

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

NORTON REGIONAL EVENT CENTER
1601 EAST THIRD STREET, SAN BERNARDINO

REGULAR MEETING OF FEBRUARY 20, 2019

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

1. Swear In Regular County Commissioner – Dawn Rowe
2. **PUBLIC COMMENTS ON CLOSED SESSION**
3. **CONVENE CLOSED SESSION** – Conference Room Adjacent to Event Center Auditorium:
 - Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9(d)(1)) -- San Antonio Heights Association v. County of San Bernardino et al, San Bernardino County Superior Court Case No CIVDS1715504
 - Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9(d)(1)) -- San Antonio Heights Association v. County of San Bernardino et al, San Bernardino County Superior Court Case No CIVDS1712771
 - Conference with Legal Counsel - Significant Exposure to Litigation (Government Code Section 54956.9(d)(2)) -- Number of Potential Cases: Five (5)
4. **RECONVENE PUBLIC SESSION**

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.

5. [Approval of Minutes for Regular Meeting of January 16, 2019 and Strategic Planning Workshop of January 22, 2019](#)
6. [Approval of Executive Officer's Expense Report](#)
7. [Ratify Payments as Reconciled and Note Cash Receipts for Month of December 2018](#)
8. Consent Items Deferred for Discussion

DISCUSSION ITEMS:

9. [Review and Accept Audit Report for Fiscal Year Ended June 30, 2018](#)

10. [Update on LAFCO 3187 -- Countywide Service Review for Water, Required Continued Monitoring for:](#)
 - a. [Daggett Community Services District](#)
 - b. [County Service Area 70 Zone W-4 \(Pioneertown\)](#)

11. [Update on LAFCO 3190 -- Countywide Service Review for Wastewater, Required Continued Monitoring for:](#)
 - a. [City of Victorville/Victorville Water District](#)
 - b. [Victor Valley Wastewater Reclamation Authority](#)

12. [Report on Strategic Planning Workshop of January 22, 2019](#)

INFORMATION ITEMS:

13. Legislative Update Oral Report

14. Executive Officer's Oral Report

15. 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.)

16. Comments from the Public
(By Commission policy, the public comment period is limited to five minutes per person for comments related to other items under the jurisdiction of LAFCO not on the agenda.)

The Commission may adjourn for lunch from 12:00 to 1:30 p.m. The Commission may take action on any item listed in this Agenda whether or not it is listed for Action. 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 1170 West Third Street, Unit 150, San Bernardino, during normal business hours, on the LAFCO website at www.sbclafo.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) 388-0480 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.

1/29/19:as

**DRAFT - ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
HEARING OF JANUARY 16, 2019**

REGULAR MEETING

9:00 A.M.

JANUARY 16, 2019

PRESENT:

COMMISSIONERS:

Regular Member	Alternate Member
Jim Bagley	Louisa Amis
Kimberly Cox	Steven Farrell
James Curatalo, Vice Chair	Janice Rutherford
Robert Lovingood, Chair	
Larry McCallon	
Acquanetta Warren	

STAFF:

**Samuel Martinez, Executive Officer
Paula de Sousa Mills, LAFCO Legal Counsel
Michael Tuerpe, Project Manager
Jeffrey Lum, LAFCO Analyst
La Trici Jones, Clerk to the Commission
Angerose Schell, Administrative Assistant**

ABSENT:

COMMISSIONERS: None

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION COMMISSION
– CALL TO ORDER – 9:11 A.M. – NORTON REGIONAL EVENT CENTER**

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

ANNOUNCEMENT OF CONTRIBUTIONS

Vice-Chair Curatalo 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 12 months to any member of the Commission to come forward and state for the record their name, the member to whom the contribution was made, and the matter of consideration with which they are involved.

There were none.

ITEM 1. Swear in Regular City Commissioner – Acquanetta Warren, City of Fontana

Ms. La Trici Jones, Clerk to the Commission, administers the Oath of Office to City of Fontana Mayor Acquanetta Warren, Regular City Member. Ms. Warren will serve the unexpired Term of Office for Ms. Dianne Williams, expiring in May 2020.

ITEM 2. Selection of Chair to Complete the Term Ending May 2019

Executive Officer Samuel Martinez states that selection is to complete the term that Mr. Ramos vacated since he was elected to the State Assembly. Mr. Martinez opens the nominations for LAFCO Chair.

Commissioner Cox nominates Supervisor Lovingood. She states that it only seems fitting that since the position was vacated by a Supervisor that the Commission appoint another Supervisor to take the Chairmanship.

Commissioner Rutherford seconds the motion.

Vice-Chair Curatalo requests to close the nominations and for the question to be called on Supervisor Lovingood's nomination as LAFCO Chair.

Commissioner Cox moves the selection of Supervisor Lovingood as LAFCO Chair, Second by Commissioner Rutherford. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Rutherford and Warren. Noes: None. Abstain: None. Absent: None

CONSENT ITEMS – STAFF RECOMMENDATION APPROVED

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.

ITEM 3. Approval of Minutes for Regular Meeting of December 5, 2018

ITEM 4. Approval of Executive Officer's Expense Report

ITEM 5. Ratify Payments as Reconciled and Note Cash Receipts for Month of November 2018

ITEM 6. Consent Items Deferred for Discussion

Chair Lovingood made an amendment to item #3. He states that the December 5, 2018 minutes reflect that he abstained on item #8, and the current notation has been marked as a yes instead of an abstention. He has requested that the minutes be corrected.

Commissioner Curatalo moves approval of the staff recommendation, Second by Commissioner Warren. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, McCallon, Lovingood, Rutherford and Warren. Noes: None. Abstain: None. Absent: None

PUBLIC HEARING ITEMS:

ITEM 7. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3228; AND (2) LAFCO 3228 – REORGANIZATION TO INCLUDE ANNEXATION TO THE RUNNING SPRINGS WATER DISTRICT AND DETACHMENT FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS MOUNTAIN SERVICE ZONE (CONTINUED FROM OCTOBER 17, 2018 HEARING – CONTINUED TO HEARING ON MARCH 20, 2019)

LAFCO conducts a continued public hearing to consider LAFCO 3228. Executive Officer Samuel Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and made a part of the record by its reference here.

Executive Officer Martinez states that at the October hearing the item was continued primarily due to opposition presented by County Fire. He states that at that hearing, the Commission discussed options including County Fire continuing to overlay the area. He states that ultimately the Commission continued the item so staff could fully evaluate fire and emergency medical service delivery within the Pali-Mountain Camp and the hope that both agencies, County Fire and the Running Springs Water District, come to some sort of solution or an agreement.

Executive Officer Martinez states that in 2013, the property owners for Pali-Mountain requested sewer service from the Running Springs Water District and at the time, it was contemplated that the camp facility would annex into the District at some point in the future. He states that in early 2018, the property owner approached the District and asked to be annexed into the District, primarily because there would be a savings in their sewer bill of about six thousand dollars per year as a result of having a higher sewer rate when outside of the District. He states that the District shortly after adopted a resolution of application requesting that the area be annexed into the District. Mr. Martinez indicated that during the processing of the application, two additional parcels owned by the Crestline-Lake Arrowhead Water Agency were added to the overall reorganization area. He states that the Crestline-Lake Arrowhead Water District has since submitted its consent to the inclusion of the two parcels as part of the overall reorganization area.

Executive Officer Martinez states that after the October hearing, LAFCO staff organized a meeting with County Fire, Running Springs and property owner (who sent a representative). He states that meeting did not resolve any of the issues; however, both agencies agreed to leave the decision to the property owner and agreed to adhere to whatever decision the property owner would make, whether he wants to continue with County Fire or annex to Running Springs Water District. He also asked both agencies to provide information related to their service to the Pali-Mountain Camp site with regards to staffing and equipment as well as a listing of incident data for the last ten years,

Executive Officer Martinez also identified that during the previous County Fire reorganization in 2006, the County, on behalf of County Fire, did indicate its intent not to

oppose any annexations proposed within the respective spheres of existing independent districts as long as the normal property tax transfer takes place. He states that this area has been within the sphere of influence of the Running Springs Water District since, at least, the 1970s and is adjacent to the District's boundaries.

Executive Officer Martinez provides some additional background regarding the property tax exchange process, indicating that during the Departmental Review Committee Meeting for the proposal, the County Fire representative indicated, when asked by staff, that it would not be opposing the property tax transfer process, and that that County Fire would just identify its opposition to the proposal during the consideration of the item. This occurred at the October hearing. Mr. Martinez states that the proposal did go through the normal property tax transfer process, which was approved by the Board of Supervisors in August 2018. He states that the staff report includes an analysis of the fire service in the mountain region as well as a discussion of the mutual aid system that is currently in place. He states that LAFCO staff discusses the drive times from existing fire stations in the mountain region to the Pali-Mountain campsite.

Executive Officer Martinez discusses County Fire's response on its stations that would respond to the Pali-Mountain campsite including apparatus and staffing level information. He states that no incident data was provided by County Fire, however, it did acknowledge that all calls related to the Pali-Mountain campsite have been medical in nature. He then discusses Running Springs Water District's response. He states that the District provided a list of all its calls since 2008. He states that out of all 65 calls, 96% were medical related, and no calls were fire related.

Executive Officer Martinez outlines the fact that all mountain region fire agencies adhere to the State's Master Mutual Aid system and that all mutual aid requests go to the dispatch agency, ConFire, which is also the dispatch for County Fire, as well as the contract dispatch for Running Springs Water District.

He states that, for fire protection, while County Fire is the responsible agency, Running Springs Water District is always first on scene with County Fire providing back-up when necessary. He states that following annexation it will be the responsibility of Running Springs Water District which will continue to be first on scene and if additional help is needed, through mutual aid, County Fire will respond. He states that if County Fire cannot respond, CalFire, the US Forest Service and any other fire service agencies will respond. He states it will be the same exact response for emergency medical service. For ambulance service, he states that the reorganization area is already within the Exclusive Operating Area assigned to Running Springs Water District which will not change as a result of the reorganization. He also states that for dispatch, as identified earlier, both County Fire and Running Springs Water District uses ConFire, which will also not change as a result of the reorganization.

Executive Officer Martinez wrapped up his presentation by indicating that the property owner requested to be annexed to the Running Springs Water District and that LAFCO staff supports the reorganization request since the annexation is a logical boundary and is contiguous to the District. He states that County on behalf of County Fire indicated 12 years ago that it would not oppose the annexations within existing service providers as long as

said annexations were within existing spheres of influence for said agencies and that it would go through the normal property tax transfer process. He states that this is in the sphere of influence for the Running Springs Water District and has been since the 1970s and that the proposal went through the normal property tax transfer process. He states that in regard to the fire and emergency medical response services, there will be no change in service as a result of the reorganization since the District will continue to be the first on scene. He states that LAFCO staff is recommending that the Commission approve LAFCO staff's original recommendation for LAFCO 3228 as outlined in the staff report from October 2018 and outlined on page one of the staff report:

Chair Lovingood calls for Commissioner comment.

Commissioner Rutherford states that the 2006 letter was mentioned several times and would suggest that the County's position has changed since then as well as the entire model of fire service and emergency medical response. She states that the regional service model is perhaps inconsistent with the letter that was sent in 2006 and she believes that if the County had to rewrite the letter today, it would be worded differently, so she urges the Commission not to put all its eggs in that basket.

Vice-Chair Curatalo asks Executive Officer Martinez to explain in more detail the revenue that will move, and when it comes to certain services, like sewer services, can those rates be adjusted as needed or are they fixed?

Executive Officer Samuel Martinez states that because the camp is currently outside the District, the reason for the reduction in rates will be a result of the camp being annexed and therefore will now be charged the in-district rates. He states that usually rates already includes maintenance and the operation of the district. He states that the reduction in the sewer rates has nothing to do with the property tax transfer Running Springs Water District will receive through the property tax transfer.

Chair Lovingood states that he will open the hearing and hear from the agency representatives. He calls for Chief Hartwig's public comment.

Chief Hartwig states that this is a tough situation and issue because he feels as if the property owner is in a tough spot. He states he has realized, in conversation with the property owner, that this is not a fire and rescue or EMS issue. He states that this a sewer issue and there was never any concern from the property owner about fire, rescue and EMS. He states it was a desire to solidify better rates for sewer service. He states that this is completely understandable and he understands why the property owner would pursue this. He states that without taking the fire, rescue and EMS dollars that are dedicated for that regional service, the camp will not achieve the savings or have better rates for sewer service. He states that what it sets up is a conundrum for the fire district since this regional service model works well until you start moving revenue dedicated to that service to another pot or another service. He states that there is no current mutual aid agreement with the Running Springs Water District. He states that it was something that came up as County Fire was reviewing what it was doing. He states that mutual aid and dispatch is not a shared resource. He states that every agency is held to entering into agreements that provide mutual benefit to its neighbors and mutual aid agreements vary throughout the County of

San Bernardino and typically, it's based on a reciprocal offer of service. He states that one thing County Fire has found itself in the middle of is resources of County Fire being used inter-changeably without adherence to a mutual aid agreement, which puts him in a tough spot, to go back to the tax payers that are providing funding for that service, and explaining to them that it is the right thing to do. He states that the statement you can remove \$17,000 from the County Fire and expect the same service isn't a logical argument. He states that he is not going to tell the Commission that if children are injured or at risk, or lost; that County Fire wouldn't answer a call for help, but states there is a distinct difference between a responsibility to provide that service and being available for a request for service based on the availability of those services and, indicates that would be a change in service. He states that he does not believe that anyone disagreed in this process and in his conversations with his organization, his board and the property owner that there would be a significant change in the capability provided to the community and the camp at Pali-Mountain. He states that he understands the Commission is tasked with reorganizing to provide effective, efficient and capable public safety services. He states that this item does not appear, based on the fact that everything is good today the way it is, until you start shifting money and responsibility and it doesn't appear as if this proposal would do that.

Chair Lovingood calls for Chief Corley to address the Commission.

Chief Corley states that Running Springs Water District has been a full time fire department for over 50 years. He states that he feels as if the community is very happy with the service it provides. He states that Chief Hartwig talked about mutual aid and noted that the Running Springs Water District probably provides as much mutual aid to County Fire as County Fires does to the District. He states that the District has access to 3 snow cats and it has an MOU with CalFire, and explains that the engine that is not going to Pali-Mountain would now be going over there and this is the one at station #51, which is about 2 minutes away. He states that he does have the Chief of CalFire present with him today and he can speak about the MOU and the relationship that the District has with CalFire. He states that CalFire helps the District, and vice versa, and that CalFire goes to all responses within the District. He states that a typical response would include an engine, an ambulance and a squad for all incidents. He states that in the last 10 years, of the 65 incidents at Pali-Mountain; 63 of them were EMS/ambulance calls and the other 2 were investigations. He states that the District is able to respond to Pali Mountain, which is within its sphere of influence and he believes that nothing is going to change. He states that the District will still continue to provide the necessary emergency service in that area.

Chair Lovingood asks if there is additional public comment.

Commissioner Farrell states that in reading the staff report, there is a phrase on page 2 where the agencies met with a representative of the property owner, and the actual text says they agreed they would leave the decision to the property owner on whether fire protection and emergency medical response should stay with County Fire or transfer to Running Springs Water District. He states that he is wondering if that's an accurate representation of the meeting and the results of that because it that's the case the Commission is looking at a letter that says the property owner does want to move forward with the transfer.

Jason Balcome, property owner representative states that he has had the opportunity to talk with Chief Hartwig and Chief Corley. He states that the discussion is always safety because there are a lot of kids there and indicates that the camp wants to make sure it is taking care of the children. He states that the one thing it all came down to is response time versus response. He discusses the scenario of a lot of fire trucks come in 10 minutes or 1 fire truck getting there in 1 minute and is able to provide care. He states that ultimately it is their recommendation, being part of the community, to go ahead with the annexation to Running Springs Fire District. He states that they have been happy with the service from the County, but noted that when the Camp make that call; it is Running Springs Water District that is right there. He states that in discussion with the two agencies, they are confident in what Running Springs Water District will be able to provide.

Chair Lovingood asks if there is more public comment.

There is none.

Commissioner Rutherford states that it's a tough issue because she represents Running Springs and she loves the camp as she has a kid going to science camp in a couple weeks. She states that she wants him and his school mates to be safe. She states that this has been an issue of great contention in the community for many years and is primarily based around the water and sewer. She states that is how this application started and that's what this application is about. She states that fire has gotten lumped into it as an afterthought and this is not the primary interest of the property owner. She states that County Fire provides a regional fire service that provides emergency and rescue services across the entire mountain and needs to continue to be there and funded for that purpose for the safety of the kids at that camp. She states that she supports moving the water and the sewer services but leaving fire with County Fire and she is asking her colleagues for support of this.

Commissioner Cox states that she would like an understanding and explanation from staff or the chiefs for when Running Springs responds to these 65 calls at the camp, does County Fire compensate you for time and manpower?

Chief Corley states that the answer is no...He states that it's all based on mutual aid now; we help them and they help us.

Commissioner Cox asks Chief Corley would he estimate that they spend more than \$17,000 a year on their efforts to support the camp. She states that she understands that Chief Corley is in the fire department and not the sewer department, but asks what the district's sewer reserves are currently?

Ryan Gross, General Manager for Running Springs Water District comes to the podium and responds that the reserve fund balance for the sewer enterprise varies, but currently it's around \$450,000. He states that the \$17,000 property tax transfer that was already approved by the Board of Supervisors; will go to the fire service. He states that the District would have never applied for this proposal without fire service included. He states it was included from the beginning and if the Board decides to leave fire service out, he will need

to go back to his board, as he is sure they will want to withdraw the application all together and request a refund of the application fees that the property owner has already paid for.

Commissioner Cox asks how many sewer connections Running Springs has.

Mr. Gross states that it has just under 3,000.

Commissioner Cox asks what the annual revenue for sewer operations is.

Mr. Gross states for sewer operations is \$2.25 million for the sewer enterprise.

Commissioner Bagley asks if the \$17,000 property tax transfer is a general fund transfer or a dedicated transfer to fire service.

Executive Officer Samuel Martinez states that anytime taxes are transferred over, its general fund because it's an ad valorem tax.

LAFCO Legal Counsel Paula de Sousa Mills states that by policy the District can segregate and dedicate it if it so chooses.

Commissioner Bagley states that from the budgeting process, this just goes to the general fund, there's no specific allocation dedicated to fire services in perpetuity.

Executive Officer Martinez states that it is correct, but they also have their rates for their sewer for the enterprise funds. He states that the one thing he should emphasis in the reduction of fees, for the Pali-Mountain site is not as a result of them receiving the property tax transfer. He states that the property tax transfer is a result of the detachment, the reduction in fees is based on now, upon annexation, the camp will be charged the in-district fees. He states that it just so happens that they are getting additional monies based on the property tax transfer process.

Commissioner Cox states could there be a detachment from County Fire and the District forego the transfer of fees, therefore, County Fire's revenue stream would be kept whole, but Running Springs Water District would get the power to do what it is already doing.

Mr. Martinez states that as the County Fire Chief already stated, based on this analysis any reduction of fees, would be a reduction of service. Detachment would also mean that County Fire will not be the responsible agency. He states that this could happen anywhere and if this happens now, there would never be any annexation to any fire district since an annexation to a fire district will mean a detachment from County Fire and a detachment from County Fire will mean a reduction of service.

Commissioner Cox states, but there could be a transfer of service, without the tax revenue, correct?

Mr. Martinez states that because there is a detachment and Running Springs provides fire, it has to detach from the existing service provider.

Chair Lovingood asks if there are any other questions or statements from the Commission.

There is none.

Chair Lovingood states that he does not have any direct questions, but the way he looks at this is unique. He states that having been in this situation where he has seen first-hand and the requirement of really needing what County Fire has to provide to those in need that don't have the resources. He states that going through a couple real emergencies such as the incident on December 2nd, and County Fire took over the entire control scene. He states that if there is a true emergency, he appreciates everything that Running Springs does but it does not have the resources to manage it; not anything of such magnitude. He states that the staffing and personnel of County Fire is the closest and the biggest and the best services right next door. He states that these are his comments and he believes that Commissioner Rutherford had a motion.

Commissioner Rutherford states that she recommends that the Commission revise the staff recommendation and suggest that the Commission move forward with the annexation for sewer, but not the annexation of fire.

Executive Officer Martinez states that at the end of the staff report there is that option. He states that the Commission would modify LAFCO 3228, which would be the motion the Commission would have to make; removing the detachment from the San Bernardino County Fire Protection District and its Mountain Service Zone and continue the modified proposal to the Commission hearing on March 20, 2019 following the completion of the renegotiation of the property tax transfer process.

Commissioner Rutherford states then that would be her motion.

Commissioner Warren seconds the motion.

LAFCO Legal Counsel Paula de Sousa Mills states that this process is in Revenue and Taxation Code 99 (b)(7). She states that it provides that if the Commission modifies a proposal that any of the affected agencies may request the Executive Officer to grant 30 days to renegotiate the property tax transfer. If such a request is made the Executive Officer must grant the 30 days, and if the property tax transfer is renegotiated, the proposal would then come back to the Commission for it to make its final approval.

Commissioner Bagley states that this raises a bigger issue about the nature of spheres of influence and future annexations. He states whether the Commission is going to prohibit the transfer of fire service in the future. He states he looks at this and believes that if this was a smaller scale annexation to Running Springs Water District that he does not think the Commission would be having this discussion and it sets a bad precedent that the Commission now has an applicant that is willing to withdraw the application. He states that he is sensitive to the issue of fire becoming astronomically expensive to operate in California. He states that when there is the transfer of assets, he's aware that it has an impact, but he does not know if one can disproportionately burden a special district that wants to do an annexation by denying the agency the right to revenue for local control. He states that he does not want to obstruct the ability of the applicant from getting the sewer

service it wants. He states that if the property owner is in agreement and comfortable with the fire transferring to Running Springs Water District, he is okay with that, too. He states that he also understands what Chief Hartwig is saying that anytime you chip away at the ability to provide service, it has an impact. He states that is the nature of these annexations. He states that he is concerned that the Commission is setting a bad precedent.

Chair Lovingood asks if there are more comments.

Commissioner Farrell states that the alternative that the Commission is proposing is essentially asking Running Springs Water District, with no change in service to accept a loss because County Fire is not being detached. He states that basically Running Springs Water District is providing the same service and by approving this, the Commission is simply harming Running Springs Water District in the same way as the County might be harmed if the Commission did the detachment. He states that the Commission has a choice to either harm Running Springs Water District or harm County Fire. He states that he would echo Bagley's comments, "what are special districts for." He states that the Commission needs to recognize an agency's ability to move forward. He states that he would support the annexation as recommended by staff.

Chair Lovingood asks if there are more comments.

There is none.

Chair Lovingood calls for the reading of the roll.

Commissioner Bagley, No
Commissioner Cox, No
Commissioner Curatalo, Aye
Commissioner Lovingood, Yes
Commissioner McCallon, No
Commissioner Warren, Aye
Commissioner Rutherford, Aye

LAFCO Commission Clerk La Trici Jones states the vote as 4 – Aye, 3- No; the revised recommendations for LAFCO 3228 are approved.

Chair Lovingood states that he thanks staff for the presentation and states the Commission will move forward.

ITEM 8. CONSIDERATION OF: (1) REVIEW OF MITIGATED NEGATIVE DECLARATION PREPARED BY THE COUNTY OF SAN BERNARDINO FOR A CONDITIONAL USE PERMIT TO CONSTRUCT A 180,770 SQ. FT. CONCRETE TILT-UP WAREHOUSE CENTER WITH 10,000 SQ. FT. OF OFFICE/ADMINISTRATIVE USE AREA ON APPROXIMATELY 9.8 ACRES, AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#436; AND (2) LAFCO SC#436 – CITY OF RIALTO OUT-OF-AGENCY SERVICE CONTRACT FOR SEWER SERVICE (CEDAR AVENUE TECHNOLOGY PARK PROJECT – STAFF RECOMMENDATION APPROVED

Executive Officer Samuel Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and made a part of the record by its reference here. The item has been advertised through publication in a newspaper of general circulation within the county, *The Sun*, as required by law.

Executive Officer Martinez states that the City of Rialto on behalf of the property owner and developer has submitted an application for Commission review requesting authorization to provide sewer service outside its jurisdiction pursuant to Government Code Section 56133. He states that the agreement relates to a single parcel 0253-211-56, generally located at the northeast corner of Cedar Avenue and Orange Street within the City of Rialto's sphere of influence. He states that the County has processed and approved a Conditional Use Permit for a warehouse facility and the conditions of approval placed upon the project requires that the project connect to the City of Rialto's sewer facilities. He states that in regards to the service to be provided; sewer will be provided by extending an 8-inch sewer line along Orange and Vine Streets and connecting to the existing eight-inch sewer main in Larch Avenue. He states that the City has also indicated that a six-inch sewer lateral will be extended from the sewer extension in Vine that will serve the proposed development. He states that the city has identified an estimated cost of about \$135,000 in sewer fees and in addition, the property owner will bare all costs for the improvement needed to extend the service. He states that for environmental review, the County prepared an Initial Study and a Mitigated Negative Declaration for the Conditional Use permit to construct a 180,770 sq. ft. concrete tilt-up warehouse center with 10,000 sq. ft. office/administrative use area on approximately 9.8 acres. He states that the Commission's Environmental Consultant has indicated that the County's Initial Study and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA responsible agency. He states that staff has reviewed the request for provision of sewer service from the City of Rialto outside its boundaries and the criteria established by State Law and Commission Policy outlining the provisions. He states that staff recommends the Commission approve LAFCO SC#436 by taking the actions on pages 1 and 2 of the staff report.

Chair Lovingood asks if there are any questions from the Commission.

There is none.

Commissioner McCallon moves the staff recommendation, Second by Commissioner Bagley. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Rutherford and Warren. Noes: None. Abstain: None. Absent: None

DISCUSSION ITEMS:

9. MID-YEAR BUDGET REVIEW FOR FISCAL YEAR 2018-19

Executive Officer Samuel Martinez presents the Commission with an update on the financial status with the mid-year review for fiscal year 2018-19. He states that the mid-year salaries and benefits is at 2 percentage points over the 50% benchmark and this is primarily due to

the former Executive Officers contract extending through the first quarter. He states that services and supplies is at 57% of the approved budget authority at the first half, this is due to a fair amount of unanticipated legal activity. However, he states that since the Commission is indemnified, these charges are recoverable. He states that in regards to the status of the on-going Commission approved projects, the scanning project has been completed with a total cost of the project being \$10,431, which was done on time and under budget. He states that the countywide fire service review has made a lot of headway. He states that staff has met the County Fire Chiefs Association, which has formed an advisory committee to guide staff through the technical aspects of the service review and LAFCO staff will be sending out the survey/questionnaire to each of the fire agencies in February. He states that staff also met with ICEMA and the County Dispatch agencies. He states that the last governance training program will be on March 13, however staff was just informed that the facility at the Mojave Water Agency is retrofitting its facility. He states that staff will either be moving the training location or rescheduling it to another date. He states that with contingency and reserves, since the Assistant Executive Officer position has not been filled, the Commission increased the contingencies by \$34,852 and General/Litigation Reserve by \$64,392. He states that for revenues, the Commission has received 94% of approved budget revenues through the mid-year. He states that no proposal has been received to date but staff is anticipating three significant proposals for the second half of the fiscal year. He states that for the Commission's Fund Balance, \$970,221 is its cash in the County Treasury with a projected deficit of \$26,936 by year's end – after accounting for reserves. He states that staff is not recommending any budget adjustments at this time but will address the deficit again at the third quarter review.

Chair Lovingood asks if the Commission has questions.

Commissioner Bagley asks about the Comment "receiving no proposals" is a surprise.

Executive Officer Martinez states yes it is. He states there is a lot of talk of proposals that staff is aware of and staff is still anticipating some of these proposals that were to come earlier in the year, but have not been submitted.

Commissioner Bagley states can this affect our budget in the long run.

Executive Officer Martinez states that staff has already started looking at next year's budget that projects approximately \$230,000 in fees and deposits between now and the end of next fiscal year.

Chair Lovingood asks if there are additional questions.

There is none.

Chair Lovingood states this is an informational item, so no action is needed.

INFORMATION ITEMS:

ITEM 10. LEGISLATIVE UPDATE REPORT

Executive Officer Martinez states that the CALAFCO Legislative Committee for this year has been working on a number of items including the annual omnibus bill, which he is shepherding. He states he will provide an update in February. He states that the CALAFCO Board will again try to seek the grant funding that the Governor vetoed last year, AB 2258. He also indicated that CALAFCO will begin a 2-year project amending the protest provisions.

ITEM 11. EXECUTIVE OFFICER'S ORAL REPORT

Executive Officer Samuel Martinez provides the Commission a visual overview of the new interactive mapping pages on the LAFCO website. He states that these changes have been made in the last 6 months. He states this is a work in progress, but wanted the Commission to see that staff is making the Commission's mapping page more user friendly. He states that in March the City Selection Committee will be make a selection on the alternate City member seat that was vacated by Mayor Warren and next Tuesday, the Commission will have their Strategic Planning Workshop.

ITEM 12. COMMISSIONER COMMENTS

Commissioner Warren thanks Staff for swearing her in today. She states that she is very proud of this opportunity.

Chair Lovingood thanks the Commission for the nomination and approval to be the LAFCO Chair.

ITEM 13. COMMENTS FROM THE PUBLIC

There is none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING ADJOURNS AT 10:30 A.M.

ATTEST:

LA TRICI JONES
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

ROBERT LOVINGOOD, Chair

**ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
STRATEGIC PLANNING WORKSHOP**

WORKSHOP

9:00 A.M.

JANUARY 22, 2019

PRESENT:

COMMISSIONERS:

Regular Member	Alternate Member
Jim Bagley	Louisa Amis
Kimberly Cox	Steven Farrell
James Curatalo, Vice Chair	
Acquanetta Warren	
Robert Lovingood, Chair	
Larry McCallon	
Acquanetta Warren	

STAFF:

**Samuel Martinez, Executive Officer
Paula de Sousa Mills, LAFCO Legal Counsel
Michael Tuerpe, Project Manager
Jeffrey Lum, LAFCO Analyst
La Trici Jones, Clerk to the Commission
Angerose Schell, Administrative Assistant**

ABSENT:

COMMISSIONERS:

Regular Member	Alternate Member
	Janice Rutherford

**CONVENE SPECIAL SESSION OF THE LOCAL AGENCY FORMATION COMMISSION –
CALL TO ORDER – 9:11 A.M. – SBCTA BOARD ROOM**

LAFCO Commission Chair, Robert Lovingood calls the Strategic Workshop to order and leads the flag salute.

ITEM 1. COMMENTS FROM THE PUBLIC

No comments provided.

ITEM 2. INTRODUCTION TO THE WORKSHOP

Executive Samuel Martinez introduces the Strategic Planning Workshop providing a brief description and presents the Workshop Consultant Bill Chiat, President of the Alta Mesa Group, LLC.

ITEM 3. STRATEGIC PLANNING WORKSHOP

The workshop convenes with Mr. Chiat facilitating the discussion, which includes looking at the intent, role and responsibilities of the Commission, reflecting on its successes, changes and accomplishments over last few years, and a discussion of its vision and desired outcomes. The workshop also looked at identifying strategies to focus in next few years including key priorities and possible policy goals and objectives.

At the conclusion of the workshop, the Commission provided directives to staff and requested staff reports to be presented in the near future.

Other than the direction given to staff for consideration at future meetings, no action was taken.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE WORKSHOP IS ADJOURNED AT 2:43 P.M

ATTEST:


LA TRICI JONES
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

ROBERT LOVINGOOD, Chair

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : FEBRUARY 11, 2019
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #6 – APPROVAL OF EXECUTIVE OFFICERS' EXPENSE REPORTS

RECOMMENDATION:

Approve the Executive Officers' Expense Report for Procurement Card Purchases from December 23, 2018 to January 22, 2019.

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 and Procedure Manual Section II – Accounting and Financial Policies #3(H). Staff has prepared an itemized report of purchases that covers the billing period of December 23, 2018 through January 22, 2019.


Staff recommends that the Commission approve the Executive Officers' expense reports as shown on the attachments.

SM/lj

Attachments

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

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DATE : FEBRUARY 11, 2019
FROM: SAMUEL MARTINEZ, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #7 - RATIFY PAYMENTS AS RECONCILED FOR
MONTH OF DECEMBER 2018 AND NOTE REVENUE RECEIPTS

RECOMMENDATION:

Ratify payments as reconciled for the month of December 2018 and note revenue receipts for the same period.

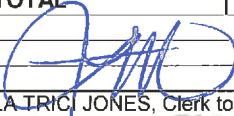

BACKGROUND INFORMATION:

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 of deposits or other charges that cover the period of December 1, 2018 through December 31, 2018.

Staff is recommending that the Commission ratify the payments for December 2018 as outlined on the attached listings and note the revenues received.


SM/Ilj

Attachments

MONTH OF DECEMBER 2018 PAYMENTS PROCESSED						
Document Number	Account	Posting Date	Activity	Reference	Vendor	Amount
1900327603	52002085	12/5/2018	DAILY JOURNAL NOTICE OF HEARING LAFCO 3229	INVOICE B3192162	DAILY JOURNAL	\$692.66
1900321913	52002090	12/3/2018	JAN PRO CLEANING SERVICES	INVOICE 64203	JAN PRO	\$475.00
1900329243	52002305	12/7/2018	PAPER RECYCLING & SHREDDING SERVICE	INVOICE 404943	PAPER RECYCLING	\$34.00
1900327601	52002400	12/5/2018	BEST BEST & KRIEGER	INVOICE 838225	BEST BEST KRIEGER	\$1,640.50
TOTAL						\$2,842.16
MONTH OF DECEMBER 2018 INTERNAL TRANSFERS PROCESSED						
4100623124	52002037	12/1/2018	NOVEMBER 2018 DIAL TONE	ISD BILLING		\$291.33
4200022185	52002310	12/10/2018	MAIL SERVICES - DEL	COUNTY MAIL		\$178.60
4200022186	52002310	12/10/2018	MAIL SERVICES - FLAT	COUNTY MAIL		\$10.18
4200022212	52002310	12/11/2018	MAIL SERVICES - HAN	COUNTY MAIL		\$409.55
4100623130	52002420	12/1/2018	NOVEMBER 2018 WIRELESS DEVICE	ISD BILLING		\$18.72
4100623131	52002421	12/1/2018	NOVEMBER 2018 DESKTOP SUPPORT SERVICES	ISD BILLING		\$1,341.92
4200022285	52002424	12/18/2018	NOTICE OF EXEMPTION LAFCO SC#435	COB		\$50.00
TOTAL						\$2,300.30
MONTH OF DECEMBER 2018 CASH RECEIPTS						
4100620726	40709545	12/4/2018	LAFCO SC#436	INDIVIDUAL NOTICE		\$700.00
4100620726	40709555	12/4/2018	LAFCO SC#436	LEGAL FEE DEPOSIT		\$1,000.00
4100634920	40709555	12/1/2018	LAFCO 3218 - CITY OF HESPERIA, INDEMNIFICATION	LEGAL FEE		\$480.00
4100620726	40709660	12/4/2018	LAFCO SC#436	ENVIRONMENTAL		\$700.00
4100620726	40709800	12/4/2018	LAFCO SC#435	LAFCO FEE		\$500.00
4100620726	40709800	12/4/2018	LAFCO SC #436	LAFCO FEE		\$1,000.00
TOTAL						\$4,380.00
MONTH OF DECEMBER 2018 INTERNAL TRANSFERRED RECEIVED						
4200022322	40709555	12/13/2018	LAFCO 3218 INDEMNIFICATION	COUNTY FIRE	COUNTY FIRE	\$100.00
TOTAL						\$100.00
 LA TRIC JONES, Clerk to the Commission				2/11/2019		
RECONCILIATION APPROVED BY:				DATE		
 SAMUEL MARTINEZ, Executive Officer				2/11/2019		
				DATE		

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DATE: FEBRUARY 13, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9: Review and Accept Audit Report for Fiscal Year Ended
June 30, 2018

RECOMMENDATION:

Staff recommends that the Commission receive and file the materials submitted by Davis Farr LLP related to the Commission's audit for Fiscal Year 2017-18.

BACKGROUND:

The public accounting firm of Davis Farr LLP has conducted the Commission's annual audit for the period July 1, 2017 through June 30, 2018 (copy enclosed with this staff report). The auditor has independently verified the financial documents prepared by LAFCO staff, outlined its professional responsibilities and findings, and disclosed its compliance with current *Government Auditing Standards*. As outlined in its letter, during the audit process, the auditor did not identify any deficiencies in internal controls.

Meeting with Audit/Budget Committee

On February 7 the LAFCO Administrative Committee (composed of Chair Lovingood, Vice-Chair Curatalo, and Commissioner Cox), LAFCO management, and the auditors discussed the draft audit. The auditor identified that it performed tests on internal controls of LAFCO and the County, which resulted in no material weaknesses or significant deficiencies being identified.

2017-18 Financial Statements Summary

Total cash payments made through June 30, 2018 for the LAFCO office improvement and move total \$249,401 over two years, all budgeted activity. However, all transactions have been recorded for FY 2017-18. Additional annual payments of \$33,792 are scheduled through June 2022. Due to the renovation, Capital Assets increased in kind to \$307,661.

For the past three years, there has been exposure to litigation related to a number of individual items: review of activation of latent powers, declaration statement related to litigation, and subpoena issued to the Commission and staff. These legal charges were not directly related to a proposal; therefore, they were not recoverable.

As for Liabilities, Net Pension Liability continues to increase and the Note Payable for repayment of the office improvement remains until June 2022.

2017-18 Financial Statements Detail

The basic financial statements provide both short-term and long-term information about the Commission's overall financial status, include additional budgetary information, and include notes that explain some of the information presented.

The following information outlines the major items that comprise Net Position (see page 4 of the financial statements). Additionally, staff has included descriptive information in italics regarding accounting measures that do not affect fund balance.

The financial statements show a Total Net Position of (\$94,212) with a negative change of \$200,522. At first glance, Total Assets of \$797,933 are less than Total Liabilities of \$1,018,419. However, recent audit standards take into account three pension-related items that do not affect the fund balance: deferred outflows (similar to an asset), net pension liability (an actual liability), and deferred inflows (similar to a liability). When all pension-related items are taken together, the net decrease for the year is \$39,595. Additionally, due to the office improvement, a new liability item is included: Note Payable of \$135,174. Nonetheless, the Total Net Position decrease is mainly accounted for by the following breakdown:

- Decrease in Total Assets by \$60,114.
 - Total cash payments for the office improvement and move total \$249,401 over two years, all budgeted activity. However, all transactions have been recorded for FY 2017-18. This includes the \$33,792 annual repayment to the San Bernardino County Transportation Authority (SBCTA) for lease hold improvements that it fronted (discussed below under "Lease Hold Improvements").
 - For 2016-17, the \$100,000 deposit for tenant improvements for the renovation of the new LAFCO office was reclassified from an expenditure to a Pre-paid Item (an asset) in the Statement of Net Position and Balance Sheet. This is because the office was not occupied until July 2017 (FY 2017-18). For 2017-18, the amount was classified as an expenditure against fund balance.
 - In addition to the renovation costs, additional costs were processed during this fiscal year, totaling \$115,609. Many of these invoices were received in the prior year, but the County ceased payment processing due to the transition to its new financial system affecting the timing of the expenses being included on the books. These costs

include, but are not limited to: fiber optics/electrical work, kitchen mill work, alarm system, window blinds/shutters, moving service, and office furniture.

- We have incurred significant unanticipated legal costs. For the past three years, there has been exposure to litigation related to a number of individual items: review of activation of latent powers, declaration statement related to litigation, and subpoena issued to the staff. These legal charges are not directly related to a proposal; therefore, they are not recoverable. Charges totaled \$67,376 for FY 2017-18.
- Due to the renovation, Capital Assets significantly increased to \$307,661. Over five years, depreciation will decrease this figure.
- Increase in Deferred Outflow from Pension Plan by \$19,536 (similar to an asset for this audit year), which is an accounting measure and does not affect fund balance.

This is defined as pension activities that apply to future periods and so will not be recognized as an expense until later. For this audit year, Deferred Outflows include: employer contributions after the measurement date of June 30, 2017, and changes in actuarial assumptions such as mortality rate, and differences in the projected and actual earnings on investments. More information on this can be found in Note 9 on pages 26 and 27.

- Increase in Total Liabilities by \$196,600. This is mainly due to an increase in Net Pension Liability of \$95,787 and the addition of \$135,174 in Notes Payable remaining for the office improvement. Both of these are accounting measures and do not affect fund balance. Over five years, Notes Payable will annually decrease by \$33,792.
 - Net Pension Liability: *The San Bernardino County Employees' Retirement Association's ("SBCERA") actuary has estimated the Commission's proportionate share of the net pension liability as of the June 30, 2017 measurement date to be \$864,960, an increase of \$95,787. This information can be found in Note 9 on pages 26 and 27.*
 - Lease Hold Improvements: *On October 5, 2015 (amended on July 17, 2017), LAFCO entered into a lease agreement with the San Bernardino County Transportation Authority (SBCTA), which included provisions for certain leasehold improvements and a related note payable. The cost of the project was paid for by SBCTA, however \$268,967 of the costs would be repaid to SBCTA by the LAFCO. The repayment terms included a \$100,000 initial lump sum payment made during Fiscal Year 2016-17, while the remaining balance of \$168,967 was secured by a note payable. The note payable bears no interest and is due in quarterly payments of \$8,448 until the note is fully repaid in June 2022.*

- Decrease in Inflow from Pension Plan of \$36,656 (similar to a liability for this audit year) which is an accounting measure and does not affect cash.

This is defined as pension activities that apply to future periods and so will not be recognized as revenue until later. For the audit year, Deferred Outflows include the difference between the actual and expected proportion of LAFCO's share of the Total SBCERA Net Pension Liability. More information on this can be found in Note 9 on pages 26 and 27.

Conclusion

The Administrative Committee and LAFCO management staff have discussed the draft audit with the independent auditors. Neither have issues or concerns with the conduct of the audit or letters provided by the auditors. Per Commission policy, an auditor representative will present the audit at this hearing.

All payments made through June 30, 2018 for the office improvement and move have been recorded for FY 2017-18. Additional annual payments are scheduled through June 2022 to repay SBCTA for the lease hold improvements that it fronted. Due to the renovation, Capital Assets increased in kind. For the past three years, there has been exposure to litigation related to a number of individual items. These legal charges are not directly related to a proposal; therefore, they are not recoverable. As for Liabilities, Net Pension Liability continues to increase and the Note Payable for repayment of the office improvement remains until June 2022.

Staff recommends that the Commission receive and file the materials submitted by Davis Farr LLP related to the Commission's audit for Fiscal Year 2017-18. Once accepted the audit will be posted on the LAFCO website under the "Open Government Portal".


Should you have any questions, LAFCO staff would be glad to answer them prior to or at the hearing.

SM/MT

Enclosure

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: FEBRUARY 13, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #10: Update on LAFCO 3187 –
Countywide Service Review for Water Continued Monitoring

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Note receipt of status report and file.
2. Set the next status report for the August 2019 hearing for Daggett Community Services District.
3. Direct that no further monitoring occur for County Service Area 70 Zone W-4 (Pioneertown).

BACKGROUND:

July 2017: Service Review

As a part of its Countywide Service Review for Water (LAFCO 3187), the Commission at its July 19, 2017 hearing directed staff to:

1. Monitor two board-governed agencies and provide an update to the Commission in six months:
 - a) County Service Area 70 Zone CG (Cedar Glen)
 - b) County Service Area 70 Zone J (Oak Hills)

2. Coordinate with Mojave Water Agency (“MWA”) to seek further assistance for the Daggett Community Services District through MWA’s Small Water Assistance Program.

Additionally, due to significant challenges identified in the service review coupled with public comments, LAFCO staff also provided the Commission with an update on County Service Area 70 Zone W-4 (Pioneertown) as part of this report.

March 2018: First Updates to the Commission

The first updates were provided in March 2018. Significant progress was made in improving the County Service Area 70 Zone CG system in Cedar Glen; therefore, the Commission closed monitoring of CSA 70 Zone CG.

August 2018: Second Updates to the Commission

Following the August 2018 update, the Hesperia Water District and CSA 70 Zone J (Oak Hills) in September 2018 amended its separation agreement by adding an additional 105 properties to the agreement and further details the services that Zone J will provide until physical separation of the water system occurs in the annexed areas. This amended agreement satisfies LAFCO staff’s concerns. Therefore, further monitoring of Zone J is not recommended.

February 2019 Update: Third Updates to the Commission

This staff report includes updates for:

- Daggett Community Services District
- County Service Area 70 Zone W-4 (Pioneertown)

Daggett Community Services District

July 2017: Service Review Summary

Below is the summary from the water service review for Daggett CSD:

- Issue - Classified as a disadvantaged community; lacks intertie with an adjacent agency; significant deficiencies identified in sanitary survey report; located within the Mojave Basin Baja subarea which is at 45% ramp down; significant financial challenges identified in audits; prior service review identified concerns with the aging pipes; lack of adequate managerial oversight.
- Staff Recommendation - *Reaffirm the Commission's position that Daggett CSD and Yermo CSD have a combined sphere of influence signaling the Commission's position for consolidation. Further, the Commission directed LAFCO staff to coordinate with Mojave Water Agency to seek further assistance for the Daggett Community Services District through MWA's Small Water Assistance Program.*

February 2019 Update: Third Update to the Commission

Below is an update from Mojave Water Agency ("MWA") pertaining to its and California Rural Water Association's ("CRWA") continued efforts towards helping and assisting Daggett CSD.

Prop. 1 Technical Assistance Funding Project

The Technical, Managerial and Financial report is ready to submit to the State Board. This report will be submitted when MWA obtains confirmation that the project will be acceptable by Division of Financial Assistance.

The District has a CEQA consultant ready to begin the environmental review. The CEQA report will have the Notice to Proceed when they get confirmation of the project that will be acceptable by Division of Financial Assistance.

IRWMP USDA Emergency Community Water Assistance Grants (ECWAG)

The MWA and CRWA team is working with the District to get the 2017 Audit materials for the ECWAG Application. The USDA has been waiting for additional information, however MWA is also waiting on the USDA, which was delayed due to the Federal Government shutdown.

Mojave IRWM Plan Rate Study and Analysis

RDN Inc. has prepared a comprehensive Rate Study for Daggett CSD. The comprehensive Rate Study has been reviewed and accepted by the District, which was funded for by Proposition 1 Disadvantaged Community Involvement funds through the Mojave Integrated Regional Water Management Plan.

The District Board is working to schedule the Prop 218 public meetings before they can implement the proposed rate increases. The Daggett CSD Board has indicated that they want to have \$100k in reserves within five years.

Status of Consolidation Study and Prop 1

MWA has not heard anything from anyone at the State as to the status of the Consolidation Study and Report.

LAFCO Analysis

The adjacent Yermo CSD is not a water provider; rather, Liberty Utilities (a private company) is the water provider for a portion of the Yermo community that is not provided service through wells or the Daggett CSD. A potential consolidation of the two systems could be undertaken by the State Water Board under the provisions of SB 88.

The managerial issues persist at the Daggett CSD and require outside assistance. In addition, assistance from outside entities is needed to increase the water system's supply source, safety, and effectiveness.

While progress continues, many things need to occur for the Daggett water system to be sustainable. LAFCO staff recommends that the Commission direct staff to return at the August 2019 hearing with an update on the Daggett CSD system.

County Service Area 70 Zone W-4 (Pioneertown)

July 2017: Service Review Summary

Below is the summary from the water service review for CSA 70 Zone W-4:

- Issue - Notice of Violation issued in March 2016 by U.S. EPA indicating water system in violation of Safe Drinking Water Act for exceeding MCL for arsenic, fluoride and uranium; state grant funding provides customers with bottled water supplies every two weeks.
- Staff Recommendation – *No Commission action because zones do not have spheres of influence. See “Opportunities” below.*
- Opportunities - Classified as a small water system and eligible for SB 88 funds; funding requires consolidation with an adjacent system; CSA 70 W-4 under consideration for potential SB 88 consolidation with Hi-Desert Water District.

February 2019 Update: Third Update to the Commission

The County Special Districts Department submitted the following update:

The Pioneertown Pipeline Project was successfully rebid and the Special Districts Department (SDD) received six construction bids. On November 6, 2018, the County Board of Supervisors approved the bid and awarded a contract to Sukut Construction LLC in the amount of \$4,623,425 as the lowest responsible bidder.

On December 13, 2018, the State Water Resources Control Board’s Division of Financial Assistance (SWRCB-DFA) notified SDD that it had approved \$5.4 million in grant funding for the Pioneertown Pipeline Project. The SWRCB-DFA also notified SDD that a Notice to Proceed could be issued and that all construction costs would be eligible for reimbursement. A Notice to Proceed was issued to Sukut Construction on December 20, 2018, during a pre-construction meeting held with Sukut Construction. On January 7, 2019, Sukut Construction began the submittal process, preparation of drawings, and placing orders for materials. The project completion date is anticipated to be around the end of June 2019, although a potential delay related to unexpected long lead-time items have been noted and are aggressively being worked on by SDD staff and the contractor.

LAFCO Analysis

Significant movement has taken place to obtain financing and construction is set to begin. The Commission does not have direct purview over CSA 70 Zone W-4 - no Commission action was recommended in the service review as the water system is a county service area zone, which do not have spheres of influence. Further, Zone W-4 is already within the sphere of influence of the Hi-Desert Water District.

LAFCO staff recommends that no further monitoring of CSA 70 Zone W-4 occur.

CONCLUSION:

Due to issues identified in the Countywide Service Review for Water in July 2017, the Commission directed staff to return in six months with updates for three water systems. Additionally, staff included an update for the CSA 70 Zone W-4 system due to the gravity of the situation related to water quality.

Staff recommends that the Commission:

1. Set the next status report for the August 2019 hearing for Daggett Community Services District.
2. Direct that no further monitoring occur for County Service Area 70 Zone W-4 (Pioneertown).

SM/MT

Attachment:


1. LAFCO Staff Report from August 2018 Hearing (with links to the attachments)

**LAFCO Staff Report from
August 2018 Hearing
(with links to the attachments)**

Attachment 1

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: AUGUST 8, 2018 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8: Update on LAFCO 3187 –
Countywide Service Review for Water Continued Monitoring

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Note receipt of status report and file.
2. Set the next status report for the February 2019 hearing for County Service Area 70 Zone W-4 (Pioneertown) and Daggett Community Services District.
3. Set the next status report for the February 2019 hearing for County Service Area 70 Zone J (Oak Hills). Should the amended agreement between County Special Districts Department and the City of Hesperia/Hesperia Water District be received by LAFCO in the interim, then an update at the February 2019 hearing would not occur.

BACKGROUND:

July 2017: Service Review

As a part of its Countywide Service Review for Water (LAFCO 3187), the Commission at its July 19, 2017 hearing directed staff to:

1. Monitor two board-governed agencies and provide an update to the Commission in six months:
 - a) County Service Area 70 Zone CG (Cedar Glen)
 - b) County Service Area 70 Zone J (Oak Hills)

2. Coordinate with Mojave Water Agency (“MWA”) to seek further assistance for the Daggett Community Services District through MWA’s Small Water Assistance Program.

Additionally, during the service review’s presentation significant public comment was provided regarding the water quality challenges of County Service Area 70 Zone W-4 (Pioneertown). The service review classifies CSA 70 W-4 as a “hot spot”, and the Commission questioned if there was a LAFCO solution for the matter. Staff responded that multiple agencies are involved, including the Federal Environmental Protection Agency, and that the Commission cannot initiate a change of organization related to this matter. However, due to significant challenges identified in the service review coupled with public comments, LAFCO staff also provided the Commission with an update on Zone W-4 as part of this report.

March 2018: First Updates to the Commission

The first updates were provided in March 2018 (staff report included as Attachment #1 to this report). Significant progress was made in improving the County Service Area 70 Zone CG system in Cedar Glen; therefore, the Commission closed monitoring of Zone CG.

August 2018: Second Updates to the Commission

The following includes the second updates to the Commission from LAFCO 3187 and includes the following agencies:

- County Service Area 70 Zone CG (Cedar Glen)
- Daggett Community Services District
- County Service Area 70 Zone W-4 (Pioneertown)

County Service Area 70 Zone J (Oak Hills)

July 2017: Service Review Summary

Below is the summary from the water service review for Zone J:

- Issue - All sources have hexavalent chromium above MCL; Zone J is currently working on a hexavalent chromium compliance plan under Senate Bill 385 to achieve compliance; previous service review determined the need to resolve boundary conflicts between the Hesperia Water District and Zone J in the Maple/Topaz strip which is currently a part of the City of Hesperia.
- Staff Recommendation - *Indicate the Commission's preference that the Hesperia Water District and Zone J implement a mechanism (e.g., joint powers agreement or memorandum of understanding) to provide stability to the water source and boundary challenges in the overall Hesperia and Oak Hills communities.*

Although LAFCO staff is working with the Hesperia Water District and CSA 70 Zone J on a mechanism to resolve the boundary conflicts, staff recommends that the Commission direct staff to continue to monitor the Zone J system and provide an update to the Commission by February 2018.

March 2018: First Update to the Commission

The County Special Districts Department provided information identifying that the water contaminants do not currently exceed the MCL. However, staff's understanding of the State's reevaluation of the hexavalent chromium MCL is that the State will be re-adopting a lower MCL level but with adequate substantiation to support that level. As for the boundary irregularities and water exchange with the City of Hesperia subsidiary Hesperia Water District, progress towards forming a JPA is occurring.

While progress has been made, LAFCO staff recommends that the Commission direct staff to return at the August 2018 hearing, with an update on the Zone J system and the potential contractual relationship with the Hesperia Water District.

August 2018: Second Update to the Commission

Water Quality

County Special Districts Department has finalized its last pilot study on July 5, 2018 after meeting and reviewing it with the State on June 29, 2018 (see Attachment #2). No further actions are planned until such time as an MCL for Hexavalent Chromium is established.

Agreement with City of Hesperia/Hesperia Water District

Special Districts Department provided the following update:

“Based on the advice of County Counsel, the [Water and Sanitation] Division has made a few more format changes to the Agreement with the City of Hesperia so now it will be an amendment to the original 2004 agreement. This will be amendment number 2 and it adds annexation area [LAFCO] 3166 to the agreement and also addresses the water exchange details necessary to continue providing water service to the annexed areas until Hesperia physically separates the water systems. The language of the amendment is essentially the same as the MOU that we previously drafted. This amendment was sent back to the City of Hesperia earlier this week. If Hesperia has no further changes then they’ll provide a date for their City Council to approve and we’ll then send the amendment to LAFCO for consideration of the Commission.”

LAFCO Analysis

As a part of the Countywide Service Review for Water, Zone J was classified as a “hot spot” due to the water quality challenges it faces, as well as lingering boundary irregularities that have patch work fixes.

County Special Districts Department has finalized its last pilot study, and is waiting for the revised MCL for Hexavalent Chromium to be established by the State.

For lingering boundary issues between County Special Districts Department and the City of Hesperia/Hesperia Water District, the City is anticipated to consider the agreement for approval in late August. The County Board would then need to approve the agreement. LAFCO staff anticipates that the amended agreement will be received by LAFCO in the near future for review.

While progress has been made, LAFCO staff recommends that the Commission direct staff to return at the February 2019 hearing with an update on the Zone J system. Should the amended agreement between County Special Districts Department and the City of Hesperia/Hesperia Water District be received by LAFCO in the interim, then an update at the February 2019 hearing would not occur.

Daggett Community Services District

July 2017: Service Review Summary

Below is the summary from the water service review for Daggett CSD:

- Issue - Classified as a disadvantaged community; lacks intertie with an adjacent agency; significant deficiencies identified in sanitary survey report; located within the Mojave Basin Baja subarea which is at 45% ramp down; significant financial challenges identified in audits; prior service review identified concerns with the aging pipes; lack of adequate managerial oversight.
- Staff Recommendation - *Reaffirm the Commission's position that Daggett CSD and Yermo CSD have a combined sphere of influence signaling the Commission's position for consolidation. Further, the Commission directed LAFCO staff to coordinate with Mojave Water Agency to seek further assistance for the Daggett Community Services District through MWA's Small Water Assistance Program.*

March 2018: First Update to the Commission

The CSD is taking any and all efforts not to be on the radar for a potential SB 88 consolidation required by the State Water Board with the adjacent Yermo System of Liberty Utilities (private water company). Mojave Water Agency ("MWA") and the California Rural Water Association ("CRWA") are actively engaging with the CSD on its water and managerial challenges.

For water challenges, a Proposition 1 Technical Assistance Grant was awarded to the CSD in the amount of \$325,657 from the State Water Resources Control Board in December 2016. The Technical Assistance Funding Agreement describes water distribution system and water quality deficiencies as well as anticipated solutions to these issues. CRWA is the non-profit that is performing the technical assistance work with the CSD.

According to the data provided by MWA, water quality treatment does not appear to be a viable option for the CSD and that locating good quality groundwater in the service area, or near the service area, of Daggett CSD was necessary. In January 2018, MWA provided CRWA with data of wells and associated water quality within or near the CSD.

The next steps are for submission of an Engineering Report to the SWRCB which would identify a plan of action to include new well locations. If approved, the construction schedule for the potential project would be based on a timeline established by SWRCB.

As for managerial challenges, CRWA assisted the CSD in developing mechanisms for more efficient billing, organization, and rate setting. However, the CSD is a small office and recently hired a new general manager. Further, LAFCO has requested the 2015 and 2016 audits from the CSD, and the CSD was not able to provide these documents. Therefore, managerial challenges persist.

August 2018: Second Update to the Commission

Mojave Water Agency has provided the following update on Daggett CSD's participation in MWA's Small Water System Assistance Program.

- Since the last LAFCO update, the Engineering Report created by California Rural Water Association ("CRWA") has been finalized and submitted to the State Water Resources Control Board.
- CRWA staff spent a day with Daggett CSD staff to inspect and identify production wells both currently in production and not in service. This gave CRWA a better understanding of the wells in the area and which Daggett CSD wells are not in service. They also looked for viable locations for a new production well based off of water quality and water level data provided by Mojave Water Agency.
- CRWA met with Mojave Water Agency staff to discuss alternative water supplies in the region as well as the water rights situation that is currently effecting Daggett CSD.
- Engagement of Daggett CSD Board and staff have increased since the Small Water System Assistance Program and CRWA has been more involved. They now have a State Water Resources Control Board Distribution 1 operator on staff.
- Daggett CSD has brought on a tank manufacturer, Paso Robles Tank, to assess their storage tank conditions and propose possible solutions.

The next step for Daggett CSD is to utilize Proposition 1 grant funding. They are slated to undergo a rate study with a rate increase that can comply with Proposition 218. MWA and CRWA will continue to be actively engaged with the Daggett CSD on their technical, managerial, and financial challenges into the future.

LAFCO Analysis

The adjacent Yermo CSD is not a water provider; rather, Liberty Utilities (a private company) is the water provider for a portion of the Yermo community that is not provided service through wells or the Daggett CSD. A potential consolidation of the two systems could be undertaken by the State Water Board under the provisions of SB 88.

The managerial issues persist at the Daggett CSD and require outside assistance. In addition, assistance from outside entities is needed to increase the water system's supply source, safety, and effectiveness.

While progress has been made, LAFCO staff recommends that the Commission direct staff to return at the February 2019 hearing with an update on the Daggett CSD system.

County Service Area 70 Zone W-4 (Pioneertown)

July 2017: Service Review Summary

Below is the summary from the water service review for CSA 70 Zone W-4:

- Issue - Notice of Violation issued in March 2016 by U.S. EPA indicating water system in violation of Safe Drinking Water Act for exceeding MCL for arsenic, fluoride and uranium; state grant funding provides customers with bottled water supplies every two weeks.
- Staff Recommendation – *No Commission action because zones do not have spheres of influence. See “Opportunities” below.*
- Opportunities - Classified as a small water system and eligible for SB 88 funds; funding requires consolidation with an adjacent system; CSA 70 W-4 under consideration for potential SB 88 consolidation with Hi-Desert Water District.

March 2018: First Update to the Commission

On October 31, 2017, the County Board of Supervisors took actions related to the Zone W-4 water system, to include:

- Approving the submittal of a grant application to the United States Department of Agriculture (USDA)-Rural Development requesting federal funding in the amount of \$2,500,000 for the Pioneertown Pipeline and Water System Improvement Project.
- Approving the Water Exchange Agreement with the Hi-Desert Water District (HDWD) allowing Zone W-4 access to groundwater within the Warren Valley Sub-basin in exchange for an equal amount of groundwater provided to HDWD from within the Ames/Reche Basin pursuant to the water rights of Zone W-4 for a term of 20 years, with an annual service and exchange charge to Zone W-4 of \$1,000 that increases by 5% after each five years of the agreement.

The Water Exchange Agreement with HDWD is a required stipulation to both SWRCB and USDA grant funding, as the Project is not viable without securing a clean water source. On December 12, 2017, the HDWD approved the Water Exchange Agreement with the County.

August 2018: Second Update to the Commission

At its June 26, 2018 hearing, the County Board of Supervisors:

- Rejected all bids submitted for the Pioneertown Water Pipeline Project and found they are nonresponsive for omitting one or more of the specialty contractors licenses as required by the bid documents.
- Approved revised plans and specifications for the Pioneertown Water Pipeline Project and authorize the Special Districts Department to advertise for competitive bids.

Sealed bids are currently scheduled to be submitted by 2:00 p.m. on August 15, 2018.

LAFCO Analysis

As a part of the Countywide Service Review for Water, Zone W-4 was classified as a “hot spot” due to the water quality challenges it faces. No Commission action was recommended as the water system is a county service area zone, which do not have spheres of influence. Further, Zone W-4 is already within the sphere of influence of HDWD. Therefore, the service review did not have any recommendations for Commission action.

While the bid process is moving forward, LAFCO staff recommends that the Commission direct staff to return at the February 2019 hearing, with an update on the Zone W-4 system.

CONCLUSION:

Due to issues identified in the Countywide Service Review for Water in July 2017, the Commission directed staff to return in six months with updates for three water systems. Additionally, staff included an update for the CSA 70 Zone W-4 system due to the gravity of the situation related to water quality.

Staff recommends that the Commission:

- Set the next status report for the February 2019 hearing for County Service Area 70 Zone W-4 (Pioneertown) and Daggett Community Services District.
- Set the next status report for the February 2019 hearing for County Service Area 70 Zone J (Oak Hills). Should the amended agreement between County Special Districts Department and the City of Hesperia/Hesperia Water District be received by LAFCO in the interim, then an update at the February 2019 hearing would not occur.


SM/MT

Attachments:

1. [LAFCO Staff Report from March 2018 Hearing \(with links to the attachments\)](#)
2. [County Service Area 70 Zone J \(Oak Hills\) - Pilot Study Report July 2018 \(without appendices\)](#)
3. [County Service Area 70 Zone W-4 \(Pioneertown\) - County Board Agenda Item 68 from June 26, 2018](#)

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: FEBRUARY 13, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #11: Update on LAFCO 3190 –
Countywide Service Review for Wastewater Continued Monitoring

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Note receipt of status report and file.
2. Set the next status report for the August 2019 hearing for the Victor Valley Wastewater Reclamation Authority.
3. Direct that no further monitoring occur for the City of Victorville/Victorville Water District.

BACKGROUND:

August 2018: Service Review

As a part of its Countywide Service Review for Water (LAFCO 3190), the Commission at its August 15, 2018 hearing directed staff to monitor two agencies and provide an update to the Commission in six months:

- a) City of Victorville/Victorville Water District
- b) Victor Valley Wastewater Reclamation Authority (“VWRA”)

Victor Valley Wastewater Reclamation Authority

August 2018: Service Review Summary

Below is the summary from the wastewater service review for VVWRA:

Issue – Negative impact to revenue cash flows affecting ability to service debt for the following reasons: (1) City of Victorville diverted approximately 1 MGD of flow reducing revenue; (2) City of Hesperia withholding payment due to disagreement with VVWRA board of directors; and (3) Unresolved differences with Federal Emergency Management Agency regarding grant for constructing the Mojave Upper Narrows tunnel project.

Hot Spot Identification - VVWRA has been identified in this service review as a hot spot due to the issues identified in Section VII of this report.

Staff Recommendation - *Staff recommends that the Commission continue to monitor the Victor Valley Wastewater Reclamation Authority, and direct staff to return to the Commission six months following completion of this service review.*

February 2019: First Update to the Commission

VVWRA provided the following information to the challenges identified above for this update:

- (1) City of Victorville diverted approximately 1 MGD of flow reducing revenue.

A revised Joint Powers Agreement has been prepared. One final item required negotiation with the member entities which occurred on February 4, with finalization at a subsequent date.

- (2) City of Hesperia withholding payment due to disagreement with VVWRA board of directors.

The City of Hesperia has indicated that they will resume payment of all user fees in February however they will continue to withhold connection fees until Item 1 is finalized.

- (3) Unresolved differences with Federal Emergency Management Agency regarding grant for constructing the Mojave Upper Narrows tunnel project.

The Office of the Inspector General is conducting an additional investigation into one of the contractors on the project. FEMA has indicated that they will make a determination once that investigation concludes.

LAFCO Analysis

At this time, Items 2 and 3 above are not satisfied and have a negative impact to revenue cash flows which continue to affect VVWRA's ability to service debt. Therefore, staff recommends that the Commission set the next status report for the August 2019 hearing.

City of Victorville/Victorville Water District

August 2018: Service Review Summary

Below is the summary from the wastewater service review for the Victorville systems:

Issue – Increasing operation and maintenance payments affecting debt service and needed capital expenditures.

Hot Spot Identification – The City of Victorville has been identified in this service review as a hot spot due to the issues identified in Section VII of this report.

Staff Recommendation – *Staff recommends that the Commission continue to monitor the Victorville Water District and the City of Victorville, and direct staff to return to the Commission six months following completion of this service review.*

February 2019: First Update to the Commission

The City provided information for this status update. A portion of the response is provided below.

Ordinance No. 2378 was passed on June 19, 2018 by the requisite two-thirds vote of the City Council, with the Proposed Rates becoming effective for all billings made on or after August 1, 2018, and on each July 1 thereafter, for the years of 2019, 2020, 2021 and 2022. The approved Sewer Service Rates were fixed to yield special purpose revenues in amounts sufficient to: pay the operating expenses of the sewer system; adequately fund and cover the costs of sewage treatment and disposal facilities so they may be operated safely and reliably; provide for the construction, ownership, operation, repair, maintenance, and replacement of sewer system infrastructure; pay the interest and principal on any bonded debt of the sewer system and maintain the financial stability of the operation thereof; comply with state and federal regulatory sewage treatment and disposal requirements; and provide adequate reserves in the City's sewer fund for emergencies and unforeseen costs.

The City's current budget and yearly expenditures are within the framework of the approved Rate Study, with capital improvement projects progressing as planned. The City completed a sewer relining project on January 7, 2018, consisting of 11,390 lineal feet of sewer main that was relined at a cost of \$321,168. Another project is planned to advertise in March of 2019 to replace 6,543 lineal feet of deteriorated sewer main at an estimated cost of \$1,499,000. The City also recently completed an assessment of its entire gravity sewer system (440 miles) at a cost of approximately \$4.2 million. This project consisted of cleaning and videoing the entire pipeline system, and a comprehensive evaluation of all video to determine and document structural deficiencies and prioritize repairs.

LAFCO Analysis

Due to the rate increase that recently passed, improvements are being made to the wastewater systems as well as increasing the depleted reserves. LAFCO staff's position is that the City/Water District wastewater systems have the necessary mechanisms in place to further improvements and cash position. Therefore, LAFCO staff recommends no further monitoring of the City/Water District wastewater systems.

CONCLUSION:

Due to issues identified in the Countywide Service Review for Wastewater in August 2018, the Commission directed staff to return in six months with updates for two systems.

Staff recommends that the Commission:

1. Set the next status report for the August 2019 hearing for the Victor Valley Wastewater Reclamation Authority.
2. Direct that no further monitoring occur for the City of Victorville/Victorville Water District.

SM/MT