

**Exemption Request from the County  
Special Districts Department Including  
Draft Contracts Between CSA 70 Zones R-3  
and R-5 and the City of Big Bear Lake**

**Attachment 3**



## Special Districts Department

Jeffrey O. Rigney  
Director

October 5, 2015

Kathleen Rollings-McDonald, Executive Officer  
Local Agency Formation Commission  
215 North D Street, Suite 204  
San Bernardino, CA 92415-0490

RE: Agreement between the County Service Area 70 R3 and R5, and the City of Big Bear Lake – DWP (LAFCO 3196)

Dear Ms. Rollings-McDonald:

County Service Area 70, Zones R-3 (Erwin Lake) and R-5 (Sugarloaf) (CSA 70 R3 & R5) currently provide road maintenance services to seven lots owned by the City of Big Bear Lake that are located in Erwin Lake and Sugarloaf. The City of Big Bear Lake is annexing these parcels into the City, at which time the City would be responsible for providing road maintenance services. Since the City of Big Bear Lake cannot economically provide road maintenance services to these lots, they have requested CSA 70 R3 and R5 enter into an agreement with the City of Big Bear Lake to continue to provide these services.

On September 28, 2015, the City of Big Bear Lake's City Council approved the two agreements (attached), which are scheduled to go to the Board of Supervisors on October 20, 2015. These agreements would allow CSA 70 R3 & R5 to provide road maintenance services to the proposed seven annexed City owned lots. Since CSA 70 R3 & R5 will be providing service outside of their jurisdictional boundaries, CSA 70 R3 & R5 are respectfully requesting that LAFCO consider an exemption from the provisions of Government Code Section 56133 as authorized by subsection (e) because the attached agreements for road maintenance services between CSA 70 R3 & R5 and the City of Big Bear Lake - DWP are solely between two public agencies and the level of service will remain the same.

If you have any questions, please contact me at 387-5967.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Rigney".

Jeff Rigney  
Director

cc: Jeff Mathieu, City of Big Bear Lake  
Reginald A. Lamson, City of Big Bear Lake - DWP

### BOARD OF SUPERVISORS

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## OUTSIDE SERVICE AGREEMENT FOR ROAD MAINTENANCE SERVICES

This Out-of-Service Agreement for Road Maintenance Services ("Agreement") is executed this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the City of Big Bear Lake on behalf of its Department of Water and Power ("DWP") and San Bernardino County Service Area 70 Zone R-3 (Erwin Lake) ("CSA 70 R-3"), as follows:

### RECITALS

A. The DWP is a department of the City of Big Bear Lake, a municipality of the State of California governed by its own charter. The charter for the City of Big Bear Lake provides the DWP with the power and duty to operate and maintain works and property for the purpose of supplying its inhabitants with water, and to hold in the name of the City any and all property within and without the City that may be necessary or convenient for such purpose.

B. CSA 70 is a county service area formed by the County of San Bernardino, California, for the purpose of providing road maintenance services within portions of the County, including one zone therein identified as CSA 70 R-3.

C. The DWP operates water facilities and owns parcels of real property located outside the City limits of the City of Big Bear Lake, including three parcels within CSA 70 R-3, which receive road maintenance services.

D. The DWP has filed applications with the Local Agency Formation Commission for San Bernardino County ("LAFCO") to annex the CSA 70 R-3 parcels into the City of Big Bear Lake. Annexation of these parcels into the City of Big Bear Lake will require concurrent detachment of the parcels from CSA 70. The DWP wishes to continue receiving road maintenance services from CSA 70 R-3 Parcels, following detachment from CSA 70. CSA 70 R-3 has agreed to provide such services for the compensation and pursuant to the terms hereinafter set forth.

### TERMS

1. Road Maintenance Services. Following detachment of the CSA 70 R-3 Parcels from CSA 70, CSA 70 R-3 agrees to continue to provide annual road maintenance services for those parcels in the same manner and to the same extent that such services would be provided if the CSA 70 R-3 Parcels remained within CSA 70, for the term of this Agreement.

2. Compensation and Source of Payment for Financial Obligations. As compensation for the services provided to the four parcels located in CSA 70 R-3, DWP will pay to CSA 70 R-3 an annual special tax of fifty nine dollars and seventy five cents (\$59.75) per parcel plus an additional twenty percent (20%) administration fee. Special taxes may be adjusted annually at a rate of two and one half percent (2½%) per year. If at any time the existing annual amount levied on the private properties within CSA 70 R-3 increases or if there is a new charge levied, the amount charged to DWP will be adjusted to reflect these changes. Such payments will be made from the DWP's Water Revenue Fund; and any and all financial obligations and responsibilities of the City or the DWP under this Agreement shall be satisfied from the DWP's Water Revenue Fund or insurance coverage, as applicable, and not from the City's General Fund.

3. Payment. CSA 70 R-3 will invoice the DWP for services provided to the CSA 70 R-3 Parcels at the same time that the County Assessor for the County of San Bernardino sends tax invoices to the property owners within CSA 70 R-3 for payment of the special taxes levied on behalf of CSA 70 within CSA 70 R-3. Upon receipt of invoices, the DWP shall have 30 days to pay the amount due. Amounts not paid when due shall become delinquent. Delinquent amounts shall earn interest at the rate of 8% per annum, until paid.

4. Term. The term of this Agreement shall commence upon the effective date of this Agreement, and shall continue in perpetuity or until such time that CSA 70 R-3 is dissolved.

5. Disputes. Should a dispute arise regarding the interpretation, application or enforcement of this Agreement, the parties hereto agree to meet and utilize good faith efforts to resolve the dispute amicably, through negotiated settlement. In the event that such efforts are unsuccessful and legal action on this Agreement is initiated by either party against the other, each party, regardless of whether a party is the prevailing party in such action, shall bear its own costs and attorneys' fees.

6. CSA 70 R-3 agrees to indemnify, defend (with counsel reasonably approved by DWP) and hold harmless DWP and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Agreement from any cause whatsoever, including CSA 70 R-3 acts, errors or omissions of any person and for any costs or expenses incurred by DWP on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. CSA 70 R-3 indemnification obligation applies to DWP's "active" as well as "passive" negligence but does not apply to DWP's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

DWP agrees to indemnify, defend (with counsel reasonably approved by CSA 70 R-3) and hold harmless CSA 70 R-3 and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Agreement from any cause whatsoever, including DWP's acts, errors or omissions of any person and for any costs or expenses incurred by CSA 70 R-3 on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. DWP's indemnification obligation applies to CSA 70 R-3 "active" as well as "passive" negligence but does not apply to CSA 70 R-3 "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

In the event the both parties are found to be comparatively at fault for any claim, action, loss or damage which results from their respective obligations under the Agreement, the parties shall indemnify the other to the extent of its comparative fault. In the event of litigation arising from this Agreement, each party to the Agreement shall bear its own costs, including attorney fees.

7. CSA 70 R-3 and DWP are authorized self-insured public entities for purposes of Professional Liability, General Liability, Automobile Liability and Workers' Compensation and warrant that through their respective programs of self-insurance, they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement on the date set forth above.

**BOARD GOVERNED COUNTY SERVICE AREA 70 R-3**

▶  
\_\_\_\_\_  
James Ramos, Board Chairman

Dated: \_\_\_\_\_

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS  
BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD  
Laura H. Welch, Clerk of the Board

By \_\_\_\_\_  
*Deputy*

**CITY OF BIG BEAR LAKE**

By \_\_\_\_\_  
Jeff Mathieu  
City Manager

ATTEST:

By: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Attorney

## OUTSIDE SERVICE AGREEMENT FOR ROAD MAINTENANCE SERVICES

This Out-of-Service Agreement for Road Maintenance Services ("Agreement") is executed this 17 day of November, 2015, by and between the City of Big Bear Lake on behalf of its Department of Water and Power ("DWP") and San Bernardino County Service Area 70 Zone R-5 (Sugarloaf) ("CSA 70 R-5"), as follows:

### RECITALS

A. The DWP is a department of the City of Big Bear Lake, a municipality of the State of California governed by its own charter. The charter for the City of Big Bear Lake provides the DWP with the power and duty to operate and maintain works and property for the purpose of supplying its inhabitants with water, and to hold in the name of the City any and all property within and without the City that may be necessary or convenient for such purpose.

B. CSA 70 is a county service area formed by the County of San Bernardino, California, for the purpose of providing road maintenance services within portions of the County, including one zone therein identified as CSA 70 R-5.

C. The DWP operates water facilities and owns parcels of real property located outside the City limits of the City of Big Bear Lake, including four parcels within CSA 70 R-5, which receive road maintenance services.

D. The DWP has filed applications with the Local Agency Formation Commission for San Bernardino County to annex the CSA 70 R-5 parcels into the City of Big Bear Lake. Annexation of these parcels into the City of Big Bear Lake will require concurrent detachment of the parcels from CSA 70. The DWP wishes to continue receiving road maintenance services from CSA 70 R-5 Parcels, following detachment from CSA 70. CSA 70 R-5 has agreed to provide such services for the compensation and pursuant to the terms hereinafter set forth.

### TERMS

1. Road Maintenance Services. Following detachment of the CSA 70 R-5 Parcels from CSA 70, CSA 70 R-5 agrees to continue to provide annual road maintenance services for those parcels in the same manner and to the same extent that such services would be provided if the CSA 70 R-5 parcels remained within CSA 70, for the term of this Agreement.

2. Compensation and Source of Payment for Financial Obligations. As compensation for the services provided to the four parcels located in CSA 70 R-5, DWP will pay to CSA 70 R-5 an annual special tax of seventy three dollars and twelve cents (\$73.12) per parcel plus an additional twenty percent (20%) administration fee. Special taxes may be adjusted annually at a rate of two and one half percent (2½%) per year. If at any time the existing annual amount levied on the private properties within CSA 70 R-5 increases or if there is a new charge levied, the amount charged to DWP will be adjusted to reflect these changes. Such payments will be made from the DWP's Water Revenue Fund; and any and all financial obligations and responsibilities of the City or the DWP under this Agreement shall be satisfied from the DWP's Water Revenue Fund or insurance coverage, as applicable, and not from the City's General Fund.

3. Payment. CSA 70 R-5 will invoice the DWP for services provided to the CSA 70 R-5 Parcels at the same time that the County Assessor for the County of San Bernardino sends

tax invoices to the property owners within Zone R-5 for payment of the special taxes levied on behalf of CSA 70 within CSA 70 R-5. Upon receipt of invoices, the DWP shall have 30 days to pay the amount due. Amounts not paid when due shall become delinquent. Delinquent amounts shall earn interest at the rate of 8% per annum, until paid.

4. Term. The term of this Agreement shall commence upon the effective date of this Agreement and shall continue in perpetuity or until such time that CSA 70 R-5 is dissolved.

5. Disputes. Should a dispute arise regarding the interpretation, application or enforcement of this Agreement, the parties hereto agree to meet and utilize good faith efforts to resolve the dispute amicably, through negotiated settlement. In the event that such efforts are unsuccessful and legal action on this Agreement is initiated by either party against the other, each party, regardless of whether a party is the prevailing party in such action, shall bear its own costs and attorneys' fees.

6. CSA 70 R-5 agrees to indemnify, defend (with counsel reasonably approved by DWP) and hold harmless DWP and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Agreement from any cause whatsoever, including CSA 70 R-5 acts, errors or omissions of any person and for any costs or expenses incurred by DWP on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. CSA 70 R-5 indemnification obligation applies to DWP's "active" as well as "passive" negligence but does not apply to DWP's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

DWP agrees to indemnify, defend (with counsel reasonably approved by CSA 70 R-5) and hold harmless CSA 70 R-5 and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Agreement from any cause whatsoever, including DWP's acts, errors or omissions of any person and for any costs or expenses incurred by CSA 70 R-5 on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. DWP's indemnification obligation applies to CSA 70 R-5 "active" as well as "passive" negligence but does not apply to CSA 70 R-5 "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

In the event the both parties are found to be comparatively at fault for any claim, action, loss or damage which results from their respective obligations under the Agreement, the parties shall indemnify the other to the extent of its comparative fault. In the event of litigation arising from this Agreement, each party to the Agreement shall bear its own costs, including attorney fees.

7. CSA 70 R-5 and DWP are authorized self-insured public entities for purposes of Professional Liability, General Liability, Automobile Liability and Workers' Compensation and warrant that through their respective programs of self-insurance, they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement on the date set forth above.

**BOARD GOVERNED COUNTY SERVICE AREA 70 R-5**

▶ \_\_\_\_\_  
James Ramos, Board Chairman

Dated: \_\_\_\_\_

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS  
BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD  
Laura H. Welch, Clerk of the Board

By \_\_\_\_\_  
*Deputy*

**CITY OF BIG BEAR LAKE**

By \_\_\_\_\_  
Jeff Mathieu  
City Manager

ATTEST:

By: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Attorney