Study and public comments, that a project may have a significant environmental effect, the Executive Officer will initiate the preparation of an Environmental Impact Report (EIR).

1. Purpose

An EIR is an informational document; a major tool in the decision-making process, informing Commissioners and all parties involved of the environmental consequences of project approval/denial/alteration, etc. Its primary functions are to identify and mitigate significant adverse impacts and to provide alternative project and boundary options. An EIR is not an instrument to rationalize approval or denial of a project; nor do indications of adverse impacts require automatic denial. LAFCO has the authority to balance environmental, economic, social or other objectives as part of its mandate to develop orderly governmental boundaries.

An EIR should be prepared early in the application process to facilitate the integration of environmental considerations in project or boundary design.

The applicant is responsible for submitting all necessary project data for the EIR per the Executive Officer's request.

2. Appeals

The Executive Officer's determination to require an EIR is appealable to the Commission within 10 working days of the issuance of the decision to prepare an EIR. Such appeal must be filed, on LAFCO forms, with the Executive Officer and must include specific substantiation for the appeal, directly related to environmental issues. The appeal shall be heard on the next regularly scheduled Commission agenda that permits adequate public notification. There is no appeal from a Commission requirement for an applicant to prepare an EIR.

3. Notice of Preparation

Within one week subsequent to the Executive Officer's/Commission's decision to prepare an EIR, a Notice of Preparation (NOP) will be mailed to all responsible and affected agencies (including the State Clearinghouse and affected state agencies, if any) and any parties requesting notification.

State review of an EIR will result in the issuance of an identification number which shall be used on all subsequent documents and correspondence.

The NOP shall include sufficient information on the project and its anticipated impacts to facilitate meaningful responses on the environmental issues that may cause significant adverse impacts. Such content to include:

- a. Project description;
- b. Mapped location;
- c. Probable environmental effects; and
- d. A copy of the Initial Study, etc.

It shall be sent via certified mail or other method to document its receipt.

Within 30 days after receipt of the NOP, each Responsible Agency/interested party shall submit to LAFCO specific

information directly related to that agency's/party's statutory responsibility for the project; the environmental issues, alternatives, and mitigation measures to be explored; and the agency's/party's role in the project's review, etc.

If LAFCO does not receive a response or request for additional time by the end of the 30-day NOP review period, LAFCO may presume that no response will be made.

4. Scope of EIR

LAFCO may also convene meetings involving all parties (especially at the request of a Responsible Agency) to further assist in the determination of the EIR's scope and content, no later than 30 days after such request. Early and complete scoping, consultation and negotiation are critical to the preparation of an adequate EIR. LAFCO could request use of the County's or a local agency's Environmental Review Committee in a public meeting forum to aid in the identification and resolution of any technical issues. LAFCO will compile all comments and identify in writing the focus for the EIR.

An EIR can be prepared by staff or consultants under contract to LAFCO, coordinated by the Executive Officer or designee. LAFCO may accept data for an EIR from any source subject to independent validation by LAFCO staff. Also, LAFCO may charge an applicant appropriate fees to cover all costs for preparing and processing an EIR.

5. EIR Content

Article 9 of the State Guidelines describes the complete content of all required sections of an EIR. The scoping process can only determine which impacts should be assessed. All other sections are mandatory and will be included in EIRs prepared for LAFCO.

6. Consultant EIRs

The Executive Officer shall use a RFP (Request for Proposal) process to select a consultant to write the EIR. The office shall maintain and update as necessary a list of consultants, a minimum of three from which proposals shall be solicited for each consultant prepared EIR. The Executive Officer and the applicant will screen the proposals in an attempt to gain a consensus on choosing the consultant. The Executive Officer is

responsible for final selection of the consultant. The Commission will review the scope of work, consultant qualifications, contract cost, and all other aspects before authorizing a contract.

The applicant will be charged a fee to cover all contract and staff costs, to be deposited into a LAFCO trust fund. (Note: The contract will be between LAFCO and the consultant which will work solely at the Executive Officer's, not the applicant's, direction.) The Executive Officer will disburse the funds to the consultant at stages specified in the contract based on completion and performance.

In addition to the contract costs, the fees charged will be based on actual staff time involved in, but not limited to:

- a. Consultant selection including bid solicitation and review, submission of information to consultants, etc.;
- b. Review of Draft EIR, corrections, additions, etc.;
- c. Compiling comments for preparation of Final EIR; and
- d. Meetings with applicant, consultant and public regarding EIR preparation.

7. Completion Notice (Section 15085)

As soon as the draft EIR is completed, a Notice of Completion (NOC) must be filed with OPR, denoting the project's description and location, address where EIR copies are available and the period which comments can be submitted. Where the EIR will be reviewed through the State Clearinghouse, the cover form required by the Clearinghouse will serve as the NOC.

8. Agency/Public Review

At the time the NOC is sent, the Executive Officer shall provide public notice of the draft EIR's availability to all organizations, agencies and individuals who previously requested such notice; as well as publication in The Sun and/or local newspapers. The Executive Officer shall also distribute copies of the draft EIRs and requests for comments to all public agencies with jurisdiction within the project area; to persons or organizations previously requesting such copies; to public libraries in the

affected areas; as well as maintaining copies in the LAFCO and any Responsible Agency's offices. The Executive Officer may consult with any person who has special expertise in any environmental issue involved.

Review periods are not to be less than 30 days nor longer than 90 days from the date of the NOC except in unusual situations, per the Executive Officer's discretion. The review period for draft EIRs submitted to state agencies via the State Clearinghouse will be a minimum of 45 days. The last date for comment submittal shall be specified in the request for comments. A lack of response by that date constitutes a 'non-objection' or 'no-comment' by that particular party.

The sufficiency of the EIR per State Guidelines is the only issue to be addressed during this review. Questions/issues regarding the feasibility or desirability of the project itself shall only be considered by the Commission at the appropriate hearing, not integrated into the environmental review process.

The Executive Officer can convene a meeting of the County's or a local agency's Environmental Review Committee to provide a more thorough forum for the determination of EIR adequacy in any instances of complex technical issues or disagreements among experts.

9. Adequacy

The Executive Officer will make preliminary (not appealable) determinations of the EIR's adequacy, utilizing all aspects of the public record; in turn making specific recommendations on adequacy to the Commission, for its findings, at the time the project is heard.

10. Response to Comments on an EIR (Section 15088)

The Executive Officer shall prepare a written response to all comments received during the comment period (and MAY respond to those received after the period): describing the disposition of issues, opinions or facts raised, project revisions or mitigation measures resulting from these comments, reasons for not accepting recommendations, all substantiated by factual information.

The response to comments may be in the form of revisions to the EIR text, a separate section in the final EIR or as notes

typed in the margins of the comment letters, depending on the event of the resulting revisions.

11. Preparation of Final EIR (Sections 15089 and 15132)

The Executive Officer/consultant will prepare a final EIR before the Commission makes a decision on the project. Project denial does not require certification of the Final EIR. Contents include:

- a. The draft EIR or a revision;
- b. A list of persons, organizations and agencies commenting on the draft EIR;
- c. Comments/recommendations (verbatim or in summary);
- d. LAFCO's responses to significant points raised during review and consultation;
- e. Plus any other pertinent information.

The Executive Officer may provide an opportunity for the public or agencies to review the final EIR, focusing only on the responses to comments as they relate to document adequacy. Final EIRs shall be available a minimum of 10 days prior to the Commission hearing on a project.

The final EIR shall be submitted to the Commission with the project application and a mitigation measure monitoring plan/program (if necessary) for certification prior to the decision.

12. Certification of Final EIR (Section 15090)

Prior to approving a project for which an EIR has been prepared, the Commission shall certify (via minute record) that:

- a. The final EIR has been completed in compliance with CEQA; and
- b. The final EIR was presented to the Commission which reviewed and considered it prior to approving the project.

If the Commission, through testimony or its own review of the data, finds that the environmental review is incomplete or the EIR does not adequately assess the full range of project implications, it can refer it back to staff for revisions; deferring approval of the project until it can

certify the amended final EIR. Under such circumstances, the Commission shall instruct staff to recirculate/not recirculate the amended EIR in accordance with the extent of requested revisions.

13. Findings (Section 15091)

The Commission cannot approve or carry out a project for which an EIR identifies one or more significant environmental effects unless it makes one or more written findings for each significant effect, each reinforced by substantial evidence in the record. Such findings include:

- a. Changes have been incorporated into the project which avoid or substantially reduce the significant environmental effect(s) identified in the final EIR.
- b. Such changes are not within LAFCO's jurisdiction, but are within the responsibility and jurisdiction of another agency which has adopted such changes or which can and should adopt such changes.
- c. Specific economic, social or other considerations make infeasible the mitigation measures or project alternatives identified in the final EIR.

14. Approval (Section 15092)

LAFCO shall not approve or carry out a project for which an EIR was prepared unless either:

- a. The project, as approved, will not have a significant environmental effect; or
- b. LAFCO has eliminated or substantially reduced all significant effects where feasible per Section 15091, and determined that any remaining significant effects found to be unavoidable per Section 15091 are acceptable due to overriding concerns described in Section 15093.

15. Statement of Overriding Considerations (Section 15093)

If the benefits of a proposed project outweigh its unavoidable adverse effects, these effects may be considered "acceptable." When the Commission allows the occurrence of environmental effects not mitigated to a level less than 'significant,' it shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The Commission's statement of

overriding considerations should be included in the record of the project approval and so stated in the Notice of Determination.

16. Notice of Determination (Section 15094)

The Executive Officer shall file a Notice of Determination following each project approval for which an EIR was considered. The notice shall include:

- a. Project description and location;
- b. Date approved;
- c. Determination of any significant environmental effects;
- d. Statement that an EIR was prepared and certified pursuant to CEQA;
- e. Whether mitigation measures were made conditions of the project;
- f. Whether findings were made per Section 15091;
- g. Whether a statement of overriding considerations was adopted; and
- h. The address of the location of a copy of the final EIR and the project record.

The notice shall be filed with the Clerk of the County Board of Supervisors. If the project requires discretionary approval from a state agency, the notice shall also be filed with OPR. The filing and the posting of such notice starts a 30-day statute of limitations on court challenges to the adequacy of the EIR and environmental determination.

17. Disposition of Final EIR (Section 15095)

The Executive Officer shall:

- a. File a copy of the Final EIR with the San Bernardino County Planning Division and the city where significant environmental effects may occur;

- b. Include the final EIR in all subsequent project administration;
- c. Retain a copy of the final EIR as a public record for a reasonable period; and
- d. Require the applicant to provide a copy of the certified, final EIR to each Responsible Agency.

4. COMPLETION OF ENVIRONMENTAL LITIGATION PRIOR TO CONSIDERATION OF CHANGE:

It is the policy of San Bernardino LAFCO that in those instances where it is a responsible agency under CEQA and there has been a legal challenge to the environmental document prepared by the lead agency, no action on the proposal shall be taken until resolution of the environmental litigation. In those instances where the Commission determines to override this policy based upon the unique circumstance of the application and approve the application, it shall include the following condition in its resolution of approval:

In the event that a court of competent jurisdiction invalidates the action taken by this resolution for any reason, the City of _____ or _____ District shall enter into an out-of-agency service agreement with the County of San Bernardino for the provision of all services transferred by this action and shall present said contract/agreement to the San Bernardino LAFCO pursuant to Government Code Section 56133 within 60 days of such court determination. The affected agency shall provide written consent to this condition within five (5) working days of the approval of the resolution of approval and the protest process shall not commence until the Executive Officer has received that consent.

5. RECONSIDERATION

The Cortese-Knox-Hertzberg Act establishes procedures for agencies to request amendments to, or reconsideration of resolutions adopted by the Commission (Govt. Code Section 56857). Whenever the Commission accepts a written request for amendment to, or reconsideration of an adopted resolution, the period for which a CEQA challenge may be filed is tolled while the request for reconsideration is under review by the Commission. Following the Commission's reconsideration, the statute of limitations on the original filing of either the Notice of Determination or Notice of Exemption will continue.

6. REVIEW OF ENVIRONMENTAL APPEALS (Adopted August 13, 1980.)

Where the published notice of the LAFCO agenda items includes notice of a hearing on any possible appeal from an environmental review determination, the LAFCO may hear the appeal on the same date it hears the agenda item, if:

1. The appeal was timely filed;
2. The time for filing an appeal has run;
3. The appellant and/or applicant have received personal notice of the hearing;
4. Any party who has requested in writing to be notified has received personal notice of the hearing; and
5. The appeal is heard in advance of the agenda item.

SPECIAL DISTRICTS

POLICY STATEMENT ADOPTED BY INDEPENDENT SPECIAL DISTRICTS AND SAN BERNARDINO LAFCO REGARDING INDEPENDENT SPECIAL DISTRICT REPRESENTATION:

1. **SPECIAL DISTRICT REPRESENTATION.** *(Amended April 17, 2002)*

Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, independent special districts shall have two representatives plus one alternate on LAFCO.

2. **METHOD OF SELECTION.** *(Amended April 17, 2002)*

An Independent Special Districts Selection Committee shall be composed of the presiding officers of the legislative body of each independent special district located wholly within the County of San Bernardino and those containing territory within said County representing 50% or more of the assessed value of taxable property of each district. The Selection Committee shall appoint all independent special district representatives and alternate. Each member of the Selection Committee shall be entitled to one vote for each independent special district for which they are presiding officer. The meetings of the Selection Committee shall be in accordance with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000 et seq.

3. **TERM OF OFFICE.** *(Amended April 17, 2002)*

Other than the initial special districts representatives, the terms of office shall be for four years and until the appointment and qualification of a successor. Every officer whose term has expired shall continue to discharge his/her duties until his/her successor has qualified.

4. **SPECIAL DISTRICT REPRESENTATIVES.** *(Amended April 17, 2002)*

It shall be the policy of San Bernardino LAFCO that special district representatives and alternate should represent districts located in the San Bernardino Valley area, the desert area, and the mountain area. Inasmuch as possible, they should not represent agencies that provide like service, (i.e., they should represent fire protection service, water service, sewer service, cemetery service, etc.). They shall be chosen as provided by the provisions within Government Code Section 56000 et seq.

5. SPECIAL DISTRICTS ASSOCIATION. The association offers its services to work with the districts and San Bernardino LAFCO to provide assistance and coordination and to act as a forum to air and discuss problems of special districts and to make recommendations to San Bernardino LAFCO and the Selection Committee.

6. ALTERNATIVE FUNDING FORMULA (*Adopted by Special District Vote July 2002; Amended by Special District Vote March 2, 2010*)

Pursuant to authority provided by Government Code Section 56381, the Independent Special Districts, by majority vote, have determined an Alternative Funding Formula to the Independent Special Districts' mandatory share of the LAFCO net operating costs as follows:

1. Healthcare (Hospital) Districts shall be limited to payment of \$1,500 regardless of Total Revenue.
2. Those districts with Total Revenue of more than \$50,000,000 shall pay \$30,000.
3. Those districts with Total Revenue of between \$20,000,000 to \$50,000,000 shall pay \$20,000.
4. Those districts with Total Revenue of between \$5,000,000 to \$20,000,000 shall pay \$10,000.
5. Those districts with Total Revenue of between \$2,000,000 to \$5,000,000 shall contribute an amount not to exceed \$5,000.
6. Those districts with Total Revenue of less than \$2,000,000 shall be apportioned an amount to be determined by the ratio of each district's Total Revenue as compared to the Total Revenues whose share does not exceed \$5,000.

7. CONVERSION TO ALL MAIL BALLOTING FOR SPECIAL DISTRICT SELECTION COMMITTEE BUSINESS (*Adopted by Special District Vote April 2008*)

The business of the Special District Selection Committee shall be routinely conducted by mail. The procedures for such processing are outlined in Government Code Section 56332(c)(1).

**RULES AND REGULATIONS OF THE LOCAL AGENCY FORMATION
COMMISSION FOR SAN BERNARDINO COUNTY AFFECTING
FUNCTIONS AND SERVICES OF SPECIAL DISTRICTS:**

SECTION 1 - AUTHORIZATION. *(Amended April 17, 2002)*

These rules and regulations are authorized pursuant to the provisions of Government Code Section 56000 et seq. and were originally adopted concurrent with an order for representation on the Commission by Independent Special Districts in 1976.

SECTION 2 - APPLICATION.

These rules and regulations shall apply to and affect all special districts located within San Bernardino County or for which said County is the principal county of the district, as specifically provided hereinafter. (Exhibit "A")

SECTION 3 - POWER OF THE COMMISSION. *(Amended April 17, 2002)*

The Commission shall:

1. Classify the various types of services which customarily are or can be provided within a single function of a special district.
2. Require existing districts to file written statements with the commission specifying the functions or classes of service provided by such district.
3. Establish the nature, location, and extent of any functions or classes of service provided by existing districts
4. Determine that, except as otherwise authorized by such rules and regulations, no new or different function or class of service shall be provided by any existing district.

These rules and regulations shall not apply to the extension or enlargement, within the boundaries of an existing district, of any function or service which the commission, pursuant to these rules and regulations, has established as currently being provided by such special district.

SECTION 4 - DEFINITIONS. *(Amended April 17, 2002)*

The definitions as outlined within the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 shall apply in these rules and regulations.

SECTION 5 - INVENTORY OF SPECIAL DISTRICTS SERVICES.

Upon approval of the Rules and Regulations, at the request of the Executive Officer, and within sixty (60) days thereof, each special district shall provide the Commission with the following information and materials:

1. A report of the functions and services, as classified herein, being provided by the district prior to the date of the adoption of these rules and regulations.
2. A statement concerning the legal authority for the rendering of such functions and services.
3. A map or maps showing the boundaries of the district and the location(s) where such functions and services are then being provided.

For the purposes of these rules and regulations, a district shall be deemed to be providing a function or service if the district is actually exercising its powers to provide such function or service for the benefit of land or inhabitants within its boundaries.

Factors to be considered in a determination of whether a district is actually exercising its powers to provide such function or service may include, but not be limited to:

1. The existence of authorized but unsold bonds or the existence of actual bonded indebtedness where such bonds were authorized or sold in order to generate funds for the provision of such function or service.
2. The expenditure of funds and/or the obligation of funds, previously incurred contractual obligations, or the accumulation of funds for property, facilities, contract rights or equipment where such expenditure, obligation, or accumulation is for a specific objective or goal related to the provision of such function or service.
3. The actual provision of such function or service to the public, as, for example, the actual provision of sewer service, fire protection service, TV translation service, etc.

SECTION 6 - ESTABLISHMENT OF EXISTING FUNCTIONS AND SERVICES.

Following receipt of the reports required by Section 6, above, the Commission shall establish by one of the following procedures the nature, location, and extent of all functions and services, as classified herein, then being provided by such special district:

1. By approving the original report filed by the special district, or as it may

be modified by the district.

2. If the Commission desires any change in the report, it shall be returned to the district with requested modifications, and shall be resubmitted to the Commission within thirty (30) days.
3. If any special district shall fail or refuse to file any report required herein, or if any modified report is not approved by the Commission, the Commission shall make its own study and report on the functions and services being provided by the district, and shall consider the matter at a public hearing before making a final decision thereon.

LAFCO shall have the final authority to determine whether a special district is presently exercising a function or service, as such exercise is defined in Section 6 of these rules and regulations.

SECTION 7 - LIMITATIONS UPON EXERCISE OF FUNCTIONS AND SERVICES.
(Amended April 17, 2002)

Upon establishment of the functions and services being provided by a special district, the district shall not provide or engage in any new or different function or class of service, except as authorized by these rules and regulations and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

The rules and regulations shall not apply to the extension or enlargement, within the boundaries of an existing district, of any function or service which the Commission, pursuant to these rules and regulations, has established is currently being provided by such special district.

SECTION 8 - APPLICATION FOR PROVISION OF NEW OR DIFFERENT FUNCTION OR SERVICE. (Amended April 17, 2002, September 28, 2011)

Any special district proposing to provide any new or different function or service, in addition to those identified and established by the Commission pursuant to Section 7, or proposing to divest the District of any existing function or service, shall file with the Executive Officer a resolution of its governing board making application for the provision of such additional function or service or divestiture. The resolution of application shall be in such form as defined by the Commission and shall include, but not be limited to, all matters as identified in Government Code Section 56700. The appropriate application form shall be prepared and shall include, or be accompanied by, all of the following:

1. A statement of the nature of the proposal and the reasons therefore, and shall include, but not be limited to: general plan, growth rate, topography, and economic feasibility.

2. A "Plan for Service" as defined by Government Code Section 56824.12 which shall include financial impact analysis which, at a minimum, must include a 5-year fiscal projection.
3. A legal description and map of the territory which is the subject of the proposal.
4. Names and addresses of other agencies or service providers affected by this change.
5. The names and addresses of the officers or persons, not to exceed three, who are to be given mailed notice of the hearing.
6. Such additional data and information as may be required by the Executive Officer pertaining to any of the matters or factors which may be considered by the Commission.

SECTION 9 - HEARING ON APPLICATION FOR PROVISION OF NEW
OR DIFFERENT FUNCTION OR SERVICE OR DIVESTITURE OF FUNCTION.
(Amended April 17, 2002, September 28, 2011)

Upon the filing of a complete application, the Executive Officer shall, after completion of environmental review and property tax transfer process as defined in the Revenue and Taxation Code Section 99, set the matter for hearing by the Commission.

1. The date of the hearing shall not be more than ninety (90) days after such filing determined to be complete through issuance of a Certificate of Filing.
2. The Executive Officer shall cause notice of hearing to be published in a newspaper of general circulation within the area for which the provision of additional function or service is proposed, at least twenty-one (21) days prior to the date of the hearing.
3. The Executive Officer shall also cause notice of such hearing to be mailed, at least twenty-one (21) days prior to the date of hearing to: (1) the district adopting the resolution of application; (2) each city or district within three (3) miles of the subject district; (3) each person who is designated in the application to receive notice; and (4) any person who has filed a written request for special notice with the Executive Officer. As required by Government Code Section 56157 and Commission policy, individual notice shall be provided.

4. Such hearing may be continued from time-to-time from the original date of such hearing, for no more than 70-days unless concurrence to continuance is received from the affected special district. The conduct of such hearing shall be governed by the provisions of Govt. Code Section 56000 et seq. and by the rules of the Commission. At any time not later than thirty-five (35) days after the conclusion of the hearing, the Commission shall adopt a resolution making determinations, and approving or disapproving the provision of the additional function or service by the district.
5. Following completion of the mandatory reconsideration process (§56895), the matter will be set for protest hearing as required by Government Code Section 57000 et seq. The Commission's standard policies for conduct of protest hearings shall apply.
6. Based upon the level of protest, either a Certificate of Completion or a Certificate of Termination will be issued.

SECTION 10 - REVIEW OF FUNCTIONS AND SERVICES.

The Commission may periodically review the inventory of functions and services established for each special district and is required to do so during the mandatory sphere of influence update process identified in Government Code Section 56425(i). In conducting such a review, the Commission may require the special districts to provide current information concerning established functions and services and the special districts shall comply with this request. The Commission may, after public hearing, determine that the function or service is not currently being provided by the district. Further action related to this determination shall be conducted under provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act and/or the principal act of the special district.

SECTION 11 - PROCEEDINGS FOR ADOPTING, AMENDMENT OR REPEAL OF RULES AND REGULATIONS. *(Amended April 17, 2002)*

The Commission may take proceedings pursuant to this article for the adoption, amendment or repeal of rules and regulations affecting the functions and services of special districts within the county. Such proceedings may be initiated either by the Commission or by independent special districts within the county.

SECTION 12 - MINOR CHANGES IN EXISTING RULES AND REGULATIONS. *(Amended April 17, 2002)*

Minor changes in any existing rule or regulation affecting special districts may be ordered by the Commission, without adoption of a resolution of intention, notice and hearing, or reference to a special district advisory committee, provided, that the Commission makes a determination that such changes will not substantially affect

the functions and services of any special district subject to such rules and regulations and such determinations are concurred in by both Commission members appointed to represent independent special districts.

SECTION 13 - DISTRICTS AND PRINCIPAL ACTS (*Amended May 15, 1996, and April 17, 2002*).

The types of districts to be included in representation are outlined in Government Code Section 56036 and those within San Bernardino County are shown on Exhibit B along with the code citations of their principal act. The types of districts to be excluded from representation are outlined in Government Code Section 56044.

EXHIBIT "A"

LISTING OF SPECIAL DISTRICTS FUNCTIONS AND SERVICES

(Reference to Section 2 of Said Rules and Regulations)

(Updated April 2011)

Independent Districts

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
<u>AIRPORT DISTRICTS</u>		
Big Bear	Airport	Operations and maintenance
Yucca Valley	Airport	Operations and maintenance
<u>CEMETERY DISTRICTS</u>		
Barstow	Cemetery	Burials, selling plots, opening and closing of graves
Twentynine Palms	Cemetery	Interment
<u>COMMUNITY SERVICES DISTRICTS</u>		
Baker (amended 1/18/06)	Water	Supply water for domestic, sanitation, irrigation, fire prevention, collect and store water and storm water
	Sewer	Collection, treatment, disposal
	Fire Protection	Structural, watershed
	Park and Recreation	Local park development, operation, recreation
	Streetlighting	Streetlighting
	Ambulance	Ambulance and related health services
	TV Translator	TV Translator

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
	Solid Waste	Garbage, Refuse
Barstow Heights (amended 1/18/06)	Park and Recreation	Maintenance
Big Bear City (amended 1/18/06)	Water	Retail, domestic, agriculture, replenishment
	Sewer	Collection and disposal
	Streetlighting	Streetlighting
	Fire Protection	Structural, watershed, paramedic, ambulance
	Solid Waste	Collection and disposal
	Park and Recreation	Senior citizens center, local park development
Big River (amended 4/16/09)	Park and Recreation	Acquisition, maintenance
	Police	Security patrol
Daggett (amended 7/16/09)	Water	Retail, wholesale, domestic, industrial, irrigation, fire protection, sanitation
	Streetlighting	Streetlighting
	Park and Recreation	Local park development, operation, maintenance
	Fire Protection	Structural, watershed, suppression, prevention
Helendale (District formed 12/4/06)	Water	Supply water for any beneficial use as outlined in the Municipal Water District Law of 1911 (commencing with Section 71000) of the Water Code

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
	Sewer	Collect, treat, or dispose of sewage, wastewater, recycled water, and storm water, in the same manner as a sanitary district formed pursuant to the Sanitary District Act of 1923 (commencing with Section 6400 of the Health and Safety Code).
	Streetlighting	Acquire, construct, improve, maintain and operate street lighting and landscaping on public property, public rights-of-way, and public easements.
	Refuse Collection	Collect, transfer, and dispose of solid waste and provide solid waste handling service, including, but not limited to, source reduction, recycling, composting activities, pursuant to Division 30 (commencing with Section 4000), and consistent with Section 41821.2 of the Public Resources Code.
	Recreation and Parks	Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law (commencing with Section 5780) of the Public Resources Code.
	Graffiti Abatement	Abate graffiti
Lake Arrowhead (amended 12/9/10)	Water	Retail, domestic, operation of water, conservation, reclaimed water for irrigation purposes
	Sewer	Collection, transportation, treatment, reclamation, disposal
Morongo Valley (amended 1/18/06)	Fire Protection	Structural, watershed, prevention, emergency first aid, maintenance of emergency phone service

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
Newberry (amended 7/16/09)	Park and Recreation	Local park development, operation, recreation
	Streetlighting	Streetlighting
	Library Service	Library service
	Water	Management, domestic use, irrigation, sanitation, industrial, fire protection, recreation
	Fire Protection	Structural, watershed, suppression, prevention
	Streetlighting	Streetlighting
	Park and Recreation	Local park development, operation, maintenance
Phelan Piñon Hills (District formed 3/18/08)	Sewer	Planning and engineering
	Water	Supply water for any beneficial use as outlined in the Municipal Water District law of 1911 (commencing with Section 71000) of the Water Code
	Park and Recreation	Acquire, construct, improve, maintain and operate recreation facilities, including, but not limited to, parks and open space, in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law (commencing with Section 5780) of the Public Resources Code
Yermo (amended 8/20/2009)	Streetlighting	Acquire, construct, improve, maintain and operate streetlighting and landscaping on public property, public right-of-way, and public easements
	Fire Protection	Structural, watershed, suppression, prevention
	Streetlighting	Streetlighting

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
	Park and Recreation	Local park development, operation, maintenance
	Water	Supply water for any beneficial use as outlined in Municipal Water District Law (commencing with Section 71000) of the Water Code
<u>FIRE PROTECTION DISTRICTS</u>		
Apple Valley	Fire Protection	Structural, watershed, rescue, ambulance, paramedic, suppression, prevention
Barstow (Subsidiary District)	Fire Protection	Suppression, prevention, structural, watershed, first aid, rescue, paramedic, ambulance
Big Bear Lake (Subsidiary District)	Fire Protection	Structural, watershed, suppression, prevention, rescue, first aid
Chino Valley Independent	Fire Protection	Protection, structural, watershed, inspection, suppression, paramedic
Crest Forest (amended 12/9/10)	Fire Protection	Structural, watershed, suppression, prevention, rescue, communications, ambulance, paramedic
Fontana Fire Protection District (Subsidiary District) (formerly named Central Valley Fire Protection District)	Fire Protection	Structural, watershed, prevention, inspection, suppression, weed abatement, hazardous materials services, rescue, first aid, paramedic, emergency response, and disaster preparedness planning
Hesperia (Subsidiary District)	Fire Protection	Structural, watershed, suppression, prevention, ambulance, paramedic
Rancho Cucamonga (Subsidiary District) (formerly named Foothill FPD)	Fire Protection	Structural, suppression, watershed, prevention, protection, first aid, rescue
Victorville (District dissolved effective 5/18/2009; City of Victorville successor agency.)		

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
<u>HEALTH CARE DISTRICTS</u>		
Bear Valley Community	Hospital	Acute and continual medical care, hospital administration, 24 hour emergency room service
Hi-Desert Memorial	Hospital	Acute, emergency, continual medical care, hospital administration
San Bernardino Mountains Community	Hospital	37 bed acute care general hospital
<u>MOSQUITO ABATEMENT DISTRICTS</u>		
West Valley Vector Control	Vector Extermination	Extermination of mosquitoes, flies, or other insects, rats or other rodents
<u>RECREATION AND PARK DISTRICTS</u>		
Hesperia	Park and Recreation	Local park development, operation, recreation
	Streetlighting	Streetlighting
Parker Dam (District dissolved effective October 20, 2006; County of San Bernardino successor agency.)		
Rim of the World (amended 7/21/10)	Park and Recreation	Local park development, operation, maintenance, recreation, child care
Victorville (District dissolved effective 5/18/2009; City of Victorville successor agency.)		
<u>RESOURCE CONSERVATION DISTRICT</u>		
Inland Empire	Resource Conservation	Control of runoff, prevention of soil erosion, development and distribution of water and improvement of land capabilities
East Valley and Inland Empire West RCDs (consolidation effective July 1, 2005 consolidated East Valley RCD and Inland Empire West RCD into successor Inland Empire RCD)		

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
Mojave Desert (amended 2/20/08)	Resource Conservation	Control of runoff, prevention of soil erosion, development and distribution of water, improvement of land capabilities, and habitat preservation
Riverside-Corona	Resource Conservation	Control of runoff, prevention of soil erosion, development and distribution of water and improvement of land capabilities

SANITARY DISTRICT

Victorville

(District dissolved effective 9/16/08; City of Victorville successor agency.)

SANITATION DISTRICT

Crestline

(District became an independent special district effective 10/1/10)

Sewer

Collection, transportation, treatment, disinfection, reclamation, disposal

WATER CONSERVATION DISTRICTS

Chino Basin

Water Conservation

Water conservation

San Bernardino Valley
(amended 3/15/06)

Water Conservation

Appropriation, acquisition, and conservation of water and water rights for any useful purpose. Acquisition and construction of dams, reservoirs, canals, conduits, spreading basins, and sinking basin in order to conserve, store, spread and sink water.

Surveys of Water Supply and Resources

Make surveys and investigation of the water supply and resources of the Water Conservation District.
(added 3/15/06)

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
<u>WATER DISTRICTS</u>		
Apple Valley Foothill	Water	Domestic, retail, agricultural, replenishment
Apple Valley Heights	Water	Retail, domestic
Arrowbear Park (amended 4/22/11)	Water	Retail, domestic, wholesale, conservation
	Sewer	Collection, transportation
	Fire Protection	Structural, watershed, suppression, prevention, first aid, rescue
	Park and Recreation	Operation, maintenance
	Sanitation	Refuse collection at parks
Baldy Mesa (Consolidation effective 8/15/07 consolidated Baldy Mesa Water District and Victor Valley Water District into successor agency Victorville Water District.)		
Crestline Village (amended 1/20/11)	Water	Retail, domestic, operation of water, conservation, reclamation
Cucamonga Valley	Water	Retail, agricultural, domestic, replenishment, wholesale, treatment
	Sewer	Collection, source control, reclamation
East Valley	Water	Retail, agricultural, domestic, replenishment
	Sewer	Collection
	Park and Recreation	Development, maintenance
Hesperia (Subsidiary District)	Water	Wholesale, retail, agricultural, domestic replenishment
	Sewer	Engineering, planning, operations, maintenance, construction
	Park and Recreation	Park and recreation limited to trout farm, construction

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
Hi-Desert (amended 2/18/10)	Water	Retail, agricultural, domestic, replenishment, fire flow, fire hydrants
	Sewer	Collection, transportation, treatment, reclamation, disposal, planning and engineering
	Park and Recreation	Engineering, planning
Joshua Basin (amended 8/15/07)	Water	Retail, agricultural, domestic, replenishment
	Sewer	Operation of Package Treatment Plans defined as consisting of units or modules designed for construction, assembly, connection and installation at the site for treatment of sewage and are to be operated for a limited area, including but not limited to a residential subdivision
		Planning and engineering for regional sewer service
Juniper Riviera	Water	Retail and domestic
Mariana Ranchos	Water	Sale of domestic water
Monte Vista	Water	Agricultural, domestic replenishment, retail
	Park and Recreation	Local park development
Running Springs (amended 4/22/11)	Water	Domestic, retail, wholesale, conservation
	Sewer	Collection, transportation, treatment
	Fire Protection	Structural, watershed, suppression, prevention, first aid, advance life support, ambulance, rescue
	Park and Recreation	Local park and recreation

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
	Sanitation	Collection, transportation, waste and trash disposal
Thunderbird	Water	Domestic
Twentynine Palms	Water	Retail, agricultural, domestic, replenishment
	Sewer	Planning
	Fire	Structural, watershed
Victor Valley (consolidation effective 8/15/07 consolidated Baldy Mesa Water District and Victor Valley Water District into successor agency Victorville Water District.)		
Victorville (Subsidiary District) (amended 12/8/10)	Water	Retail, agricultural, domestic, replenishment, conservation, reclaimed water for irrigation/cooling towers for power plant
West Valley	Water	Domestic, irrigation, spreading
	Sewer	Collection
Yucaipa Valley	Water	Retail, agricultural, domestic, replenishment, wholesale
	Sewer	Sewage collection, treatment, wastewater reclamation

MUNICIPAL WATER DISTRICTS

Big Bear	Water	Acquisition of facilities and recreation
	Sewer	Reclamation
	Park and Recreation	Development, operation, maintenance
	Fire Protection	Structural, watershed, first aid, rescue, prevention, inspection

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
Inland Empire Utilities Agency (formerly known as Chino Basin Municipal Water District)	Water	Wholesale, reclamation, wastewater collection, planning, replenishment
	Sewer	Regional treatment, collection
	Total Basin Management	Planning for Chino hydrological basin
San Bernardino Valley	Water	Wholesale, retail, agricultural, domestic, replenishment, conservation
	Sewer	Collection, transportation, treatment, reclamation, disposal
	Power	Generation, distribution
	Park and Recreation	Development, operation, recreation
	Electrical Production	
	Electrical Transmission	
<u>SPECIAL ACT WATER AGENCIES</u>		
Bighorn-Desert View	Water	Acquisition, retail, distribution
Crestline-Lake Arrowhead	Water	Acquisition, wholesale, retail, domestic
Mojave Water	Water	Acquisition, wholesale, retail, replenishment, conservation, basin management
	Sewer	Regional treatment, wastewater reclamation
Odessa Water District (Board of Directors is City Council of the City of Barstow)	Water	Acquisition, retail, wholesale

Dependent Districts

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
<u>COUNTY SERVICE AREAS</u>		
CSA 9 (Phelan) (District dissolved effective 3/18/08; Phelan-Pinon Hills Community Services District is successor agency)		
CSA 17 (Apple Valley)	Streetlighting	Streetlighting
(District dissolved effective 11/17/10; Town of Apple Valley is successor agency with contract for continuing service with County of San Bernardino)		
CSA 18 (Cedarpines Park) (amended 1/20/11)	Road	Road maintenance as defined in Government Code Section 25213(i) which includes snow removal
	Water	Water
	Park and Recreation	Development, operation, recreation, maintenance
CSA 20 (Joshua Tree) (amended 7/1/08)	Streetlighting	Streetlighting
	Roads	Street improvements, curbs, gutters
	Park and Recreation	Development, operation, recreation
CSA 29 (Lucerne Valley) (amended 7/1/08)	Cemetery	Cemetery
	TV Translator	Television translation
	Park and Recreation	Development, operation, recreation
	Streetlighting	Streetlighting
	Water	Domestic
	Sewer	Engineering and Planning
CSA 30 (Red Mountain) (amended 4/27/10)	Streetlighting	Streetlighting
CSA 38 (District dissolved effective 7/1/08, San Bernardino County Fire Protection District is successor agency)		
CSA 40 (Elephant Mountain)	TV Translator	Television translation

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
CSA 42 (Oro Grande) (amended 12/16/08)	Park and Recreation	Park and recreation
	Water	Water distribution and treatment
	Sewer	Sewer distribution and treatment
	Streetlighting	Streetlighting
CSA 53 (Big Bear) (amended 7/1/08)	Streetlighting	Streetlighting
	Sewer	Sewer
	Road	Road maintenance
	Water	Water distribution and treatment
CSA 54 (Crest Forest & Crestline)	Streetlighting	Streetlighting
CSA 56 (Wrightwood) (amended 7/1/08)	Streetlighting	Streetlighting
	Park and Recreation	Park and recreation
	Sewer	Sewer
CSA 59 (Deer Lodge Park)	Roads	Street maintenance, signs, improvements, curbs gutters
CSA 60 (Victor Valley)	Airport	Airport operation and maintenance
CSA 63 (Oak Glen/Crafton) (amended 7/1/08)	Sanitation	Sanitation
	Streetlighting	Streetlighting
	Park and Recreation	Park and recreation
	Roads	Street maintenance, signs, improvements, curbs, gutters
CSA 64 (Spring Valley Lake) (amended 1/21/09)	Water	Retail and domestic (amended 1/21/09)
	Sewer	Collection and transportation (amended 1/21/09)

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
	Roads	Acquisition, construction, improvement and maintenance of public streets, roads and any incidental works (amended 1/21/09)
	Street Sweeping	Street Sweeping (Confirmed January 21, 2004)
	Parkway Maintenance	Acquisition, construction, improvement and maintenance of landscaping on public property, rights-of-way, and easement (added 1/21/09)
CSA 69 (Lake Arrowhead)	Roads	Roads
CSA 68 (Valley of the Moon)	Roads	Road maintenance
CSA 70 (Countywide) (amended 7/1/08)	Weed abatement	Weed abatement
	Sewer	Sewer distribution and treatment
	Water	Water distribution and treatment
	Police	Police protection
	Extension of Utility Lines	Installation of electric power lines
	Streetlighting	Streetlighting
	Dam Construction	Dam construction
	Roads	Road maintenance
	Park and Recreation	Development, operation, maintenance
	Animal control	Animal control
	Pest control	Pest control
	TV Translator	Television translation
	Flood Control	Flood control
	Street Sweeping	Street sweeping

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
	Open-space and Habitat Conservation	Acquisition and preservation of land for the purpose of protecting unique, sensitive, threatened, or endangered species, or historical or culturally significant lands that are deemed to be in need of protection by the county board of supervisors (Confirmed November 17, 2004)
CSA 73 (Arrowbear lake)	Park and Recreation	Park and recreation
	Streetlighting	Streetlighting
CSA 77 (Mariana Ranchos) (District dissolved effective October 31, 2003)		
CSA 79 (Green Valley Lake) (amended 4/22/11)	Sewer	Collection, transportation
	Water	Water
	Roads	Road maintenance as defined in Government Code Section 25213(i) which includes snow removal
CSA 82 (Searles Valley) (amended 4/27/10)	Park and Recreation	Park and recreation
	Streetlighting	Streetlighting
	Cemetery	Cemetery
	Sewer	Collection, treatment
CSA 110 (I-10 Corridor) (District dissolved effective July 15, 2005.)		
CSA SL-1 (Valley-wide)	Streetlighting	Streetlighting

FIRE PROTECTION DISTRICTS

Central Valley

(effective 7/1/08 became Fontana Fire Protection District, subsidiary district of the City of Fontana.)

Forest Falls

(District dissolved effective 7/1/08, San Bernardino County Fire Protection District is successor agency)

<u>DISTRICT</u>	<u>FUNCTIONS</u>	<u>SERVICES</u>
Lake Arrowhead (District dissolved effective 7/1/08, San Bernardino County Fire Protection District is successor agency)		
Monte Vista (District dissolved effective 9/16/05; City of Montclair successor agency.)		
San Bernardino County (amended 7/1/08; formerly known as Yucca Valley Fire Protection District)	Fire	Structural, watershed, prevention, inspection, suppression, weed abatement, hazardous materials services, rescue, first aid, ambulance transportation, emergency response, and disaster preparedness planning
<u>RECREATION AND PARK DISTRICTS</u>		
Big Bear Valley	Park and Recreation	Operation and maintenance
Bloomington	Park and Recreation	Development, operation, recreation

EXHIBIT “B”

DISTRICTS AND PRINCIPAL ACTS

(Reference to Section 13 of Said Rules and Regulations)
(Amended May 15, 1996, April 16, 1997, September 28, 2011)

TYPE OF DISTRICTS	PRINCIPAL ACT
Airport	Public Utilities Code Section 22001-22979
Cemetery	Health and Safety Code 8890, et seq., Chapter 1 Part 4, Division 8
Community Service	Government Code 61100, Division 3, Title 5, superseded by Division 3, Title 6
County Service Area	Government Code 25210, Title 3, Division 2, Part 2, Chapter 2.2
County Water District	Water Code 30000 et seq., Division 12, Water Code Section 31575
Fire District and Fire Protection Districts	Health and Safety Code 13801, et. Seq., Part 2.7, Division 12
Hospital/Health Care	Health and Safety Code 32000, Division 23
Mosquito Abatement/Vector Control Districts	Health and Safety Code Section 2200- 2395
Municipal Water Districts	Water Code, Division 20, 71000-73000, Water Code Appendix 20-1
Park District and Park and Recreation Districts	Public Resources Code 5400 and 5780, Chapter 4, Division 5, Public Resources Code 5431
Resource Conservation	Public Resources Code Section 9151 through 9962, Chapter 3, Division 9
Sanitary Districts	Health and Safety Code 6400, et seq., Part 1, Division 6

Sanitation Districts	Health and Safety Code 4700, et seq., Chapter 3, Part 3, Division 5
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Water Conservation	Water Conservation Act of 1931, Water Code Appendix, Chapter 39, Sections 74000 – 76501
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Special Act Water Agencies:

Crestline-Lake Arrowhead Water Agency	CLAWA Law (338-1779) Statutes 1962, Chapter 40, Water Code Appendix Chapter 104
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Mojave Water Agency	MWA Law (245-7717) Statutes 1959, Chapter 2146, Water Code Appendix, Chapter 97
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Bighorn Mountain Water Agency	BMWA Law (Statutes 1969, Chapter 1175, P.2273) Water Code Appendix, Section 112-1 to 54
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Odessa Water District	ODWD Law (Statutes 1991, Chapter 533) Water Code Appendix Section 132- 101
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FORMS ADOPTED BY LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

Initiating Documents:

- Notice of Intent to Circulate Petition
- Landowner Petition Initiating Proceedings
- Registered Voter Petition Initiating Proceedings
- Landowner Consent Form

Application Documents:

- Application and Preliminary Environmental Description Form
- Supplement - Annexation, Detachment, Reorganization Proposals
- Supplement - Sphere of Influence Change
- Supplement - City Incorporation (*not available*)
- Supplement - Formation of a Special District
- Supplement - Special District: Services – Activation or Divestiture
- Listing of Assessor's Parcel Numbers within Area Proposed for Change

Forms for Submission of Protest:

- Landowner Protest Petition
- Registered Voter Protest Petition

Out of Agency Service Contract:

- Application for Extension of Service by Contract

Service Review and Sphere of Influence Update:

- Service Review and Mandatory Sphere of Influence Update

NOTICE OF INTENT TO CIRCULATE PETITION

Notice is hereby given of the intention to circulate a petition proposing

A written statement of the reasons for the proposal, not to exceed 500 words in length is as follows:

Name and address of proponent:

SIGNED BY: _____

DATED: _____

Required Attachments:

Sample Petition
Legal Description(s) and Map(s) of Changes within the Proposal

(The "Notice of Intent to Circulate Petition" must be filed with the Executive Officer of the Local Agency Formation Commission for San Bernardino County prior to circulating the petition. Upon receipt of this Notice, the Executive Officer is required to notify all affected agencies.)

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

215 North "D" Street, Suite 204
San Bernardino, CA 92415-0490 • (909) 383-9900 • FAX (909) 383-9901
E-MAIL: lafco@lafco.sbcounty.gov

LANDOWNER PETITION INITIATING PROCEEDINGS

We, the undersigned Landowners, do hereby petition the Local Agency Formation Commission, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.), as follows:

(List all proposed changes of organization)

To the best of our knowledge, the proposal is consistent with the adopted sphere(s) of influence for an affected agency or agencies, and we understand that this proposal cannot be considered unless and until such spheres are consistent.

We certify that we are true and legal landowners of the named property and understand that these petitions may not be circulated separately from a current legal description and a current map showing the area of review.

The names and addresses of the Chief Petitioners for this proposal are as follows (not to exceed three persons):

The reason(s) for this proposal is (are):

The requested terms and conditions for this proposal, if any, are as follows: _____

We hereby request that the Local Agency Formation Commission for San Bernardino County conduct proceedings on this proposal pursuant to the provisions of Government Code Sections 56000 et seq.

The landowner must sign his/her name, residence address, and the date of signing in his/her own handwriting. His/her parcel number must be included. If signing on behalf of a business or corporation, documentation must be attached showing ability to sign as legal representative for that enterprise.

SIGN NAME _____ PRINT NAME _____	RESIDENCE ADDRESS _____	DATE _____	PARCEL NUMBER _____
SIGN NAME _____ PRINT NAME _____	RESIDENCE ADDRESS _____	DATE _____	PARCEL NUMBER _____
SIGN NAME _____ PRINT NAME _____	RESIDENCE ADDRESS _____	DATE _____	PARCEL NUMBER _____
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SIGN NAME _____ PRINT NAME _____	RESIDENCE ADDRESS _____	DATE _____	PARCEL NUMBER _____

CONTINUATION PAGE FOR LANDOWNER PETITION

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SIGN NAME _____ PRINT NAME _____	RESIDENCE ADDRESS _____ _____ _____	DATE _____	PARCEL NUMBER _____

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

215 North "D" Street, Suite 204
San Bernardino, CA 92415-0490 • (909) 383-9900 • FAX (909) 383-9901
E-MAIL: lafco@lafco.sbcounty.gov

REGISTERED VOTER PETITION INITIATING PROCEEDINGS

We, the undersigned Registered Voters, do hereby petition the Local Agency Formation Commission, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.), as follows:

(List all proposed changes of organization)

To the best of our knowledge, the proposal is consistent with the adopted sphere(s) of influence for an affected agency or agencies, and we understand that this proposal cannot be considered unless and until such spheres are consistent.

We certify that we are registered voters of the area described and understand that these petitions may not be circulated separately from a current legal description and a current map showing the area of review.

The names and addresses of the Chief Petitioners for this proposal are as follows (not to exceed three persons):

_____	_____	_____
_____	_____	_____
_____	_____	_____

The reason(s) for this proposal is (are):

The requested terms and conditions for this proposal, if any, are as follows: _____

We hereby request that the Local Agency Formation Commission for San Bernardino County conduct proceedings on this proposal pursuant to the provisions of Government Code Sections 56000 et seq.

The voter must sign his/her name exactly as it appears on the voter registration rolls, residence address, and the date of signing in his/her own handwriting. RESIDENCE means a number and a street address or description sufficient for the Registrar of Voters to locate property on a map. Post Office Box numbers or Route numbers CANNOT BE USED AND WILL NOT BE ACCEPTED.

SIGN NAME _____ PRINT NAME _____	RESIDENCE ADDRESS _____	DATE _____	FOR ROV USE ONLY
SIGN NAME _____ PRINT NAME _____	RESIDENCE ADDRESS _____	DATE _____	FOR ROV USE ONLY
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CONTINUATION PAGE FOR REGISTERED VOTER PETITION

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SIGN NAME _____ PRINT NAME _____	RESIDENCE ADDRESS _____ _____ _____	DATE _____	FOR ROV USE ONLY

LANDOWNER CONSENT FORM

Local Agency Formation Commission For San Bernardino County

I (We), _____, consent to the
annexation/ reorganization of my (our) property located at:

which is identified as Assessor's Parcel Number(s) _____
_____ ,

to the _____ .
(name of agency)

Signature(s): _____
Address: _____
City, State, Zip _____
Date Signed: _____

*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.*

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 proposed project site to allow the San Bernardino LAFCO, its staff and others to adequately assess the project. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your project. 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: _____

2. NAME OF APPLICANT: _____
MAILING ADDRESS: _____

PHONE: (____) _____

FAX: (____) _____

E-MAIL ADDRESS: _____

3. GENERAL LOCATION OF PROPOSAL: _____

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 reasons that the proposed action has been requested. _____

6. 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.

LAND USE AND DEVELOPMENT POTENTIAL

1. Total land area (defined in acres):

2. Current dwelling units in area classified by type (Single Family detached, multi-family (duplex, four-plex, 10-unit), apartments)

3. Approximate current population in area:

4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s):

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

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:

6. Indicate the existing land use.

What is the proposed land use?

7. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following:
 - 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.

8. 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.

9. 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: _____ | | |

10. 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.

11. Provide a narrative response to the following factor of consideration as identified in §56668(o):
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:

ENVIRONMENTAL INFORMATION

1. Provide general description of topography. _____

2. Describe any existing improvements on the site as % of total area.

Residential _____%	Agricultural _____%
Commercial _____%	Vacant _____%
Industrial _____%	Other _____%

3. Describe the surrounding land uses:

NORTH _____

EAST _____

SOUTH _____

WEST _____

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.).

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 project 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 _____ TELEPHONE NO. _____

ADDRESS:

NAME _____ TELEPHONE NO. _____

ADDRESS:

NAME _____ TELEPHONE NO. _____

ADDRESS:

CERTIFICATION

As a part of this application, the city of _____, or the _____ district, _____ (the applicant) and/or the _____ (real party in interest: subject landowner and/or registered voter) agree to defend, indemnify, hold harmless, and release the 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, costs, and expenses, including attorney fees. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

As the proponent, I/We acknowledge that annexation to the city of _____ or the _____ 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 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 _____

SIGNATURE OF APPLICANT

PRINTED NAME OF APPLICANT

TITLE

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. 9/28/11

**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 project. 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

DETACHED FROM

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

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

4. 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.

5. 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.

1. A description of the level and range of each service to be provided to the affected territory.
2. An indication of when the service can be feasibly extended to the affected territory.
3. 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.
4. 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.
5. 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.
6. 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 city of _____, or the _____ district, _____ (the applicant) and/or the _____ (real party in interest: subject landowner and/or registered voter) agree to defend, indemnify, hold harmless, and release the 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, costs, and expenses, including attorney fees. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

As the proponent, I/We acknowledge that annexation to the city of _____ or the _____ 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 _____

SIGNATURE OF APPLICANT

/REVISED: krm – 9/28/2011

SUPPLEMENT SPHERE OF INFLUENCE CHANGE

INTRODUCTION: The questions on this form are designed to obtain data about the specific sphere of influence change proposal to allow the Commission, staff and others to adequately assess the project. You may also include any additional information that you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please provide an identification of the agencies involved in the proposed sphere of influence change(s):

SPHERE EXPANSION

SPHERE REDUCTION

2. Provide a narrative description of the following factors of consideration as outlined in Government Code Section 56425. (If additional room for response is necessary, please attach additional sheets to this form.)

The present and planned land uses in the area, including agricultural and open-space lands.

The present and probable need for public facilities and services in the area.

The present capacity of public facilities and adequacy of public services that the agency to be expanded provides or is authorized to provide.

The existence of any social or economic communities of interest in the area.

3. If the proposal includes a city sphere of influence change, provide a written statement of whether or not agreement on the sphere change between the city and county was achieved as required by Government Code Section 56425. In addition, provide a written statement of the elements of agreement (such as, development standards, boundaries, zoning agreements, etc.) (See Government Code Section 56425)

4. If the proposal includes a special district sphere of influence change not considered to be minor, provide a written statement: (a) specifying the function or classes of service provided by the district(s) and (b) specifying the nature, location and extent of the functions or classes of service provided by the district(s). (See Government Code Section 56425(i))

5. For any sphere of influence amendment either initiated by an agency or individual, or updated as mandated by Government Code Section 56425, the following service review information is required to be addressed in a narrative discussion, and attached to this supplemental form (See Government Code Section 56430):

- a. Growth and population projections for the affected area.
- b. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- c. Financial ability of agencies to provide services.

- d. Status of, and opportunities for, shared facilities.
- e. Accountability for community service needs, including governmental structure and operational efficiencies.

If additional sheet are submitted or a separate document provided to fulfill Item #5, the narrative description shall be signed and certified by an official of the agency(s) involved with the sphere of influence review as to the accuracy of the information provided. If necessary, attach copies of documents supporting statements.

CERTIFICATION

As a part of this application, the city of _____, or the _____ district, _____ (the applicant) and/or the _____ (real party in interest: subject landowner and/or registered voter) agree to defend, indemnify, hold harmless, and release the 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, costs, and expenses, including attorney fees. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above 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 _____

SIGNATURE OF APPLICANT

PRINTED NAME

TITLE

Rev: krm – September 28, 2011

SUPPLEMENT FORMATION OF A SPECIAL DISTRICT

INTRODUCTION: The questions on this form are designed to obtain data about the specific district formation proposal to allow the Commission, staff and others to adequately assess the project. 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:

NAME OF SPECIAL DISTRICT TO BE FORMED:

AGENCIES TO BE
DISSOLVED

AGENCIES TO BE DETACHED

<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

2. Under what principal act will the district be formed?

3. Provide a listing of the services and functions to be provided by the new agency.

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

5. If the district proposed to be formed is a single-purpose entity (such as a fire protection district, or a water district formed only to provide water), provide an identification of other

multiple purpose districts within the area and a description as to why a single entity is the preferred choice.

6. PLAN FOR SERVICES:

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) will be required. This plan shall, at a minimum, respond to each of the following questions and be signed by the proponents of the change.

1. A description of the level and range of each service to be provided to the territory through the formation process.
2. An indication of when the service can be feasibly extended to the territory.
3. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the new district would need to impose upon the territory.
4. The estimated cost of extending the service and a description of how the service or required improvements will be financed. A discussion about the sufficiency of revenues to fund the anticipated service is also required.
5. An indication of whether the territory is or will be proposed for inclusion within a proposed improvement zone/district, assessment district, or community facilities district.
6. 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)).
7. Copies of the feasibility study for the formation of the District. The feasibility study must outline the anticipated structure of the governing body and provide, at a minimum, a projected five-year budget for revenues and expenditures. The budget presented will need to indicate the source and amount of revenues and expenditures based upon services to be provided. Please note that the new district may receive a "share" of the property tax revenues generated within the boundaries but that share depends on the types of services to be offered by the District, the previous sources of those services if any, and the historic cost to provide the services to be absorbed. No new taxes can be imposed by the creation of the District unless two-thirds of the voters approve the proposal.

CERTIFICATION

As a part of this application, the city of _____, or the _____ district, _____ (the applicant) and/or the _____ (real party in interest: subject landowner and/or registered voter) agree to defend, indemnify, hold harmless, and release the 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, costs, and expenses, including attorney fees. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the proponent 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 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 _____

SIGNATURE OF APPLICANT

/krm – 9/28/2011

**SUPPLEMENT
SPECIAL DISTRICT SERVICES
ACTIVATION OR DIVESTITURE OF FUNCTION/SERVICE**

INTRODUCTION: The questions on this form are designed to obtain data about the specific service(s) requested to be authorized for the district. The purpose is to allow the Commission, staff and others to adequately assess the project. You may also include any additional information which you believe is pertinent, using additional sheets, where necessary, and including any relevant documents to support the project.

1. Please identify the function(s)/service(s) proposed for activation:

Example: *(function) Water* *(Service) Retail, wholesale, domestic, industrial, irrigation, fire protection, sanitation*

FUNCTION

SERVICE

2. Provide a statement of the reason(s) for the proposal which shall include, but not be limited to, a description of any existing service deficiency, general plan determinations (existing or anticipated change necessitating service), anticipated growth rate (please identify source of data), topography, etc.

3. What service(s) was the District authorized to provide at the time of its formation? (Would be identified in final resolution approving formation or included in election decision – a copy of this document may be attached to fulfill this requirement.)

4. Provide an identification of any multiple purpose districts within the area authorized to provide the identified function/service activation. Include a description as to why the preferred choice has been made.

5. PLAN FOR SERVICES:

The requirements for the Plan for Service are outlined in Government Code Section 56824.12 and are summarized below:

1. The total estimated cost to provide the new or different function or class of service within the District's boundaries. This projection shall be, at a minimum, for a five-year period.
2. The estimated cost of the new or different function or service to existing customers within the district's jurisdictional boundaries. (The cost can be identified by customer class).
3. An identification of existing providers, if any, of the function(s)/service(s) and the potential fiscal impact of this activation to the customers of those providers.
4. A plan for financing the establishment of the new or different function/service within the district's jurisdictional boundaries. A five-year projection of revenues (at a minimum) with discussion about the sufficiency of revenues to fund the anticipated ongoing maintenance and operation of the service is required. This plan should include:
 - a. An indication of whether territory is or will be proposed for inclusion within a proposed improvement zone/district, assessment district, or community facilities district to fund the service.
 - b. If retail water service is proposed to be activated through this action, provide a description of the timely availability of water for projected needs within the area. (The response should be patterned after the factors identified in Government Code Section 65352.5 related to an Urban Water Management Plan.)
5. A discussion of the alternatives to the establishment of the new or different service within the District's boundaries/service area.

This plan shall, at a minimum, respond to each of the items identified above and shall be signed and certified as to its completeness and accuracy by an official of the requesting agency.

CERTIFICATION

As a part of this application, the _____ district agrees to defend, indemnify, hold harmless, and release the 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, costs, and expenses, including attorney fees. The district signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the proponent 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 any attachments and exhibits hereto 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 _____

SIGNATURE OF APPLICANT

PRINTED NAME

TITLE

/Revised: krm September 28, 2011

CONTINUATION PAGE FOR LANDOWNER PROTEST PETITION

SIGN NAME _____ PRINT NAME _____	RESIDENCE ADDRESS	DATE	PARCEL NUMBER
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SIGN NAME _____ PRINT NAME _____	RESIDENCE ADDRESS	DATE	PARCEL NUMBER

CONTINUATION PAGE FOR REGISTERED VOTER PROTEST PETITION

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

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

AGENCY TO EXTEND SERVICE:

AGENCY NAME: _____

CONTACT PERSON: _____

ADDRESS: _____

PHONE: _____

EMAIL: _____

CONTRACTING PARTY:

NAME OF
PROPERTY OWNER: _____

CONTACT PERSON: _____

MAILING ADDRESS: _____

PHONE: _____

EMAIL: _____

ADDRESS OF PROPERTY
PROPOSED FOR CONTRACT: _____

CONTRACT NUMBER/IDENTIFICATION: _____

PARCEL NUMBER(S): _____

ACREAGE: _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10. Plan for Service:

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

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

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

CERTIFICATION

As a part of this application, the city of _____, or the _____ district agree to defend, indemnify, hold harmless, and release the 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, costs, and expenses, including attorney fees. The agency signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

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

SIGNED _____

NAME: _____

POSITION TITLE: _____

DATE: _____

REQUIRED EXHIBITS TO THIS APPLICATION:

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

Please forward the completed form and related information to:

Local Agency Formation Commission
215 North D Street, Suite 204
San Bernardino, CA 92415-0490
PHONE: (909) 383-9900 • FAX: (909) 383-9901

**SAN BERNARDINO LAFCO
SERVICE REVIEW AND MANDATORY
SPHERE OF INFLUENCE UPDATE**

INTRODUCTION: The questions on this form are designed to obtain data about the entity's existing sphere of influence to allow the Commission and its staff to begin to assess the mandated sphere update process. You are encouraged to include any additional information that you believe is pertinent to the process. Use additional sheets where necessary and/or include any relevant documents.

1. NAME OF AGENCY: _____

2. Provide an identification of the entities that provide service to your agency. Please indicate whether they are public or private entities and include subsidiary districts in this description. Please include a description of City or District-governed agencies (i.e., redevelopment agency, development corporations, joint powers authorities, improvement districts, etc.):

3. Provide a narrative description of anticipated alterations in the agency's current sphere of influence that should be considered in this review. This identification should include any potential development that would require a sphere of influence amendment for implementation, etc. (If additional room for response is necessary, please attach additional sheets to this form.)

4. **CITIES:** Provide an outline of negotiations with the County of San Bernardino related to any sphere update. Please include an outline of agreements on boundaries, development standards, zoning requirements, if any. This is required pursuant to Government Code Section 56425(b).

5. **CITIES:** Provide an outline of the dates for adoption and plans for update, if any, for:

General Plan _____ Elements if adopted separately NAME	DATE OF ADOPTION/UPDATE PLANS
_____	_____
_____	_____
_____	_____
_____	_____

6. **CITIES/SPECIAL DISTRICTS:** For the services provided by the agency identify the appropriate document below and provide an outline of the date of adoption, schedule for update, copy of the document (in electronic format), and copy of environmental document, if applicable:

Master Plan for Water Utility	_____
Master Plan for Sewer Utility	_____
Master Plan for Fire Service	_____
Master Plan for Park Service	_____
Urban Water Management Plan	_____
Other (Please name):	_____
_____	_____
_____	_____
_____	_____

7. **SPECIAL DISTRICTS:** Provide an outline of the following items related to the services provided by the District. This response is specifically required by Government Code Section 56425(i) et seq.

a) Provide a written statement specifying the functions and/or classes of service provided by your District.

b) Provide a written description of the nature, location and extent of the functions and/or classes of service outlined above. Where the service area is less than the boundaries of the District provide a map depiction of the location.

8. Provide a response to the four factors outlined in Government Code Section 56425 as follows:

a) The present and planned land uses in the area, including agricultural and open-space lands.

b) The present and probable need for public facilities and services in the area.

c) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

d) The existence of any social or economic communities of interest in the area.

CERTIFICATION

I hereby certify that the statements furnished above and in the attached supplements, exhibits, and documents present the data and information required for this mandatory review 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: _____

Signature of Official

Printed Name

Title