

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

**SAN BERNARDINO CITY COUNCIL CHAMBERS
300 NORTH D STREET, FIRST FLOOR, SAN BERNARDINO**

REGULAR MEETING OF SEPTEMBER 18, 2013

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

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

CONSENT ITEMS:

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

1. Approval of Minutes for Regular Meeting of August 21, 2013
2. Approval of Executive Officer's Expense Report
3. Ratify Payments as Reconciled for Months of July and August 2013 and Note Cash Receipts
4. Review and Approve Request to County Auditor-Controller/Treasurer/Tax Collector to collect Outstanding City and/or District Apportionment Amounts from First Proceeds of Tax Revenues for Fiscal Year 2013-14

PUBLIC HEARING ITEMS:

5. Consent Items Deferred for Discussion
6. **CONTINUED HEARING:** Consideration of: (1) Review of Mitigated Negative Declaration Prepared by the County of San Bernardino for Revision to Approved Action for the Construction and Use of a 29,005 Sq. ft. Dining Facility, 10 Cabins each with a Floor Area of 1,872 Sq. ft., a Suspended Slide at the Existing Lake, a New 150,000 Gallon Water Tank that will Replace the Existing 50,000 Gallon Tank, and a 1,118 Sq. ft. Office for an Existing Organizational Camp and Adult Conference Center for a Maximum of 520 Guests and 55 Staff Members on 73.2 Acres as CEQA Responsible Agency for LAFCO SC#375; (2) Review and Approval of Addendum Prepared by LAFCO's Environmental Consultant that Provides Additional Information to Supplement the Mitigated Negative Declaration Adopted by the County of San Bernardino on September 11, 2012 to Address Extending Sewer Service to the Project, as CEQA Lead Agency for LAFCO SC#375; and (3) LAFCO SC#375 – Running Springs Water District Out-of-Agency Service Agreement for Sewer Service (O-Ongo Inc./Pali Mountain)

DISCUSSION ITEMS:

7. Consideration of Contract with the County Information Services Department for Development of a Fiscal Indicators Program For Use in Service Reviews
8. Consideration of Response to 2013 Grand Jury Report Finding Related to the Newberry Community Services District and Implementation of an Out of Cycle Service Review

INFORMATION ITEMS:

9. Pending Legislation Report
10. Executive Officer's Oral Report
11. Commissioner Comments
(This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on off-agenda items unless authorized by law.)
12. Comments from the Public
(By Commission policy, the public comment period is limited to five minutes per person for comments related to items under the jurisdiction of LAFCO.)

The Commission may adjourn for lunch from 12:00 to 1:30 p.m.

In its deliberations, the Commission may make appropriate changes incidental to the above-listed proposals.

Materials related to an item on this Agenda submitted to the Commission or prepared after distribution of the agenda packet will be available for public inspection in the LAFCO office at 215 N. D St., Suite 204, San Bernardino, during normal business hours, on the LAFCO website at www.sbclafco.org, and at the hearing.

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

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

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

A person with a disability may contact the LAFCO office at (909) 383-9900 at least 72-hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

**ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
HEARING OF AUGUST 21, 2013**

REGULAR MEETING

9:00 A.M.

AUGUST 21, 2013

PRESENT:

COMMISSIONERS: Jim Bagley
Kimberly Cox, Vice-Chair
James Curatalo, Chair
Robert Lovingood
James Ramos
Dawn Rowe, Alternate
Janice Rutherford, Alternate
Robert Smith, Alternate
Diane Williams

STAFF: Kathleen Rollings-McDonald, Executive Officer
Clark Alsop, LAFCO Legal Counsel
Samuel Martinez, Assistant Executive Officer
Michael Tuerpe, LAFCO Project Manager
Rebecca Lowery, Clerk to the Commission

ABSENT:

COMMISSIONERS: Larry McCallon, Sunil Sethi, Alternate

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION
COMMISSION – CALL TO ORDER – 9:04 A.M. – SAN BERNARDINO CITY COUNCIL
CHAMBERS**

Chairman Curatalo calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

CONSENT ITEMS - APPROVE STAFF RECOMMENDATIONS

1. Approval of Minutes for Regular Meeting of July 17, 2013
2. Approval of Executive Officer's Expense Report
3. Ratify Payments as Reconciled for Month of July 2013 and Note Cash Receipts

LAFCO considers the items listed under its consent calendar, which includes a Visa Justification, and a staff report outlining the staff recommendations to continue the reconciled payments report to the September 18, 2013 Hearing. Copies of each report are on file in the LAFCO office and are made part of the record by their reference herein.

Executive Officer Kathleen Rollings-McDonald states that no items have been requested to be deferred for discussion.

Commissioner Lovingood moves approval of the consent calendar, second by Commissioner Cox. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Rowe, Williams. Noes: None. Abstain: None. Absent: Ramos, McCallon (Commissioner Rowe voting in his stead).

PUBLIC HEARING ITEMS:

Item No. 5. No items deferred for discussion.

Item No. 6. CONTINUED FROM JULY 17, 2013 HEARING: CONSIDERATION OF: (1) REVIEW OF MITIGATED NEGATIVE DECLARATION PREPARED BY THE COUNTY OF SAN BERNARDINO FOR REVISION TO APPROVED ACTION FOR THE CONSTRUCTION AND USE OF A 29,005 SQ. FT. DINING FACILITY, 10 CABINS EACH WITH A FLOOR AREA OF 1,872 SQ. FT., A SUSPENDED SLIDE AT THE EXISTING LAKE, A NEW 150,000 GALLON WATER TANK THAT WILL REPLACE THE EXISTING 50,000 GALLON TANK, AND A 1,118 SQ. FT. OFFICE FOR AN EXISTING ORGANIZATIONAL CAMP AND ADULT CONFERENCE CENTER FOR A MAXIMUM OF 520 GUESTS AND 55 STAFF MEMBERS ON 73.2 ACRES AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#375; (2) REVIEW AND APPROVAL OF ADDENDUM PREPARED BY LAFCO'S ENVIRONMENTAL CONSULTANT THAT PROVIDES ADDITIONAL INFORMATION TO SUPPLEMENT THE MITIGATED NEGATIVE DECLARATION ADOPTED BY THE COUNTY OF SAN BERNARDINO ON SEPTEMBER 11, 2012 TO ADDRESS EXTENDING SEWER SERVICE TO THE PROJECT, AS CEQA LEAD AGENCY FOR LAFCO SC#375; AND (3) LAFCO SC#375 – RUNNING SPRINGS WATER DISTRICT OUT-OF-AGENCY SERVICE AGREEMENT FOR SEWER SERVICE (O-ONGO INC./PALI MOUNTAIN)

LAFCO conducts a continued public hearing to consider LAFCO SC#375 – Running spring Water District Out-Of-Agency Service Agreement for Sewer Service(O-Ongo Inc./Pali Mountain).

(It is noted that Commissioner Rutherford arrives at the Hearing at 9:11 a.m.)

Assistant Executive Officer Samuel Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. The full recommendation is outlined on pages 1 and 2 of the staff report.

(It is noted that Commissioner Ramos arrives at the Hearing at 9:12 a.m.)

Mr. Martinez states that a supplemental staff report was sent to the Commission dated August 20, 2013 noting that information was received by LAFCO staff from a representative for Crestline-Lake Arrowhead Water Agency (CLAWA), outlining new information regarding issues with CLAWA which affects the environmental process for this project. Those items relate to a crossing of the CLAWA easement and location of the

water tank, among other items. In addition, he also states that LAFCO staff received via email additional information from a representative from Pali Mountain the evening prior to the hearing, a copy of which has been put at each Commissioners place. He says that staff is requesting a continuance of the item to the October 16, 2013 hearing.

Phil Butler, Project Manager, Pali Mountain asks the Commission to consider the project before the snow season starts in Running Springs. Commissioner Cox ask if a conditional approval can be issued, to which LAFCO Legal Counsel Clark Alsop states that a project cannot be split. Executive Officer Kathleen Rollings-McDonald states that the September hearing had been proposed to be canceled as no items were ready for consideration, so it can be rescheduled to accommodate this project.

Commissioner Lovingood makes a request for a September hearing to be held so that the item can be heard.

Commissioner Cox moves approval of the request for continuance to the September 18, 2013 Hearing, second by Commissioner Ramos. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Rowe, Williams. Noes: None. Abstain: None. Absent: McCallon (Commissioner Rowe voting in his stead).

DISCUSSION ITEMS:

Item No. 7 DISCUSSION OF POLICY AND PROCEDURE MANUAL UPDATES: (A) APPOINTMENT OF STANDING AND SPECIAL COMMITTEES AND (B) REFUND OF LAFCO FILING FEE

Executive Officer Kathleen Rollings-McDonald presents the staff report a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

The Commission modifies the staff recommendation for Rule of Order #5 inserting the last sentence as "The agenda for any meeting shall be posted at least 72 hours prior to the Standing, Ad Hoc or Special Committee meetings".

Commissioner Cox moves approval of the amended staff recommendation to update the Policy and Procedure Manual, second by Commissioner Ramos. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Rowe, Williams. Noes: None. Abstain: None. Absent: McCallon (Commissioner Rowe voting in his stead).

Item No. 8. CONSIDERATION OF RESPONSE TO 2013 GRAND JURY REPORT FINDING RELATED TO THE NEWBERRY COMMUNITY SERVICES DISTRICT

Executive Officer Kathleen Rollings-McDonald presents the staff report a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

The Commission asks what the costs will be to undertake an off-cycle review of the Newberry Community Services District, as well as the Yermo and Daggett Community Services Districts. The Commission directs staff to return to with more information regarding costs for study. The item is to be continued to the September 18, 2013 Hearing.

Commissioner Lovingood moves approval of the request for continuance to the September 18, 2013 Hearing, second by Commissioner Ramos. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Rowe, Williams. Noes: None. Abstain: None. Absent: McCallon (Commissioner Rowe voting in his stead).

Item No. 9. NOMINATION OF COMMISSIONER ROBERT LOVINGOOD FOR THE COUNTY SEAT FOR THE SOUTHERN REGION OF THE CALIFORNIA ASSOCIATION OF LAFCOS

Executive Officer Kathleen Rollings-McDonald presents the staff report a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Staff is recommending that the Commission nominate Commissioner Robert Lovingood for the County Seat for the Southern Region of the California Association of LAFCOs Board of Directors.

Commissioner Ramos moves approval of the nomination of Commissioner Lovingood for the County Seat for the Southern Region of the California Association of LAFCOs, second by Commissioner Williams. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Rowe, Williams. Noes: None. Abstain: None. Absent: McCallon (Commissioner Rowe voting in his stead).

INFORMATION ITEMS:

Item No. 10. PENDING LEGISLATION ORAL REPORT

Executive Officer Kathleen Rollings-McDonald presents the oral report for the pending legislation.

No action is required.

Item No. 11. EXECUTIVE OFFICER'S ORAL REPORT

Executive Officer Kathleen Rollings-McDonald presents the Executive Officers oral report.

No action is required.

Item No. 12. COMMISSIONER COMMENTS

There are none.

Item No. 13. COMMENTS FROM THE PUBLIC

There are none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION,
THE HEARING IS ADJOURNED TO THE CALAFCO ANNUAL CONFERENCE IN
SQUAW CREEK, CA, AUGUST 28 THROUGH 30, 2013 AT 10:05 A.M.**

ATTEST:

REBECCA LOWERY
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

JAMES CURATALO, Chairman

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

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DATE: SEPTEMBER 9, 2013

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer



TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM #2 – APPROVAL OF EXECUTIVE OFFICER’S
EXPENSE REPORT**

RECOMMENDATION:

Approve the Executive Officer’s Expense Report for Procurement Card Purchases for August 2013 as presented.

BACKGROUND INFORMATION:

The Commission participates in the County of San Bernardino’s Procurement Card Program to supply the Executive Officer a credit card to provide for payment of routine official costs of Commission activities as authorized by LAFCO Policy #4(H). Staff has prepared an itemized report of purchases that covers the billing period of July 23, 2013 through August 22, 2013.

It is recommended that the Commission approve the Executive Officer’s expense report as shown on the attachments.

KRM/rcl

Attachment



**COUNTY OF SAN BERNARDINO
PROCUREMENT CARD PROGRAM**

MONTHLY PROCUREMENT CARD PURCHASE REPORT

Card Number [REDACTED]	Cardholder Kathleen Rollings-McDonald	Billing Period 6/23/13 to 7/22/13
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Date	Vendor Name	Receipt/ Invoice No.	Item Description	Purpose	\$ Amount	Reconciled (R) Disputed (D)	Sales Tax Included on invoice (Yes or No)
7-01	Resort at Squaw Creek	1	Hotel Reservation – Curatalo	CALAFCO Annual Conference	169.00	R	N
7-01	Resort at Squaw Creek	2	Hotel Reservation – Martinez	CALAFCO Annual Conference	169.00	R	N
7-01	Resort at Squaw Creek	3	Hotel Reservation – Rollings-McDonald	CALAFCO Annual Conference	169.00	R	N
7-01	Resort at Squaw Creek	4	Hotel Reservation – Sethi	CALAFCO Annual Conference	169.00	R	N
7-01	Resort at Squaw Creek	5	Hotel Reservation – Cox	CALAFCO Annual Conference	169.00	R	N
7-01	Resort at Squaw Creek	6	Hotel Reservation – Bagley	CALAFCO Annual Conference	169.00	R	N
7-01	Resort at Squaw Creek	7	Hotel Reservation – Lowery – to hold for Commission	CALAFCO Annual Conference	169.00	R	N
7-01	Resort at Squaw Creek	8	Hotel Reservation – Tuerpe – to hold for Commission	CALAFCO Annual Conference	169.00	R	N
7-15	Storetrieve LLC	9	Monthly Payment	Records Maintenance and Storage	47.52	R	N
7-15	Yellow Cab – Sacramento	10	Cabfare – Rollings-McDonald	CALAFCO Board Meeting	42.08	R	N
7-15	Ontario Airport	11	Parking – Rollings-McDonald	CALAFCO Board Meeting	18.00	R	N
7-18	Panera Bread	12	Bagel's	LAFCO Hearing	13.99	R	N
7-22	Resort at Squaw Creek	13	Hotel Reservation – Lovingood	CALAFCO Annual Conference	189.00	R	N

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

Cardholder (Print & Sign) Kathleen Rollings-McDonald	Date 8/12/13
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Approving Official (Print & Sign) James Curatalo, Chairman	Date 8/21/13
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**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE: SEPTEMBER 5, 2013



FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM #3 - RATIFY PAYMENTS AS RECONCILED FOR
MONTH OF JULY 2013 AND AUGUST 2013 NOTE CASH
RECEIPTS**

RECOMMENDATION:

Ratify payments as reconciled for the months of July 2013 and August 2013 and note revenue receipts for the same periods.

BACKGROUND INFORMATION:

Staff has prepared a reconciliation of warrants issued for payments to various vendors, internal transfers for payments to County Departments, cash receipts and internal transfers for payments for deposits or other charges that cover the period of July 1, 2013 through July 31, 2013 and August 1, 2013 through August 31, 2013.

Staff is recommending that the Commission ratify the payments for July and August outlined on the attached listings and note the revenues received.

KRM/rcl

Attachment

MONTHLY RECONCILIATION OF PAYMENTS

MONTH OF JULY 2013 PAYMENTS PROCESSED					
VOUCHER DOCUMENT ID	ACCOUNT	NAME	WARRANT NUMBER	WARRANT DATE	AMOUNT
PV8908035	2445/2940	JIM BAGLEY	8257209	7/2/13	\$ 301.59
PV8908036	2445/2940	KIMBERLY COX	8257222	7/2/13	\$ 261.02
PV8908037	2445/2940	DAWN MICHELLE ROWE	8257122	7/2/13	\$ 282.49
PV8908038	2445/2940	ROBERT W SMITH	8257389	7/2/13	\$ 291.53
PV8908039	2445/2940	DIANE WILLIAMS	8257130	7/2/13	\$ 229.38
PV8908040		PROCESSED LAST MONTH			
PV8908041	2335	STAFFMARK CALIFORNIA LLC	8257441	7/2/13	\$ 2,009.28
PV8908042	2905	INLAND EMPIRE PROPERTIES LLC	8257196	7/2/13	\$ 3,984.00
PV8908043	2445	CITY OF SAN BERNARDINO	8257099	7/2/13	\$ 300.00
PV8908044		PROCESSED LAST MONTH			
PV8908045	2895	ADVANCED COPY SYSTEMS	3201899	7/11/13	\$ 375.31
PV8908046	2445	CITY OF SAN BERNARDINO	8264137	7/12/13	\$ 300.00
PV8908047	2335	STAFFMARK CALIFORNIA LLC	8263640	7/11/13	\$ 1,776.06
PV8908048	2400	BEST BEST & KRIEGER	3201903	7/11/13	\$ 2,396.18
PV8908049	2424	TOM DODSON & ASSOCIATES	3202061	7/11/13	\$ 2,197.00
PV8908050	2075	CALAFCO - ANNUAL DUES	8264009	7/11/13	\$ 7,319.00
PV8908051	1235	SPECIAL DISTRICTS RISK MGMT - INSURANCE	8263639	7/11/13	\$ 393.00
PV8908052	2245	SPECIAL DISTRICTS RISK MGMT - INSURANCE	8263639	7/11/13	\$ 7,011.98
PV8908053	2941	CALAFCO	8263365	7/10/13	\$ 2,478.00
PV8908054	2905	INLAND EMPIRE PROPERTIES LLC	8270233	7/24/13	\$ 4,103.52
TOTAL					\$ 36,009.34
MONTH OF JULY 2013 INTERNAL TRANSFERS PROCESSED					
JVIB 12112037D	2037	JUNE 2013 PHONE		7/17/2013	\$ 213.68
JVIB 12112038D	2038	JUNE 2013 LONG DISTANCE		7/17/2013	\$ 5.20
JVCS 20130715063	2305	STAPLES - SERVICE CHARGE		7/15/2013	\$ 47.84
JVCS 20130715063	5012	STAPLES - SUPPLIES		7/15/2013	\$ 398.67
JVATXRT00206	2308	CAL CARD PAYMENT - JULY		7/10/2013	\$ 717.00
JVPURRT00214	2310	PRESORT FLATS - MAIL		7/8/2013	\$ 9.97
JVPURRT00210	2310	1ST CLASS PRESORT- MAIL		7/9/2013	\$ 250.37
JVPURRT00218	2310	INTER-OFFICE MAIL		7/18/2013	\$ 160.00
JVIB 12112410M	2410	JUNE 2013 DATA PROCESSING		7/17/2013	\$ 22.20
JVIB 12112410X	2410	JUNE 2013 DATA PROCESSING		7/17/2013	\$ 2.10
JVIB 12112410E	2410	JUNE 2013 DATA PROCESSING		7/18/2013	\$ 454.27
JVIB 12112420J	2420	JUNE 2013 ISD		7/17/2013	\$ 20.66
JV890RT00908	2424	NOTICE OF EXEMPTION FOR LAFCO 3159		7/25/2013	\$ 50.00
JV890RT00052	2445	SURVEYOR CHARGES - LAFCO 3171 & 3172		7/2/2013	\$ 900.00
JVIB 12112450B	2450	JUNE 2013 - SYSTEM DEVELOPMENT		7/18/2013	\$ 100.03
TOTAL					\$ 3,351.99

MONTHLY RECONCILIATION OF PAYMENTS

MONTH OF JULY 2013 CASH RECEIPTS

MONTH OF JULY 2013 CASH RECEIPTS					
DEPOSIT			DEPOSIT		
DOCUMENT ID	ACCOUNT	DESCRIPTION	DATE	AMOUNT	
JVTZ RT130716053	8500	APPORTIONED INTEREST	7/30/2013	\$	533.62
JV735RT00388	8842	TWENTYNINE PALMS CEMETERY DIST	7/12/2013	\$	67.75
JV775RT00314	8842	CREST FOREST FPD	7/12/2013	\$	1,393.87
JV800RT00387	8842	INVOICE 4526	7/12/2013	\$	10,000.00
CRATXA00453	8842	THUNDERBIRD COUNTY WATER DIST	7/15/2013	\$	63.28
CRATXA00453	8842	YERMO CSD	7/15/2013	\$	91.31
CRATXA00453	8842	PHELAN PINON HILLS CSD	7/15/2013	\$	10,000.00
CRATXA00453	8842	MORONGO VALLEY CSD	7/15/2013	\$	268.15
CRATXA00453	8842	HELENDALE CSD	7/15/2013	\$	907.52
CRATXA00453	8842	BIGHORN DESERT VIEW WATER AGENCY	7/15/2013	\$	431.52
CRATXA00453	8842	CITY OF TWENTYNINE PALMS	7/15/2013	\$	1,725.64
CRATXA00448	8842	CRESTLINE SANITATION DIST	7/15/2013	\$	1,146.89
CRATXA00448	8842	SAN BERNARDINO VALLEY WATER CONS DIST	7/15/2013	\$	327.07
CRATXA00497	8842	HI-DESERT WATER DIST	7/16/2013	\$	10,000.00
CRATXA00497	8842	RUNNING SPRINGS WATER DIST	7/16/2013	\$	10,000.00
CRATXA00497	8842	MONTE VISTA WATER DIST	7/16/2013	\$	10,000.00
CRATXA00497	8842	CITY OF ONTARIO	7/16/2013	\$	42,109.16
CRATXA00583	8842	CRESTLINE VILLAGE WATER	7/17/2013	\$	919.48
CRATXA00583	8842	INLAND EMPIRE RESOURCE CONS DIST	7/17/2013	\$	233.56
CRATXA00702	8842	BARSTOW HEIGHTS CSD	7/19/2013	\$	21.25
CRATXA00702	8842	TOWN OF APPLE VALLEY	7/19/2013	\$	6,991.63
CRATXA00756	8842	CITY OF BARSTOW	7/22/2013	\$	6,541.22
CRATXA00756	8842	TOWN OF YUCCA VALLEY	7/22/2013	\$	1,830.50
CRATXA00756	8842	CITY OF HIGHLAND	7/22/2013	\$	4,130.49
CRATXA00756	8842	APPLE VALLEY HEIGHTS COUNTY WATER	7/22/2013	\$	63.70
CRATXA00756	8842	BIG RIVER CSD	7/22/2013	\$	52.33
CRATXA00756	8842	DAGGETT CSD	7/22/2013	\$	78.80
CRATXA00756	8842	LAKE ARROWHEAD CSD	7/22/2013	\$	10,000.00
CRATXA00756	8842	EAST VALLEY WATER DIST	7/22/2013	\$	20,000.00
CRATXA00756	8842	CRESTLINE LAKE ARROWHEAD WATER AGENCY	7/22/2013	\$	1,497.09
CRATXA00751	8842	WEST VALLEY WATER DIST	7/22/2013	\$	10,000.00
CRATXA00751	8842	YUCAIPA VALLEY WATER	7/22/2013	\$	20,000.00
CRATXA00751	8842	YUCCA VALLEY AIRPORT	7/22/2013	\$	9.02
CRATXA00795	8842	CITY OF MONTCLAIR	7/23/2013	\$	5,219.66
CRATXA00795	8842	HI-DESERT MEMEMORIAL HEALTHCARE DIST	7/23/2013	\$	1,500.00
CRATXA00796	8842	CITY OF CHINO HILLS	7/23/2013	\$	11,690.15
CRATXA00796	8842	CITY OF BIG BEAR LAKE	7/23/2013	\$	5,584.01
CRATXA00796	8842	CITY OF YUCAIPA	7/23/2013	\$	4,587.32
CRATXA00930	8842	SAN BERNARDINO VALLEY MUNI WATER	7/25/2013	\$	30,000.00
CRATXA00930	8842	CITY OF REDLANDS	7/25/2013	\$	14,523.74
CRATXA00930	8842	CITY OF VICTORVILLE	7/25/2013	\$	20,755.20
CRATXA00930	8842	JUNIPER RIVIERA COUNTY WATER DIST	7/25/2013	\$	90.84
JV725RT00953	8842	LAFCOS 2013-2014 ALLOC	7/26/2013	\$	126.05

MONTHLY RECONCILIATION OF PAYMENTS

MONTH OF JULY 2013 CASH RECEIPTS (cont.)

DEPOSIT			DEPOSIT	
DOCUMENT ID	ACCOUNT	DESCRIPTION	DATE	AMOUNT
CRATXA00967	8842	TWENTYNINE PALMS COUNTY WATER DIST	7/26/2013	\$ 10,000.00
CRATXA00967	8842	JOSHUA BASIN WATER DIST	7/26/2013	\$ 1,556.57
JVCAORT01200	8842	COUNTY OF SAN BERNARDINO	7/31/2013	\$ 288,274.00
CRATXA01208	8842	MARIANA RANCHOS COUNTY WATER DIST	7/31/2013	\$ 122.76
CRATXA01208	8842	CITY OF RANCHO CUCAMONGA	7/31/2013	\$ 22,035.43
CRATXA01208	8842	CITY OF FONTANA	7/31/2013	\$ 25,833.47
CRATXA01208	8842	CITY OF SAN BERNARDINO	7/31/2013	\$ 37,207.84
CRATXA01208	8842	CITY OF LOMA LINDA	7/31/2013	\$ 5,948.11
CRATXA01208	8842	CITY OF NEEDLES	7/31/2013	\$ 980.81
CRATXA01208	8842	CITY OF GRAND TERRACE	7/31/2013	\$ 1,350.22
CRATXA01208	8842	NEWBERRY CSD	7/31/2013	\$ 73.78
CR890A00108	9545	INDIVIDUAL NOTICE	7/3/2013	\$ 1,000.00
CR890A00108	9555	LEGAL SERVICES	7/3/2013	\$ 1,150.00
CR890A00108	9660	ENVIRONMENTAL	7/3/2013	\$ 750.00
CR890A00108	9800	LAFCO FEES	7/3/2013	\$ 5,000.00
CR890A00629	9930	MISCELLANEOUS	7/17/2013	\$ 1,035.00
CR890A00829	9660	ENVIRONMENTAL	7/23/2013	\$ 2,500.00
TOTAL				\$ 680,329.81

MONTH OF JULY 2013 INTERNAL TRANSFERS RECEIVED

TRANSFER			TRANSFER	
DOCUMENT ID	ACCOUNT	NAME	DATE	AMOUNT
		NONE		\$ -
TOTAL				\$ -

Rebecca Lowery

REBECCA LOWERY, Clerk to the Commission

9/5/2013
DATE

RECONCILIATION APPROVED BY:

Kathleen Rollings-McDonald

KATHLEEN ROLLINGS-MCDONALD, Executive Officer

9/5/2013
DATE

MONTHLY RECONCILIATION OF PAYMENTS

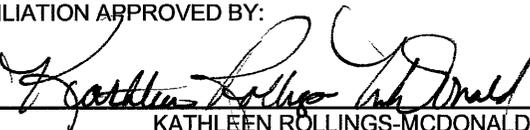
MONTH OF AUGUST 2013 PAYMENTS PROCESSED

VOUCHER DOCUMENT ID	ACCOUNT	NAME	WARRANT NUMBER	WARRANT DATE	AMOUNT
PV8908055	2335	STAFFMARK CALIFORNIA LLC	8296164	8/30/2013	\$ 1,175.07
PV8908056	2305	DAISY WHEEL RIBBON CO INC	3203483	8/7/2013	\$ 81.46
PV8908057	2115	ECS IMAGING INC	8278080	8/7/2013	\$ 1,313.00
PV8908058	2895	ADVANCED COPY SYSTEMS	3203458	8/7/2013	\$ 270.79
PV8908059	2400	BEST BEST & KRIEGER	3203467	8/7/2013	\$ 71.97
PV8908060	2905	CITY OF SAN BERNARDINO	3203481	8/7/2013	\$ 350.00
PV8908061	2424	TOM DODSON & ASSOCIATES	3204081	8/16/2013	\$ 1,020.00
PV8908062	2445/2940	JIM BAGLEY	8283877	8/16/2013	\$ 301.59
PV8908063	2445/2940	KIMBERLY COX	8283883	8/16/2013	\$ 261.02
PV8908064	2445/2940	JAMES V CURATALO	8283872	8/16/2013	\$ 477.97
PV890806501	2445	JANICE RUTHERFORD	8283874	8/16/2013	\$ 200.00
PV890806502	2445	ROBERT A LOVINGOOD	8283967	8/16/2013	\$ 200.00
PV890806503	2445	JAMES C RAMOS	8283873	8/16/2013	\$ 200.00
PV890806504	2445	LARRY MCCALLON	8283890	8/16/2013	\$ 200.00
PV8908066	2445/2940	DAWN MICHELLE ROWE	8283829	8/16/2013	\$ 282.49
PV8908067	2445/2940	ROBERT W SMITH	8283969	8/16/2013	\$ 291.53
PV8908068	2445/2940	DIANE WILLIAMS	8283835	8/16/2013	\$ 229.38
PV8908069	2335	STAFFMARK CALIFORNIA LLC	8292992	8/26/2013	\$ 1,722.24
PV8908070	2305	CROWN PRINTERS	8287100	8/22/2013	\$ 86.73
PV8908071	2905	INLAND EMPIRE PROPERTIES LLC	8292928	8/26/2013	\$ 4,103.52
PV8908072	2444	MJS ALARM CORP	8287162	8/22/2013	\$ 102.00
TOTAL					\$ 12,940.76

MONTH OF AUGUST 2013 INTERNAL TRANSFERS PROCESSED

JVIB 01062037D	2037	JULY 2013 PHONE		8/12/2013	\$ 213.68
JVIB 01062038D	2038	JULY 2013 LONG DISTANCE		8/13/2013	\$ 7.10
JVATXRT01244	2308	CAL CARD PAYMENT - AUGUST		8/5/2013	\$ 1,662.59
JVATXRT02648	2308	CAL CARD PAYMENT - SEPTEMBER		8/30/2013	\$ 944.92
JVPURRT01385	2310	INTER-OFFICE MAIL		8/14/2013	\$ 176.00
JVPURRT01388	2310	PACKAGING - MAIL		8/14/2013	\$ 35.30
JVPURRT01371	2310	1ST CLASS PRESORT- MAIL		8/15/2013	\$ 86.56
JVPURRT01390	2310	PACKAGING - MAIL		8/15/2013	\$ 3.64
JVPURRT01392	2310	PRESORT FLATS - MAIL		8/15/2013	\$ 69.94
JVIB 01062410AB	2410	JULY 2013 DATA PROCESSING		8/12/2013	\$ 1.82
JVIB 01062410AG	2410	JULY 2013 DATA PROCESSING		8/12/2013	\$ 106.18
JVIB 01062410AM	2410	JULY 2013 DATA PROCESSING		8/12/2013	\$ 5.04
JVIB 01062410AS	2410	JULY 2013 DATA PROCESSING		8/12/2013	\$ 48.29
JVIB 01062410P	2410	JULY 2013 DATA PROCESSING		8/12/2013	\$ 149.30
JVIB 01062410T	2410	JULY 2013 DATA PROCESSING		8/12/2013	\$ 72.39
JVIB 01062410X	2410	JULY 2013 DATA PROCESSING		8/12/2013	\$ 131.14
JVIB 01062410E	2410	JULY 2013 DATA PROCESSING		8/13/2013	\$ 22.90
JVIB 01062420L	2420	JULY 2013 ISD		8/12/2013	\$ 80.88
JVIB 01062421D	2421	JULY 2013 DIRECT		8/12/2013	\$ 56.27
JV890RT01490	2445	ROV CHARGES - LAFCO 3159		8/15/2012	\$ 240.62
TOTAL					\$ 4,114.56

MONTHLY RECONCILIATION OF PAYMENTS

MONTH OF AUGUST 2013 CASH RECEIPTS					
DEPOSIT			DEPOSIT		
DOCUMENT ID	ACCOUNT	DESCRIPTION	DATE	AMOUNT	
CRATXA01332	8842	CITY OF ADELANTO	8/5/2013	\$	1,974.42
CRATXA01332	8842	BEAR VALLEY COMM HEALTHCARE DIST	8/5/2013	\$	1,500.00
CRATXA01332	8842	CITY OF UPLAND	8/5/2013	\$	12,294.94
CRATXA01340	8842	MOJAVE WATER AGENCY	8/5/2013	\$	20,000.00
CRATXA01449	8842	APPLE VALLEY FOOTHILL COUNTY WATER	8/7/2013	\$	47.65
CRATXA01449	8842	RIM OF THE WORLD REC & PARK	8/7/2013	\$	346.71
CRATXA01449	8842	BIG BEAR CITY CSD	8/7/2013	\$	10,000.00
CRATXA01630	8842	BIG BEAR MUNICIPAL WATER	8/12/2013	\$	1,363.35
CRATXA01630	8842	CHINO VALLEY IND FIRE DIST	8/12/2013	\$	20,000.00
CRATXA01771	8842	SAN BERNARDINO MOUNTAINS COMM HOSP	8/14/2013	\$	1,500.00
CRATXA01771	8842	CHINO BASIN WATER CONSV	8/14/2013	\$	458.78
CRATXA01771	8842	INLAND EMPIRE UTILITIES AGENCY	8/14/2013	\$	30,000.00
CRATXA01770	8842	MOJAVE DESERT RES CONS DIST	8/14/2013	\$	31.16
CRATXA01770	8842	ARROWBEAR PARK COUNTY WATER	8/14/2013	\$	323.16
CRATXA01891	8842	CUCAMONGA VALLEY WATER DIST	8/16/2013	\$	30,000.00
CRATXA01891	8842	CITY OF COLTON	8/16/2013	\$	17,780.08
CRATXA02138	8842	CITY OF HESPERIA	8/22/2013	\$	9,580.38
TOTAL				\$	157,200.63
MONTH OF AUGUST 2013 INTERNAL TRANSFERS RECEIVED					
TRANSFER			TRANSFER		
DOCUMENT ID	ACCOUNT	NAME	DATE	AMOUNT	
JVCAORT01293	2941	CALAFCO CONF REIMBURSEMENT - A SILVA	8/13/2013	\$	405.00
JVSPDRT01051	9800	LAFCO FEES - LAFCO 3119	8/1/2013	\$	1,090.29
JVSPDRT01051	9800	LAFCO FEES - LAFCO 3121	8/1/2013	\$	1,180.29
JVSPDRT01051	9800	LAFCO FEES - LAFCO 3122	8/1/2013	\$	1,017.79
TOTAL				\$	3,693.37
 REBECCA LOWERY, Clerk to the Commission			9/5/2013	DATE	
RECONCILIATION APPROVED BY:  KATHLEEN ROLLINGS-MCDONALD, Executive Officer			9/5/2013	DATE	

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

DATE: SEPTEMBER 11, 2013

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
MICHAEL TUERPE, Project Manager



TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #4: Review and Approve Request to County Auditor-Controller/Treasurer/Tax Collector to Collect Outstanding City and/or District Apportionment Amounts from First Proceeds of Property Tax Revenues for Fiscal Year 2013-14

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Request the County Auditor-Controller/Treasurer/Tax Collector to collect the outstanding city and district apportionment amounts due to LAFCO for Fiscal Year 2013-14.
2. Determine the method for collection of the outstanding apportionments pursuant to Government Code Section 56381 is collection from the first proceeds of property tax owed to the agency, which shall include recovery of expenses incurred by the Commission and the County Auditor-Controller/Treasurer/Tax Collector in collection of the outstanding payments.
3. Direct the Executive Officer to submit the collection request to the County Auditor-Controller/Treasurer/Tax Collector.

BACKGROUND:

At the May hearing, the Commission adopted the FY 2013-14 budget and directed the Executive Officer to request the County Auditor-Controller/Treasurer/Tax Collector ("County Auditor") to apportion the Commission's net operating costs to the county, cities, and independent special districts pursuant to Government Code Section 56381(b). The County Auditor invoiced the agencies on July 1 with payment due by September 1. To date, the County Auditor has not received payment from three agencies for \$22,241.23.

Section 56381(c) states that if an agency does not remit its payment by the September 1 due date, the Commission may determine an appropriate method of collecting the required

payment, including a request to the county auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the county, city, or district. Additionally, the section reads that any expenses incurred by the Commission or auditor in collection of the outstanding payments shall be added to the payment owed.

The agreement between LAFCO, the County of San Bernardino, and County Auditor approved by the Commission in November 2009, outlines obligations of each party in the collection process. For the Commission, it is required to annually provide written evidence of Commission action/approval of the request and selection of the method for collecting payment. LAFCO staff is recommending that the Commission direct the County Auditor to collect the equivalent amount from the first proceeds of property taxes for the following agencies:

City of Rialto	\$12,048.20
Apple Valley Fire Protection District	10,000.00
<u>Baker Community Services District</u>	<u>193.03</u>
_Total Outstanding	\$22,241.23

In conclusion, staff is recommending that the Commission take the actions identified on page 1 of this report to collect the apportionments due as required by law.

KRM/MT

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

DATE: SEPTEMBER 10, 2013 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #6: LAFCO SC#375 - Running Springs Water District Out-of-Agency Service Agreement for Sewer Service (O-Ongo Inc./Pali Mountain)

INITIATED BY:

Running Springs Water District, on behalf of property owner

RECOMMENDATION:

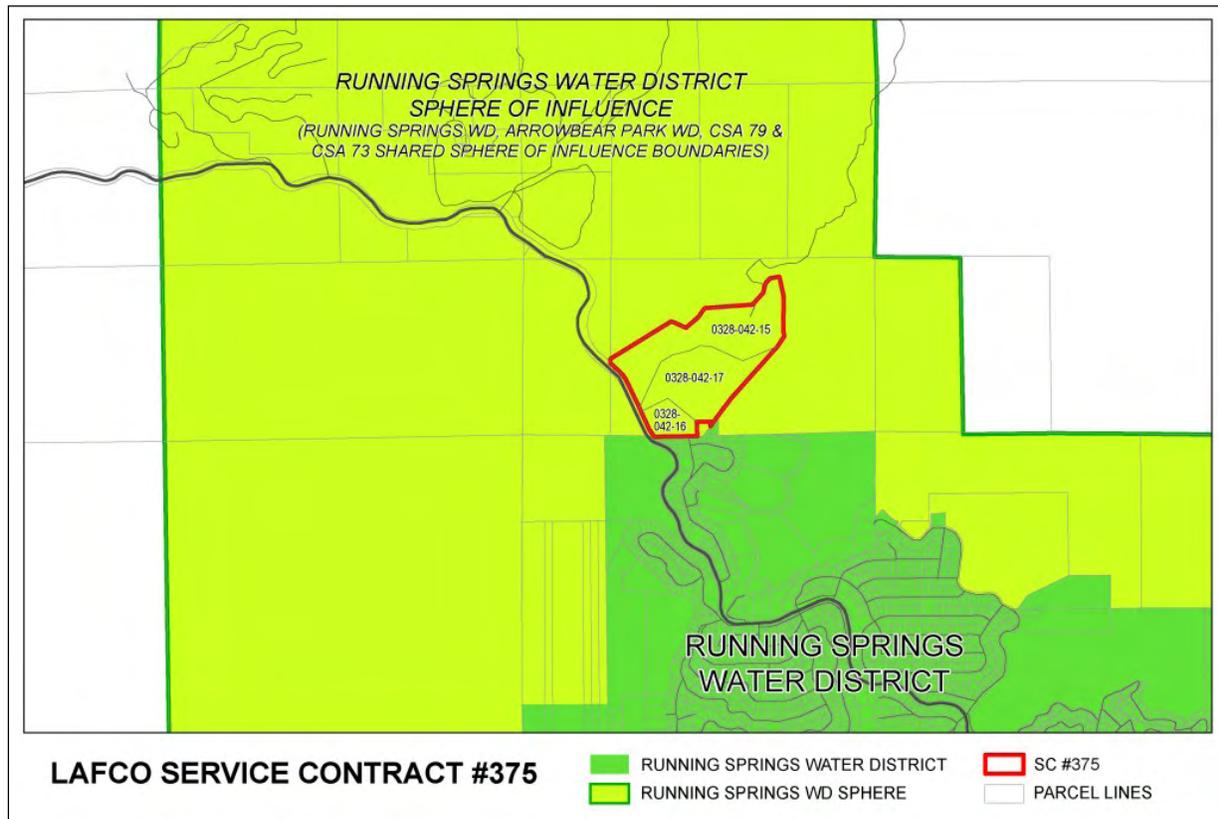
1. For environmental review, take the following actions as lead agency:
 - Certify that the Commission has reviewed and considered the County's environmental assessment and Mitigated Negative Declaration and the Addendum prepared by LAFCO's Environmental Consultant;
 - Determine that the Addendum, together with the County's environmental assessment, are adequate for the Commission's use as a CEQA Lead Agency for its consideration of LAFCO SC#375;
 - Adopt the Addendum as presented by the Commission's Environmental Consultant that provides additional information and environmental assessment to supplement the Mitigated Negative Declaration adopted by the County that addresses the sewer service extension for the proposed project;
 - Determine that the Commission does not intend to adopt alternatives or mitigation measures for the proposed project; that all mitigation measures are the responsibility of the County and/or others, not the Commission; and,
 - Note that this proposal, as a second tier action to the County's Mitigated Negative Declaration, is exempt from Department of Fish and Game fees

because the filing fee was already paid by the County, and direct the Clerk to file a Notice of Determination within five (5) days of this action.

2. Approve SC#375 authorizing the Running Springs Water District to extend sewer service outside its boundaries to the camp facility comprised of three (3) parcels identified as Assessor Parcel Numbers (APNs) 0328-042-15, 0328-042-16 and 0328-042-17; and,
3. Adopt LAFCO Resolution #3177 setting forth the Commission’s findings, determinations and approval of the agreement for service outside the Running Springs Water District’s boundaries.

BACKGROUND:

The Running Springs Water District (hereinafter the “District”) submitted a request for approval of an out-of-agency service agreement that outlines the terms by which it will extend sewer service outside its boundaries. The agreement relates to the Pali Mountain camp facility in Running Springs that includes three (3) parcels, APNs 0328-042-15, 0328-042-16 and 0328-042-17, comprising a total of 73+/- acres, generally located on the east side of Highway 18 (30778 Highway 18), within the District’s northwestern sphere of influence (see map below).



At the July 17, 2013 hearing, the Commission continued the consideration of LAFCO SC#375 in order to address the environmental assessment of the sewer service extension to the project site. Since the County approved the project using septic systems, the current project that LAFCO is considering is a change from the original proposal. Therefore, in order to address the extension of sewer service to the project site, LAFCO has to evaluate this change in the project before it can make a decision on LAFCO SC#375. Based on the commitments that were made by the owner/developer related to the method on how the sewer line will be installed and the concerns on its potential to impact known Southern rubber boa habitat (see Attachment #2 of the August 12, 2013 staff report), LAFCO staff, in consultation with Tom Dodson and Associates (the Commission's environmental consultant), made the determination that the Commission could move forward with its consideration of LAFCO SC#375 using an Addendum that was prepared by Mr. Dodson.

Then, at the August 21, 2013 hearing, the Commission again continued the consideration of LAFCO SC#375 after it received new information from the Crestline-Lake Arrowhead Water Agency (CLAWA) that outlined new issues that it required the property owner/developer to perform related to the proposed sewer pipeline that is intended to cross the CLAWA easement. On August 26, 2013, LAFCO staff and its environmental consultant met with the property owner/developer, the District, and CLAWA representatives to review and discuss the issues that CLAWA had identified. On September 9, 2013, all parties involved met again to resolve the issues that CLAWA had raised. The items CLAWA is requiring the property owner/developer to perform related to the sewer line crossing the CLAWA easement, are as follows:

- Submission of complete plan-profile drawings with sections/details of its new water and sewer pipelines within CLAWA's easement, including specification of pipe material and pressure class, type and location of joints, elbows, fittings, concrete encasements, casings, sand-cement batch plant slurry for permanent backfill-support under CLAWA's pipeline along with applicable construction and testing specifications;
- Preparation and submission of revised plan (with written approval of revised plans by the Running Springs Water District General Manager) of "H₂S Control" at its proposed manhole (1+37N, 13+135-FM) to prevent any sewage and/or H₂S from overflowing towards CLAWA's 14-inch water pipeline;
- Acquiring written approval from the California Department of Public Health on its proposed crossings of CLAWA's existing 14-inch water pipeline; and
- The requirement to contact the Underground Service Alert (a.k.a. DigAlert) in advance of any excavation located closer than 300 feet from any of CLAWA's existing facilities and/or easements/property.

A copy of the letter from the property owner/developer committing to perform these items is included as Attachment #1 and CLAWA's response acknowledging the commitments by Pali Mountain to comply with its request is included as Attachment #2. All other issues have been addressed and are unchanged for consideration as outlined in the original staff report dated August 12, 2013.

CONCLUSION:

Since the environmental assessment, which is the Addendum that was prepared for the project is now adequate for the Commission's use for its consideration of LAFCO SC#375 as CEQA Lead Agency and there have been agreements made between the property owner/developer and CLAWA related to issues that CLAWA raised, LAFCO staff continues to support the District's request for authorization to provide sewer service to the Pali Mountain camp facility in Running Springs.

The only change to the original staff report dated August 12, 2013 is to acknowledge the CLAWA issues that the property owner/developer has agreed to perform and that the Commission's environmental consultant has now included a discussion regarding the CLAWA easement as part of the Addendum, both of which are addressed in this staff report. Therefore, staff is recommending that the Commission approve LAFCO SC#375 for the reasons identified in the original staff report, a full copy of which is included as Attachment #3. The draft resolution presented as Attachment #5 has been amended to reflect the new information to respond to the CLAWA issues.

/sm

Attachments:

1. Letter from O-Ongo Inc. (Pali Mountain) Dated September 9, 2013
2. Response from Crestline-Lake Arrowhead Water Agency Dated September 10, 2013
3. Staff Report Dated August 12, 2013
4. Tom Dodson and Associates' Revised Addendum
5. Draft Resolution #3177

**Letter from O-Ongo Inc. (Pali Mountain)
Dated September 9, 2013**

Attachment 1



Roxanne Holmes
General Manager
Crestline-Lake Arrowhead Water Agency
24116 Crest Forest Drive
Crestline, CA 92325

(909) 338-1779 (phone)
(909) 338-3686 (fax)

9/9/13

Dear Ms Holmes:

We agree and are committed to resolving all issues per page two of CLAWA's list of issues regarding Pali Mountain's proposed water and sewer pipelines:

1. Submit completed plan-profile drawings, along with sections/details, for Pali Mountain's new water and gravity sewer pipelines within CLAWA's easement (crossing under CLAWA's existing 14" pipeline) including for new tank inflow-outflow, new tank overflow-drain pipelines and for new gravity sewer pipeline; including specifying pipe material and pressure class, type and location of joints, elbows, fittings, concrete-encasements, casings, sand-cement batch plant slurry (1-½ sack/cy) permanent backfill-support under CLAWA's pipeline, etc along with applicable construction and testing specifications.
2. Prepare and submit a revised plan for "H2S Control" at Pali Mountain's proposed M.H. (1+37N, 13+135-FM), including at manhole lid; to prevent any sewage (and/or H₂S) from ever over-flowing southerly towards CLAWA's 14" water pipeline (in the unlikely event of an accidental over-flow at this proposed M.H.); along with written approval of said revised plans by Ryan Gross, G.M. of Running Springs Water/Sewer/Fire District, since we understand that they may in the future O&M Pali's on-site sewer facilities.
3. Obtain written approval for Pali Mountain's proposed crossings of CLAWA's existing 14" water pipeline directly from Brenda Romero, Sanitary Engineering at CDPH (ph 909-383-6029) San Bernardino, CA 92401, for protection of CLAWA's 14" water pipeline.
4. Four (4) or more days in advance of any excavation by Pali Mountain and/or any of their Contractors, on each of these above Pg. 1 & 2 items (or on any other portion of Pali Mountain's subject proposed Project) located closer than 300 feet from any of CLAWA's existing facilities and/or CLAWA's easements or in-fee land; Pali Mountain and/or their Contractors shall initiate USA Underground Alert Tickets, in accordance with Law, providing advance notifications accordingly.

We found nothing insurmountable to the engineering issues presented by CLAWA.

Sincerely,

Andrew Wexler
President/Owner
O-Ongo, Inc. / Pali Mountain

**Response from Crestline-Lake
Arrowhead Water Agency Dated
September 10, 2013**

Attachment 2

CRESTLINE-LAKE ARROWHEAD WATER AGENCY

A Public Agency
P.O. BOX 3880 PHONE (909) 338-1779
24116 CREST FOREST DRIVE
CRESTLINE, CALIFORNIA 92325

Directors

STEPHEN L. PLEASANT, President
BRUCE D. RISHER
THOMAS L. SUTTON
KENNETH A. EATON
STEVEN D. WOOD

General Manager

ROXANNE M. HOLMES

Assistant General Manager/Board Secretary

JENNIFER A. SPINDLER

September 10, 2013

Kathleen Rollings-McDonald, Executive Officer
Local Agency Formation Commission
215 North 'D' Street, Suite 204
San Bernardino, CA 92415

RE: Pali Mountain Camp/Camp O'Ongo – APN 0328-042-14-0000

Ms. Rollings-McDonald,

This will confirm receipt of a FAXed letter from Andrew Wexler, owner of Pali Mountain Camp, dated September 9, 2013. Their letter indicated they agree and are committed to resolving the Agency's issues regarding the proposed water and sewer pipelines. In accordance with your request and pursuant to Mr. Wexler's letter, the Agency is satisfied that Pali Mountain will comply with all of the Agency's requirements.

If you have any questions, please let me know.

Yours very truly,



Roxanne M. Holmes,
General Manager

Cc: Pali Mountain Camp

Staff Report Dated August 12, 2013

Attachment 3

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

DATE: AUGUST 12, 2013

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer



TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #5: LAFCO SC#375 - Running Springs Water District Out-of-Agency Service Agreement for Sewer Service (O-Ongo Inc./Pali Mountain)

INITIATED BY:

Running Springs Water District, on behalf of property owner

RECOMMENDATION:

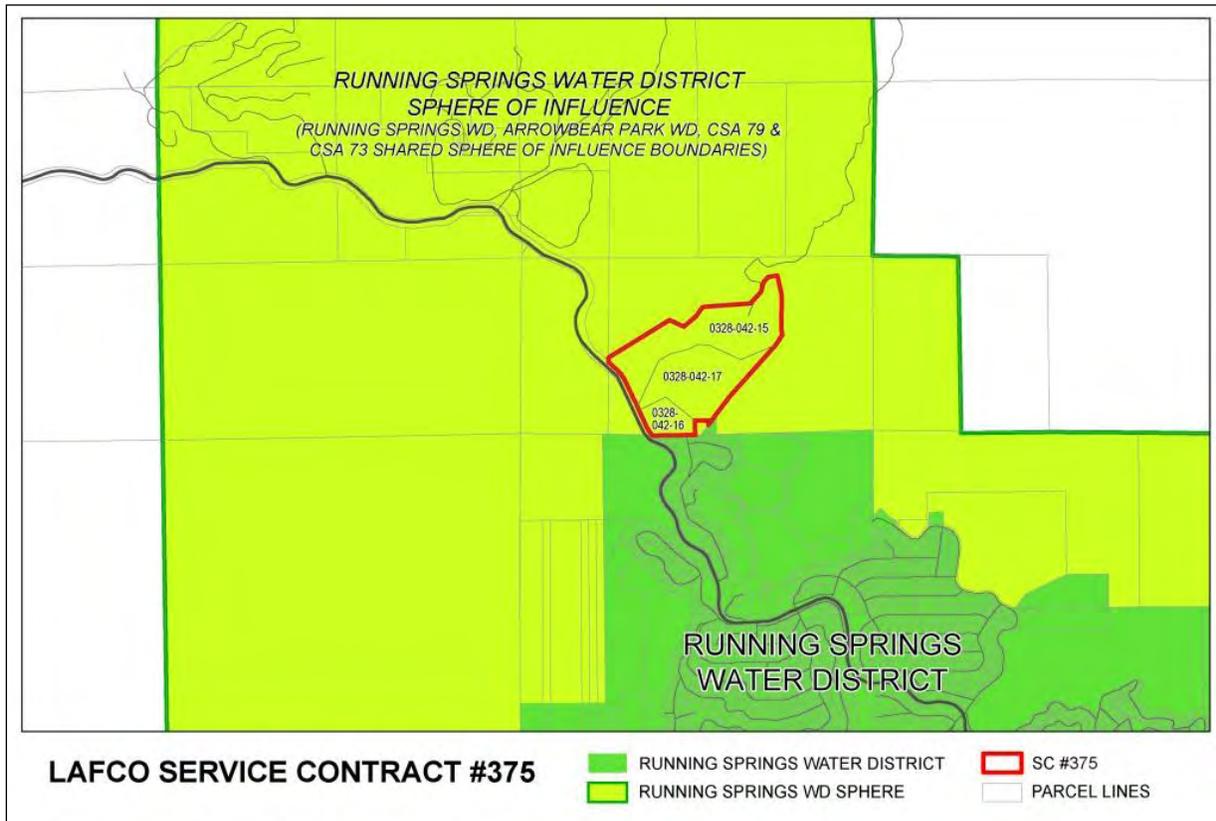
1. For environmental review, take the following actions as lead agency:
 - Certify that the Commission has reviewed and considered the County's environmental assessment and Mitigated Negative Declaration and the Addendum prepared by LAFCO's Environmental Consultant;
 - Determine that the Addendum, together with the County's environmental assessment, are adequate for the Commission's use as a CEQA Lead Agency for its consideration of LAFCO SC#375;
 - Adopt the Addendum as presented by the Commission's Environmental Consultant that provides additional information and environmental assessment to supplement the Mitigated Negative Declaration adopted by the County that addresses the sewer service extension to the proposed project; and,
 - Determine that the Commission does not intend to adopt alternatives or mitigation measures for the proposed project; that all mitigation measures are the responsibility of the County and/or others, not the Commission;
 - Note that this proposal, as a second tier action to the County's Mitigated Negative Declaration, is exempt from Department of Fish and Game fees

because the filing fee was already paid by the County, and direct the Clerk to file a Notice of Determination within five (5) days of this action.

2. Approve SC#375 authorizing the Running Springs Water District to extend sewer service outside its boundaries to the camp facility comprised of three (3) parcels identified as Assessor Parcel Numbers (APNs) 0328-042-15, 0328-042-16 and 0328-042-17; and,
3. Adopt LAFCO Resolution #3177 setting forth the Commission’s findings, determinations and approval of the agreement for service outside the Running Springs Water District’s boundaries.

BACKGROUND:

The Running Springs Water District (hereinafter the “District”) submitted a request for approval of an out-of-agency service agreement that outlines the terms by which it will extend sewer service outside its boundaries. The agreement relates to the Pali Mountain camp facility in Running Springs that includes three (3) parcels, APNs 0328-042-15, 0328-042-16 and 0328-042-17, comprising a total of 73+/- acres, generally located on the east side of Highway 18 (30778 Highway 18), within the District’s northwestern sphere of influence (see map below). Attachment #1 also provides a location and vicinity map of the site along with a map outlining the location of the infrastructure to be extended.



At the July 17, 2013 hearing, the Commission continued the consideration of LAFCO SC#375 in order to address the environmental assessment of the sewer service extension to the project site. The project, which is an expansion of the existing camp facility, includes the construction and use of a 29,005 sq. ft. dining facility, 10 cabins each with a floor area of 1,872 sq. ft., a suspended slide at the existing lake, a new 150,000 gallon water tank that will replace the existing 50,000 gallon tank, and a 1,118 sq. ft. office on 73.2 acres (a copy of the Conditions of Approval is included as Attachment #4 to this report). As previously identified, the County approved the project using only subsurface septic systems for its wastewater discharge (see Conditions # 70, 71 & 72 of the Conditions of Approval). However, the Lahontan Regional Water Quality Control Board expressed its concern regarding the use of septic tanks for the project and consequently required that the project either install an onsite wastewater treatment plant or connect to sewer facilities of the District. As a result of this directive, the property owner/developer has opted to connect to the District's sewer system.

Since the County approved the project using subsurface septic systems, the current project that LAFCO is considering is a change from the original proposal. Therefore, in order to address the extension of sewer service to the project site, LAFCO has to evaluate this change in the project before it can make a decision on LAFCO SC#375.

On July 2, 2013, LAFCO staff and its environmental consultant, Tom Dodson of Tom Dodson and Associates, met with the property owner/developer and went over the LAFCO environmental process and the additional documentation needed in order to move forward with this out-of-agency service agreement. Based on the commitments that were made by the owner/developer related to the method on how the sewer line will be installed, which is identified in the letter from the property owner/developer (included as Attachment #2), LAFCO staff, in consultation with Tom Dodson and Associates, made the determination that the Commission can move forward with its consideration of LAFCO SC#375.

Therefore, the District on behalf of the property owner/developer, has requested that the Commission review and approve the extension of sewer service to the project site pursuant to the provisions of Government Code Section 56133. Authorization of this agreement is required before the District can take the final actions to implement the terms of the agreement.

PLAN FOR SERVICE:

The District's application (included as Attachment #3) indicates that the proposed project will require a sewer lift station located within the project area and the installation of a 3-inch HDPE (high-density polyethylene) force main to connect to an 8-inch PVC gravity sewer line (a total of approximately 2,200 linear feet) that connects to the District's existing 8-inch sewer main located in Nob Hill Drive. The property owner/developer will also have to construct a new manhole and remove the District's existing Clean Out #40 in Nob Hill Drive.

In addition, the property owner/developer has committed that no Southern rubber boa, a type of snake that is considered a threatened species by the State of California, will be harmed. This will be accomplished by hand-raking the leaves along the entire sewer alignment to bare ground with the guidance from a qualified biologist before trenching is

done so that the biologist can monitor and ensure that no Southern rubber boa enters the work zone of the sewer alignment, as more fully discussed in the environmental section below.

Pursuant to the Commission’s application requirements for service contracts, information has been provided regarding all financial obligations for the extension of service outside the agency’s boundaries (refer to pages 2 and 3 of the Agreement, included as part of attachment #3). However, the fees identified in the Agreement have become outdated. Per the District’s Rates and Fees for Fiscal Year 2013/14, the project’s sewer connection fee is estimated to cost the property owner/developer \$122,459.05.

Sewer Connection Fee	Unit Cost	EDUs	Total
Sewer Facilities Capacity Charge <i>based on number of Equivalent Dwelling Units</i>	\$5,579.00/EDU	21.95	\$122,459.05
Total Sewer Fees			\$122,459.05

In addition, the following fees will be charged on a monthly basis:

Monthly Charges			
Annual In-Lieu of Taxes Charge <i>This charge will be calculated each fiscal year based on the formula identified in the District’s resolution, which will be paid in 12 equal installments</i>	\$1,834.00÷12		\$152.83
1. Monthly Service Charge <i>Including an additional \$2.00 per EDU for its outside District user charge</i>	\$30.85+\$2.00/EDU	21.95	\$721.06
2. Treatment Plant Filtration Project Loan Repayment Fee	\$3.00/EDU	21.95	\$65.85
3. Sewage volume charge per gallon <i>(adjusted annually or from time to time by the Board of Directors)</i>	\$0.000706/gallon		<i>To be determined</i>

The property owner/developer will be responsible for hiring a contractor for the connection of the proposed project site to the District’s existing sewer system. The costs of all improvements needed to extend the sewer to the proposed development, which includes the sewer lift station, the 3-inch force main, the additional 8-inch gravity sewer line, and the replacement cost of the clean out with the new manhole, and all other construction costs, shall be the responsibility of the property owner/developer.

ENVIRONMENTAL DETERMINATION:

The County prepared an Initial Study and Negative Declaration for the construction and use of a 29,005 sq. ft. dining facility, 10 cabins each with a floor area of 1,872 sq. ft., a suspended slide at the existing lake, a new 150,000 gallon water tank that will replace the existing 50,000 gallon tank, and a 1,118 sq. ft. office for an existing organizational camp

and Adult Conference Center for a maximum of 520 guests and 55 staff members on 73.2 acres.

The project area is considered to be within known habitat for the Southern rubber boa (*Charina umbratica*). To address potential impacts to this threatened species, the property owner/developer has coordinated with the California Department of Fish and Wildlife (CDFW) and has committed to several measures designed to avoid impacts to the Southern rubber boa. These mitigation measures are outlined in the letter submitted to LAFCO by the property owner/developer (Attachment #2 to this report).

As mentioned earlier, the sewer expansion that LAFCO is evaluating is a change in the original proposal that the County approved for the overall camp facility. Since the County did not consider the sewer connection in its approval process, LAFCO is required to evaluate whether this additional facility, which is the sewer line that will be constructed, will have additional environmental impacts. In order to address this additional facility, the owner/developer has also agreed to do a number of things to ensure that no Southern rubber boa will be harmed as outlined in its letter. Since the owner/developer has committed to these measures to protect any species from harm, there will be no significant adverse impacts related to the project. Therefore, LAFCO can move forward with an Addendum to approve the sewer line connection as proposed for LAFCO SC#375.

In light of the commitments made, the Commission's Environmental Consultant, Tom Dodson and Associates, has prepared an Addendum to the County's environmental assessment that addresses extending sewer service to the project. Mr. Dodson has determined that if the Commission approves LAFCO SC#375, the Addendum, together with the County's environmental assessment, are adequate for the Commission's use as a lead agency under CEQA.

Mr. Dodson has indicated that the necessary environmental actions to be taken by the Commission are as follows:

- a) Certify that the Commission, its staff and its Environmental Consultant, have independently reviewed and considered the County's environmental assessment and Negative Declaration, including the Addendum prepared by LAFCO's Environmental Consultant;
- b) Determine that the Addendum, together with the County's environmental assessment, are adequate for the Commission's use as a CEQA Lead Agency for its consideration of LAFCO SC#375;
- c) Adopt the Addendum as presented by the Commission's Environmental Consultant that addresses the sewer service extension to the project;
- d) Determine that the Commission does not intend to adopt alternatives or mitigation measures for the project; that the mitigation measures identified in the County's environmental documents are the responsibility of the County and/or others, not the Commission; and,

- e) Direct the Clerk to file the Notice of Determination within five (5) days and find that no further Department of Fish and Game filing fees are required by the Commission's approval since the County's has paid said fees for its environmental determination.

CONCLUSION:

Staff has reviewed this request for the provision of sewer service by the Running Springs Water District outside its boundaries against the criteria established by Commission policy and Government Code Section 56133. The parcels to be served are within the sphere of influence assigned the Running Springs Water District and are anticipated to become a part of the District sometime in the future. The camp facility expansion proposal has been required to connect to sewer service, which is only available from the District. Staff supports the District's request for authorization to provide sewer service to the proposed project since its facilities are adjacent to the anticipated development, and there is no other existing entity available to provide this service within the area.

FINDINGS:

1. The project area encompasses three (3) adjacent parcels (APNs 0328-042-15, 0328-042-16 and 0328-042-17) that make up a camp facility commonly known as Pali Mountain, which currently has a County-approved project for the expansion of the camp. All three contiguous parcels are within the sphere of influence assigned the Running Springs Water District and are anticipated to become a part of that District sometime in the future. The application requests authorization to receive sewer service from the District.

The sewer connection is a requirement that was imposed by the Lahontan Regional Water Quality Control Board for the project. Therefore, approval of the District's request for authorization to provide sewer service is necessary in order to satisfy this requirement.

2. The Agreement for the Provision of Outside Sewer Service to O-Ongo Inc./Pali Mountain being considered is for the provision of service by the Running Springs Water District to APNs 0328-042-15, 0328-042-16 and 0328-042-17, comprising a total of 73+/- acres, generally located on the east side of Highway 18 (30778 Highway 18), within the District's northwestern sphere of influence. This contract will remain in force in perpetuity for the proposed development or until such time as the area is annexed. Approval of this application will allow the property owner and the District to proceed in executing this contract for the extension of sewer service.
3. The fees charged this project by the Running Springs Water District in order to receive sewer service are identified as totaling \$122,459.05 including additional fees that will be charged on a monthly basis. Payment of these fees is required prior to connection to the District's sewer facilities. In addition, the property owner shall bear all costs to complete improvements needed to extend the sewer service to the proposed project.

4. In November 2011 and subsequently in September 2012, acting as the CEQA lead agency, the County prepared an environmental assessment for the construction and use of a 29,005 sq. ft. dining facility, 10 cabins each with a floor area of 1,872 sq. ft., a suspended slide at the existing lake, a new 150,000 gallon water tank that will replace the existing 50,000 gallon tank, and a 1,118 sq. ft. office for an existing organizational camp and Adult Conference Center for a maximum of 520 guests and 55 staff members on 73.2 acres. The County's assessment indicates that the project would not have a significant effect on the environment through its development under the Conditions of Approval that were approved for the proposed project.

In addition, the Commission's Environmental Consultant, Tom Dodson and Associates, prepared an Addendum to the County's environmental assessment to address extending sewer service to the project, a condition that was not a part of the original proposal approved by the County.

Mr. Dodson has reviewed the County's Initial Study and Mitigated Negative Declaration issued for the proposed project. Mr. Dodson recommends that, if the Commission approves LAFCO SC#375, the Addendum together with the County's environmental assessment, are adequate for the Commission's use as lead agency. The Commission will not be adopting alternatives or mitigation measures for the expansion proposed for the existing camp facility, as these are the responsibility of the County and/or others. A copy of Mr. Dodson's response and recommendation regarding the Commission's review and necessary actions to be taken, the Addendum, and the County's environmental documents and Conditions of Approval for the project are included as Attachment #5 to this report.

/sm

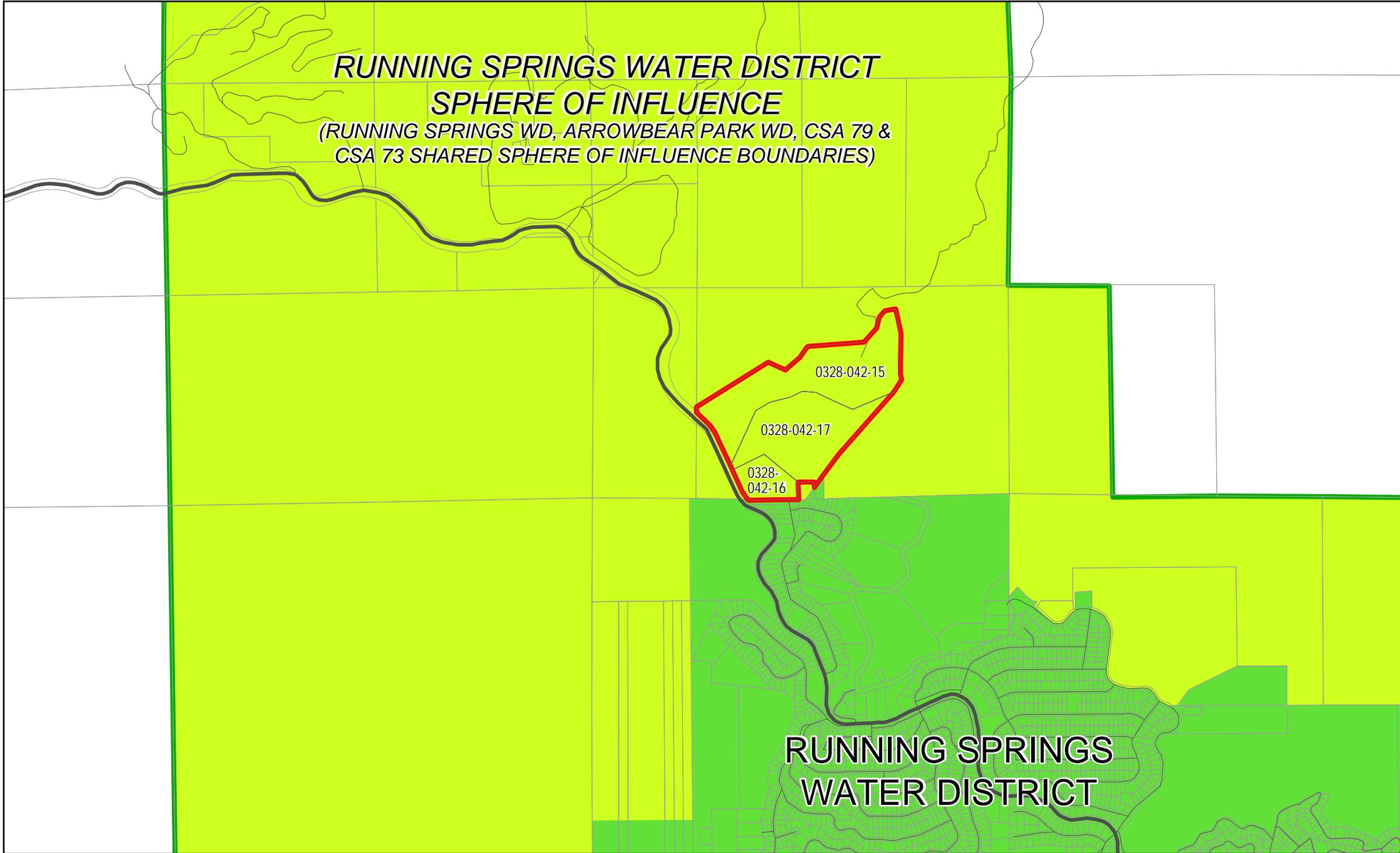
Attachments:

1. Vicinity Map and Map of the Contract Area
2. Letter from O-Ongo Inc. (Pali Mountain) Dated July 22, 2013
3. Running Springs Water District's Application and Contract
4. Conditions of Approval for the Construction and Use of a 29,005 Sq. Ft. Dining Facility, 10 Cabins Each with a Floor Area of 1,872 Sq. Ft., a Suspended Slide at the Existing Lake, a New 150,000 Gallon Water Tank that will Replace the Existing 50,000 Gallon Tank, and a 1,118 Sq. Ft. Office for an Existing Organizational Camp and Adult Conference Center for a Maximum of 520 Guests and 55 Staff Members on 73.2 Acres.
5. Tom Dodson and Associates' Response and Addendum Including the County's Environmental Documents for the Project
6. Draft Resolution #3177

**Vicinity Map and Map of
the Contract Area**

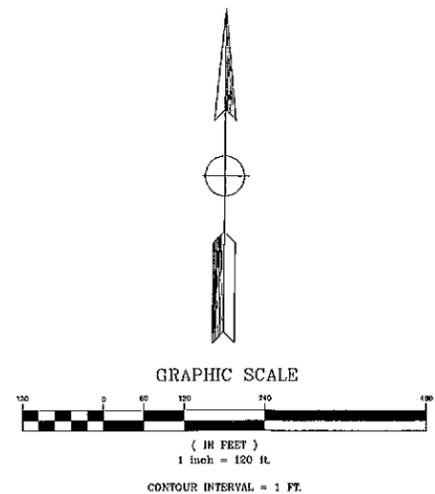
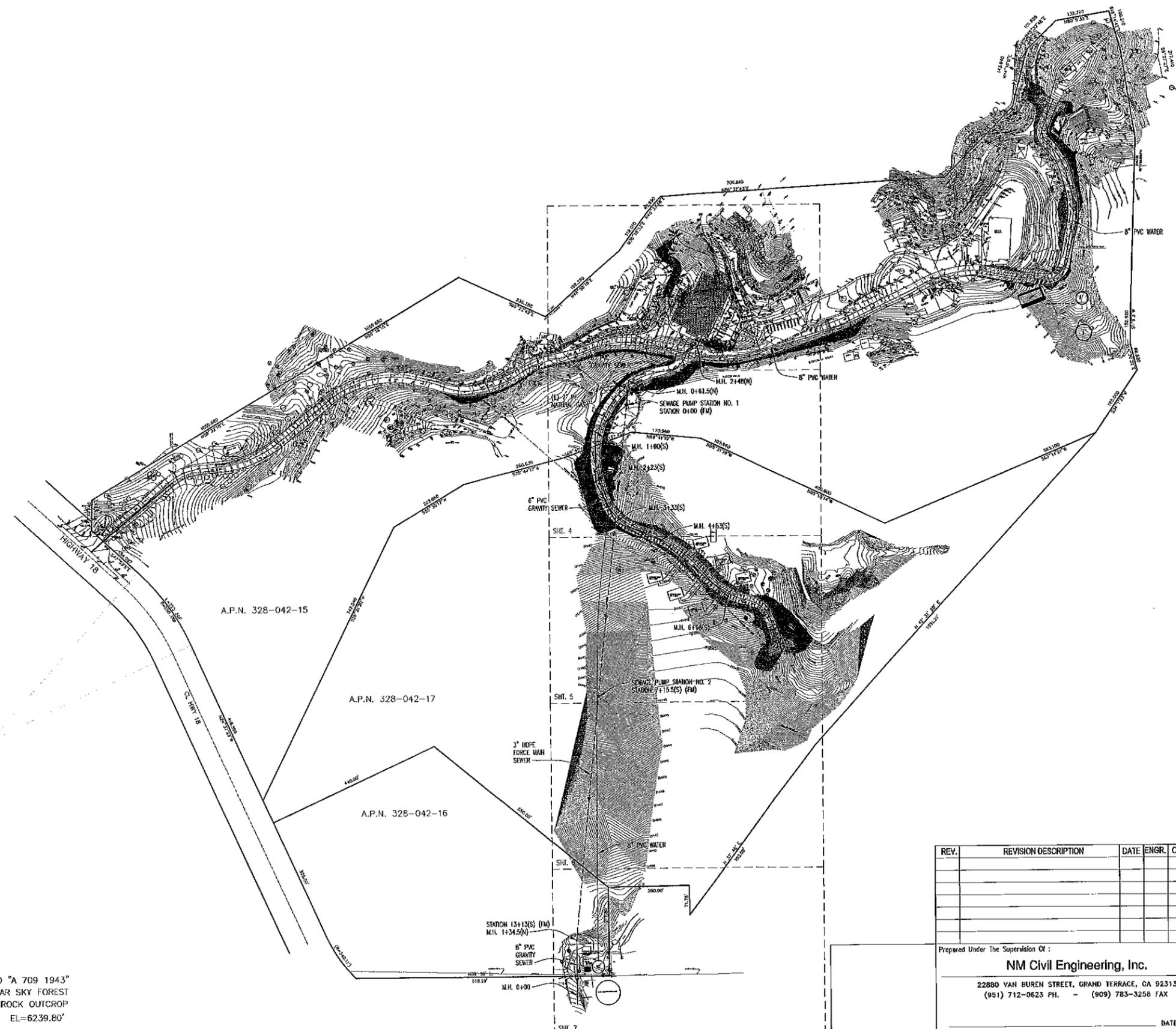
Attachment 1

***RUNNING SPRINGS WATER DISTRICT
SPHERE OF INFLUENCE***
*(RUNNING SPRINGS WD, ARROWBEAR PARK WD, CSA 79 &
CSA 73 SHARED SPHERE OF INFLUENCE BOUNDARIES)*



LAFCO SERVICE CONTRACT #375

-  RUNNING SPRINGS WATER DISTRICT
-  RUNNING SPRINGS WD SPHERE
-  SC #375
-  PARCEL LINES



REV.	REVISION DESCRIPTION	DATE	ENGR.	CITY	DATE

SHOULD CONSTRUCTION OF THE REQUIRED IMPROVEMENTS NOT COMMENCE WITHIN TWO YEARS OF THE DATE OF APPROVAL SHOWN HEREON AND CARRIED FORTH IN A DILIGENT MANNER, SAN BERNARDINO COUNTY MAY REQUIRE REVISIONS TO THE PLANS TO BRING THEM INTO CONFORMANCE WITH CONDITIONS AND STANDARDS IN EFFECT.

Prepared Under The Supervision Of:
NM Civil Engineering, Inc.
 22880 VAN BUREN STREET, GRAND TERRACE, CA 92313
 (951) 712-0623 PH. - (909) 783-3258 FAX
 DATE _____
 NELSON M. MANLOLO, R.C.E. NO. 36838 EXP. 6/30/14

COUNTY OF SAN BERNARDINO
UTILITY PLAN
CAMP PALI MOUNTAIN
APN: 0328-042-15/16/17
 SCALE: 1" = 120'-0"
 DATE: 2-7-13
 DRAWING NO: 2/11
 APPROVED BY: _____ DATE: _____
 N.M.M.

BENCH MARK STAMPED "A 709 1943"
 HIGHWAY 18 NEAR SKY FOREST
 BRASS DISK IN ROCK OUTCROP
 BM NGS A-709 EL=6239.80'

**Letter from O-Ongo Inc. (Pali Mountain)
Dated July 22, 2013**

Attachment 2



July 22, 2013

Local Agency Formation Commission
215 north D Street, Suite 204
San Bernardino, CA 92415-0490

An Initial Study (IS), Notice of Determination (NOD) and fee receipt was prepared for APN 0328-042-02 Camp Pali (O-Ongo) CUP File Number 10604CU/M243-14/2004/CUP01 by Pat McGuckian of the San Bernardino County Land Use Services Department on November 16, 2004. The original 74-acre camp facility was created in 1939. The facility today has 44 buildings (581,182 square feet) and various recreational amenities such as an open air amphitheater go cart track, horse riding, soccer field and other facilities. The expansion includes the following components:

Construction and use of the 29,005 sq. ft. dining facility, 10 cabins each with a floor area of 1,872 sq. ft., a suspended slide at the existing Lake, a new 150,000 gallon water tank that will replace the existing 50,000 gallon tank, and a 1,118 sq. ft. office for an existing organizational camp and adult conference center for a maximum of 520 guests and 55 staff members on 73.2 acres. In support of the expansion, this project also includes installing water and sewer lines, with two lift stations, and natural gas lines to the new water tank and buildings. The development of this project has accounted for the Fire Marshall's requirement to increase the fire suppression capabilities on site by widening the existing roads to 26 feet wide and by increasing the water line and water storage capacities.

The location of the project is within known habitat for the state listed as threatened southern rubber boa (*Charina umbratica*). To address potential impacts to this species the project proponent coordinated with the California Department of Fish and Wildlife (CDFW). Prior to the issuance of CDFW Operation of Law Letter for the Pali Mountain Upgrades Streambed Alteration Agreement 1600-2012-0041-R6, the permittee had already committed to several measures designed to avoid impacts to the SRB. The measures include:

1. A qualified biologist will conduct a survey on the project area prior to any ground disturbance (including installing exclusionary fencing).
2. The project will utilize standard silt fencing as a non-porous barrier that will enclose the work zones to exclude SRB from entering into the work area.
3. The silt fence will be buried at least six inches below the ground to prevent a snake intent on getting under the fence from doing so.
4. The integrity of the silt fence will be checked every morning and the fence will be repaired as needed.
5. Prior to construction, a biologist familiar with SRB will provide all construction personnel with an environmental awareness class that will outline the natural history of the SRB, the laws concerning this species, the biologists responsibilities and the contractors responsibilities as well as consequences of injuring or killing a SRB.
6. During the initial ground disturbance (brushing, grubbing and grading) a biologist will be on site to monitor.
7. The biologist will then inspect the site on a spot check basis for the remainder of the project. If, in the unlikely event, a SRB wanders into the work area, work will halt until a biologist holding a valid Scientific Collecting Permit to handle SRB can come to the site and move the snake out of harm's way.

In addition to the commitments outlined above the project proponent also commits to visually delineating the entire sewer line and waterline work zone between the new cabins and the water tank and sewer system above, at Knob Hill, so that the leaf litter can be hand raked (with the guidance of a qualified SRB biologist). The alignment will be cleared of leaf litter to bare ground before trenching so the biologist can monitor and ensure no SRB enter the work zone of the sewer alignment.

Sincerely,

Andrew Wexler
President/Owner

Running Springs Water District's Application and Contract

Attachment 3

375

(FOR LAFCO USE ONLY)

APPLICATION FOR EXTENSION OF SERVICE BY CONTRACT

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

AGENCY TO EXTEND SERVICE:

AGENCY NAME: Running Springs Water District

CONTACT PERSON: Ryan Gross, General Manager

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

PHONE: (909) 867-2766

EMAIL: rgross@runningspringswd.com

CONTRACTING PARTY:

NAME OF PROPERTY OWNER: Andrew Wexler

CONTACT PERSON: Chris Chastain

MAILING ADDRESS: P.O. Box 2237
Running Springs, CA 92382

PHONE: (909) 867-5743

EMAIL: chris@paliadventures.com

ADDRESS OF PROPERTY PROPOSED FOR CONTRACT: 30778 Highway 18
Running Springs, CA 92382

CONTRACT NUMBER/IDENTIFICATION: Pali Mountain Outside Sewer Service Agreement

PARCEL NUMBER(S): 0328-042-15, 0328-042-16, 0328-042-17

ACREAGE: 38.56 acres, 7.41 acres, 27.69 acres

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.

Domestic wastewater collection.

- (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.

Agreement for the Provision of Outside Sewer Service to O-ongo Inc. / Pali Mountain approved by the Running Springs Water District Board of Directors on April 17, 2013 a copy of which is included as Attachment 1.

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.

No projected time frame for potential annexation has been established at this point but initial discussions with the property owner indicate that they may be willing to discuss the matter at some point in the future.

- (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.

Annexation is being contemplated at this time but there is no timeframe.

5. Is the service agreement/contract 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?

Camp.

(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
- Permit (Conditional Use Permit, General Plan Amendment, etc.)
- Conditions of Approval
- Negative Declaration (Initial Study)
- Notice of Determination (NOD)/Notice of Exemption (NOE)
- Department of Fish and Game (DFG) Receipt
- Others (please identify below)

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.

Refer to attached Agreement for the Provision of Outside Sewer Service to O-ongo Inc. / Pali Mountain approved by the Running Springs Water District Board of Directors on April 17, 2013 a copy of which is included as Attachment 1.

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

<i>Description of Fees/Charges</i>	<i>Cost</i>	<i>Total</i>
Refer to Pages 2 & 3 of Attachment 1.		
Total Costs		

Text Field

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

Refer to Pages 2 & 3 of Attachment 1.

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

N/A

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

(Refer to Attachment 2)

CERTIFICATION

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 BY: Ryan Gross
POSITION TITLE: General Manager
DATE: 04/24/2013

REQUIRED EXHIBITS TO THIS APPLICATION:

1. Copy of the agreement/contract. (Refer to Attachment 1)
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. (Refer to Attachment 3)
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
Email: lafco@lafco.sbcounty.gov



DENNIS DRAEGER
ASSESSOR - RECORDER - CLERK

P Counter

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:**

Running Springs Water District
P.O. Box 2206
Running Springs CA 92382

Assessor's Parcel Nos.:
0328-042-15
0328-042-16
0328-042-17

Doc#: 2013-0172163



Titles: 1 Pages: 9

Fees	0.00
Taxes	0.00
Other	0.00
PAID	\$0.00

LAFCO SC # 375

(Space above this line for Recorder's Use)

**AGREEMENT FOR THE PROVISION OF OUTSIDE SEWER SERVICE
TO O-ONGO INC. / PALI MOUNTAIN**

Exempt per Government Code Section 6103.9

THIS AGREEMENT is entered into and shall be effective as of the 24th day of April, 2013, by and between the RUNNING SPRINGS WATER DISTRICT, an independent special district of the State of California ("District"), and O-ONGO INC. / PALI MOUNTAIN, a California corporation ("Pali Mountain")

RECITALS:

1. On October 27, 2011 the District received a letter from Pali Mountain requesting connection of three (3) parcels (APN 0328-042-15, 0328-042-16 and 0328-042-17) to the District's sewer system. The parcels are outside the District's service area but within its sphere of influence. Legal descriptions of the parcels are attached hereto as Exhibit "A".
2. On November 16, 2011 the request was presented to the District Board of Directors and a feasibility study was conducted to connect the parcels to the District's sewer system, as depicted on Exhibit "B", all in accordance with the District's standard terms and conditions for such service outside the District boundaries, with sewer service fees and charges to be imposed at the per gallon or other per unit charge established by the Board of Directors and in accordance with this Agreement.

TERMS:

1. Sewer Service. The District agrees to provide sewer service to Pali Mountain exclusively for the use and benefit of the Parcels described in Exhibit "A", according to the terms and conditions hereinafter set forth. Such service shall be provided in accordance with the District's ordinances and resolutions applicable to sewer service outside of the District's boundaries as they now exist or may hereafter be amended.

2. Equivalent Dwelling Units (EDUs). The facilities located on the three (3) parcels herein mentioned are the only facilities allowed to be connected under the terms of this Agreement. As identified in the feasibility study there are a total of 439 plumbing fixture units or 21.95 EDUs to be connected to the District's sewer system.
3. Termination of Agreement. The provision of sewer service pursuant to this Agreement will terminate upon any of the following:
 - a. Annexation into the District's service area;
 - b. 20 years have passed from the effective date of this Agreement;
 - c. A material breach of this Agreement;
 - d. A written agreement between Pali Mountain and the District, as approved by the Board of Directors, to cancel this Agreement.
4. Additional Terms of Service. The following terms of service shall also apply:
 - a. Pali Mountain shall obtain all required permits necessary to provide sewer service to the property and shall pay for the installation of the required facilities, flow meter and infiltration and inflow (I/I) mitigation measures. Lateral and cleanouts shall be installed per County of San Bernardino (County) and District requirements.
 - b. A magnetic flow (Mag-Meter) metering device shall be installed at a point agreed to by the parties and shall be calibrated annually by a third party at Pali Mountain's expense. Calibration results shall be submitted directly to the District by no later than October 1st of each year. The flow meter shall be accessible by District staff for the purpose of obtaining meter readings. During periods of snow fall or other hazardous weather, monthly averaging will be utilized if the meter is inaccessible until such time as the District can access the meter. For averaging purposes, the average month will be a standard 30-calendar day month.
 - c. Upon execution of this Agreement, approval by the Local Agency Formation Commission of San Bernardino County (LAFCO) and connection to the District's sewer system, Pali Mountain will begin paying the following fees and charges:
 - i. Sewer Facilities Capacity Charge (Sewer Connection Fee) in effect at the time of connection. The Fiscal Year 2012/2013 Sewer Connection fee is \$5,448.28 per EDU (21.95 EDUs x \$5,448.28 = \$119,589.75);
 - ii. Annual In-Lieu of Taxes Charge per District Resolution. For Fiscal Year 2012/2013 this charge is \$1,834 and will be calculated each

fiscal year based on assessed property valuation and according to District Resolution;

- iii. The District's prevailing monthly sewer service charge per EDU in effect at the time that service is provided. The Fiscal Year 2012/2013 fixed monthly service charge per EDU is \$28.05 plus an additional \$2.00 monthly charge for each EDU per District Resolution;
 - iv. Treatment Plant Filtration Project Loan Repayment fee of \$3.00 per month per EDU, until such time that the loan is repaid;
 - v. Sewage volume charge per gallon, to be adjusted annually or from time to time by the Board of Directors. As of the effective date of this Agreement the volume charge is of \$0.000678 per gallon.
- d. The County and the District shall inspect the installation of the flow meter, sewer lateral and connection and shall approve of said lateral and connection and meter as a condition of accepting flow from Pali Mountain. Sewer clean-outs shall be installed as recommend by the District to facilitate cleaning and inspection of the line.
- e. Pali Mountain shall ensure the facilities are constructed such that I/I is eliminated and prevented from entering into the sewer system either through laterals, mains, lift stations, the flow meter or connection point, to the satisfaction of the District. All such I/I will be addressed by Pali Mountain at no cost to the District should it be noted that water has breached the system. The District reserves its right to discontinue acceptance of flow from Pali Mountain should the I/I issue remain unaddressed for a period greater than 30 calendar days from the date of notice from the District.
- f. The District will approve the connection point and approve the location for the installation of the flow meter. The flow meter shall be approved by the District and shall be maintained on an annual basis at the expense of Pali Mountain.
5. No Expansion of Service. Sewer service shall not be provided to any additional buildings, dwelling units or treatment facilities without prior written approval by the District. If approval is provided, the sewer service fees and charges outlined above will apply to any expanded service. Failure to obtain such written approval prior to such expansion of service shall constitute a material breach of this Agreement which shall relieve the District of any further obligation to provide service to Pali Mountain. Subject to these restrictions and such other constraints as are set forth in this Agreement, the District agrees to utilize its best efforts to satisfy Pali Mountain's sewer service requirements, consistent with the District's rules, regulations, ordinances, resolutions, policies, and procedures for such service.

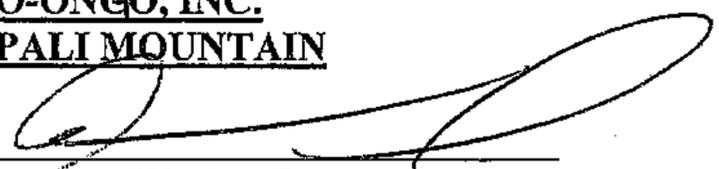
GENERAL:

1. **Type of Use.** It is understood and agreed that sewer service to Pali Mountain shall be for commercial use as a camp.
2. **Costs and Attorneys' Fees.** In the event of any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reimbursement of costs and reasonable attorneys' fees.
3. **No Other Agreements.** This Agreement contains all of the terms and conditions of the Agreement between the parties regarding sewer service from the District to said Parcels named herein. No other such agreements exist as of the date of this Agreement.
4. **Conditions of Service.** Failure by Pali Mountain to conform to the provisions of this Agreement shall relieve the District from any further obligation to provide sewer service to Pali Mountain.
5. **LAFCO Approval Required.** The obligation to provide sewer service to Pali Mountain as set forth in this Agreement shall be conditional upon prior approval by LAFCO. In the event that LAFCO does not approve the District's provision of sewer service to Pali Mountain as set forth in this Agreement, then this Agreement shall be null and void. Pali Mountain shall be responsible for payment of all fees charged by LAFCO to obtain such approval.

AGREEMENT NOTARIZED SIGNATURES AND DATES

(ATTACH NOTARY'S CERTIFICATE)

O-ONGO, INC.
PALI MOUNTAIN



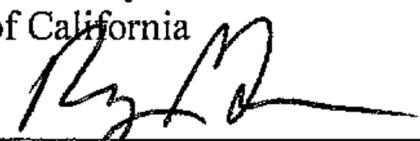
Andrew Wexler, Owner

4/23/13

Date Signed

(ATTACH NOTARY'S CERTIFICATE)

DISTRICT
Running Springs Water District, an
Independent Special District of the
State of California



Ryan Gross, General Manager

4/24/13

Date Signed

EXHIBIT A
(Legal Description)

RECORDS OF SAN BERNARDINO COUNTY OF A PORTION OF THE SOUTH 1/2 OF SECTION 30, AND A PORTION OF THE NORTHWEST 1/4, SECTION 31, TOWNSHIP 2 NORTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

EXHIBIT "A"

(PARCEL A)

BEING A PORTION OF THE SOUTH 1/2 OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION; THENCE ALONG THE NORTH LINE OF TRACT 7140, MAP BOOK 41, PAGES 25-30, A BEARING OF SOUTH 84°51'25" WEST, A DISTANCE OF 16.42 FEET; THENCE NORTH 0°08'15" WEST, A DISTANCE OF 216.81 FEET TO THE NORTHWESTERLY CORNER OF O.R. 7547/202 AND THE TRUE POINT OF BEGINNING; THENCE NORTH 84°34'00" EAST, A DISTANCE OF 200.00 FEET; THENCE SOUTH 0°21'35" EAST, A DISTANCE OF 71.20 FEET; THENCE NORTH 37°25'26" EAST, A DISTANCE OF 312.46 FEET; THENCE NORTH 42°53'38" EAST, A DISTANCE OF 1031.57 FEET TO A 1" IRON ROD FOR THE SOUTHEASTERLY CORNER OF O.R. 1654/410; THENCE SOUTH 67°14'21" WEST, A DISTANCE OF 563.10 FEET; THENCE NORTH 65°10'14" WEST, A DISTANCE OF 400.00 FEET; THENCE NORTH 65°21'29" WEST, A DISTANCE OF 103.96 FEET; THENCE NORTH 84°41'19" WEST, A DISTANCE OF 170.96 FEET; THENCE SOUTH 69°45'14" WEST, A DISTANCE OF 173.42 FEET; THENCE SOUTH 75°44'17" WEST, A DISTANCE OF 260.63 FEET; THENCE SOUTH 59°50'17" WEST, A DISTANCE OF 202.86 FEET; THENCE SOUTH 26°21'20" WEST, A DISTANCE OF 742.54 FEET MORE OR LESS TO THE EASTERLY RIGHT OF WAY OF STATE HIGHWAY # 18 (100 FEET WIDE); THENCE SOUTH 24°57'25" EAST, A DISTANCE OF 60.00 FEET ALONG SAID RIGHT OF WAY; THENCE NORTH 65°22'57" EAST, A DISTANCE OF 440.00 FEET; THENCE SOUTH 51°02'12" EAST, A DISTANCE OF 531.58 FEET TO THE TRUE POINT OF BEGINNING.
(CONTAINS 27.64 ACRES GROSS)

SEE EXHIBIT B

PREPARED BY

10/17/99
DATE

Paul Christopher
PAUL CHRISTOPHER, L.S.
L.S. 5225



ENVIRONMENTAL
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• CIVIL ENGINEERING

(909) 886-1831 FAX (909) 883-1257
3272 N. "E" ST. #A, San Bernardino, CA 92405
JOB NO. 98-114 DATE: MARCH 1998

EXHIBIT "A"

(PARCEL B)

BEING A PORTION OF THE SOUTH 1/2 OF SECTION 30, AND A PORTION OF THE NW 1/4 SECTION 31, TOWNSHIP 2 NORTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 30 (S 1/4 CORNER SEC. 30), THENCE SOUTH $84^{\circ}51'25''$ WEST, A DISTANCE OF 16.42 FEET ALONG THE NORTH LINE OF TRACT 7140 M.B. 91/25-30 TO THE TRUE POINT OF BEGINNING; THENCE NORTH $0^{\circ}04'13''$ WEST, A DISTANCE OF 216.81 FEET TO THE NORTHWESTERLY CORNER OF O. R. 7591/202; THENCE NORTH $51^{\circ}02'12''$ WEST, A DISTANCE OF 531.58 FEET; THENCE SOUTH $65^{\circ}22'57''$ WEST, A DISTANCE OF 430.00 FEET, TO THE EASTERLY RIGHT OF WAY OF STATE HIGHWAY #18 (100 FEET WIDE); THENCE SOUTH $24^{\circ}57'25''$ EAST, A DISTANCE OF 305.00 FEET, ALONG SAID RIGHT OF WAY TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 356.11 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $20^{\circ}54'03''$, AN ARC DISTANCE OF 128.55 FEET TO THE NORTH LINE OF TRACT 7140 PER RS 91/87; THENCE NORTH $84^{\circ}51'25''$ EAST, A DISTANCE OF 224.26 FEET ALONG SAID NORTH LINE TO THE TRUE POINT OF BEGINNING.
(CONTAINS 1.41 ACRES GROSS)

SEE EXHIBIT B



PREPARED BY

10/17/99 Paul Christopher Ebe
DATE: Paul Christopher Ebe
LS 6280

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• CIVIL ENGINEERING
(800) 888-1811 FAX (809) 833-1297
3272 N. "E" ST. #A, San Bernardino, CA 92408
JOB NO. 96-114 DATE: MARCH 1998

EXHIBIT "A"

(PARCEL C)

BEING A PORTION OF THE SOUTH 1/2 OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 30 (S1/4 CORNER SECTION 30); THENCE N84°56'00"E (N84°56'00"E) ALONG THE NORTH LINE OF TRACT 7140, A DISTANCE OF 70.52 FEET (AS PER O.R. 4966/566); THENCE N87°25'26"E (NORTH 57°46'00" EAST), A DISTANCE OF 103.00; THENCE N42°33'38"E (NORTH 42°31'20" EAST), A DISTANCE OF 105.57 FEET (105.21); TO A 1" IRON ROD FOR THE SOUTHEASTLY CORNER OF O.R. 1659/410, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 54°01'55" EAST (N53°54'15"E), A DISTANCE OF 155.00 FEET; THENCE NORTH 14°30'32" WEST (N14°28'14") A DISTANCE OF 59.52 FEET; THENCE NORTH 1°04'02" EAST (N1°06'48"E), A DISTANCE OF 132.82 FEET; THENCE NORTH 1°46'48" EAST (N1°44'30"E), A DISTANCE OF 247.18 FEET; THENCE NORTH 9°27'27" WEST (N9°29'48"W) A DISTANCE OF 27.41 FEET; THENCE NORTH 16°14'42" WEST (N16°17"14"), A DISTANCE OF 100.21 FEET; THENCE SOUTH 50°09'53" WEST (S50°07'15"E), A DISTANCE OF 152.71 FEET; THENCE SOUTH 48°32'48" WEST (S48°30'30"W) A DISTANCE OF 101.62 FEET; THENCE SOUTH 14°16'25" WEST (S14°14'18"W), A DISTANCE OF 145.84 FEET; THENCE SOUTH 44°00'10" WEST (S43°58'22"W), A DISTANCE OF 227.48 FEET; THENCE SOUTH 26°57'43" WEST (S26°55'25"W) A DISTANCE OF 706.01 FEET; THENCE SOUTH 40°33'46" WEST (S40°31'30"W), A DISTANCE OF 44.95 FEET; THENCE SOUTH 26°15'33" WEST (S26°13'15"W), A DISTANCE OF 119.01 FEET; THENCE SOUTH 46°55'16" WEST (S46°53'14") A DISTANCE OF 193.32 FEET; THENCE SOUTH 48°47'18" WEST (S48°45'10"), A DISTANCE OF 43.25 FEET; THENCE NORTH 65°23'42" WEST (N65°25'14"), A DISTANCE OF 285.25 FEET; THENCE SOUTH 54°32'12" WEST (S54°30'14") A DISTANCE OF 1054.55 FEET MORE OR LESS TO THE EAST LINE OF BOY. LOT 4, AS SHOWN ON R.S. 91/87 THENCE SOUTH 1°05'55" WEST, ALONG THE EAST LINE OF BOY. LOT 4, A DISTANCE OF 74.64 FEET MORE OR LESS TO THE NORTH LINE OF HWY 10; THENCE SOUTH 47°58'05" EAST ALONG THE NORTH LINE OF HWY 15 (100' R/W), A DISTANCE OF 154.05 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST WITH A RADIUS OF 550.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A DELTA OF 25°15'42", AN ARC DISTANCE OF 223.30 FEET; THENCE SOUTH 24°31'23" EAST, A DISTANCE OF 415.65 FEET; THENCE NORTH 26°21'20" EAST, A DISTANCE OF 742.34 FEET; THENCE NORTH 54°30'17" EAST, A DISTANCE OF 202.56 FEET; THENCE NORTH 75°44'17" EAST, A DISTANCE OF 260.45 FEET; THENCE NORTH 64°48'14" EAST, A DISTANCE OF 173.42 FEET; THENCE SOUTH 84°41'19" EAST, A DISTANCE OF 170.96 FEET; THENCE SOUTH 65°21'29" EAST, A DISTANCE OF 103.95 FEET; THENCE SOUTH 63°10'14" EAST, A DISTANCE OF 400.00 FEET; THENCE NORTH 67°14'21" EAST, A DISTANCE OF 565.10 FEET TO THE TRUE POINT OF BEGINNING. (CONTAINS 38.56 ACRES GROSS)

(* DENOTES RECORD DATA PER INST. 4966/566)

SEE EXHIBIT "B"



PREPARED BY
Paul Christopher Ege
10/17/99
DATE

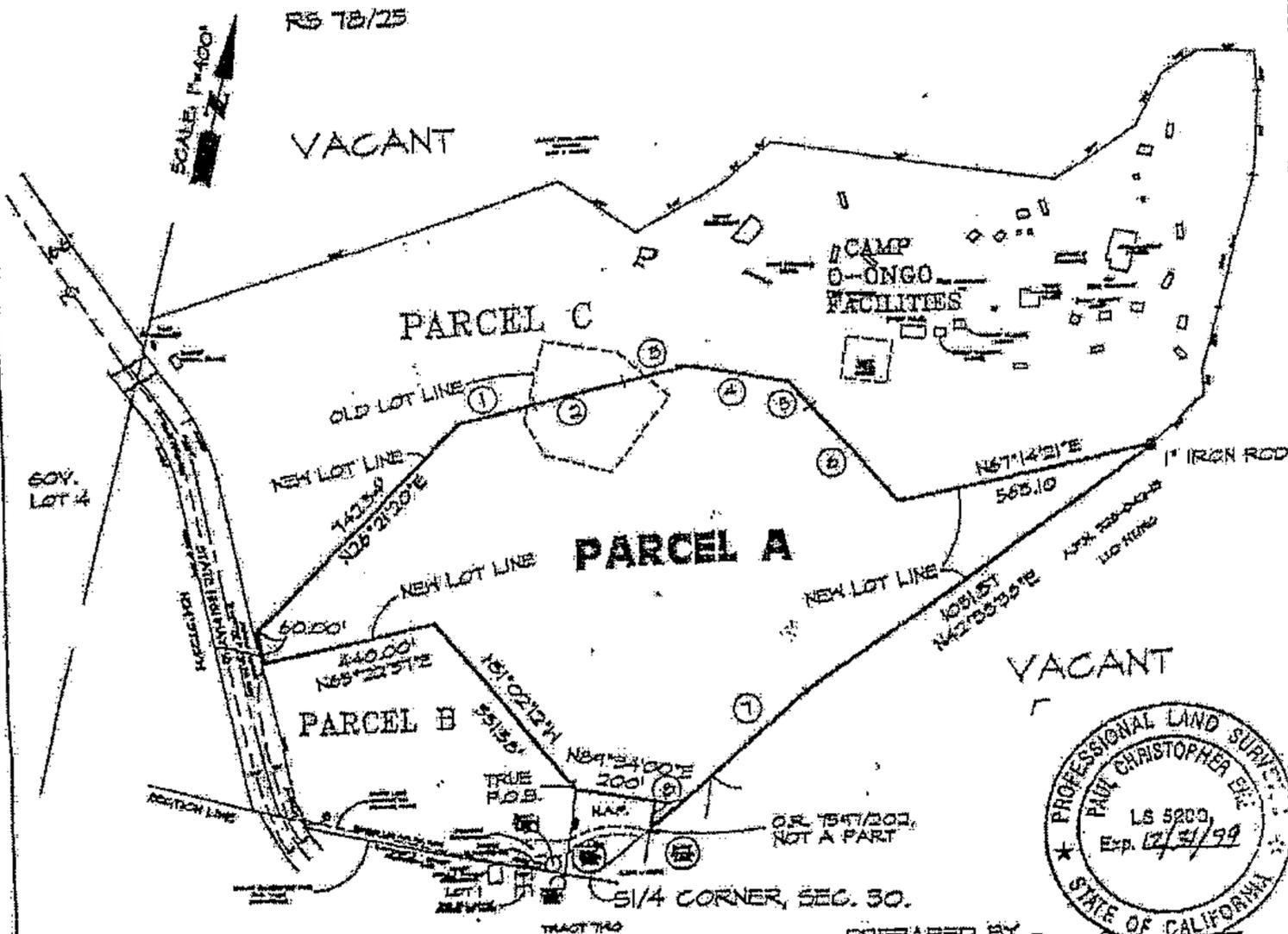


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(909) 888-1811 FAX (909) 883-1297
3272 N. "E" ST. #A, San Bernardino, CA 92406
JOB NO. 96-114 DATE: SEPT. 1998

EXHIBIT "B"

(PARCEL A)



COURSE	BEARING	DISTANCE
①	N54°30'17"E	202.86
②	N73°44'17"E	260.65
③	N69°45'14"E	173.42
④	N8°41'19"W	170.96
⑤	N65°21'29"W	108.96
⑥	N65°10'14"W	400.00
⑦	N57°25'26"E	518.46
⑧	N0°21'55"W	71.80

PREPARED BY
 10/17/99 *Paul Christopher*
 DATE PAUL CHRISTOPHER E.E.C.
 L.S. 5200

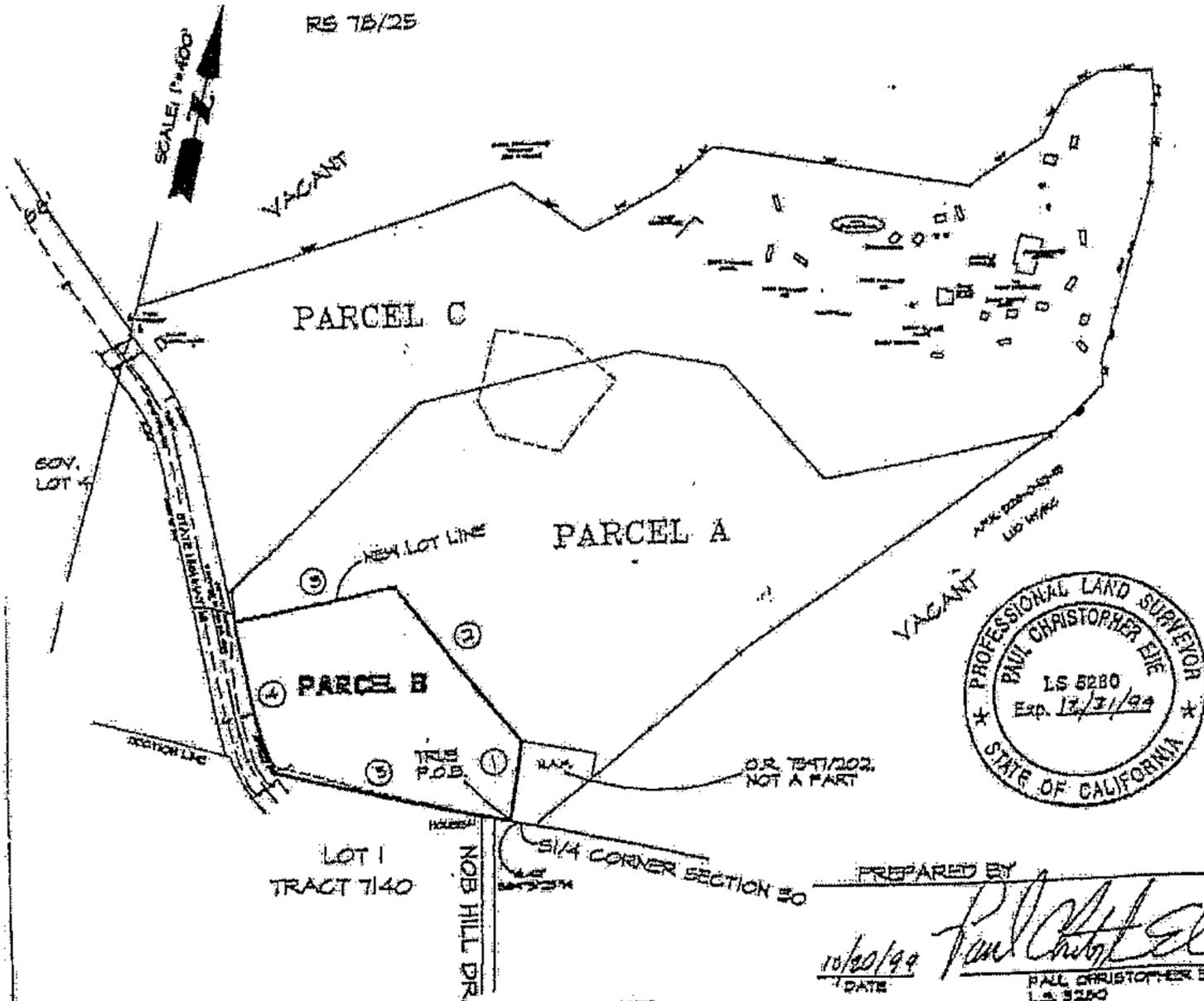
ENVIRONMENTAL HIGHTECH ENGINEERING

- LAND SURVEYING
- LAND PLANNING
- CIVIL ENGINEERING

(808) 858-1811 FAX (808) 853-1287
 3272 N. 7th St. #A, San Bernardino, CA 92408
 JOB NO. 96-114 DATE: MARCH 1998

EXHIBIT "B"

(PARCEL B)



PREPARED BY
Paul Christopher Eie
 10/20/99
 DATE
 PAUL CHRISTOPHER EIE
 LS 5280

COURSE	BEARINGS	DISTANCE
①	N0° 09'15"W	216.21
②	N51° 02'12"W	551.58
③	N65° 22'57"E	440.00
④	S24° 57'25"E	305.00
⑤	N09° 51'25"E	629.26

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 3272 N. E. ST. #A, San Bernardino, CA 92405
 JOB NO. 96-114 DATE: MARCH 1998

EXHIBIT "B"

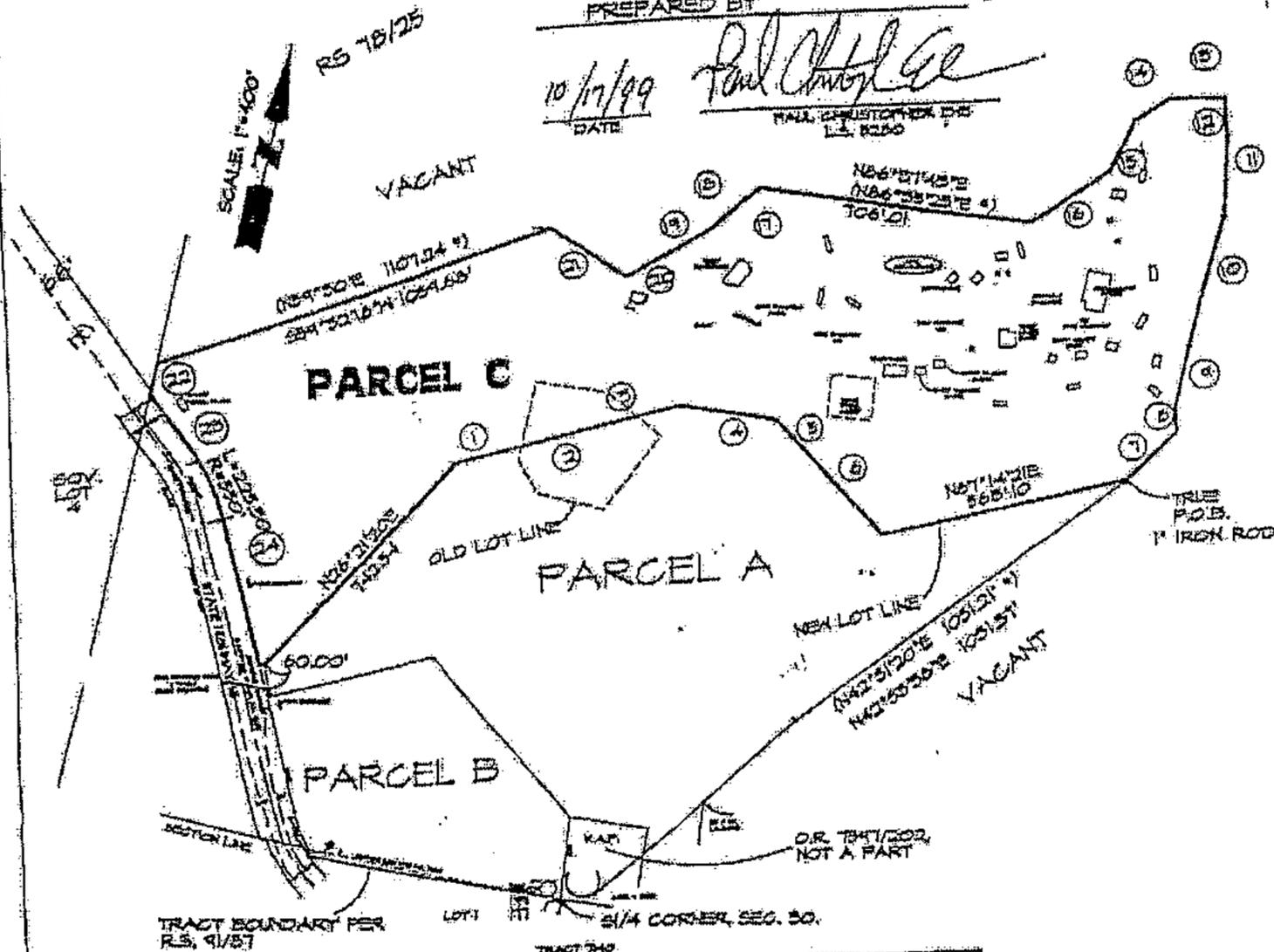


(PARCEL C)

PREPARED BY

10/17/99
DATE

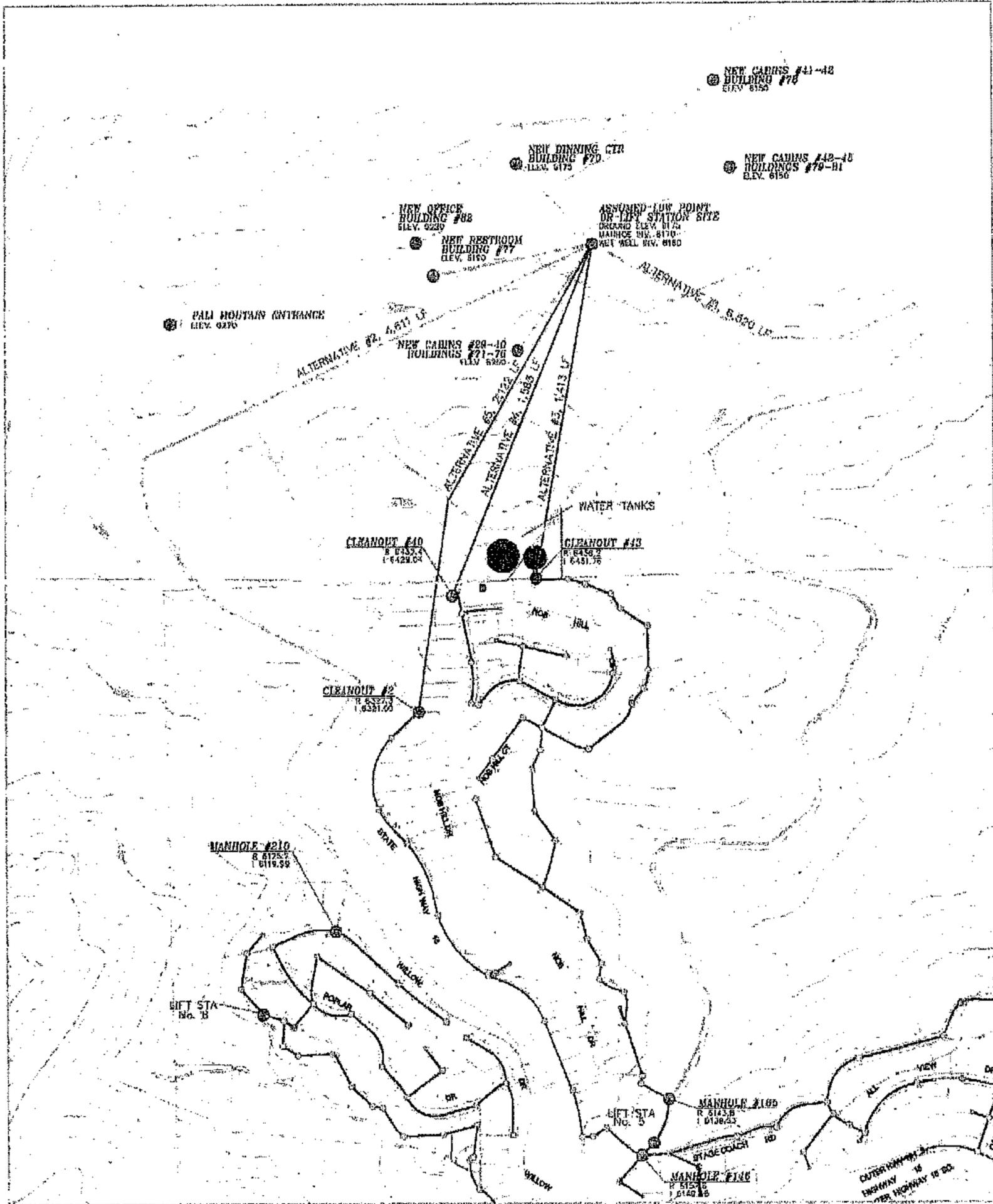
Paul Christopher Ebe
PAUL CHRISTOPHER EBE
L.S. 9280



COURSE	BEARING	DISTANCE	COURSE	BEARING	DISTANCE
1	N54°50'17"E	322.06	19	N56°15'23"E	114.01
2	N73°44'17"E	260.65	18	S48°22'18"W	102.53
3	N64°34'14"E	175.43	20	S48°47'10"W	48.55
4	N54°41'11"W	70.78	21	N63°22'42"W	258.38
5	N63°21'20"W	105.16	22	N1°02'57"E	74.64
6	N63°10'14"W	400.00	23	N47°52'10"E	154.08
7	N54°01'53"E	189.00	24	N24°21'22"W	45.55
8	S44°50'27"E	44.32			
9	N1°04'03"E	83.93			
10	N1°46'46"E	347.14			
11	N1°27'17"W	217.41			
12	S16°14'02"E	109.21			
13	N02°04'22"E	123.77			
14	N43°23'46"E	101.82			
15	N44°16'05"E	142.64			
16	N44°00'18"E	227.40			
17	N40°23'46"E	44.18			

* DENOTES RECORD DATA FOR DIST. 61466.5661

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 3272 N. T. St. #A, San Bernardino, CA 92405
 JOB NO. 16-114 DATE: SEPT. 1999



LEGEND

- | | | | | | |
|---|---------------------------|---|---------------------------|---|-----------------------------|
| — | EXIST. SEWER GRAVITY MAIN | — | EXIST. SEWER FORCE MAIN | — | PROPOSED SEWER GRAVITY LINE |
| — | PROPOSED SEWER FORCE LINE | — | PROPERTY LINE/STREET LINE | ○ | SITE BOUNDARY |
| ● | HIGHLIGHTED POINT | ○ | MANHOLE, CLEAN OUT | ● | WATER TANK |

FIGURE 1. PALI MOUNTAIN SEWER CONNECTION ALTERNATIVES

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

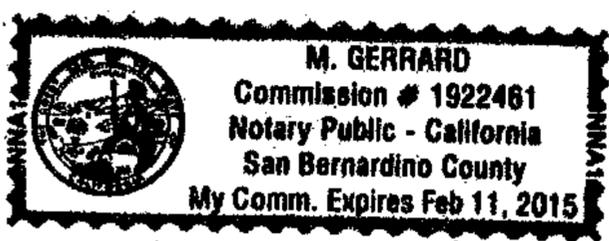
State of California

County of San Bernardino }

On 23 April 2013 before me, M. GERRARD, Notary Public

personally appeared Andrew Wexler

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



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

WITNESS my hand and official seal.
Signature M. Gerrard
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Agreement for the Provision of Outside Sewer Service

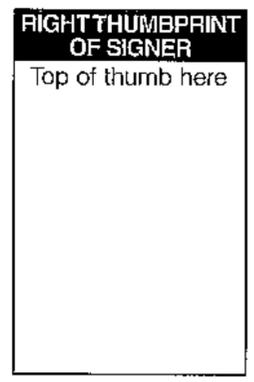
Document Date: 23 April 2013 Number of Pages: 5

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Andrew Wexler

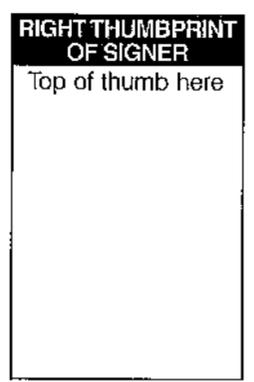
- Individual
- Corporate Officer — Title(s): President
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer is Representing: O-ingo, Inc.

Signer's Name: _____

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



Signer is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

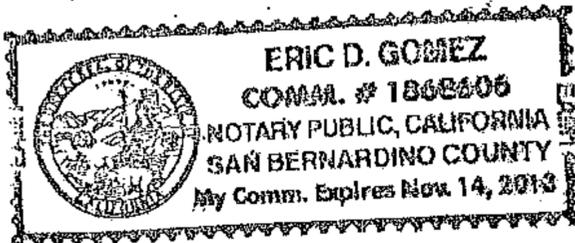
State of California

County of San Bernardino

On 4-24-13 before me, Eric D. Gomez, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Ryan Gross
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Agreement For the Provision of Outside Sewer Service to O-Digo Inc. - 1 pgs. mth.

Document Date: 4-24-13 Number of Pages: _____

Signer(s) Other Than Named Above: Andrew Wexler

Capacity(ies) Claimed by Signer(s)

Signer's Name: Ryan Gross

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

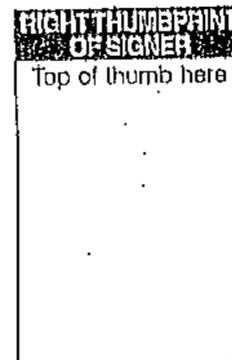
Signer Is Representing: _____



Signer's Name: _____

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

Signer Is Representing: _____



RESOLUTION 14-05

LAFCO SC # 375

**RESOLUTION OF THE BOARD OF DIRECTORS OF
RUNNING SPRINGS WATER DISTRICT ESTABLISHING
POLICIES WITH RESPECT TO SEWER SERVICE AND
WATER SERVICE TO AREAS OUTSIDE THE DISTRICT**

WHEREAS, there are areas outside but adjacent to the boundaries of the Running Springs Water District, which may request sewer or water service from the District, but it is neither practicable nor in the best interest of the District to annex such areas to the District for purposes of providing such service; and

WHEREAS, the District's Board of Directors desires to establish policies whereby the District will provide sewer and/or water service to such areas;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Running Springs Water District as follows:

1. **Definitions.** As used herein, the following terms shall have the meaning hereinafter ascribed to them:

1.1 "Outside User" - An applicant for sewer or water service from the District for an area outside but adjacent to the boundaries of the District, or a person, firm, corporation or organization owning such an area and receiving sewer or water service from the District.

1.2 "District" - The Running Springs Water District.

1.3 "Equivalent Fixture Unit" - An equivalent fixture unit, public use, as defined in the Uniform Plumbing Code.

1.4 "Unit of Service" - A single family dwelling unit, including a residence, a duplex unit, an apartment unit, a motel living unit and a mobile home. For users having multiple plumbing fixtures, such as camps, hotels, motels and mobile home or travel trailer parks, a unit of service is twenty (20) equivalent fixture units or any part thereof.

1.5 "On-Site Collection System" - The system installed or located upon property outside but adjacent to the District's boundaries which will be connected to the District's sewer system and will collect sewage and wastewater from buildings and facilities located upon such property and deliver same to the District's sewer system.

1.6 "On-Site Distribution System" - The water system located upon or to be constructed upon property outside but adjacent to the District's boundaries which will be connected to the District's water system and will distribute water therefrom to buildings and facilities located upon such property.

2. Annexation. Upon receipt of a written request to provide water or sewer service to an area adjacent to but outside the District's boundaries, the Board of Directors may determine whether it is practicable and in the best interests of the District to require that such area be annexed to the District as a condition to receiving water or sewer service from the District. If the Board of Directors determines that such area should be annexed, the District shall not provide either water or sewer service to such area until such annexation is accomplished except on a provisional basis pending completion of annexation proceedings. However, if the Board of Directors finds that it is not practicable or in the best interests of the District that such area be annexed to the District but that such area should nevertheless be served by the District, such water or sewer service may be provided to such area by the District upon the terms and conditions hereinafter contained.

3. Sewer Service. The District may provide sewer to areas outside but adjacent to the District's boundaries on the terms and conditions contained in this Part 3.

3.1 Excess Capacity. The District shall not provide sewer service to areas outside but adjacent to the boundaries of the District unless there is sufficient excess capacity in its sewer system to provide such service without jeopardizing the District's ability to provide adequate service to users within the District.

3.2 On-site Collection System. The Outside User shall at the User's own cost install a sewer system, which at a minimum, meets San Bernardino County Building Department requirements for collection of sewage and wastewater from all buildings and facilities to be served (hereinafter "on-site collection system") and shall connect the same to the District's sewer system all in accordance with the applicable rules and regulations of the District. The on-site collection system shall be connected to the District's sewer system at such location or locations as may be designated by the District. The on-site collection system shall not be connected to the District's sewer system until authorized by the District, and the actual connection shall be under the supervision of authorized District personnel.

3.3 Easements. The Outside User shall at the User's own cost and expense obtain all easements necessary across real property belonging to other parties to connect the on-site collection system to the District's sewer system. All such easements shall be ten (10) feet in width, shall name the District as an additional grantee and shall grant to the District the right of ingress and egress for purposes of inspecting the sewer pipeline and other facilities to be installed therein. The instruments granting all such easements must be submitted to the District and approved by the District's legal counsel.

3.4 Service Unit Inventory. Prior to the connection of the on-site collection system to the District's sewer system, the District will conduct an inspection of the Outside User's plumbing system to determine the number of units of service which will be assigned by the District to the Outside User for the purpose of establishing the Sewer Connection Fee. The District's determination of the number of units of service for multiple plumbing fixtures to be assigned to the Outside User shall be based on the equivalent fixture unit, public use, of the Drainage Fixture Unit tables contained in the current Uniform Plumbing Code. With the exception of the uses for which units of service are prescribed in the following schedule, an Outside User will be assigned a unit of service for each increment of twenty (20) equivalent fixture units or any part thereof. For the uses mentioned in the following schedule, units of service will be assigned according thereto:

<u>USE</u>	<u>UNITS OF SERVICE</u>
Single Family Residential	1.0 each
Multiple Family Residential (Includes apartments)	1.0 per living unit
Motels	1.0 per three sleeping units or a portion thereof
Professional Building	1.0 each/20 fixture units
Public Schools	1 per each 100 students based on ADA
Trailer or mobile home parks (Camping areas)	
(a) Separate community bathroom or recreational facilities	3.0 for each four trailer spaces or portion thereof
(b) Separate sewer hookup for each mobile home or trailer	1.0 for each space

3.5 Fees - Charges. The Outside User shall pay to the District the following fees and charges:

3.5.1 Sewer Connection Fee. Prior to connecting the on-site collection system to the District's sewer system, the Outside User shall pay to the District the District's then prevailing connection fee.

3.5.2 Monthly Service Charge. The Outside User shall pay to the District the District's prevailing monthly service charge plus an additional \$2.00 monthly charge for each unit of service assigned by the District to the Outside User as a result of the unit of service inventory.

3.5.3 Annual In-Lieu-of-Taxes Charge. The Outside User shall pay to the District during each fiscal year (July 1 through June 30) an in-lieu-of-taxes charge. The in-lieu-of-taxes charge is determined by the District's current total property value, current property taxes allocated by the County of San Bernardino, historic percentage of District department tax allocation and the full property value of each unit served. By dividing the total County tax allocation by the District's full land value, the ratio of tax dollars to land value can be determined. The property value of the units served is then multiplied by the tax dollar ratio to arrive at the total in-lieu-of-taxes. The total in-lieu-of-taxes is multiplied by 1/3 (33% being the historic department tax allocation) to determine the sewer in-lieu-of taxes.* Unless an annual payment is arranged as provided in Subpart 3.5.4, the in-lieu-of-taxes charge thus determined shall be paid by the Outside User in twelve (12) equal installments as provided in said Subpart 3.5.4. If an Outside User's on-site collection system is connected to the District's sewer system during a fiscal year, the Outside User's in-lieu-of taxes charge for such fiscal year shall be determined and paid in this same manner but the Outside User shall only pay a proportionate part of the total based on the number of months during the fiscal year the Outside User's on-site collection system is connected to the District's sewer system.

*County tax allocation ÷ District's full property value x service area land value x 33% being the historic department tax allocation = in-lieu-of-tax charge.

Example: \$305,451 ÷ \$455,139,214 = .00067 X \$1,200,219 = \$805
 \$805 x .33 = \$266 in lieu-of-tax charge for sewer service

3.5.4 Billings - Payments. The District will bill the Outside User for the monthly installments of the in-lieu-of-taxes charge and for the monthly service charge prior to the 10th day of each month. All such billings shall be due and payable immediately upon receipt and shall become delinquent thirty (30) days after mailing. The Outside User may by prior arrangement with the District pay either or both of the in-lieu-of-taxes charge or the service charge on an annual basis. In the event that a delinquent bill is not satisfied within sixty (60) days after mailing, the District may discontinue sewer service to the Outside User's property and may impose a lien upon real property to the extent authorized by law. Prior to discontinuing service to the Outside User's property, the District will give the Outside User notice of its intent to discontinue service by certified mail addressed to the Outside Users principal place of business. If the Outside User does not pay the delinquency in full within seven (7) days after the mailing of such notice, the District may disconnect the Outside User's on-site collection system from the District's sewer system, and will not reconnect the same until the Outside User's delinquent amount, together with the District's cost in making such disconnection and

reconnection, is paid in full.

3.6 Contract. Prior to connecting the on-site collection system to the District's sewer system, the Outside User shall execute the District's standard form agreement for sewer service to areas outside the District.

3.7 Increased Use. If the Outside User constructs or installs additional buildings or facilities on its property which will be connected to and served by the on-site collection system, or any extension thereof, the Outside User shall notify the District of such construction prior to the time of the connection of such additional buildings or facilities to the on-site collections system, and the District will conduct an inspection of such additional buildings or facilities and determine the number of additional units of service to be assigned to the Outside User. Upon the connection of such buildings or facilities to the on-site collection system, the Outside User's in-lieu-of-taxes charge for the balance of the fiscal year shall be increased to reflect the additional units of service assigned to the Outside User, and the Outside User shall commence paying additional service charge for said additional units of service.

3.8 Decreased Use. If the Outside User permanently discontinues the use of plumbing fixtures and disconnects them from the on-site collection system, for reasons other than seasonal lack of use, the Outside User may make application to the District for a decrease in the number of units of service assigned by the District to the Outside User, and if the District determines that the Outside User has in fact permanently discontinued the use of such plumbing fixtures, and that the number of such plumbing fixtures is sufficient to warrant a decrease in the number of units of service assigned to the Outside User, and the Outside User's in-lieu-of-taxes charge shall be decreased accordingly for the balance of the fiscal year.

4. Water Service. The District may provide water service to areas outside but adjacent to the District's boundaries upon the terms and conditions contained in this Part 4.

4.1 Surplus Water-Consent of Wholesaler. The District will not provide water service to areas outside but adjacent to the boundaries of the District unless the District has surplus water as provided in Water Code §31023. The District will obtain the written consent of the Crestline-Lake Arrowhead Water Agency before providing such service.

4.2 On-Site Distribution System. The Outside User shall at the User's own cost install an adequate water distribution system which meets the requirements of the State and County Departments of Public Health for distribution of water to all buildings and facilities to be served with water for domestic use. If there is an existing water distribution system on the Outside User's property, the Outside User shall furnish the District with proof that such distribution system meets the requirements of the State and County Departments of Public Health. (The distribution system to be constructed or which is located upon the Outside User's property is hereinafter referred to as the "on-site distribution system.") The on-site distribution system shall be connected to the District's water system in accordance with the District's rules

and regulations and at such location or locations as may be designated by the District. The connection or connections of the on-site distribution system to the District's water system shall be made by District personnel at the sole expense of the Outside User, and the metering structure and backflow device included in any such connection shall become the property of the District and be maintained by the District. Provided, however, that if any such metering structure or backflow device is damaged by persons other than District personnel, the Outside User shall pay to the District the cost of repairing or replacing such damaged facilities.

4.3 Easements. The Outside User shall at the User's own cost and expense obtain all easements necessary across real property belonging to other parties to connect the on-site distribution system to the District's water system. All such easements shall be a minimum of ten (10) feet in width, shall name the District as an additional grantee and shall grant to the District the right of ingress and egress for purposes of inspecting the water pipeline and other facilities to be installed therein. The instruments granting all such easements must be submitted to the District and approved by the District's legal counsel.

4.4 Service Unit Inventory. Prior to the connection of the on-site distribution system to the District's water system, the District will conduct an inspection of the Outside User's plumbing system to determine the number of units of service which will be assigned by the District to the Outside User to determine the District's Water Development Charge. The District's determination of the number of units of service for multiple plumbing fixtures to be assigned to the Outside User will be based on the equivalent fixture unit, public use, of the Water Supply Fixture Unit tables contained in the current Uniform Plumbing Code. With the exception of the uses for which units of service are prescribed in the following schedule, an Outside User will be assigned a unit of service for each increment of twenty (20) equivalent fixture units or any part thereof. For the uses mentioned in the following schedule, units of service will be assigned according thereto:

<u>USE</u>	<u>UNITS OF SERVICE</u>
Single Family Residential	1.0 each
Multiple Family Residential (Includes apartments)	1.0 per living unit
Motels	1.0 per three sleeping units or portion thereof
Professional Building	1.0 each/20 fixture units
Public Schools	1 per each 100 students based on ADA
Trailer or mobile home parks (camping areas)	

- | | | |
|-----|--|---|
| (a) | Separate Community bathroom or recreational facilities | 3.0 for each four trailer spaces or portion thereof |
| (b) | Separate sewer hookup for each mobile home or trailer | 1.0 for each space |

4.5 Fees - Charges. The Outside User shall pay to the District the following fees and charges:

4.5.1 Meter Installation Fee. Prior to the connection of the on-site water system to the District's water distribution system, the Outside User shall pay to the District the District's then prevailing meter installation fee for each connection to the District's water system.

4.5.2 Water Development Charge. Prior to the connection of the on-site water system to the District's water distribution system, the Outside User shall pay to the District the District's then prevailing Water Development Charge.

4.5.3 Service Charge. The Outside User shall pay the District's prevailing minimum monthly water service charge (based on meter size) for each unit of service connected to the District's system. The Outside User shall also pay to the District for each cubic foot of water used by the Outside User the District's then current per cubic foot water rate plus an additional \$.005 per cubic foot. If the District is unable to determine the total cubic feet of water used by the Outside User during any billing period because one or more of the Outside User's meters are damaged or defective, the District will estimate the total cubic feet of water used by the Outside User during said billing period and the Outside User shall pay the District based on such estimate.

4.5.4 Annual In-Lieu-of-Taxes Charge. The Outside User shall pay to the District during each fiscal year (July 1 through June 30) an annual in-lieu-of-taxes charge. The in-lieu-of-taxes charge is determined by the District's current total property value, current property taxes allocated by the County of San Bernardino, historic percentage of District department tax allocation, and the full property value of each unit served. By dividing the total County tax allocation by the District's full land value, the ratio of tax dollars to land value can be determined. The property value of the units served is then multiplied by the tax dollar ratio to arrive at the total in-lieu-of-taxes. The total in-lieu-of-taxes is multiplied by 1/3 (33% being the historic department tax allocation) to determine the water service in-lieu-of-taxes.* Unless an annual payment is arranged as provided by Subpart 4.5.5, the in-lieu-of-taxes charge thus determined shall be paid by the Outside User in twelve (12) equal installments as provided in said Subpart 4.5.5. If an Outside User's on-site distribution system is connected to the District's water system during a fiscal year, the Outside User's in-lieu-of-taxes charge for such fiscal year shall be determined and paid in the same manner but the Outside User shall only pay a

proportionate part of the total based on the number of months during the fiscal year the Outside User's on-site distribution system is connected to the District's water system.

*County tax allocation ÷ District's full property value x service area land value x 33% being the historic department tax allocation = in-lieu-of-tax charge.

Example: \$305,451 ÷ \$455,139.214 = .00067 x \$1,200,219 = \$805
 \$805 X .33 = \$266 in-lieu-of-tax charge for water service

4.5.5 Billings/Payments. The District will bill the Outside User for the monthly installments of the in-lieu-of-taxes charge and for the monthly service prior to the 10th day of each month. All such billings shall be due and payable immediately upon receipt and shall become delinquent thirty (30) days after mailing. The Outside User may by prior arrangement with the District pay either or both of the in-lieu-of-taxes charge or the service charge on an annual basis. In the event that a delinquent bill is not satisfied within sixty (60) days after mailing, the District may discontinue water service to the Outside User's property and may impose a lien on real property to the extent authorized by law. Prior to discontinuing service to the Outside User's property, the District will give the Outside User notice of its intent to discontinue service by certified mail addressed to the Outside User's principal place of business. If the Outside User does not pay the delinquency in full within seven (7) days after the mailing of such notice, the District may disconnect the Outside User's on-site distribution system from the District's water system, and will not reconnect the same until the Outside User's delinquent account, together with the District's cost in making such disconnection and reconnection, is paid in full.

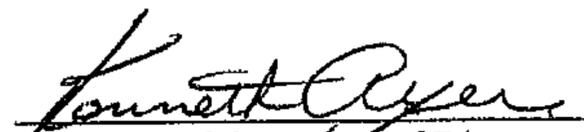
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4.7 Increased Use. If the Outside User constructs or installs additional buildings or facilities on its property which will be connected to and served by the on-site distribution system or any extension thereof, the Outside User shall notify the District of such construction prior to the time of the connection of such additional buildings or facilities to the on-site distribution system, and the District will conduct an inspection of such additional buildings or facilities and determine the number of additional units of service to be assigned to the outside User. Upon the connection of such buildings or facilities to the on-site distribution system, the Outside User's in-lieu-of-taxes charge for the balance of the fiscal year will be increased to reflect the additional units of service assigned to the Outside User.

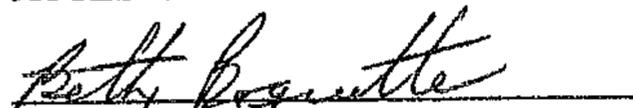
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5. Repeal. Resolution No. 8-00, and all other resolutions or motions inconsistent herewith, are repealed.

ADOPTED THIS 21st day of September, 2005.


President of the Board of Directors
Running Springs Water District

ATTEST:


Secretary of the Board of Directors
Running Springs Water District

Conditions of Approval

Attachment 4



385 N. Arrowhead Avenue, San Bernardino, CA 92415-0182
 (909) 387-8311 Fax (909) 387-3223
<http://www.sbcounty.gov/landuseservices>

CHRISTINE KELLY
 Director

September 11, 2012

Effective Date: September 21, 2012
 Expiration Date: September 21, 2015

Tony R. Lees, Project Manager
 Pali Mountain
 P.O. Box 2237
 Running Springs, CA 92382

Re: REVISION TO APPROVED ACTION FOR THE CONSTRUCTION AND USE OF A 29,005 SQUARE-FOOT DINING FACILITY, 10 CABINS EACH WITH A FLOOR AREA OF 1,872 SQUARE FEET, A SUSPENDED SLIDE AT THE EXISTING LAKE, A NEW 150,000 GALLON WATER TANK THAT WILL REPLACE THE EXISTING 50,000 GALLON TANK, AND A 1,118 SQUARE FOOT OFFICE FOR AN EXISTING ORGANIZATIONAL CAMP AND ADULT CONFERENCE CENTER FOR A MAXIMUM OF 520 GUESTS AND 55 STAFF MEMBERS ON 73.2 ACRES. THE PROJECT SITE IS LOCATED ON THE EAST SIDE OF HIGHWAY 18 AT THE TERMINUS OF NOB HILL DRIVE. PROJECT APN: 0328-042-15; PROJECT NUMBER P201100262.

Dear Mr. Lees:

The above referenced project has been approved by the County of San Bernardino County Planning Division, subject to completion of the attached conditions of approval. The proposed project is found to be in conformance with the County General Plan policies, and the standards of the County Development Code. The effective date of this approval is **September 21, 2012**, following the 10-day appeal period. This approval shall expire and become void on **September 21, 2015**, if it is not exercised pursuant to the conditions of approval.

PLEASE NOTE: THIS WILL BE THE ONLY NOTICE GIVEN FOR THE ABOVE SPECIFIED EXPIRATION DATE AND THE TIME LINES SPECIFIED IN THE CONDITIONS. THE APPLICANT IS SOLELY RESPONSIBLE FOR INITIATING ANY TIME EXTENSION REQUEST THIRTY DAYS BEFORE EXPIRATION.

The conditions of approval are listed under specific headings according to when each condition must be completed for the applicable County Department. Among these headings are: "General Requirements"; "Prior to Grading Permit"; "Prior to Building Permit" and "Prior to Final Inspection or Occupancy". The enclosed Condition Compliance Release Forms list each County Department or outside agency that must sign-off on the project prior to each stage of development. These forms must be completed with all required signatures in order to obtain each requested permit. Prior to issuance of any permit, the developer shall return the completed and signed Condition Compliance Release Form with four (4) copies of the stamped approved plot plan and a copy of the conditions of approval to the Current Planning Division for review.

Within five working days of submittal, County Planning staff will review and, if appropriate, will release the County Planning hold on each requested permit by stamping the approved plot plans with a "red" permit release stamp or by stamping the grading plans. The developer shall take a copy of the "red stamped" plans along with a copy of the signed Condition Compliance Release Forms to County Building and Safety. This

will complete the County Planning approval process for that permit. Please note that there may be other corrections and reviews by County Fire, County Public Works or County Building and Safety that need to be satisfied prior to issuance of permits by Building and Safety.

This completes the Planning Division's review of this project. The conditions of approval and the approved site plan is the final development criteria and design for this project. This is not considered a conceptual design, and as such, is not subject to change or alteration. Therefore, any proposed revisions or modifications will require additional fees and the submittal of a "Revision to Approved Action Application" for review and approval.

It has been a pleasure working with you on this project. If you have any questions regarding specific condition(s) outlined in the attached conditions of approval, please call the appropriate agency or department. The telephone numbers of each County Department are listed in the conditions of approval next to the department's section heading. If you have any questions regarding this process or require additional information about specific Planning conditions, please contact County Planning at (909) 387-4112.

Thank you,

Chris Warrick, Planner
Current Planning Division

Attachments: Conditions of Approval
Condition Compliance Release Forms
Stamped/Conditionally Approved Plot Plan

cc: County Fire Department, Hazardous Materials Division
Building & Safety Division
Code Enforcement Division
Public Works, Solid Waste Management
County Fire/Community Safety
Environmental Health Services

CONDITIONS OF APPROVAL

Revision to Approved Action **Conditional Use Permit** **O-Ongo, Inc.**

GENERAL REQUIREMENTS Conditions of Operation and Procedures

LAND USE SERVICES/ Planning (909) 387-8311

1. Project Approval Description. This Revision to Approved Action for a Conditional Use Permit (CUP) is approved to be constructed and operated in compliance with the San Bernardino County Code (SBCC), the following conditions of approval, the approved site plan and any other required and approved reports and/or displays (e.g. elevations). This project includes the construction of a 29,005 square-foot dining facility, 10 cabins each with a floor area of 1,872 square feet, a suspended slide at the existing lake, a new 150,000 gallon water tank that will replace the existing 50,000 gallon tank, and a 1,118 square foot office for an existing organizational camp and adult conference center for a maximum of 520 guests and 55 staff members on 73.2 acres. The Project site is located on the east side of Highway 18 at the terminus of Nob Hill Drive.
 - a) Project signs shall comply with SBCC Chapter 83.13.
 - b) Project landscaping shall comply with SBCC Chapter 83.10
 - c) Project parking and internal access shall comply with SBCC Chapter 83.11. There are 54 standard parking spaces, 5 disabled accessible spaces, a bus loading area and one standard loading area.
 - d) Project construction shall comply with all applicable construction codes including the California Building Codes (CBC) and Uniform Fire Code (UFC). The “developer” shall provide a copy of the approved conditions and site plan to every current and future project tenant, lessee, and property owner to facilitate compliance with these conditions of approval and continuous use requirements. Project APN: 0328-042-15; Project Number P201100262.
2. “Developer” Defined. The term “developer” as used in these conditions of approval for this project and for any development of this project site, includes all of the following: the applicant, the property owner and any lessee, tenant or sub-tenant, operator and/or any other agent or other interested party of the subject project and/or project site and/or any heir or any other successor in interest in the project site or project land use by sale or by lease of all or of a portion of the project site or project land uses and/or any other right given to conduct any land use in any or all of the project structures or any area on the project site.
3. Revisions. Any proposed change to the approved use/activity on the site (e.g. from warehouse to manufacturing); or any increase in the developed area of the site or any expansion or modification to the approved facilities, including changes to structures building locations, elevations, signs, parking allocation, landscaping,

lighting, allowable number of occupants (clients and/or employees); or a proposed change in the conditions of approval, including operational restrictions from those shown either on the approved site plan and/or in the conditions of approval shall require that an additional land use application (e.g. Revision to an Approved Action) be submitted to County Planning for review and approval obtained.

4. Continuous Effect/Revocation. All of the conditions of this project are continuously in effect throughout the operative life of the project for the use approved. Failure of the property owner, tenant, applicant, developer or any operator (herein "developer") to comply with any or all of the conditions at any time may result in a public hearing and revocation of the approved land use, provided adequate notice, time and opportunity is provided to the property owner or other party to correct the non-complying situation.

5. Expiration. This project permit approval shall expire and become void if it is not "exercised" within three (3) years of the effective date of this approval, unless an extension of time is approved. The permit is deemed "exercised" when either:

- a) The permittee has commenced actual construction or alteration under a validly issued building permit, or
- b) The permittee has substantially commenced the approved land use or activity on the project site, for those portions of the project not requiring a building permit. (SBCC §86.06.060)

Occupancy of completed structures and operation of the approved and exercised land use remains valid continuously for the life of the project and the approval runs with the land, unless one of the following occurs:

- a) Construction permits for all or part of the project are not issued or the construction permits expire before the structure is completed and the final inspection is approved.
- b) The land use is determined by the County to be abandoned or non-conforming.
- c) The land use is determined by the County to be not operating in compliance with these conditions of approval, the County Code, or other applicable laws, ordinances or regulations. In these cases, the land use may be subject to a revocation hearing and possible termination.

PLEASE NOTE: This will be the ONLY notice given of the approval expiration date. The "developer" is responsible to initiate any Extension of Time application.

6. Extension of Time. Extensions of time to the expiration date (listed above or as otherwise extended) may be granted in increments each not to exceed an additional three years beyond the current expiration date. An application to request consideration of an extension of time may be filed with the appropriate fees no less than thirty days before the expiration date. Extensions of time may be granted based on a review of the application, which includes a justification of the delay in construction and a plan of action for completion. The granting of such an extension request is a discretionary action that may be subject to

additional or revised conditions of approval or site plan modifications. (SBCC §86.06.060)

7. Development Impact Fees. Additional fees may be required prior to issuance of development permits. Fees shall be paid as specified in adopted fee ordinances.
8. Indemnification. In compliance with SBCC §81.01.070, the developer shall agree, to defend, indemnify, and hold harmless the County or its “indemnitees” (herein collectively the County’s elected officials, appointed officials (including Planning Commissioners), Zoning Administrator, agents, officers, employees, volunteers, advisory agencies or committees, appeal boards or legislative body) from any claim, action, or proceeding against the County or its indemnitees to attack, set aside, void, or annul an approval of the County by an indemnitee concerning a map or permit or any other action relating to or arising out of County approval, including the acts, errors or omissions of any person and for any costs or expenses incurred by the indemnitees on account of any claim, except where such indemnification is prohibited by law. In the alternative, the developer may agree to relinquish such approval.

Any condition of approval imposed in compliance with the County Development Code or County General Plan shall include a requirement that the County acts reasonably to promptly notify the developer of any claim, action, or proceeding and that the County cooperates fully in the defense. The developer shall reimburse the County and its indemnitees for all expenses resulting from such actions, including any court costs and attorney fees, which the County or its indemnitees may be required by a court to pay as a result of such action.

The County may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the developer of their obligations under this condition to reimburse the County or its indemnitees for all such expenses.

This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The developer’s indemnification obligation applies to the indemnitees’ “passive” negligence but does not apply to the indemnitees’ “sole” or “active” negligence or “willful misconduct” within the meaning of Civil Code Section 2782.

9. Project Account. The Job Costing System (JCS) account number is P201100262. This is an actual cost project with a deposit account to which hourly charges are assessed by various county agency staff (e.g. Land Use Services, Public Works and County Counsel). Upon notice, the “developer” shall deposit additional funds to maintain or return the account to a positive balance. The “developer” is responsible for all expenses charged to this account. Processing of the project shall cease, if it is determined that the account has a negative balance and that an additional deposit has not been made in a timely manner. A minimum balance of \$1000.00 shall be in the project account at the

time of project approval and the initiation of the Condition Compliance Review. Sufficient funds shall remain in the account to cover all estimated charges that may be made during each compliance review. All fees required for processing shall be paid in full prior to final inspection, occupancy and/or operation of each approved use in each approved structure or land use activity area. There shall be sufficient funds (\$500.00) remaining in the account to properly fund file closure and any other required post-occupancy compliance review and inspection requirements (e.g. landscape performance).

10. Condition Compliance. In order to obtain construction permits for grading, or any new building, final inspection, the developer shall process a Condition Compliance Release Form (CCRF) for each respective building and/or phase of the development through County Planning in accordance with the directions stated in the Approval letter. County Planning shall release their holds on each phase of development by providing to County Building and Safety the following:
 - Grading Permits - a copy of the signed CCRF for grading/land disturbance and two “red” stamped and signed approved copies of the grading plans.
 - Building Permits - a copy of the signed CCRF for building permits and three “red” stamped and signed approved copies of the final approved site plan.
 - Final Inspection - a copy of the signed CCRF for final inspection of each respective building, after an on-site compliance inspection by County Planning.

11. Additional Permits. The property owner, developer, and land use operator are all responsible to ascertain and comply with all laws, ordinances, regulations and any other requirements of Federal, State, County and Local agencies as are applicable to the development and operation of the approved land use and project site. These include:
 - a) Federal: None Identified
 - b) State of California: Regional Water Quality Control Board (RWQCB), California Department of Fish and Game
 - c) County of San Bernardino: Land Use Services - Code Enforcement; Building and Safety, Public Health-Environmental Health Services, Public Works. County Fire, and
 - d) Local: None Identified

12. Continuous Maintenance. The property owner and “developer” shall continually maintain the property so that it is visually attractive and not dangerous to the health, safety and general welfare of both on-site users (e.g. employees) and surrounding properties. The “developer” shall ensure that all facets of the development are regularly inspected, maintained and that any defects are timely repaired. Among the elements to be maintained, include but are not limited to:
 - a) Annual maintenance and repair inspections shall be conducted for all structures, fencing/walls, walks, parking lots, driveways, and signs to assure proper structural, electrical and mechanical safety and a properly operating irrigation system.
 - b) Graffiti and debris shall be removed immediately with weekly maintenance.

- c) Landscaping shall be maintained in a continual healthy thriving manner at proper height for required screening. Drought-resistant, fire retardant vegetation shall be used where practicable. Where landscaped areas are irrigated, it shall be done in a manner designed to conserve water, minimizing aerial spraying.
- d) Erosion control measures shall be maintained to reduce water run off, siltation, and promote slope stability.
- e) Architectural controls shall be enforced by the property owner to maintain compatibility of theme, materials, unfaded colors, building mass, size and height.
- f) External Storage, loading, recycling and trash storage areas shall be kept neat, orderly, and fully screened from public view with a solid masonry wall not less than 6 feet in height. The wall shall include sight-obscuring gates. The solid wall(s) and gate(s) shall be continuously maintained in good repair. Commercial outside storage shall be fully screened from public view and not exceed the height of screening walls. No outdoor storage is allowed within any required setback.
- g) Metal Storage Containers shall be screened by landscaping or other means.
- h) Signage. All on-site signs, including posted area signs (e.g. "No Trespassing") shall be maintained in a clean readable condition at all times and all graffiti and vandalism shall be removed and repaired on a regular weekly basis. Signs on the site shall be of the size and general location as shown on the approved site plan or an approved sign plan.
- i) Parking and on-site circulation requirements, including surfaces, all markings and traffic/directional signs shall be maintained in an unfaded condition as identified on the approved site plan. Any modification to parking and access layout requires County review and approval. The markings and signs shall be clearly defined and legible. These include parking spaces, disabled space and access path of travel, directional designations and signs, stop signs, pedestrian crossing, speed humps "No Parking" "carpool" and "Fire Lane" designations.
13. Performance Standards. The approved land uses shall operate in compliance with the general performance standards listed in the County Development Code Chapter 83.01, regarding air quality, electrical disturbance, fire hazards (storage of flammable or other hazardous materials), heat, noise, vibration and the disposal of liquid waste. In addition to these, none of the following shall be perceptible without instruments at any point outside the project boundaries at adjoining property lines:
- Odors: No offensive or objectionable odor
 - Emissions: No emission of dirt, dust, fly ash, and other forms of particulate matter.
 - Smoke: No smoke from any project source shall be emitted of a greater density than that described in No. 2 on the Ringelmann Chart (as published currently by the United States Bureau of Mines)
 - Radiation: No dangerous amount of radioactive emissions.
 - Toxic Gases: No emission of toxic, noxious or corrosive fumes of gases.

- Glare: No intense glare that is not effectively screened from view at any point outside the project boundary.
14. Lighting. The glare from any luminous source, including on-site lighting shall not exceed one-half (0.5) foot-candle at property line. All lighting shall be limited to that necessary for maintenance activities and security purposes. This is to allow minimum obstruction of night sky remote area views. No light shall project onto adjacent roadways in a manner that interferes with on-coming traffic. All signs proposed by this project shall only be lit by steady, stationary, shielded light directed at the sign, by light inside the sign, by direct stationary neon lighting or in the case of an approved electronic message center sign alternating no more than once every five seconds.
 15. Clear Sight Triangle. Adequate visibility for vehicular and pedestrian traffic shall be provided at clear sight triangles at all 90 degree angle intersections of public rights-of-way and private driveways. All signs, structures and landscaping located within any clear sight triangle shall comply with the height and location requirements specified by County Development Code (SBCC§ 83.02.030) or as otherwise required by County Traffic.
 16. Underground Utilities. There shall be no new above ground power or communication lines extended to the site. All new utilities shall be placed underground in a manner, which avoids disturbing any existing/natural vegetation or the site appearance. Existing utilities around the site perimeter shall also be placed underground, where possible in coordination with the utility provider.
 17. Access. The access point to the facility shall remain unobstructed at all times, except a driveway access gate, which may be closed after normal working hours.

PUBLIC WORKS / Land Development Division – Drainage Section (909) 387-8145

18. Tributary Drainage. Adequate provisions should be made to intercept and conduct the tributary off site - on site drainage flows around and through the site in a manner, which will not adversely affect adjacent or downstream properties at the time the site is developed.
19. Infrequent Flood Hazards. The site may be subject to infrequent flood hazards by reasons of overflow, erosion and debris deposition in the event of a major storm.
20. FEMA Flood Zone. The project is located within Flood Zone D according to FEMA Panel Number 7960 H dated 8/28/2008. Flood hazards are undetermined in this area, but possible.
21. Natural Drainage. The natural drainage courses traversing the site shall not be occupied or obstructed.

22. Additional Drainage Requirements. In addition to drainage requirements stated herein, other "on-site" and/or "off-site" improvements may be required which cannot be determined from tentative plans at this time and would have to be reviewed after more complete improvement plans and profiles have been submitted to this office.
23. Continuous BMP Maintenance. The property owner/"developer" is required to provide periodic and continuous maintenance of all Best Management Practices (BMP) devices/facilities listed in the County approved Water Quality Management Plan (WQMP) for the project. This includes but is not limited to, filter material replacement and sediment removal, as required to assure peak performance of all BMPs. Furthermore, such maintenance activity will require compliance with all Local, State, or Federal laws and regulations, including those pertaining to confined space and waste disposal methods in effect at the time such maintenance occurs.
24. BMP Enforcement. In the event the property owner/"developer" (including any successors or assigns) fails to accomplish the necessary BMP maintenance within five (5) days of being given written notice by County Public Works, then the County shall cause any required maintenance to be done. The entire cost and expense of the required maintenance shall be charged to the property owner and/or "developer", including administrative costs, attorney's fees and interest thereon at the rate authorized by the County Code from the date of the original notice to the date the expense is paid in full.

LAND USE SERVICES/ Code Enforcement (909) 387-4044

25. Enforcement. If any County agency is required to enforce compliance with the conditions of approval, the property owner and "developer" shall be charged for such enforcement activities in accordance with the County Code Schedule of Fees. Failure to comply with these conditions of approval or the approved site plan design required for this project approval shall be enforceable against the property owner and "developer" (by both criminal and civil procedures) as provided by the San Bernardino County Code, Title 8 - Development Code; Division 6 - Administration, Chapter 86.09 - Enforcement.
26. Weed Abatement. The developer shall comply with San Bernardino County weed abatement regulations [SBCC§ 23.031-23.043] and periodically clear the site of all non-complying vegetation. This includes removal of all Russian thistle (tumbleweeds).

PUBLIC HEALTH/ Environmental Health Services (DEHS) (909) 387-4666

27. Noise. Noise level shall be maintained at or below County Standards, Development Code Section 83.01.080. For information, please call DEHS at 909-387-4666.

28. Wastewater. The septic system shall be maintained so as not to create a public nuisance and shall be serviced by a DEHS permitted pumper. For information, please call DEHS/Wastewater Section at: 909-387-4666.
29. Refuse. All refuse generated at the premises shall at all times be stored in approved containers and shall be placed in a manner so that environmental public health nuisances are minimized. All refuse not containing garbage shall be removed from the premises at least **1** time per week, or as often as necessary to minimize public health nuisances. Refuse containing garbage shall be removed from the premises at least **2** times per week, or as often if necessary to minimize public health nuisances, by a permitted hauler to an approved solid waste facility in conformance with San Bernardino County Code Chapter 8, Section 33.0830 et. seq. For information, please call DEHS/LEA at: 909-387-4655

COUNTY FIRE/ Community Safety (909) 386-8465

30. Fire Jurisdiction. The above referenced project is under the jurisdiction of the San Bernardino County Fire Department herein ("Fire Department"). Prior to any construction occurring on any parcel, the developer shall contact the Fire Department for verification of current fire protection requirements. All new construction shall comply with the current Uniform Fire Code requirements and all applicable statutes, codes, ordinances and standards of the Fire Department.
31. Additional Requirements. In addition to the Fire requirements stated herein, other on site and off site improvements may be required which cannot be determined from tentative plans at this time and would have to be reviewed after more complete improvement plans and profiles have been submitted to this office.

PUBLIC WORKS / Solid Waste Management (909) 387-8701

32. Recycling Storage Capacity. The developer shall provide equal space and storage bins for both refuse and recycling materials. This requirement is to assist the County in compliance with the recycling requirements of AB 2176.

PRIOR TO ISSUANCE OF GRADING PERMITS

The following shall be completed:

LAND USE SERVICES/ Building and Safety (909) 387- 4246

33. Soils Report. When earthwork quantities exceed 5,000 cubic yards, a new/updated geotechnical (soil) report shall be submitted to the Building and Safety Division for review and approval prior to issuance of grading permits.
34. Geologic Feasibility Report. A geologic feasibility report shall be submitted to the Building and Safety Division for review and approval by the County Geologist and fees paid for the review prior to issuance of grading permits.
35. Grading Plans. If grading exceeds fifty (50) cubic yards, approved plans will be required.
36. NPDES. An NPDES permit - Notice of Intent (NOI) - is required on all grading of one (1) acre or more prior to issuance of a grading/construction permit. The WDID number issued by the Regional Water Quality Control Board will be required as evidence of filing the NOI.

LAND USE SERVICES/ Planning (909) 387- 8311

37. AQ-Dust Control Plan. *The "developer" shall prepare, submit for review and obtain approval from County Planning of both a Dust Control Plan (DCP) consistent with SCAQMD guidelines and a signed letter agreeing to include in any construction contracts/ subcontracts a requirement that project contractors adhere to the requirements of the DCP. The DCP shall include the following requirements:*
 - a) *Exposed soil shall be kept continually moist to reduce fugitive dust during all grading and construction activities, through application of water sprayed a minimum of two times each day.*
 - b) *During high wind conditions (i.e., wind speeds exceeding 25 mph), areas with disturbed soil shall be watered hourly and activities on unpaved surfaces shall cease until wind speeds no longer exceed 25 mph.*
 - c) *Storage piles that are to be left in place for more than three working days shall be sprayed with a non-toxic soil binder, covered with plastic or revegetated.*
 - d) *Storm water control systems shall be installed to prevent off-site mud deposition.*
 - e) *All trucks hauling dirt away from the site shall be covered.*
 - f) *Construction vehicle tires shall be washed, prior to leaving the project site.*
 - g) *Rumble plates shall be installed at construction exits from dirt driveways.*
 - h) *Paved access driveways and streets shall be washed and swept daily when there are visible signs of dirt track-out.*
 - i) *Street sweeping shall be conducted daily when visible soil accumulations occur along site access roadways to remove dirt dropped or tracked-out by*

construction vehicles. Site access driveways and adjacent streets shall be washed daily, if there are visible signs of any dirt track-out at the conclusion of any workday and after street sweeping.

[Mitigation Measure]

38. *Cultural Resources.* *The developer/property owner shall submit for review and obtain approval from County Planning of a letter agreeing to adhere to the following requirements and to include in any construction contracts/subcontracts a provision that project contractors shall also adhere to the following requirements:*

- If archaeological, paleontological and/or historical resources are uncovered during ground disturbing activities, all work in that area shall cease immediately until written clearance by County Planning is provided indicating that satisfactory mitigation has been implemented. A qualified expert (e.g. archaeologist or paleontologist), as determined by County Planning in consultation with the County Museum shall be hired to record the find and recommend any further mitigation. The developer shall implement any such additional mitigation to the satisfaction of County Planning.*
 - If human remains are uncovered during ground disturbing activities, the San Bernardino County Coroner shall be contacted within 24 hours of the find. If the remains or cultural artifacts are determined to be of Native American origin, the local Native American representative shall also be notified.*
- [Mitigation Measure]*

PUBLIC WORKS / Land Development Division – Drainage Section (909) 387-8145

39. Drainage Facility Design. A Registered Civil Engineer shall investigate and design adequate drainage facilities to intercept and conduct the off-site and on-site drainage flows around and through the site in a manner, which will not adversely affect adjacent or downstream properties. Submit a final drainage study for review and obtain approval. A \$520 deposit for drainage review will be collected upon submittal to the Land Development Division.

40. Drainage Easements. Adequate San Bernardino County Drainage Easements (minimum fifteen [15] feet wide) shall be provided over the natural drainage courses, drainage facilities/or concentration of runoff from the site to dewater into private property.

41. FEMA Flood Zone. The project is located within Flood Zone D according to FEMA Panel Number 7960 H dated 8/28/2008. Flood hazards are undetermined in this area, but possible. The requirements may change based on the recommendations of a drainage study accepted by the Land Development Division and the most current Flood Map prior to issuance of a grading permit.

42. Topo Map. A topographic map shall be provided to facilitate the design and review of necessary drainage facilities.

43. Grading Plans. Grading plans shall be submitted for review and approval obtained. A \$520 deposit for grading plan review will be collected upon submittal to the Land Development Division.
44. Natural Drainage. The natural drainage courses traversing the site shall not be occupied or obstructed.
45. WQMP. A completed Water Quality Management Plan (WQMP) shall be submitted for review and approval obtained. A \$2,500 deposit for WQMP review will be collected upon submittal to the Land Development Division. Copies of the WQMP guidance and template can be found at:
(http://www.sbcounty.gov/dpw/land/environmental_mgmt.asp)
46. WQMP Inspection Fee. The developer shall deposit an inspection fee for WQMP in the amount of \$3,600 to Land Development Division.
47. California Department of Fish and Game. The California Department of Fish and Game must be notified if the drainage course of any streambed on this property is to be altered or encroached.

PUBLIC WORKS/ Solid Waste Management (909) 387-8701

48. C&D Plan – Part 1. The developer shall prepare, submit, and obtain approval from Solid Waste Management Division (SWMD) of a “Construction Waste Management Recycling Plan (C&D Plan), Part I”. The C&D Plan shall list the types and volumes of solid waste materials expected to be generated from grading and construction. The Plan shall include options to divert from landfill disposal materials for reuse or recycling by a minimum of 50% of total volume.

Upon completion of construction, the developer shall complete SWMD’s C&D Plan Part 2”. This summary shall provide documentation of diversion of materials including but not limited to receipts or letters documenting material types and weights from diversion facilities or certification reuse of materials on site.

COUNTY FIRE/ Community Safety (909) 386-8465

49. Water System. Prior to any land disturbance, the water system shall be designed to meet the required fire flow for this development and shall be approved by the Fire Department. The required fire flow for this development and shall be approved by the Fire Department. The required fire flow shall be determined by using Appendix IIIA of the Uniform Fire Code.

PRIOR TO ISSUANCE OF BUILDING PERMITS

The following shall be completed:

LAND USE SERVICES/ Building and Safety (909) 387- 4246

50. Building Plans. Three copies of the proposed professionally prepared building plans shall be submitted for plan review with appropriate fees and approval of these shall be obtained with permits, for any building, sign, or structure (including trash enclosures) to be constructed or located on site.
51. Wall Plans. Submit professionally prepared plans for review and obtain approval with permits for all fences and walls greater than six feet (6') in height and any required walls, retaining walls or trash enclosures.
52. Outdoor Lighting Plans. Three copies of the proposed professionally prepared Outdoor lighting plan shall be submitted for plan review with appropriate fees and approval of these shall be obtained with permits, prior to any lighting installation.
53. Sign Plans. Any building, sign, or structure to be constructed or located on site will require professionally prepared plans approved by the Building and Safety Division.
54. Disabled Access. Provide van accessible parking spaces for the disabled. One in every eight accessible spaces, but not less than one, shall be served by an access aisle 96 inches wide and shall be designated van accessible. The words "NO PARKING" shall be painted on the ground within each eight-foot loading area as specified in the California Building Code.
55. Path of Travel. Provide a path of travel from the disabled parking spaces up to the primary entrance of each accessible building or area.

LAND USE SERVICES/ Planning (909) 387-8311

56. Building Elevations. The developer shall obtain approval from County Planning for the exterior elevations on all four sides of the proposed building. The elevations shall demonstrate horizontal and vertical elements (e.g. trim design, architectural elements, windows, etc.). All sides of the building, except loading dock areas shall have landscape planters adjacent to the building walls. The use of trellises, arbors, planters and atriums is encouraged. All walls shall be shown and approved by County Planning prior to construction. All new proposed structures and their related elements shall be painted, treated, or otherwise finished to blend in to the surrounding existing architectural theme. Screening materials shall blend into adjacent architectural elements. All roof mounted mechanical equipment shall be screened from view and shall be painted to match the roof color.
57. GHG – Construction Standards. The "developer" shall submit for review and obtain approval from County Planning of a signed letter agreeing to include as a

condition of all construction contracts/subcontracts requirements to reduce GHG emissions and submitting documentation of compliance. The developer/construction contractors shall do the following:

- a) Implement the approved Coating Restriction Plans.
- b) Select construction equipment based on low GHG emissions factors and high-energy efficiency. All diesel/gasoline-powered construction equipment shall be replaced, where possible, with equivalent electric or CNG equipment.
- c) Grading contractor shall provide the implement the following when possible:
 - training operators to use equipment more efficiently.
 - identifying the proper size equipment for a task can also provide fuel savings and associated reductions in GHG emissions
 - replacing older, less fuel-efficient equipment with newer models
 - use GPS for grading to maximize efficiency
- d) Grading plans shall include the following statements:
 - “All construction equipment engines shall be properly tuned and maintained in accordance with the manufacturers specifications prior to arriving on site and throughout construction duration.”
 - “All construction equipment (including electric generators) shall be shut off by work crews when not in use and shall not idle for more than 5 minutes.”
- e) Schedule construction traffic ingress/egress to not interfere with peak-hour traffic and to minimize traffic obstructions. Queuing of trucks on and off site shall be firmly discouraged and not scheduled. A flag person shall be retained to maintain efficient traffic flow and safety adjacent to existing roadways.
- f) Recycle and reuse construction and demolition waste (e.g. soil, vegetation, concrete, lumber, metal, and cardboard) per County Solid Waste procedures.
- g) The construction contractor shall support and encourage ridesharing and transit incentives for the construction crew and educate all construction workers about the required waste reduction and the availability of recycling services.

58. GHG – Design Standards. The developer shall submit for review and obtain approval from County Planning that the following measures have been incorporated into the design of the project. These are intended to reduce potential project greenhouse gas (GHGs) emissions. Proper installation of the approved design features and equipment shall be confirmed by County Building and Safety prior to final inspection of each structure.

- a) Title 24 + 5%. The Developer shall document that the design of the proposed structures exceeds the current Title 24 energy-efficiency requirements by a minimum of five percent. County Planning shall coordinate this review with the County Building and Safety. Any combination of the following design features may be used to fulfill this mitigation, provided that the total increase in efficiency meets or exceeds the cumulative goal (105%+ of Title 24) for the entire project (Title 24, Part 6 of the California Code of Regulations; Energy Efficiency Standards for

Residential and Non Residential Buildings, as amended October 1, 2005; Cool Roof Coatings performance standards as amended September 11, 2006):

- Incorporate dual paned or other energy efficient windows,
 - Incorporate energy efficient space heating and cooling equipment,
 - Incorporate energy efficient light fixtures, photocells, and motion detectors,
 - Incorporate energy efficient appliances,
 - Incorporate energy efficient domestic hot water systems,
 - Incorporate solar panels into the electrical system,
 - Incorporate cool roofs/light colored roofing,
 - Incorporate other measures that will increase energy efficiency.
 - Increase insulation to reduce heat transfer and thermal bridging.
 - Limit air leakage throughout the structure and within the heating and cooling distribution system to minimize energy consumption.
- b) Plumbing. All plumbing shall incorporate the following:
- All showerheads, lavatory faucets, and sink faucets shall comply with the California Energy Conservation flow rate standards.
 - Low flush toilets shall be installed where applicable as specified in California State Health and Safety Code Section 17921.3.
 - All hot water piping and storage tanks shall be insulated. Energy efficient boilers shall be used.
- d) Lighting. Lighting design for building interiors shall support the use of:
- Compact fluorescent light bulbs or equivalently efficient lighting.
 - Natural day lighting through site orientation and the use of reflected light.
 - Skylight/roof window systems.
 - Light colored building materials and finishes shall be used to reflect natural and artificial light with greater efficiency and less glare.
 - A multi-zone programmable dimming system shall be used to control lighting to maximize the energy efficiency of lighting requirements at various times of the day.
 - Provide a minimum of 2.5 percent of the project's electricity needs by on-site solar panels.
- e) Building Design. Building design and construction shall incorporate the following elements:
- Orient building locations to best utilize natural cooling/heating with respect to the sun and prevailing winds/natural convection to take advantage of shade, day lighting and natural cooling opportunities.
 - Utilize natural, low maintenance building materials that do not require finishes and regular maintenance.
 - Roofing materials shall have a solar reflectance index of 78 or greater.
 - All supply duct work shall be sealed and leak-tested. Oval or round ducts shall be used for at least 75 percent of the supply duct work, excluding risers.
 - Energy Star or equivalent appliances shall be installed.
 - A building automation system including outdoor temperature/humidity sensors will control public area heating, vent, and air conditioning units

- f) Landscaping. The developer shall submit for review and obtain approval from County Planning of landscape and irrigation plans that are designed to include drought tolerant and smog tolerant trees, shrubs, and groundcover to ensure the long-term viability and to conserve water and energy. The landscape plans shall include shade trees around main buildings, particularly along southern and western elevations, where practical.
 - g) Irrigation. The developer shall submit irrigation plans that are designed, so that all common area irrigation areas shall be capable of being operated by a computerized irrigation system, which includes either an on-site weather station, ET gauge or ET based controller capable of reading current weather data and making automatic adjustments to independent run times for each irrigation valve based on changes in temperature, solar radiation, relative humidity, rain and wind. In addition, the computerized irrigation system shall be equipped with flow sensing capabilities, thus automatically shutting down the irrigation system in the event of a mainline break or broken head. These features will assist in conserving water, eliminating the potential of slope failure due to mainline breaks and eliminating over-watering and flooding due to pipe and/or head breaks.
 - h) Recycling. Exterior storage areas for recyclables and green waste shall be provided. Where recycling pickup is available, adequate recycling containers shall be located in public areas. Construction and operation waste shall be collected for reuse and recycling.
 - i) Transportation Demand Management (TDM) Program. The project shall include adequate bicycle parking near building entrances to promote cyclist safety, security, and convenience. Preferred carpool/vanpool spaces shall be provided and, if available, mass transit facilities shall be provided (e.g. bus stop bench/shelter). The developer shall demonstrate that the TDM program has been instituted for the project or that the buildings will join an existing program located within a quarter mile radius from the project site that provides a cumulative 20% reduction in unmitigated employee commute trips. The TDM Program shall publish ride-sharing information for ride-sharing vehicles and provide a website or message board for coordinating rides. The Program shall ensure that appropriate bus route information is placed in each building.
59. GHG – Installation/Implementation Standards. The developer shall submit for review and obtain approval from County Planning of evidence that all applicable GHG performance standards have been installed, implemented properly and that specified performance objectives are being met to the satisfaction of County Planning and County Building and Safety. These installations/ procedures include the following:
- a) Design features and/or equipment that cumulatively increases the overall compliance of the project to exceed Title 24 minimum standards by five percent.
 - b) All interior building lighting shall support the use of fluorescent light bulbs or equivalent energy-efficient lighting.

- c) Installation of both the identified mandatory and optional design features or equipment that have been constructed and incorporated into the facility/structure.
60. Underground Utilities. All new on-site utility lines (66KV or less) located on or around the perimeter of the site, shall be placed underground. The developer will work cooperatively with the County and appropriate utility agencies to underground these facilities.
61. Landscape and Irrigation Plan. Landscape and Irrigation Plans shall be prepared in conformance with Chapter 83.10, Landscaping Standards, of the County Development Code, as well as the East Valley Area Plan requirements. The developer shall submit four copies of a landscape and irrigation plan to County Planning.
62. Operating Hours. *All construction activities shall be limited to weekdays and Saturday between 7 a.m. and 7 p.m. No construction, other than interior finish work shall be conducted any time on Sundays. [Mitigation Measure]*
63. Staging Areas. *All construction staging shall be performed as far as possible from occupied dwellings. [Mitigation Measure]*
64. Additional Trees. *Additional trees shall be planted along the State Highway 18 frontage and around proposed structures, where needed to preserve the forest like character and to fully screen the Camp from SH 18. The type, placement, and spacing of any proposed trees shall be done with the guidance of a Registered Professional Forester [RPF]. [Mitigation Measure]*
65. Natural Materials. *The proposed buildings shall be constructed of natural appearing materials using colors that blend with the forest cover. [Mitigation Measure]*
66. Campground Equipment. All campground activity equipment that requires an installation or in any way supports people above the ground (e.g. Climbing walls), shall be evaluated by Building and Safety for structural integrity and overall safety. Appropriate plans, permits and fees shall be submitted to Building and Safety, if it is determined such reviews are necessary to insure proper public safety.

PUBLIC WORKS / Land Development Division – Road Section (909) 387-8145

67. **SH-18 (Mountain Major Highway – 80')**

Caltrans Approval. Obtain comments, approval and permits from Caltrans for access requirements and working within their right-of-way.

LAND USE SERVICES/ Code Enforcement (909) 387-4044

68. Sign Registration. Prior to installation of any freestanding, wall, roof, projecting or monument sign, an approved sign registration application and plot plan are required.

PUBLIC HEALTH/ Environmental Health Services (DEHS) (909) 387-4666

69. Water Purveyor. Water purveyor shall be EHS approved water system (EHS WP number on file).
70. Wastewater Purveyor. Method of sewage disposal shall be EHS approved onsite wastewater treatment system (OWTS).
71. Wastewater Connection. If sewer connection and/or service are unavailable, onsite wastewater treatment system(s) may then be allowed under the following conditions: A soil percolation report shall be submitted to DEHS for review and approval. A plot plan showing the location of the septic system may be required by DEHS prior to the issuance of building permits. If the percolation report cannot be approved, the project may require an alternative OWTS. For information, please contact the Wastewater Section at (909) 387-4655
72. Septic. Existing septic system can be used if applicant provides certification from a qualified professional (i.e., Professional Engineer (P.E.), Registered Environmental Health Specialist (REHS), C42 contractor, Certified Engineering Geologist (C.E.G.), etc.) that the system functions properly, meets code, and has the capacity required for the proposed project. Applicant shall provide documentation outlining methods used in determining function.
73. Preliminary Acoustical. Submit preliminary acoustical information demonstrating that the proposed project maintains noise levels at or below San Bernardino County Noise Standard(s), San Bernardino Development Code Section 83.01.080. The purpose is to evaluate potential future on-site and/or adjacent off-site noise sources. If the preliminary information cannot demonstrate compliance to noise standards, a project specific acoustical analysis shall be required. Submit information/analysis to the DEHS for review and approval. For information and acoustical checklist, contact DEHS at 909-387-4655.
74. Food Service. Plans for food establishments shall be reviewed and approved by DEHS. For information, call DEHS/Plan Check at: 909-884-4056.
75. Plan Modifications. All modifications/additions to an organized camp shall be reviewed and approved by DEHS. For information, call DEHS camps program at 909-387-4608.

COUNTY FIRE/ Community Safety (909) 386-8465

76. FS-1. The County General Plan designates this property as being within the Fire Safety Review Area 1 (One) and all future construction shall adhere to all applicable standards and requirements of this overlay district. [F04A]
77. Rural Water System Commercial. In areas without water serving utilities, the fire protection water system shall be designed to NFPA 1142 and shall be operational prior to framing. All NFPA 1142 systems shall provide an approved permanent water supply. Water supply systems may be mitigated with an approved NFPA 13 or 13R fire sprinkler system. [F06A]
78. Access Maintenance Agreement. The applicant shall submit a written agreement signed by the applicant to either provide, or to contract to provide, on-going road maintenance, vegetation maintenance, and snow removal (where applicable) for primary access routes, secondary access routes, and all internal drives, that are not otherwise maintained by a public agency. [F08]
79. Access. The development shall have a minimum of 2 points of vehicular access. These are for fire/emergency equipment access and for evacuation routes. Standard 902.2.1
 - Single Story Road Access Width. All buildings shall have access provided by approved roads, alleys and private drives with a minimum twenty six (26) foot unobstructed width and vertically to fourteen (14) feet six (6) inches in height. Other recognized standards may be more restrictive by requiring wider access provisions.
 - Multi-Story Road Access Width. Buildings three (3) stories in height or more shall have a minimum access of thirty (30) feet unobstructed width and vertically to fourteen (14) feet six (6) inches in height.
80. Building Plans. Not less than two (2) complete sets of Building Plans shall be submitted to the Fire Department for review and approval.
81. Turnaround. An approved turnaround shall be provided at the end of each roadway one hundred and fifty (150) feet or more in length. Cul-de-sac length shall not exceed six hundred (600) feet; all roadways shall not exceed a 12% grade and have a minimum of forty five (45) foot radius for all turns. Standard 902.2.1
82. Combustible Vegetation. Combustible vegetation shall be removed as follows:
 - Where the average slope of the site is less than 15% - Combustible vegetation shall be removed a minimum distance of thirty (30) feet from all structures or to the property line, whichever is less.
 - Where the average slope of the site is 15% or greater - Combustible vegetation shall be removed a minimum one hundred (100) feet from all structures or to the property line, whichever is less. County Ordinance # 3586 [F52]

83. Fire Sprinkler-NFPA #13. An automatic fire sprinkler system complying with NFPA Pamphlet #13 and the Fire Department standards is required. The applicant shall hire a Fire Department approved fire sprinkler contractor. The fire sprinkler contractor shall submit three (3) sets of detailed plans to the Fire Department for review and approval. The plans (minimum 1/8" scale) shall include hydraulic calculations and manufacture's specification sheets. The contractor shall submit plans showing type of storage and use with the applicable protection system. The required fees shall be paid at the time of plan submittal. Standard 101.1 [F59]
84. Fire Sprinkler-NFPA #13R. An automatic fire sprinkler system complying with NFPA Pamphlet #13R and the Fire Department standards for light Hazard Occupancies under 5,000 sq.ft and Multi-Residential Occupancies. The applicant shall hire a Fire Department approved fire sprinkler contractor. The fire sprinkler contractor shall submit three (3) sets of detailed plans (minimum 1/8" scale) with hydraulic calculations and manufacture's specification sheets to the Fire Department for approval. The required fees shall be paid at the time of plan submittal. Minimum water supply shall be a two (2) inch water meter for Commercial and one and one half (1½) inch for Residential. Standard 101.1RC [F60]
85. Fire Alarm. An automatic monitoring fire alarm system complying with the California Fire Code, NFPA and all applicable codes is required for 100 heads or more. The applicant shall hire a Fire Department approved fire alarm contractor. The fire alarm contractor shall submit three (3) sets of detailed plans to the Fire Department for review and approval. The required fees shall be paid at the time of plan submittal. Standard 1007.1.1FA. [F62]
86. Hood And Duct Suppression. An automatic hood and duct fire extinguishing system is required. A Fire Department approved designer/installer shall submit three (3) sets of detailed plans (minimum 1/8" scale) with manufactures' specification sheets to the Fire Department for review and approval. The required fees shall be paid at the time of plan submittal. [F65]
87. Commercial Addressing. Commercial and industrial developments of 100,000 sq. ft or less shall have the street address installed on the building with numbers that are a minimum six (6) inches in height and with a three quarter (3/4) inch stroke. The street address shall be visible from the street. During the hours of darkness, the numbers shall be electrically illuminated (internal or external). Where the building is two hundred (200) feet or more from the roadway, additional non-illuminated contrasting six (6) inch numbers shall be displayed at the property access entrances. Standard 901.4.4 [F82]
88. Spark Arrestor. An approved spark arrestor is required. Every chimney that is used in conjunction with any fireplace or any heating appliance in which solid or liquid fuel are used, shall have an approved spark arrestor visible from the ground that is maintained in conformance with the Uniform Fire Code. [F87]

89. Haz-Mat Approval. The applicant shall contact the San Bernardino County Fire Department/Hazardous Materials Division (909) 386-8400 for review and approval of building plans, where the planned use of such buildings will or may use hazardous materials or generate hazardous waste materials. [F94]

PRIOR TO FINAL INSPECTION OR OCCUPANCY PERMITS

The Following Shall Be Completed:

LAND USE SERVICES/Building and Safety (909) 387-4226

90. **Building Occupancy.** Any building without specified tenants and uses may receive final inspection for construction purposes only. A Tenant Improvement that identifies the tenant and proposed uses shall be submitted and approved prior to occupancy being granted.
91. **Van Accessible Parking.** Provide van accessible parking spaces for the disabled. One in every eight accessible spaces, but not less than one, shall be served by an access aisle eight feet wide and shall be designated "Van Accessible". The words "NO PARKING" shall be painted on the ground within each eight-foot wide loading area as specified in the California Building Code.
92. **Path of Travel.** Provide a path of travel from all parking spaces for the disabled up to the primary entrances of each building.
93. **Planning Division Approval.** Prior to occupancy all Planning Division requirements and Condition Compliance Release Forms shall be completed.

LAND USE SERVICES/ Planning (909) 387-8311

94. **Parking Lot Installed:** On-site parking and circulation requirements shall be installed, inspected and approved as being in compliance with SBCC Chapter 83.11. The appropriate parking plan shall be implemented based on the identified tenant, and stalls painted accordingly. The following shall be completed:
 - a) **Surface.** All access drives shall be surfaced with all weather paving with a minimum of three inches asphalt and six inches of base or greater as determined necessary by County Building and Safety to be adequate to accommodate long-term and extensive use by heavy hauling trucks.
 - b) **Markings.** All circulation markings shall be clearly painted and permanently maintained, including arrows painted to indicate direction of traffic flow.
 - c) **Parking Space Striping.** All paved parking stalls shall be clearly striped and permanently maintained. All paved non-truck parking stalls shall be striped with double/hairpin lines with the two lines being located an equal nine inches on either side of the stall sidelines. Each use shall have a minimum of four standard parking stalls (9'x19'), one loading zone (10' x 20' with 14' clearance) and one van accessible space for the disabled (9'+ 8' x 19'), plus one additional space for each company vehicle.
95. **Disabled Parking Installed.** Parking for the disabled with paths of travel to the main building entries shall be installed per SBCC §83.11.060. Disabled access parking spaces shall be clearly and continually designated with pavement markings and signs. At least one van accessible space shall be provided.

96. Lights Installed. All required lighting shall be installed in compliance with the approved lighting plan. All lights used to illuminate the site shall be hooded and designed so as to reflect away from adjoining properties and public thoroughfares.
97. Building Elevations. The building construction shall be completed in conformance with the approved architectural elevations to the satisfaction of County Planning.
98. Landscaping Installed. All proposed landscaping, hardscape, exterior features (benches, walkways, bike racks etc), walls and fencing shall be installed as shown on the approved landscaping plan.
99. GHG – Installation. The developer shall submit for review and obtain approval from County Planning evidence that all GHG reduction measures have been installed, implemented and that specified performance objectives are being met.
100. Exterior lighting. *Exterior lighting shall be kept to the minimum required for safety. The applicant shall submit a lighting plan to the County for review and approval. This lighting plan shall, at a minimum, meet the following performance standards:*
- *No onsite lighting or glare from such lighting shall create any safety hazards for traffic on SR-18.*
 - *Lighting shall be hooded, shielded, or directional in nature so that it does not extend beyond the property boundary or be directed into the forest where it might affect wildlife.*
 - *The type of lighting utilized shall minimize interference with the night time sky and adjacent open and forested areas. [Mitigation Measure]*
101. Wall Mount Lighting. *To minimize the number of freestanding light fixtures, wall-mounted lighting shall be utilized where consistent with building architecture. Shields provided for building mounted lighting shall be painted to match the surface to which the fixture is attached. These fixtures shall not protrude above the fascia or rooflines of adjacent buildings. . [Mitigation Measure]*
102. Fuel Break. *A fuel break is to be built around the property to reduce the fuel load immediately adjacent to the camp. There will be a reduced number of trees per acre with little or no brush or small trees. Most brush species plants will be removed from this area, with an occasional plant, such as the California Lilac remaining for aesthetic values. Thickets of trees would be thinned, and spacing between “leave trees” measured from drip line to drip line shall be no less than 12 feet. Dead wood would be removed, and ladder fuels would be eliminated. The assistance of a professional forester is required for all mitigation measure which pertain to the fuel modification plan. [Mitigation Measure]*

103. *Fuel Reduction. All the area within 150 of the exterior of the building shall be treated to further fuel reduction. Most low woody vegetation shall be removed. [Mitigation Measure]*
104. *Paved area vegetation. All vegetation within paved portions of parking spaces and driveways will be removed as permitted in Title 14 of the California Code of Regulations. [Mitigation Measure]*
105. *Dead limbs. Dead limbs on all retained trees and bushes, which are 16 feet from the ground, or lower will be removed. This requirement pertains to the entire parcel. [Mitigation Measure]*
106. *Green limbs. Green limbs need to be pruned in order to reduce the fire ladder aspect of trees with low crowns. No more than the bottom 1/3 of the living crown shall be removed at any time. [Mitigation Measure]*
107. *Dry Vegetation. All dry vegetation shall be removed to bare ground for a distance of 30 feet from the exterior walls of the structure. This shall be done annually. [Mitigation Measure]*
108. *New Plantings. Any new plantings shall include more than 50% native fire-resistant species. [Mitigation Measure]*

PUBLIC WORKS/ Land Development Division – Drainage Section (909) 387-8145

109. Drainage and WQMP Improvements. All required drainage and WQMP improvements shall be completed by the applicant, inspected and approved by County Public Works.
110. WQMP Final File. An electronic file of the final and approved WQMP shall be submitted to Land Development Division, Drainage Section.

PUBLIC WORKS / Solid Waste Management (909) 387-8701

111. C&D Plan – Part 2. The developer shall complete SWMD's C&D Plan Part 2". This summary shall provide documentation of diversion of materials including but not limited to receipts or letters from diversion facilities or certification reuse of materials on site. The C&D Plan – Part 2 shall provide evidence to the satisfaction of County Solid Waste that demonstrates that the project has diverted from landfill disposal materials for reuse or recycling by a minimum of 50% of total volume of all construction waste.

This summary shall provide documentation of diversion of materials including but not limited to receipts or letters documenting material types and weights from diversion facilities or certification reuse of materials on site.

COUNTY FIRE/ Community Safety (909) 386-8400

112. Inspection by Fire Department. Permission to occupy or use the building (Certification of Occupancy or Shell Release) will not be granted until the Fire Department inspects, approves and signs off on the Building and Safety job card for "fire final". [F03]
113. Fire Extinguishers. Hand portable fire extinguishers are required. The location, type, and cabinet design shall be approved by the Fire Department. [F88]
114. Key Box. An approved Fire Department key box is required. The key box shall be provided with a tamper switch and shall be monitored by a Fire Department approved central monitoring service. In commercial, industrial and multi-family complexes, all swing gates shall have an approved fire department Knox Lock. Standard 902.4 [F85]

COUNTY FIRE/ Hazardous Materials Division (909) 386-8401

115. Emergency Plan. Prior to occupancy, operator shall submit a Business Emergency/Contingency Plan for emergency release or threatened release of hazardous materials and waste or a letter of exemption. Contact Office of the Fire Marshall, Hazardous Materials Division at: (909) 386-8401.
116. Handlers Permit. Prior to occupancy, developer shall be required to apply for one or more of the following: a Hazardous Materials Handler Permit, a Hazardous Waste Generator Permit, an Aboveground Storage Tank Permit, and/or an Underground Storage Tank permit. For information call County Fire Department/Hazardous Materials Division, Field Services at (909) 386- 8401.

END OF CONDITIONS

**Tom Dodson and Associates' Revised
Addendum**

Attachment 4

TOM DODSON & ASSOCIATES
2150 N. ARROWHEAD AVENUE
SAN BERNARDINO, CA 92405
TEL (909) 882-3612 • FAX (909) 882-7015
E-MAIL tda@tdaenv.com



September 10, 2013

Ms. Kathleen Rollings-McDonald
Executive Officer
San Bernardino LAFCO
215 North "D" Street, Suite 204
San Bernardino, CA 92415

Dear Kathy:

I am pleased to forward to the County of San Bernardino Local Agency Formation Commission (LAFCO) the revised Addendum to support the California Environmental Quality Act (CEQA) recommendation for LAFCO project SC#375. SC#375 is an application by the Running Springs Water District (District) to extend an Outside Sewer Service Agreement to Camp Pali, which is located within the northwestern Sphere of Influence of the District. As originally approved, the Conditional Use Permit (CUP) approved for the Camp Pali expansion authorized the Camp to utilize a subsurface septic tank leach line wastewater management system. However, subsequent to the County's approval the Regional Board directed Camp Pali owners to connect to a sewer collection system and wastewater treatment plant (WWTP). Since Camp Pali falls within the District's Sphere, an application for an out-of-area service agreement was submitted to LAFCO for consideration.

Upon initial review of SC#375, it was determined that due to this change in the project, LAFCO would not be able to totally rely upon the Initial Study and Mitigated Negative Declaration (IS/MND) approved by the County in September 2012. After conferring with the District and the camp owner, it was determined that an Addendum could be prepared because the change in the project, as defined in the attached Addendum, will not cause any new substantial or significant environment impacts. This includes potential effects to the Crestline-Lake Arrowhead Water Agency distribution pipeline easement which will be controlled to a less than significant impact. Therefore, based on the information and analysis provided in the attached SC#375 Addendum, I recommend that the Commission can adopt the Addendum to the County's IS/MND as the appropriate CEQA environmental determination for SC#375.

If the Commission adopt the Addendum, LAFCO will have to file a second-tier Notice of Determination (NOD) with the County. A copy of the Addendum package and the NOD should be retained in the project file as documentation for CEQA compliance. Should you have any questions, please contact me.

Sincerely,

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

Tom Dodson

Attachments

**ADDENDUM TO THE COUNTY OF SAN BERNARDINO
NEGATIVE DECLARATION FOR THE
CAMP PALI CONDITIONAL USE PERMIT**

I. PROJECT DESCRIPTION

This document is prepared as an Addendum to the Negative Declaration prepared by the County of San Bernardino for a Conditional Use Permit issued to Camp Pali. The Conditional Use Permit (CUP) authorizes a variety of changes to the existing Camp Pali facilities, including expansion of the existing camp/conference center to relocate/replace existing facilities, add 11 structures, a suspended slide at the existing lake, and a new 150,000 gallon water reservoir that will be capable of serving a maximum of 520 guests and 55 staff members on the 73.2 acre site. The County adopted a Mitigated Negative Declaration (MND) for the CUP and approved the project in September 2012. The Notice of Determination was filed on September 11, 2012. A copy of the Initial Study and Notice of Determination are provided in Appendix 1 of this document. This MND represents the current environmental determination for compliance with the California Environmental Quality Act (CEQA).

The County approved this project to use subsurface septic tank leach systems to manage the domestic wastewater that would be generated by future uses. However, the Lahontan Regional Water Quality Control Board rejected the use of the septic tank-leach line system and is requiring the project to connect to the Running Springs Water District's (District) sewer collection system and wastewater treatment plant. Since Camp Pali is located just west of the District's service area, the Camp Pali owners requested that the District provide sewer service through an Outside Sewer Service Agreement. The County of San Bernardino Local Agency Formation Commission (LAFCO) is the agency that reviews and considers whether to approve such Agreements. LAFCO assigned this request the following title: LAFCO SC#375.

Because the County's original MND for the CUP did not analyze extension of sewer service to the project site by the District, the LAFCO staff is required to expand the evaluation of this specific facility before the Commission can make a decision regarding LAFCO SC#375. Therefore, LAFCO Staff is preparing this Addendum to the adopted MND to address the incorporation of this additional project facility into the approved Camp Pali CUP that would occur if LAFCO SC#375 is approved by the Commission.

Under a standard environmental review process for compliance with the California Environmental Quality Act (CEQA) on LAFCO SC#375, LAFCO would act as a CEQA Responsible Agency and rely totally upon the environmental documentation adopted by the County of San Bernardino. However, when the District submitted LAFCO SC#375, it was determined that the County's original MND did not address extension of sewer to the Camp Pali project site. Thus, this Addendum addresses only the extension of a private sewer line from the Camp Pali site to the District sewer, the connection to this sewer line and treatment of the wastewater at the District Wastewater Treatment Plant (WWTP). LAFCO has prepared this follow-on environmental evaluation for LAFCO SC#375 as a CEQA lead agency to comply with the CEQA.

Based on the analysis presented below, LAFCO has determined that implementation of the proposed project, approval of LAFCO SC#375, as identified above, will result in impacts that

are consistent with the impact findings contained in the County's adopted MND. Although LAFCO has concluded that the physical impacts of the original CUP are adequately addressed in the County's Initial Study/Mitigated Negative Declaration (IS/MND), the original evaluation did not consider the new sewer line and supporting pump stations. Thus, LAFCO has prepared this Addendum to summarize the basis for taking action before considering LAFCO SC#375 as proposed by the District. Assuming the Addendum is adopted by the Commission for this modified project, it, combined with the original Initial Study, will represent the Commission's CEQA determination as a CEQA lead agency for this action.

The specific project characteristics being considered in this document consists of the following: The proposed sewer line will extend approximately 2,200 lineal feet from the core area of Camp Pali south to an existing District manhole and 8" gravity sewer on Knob Hill. The new sewer line will consist of a 3" diameter plastic force main with two pump stations along the alignment to deliver the domestic wastewater to the District's existing 8" gravity flow trunk sewer. During the review of this project, an additional issue was raised that did not exist for the original project. Specifically, the Camp Pali force main must cross the Crestline Lake Arrowhead Water Agency's (CLAWA) existing easement that contains a 14 inch potable water line. The installation of this crossing posed a new potential impact to an existing water supply pipeline that did not exist under the original project. The sewer line alignment is shown on drawings that accompany the District's "Feasibility Study for 30778 Highway 18 – Pali Mountain" (Revised, January 24, 2012).

Detailed discussions were held with the various interested parties. This effort culminated in general agreement on the sewer line design within the CLAWA easement. The letters in Appendix 3 verify that Camp Pali can meet the design requirements of CLAWA within the easement. Based on this information, it was concluded that the installation of the sewer line through the CLAWA easement would not result in any additional significant environmental impacts.

The Camp Pali management has also submitted a letter to LAFCO indicating the method of construction to ensure that no listed species will be impacted by installation of this sewer force main. A copy of this letter is provided in Appendix 4.

Based on the proposed project modification outlined above, no actual change in the use of the Camp Pali property is proposed. There will be additional ground disturbance to install the new sewer force main, but these additional physical changes to the environment are forecast to result in minimal changes in the overall Camp Pali project approved by the County, if LAFCO SC#375 is approved by the Commission. As documented in the following analysis, the environmental impact from the Camp Pali project modifications outlined above do not rise to a level of a new substantial or significant impact on the environment.

II. PROCEDURAL PROCESS

This document, together with all other environmental documents incorporated by reference herein, serve as the CEQA environmental determination basis for this project being considered for implementation at this time. This Addendum modifies the County's adopted MND by incorporating information regarding a design change in the project; specifically, the Camp Pali facilities will be required to connect to the Running Springs Water District sewer collection

system and WWTP. No other changes in the referenced LAFCO action would occur if SC#375 is approved by the Commission.

LAFCO will utilize the City's adopted MND as the base environmental document for considering the proposed Outside Sewer Service Agreement, SC#375. In this circumstance, LAFCO is acting as a CEQA Lead Agency and has made a decision that additional environmental documentation is required to consider and, if appropriate, approve LAFCO SC#375. In this role, LAFCO is required to review and consider the potential environmental effects that could result from approving a "minor" project modification, the switch from managing wastewater with as subsurface septic tank-leach line system to a sewer collection system and delivery of Camp Pali domestic wastewater to the District's WWTP. LAFCO has compiled this Addendum as the basis for making a follow-on CEQA environmental determination for the proposed extension of sewer service outside the District's existing service area to ensure that the impacts originally identified will not be significantly increased as a result of this project modification.

In accordance with CEQA and the State CEQA Guidelines, this Addendum has been prepared in order to determine whether the project modifications, summarized above, could result in conditions that would require new environmental documentation to be prepared because of new or additional adverse environmental impacts. This Addendum also reviews any new information of substantial importance that was not known and could not have been known with exercise of reasonable diligence at the time the MND was adopted by the County of San Bernardino in September 2012. This examination includes an analysis in accordance with the provisions of Sections 15164 and 15162 of the State CEQA Guidelines, which outline the criteria and procedures for preparing an Addendum to a previously adopted MND.

Pursuant to CEQA and the State CEQA Guidelines, LAFCO's environmental review of the proposed project modification is limited to examining the environmental effects associated with the physical changes in the environment from implementing the modified project in comparison to the approved project, i.e., addressing the effect of installing the facilities to connect to the District's sewer collection system compared to installing a subsurface septic tank-leach line system to manage domestic wastewater. This narrow focus is based on the fact that the County's MND has already addressed the physical environmental impacts of implementing the future uses authorized by the approved CUP. This previous document met the provisions of CEQA for the original project as envisioned by the County, including development of the project site as may be permitted by the CUP entitlements.

This Addendum has been prepared in accordance with the current CEQA Statutes and Guidelines for implementing CEQA. CEQA Section 15164 includes the following procedures for the preparation and use of an Addendum:

- (b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.
- (c) An addendum need not be circulated for public review, but can be included in or attached to the Final EIR or adopted negative declaration.
- (d) The decision-making body shall consider the addendum with the Final EIR or adopted negative declaration prior to making a decision on the project.

- (e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency's required findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence.

This Addendum to the County's MND includes those changes or additions necessary to make the adopted documentation adequate under CEQA for action by LAFCO, including the project modification identified above. This Addendum relies on and includes the adopted County MND, this document, and all staff reports and information submitted to the decision-makers regarding environmental issues affected by the proposed modification to the project originally defined in the CUP and supporting MND. This Addendum is intended as a supplemental information document to integrate all of the information required for decision-makers and others, as appropriate, on this modified project. Collectively, these materials provide decision-makers with an objective assessment of potential environmental impacts associated with the authorization of SC#375.

III. PURPOSE AND NEED

Due to the requirements of the Regional Board for managing wastewater generated by the Camp Pali project; both Camp Pali and the Running Springs Water District seek to connect the project site in order to ensure adequate management of wastewater generated at the Camp. This Addendum provides LAFCO with the information substantiating that the extension of sewer service to Camp Pali by the District will not cause substantial or significant physical changes in the environment. Therefore, this project change will not require the preparation of a new negative declaration or environmental impact report. Such documentation would only be required due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects of the original project. This determination allows for the use of an Addendum in accordance with Section 15164(a) of the State CEQA Guidelines.

IV. ENVIRONMENTAL EVALUATION

Following the decision by LAFCO to consider the modified Camp Pali wastewater management system (LAFCO SC#375), a decision was made to compile sufficient information to determine what the appropriate environmental determination would be for implementation of this modified project. This Addendum considers the environmental effects of the modified project in the context of the adopted MND prepared by the County of San Bernardino. Based on the findings in the analysis presented below, LAFCO chose to prepare this Addendum to provide a summary evaluation of potential project effects that would result from approving and implementing LAFCO SC#375. As stated above, this analysis is based on a comparison of the proposed project to the impact forecast contained in the adopted County. The following evaluation provides a summary analysis of potential environmental impacts in relation to the facts and findings contained in the referenced document. The following conclusions were developed regarding potential impacts from approval and implementation of the proposed project modification if LAFCO approves SC#375.

- POTENTIAL TO DEGRADE: Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict***

the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?

Less than Significant Impact/No Changes or No New Information Requiring Preparation of an Additional Environmental Document. The sewer line alignment (refer to Appendix 2) is moderately disturbed, but it does contain habitat that may support the Southern rubber boa (SRB). The SRB is a State listed Threatened Species and is protected under the California Endangered Species Act (CESA). A qualified biologist reviewed the sewer force main alignment and the applicant has committed to a program that will ensure no incidental take of SRB will occur during construction of the force main. Refer to Appendix 4. No other potential biology or cultural resources effects have been identified along the sewer force main alignment. The same concerns were identified for the other facilities on the project site and the proposed sewer force main will disturb only about one additional acre of land. The findings were based on data compiled by the Camp Pali biologist and a site visit by the LAFCO environmental consultant. No new or different construction activities that would expose subsurface resource are proposed.

Since no significant biological or cultural resources will result by the project modification, no potential to cause new or more significant adverse cultural or biological resources can occur from implementing the proposed project. The proposed project is not forecast to degrade or substantially reduce natural habitats, eliminate natural communities, or eliminate important examples of California history or prehistory. Therefore, impacts related to these issues will exceed those identified in the adopted MND, but they do not rise to a level that would exceed the thresholds in Section 15162 of the State CEQA Guidelines. Thus, the installation of the sewer force main if SC#375 is approved will result in a potential to cause significant impacts, but monitoring commitments on behalf of Camp Pali eliminate the potential to cause significant adverse change in the environment and no additional mitigation needs to be implemented.

- b) CUMULATIVE IMPACTS: Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when reviewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future project.)***

Less than Significant Impact/No Changes or No New Information Requiring Preparation of an EIR. Those environmental resources or issues subject to cumulative effects include the following: air quality, hydrology/water quality, noise, public services, transportation/traffic, and utilities/service systems. Since additional physical changes will occur as a result of the proposed modification to the project, it is forecast to cause or make a minor contribution to air quality and noise cumulative impacts to the issues summarized above. Based on the type of project (trenching and installation of the 3" sewer force main) and the potential environmental effects of approving SC#375, no new or additional significant cumulative effects will result from implementing the proposed project relative to the forecast contained in the County's Initial Study.

- c. ADVERSE IMPACTS ON HUMANS: Does the project have environmental effects on human beings, either directly or indirectly?***

Less than Significant Impact/No Changes or No New Information Requiring Preparation of an EIR. The Initial Study prepared for the proposed project addressed those issues which may potentially impact human beings. These issues include: geology/soils, air quality, water quality, noise, hazards and aesthetics. Note that this project has no potential to adversely impact the area population or housing. None of the circumstances associated with the above referenced issues will be significantly altered by installing the sewer force main within the alignment shown in Appendix 2. The agreement between Camp Pali and CLAWA ensures that the installation of the private sewer line will not cause a degradation of water quality in the CLAWA potable water line. Thus, implementation of the proposed project is not forecast to create or result in new or more significant direct environmental impacts on humans, and such impacts will remain less than significant as identified and addressed in the previous environmental documentation.

V. CONCLUSION

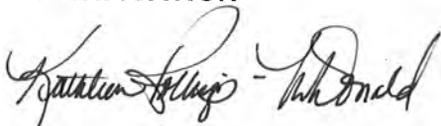
The earlier analyses in the County's Initial Study were used as a basis for this Addendum, updated with current information from sources cited and provided as appendices to this document. It is the conclusion of this Addendum that the potential adverse environmental impacts from implementation of the proposed modified project, as described in Section IV of this document, will not be significantly greater than that identified in the City's Initial Study and adopted MND. There are new impacts that result from the project that were not previously disclosed, but these impacts do not rise to a level of significance that would require the preparation of a more detailed environmental document. This Addendum provides an update of the project, revised with the project modification.

Pursuant to CEQA Section 15164, the County's Initial Study and adopted MND, as updated with this Addendum, can be relied upon for documentation of the effects of the proposed project (SC#375) on the environment. Because the changes in the project do not exceed the thresholds outlined in Section 15162 of the State CEQA Guidelines, no further analysis of the environmental impacts of the project is required in a new negative declaration or supplemental/subsequent EIR. Based on all of the data presented above, it is recommended that LAFCO SC#375 be processed under an Addendum to the adopted, referenced documentation. The proposed project modification does not alter the conclusions contained in the County's Initial Study and adopted MND. The analysis presented above of the changes and additions to the adopted project justify the issuance of an Addendum by the Commission as the appropriate environmental determination for compliance with CEQA for the LAFCO SC#375.

VI. REVIEW AUTHORITY

LAFCO serves as a CEQA lead agency for this project because it will consider whether to approve to Outside Sewer Service Agreement relative to that identified in the County's approved CUP in its role as decision maker for LAFCO SC#375. It is recommended that an Addendum be adopted as the appropriate CEQA environmental determination for the modified project considered in this document.

VII. CERTIFICATION

A handwritten signature in cursive script, appearing to read "Kathleen Rollings-McDonald".

KATHLEEN ROLLINGS-McDONALD
Executive Officer

APPENDIX 1

SEP 11 2012

COUNTY OF SAN BERNARDINO

Notice of Determination

To: [] Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: San Bernardino County Planning Department
385 North Arrowhead Avenue, Third Floor
San Bernardino, CA 92415-0182

[X] Clerk of the Board of Supervisors
County of San Bernardino
385 North Arrowhead Avenue, Second Floor
San Bernardino, CA 92415-0130

Documentary Handling Fee (\$50.00)

Receipt Number 424959

SUBJECT:

Filing of Notice of Determination in Compliance with Section 21108 or 21152 of the Public Resources Code.

APN: 0328-042-15
APPLICANT: O-ONGO, INC.
COMMUNITY: HILLTOP RUNNING SPRINGS/THIRD SUPERVISORIAL DISTRICT
LOCATION: EAST SIDE OF HIGHWAY 18 APPROX. 460 FEET NORTH OF NOB HILL COURT
PROJECT NO: P201100262
STAFF: CHRIS WARRICK
REP(S): TONLY LEES
PROPOSAL: REVISION TO APPROVED ACTION FOR THE CONSTRUCTION OF A 29,005 SQUARE-FOOT DINING FACILITY, 10 CABINS EACH WITH A FLOOR AREA OF 1,872 SQUARE FEET, A SUSPENDED SLIDE AT THE EXISTING LAKE, A NEW 150,000 GALLON WATER TANK, AND A 1,118 SQUARE FOOT OFFICE FOR AN EXISTING ORGANIZATIONAL CAMP AND ADULT CONFERENCE CENTER FOR A MAXIMUM OF 520 GUESTS AND 55 STAFF MEMBERS ON 73.2 ACRES.

Applicant

O-Ongo, Inc.

Name

P.O. Box 2237

Address

Running Springs, CA 92382

(909) 867-5743

Phone

Representative

Jonathan Zane

Name

958 N. La Cadena Drive

Address

Colton, CA 92324

(909) 825-7500

Phone

State Clearing House Number: N/A

Chris Warrick, Planner

Lead Agency Contact Person

(909) 387-4112

Area Code/Telephone Number

This is to advise that the County of San Bernardino has approved the above described

[X] Lead Agency [] Responsible Agency

project on September 11, 2012 with an effective date of Sept. 21, 2012 and has made

the following determinations regarding the above project:

- 1. The project [] will [X] will not] have a significant effect on the environment.
2. [] An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
[X] An Addendum to the Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [X] were [] were not] made a condition of the approval of the project.
4. A statement of Overriding Considerations [] was [X] was not] adopted for this project.
5. Findings [X] were [] were not] made pursuant to the provisions of CEQA.

This is to certify that the Addendum to the Mitigated Negative Declaration and record of project approval are available to the General Public at: 385 N. Arrowhead Avenue, San Bernardino, CA

Chris Warrick (Signature)

Signature and Title: Chris Warrick
Land Use Services Dept, Planning Division

September 11, 2012 Planner

Date Title

DATE FILED & POSTED



San Bernardino County Land Use Services Department, Current Planning Division

**MITIGATED NEGATIVE DECLARATION
(Addendum)**

385 North Arrowhead Avenue, First Floor, San Bernardino, CA 92415-0182

Project Description

Vicinity Map

APN: 0328-042-15
APPLICANT: O-ONGO, INC.
COMMUNITY: HILLTOP RUNNING SPRINGS/THIRD SUPERVISORIAL DISTRICT
LOCATION: EAST SIDE OF HIGHWAY 18 APPROX. 460 FEET NORTH OF NOB HILL COURT
PROJECT NO: P201100262
STAFF: CHRIS WARRICK
REP(S): TONLY LEES
PROPOSAL: REVISION TO APPROVED ACTION FOR THE CONSTRUCTION OF A 29,005 SQUARE-FOOT DINING FACILITY, 10 CABINS EACH WITH A FLOOR AREA OF 1,872 SQUARE FEET, A SUSPENDED SLIDE AT THE EXISTING LAKE, A NEW 150,000 GALLON WATER TANK, AND A 1,118 SQUARE FOOT OFFICE FOR AN EXISTING ORGANIZATIONAL CAMP AND ADULT CONFERENCE CENTER FOR A MAXIMUM OF 520 GUESTS AND 55 STAFF MEMBERS ON 73.2 ACRES.



Effective date of Addendum to the Mitigated Negative Declaration: SEPTEMBER 21, 2012

Plans and specifications for the referenced project are available for public inspection in the San Bernardino County Land Use Services Department, Planning Division.

Pursuant to provisions of the California Environmental Quality Act and the San Bernardino County Environmental Review Guidelines, the above referenced project has been determined not to have a significant effect upon the environment. An Environmental Impact Report will not be required.

Reasons to support this finding are included in the written Initial Study prepared by the San Bernardino County Land Use Services Department, Planning Division.

The decision may be appealed by any aggrieved person, organization or agency to the County Planning Commission. Appeals shall be filed before the effective date of the Negative Declaration listed above. The Notice of Appeal shall be in writing and shall be filed with the appropriate fee at the San Bernardino County Government Center Public Information Counter during normal business hours.

Signature and Title: Chris Warrick, Planner
Land Use Services Dept, Planning Division

September 11, 2012
Date of Determination

CLERK OF THE BOARD

SEP 11 2012
COUNTY OF
SAN BERNARDINO

DATE FILED & POSTED

**SAN BERNARDINO COUNTY
INITIAL STUDY ENVIRONMENTAL CHECKLIST FORM**

This form and the descriptive information in the application package constitute the contents of Initial Study pursuant to County Guidelines under Ordinance 3040 and Section 15063 of the State CEQA Guidelines

ProjectLabel:

APN: 0328-042-02*
Applicant: O-Ongo, Inc. (Camp Pali)
Proposal: Conditional Use Permit to expand an existing camp/conference center to relocate/replace existing facilities and to add 11 structures (40,000 s.f.), including a new dining hall, conference center and 8 cabins for a total of 55 buildings (96,182 sq. ft.) to serve 520 campers and 55 staff on 73.2 acres
Community: Hilltop Planning Area (Running Springs)/ 3rd Supervisorial District
Location: East side of Highway 18 at terminus of Nob Hill Drive
File: 10604CU/M243-14/2004/CUP01
Staff: J.P. McGuckian, AICP
Rep: Christopher Compton

USGS QUAD: Harrison Mountain (7.5 minute)

T, R, SECTION: T2N, R2E, Section 30, S1/2

THOMAS BROS.: p. 518/grid H-5

PLANNING AREA: Hilltop (Running Springs)

OLUD: HT/RC

IMPROVEMENT LEVEL: IL-5

PROJECT DESCRIPTION:

1. **Project title:** O-Ongo, Inc. [Camp Pali]
2. **Lead agency name and address:** The County of San Bernardino, 385 N. Arrowhead Avenue, San Bernardino, CA 92415
3. **Contact person and phone number:** John P. McGuckian, AICP, Project Planner, (909) 387-4115
4. **Project location:** State Highway 18, East Side and west terminus of Nob Hill Drive
5. **Project sponsor's name and address:** Pali Mountain/Camp O-Ongo, Inc. P.O. Box 2237, Running Springs, Ca 92382
6. **Consultant:** Christopher Compton 1026 East Tujunga Street, Burbank, CA 91502

Description of project: Approximately 2% of the site will be occupied with structures and over 60% will remain in natural open space. The subject site is located east of State Highway 18. The project is within the Hilltop Planning Area of the County General Plan and is designated Resource Conservation (RC) on the Official Land Use Map of the General Plan and is within Infrastructure Improvement Level Five (IL-5). and the site is regulated by the following Overlay Districts Fire Safety – Area One (FS-1) and Geologic Hazard [GH] low to moderate.

ENVIRONMENTAL/EXISTING SITE CONDITIONS:

The project site is located on the front ridge of the San Bernardino Mountains. It is situated on the East Side of State Highway 18, a designated scenic route in the County's General Plan Open Space Element. This particular stretch of Highway 18 is undeveloped along both sides of the road west of the site. East of the site the community of Running Springs begins with the Nob Hill development. The site slopes gradually from the west to the east. Elevations on site range from a high of 6,475 feet (southwest corner) to a low of 6,075 feet above mean sea level on the East Side. The proposed buildings are located in previously disturbed areas.

ENVIRONMENTAL/EXISTING SITE CONDITIONS:

AREA	EXISTING LAND USE	OFFICIAL LAND USE DISTRICT	IL
SITE	Organizational Camp	HT/RC	IL-5
North	Organizational Camp	HT/RC	IL-5
South	Vacant and Single Residential	HT/RS	IL-5
East	Vacant (USFS)	HT/RC	IL-5
West	Vacant	HT/RC	IL-5

Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement):

Federal: None; State of California: Regional Water Quality Control Board, Fish and Game; County of San Bernardino: Land Use Services - Code Enforcement; Building and Safety, Public Health-Environmental Health Services, Special Districts, Public Works. County Fire and Local: Running Springs CSD Fire.

Evaluation Format

This initial study is prepared in compliance with the California Environmental Quality Act (CEQA) Guidelines. This format of the study is presented as follows. The project is evaluated based upon its effect on seventeen (17) major categories of environmental factors. Each factor is reviewed by responding to a series of questions regarding the impact of the project on each element of the overall factor. The Initial Study Checklist provides a formatted analysis that provides a determination of the effect of the project on the factor and its elements. The effect of the project is categorized into one of the following four categories of possible determinations:

Potentially Significant Impact	Less than Significant with Mitigation	Less than Significant	No Impact
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Substantiation is then provided to justify each determination. One of the four following conclusions is then provided as a summary of the analysis for each of the major environmental factors.

1. Therefore, no impacts are identified or anticipated and no mitigation measures are required.
2. Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required.
3. Possible significant adverse impacts have been identified or anticipated and the following mitigation measures are required as a condition of project approval to reduce these impacts to a level below significant. The required mitigation measures are: (List mitigation measures)
4. Significant adverse impacts have been identified or anticipated. An Environmental Impact Report (EIR) is required to evaluate these impacts, which are: (List the impacts requiring analysis within the EIR).

At the end of the analysis the required mitigation measures are restated and categorized as being either self-monitoring or as requiring a Mitigation Monitoring and Reporting Program.

1. ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

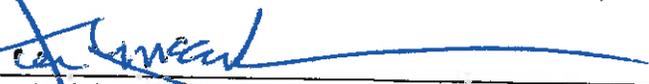
The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- | | | |
|--|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology /Soils |
| <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology / Water Quality | <input type="checkbox"/> Land Use/ Planning |
| <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise | <input type="checkbox"/> Population / Housing |
| <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation | <input type="checkbox"/> Transportation/Traffic |
| <input type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> Mandatory Findings of Significance | |

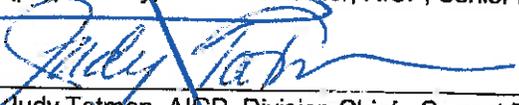
DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation, the following finding is made:

- The proposed project **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.
- Although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A **MITIGATED NEGATIVE DECLARATION** will be prepared.
- The proposed project **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.
- The proposed project **MAY** have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the effects that remain to be addressed.
- Although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or **NEGATIVE DECLARATION** pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or **NEGATIVE DECLARATION**, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.


Signature (prepared by) John P. Planner, AICP, Senior Associate Planner

11/15/2004
Date


Signature Judy Tatman, AICP, Division Chief -Current Planning Division
For Land Use Services Director

11/15/2004
Date

	Potentially Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Significant Impact
I. AESTHETICS — Would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

SUBSTANTIATION (check X, if project is located within the viewshed of any Scenic Route listed in the General Plan):

- I a) The site is within the viewshed of State Highway 18, a County-designated Scenic Route. In addition, SR-18 is designated as a Scenic Byway by the U. S. Forest Service. The site is currently occupied with the camp and is well buffered from views by large setbacks from the highway. The proposed project will not have a substantial adverse effect on a scenic vista, as the natural vegetative cover provided by a montane coniferous forest plant community provides a dense visual barrier between the road and the camp. The County's General Plan considers the first 200 feet of a site, adjacent to a scenic highway, to be within the Scenic Corridor. There are no proposed or existing structures within 200 feet of the roadway with the exception of the existing entry gate and barn.
- I b) The proposed project will not substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway, because there is no proposed structures within the corridor. Also dense tree stands block views of a majority of the site from the highway.
- I c) The proposed project will not substantially degrade the existing visual character or quality of the site and its surroundings, because the project areas are set back from the roadway and other visual vantage points from adjacent properties. In addition the project will be required to utilize construction materials that blend with the forest.
- I d) The proposed project will not create a new source of substantial light or glare which would adversely affect day or nighttime views in the area, because this site is already developed and is adjacent to similarly developed projects and additional mitigation has been required. Lighting proposed on site will be hooded and downshielded to protect surrounding properties from any resultant glare.

Possible significant adverse impacts have been identified or anticipated and the following mitigation measures are required as a condition of project approval to reduce these impacts to a level below significant. The required mitigation measures are:

- I-1) *Additional trees shall be planted along the State Highway 18 frontage and around proposed structures, where needed to preserve the forest like character. The type, placement, and spacing of any proposed trees shall be done with the guidance of a Registered Professional Forester [RPF].*
- I-2) *The proposed buildings shall be constructed of natural materials using colors that blend with the forest cover.*
- I-3) *Exterior lighting shall be kept to the minimum required for safety. The applicant shall submit a lighting plan to the County for review and approval. This lighting plan shall, at a minimum, meet the following performance standards:*
- *No onsite lighting or glare from such lighting shall create any safety hazards for traffic on SR-18.*
 - *Lighting shall be hooded, shielded, or directional in nature so that it does not extend beyond the property boundary or be directed into the forest where it might affect wildlife.*
 - *The type of lighting utilized shall minimize interference with the night time sky and adjacent open and forested areas.*
- I-4) *To minimize the number of freestanding light fixtures, wall-mounted lighting shall be utilized where consistent with building architecture. Shields provided for building mounted lighting shall be painted to match the surface to which the fixture is attached. These fixtures shall not protrude above the fascia or rooflines of adjacent buildings.*

	Potentially Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Significant Impact
<p>II. AGRICULTURE RESOURCES — In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:</p>				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

SUBSTANTIATION (check if project is located in the Important Farmlands Overlay):

- II a) The subject property is not identified or designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency.
- II b) The Official Land Use District on the site is Resource Conservation. Although agricultural uses are allowed within this district and every other district, agriculture was not the focus of this land use district. Development of a non-agricultural use would not be considered a conflict with this District. No agricultural uses exist on the site and the site is not under a Williamson Act contract.
- II c) The proposed development does not involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to a non-agricultural use, because agricultural uses do not exist in the vicinity of the project site. Surrounding properties consist of either vacant land or residential development.

Therefore, no impacts are identified or anticipated and no mitigation measures are required.

Potentially Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
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III. AIR QUALITY — Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a) Conflict with or obstruct implementation of the applicable air quality plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d) Expose sensitive receptors to substantial pollutant concentrations? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e) Create objectionable odors affecting a substantial number of people? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

SUBSTANTIATION (discuss conformity with the South Coast Air Quality Management Plan, if applicable):

- III a) The project will not conflict with or obstruct implementation of the South Coast air quality plan, because the proposed uses do not exceed the thresholds established for air quality concerns as established by the CEQA Air Quality Handbook developed by the South Coast Air Quality Management District. The proposed project is the expansion and/or replacement of structures at an existing conference center and youth camp. The primary transportation mode is weekly buses and they arrive and leave to the site during non-peak hours. The traffic increase is not significant based on the handbook criteria and will not contribute in any substantial way to the degradation of local region air quality.
- III b) The project will not violate any air quality standard or contribute substantially to an existing or projected air quality violation, because the proposed use(s) do not exceed established thresholds of concern as established by the District. A dust control plan will be required as mitigation measure to regulate construction activities that could create wind blown dust. Construction painting activities will be restricted as a mitigation measure and additional design considerations are required where applicable to further reduce impacts.

- III b-d) Chapter 6 of the CEQA Handbook provides screening tables to assist in determining the significance of impacts associated with proposed projects. Table 6-3 identifies grading operations that disturb less than 177 acres per quarter year or 3 acres per day as not potentially causing significant air quality impacts. The developable portion of the -acre site is 6.23 acres. Of this, 45.9% (2.9 acres) will remain in open space, 20.7% (1.29 acres) will be landscaped, leaving approximately 3 acres remaining for construction. Based on the data provided in Table 6-3, this project has no potential to result in significant air quality impacts from site preparation or construction. The construction-related emissions are below the threshold for significance; however, a potential does exist to expose local residents to potentially significant fugitive dust emissions.
- III e) The only odors generated by this project will be from construction equipment. These odors will be associated with exhaust emissions from the consumption of petroleum products. Due to the few pieces of equipment required, the short duration of the construction period, and the few numbers of potential receptors in the project area, this project will not result in a significant impact from objectionable odors.

Possible significant adverse impacts have been identified or anticipated and the following mitigation measures are required as conditions of project approval to reduce these impacts to a level below significant.

- III-1) *The grading contractor(s) shall apply water to disturbed portions of the project site if dust is observed migrating from the site during construction.*
- III-2) *The contract with the construction contractor(s) shall require the contractor(s) to provide verification that all equipment is in proper tune per the manufacturer's recommendations.*
- III-3) *Tires of vehicles be washed before a vehicle leaves the construction site and enters a paved road. These revisions also require that dirt on paved surfaces be removed daily, during construction, to minimize generation of fugitive dust.*

Potentially Significant Impact Less than Significant with Mitigation Less than Significant with Incorp. No Significant Impact

IV. **BIOLOGICAL RESOURCES** — Would the project:

- | | | | | |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

SUBSTANTIATION (check if project is located in the Biological Resources Overlay X or contains habitat for any species listed in the California Natural Diversity Database X):

- IV a) The site is covered by a montane coniferous forest plant community, consisting mainly of Coulter pines and California Black Oaks. It has a relatively dense multi-layered canopy with a scattered understory of sapling trees, shrubs, and herbs, including incense cedar, deerbrush, bracken fern, and buck lotus. The forest provides habitat for wildlife including reptiles, small mammals and a variety of perching birds. Large mammals (black bear, mule deer, and mountain lion) occur in the area but likely has little value to them because of the proposed project sites have been occupied with an active youth camp for many years and the site is relatively close to the highway.

Four special status raptors may occur in the area. The Bald Eagle is not likely to use the site for foraging, or roosting. The sharp-shinned hawk and Cooper's hawk would likely use the site for foraging, especially during winter, and Cooper's hawks could nest on site or nearby. Both of these hawks are considered Species of Special Concern by the California Department of Fish and Game and were formerly considered "Category 2" candidates for listing by the U.S. Fish and Wildlife Service, but are not listed or proposed for listing as "threatened" or "endangered". The site is near California Spotted Owl territory, located approximately one mile to the south. The property is suitable for foraging, roosting, and nesting habitat, but its proximity to the highway limits its habitat value, especially for nesting. The California Spotted Owl is not listed as "threatened" or "endangered", but its numbers are in serious decline locally and a case can be made, per the report, that it warrants treatment as a listed species.

The white-eared pocket mouse historically occurred in the general area and in similar habitat but is now presumed extinct. Other species, including the San Bernardino Mountain flying squirrel, mountain lion, American badger, and several bat species are likely to use the project site, at least occasionally. Several special status reptiles and amphibians are likely to occur on the site, per the report. Among them are the Large-blotched or yellow-blotched salamander, sagebrush lizard, San Diego horned toad, coastal western whiptail, and San Bernardino Mountain king snake. These are considered "species of special concern" by the California Department of Fish and Game, and were formerly considered "category 2" candidates for listing by the U. S. Fish and Wildlife Service. They are not currently listed, nor proposed for listing as "threatened" or "endangered".

The impacts to the small amount of habitat that would be disturbed at this site is not considered significant for vegetation and habitat, or for special status plants and animals. However night lighting may cause an impact and therefore mitigation measure have been proposed to address this concern. The second exception pertains to the Southern Rubber Boa. The site is within the range of the Southern Rubber Boa, a species that is listed as "threatened" under the California Endangered Species Act. The proposed uses are in fill development within previously disturbed areas of the camp either replacing existing buildings or occupying previous well disturbed activity areas. No potential habitat areas will be disturbed by the proposed construction activities.

- IV b) This project will not have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service because no such biological resources riparian habitat or sensitive natural community is identified on site.
- IV c) This project will not have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means, because the project is not within an identified protected wetland.
- IV d) The site is within the Open Space Element Resources Map for Area #22 "Wildlife Diffusion Corridor". This area connects the northern and southern slopes of the San Bernardino Mountains. The General Plan defines this area as "located generally between the urbanized areas of Lake Arrowhead and Running Springs. This area is important as the last major undeveloped portion of the mountain rim, and provides crucial habitat and dispersion for animals moving between the northern and southern exposures of the National Forest. Because of the small size of the project site relative to this Corridor, and the projects close proximity to Highway 18, the implementation of this project will result in a less than significant impact to the wildlife corridor.
- IV-e) submitted. Implementation of these plans will help to ensure that the project can be developed in full conformance with local policies and ordinances regarding management of trees on the property. The measures recommended in the updated Forester's Report are incorporated as mitigation in the conditions of project approval.
- IV f) This project will not conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan, because no such plan

Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required has been adopted in the area of the project site.

Potentially Significant Impact Less than Significant with Mitigation Less than Significant with Incorp. No Significant Impact

V. CULTURAL RESOURCES — Would the project:

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d) Disturb any human remains, including those interred outside of formal cemeteries? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

SUBSTANTIATION (check if the project is located in the Cultural _ or Paleontologic _ Resources overlays or cite results of cultural resource review):

- V a) This project will not cause a substantial adverse change in the significance of a historical resource, because there are no such resources identified on the site. To further reduce the potential for impacts, a condition shall be added to the project, which requires the developer to contact the County Museum for determination of appropriate mitigation measures, if any finds are made during project construction.
- V b) This project will not cause a substantial adverse change to an archaeological resource, because there are no such resources identified on the site. To further reduce the potential for impacts, a condition shall be added to the project which requires the developer to contact the County Museum for determination of appropriate mitigation measures, if any finds are made during project construction.
- V c) This project will not directly or indirectly destroy a unique paleontological resource or site or unique geologic feature, because no such resources have been identified on the site. To further reduce the potential for impacts, a condition shall be added to the project which requires the developer to contact the County Museum for determination of appropriate mitigation measures, if any finds are made during project construction.
- V d) - This project will not disturb any human remains, including those interred outside of formal cemeteries, because no such burials grounds are identified on this project site. If any human remains are discovered, during construction of this project, the developer is required to contact the County Coroner, County Museum for determination of appropriate mitigation measures and a Native American representative, if the remains are determined to be of Native American origin.

Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required. As a precautionary measure to further reduce any potential for impacts, the following requirement will apply:

V-1 -Archaeological, Paleontological and Historical Resources. If archaeological, paleontological and/or historical resources are uncovered during ground disturbing activities, all work in that area shall cease. A qualified expert (e.g. archaeologist or paleontologist), as determined by County Planning in consultation with the County Museum shall be hired to record the find and recommend any further mitigation. The County museum shall be contacted within 24 hours of the find and all work shall halt until clearance is received.

Potentially Significant Impact Less than Significant with Mitigation Less than Significant with Incorp. No Significant Impact

VI. GEOLOGY AND SOILS — Would the project:

- a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:
 - i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.
 - ii) Strong seismic ground shaking?
 - iii) Seismic-related ground failure, including liquefaction?
 - iv) Landslides?
- b) Result in substantial soil erosion or the loss of topsoil?
- c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?
- d) Be located on expansive soil, as defined in Table 18 1-B of the Uniform Building Code (1994), creating substantial risks to life or property?
- e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?

SUBSTANTIATION (check X if project is located in the Geologic Hazards Overlay District):

- VI a) (i-iv) The project will not expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving; i) rupture of a known earthquake fault, ii) strong seismic ground shaking, iii) Seismic-related ground failure, including liquefaction or iv) Landslides, because there are no such geologic hazards identified in the immediate vicinity of the project site. The project will be reviewed and approved by County Building and Safety with appropriate seismic standards. The site is located in an area of southern California that is tectonically active and subject to moderate to severe ground shaking. The project site is not located within a State-designated Alquist-Priolo Earthquake Fault Zone. However, the site could be subject to severe groundshaking in the event of a major earthquake as the San Andreas Fault, which is capable of a 8.5+ magnitude earthquake, is located approximately 6 miles to the southwest of the project site. Construction will be required to conform to the standards set forth in the Uniform Building Code.
- VI b) – The project will not result in substantial soil erosion or the loss of topsoil, because the site will be paved and landscaped. Erosion control plans will be required to be submitted, approved and implemented. The project site is located at the top of the frontal ridge of the San Bernardino Mountains. The site is a mix of shallow slopes. Due to the high rainfall that occurs on the front of the San Bernardino Mountains, a high potential exists for erosion to

occur on this site during construction and initial site occupancy until a vegetation or hardscape cover is completed over all disturbed areas on the site. County grading standards, and an erosion control plan will be required.

- VI c) – The project is not identified as being located on a geologic unit or soil that has been identified as being unstable or having the potential to result in on or off site landslide, lateral spreading, subsidence, liquefaction or collapse. Where a potential for these is identified a geology report is required to be reviewed and approved by the County Building and Safety Geologist, who will require implementation of appropriate mitigation measures, if any are required
- VI d) The project site is not located in an area which has been identified by the County Building and Safety Geologist as having the potential for expansive soils, as determined by a required soils report. Given the coarse alluvium that exists on the project site, the potential for expansive soils to exist on the property is negligible. No mitigation is required.
- VI e) The project has soils capable of supporting septic tanks

Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required.

Potentially Significant Impact Less than Significant with Mitigation Incorp. Less than Significant Impact No Significant Impact

VII. HAZARDS AND HAZARDOUS MATERIALS —

Would the project:

- | | | | | |
|--|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SUBSTANTIATION

- VII a) The project will not create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials, because the only hazardous materials anticipated to be used are petroleum products for construction equipment. Any use or activity that might use other hazardous materials will be subject to further discretionary permitting. Such permit would require its own environmental review to address potential effects, and would be subject to review by the Hazardous Materials Division of the San Bernardino County Fire Department.
- VII-b) The project will not create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment, because no such hazards are anticipated to be located on the project site.
- VII-c) The project uses will not emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school, because the project does not propose the use of hazardous materials.
- VII d) The project site is not included on a list of hazardous materials sites.
- VII e) The project site is not within the vicinity of an approach/departure flight path of a public airport.
- VII f) The project site is not within the vicinity of an approach/departure flight path of a private airstrip.
- VII g) Highway 18 is one of the major routes that would be used if this portion of the mountain needed to be evacuated. If a major fire were to erupt while services were being conducted, the campers would also use Highway 18 to evacuate the site. This would add incrementally to the number of vehicles using this highway and would create additional congestion, delaying the evacuation of the mountain. However, there is no formal evacuation or emergency response plan adopted for this area. Thus, there can be no identified impact to such a plan.
- VII h) The site is located in the Fire Safety Overlay (FS 1) at the top of a very substantial south-facing mountain slope. There is a history of fires occurring annually along various sections of this south-facing slope, often with catastrophic results involving the loss of life, structures and property. These areas are susceptible to wildland fires in the spring through the fall as the natural vegetation dries out from low precipitation rates during arid months, especially following wet seasons that produce increased growth of wild vegetative fuel materials.

Possible significant adverse impacts have been identified or anticipated and the following mitigation measures are required as conditions of project approval to reduce these impacts to a level below significant.

Mitigation Measures:

- VII-1) *A fuel break is to be built around the property to reduce the fuel load immediately adjacent to the camp. There will be a reduced number of trees per acre with little or no brush or small trees. Most brush species plants will be removed from this area, with an occasional plant, such as the California Lilac remaining for aesthetic values. Thickets of trees would be thinned, and spacing between "leave trees" measured from drip line to drip line shall be no less than 12 feet. Dead wood would be removed, and ladder fuels would be eliminated. The assistance of a professional forester is required for all mitigation measure which pertain to the fuel modification plan.*
- VII-2) *All the area within 150 of the exterior of each building shall be treated to further fuel reduction. Most low woody vegetation shall be removed.*
- VII-3) *All vegetation within paved portions of parking spaces and driveways will be removed as permitted in Title 14 of the California Code of Regulations.*
- VII-4) *Dead limbs on all retained trees and bushes, which are 16 feet from the ground, or lower will be removed. This requirement pertains to the entire parcel.*

- VII-5 Green limbs need to be pruned in order to reduce the fire ladder aspect of trees with low crowns. No more than the bottom 1/3 of the living crown shall be removed at any time.*
- VII-6) All dry vegetation shall be removed to bare ground for a distance of 30 feet from the exterior walls of the structure. This shall be done annually.*
- VII-7) Any new plantings shall include more than 50% native fire-resistant species.*

Potentially Significant Impact Less than Significant with Mitigation Incorp. Less than Significant Impact No Significant Impact

VIII. HYDROLOGY AND WATER QUALITY

Would the project:

a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j) Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

SUBSTANTIATION:

VIII a) The proposed project does have the potential to degrade surface or groundwater quality. Degradation of surface water may occur during the construction phase of the project due to erosion after grading, and the accidental spillage of petroleum products. Surface water may also be impacted in the occupancy phase by the release of motor oils, fertilizers, etc found in parking lots and planters. Standard conditions of approval will be incorporated into the project, which will required an erosion and sediment control plan and permit to be obtained by the

applicant prior to any land disturbance. Upon completion of grading the applicant will be required to install erosion control planting and landscaping to prevent erosion.

- VIII b) The project will be served by on-site wells pumping groundwater. The camp will utilize this water for irrigation, drinking, cooking, restroom facilities and fire fighting if necessary. There is a 55,000 gallon storage tank on site and there are two large storage tanks on immediately adjacent property that are owned by the water company that can be used for fire suppression. Although the volume of water consumed is difficult to quantify based on the mix of uses that will occur at the camp, the existing wells should be sufficient for the proposed camping and conference population.
- VIII c) The project will not substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site, because the project does not propose any substantial alteration to a drainage pattern, stream or river and the project is required to submit and implement an erosion control plan. County Public Works has reviewed the proposed project drainage and all necessary drainage improvements both on and off site will be required as conditions of the construction of the project.
- VIII d) The project will not substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site, because the project does not propose any substantial alteration to a drainage pattern, stream or river.
- VIII e) The project will not create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff, because County Public Works has reviewed the proposed project drainage and has determined that the proposed systems are adequate to handle anticipated flows. All necessary drainage improvements both on and off site will be required as conditions of the construction of the project. There will be adequate capacity in the local and regional drainage systems so that downstream properties are not negatively impacted by any increases or changes in volume, velocity or direction of stormwater flows originating from or altered by the project.
- VIII f) The project will not otherwise substantially degrade water quality, because appropriate measures relating to water quality protection, including erosion control measures have been required.
- VIII g) The project will not place unprotected housing within a 100 year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map, because the project is not within identified flood hazard areas.
- VIII h) The project will not place within a 100 year flood hazard area structures which would impede or redirect flood flows, because any area identified as being potentially affected by a 100-year storm the structures will be subject to a flood hazard review and will be required to be elevated a minimum of one foot above the base flood elevation. The project however, is not within a 100 year flood hazard area.
- VIII i) The project will not expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam, because the project site is not within any identified path of a potential inundation flow that might result in the event of a dam or levee failure or that might occur from a river, stream, lake or sheet flow situation.
- VIII j) The project will not be impacted by inundation by seiche, tsunami, or mudflow, because the project is not adjacent to any body of water that has the potential of seiche or tsunami nor is the project site in the path of any potential mudflow.

Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required.

	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant Impact	No Significant Impact
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IX. LAND USE AND PLANNING — Would the project:

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a) Physically divide an established community? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c) Conflict with any applicable habitat conservation plan or natural community conservation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

SUBSTANTIATION:

- IX a) The project will not physically divide an established community, because the project is a logical and orderly extension of the planned land uses and development that are established within the surrounding area. The existing camp is currently constructed on an isolated parcel of land just west of the urban portion of the Community of Running Springs and the proposed expansion buildings are in-fill and/or replacement buildings in existing disturbed areas. Due to the size and sparse development in the area, the project is not anticipated to have the potential to divide an existing community.
- IX b) The project will not conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect, because the project is consistent with all applicable land use policies and regulations of the County Code and General Plan. The project complies with all hazard protection, resource preservation and land use modifying Overlay District regulations. The official land use district for this site is Resource Conservation (RC). One of the purposes of the RC designation is set forth in the General Plan as "To encourage limited rural development that maximizes preservation of open space, watershed and wildlife habitat areas". The youth camp maintains and preserves many acres in natural open space so that the campers can experience a natural setting. The proposed project does further the goals and policies of the General Plan with regard to preservation of scenic values or open space wildlife corridors by a) keeping development away from the highway b) by keeping the proposed development within previously disturbed areas of the existing camp facilities and c) by maintaining the open space that exists. The Additional Uses Section of the Development Code lists campgrounds among the uses that can be located in any land use district, subject to the review and approval of a Conditional Use Permit. In this section, it is noted that at least one or more of the following criteria must be met in order to approve such a project. The criteria listed includes:
 1) *The location of the land use is determined by other land uses that are directly supported by the proposed use*
 and 2) *The land use is deemed essential or desirable to the public convenience or welfare.* The proposed camp satisfies these requirements by replenishing, renewing and expanding the facilities of an existing and aging campground making it more convenient and safe for the current camping population that visits this camp.
- IX c) Based on a review of the County's General Plan and the National Forest Land Use Plan, no habitat conservation or natural community conservation plans apply to this project site.

Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required.

Potentially Significant Impact Less than Significant with Mitigation Less than Significant with Incorp. Impact No Significant Impact

X. MINERAL RESOURCES — Would the project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

SUBSTANTIATION (check _ if project is located within the Mineral Resource Zone Overlay):

- X a) The project is not expected to result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state. The project site is not within a Mineral Resource Zone Overlay and there are no identified mineral resources on the project site.
- X b) The project will not result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan, because there are no identified locally important mineral resources on the project site.

Therefore, no impacts are identified or anticipated and no mitigation measures are required.

Potentially Significant Impact Less than Significant with Mitigation Less than Significant with Incorp. No Significant Impact

XI. NOISE — Would the project result in:

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

SUBSTANTIATION (check if the project is located in the Noise Hazard Overlay District ___ or is subject to severe noise levels according to the General Plan Noise Element ___):

- XI-a) The project will not result in the exposure of persons to or generation of noise levels in excess of standards established by San Bernardino County. The project site is exposed to existing traffic noise from State Highway 18, north of and adjacent to the project site, however all structures are located at least 300 feet away from the highway. The nearest residential unit is 800 feet away and the nearest camping cabin is 1200 feet away from the Highway. A traffic study completed for an adjacent project indicated that 6,900 vehicles use this section of State Highway 18 per day. Because the proposed structures will be located away from the highway, the noise levels will not exceed the standards in the General Plan. The allowed exterior noise level for residential structures is 65 dB. Data on page 30 of the Appendix B of the Noise Element of the General Plan, indicates that noise levels on Highway 18, north of its intersection with Highway 330, was 60 dB at 170 feet. Therefore, road noise is not significant. A preliminary acoustical study has been required as a condition of approval.
- XI-b) The project will not create exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels during the occupancy phase of the project. The project use does not create vibration or substantial noise levels.
- XI-c) No significant permanent source of noise will be located at the proposed site based on the type of use and the anticipated hours of operation.
- XI-d) The project will generate a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project because of the construction process. Mitigation measures will be incorporated into the conditions of approval to make this impact less than significant.

XI e) The project is not located within an airport land use plan area or within 2 miles of a public/public use airport.

XI f) The project is not within the vicinity of a private airstrip.

Possible significant adverse impacts have been identified or anticipated and the following mitigation measures are required as conditions of project approval to reduce these impacts to a level below significant.

Mitigation Measure:

XI-1 All construction equipment shall be muffled in accordance with manufacturer's specifications.

XI-2 All construction activities shall be limited to weekdays and Saturday between 7 a.m. and 7 p.m. No construction, other than interior finish work shall be conducted any time on Sundays.

XI-3 All construction staging shall be performed as far as possible from occupied dwellings.

Potentially Significant Impact Less than Significant with Mitigation Less than Significant with Incorp. No Significant Impact

XII. POPULATION AND HOUSING — Would the project:

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

SUBSTANTIATION:

- XII a) The project will not induce substantial population growth in an area either directly or indirectly. The project will generate several new jobs and employment opportunities. This may generate a need for housing for new employees. However considering the unemployment rate for the area and the type of jobs generated by the project it is probable that the new jobs would be absorbed by the employment needs of the existing residents in the area.
- XII b) The proposed use will not displace substantial numbers of existing housing units, necessitating the construction of replacement housing, because no housing units are proposed to be demolished as a result of this proposal.
- XII c) The proposed use will not displace substantial numbers of people necessitating the construction of replacement housing elsewhere, because the project will not displace any existing housing or existing residents.

Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required.

Potentially Significant Impact Less than Significant with Mitigation Less than Significant with Incorp. No Significant Impact

XIII. PUBLIC SERVICES —

a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

- Fire protection?
- Police protection?
- Schools?
- Parks?
- Other public facilities?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

SUBSTANTIATION:

XIII-a) The proposed project will be constructed in accordance with current fire protection standards for public gathering places within the Fire Safety Overlay (Fire Review Area One FS-1) which indicates a significant wildland fire hazard potential. Mitigation is discussed under Section VII for wildland fire hazard protection measures for the project site. No additional mitigation will be required to ensure that future fire hazards on this site will be reduced to a level below significance.

The proposed project will not likely attract criminal activity or increase the need for law enforcement services. The design of the access to the site from State Highway 18 will conform to the County and State ingress and egress requirements. The proposed project would not have a negative impact on local schools or the school district since it will not alter demand for such services. The project will not have negative impacts on nearby parks since it will not alter demand for such services.

Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required.

	Potentially Significant Impact	Less than Significant with Mitigation	Less than Significant Incorp.	No Significant Impact
XIV. RECREATION				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

SUBSTANTIATION:

- XIV a) The proposed project poses no increase in population and will have no significant impact to existing recreational facilities, as it is itself a recreational facility and it adds to the resources of the community.
- XIV b) This project does not include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment. The existing recreational facilities within the project will be maintained and enhanced.

Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required.

Potentially Significant Impact Less than Significant with Mitigation Less than Significant with Incorp. No Significant Impact

XV. TRANSPORTATION/TRAFFIC — Would the project:

- | | | | | |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e) Result in inadequate emergency access? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f) Result in inadequate parking capacity? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

SUBSTANTIATION:

XV a) The project will not cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system, because the increase in the number of vehicle trips, the volume to capacity ratio on roads, and the congestion level at intersections remains below the planned thresholds for those facilities. The project site takes direct access from State Highway 18. SR-18 is a two-lane undivided mountain highway generally running east/west in the vicinity of the project site. It runs closer to north/south along the edge of the site. It extends west to Lake Arrowhead and San Bernardino and east to central Running Springs, Big Bear Lake and Apple Valley. It is a designated State route and under the permit jurisdiction of Caltrans, as is State Highway 330. SR-330 is a two-lane mountain highway running north/south and located approximately three miles southeast of the project site. The subject portion of SR-18 does not provide direct access to winter skiing areas; however, it experiences heavy ski-related traffic east of Running Springs on the weekends and holidays. SR-18 also provides access to the commercial portion of Running Springs. SR-330 begins at SR-18 in central running Springs and extends south to the City of Highland. It is the most direct access route from the site to the developed areas south of the San Bernardino Mountains.

There is not a significant amount of residential development in the area around the project site. There is a turn-out directly in front of the project site entrance. This turn-out is used for access to a nearby underground gas main and as a chain-inspection area during winter storms.

XV b) The project will not exceed, either individually or cumulatively, a level of service [LOS] standard established by the county congestion management agency for designated roads or highways, because County Public Works – Traffic Division has reviewed the traffic generation of the proposed project and anticipates that traffic service will be remain at an LOS of "C" or better, as required by the County General Plan.

XV c) The project will not result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks, because there are no airports in the vicinity of the

project and there is no anticipated notable impact on air traffic volumes by passengers or freight generated by the proposed uses and no new air traffic facilities are proposed.

- XV d) The project will not substantially increase hazards due to a design feature or incompatible uses, because the project site is adjacent to an established road that is accessed at points with good site distance and properly controlled intersections. There are no incompatible uses proposed by the project that will impact surrounding land uses. The driveway will intersect State Route 18 at a relatively straight section of highway that has an abundance of curves. Vision to the north is limited by pine trees growing on the inside of a curve on SR-18, while vision to the south is limited by an embankment.
- XV e) The project will not result in inadequate emergency access, because there are a minimum of two access points. The project design includes direct access to a State Highway which is considered adequate for emergency purposes. Implementation of this project will not adversely affect emergency access to any other locations since no operation activities will occur within the State Highway right-of-way. Should an emergency situation develop during operation of this facility and evacuation is required, there will be cross-traffic entering the highway, that would result in a limited, and temporary (170 vehicle maximum) slow down in the evacuation of the area.
- XV f) The project will not result in inadequate parking capacity, because the project meets the parking standards established by the County Development Code. Parking will not be allowed on the State Highway.
- XV g) The construction and operation of the proposed project will not conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks) because these have been required to be installed as conditions of approval.

Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required.

Potentially Significant Impact Less than Significant with Mitigation Less than Significant with Incorp. No Significant Impact

XVI. UTILITIES AND SERVICE SYSTEMS

Would the project:

a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Be served by a landfill(s) with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

SUBSTANTIATION:

- XVI a) The proposed project does not exceed wastewater treatment requirements of the Regional Water Quality Control Board, Santa Ana Region, as determined by County Public Health – Environmental Health Services. The project currently utilizes septic systems for wastewater disposal.
- XVI b) The proposed project will not require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, as there is sufficient capacity in the existing system for the proposed use. The project currently utilizes septic systems for wastewater disposal.
- XVI c) The proposed project will not require or result in the construction of new storm water drainage facilities or expansion of existing facilities that cause significant environmental effects, as County Public Works has determined that either there is sufficient capacity in the existing storm water system to absorb any additional stormwater drainage caused by the project or has required facilities to be constructed as a part of this project. Any drainage facility construction that is required is included in this environmental review and this review has required appropriate mitigation measures if necessary.
- XVI d) The proposed project will have sufficient water supplies available to serve the project from existing entitlements and resources, as the local water purveyor has given assurance of such water service. The proposed project is currently served with on-site wells and a storage tank. Also the camp has an agreement from the local water purveyor to be served with a backup water supply from a 12" water

main under the jurisdiction of the Running Springs Water District. The water main runs along Highway 18 and the District has notified Planning that there will be no problem serving the site. The District has adequate supplies to meet the anticipated demand of between 1,000 to 1,500 gallons per week on the average. No new water supply or water entitlements will be required to meet this additional demand.

- XVI e) The proposed project has a determination from County EHS that the existing and proposed septic leach fields are adequate to serve the proposed use.
- XVI f) There are no landfills in the mountain region. However, waste is taken to the Heaps Peak transfer station. The San Timeteo Sanitary Landfills in Redlands and the Mid-Valley in Rialto, which have room to accommodate this additional waste flow. Adequate capacity has been identified in the valley landfills to meet growth with the County service areas for the next ten or more years.
- XVI g) The proposed project is required to comply with federal, state, and local statutes and regulations related to solid waste.

Therefore, no significant adverse impacts are identified or anticipated and no mitigation measures are required.

Potentially Significant Impact	Less than Significant with Mitigation	Less than Significant Incorp.	No Significant Impact
Potentially Significant Impact	Less than Significant with Mitigation	Less than Significant Incorp.	No Significant Impact

XVII. MANDATORY FINDINGS OF SIGNIFICANCE—

a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?

b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?

c) Does the project have environmental effects which will cause Substantial adverse effects on human beings, either directly Or indirectly?

SUBSTANTIATION:

XVII a) The project does not appear to have the potential to significantly degrade the overall quality of the regions's environment, or substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population or drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory. There are no rare or endangered species or other species of plants or animals or habitat identified as being significantly and negatively impacted by this project. There are no identified historic or prehistoric resources identified on this site. If any archeological or paleontological resources are identified during construction the project, the project is conditioned to stop and identify appropriate authorities, who properly record and/or remove for classification any such finds. In addition it is also noted that the site is within the General Plan Open Space Element Resources Map as Wildlife Dispersion Corridor #22. Development in this area could slightly restrict the range of migratory animals. However, because of the large size of this Corridor in relation to the project, summed together with the sites close proximity to the SR-18 this impact is also not considered significant.

XVII b) The project does not have impacts that are individually limited, but cumulatively considerable. The sites of projects in the area to which this project would add cumulative impacts have either existing or planned infrastructure that is sufficient for all planned uses. These sites either are occupied or are capable of absorbing such uses without generating any cumulatively significant impacts.

XVII c) The project has the potential to have environmental effects, which will cause adverse effects on humans directly. The analysis presented above indicates effects on the environment in the following areas: air quality, water quality, noise, and aesthetics. Mitigation Measures have been identified to deal with these issues. Implementation of these measures can reduce the potential environmental impacts to a non-significant level.

Possible significant adverse impacts have been identified or anticipated and the following mitigation measures are required as conditions of project approval to reduce these impacts to a level below significant.

XVIII. MITIGATION MEASURES

(Any mitigation measures which are not 'self-monitoring' shall have a Mitigation Monitoring and Reporting Program prepared and adopted at time of project approval)

- I-1) *Additional trees shall be planted along the State Highway 18 frontage and around proposed structures, where needed to preserve the forest like character. The type, placement, and spacing of any proposed trees shall be done with the guidance of a Registered Professional Forester [RPF].*
- I-2) *The proposed buildings shall be constructed of natural materials using colors that blend with the forest cover.*
- I-3) *Exterior lighting shall be kept to the minimum required for safety. The applicant shall submit a lighting plan to the County for review and approval. This lighting plan shall, at a minimum, meet the following performance standards:*
- *No onsite lighting or glare from such lighting shall create any safety hazards for traffic on SR-18.*
 - *Lighting shall be hooded, shielded, or directional in nature so that it does not extend beyond the property boundary or be directed into the forest where it might affect wildlife.*
 - *The type of lighting utilized shall minimize interference with the night time sky and adjacent open and forested areas.*
- I-4) *To minimize the number of freestanding light fixtures, wall-mounted lighting shall be utilized where consistent with building architecture. Shields provided for building mounted lighting shall be painted to match the surface to which the fixture is attached. These fixtures shall not protrude above the fascia or rooflines of adjacent buildings.*
- III-1) *The grading contractor(s) shall apply water to disturbed portions of the project site if dust is observed migrating from the site during construction.*
- III-2) *The contract with the construction contractor(s) shall require the contractor(s) to provide verification that all equipment is in proper tune per the manufacturer's recommendations.*
- III-3) *Tires of vehicles be washed before a vehicle leaves the construction site and enters a paved road. These revisions also require that dirt on paved surfaces be removed daily, during construction, to minimize generation of fugitive dust.*
- V-1) *Archaeological, Paleontological and Historical Resources. If archaeological, paleontological and/or historical resources are uncovered during ground disturbing activities, all work in that area shall cease. A qualified expert (e.g. archaeologist or paleontologist), as determined by County Planning in consultation with the County Museum shall be hired to record the find and recommend any further mitigation. The County museum shall be contacted within 24 hours of the find and all work shall halt until clearance is received.*
- VII-1) *A fuel break is to be built around the property to reduce the fuel load immediately adjacent to the camp. There will be a reduced number of trees per acre with little or no brush or small trees. Most brush species plants will be removed from this area, with an occasional plant, such as the California Lilac remaining for aesthetic values. Thickets of trees would be thinned, and spacing between "leave trees" measured from drip line to drip line shall be no less than 12 feet. Dead wood would be removed, and ladder fuels would be eliminated. The assistance of a professional forester is required for all mitigation measure which pertain to the fuel modification plan.*
- VII-2) *All the area within 150 of the exterior of each building shall be treated to further fuel reduction. Most low woody vegetation shall be removed.*
- VII-3) *All vegetation within paved portions of parking spaces and driveways will be removed as permitted in Title 14 of the California Code of Regulations.*

- VII-4) Dead limbs on all retained trees and bushes, which are 16 feet from the ground, or lower will be removed. This requirement pertains to the entire parcel.*
- VII-5) Green limbs need to be pruned in order to reduce the fire ladder aspect of trees with low crowns. No more than the bottom 1/3 of the living crown shall be removed at any time.*
- VII-6) All dry vegetation shall be removed to bare ground for a distance of 30 feet from the exterior walls of the structure. This shall be done annually.*
- VII-7) Any new plantings shall include more than 50% native fire-resistant species.*
- XI-1) All construction equipment shall be muffled in accordance with manufacturer's specifications.*
- XI-2) All construction activities shall be limited to weekdays and Saturday between 7 a.m. and 7 p.m. No construction, other than interior finish work shall be conducted any time on Sundays.*
- XI-3) All construction staging shall be performed as far as possible from occupied dwellings.*

APN: 0328-042-02
Camp Pali (O-Ongo) CUP
10604CU/M243-14/2004/CUP01
November 16, 2004

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REFERENCES (List author or agency, date, title)

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California Department of Water Resources, Bulletin #118 (Critical Regional Aquifers), 1975.
CEQA Guidelines, Appendix
California Standard Specifications, July 1992
County Museum Archaeological Information Center
County of San Bernardino, Countywide Integrated Waste Management Plan, March 1995
County of San Bernardino Development Code, Revised 2003
County of San Bernardino General Plan, adopted 1989, revised 2003
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County of San Bernardino Identified Hazardous Materials Waste Sites List, April 1998
County Road Planning and Design Standards
County of San Bernardino Solid Waste Management Plan, 1995
Environmental Impact Report, San Bernardino County General Plan, 1989
Federal Emergency Management Agency Flood Insurance Rate Map and Flood Boundary Map
Coast Air Quality Management District, CEQA Air Quality Handbook, November 1993

APPENDIX 2

ERSC Job No. 59050.158 (Revised)

January 24, 2012

Mr. Sam Massey, General Manager
Running Springs Water District
P.O. Box 2206
Running Springs CA 92382

SUBJECT: FEASIBILITY STUDY FOR 30778 HIGHWAY 18 – PALI MOUNTAIN (Revised)

Dear Sam:

The previous reports issued contained information based on outdated Resolutions and unclear plans. This report supersedes all previous reports heretofore issued by this office in an effort to rectify these issues and provide a clear and concise report to both the District and the Developer as to the types of fees that would be assessed for this project development.

Based on the plans submitted, subsequent meetings and discussions, and a review of current District Resolutions, the costs have been revised and based on 439 drainage fixture units (DFUs) or 21.95 equivalent dwelling units (EDUs) pursuant to District Resolution 09-11 which establishes the rates for fiscal year 2010-2011.

At your direction, we have reviewed the request from Mr. Tony Lees, the Project Manager for the Pali Mountain improvement project to determine the viability and the impact of the camp's connection to the District sewer system.

Our analyses covered five (5) separate connection points instead of the three (3) previously stipulated. Please note that the analysis was completed only for connection of the new or proposed facilities to the District Sewer System. If the owner of the camp or the Regional Board dictates that the entire camp must be connected to the sewer system in the future, additional analysis will be required in the form of an additional or supplemental feasibility study; this would likely result in a secondary sewer line being installed to accommodate flows from the balance of the site, and may also require the size of the sewer main to be increased at the camp's expense.

This project lies outside of the District Service Area and requires annexation to the District, the execution of an outside service agreement, or the property would be required to be brought into the District Service Area through the consolidation process; as the consolidation process will be lengthy, this may not be a viable option for Pali Mountain.

This study did not address water needs or usage as we understand the site to contain its own well and distribution system on-site. This study has been prepared to determine sewer flows for proposed improvements for the Pali Mountain Camp/Adult Conference Center (referred to hereafter as Development or Camp) located at 30778 Highway 18 in the Running Springs California area, as well as annexation fees, in-lieu of tax charges, fire protection charges, and capital facility charges, and is not suitable for use by others. The study is based upon architectural plans submitted by Jonathan L. Zane Architecture dated June 12, 2011. The following are our findings and recommendations for providing services to the proposed development.

PROJECT

Pali Mountain Camp/Adult Conference Center
APNs 0328-042-15, 16 & 17 73.2 ± Acres

ZONE

Resource Conservation (RC)
Camp – Vacant

PROJECT INFORMATION

The overall proposed improvements will cover a dining/conference center (29,005 square feet), 10 cabins 18,720 square feet total), a restroom (440 square feet), and an office (1,118 square feet). Existing facilities cover 38 buildings for a total of 46,899 square feet, as well as miscellaneous recreational outdoor amenities. Upon completion of the proposed improvements, the site will provide for a maximum of 520 campers and 55 staff in 55 buildings (95,064 square feet) on 73.2 ± acres of land. The proposed project improvements to be connected include the dining/conference center and six (6) of the ten proposed cabin clusters.

WATER DEMAND

Domestic water service has not been reviewed or analyzed as a part of this study.

FIRE FLOW/FIRE PROTECTION

Fire Flow has not been included with this study, but the cost for District provided Fire Protection Services has been included as a necessary part of the annexation/outside service agreement requirements.

SEWAGE DISPOSAL

Two questions have been asked by Mr. Lees; 1) can the sewer connection occur anywhere along the system (yes, but with caveats); and 2) can the effluent be pumped from only the new buildings to the top of Nob Hill with a client estimated peak flow of 20,533 gallons per day and an average flow of 15,533 gallons per day (again, yes, but with caveats).

Connecting to the District's sewer collection system is possible but would require considerable construction costs by the Developer. The nearest sewer main is along the east

side of Highway 18; however the elevation of the sewer is too high to service the development by gravity. The District has sufficient capacity in their sewage collection systems to convey and treat wastewater from the Development.

Before connecting to any point on the system, we needed to assess what the actual flow would be based on construction per the plans submitted to the County for approval. Based on the California Plumbing Code standards, we determined the actual average daily flow to be 34,900 gallons per day (gpd). The elevation of the proposed cabin cluster site is approximately 6,250 feet mean sea level (MSL), and the elevation of proposed dining center site is 6,175 feet MSL. A review of the District's Sewer Master Plan indicated the nearest manhole to be located to the north end of the District sewer main; the manhole has a rim elevation of 6,327 ft and an invert elevation of 6,321 ft, which is 152 ft higher than the proposed development site. The portion of Highway 18 that fronts the camp site has elevations ranging from 6,270 ft to 6,330 ft, which are still higher than the proposed dining hall or cabins. The first manhole that would accommodate a gravity sewer connection lies in close proximity to Lift Station No. 5, some 2,200 linear feet from the north end of the District sewer main; please refer to Figure 1 in Appendix A-1 attached.

Based on our analysis, a lift station is required. The sewage pumps would need to be sized correctly to accommodate the required flow; this would need to be performed by an engineer selected by the camp, preferably the engineer that assists with the collection system on-site. The District would need to specify to the camp that the lift station and collection system would be part of a private system and not a part of the District system; the camp would be required to comply with regularly scheduled maintenance and operation of their system in order to keep sewer gases and odor impacts on the surrounding neighborhoods to a minimum. The selected engineer will need to address and incorporate hydrogen sulfide gas build-up safe guards, odor elimination safe guards, etc. It is recommended that the design engineer and operation staff consult with the Collections Supervisor on the best settings and run time adjustments for the lift station.

It should be also noted that the District will need to have access to the site of the lift station to monitor the wet well on a periodic basis in order to prevent nuisance complaints from the surrounding neighborhood. The lift station will require the installation of a flow meter and recorder; the Developer will be required to verify flows to the District on a monthly basis. The flow meter and recorder will need to be calibrated on an annual basis by a licensed flow meter company.

As lift station odor control is a major concern for the nearby residents, the design engineer will need to establish a method for controlling the odor. Periodic adjustments to the lift station's operations and operational procedures will be needed to ensure that fats, oils and grease (FOG) do not accumulate within the system and to keep the system from becoming septic.

As Figure 1 shows five (5) separate connection points, a few items must be considered during the design before a final alignment has been selected. CLAWA has a water connection along Stage Coach Road; any parallel sewer line would need to meet California Public Health Standards for water/sewer line separation which may not be feasible depending on prior rights of other utilities within this roadway. In addition, Lift Station No. 5 discharges into a gravity manhole utilized by the County to inject 5,000 to 6,000 gallons of leachate into the sewage system on a fairly regular basis which may impact Lift Station No. 5's pumping efficiency on a periodic basis. As such, the proposed lift station for the camp will need to be designed around these considerations.

In addition to the points listed above, the District will need to consider the chosen connection point from the following perspective:

1. How much and what type of flow will actually be introduced into the system
2. What is the accessibility of the chosen point of connection

The quantity and type of flow will have an impact not only on the downstream lift stations and manholes, but the treatment plant as well. An overly septic discharge into the sewage system may require different operational procedures to be utilized at the treatment plant since the plant is not a conventional activated sludge treatment plant, but rather a Membrane Bio-Reactor system instead. With respect to item no. 2, a few of the listed alternatives have steep hill sides, or difficult to access back lot easements for maintenance which would create problems in an emergency or line break. As with all steep slopes, some alternatives may increase the velocity of the sewage to an extent that would create air pressure that may escape through the roof vents of the connected residential units thereby creating the need for the District to install backflow devices at the house connections at its expense to alleviate the issues and problems that would arise from such odors.

The camp would also need to comply with the District SSMP and FOG program pertaining to the operation of the proposed kitchen; a grease trap interceptor has been included on the plans.

District Resolution No. 2-87 provides that annexation to the District is required prior to providing services. Resolution 2-87 further provides that if it is not practical to annex to the District, the Board of Directors may find that services can be provided to the Development upon execution of an Outside Services Agreement. As stated above, the Development is outside the Running Springs Water District boundary. It is, however, within the District's Sphere of Influence as approved by the Local Agency Formation Commission (LAFCO).

District Resolution No. 2-87 stipulates that a single family residential unit equates to 20 plumbing fixture units as defined in the California Plumbing Code and developments not assigned units of benefit shall be calculated by using 20 plumbing fixture units per equivalent dwelling unit (EDU). The plans for this Development list 187 plumbing fixture

units for the kitchen area and 42 plumbing fixture units for each cabin. Accounting for the dining/conference center and six (6) of the 10 cabin clusters, this equates to a total of 439 plumbing fixture units or 21.95 EDUs:

$$439 \div 20 = 21.95 \text{ EDUs}$$

Resolution 2-87 – paraphrased for brevity

Section 3 – Sewer Service

The District may provide sewer to areas outside but adjacent to the District’s boundaries on the terms and conditions contained in Part 3 of this resolution. The District shall provide sewer service if there is sufficient excess capacity in the system to provide such service without jeopardizing the District’s ability to provide adequate service to the users within the District Boundaries. The outside user shall, at its own cost, install a sewer system which shall be connected to the District’s system in accordance with District Standards in effect at the time the request to provide services has been made. The outside user shall, at its own cost and expense, obtain all easements necessary across real property belonging to other parties in order to connect to the District’s system.

Prior to the connection of the on-site system, the District will conduct an assessment of the outside user’s system in order to determine the number of units which will be assigned for fee assessment. Twenty (20) drainage fixture units (DFUs) will equate to one dwelling unit (EDU) for the purposes of fee calculation.

The outside user will pay to the District the following fees and charges:

Unit of Benefit Charge (Section 3.5.1) – Prior to connection to the District system, the outside user shall pay to the District the then prevailing “unit of benefit charge” for each separate connection made to the District’s system for each parcel of land to be served by the on-site collection system, where a separate parcel of land is defined as a lot or parcel that is separately delineated or described in the official subdivision or parcel maps in the official records in the office of the County Recorder of San Bernardino County. Until revised by subsequent ordinance or resolution by the District’s Board of Directors, the “unit of benefit charge” shall be \$1,250.00 for each separate connection for each separate parcel of land.

Connection Fee (Section 3.5.2) – Prior to connecting to the District system, the outside user shall pay to the District the current prevailing connection fee in force at the time the request to connect to the system has been made.

Annual In-Lieu-of-Taxes (Section 3.5.4) – The outside user shall pay to the District during each fiscal year (July 1 through June 30) an in-lieu-of-taxes charge. This charge is determined by the District’s current total property value, current property taxes allocated

by San Bernardino County, percentage of District Department tax allocation, and the full property of each unit served.

Resolution 6-00 – paraphrased for brevity

As a precondition to annexation, et al, property to be included shall be charged a Capital Facilities Fee of \$1,555 per EDU which shall be used by the District only for construction, replacement and repair of District facilities and equipment.

Resolution 7-00 – paraphrased for brevity

As a precondition to annexation, et al, property to be included shall be charged a Fire Protection Fee of \$735 per EDU which shall be used by the District only for continued provision of fire protection, rescue, emergency medical treatment, paramedic and other directly related emergency services, for the purchase, maintenance and repair of equipment necessary therefore.

Resolution 09-11 – paraphrased for brevity

Section 14 – Sewer Facilities Capacity Charge

The base fee for connecting to the District’s sewer system shall be \$5,331.00 for each EDU or portion thereof, based on the current DFU table in the currently adopted County/State Plumbing Code. The Sewer Facilities Capacity Charge shall apply both inside and outside the District Boundary.

If the connection to the District’s system does not occur within one (1) year after issuance of the sewer connection permit, the permittee may pay the increase in the Sewer Facilities Capacity Charge which will renew the permit for an additional year, or the fees paid shall be returned to the permittee, less a \$50.00 administration fee which the District shall retain. Thereafter, the customer shall reapply for a sewer connection permit upon payment of the Sewer Facilities Capacity Charge in effect at the time of reapplication.

Section 16 – Sewer Service Outside the District

Customers receiving sewer service outside the District Boundaries will be charged for such service in accordance with the District’s Policy for Sewer and Water Service outside the District as established by resolution as ordered by the Board of Directors. Currently, sewer bills are based on a percentage of the water consumed pursuant to other District Resolutions. As the Developer will be using on-site well water, the District cannot establish a percentage as the base rate for the monthly sewer charge. As a separate Resolution as defined by this section does not currently exist, a modified interim stop-gap measure can be found in Section 18 of this same resolution until the Board of Directors can pass a supplemental Resolution to address this particular item.

Section 18 – Service Charge for Pre-Treated Groundwater Discharge into the District’s Sewage Collection System – MODIFIED

Provisions shall be provided for the District to measure via a flow meter and recorder that shall be calibrated annually at the outside user’s expense. The applicant shall pay a monthly service charge to the District based on the following formula:

$$\begin{aligned} 80 \text{ gpcd}^{(1)} \times 2.6 \text{ (persons per dwelling)} &= 208 \text{ gallons per day}^{(2)} \\ 208 \times 30.4 \text{ days} &= 6,323 \text{ gallons per month} \\ \text{Current Monthly Sewer Charge as set by current Resolution} \div 6,323 &= \$ \text{ per gallon} \\ \text{Wastewater Pollution Control Plant Loan Repayment Fee} &= \$3.00/\text{month}^{(3)} \end{aligned}$$

⁽¹⁾ gpcd = gallons per capita per day

⁽²⁾ As set forth in the District’s design criteria

⁽³⁾ May be adjusted with other District fees on an annual basis in accordance with Prop. 218

The reduction cited in the Resolution shall not apply in this case since the reduction is for treated groundwater, not domestic waste. This is a fair measure for calculation of the monthly service charge since the Developer will be utilizing on-site well water for the source of producing sewage flows.

1. Unit of Benefit Charge

Resolution 2-87 establishes a “unit of benefit charge” in the amount of \$1,250.00 per connection for each parcel served. While there are three (3) parcels being served with this Development, only one (1) connection has been considered. to provide services outside the current District Boundary. The total Unit of Benefit Charge for this Development would be:

$$1 \text{ connection point} \times \$1,250 = \$1,250.00$$

2. Capital Facilities Charge

Resolution 6-00 establishes a total charge of \$1,555.00 per EDU to provide services outside the current District Boundary. The charge is the developer’s fair share to pay for capital improvement costs already incurred by District taxpayers. The total Capital Facilities Charge for this Development would be:

$$21.95 \text{ (EDUs)} \times \$1,555 = \$34,132.25$$

3. Fire Protection Charge

Resolutions 7-00 establishes a total charge of \$735.00 per EDU to provide for a fire protection annexation charge for property not within the current District Boundary. The charge is the developers fair share to pay for capital improvement costs already incurred by District taxpayers. The total Fire Protection Charge for the Development would be:

$$21.95 \text{ (EDUs)} \times \$735 = \$16,133.25$$

4. Sewer Facilities Capacity Charge

Resolution 9-11 establishes a total charge of \$5,331.00 per EDU for connection to the District's sewer system. The Total Sewer Facilities Capacity Charge would be:

$$21.95 \text{ (EDUs)} \times \$5,331 = \$117,015.45$$

5. Monthly Sewer Fees

A modification to Section 18 of Resolution 9-11 would set the monthly service charge to the District based on the following formula:

$$\begin{aligned} 80 \text{ gpcd} \times 2.6 \text{ (persons per dwelling)} &= 208 \text{ gallons per day} \\ 208 \times 30.4 \text{ days} &= 6,323 \text{ gallons per month} \\ \$27.45 \div 6,323 &= \$0.0043 \text{ per gallon based on meter/recorder readings} \\ \text{Wastewater Pollution Control Plant Loan Repayment Fee} &= \$3.00/\text{month} \end{aligned}$$

Based on the estimated flow of 34,900 gallons per day the monthly service fee would be:

$$(365 \div 12 \text{ days}) \times 34,900 \text{ (gal/day)} \times \$0.0043 \text{ (per gal)} + \$3.00 = \$4,565.13$$

6. In Lieu of Taxes Charge

Resolution 2-87 contains a formula to establish an annual in-lieu of taxes charge which would be applicable to this Development. The formula for the in-lieu charge is (the County Tax Allocation \div District's Full Property Land Value) \times Developer's Land Value \times the Percentage of Property Tax allocated to each Department, or:

1. $(\$ \text{ County Tax Allocation} / \$ \text{ RSWD Land Value for whole District}) = \text{Tax Ratio}$
2. $\text{Tax Ratio} \times \$ \text{ Pali Mountain Land Value} \times \% \text{ Allocated by Department} = \text{In-lieu Charge}$

County tax allocation (2010/11)	\$ 1,760,981.92
RSWD full property value (2010/11)	\$ 489,115,993.00
Development land value (2010/11)	\$ 343,617.00
Fire Department tax allocation	100%
Water Department tax allocation	0%
Sewer Department tax allocation	0%

The estimated in-lieu of taxes for providing fire protection to the Development would be:

$$\frac{1,760,981.92}{489,115,993.00} = 0.0036$$

$$\text{In Lieu of Tax Charge} = 0.0036 \times 343,617 \times 1.00 = \$1,237.14 / \text{year}$$

The estimated in-lieu of taxes for providing water service to the Development would be:

$$\frac{1,760,981.92}{489,115,993.00} = 0.0036$$

$$\text{In Lieu of Tax Charge} = 0.0036 \times 343,617 \times 0.00 = \$0 / \text{year}$$

The estimated in-lieu of taxes for providing sewer service to the Development would be:

$$\frac{1,760,981.92}{489,115,993.00} = 0.0036$$

$$\text{In Lieu of Tax Charge} = 0.0036 \times 343,617 \times 0.00 = \$0 / \text{year}$$

RECOMMENDATIONS

Annexation or an Outside Service Agreement will require LAFCO concurrence as well as payment of the appropriate fees to the Agency. Pali Mountain will need to determine which process will be less expensive to pursue. Consolidation between the District and CSA 79, Green Valley Lake would bring Pali Mountain into the District Boundaries and would eliminate a number of the required fees, but consolidation at this point is not within the proposed construction time frame for the project. As such, if Pali Mountain chooses to continue with the project improvements as noted within the immediate future, the above fees will need to be considered in the overall planning budget.

However, if the improvements could be deferred until after consolidation has been completed, it would be more economically feasible.

A private on-site sewage collection system would be required to be constructed by Pali Mountain in accordance with one of the methods outlined in Appendix A-1. It is our belief that Alternate No. 5 is the most economically viable method for connection to the District Collection System. However, Pali Mountain's Engineer of Record may utilize any of the five (5) analyzed methods for connection to the system based on the Engineer's own judgment and the overall usage and desire of the Camp/Adult Conference Center. In addition, the design engineer needs to review the alternatives as described previously as well as include a flow meter and recorder for the wet well.

All off-site improvements shall be constructed at the Developer's expense in accordance with the District's Rules, Regulations, Policies, Procedures, Resolutions and Standards.

If the above conditions are met, it is my opinion that the District has capacity to provide sewer service for the proposed improvements; a will serve letter will need to be issued once an agreement has been reached between the District and Pali Mountain before the County will issue final approval of the proposed improvements.

Should you have any questions, please contact me at 909.890.1255.

Very truly yours,



Brian K. Thomas, P.E.
District Engineer



Appendix A-1
Pali Mountain Camp/Adult Conference
Center
Sewer Connection Analysis Synopsis

EXECUTIVE SUMMARY

Engineering Resources of Southern California, Inc., (*ERSC*) was requested to review the viability of connecting proposed improvements to the sewer collection system operated by the Running Springs Water District (RSWD or District). The study is based upon architectural plans submitted to the County Building Department by Jonathan L. Zane Architecture which were dated June 12, 2011; plans have not been approved by the County, but are not anticipated to change. Changes to the plans in fixture units, sizes or quantities will render the analysis invalid; small/minor decreases will not adversely affect the analysis, but large decreases or any increase will have negative affects on the completed analysis which will need to be revised at additional cost.

An additional 4 sets of two-story cabins (Buildings #78 to 81, 96 guest beds), a public restroom (Building #77) and an office building (Building #82) have been planned for as future improvements but have not been included in the analysis at this time. While Table 1, herein contained, includes flow data for these new improvements as well as the ultimate flow based on contribution from the entire camp/adult conference center, our hydraulic models were based on the flow contributed by the considered improvements only at the request of the owners of Pali Mountain and direction of the District. In the event they are constructed at a future date, additional analysis will be required to determine the impact of the new facilities on the installed system; it is anticipated that a separate lateral and connection point will be required to accommodate these future improvements.

A meeting was held January 19, 2012 to discuss the actual number of cabins versus how the cabins were viewed and treated for analysis. The EDU/DFU numbers have been revised to reflect the results of this meeting and are shown in orange bold italic font. The higher EDU count resulted in over calculation of fees charged to the Developer.

Domestic Water and Fire Flow Demands were not a part of our analysis and have not been included in this synopsis.

As part of our investigation and analysis, *ERSC* reviewed sewer flows and terrain conditions for five (5) sewer connection alternatives to the District's sewer system. Analysis included two gravity line connections and three force main connections. *ERSC* used H2OMap Sewer Pro modeling software to complete hydraulic analysis for each potential connection in order to determine the impact on the District's sewer system. *ERSC* has concluded that the preferred connection is Alternate No. 5 which includes the construction of a sewer lift station and installing an approximately 2,100 linear feet of 6-inch force main connected to the District's 8-inch sewer main on Highway 18; a manhole will be required for the transition between the proposed force main and the existing sewer main. A flow meter and recorder will need to be installed on the lift

station wet well regardless of the alternative chosen. Alternative No's 2, 3 and 4 are the least favorable due to steep slope of proposed sewers and difficulty in accessing the sewer lines in the event of failure or emergency.

INTRODUCTION

The Pali Mountain Project is a Camp/Adult Conference Center located at 30778 Highway 18, Running Springs, California 92382, along the northerly boundary of the Running Springs Water District. The property has an area of approximately 73 acres and includes 38 existing buildings with a total area of 46,899 square feet (sf), a proposed dining/conference center with an area of 29,005 sf, 10 proposed cabin buildings with a total area of 1,872 sf each, a proposed public restroom with an area of 440 sf, and a proposed office building with a total area of 1,118 sf. Existing and proposed facilities, 55 buildings with a total area of 95,064 square feet (sf) will be available to provide services to a total maximum number of 520 campers and 55 staff.

A meeting was held January 19, 2012 to discuss the actual number of cabins versus how the cabins were viewed and treated for analysis. The EDU/DFU numbers have been revised to reflect the results of this meeting and are shown in orange bold italic font. The higher EDU count resulted in over calculation of fees charged to the Developer. The original EDU/DFU numbers have been struck through and replaced as noted.

Based on a review of the submitted plans, each cabin contains 12 showers, 12 lavatory sinks and 12 water closets (toilets). Pursuant to the California Plumbing code, each fixture is to be assigned a drainage fixture unit (DFU) number which can be converted into an Equivalent Dwelling Unit (EDU) for fee structure usage. Each water closet has been assigned a DFU of 4, each lavatory sink has been assigned a DFU of 1 and each shower has been assigned a DFU of 2. As such, each cabin has been assigned a total DFU of 42. Combined with the kitchen components, we have determined the Total DFU for the proposed improvements to be 439. RSWD Resolution 2-87 has stipulated that 20 DFUs are equivalent to 1 EDU. As such, the proposed project improvements would equate to 21.95 EDUs for fee calculations.

Sewage from the existing 38 on-site buildings, which include 19 sets of cabins or 342 guest beds, is treated on site with an existing leach field. Proposed improvements include a new dining center (Building #70 as noted on the plans provided for review) and 6 sets of two-story cabins (Buildings #71 to 76, which include 144 guest beds). The sewage from these new improvements will be conveyed to RSWD's sewer system pursuant to subsequent agreement with or annexation to RSWD.

The property is located at a relatively low elevation and is surrounded by relatively high elevations to the north, west and south of the property. Ground elevations of the

property range from 6,100 to 6,450 feet mean sea level (MSL). The ground elevation of the proposed dining center is approximately 6,175 MSL while the ground elevation of the proposed cluster of cabin buildings is approximately 6,250 MSL. The ground elevations of the future developments including the proposed restroom, office and 4 sets of cabin buildings range from 6,150 to 6,220 MSL. The locations and elevation information of the new developments can be found in Figure 1. Highway 18 to the west ranges in elevations from 6,270 to 6,350 MSL; as District sewer collection facilities and reasonable connection points are located within Highway 18, they are subsequently higher than the proposed improvements.

FLOW RATE ANALYSIS

ERSC examined Pali Mountain Project’s plumbing plans in order to determine the sewer flow rates based on California Plumbing Code (Table K-3, Estimated Waste Sewage Flow Rates), as well as Running Springs Water District Sewer Master Plan (for residence flow rate estimate). The results are presented in Table 1.

Table 1 differentiates three flows: New, Future New and Ultimate. New indicates the sewer flow of the proposed improvements (i.e., the new dining center and 6 sets of cabin buildings). This is the flow that Pali Mountain is planning to convey to RSWD’s sewer collection system at this time and under this project.

Future New indicates sewer flow from the proposed future improvements, i.e., the additional 4 sets of cabin buildings, a public restroom and an office building as noted on the submitted plan.

Ultimate indicates combined sewer flow for the existing facilities as well as new and future improvements located at the site. Ultimate flow is not a simple summation of the existing facility flow and future facility flow since the existing Lodge/Dining Facility (Building #22) will no longer serve in its current capacity once the new dining center is completed.

Table 1. Pali Mountain Project Flow Rate.

Facility Type	Unit	Unit Flow Rate (gal/unit day)	Quantity			Flow Rate (gal/day)		
			New	Future New	Ultimate	New	Future New	Ultimate
Cabin	Bed	60	144	96	575	8,640	5,760	34,500
Dinning Center	Employee	20	11	0	11	220	0	220
--Toilet	Customer	7	1,860	0	1,860	13,020	0	13,020
--Kitchen Waste	Meal	7	1,860	0	1,860	13,020	0	13,020

Public Restroom	Sq Ft	0.1	0	440	1,016	0	44	102
Office*	Employee	20	0	13*	100	0	260	2,000
Residence	Residence	105**	0	0	1	0	0	105
Average Daily Flow In Total						34,900	6,064	62,967

* The number of employees working in the new office is assumed proportional to the office floor area.

** Based on 2008 Running Springs Water District Sewer Master Plan.

CONNECTION ALTERNATIVE ANALYSIS

H2OMap Sewer Modeling was used for hydraulic analysis to determine the proper piping and subsequent impact of Pali Mountain’s sewer load on RSWD’s current and future (Year 2018 and Year 2028) sewer systems. Each modeling scenario includes dry weather (from June to November) conditions and wet weather (from December to May) conditions for Years 2011, 2018 and 2028. The five (5) connection alternatives are shown on Figure 1 at the end of the Appendix.

This study presents five connection alternatives. Alternatives No. 1 and No. 2 are gravity line connections, in which sewage from the new dining center and the 6 sets of cabins are assumed to be collected in a new manhole (rim elevation 6,175 feet, invert elevation 6,170 feet) at a low point in Pali Mountain. The sewage would then be conveyed by gravity to one of RSWD’s nearby sewer mains. The Computer Models allocated gravity flow as peakable flow, which means the flow can vary from hour to hour with a day pattern. Our models used a peaking factor of 2.4. Alternative No’s 3, 4 and 5 are force main connections, in which the sewage is assumed to be collected in a sewer lift station/wet well (rim elevation 6,175 feet, invert elevation 6,160 feet) and then pumped to a connection point as noted on Figure 1.

Design considerations to be considered by Pali Mountain’s Engineer include a four (4) to six (6) hour maximum detention time for any wet well/lift station considered; one pump with a back up pump is required. The minimum force main size is 4-inch, but a 6-inch force main is highly recommended to reduce head and friction losses in the pipe. In addition, the use of a grinder pump that would limit masses to 3-inch maximum diameter spheres is highly encouraged and recommended. The design engineer is also cautioned that Lift Station No. 5 located downstream of any one of the proposed connection points has a maximum capacity pumping limit of 350 gallons per minute (gpm). In addition, at various times during any given week, approximately 6,000 gallons of leachate are introduced at an injection point in a gravity manhole to which Lift Station No. 5 discharges; this may affect the pumping efficiency of the Lift Station with the additional camp load, but not to any significant detriment. These limitations must be considered and included as part of Pali Mountain’s overall design scheme.

ALTERNATIVE No. 1 - GRAVITY LINE EAST

In Alternative No. 1, sewage is collected at a manhole (rim elevation 6,175 feet, invert elevation 6,170 feet) at a site within the Pali Mountain Improvement area and drained by gravity through approximately 6,520 feet 8-inch gravity line to RSWD's Manhole No. 165 (invert elevation 6,139 feet). The gravity line goes east and south generally along the contour lines and an unpaved road. For this length of pipe, 22 manholes would be required for maintenance and cleaning; this does not include any easements from private property owners along the suggested route.

Modeling results indicate that piping of Alternative No. 1 is hydraulically feasible, and that the sewer load impact to RSWD's system is acceptable under all modeling scenarios. However, due to the length of piping, the number of manholes required, and the difficulty of gravity pipe installation within this area, this alternative is not economically feasible. Based on our prior experience in the District, we have used a unit cost of 8-inch sewer pipe installed of \$300 per linear foot (plf), and a unit cost of \$5,000 per manhole; the estimated cost of Alternative No. 1 is \$1,956, 000 for the pipe and \$110,000 for the manhole construction for a total cost of \$2,066,000 and **does not include the cost of any needed easements**. For budgeting, we would use a figure of \$2.1 Million.

ALTERNATIVE No. 2- GRAVITY LINE WEST

In Alternative No. 2, sewage is collected at a manhole at a site within the Pali Mountain Improvement area (invert elevation 6,170 feet) and drained by gravity through approximately 4,620 feet 8-inch gravity line to RSWD's Manhole No. 210 (invert elevation 6,120 feet). For this length of pipe, 16 manholes would be required for maintenance and cleaning; this does not include any easements from private property owners along the suggested route.

Modeling indicates that piping of Alternative No. 2 is hydraulically feasible, and that the sewer load impact to RSWD's system is acceptable under all modeling scenarios. While Alternative No. 2 is shorter in length compared to Alternative No. 1, terrain conditions are more severe and steep; maximum flow rates may be exceeded and maintenance will be difficult and dangerous and is not an ideal consideration or option. Based on our prior experience in the District, for this area we have used a unit cost of 8-inch sewer pipe installed of \$375 per linear foot (plf) to cover the costs of a carrier pipe and jacking, and a unit cost of \$5,000 per manhole; the estimated cost of Alternative No. 2 is \$1,732, 500 for the pipe and \$80,000 for the manhole construction for a total cost of \$1,812,500 and **does not include the cost of any needed easements**. For budgeting, we would use a figure of \$1.9 Million.

ALTERNATIVE No. 3 - FORCE MAIN EAST

In Alternative No. 3, sewage is collected at a sewer lift station/wet well (invert elevation 6,160 feet) at a site located within the Pali Mountain Improvement area and pumped approximately 1,413 linear feet via a 6-inch force main to a new manhole at the current location of RSWD's Clean Out No. 43 (invert elevation 6,432 feet).

Modeling results indicates that the Alternative No. 3 sewer load impact on the system is acceptable under all modeling scenarios. A typical lift station will require two pumps; one for the primary system and one to provide back up service.

Piping of Alternative No. 3 has to bypass the location of two water tanks (owned by Crestline-Lake Arrowhead Water Agency and RSWD, respectively). In addition, CLAWA has a water connection along Stage Coach Road; any parallel sewer line would need to meet California Public Health Standards for water/sewer line separation which may not be feasible depending on prior rights of other utilities within this roadway.

Our estimated cost of the lift station, including the required electrical and back up systems, is \$325,000. Our estimated cost for the 6-inch force main is \$275 plf for an estimated cost of \$388,575. The replacement cost of Clean Out No. 43 with a new manhole is \$5,000. The total estimated cost for Alternate No. 3 is \$718,575 and **does not include the cost of any needed easements**. For budgeting, we would use a figure of \$725,000.

ALTERNATIVE No. 4 - FORCE MAIN MIDDLE

In Alternative No. 4, which is similar to Alternative No. 3, sewage is collected at a sewer lift station wet well (invert elevation 6,160 feet) at a site located within the Pali Mountain Improvement area and pumped approximately 1,583 linear feet via a 6-inch force main to a new manhole at the current location of RSWD Clean Out No. 40 (invert elevation 6,429 feet).

Modeling results indicates that the Alternative No. 4 is hydraulically acceptable under all modeling scenarios. As stipulated in Alternative No. 3, a typical lift station will require two pumps; one for the primary system and one to provide back up service.

Our estimated cost of the lift station, including the required electrical and back up systems, is \$325,000. Our estimated cost for the 6-inch force main is \$275 plf for an estimated cost of \$435,325. The replacement cost of Clean Out No. 40 with a new manhole is \$5,000. The total estimated cost for Alternate No. 3 is \$765,325 and **does not include the cost of any needed easements**. For budgeting, we would use a figure of \$775,000.

ALTERNATIVE No. 5 - FORCE MAIN WEST

In Alternative No. 5, sewage is collected at a sewer lift station wet well (invert elevation 6,160 feet at a site located within the Pali Mountain Improvement area and pumped approximately 2,122 linear feet via a 6-inch force main to a new manhole at the current location of RSWD Clean Out No. 2 (invert elevation 6,321 feet).

Modeling results indicates that the Alternative No. 5 is hydraulically acceptable under all modeling scenarios. As stipulated in Alternative No. 3, a typical lift station will require two pumps; one for the primary system and one to provide back up service.

Our estimated cost of the lift station, including the required electrical and back up systems, is \$325,000. Our estimated cost for the 6-inch force main is \$275 plf for an estimated cost of \$583,550. The replacement cost of Clean Out No. 2 with a new manhole is \$5,000. The total estimated cost for Alternate No. 3 is \$913,550 and **does not include the cost of any needed easements**. For budgeting, we would use a figure of \$925,000.

Compared to Alternative No's 3 and 4, Alternative No. 5 has a little longer piping but would result in a lower pumping head and lower operating cost. Alternative No. 5 also has an advantage of shorter router to sewage to Lift Station No. 5 as well as the least impact to RSWD's collection system.

SUMMARY

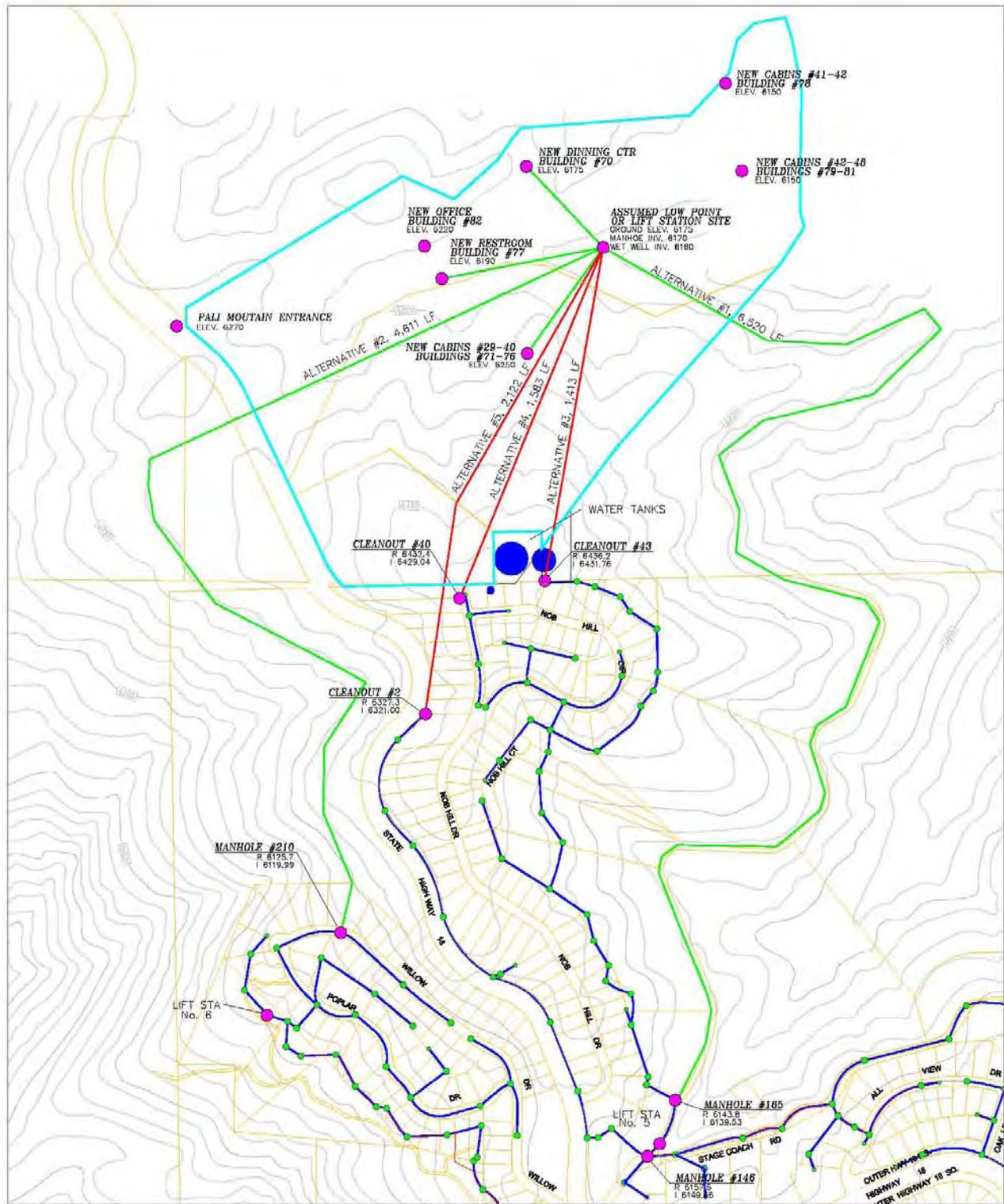
H2OMap Sewer modeling results indicated that all alternatives are hydraulically capable of handling anticipated sewer loads on the District's system under the imposed modeling scenarios (dry weather condition and wet weather condition of Years 2011, 2018 and 2028) if Pali Mountain Improvements are designed correctly.

The gravity line connections as outlined in Alternative No's 1 and 2 are neither economically feasible (\$1.9 Million to \$2.2 Million) and are not feasible from an engineering or construction point of view. The lift station/wet well and force main alternatives (Alternative No's 3, 4 and 5) appear to be the more economical options. **ERSC** recommends **Alternative #5** as the preferred connection to the District's sewer system. This alternative includes building a sewer lift station and installing an approximately 2,100 linear feet of 6-inch force line drained to the RSWD's 8-inch sewer main on Highway 18, and the replacement of a clean out with a new manhole.

It should be noted that the cost estimates presented herein are preliminary and only for the purpose of cost comparison among alternatives and to provide a basis for project budgeting; they have been developed based on costs to the District and may be lower to the Developer based on actual costs not associated with prevailing wage laws.

DISCLAIMER

The findings presented herein are based on limited information from Pali Mountain and are for the sole use of Running Springs Water District and Pali Mountain in their evaluation of the connecting to Running Springs Water District Sewer System. The findings are not intended for use by other parties, and may not contain sufficient information for purpose of other parties or other use. Use of this information by others is expressly prohibited unless authorized in writing by Engineering Resources of Southern California, Inc., and may constitute copy right and intellectual property right infringements.



LEGEND

- | | | |
|---|---|--|
|  EXIST. SEWER GRAVITY MAIN |  EXIST. SEWER FORCE MAIN |  PROPOSED SEWER GRAVITY LINE |
|  PROPOSED SEWER FORCE LINE |  PROPERTY LINE/STREET LINE |  SITE BOUNDARY |
|  HIGHLIGHTED POINT |  MANHOLE, CLEAN OUT |  WATER TANK |

FIGURE 1. PALI MOUNTAIN SEWER CONNECTION ALTERNATIVES

APPENDIX 3

CRESTLINE-LAKE ARROWHEAD WATER AGENCY

A Public Agency
P.O. BOX 3880 PHONE (909) 338-1779
24116 CREST FOREST DRIVE
CRESTLINE, CALIFORNIA 92325

Directors

STEPHEN L. PLEASANT, President
BRUCE D. RISHER
THOMAS L. SUTTON
KENNETH A. EATON
STEVEN D. WOOD

General Manager

ROXANNE M. HOLMES

Assistant General Manager/Board Secretary

JENNIFER A. SPINDLER

September 10, 2013

Kathleen Rollings-McDonald, Executive Officer
Local Agency Formation Commission
215 North 'D' Street, Suite 204
San Bernardino, CA 92415

RE: Pali Mountain Camp/Camp O'Ongo – APN 0328-042-14-0000

Ms. Rollings-McDonald,

This will confirm receipt of a FAXed letter from Andrew Wexler, owner of Pali Mountain Camp, dated September 9, 2013. Their letter indicated they agree and are committed to resolving the Agency's issues regarding the proposed water and sewer pipelines. In accordance with your request and pursuant to Mr. Wexler's letter, the Agency is satisfied that Pali Mountain will comply with all of the Agency's requirements.

If you have any questions, please let me know.

Yours very truly,



Roxanne M. Holmes,
General Manager

Cc: Pali Mountain Camp



Roxanne Holmes
General Manager
Crestline-Lake Arrowhead Water Agency
24116 Crest Forest Drive
Crestline, CA 92325

(909) 338-1779 (phone)
(909) 338-3686 (fax)

9/9/13

Dear Ms Holmes:

We agree and are committed to resolving all issues per page two of CLAWA's list of issues regarding Pali Mountain's proposed water and sewer pipelines:

1. Submit completed plan-profile drawings, along with sections/details, for Pali Mountain's new water and gravity sewer pipelines within CLAWA's easement (crossing under CLAWA's existing 14" pipeline) including for new tank inflow-outflow, new tank overflow-drain pipelines and for new gravity sewer pipeline; including specifying pipe material and pressure class, type and location of joints, elbows, fittings, concrete-encasements, casings, sand-cement batch plant slurry (1-½ sack/cy) permanent backfill-support under CLAWA's pipeline, etc along with applicable construction and testing specifications.
2. Prepare and submit a revised plan for "H₂S Control" at Pali Mountain's proposed M.H. (1+37N, 13+135-FM), including at manhole lid; to prevent any sewage (and/or H₂S) from ever over-flowing southerly towards CLAWA's 14" water pipeline (in the unlikely event of an accidental over-flow at this proposed M.H.); along with written approval of said revised plans by Ryan Gross, G.M. of Running Springs Water/Sewer/Fire District, since we understand that they may in the future O&M Pali's on-site sewer facilities.
3. Obtain written approval for Pali Mountain's proposed crossings of CLAWA's existing 14" water pipeline directly from Brenda Romero, Sanitary Engineering at CDPH (ph 909-383-6029) San Bernardino, CA 92401, for protection of CLAWA's 14" water pipeline.
4. Four (4) or more days in advance of any excavation by Pali Mountain and/or any of their Contractors, on each of these above Pg. 1 & 2 items (or on any other portion of Pali Mountain's subject proposed Project) located closer than 300 feet from any of CLAWA's existing facilities and/or CLAWA's easements or in-fee land; Pali Mountain and/or their Contractors shall initiate USA Underground Alert Tickets, in accordance with Law, providing advance notifications accordingly.

We found nothing insurmountable to the engineering issues presented by CLAWA.

Sincerely,

Andrew Wexler
President/Owner
O-Ongo, Inc. / Pali Mountain

APPENDIX 4



July 22, 2013

Local Agency Formation Commission
215 north D Street, Suite 204
San Bernardino, CA 92415-0490

An Initial Study (IS), Notice of Determination (NOD) and fee receipt was prepared for APN 0328-042-02 Camp Pali (O-Ongo) CUP File Number 10604CU/M243-14/2004/CUP01 by Pat McGuckian of the San Bernardino County Land Use Services Department on November 16, 2004. The original 74-acre camp facility was created in 1939. The facility today has 44 buildings (581,182 square feet) and various recreational amenities such as an open air amphitheater go cart track, horse riding, soccer field and other facilities. The expansion includes the following components:

Construction and use of the 29,005 sq. ft. dining facility, 10 cabins each with a floor area of 1,872 sq. ft., a suspended slide at the existing Lake, a new 150,000 gallon water tank that will replace the existing 50,000 gallon tank, and a 1,118 sq. ft. office for an existing organizational camp and adult conference center for a maximum of 520 guests and 55 staff members on 73.2 acres. In support of the expansion, this project also includes installing water and sewer lines, with two lift stations, and natural gas lines to the new water tank and buildings. The development of this project has accounted for the Fire Marshall's requirement to increase the fire suppression capabilities on site by widening the existing roads to 26 feet wide and by increasing the water line and water storage capacities.

The location of the project is within known habitat for the state listed as threatened southern rubber boa (*Charina umbratica*). To address potential impacts to this species the project proponent coordinated with the California Department of Fish and Wildlife (CDFW). Prior to the issuance of CDFW Operation of Law Letter for the Pali Mountain Upgrades Streambed Alteration Agreement 1600-2012-0041-R6, the permittee had already committed to several measures designed to avoid impacts to the SRB. The measures include:

1. A qualified biologist will conduct a survey on the project area prior to any ground disturbance (including installing exclusionary fencing).
2. The project will utilize standard silt fencing as a non-porous barrier that will enclose the work zones to exclude SRB from entering into the work area.
3. The silt fence will be buried at least six inches below the ground to prevent a snake intent on getting under the fence from doing so.
4. The integrity of the silt fence will be checked every morning and the fence will be repaired as needed.
5. Prior to construction, a biologist familiar with SRB will provide all construction personnel with an environmental awareness class that will outline the natural history of the SRB, the laws concerning this species, the biologists responsibilities and the contractors responsibilities as well as consequences of injuring or killing a SRB.
6. During the initial ground disturbance (brushing, grubbing and grading) a biologist will be on site to monitor.
7. The biologist will then inspect the site on a spot check basis for the remainder of the project. If, in the unlikely event, a SRB wanders into the work area, work will halt until a biologist holding a valid Scientific Collecting Permit to handle SRB can come to the site and move the snake out of harm's way.

In addition to the commitments outlined above the project proponent also commits to visually delineating the entire sewer line and waterline work zone between the new cabins and the water tank and sewer system above, at Knob Hill, so that the leaf litter can be hand raked (with the guidance of a qualified SRB biologist). The alignment will be cleared of leaf litter to bare ground before trenching so the biologist can monitor and ensure no SRB enter the work zone of the sewer alignment.

Sincerely,

Andrew Wexler
President/Owner

Draft Resolution #3177

Attachment 5

PROPOSAL NO.: LAFCO SC#375

HEARING DATE: SEPTEMBER 18, 2013

RESOLUTION NO. 3177

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO SC#375 – LAFCO SC#375 - RUNNING SPRINGS WATER DISTRICT OUT-OF-AGENCY SERVICE AGREEMENT FOR SEWER SERVICE (O-ONGO INC./PALI MOUNTAIN)

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

WHEREAS, Government Code Section 56133 requires the Local Agency Formation Commission to review and approve or deny applications for agencies to provide services outside their existing boundaries; and,

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

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

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

WHEREAS, the public hearing by this Commission was held upon the date and at the time and place specified in the notice of public hearing and in order or orders continuing the hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the contract, in evidence presented at the hearing;

RESOLUTION NO. 3177

NOW, THEREFORE, BE IT RESOLVED, that the Local Agency Formation Commission for San Bernardino County does hereby determine, find, resolve and order as follows:

DETERMINATIONS:

SECTION 1. FINDINGS. The following findings are noted in conformance with Commission policy:

1. The project area encompasses three (3) adjacent parcels (Assessor Parcel Numbers 0328-042-15, 0328-042-16 and 0328-042-17) that make up the camp facility commonly known as Pali Mountain in Running Springs. All three parcels are within the sphere of influence assigned the Running Springs Water District and are anticipated to become a part of that District sometime in the future. The application requests authorization to receive Running Springs Water District sewer service.

The sewer connection is a requirement the Lahontan Regional Water Quality Control Board imposed on the project. Therefore, approval of the Running Springs Water District's request for authorization to provide sewer service is necessary in order to build the project.

In addition, it should be noted that the property owner/developer has committed to perform all the items that the Crestline-Lake Arrowhead Water Agency has requested related to its proposed sewer pipeline that is intended to cross the CLAWA easement.

2. The Running Springs Water District Agreement for the Provision of Outside Sewer Service to O-Ongo Inc./Pali Mountain being considered is for the provision of sewer service by the District to three parcels, Assessor Parcel Numbers 0328-042-15, 0328-042-16 and 0328-042-17, comprising a total of 73+/- acres. This contract will remain in force in perpetuity for these parcels or until such time as the area will be annexed.
3. The fees charged this project by the Running Springs Water District in order to receive sewer service are identified as totaling \$122,459.05 including additional fees that will be charged on a monthly basis (a breakdown of charges is on file in the LAFCO office). Payment of these charges is required prior to connection to the District's sewer facilities. In addition, the property owner/developer shall bear all costs to complete improvements needed to extend the sewer service to the proposed project site.
4. In November 2011 and subsequently in September 2012, acting as the CEQA lead agency, the County of San Bernardino, as a function of its review of the construction and use of a 29,005 sq. ft. dining facility, 10 cabins each with a floor area of 1,872 sq. ft., a suspended slide at the existing lake, a new 150,000 gallon water tank that will replace the existing 50,000 gallon tank, and a 1,118 sq. ft. office for an existing organizational camp and Adult Conference Center for a maximum of 520 guests and 55 staff members on 73.2 acres, prepared an environmental assessment and adopted a Mitigated Negative Declaration which indicates that approval of the project will not have a significant adverse impact on the environment through its development under the Conditions of Approval that has been prepared for the proposed project.

In addition, the Commission's Environmental Consultant, Tom Dodson and Associates, prepared an Addendum to the County's environmental assessment to address extending sewer service to the project that was not a part of the original proposal approved by the County, which also includes a discussion regarding the Crestline-Lake Arrowhead Water Agency easement.

RESOLUTION NO. 3177

The County’s Initial Study and Mitigated Negative Declaration, including the Addendum prepared by LAFCO’s Environmental Consultant, have been reviewed by the Commission’s staff and have found them to be adequate for the service contract decision.

The Commission certifies that it has reviewed and considered the County’s Mitigated Negative Declaration and environmental effects as outlined in the Initial Study, and the Addendum that modifies the County’s adopted Mitigated Negative Declaration, prior to reaching a decision on the service contract and finds the information substantiating the Negative Declaration and Addendum are adequate for its use in making a decision as a CEQA lead agency. The Commission further finds that it does not intend to adopt alternatives or mitigation measures for this project as all changes, alterations, and mitigation measures are within the responsibility and jurisdiction of the County and/or other agencies and are self-mitigating through the Conditions of Approval.

The Commission, as a lead agency, adopts the Addendum that incorporates the previously adopted Mitigated Negative Declaration and addresses the environmental assessment to address extending sewer service to the project that was not a part of the original proposal approved by the County, and finds that this proposal is exempt from the California Department of Fish & Wildlife fees because the filing fee was already paid by the County. The Commission directs its Clerk to file a Notice of Determination for the Addendum within five (5) days with the San Bernardino County Clerk of the Board of Supervisors.

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

SECTION 3. The Local Agency Formation Commission for San Bernardino County does hereby determine to approve the service extension contract submitted by the Running Springs Water District to provide sewer service to the project area, comprised of three (3) parcels identified as Assessor Parcel Numbers 0328-042-15, 0328-042-16 and 0328-042-17.

SECTION 4. The Commission instructs the Executive Officer of this Local Agency Formation Commission to notify the affected agencies that the application identified as LAFCO SC#375 - Running Springs Water District Out-of-Agency Service Agreement for Sewer Service (O-Ongo Inc./Pali Mountain), has been approved.

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

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

RESOLUTION NO. 3177

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

I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of September 18, 2013.

DATED:

KATHLEEN ROLLINGS-McDONALD
Executive Officer

DRAFT

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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

DATE: SEPTEMBER 11, 2013 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #7: Consideration of Contract with the County Information Services Department for Development of a Fiscal Indicators Program for Use in Service Reviews

RECOMMENDATION:

Staff recommends the Commission take the following actions:

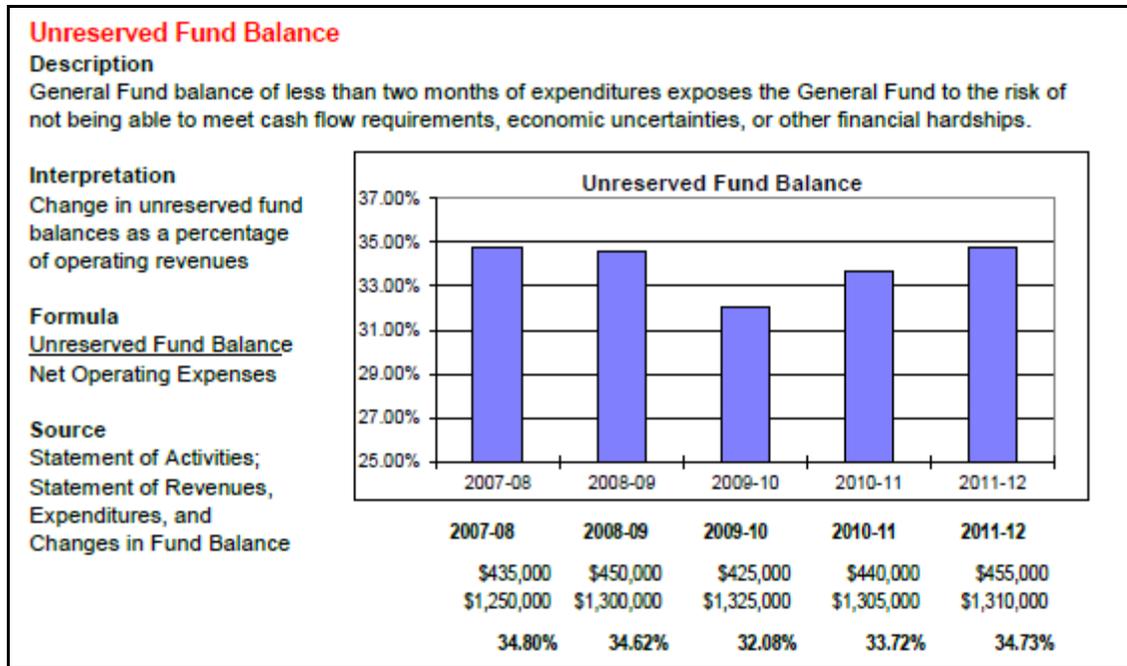
1. Approve the *Fiscal Indicators* project with the County Information Services Department for \$13,179 with a 10% contingency;
2. Direct staff to return at the October 16, 2013 Hearing to fund the \$10,997 for the project through Unassigned Carryover from 2012-13; and,
3. Authorize the Executive Officer to sign the contract with the County Information Services Department.

BACKGROUND:

As a part of the FY 2012-13 budget, the Commission authorized staff to negotiate with Orange LAFCO to acquire access to its *Fiscal Indicators and Shared Services* programs for implementation by our LAFCO. After about nine months, the Executive Officer suspended contract negotiations with Orange LAFCO in June 2013 for licensing of Orange LAFCO's *Fiscal Indicators and Shared Services* program, which has an approved budget authorization of \$3,500. The hurdles encountered for use of the programs were numerous and not feasible for San Bernardino LAFCO such as the development of an additional and dedicated website to run the program, lack of technical support, lack of customization ability, and questions on overall security and maintenance issues. However, the need for the program for implementation of our second cycle Service Reviews remains.

Therefore, LAFCO staff has consulted financial literature and purchased a customized spreadsheet (at minimal cost) that provides for a basic replacement of the Orange LAFCO program. In order to make this data easily accessible to staff as well as the County, cities,

special districts, and the public, staff has consulted with the County’s Information Services Department (“ISD”) to create a streamlined way to display this data. The goal is to make the data easily understandable and accessible to users on LAFCO’s website. A preliminary example of how an indicator would be represented graphically is shown below:



The two components of the project as previously approved by the Commission (*Fiscal Indicators* and *Shared Services*) is proposed to be split into two separate projects. Shared Services will need additional coordination with the County and others before it is ready for presentation. The *Fiscal Indicators* project is ready to move forward at this time and staff is currently conducting a survey with the County, Cities and Special Districts on the fiscal indicators to be included. The method for development of the project through ISD is described below with a recommendation for Commission action.

Fiscal Indicators Project:

ISD has provided a quote and proposed contract outlining the scope of the work, costs, and timing (included as attachments to this report) for the project. The proposed contract identifies that the project will take six weeks to complete which can begin as soon as the contract is signed, for a total estimated cost of \$13,179.

In reviewing the quote, staff believes that the scope, timing, and cost of the project are reasonable. As for funding, the Commission has already allocated \$3,500 for the combined project (*Fiscal Indicators* and *Shared Services*). Additionally, staff identified in the *2012-13 Year-End Financial Report* that at year’s-end there was \$37,692 classified as “Unassigned, Additional Carryover into FY 2013-14”. Staff recommends that should the Commission determine to move forward with this project through ISD, that a 10% contingency be added and the remaining cost of \$10,997 be taken from the additional carryover, as identified below:

Estimated cost of \$13,179 plus 10% contingency	\$14,497
FY 2013-14 Commission approved allocation	(3,500)
Remainder funded from additional carryover in FY 2013-14	(10,997)

Staff would then return at the First Quarter financial review in October to recommend the appropriate changes to the budget to accommodate for the additional carryover and unbudgeted project costs as well as a project status update.

Staff Recommendation:

Staff recommends that the Commission:

- Approve the *Fiscal Indicators* project with the County Information Services Department for \$13,179 with a 10% contingency;
- Direct staff to return at the October 16, 2013 Hearing to fund the \$10,997 for the project through Unassigned Carryover from 2012-13; and,
- Authorize the Executive Officer to sign the contract with the County Information Services Department.

Should the Commission have any questions, staff will be happy to answer them before or at the hearing.

MT/

Attachments:

1. Contract with County Information Services Department identified as "LAFCO Fiscal Indicators Project Charter"
2. County Information Services Department Quote for *Fiscal Indicators* Project

**Contract with County Information
Services Department identified as
“LAFCO Fiscal Indicators project
Charter”**

Attachment 1

Information Services Department

Application Development Division

670 E. Gilbert St. San Bernardino, CA 92415-0915

LAFCO Fiscal Indicators Project Charter

Prepared By:	<i>Erin Jones</i> <i>Information Services Department</i>
Department/Division:	<i>County of San Bernardino</i> <i>670 E. Gilbert, San Bernardino, CA 92415</i>
For Department:	Local Agency Formation Commission for San Bernardino County
Effective Date:	September 5, 2013

Disclaimer: The Project Charter is used to communicate the objectives, roles and responsibilities of a project. When major changes to the objectives, roles or responsibilities occur; the Project Charter will be re-issued with updated current information.

1. Introduction and Background

The Local Agency Formation Commission (LAFCO) tracks financial information for different entities throughout the County. In order to make this data easily accessible to the County, cities, special districts, and the public, LAFCO would like to create a streamlined way to display this data. The goal is to make the data easily understandable and accessible to users of the website.

2. Objectives

- 2.1. Allow for the department to define reports with the following fields
 - 2.1.1. Columns for the report
 - 2.1.2. Graph descriptions
 - 2.1.3. Subsidiary district linking
- 2.2. Create a program that will monitor a location for new files
 - 2.2.1. If a new file is detected, the program will trigger the report generator
- 2.3. Create a project that will generate the reports for the web
 - 2.3.1. The project will read the report definition
 - 2.3.2. Create the report
 - 2.3.3. Save the report in pdf and image format

3. Recommendations

The following procedural recommendations are required to start this project:

- 3.1. Recommend the authorization to proceed with the project defined in the objectives.

4. Roles and Responsibilities

- 4.1. Project Sponsor – Responsible for all financial and final business rule decisions
 - 4.1.1. *Kathleen Rollings-McDonald* – *Executive Officer*
 - 4.1.2. *Samuel Martinez* – *Assistant Executive Officer*
 - 4.1.3. *Michael Tuerpe* – *Project Manager*

Information Services Department

Application Development Division

670 E. Gilbert St. San Bernardino, CA 92415-0915

4.2. ISD Staff – Responsible for project leadership and lead analysis.

4.2.1. *Darrel Harris – Team Leader*

4.2.2. *Martin Perez – Team Leader*

4.2.3. *Erin Jones – Programmer Analyst*

5. Feasibility

5.1. Based on initial evaluation, the project appears to be technically and economically feasible.

5.2. Additional requirements may be needed in order to complete the enhancement.

6. Timeline

6.1. The project can start as soon as the project charter is signed.

6.2. The project will take 6 weeks to complete.

7. Costs and Funding

Estimate of Hours to CPT Project	Standard Dev. Rate for F/Y	Total Estimated Costs (F/Y)	FAS Code	Payment Type
				General Fund Revenue Shared Cost-Split Fixed Price
123	\$107.15	\$13,179.45		Revenue

8. Approvals

The following signature(s) indicate a common understanding of the service request and authorizes the expenditure of funds and the execution of work as described in the recommendations section of this document.

Project Sponsor:

_____ Date _____

**County Information Services
Department Quote for Fiscal Indicators
Project**

Attachment 2

County of San Bernardino
Local Agency Formation Commission
Fiscal Indicators

Published By:



Author(s): Erin Jones

Published On: September 9, 2013

Overview..... 3

Report Generator 4

Web Page Display **Error! Bookmark not defined.**

Estimate..... 6

Overview

LAFCO tracks financial information for different entities throughout the County. In order to make this data easily accessible to the County, cities, special districts, and the public, LAFCO would like to create a streamlined way to display this data. The goal is to make the data easily understandable and accessible to users of the website.

Report Definition

Instead of using a database with user interface, an option to define the reports is to use an XML document. This document will be in a specific format that will allow LAFCO to define the relationship between City/County or Special District and their related entities. ISD will create the XML definition that the Report Generator will use. Fields that will be mapped are:

1. Columns for the specific report data
2. Graph descriptions
3. Subsidiary district linking

Report Generator

The Report Generator is the engine that will create the reports for the website. This will be based on Excel spreadsheets and data field mapping that is defined in the XML document.

The mapping will allow for LAFCO to create more reports independently of a programmer.

The file checker will monitor a central location on the ISD servers where LAFCO will place the Excel files. The process will monitor this area for new or updated files. When it discovers a new or updated file, the file checker will trigger a process that will regenerate the report. The files that are generated will be immediately accessible from the website.

All reports will be based on a generic report format supplied by LAFCO:

CITY OF HESPERIA

Report Generation 8/9/2013

[Print to PDF](#) 

[Data](#)

[To access the Hesperia Fire Protection District, a subsidiary district of the City of Hesperia, click here.](#)

[To access the Hesperia Water District, a subsidiary district of the City of Hesperia, click here.](#)

Unreserved Fund Balance

Description

General Fund balance of less than two months of expenditures exposes the General Fund to the risk of not being able to meet cash flow requirements, economic uncertainties, or other financial hardships.

Interpretation

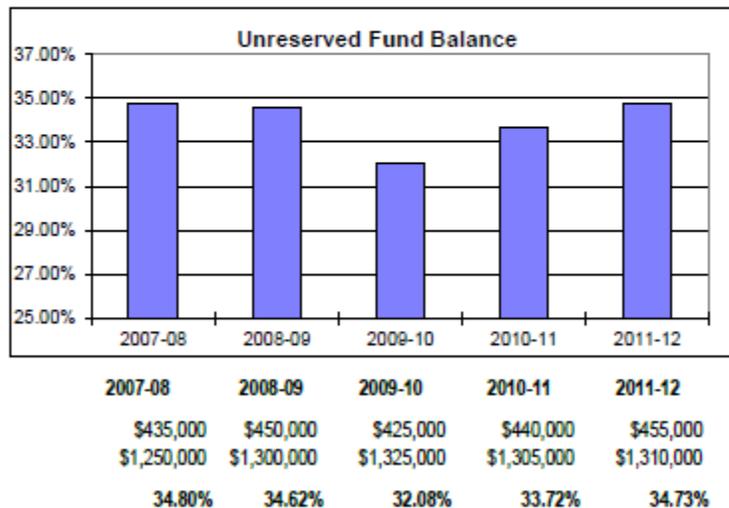
Change in unreserved fund balances as a percentage of operating revenues

Formula

$$\frac{\text{Unreserved Fund Balance}}{\text{Net Operating Expenses}}$$

Source

Statement of Activities;
Statement of Revenues,
Expenditures, and
Changes in Fund Balance



ISD will create this generic report. The report generator will take the generic report and customize the output for each report declared in the mapping.

Estimate

The following estimate provides costs for the requirements outlined in this document.

Description	Total Hours
Report Generator	
Mapping Interface	10
File Checker	40
Dynamic Report Generator	60
Acceptance Testing – First Iteration	
Customer Testing – (2 days)	
Mediate Issues as needed	10
Acceptance Testing – Second Iteration	
Customer Testing – (2 days)	
Mediate Issues as needed	2
Implementation into production	1
Total Estimated Hours:	123
Programming Cost @ \$107.15/hr	
Total:	\$13,179.45

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490
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www.sbclafco.org

DATE: SEPTEMBER 10, 2013
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION



SUBJECT: Agenda Item #8 – Consideration of Response to San Bernardino County Grand Jury Report Related to the Newberry Community Services District

RECOMMENDATION:

Staff recommends that the Commission approve the response to the San Bernardino County Grand Jury Report related to the Newberry Springs Community Services District as follows:

1. Concur with the 2012-13 Grand Jury Final Report Recommendation #15 and determine the option for addressing the information needs identified – Option #1 or Option #2 – as outlined in this report; and,
2. Authorize the Executive Officer to submit the response to the Presiding Judge of the Superior Court outlining the Option chosen to address the recommendation by the deadline of September 28, 2013.

BACKGROUND:

At the August 21, 2013 hearing the Commission reviewed the staff report related to the mandatory response to the 2012-13 Grand Jury Final Report (copy included as Attachment #1) related to the Newberry Community Services District. Recommendation #15 relates to LAFCO and reads as follows (the italics have been provided by LAFCO staff):

“Review suggestions made in its 2009 report (*Service Review for the Communities of Daggett, Yermo and Newberry Springs*) and include more robust analysis of governance and reorganization options for the next Service Review of the District, scheduled for 2014.”

The reorganization options identified in this 2009 report included, among others, is the consolidation of the three CSDs into a single agency, which the staff recommendation supported through a consolidated sphere of influence. The staff's rationale was identified as being that the three CSDs were experiencing governance issues (compliance with audit requirements, budget compliance, etc.) to varying degrees and the consolidation would pool resources to allow for the hiring of professional staff to move them toward compliance. The August staff report provided two options for consideration to respond to the Grand Jury:

OPTION #1 Concur with Recommendation #15 and direct staff to provide a more detailed analysis of the potential consolidation of the District during the second cycle review, anticipated to be 2014 but could be later in time; or,

OPTION #2 Concur with Recommendation #15 and because of the severity of the issues identified direct staff to undertake an off-cycle review of the Newberry Community Services District, as well as the Yermo and Daggett Community Services Districts, to provide a more detailed financial and operational analysis for governance options. The only issue with undertaking this option would be funding since the revenues for service reviews must come from the Commission's mandatory apportionment process, as no fees can be charged for the process.

The key issue of concern for LAFCO staff was the estimated cost of in conducting this special study. At the August meeting staff was directed to see if there were mechanisms to reduce the cost of Option #2, then estimated to be between \$15,000 and \$20,000. Staff has reviewed the cost estimate and identified that in order to provide the necessary information on the actual cost and structure of any governance changes (such as a preparation of a financial and governance analysis including documentation of a future board of directors, etc.), the necessary outreach to the residents and property owners in the area, and the costs of hearings before the Commission, staff believes that \$15,000 is needed. Some of the direct costs associated with the estimates anticipated at this time include:

- Notice to all landowners and registered voters of at least a single community meeting, if not more, and the Commission's consideration. In 2009 the cost for conducting a community meeting and providing individual notice had a direct cost of \$2,144. In addition there would be a charge from the Registrar of Voters to provide the mailing list currently estimated at \$240 per district. The total cost for two mailings would be \$4,768.
- Legal advertising in the Desert Dispatch, the newspaper of general circulation in the area, for the prior service review was \$810. The estimate for legal advertising would be \$1,620 (one community meeting and Commission hearing).
- Travel and salary costs for staff to meet with the staff of each of the districts and possibly needing to develop the information to complete the study \$3,000.

The total of the estimated direct costs are \$9,388. The indirect costs of LAFCO staff, at all levels, to provide the report needed and the presentation to the Commission would consume the remaining \$5,612, for a total cost of \$15,000.

At the July hearing staff identified in the unaudited financial report for Fiscal Year 2012-13 the potential of an additional carryover of \$37,692. Since that time, the final year-end financial reports have been received and this figure has been verified; therefore, there is some additional funding available for this study. LAFCO staff would recommend that if there is an interest in moving forward with a special study of governance options for the three communities, that the cost be divided between LAFCO (\$10,000) and the First District (\$5,000). The First District funding identified in this proposal is for financial assistance to LAFCO staff in gathering and disseminating information on governance options for the three communities. Staff believes that it is extremely important that governance issues be reviewed and discussed within the communities as this will be the last major area of potential developable lands in the I-15 and I-40 corridors for the future, being the gateway to the Mojave Preserve and other federally held lands.

Based upon the Commission's determination of option, staff will prepare the letter response to the presiding judge of the Superior Court and submit by the September 28, 2013 deadline. Should the Commission have any questions, staff will be happy to answer them prior to or at the hearing.

KRM

Attachment – August 12, 2013 Staff Report

August 12, 2013 Staff Report

Attachment

**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
www.sbclafco.org

DATE: AUGUST 12, 2013
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION



SUBJECT: Agenda Item 7 – Consideration of Response to San Bernardino County Grand Jury Report Related to the Newberry Community Services District

RECOMMENDATION:

Staff recommends that the Commission approve the response to the San Bernardino County Grand Jury Report related to the Newberry Springs Community Services District as follows:

1. Concur with Recommendation #15 and direct staff to provide a more detailed analysis of the potential consolidation of the District during the second cycle review; and,
2. Authorize the Executive Officer to submit the response to the Presiding Judge of the Superior Court.

BACKGROUND:

On July 1, 2013, the 2012-13 Grand Jury Final Report was released with a comprehensive review of the Newberry Community Services District (hereafter shown as "District"), copy included as Attachment #1. Referenced in the materials was the Commission's June 2009 service review and sphere of influence update for the District which identified a number of operational deficiencies which were memorialized in LAFCO Resolution No. 3064, copy included as Attachment #2. The action of the Commission was to maintain the District's existing sphere of influence. The Grand Jury report identifies a single finding related to LAFCO, shown on Page 22 of the report, identified as Recommendation #15.

RESPONSE TO GRAND JURY REPORT:

LAFCO is required to respond to Grand Jury Recommendation #15, by September 28, 2013. Recommendation #15 is shown below.

“Review suggestions made in its 2009 report and include more robust analysis of governance and reorganization options for the next Service Review of the District, scheduled for 2014.”

The requirement of Recommendation #15 is to request that the Commission direct its staff to do a more in-depth analysis of the potential for reorganizing the district which was discussed in 2009. As the Commission will recall, the staff recommendation at that hearing on this regional service review was to consolidate the spheres of influence for the four communities – Yermo, Daggett, Newberry and Harvard – into a single sphere of influence signaling the Commission’s intent that a future consolidation should take place. The staff’s rationale was that the consolidation of the three districts would allow for the hiring of professional staff to operate the services needed for the area. At the June hearing, the Newberry CSD representatives and residents were successful in convincing the Commission to retain its autonomy as a separate sphere of influence, copy of minutes included as Attachment #3. Based upon the information outlined in the Grand Jury Report, it is the staff’s position that the Commission has two options to respond:

1. Concur with Recommendation #15 and direct staff to provide a more detailed analysis of the potential consolidation of the District during the second cycle review; or,
2. Concur with Recommendation #15 and because of the severity of the issues direct staff to undertaken an off-cycle review of the district, as well as the Yermo and Daggett Community Services Districts, to provide a more detailed financial and operational analysis for governance change. The only issue with undertaking this option would be funding since the revenues for service reviews must come from the Commission’s mandatory apportionment process, as no fees can be charged for the process. If this is the desired option of the Commission, it could direct staff to seek supplemental funding from the County to assist in preparing this detailed financial analysis.

Staff’s recommendation is that the Commission adopts Option #1 outlined above based upon the financial considerations.

Based upon the Commission’s determination of option, staff will prepare the letter response to the presiding judge of the Superior Court and submit by the September 28, 2013 deadline. Should the Commission have any questions, staff will be happy to answer them prior to or at the hearing.

KRM

Attachments:

1. San Bernardino County Grand Jury Report related to the Newberry Community Services District
2. LAFCO Resolution No. 3064 Making Determinations on LAFCO 3046 – Service Review/Sphere of Influence Update for the Newberry Community Services District
3. Minutes from the June 17, 2009 Commission Hearing

**San Bernardino County Grand Jury
Report related to the Newberry
Community Services District**

Attachment 1

NEWBERRY COMMUNITY SERVICES DISTRICT

BACKGROUND

The Grand Jury received multiple citizen complaints regarding Newberry Community Services District. Issues reviewed were regarding practices, Policy and Procedures and Board actions of the agency.

Due to the numerous issues involved and the detailed information to review, the Grand Jury requested the assistance of an outside consultant. The report that follows is a combination of the Grand Jury and the outside consultant's efforts.

RECOMMENDATIONS

- 13-26. The recommendations within the following report in the Governance Section, numbered 1-3 be responded to appropriately.
- 13-27. The recommendations within the following report in the Accounting and Financial Management Section, numbered 4-7 be responded to appropriately.
- 13-28. The recommendations within the following report in the Internal Controls Section, numbered 8-15 be responded to appropriately.

<u>Responding Agency</u>	<u>Recommendations</u>	<u>Due Date</u>
Newberry Community Services District	1 through 3 4 through 5 8 through 14	09/28/13
LAFCO	15	09/28/13
San Bernardino County Auditor/Controller	6 and 7	09/28/13

NEWBERRY COMMUNITY SERVICES DISTRICT

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Governance.....	1
Accounting and Financial Management.....	7
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Introduction

Purpose

The Grand Jury received multiple citizen complaints regarding Newberry Community Services District's (NCS D or District) activities.

Background

Community Services Districts are special districts provided for in the State Government Code by the California Legislature to enable residents and property owners in California's diverse communities to achieve local governance, provide needed public facilities, and supply public services. Community Services Districts may be any of the following:

1. A permanent form of governance that can provide locally adequate levels of public facilities and services;
2. An effective form of governance for combining two or more special districts that serve overlapping or adjacent territory into a multifunction special district;
3. A form of governance that can serve as an alternative to the incorporation of a new city; or,
4. A transitional form of governance as the community approaches cityhood.

Community Services Districts are legal entities, defined within State Government Code, with powers:

1. To adopt and enforce rules for administration, operation, and services;
2. To sue and be sued;
3. To acquire real and personal property;
4. To appoint employees, define their qualifications and duties;
5. To engage counsel and other professional services; and,
6. To enter into contracts and joint powers agreements

Community Services Districts are required to have an elected Board of Directors. The Board of Directors are responsible for making policies that ensure District's staff are providing chartered services in a responsible, regulatory compliant, and cost effective manner. State Code prescribes rules governing the manner in which a Board must post public notices of meetings, conduct their meetings, and record actions taken at meetings. Community Services District Board of Directors and their meetings are subject to the Ralph M. Brown Act which requires all Board business, but for specific exemptions such as personnel matters and legal advice, to be conducted in public along with certain other conduct related provisions.

NCS D consists of a five member elected Board of Directors. Current Board makeup consists of three men and two women each living within the Districts boundaries. The Board meets monthly to review Districts Operations and Financials in an open public format. Responsibilities of the

Board include oversight of the NCSF Fire Department, public street lighting, and parks and recreation upkeep and maintenance.

In order to execute their responsibilities, a Community Services District's Board of Directors has the ability to:

1. Obtain legal counsel on matters such as:
 - a. Brown Act compliance.
 - b. Employment related laws.
 - c. Bidding and procurement laws.
 - d. Advice on contracts and memorandums of understanding.
2. Obtain financial advice on planning, investments, accounting, and taxes issues.
3. Hire auditors to:
 - a. Ensure an accurate accounting of all District monies.
 - b. Review the District's system of internal controls.
4. Hire subject matter experts for advice on areas of specific concern.
5. Attend training specifically designed for Special District Board members.
6. Raise revenues via special taxes, benefit assessments, and by charging certain fees.
7. Direct the hiring of qualified staff in sufficient quantities, such that: State and county code requirements are met; a system of internal controls and checks-and-balances are in place; minutes of meetings are taken; bills are paid on time and accurately recorded; and to ensure the services, with which the District has been empowered to provide, are adequately provided. Positions may include a Treasurer, a Board Secretary, and administrative and functional department staff as required.

The Newberry Community Services District was formed on December 15, 1958. The District has been specifically empowered by the County of San Bernardino and the County's Local Agency Formation Commission (LAFCO) to provide the following services:

1. Water, including for management, domestic use, irrigation, sanitation, fire protection, and recreational purposes.
2. Fire Protection, including structural, watershed, suppression, and prevention.
3. Street lighting.
4. Parks and Recreation, including local park development, operation, and maintenance.
5. Sewers, including planning and engineering.

Scope

Utilizing the regulatory framework established for Community Services Districts, as outlined above, the Grand Jury took the following actions to evaluate the issues raised in the citizens' complaints:

1. Subpoenaed financial documents, Board of Director's Meeting Minutes, District Bylaws, District Policy and Procedure manuals, banking records, and certain other district records.
2. Observed District Board of Directors' meetings.
3. Inspected certain facilities.

4. Conducted interviews.
5. Reviewed documentation provided by the District for compliance with State and County code, with its own policies and procedures, and for the adequacy of a system of internal controls.
6. Retained a management consulting firm with expertise in public agency matters and public agency accounting requirements.

Financial Period Reviewed

Financial information reviewed was based primarily upon the District's 2011-2012 fiscal year, which ended on June 30, 2012 and utilized information from the District's General Ledger as of that date.

Acknowledgements

The Grand Jury would like to thank the personnel from the Newberry Community Services District and others for their insight into the finances and operations of the District. In particular, we would like to thank the immediate past General Manager and staff for their efforts in compiling and indexing the many documents required for this review.

Executive Summary

The Grand Jury received multiple citizen complaints of activities conducted by the Newberry Community Services District.

To accomplish these objectives, the Grand Jury reviewed various District documents and records; observed Board of Directors' meetings; inspected certain facilities; conducted interviews; and, retained a management consulting firm with expertise in public agency matters.

A summary of the findings and recommendations contained in this report are presented on the pages that follow, by report section number.

Section 1. Governance

Newberry Springs Community Services District (NCSO) Board meetings are not conducted in accordance with rules of order or professional conduct recognized as best practices in public sector organizations. In addition, the NCSO does not consistently record or post official minutes in a timely manner, in violation of the District's own policies, and compromising the ability of Board members to recall official actions when reviewing the minutes for accuracy. A clear violation of California's Open Meeting Law, also known as the Brown Act, was observed by the Grand Jury and has been the topic of concern by members of the Newberry Springs community.

Further, members of the Board have attended mandatory ethics training. However, expanded trainings on leadership and effectively chairing public meetings are available through the California Special District Association, the Special District Leadership Foundation, the California State Association of Counties, and other bodies.

The Board should attend such trainings, and adopt and adhere to expanded, formal policies and rules regarding conduct at public meetings. In addition, NCSO management should take steps to ensure that records of official Board action are routinely recorded, approved for accuracy, and indexed for timely access by the public.

Based on these findings, the NCSO Board of Directors should:

1. The NCSO Board should direct the General Manager to develop proposed policies and rules for conducting public meetings, based on *Roberts Rules of Order* and other accepted standards for parliamentary procedure.
2. Seek to attend courses offered by the CSDA and CSAC on the roles and functions of elected officials, including those offered on leadership and conducting public meetings.
3. Direct the General Manager to begin and maintain a process to record, transcribe, post and safeguard official Board minutes within two weeks of any Board meeting, in accordance with the District's current policy.

Section 2. Accounting and Financial Management

The NCSO has not completed annual financial audits for the previous three fiscal years (2009-2010, 2010-2011, and 2011-2012). State Government Code requires public agencies, including special districts, to conduct annual financial audits within 12 months of the end of each fiscal year. The Board of Directors failure to execute this responsibility is in noncompliance with California Government Code at Section 26909 and 61118 for 2009-2010 and 2010-2011. Further, while State Code requires the County Auditor-Controller to ensure such audits are completed, efforts to monitor and enforce this provision have had limited effectiveness.

Financial reports required by State Government Code to be filed with the State Controller's Office have been submitted by NCSO, but were based upon unaudited and unverified data. Contrary to State code requirements, the District's FY 2011-12 annual report of financial transactions to the State Controller has not been reviewed by an independent public accountant to ensure that it agrees with the official records of the District. The financial information that has been provided, while unaudited, indicates some financial instability, which further underlies the need for regular financial audits.

NCSO lacks basic accounting procedures and controls. Specifically, District does not have: (1) a hierarchical account numbering system; (2) a financial or accounting manual; or, (3) a consistent system to classify expenditures carried out by the District. Further, the District lacks a consistent method for authorizing, classifying, and documenting expenditures from purchase cards.

Based on these findings, the NCSO Board of Directors should direct the General Manager to:

4. Re-adopt a numerical and hierarchical account numbering structure for use in the District's general ledger and income statement.
5. Work with the Board, County Auditor, and utilize resources such as the California Special Districts Association to develop a basic accounting manual.
6. Create purchase card procedures that require District staff to include documentation showing the purpose and justification for all expenditures.

The Auditor Controller should:

7. Revise *Outside Audit Report* procedures to include corrective actions for special districts that do not comply with State audit requirements for an extended period of time. Such corrective actions could include conducting audits and billing the districts for Auditor-Controller staff time or hiring an outside certified public accountant to conduct the audit and billing the district for the accountant's work.
8. Work with the Newberry Community Services District General Manager to determine a feasible approach to comply with audit requirements established in State Government Code Section 26909. Such approaches could, with the *unanimous* request of the Board of Directors and the *unanimous* approval of the Board of Supervisors, include:

- (a) A biennial audit covering a two-year period;

- (b) An audit covering a five-year period, if the District's annual revenues do not exceed an amount specified by the Board of Supervisors; or,
- (c) An audit conducted at specific intervals, as recommended by the County Auditor-Controller, which shall be completed at least once every five years.

Section 3. Internal Controls

The District has By-laws and a Policy Handbook that contain some internal controls to help protect the District's financial and capital assets against the potential risk of loss or misuse. However, these policies remain insufficient for minimizing risk exposure to potential fraud and abuse. For example, the District's policies on purchase cards do not include spending and transaction limits to ensure that there are sufficient funds to pay for expenditures, segregate duties of purchase approvals and reconciliation to prevent potential fraud, or provide mechanisms for handling disputes and unauthorized charges.

In addition, the policies adopted to establish internal controls are not consistently implemented by Board members and District personnel, further exposing the District to unnecessary costs and potential misuse of District tax dollars for personal benefits. Violations of policies that indicate weak internal controls include:

- The lack of documentation for purchase card expenditures;
- Significant expenditures made with purchase cards without required Board approval;
- Lack of timely payments for purchase card billing statements to avoid potential penalties and fees;
- Reimbursement of expenses without sufficient documentation to ensure they were for District business; and,
- The lack of several key documents and tools such a log of all communication with District Counsel, a policy handbook for the Fire Department, and a catalog of retained District records.

Multiple resignations and terminations by the Board of key personnel within the organization during the audit period coincided with breakdowns in internal controls and the ability of the organization to respond by reassigning functions or implementing compensating controls is limited.

Finally, the District does not have an adequate Capital Management Asset System to control inventory and record key information central to making maintenance and replacement decisions.

Based on these findings, the NCSB Board of Directors should:

9. Revise its purchase card policies to:

- (a) Exclude Board members from the use of purchase cards in order to be in compliance with the State Master Services Agreement for purchase cards,

subsequently relinquish any purchase cards currently issued to Board members, and

- (b) Include additional policies to ensure that there are sufficient funds for paying authorized purchase card transactions, prevent potential fraud and abuse through unauthorized and/or inappropriate purchases, and avoid unnecessary penalties and fees from late payments, such as:
 - (i) Spending and transaction limits for each cardholder;
 - (ii) Clearly segregated duties for approving, executing, and reconciling purchases among the General Manager, Treasurer, and other purchase cardholders;
 - (iii) A process for handling disputes and unauthorized purchases; and,
 - (iv) A requirement that purchase cardholders use personal funds to pay for transactions that lack the timely submission of sufficient documentation of the transaction and purpose, as well as any subsequent penalties and fees that result from the delay in submitting such documentation.

10. Diligently review the list of disbursements to be approved on the consent agenda prior to scheduled Board meetings and (a) discuss questionable disbursements with the General Manager and/or (b) request to pull questionable disbursements from the consent agenda for public discussion and review.

The General Manager should:

- 11. Train all participants in the purchase card program on the new and revised policies and procedures for purchase cards.
- 12. Review consultants or vendors with a single invoice over \$5,000, or multiple invoices that, together, exceed \$5,000 to ensure that they have a contract or total expenditure approved by the Board of Directors at a meeting. If the contract was not approved by at least two Board members, or no contract exists, steps should be taken to bring the purchase(s) into compliance with the Policy Handbook.
- 13. Carefully review all requests for reimbursements, including supporting documentation, against the policies and procedures in the District Policy Handbook prior to approval.
- 14. Establish the following to ensure that the District is in compliance with the Policy Handbook and maintains adequate internal controls:
 - (a) District Legal Counsel Log;
 - (b) Policy handbook for the Fire Department; and,
 - (c) Catalog of all retained District records.

15. Establish a Capital Asset Management System that records capital asset information such as the purchase date, condition it was in at the time of purchase, warranties, maintenance history, usage statistics, original useful life, remaining useful life, and replacement costs.

The Local Agency Formation Commission (LAFCO) should:

16. Review suggestions made in its 2009 report and include more robust analysis of governance and reorganization options for the next Service Review of the District, scheduled for 2014.

1. NCSO Governance

As a public entity, the NCSO is bound by various laws embedded in the California State Government Code, which establish rules for open meetings and the retention of official records. In addition, best practices are employed by government entities around the world to ensure that the deliberations of public bodies are clearly communicated, and actions are well articulated and accurately recorded. Further, best practices establish various protocol for members of the public to be provided with the opportunity to comment on matters before elected bodies or on matters of general concern, in an orderly, respectful and efficient manner.

NCSO Public Meetings

Because the NCSO is a public entity that derives its authority from the voters, it is incumbent upon members of the elected Board of Directors to establish policies, procedures and rules that govern the manner in which it conducts the public's business. Based on a review of records, testimony from individual Board members and observations at public meetings, the Grand Jury found that: (1) the Board has not formalized a robust policy framework, rules or protocol for conducting public meetings; (2) individual members of the Board and other persons often exhibit inappropriate behavior during public meetings; and, (3) records of official action are not consistently prepared or otherwise completed in a timely manner.

Open Government Policy Framework and Rules Are Weak

NCSO Policy 5070 establishes the "Rules of Order for Board and Committee Meetings." Although loosely based on well-regarded rules defining parliamentary procedures, Section 5070.1.1 states that "These rules of order are intended to be informal and applied flexibly. The Board prefers a flexible form of meeting and, therefore, does not conduct its meetings under formalized rules – Roberts Rules of Order." Subsection 5070.1.1.1 further states that "If a Director believes order is not being maintained, then he/she should raise a point of order – not requiring a second – to the President. If the ruling of the President is not satisfactory to the Director, then it may be appealed to the Board. A majority of the Board will govern and determine the point of order."

The intended flexibility of these Rules of Order is emphasized in other sections of the policy. Subsection 5070.5.1 states that "The President shall take whatever actions are necessary and appropriate to preserve order and decorum during Board meetings, including public hearings. The President may eject any person or persons making personal, impertinent or slanderous remarks, refusing to abide by a request from the President, or otherwise disrupting the meeting or hearing." Further, Subsection 5060.6.1 states that "By motion made, seconded and approved by a majority vote, the Board may, at its discretion and at any meeting: a) temporarily suspend these rules in whole or in part; b) amend these rules in whole or in part; or, c) both." The remainder of the Policy addresses procedures for individual Directors to obtain the floor; and, offering, commenting and moving motions to a vote.

Although different parliamentary procedures have been developed over the years, *Roberts Rules of Order* are generally considered to be the standard for local government entities in the United

States. The *Institute for Local Government*¹ states that formalized rules of order are necessary to “guide the discussion and decision-making process.” Although following parliamentary procedure is not required in California, it is considered to be a best practice, makes public meetings more efficient, and reduces the chances of official actions being declared illegal or challenged for procedural deficiencies.

Further, the League of California Cities, in the organization’s publication *Open and Public IV*, has made the observation that there are certain key principles and goals that should be considered when government bodies develop their policies regarding public meetings:

- A legislative body's need to get its business done smoothly;
- The public's right to participate meaningfully in meetings, and to review documents used in decision-making at a relevant point in time;
- A local agency's right to confidentially address certain negotiations, personnel matters, claims and litigation; and,
- The right of the press to fully understand and communicate public agency decision-making.

Although prepared in the context of the State’s Open Meeting Law (i.e., the “Brown Act”), these principles support the concept that in order to operate effectively, meetings require rules and procedures to ensure orderly, efficient, and productive sessions in a calm, professional setting. The limitations of the District’s current policy, including the desire for “flexibility” embedded in the policy foundation, do not support the accomplishment of these goals. The League of California Cities continues by stating, “An explicit and comprehensive public meeting and information policy, especially if reviewed periodically, can be an important element in maintaining or improving public relations. Such a policy exceeds the absolute requirements of the law . . . A narrow legalistic approach will not avoid or resolve potential controversies. An agency should consider going beyond the law, and look at its unique circumstances and determine if there is a better way to prevent potential problems and promote public trust.”

As will be discussed below, the public trust appears to have been damaged in the NCSD, in part by the manner in which public meetings are conducted, the behavior of Directors during public meetings and inconsistencies with the preparation and maintenance of official records of action. As a first step toward improving public access and communication, the NCSD should adopt more robust policies regarding parliamentary procedure, adhering to the basic principles of *Roberts Rules of Order*, which have been in existence and used by local government agencies in the United States for well over 100 years. When developing these policies, the District should consult with the California Special District Association (CSDA), which can provide resources and make suggestions regarding best practices for special district organizations.

Members of the Board Exhibit Inappropriate Behavior at Public Meetings and May Have Acted in Violation of California Law

¹An affiliate of the California State Association of Counties (CSAC) and the League of California Cities.

As part of the Grand Jury's investigation, members attended NCSB Board meetings and listened to numerous tape recordings of other meetings to assess the effect of the weak policy foundation on proceedings. The following observations were made:

- Before the start of Board meetings, members of the public who wish to address the Board fill out a "Request to Be Heard" card and are provided with three minutes to voice their concerns. Although this is a typical practice in government organizations, members of the public were also permitted to engage in discussions at any time during the meeting, without filing the required Request to be Heard Card. Often, members of the public spoke to individual directors without going through the President and, although some persons would raise their hand to be recognized, in many instances other persons would simply begin to speak without being recognized. Sometimes, multiple conversations occurred simultaneously and discussions between persons in the audience were conducted separately while the Board merely watched and listened.
- In several instances, members of the Board engaged in arguments with one another and members of the public. During these exchanges, the meetings were disrupted as people talked over one another and made sarcastic and snide remarks. In some instances, the arguments between Board members became overly heated, causing some members to walk out while the meeting proceeded. In another instance, a Board member challenged a member of the public who had just finished addressing the Board. This resulted in a brief shouting match between the two. In another instance, a member of the public was talking loudly during the meeting and, when asked by a Board member to be silent, the person responded with an obscene gesture.
- Some Board members were seen slouching in their chairs, keeping their heads down and speaking in voices that could barely be heard by the audience. Such behavior gives the impression that these members are indifferent and/or disinterested in the proceedings, is disrespectful and unprofessional.
- The unprofessional behavior of the Board has been observed for some time by previous employees and members of the public. In March 2012, the resignation letter submitted by a former Fire Chief, stated that his departure was due, in part, to ". . . the public fights and bickering so prevalent on the NCSB Board."
- At the February 26, 2013 meeting of the Board, an argument started regarding whether the Board member could remove an agenda item without a vote of the Board. The item in question concerned an accusation that a sitting member of the Board had committed fraud and conspiracy. During recess, three members of the Board (a quorum) were observed talking together in private, which is a clear violation of the Brown Act. The Newberry Springs Community Alliance, which describes itself as a ". . . grassroots organization of residents and property owners fostering an improvement of Newberry Springs through the engagement of educating the community" regularly blogs critical comments about the Board. In March 2013, this organization blogged "The CSD Board has had a hard time holding a single meeting that doesn't contain a Brown Act violation."

These examples of poor behavior by Board members, and the inability of the President to control both Board member and audience interaction, suggest that the individual members of the Board

have not yet developed the necessary skills to lead or participate in public meetings in a professional manner. Combined with more robust policies, procedures and rules defining parliamentary procedures, Board members should be provided with training on duties, responsibilities and behavior as elected officials.

Further, it is clear that members of the Board may not be familiar with the requirements of the California Open Meeting Law or Records Retention Act, as discussed in the section, below. Accordingly, the City Attorney should be requested to develop and lead workshops on these topics to ensure that current and future Board members have the background and knowledge to adhere to these laws.

Board Members Have Not Been Provided With Appropriate Training

Assembly Bill 1234 requires that all board members of special districts complete a two-hour, on-line Ethics Compliance Training Course after joining the Board. Based on records maintained by the District, all Board members have received this training. The California Special District Association (CSDA) provides training for elected officials and managers of special districts, including various orientation trainings, leadership summits, and related topics such as human relations and resource management. Other courses are provided through the Special District Leadership Foundation, and guides are available through the State Board of Equalization and other bodies. In addition, other trainings are offered by Statewide organizations, such as the California State Association of Counties (CSAC) that may be helpful to the District's leadership. For example, CSAC has an agreement with California State University Northridge to provide special courses for elected officials and managers that can be attended to obtain credit towards a Master Degree in Public Administration. In addition, CSAC offers courses through the *Institute for Excellence in County Government*, which may be beneficial to the District directors, including:

- The Art and Practice of Elected Leadership;
- Getting Things Done: Working Effectively to Achieve Objectives;
- Chairing and Managing Effective Public Meetings;
- Making Impressions: Media Interviewing;
- Negotiation and Collaboration in Complex Environments; and,
- Advanced Practice in Negotiation.²

Although these courses are designed for County elected officials, the topics and content can also be applied to the operations of the NCSO. The members of the Board should explore the opportunity for attending selected courses, with the goal of improving the conduct of public meetings and interactions with each other and members of the public.

Records of Board Actions Are Not Complete or Prepared in a Timely Manner

² Go to http://www.csac.counties.org/sites/main/files/file-attachments/2013-winter-spring-publish_3.pdf to view a complete description of available courses for the Spring 2013 schedule.

NCSD Policy 5060.1.1 states that:

Copies of a meeting's minutes shall be posted for a minimum of 10 days on the NCSD website within 14 (days) of NCSD meeting for public review. Copies of meeting minutes shall be distributed to Directors as part of the information packet for the next regular meeting of the Board, at which time the Board will consider approving the minutes as presented or with modifications. Once approved by the Board, the official minutes shall be kept in a fireproof vault or in a fire-resistant cabinet.

The NCSD does not adhere to this policy.

During the period of this review, the Grand Jury found that Board minutes were not being consistently recorded, posted and secured in the manner prescribed by Policy 5060.1.1. Minutes were generally not transcribed promptly and were not ready for approval at the next regularly scheduled Board meeting. When copies of minutes were requested, the current General Manager reported that she had to look in several locations before they were located. A number of Board minutes were audio recorded but not transcribed for weeks or months later, resulting in some Board members not recalling what actions were taken on agenda items when presented with the written notes for approval.

Members of the Grand Jury reviewed the written notes and listened to numerous audio recordings of Board meetings. The background noise on some recordings made it difficult to hear or understand who was speaking and, in some cases, what was being said. Some audio recordings were started after the meetings were called to order and no references to the dates of the meetings were heard. This creates difficulties with providing an accurate written record of Board proceedings, even when the audio recordings are transcribed. For example, the Board minutes from the August 28, 2012 meeting included a typed side-note that stated the notes "... are not transcripts of the meetings; only the hi-lights and hopefully accurate."

To ensure that there are accurate records of official actions, the Board should direct the General Manager to begin and maintain a process to record, transcribe, post, and safeguard official Board minutes within two weeks of any Board meeting, in accordance with the District's current policy.

Conclusions

NCSD Board meetings are not conducted in accordance with rules of order or professional conduct recognized as best practices in public sector organizations. In addition, the NCSD does not consistently record or post official minutes in a timely manner, in violation of the District's own policies, and compromising the ability of Board members to recall official actions when reviewing the minutes for accuracy. A clear violation of California's Open Meeting Law, also known as the Brown Act, was observed by the Grand Jury and has been the topic of concern by members of the Newberry Springs community.

Further, members of the Board have attended mandatory ethics training. However, expanded trainings on leadership and effectively chairing public meetings are available through the California Special District Association, the Special District Leadership Foundation, the California State Association of Counties, and other bodies.

The Board should attend such trainings, and adopt and adhere to expanded, formal policies and rules regarding conduct at public meetings. In addition, NCSD management should take steps to

ensure that records of official Board action are routinely recorded, approved for accuracy, and indexed for timely access by the public.

Recommendations

The NCSB Board of Directors should:

- 1 The NCSB Board should direct the General Manager to develop proposed policies and rules for conducting public meetings, based on *Roberts Rules of Order* and other accepted standards for parliamentary procedure.
- 2 Seek to attend courses offered by the CSDA and CSAC on the roles and functions of elected officials, including those offered on leadership and conducting public meetings.
- 3 Direct the General Manager to begin and maintain a process to record, transcribe, post and safeguard official Board minutes within two weeks of any Board meeting, in accordance with the District's current policy.

Costs and Benefits

There would be minimal cost for the members of the Board to attend leadership and other training offered by CSDA and CSAC.

Parliamentary procedures recognized throughout the world would be followed by the NCSB Board, and the Board members would receive the training necessary to provide leadership and ensure a more professional atmosphere at public meetings. The risk of Directors violating California Open Meeting Laws and the California Records Act would be reduced.

2. Accounting and Financial Management

NCSO Lacks State-Mandated Financial Audits

NCSO has not completed annual financial audits for fiscal years 2009-2010, 2010-2011, and 2011-2012. NCSO is therefore not in compliance with State Government Code Section 26909 for 2009-2010 and 2010-2011, which requires annual audits of financial condition for all special districts within 12 months of the end of a fiscal year.

The State Controller's Office prescribed minimum auditing requirements for special districts, set out in Title 2, Section 1131.2 of the California Code of Regulations, consist of 17 general statements that county auditors or independent accounting firms should consider in preparing an audit program. These 17 statements include the following important steps, among others:

- A proper study and evaluation of the existing internal control and the financial organizational structure;
- A review of the district's report of financial transactions to the State Controller to see that it agrees with official records of the district for the period. The State Controller should be informed of any material difference;
- A determination that expenditures were properly documented, authorized and incurred and are proper charges to the fund and appropriation against which they have been charged; and,
- A verification of all assets and liabilities in accordance with generally accepted auditing standards.

The failure to follow these and the other requirements set out by the State Controller has led to negative consequences for NCSO including: (1) putting NCSO out of compliance with State Code; (2) leaving residents and taxpayers without a reasonable assurance that financial statements are presented fairly and accurately; and, (3) putting the District at greater risk of waste, fraud and abuse due to the absence of any review of internal controls.

The lack of audited financial statements is also not consistent with industry best practices, such as those promulgated by the *Institute for Local Government*, which notes that "audited financial reports alert governing body members if there are irregularities in financial practices and financial reporting."³

³ The Institute for Local Government is an affiliate of the California State Association of Counties and the League of California Cities. The best practices information can be found online at this address: http://www.ca-ilg.org/sites/main/files/file-attachments/resources_3r_Financial_Reporting_and_Accounting.pdf

Auditor-Controller Monitoring of Audit Requirements Has Had Limited Effectiveness with NCS D

State code places responsibility on the County Auditor-Controller for making sure special districts are audited annually or on a different frequency under certain restrictions. Specifically, Section 26909 of the State Government Code requires county auditors to:

Either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided.

The Internal Audits Section of the County Auditor-Controller, which is responsible for performing operational and financial audits of special districts, has taken steps to monitor special districts' compliance with State auditing requirements. However, these efforts have not been successful with NCS D.

The Auditor-Controller has procedures that call for repeated, increasingly assertive correspondence with general managers and district boards that have not completed a financial audit on time. In the case of NCS D's FY 2011-12 audit, the Auditor-Controller relied on the District's general manager's and its certified public accountant's assertions that a contract was in place to conduct audit services. However, as noted later in this section, the work performed by the certified public accountant does not comply with State audit requirements.

The enforcement of Section 26909 is somewhat complicated by the Code's requirement that any costs incurred by the county auditor, including any contracts with accountants, be borne by the special district. County Auditor-Controller management staff has asserted to our audit team that there has been some hesitancy to enforce the annual audit requirement on NCS D due to the District's budgetary constraints. However, there has been no formal steps taken or analysis conducted by the Auditor-Controller to determine the most cost effective method of complying with State audit requirements.

NCS D and Auditor-Controller Have Not Pursued Potential Alternatives to Annual Audits

Neither NCS D nor the Auditor-Controller have studied or pursued potential alternatives to annual audits allowed for in the State Government Code under certain restrictions. Specifically, Government Code Section 26909 allows for the following three alternatives if requested unanimously by the special district's governing board and unanimously approved by the Board of Supervisors:

1. A biennial audit covering a two-year period;
2. An audit covering a five-year period, if the special district's annual revenues do not exceed an amount specified by the Board of Supervisors; or,
3. An audit conducted at specific intervals, as recommended by the County Auditor, which shall be completed at least once every five years.

Given the District's relatively small budget of approximately \$250,000 per year, the Auditor-Controller and District Board members should consider these alternatives, which would require fewer resources to be devoted to financial audits, but would still be in compliance with State requirements.

2011-12 Financial Review Did Not Meet Minimum Audit Requirements

Financial reports required by State Government Code to be filed with the State Controller's Office have been submitted by NCSO, but were based upon unaudited and unverified data. Contrary to State code requirements, the District's FY 2011-12 annual report of financial transactions to the State Controller has not been reviewed by an independent public accountant to ensure that they agree with the official records of the District.

In September 2012, NCSO contracted with a certified public accountant for audit services covering financial transactions in FY 2011-12. The Auditor stated the District did not provide adequate or sufficient documentation to complete an audit and express an audit opinion. However, these services did not meet the minimum requirements prescribed by the State Controller's Office for audits of special districts. Rather, in his transmittal letter to the District's Board of Directors the certified public accountant stated that his work was limited to putting together the financial report that must be filed annually with the State Controller. Further, the letter states that "I have not audited or reviewed the financial statements referred to above and accordingly do not express an opinion or any other form of assurance on them."

The State Controller's prescribed minimum audit requirements are contained in the California Code of Regulations (Title 2, Section 1131.2). As previously mentioned, these minimum requirements include the statement that:

the district's report of financial transactions to the State Controller should be reviewed to see that it agrees with the official records of the district for the period. The State Controller should be informed of any material difference.

The General Manager should prepare the District's financial statements on an annual basis before they are reviewed by the Auditor-Controller or a certified public accountant to ensure they are an accurate reflection of the District's financial condition.

Financial Data Reported to State Controller Indicate Financial Instability and Structural Deficits

Although the data provided to the State Controller's Office is unaudited, a review of such data indicates financial instability, which further underlies the need for regular financial audits. As seen in Table 2.1 below, the District appears to have run a deficit in FY 2009-10 of approximately \$18,000 or about 8 percent of total revenues. Further, the lighting and lighting maintenance function has run deficits ranging from \$41,142 to \$5,011 from FY 2008-09 to FY 2010-11 and the Recreation and Park Function has run deficits of approximately \$25,000 in FY 2009-10 and about \$2,300 FY 2010-11. NCSO management has been unable to identify the cause(s) of these deficits. Additionally, the District's methodology for assigning district-wide costs such as Director's fee, office costs, and accounting and legal fees between the three functional departments is not documented, and therefore cannot be verified.

Table 2.1**NCSD Expenditure Data Reported to State Controller**

Activity	FY 2008-09 Revenues	FY 2008-09 Expenditures	FY 2009-10 Revenues	FY 2009-10 Expenditures	FY 2010-11 Revenues	FY 2010-11 Expenditures
Fire Protection	\$152,701	\$119,179	\$124,762	\$112,437	\$136,411	\$109,611
Lighting and Lighting Maintenance	3,434	44,576	2,141	7,152	2,210	8,698
Recreation and Park	155,645	142,136	98,935	124,115	100,563	102,910
Total	\$311,780	\$287,891	\$225,838	\$243,704	\$239,184	\$221,219

Source: State Controller's Office

NCSD Lacks Sufficient Accounting Procedures and Controls

NCSD lacks sufficient accounting procedures and controls. According to State Government Code 61053, NCSD must:

adopt a system of accounting and auditing that shall completely and at all times show the district's financial condition. The system of accounting and auditing shall adhere to generally accepted accounting principles.

However, the District does not have: (1) a hierarchical account numbering system; (2) a financial or accounting manual; or, (3) a consistent system to classify expenditures carried out by the District. Further, although the State Controller requires special districts to use the modified accrual basis of accounting, it is not employed at NCSD.

NCSD Lacks Account Numbering System and Financial Manual

Beginning in FY 2012-13, the District abandoned utilizing its numerical and hierarchical account structure in favor of an accounting scheme based on account titles. A fundamental objective of accounting is to accurately classify transactions such as expenditures and receipts into proper "buckets" or accounts. Accounts are generally identified utilizing a numeric or alpha-numeric scheme. Accounting identifiers are usually broken down into some type of hierarchical components to accommodate data correlation and reporting activities. The numerical assignment of an accounting identifier also facilitates system to system and intra-system exchanges of data, such as from a Purchase Order system to the General Ledger. The abandonment of account numbers inhibits accurate and efficient hand-offs of accounting data for establishment and performance measurement of budgets and future growth into new and more sophisticated computer system interfaces.

NCSD lacks a financial or accounting manual, which would provide guidance to the General Manager and other staff on how to create and maintain District accounts and prepare the District's income statement, general ledger, and annual financial statement. In addition, a

financial or accounting manual would assist the staff in using modified accrual based accounting, which is required by the State Controller for non-enterprise funds.

The lack of a financial or accounting manual may have led to the following odd general ledger and income statement entries observed by the Grand Jury from FY 2011-12:

- On the District's Income Statement, a revenue line title "Deposits Not Recorded" shows a value of \$121,248.76, which is 47 percent of the District's fiscal year revenue. No explanation was found for the purpose or intended usage of this account.
- Account 5100 titled "Directors Stipend" reflects amounts that are not in increments of \$50 even though Directors are paid \$50 per authorized meeting.
- Account 5101 titled "Secretary Salary" reflects payments made to five individuals ranging from \$39.67 to \$12,640.02. However, the District did not have five secretaries during FY 2011-12.

Expenditures Not Consistently Classified to Support Proper Accounting

NCSD does not consistently classify or document expenditures to allow for proper accounting of the various functions carried out by the District. For example, approximately \$20,000 of purchase card expenditures was placed in a general ledger clearing account because the former General Manager, lacking documentation, could not determine the appropriate cost account. Additionally, a 4,000 gallon Water Tender Truck was acquired via a capital lease, but is being accounted for as an operating lease. This misstates both the District's assets and liabilities. The failure to properly classify expenditures leaves the District non-compliant with the State Code requirement to adopt a system of accounting and auditing that shall completely and at all times show the District's financial condition. It also affects the accuracy of the District's State-mandated financial reporting.

District Has Weak Check Reconciliation Process

NCSD's check reconciliation process has been deficient. The District's FY 2011-2012 account for workers' compensation insurance was overstated by the value of one extra quarterly payment in the amount of \$2,172, which resulted from a voided check not being reversed off the books. This is an indicator of a weak check reconciliation process.

Reconciling bank statements to check registers and to General Ledger account balances is a fundamental management practice and a basic internal control process. This process ensures the bank's records are in-line with the District's records, and that any voided or un-cashed checks are identified for follow-up and corrective action if needed. A check that has been voided must also have its charged reversed on the accounting ledgers. Failure to reverse an entry in the accounting ledger will overstate expenditures and under-state the District's actual cash position. The General Manager has indicated that improvements to the check reconciliation process have been implemented. Identifying any additional prior year problems requires the completion of outstanding audit work.

Conclusions

The Newberry Community Services District (NCS D) has not completed annual financial audits for the previous three fiscal years (2009-2010, 2010-2011, and 2011-2012). State Government Code requires public agencies, including special districts, to conduct annual financial audits within 12 months of the end of each fiscal year. The Board of Directors failure to execute this responsibility is in noncompliance with California Government Code at Section 26909 and 61118 for 2009-2010 and 2010-2011. Further, while State Code requires the County Auditor-Controller to ensure such audits are completed, efforts to monitor and enforce this provision have had limited effectiveness.

Financial reports required by State Government Code to be filed with the State Controller's Office have been submitted by NCS D, but were based upon unaudited and unverified data. Contrary to State code requirements, the District's FY 2011-12 annual report of financial transactions to the State Controller has not been reviewed by an independent public accountant to ensure that it agrees with the official records of the District. The financial information that has been provided, while unaudited, indicates some financial instability, which further underlies the need for regular financial audits.

NCS D lacks basic accounting procedures and controls. Specifically, District does not have: (1) a hierarchical account numbering system; (2) a financial or accounting manual; or, (3) a consistent system to classify expenditures carried out by the District. Further, the District lacks a consistent method for authorizing, classifying, and documenting expenditures from purchase cards.

Recommendations

The Newberry Community Services District Board of Directors should direct the General Manager to:

- 4 Re-adopt a numerical and hierarchical account numbering structure for use in the District's general ledger and income statement.
- 5 Work with the Board, County Auditor, and utilize resources such as the California Special Districts Association to develop a basic accounting manual.

The Auditor Controller should:

- 6 Revise *Outside Audit Report* procedures to include corrective actions for special districts that do not comply with State audit requirements for an extended period of time. Such corrective actions could include conducting audits and billing the districts for Auditor-Controller staff time or hiring an outside certified public accountant to conduct the audit and billing the district for the accountant's work.
- 7 Work with the Newberry Community Services District General Manager to determine a feasible approach to complying with audit requirements established in State Government Code Section 26909. Such approaches could, with the *unanimous* request of the Board of Directors and the *unanimous* approval of the Board of Supervisors, include:

- (a) A biennial audit covering a two-year period;
- (b) An audit covering a five-year period, if the District's annual revenues do not exceed an amount specified by the Board of Supervisors; or,
- (c) An audit conducted at specific intervals, as recommended by the County Auditor-Controller, which shall be completed at least once every five years.

Costs and Benefits

The costs of implementing with these recommendations would include District staff time to draft and adopt policies and procedures.

The benefits of implementing these recommendations would include stronger controls over accounting and management of the District's finances and greater transparency in the reporting of the District's financial condition. The benefits would also include compliance with State Government Code audit requirements for special districts.

3. Internal Controls

According to the Government Finance Officers Association (GFOA), the purpose of internal controls is to protect government's financial and capital assets against the potential risk of loss or misuse. Further, internal controls are needed to ensure that all financial transactions are properly authorized and data in financial reports are reliable. Although there are references to internal controls in the NCSO By-laws and Policy Handbook, they are (1) insufficient for ensuring that the District's assets are protected against potential loss or misuse and (2) are not consistently implemented by District Board members and personnel.

Deficient Internal Controls for District Expenditures

NCSO revenues are used to procure materials, supplies and services for District business through purchase cards, contracts with outside contractors and consultants, and reimbursement of expenses made by District Board members and personnel. The Policy Handbook requires various protocols for approval of such expenditures, along with sufficient documentation to ensure that expenditures were appropriately tied to District business. However, sufficient documentation of required approval and/or explanations for the appropriateness of the expenditures were not always provided to the Grand Jury.

CAL-Card Purchase Cards

The California Department of General Services has a Master Services Agreement (MSA) with U.S. Bank for purchase card services. Local tax funded agencies such as the District are able to participate in the MSA and obtain CAL-Cards (purchase cards) by submitting required documentation, including a signed Local Agency Addendum to the MSA. Advantages of participating in the CAL-Card program include: (1) no cost for participation; (2) rebates for average transactions, volume sales and prompt payment; and, (3) streamlined purchases by eliminating the need for extensive advertising, bidding and contracting procedures.⁴

Insufficient Internal Control Policies and Procedures

In accordance with the U.S. Bank CAL-Card Program Administrator Guide, the District adopted purchase card policies on July 26, 2011.⁵ However, based on a comparison with GFOA recommended internal control best practices for purchase cards, these policies are not adequate to ensure that the District can minimize the risk of costly, unnecessary, and/or inappropriate purchases. Table 3.1 below illustrates that the District lacks a few key internal control policies such as spending and transaction limits, reconciliation procedures, and a process for handling disputes and unauthorized purchases.

⁴ California Department of General Services, CAL-Card (Purchase Card), <http://www.dgs.ca.gov/pd/Programs/CALCard.aspx>

⁵ District Policy Handbook: Policy Number 3075.

Table 3.1**Government Finance Officer Association (GFOA) Best Practices vs. District Purchase Card Policies**

GFOA Best Practices	District Policy Number 3075	Grand Jury Comments
Clear guidelines on the appropriate use of purchasing cards	3075.3.2 All purchasing card expenses shall be reasonable and necessary to the furtherance of District business. No personal expenses shall be charged on a District purchasing card.	
Spending and transaction limits for each cardholder, both per transaction and on a monthly basis		Spending and transaction limits ensure that the District has sufficient funds to pay for expenditures. The Policy Handbook fails to mention spending limits. The District did not provide the Grand Jury with additional internal usage guidelines for purchase cards.
Review and approval process	3075.3.3¹ The Treasurer shall review and approve purchasing card transactions by the cardholders.	
Timely reconciliation by cardholders and supervisors		Reconciliation includes verifying that purchased goods and services were received, acceptable, and charged appropriately in the purchase card statement. The Policy Handbook fails to mention reconciliation policies and procedures.
Retention of sales receipts and documentation of purchases	3075.3.3¹ All purchase card expenses shall have third-party documents (receipts) attached and the District purpose annotated by the cardholder.	
Segregation of duties for payment approvals, accounting, and reconciliation	3075.3 A purchasing card shall be issued to the General Manager and the Treasurer. Purchasing cards shall not be issued to members of the Board of Directors without a majority vote of approval by the Board. 3075.3.3¹ (Above)	Although both the General Manager and Treasurer are issued a purchase card, only the Treasurer shall review purchases. This is a failure to segregate approval of use from actual use. The Policy Handbook fails to mention reconciliation policies and procedures.
Procedures for handling disputes and unauthorized purchases		If reconciliation occurs on a consistent basis and errors are identified, there should be a process for preventing payment for unauthorized or incorrect charges. The Policy Handbook fails to mention procedures for handling disputes and unauthorized purchases.

Source: "GFOA Best Practice: Purchasing Card Programs," Approved February 2011 and District Policy Handbook, 2012.

¹3075.3.3 is listed twice in the District Policy Handbook.

Segregation of Duties

The District is in violation of the State MSA by allowing District Board members to be purchase cardholders, with a majority vote of approval by the Board.⁶ The MSA explicitly states that the CAL-Card Program is available for use by individual government employees. Pursuant to California Government Code 6140, Board members are responsible for determining policies such as budgets and programs, while the General Manager, a government employee, is responsible for implementing them.

Despite the segregation of duties between policy making and implementation of those policies, such as making purchases, two District Board members⁷ were issued purchase cards and incurred \$10,059 and \$7,985, or a total of \$18,044 in expenditures in FY 2011-12. This represents approximately 25 percent of the total FY 2011-12 expenditures of \$70,767 incurred through purchase cards. When District Board members make purchases of this magnitude, the General Manager and/or Treasurer, as government employees, are placed in an awkward position of approving expenditures for those with the power to terminate their employment. Such conditions diminish the District's ability to effectively implement internal controls.

The State Master Services Agreement and U.S. Bank CAL-Card Program guides identify at least four distinct roles and their respective duties within any agency participating in the purchase card program. The segregation of duties prevents any single person from taking advantage of the purchase card program to make unauthorized and/or personal purchases. In contrast, the District Policy Handbook identifies the General Manager, Treasurer, and any other potential cardholder, but the duties of each are not as clearly defined or segregated.

According to the MSA participating agencies should have the following:

- **Program Coordinator/Administrator:** An individual responsible for management and oversight of the purchase card program, including following contract terms, ensuring timely payment of invoices, developing and enforcing agency policy, procedures and training. A Purchasing Officer or equivalent typically maintains this position.
- **Approving Official:** An individual responsible for monitoring, reviewing, and approving the purchases of assigned cardholders. A Budget Manager for which the funds are to be expended by the assigned cardholders typically maintains this position.
- **Billing Officer:** An individual responsible for the timely management and oversight of the invoice reconciliation and payment process. An Accounting Officer or equivalent typically maintains this position.
- **Cardholder:** An individual designated by the Program Coordinator/Administrator and Approving Official to receive a purchase card and make purchases.

⁶ Approval by the Board of Directors assumes a "yes" vote by at least two Board members, the minimum number of members to achieve a majority when there are three Board members present to establish quorum and take action.

⁷ As of the writing of this report, the Grand Jury could not verify if the two Board members received the necessary approval from other Board members to receive purchase cards.

The District is violating the best practice of segregating duties because the Treasurer appears to serve in at least three of the above roles and perform the following duties simultaneously: (1) recommending internal usage guidelines for the purchasing cards to the Board for approval (Program Coordinator/Administrator duty), (2) approving purchases of assigned cardholders (Approving Official duty), and (3) making purchases on behalf of the District with an issued purchase card (Cardholder duty). Additionally, no personnel are explicitly assigned invoice reconciliation and payment responsibilities (Billing Officer duty) in the District Policy Handbook. It is more appropriate for the General Manager to serve in the function of Program Coordinator/Administrator and Approving Official while the Treasurer serves as the Billing Officer.

Because of the small size of the District, it may be acceptable to issue purchase cards to both the General Manager and Treasurer. However, approving and reconciling purchases should be conducted by someone other than the person making purchases, as recommended by GFOA best practices. Therefore, if both the General Manager and Treasurer continue to make purchases with issued purchase cards, the Treasurer should approve and reconcile the General Manager's purchases and vice versa.

The District should revise its Policy Handbook to (a) exclude Board members as purchase cardholders and (b) include internal controls such as (i) spending and transaction limits; (ii) clearly segregated duties for approving, executing, and reconciling purchases among the General Manager, Treasurer, and other purchase cardholders; and, (iii) a process for handling disputes and unauthorized purchases. Purchase cards issued to Board members should be subsequently relinquished. Additionally, the General Manager should train all staff involved in the purchase card program of the new and revised purchase card policies.

Inconsistent Implementation of Policies and Procedures

In addition to lacking key internal controls for purchase card expenditures, the District has failed to provide consistent documentation to ensure that the internal controls that do exist are executed and serving its purpose(s).

Lack of Receipts make it Difficult to Conclude Appropriate Expenditures

The District spent \$70,767 in FY 2011-12, but the District did not provide receipts explaining what individual charges on the U.S. Bank statements were for. Without such documentation, it is impossible to verify if the charges met the Policy Handbook's criteria of "reasonable and necessary" expenses for District businesses or if personal expenses were charged to the purchase cards and paid for with District tax dollars. For example, typical purchase card expenditures in FY 2011-12 included fuel at a gas station. However, there was an instance when one cardholder made three separate fuel purchases on the same day. Without documentation and further explanation, it is difficult to determine if significant travel for district business occurred on the same day, requiring multiple fueling, or if multiple cars, including personal cars, were fueled with the same District purchase card. Going forward, the Treasurer or General Manager should not approve payment of purchase card transactions without the submission of sufficient documentation demonstrating the appropriateness of the purchase(s). If a cardholder fails to timely submit receipts and other documentation, the cardholder should be held responsible for paying the purchase with their own funds and any subsequent late fees or penalties caused by delays in submitting receipts and/or payment.

Significant Expenditures Occurred without Board Approval

In September of 2011, a single transaction totaling \$11,277 was charged for a purchase from NUVAIR. Three additional purchases from NUVAIR occurred on the same date, resulting in a total of \$12,587 charged to the same purchase card. The initial transaction and aggregate transactions for the same vendor exceed \$5,000. District Policy 3040.2 states that any purchase or expense greater than \$5,000 must be submitted to the Board of Directors for approval. However, approval for the NUVAIR purchase was not recorded in Board meeting minutes. Therefore, internal controls are insufficient to ensure that purchase card transactions comply with other District expenditure policies.

Lack of Timely Payments of Billing Statements

Although the Policy Handbook requires that all purchase card bills shall be paid in a timely manner to avoid late fees and finance charges, half of the billing statements in FY 2011-12 showed that a payment was not previously submitted. The District was not charged any late penalties or fees because their subsequent payments still met the terms of the purchase card agreement. According to the State MSA, the full amount of each participating agency's monthly balance or billing cycle, with the exception of reported fraud or disputed items, is due within 45 days⁸ from the billing cycle date of the invoice. According to District personnel and Board members, payments for a billing statement were made after receiving the subsequent billing statement(s) due to the lack of verification of expenditures.

The General Manager should be designated the role of Program Coordinator/Administrator and ensure that purchase cards are paid in a timely manner. By (a) imposing spending and transaction limits and (b) requiring either the General Manager or the Treasurer approve all purchases prior to incurring actual costs based on the (i) appropriateness of the purchase and (ii) availability of funds, the District can ensure that there are sufficient funds available to pay for all expenditures. By requiring cardholders to pay for any charges that do not have sufficient documentation to justify and verify purchases on the bank statement, the District should have sufficient documentation to reconcile and pay the bank statements in a timely manner and/or have an additional source of revenue, other than District tax dollars, to pay for disputed or unauthorized purchases.

Outside Contracts and Consultants

Requiring Board approval for consultant contracts and expenditures over \$5,000 is an essential internal control to ensure that significant funds are not committed to consultants or vendors that are unqualified, unnecessarily costly, and/or participants in fraud or abuse. Open, public discussions among Board members regarding contracts and expenditures could provide a control to help prevent Board members from personally benefiting from the selection of particular contractors or consultants. The General Manager should diligently review consultants or vendors with a single invoice over \$5,000, or multiple invoices that, together, exceed \$5,000 to ensure that they have a contract or total expenditure approved by the Board of Directors at a meeting. If the contract was not approved by at least two Board members, or no contract exists, steps should be taken to bring the procurement into compliance with the Policy Handbook.

⁸ The total number of days could be adjusted depending on the postmark date of the invoice and/or payment.

Reimbursements

While the Policy Handbook may allow reimbursements of expenses directly related to District business, the Board appears to have violated its policies by allowing a Board member to be reimbursed for a personal cell phone and internet bill on May 26, 2012. Policy 2270.3.18 states that the District is not responsible for maintaining or payment of personal internet accounts or related software. Additionally, the District By-laws state that Board members may authorize reimbursement for expenditures made for “operating supplies, or new and replacement items for office use and also for travel expenses.”⁹ The Board members approved the disbursement and the General Manager issued a check equivalent to the entire amount of a personal cell phone and home internet bill. Even if some of the personal cell phone and home internet services were used for District business, there was no additional documentation to justify what portion of the cell phone and home internet bill justified reimbursement.

To improve enforcement of District policies and enhance internal controls against inappropriate use of District funds, the General Manager should review all requests for reimbursements, including supporting documentation, against the policies and procedures in the District Policy Handbook. Further, all Board members should carefully review the list of disbursements to be approved on the consent agenda prior to the scheduled Board meeting and (a) discuss questionable disbursements with the General Manager and/or (b) request to pull questionable disbursements from the consent agenda for public discussion and review.

Violations of other Policies Indicate Weak Internal Controls

The Board of Directors has approved District policies to ensure efficient, effective and economical District operations and use of tax funds. However, violations of these policies expose the District to the risk of misuse of tax funds through poor and weak operations.

Lack of a District Legal Counsel Log

In 2009, the Board of Directors adopted a policy to maintain a log of all communication with District Legal Counsel, including the date of the communication, method of communication, and approximate length of time for communication for telephone and in-person communications. However, District personnel reported that no such log was available. The log is supposed to serve as a tool for District personnel to verify District Legal Counsel invoices and expenditures. The Policy Handbook restricts communication with District Legal Counsel to the President of the Board or his/her designee. Therefore, the log also serves as a tool for other District personnel and Board members to be aware of the frequency of District Legal Counsel communication and question any possible misuse of District Legal Counsel for personal benefit, *before* receiving a bill. The District should immediately establish a District Legal Counsel Log to be in compliance with the Policy Handbook and maintain an important control over legal expenditures.

Lack of a Policy Handbook for the Fire Department

A policy handbook, specifically for the operation of the Newberry Springs Fire Department, has not been adopted by the Board, even though a Board policy adopted in 2009 requires one. A

⁹ District By-laws, Article III, Internal Organization, #15.

draft policy handbook for the Fire Department was initiated in 2012, three years after the adoption of the policy. However, approval of the policy is not recorded in Board meeting minutes in 2012 or 2013, as of the writing of this report. The GFOA recognizes that establishing policies and procedures is a critical element of creating and maintaining internal controls. Without policies and procedures, the District cannot ensure that the Fire Department is operating efficiently, nor can it adequately evaluate the performance of Fire Department personnel, including the Fire Chief. The District should immediately adopt a policy handbook for the Fire Department.

Poor Implementation of Record Retention Policies

Despite having guidelines in the Policy Handbook for record retention, the manner in which District records are stored and maintained make it difficult to ascertain whether the District is: (i) providing for the identification, maintenance, safeguarding and disposal of records in the normal course of business; (ii) ensuring prompt and accurate retrieval of records; and, (iii) ensuring compliance with legal and regulatory requirements.

During the course of the investigation, the Grand Jury experienced significant delays in retrieving critical documents. For example, a subpoena was issued in September, 2012 for the latest version of Board approved By-laws and Policies and Procedures. Board approval was initiated on January 24, 2012, although items were not fully remitted to the Grand Jury until March 5, 2013, after a subsequent request in February 2013. However, according to the District's retention record policy, adopted pursuant to California Government Code 60201,¹⁰ these records should be with District personnel and maintained to ensure "prompt and accurate retrieval." Grand Jury members observed several unmarked cardboard boxes in various locations throughout the District office that contained District records, and there was no central log describing the contents of each box and their location, potentially contributing to the delay in record retrieval.

The lack of a proper records management system impedes any third party's ability to determine if the District has been complying with laws and regulations. In contrast, the Secretary of State's guidelines on record management state that proper record management is beneficial because it improves customer service, increases staff efficiency, and allocates scarce resources. The District should catalog all remaining records by category and the catalog should remain in a central location that is easily accessible by District personnel. Any records that exceed the retention periods adopted in the District's policies should also be disposed of.

Staff Vacancies Contribute to Weak Internal Controls

The management staff of the NSCD has been unstable in recent years, with multiple resignations and terminations by the Board of key personnel within the organization. This pattern has been particularly apparent in 2012, as follows:

- The previous General Manager, who also performed the functions of Board Secretary and Treasurer due to vacancies, resigned and was rehired twice during 2012. A third resignation,

¹⁰California Government Code 60201 states that the legislative body of districts may adopt a record retention schedule that complies with guidelines provided by the Secretary of State. It also prohibits districts from destroying certain records, including minutes of any Board meetings.

in July 2012, resulted in the hiring of the current General Manager in October 2012, who resigned on May 22, 2013. The position was vacant at the time this report was finalized.

- The Treasurer position has been vacant since April 2012 and the duties have been assumed temporarily by a member of the Board.
- The Fire Chief, who had been employed by the District since at least 2007, was dismissed by the Board in March 2012. An Interim Fire Chief, hired shortly after the previous incumbent, was dismissed six months later in September 2012. His replacement, a second Interim Fire Chief hired in September, was dismissed by the Board five months later in February 2013. The position of Fire Chief remains vacant, as of the writing of this report, with day-to-day management duties being assumed by a Fire Captain.

With only eight authorized positions, this amount of turnover at the highest levels of the organization is disruptive to operations and result in short-term weaknesses in internal control.

According to testimony received during the Grand Jury's investigation, the Board generally terminated employees due to performance concerns expressed by some members. Conversely, some resignations have reportedly occurred because of the dysfunction of the Board and an environment where individuals feel as though they have been treated unfairly. This was alleged by the Fire Chief in his March 2012 resignation letter, who stated that his resignation was, in part, due to ". . . the public fights and bickering so prevalent on the Board."

According to other testimony, it is sometimes difficult to recruit employees because of the remote location of the NCSO, the small size of the organization, the limited number of hours and pay offered to employees, and other factors. In addition, given recent turnover history and the culture of the organization, some prospective employees may be reluctant to apply. For example, statements were made that hiring a new Fire Chief has been difficult because of the limited number of potential applicants and the recent history of terminations.

Although a close examination of these factors could not be conducted, given the limited resources available to the Grand Jury, the impacts on the organization have been substantial. As stated separately in this section, the breakdown in internal controls has been significant in some instances and the ability of the organization to respond by reassigning functions or implementing compensating controls is limited.

In July 2009, the Local Agency Formation Commission (LAFCO) of San Bernardino County issued a *Service Review and Sphere of Influence Update for the Newberry Community Service District*. Among the various observations made in that report, it was suggested that possible improvements should be examined, including: (1) removing the NCSO fire protection powers from the District and reassigning them to the County; or – more substantially – (2) consolidating the NCSO with two adjacent community services districts, to allow for "economies of scale and provide the opportunity for streamlined governance and compliance with CSD law." These two suggestions merit further review, and more robust analysis of governance and reorganization options should be included in LAFCO's next Service Review of the District, scheduled for 2014.

NCSD Needs an Adequate Capital Asset Management System

The District's management of capital assets is weak compared to GFOA best practices to ensure that entities assess assets, appropriately plan, and budget for any capital maintenance and replacement needs. According to District personnel, an inventory of capital assets only occurs at the time, and with the assistance, of the annual audit. There is no Capital Asset Management System to record the date an asset was purchased, the condition it was in at the time of purchase, warranties, maintenance history, usage statistics, original useful life, remaining useful life, and replacement costs. Such information is important for District personnel and the Board to review when making key decisions, such as whether to approve an agreement for the consignment and sale of a water tender that was obtained in 2009, or to pursue the various repairs for equipment charged to purchase cards in FY 2011-12. In addition, an adequate Capital Asset Management System should prevent loss or misuse of capital assets through central recording and inventory control. The District should establish a Capital Asset Management System.

Conclusions

The District has By-laws and a Policy Handbook that contain some internal controls to help protect the District's financial and capital assets against the potential risk of loss or misuse. However, these policies remain insufficient for minimizing risk exposure to potential fraud and abuse. For example, the District's policies on purchase cards do not include spending and transaction limits to ensure that there are sufficient funds to pay for expenditures, segregate duties of purchase approvals and reconciliation to prevent potential fraud, or provide mechanisms for handling disputes and unauthorized charges.

In addition, the policies adopted to establish internal controls are not consistently implemented by Board members and District personnel, further exposing the District to unnecessary costs and potential misuse of District tax dollars for personal benefits. Violations of policies that indicate weak internal controls include:

- The lack of documentation for purchase card expenditures;
- Significant expenditures made with purchase cards without required Board approval;
- Lack of timely payments for purchase card billing statements to avoid potential penalties and fees;
- Reimbursement of expenses without sufficient documentation to ensure they were for District business; and,
- The lack of several key documents and tools such a log of all communication with District Counsel, a policy handbook for the Fire Department, and a catalog of retained District records.

Multiple resignations and terminations by the Board of key personnel within the organization during the audit period coincided with breakdowns in internal controls and the ability of the

organization to respond by reassigning functions or implementing compensating controls is limited.

Finally, the District does not have an adequate Capital Management Asset System to control inventory and record key information central to making maintenance and replacement decisions.

Recommendations

The Board of Directors should:

- 8 Revise its purchase card policies to:
 - (a) Exclude Board members from the use of purchase cards in order to be in compliance with the State Master Services Agreement for purchase cards, subsequently relinquish any purchase cards currently issued to Board members, and
 - (b) Include additional policies to ensure that there are sufficient funds for paying authorized purchase card transactions, prevent potential fraud and abuse through unauthorized and/or inappropriate purchases, and avoid unnecessary penalties and fees from late payments, such as:
 - (i) Spending and transaction limits for each cardholder;
 - (v) Clearly segregated duties for approving, executing, and reconciling purchases among the General Manager, Treasurer, and other purchase cardholders;
 - (vi) A process for handling disputes and unauthorized purchases; and,
 - (vii) A requirement that purchase cardholders use personal funds to pay for transactions that lack the timely submission of sufficient documentation of the transaction and purpose, as well as any subsequent penalties and fees that result from the delay in submitting such documentation.
- 9 Diligently review the list of disbursements to be approved on the consent agenda prior to scheduled Board meetings and (a) discuss questionable disbursements with the General Manager and/or (b) request to pull questionable disbursements from the consent agenda for public discussion and review.

The General Manager should:

- 10 Train all participants in the purchase card program on the new and revised policies and procedures for purchase cards.
- 11 Review consultants or vendors with a single invoice over \$5,000, or multiple invoices that, together, exceed \$5,000 to ensure that they have a contract or total expenditure

approved by the Board of Directors at a meeting. If the contract was not approved by at least two Board members, or no contract exists, steps should be taken to bring the purchase(s) into compliance with the Policy Handbook.

- 12 Carefully review all requests for reimbursements, including supporting documentation, against the policies and procedures in the District Policy Handbook prior to approval.
- 13 Establish the following to ensure that the District is in compliance with the Policy Handbook and maintains adequate internal controls:
 - (a) District Legal Counsel Log;
 - (b) Policy handbook for the Fire Department; and,
 - (c) Catalog of all retained District records.
- 14 Establish a Capital Asset Management System that records capital asset information such as the purchase date, condition it was in at the time of purchase, warranties, maintenance history, usage statistics, original useful life, remaining useful life, and replacement costs.

The Local Agency Formation Commission (LAFCO) should:

- 15 Review suggestions made in its 2009 report and include more robust analysis of governance and reorganization options for the next Service Review of the District, scheduled for 2014.

Costs and Benefits

Implementing these recommendations will require additional staff time, but should be done with existing resources.

Proper internal controls over District expenditures through purchase cards, contracts, and reimbursements should prevent subsequent unauthorized, inappropriate or unnecessary costs. Additionally, a good records management system would help the District (i) increase staff efficiency when key documents are easily accessible and (ii) ensure compliance with legal and regulatory requirements.

**LAFCO Resolution No. 3064 Making
Determinations on LAFCO 3046-
Service Review/Sphere of Influence
Update for the Newberry Community
Services District**

Attachment 2

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

215 North D Street, Suite 204 San Bernardino, CA 92415-0490
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PROPOSAL NO.: LAFCO 3046

HEARING DATE: JULY 15, 2009

RESOLUTION NO. 3064

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 3046 – A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE NEWBERRY COMMUNITY SERVICES DISTRICT (affirmation of existing sphere of influence).

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

WHEREAS, a service review mandated by Government Code 56430 and a sphere of influence update mandated by Government Code Section 56425 have been conducted by the Local Agency Formation Commission of the County of San Bernardino (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and

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

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

WHEREAS, a public hearing by this Commission was called for May 20, 2009 and continued to June 17, 2009 at the time and place specified in the notice of public hearing and in an order or orders continuing the hearing; and,

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

WHEREAS, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that this service review and sphere of influence update are

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statutorily exempt from CEQA and such exemption was adopted by this Commission on June 17, 2009. The Clerk was directed to file a Notice of Exemption within five working days of its adoption;

WHEREAS, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that the sphere of influence shall be affirmed for Newberry Community Services District (hereafter shown as the District) as depicted on the map attached hereto as Exhibit "A";

WHEREAS, the determinations required by Government Code Section 56430 and local Commission policy are included in the report prepared and submitted to the Commission dated April 24, 2009 and received and filed by the Commission on June 17, 2009, a complete copy of which is on file in the LAFCO office. The determinations of the Commission are:

1. Growth and population projections for the affected area:

While the north desert portion of San Bernardino County, in general, has experienced significant growth the Newberry community can be characterized as a rural and agricultural community that has historically experienced slow growth.

As of August 14, 2008, the District had 1,001 registered voters. Utilizing the growth forecast for transportation analysis zones, as identified in the Southern California Association of Governments (SCAG) 2008 Regional Transportation Growth Forecast and the 2000 Census estimates, the population growth projections for Newberry are as follows:

District	2000*	2010	2015	2020	2025	2030
Newberry	2,071	2,366	2,686	2,944	3,242	3,682

* 2000 Census estimate

The 2000 Census estimate and SCAG forecasts both include Harvard in the Newberry figures. For the purposes of this report, 2000 Census block data was extrapolated for the general Harvard area and removed from the 2010 to 2030 forecasts for the Newberry community.

This area is not anticipated to experience significant growth within the coming years. This determination is made due to about one-fifth of the land being publicly owned, the rural and low density residential land use designations assigned by the County, the historical divide from the Barstow community to the west, and the surrounding geographic barriers. The land ownership breakdown of the District's boundary is as follows:

Newberry CSD

Land Owner	Sq Miles	Percentage
Private	90.2	78.9%
US Bureau of Land Management	23.9	20.9%
State of California	0.1	0.1%
County of San Bernardino	0.1	0.1%
Total	114.3	100.0%

Historical trends indicate low growth in the community in comparison with other urban areas of the North Desert region of the County. However, there are future projects which will increase the need

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for public services within the community. The single most tangible factor that could limit growth will be the availability of water.

2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies:

Water

The Newberry Springs community has no existing public water system to serve residents and water service is characterized by its acquisition through private wells. This service deficiency limits the development capacity for the Newberry Springs area but also supports the retention of its rural nature. Furthermore, the Newberry CSD does not supply water to residents; it only supplies its own facilities and provides water for fire protection purposes (water trucks). Newberry CSD's Strategic Plan indicates that water service is a long range goal and that a study would have to be conducted to determine the funding for such an endeavor which would include the need to purchase additional water rights.

Newberry CSD has water production rights (also known as Base Annual Production) to assure 23 acre-feet (AF) annually as determined by the adjudication of the Mojave Water Basin. Newberry is within Baja sub-region, and Free Production Allowance (FPA) was 70% of Base Annual Production for 2008-09, which permitted the district 17 AF of FPA. For 2009-10, FPA has been set at 65%, which currently permits Newberry 15 AF.

Producers are required to replace any water pumped above their FPA by paying the Mojave Basin Area Watermaster to purchase supplemental water or by purchasing unused production rights from another party. The historical trend for Newberry's water production indicates that it does not produce more than its FPA. Thus, it has no replacement obligation to the Watermaster. Additionally, a review of the Watermaster's water transfer records for the past four years indicates that Newberry has neither received nor transferred annual production rights with other entities.

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Newberry CSD Water Production and Water Obligations
(units in acre feet unless otherwise noted)

Water Year	Free Production Allowance (FPA)	Carryover from Prior Year	Verified Production	Unused FPA ³ or (Agency Overdraft)	Replacement Water Obligation (District overdraft)	Makeup Water Obligation (Watermaster replacement to the Baja sub-basin)
2002-03	19	19	16	19	\$0	\$0
2003-04	19	19	16	19	\$0	\$0
2004-05	19	19	16	19	\$0	\$0
2005-06	18	19	16	18	\$0	\$0
2006-07	18	18	18	18	\$0	\$0
2007-08 ¹	18	18	18	18	\$0	\$0
2008-09 ²	17	18	N/A	N/A	N/A	N/A
2009-10	15	--	--	--	--	--

sources: Mojave Basin Area Watermaster, Annual Reports of the Mojave Basin Area Watermaster for Water Years 2002/03 through 2006/07, (April 1, 2004 through April 1, 2008).

Mojave Basin Area Watermaster, Request for Assignment of Carryover Right in Lieu of Payment of Replacement Water Assessments Recommended for Filing, For Water Years 2002/03 through 2006/07.

¹ Transfers from other water agencies not reconciled yet and data is subject to amendment in Appendix I in Sixteenth Annual Report of the Watermaster due April 2010.

² Draft data (Appendix B) not available until January 2010.

³ Unused FPA is equal to the total FPA (FPA, carryover, and transfers) minus total Verified Projection, but not greater than FPA and FPA transfers.

Sewer

The community utilizes on-site wastewater disposal through septic tanks or leach field systems. There is no schedule for installation of sewer improvements. This service deficiency limits the development options for the community. County Service Area 70 overlays the entirety of the community and is authorized sewer functions; however, County policy and practice requires the creation of improvement zones in order to deliver the service.

Although authorized sewer service, Newberry does not actively provide the service but has the power in order to plan for a sewer collection and treatment system. Actual provision of sewer service would require an application to LAFCO, along with a plan for services, and Commission approval. Should Newberry desire to provide this service to only the populated segments within the district, it would need to form a zone pursuant to CSD Law. This option would require voter or landowner approval due to the need for funding the development of the system and would require LAFCO approval to provide the service.

Fire Protection

The District provides fire protection through its identified "Newberry Fire Department". The Fire Department has an ISO rating of 9 and answers on average 400 to 500 calls per year. A sampling of the calls indicates an average response time of 12.5 minutes. The Fire Department provides mutual

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aid to over 100 calls and receives aid on 60 to 80 calls. Newberry Fire has mutual aid agreements with the surrounding fire agencies which include Fort Irwin, Marine Corps Logistics Base Fire, Yermo Fire, Daggett Fire, Barstow Fire, Bureau of Land Management, and San Bernardino County Fire.

The Department currently is staffed with 22 volunteers. Each volunteer participates in an average of 400 hours of training per year. In January 2009 there were 20 volunteers. Of the 20, ten are qualified as Type II wild land firefighters, six are emergency medical technician basic, three are California State Fire Marshall certified Firefighter II, two are hazardous materials technicians, one is a Specialist, two meet FEMA Urban Search and Rescue qualifications, and one is Fire Officer certified by the California State Fire Marshal.

Newberry has two fire stations with the second station being re-activated in January 2009. Due to the addition of personnel, Station #391 was re-activated with the relocation of a water tender and a rescue vehicle. The new fire station, Station #392 – Mid Valley Station, is located on Silver Valley Unified School District property and is leased for \$1 per year. Newberry states that if the lease is not continued, then the community would not have a centrally located station.

Newberry has plans to build a training room at Fire Station #392. Currently, the firefighters train in facilities that are not temperature controlled and the planned training room would be temperature controlled. Newberry anticipates that the addition of a temperature controlled room would decrease response times since the all-volunteer firefighting force would be more likely to remain at the facility.

There are also plans to build an additional fire station within the district and install 10,000 gallon water tank structures throughout the district. The Department conducted a comprehensive survey to locate and record major water source points for placement of the station and the tanks, but the exact locations are not yet determined. This would improve Newberry's ISO rating and lower insurance premiums.

The Fire Department currently owns and operates the following equipment:

- Type 1 municipal engine, a 1999 Freightliner with a 1,000 gallon tank, a 1,250 gallon per minute (gpm) pump, a 2000 foot hose, and air and hydraulic rescue tools
- Type 2 water tender, 2000 Freightliner with a 2,200 gallon tank and a 500 gpm pump
- Type 2 water tender, 1970 Peterbuilt with a 4,000 gallon tank and a 1,500 gpm pump
- Type 1 ambulance/rescue truck, 2003 E-350, first responder – non transport, equipped to ICEMA standards
- Type 6 brush engine, 2007 Ford 350 4 x 4 with a 300 gallon tank and a 350 gpm pump.
- Trailer equipped to light rescue standards.

In addition to the storage tank listed above, the Department has also coordinated with Mojave Water Agency to place seven connection points at strategic locations along the Mojave River Pipeline. The connections provide water at the rate of 500 gallons per minute. Additionally, the Fire Department has an agreement with the Santa Fe Railroad for access to the 220,000 gallon railroad water tank located near Elementis Specialties Plant at Pioneer and Mountain View.

According to the District's Fire Operational Plan, the short-term and long-term goals of the Fire Department are:

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Short-term goals (3 to 5 years):

- Develop a headquarters station, training center, and emergency operations center near the center of the District
- Secure at least five 10,000 to 15,000 gallon portable tanks.
- Reduce ISO Rating to 8 or better.
- Develop a large volume well and tank.
- Replace 1970 Peterbuilt water tender.

Long term goals (5 to 10 years):

- Construct headquarters station/training center/emergency operations center
- Relocate Station 391 two miles east, moving off the Newberry fault and out of a radio dead zone
- Assist in promotion of local water district *[while this goal may be part of the Fire Operational Plan, it appears to be for the district overall]*
- Add two Type 3 Fire Engines

Park and Recreation

Newberry owns and operates one park on 9.8 acres that includes a community center, Fire Station #391, a caretaker's home, playground, picnic area, and ball field. The ball field has lights for night play and can be configured as a baseball diamond or soccer field.

The Community Center was built in 1954 and provides a location for food distribution, shelter in case of a disaster, health clinics, veterinary clinics, and community and group events. Maintenance and upkeep of the park and the community center is provided by the live-in caretaker. Newberry states that the building is in above average condition due to ongoing upkeep and maintenance. Due to the age of the facility, Newberry indicates that future remodeling projects need to occur. Plans include remodeling the kitchen and restrooms and installation of energy efficient windows. Revenues have been set aside for major repairs of the park facilities and the caretaker's home.

According to staff from the County Community Development and Housing Department, Newberry applied for and received a Community Development Block Grant in FY 2006-07 to improve the parking lot at the park. The District intends to construct new restrooms at the park but plans or details were not provided. In 2008, the First District of the County Board of Supervisors awarded a \$5,000 grant to Newberry CSD for eight picnic tables for the park.

Streetlights

Newberry CSD maintains 39 streetlights. Southern California Edison owns the streetlights, and the District provides for payment of the utility costs for operation of the streetlights. There are no plans at this time to increase the number of the streetlights. There is no other existing service provider for streetlights in the area (County Service Area 70 which overlays the agencies is authorized streetlighting services, but requires creation of an Improvement Zone to provide), and the service is adequately provided. The future need for streetlights will increase as the population grows, dependent upon the implementation of the County's Night Sky Ordinance within this portion of the desert. The purpose of the Night Sky Ordinance is to encourage outdoor lighting practices and systems that will minimize light pollution, conserve energy, and curtail the degradation of the

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nighttime visual environment. Future developments may require public streetlights for major intersections for public safety purposes.

Road Maintenance

Newberry CSD is not currently authorized to provide the function or service of road services, however the district purchased a grader in August 2006 for roughly \$49,000 with funds from the \$350,000 one-time donation received in 2004 from the Kiewit Pacific Corporation. After Newberry received the donation, it conducted a survey asking its residents how to utilize the windfall. The results of the survey indicated that approximately 85% of the respondents wanted the funds to be used for roads - grading in particular. In turn, Newberry purchased the grader and began grading roads. The purchase practices were questioned regarding bids, etc. The District has indicated that the road grader purchased is used and that a bid process was not utilized nor was it required for the purchase of used machinery. The District further states that it considered 18 machines and chose a machine that was owned by a municipality and that it considered cost and previous use in making its determination.

According to Newberry, grading does not occur on private roads. Primarily, the grader was purchased in order to keep the non-maintained County roads in acceptable condition for fire protection and EMS services. Rain and other varied weather conditions result in road conditions that make it difficult for emergency vehicles to arrive on the scene. In 2006 and 2007 Newberry graded about 25 miles of road, and road grading continued into 2008. No information has been provided related to the 2009 grading activities anticipated by the District.

LAFCO informed District representatives of the potential for incurred liability when an agency performs road services. Newberry stated that its insurance company covers the grader but is not aware that road service, in the form of grading, is actually provided. As for funds to operate and maintain the service, road service is not an enterprise activity. Therefore, the funds to maintain the road grader and pay for the service use portions of the property tax revenues generated from throughout the entirety of the district that are also used to pay for streetlighting, park and recreation, and fire services.

The District has been informed on more than one occasion that in order for Newberry CSD to actively provide road service either within a portion or to the entirety of the district, CSD Law requires the activation of latent powers subject to LAFCO approval (Government Code Section 61106). Newberry has not formally requested or been authorized by LAFCO to perform this function and/or service. LAFCO has informed Newberry that activation of its latent road powers would require the submission of an application to LAFCO with a plan for service which would include the identification of the financing for the service provision. Newberry is actively grading on public roads and such an action requires written consent from the County, as outlined in CSD Law [Section 61100(I)].

While a CSD may perform road services on another public agency's roads, if it obtains written permission, two preceding actions are paramount. First, Section 61106 (a) requires a CSD to obtain LAFCO approval in order to activate a latent power; regardless if the service is to be provided to a portion or to the entirety of the district.

Second, according to CSD Law and County requirements, the District needs to obtain written permission from the County allowing it to perform road maintenance on public roads. The District has adopted a resolution requesting County permission, but the District has not provided LAFCO with a copy of the written consent from the County. Staffs at the County Public Works,

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Transportation Division office and the Clerk to the Board of Supervisors have indicated that there is no record of receipt of Newberry's resolution requesting consent. According to County Transportation staff, in order to grade non-maintained roads the District would need to submit an "Application for Encroachment Permit". If the County determines that the roads are in their system and do not object to the grading, then a "Letter of No Objection" would be issued. LAFCO has informed Newberry CSD of the County's response and application process.

While the intent and purpose for providing the service are a benefit to the community, the extent of the road grading without authorization and the lack of adherence to CSD Law, LAFCO Law, and County Public Works/Transportation application requirements described above is a serious concern to the Commission. Further the District in written correspondence has indicated that it intends to continue providing this service even though it has neither LAFCO authorization nor County permission. It is the Commission's recommendation that Newberry CSD immediately submit the application materials, including a plan for services and the County's Letter of No Objection to LAFCO so that Commission consideration for activation can commence to secure compliance with applicable provisions of law.

3. Financial ability of agencies to provide services:

The District experiences financial challenges stemming from lack of incoming revenue each year in comparison to annual expenditures. The ongoing operations of the District are primarily funded by property taxes. Fire protection and related activities comprise the largest expense and its cost increases annually. The District does not adhere to the constitutional requirements for the establishment of an appropriations limit and statutes related to finances of a community services district.

Community Services District Law (Government Code Section 61000 et seq.) promotes financial accountability by requiring:

- An adopted budget (§61110 et seq.) – CSD Law requires the adoption of an annual budget and requires the general manager to forward a copy of the final budget to the county auditor. Newberry adopts annual budgets. Newberry's budget provided for FY 2008-09 does not provide any revenue sources and does not provide a figure for the fund balance carried forward. According to staff at the County Auditor-Controller/Recorder, the District is current.
- Adoption of annual appropriations limits under the Gann Initiative (§61113) – Article XIII B of the State Constitution (Gann Limit) mandates local Government agencies to establish an appropriations limit, which is further acknowledged by Government Code 61113. In 1977-78 the tax rate of the District was \$0.9110 per \$100 of assessed value. The District falls within the requirements of Article XIII B of the State Constitution, as it was over the \$0.125 (12 ½ cents) per \$100 of assted value tax rate in 1977-78, and therefore, must have an appropriations limit.

After meeting with LAFCO, the District is now aware of the requirement for annual appropriations limits. Newberry staff has informed the Commission that it obtained the formula to establish an appropriations limit from the County Auditor and is attempting to contact personnel at the County Auditor Property Tax Division to help establish the appropriations limit. Although Newberry does not have an appropriations limit, the District is making a fair attempt to comply with the Gann Limit.

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- Regular audits and annual financial reports (Sections 26909 and 61118) – Section 26909 of the Government Code requires regular audits of district accounts and records, which is further acknowledged by Government Code 61118. Additionally, CSDs are required to forward their audits to the State Controller and County Auditor. According to records on file at the State Controller and County Auditor, the last audit received for Newberry CSD was for FY 2006-07 received in January 2009.

The District's most recent audit submitted for this review is for FY 2006-07 and financial transaction reports were submitted for FY 2005-06 and 2006-07. Since the last audit performed was for FY 2006-07, a comprehensive review of the District's finances could not be completed. The materials provided do, however, reveal that nearly all of the District's revenues are from the receipt of the District's share of the one percent ad valorem property tax. Additionally, in FY 2004-05 the Kiewit Pacific Corporation provided a one-time \$350,000 donation to the District to garner support for operation of a rock quarry and asphalt batch plant for approximately two years in the southern portion of the district.

The District states that the lump-sum donation was deposited into a dedicated fund. Since the receipt of the funds, capital purchases have been comprised of the purchase of the road grader and a 2007 Ford 350 Type 6 Brush Engine. It cannot be determined from what fund the purchases were made because the District did not have a capital projects fund for those years. When comparing the year-end balance of \$496,906 from the FY 2004-05 audit with the year-end balance of \$320,401 from the FY 2006-07 financial transaction report, the District's funds decreased by \$176,505. In addition it is understood that an annual allocation of funds is made to the community senior center to support its operations.

The District provides for the maintenance of 39 streetlights, which includes the payment of electricity charges for their operation. However, for FY 2005-06 and 2006-07 the District identifies its expenditures for this service as being \$32,377 and \$29,270 respectively. No clarification of this expenditure has been received.

The District is dependent on its share of the one-percent general levy and grants and rebates. The information provided indicates that this is not enough to fund capital and needed improvements for the long-term.

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Newberry CSD Financial Transaction Report Summary

Activity	Total Revenues	Total Expenditures	Net Income (Loss)	Total Debt
FY 2006-07				
Fire Protection	\$ 113,179	\$ 174,866	\$ (61,687)	\$ 49,410
Lighting and Lighting Maintenance	\$ 2,032	\$ 29,270	\$ (27,238)	\$ -
Recreation and Park	\$ 91,550	\$ 143,990	\$ (52,440)	\$ -
Total	\$ 206,761	\$ 348,126	\$ (141,365)	\$ 49,410
FY 2005-06				
Fire Protection	\$ 121,765	\$ 125,038	\$ (3,273)	\$ 72,292
Lighting and Lighting Maintenance	\$ 1,723	\$ 32,377	\$ (30,654)	\$ -
Recreation and Park	\$ 77,746	\$ 61,574	\$ 16,172	\$ -
Total	\$ 201,234	\$ 218,989	\$ (17,755)	\$ 72,292
FY 2004-05				
Fire Protection	\$ 91,753	\$ 100,327	\$ (8,574)	\$ 105,401
Lighting and Lighting Maintenance	\$ 1,576	\$ 1,596	\$ (20)	\$ -
Recreation and Park	\$ 422,103	\$ 59,674	\$ 362,429	\$ -
Total	\$ 515,432	\$ 161,597	\$ 353,835	\$ 105,401

Note: Includes \$350,000 one-time donation from Kiewit Foundation

source: State of California. California State Controller. *Special Districts Annual Report*, for fiscal years 2004-05, 2005-06, and 2006-07.

Salaries and Stipends

For FY 2007-08, the district budgeted \$43,270 for salaries and stipends.

Salary/Stipend	FY 2007-08
Administrator Salary	\$ 9,600
Chairperson Stipend	\$ 6,000
Secretary Salary	\$ 7,500
Fire Department Stipend	\$ 16,570
Caretaker Salary	\$ 3,600
Total	\$ 43,270

According to the Fiscal Year 2007-08 budget, the Caretaker's Salary is \$3,600. The Commission is not aware if Newberry CSD rents the caretaker's residence to the caretaker at a reduced rate and if the district identifies it as a paid benefit subject to income tax withholding.

Fire Department

Revenues for the Fire Department are comprised of billing for services, monies received by the Newberry CSD, and grants. According to the documents provided by the district, residents within the district are not charged for fire and emergency medical services. As a cost recovery mechanism, non-residents are billed for emergency services. Because Newberry CSD utilizes property tax revenues to fund its operations, the Fire Department relies upon grants to fund its ongoing activities and special projects. According to the budget, grants are a significant source for the acquisition of

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equipment, are sought to promote public safety, and will be the primary source for disaster planning, mitigation and response projects in the future. The District applied for three grants during FY 07-08:

- Firefighter Assistance Grant – for fire and emergency response equipment, \$52,920. The Department applied for but has not yet been approved for the grant.
- Community Development Block Grant – for medical equipment, \$18,787. The Fire Department applied for and has been approved for this grant.
- Homeland Security Grant – for purchase of a cargo trailer with generator to house and respond with rescue equipment, \$11,500. The District has applied for but has not yet received the grant.

The Commission has a concern that grants will be the primary source for disaster planning, mitigation and response projects in the future. Grants are not a steady source of revenue, and the dependence on grants is an indicator of the challenges that the district will encounter in the short and long-run to support ongoing maintenance and operation of fire and safety services.

Newberry CSD activities

The District's general budget is for the District's activities, excluding fire, and includes payroll and operations and maintenance. As for revenues, the budgets do not break-down the sources of revenues. Rather, revenues are simply listed as Deposits, Funds Transferred, and Interest. Further, revenues are not differentiated between the Fire Department and remainder of the district's activities. A more detailed revenue section of the budget is needed in order to adequately review the revenue stream and the distribution of revenues among its activities. However, the annual Final Transaction Reports that the District files with the State Controller does break down the revenue by source and activity. The Commission recommends that the District incorporate a revenue breakdown in future budgets. The District has indicated that it is developing a general ledger type of accounting that will provide for better accounting and data presentation.

Newberry CSD is not authorized by LAFCO to perform road services, yet has purchased a road grader from one-time donation funds. According to the budgets the annual costs for operating and maintaining the road grader are roughly \$5,000 per year. The costs identified for the grader are for supply, repair, wages, fuel, upgrade, and insurance, no identification of salary for operator was included. Funding to support the on-going costs come from revenue sources that also pay for the authorized services (fire protection, park and recreation, and streetlighting).

Outstanding Debt

In January 2009 the District made the final payment to Kansas State Bank of Manhattan for the purchase of a fire truck. The District states that it currently does not have any outstanding debt.

4. Status of, and opportunities for, shared facilities:

Newberry CSD does not currently share facilities with other agencies.

5. Accountability for community service needs, including governmental structure and operational efficiencies:

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Local Government Structure and Community Service Needs

Newberry is an independent district and is governed by a five-member board of directors. Representation on the board of directors is at-large and members are voted by the electorate or are appointed by the County Board of Supervisors. A review of the County Registrar of Voters records indicates that within the past ten years, the district has had elections in 2001, 2003, and 2007. As of August 14, 2008, the district had 1,001 registered voters. Below is the composition of the board, their positions, and terms of office as of November 1, 2008:

Board Member	Title	Term
Sandra Wise Brittian	Chair (President)	2009
Diana Williams	Finance Officer	2009
Wesley S. Sperry	Director	2009
Debbie Farrington	Vice Chair (Vice President)	2011
Robert Royalty	Director	2011

Newberry contracts with an administrative consultant to function as the general manager. The contracted person also is an elected official and full-time employee for another local government agency. Office hours for the district are Tuesday, Wednesday, and Thursday from 9:30 am – 2:30 pm. The Commission has a concern regarding the office hours of the district in relation to the contracted general manager being an elected official and employee for another local Government agency. This situation does not allow for the supervision of the District office staff during office hours and could conflict with their other position. This, in the Commission's position, does not lend to available and responsive governance of an agency.

Also employed by Newberry are a caretaker that handles facility upkeep and minor repairs and a secretary. On March 10, 2009 the Newberry CSD board included the duties of the Treasurer with the position of the secretary. This position is bonded through the Special Districts Risk Management Authority. The board appoints a volunteer Fire Chief to run the Fire Department.

Board hearings are held on the fourth Tuesday of each month at 6:00 p.m. at the Newberry Community Center. Agendas are posted 72 hours prior to regularly scheduled hearings and 24 hours prior to special hearings. Newberry has a website to inform the residents of activities, events, and district services. Residents can also use the website to submit comments and concerns.

Newberry operates with an annual balanced budget. The budget is adopted at a public hearing and the public is invited to attend the budget workshops. The board is provided with a monthly finance report, and a quarterly finance report is available to the public and available at the general manager's office. An independent bookkeeper accounts for Newberry's finances. The general manager processes payroll and payments with the Finance Director overseeing the process.

Operational Efficiency

The District participates in the Special Districts Risk Management Authority, a joint-powers authority, for general insurance and workers compensation. The district also participates in the Electronic Clean-up Program for the Daggett, Yermo, and Newberry communities. The communities rotate the drop-off location in order to assist residents.

Newberry participates in the disaster council made up of volunteer citizens of the Daggett, Yermo, and Newberry communities and meets to discuss community safety issues. The Council has established its mission and has begun the process of utilizing resources to create its disaster plan.

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FEMA representatives provided a three-day training session. There is no memorandum of understanding at this time.

Government Structure Options

There are two types of government structure options:

1. Areas served by the agency outside its boundaries through "out-of-agency" service contracts;
2. Other potential government structure changes such as consolidations, reorganizations, dissolutions, etc.

Out-of-Agency Service Agreements:

The District does not currently provide services outside its boundaries.

Government Structure Options:

The District, in preparing the municipal service review, did not indicate that there were consolidations or other structure options available. While the discussion of some government structure options may be theoretical, a service review should address all possible options.

- Dissolution of the district. The community has a present and probable need for municipal services, and dissolution of the district is not desirable, let alone feasible at this time. Rather, more effective and responsive Government is needed for the community in addition to the growing activities and traffic along Interstates 15 and 40.
- Removal of the district's fire protection powers with County Fire as the successor. One theoretical possibility would be to remove the district's fire protection powers, expand the sphere of influence of the San Bernardino County Fire Protection District, and concurrently annex the territory to County Fire and its North Desert Service Zone. The Board of Supervisors would be the ex-officio board of directors, and County Fire would then succeed to the property tax revenues attributable to fire protection of the District.

While there are benefits to regionally providing fire protection services and potential economies of scale that could be achieved, neither the District nor County Fire has indicated support for this option due to the limited financial resources available. Without the revenues, the Commission suggests that the potential for joint powers contracts to achieve economies of scale or functional consolidations of service for the area should be evaluated by the existing agencies.

- Consolidation with the two adjacent community services districts. Consolidation would allow for economies of scale and provide the opportunity for streamlined governance and compliance with CSD Law.
- Maintain the district in its current status. In this option, there are no changes to the District and it is the option supported by the District as identified in responses received during the review of the draft report and conveyed during the January 21, 2009 community meeting.

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WHEREAS, the following determinations are made in conformance with Government Code Section 56425 and local Commission policy:

1. Present and Planned Uses:

The vast majority of the lands within the District are assigned designations of Resource Conservation (allowing one unit to 40 acres) and varying levels of Rural Living by the County General Plan. Other land use designations include Agricultural, Commercial (Industrial and Highway), Freeway, Regional Industrial, Residential Single, and Open Space. This community is not anticipated to experience significant growth within the coming years due to about one-fifth of the land being publicly owned, the low-density land use designations assigned by the County, the historically low growth rate, the lack of a municipal-type water provider, and the surrounding geographic barriers.

2. Present and Probable Need for Public Facilities and Services:

Lack of municipal level water and sewer service throughout the region hinders the growth of the community and the needed revenue associated with growth to maintain municipal services. Although the district is rural and agricultural in nature, the populated center is anticipated to support growth based upon the general plan land use designations assigned by the County of San Bernardino. A municipal water service provider to serve the populated center of the community would provide a reliable and safe source of water for domestic, industrial, commercial, and fire protection uses.

The entirety of the community utilizes on-site wastewater disposal through septic tanks or leach field systems. This service deficiency limits the development capacity for the community. The District does not currently provide sewer service and there are no other existing entities available to provide sewer service. County Service Area 70 overlays the entirety of the community and is authorized sewer functions; however, County policy and practice requires the creation of improvement zones in order to deliver the service. Although authorized sewer service, Newberry does not actively provide the service but has the power in order to plan for a sewer collection and treatment system and respond on any potential utilization of package treatment plants.

The District experiences challenge related to fire protection services given the limited resources available, and is reliant upon other fire protection agencies for mutual aid to fulfill this mission. The need for fire services is also anticipated to remain constant within the district but the needs of the transient traffic along Interstates 15 and 40 and the railroads traveling through the area will increase as traffic is anticipated to increase.

The need for park and recreation is anticipated to generally remain constant as the population is not anticipated to increase significantly.

The need for streetlighting is also anticipated to remain generally constant. Southern California Edison owns the streetlights, and the district provides for payment of the utility costs for operation of the streetlights. There are no plans at this time to increase the number of the streetlights. There is no other existing service provider for streetlights in the area even though County Service Area 70 overlays the entirety of the community and is authorized streetlighting services, and the service is adequately provided. The future need for streetlights will increase as the population grows, dependent upon the implementation of the County's Night Sky Ordinance within this portion of the desert. The purpose of the Night Sky Ordinance is to encourage outdoor lighting practices and systems that will minimize light pollution, conserve energy, and curtail the degradation of the

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nighttime visual environment. Future developments may require public streetlights for major intersections for public safety purposes.

3. Present Capacity of Public Facilities and Adequacy of Public Services

The park and recreation services are adequately met by the District but they are generally dependent upon grants for improvements and construction.

The District is authorized by LAFCO to provide fire protection services. As of January 2009 has two operational fire stations, and provides for a fire master plan identifying its operations and future considerations.

The District experiences financial challenges stemming from lack of revenue in comparison to expenditures. The operations of the district are funded by its share of the ad valorem property taxes. Fire protection and related activities comprise the largest expense and increase annually. Moreover, a comprehensive review of the district's finances could not be completed due to the lack of current audits. Further the District does not adhere to certain statutes related to finances of a community services district. Of concern to the Commission is the current and future viability of the District. A review of the financial documents indicates that the District does not receive enough incoming revenue to adequately support the ongoing operations of the district.

4. Social and Economic Communities of Interest:

The social community of interest is the District and its residents. Economic communities of interest are the Interstate 15 and 40 corridors, agriculture, mining industries, and the Silver Valley Unified School District.

5. Additional Determinations

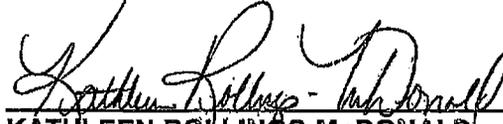
- Legal advertisement of the Commission's consideration has been provided through publication in *The Desert Dispatch* through a publication of an 1/8th page legal ad, as required by law. In accordance with Commission Policy #27, an 1/8th page legal ad was provided in lieu of individual notice because the service review for the community, in aggregate, would have exceeded 1,000 notices.
- As required by State Law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.
- Comments from landowners/registered voters and any affected agency were reviewed and considered by the Commission in making its determinations.

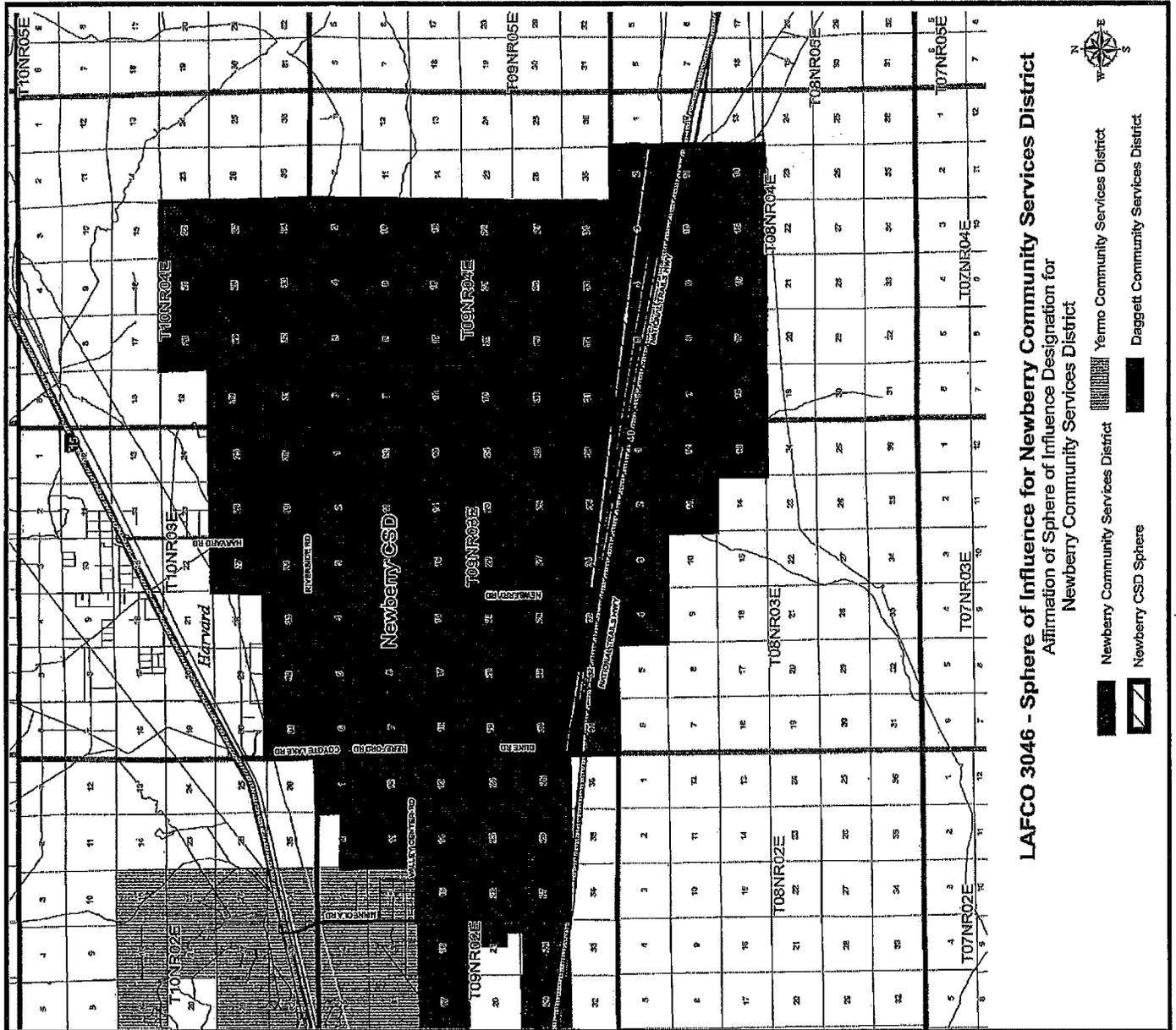
WHEREAS, pursuant to the provisions of Government Code Section 56425(i) the range of services provided by the Newberry Community Services District shall be limited to the following:

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I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission of the County of San Bernardino, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of July 15, 2009.

DATED: July 16, 2009


KATHLEEN ROLLINGS-McDONALD
Executive Officer



LAFCO 3046 - Sphere of Influence for Newberry Community Services District
 Affirmation of Sphere of Influence Designation for
 Newberry Community Services District

 Newberry Community Services District
 Newberry CSD Sphere
 Yermo Community Services District
 Daggett Community Services District

**Minutes from the June 17, 2009
Commission Hearing**

Attachment 3

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 17, 2009**

REGULAR MEETING

9:00 A.M.

JUNE 17, 2009

PRESENT:

COMMISSIONERS:	Jim Bagley, Alternate	Larry McCallon
	Paul Biane	Richard P. Pearson
	Kimberly Cox	Robert Smith, Alternate
	Neil Derry, Alternate	Diane Williams, Alternate
	Brad Mitzelfelt, Vice-Chairman	

STAFF:

- Kathleen Rollings-McDonald, Executive Officer**
- Clark Alsop, Legal Counsel**
- Samuel Martinez, Senior LAFCO Analyst**
- Michael Tuerpe, LAFCO Analyst**
- Anna Raef, Clerk to the Commission**
- Rebecca Lowery, Deputy Clerk to the Commission**

ABSENT:

COMMISSIONERS:

- James V. Curatalo**
- Mark Nuaimi, Chairman**

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION COMMISSION –
CALL TO ORDER – 9:03 A.M.**

Vice-Chairman Brad Mitzelfelt calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

Vice-Chairman Mitzelfelt requests those present who are involved with any of the changes of organization to be considered today by the Commission and have made a contribution of more than \$250 within the past twelve months to any member of the Commission to come forward and state for the record their name, the member to whom the contribution has been made, and the matter of consideration with which they are involved. There are none.

**APPROVAL OF MINUTES FOR REGULAR MEETING OF MAY 20, 2009 – APPROVE STAFF
RECOMMENDATION**

Vice-Chairman Mitzelfelt calls for any corrections, additions, or deletions to the minutes. There are none. Commissioner Williams moves approval of the minutes as presented, second by Commissioner Cox. Vice-Chairman Mitzelfelt calls for opposition to the motion. There being no opposition to the motion to approve the minutes, the motion passes with the following vote: Ayes: Biane, Cox, McCallon, Mitzelfelt, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Curatalo (Commissioner Smith voting in his stead), Nuaimi (Commissioner Williams voting in his stead).

CONSENT ITEMS – APPROVE STAFF RECOMMENDATIONS AS MODIFIED

LAFCO considers the items listed under its consent calendar. The consent calendar consists of:

Item 3. Approval of Executive Officer's Expense Report

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- Item 4. Ratify Payments as Reconciled for Month of May 2009 and Note Cash Receipts
- Item 5. Initiation of Sphere of Influence Establishment for Phelan-Piñon Hills Community Services District
- Item 6. Consideration of Amendment to Rules of Order to Place Approval of Minutes on Consent Calendar
- Item 7. Note Receipt of Proposal Initiated by Resolution of Victorville Fire Protection District – LAFCO 3139 – Reorganization to Include Annexation to San Bernardino County Fire Protection District and its North Desert Service Zone

A Visa Justification for the Executive Officer's expense report, as well as a staff report outlining the staff recommendation for the reconciled payments, have been prepared and copies of each are on file in the LAFCO office and are made a part of the record by their reference here. Kathleen Rollings-McDonald, Executive Officer, states that her expense report is distributed to the Commission today and that expense report should be included in the motion.

Commissioner McCallon moves approval of the consent calendar as modified, second by Commissioner Cox. Vice-Chairman Mitzelfelt calls for opposition to the motion. There being none, the motion passes with the following vote: Ayes: Biane, Cox, McCallon, Mitzelfelt, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Curatalo (Commissioner Smith voting in his stead), Nuaimi (Commissioner Williams voting in his stead).

CONTINUED/DISCUSSION ITEMS:

REQUEST FOR CLARIFICATION OF COMMISSION DIRECTION ON FILING WITH GRAND JURY RELATED TO MUNICIPAL SERVICE REVIEW FOR BARSTOW CEMETERY DISTRICT – APPROVE STAFF RECOMMENDATION

LAFCO Analyst Michael Tuerpe presents the staff report requesting Commission direction on filing with the Grand Jury related to the Municipal Service Review (MSR) for Barstow Cemetery District, a copy of which is on file in the LAFCO office and is made a part of the record by reference herein. He says that at the October 2008 hearing the Commission considered the MSR and Sphere of Influence Update, as required by state law, for the Barstow Cemetery District, and at the November hearing the Commission adopted the resolution assigning a zero sphere of influence to the District and directing LAFCO staff to refer concerns regarding the District's financial matters to the County Auditor/Controller-Recorder to determine if those financial concerns can be resolved. He states that if this effort was unsuccessful, staff was directed to refer the matter to the District Attorney Public Integrity Unit with notification to the Grand Jury. The Commission also recommended that the District be dissolved with succession being either to the County (through a County Service Area) or to the City of Barstow, which would require special legislation. He states that LAFCO staff met with representatives of the City and the County and to date neither has provided a response as to succession to the operations of the District. He explains that the County Auditor/Controller-Recorder, in discussions with County Counsel, has indicated that it cannot assist further in this matter. He says that the District Attorney's Public Integrity Unit has not responded to LAFCO staff's request for information. The Grand Jury is the remaining mechanism which can bring resolution to the Commission's concerns, and the Grand Jury has notified LAFCO staff that it requires a formal filing in order to consider the issue. He describes two options available to the Commission: 1) direct staff to file a formal request for review with the Grand Jury citing its concerns; or 2) direct staff to maintain a watch over the District until its next mandated service review and sphere of influence update in four and one-half years. He states that staff recommends that the Commission direct staff to

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complete the form requesting review by the Grand Jury. He states that representatives from the District are in the audience. He adds that the District has submitted a letter to the Commission which was distributed today asking that this item be placed on the discussion calendar.

Vice-Chairman Mitzelfelt summarizes the options and calls for questions from the Commission. Commissioner Cox expresses her disappointment and comments that she finds it disheartening that the Commission is considering this issue because of lack of communication from this District as LAFCO tried to provide answers and resolution for the public benefit. She believes that withholding information from another entity that has the best interests of the public in mind is disingenuous and does not serve the public's best interest.

Vice-Chairman Mitzelfelt asks if there is anyone wishing to address the Commission on this item. There is no one.

Commissioner McCallon moves approval of staff recommendation to file a formal complaint with the Grand Jury, second by Commissioner Williams. Vice-Chairman Mitzelfelt calls for opposition to the motion.

Commissioner Smith states that he agrees with Commissioner Cox that there may be a lack of diligence in getting the job done appropriately; however, he does not believe it would be in the best interest to escalate this to the Grand Jury level. He believes that if the District can provide assurance that this will not happen in the future, understanding that this was an oversight, he recommends the Commission direct staff to watch over the District and not ask for a Grand Jury investigation. Commissioner Williams states that waiting four and one-half to five years could potentially result in a worse situation and would be irresponsible on the part of the Commission. She expresses concern that there appears to be a lack of integrity on the part of the District and believes a Grand Jury investigation is appropriate. Commissioner McCallon states that in the initial review of this District there were considerable financial irregularities that were uncovered in addition to the lack of communication and he believes the only way to resolve that issue is through a Grand Jury investigation.

Vice-Chairman Mitzelfelt asks if there is further comment. There being none, the motion passes with the following vote: Ayes: Biane, Cox, McCallon, Mitzelfelt, Pearson, Williams. Noes: Smith. Abstain: None. Absent: Curatalo (Commissioner Smith voting in his stead), Nuaimi (Commissioner Williams voting in his stead).

(It is noted that Commissioner Biane leaves the dais at 9:09 a.m.)

**MUNICIPAL SERVICE REVIEW FOR THE COMMUNITIES OF YERMO, DAGGETT AND
NEWBERRY SPRINGS, AND THE FOLLOWING SPHERE OF INFLUENCE
UPDATE/AMENDMENT REVIEWS: (CONTINUED FROM MAY 20, 2009 HEARING)**

- A. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3008; AND (2)
LAFCO 3008 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR YERMO
CSD;**
 - B. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3045; AND (2)
LAFCO 3045 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR
DAGGETT CSD;**
 - C. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3046; AND (2)
LAFCO 3046 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR
NEWBERRY CSD**
- APPROVE STAFF RECOMMENDATION AS MODIFIED**

LAFCO conducts a public hearing to consider Municipal Service Review for the Communities of

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Yermo, Daggett, Harvard and Newberry Springs. Notice of the original hearing was advertised as required by law through publication of a 1/8th page ad in the *Desert Dispatch*, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, and those individuals and agencies requesting mailed notice.

(It is noted that Commissioner Smith leaves the dais and is seated in the audience at 9:17 a.m.)

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by reference herein. Ms. McDonald states that this MSR began in 2005. In light of the County Fire Reorganization and the annexation of 45-plus islands to various cities in the County, the Commission made the determination to defer moving forward with the service reviews until those proposals were completed.

Ms. McDonald states that additional information is provided today, including a resolution from the Daggett CSD expressing its opposition to staff's recommendation, and a response from the Newberry CSD. She says that many questions arose regarding the need for a single report for the three districts. She explains that it is staff's belief that the location of the districts along the I-15/I-40 corridor, their historic divide from the community of Barstow, the major rail lines in the area and the relationship of public and private land supports reviewing the three communities together. She points out the districts on the overhead maps and provides a flyover of the areas noting that there is a major effort by the Mojave Desert Resource Conservation District to work with farmers in the Newberry area to provide efficient irrigation systems. She adds that the Newberry area has a number of private water ski lakes and a water ski school. She points out the Barstow-Daggett County Airport, the Yermo Annex Marine Corps Base, Solar One, the first major solar energy producing plant developed by Southern California Edison, and other major utility ownership areas. She points out the exclusion area of the Barstow-Daggett Airport. She says that the boundary and sphere for Newberry CSD are generally coterminous, however, there are some exclusions including utility rights-of-way and the railroad which are in the existing sphere of influence. She points out the Yermo CSD and its sphere of influence which includes a portion of the Harvard community. Within the district boundary are exclusions of railroads and utility rights-of-way. LAFCO staff has no background information on why those exclusions exist.

Ms. McDonald identifies several changes which staff proposes. First is an expansion to the west of the Daggett CSD. In reviewing the City of Barstow it was discovered that there was territory which was excluded from any sphere of influence; however, it is not accessible by the City of Barstow because it is on the eastern edge of the Nebo base. Therefore, the City could not serve the territory, so it is more appropriately a part of the Daggett CSD sphere and should be part of the Daggett CSD planning area.

Ms. McDonald states that for many years the Yermo Marine Corps Base facility has been excluded from the sphere of influence; however, the updated parcel data indicates that some territory is privately owned and has never been placed within the sphere of influence of the service agencies. Ms. McDonald states that the private lands should be within the Yermo sphere. She states that there are two exclusions to the north that have never been a part of the Yermo CSD sphere of influence. The only access to the private lands is through the Yermo CSD, so LAFCO staff recommends that those territories be included within the sphere of influence.

Ms. McDonald states that six factors are required of every municipal service review. The first factor relates to growth and population projections. An outline of the transportation analysis zones was provided to the Commission for the territory within the four communities as well as SCAG projection for growth in the area. She states these areas are low-growth areas and many have agricultural pursuits. The Harvard community, although a part of Yermo CSD sphere, has

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always been counted with the Newberry Springs community and has a Newberry Springs mailing address. She says that a breakdown of the type of land ownership was provided in the staff report as an indicator of the potential for growth within the three communities. Daggett CSD is 24 square miles and 64 percent is privately owned; Newberry CSD is 114 square miles and 78 percent privately owner; and Yermo CSD is 48 square miles and 53 percent privately owned.

Ms. McDonald states that the Commission has been provided materials relating to the development projects being processed through the County, which is the land use authority for the entire region. She points out projects within Yermo, Daggett, Newberry, and a few in the Harvard community. She states that the Lake Dolores project within the Harvard community is the largest and it anticipates at least 1,408 lots with 33 lettered lots for development. In addition, 27 lots are planned for commercial development along the I-15 corridor.

She states that the Commission is required to review the present and planned capacity of public facilities. Water is the first and foremost issue for consideration and in this case there are two water systems. Those are the Daggett CSD, which provides water service within its boundaries and, since 1982, the western portion of the Yermo CSD, where it provides water service to the Silver Valley School District and its high school, as well as other facilities. The other water provider in the region is the Yermo Water Company. Ms. McDonald reports that over the past twenty plus years the residents served by this water company have suffered from inadequate service in that the system has not been maintained adequately, upgrades have not been made to the system, and the PUC rules for operating a water company have not been followed. For example, for a period of time, the elementary school students were not permitted to flush toilets because there was insufficient water supply. She says that the PUC has taken action to place the water company in receivership.

She states these districts are in the Baja Basin and pursuant to the Mojave Adjudication have a free production allowance that has been ramped down. In 2007-08 Daggett's verified production exceeded its free production allowance and carryover from prior years requiring Daggett CSD to pay a replacement water obligation for seven acre feet. Of concern is that there is no carryover in water production and the Daggett CSD will be confronted with the possibility, if current production levels remain, to pay for usage over 213 acre feet. She states the cost is \$337 per acre foot, creating a potential obligation of \$19,209. Ms. McDonald states Newberry CSD's water production carries forward a full year's allocation. Yermo Water Company has carried forward significant amounts of water production capacity available and its verified production is 137 acre feet. She explains that if the water company had chosen, it could have leased the use of that water to others in the Baja Basin and could have gained \$68,000 per year for leasing unused water.

Ms. McDonald reports that fire protection is of concern for the general area. She points out the full-time manned stations on the map as well as volunteer stations. Full-time stations include the Harvard station, which is operated by County Fire, the Yermo Annex Fire Station, and the fire station at the Barstow-Daggett Airport which is manned by Fort Irwin personnel. Volunteer stations include two in Yermo, three in Daggett, of which one is inactive, and two in Newberry. She states that the letter from the Newberry CSD expresses dismay at the staff report's description of its fire protection; however, LAFCO staff believes that significant benefits have been derived from the Newberry CSD fire service, as it is the only agency that has forward-thinking fire planning. Staff is disconcerted that the CSD believes that this diminishes the role of fire service in any way. Further, of the three agencies, it is the only one that provides fire protection planning, an outline of its projections and a master plan for the future.

(It is noted that Commissioner Biane returns at 9:38 a.m.)

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She states that road maintenance is being provided by the Newberry CSD. A road grader was purchased with funds received from Kiewit Pacific Quarry Operation following a survey of residents who indicated that they wish to provide road maintenance. She explains that when LAFCO staff became aware of the provision of the service, staff provided information to the District relating to both the County's and LAFCO's process required for activation of that service. She says that CSD law requires that if a CSD is to provide road maintenance services, it must receive the consent of the authority over the roads. The District has indicated that it is providing road maintenance service on County non-maintained roads. Therefore the County's consent and permits to perform the grading are required for the CSD to provide road maintenance. The Commission is provided with documentation relating to discussion held in 1976 when Special District representation was seated on the Commission and all districts relinquished control of latent powers to the LAFCO process and were required to request activation of those services from LAFCO. She states that the process has become more complicated in that there is now a protest process and a certificate of completion is required for all activations. She states that LAFCO staff has provided the District with information in order to initiate activation of this authority. It is LAFCO staff's belief that provision of road maintenance is a benefit to the community; however, the process for activation must be followed.

Ms. McDonald reports on the agencies' financial ability to provide service. She states that several areas of concern have been identified in the staff report. She says most are working toward compliance. An adopted budget is required; however, the Daggett CSD has not adopted an annual budget since 1995-96. Revenues are received, bills are paid and a transaction report is provided to the State Controller's Office. She says that Newberry CSD and Yermo CSD do adopt annual budgets and operate within them; however, Yermo's budget only provides a total revenue figure with no breakdown of receipts or a position of cash carryover, so it is unclear what the actual position of the District is. Newberry's budget does not provide a distinction of revenue sources. According to the County Auditor/Controller's office the most recent budget received for Newberry is the 2008-09 budget, which is appropriate. It has been verified that Yermo has submitted materials to the County Auditor, but there are no records of Daggett CSD filing any documents with the Auditor/Controller since 1995-96. She says that this is of concern to LAFCO staff because without budgets staff cannot provide a real picture of the financial position of the district.

Ms. McDonald states that the State Constitution requires the adoption of an annual appropriation limit by every district which in 1977-78 had more than 12.5 cents per hundred in taxation. She states that according to the County Auditor/Controller's records the tax rate for these districts in 1977-78 was for Daggett \$1.25 per hundred, for Newberry \$.91 per hundred and for Yermo \$1.08 per hundred. She says that each of the districts, therefore, is required to adopt an annual appropriation limit. She is aware that the Newberry CSD is working with the County Auditor/Controller staff to assemble the information necessary to establish an appropriation limit. LAFCO staff has no information on whether Daggett or Yermo are seeking to comply with this requirement.

The State Controller's records were consulted to determine if regular audits were performed. Ms. McDonald states that the last audit of Daggett CSD's finances was in 2002-03, however, the audit was done without a budget. For Newberry CSD, the last audit received was in 2006-07. The County Auditor-Controller indicates that Yermo CSD is current and has its 2006-07 and 2007-08 audits; however the State Controller reports that it has not received 2006-07. She says that all audits were filed appropriately and this process has revealed an issue with tracking of the legal requirements for the filing of documents with the County Auditor-Controller. Those issues are being resolved. She states that the financial transaction report summaries filed with the State Controller for the districts for 2004-05, 2005-06 and 2006-07 are included in the staff report.

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With regard to street lighting, Ms. McDonald reports that street lighting costs vary widely for the three districts for Edison-owned street lights with the district paying the utility costs. According to the State Controller's report, for Daggett the District pays \$266 per light, for Newberry the District pays \$750 per light, and for Yermo the District pays \$165 per light. She questions what is the real cost and if there could be more efficient ways to have the street lights adapted so that electricity costs are lowered.

The only district with outstanding debt is Daggett and its debt will expire in 2019.

With regard to accountability for community service needs, governmental structure options and operational efficiencies, Ms. McDonald reports that these areas have caused the most consternation for the three districts. In January 2009 LAFCO staff held a community meeting to explain the process to the residents and property-owners within Yermo, Daggett and Newberry. She says that in reviewing the mandates of state law, the direction of CSDs, and the direction of the Cortese-Knox-Hertzberg Act, LAFCO must look at the question of sustainability for the long term within the 2030 horizon for all MSR's and the direction that a single multi-purpose agency is more appropriate to serve in many cases. Options for the districts include consolidation of the three districts which would allow for economies of scale, would streamline the governance and allow for compliance with CSD law as the districts provide the same types of services through the same types of mechanisms, all have park and recreation facilities and volunteer fire organizations that provide service along the I-15 and I-40 corridors and to their constituents. She states that the economies of scale would be beneficial to the districts as they move forward. Consolidation of the spheres of influence would signal the position of the Commission and in each case the Harvard community has been removed from the discussion of the spheres of influence on the basis that it receives its services, primarily fire protection, from the County Fire Protection District and its North Desert Service Zone. She says there are no plans from the districts to extend any service into the Harvard area.

Ms. McDonald states that the second option would be consolidation of the Yermo and Daggett CSDs' spheres of influence and the maintenance of the Newberry CSD's sphere of influence in its current configuration. This option would provide for efficient governance over the long term, and the consolidation of the Yermo and Daggett spheres would point toward the Commission's direction to consolidate the two districts which are intertwined through water service. Maintenance of the Newberry CSD's sphere in its current configuration would recognize the District's continuing agricultural pursuits in that area.

(It is noted that Commissioner Derry leaves at 9:47 a.m.)

Ms. McDonald reports that in reviewing spheres of influence, service obligations must be considered. In each case recommendations have been made for change to the services provided under the functions. No changes are recommended in the Daggett or Newberry functions or services. The Yermo water function will be discussed as the next item on the agenda.

She summarizes by saying that the staff's recommendation is that the Commission certify the options are statutorily exempt from environmental review, receive and file the MSR's for the three districts, and select one of two options which are: 1) consolidate all three spheres of influence into a single sphere for the overall community, excluding the Harvard area; or 2) consolidate the spheres of influence for the Daggett and Yermo CSDs into a single sphere and retain and affirm the Newberry CSD sphere of influence as it currently exists, excluding the Harvard area from any of the spheres, and that the consolidated sphere be expanded to include the four separate areas identified in the staff report, amend the rules and regulations affecting special districts for Daggett and Newberry as indicated in the staff report, and continue adoption of the resolutions reflecting

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the determinations to the July hearing.

Vice-Chairman Mitzelfelt summarizes the options as follows: A) consolidate the spheres of influence of the three districts; B) consolidate the spheres of influence of the Daggett and Yermo CSDs leaving the Newberry CSD sphere as it exists; C) designate a zero sphere for each district; or D) affirm the spheres as they exist.

Vice-Chairman calls for questions from the Commission. There are none.

Vice-Chairman Mitzelfelt opens the public hearing and calls upon those wishing to speak. He reminds attendees that there is a three-minute limit; however, if someone is representing one of the CSDs that limit will be extended to five minutes.

JoAnne Cousino, on behalf of Newberry CSD, states that Newberry Springs is a small community, rich in history, determination and pride in its accomplishments. Five decades ago families assembled through a progressive dinner and built a community center. At that time fire protection was provided by the California Division of Forestry in Hesperia, 50 miles from Newberry Springs. She adds that the same group of families petitioned the County Board of Supervisors to form a CSD so that the community could have its own fire department and other needed services. She says that in December 1958 that became a reality and a lighted double ball field and park have since been added to the community. She states that Assistant Chief Miller will report on the attributes that Newberry Fire brings to the community and the exemplary service it provides to the residents and to the travelers on two major highways in the high desert. She says the CSD park and community center are a hub for a variety of services and activities ranging from government services and meetings, social gatherings, trade associations, to food and commodity programs for the community. She believes that consolidation of government to a central point outside the district would negatively impact those who can least afford or manage travel costs as the Silver Valley is a large area and is occasionally divided by the Mojave River for weeks at a time when storms occur. In this situation the commute from Newberry to Yermo can range from 40 to 60 miles depending on whether the Daggett bridge is affected. She says the community has invested a great deal in self-governance and to have it potentially taken away is a very bitter fate to accept without any certainty of improved opportunity for services and a more effective and efficient cost savings to the residents of Newberry. Moreover, the citizens question why and how a consolidation of the districts would promote public access and accountability for community services, needs and financial resources as required by the Government Code. She states that LAFCO staff has not provided an action plan. She asks the Commission to consider that the combined gross budgets in all categories for the three CSDs is just over \$400,000 and the cost of wages, benefits, and personal protective equipment for one paid firefighter is approximately \$75,000 per year. She states that a manned station would require 18 salaried personnel to staff a three-man station at a cost of approximately \$700,000. She reports that administratively the cost of one manager to run a large combined district would cost ten times what the districts are currently paying. She comments that it is understood that today's discussion is only about the sphere of influence and no services would be affected now, however, LAFCO staff states in the MSR that the approval of consolidation of the spheres today will indicate the future consolidation of the districts. She adds that the MSR includes Yermo and Daggett exclusionary zones; however Newberry's are not included. LAFCO staff has indicated Newberry must apply and pay fees in order to include the exclusionary zones. She requests that the exclusionary zones be included as proposed, as they are for Yermo and Daggett, and that many of the discrepancies noted in the MSR are corrected. She continues with the following questions: Will there be more tax dollars from the County to fund the larger programs that will be needed when LAFCO decides to consolidate the districts? Will it truly benefit the public, as noted in the Government Code, or will there be less benefit due to the high cost of protection and administration? She asks the Commission to leave Newberry whole with an independent sphere

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of influence and give the District an opportunity to grow. She thanks the Commission for allowing her to share the District's concerns.

Stephen Miller, on behalf of Newberry Springs Fire, states that the Department's management team has an aggregate 65 years of fire ground experience and hundreds of training classes in emergency response, disaster planning and operations and management of fire departments. He says Newberry Springs as a department has worked closely with the CSD Board in the last five years to develop many of the best practices available in the fire service, including an active training program which follows state and federal standards, a comprehensive mutual aid program which is consistent with the state's program and leads the nation in mutual aid and cooperative interagency activity during disasters and major events. He says firefighters for Newberry Springs, as it is a volunteer department, have daytime jobs, and his work in industry often involves project management. Therefore he deals with the economics of various size projects, from day-to-day repair issues to nearly million-dollar expansion projects. He says that economies of scale take on different values depending upon the size and complexity of the situation, and the fire service is not very different, in that when large populations and large budgets and high value facilities exist, paid career departments make good sense. He says, however, that in the rural environment, where revenues are very low, that kind of investment cannot be supported. He states that combining multiple volunteer agencies can create a situation where volunteers can no longer manage the volunteers requiring career staff to make it work. He adds that combining the three volunteer departments into one would very easily create that situation. He says that for that reason over 70 percent of the fire service in the United States is all-volunteer. With the current economic conditions, he believes that over the next five years many career departments could go to combination and some combination could revert to fully volunteer. He says Newberry Springs operates one of the most modern fleets of apparatus with nearly 100 percent up time and over 98 percent of its calls are staffed. He states that for mutual aid, County Fire is their number one customer and Newberry Springs provides about six mutual aid calls to the County, primarily Station 46, for every one that Newberry Springs receives, largely because County Fire must cover over 6,000 miles with the three personnel in one station. He believes Newberry Springs Fire is a strength and asset to the County system. He asks that the exclusion zones be included as it will assist in planning and asks that the sphere of influence for Newberry Springs remain intact. He says in recent weeks there has been huge interest in alternative energy, particularly solar, in the community, and the community needs to have the flexibility to be able to plan if the projects come to fruition. He reiterates that the exclusion zones should be included in order for the CSD to focus its time, monies and efforts on planning for the future and the sphere of influence should be kept intact so that the CSD can grow as the area grows.

Ellen Johnson, on behalf of Silver Valley Community Issues Committee, states the committee is comprised of a group of individuals who work on various community issues, including blight, and other problems. She says that the Committee supports the Newberry CSD in its request and the Committee believes that combining the spheres of influence is not in the best interest, especially for Newberry Springs. She says staff has mentioned fire protection in its report and comments that she has contacted County Fire on numerous occasions and has not received response. She urges the Commission to not accept the staff's recommendation of consolidation of the spheres of influence.

Spike Lynch, on behalf of the Newberry Springs Harvard Real Property Owners Association, states the association met on Saturday, June 13, where this issue was discussed. He says the property owners in Newberry Springs are very pleased with the job the CSD and volunteer fire department have been doing. He says the CSD has done a good job with its reporting and audits. He believes that the Newberry Springs community is unique from that of Yermo and Daggett. He says it is not the Association's position to oppose the consolidation of the spheres of Yermo and Daggett, but the Association is vehemently opposed to consolidating the sphere of

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Newberry with Yermo and Daggett. He states that without further justifiable reasons he believes that the sphere of influence for Newberry should remain.

Bob Smith, representing Yermo CSD, says he was selected president of Yermo CSD in November 2008. He states that he agrees that Yermo would be in favor of the proposed sphere expansions and Yermo has no objection to Newberry remaining autonomous. He conveys the message from the Yermo board that Yermo is attempting to remain neutral and wants to move forward to do what is best for the Yermo community, while encouraging all the communities to look at options. He believes that Ms. McDonald shared the perception that there was not a "warm and fuzzy feeling" toward bringing the three Districts together as one. He believes there is room for at least two of the Districts to be able to negotiate. He met with the Daggett CSD president and did not receive a "warm and fuzzy feeling" from him that he wishes to move forward toward consolidation of the districts' spheres. He indicated he pointed out to the Daggett CSD president that he would like to have options for Yermo and Daggett to explore the pros and cons of operating as a combined district. He says that the Districts feel that they are separate communities and they exist because they want to be autonomous. He encourages the Commission to find an option that will keep Newberry autonomous, and speaking for Yermo, he would like to have options to move forward for the best of the Yermo community.

Vice-Chairman Mitzelfelt asks if there is anyone else who wishes to speak. There is no one. Vice-Chairman Mitzelfelt closes the public hearing.

Commissioner McCallon clarifies that if the Commission agrees to consolidate the spheres of two of the Districts or all three of the Districts, it would not be consolidating the Districts, but simply signaling that at some point in the future it would only occur if one of the agencies applies to make that happen. Ms. McDonald confirms that that is correct. He points out that whatever action is taken today does not force consolidation in any way. Ms. McDonald states any action today does not affect the existing service delivery of any of the three Districts. Commissioner McCallon asks what the Newberry exclusion zones are. Ms. McDonald states she is unsure what is meant by "exclusions." She states there are some exclusion areas along the railroads that are not in the Newberry CSD but have been in the sphere of influence for many years.

Vice-Chairman Mitzelfelt asks if someone from the CSD would come forward and explain the exclusion areas. Stephen Miller of the Newberry Springs Volunteer Fire Department states that there may be a misunderstanding. He says he was under the impression that LAFCO staff's proposed sphere expansions were being annexed and becoming part of the CSD boundaries. He states that, at LAFCO's suggestion, the District was beginning the process to annex these zones; however, the cost and complexity have placed it on hold. He asks that LAFCO provide detailed instructions on how to go about annexing the exclusion areas to follow up on the recommendation made last year by LAFCO staff.

Commissioner Cox asks for clarification on the exclusion of the Harvard community from the spheres of influence of the Districts. Ms. McDonald states that the community of Harvard is currently receiving its services from the San Bernardino County Fire Protection District and there have been no plans or effort to address the service issues in Harvard. LAFCO staff recommends that it be removed as its primary service is currently received from the County Fire Protection District from its manned station there.

Vice-Chairman Mitzelfelt asks if the Yermo CSD expressed an opinion on that recommendation. Ms. McDonald states it did not.

Robert Smith, representing Yermo CSD, states that the best option would be for the District to be able to maintain its sphere over the Harvard area. The District has no intent or desire to do

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anything at this point but would like to maintain the sphere.

Commissioner Cox asks if there would be any conflict in fire protection. Ms. McDonald states there would not as it is provided through the County and the territory is in the County's jurisdiction. She states that all unincorporated areas and all spheres of influence territory of the three districts is currently overlain by the San Bernardino County Fire Protection District, so all the surrounding territories are served. She explains that the issue is that the obligations for a sphere of influence assignment require the District to master plan for delivery of the District's range of services to the sphere of influence. That obligation has not been done for the Harvard area. She says that, as its primary service is provided by the County, staff recommends its exclusion. She adds that, for example, for the Newberry area, the railroads are currently a part of the County Fire Protection District.

Commissioner Cox comments that it has been her honor to serve each of the three communities for over five years in her elected capacity on the Mojave Water Agency and she would like to vouch for the unique characteristics of the Newberry Springs community. She says that, of the three communities, it would stand to reason to allow that community to maintain its independence. She goes on the record as stating that Yermo and Daggett should have a combined sphere of influence.

Commissioner Pearson comments that he has concern about the remarks made in response to the municipal service review. He believes that staff used the best information available in some cases, and in fact, in most cases there was very little information or accurate information available. He states there were issues such as lack of timely audits, lack of budgets, and lack of appropriations. He states that the Commission is concerned about rural agencies that perhaps feel that they are independent with no assistance available. He explains that the very action of the municipal service review and sphere review exposes a management shortfall which really does not serve the citizens of the agency. He suggests that the Districts take this as a lesson. He commends those who made presentations today and says their points were made very well. He agrees with Commissioner Cox that the Yermo and Daggett spheres of influence should be consolidated, leaving Newberry's as it currently exists. He adds that the solar plant being developed in the area will be beneficial to a larger area in the years ahead. He requests that the representatives of the Districts review some of the shortfalls that have been identified. He states there is a lack of management expertise that must be addressed in order to meet the financial challenges of the Districts.

Vice-Chairman Mitzelfelt agrees and asks Ms. McDonald, with regard to the Harvard area, her opinion of retaining the Harvard area within the Yermo CSD. Ms. McDonald states that it has been a part of the Yermo CSD sphere of influence since 1973 but points out that the SCAG transportation analysis zones and mailing addresses for the area designate it as Newberry Springs. Commissioner Cox asks what the population in Harvard is. Ms. McDonald states it is 824. The 2010 census estimate is 941.

Commissioner Cox moves approval of staff recommendations 1, 2, and 3(B) consolidating the spheres of influence of the Daggett and Yermo CSDs into a single sphere of influence with the modifications including the Harvard area in the Yermo CSD sphere of influence, and affirming the existing sphere of influence of the Newberry CSD, and Items 4, 5 and 6, second by Commissioner McCallon. Vice-Chairman Mitzelfelt states that this process is driven by state law and it is to encourage LAFCOs to use municipal service reviews, spheres of influence and boundary powers where feasible and appropriate to combine special districts that serve overlapping or adjacent territory into multi-function community services districts. He agrees with the motion and says that if there is to be a consolidation it would be driven by circumstances and by the CSDs themselves. He states the municipal services reviews have been valuable in

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pointing out some management and structural issues that the Districts have been working to resolve in good faith. He reminds everyone in attendance that those findings are a part of the service review. He expresses his appreciation for the work of LAFCO staff and the cooperation and feedback provided by the CSDs.

Vice-Chairman Mitzelfelt asks if there is further comment. There is none. Vice-Chairman Mitzelfelt calls for opposition to the motion. There being none, the motion passes with the following vote: Ayes: Biane, Cox, McCallon, Mitzelfelt, Pearson, Williams. Noes: None. Abstain: Smith. Absent: Curatalo, Nuaimi (Commissioner Williams voting in his stead).

CONSIDERATION OF (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3008A; AND (2) LAFCO 3008A – ACTIVATION OF WATER POWERS FOR YERMO COMMUNITY SERVICES DISTRICT (CONTINUED FROM MAY 20, 2009 HEARING) – APPROVE STAFF RECOMMENDATION

(It is noted that Commissioner Smith returns to the dais at 10:31 a.m.)

LAFCO conducts a public hearing to consider LAFCO 3008A – Activation of Water Powers for Yermo Community Services District. Notice of the original hearing was advertised as required by law through publication of a 1/8th page ad in the *Desert Dispatch*, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, and those individuals and agencies requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by reference herein. She states that this was continued from the May hearing when it was discovered that there is a need for the property tax exchange process by the County for activation of latent powers. That has now been completed. She says the Yermo CSD, over a number of months, has discussed the potential for activating its water functions. In January 2006, this Commission took action as required by the rewrite of the Community Services District law to review the active functions for every CSD in the County. She reports that at the time the Yermo CSD indicated that its water function was not actively provided and, as directed by the State, the power was removed from its range of functions that it was authorized to provide. In August 2006 the issues regarding the Yermo Water Company and its operations came to fore. Those issues included its inability to serve its customers and to provide a safe water system. She states that the president of the Board of Directors communicated with LAFCO staff regarding the activation of the water powers for the Yermo CSD, so that it could participate in the PUC process that had begun to address the issues of the Yermo Water Company. As a result, LAFCO staff began working with representatives of the District to bring forward an application to address the issue. She refers to the staff report which includes the application and resolution of the Board of Directors that was submitted in April 2009. She says that the staff report includes a history beginning in 1982 when the Yermo CSD asked for the activation of water powers to address existing issues with the Yermo Water Company. At the time the purpose was that the CSD wanted to acquire the existing water company because it was deteriorated, undersized and without adequate supply or storage. In 2006 it became evident that this water company was deteriorated, is underfunded, and has issues regarding water supply and storage. She states that in May 2009 the PUC directed its staff to petition the San Bernardino Superior Court to place the Yermo Water Company in receivership, removing it from its private owner. The premise for the request for activation of water powers is to allow the Yermo CSD to participate in the process before the San Bernardino County Superior Court to acquire the water system. She states that the CSD has submitted its application and has complied with LAFCO staff's request to define the service area where it would provide service. Water powers will indicate that the District has the ability to provide water

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anywhere within its boundaries, but the acquisition of the water system and whatever funding is necessary must be applied to a specific area.

Ms. McDonald points out on the overhead display the area defined as the water service zone for Yermo CSD. LAFCO staff has expressed some concerns in that the area exceeds the boundaries of the existing sphere of influence. She states that Yermo or Daggett CSD, or the County, through an improvement zone to County Service Area 70, are the only agencies that could provide this service. Yermo overlays the area and Daggett provides water service to the west. She states the CSD's application identifies a plan for delivering the service and anticipates delivering it through a contractual relationship. Information was provided by both the County Special Districts Department and an outside contractor, High Desert Underground, on how it intends to operate within the parameters of the existing water system. Ms. McDonald states that it is important to note that there is an existing request for a rate increase because of the underfunded status of the water company through the PUC. She states that when the application was circulated for review and comment to County departments, the PUC and the State Department of Public Health Drinking Water Environmental Management Section no comments or expression of concern were received regarding the activation of this power. She says that the Department of Public Health provided the requirements for obtaining the permits to operate the system should the CSD be successful in its acquisition. Those requirements which are far more stringent than LAFCO's plan for service requirements include extensive technical, managerial and financial reporting. LAFCO staff believes that it is appropriate for the CSD to receive the water power and to participate in the process for the acquisition of the system and that a public agency is appropriate to operate the system. She says that all residents within this water company have been a part of the CSD since it was formed and deserve efficient operation and management of the system that serves them. LAFCO staff recommends that the Commission approve the request for activation and that the Commission take the actions regarding the statutory exemption for environmental review and adopt the draft resolution indicating findings and determinations. She adds that this proposal has a protest process and if the Commission approves and adopts the resolution there will be a 30-day reconsideration period followed by a 21-day protest period. LAFCO staff will circulate the information to the residents and landowners within the Yermo CSD and conduct the protest proceeding. If there is insufficient protest to require an election or termination it will be approved and a certificate of completion will be filed giving an effective date for activation of that service.

Vice-Chairman Mitzelfelt asks if there are questions from the Commission. Commissioner Cox states that the staff report includes a statement that local control of this fundamental service is long overdue for this community. She states that embodies the dilemma this community has been in for many years. Ms. McDonald states that if growth and development are anticipated in the overall community along the I-15, a reliable source of a water system is needed. Vice-Chairman Mitzelfelt echoes that sentiment and adds that he has been advocating strongly for many years to the PUC that it take action relating to this untenable situation.

Vice-Chairman Mitzelfelt opens the public hearing and calls upon those wishing to speak. There is no one. Vice-Chairman Mitzelfelt closes the public hearing.

Commissioner Biane moves approval of staff recommendation, second by Commissioner McCallon. Vice-Chairman Mitzelfelt calls for opposition to the motion. There being none, the motion passes with the following vote: Ayes: Biane, Cox, McCallon, Mitzelfelt, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Curatalo (Commissioner Smith voting in his stead), Nuaimi (Commissioner Williams voting in his stead).

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PENDING LEGISLATION REPORT

Ms. McDonald reports that she has distributed the CALAFCO legislative report to the Commission today. She states that AB853 (Arambula), which would provide for a separate annexation process for specialized communities, has become a two-year bill.

EXECUTIVE OFFICER'S REPORT

Ms. McDonald refers to the information relating to the CALAFCO Annual Conference which was distributed to the Commission today. She states that she has received information from Orange LAFCO offering the opportunity for Commissioners to join with the Orange Commissioners on a bus ride to the Conference. She states the round trip cost would be \$125 per person.

Next month's hearing will include consideration of the San Bernardino Valley Water Conservation District and San Bernardino Valley Municipal Water District and tentatively the Municipal Service Review for the City of Adelanto.

There will be no hearing in August and the September hearing will include the final municipal service review associated with the north desert which is the Ridgecrest-Trona area.

Ms. McDonald announces that the annual audit will be conducted in September and October.

Commissioner McCallon questions why CALAFCO's annual conference should be supported considering the position CALAFCO has taken on regional representation. Ms. McDonald reports that CALAFCO intends to take action in August on that issue. If the Commission chooses not to participate as a member of CALAFCO the Conference is still available at a non-member rate. Ms. McDonald states that she has conveyed to CALAFCO's director that she has been instructed not to pay the dues until a decision is made on regional representation. Commissioner Williams asks if other LAFCOs are following suit. Ms. McDonald reports that they are. She says that a meeting of the southern California LAFCOs is scheduled for July 2.

COMMISSIONER COMMENTS

Vice-Chairman Mitzelfelt calls for comments from the Commission. There are none.

COMMENTS FROM THE PUBLIC

Vice-Chairman Mitzelfelt calls for comments from the public. There are none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS ADJOURNED AT 10:50 A.M.

ATTEST:

ANNA M. RAEF, Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

BRAD MITZELFELT, Vice-Chairman

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: SEPTEMBER 9, 2013
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION



SUBJECT: AGENDA ITEM #9- LEGISLATIVE REPORT

RECOMMENDATION:

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

BACKGROUND:

The 2013 Legislative Session, the first year of a two year cycle, is quickly moving toward its close and what has become known as the “crazy season” is in full swing. At the CALAFCO Annual Conference the status of a number of bills was provided by Misa Yokoi-Shelton, Associate Consultant for the Assembly Local Government Committee, a copy of that report is included as Attachment #1. Of significance, two LAFCO bills have been signed into law by the Governor, effective January 1, 2014:

- AB743 (Logue) makes the island annexation procedures a permanent part of the act, removing the substitute protest provisions that were to take effect January 1, 2014. San Bernardino LAFCO took no position on this bill other than to forward our position that the passage of SB 89 has created a situation where island annexations are not sustainable. Also, as the Commission will recall, through the signing of the stipulated agreement related to the lawsuit *Hulse vs San Bernardino LAFCO*, the City of San Bernardino is precluded from initiating any proposal under these island annexation provisions. A copy of the bill is included as Attachment #2.
- AB 1427 is the CALAFCO sponsored Omnibus Bill which makes non-substantive changes to the Cortese-Knox-Hertzberg Act. These changes are related to clarifications and typo corrections. A copy of the bill is included as Attachment #3.
- SB 56 (Roth and Emmerson) appears to be held in the Senate Appropriations Committee. The likelihood of this moving forward to the Governor’s desk is

dimming during the waning days of the session. The failure of this bill to return funding to the recently incorporated cities in Riverside County is anticipated to push at least two toward disincorporation.

- The Commission approved a position in opposition to SB 772 (Emmerson); however, this bill has been through a “gut and amend” process to address only the private water company which the Eastern Municipal Water District and Elsinore Valley Municipal Water District (Riverside County agencies) will be taking over to clarify potential liabilities.
- AB 240 (Rendon), to be known as the Mutual Water Company Open Meeting Act, is continuing to work its way through the legislature with some amendments and its passage remains in question. On September 3, 2013 it completed its process in the Senate and moved back to the Assembly for concurrence in amendments. However, it must complete the process through the Assembly Local Government Committee and floor by Friday, September 13, to remain active. A copy of the bill is included as Attachment #4.
- The Commission took a position of support for SB 246 (Fuller) addressing an update to the Special Act for the Bighorn-Desert View Water Agency. The legislation has passed both Houses and has been enrolled to the Governor for signature.

In addition, LAFCO staff has provided a copy of the CALAFCO Legislative Report (included as Attachment #5) dated as of September 9 which lists the current status of a number of other bills of interest as defined by CALAFCO. Staff will be happy to answer any questions prior to or at the hearing.

KRM:

ATTACHMENTS:

1. CALAFCO Annual Conference Legislative Report
2. Assembly Bill 743 Signed by the Governor
3. Assembly Bill 1427 Signed by the Governor
4. Assembly Bill 240, as amended
5. CALAFCO Daily Legislative Report Dated September 9, 2013

CALAFCO Annual Conference Legislative Report

Attachment 1

Assembly Local Government Committee
Assembly Member Katcho Achadjian, Chair

LEGISLATIVE UPDATE FROM SACRAMENTO
2013 CALAFCO ANNUAL CONFERENCE
August 30, 2013

Life After Redevelopment – Are Infrastructure Financing Districts (IFDs) the Solution?

- AB 1080 (Alejo) – would allow local governments to establish a Community and Revitalization and Investment Authority (Authority) in a disadvantaged community to fund specified activities, and allows an Authority to collect tax increment. **SENATE APPROPRIATIONS.**
- AB 229 (Assembly Speaker Perez) – would create infrastructure and revitalization financing districts (modeled after IFDs in existing law), authorizes a military base reuse authority to form a district, and allows these districts to finance a broader range of projects and facilities to clean-up and develop former military bases. **ASSEMBLY FLOOR.**
- AB 243 (Dickinson) - would create infrastructure and revitalization financing districts (modeled after IFDs in existing law), broadens the range of projects and facilities they can finance, lowers the voter approval threshold necessary to form a district and issue bonds to 55%, and extends the life of districts to 40 years. **SENATE FLOOR.**
- SB 1 (Senate President Pro Tem Steinberg) - would allow local governments to establish Sustainable Communities Investment Authorities (Authorities) to finance specified activities within a Sustainable Communities Investment Area. **ASSEMBLY APPROPRIATIONS.**
- SB 33 (Wolk) – would eliminate the voter approval requirement for a city or county to create an IFD and would expand the type of projects that could be financed by an IFD, including watershed lands, flood management, habitat restoration, cleanup and development of brownfield properties (Polanco Act), projects that implement a transit priority project, or regional transportation plan. **ASSEMBLY FLOOR.**
- SB 628 (Beall) – would allow a city or county to create an IFD to implement a transit priority project without having to hold an election and would require the local entity to use 25% of the tax increment revenues for affordable housing. **SENATE FLOOR.**

Post – City of Bell Scandal

- AB 941 (Rendon) – would expand the State Controller's authority to perform audits or investigations of counties, cities, and special districts if the Controller makes specified finding that any of these local government entities is violating financial requirements in state law, state grant agreements, local charters, or local ordinances. **2 YEAR BILL.**
- AB 1035 (Muratsuchi) – would increase forfeiture amounts for local agencies that fail to file their annual financial transaction reports with the State Controller's Office in a timely manner, and requires the Controller to conduct an independent financial audit report for an agency that fails to file for three or more consecutive years. **2 YEAR BILL.**
- AB 1235 (Gordon) – would require specified local agency officials to complete financial management training by January 1, 2015, and at least once per term of office thereafter. **SENATE APPROPRIATIONS.**
- AB 1248 (Cooley) - requires the State Controller to develop internal control guidelines applicable to local agencies to prevent and detect fraud. **SIGNED – Chapter 190, Statutes of 2013.**

Budget – Brown Act and Public Records Act

- SCA 3 (Leno and Senate President Pro Tem Steinberg) – would require local agencies to comply with the California Public Records Act and the Brown Act and exempts legislation under these acts as reimbursable mandates. **ASSEMBLY FLOOR.**

Overhaul of the Enterprise Zone Program

- AB 93 (Assembly Budget Committee) – repeals the Enterprise Zone program and institutes two new tax programs – a Sales and Use Tax exemption for manufacturing and bio-tech equipment and similar purchases, and a hiring credit under the Personal Income Tax and Corporation Tax for employment in specified geographic areas. **SIGNED – Chapter 69, Statutes of 2013.**
- SB 90 (Galgiani and Canella) – makes a number of changes to AB 93 (Budget Committee) related to economic development. **SIGNED – Chapter 70, Statutes of 2013.**

CEQA Reform

- SB 731 (Senate President Pro Tem Steinberg) – would enact the CEQA Modernization Act of 2013 and make a number of changes to various provisions of CEQA law. **ASSEMBLY APPROPRIATIONS.**

LAFCO-Related Bills

- AB 453 (Mullin) – would add LAFCOs to the list of eligible applicants for financial assistance grants and loans made by the Strategic Growth Council for planning purposes and would require that LAFCOs consider greenhouse gas emissions associated with development when reviewing proposals for a change of organization. **SENATE APPROPRIATIONS.**
- AB 678 (Gordon and Dickinson) – would require a healthcare district that leases or transfers its assets to a corporation to conduct a community health needs assessment, and places new requirements on LAFCOs to consider these community health needs assessment in their municipal service reviews. **SENATE APPROPRIATIONS.**
- AB 743 (Logue) – would delete the sunset date that allowing a LAFCO to waive the protest hearing for the annexation of unincorporated islands of 150 acres or less, subject to specific requirements, thereby making the provisions permanent. **SIGNED – Chapter 138, Statutes of 2013.**
- AB 1427 (Assembly Local Government Committee) - annual Assembly Local Government Committee Omnibus bill that makes several minor noncontroversial changes to the Cortese-Knox-Hertzberg Act. **SIGNED - Chapter 87, Statutes of 2013.**
- SB 56 (Roth) – would reallocate vehicle license fee revenue to recently incorporated cities and to cities that annexed inhabited territory to fix the consequences of a budget bill, SB 89 (Budget Committee, Chapter 35, Statues of 2011). **SENATE APPROPRIATIONS.**
- SB 772 (Emmerson) – would require a LAFCO, as part of a municipal service review, to request specified information from entities that provide wholesale or retail supply of drinking water. **2 YEAR BILL.**

CONTACT INFORMATION: Assembly Local Government Committee – (916) 319-3958

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CALAFCO Legislative Update

August 30, 2013

(Updates as of August 22, 2013)

AB 1427 – Local Government Committee Omnibus Bill

Status; Signed by Governor on 8/12/13

CALAFCO Sponsored

1. Independent vs. dependent special district definition. Existing law defines an “independent district” or “independent special district” to include any special district that has a legislative body, whose members are elected by registered voters or landowners within the district or whose members are appointed to fixed terms. This bill clarifies that difference between an independent district and a dependent district.
2. Landowner definition. Existing law defines a “landowner” as any of the following:
 - A person shown as the landowner on the last equalized assessment roll by the county at the time the determination is required to be made;
 - Any person shown in the recorded written agreement of sale as the purchase; or
 - Any public agency owning land other than highways, rights-of-way, easements, waterways, or canals.This bill adds the plural forms of “person” in the definition.
3. Independent special district selection committee. Existing law specifies the makeup, meeting requirements, and election proceedings of an independent special district selection committee. Existing law also requires that the selection committee to appoint two regular members and one alternate member to the commission. This bill clarifies that appointed and elected commissioners are members of an independent special district’s legislative body.
4. Santa Clara County. Santa Clara County has special provisions regarding reorganization proposals. Existing law prohibits the LAFCO from reviewing a reorganization that includes an annexation to any city in Santa Clara County that is within the urban service area of the city and the annexation is initiated by resolution. Instead, the city council must be the conducting authority for the reorganization and must make specified findings in adopting a resolution approving the reorganization. This bill clarifies that this provision of law applies to city annexations and reorganizations involving city annexations.
5. Petitions for a merger of a district. Existing law specifies procedures for petitions for a merger or establishment of a subsidiary district. This bill corrects the typo, “resident voter district,” to “registered voter district.”
6. Protest hearing notice. Existing law requires a LAFCO executive office to give notice of the protest hearing, and sets forth procedures for those notice requirements. A protest hearing must be held within 60 days from the date specified for the hearing in the notice. If inhabited territory is proposed to be annexed to a city with more than 100,000 residents in the County of Los Angeles, the protest hearing date must be at least 90 days, but not more than 105 days, after the adoption date of the resolution initiating the proceeding. This bill repeals the extended protest period.
7. Dissolution. Existing law sets forth procedures for dissolution. This bill corrects a wording error, changing “consolidation” to “dissolution” in the relevant section.
8. Election location. For a change of organization or reorganization that is subject to voter confirmation, a LAFCO must determine where the election will be held.

AB 743 (Logue) – Island Annexations

Status: Awaiting Governor’s signature

CALAFCO Support

The bill was originally introduced to remove the sunset date provision to waive protest proceedings for certain island annexations and increase the size of the islands from 150 to 300 acres. After considering the feedback from several member LAFCOs and external stakeholders, the bill was amended to remove the increase in acreage (keeping it at 150 acres), and to reset the effective island creation date from January 1, 2000 to January 1, 2014, thus allowing

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August 30, 2013
(Updates as of August 22, 2013)

smaller islands of less than 150 acres created after 2000 to be annexed under these provisions. The bill has unanimously passed both the Assembly and Senate, and as of this writing is awaiting the Governor's signature.

AB 453 (Mullin) – Sustainable Communities Grants
Status: Senate Appropriations Suspense File
Originally CALAFCO Sponsored – Sponsorship removed 8/20/13

This bill would make LAFCo eligible for the Strategic Growth Council's Sustainable Communities grants. This year is the last year of the 3-year grant cycle with approximately \$16 million available in grants. The CALAFCO Legislative Committee originally decided not to pursue this legislation again this year (last year was AB 2624 – Smythe). However we were approached by Assemblymember Mullin who offered to author the bill. Although this is the final year of the grant cycle, there is benefit to having LAFCo named as an eligible entity for future sustainable communities grant opportunities. It passed the Assembly and met with an unexpected amendment in Senate Natural Resources Committee. After much discussion at both the Legislative Committee and Board level, the Board took the position to move forward with the bill with further amendments. As CALAFCO was not able to gain agreement from the Senate Natural Resources Committee Chief Consultant on the proposed amendment (which would be to fully remove the amendment inserted by that committee), CALAFCO has removed their sponsorship of the bill. It is the intent of the author to have the bill moved from Appropriations to the Senate floor to be used as a vehicle for a gut and amend bill. CALAFCO has the author's commitment not to move the bill through the Senate floor with its current language. As of this writing the bill is in the Senate Appropriations Suspense File set to be addressed on August 30.

AB 678 (Gordon & Dickinson) – Health Care Districts: Community Health Needs Assessment
Status: Senate Appropriations Suspense File
CALAFCO Support

This bill requires health care districts that do not operate their own hospital facilities to create, every 5 years, an assessment of the community health needs with public input. The bill requires LAFCos to include in a Municipal Service Review the Health Care District's 5-year assessment. There are currently 15 healthcare districts that will be impacted. As of this writing the bill is in the Senate Appropriations Suspense File set to be addressed on August 30.

SB 56 (Roth & Emmerson) – Local Government Finance property tax revenue allocation: vehicle license fee adjustments
Status: Sitting in Senate Appropriations – Marked Urgency Bill
CALAFCO Support

The bill was amended several times before making it to its first committee hearing. Still in the Senate, the bill passed the Senate Governance & Finance Committee and is now in Appropriations where it has stalled. Marked as an Urgency bill, it provides funding for cities incorporated since 2004 and inhabited annexations since 2004. Based on the current formula, the cost to the state's general fund is estimated at \$18 million. The funding is proposed to come from Educational Revenue Augmentation Fund (ERAF) funds which are backfilled by the state's general fund. Senator Wolk held the bill in committee, wanting to focus on broader policy rather than a narrow focus on a handful of cities. As a result, the bill is now being approached by the legislature from a broader policy issue of the future of incorporations and annexations and appropriate funding. The bill's author has share that if the whole of the bill does not pass, the approach may be to focus on relieving the financial crisis for only the four cities that incorporated since 2004 (Jurupa Valley, Menifee, Eastvale, and Wildomar), and should that not work, the focus will be on Jurupa Valley which can only survive approximately one more year without assistance.

**Assembly Bill 743 Signed by the
Governor**

Attachment 2

Assembly Bill No. 743

CHAPTER 138

An act to amend Sections 56375.3 and 56375.4 of, and to repeal Section 57080 of, the Government Code, relating to local government.

[Approved by Governor August 26, 2013. Filed with
Secretary of State August 26, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 743, Logue. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission. The act authorizes a local agency formation commission to approve, after notice and hearing, a petition for a change of organization or reorganization of a city, if the petition was initiated on or after January 1, 2010, and before January 1, 2014, and waive protest proceedings entirely if certain requirements are met. This provision applies only to territory that does not exceed 150 acres.

This bill would delete the January 1, 2014, date and make conforming changes.

Existing law provides that the authority to initiate, conduct, and complete specified changes in organization or reorganizations does not apply to any territory that, after January 1, 2000, became surrounded or substantially surrounded by the city to which the annexation is proposed, except for islands that were created after January 1, 2000, as a result of boundary adjustments between 2 counties.

This bill would instead provide that the authority to initiate, conduct, and complete specified changes in organization or reorganizations does not apply to any territory that, after January 1, 2014, became surrounded or substantially surrounded by the city to which the annexation is proposed, except for islands that were created after January 1, 2014, as a result of boundary adjustments between 2 counties.

The act additionally authorizes a local agency formation commission to approve, after notice and hearing, a petition for a change of organization or reorganization of a city that was initiated on or after January 1, 2014, if certain requirements are met, and requires the commission to follow specified procedures in making this approval.

This bill would repeal these provisions.

The people of the State of California do enact as follows:

SECTION 1. Section 56375.3 of the Government Code is amended to read:

56375.3. (a) In addition to those powers enumerated in Section 56375, a commission shall approve, after notice and hearing, the change of organization or reorganization of a city, and waive protest proceedings pursuant to Part 4 (commencing with Section 57000) entirely, if all of the following are true:

(1) The change of organization or reorganization is initiated on or after January 1, 2000.

(2) The change of organization or reorganization is proposed by resolution adopted by the affected city.

(3) The commission finds that the territory contained in the change of organization or reorganization proposal meets all of the requirements set forth in subdivision (b).

(b) Subdivision (a) applies to territory that meets all of the following requirements:

(1) It does not exceed 150 acres in area, and that area constitutes the entire island.

(2) The territory constitutes an entire unincorporated island located within the limits of a city, or constitutes a reorganization containing a number of individual unincorporated islands.

(3) It is surrounded in either of the following ways:

(A) Surrounded, or substantially surrounded, by the city to which annexation is proposed or by the city and a county boundary or the Pacific Ocean.

(B) Surrounded by the city to which annexation is proposed and adjacent cities.

(C) This subdivision shall not be construed to apply to any unincorporated island within a city that is a gated community where services are currently provided by a community services district.

(D) Notwithstanding any other provision of law, at the option of either the city or the county, a separate property tax transfer agreement may be agreed to between a city and a county pursuant to Section 99 of the Revenue and Taxation Code regarding an annexation subject to this subdivision without affecting any existing master tax sharing agreement between the city and county.

(4) It is substantially developed or developing. The finding required by this paragraph shall be based upon one or more factors, including, but not limited to, any of the following factors:

(A) The availability of public utility services.

(B) The presence of public improvements.

(C) The presence of physical improvements upon the parcel or parcels within the area.

(5) It is not prime agricultural land, as defined by Section 56064.

(6) It will benefit from the change of organization or reorganization or is receiving benefits from the annexing city.

(c) Notwithstanding any other provision of this subdivision, this subdivision shall not apply to all or any part of that portion of the development project area referenced in subdivision (e) of Section 33492.41 of the Health and Safety Code that as of January 1, 2000, meets all of the following requirements:

- (1) Is unincorporated territory.
- (2) Contains at least 100 acres.
- (3) Is surrounded or substantially surrounded by incorporated territory.
- (4) Contains at least 100 acres zoned for commercial or industrial uses or is designated on the applicable county general plan for commercial or industrial uses.

(d) The Legislature finds and declares that the powers set forth in subdivision (a) for territory that meets all the specifications in subdivision (b) are consistent with the intent of promoting orderly growth and development pursuant to Section 56001 and facilitate the annexation of disadvantaged unincorporated communities, as defined in Section 56033.5.

SEC. 2. Section 56375.4 of the Government Code is amended to read:

56375.4. The authority to initiate, conduct, and complete any proceeding pursuant to subdivision (a) of Section 56375.3 does not apply to any territory that, after January 1, 2014, became surrounded or substantially surrounded by the city to which annexation is proposed, except for islands that were created after January 1, 2014, as a result of boundary adjustments between two counties.

SEC. 3. Section 57080 of the Government Code is repealed.

**Assembly Bill 1427 Signed by the
Governor**

Attachment 3

Assembly Bill No. 1427

CHAPTER 87

An act to amend Sections 56044, 56048, 56332, 56757, 56866, 56870, 57026, 57077.1, and 57118 of the Government Code, relating to local government.

[Approved by Governor August 12, 2013. Filed with
Secretary of State August 12, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1427, Committee on Local Government. Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (act), provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts.

For purposes of the act, existing law defines an independent district or independent special district to include any special district having a legislative body all of whose members are elected by registered voters and landowners within the district, or whose members are appointed to fixed terms.

This bill would specify that the definition excludes any independent special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms.

The act specifies the procedures for selecting members for a local agency formation commission in each county. Existing law requires the independent special district selection committee to appoint 2 regular members and one alternate member to the commission. Existing law requires the appointed members to be elected or special district officers residing within the county.

This bill would require the appointed members to be elected or appointed members of the legislative body of an independent special district residing within the county.

The act prohibits a local agency formation commission from reviewing a reorganization that includes an annexation to any city in Santa Clara County of unincorporated territory that is within the urban service area of the city if the reorganization is initiated by resolution of the legislative body of the city and instead appoints the city council of that city as the conducting authority for the reorganization.

This bill would specify that these provisions apply to an annexation or a reorganization proposal.

The act requires petitions for a merger of a district which overlaps a city, or for the establishment of the district as a subsidiary district of the city, to

be signed in a specified manner for a resident voter district. Existing law requires petitions for the dissolution of a district to be signed in a specified manner for a resident voter district.

This bill would instead prescribe the manner of signatures for a registered voter district.

The act requires the executive officer of the commission to give specified notice of the protest hearing to be held for a district formation. Existing law requires the notice to contain specified information including a statement of the time, date, and place of the protest hearing on the proposed change of organization or reorganization and requires the protest hearing to be held on a specific date if the uninhabited territory is proposed to be annexed to a city with specified residents and population.

This bill would delete the requirement that a protest hearing be held on a specific date for such an uninhabited territory and would otherwise make that uninhabited territory subject to the existing non-specific date requirement.

This bill would also make other technical and conforming changes and correct erroneous references.

The people of the State of California do enact as follows:

SECTION 1. Section 56044 of the Government Code is amended to read:

56044. “Independent district” or “independent special district” includes any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. “Independent special district” does not include any district excluded from the definition of district contained in Sections 56036 and 56036.6.

SEC. 2. Section 56048 of the Government Code is amended to read:

56048. “Landowner” or “owner of land” means any of the following:

(a) A person or persons shown as the owner of land on the last equalized assessment roll prepared by the county at the time the determination is required to be made pursuant to the requirements of this division. Where that person or persons are no longer the owner, the landowner or owner of land is any person or persons entitled to be shown as the owner of land on the next equalized assessment roll.

(b) Where land is subject to a recorded written agreement of sale, any person shown in the agreement as the purchaser.

(c) Any public agency owning land other than highways, rights-of-way, easements, waterways, or canals.

SEC. 3. Section 56332 of the Government Code is amended to read:

56332. (a) The independent special district selection committee shall consist of the presiding officer of the legislative body of each independent special district. However, if the presiding officer of an independent special district is unable to attend a meeting of the independent special district selection committee, the legislative body of the district may appoint one of its members to attend the meeting of the selection committee in the presiding officer's place. Those districts shall include districts located wholly within the county and those containing territory within the county representing 50 percent or more of the assessed value of taxable property of the district, as shown on the last equalized county assessment roll. Each member of the committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer. Members representing a majority of the eligible districts shall constitute a quorum.

(b) The executive officer shall call and give written notice of all meetings of the members of the selection committee. A meeting shall be called and held under one of the following circumstances:

(1) Whenever the executive officer anticipates that a vacancy will occur within the next 90 days among the members or alternate member representing independent special districts on the committee.

(2) Whenever a vacancy exists among the members or alternate member representing independent special districts upon the commission.

(3) Upon receipt of a written request by one or more members of the selection committee representing districts having 10 percent or more of the assessed value of taxable property within the county, as shown on the last equalized county assessment roll.

(c) (1) If the executive officer determines that a meeting of the special district selection committee, for the purpose of selecting the special district representatives or for filling a vacancy, is not feasible, the executive officer may conduct the business of the committee in writing, as provided in this subdivision. The executive officer may call for nominations to be submitted in writing within 30 days. At the end of the nominating period, the executive officer shall prepare and deliver, or send by certified mail, to each independent special district one ballot and voting instructions. If only one candidate is nominated for a vacant seat, that candidate shall be deemed selected, with no further proceedings.

(2) As an alternative to the delivery by certified mail, the executive officer, with the prior concurrence of the district, may transmit the ballot and voting instructions by electronic mail, provided that the executive officer shall retain written evidence of the receipt of that material.

(3) The ballot shall include the names of all nominees and the office for which each was nominated. The districts shall return the ballots to the executive officer by the date specified in the voting instructions, which date shall be at least 30 days from the date on which the executive officer mailed the ballots to the districts.

(4) If the executive officer has transmitted the ballot and voting instructions by electronic mail, the districts may return the ballots to the

executive officer by electronic mail, provided that the executive officer retains written evidence of the receipt of the ballot.

(5) Any ballot received by the executive officer after the specified date is invalid. The executive officer shall announce the results of the election within seven days of the specified date.

(d) The selection committee shall appoint two regular members and one alternate member to the commission. The members so appointed shall be elected or appointed members of the legislative body of an independent special district residing within the county but shall not be members of the legislative body of a city or county. If one of the regular district members is absent from a commission meeting or disqualifies himself or herself from participating in a meeting, the alternate district member may serve and vote in place of the regular district member for that meeting. Service on the commission by a regular district member shall not disqualify, or be cause for disqualification of, the member from acting on proposals affecting the special district on whose legislative body the member serves. The special district selection committee may, at the time it appoints a member or alternate, provide that the member or alternate is disqualified from voting on proposals affecting the district on whose legislative body the member serves.

(e) If the office of a regular district member becomes vacant, the alternate member may serve and vote in place of the former regular district member until the appointment and qualification of a regular district member to fill the vacancy.

(f) For purposes of this section, “executive officer” means the executive officer or designee as authorized by the commission.

SEC. 4. Section 56757 of the Government Code is amended to read:

56757. (a) The commission shall not review an annexation or a reorganization proposal that includes an annexation to any city in Santa Clara County of unincorporated territory that is within the urban service area of the city if the annexation or reorganization proposal is initiated by resolution of the legislative body of the city.

(b) The city council shall be the conducting authority for the annexation or reorganization proposal and the proceedings for the annexation or reorganization proposal shall be initiated and conducted as nearly as may be practicable in accordance with Part 4 (commencing with Section 57000).

(c) The city council, in adopting the resolution approving the annexation or reorganization proposal, shall make all of the following findings:

(1) That the unincorporated territory is within the urban service area of the city as adopted by the commission.

(2) That the county surveyor has determined the boundaries of the proposal to be definite and certain, and in compliance with the road annexation policies of the commission. The city shall reimburse the county for the actual costs incurred by the county surveyor in making this determination.

(3) That the proposal does not split lines of assessment or ownership.

(4) That the proposal does not create islands or areas in which it would be difficult to provide municipal services.

(5) That the proposal is consistent with the adopted general plan of the city.

(6) That the territory is contiguous to existing city limits.

(7) That the city has complied with all conditions imposed by the commission for inclusion of the territory in the urban service area of the city.

(d) All annexations or reorganizations which involve territory for which the land use designation in the general plan of the city has changed from the time that the urban service area of the city was last adopted by the commission, and which are processed by a city pursuant to this section shall be subject to an appeal to the commission upon submission of a petition of appeal, signed by at least 50 registered voters in the county.

(e) An appeal to the commission may also be made by submission of a resolution of appeal adopted by the legislative body of a special district solely for the purpose of determining whether some or all of the territory contained in the annexation or reorganization proposal should also be annexed or detached from that special district.

(f) Any petition submitted under subdivision (d) or resolution submitted under subdivision (e) shall be submitted to the executive officer within 15 days of the adoption by the city council of the resolution approving the annexation. The executive officer shall schedule the hearing for the next regular meeting of the commission as is practicable. The commission may set a reasonable appeal fee.

SEC. 5. Section 56866 of the Government Code is amended to read:

56866. Petitions for a merger of a district which overlaps a city, or for the establishment of the district as a subsidiary district of the city, shall be signed as follows:

(a) For a registered voter district, by either of the following:

(1) Five percent of the registered voters of the district.

(2) Five percent of the registered voters residing within the territory of the city outside the boundaries of the district.

(b) For a landowner-voter district, by either of the following:

(1) Five percent of the number of landowner-voters within the district who also own not less than 5 percent of assessed value of land within the district.

(2) Five percent of the registered voters residing within the territory of the city outside the boundaries of the district.

SEC. 6. Section 56870 of the Government Code is amended to read:

56870. Except as otherwise provided in Section 56871, petitions for the dissolution of a district shall be signed as follows:

(a) For registered voter districts, by either of the following:

(1) Not less than 10 percent of the registered voters within the district.

(2) Not less than 10 percent of the number of landowners within the district who also own not less than 10 percent of the assessed value of land within the district.

(b) For landowner-voter districts, by not less than 10 percent of the number of landowner-voters within the district who also own not less than 10 percent of the assessed value of land within the district.

SEC. 7. Section 57026 of the Government Code is amended to read:

57026. The notice required to be given by Section 57025 shall contain all of the following information:

(a) A statement of the distinctive short form designation assigned by the commission to the proposal.

(b) A statement of the manner in which, and by whom, proceedings were initiated. However, a reference to the proponents, if any, shall be sufficient where proceedings were initiated by a petition.

(c) A description of the exterior boundaries of the subject territory.

(d) A description of the particular change or changes of organization proposed for each of the subject districts or cities and new districts or new cities proposed to be formed, and any terms and conditions to be applicable. The description may include a reference to the commission's resolution making determinations for a full and complete description of the change of organization or reorganization, and the terms and conditions.

(e) A statement of the reason or reasons for the change of organization or reorganization as set forth in the proposal submitted to the commission.

(f) A statement of the time, date, and place of the protest hearing on the proposed change of organization or reorganization.

(g) If the subject territory is inhabited and the change of organization or reorganization provides for the submission of written protests, a statement that any owner of land within the territory, or any registered voter residing within the territory, may file a written protest against the proposal with the executive officer of the commission at any time prior to the conclusion of the hearing by the commission on the proposal.

(h) If the subject territory is uninhabited and the change of organization or reorganization provides for submission of written protests, a statement that any owner of land within the territory may file a written protest against the proposal with the executive officer of the commission at any time prior to the conclusion of the hearing by the commission on the proposal.

SEC. 8. Section 57077.1 of the Government Code is amended to read:

57077.1. (a) If a change of organization consists of a dissolution, the commission shall order the dissolution without confirmation of the voters, except if the proposal meets the requirements of subdivision (b), the commission shall order the dissolution subject to confirmation of the voters.

(b) The commission shall order the dissolution subject to the confirmation of the voters as follows:

(1) If the proposal was not initiated by the commission, and if a subject agency has not objected by resolution to the proposal, the commission has found that protests meet one of the following protest thresholds:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, the affected territory.

(B) In the case of a landowner-voter district, that the territory is uninhabited and that protests have been signed by at least 25 percent of the number of landowners within the affected territory owning at least 25 percent of the assessed value of land within the territory.

(2) If the proposal was not initiated by the commission, and if a subject agency has objected by resolution to the proposal, written protests have been submitted as follows:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within any subject agency within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, any subject agency within the affected territory.

(B) In the case of a landowner-voter district, that the territory is uninhabited and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(3) If the proposal was initiated by the commission, and regardless of whether a subject agency has objected to the proposal by resolution, written protests have been submitted that meet the requirements of Section 57113.

(c) Notwithstanding subdivisions (a) and (b) and Section 57102, if a change of organization consists of the dissolution of a district that is consistent with a prior action of the commission pursuant to Section 56378, 56425, or 56430, the commission may do either of the following:

(1) If the dissolution is initiated by the district board, immediately approve and order the dissolution without an election or protest proceedings pursuant to this part.

(2) If the dissolution is initiated by an affected local agency, by the commission pursuant to Section 56375, or by petition pursuant to Section 56650, order the dissolution after holding at least one noticed public hearing, and after conducting protest proceedings in accordance with this part. Notwithstanding any other law, the commission shall terminate proceedings if a majority protest exists in accordance with Section 57078. If a majority protest is not found, the commission shall order the dissolution without an election.

SEC. 9. Section 57118 of the Government Code is amended to read:

57118. In any resolution ordering a change of organization or reorganization subject to the confirmation of the voters, the commission shall determine that an election will be held:

(a) Within the territory of each city or district ordered to be incorporated, formed, disincorporated, dissolved or consolidated.

(b) Within the entire territory of each district ordered to be merged with or established as a subsidiary district of a city, or both within the district and within the entire territory of the city outside the boundaries of the district.

(c) If the executive officer certifies a petition pursuant to Section 57108 or 57109, within the territory of the district ordered to be merged with or established as a subsidiary district of a city.

(d) Within the territory ordered to be annexed or detached.

(e) If ordered by the commission pursuant to Section 56876 or 56759, both within the territory ordered to be annexed or detached and within all or the part of the city or district which is outside of the territory.

(f) If the election is required by Section subdivision (b) of Section 57077.4, separately within the territory of each affected district that has filed a petition meeting the requirements of subdivision (b) of Section 57077.4.

Assembly Bill 240, as amended

Attachment 4

AMENDED IN SENATE AUGUST 13, 2013

AMENDED IN SENATE JULY 1, 2013

AMENDED IN SENATE JUNE 18, 2013

AMENDED IN SENATE JUNE 5, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 240

Introduced by Assembly Member Rendon

February 5, 2013

An act to add Sections 14304, 14305, 14306, and 14307 to the Corporations Code, to amend Section 116755 of the Health and Safety Code, to add Section 10531.5 to the Water Code, and to amend Item 4265-111-6051 of Section 2.00 of the Budget Act of 2011, relating to mutual water companies, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 240, as amended, Rendon. Mutual water companies.

Under existing law, a mutual water company is defined as a corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation or domestic purposes that provides in its articles or bylaws that the water shall be sold, distributed, supplied, or delivered only to owners of its shares, as specified.

(1) Existing law requires each board member of a mutual water company that operates a public water system to complete a training course regarding the duties of board members of mutual water companies, as specified.

This bill would require a board member to repeat this training course every 6 years.

(2) Existing law permits a mutual water company that is not a public utility to levy assessments upon its shares, unless otherwise provided in its articles or bylaws.

This bill would also permit the board of directors of a mutual water company, if authorized by its articles or bylaws, to record a notice of lien against a shareholder's property if the shareholder has not timely paid any rate, charge, or assessment arising from, or related to, water services provided by the mutual water company to the shareholder's property and if the shareholder was given at least 20 days' notice of the lien.

(3) Existing law, the California Public Records Act, provides that public records are open to inspection at all times during the office hours of the state or local agency that retains those records, and that every person has a right to inspect any public record, except as provided. The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate.

This bill would enact the Mutual Water Company Open Meeting Act, which would apply to all mutual water companies, and would permit an eligible person to attend a meeting of a mutual water company, as those terms are defined, and to speak during the meeting, except as provided.

The bill would also require the board of the mutual water company that operates a public water system to adopt, in an open meeting, an annual budget on or before the start of each fiscal year. The bill would require the board of a mutual water company that operates a public water system to contract with a certified public accountant or public accountant to ~~make~~ *conduct* an annual ~~audit of the accounts and review of the financial records and reports~~ of the mutual water company, ~~and would require the report to be filed, within 12 months of the end of the mutual water company's fiscal year under examination, as a public record with the mutual water company, and to be sent to the Controller and any person served by the mutual water company that submits a written request to the board,~~ as specified.

The bill would also require the board of directors of a mutual water company that operates a public water system to make specified

documents available to an eligible person, as defined, upon payment of fees covering the direct costs of duplication, as specified.

(4) Existing law declares that water is a valuable natural resource in California and should be managed to ensure the availability of sufficient supplies to meet the state’s agricultural, domestic, industrial, and environmental needs. Existing law declares that local agencies can realize efficiencies by coordinating and integrating their assets and seeking mutual solutions to water management issues.

This bill would declare the intent of the Legislature to encourage collaboration among mutual water companies that operate public water systems in the City of Maywood to create a public agency that can consolidate drinking water services for the people and business of that city.

The Budget Act of 2011 appropriated \$7,500,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 to the Department of Public Health for the provision of grants to public agencies, as specified, to improve drinking water infrastructure in communities served by mutual water companies in the Cities of Maywood and Santa Ana.

This bill would limit the use of this appropriation to providing grants to the Water Replenishment District of Southern California for water quality improvement projects for the benefit of the City of Maywood, subject to specified conditions.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14304 is added to the Corporations Code,
2 to read:
3 14304. If a shareholder of a mutual water company has not
4 timely paid any rate, charge, or assessment arising from, or related
5 to, water service provided by the mutual water company to the
6 shareholder’s property, and if authorized by its articles or bylaws,
7 then after providing at least 20 days’ written notice to the
8 shareholder, the board of directors of the mutual water company
9 may authorize the recording of a notice of lien against that
10 shareholder’s property to secure the collection of the rates, charges,
11 and assessments owed to the mutual water company by the
12 shareholder.

1 SEC. 2. Section 14305 is added to the Corporations Code, to
2 read:

3 14305. (a) (1) This section shall be known and may be cited
4 as the Mutual Water Company Open Meeting Act.

5 (2) *This section shall only apply to a mutual water company*
6 *that operates a public water system.*

7 (b) Any eligible person, *upon 24 hours advance written notice,*
8 may attend meetings of the board of directors of a mutual water
9 company, except when the board adjourns to, or meets solely in,
10 executive session to consider litigation, matters relating to the
11 formation of contracts with third parties, member or shareholder
12 discipline, personnel matters, or to meet with a member or
13 shareholder, upon the member or shareholder's request, regarding
14 the member or shareholder's payment of assessments, as specified
15 in Section 14303. The board of directors of the association shall
16 meet in executive session, if requested by a member or shareholder
17 who may be subject to a fine, penalty, or other form of discipline,
18 and the member shall be entitled to attend the executive session.
19 As specified in paragraph (3) of subdivision (m), an eligible person
20 shall be entitled to attend a teleconference meeting or the portion
21 of a teleconference meeting that is open to eligible persons, and
22 that meeting or portion of the meeting shall be audible to the
23 eligible persons in a location specified in the notice of the meeting.

24 (c) Any matter discussed in executive session shall be generally
25 noted in the minutes of the immediately following meeting that is
26 open to eligible persons.

27 (d) The minutes, minutes proposed for adoption that are marked
28 to indicate draft status, or a summary of the minutes, of any
29 meeting of the board of directors of a mutual water company,
30 *conducted on or after January 1, 2014,* other than an executive
31 session, shall be available to eligible persons within 30 days of the
32 meeting. The minutes, proposed minutes, or summary minutes
33 shall be ~~distributed~~ *provided* to any eligible person upon request
34 and upon reimbursement of the mutual water company's costs for
35 ~~making that distribution~~ *providing the minutes.*

36 (e) ~~Eligible persons shall be notified in writing, at the time that~~
37 ~~the~~ *The* pro forma budget required in Section 14306 ~~is distributed,~~
38 ~~of their right to have copies of the minutes of meetings of the board~~
39 ~~of directors, and how and where those minutes may be obtained~~
40 *shall be available to eligible persons within 30 days of the meeting*

1 *at which the budget was adopted. The budget shall be provided to*
2 *any eligible person upon request and upon reimbursement of the*
3 *mutual water company's costs.*

4 (f) Unless the bylaws provide for a longer period of notice,
5 eligible persons shall be given notice of the time and place of a
6 meeting as defined in subdivision (m), except for an emergency
7 meeting or a meeting that will be held solely in executive session,
8 at least four days prior to the meeting. Except for an emergency
9 meeting, eligible persons shall be given notice of the time and
10 place of a meeting that will be held solely in executive session at
11 least two days prior to the meeting. Notice shall be given by posting
12 the notice in a prominent, publicly accessible place or places within
13 the territory served by the mutual water company and by mail to
14 any eligible person who had requested notification of board
15 meetings by mail, at the address requested by the eligible person.
16 *Eligible persons requesting notice by mail shall pay the costs of*
17 *reproduction and mailing of the notice in advance.* Notice may
18 also be given by mail, by delivery of the notice to each unit served
19 by the mutual water company or, with the consent of the eligible
20 person, by electronic means. The notice shall contain the agenda
21 for the meeting.

22 (g) An emergency meeting of the board may be called by the
23 chief executive officer of the mutual water company, or by any
24 two members of the board of directors other than the chief
25 executive officer, if there are circumstances that could not have
26 been reasonably foreseen which require immediate attention and
27 possible action by the board, and which of necessity make it
28 impracticable to provide notice as required by this section.

29 (h) The board of directors of ~~the~~ a mutual water company shall
30 permit any eligible person to speak at any meeting of the mutual
31 water company or the board of directors, except for meetings of
32 the board held in executive session. A reasonable time limit for
33 all eligible persons to speak to the board of directors or before a
34 meeting of the mutual water company shall be established by the
35 board of directors.

36 (i) (1) Except as described in paragraphs (2) to (4), inclusive,
37 the board of directors of the mutual water company may not discuss
38 or take action on any item at a nonemergency meeting unless the
39 item was placed on the agenda included in the notice that was
40 posted and distributed pursuant to subdivision (f). This subdivision

1 does not prohibit an eligible person who is not a member of the
2 board from speaking on issues not on the agenda.

3 (2) Notwithstanding paragraph (1), a member of the board of
4 directors, mutual water company officers, or a member of the staff
5 of the mutual water company, may do any of the following:

6 (A) Briefly respond to statements made or questions posed by
7 a person speaking at a meeting as described in subdivision (h).

8 (B) Ask a question for clarification, make a brief announcement,
9 or make a brief report on his or her own activities, whether in
10 response to questions posed by an eligible person or based upon
11 his or her own initiative.

12 (3) Notwithstanding paragraph (1), the board of directors or a
13 member of the board of directors, subject to rules or procedures
14 of the board of directors, may do any of the following:

15 (A) Provide a reference to, or provide other resources for factual
16 information to, the mutual water company's officers or staff.

17 (B) Request the mutual water company's officers or staff to
18 report back to the board of directors at a subsequent meeting
19 concerning any matter, or take action to direct the mutual water
20 company's officers or staff to place a matter of business on a future
21 agenda.

22 (C) Direct the mutual water ~~companies~~ *company's* officers or
23 staff to perform administrative tasks that are necessary to carry
24 out this subdivision.

25 (4) (A) Notwithstanding paragraph (1), the board of directors
26 may take action on any item of business not appearing on the
27 agenda posted and distributed pursuant to subdivision (f) under
28 any of the following conditions:

29 (i) Upon a determination made by a majority of the board of
30 directors present at the meeting that an emergency situation exists.
31 An emergency situation exists if there are circumstances that could
32 not have been reasonably foreseen by the board, that require
33 immediate attention and possible action by the board, and that, of
34 necessity, make it impracticable to provide notice.

35 (ii) Upon a determination made by the board by a vote of
36 two-thirds of the members present at the meeting, or, if less than
37 two-thirds of total membership of the board is present at the
38 meeting, by a unanimous vote of the members present, that there
39 is a need to take immediate action and that the need for action

1 came to the attention of the board after the agenda was posted and
2 distributed pursuant to subdivision (f).

3 (iii) The item appeared on an agenda that was posted and
4 distributed pursuant to subdivision (f) for a prior meeting of the
5 board of directors that occurred not more than 30 calendar days
6 before the date that action is taken on the item and, at the prior
7 meeting, action on the item was continued to the meeting at which
8 the action is taken.

9 (B) Before discussing any item pursuant to this paragraph, the
10 board of directors shall openly identify the item to the members
11 in attendance at the meeting.

12 (j) (1) ~~The~~ *Notwithstanding any other law, the* board of directors
13 shall not take action on any item of business outside of a meeting.

14 (2) (A) Notwithstanding any other provision of law, the board
15 of directors shall not conduct a meeting via a series of electronic
16 transmissions, including, but not limited to, electronic mail, except
17 as specified in subparagraph (B).

18 (B) Electronic transmissions may be used as a method of
19 conducting an emergency meeting if all members of the board,
20 individually or collectively, consent in writing to that action, and
21 if the written consent or consents are filed with the minutes of the
22 meeting of the board. These written consents may be transmitted
23 electronically.

24 (k) (1) An eligible person may bring a civil action for
25 declaratory or equitable relief for a violation of this section by a
26 mutual water company for which he or she is defined as an eligible
27 person, ~~including, but not limited to, injunctive relief, restitution,~~
28 ~~or a combination thereof, within one year of the date the cause of~~
29 ~~action accrues for a judicial determination that an action taken by~~
30 ~~the board is null and void under this section.~~

31 (2) *Prior to the commencement of an action pursuant to*
32 *paragraph (1), the eligible person shall make a demand on the*
33 *board to cure or correct the action alleged to be taken in violation*
34 *of this section. The demand shall be in writing, and submitted*
35 *within 90 days from the date the action was taken. The demand*
36 *shall state the challenged action of the board and the nature of*
37 *the alleged violation.*

38 (3) *Within 30 days of receipt of the demand, the board shall*
39 *cure or correct the challenged action and inform the demanding*
40 *party in writing of its actions to cure or correct, or inform the*

1 *demanding party in writing of its decision not to cure or correct*
2 *the challenged action.*

3 *(4) Within 15 days of receipt of the written notice of the board's*
4 *decision to cure or correct or not to cure or correct, or within 15*
5 *days of the expiration of the 30-day period to cure or correct,*
6 *whichever is earlier, the demanding party shall commence the*
7 *action pursuant to paragraph (1). If the demanding party fails to*
8 *commence the action pursuant to paragraph (1), that party shall*
9 *be barred from commencing the action thereafter.*

10 *(l) A board action that is alleged to have been taken in violation*
11 *of this section shall not be determined to be void if the action taken*
12 *was in substantial compliance with this section.*

13 *(m) The fact that the board of directors of a mutual water*
14 *company takes subsequent action to cure or correct an action*
15 *taken pursuant to this section shall not be construed as, or*
16 *admissible as evidence of, a violation of this section.*

17 ~~(t)~~

18 *(n) An eligible person who prevails in a civil action to enforce*
19 *his or her rights pursuant to this section shall be entitled to*
20 *reasonable attorney's fees and court costs, ~~and the court may~~*
21 *impose a civil penalty of up to five hundred dollars (\$500) for each*
22 *violation, except that each identical violation shall be subject to*
23 *only one penalty if the violation affects each member of the*
24 *association equally. A prevailing mutual water company shall not*
25 *recover any costs, unless the court finds the action to be frivolous,*
26 *unreasonable, or without foundation.*

27 ~~(m)~~

28 *(o) As used in this section:*

29 *(1) "Eligible person" means a person who is any of the*
30 *following:*

31 *(A) A ~~stockholder~~ shareholder or member of the mutual water*
32 *company.*

33 *(B) A person who is an occupant, pursuant to a lease or a rental*
34 *agreement, of commercial space or a dwelling unit to which the*
35 *mutual water company sells, distributes, supplies, or delivers*
36 *drinking water.*

37 *(C) An elected official of a city or county who represents people*
38 *who receive drinking water directly from the mutual water*
39 *company on a retail basis.*

1 (D) Any other person eligible to participate in the mutual water
2 company's meetings under provisions of the company's articles
3 or bylaws.

4 (2) "Item of business" means any action within the authority of
5 the board, except those actions that the board has validly delegated
6 to any other person or persons, officer of the mutual water
7 company, or committee of the board comprising less than a
8 majority of the directors.

9 (3) "Meeting" means either of the following:

10 (A) A congregation of a majority of the members of the board
11 at the same time and place to hear, discuss, or deliberate upon any
12 item of business that is within the authority of the board.

13 (B) A teleconference in which a majority of the members of the
14 board, in different locations, are connected by electronic means,
15 through audio or video or both. A teleconference meeting shall be
16 conducted in a manner that protects the rights of members of the
17 association and otherwise complies with the requirements of this
18 title. Except for a meeting that will be held solely in executive
19 session, the notice of the teleconference meeting shall identify at
20 least one physical location so that members of the association may
21 attend and at least one member of the board of directors or a person
22 designated by the board shall be present at that location.
23 Participation by board members in a teleconference meeting
24 constitutes presence at that meeting as long as all board members
25 participating in the meeting are able to hear one another and
26 members of the association speaking on matters before the board.

27 (4) "Mutual water company" means a mutual water company,
28 as defined in Section 14300, that operates a public water system,
29 as defined in Section 14300.5.

30 SEC. 3. Section 14306 is added to the Corporations Code, to
31 read:

32 14306. (a) The board of a mutual water company that operates
33 a public water system shall adopt, in an open meeting, an annual
34 budget on or before the start of each fiscal year of the mutual water
35 company.

36 (b) The board of a mutual water ~~corporation~~ *company* that
37 operates a public water system shall contract with a certified public
38 accountant or public accountant to ~~make an annual audit of the~~
39 ~~accounts and records of the mutual water company. The audit shall~~
40 ~~conform to generally accepted auditing standards. A report of the~~

1 ~~audit shall be filed with the mutual water company and shall be~~
2 ~~sent to the Controller and any person served by the mutual water~~
3 ~~company that submits a written request to the board. The report~~
4 ~~shall be filed within 12 months of the end of the mutual water~~
5 ~~company's fiscal year under examination. *conduct an annual*~~
6 ~~*review of the financial records and reports of the mutual water*~~
7 ~~*company. The review shall be subject to generally accepted*~~
8 ~~*accounting standards.*~~

9 *(c) Eligible persons may request a copy of the report, and shall*
10 *reimburse the mutual water company for the costs of providing*
11 *the report.*

12 *(d) For purposes of this section, the term "eligible persons"*
13 *has the same meaning as that term is defined in subdivision (o) of*
14 *Section 14305.*

15 SEC. 4. Section 14307 is added to the Corporations Code, to
16 read:

17 14307. (a) (1) Unless its governing documents impose more
18 stringent standards, a mutual water company that operates a public
19 water system shall make the following records promptly available
20 upon *written* request to an eligible person upon payment of fees
21 covering direct costs of duplication:

22 ~~(1)~~

23 (A) Agendas and minutes of board meetings *conducted on or*
24 *after January 1, 2014.*

25 ~~(2)~~

26 (B) A copy of an annual budget adopted pursuant to subdivision
27 (a) of Section 14306.

28 ~~(3)~~

29 (C) A copy of an ~~audit~~ *accounting* report prepared pursuant to
30 subdivision (b) of Section 14306.

31 ~~(4)~~

32 (D) A copy of any records reporting the results of a water quality
33 test.

34 ~~(5)~~

35 (E) A copy of an annual report *that has been distributed to the*
36 *mutual water company's shareholder or members.*

37 (2) *Any request for records pursuant to this subdivision shall*
38 *be limited to the three calendar years preceding the written request*
39 *for the records.*

1 (b) For the purposes of this section, “eligible person” means a
2 person who is any of the following:

3 (1) A stockholder or member of the mutual water company.

4 (2) A person who is an occupant, pursuant to a lease or a rental
5 agreement, of commercial space or a dwelling unit to which the
6 mutual water company sells, distributes, supplies, or delivers
7 drinking water.

8 (3) An elected official of a city or county who represents people
9 who receive drinking water directly from the mutual water
10 company on a retail basis.

11 (4) Any other person eligible to obtain copies of the records
12 listed in subdivision (a) under provisions of the mutual water
13 company’s articles or bylaws.

14 SEC. 5. Section 116755 of the Health and Safety Code is
15 amended to read:

16 116755. (a) Each board member of a mutual water company
17 that operates a public water system, as defined in Section 116275,
18 shall, within six months of taking office, or by December 31, 2012,
19 if that member was serving on the board on December 31, 2011,
20 complete a two-hour course offered by a qualified trainer regarding
21 the duties of board members of mutual water companies, including,
22 but not limited to, the duty of a corporate director to avoid
23 contractual conflicts of interest and fiduciary duties, the duties of
24 public water systems to provide clean drinking water that complies
25 with the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et
26 seq.) and this chapter, and long-term management of a public water
27 system. A board member of a mutual water company *that operates*
28 *a public water system* shall repeat this training every six years.
29 For the purposes of this subdivision, a trainer may be qualified in
30 any of the following ways:

31 (1) Membership in the California State Bar.

32 (2) Accreditation by the International Association of Continuing
33 Education and Training (IACET) ANSI/IACET 1-2007.

34 (3) Sponsorship by either the Rural Community Assistance
35 Corporation or the California Rural Water Association.

36 (b) A mutual water company formed pursuant to Part 7
37 (commencing with Section 14300) of Division 3 of Title 1 of the
38 Corporations Code, *that operates a public water system*, shall be
39 liable for the payment of any fines, penalties, costs, expenses, and
40 other amounts that may be imposed upon the mutual water

1 company pursuant to this chapter. The mutual water company may
 2 levy an assessment, pursuant to Section 14303 of the Corporations
 3 Code, to pay these fines, penalties, costs, expenses, and other
 4 amounts so imposed. If the amount of outstanding fines, penalties,
 5 costs, expenses and other amounts imposed pursuant to this chapter
 6 exceed 5 percent of the annual budget of the mutual water
 7 company, then the mutual water company shall levy an assessment,
 8 pursuant to Section 14303 of the Corporations Code, to pay those
 9 fines, penalties, costs, expenses, and other amounts so imposed.

10 SEC. 6. Section 10531.5 is added to the Water Code, to read:

11 10531.5. It is the intent of the Legislature to encourage
 12 collaboration among mutual water companies that operate public
 13 water systems in the City of Maywood to create a public agency
 14 that can consolidate drinking water services for the people and
 15 businesses of that city.

16 SEC. 7. Item 4265-111-6051 of Section 2.00 of the Budget
 17 Act of 2011 is amended to read:

18
 19 4265-111-6051—For local assistance, Department of Public
 20 Health, payable from the Safe Drinking Water, Water
 21 Quality and Supply, Flood Control, River and Coastal
 22 Protection Fund of 2006..... 7,500,000

23 Provisions:

- 24 1. The funds appropriated in this item shall be to provide
 25 grants to public agencies, as provided in Section 75022
 26 of the Public Resources Code, to improve drinking
 27 water infrastructure in communities served by mutual
 28 water companies in the City of Maywood. Grants may
 29 be made to the Water Replenishment District of
 30 Southern California for water quality improvement
 31 projects to benefit the residents of the City of May-
 32 wood, subject to the following conditions: (a) the dis-
 33 trict manages the design and implementation or con-
 34 struction of the project; (b) the district ~~retains owner-~~
 35 ~~ship of the project and~~ oversees its operation; ~~and~~ (c)
 36 *a public agency remains the owner of the project after*
 37 *construction; and (d) the mutual water company that*
 38 *incorporates the project into its system complies with*
 39 *Section 14305 of the Corporations Code. *Notwithstand-**
 40 *ing any other law, the funds appropriated in this item*

1 *shall be available for expenditure until January 1,*
2 *2018. Any funds that are not awarded ~~within three~~*
3 *years after the effective date of the act adding this item*
4 *on or before January 1, 2018, shall revert back to the*
5 *Safe Drinking Water, Water Quality and Supply, Flood*
6 *Control, River and Coastal Protection Fund of 2006.*
7

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**CALAFCO Daily Legislative Report
Dated September 9, 2013**

Attachment 5

CALAFCO Daily Legislative Report as of Monday, September 09, 2013

1

AB 453 (Mullin D) Sustainable communities.

Current Text: Amended: 7/3/2013 [pdf](#) [html](#)

Introduced: 2/19/2013

Last Amended: 7/3/2013

Status: 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/12/2013)

2 Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary:

The Strategic Growth Council is required to manage and award grants and loans to a council of governments, metropolitan planning organization, regional transportation planning agency, city, county, or joint powers authority for the purpose of developing, adopting, and implementing a regional plan or other planning instrument to support the planning and development of sustainable communities. This bill would make a local agency formation commission eligible for the award of financial assistance for those planning purposes.

Attachments:

[CALAFCO Support Letter 03 12 13](#)

Position: Watch

Subject: Sustainable Community Plans

CALAFCO Comments: This would allow LAFcos to apply directly for grants that support the preparation of sustainable community strategies and other planning efforts. CALAFCO has removed its support of the bill given the nature of the amendment and the potential impact to LAFcos.

AB 678 (Gordon D) Health care districts: community health needs assessment.

Current Text: Amended: 4/15/2013 [pdf](#) [html](#)

Introduced: 2/21/2013

Last Amended: 4/15/2013

Status: 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/13/2013)

2 Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary:

Would require that the health care district conduct an assessment, every 5 years, of the community's health needs and provide opportunities for public input. Commencing January 1, 2019, the bill would require the annual reports to address the progress made in meeting the community's health needs in the context of the assessment. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter of support April 17, 2014](#)

Position: Support

Subject: LAFCo Administration, Service Reviews/Spheres

CALAFCO Comments: This bill requires Health Care Districts that do not operate their own hospital facilities to create every 5 years, an assessment of the community health needs with public input. The bill requires LAFCos to include in a Municipal Service Review (MSR) the Health Care District's 5-year assessment.

AB 743 (Logue R) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Current Text: Chaptered: 8/26/2013 [pdf](#) [html](#)

Introduced: 2/21/2013

Last Amended: 6/11/2013

Status: 8/26/2013-Chaptered by Secretary of State - Chapter 138, Statutes of 2013.

2 Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 authorizes a local agency formation commission to approve, after notice and hearing, a petition for a change of organization or reorganization of a city, if the petition was initiated on or after January 1, 2010, and before January 1, 2014, and waive protest proceedings entirely if certain requirements are met. This provision applies only to territory that does not exceed 150 acres. This bill would delete the January 1, 2014, date and make conforming changes. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter of Support May 23, 2013](#)

[CALAFCO Letter of support April 10, 2013](#)

Position: Support

Subject: Annexation Proceedings, CKH General Procedures

CALAFCO Comments: As amended, this bill removes the sunset date provision to waive protest proceedings for certain island annexations.

Unincorporated islands are more costly and inefficient for counties to administer as opposed to the local municipality. A sunset date was initially established on this ability to encourage the use of the provision and was extended to allow cities and LAFCos additional time to implement island annexation programs. The unforeseen economic downturn over the past five years has significantly hampered the initial progress, and with the sunset ready to expire at the beginning of next year, cities and LAFCos have yet to complete the work that the law intended them to do. Over the twelve year period since the law was established, hundreds of islands have been annexed, yet hundreds more remain.

Additionally, the bill was amended to reset the effective island creation date from January 1, 2000 to January 1, 2014 thus allowing smaller islands of less than 150 acres created after 2000 to be annexed under these provisions. Many of these current islands remained as remnants of larger substantially surrounded island areas that had irregular boundaries or were affected by the annexation of territory for newer development.

AB 1427 (Committee on Local Government) Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Current Text: Chaptered: 8/12/2013 [pdf](#) [html](#)

Introduced: 4/1/2013

Last Amended: 4/30/2013

Status: 8/12/2013-Chaptered by Secretary of State - Chapter 87, Statutes of 2013.

2 Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (act),

provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. This bill would specify that the definition excludes any independent special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter of Support April 2013](#)

[CALAFCO Letter of support as amended May 2013](#)

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: Cortese-Knox-Hertzberg Omnibus bill.

SB 56 (Roth D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Current Text: Amended: 6/11/2013 [pdf](#) [html](#)

Introduced: 1/7/2013

Last Amended: 6/11/2013

Status: 6/19/2013-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0. Page 1449.) (June 19). Re-referred to Com. on APPR.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Beginning with the 2004-05 fiscal year and for each fiscal year thereafter, existing law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions, for the 2013-14 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter of support April 10, 2013](#)

Position: Support

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Comments: This bill reinstates revenues through ERAF (backfilled by the state general fund) for cities incorporating after 2005 and annexations of inhabited territories.

SB 594 (Hill D) Use of public resources.

Current Text: Amended: 9/4/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amended: 9/4/2013

Status: 9/5/2013-Read second time. Ordered to third reading.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

9/9/2013 #173 ASSEMBLY SENATE THIRD READING FILE

Summary:

Would prohibit a nonprofit organization or an officer, employee, or agent of a nonprofit organization from using, or permitting another to use public resources received from a

local agency for campaign activity, as defined, and not authorized by law. This bill would define, among other terms, "public resources" to mean any property or asset owned by a local agency and funds received by a nonprofit organization which have been generated from any activities related to conduit bond financing by those entities subject to specified conduit financing and transparency and accountability provisions, and "nonprofit organization" to mean an entity incorporated under the Nonprofit Corporation Law or a nonprofit organization that qualifies for exempt status under the federal Internal Revenue Code of 1986, except as specified. This bill contains other related provisions and other existing laws.

Attachments:

- [CALAFCO Removal of Opposition letter 09 05 13](#)
- [CALAFCO Oppose letter 08 22 13](#)

Position: Watch

Subject: Other

CALAFCO Comments: As amended, SB 594 places new restrictions on nonprofit organizations that receive public funds and participate in certain campaign activities. While CALAFCO does not engage in advocacy of ballot measure positions or candidates, we felt the bill contained broad language that would be subject to wide interpretation by many including the Attorney General, which created the opportunity for expensive and unnecessary litigation for these nonprofit organizations. For this and a number of other reasons, CALAFCO originally took an Oppose position on the bill.

Amendments made on September 3, 2013 address a number of CALAFCO concerns including the removal of the most harmful of actions identified in "election activities", and as such CALAFCO has removed their opposition of the bill and taken a more neutral position of watch.

SB 772 (Emmerson R) Drinking water.

Current Text: Amended: 9/6/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amended: 9/6/2013

Status: 9/6/2013-From committee with author's amendments. Read second time and amended. Re-referred to Com. on G.O.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Would exempt the Elsinore Valley Municipal Water District and the Eastern Municipal Water District from liability for injuries or damages arising out of the delivery of water to County Water Company of Riverside customers, as specified.

Attachments:

- [CALAFCO Letter Removing Opposition September 9, 2013](#)
- [CALAFCO Letter of Opposition April 10, 2013](#)

Position: Watch

Subject: Water

CALAFCO Comments: As amended, this bill would exempt the Elsinore Valley Municipal Water District and the Eastern Municipal Water District from liability for injuries or damages arising out of the delivery of water to County Water Company of Riverside customers, as specified. As amended this bill no longer references Local Agency Formation Commissions (LAFCo) to take on the responsibility of monitoring private water companies. As a result of removing any and all references to LAFCo, CALAFCO has removed its opposition to the bill and now has a Watch position.

AB 21 (Alejo D) Safe Drinking Water Small Community Emergency Grant Fund.**Current Text:** Amended: 9/3/2013 [pdf](#) [html](#)**Introduced:** 12/3/2012**Last Amended:** 9/3/2013**Status:** 9/3/2013-Read second time and amended. Ordered to third reading.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

9/9/2013 #175 SENATE ASSEMBLY BILLS-THIRD READING FILE

Summary:

Would authorize the Department of Public Health to assess a specified annual charge in lieu of interest on loans for water projects made pursuant to the Safe Drinking Water State Revolving Fund, and deposit that money into the Safe Drinking Water Small Community Emergency Grant Fund, which the bill would create in the State Treasury. The bill would limit the grant fund to a maximum of \$50,000,000. The bill would authorize the department to expend the money for grants for specified water projects that serve disadvantaged and severely disadvantaged communities, thereby making an appropriation.

Position: Watch**Subject:** Disadvantaged Communities**AB 115 (Perea D) Safe Drinking Water State Revolving Fund.****Current Text:** Amended: 9/6/2013 [pdf](#) [html](#)**Introduced:** 1/14/2013**Last Amended:** 9/6/2013**Status:** 9/9/2013-Action From SECOND READING: Read second time.To THIRD READING.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

9/9/2013 #25 SENATE ASSEMBLY BILLS-SECOND READING FILE

Summary:

Would authorize a legal entity, as defined, to apply for grant funding on behalf of one or more public water systems serving disadvantaged or severely disadvantaged communities if specified requirements are met, including having a signed agreement with each public water system for which it is applying for funding. By authorizing the use of a continuously appropriated fund for new purposes, this bill would make an appropriation. This bill contains other related provisions and other existing laws.

Position: Watch**Subject:** Water**AB 543 (Campos D) California Environmental Quality Act: translation.****Current Text:** Amended: 5/24/2013 [pdf](#) [html](#)**Introduced:** 2/20/2013**Last Amended:** 5/24/2013**Status:** 7/12/2013-Failed Deadline pursuant to Rule 61(a)(10)(SEN). (Last location was E.Q. on 6/13/2013)

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Would require a lead agency to translate, as specified, certain notices required by the

California Environmental Quality Act and a summary of any negative declaration, mitigated negative declaration, or environmental impact report when a group of non-English-speaking people, as defined, comprises at least 25% of the population within the lead agency's jurisdiction and the project is proposed to be located at or near an area where the group of non-English-speaking people comprises at least 25% of the residents of that area. By requiring a lead agency to translate these notices and documents, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: CEQA

CALAFCO Comments: As amended, requires a lead agency to translate certain notices, summary of a negative declaration, mitigated negative declaration, or environmental impact report when the impacted community has 25% or more non-English speaking people affected by the project. The requirement is to translate these notices and summaries in the native language of those impacted. This is an unfunded mandate. While LAFCo is not typically the lead agency, there may be an occasion when they are, and this could have significant resource implications.

AB 1235 (Gordon D) Local agencies: financial management training.

Current Text: Amended: 9/6/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amended: 9/6/2013

Status: 9/9/2013-Action From SECOND READING: Read second time.To THIRD READING.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House			2nd House			Conc.					

Calendar:

9/9/2013 #19 SENATE ASSEMBLY BILLS-SECOND READING FILE

Summary:

Would require a local agency official, in local agency service as of January 1, 2014, or thereafter, except for an official whose term of office ends before January 1, 2015, to receive training in financial management if the local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of, a member of a legislative body. The bill would require the Treasurer's office and the Controller's office, in consultation with other state agencies, associations, and outside experts, to work together to develop standardized criteria that sufficiently meet specified requirements. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: Requires that if a local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of, a member of the legislative body, the member shall receive one-4 hour state mandated Financial Management training per term of office. Effective January 1, 2014 for those in office as of that date (whose term of office extends beyond January 1, 2015). Those elected to more than one legislative body may take the training one time and have it apply to all legislative bodies on which they serve. This would apply to a LAFCo Commissioner who receives a stipend or is reimbursed for expenses in the performance of their Commissioner duties.

AB 1248 (Cooley D) Controller: internal control guidelines applicable to local agencies.

Current Text: Chaptered: 8/28/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amended: 5/24/2013

Status: 8/28/2013-Chaptered by Secretary of State - Chapter 190, Statutes of 2013.

2 Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Would require the Controller, on or before January 1, 2015, to develop internal control guidelines applicable to a local agency, as defined, to prevent and detect financial errors and fraud, based on specified standards and with input from any local agency and organizations representing the interests of local agencies. This bill would require the Controller to, by the same date, post the completed internal control guidelines on the Controller's Internet Web site and update them, as he or she deems necessary, as specified.

Position: None at this time

Subject: LAFCo Administration

SB 181 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 7/3/2013 [pdf](#) [html](#)

Introduced: 2/6/2013

Last Amended: 5/28/2013

Status: 7/3/2013-Chaptered by Secretary of State - Chapter 57, Statutes of 2013.

2 Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

This bill would enact the First Validating Act of 2013, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Attachments:

[CALAFCO Letter of Support March 7, 2013](#)

[CALAFCO Letter of Support May 23, 2013](#)

Position: Support

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

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AB 240 (Rendon D) Mutual water companies.

Current Text: Amended: 8/13/2013 [pdf](#) [html](#)

Introduced: 2/5/2013

Last Amended: 8/13/2013

Status: 9/6/2013-Re-referred to Com. on L. GOV. pursuant to Assembly Rule 77.2.

2 Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law requires each board member of a mutual water company that operates a public water system to complete a training course regarding the duties of board members of mutual water companies, as specified. This bill would require a board member to repeat this training course every 6 years. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Other

CALAFCO Comments: Enacts the Mutual Water Company Open Meeting Act and requires mutual to adopt budgets in open meetings and take public comment. Also requires mutuals to provide certain records to the public upon request.

AB 642 (Rendon D) Publication: newspaper of general circulation: Internet Web site.**Current Text:** Introduced: 2/20/2013 [pdf](#) [html](#)**Introduced:** 2/20/2013**Status:** 5/10/2013-Failed Deadline pursuant to Rule 61(a)(3). (Last location was JUD. on 3/11/2013)

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law requires that various types of notices are provided in a newspaper of general circulation. Current law requires a newspaper of general circulation to meet certain criteria, including, among others, that it be published and have a substantial distribution to paid subscribers in the city, district, or judicial district in which it is seeking adjudication. This bill would provide that a newspaper that is available on an Internet Web site may also qualify as a newspaper of general circulation, provided that newspaper meets certain criteria.

Position: Watch**Subject:** LAFCo Administration**CALAFCO Comments:** Allows for posting of agendas and meeting material on newspaper websites.**AB 792 (Mullin D) Utility user tax: exemption: distributed generation systems.****Current Text:** Amended: 8/29/2013 [pdf](#) [html](#)**Introduced:** 2/21/2013**Last Amended:** 8/29/2013**Status:** 8/30/2013-Read second time. Ordered to third reading.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

9/9/2013 #145 SENATE ASSEMBLY BILLS-THIRD READING FILE

Summary:

Current law provides that the board of supervisors of any county may levy a utility user tax on the consumption of, among other things, gas and electricity in the unincorporated area of the county. This bill would, until January 1, 2020, exempt from any utility user tax imposed by a local jurisdiction, as defined, the consumption of electricity generated by a clean energy resource, as defined, for the use of a single customer or the customer's tenants.

Position: None at this time**Subject:** Public Records Act**CALAFCO Comments:** Relates to public agencies who post their meeting information on their website pursuant to the Ralph M. Brown Act. In the instances where they are unable to post the agenda on the website in the prescribed timeframe due to technology difficulties, the agency is required to post the meeting agenda and information on the website as soon as the technological difficulties are resolved.**SB 184 (Committee on Governance and Finance) Local government: omnibus bill.****Current Text:** Chaptered: 9/6/2013 [pdf](#) [html](#)**Introduced:** 2/6/2013**Last Amended:** 8/8/2013**Status:** 9/6/2013-Signed by the Governor

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law requires any person who intends to offer subdivided lands within this state for sale or lease to file with the Department of Real Estate an application for a public report consisting of a notice of intention and a completed questionnaire, as specified. This bill would specify that a lot, parcel, or unit satisfies the requirement that it be improved with a completed residential structure if it is improved with a completed residential structure at the time it is conveyed by the subdivider. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter of Support March 7, 2013](#)

[CALAFCO Letter of Support May 23, 2013](#)

Position: Support

SB 359 (Corbett D) Electric vehicles.

Current Text: Amended: 9/6/2013 [pdf](#) [html](#)

Introduced: 2/20/2013

Last Amended: 9/6/2013

Status: 9/6/2013-In Assembly. Held at Desk. Action rescinded whereby the bill was read third time, passed, and ordered to the Senate. Ordered to third reading. Read third time and amended. Ordered to third reading.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

9/9/2013 #176 ASSEMBLY SENATE THIRD READING FILE

Summary:

Would require the Controller, upon the order of the Director of Finance, to transfer, as a loan, \$30,000,000 from the Vehicle Inspection and Repair Fund to the Air Quality Improvement Fund. The bill would appropriate to the state board \$30,000,000 from the Air Quality Improvement Fund for the Clean Vehicle Rebate Project and the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, thereby making an appropriation. This bill contains other existing laws.

Position: Watch

Subject: CEQA

CALAFCO Comments: This bill would exempt as "residential" a use consisting of residential units and neighborhood-serving goods, services, or retail uses that do not exceed 25% of the total building square footage of the project.

SB 436 (Jackson D) Port Hueneme Beach shoreline protection.

Current Text: Amended: 9/6/2013 [pdf](#) [html](#)

Introduced: 2/21/2013

Last Amended: 9/6/2013

Status: 9/6/2013-Assembly Rule 69 suspended. Read third time and amended. Re-referred to Com. on RLS. pursuant to Assembly Rule 77.2.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Under current law, the Division of Boating and Waterways has powers and duties pertaining to beach erosion control, beach stabilization, and beach repair and restoration. This bill would also authorize moneys in the Harbors and Watercraft Revolving Fund be available to a city for a grant or loan to fund emergency measures to prevent severe infrastructure damage to streets and property within the city caused by beach erosion and flooding. This bill contains other related provisions and other current laws.

Position: Watch**Subject:** CEQA**CALAFCO Comments:** Requires lead agencies to conduct at least one public scoping meeting for proposed projects and increases notification requirements for lead agencies.**SB 633** (Pavley D) CEQA.**Current Text:** Amended: 8/6/2013 [pdf](#) [html](#)**Introduced:** 2/22/2013**Last Amended:** 8/6/2013**Status:** 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. on 8/6/2013)

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary:

Would, for purposes of the new information exception to the prohibition on requiring a subsequent or supplemental EIR, specify that the exception applies if new information that becomes available was not known and could not have been known by the lead agency or any responsible agency at the time the EIR was certified as complete. The bill would authorize the office, by July 1, 2015, to draft and transmit to the secretary revisions to the guidelines to include as a categorical exemption projects involving minor temporary uses of land and public gatherings that have been determined not to have a significant effect on the environment. This bill contains other related provisions and other existing laws.

Position: Watch**Subject:** CEQA**SB 731** (Steinberg D) Environment: California Environmental Quality Act.**Current Text:** Amended: 9/6/2013 [pdf](#) [html](#)**Introduced:** 2/22/2013**Last Amended:** 9/6/2013**Status:** 9/6/2013-Read third time and amended. Ordered to third reading.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Calendar:

9/9/2013 #101 ASSEMBLY SENATE THIRD READING FILE

Summary:

Would provide that aesthetic and parking impacts of a residential, mixed-use residential, or employment center project, as defined, on an infill site, as defined, within a transit priority area, as defined, shall not be considered significant impacts on the environment. The bill would require the Office of Planning and Research to prepare and submit to the Secretary of the Natural Resources Agency, and the secretary to certify and adopt, revisions to the guidelines for the implementation of CEQA establishing thresholds of significance for noise and transportation impacts of projects within transit priority areas. This bill contains other related provisions and other existing laws.

Position: Watch**Subject:** CEQA

Total Measures: 21

Total Tracking Forms: 21

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