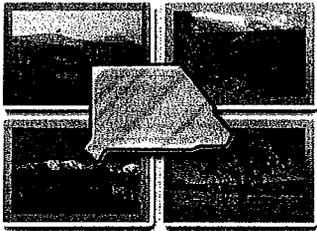


**Letters dated November 18, 2013 to
Daggett, Newberry, and Yermo CSDs**

Attachment 2



LAFCO

Local Agency Formation Commission for San Bernardino County

215 North D Street, Suite 204
San Bernardino, CA 92410-0400
909.383.9900 | Fax: 909.383.9901
E-mail: lafco@lafco.sbcounty.gov
www.sblafco.org

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Clerk to the Commission

LEGAL COUNSEL

CLARK H. ALSOP

November 18, 2013

Beryl Bell, President
Daggett Community Services District
PO Box 308
Daggett, CA 92327-0308

RE: LAFCO 3176 – Service Reviews for the Daggett, Newberry, and Yermo Community Services Districts

Dear Ms. Bell:

As discussed on the phone, Michael Tuerpe, LAFCO Project Manager, is scheduled for a site interview with your district on Thursday, November 21, 2014 to discuss the off-cycle service review initiated by the Commission. This service review is in response to Recommendation #15 from the FY 2012-13 Grand Jury Report related to the Newberry Community Services District but was expanded to include the region as previously defined by the Commission. As was indicated by Mr. Tuerpe, we are providing a list of documents that are needed for this review, information that is being requested of the district, and questions for the report. Additional information may be requested at the meeting or in the future based upon these responses.

Below is a list of documents that we are requesting copies of, or access to, during the meeting (Mr. Tuerpe will be bringing a scanner should copies not be available for our files). Should any of these not be available at the meeting, please identify which ones and the timeframe for submission of the information to the LAFCO office.

- Financial reports submitted to State Controller for FY 2011-12 and 2012-13
- Fire plans or studies within the past ten years
- Water plans or studies within the past ten years
- Water quality (consumer confidence) reports for the past five years
- Capital improvement plan and budget
- Past five adopted budgets
- Past two appropriations limit adoptions to include the calculations and resolutions per Article XIII B of the State Constitution and CSD Law in Government Code 61113
- Board of Director agendas and minutes for the past 12 months

Please provide a written response to the following. Should any of this information not be available at the meeting, please identify which ones and the timeframe required for compiling and submitting to the LAFCO office.

- Location of each fire station (active and inactive) and its associated personnel and equipment
- Staff roster by position for the district's general operations and fire operations
- Fire response data for the past five years to include number of responses (within your agency and outside your agency) and response times by call-type
- Number of active water connections
- Number of active water connections within Yermo CSD
- List of water facilities to include number of tanks and capacities, number of wells and capacities

Please provide a response to the following questions. These may be provided in writing or discussed with Mr. Tuerpe at the meeting who will make a written record of the discussion.

- Does your district have an appointed Treasurer? If so, is this position bonded?
- Has a water inter-tie been established between the Daggett and Yermo water systems? If no, are there plans for such an inter-tie? What are the impediments to establishing an inter-tie?

Among the possible reorganization scenarios presented in LAFCO's 2009 report, the Grand Jury report identifies that the following two scenarios merit further review, along with more robust analysis of governance and reorganization options. The quotations are taken directly from the Grand Jury report.

- Removing the Newberry CSD fire protection powers with concurrent annexation of the Newberry area by the San Bernardino County Fire Protection District (County Fire); "or more substantially",
- "Consolidating the Newberry CSD with two adjacent community services districts, to allow for 'economies of scale and provide the opportunity for streamlined governance and compliance with CSD law'."

At the meeting, Mr. Tuerpe will discuss these two scenarios as well as the following scenarios to be addressed in the report.

- Removing fire protection powers from all three CSDs with concurrent annexation of the areas by County Fire.
- Formation of a Joint Powers Authority for fire protection and emergency medical services between three CSDs.
- Formation of a Joint Powers Authority for fire protection and emergency medical services between three CSDs, County Fire, and the military fire departments at the Yermo Annex and Daggett Airport.
- Dissolution of Newberry CSD and concurrent formation of a County Service Area, whereby the County Board of Supervisors would act as the board of directors with the County's Special Districts Department providing administration.
- Consolidation of Yermo CSD and Daggett CSD with dissolution of Newberry CSD and concurrent formation of a County Service Area for the Newberry area.

A response to these scenarios will be requested as a part of the districts' review of the draft staff report.

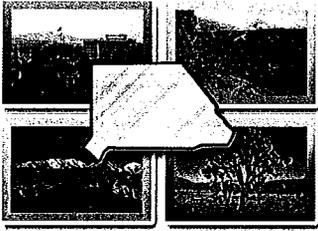
Should you have any questions, please feel free to contact either me or Michael Tuerpe at the number listed above.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen Rollings-McDonald". The signature is fluid and cursive, with a large initial 'K' and 'M'.

KATHLEEN ROLLINGS-McDONALD
Executive Officer

KRM/MT



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Clerk to the Commission

LEGAL COUNSEL

CLARK H. ALSOP

November 18, 2013

Robert Royalty, President
Newberry Community Services District
PO Box 206
Newberry Springs, CA 92365

RE: LAFCO 3176 – Service Reviews for the Daggett, Newberry, and Yermo Community Services Districts

Dear Mr. Royalty:

As discussed on the phone, Michael Tuerpe, LAFCO Project Manager, is scheduled for a site interview with your district on Thursday, November 21, 2014 to discuss the off-cycle service review initiated by the Commission. This service review is in response to Recommendation #15 from the FY 2012-13 Grand Jury Report related to the Newberry Community Services District but was expanded to include the region as previously defined by the Commission. As was indicated by Mr. Tuerpe, we are providing a list of documents that are needed for this review, information that is being requested of the district, and questions for the report. Additional information may be requested at the meeting or in the future based upon these responses.

If possible, please provide a copy of district's response to the FY 2012-13 County Grand Jury findings in advance of the meeting. This can be emailed to Mr. Tuerpe at mtuerpe@lafco.sbcounty.gov. This will allow him to review the response for discussion at the meeting. Should this not be available prior to the meeting, please have a copy available upon his arrival.

Below is a list of documents that we are requesting copies of, or access to, during the meeting (Mr. Tuerpe will be bringing a scanner should copies not be available for our files). Should any of these not be available at the meeting, please identify which ones and the timeframe for submission of the information to the LAFCO office.

- Financial reports submitted to State Controller for FY 2011-12 and 2012-13
- Fire plans or studies within the past ten years
- Water plans or studies within the past ten years
- Capital improvement plan and budget
- Past five adopted budgets
- Past two appropriations limit adoptions to include the calculations and resolutions per Article XIII B of the State Constitution and CSD Law in Government Code 61113
- Board of Director agendas and minutes for the past 12 months

Please provide a written response to the following. Should any of this information not be available at the meeting, please identify which ones and the timeframe required for compiling and submitting to the LAFCO office.

- Location of each fire station (active and inactive) and its associated personnel and equipment
- List of all short and long-term debt to include activity and principal remaining as of June 30, 2013
- Staff roster by position for the district's general operations and fire operations
- Listing of all equipment sold within the past five years. Please identify when the sale occurred, the sale price, and the use of the funds.
- Fire response data for the past five years to include number of responses (within your agency and outside your agency) and response times by call-type
- List of all donations to the Newberry community center or Newberry senior center to include dates and amounts for the past five years

Please provide a response to the following questions. These may be provided in writing or discussed with Mr. Tuerpe at the meeting who will make a written record of the discussion.

- Does your district have an appointed Treasurer? If so, is this position bonded?
- Please describe current status of the district's road service. Does the district still own the road grader? If it has been sold, please identify when the sale occurred, the sale price, and the use of the funds.
- Please provide an update on:
 - Status of Station 392, located on Silver Valley USD property and leased for \$1 per year.
 - Coordination with Mojave Water Agency to place connection points at strategic locations along the Mojave River Pipeline.
 - Agreement with Santa Fe Railroad for access to the 220,000 gallon railroad water tank located near Elementis Specialties Plant.
 - Completion of the FY 2010-11 and FY 2011-12 audits.

Among the possible reorganization scenarios presented in LAFCO's 2009 report, the Grand Jury report identifies that the following two scenarios merit further review, along with more robust analysis of governance and reorganization options. The quotations are taken directly from the Grand Jury report.

- Removing the Newberry CSD fire protection powers with concurrent annexation of the Newberry area by the San Bernardino County Fire Protection District (County Fire); "or more substantially",
- "Consolidating the Newberry CSD with two adjacent community services districts, to allow for 'economies of scale and provide the opportunity for streamlined governance and compliance with CSD law'."

At the meeting, Mr. Tuerpe will discuss these two scenarios as well as the following scenarios to be addressed in the report.

- Removing fire protection powers from all three CSDs with concurrent annexation of the areas by County Fire.
- Formation of a Joint Powers Authority for fire protection and emergency medical services between three CSDs.
- Formation of a Joint Powers Authority for fire protection and emergency medical services between three CSDs, County Fire, and the military fire departments at the Yermo Annex and Daggett Airport.
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- Consolidation of Yermo CSD and Daggett CSD with dissolution of Newberry CSD and concurrent formation of a County Service Area for the Newberry area.

A response to these scenarios will be requested as a part of the districts' review of the draft staff report.

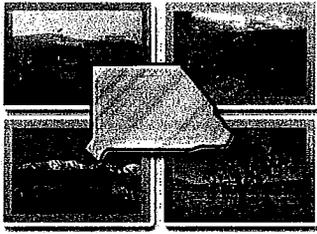
Should you have any questions, please feel free to contact either me or Michael Tuerpe at the number listed above.

Sincerely,



KATHLEEN ROLLINGS-McDONALD
Executive Officer

KRM/MT



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Assistant Executive Officer

MICHAEL TUERPE
Project Manager

REBECCA LOWERY
Clerk to the Commission

LEGAL COUNSEL

CLARK H. ALSOP

November 18, 2013

Michelle Berndt, General Manager
Yermo Community Services District
PO Box 206
Yermo, CA 92398-0206

RE: LAFCO 3176 – Service Reviews for the Daggett, Newberry, and
Yermo Community Services Districts

Dear Ms. Berndt:

As discussed on the phone, Michael Tuerpe, LAFCO Project Manager, is scheduled for a site interview with your district on Thursday, November 21, 2014 to discuss the off-cycle service review initiated by the Commission. This service review is in response to Recommendation #15 from the FY 2012-13 Grand Jury Report related to the Newberry Community Services District but was expanded to include the region as previously defined by the Commission. As was indicated by Mr. Tuerpe, we are providing a list of documents that are needed for this review, information that is being requested of the district, and questions for the report. Additional information may be requested at the meeting or in the future based upon these responses.

Below is a list of documents that we are requesting copies of, or access to, during the meeting (Mr. Tuerpe will be bringing a scanner should copies not be available for our files). Should any of these not be available at the meeting, please identify which ones and the timeframe for submission of the information to the LAFCO office.

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- Board of Director agendas and minutes for the past 12 months

Please provide a written response to the following. Should any of this information not be available at the meeting, please identify which ones and the timeframe required for compiling and submitting to the LAFCO office.

- Location of each fire station (active and inactive) and its associated personnel and equipment

- Staff roster by position for the district's general operations and fire operations
- Fire response data for the past five years to include number of responses (within your agency and outside your agency) and response times by call-type
- Number of active water connections
- List of water facilities to include number of tanks and capacities, number of wells and capacities

Please provide a response to the following questions. These may be provided in writing or discussed with Mr. Tuerpe at the meeting who will make a written record of the discussion.

- Does your district have an appointed Treasurer? If so, is this position bonded?
- Has a water inter-tie been established between the Daggett and Yermo water systems? If no, are there plans for such an inter-tie? What are the impediments to establishing an inter-tie?
- Please describe the district's role with Yermo Water and the present receiver. What entity is responsible for issuing Consumer Confidence Reports? How much does the district receive for its service? Is there any resolution of the disposition of the Yermo Water Company?
- Provide an update on the arrangement with the Silver Valley Unified School District for use of the community park, whereby Yermo CSD pays for all maintenance costs for the park and allows the School District use of the park. In turn, the School District pays all the water and electricity costs for the park.

Among the possible reorganization scenarios presented in LAFCO's 2009 report, the Grand Jury report identifies that the following two scenarios merit further review, along with more robust analysis of governance and reorganization options. The quotations are taken directly from the Grand Jury report.

- Removing the Newberry CSD fire protection powers with concurrent annexation of the Newberry area by the San Bernardino County Fire Protection District (County Fire); "or more substantially",
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- Consolidation of Yermo CSD and Daggett CSD with dissolution of Newberry CSD and concurrent formation of a County Service Area for the Newberry area.

A response to these scenarios will be requested as a part of the districts' review of the draft staff report.

Should you have any questions, please feel free to contact either me or Michael Tuerpe at the number listed above.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen Rollings-McDonald". The signature is fluid and cursive, with the first name "Kathleen" being the most prominent.

KATHLEEN ROLLINGS-McDONALD
Executive Officer

KRM/MT