

**6. Newberry Community Services District**

**d. Response to Draft Service Review**

**Attachment 6d**

## Response to LAFCO MSR 2014

First, the collective opinion in regards to any move to consolidate Newberry C.S.D. with another C.S.D. will fail. Neither the Board of Directors nor the Citizens of Newberry Springs are in favor of such an action.

Addressing the items in the Draft Report:

Page 1. We will object for our Fire Protection powers being removed for several reasons. First there is not enough funding available for SBCoFD to take the area over and operate a fire station in the Newberry area. If the county station at Harvard Road was utilized the response times will be much too long and would only increase the response times as compared to the national or industry standards listed in this review.

Secondly, consolidation of the three districts to provide for “economy of scale” is an impractical application of ‘stream lining’ government function which will produce a cost and efficiency of services fallacy. Making government larger doesn’t work. The larger the governmental agency, the less responsive they are to their citizens. If this concept was a practical and productive action then consolidation of California, Arizona and Nevada would be appealing for savings measures. We might have our state capitol in Prescott, Arizona, a little inconvenient for some. Clearly, the smaller the governmental agency, the more responsive they are to their citizens.

Page 2. (quoting) “LAFCO staff recommends that at a minimum Daggett CSD and Yermo CSD consolidate, preferably for Daggett CSD, Newberry CSD and Yermo CSD consolidate into a single district. The long term benefit to the community would be through service which is consistent, allows for flexibility in assigning resources streamlines governance and management, and provides for the appropriate location of resources.”

The depiction that any of the districts can benefit from a consolidation of districts is a very large assumption of benefit for the districts and public at large. This may be a prudent model of streamlining governance to achieve benefit results, but, this also would effectively reduce service values already in place by each district. Basically, expanding and exploiting the inadequate funding and public service demands of each district and apply to the region (all three district) as a single agency responsible.

Newberry CSD already provides consistent services, our resources are within the district, management is provided by our Board of Directors and Staff. It is a small scale, efficient operation which is responsive to the people of Newberry Springs.

Page two also points out that the path forward “ - - - will be decided by the registered voters –“ If necessary the Newberry CSD will engage in public notices, meetings, and official discussions to provide the general public to address local government activities, actions, and events that will directly affect the public and district as a whole.

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Page 4. Page 4 points out the Newberry CSD has not filed an Appropriations limit which is required if the ad valorem tax rate was 12.5% or higher in 1977/78. We do not believe our tax rate exceeded 12.5 percent back then and we had no luck trying to find the tax rate at that time. I see from your attached emails that a former GM had the same problem back in 2009. Newberry CSD is currently working on an Appropriations limit, a rather complex document.

Page 5. Notes that our response to the Grand Jury indicated we were developing an accounting manual to be provided to LAFCO in the immediate future. I did in fact provide that information then I began looking into developing an accounting manual. However I soon learned that our manual would be a 1 page item which would say all of our checks require the signature of two directors, our directors see all the bills that have been paid since their last meeting, we require receipts for all purchases and the GM reviews all purchases. Purchases greater than \$500. require approval by the GM. Large expenditures go to the Board for approval.

All income and expenses are entered into QuickBooks and are readily available for anyone who wants to see them. A line item budget has been approved by the board and we will continue to provide a budget at the beginning of each fiscal year.

That is all our accounting manual would be - - -

Page 8. Again mentions removing Fire Powers and an annexation of the Newberry area by county fire or consolidating the three CSD's to allow for "economies of scale." As written above we don't subscribe to the theory of economy of scale, so we object to the consolidation based on that issue and others. SBCoFD and NCSD are subject to the same comparison of standard for Emergency services response requirements. Given the industry standard to be based upon NFPA criteria and other sources, the removal of local services with placement on SBCoFD would be subjected to the same comparison against industry standards. The inadequate level of response and service availability would be notably lessor than current provisions provided by NCSD. Effectively taking a step in the direction of inability to provide timely services due to resource availability and response times.

Page 10. Typo only in the chart. The square miles in Newberry and Yermo are reversed. The text below the box is correct.

Page 12. The top paragraph talks about the Grand Jury investigation being instigated by multiple citizen complaints. Most of those complaints came from three people who simply wanted to cause problems for the CSD. I'm not saying the complaints were necessarily invalid, many of them were valid complaints, however the very people who were complaining, former board members and staff, were at least partially responsible for the state of affairs at the district. Nevertheless, I think it is accurate to say that most of those complaints have been corrected and we are moving forward in the manner directed by the Grand Jury.

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Page 15. We will object to the dissolution of Newberry CSD and we do not find a JPA or addition to CSA 70 or CSA 40 to provide our services to be acceptable or practical. The overlay or "shift" into a CSA would not render much benefit to the district nor the public we serve.

Page 16. The first paragraph talks about Park and Recreation overhead could be reduced by sharing equipment and labor. Our Park and Recreation facilities are open to anyone who wants to use them. Those facilities need to remain in the various CSD's. It would be a little hard for us to move our ball field to a central location convenient to all three CSD's. The other CSD's have their own Park and Recreation in their districts where they should remain to be used by their community. As mentioned in the preliminary meeting on Aug 20, 2014, "...our park and field is open to anyone whom wishes to use the facility. Revenue options are explored for some usage requests, but the cost is born by the district as a benefit to the public at large..." and combining the three district recreational responsibilities to be under one governance still does not change our usage, maintenance or upkeep.

The second paragraph on pg 16 talks about each CSD competing for volunteer firefighters "from the same limited pool of volunteers." That is just as it should be. Fire stations need to remain in the communities and volunteer firefighters need to come from that community. A volunteer arriving from an adjacent community would be late and most likely find that the apparatus has already responded, staffed by local firefighters. Let it also be known that SBCoFD also recruits volunteers for their staffing at the Harvard station. The stipulate is that those volunteers are to reside within a given mileage of that fire station to be accepted. This also taps that local "pool" of volunteers and makes a competitive nature for applicants for all four districts.

At the bottom of paragraph three is a total call volume for the three CSD's of 859 calls. This does depict a possible consideration for funded services. However, given that standard depiction, the SBCoFD has tried to follow that aspect in the area (Harvard) and with given economic constraints, fiscal downturn, coupled with the low property tax base in the affected area, this options would not be feasible unless further taxation on the public/property owners were to be implemented and funded. This option is looked at frequently, but still not a feasible option primarily due to lack of fruitful funding resources.

Page 19. Under consolidation "Terms and conditions" the draft document says " - - - by statute all assets and liabilities of consolidating organizations accrue to the new entity. Thus, the consolidated district would receive title to all assets of the existing districts and would become responsible for subsequent capital improvements required. In the case of outstanding debt, a condition would be imposed by LAFCO whereby the area that incurred the debt pays off that debt. Therefore, the other consolidating agencies would not be subject to such debt payments."

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It goes on to say “An application for consolidation would include a condition that all property tax revenue from each district would transfer to the consolidated district.”

I cannot understand just how such a thing would work. All property tax revenue would transfer to the new district but the area that incurred the debt must pay off the debt? I can assure you that some of our assets, such as our Community Center was built by volunteers from Newberry Springs in 1959. Our citizens will not take kindly to our Community Center, our ball field, our playground, suddenly being owned by some consolidated district located who knows where. Additionally our Community Center is used by a number of local organizations on a weekly/monthly basis. Who would be available to make those reservations and open the building? Who would be available to make sure the heating/cooling is turned off? Who would clean the building?

After the transitioning board, electing a 5 member board from 3 communities means that one community could end up not being represented.

Page 22. Consolidation – Daggett & Yermo CSDs with & without Water. Under “ Fire and Emergency Response;” The word “Dispatching” is misspelled (on all tables). Also pages 26 & 27.

Page 25. LAFCO is recommending that all three CSD’s consolidate. I am not a citizen of Daggett, but I ran a water company for 22 years and I can tell you operation of a water company requires manpower, heavy equipment, lighting, pumps, spare parts, and etc. If a water main breaks in the middle of the night or a hydrant is damaged, someone needs to respond immediately to get the water shut off and to begin repairs. It simply doesn’t work to wait until morning when a contractor can be called. By then no one will have water and the water main may well be filled with dirt and sand. Additionally, even a small water system such as Daggett will be required to have a licensed operator, most likely a D-1 license.

Page 29. We agree with LAFCO. Formation of a JPA would add another layer of government and citizens of the 3 CSD’s might well lose interest in their local government.

Page 32. Discusses revenue streams generated in Newberry Springs being used for regional use, such as the interstate highways between Barstow and Baker and Barstow and Needles. We believe funds generated in Newberry Springs need to be used to support services within our jurisdiction, not regionally. We will strongly object to this proposal.

Pg 32 also points out that approximately \$52,000 was transferred from Newberry Springs to County Fire for administrative purposes during the reorganization of County Fire. I don’t see County Fire providing any administrative function to Newberry. I have the highest respect for County Fire. Former Chief Pat Dennen was a personal friend and I have worked with Chief Hartwig and his staff on several occasions and found them to be dedicated professionals.

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However, I do not see them providing administrative services to Newberry Fire. What did the \$52,000 provide for Newberry?

Page 41. Discusses a voter approved special tax to provide for a full time fire or Paramedic unit. The provision of living quarters within the fire stations is not addressed, but they will be quite expensive to construct and operate. I don't believe our voters will approve any increased in property taxes. All three communities are economically disadvantaged and many of our citizens simply cannot afford to pay taxes which would more than double for developed parcels. As you point out on the following page "the path forward will be decided by the registered voters." The simple statement of following industry standards for fire protection, the addition of full time staffed fire/ems services would be a financial burden of approx. \$ 3M for startup and infrastructure. This is a radical financial change and all standards and employment laws apply.

Page 49. Part B discusses CDBG funding and points out that "tax revenues received by the districts would need to be used by the districts to pay for facility upgrades." That is as it should be. The districts will live within our means. If our citizens are determined to build other facilities they will approve additional taxes to be used for that purpose.

Page 50. Points out that Newberry's park and recreation facilities have not changed since the 2009 service review. Our facilities are adequate and we have no immediate need to spend money to upgrade anything. As mentioned in the Aug 20 meeting, our location is far from major activities and population. Even though our recreational services and equipment are available to the public, not many from outside the district use those services or equipment

Page 61. The first paragraph talks about Newberry Fire having access to the Santa Fe Railroad tank near the Elementis plant and also the Mojave River pipeline. I wasn't aware of that access or any agreements. I will get with our Fire people and see if we can do some follow up on those agreements.

Page 62. Discusses responses from the Harvard Station to Newberry, Yermo and Daggett totaling 14% of their calls. I will point out those responses may be "dispatch protocol" where additional units are automatically dispatched. Likewise 10%-35% of Newberry Fire responses are at the dispatch request from SBCoFD to support their incident responses to fill unit requirements. Run numbers and statistics are a snapshot into the end result of emergency response. No fire agency can meet all standards and requirements with their own equipment and personnel. This is mainly due to type, complexity, and demands of single and multiple calls. The AHJ (Authority Having Jurisdiction: fire chief) must make those response requirements based upon many factors; equipment, personnel, priority, and funding are some of those influencing factors.

Page 70. Paragraph beginning "As stated in the Newberry CSD 2014 . . . " Newberry Springs Volunteer Fire Department has regular training to which all fire departments are invited.

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Page 71. The first paragraph discusses a road grader purchased by Newberry CSD to keep the non-maintained roads in acceptable condition, and that they later sold it. I believe that was because LAFCO told them they could not maintain the roads without "Road Powers". Kathleen Rollings-McDonald and I have disagreed strongly on that issue over the years. Baker CSD has an appellate court case stating that a CSD can maintain those non-dedicated roadways as necessary for them to provide their other services such as Fire and Ambulance. However, Newberry no longer has a motor grader, so I suppose that issue is academic. The road grader item was mitigated (and then liquidated) after the 2009 MSR. This should not be involved or even have anything more than a mention in this report.

The bottom paragraph on page 71 states that it is the responsibility of the CSD's to respond to fire and emergencies on public lands and the Interstate Highway System.

Page 72. The second paragraph points out that we have not established an "Appropriations Limit." I have the guidelines provided by LAFCO and will begin working on that project soon.

Page 73. Discusses the necessity of an annual audit. I believe we are current at this time and the last audit was filed with the State Controller and the County Auditor within the past week or so.

Page 74. Second paragraph says on average Daggett receives 25% of each tax dollar but Newberry and Yermo only 12%. I don't understand why the amounts are different.

Page 89. As time permits we will update our website to meet the requirements.

Best Regards,  
Newberry CSD

