

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MARCH 9, 2016

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
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TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #5 – Continuation of Status Report on LAFCO 3176 --
Special Study for Yermo, Daggett and Newberry Community Services
Districts

RECOMMENDATION:

Staff recommends that the Commission:

1. Note receipt of the status report and file.
2. Determine that additional status reports for LAFCO 3176 would no longer serve its intended purpose and direct the executive officer to forgo subsequent status reports for Daggett, Newberry, and Yermo Community Services Districts.

BACKGROUND:

This status report was continued from the February 17 hearing; the agenda item was not heard due to time constraints. The contents of the February report and its attachments are attached to this staff report.

At its January 2015 hearing, the Commission completed the special study of the Daggett, Newberry, and Yermo Community Services Districts to address issues identified from the Grand Jury. The special study identified numerous areas where the districts failed to comply with the State Constitution, State Law, and generally accepted good-governance practices. These issues were outlined in the original service review in 2009 and remained unresolved through the special study. The Commission directed staff to continue to monitor progress to rectify the problems identified in the special study and update the Commission every six months until all of the items are satisfied.

Since the January 2015 special study:

- Newberry CSD has satisfied all of its outstanding requirements.

- Daggett CSD has satisfied all but one outstanding requirement (reserve policy).
- To date, Yermo CSD has not satisfied any of its outstanding requirements identified in the special study relating to the State Constitution or CSD Law. The February staff report (attached to this report) identified that the District has not responded to LAFCO staff's requests for information. Since the publication of that report, the District notified LAFCO that it has inquired with its independent auditor to establish an appropriations limit.

For this community, continuing with status updates will not serve its intended purpose as Newberry CSD has satisfied all of its outstanding requirements and Daggett CSD has satisfied all but one. Therefore, the focus would be on Yermo CSD. Since Yermo CSD has not satisfied any of its outstanding requirements identified in the special study, coupled with the cool reception of LAFCO's recommendations for a reorganization of governance, to keep this matter open and continue the same mantra would serve little purpose for this community as well as LAFCO's resources.

With a service review, special study (which included a service review), and responses to the Grand Jury within six years, LAFCO's position for the community has been well documented and known. Both of these reports detailed the challenges facing the community and included recommendations for the community to consider regarding alternative government structures - which were unacceptable to the community.

However, staff reminds the Commission that emergency medical response along the I-15 and I-40 corridors will continue to experience challenges as proper service is lacking as a result of the disjointed mechanism of four non full-time providers (three CSDs and County Fire station in Harvard). Conversely, the three districts provide adequate park and recreation and streetlight services. As for Daggett's water function, the California Rural Water Association ("CRWA") and Mojave Water Agency have reached out to Daggett CSD as a part of its joint Small Water Systems Assistance Program. The CRWA is assisting Daggett CSD with financial management training and a proper financial management system which would then allow for better overall water service.

CONCLUSION:

Staff recommends that the Commission determine that additional status reports for LAFCO 3176 would no longer serve its intended purpose, and direct the executive officer to forgo subsequent status reports for Daggett, Newberry, and Yermo Community Services Districts.

LAFCO staff will continue to provide assistance to the districts whenever requested.

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

KRM/MT

Attachment: LAFCO Staff Report dated February 10, 2016 with Attachments