AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

REGULAR MEETING OF JULY 21, 2021

IMPORTANT NOTICE REGARDING THE JULY 21, 2021 COMMISSION MEETING

The Local Agency Formation Commission for San Bernardino County (LAFCO or Commission) will conduct this meeting virtually by videoconference and/or teleconference in compliance with waivers to certain Brown Act provisions under the Governor's Executive Order N-08-21, and members of the Commission or LAFCO staff will participate in this meeting telephonically or electronically. The public may participate in the meeting by joining the meeting virtually, by phone, or viewing the meeting live, and may provide general comments and comments on specific agenda items, as described below:

Instructions for Viewing or Listening to the meeting:

Members of the public may:

- Join the virtual meeting on Zoom using the following link: https://zoom.us/j/89428560422
- Listen to the meeting by calling (669) 900-9128 and enter the Meeting ID: 89428560422#
- Watch the meeting via YouTube live stream using the following link: https://www.youtube.com/channel/UCpEpEankM-uoTTa8c_OyV1Q

Instructions for Making Comments and Testimony:

If you wish to make comment on a specific agenda item or a general comment under public comment you can do so by:

- On Zoom video conference via the web or the Zoom App, click the 'Raise Hand' button when the item you wish to comment on is being discussed.

- On Zoom via phone, you can also raise your hand by pressing *9 when the item you wish to comment on is being discussed.

Alternatively, if you wish to make written comments on specific agenda items, make general comments, or submit testimony for public hearings, you can send comments and testimony to LAFCO, limited to a maximum of 250 words, by email at lafco@lafco.sbcounty.gov, online at www.sbclafco.org/AgendaandNotices/Agendas/PublicComments.aspx, or by mail to LAFCO, 1170 West 3rd Street, Unit 150, San Bernardino, CA 92415-0490, for receipt no later than 7:30 a.m. on the meeting day. These comments and testimony will be read on to the meeting record at the appropriate time.

This change in public participation will continue until further notice and supersede any LAFCO standard public comment and testimony policies and procedures to the contrary.

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

ANNOUNCEMENT: Anyone present at the hearing who is involved with any of the changes of organization to be considered and who has made a contribution of more than $250 in the past twelve (12) months to any member of the Commission will be asked to state for the record the Commission member to whom the contribution has been made and the matter of consideration with which they are involved.

1. Swear in Alternate (Supervisor Rowe) County Commissioner

2. PUBLIC COMMENTS ON CLOSED SESSION

3. CONVENE CLOSED SESSION – Conference Call:

   - Conference with Legal Counsel – Existing Litigation – (Government Code Section 54956.9(d)(1)) – C.O.M.E.T. (Citizens of Mentone Empowered Together) v. City of Redlands et al, County of San Bernardino Superior Court Case No. CIVDS1906437

   - Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9(d)(1)) – Montecito Equities, Ltd v. San Bernardino Local Agency Formation Commission, County of San Bernardino Superior Court Case No. CIVSB2029401

   - Conference with Legal Counsel – Significant Exposure to Litigation (Government Code Section 54956.9(d)(2)) - - 1 Potential Case

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 May 19, 2021

6. Approval of Executive Officer's Expense Report

7. Ratify Payments as Reconciled and Note Cash Receipts for Months of April and May 2021

8. Approval of Fiscal Year 2012-13 Financial Records Destruction Pursuant to Commission Policy

9. Review and Update the Catalog Enterprise Systems per Government Code Section 6270.5

10. Review and Consideration of Amendments to Policy and Procedure Manual Section III – Human Resources (adjust effective date of Medical Premium Subsidy increase)

11. Consent Items Deferred for Discussion

PUBLIC HEARING ITEMS:

12. Consideration of: (1) CEQA Exemption for LAFCO 3249; and (2) LAFCO 3249 – Annexation to the Bighorn-Desert View Water Agency and Bighorn-Desert View Water Agency Improvement Zone CSA 70 W-1 (APN 0631-071-12)

DISCUSSION ITEMS:

13. Unaudited Year-End Financial Report for Fiscal Year 2020-21 to include Authorization for Transfer of Funds for Additional Payment towards Net Pension Liability

14. Continued Monitoring from LAFCO 3231 (Countywide Fire Service Review) for San Bernardino County Fire Protection District *(Continued from the May 19, 2021 Meeting)*

15. Continued Monitoring for the Barstow Cemetery District related to LAFCO 3245 - Countywide Service Review for Public Cemetery Districts

16. Update on Countywide Service Review for Park and Recreation

17. Appointment of Voting Delegate and Alternate Voting Delegate for the 2021/2022 CALAFCO Regional Caucus Elections and for the Annual Business Meeting and Nominations for CALAFCO Board Member

INFORMATION ITEMS:

18. Legislative Oral Report

19. Executive Officer's Report

20. 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.)

21. 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.sbclafco.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.

5/26/21:as

D R A F T

ACTION MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

REGULAR MEETING **9:00 A.M.** **MAY 19, 2021**

The Commission conducts the meeting virtually by videoconference (via Zoom) and teleconference (via Zoom phone) and broadcast live via YouTube live stream in compliance with the Governor's Executive Order N-29-20 in response to the COVID-19 pandemic.

PRESENT:

COMMISSIONERS:

Regular Member	Alternate Member
Larry McCallon, Chair	Dieter Dammeier
Joe Baca Jr.	Rick Denison
Jim Bagley	Steven Farrell
Kimberly Cox	
James Curatalo, Vice-Chair	
Curt Hagman	
Acquanetta Warren	

STAFF:

Samuel Martinez, Executive Officer
Paula de Sousa, Legal Counsel
Michael Tuerpe, Senior Analyst
Hannah Larsen, Analyst
Angela Schell, Commission Clerk

ABSENT: **None**

CONVENE REGULAR MEETING OF THE LOCAL AGENCY FORMATION COMMISSION – 9:07 A.M. – CALL TO ORDER – FLAG SALUTE AND ROLL CALL

Chair McCallon makes an announcement regarding the meeting/hearing being conducted via videoconference and teleconference as well as broadcast live via YouTube in compliance with waivers to certain Brown Act provisions under the Governor's Executive Orders due to the COVID-19 Coronavirus pandemic.

ANNOUNCEMENT OF CONTRIBUTIONS

1. Swear in Regular County Commissioner

Supervisor Curt Hagman is sworn-in and the oath of office is administered.

2. Selection of Chair

Commission McCallon moves to nominate Jim Bagley as Chair. Second, by Commission Cox. Commissioner Cox motions to close the nomination. The motion passes with the following roll call vote:

Ayes: *Baca Jr., Cox, Curatalo, Hagman, McCallon, and Warren.*
Noes: *None.*
Abstain: *Bagley.*
Absent: *None.*

2. Selection of Vice Chair

Commission McCallon moves to nominate Acquanetta Warren as Vice Chair. Second, by Commission Hagman. Commissioner Cox motions to close the nomination. The motion passes with the following roll call vote:

Ayes: *Baca Jr., Bagley, Cox, Curatalo, Hagman, and McCallon.*
Noes: *None.*
Abstain: *Warren.*
Absent: *None.*

ANNOUNCEMENT OF CONTRIBUTIONS

3. PUBLIC COMMENTS ON CLOSED SESSION

No public comment was provided.

4. CONVENE CLOSED SESSION – 9:16 A.M.

Conference with Legal Counsel – Initiation of Litigation (Government Code Section 54956.9(d)(4)) - - 1 Potential Case

5. RECONVENE PUBLIC SESSION -- 10:37 A.M.

LAFCO Legal Counsel indicates there is no reportable action from Closed Session.

CONSENT ITEMS:

6. Approval of Minutes for Regular Meeting of March 17, 2021

7. Approval of Executive Officer's Expense Report

Recommendation: Approve the Executive Office's Expense for Procurement Card Purchases from February 23, 2021 to March 22, 2021 and March 23, 2021 to April 22, 2021.

8. Ratify Payments as Reconciled and Note Cash Receipts for the Months of February and March 2021 and Note Revenue Receipts

Recommendation: Ratify payments as reconciled for the months of February 2021 and March 2021 and note revenue receipts for the same period.

9. LAFCO SC#464 – City of Upland Sewer Service Agreement No. 2021-5-01

Recommendation: Staff recommends that the Commission approve LAFCO SC#464 by taking the following actions:

1. Certify that LAFCO SC#464 is exempt from environmental review and direct the Executive Officer to file a Notice of Exemption within five (5) days of this action.

2. Approve LAFCO SC #464 authorizing the City of Upland to extend sewer service outside its boundaries to Assessor Parcel Numbers 1003-091-47.

3. Adopt LAFCO Resolution #3330 setting forth the Commission's determinations and approval of the agreement for service outside the City of Upland's boundaries.

10. Review and Approval of Lease Agreement at the Norton Regional Event Center for use of Commission Meetings

Staff recommends that the Commission approve the contract amendment with the Inland Valley Development Agency that extends the agreement for another two years and authorize the Executive Officer to sign the Second Amendment to License Agreement.

11. Consent Items Deferred for Discussion (None)

Commissioner Curatalo moves the approval of the Consent Items. Second by Commissioner Baca Jr. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Cox, Curatalo, McCallon, and Warren.
Noes: None.
Abstain: Hagman.
Absent: None.

PUBLIC HEARING ITEMS:

12. Third Quarter Financial Review for FY 2020-21

Recommendation: Staff recommends that the Commission note receipt of this report and file.

Commissioner Warren moves approval of staff recommendations. Second by Commissioner Hagman. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Cox, Curatalo, Hagman, McCallon, and Warren.
Noes: None.
Abstain: None.
Absent: None.

13. Review and Adoption of Schedule of Fees, Deposits, and Charges Effective July 1, 2021

Recommendation: Staff recommends that the Commission take the following actions:

1. For Environmental review:

   a. Make the findings required by Section 21080(b)(8) of the CEQA and Section 15273(c) of the CEQA Guidelines as follows:

      i. Filing and processing fees are authorized by Government Code Section 56383 to cover the estimated reasonable cost of providing the service; and,

ii. The rates and charges identified in the Schedule are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials; and (3) meeting financial reserve needs and requirements.

b. Certify that the proposed revisions to the Schedule of Fees, Deposits, and Charges are statutorily exempt from the provisions of the California Environmental Quality Act and direct the Executive Officer to file a Notice of Exemption within five (5) days of this action.

2. Adopt the Schedule of Fees, Deposits, and Charges, as revised, to be effective July 1, 2021.

3. Adopt LAFCO Resolution No. 3331 reflecting the Commission's determinations related to the Schedule.

Commissioner Hagman moves to approve staff recommendations. Second by Commissioner Cox. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Cox, Curatalo, Hagman, McCallon, and Warren.
Noes: None.
Abstain: None.
Absent: None.

14. Review and Adoption of Amendments to LAFCO Policy Procedure Manual Section III – Human Resources

Recommendation: Staff recommends that the Commission take the following actions:

1. Provide staff with any additional changes, corrections or amendments to the Policy and Procedural Manual as presented.

2. Adopt the amendments to the Policy and Procedure Manual, Section III (Human Resources).

3. Adopt Resolution No. 3332 approving the amendments to the Policy and Procedure Manual and direct the Executive Officer to make the document available on the Commission's website.

Commissioner Cox points out a correction to the staff report related to the Retirement Medical Trust Fund contribution percentages, which was verified as correct in the Resolution Exhibit A.

Commissioner Baca Jr., moves to approve staff recommendations. Second by Commissioner Hagman. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Cox, Curatalo, Hagman, McCallon, and Warren.
Noes: None.
Abstain: None.
Absent: None.

15. Review and Adoption of Final Budget for Fiscal Year 2021-22

Recommendation: Staff recommends that the Commission take the following actions:

1. Adopt the Fiscal Year 2021-22 Final Budget as presented including:

   a. Making the finding, as required by Government Code Section 56381, that the approval of a budget less than that adopted for Fiscal Year 2020-21 for the upcoming fiscal year will allow the Commission to fulfill its obligations under Government Code Section 56000 et seq; and,

   b. Direction that the apportionment of net LAFCO costs based upon the Auditor's information attached to this report; and,

2. Direct the Executive Officer to submit to the County Auditor-Controller the adopted Final Budget and request the apportionment of the Commission's net costs to the County, Cities/Towns and Independent Special Districts pursuant to the provisions of Government Code Section 56381 as shown in the approved Final Budget.

Commissioner Hagman moves to approve staff recommendations. Second by Commissioner Baca Jr. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Cox, Curatalo, Hagman, McCallon, and Warren.
Noes: None.
Abstain: None.
Absent: None.

DISCUSSION ITEMS:

16. Continued Monitoring for the Barstow Cemetery District related to LAFCO 3245 – Countywide Service Review for Public Cemetery Districts

Recommendation: Staff recommends that the Commission:

1. Review and file this report.

2. Schedule an update for the Barstow Cemetery District for the July 21, 2021 meeting, unless otherwise directed by the Commission.

Commissioner Cox moves to approve staff recommendation. Second by Commissioner Baca Jr. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Cox, Curatalo, Hagman, McCallon and Warren.
Noes: None.
Abstain: None.
Absent: None.

17. Continued Monitoring for the Twentynine Palms Public Cemetery District related to LAFCO 3245 – Countywide Service Review for Public Cemetery Districts

Recommendation: Staff recommends that the Commission:

1. Receive and file this report.

2. Schedule an update for the Twentynine Palms Public Cemetery District for the September 15, 2021 meeting, unless otherwise directed by the Commission.

Commissioner Warren moves to approve staff recommendation. Second by Commissioner Hagman. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Cox, Curatalo, Hagman, McCallon and Warren.
Noes: None.
Abstain: None.
Absent: None.

18. Continued Monitoring from LAFCO 3231 (Countywide Fire Service Review) for San Bernardino County Fire Protection District (Continued from the March 17, 2021; to be Continued to the July 21, 2021 Meeting)

Recommendation: Staff recommends that the Commission continue this item to the July 21, 2021 meeting.

Commissioner Bagley moves to approve staff recommendation. Second by Commissioner Warren. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Cox, Curatalo, Hagman, McCallon and Warren.
Noes: None.
Abstain: None.
Absent: None.

19. Adoption of Impartial Analysis for LAFCO 3244 – Reorganization to include Annexation to the Town of Apple Valley and Detachment from County Service Area 70

Recommendation: Staff recommends that the Commission approve the Impartial Analysis for LAFCO 3244 – Reorganization to include Annexation to the Town of Apple Valley and Detachment from County Service Area 70.

Commissioner Bagley asks that the acronym LAFCO be spelled out on the Impartial Analysis.

Commissioner Baca Jr., moves to approve staff recommendation together with the amendment to spell out LAFCO. Second by Commissioner Warren. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Cox, Curatalo, Hagman, McCallon and Warren.
Noes: None.
Abstain: None.
Absent: None.

INFORMATION ITEMS:

20. Legislative Update Report

Recommendation: Staff recommends that the Commission:

1. Receive and file the Legislative Report;

2. Affirm its support for AB 1581 (Assembly Local Government Committee) related to the annual CALAFCO sponsored Omnibus bill;

3. Indicate its support for SB 13 (Dodd), the pilot program for Napa and San Bernardino Counties; and,

4. Provide direction to staff on legislation of interest or future actions, if any, and authorize the Chairman to sign letters identifying these positions and direct staff to forward said letters to the appropriate recipients.

Commissioner Cox moves to approve staff recommendation. Second by Commissioner Curatalo. The motion passes with the following roll call vote:

Ayes: Baca Jr., Bagley, Cox, Curatalo, Hagman, McCallon and Warren.
Noes: None.
Abstain: None.
Absent: None.

21. Executive Officer's Oral Report

Executive Officer Samuel Martinez states there will not be a June meeting, and the next scheduled meeting will be on July 21. He also states that the July 21 meeting is anticipated to be the last meeting via Zoom. He indicates he will be coordinating with the new chair on moving towards having an in person meeting following the July meeting.

Mr. Martinez notes that a new copy of the 2021 Brown Act booklet that is published by BB&K every year is provided to Commission via a link on the staff report.

22. Commissioner Comments

Commissioner Curatalo expresses his thanks to Mr. McCallon for serving as chair with capabilities, commitment, and dedication, and has always done a good job. He further congratulates Commissioners Bagley and Warren and looking forward to their continued practice of their leadership. Commissioner Curatalo also welcomes aboard the two new board of supervisors.

Commissioners Warren and Bagley also expresses their thanks to Mr. McCallon for his great service as chair.

13. Comments from the Public

There is none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE MEETING ADJOURNS AT 11:31 A.M.

ATTEST:

_____
ANGELA SCHELL, Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

_____
JIM BAGLEY, Chair

LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY

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DATE : **JULY 14, 2021**

FROM: **SAMUEL MARTINEZ, Executive Officer**

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **AGENDA ITEM #6 – APPROVAL OF EXECUTIVE OFFICER'S EXPENSE REPORT**

RECOMMENDATION:

Approve the Executive Officer's Expense Report for Procurement Card Purchases from April 23, 2021 to May 24, 2021 and May 25, 2021 to June 22, 2021.

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 periods of:

- April 23, 2021 to May 24, 2021; and,
- May 25, 2021 to June 22, 2021.

Staff recommends that the Commission approve the Executive Officer's expense reports as shown on the attachment.

SM/AS

Attachment

SAN BERNARDINO COUNTY

PROCUREMENT CARD PROGRAM

MONTHLY PROCUREMENT CARD PURCHASE REPORT

ATTACHMENT G

[redacted]	Cardholder	Travel	Billing Period
F	Samuel Martinez	[redacted]	4/23/21 to 5/24/21

DATE	VENDOR NAME	#	DESCRIPTION	PURPOSE	COST CENTER	G/L ACCOUNT	$ AMT	TRIP NUMBER	*R/D	SALES TAX
04/28/21	Frontier Comm Corp.	1	Phone Service	Communication	8900005012	52002041	$674.54			
04/29/21	NTASK	2	Office Expense	Project Mgr Online Software	8900005012	52002115	$0.93			
05/06/21	NTASK	3	Office Expense	Project Mgr Online Software	8900005012	52002115	$14.97			
05/05/21	Thomson West	4	Law Library Updates	Law Library Updates	8900005012	52002080	$251.42			
05/06/21	Amazon	5	Office Expense	HP Monitor	8900005012	52002305	$379.72			
05/12/21	Zoom	6	Video Conferencing	Commission Meeting	8900005012	52002305	$59.25			

The undersigned, under penalty of perjury, states the above information to be true and correct. If an unauthorized purchase has been made, the undersigned authorizes the County Auditor/Controller-Recorder to withhold the appropriate amount from their payroll check after 15 days from the receipt of the cardholder's Statement of Account.

Cardholder (Print & Sign)	Date
Samuel Martinez	07/12/21

Approving Official (Print & Sign)	Date
Jim Bagley	07/21/21

SAN BERNARDINO COUNTY

PROCUREMENT CARD PROGRAM

MONTHLY PROCUREMENT CARD PURCHASE REPORT

ATTACHMENT G

[redacted]	Cardholder	Travel	Billing Period
F	Samuel Martinez	[redacted]	5/25/20 to 6/22/20

DATE	VENDOR NAME	#	DESCRIPTION	PURPOSE	COST CENTER	G/L ACCOUNT	$ AMT	TRIP NUMBER	*R/D	SALES TAX
05/25/21	Frontier Comm Corp.	1	Phone Service	Communication	8900005012	52002041	$674.54			
06/06/21	NTASK	2	Office Expense	Project Mgr Online Software	8900005012	52002115	$14.97			
06/07/21	Thomson West	3	Law Library Updates	Law Library Updates	8900005012	52002080	$269.01			
06/12/21	Zoom	4	Video Conferencing	Commission Meeting	8900005012	52002305	$59.25			

The undersigned, under penalty of perjury, states the above information to be true and correct. If an unauthorized purchase has been made, the undersigned authorizes the County Auditor/Controller-Recorder to withhold the appropriate amount from their payroll check after 15 days from the receipt of the cardholder's Statement of Account.

Cardholder (Print & Sign)	Date
Samuel Martinez	07/12/21

Approving Official (Print & Sign)	Date
Jim Bagley	07/21/21

LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY

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DATE : **JULY 14, 2021**

FROM: **SAMUEL MARTINEZ, Executive Officer**

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **AGENDA ITEM #7 - RATIFY PAYMENTS AS RECONCILED FOR THE MONTHS OF APRIL 2021 AND MAY 2021 AND NOTE REVENUE RECEIPTS**

RECOMMENDATION:

Ratify payments as reconciled for the months of April 2021 and May 2021 and note revenue receipts for the same period.

BACKGROUND INFORMATION:

Staff 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 periods of:

- April 1 through April 30, 2021
- May 1 through May 31, 2021

Staff recommends that the Commission ratify the payments as outlined on the attached listing and note the revenues received.

SM/MT

Attachment

MONTH OF APRIL 2021 PAYMENTS PROCESSED

Document Number	Account		Posting Date	Vendor	Invoice	Reference	Amount
1900970363	5200	2090	04/12/21	Jan Pro Cleaning Systems	76745	Office janitorial	$ 490.00
1900988419	5200	2090	04/26/21	City Comm	UNIT 150	Office A/C, quaterly	$ 345.00
1900970354	5200	2180	04/12/21	So Cal Edison	2-39-945-03/21	Electricity	$ 407.74
1900986059	5200	2180	04/22/21	So Cal Edison	700099666433-02	Electricity	$ 364.00
1900986069	5200	2180	04/22/21	So Cal Edison	700099666433-04	Electricity	$ 353.72
1900977399	5200	2305	04/08/21	Crown Printing	113321	Blank Stationery	$ 118.80
1900989438	5200	2305	04/28/21	Crown Printing	113793	Business Cards for Schell & Larsen	$ 145.73
1900989440	5200	2305	04/28/21	Crown Printing	113792	Employee Badges Schell & Larsen	$ 109.84
1900975828	5200	2315	04/07/21	Storetreive	0152732	Document storage	$ 64.37
1900980604	5200	2335	04/13/21	Kelly Services	01-5867931	Tempory staffing	$ 200.20
1900980614	5200	2400	04/13/21	Best, Best, & Krieger	901938	Legal Counsel - Litigation	$ 1,236.00
1900980616	5200	2400	04/13/21	Best, Best, & Krieger	901936	Legal Counsel - General	$ 1,587.60
1900980618	5200	2400	04/13/21	Best, Best, & Krieger	901937	Legal Counsel - Litigation	$ 1,266.90
1900986073	5200	2424	04/22/21	Tom Dodson	LAFCO 21-3	Environmental consulting	$ 620.00
1900972654	5200	2445	04/01/21	Joe Baca	BACA3-17-2021	Commissioner stipende	$ 200.00
1900974234	5200	2445	04/05/21	Robert Aldrich	# 5	Supplemental staffing for service review	$ 112.50
1900972660	5200	2905	04/01/21	City Comm	# TEN AM 16	Office Amortization Payment	$ 8,448.33
1900988419	5200	2905	04/26/21	City Comm	UNIT 150	Office quaterly lease	$ 8,464.50
1900988419	5200	2905	04/26/21	City Comm	UNIT 150	Common Area Maintenance for Train Depot	$ 6,103.69
TOTAL							**$ 30,638.92**

MONTH OF APRIL 2021 INTERNAL TRANSFERS PROCESSED

4300000125	5200	2445	04/20/21	County Auditor		Work on LAFCO Apportionment	$ 8,534.00
4101800771	5200	2031	04/01/21	County IT		MAR 2021 Payroll System Services	$ 54.40
4101800741	5200	2032	04/01/21	County IT		MAR 2021 Virtual Private Network (VPN)	$ 13.20
4101800759	5200	2037	04/01/21	County IT		MAR 2021 Dial Tone	$ 255.06
4101800743	5200	2322	04/01/21	County IT		MAR 2021 Enterprise Printing	$ 7.14
4101800749	5200	2420	04/01/21	County IT		MAR 2021 Wireless Device (Exchange Active Sync)	$ 17.59
4101800761	5200	2421	04/01/21	County IT		MAR 2021 Desktop Support Services	$ 1,069.20
4101800744	5241	2410	04/01/21	County IT		IT Infrastructure - Period 10	$ 806.00
4101800747	5241	2417	04/01/21	County IT		Enterprise Content Management - Period 10	$ 157.00
4101800748	5241	2418	04/01/21	County IT		Storage - Tier 1 - Period 10	$ 211.00
4101800748	5241	2418	04/01/21	County IT		Storage - Tier 3 - Period 10	$ 192.00
4200073808	5200	2400	04/22/21	County HR		Background check for new hire	$ 32.00
4200073649	5200	2445	04/01/21	County ROV		Registered voter count	$ 104.93
4200073651	5200	2445	04/01/21	County ROV		Registered voter count	$ 104.93
4200073654	5200	2445	04/01/21	County ROV		Registered voter count	$ 52.47
4200075374	5540	5012	04/27/21	County IT		2021 County Phone Directory from IT to LAFCO	$ 18.00
4200073766	5200	2310	04/01/21	County Mail		Mail Services - delivery	$ 149.50
4200073769	5200	2310	04/01/21	County Mail		Mail Services - FLAT	$ 81.47
4200073787	5200	2310	04/01/21	County Mail		Mail Services - Handling	$ 433.72

4200074073	5200	2415	04/07/21	County Administrative Office		2020/2021 COWCAP-QTR4	$ 1,145.22
TOTAL							**$ 13,438.83**

MONTH OF APRIL 2021 CASH RECEIPTS

1900977444	various		04/08/21	LAFCO 3247 (Monte Vista WD)		Withdrawal of application - refund	$ (10,929.00)
4101802617	various		04/12/21	Service Contract 464		Fees and Deposits	$ 3,460.00
4101802617	4070	9800	04/12/21	Service Contract 463		Fees	$ 550.00
TOTAL							**$ (6,919.00)**

MONTH OF APRIL 2021 INTERNAL TRANSFERRED RECEIVED

100556018	4030	8500	4/27/2021	County Treasury		QE 3/31/2021 INTEREST APPORTIONMENT	$ 1,538.93
TOTAL							**$ 1,538.93**

COMPLETED BY: MICHAEL TUERPE
Senior Analyst

Date: 7/12/2021

APPROVED BY: SAMUEL MARTINEZ
Executive Officer

7/12/2021

MONTH OF MAY 2021 PAYMENTS PROCESSED

Document Number	Account		Posting Date	Vendor	Invoice	Reference	Amount
1900992916	5200	2085	05/04/21	Daily Journal	B3463070	Notice of Hearing	$ 726.00
1900992452	5200	2090	05/03/21	Jan Pro Cleaning Systems	77176	Office janitorial	$ 490.00
1901003428	5200	2180	05/18/21	So Cal Edison	700099666433-05	Electricity	$ 297.77
1900992915	5200	2305	05/04/21	Shred-It	8181968979	Document shredding	$ 19.25
1900995707	5200	2315	05/06/21	Storetreive	0153848	Document storage	$ 64.37
1901012732	5200	2400	05/27/21	Best, Best, & Krieger	905548	Legal Counsel - General	$ 402.00
1901012735	5200	2400	05/27/21	Best, Best, & Krieger	905549	Legal Counsel - Litigation	$ 390.10
1901012736	5200	2400	05/27/21	Best, Best, & Krieger	905550	Legal Counsel - Litigation	$ 5,734.70
1901011191	5200	2424	05/26/21	Tom Dodson	LAFCO 21-4	Environmental consulting	$ 1,810.00
1900992453	5200	2444	05/03/21	Mijac Alarm	471985	Office alarm, quarterly	$ 123.00
1900990960	5200	2445	05/03/21	Robert Aldrich	# 6	Supplemental staffing for service review	$ 412.50
1901007274	5200	2445	05/19/21	Joe Baca	BACA05-19-21	Commissioner stipend May 19, 2021	$ 200.00
1901007277	5200	2445	05/19/21	Jim Bagley	BAGLEY05-19-21	Commissioner stipend May 19, 2021	$ 200.00
1901007280	5200	2445	05/19/21	Kimberly Cox	COX05-19-21	Commissioner stipend May 19, 2021	$ 200.00
1901007281	5200	2445	05/19/21	James Curatalo	CURATALO05-19-21	Commissioner stipend May 19, 2021	$ 200.00
1901007282	5200	2445	05/19/21	Deiter Dammeier	DIETER05-19-21	Commissioner stipend May 19, 2021	$ 200.00
1901007287	5200	2445	05/19/21	Rick Denison	DENISON05-19-21	Commissioner stipend May 19, 2021	$ 200.00
1901007290	5200	2445	05/19/21	Steve Farrell	FARRELL05-19-21	Commissioner stipend May 19, 2021	$ 200.00
1901007292	5200	2445	05/19/21	Curt Hagman	HAGMAN05-19-21	Commissioner stipend May 19, 2021	$ 200.00
1901007295	5200	2445	05/19/21	Larry McCallon	MCCALL05-19-21	Commissioner stipend May 19, 2021	$ 200.00
1901007298	5200	2445	05/19/21	Aquanetta Warren	WARREN05-19-21	Commissioner stipend May 19, 2021	$ 200.00
TOTAL							**$ 12,469.69**

MONTH OF MAY 2021 INTERNAL TRANSFERS PROCESSED

4101851357	5200	2031	05/01/21	County IT		APR 2021 Payroll System Services	$ 54.40
4101851359	5200	2032	05/01/21	County IT		APR 2021 Virtual Private Network (VPN)	$ 13.20
4101851361	5200	2037	05/01/21	County IT		APR 2021 Dial Tone	$ 255.06
4101851364	5200	2322	05/01/21	County IT		APR 2021 Enterprise Printing	$ 7.56
4101851370	5200	2420	05/01/21	County IT		APR 2021 Wireless Device (Exchange Active Sync)	$ 17.59
4101851371	5200	2421	05/01/21	County IT		APR 2021 Desktop Support Services	$ 1,069.20
4101851365	5241	2410	05/01/21	County IT		IT Infrastructure - Period 11	$ 806.00
4101851368	5241	2417	05/01/21	County IT		Enterprise Content Management - Period 11	$ 157.00
4101851369	5241	2418	05/01/21	County IT		Storage - Tier 1 - Period 11	$ 211.00
4101851369	5241	2418	05/01/21	County IT		Storage - Tier 3 - Period 11	$ 192.00
4200076133	5200	2424	05/03/21	County Clerk to the Board		File Environmental notice	$ 50.00
4200077222	5200	2445	05/21/21	County Auditor		Quaterly tax filing	$ 897.60
4200076431	5200	2310	05/03/21	County Mail		Mail Services - delivery	$ 143.00
4200076443	5200	2310	05/03/21	County Mail		Mail Services - handling	$ 442.12
4200076444	5200	2310	05/03/21	County Mail		Mail Services - flat	$ 24.20
TOTAL							**$ 4,339.93**

MONTH OF MAY 2021 CASH RECEIPTS							
1900995697	4070	9545	05/06/21	Service Contract 452		Refund of deposits for closed application	$ (337.87)
1901011170	various		05/26/21	Service Contract 453		Refund of deposits for closed application	$ (992.87)
1901011177	various		05/26/21	Service Contract 457		Refund of deposits for closed application	$ (749.78)
1901011185	various		05/26/21	Service Contract 464		Refund of deposits for closed application	$ (201.03)
TOTAL							**$ (2,281.55)**

MONTH OF MAY 2021 INTERNAL TRANSFERRED RECEIVED							
NONE							
TOTAL							**$ -**

COMPLETED BY:	MICHAEL TUERPE				APPROVED BY:	SAMUEL MARTINEZ	
	Senior Analyst					Executive Officer	
	Date:	7/12/2021				7/12/2021	

LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY

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DATE : **JULY 14, 2021**

FROM: **SAMUEL MARTINEZ, Executive Officer**
ANGELA SCHELL, Clerk to the Commission

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: AGENDA ITEM #8 – APPROVAL OF FISCAL YEAR 2012-13 FINANCIAL RECORDS DESTRUCTION PURSUANT TO COMMISSION POLICY

RECOMMENDATION:

Staff recommends the Commission direct the Executive Officer, as Records Management Coordinator, to:

1. Destroy the Commission's financial records for Fiscal Year 2012-13 pursuant to the Commission's Records Retention Policy, and

2. Record the items to be destroyed in the Destruction Log along with a copy of the Commission's minute action authorizing destruction.

BACKGROUND INFORMATION:

The Commission's Records Retention Policy states that the Executive Officer, as the Records Management Coordinator, shall present a Commission agenda item once a year related to records to be destroyed.

As part of the Records Retention Policy, the adopted Records Retention Schedule provides for a seven year retention period for all financial records, regardless if the statutes permit a lesser retention period. The records for destruction include expense reports, budgets, billings, accounting reports, budget change proposals, budget change concepts, audits, invoices, fees, receipts, checks, ledgers and registers. In addition, the Fair Political Practices Commission (FPPC) also provides for a seven year retention period for Statements of Economic Interest (FORM 700). The records for destruction will also include the Form 700s for the 2013 and 2014 calendar years.

Staff Recommends the Commission direct the Executive Officer to take the actions listed in the Recommendation above.

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

SM/as

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DATE: **JULY 14, 2021**

FROM: **HANNAH LARSEN, Analyst**

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **Agenda Item 9: Review and Update the Catalog of Enterprise Systems per Government Code Section 6270.5**

RECOMMENDATIONS:

Staff recommends that the Commission take the following actions:

1. Approve the Enterprise Systems Catalog as of July 1, 2021 as identified in this staff report.

2. Direct the Executive Officer to post the Enterprise Systems Catalog as of July 1, 2021 on the LAFCO website.

BACKGROUND:

On October 11, 2015, the State of California enacted Senate Bill 272 (SB 272) which added a section to the California Public Records Act (Government Code Section 6270.5) relating to public records. Section 6270.5 requires local agencies to create a catalog of "Enterprise Systems" and post that catalog on their respective websites with annual updates.

"Enterprise System" is defined as a software application or computer system that collects, stores, exchanges, and analyzes information that the agency uses that is both of the following:

- A multi-departmental system or a system that contains information collected about the public.
- A system of record where the system serves as an original source of data within an agency.

Systems used for security, public safety, and public utilities are not included in the requirements.

ANNUAL UPDATE:

Below is the catalog of "Enterprise Systems", as prepared by LAFCO staff, as of July 1, 2021:

ENTERPRISE SYSTEMS PURCHASED DIRECTLY BY LAFCO						
Vendor	Product	Purpose	Data Type	Custodian	Data Collection Frequency	Data Update Frequency
CDWG	Adobe Acrobat DC Pro	PDF and Fillable forms	Document Management	Agency-wide	As needed	As needed
ECS Imaging	Laserfiche	Records Management	LAFCO Proposal Files	Agency-wide	As needed	As needed
ENTERPRISE SYSTEMS PURCHASED OR ACCESSED VIA THE COUNTY OF SAN BERNARDINO						
Vendor	Product	Purpose	Data Type	Custodian	Data Frequency Collection	Data Update Frequency
Blackberry Company	Enterprise Blackberry Exchange Server	Enterprise Blackberry Exchange Server (BES) Software and Infrastructure	Email	Agency-wide	Daily	Daily
County Information Services	PIMS	Property Valuation for the purpose of accessing tax roll data	Tax Roll	Agency-wide	Daily	Daily
County Information Services	sbclafco.org website	LAFCO website	Communications	Agency-wide	As needed	As needed
County Information Services	www.sbclafco.org/FiscalIndicators.aspx website	Fiscal Indicators of public agencies	Graphic display	Agency-wide	Annually	Annually
ESRI	ArcGIS Suite	Mapping, spatial analysis	Geographic Information Systems	Agency-wide	As needed	As needed
Microsoft	Exchange	Email	Email system	Agency-wide	Daily	Daily
Microsoft	Office Suite	Statutory obligations, General office work	Vendors' or contractors' information	Agency-wide	As needed	As needed
Microsoft	Enterprise Exchange (email)	Enterprise Microsoft Exchange Email Software and Infrastructure	Email	Agency-wide	Daily	Daily
Microsoft	Enterprise SQL Server	Enterprise SQL Server Software and Infrastructure	Databases	Agency-wide	Daily	Daily
Microsoft	Office 365	E-mail system used to send and receive e-mails	Email	Agency-wide	Daily	Daily
Microsoft	Teams	Group video meeting	Communications	Agency-wide	Daily	Daily
SAP	SAP Core Financials and Procurement	Financial Management System that is the integration of manual procedures and computer software from SAP	Financial	Agency-wide	Daily	Daily
Zoom	Zoom	Video meetings	Communications	Agency-wide	As needed	As needed

Staff recommends that the Commission take the actions identified on page 1.

SM/MT

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DATE: **JULY 15, 2021**

FROM: **MICHAEL TUERPE, Senior Analyst**

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **AGENDA ITEM 10: Review and Consideration of Amendment to Policy and Procedure Manual Section III – Human Resources (adjust effective date of Medical Premium Subsidy increase)**

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Adopt the amendment to the Policy and Procedure Manual, Section III (Human Resources), Chapter 5 (Benefits Plan), Policy 2 (Medical and Dental Subsidies).

2. Adopt Resolution No. 3333 approving the amendment to the Policy and Procedure Manual and direct the Executive Officer to make the document available on the Commission's website.

BACKGROUND:

LAFCO generally mirrors the benefits provided to County Exempt employees. At the May meeting, the Commission approved increases to the Medical Premium Subsidy (MPS) benefit, effective July 31, 2021 and July 30, 2022.

In June, the County notified LAFCO staff that it identified a timing issue with its own MPS increase. The issue is that the MPS increase is one pay period after the medical premium increase takes effect, and that the effective dates of both should align. On June 22, 2021, the County acted to adjust the timing of the MPS increases by one pay period earlier. This staff report proposes to mirror the County's action.

Staff recommends that the Commission amend the Medical Premium Subsidy with effective dates of July 17, 2021 and July 16, 2022. Attachment #1 includes the existing policy with revisions in track-change format.

Attachments:
1. Exhibit A to Draft Resolution No. 3333
2. Draft LAFCO Resolution No. 3333

SECTION III – HUMAN RESOURCES

CHAPTER 5: BENEFITS PLAN

2. MEDICAL AND DENTAL SUBSIDIES *(Amended August 17, 2005; August 20, 2008; June 16, 2011; August 19, 2015, January 27, 2016; April 18, 2018; May 19, 2021; **July 21, 2021**)*

…

Effective 7/18/20 the following MPS amounts shall apply:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	$126.67	$253.33
Employee +1	$199.52	$399.03
Employee +2	$279.97	$559.94

Effective **7/17/21** ~~7/31/21~~ the following MPS amounts shall apply:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	$130.47	$260.93
Employee +1	$205.50	$411.00
Employee +2	$288.37	$576.74

Effective **7/16/22** ~~7/30/22~~ the following MPS amounts shall apply:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	$134.38	$268.76
Employee +1	$211.67	$423.33
Employee +2	$297.02	$594.04

A dental Premium Subsidy (DPS) has been established for all employees who are enrolled in both County-sponsored medical and dental coverage whose premium costs for medical and dental exceeds the Medical Premium Subsidy. The amount of DPS shall be up to nine dollars forty-six cents ($9.46), but not to exceed the combined total of the employee's out-of-pocket expenses. For example, an employee who selects "employee only" coverage for medical and dental with a combined per pay period premium cost of $250.79 and receives a per pay period MPS of $243.33 will receive a DPS in the amount of $7.46 per pay period.

…

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RESOLUTION NO. 3333

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, AMENDING SECTION III (HUMAN RESOURCES) OF ITS POLICY AND PROCEDURE MANUAL

On Wednesday, July 21, 2021, on motion of _____, duly seconded by Commissioner _____, and carried, the Local Agency Formation Commission adopts the following resolution:

SECTION 1. The Local Agency Formation Commission for San Bernardino County, State of California (hereafter shown as "LAFCO"), hereby finds and determines that it wishes to amend Section III (Human Resources) of its Policy and Procedure Manual.

SECTION 2. The Local Agency Formation Commission for San Bernardino County therefore determines, resolves and orders that:

1. The Policy and Procedure Manual, Section III (Human Resources), is hereby amended as follows: Chapter 5 (Benefits Plan), Policy 2: Medical and Dental Subsidies.

2. The amended policy of Section III (Human Resources) of the Policy and Procedure Manual attached to this resolution as Exhibit "A" and incorporated herein by reference, is adopted and approved.

SECTION 3. The Executive Officer of LAFCO is ordered to certify the passage of this resolution and to cause a copy of the amended Policy and Procedure Manual to be posted on the LAFCO Website, and a certified copy of this resolution to be forwarded to the County Human Resources Department for implementation.

THIS ACTION APPROVED AND ADOPTED BY THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

DRAFT

RESOLUTION NO. 3333

STATE OF CALIFORNIA)
)ss.
COUNTY OF SAN BERNARDINO)

I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of July 21, 2021.

DATED:

_____
SAMUEL MARTINEZ
Executive Officer

DRAFT

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DATE: **JULY 14, 2021**

FROM: **SAMUEL MARTINEZ, Executive Officer**
MICHAEL TUERPE, Senior Analyst

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **Agenda Item #12: LAFCO 3249 – Annexation to the Bighorn-Desert View Water Agency and Bighorn-Desert View Water Agency Improvement Zone CSA 70 W-1 (APN 0631-071-12)**

INITIATED BY:

Resolution of the Board of Directors of the Bighorn-Desert View Water Agency

RECOMMENDATION:

The staff recommends that the Commission approve LAFCO 3249 by taking the following actions:

1. For environmental review, certify that LAFCO 3249 is exempt from the provisions of the California Environmental Quality Act and direct the Executive Officer to file the Notice of Exemption within five (5) days;

2. Approve LAFCO 3249, with the condition for the "hold harmless" clause for potential litigation costs, continuation of fees, charges, assessments, etc.;

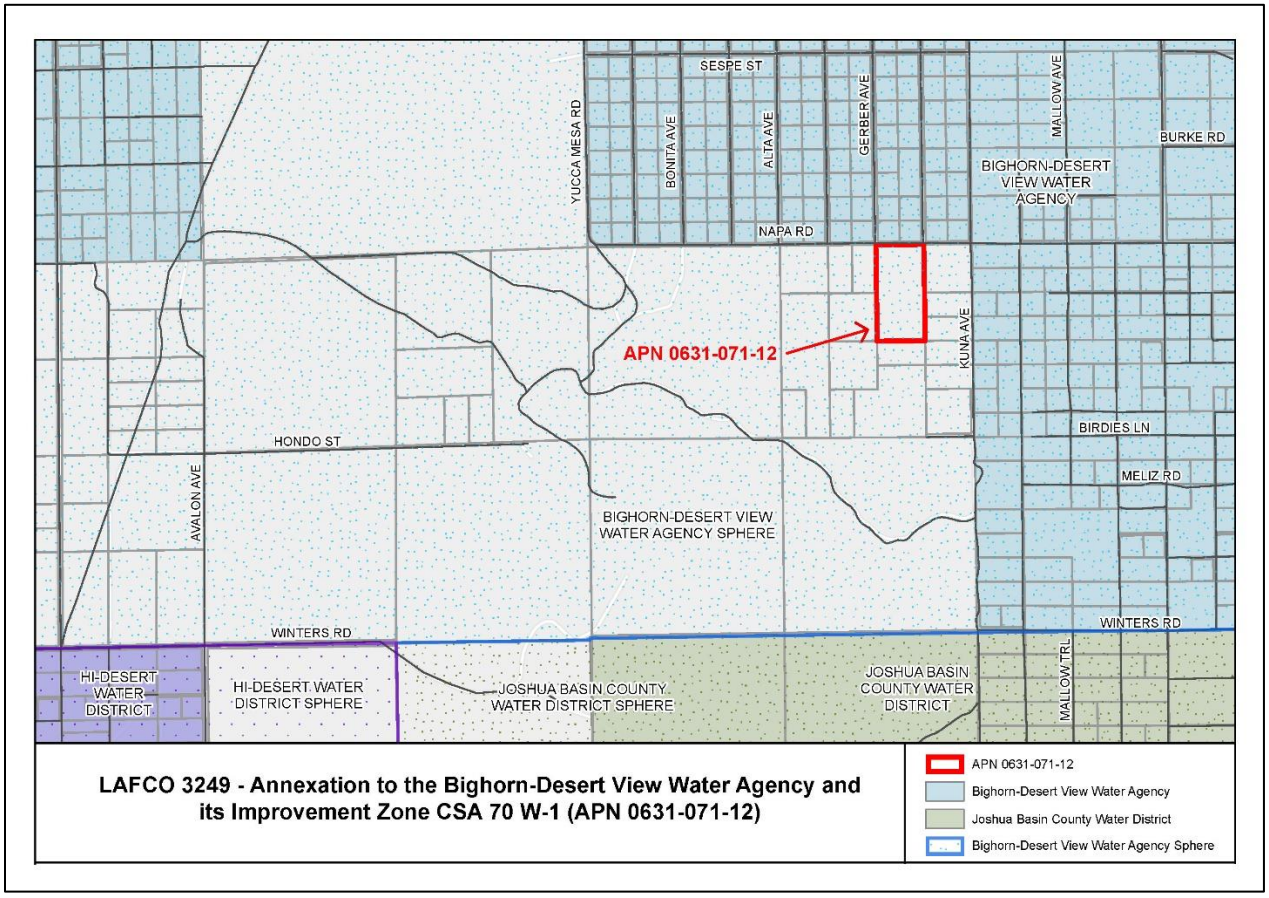
3. Waive protest proceedings, as permitted by Government Code Section 56662(d), with 100% landowner consent to the annexation; and,

4. Adopt LAFCO Resolution #3334, setting forth the Commission's determinations and conditions of approval concerning LAFCO 3249.

BACKGROUND:

In February 2021, the Bighorn-Desert View Water Agency (hereinafter the "Agency") initiated an annexation application—with 100% landowner consent—to annex

approximately 20 acres into the Agency. The annexation area includes Assessor Parcel Number (APN) 0631-071-12, which is adjacent to the Agency's boundary generally located within the Agency's southeastern sphere of influence. Location and vicinity maps are included as Attachment #1 to this report. The map below provides a general location of the area to be annexed into the Agency's boundary.



The primary reason for the annexation request is to provide water service to the parcel, which is being proposed for future development on the site; however, the property owner has not filed any land use approvals or building permits at this time.

The parcel is currently not within the Agency's boundary; therefore, annexation to the Agency is required in order to gain access to water.

This report will provide the Commission with the information related to the four major areas of consideration required for a jurisdictional change – boundaries, land uses, service issues and the effects on other local governments, and environmental considerations.

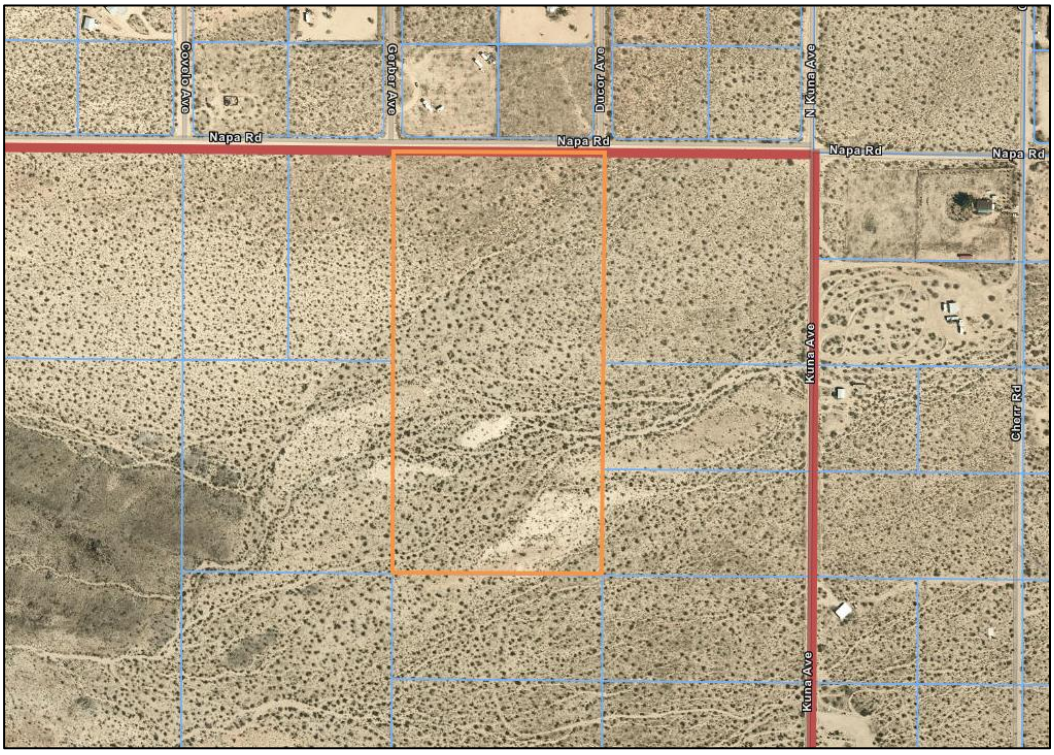
BOUNDARIES:

As outlined above, the annexation area includes APN 0631-071-12, which is generally located on the south side of Napa Road between Gerber and Ducor Avenues, which comprises approximately 20 acres. The annexation area is bounded by parcel lines on the east, the south, and the west, and by Napa Road (existing Agency boundary) on the north.

LAFCO 3249 has no boundary concern since annexation into the Agency is required in order the receipt of water service. In addition, LAFCO 3249 is contiguous to the Agency and it does not affect the boundaries of another agency.

LAND USE:

The parcel is currently vacant. The County's current General Plan land use designation for the parcel is HV/RL (Homestead Valley [community]/Rural Living, one unit per 2.5 acres), which allows for rural residential development set in expansive areas of open space. Based on the size of the parcel, the property owner could subdivide the parcel into a maximum of eight lots. An aerial display of the general vicinity is shown below:



No change in land use is anticipated as a result of the annexation. In addition, approval of this proposal will have no direct impact on the current land use designation assigned for the parcel. Therefore, there are no land use concerns related to this proposal.

SERVICE ISSUES AND EFFECTS ON OTHER LOCAL GOVERNMENTS:

In every consideration for jurisdictional change, the Commission is required to look at the existing and proposed service providers within an area. The County service providers within the annexation area are County Service Area 70 Zone R-15 (road service) and Zone TV-5 (TV transmission) and County Service Area 70 (multi-function entity, unincorporated countywide). In addition, the following entities overlay the annexation area: Mojave Desert Resource Conservation District, Mojave Water Agency and its Improvement Zones 1 and M (State Water Contractor), Morongo Basin Healthcare District, San Bernardino County Fire Protection District (SBCFPD), SBCFPD South Desert Service Zone, and SBCFPD Service Zone FP-5.

The application includes a plan for the extension of water service to the parcel as required by law and Commission policy (included as part of Attachment #2 to this report). The Plan for Service indicates that water service will be provided to the parcel from the Agency's existing 8-inch water main in Napa Road. In addition, the Agency will require the property owner to provide land use approval and/or building permit approval verification in order to receive water service.

The Agency has identified the estimated costs associated with the extension of water service to the parcel:

Water Capacity Fee (1-inch meter)	$14,154
Service line and meter installation	$1,475
Account set-up fee	$35
Account deposit	$100
Total fees	**$15,764**

In addition, the property owner will be responsible for construction of the necessary extension (drop) from the water main to the water meter.

As required by Commission policy and State law, the Plan for Service shows that the extension of its services will maintain, and/or exceed, current service levels provided to the parcel.

ENVIRONMENTAL CONSIDERATIONS:

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Tom Dodson and Associates, has indicated that the review of LAFCO 3249 is exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the fact that the annexation will not result in any physical impacts on the environment. Therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). Staff recommens that the

Commission adopt the Common Sense Exemption for this proposal. A copy of Mr. Dodson's analysis is included as Attachment #4 to this report.

WAIVER OF PROTEST PROCEEDINGS:

The annexation area is legally uninhabited and LAFCO staff verified that the study area possesses 100% landowner consent to the annexation (see Attachment #3). Therefore, if the Commission approves LAFCO 3249 and none of the affected agencies have submitted written opposition to a waiver of protest proceedings, staff is recommending pursuant to Government Code Section 56662(d) that protest proceedings be waived and that the Executive Officer be directed to complete the action following completion of the mandatory reconsideration period of 30-days.

CONCLUSION:

LAFCO 3249 was submitted to provide water service to APN 0631-071-12, which is proposed to be developed for residential use in the future. The parcel is currently not within the Agency's boundary; therefore, annexation to the Agency is required in order for the receipt of water service. For these reasons, and those outlined throughout the staff report, the staff supports the approval of LAFCO 3249.

DETERMINATIONS:

The following determinations are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/annexation proposal:

1. The annexation area is legally uninhabited containing zero registered voter as determined by the Registrar of Voters as of June 15, 2021.

2. The County Assessor's Office has determined that the total assessed valuation of land within the annexation area is $85,000 as of March 31, 2021.

3. The annexation area is within the sphere of influence assigned the Bighorn-Desert View Water Agency.

4. Legal notice of the Commission's consideration of the proposal has been provided through publication in the *Hi Desert Star,* a newspaper of general circulation within the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notice.

5. LAFCO staff has provided individual notice to landowners and registered voters surrounding the reorganization area (totaling 80 notices) in accordance with State law and adopted Commission policies. Comments from landowners and any

affected local agency in support or opposition will be reviewed and considered by the Commission in making its determination.

6. The County's land use designation for the annexation area HV/RL (Homestead Valley/Rural Living). No change in land use is anticipated as a result of the annexation.

7. The Southern California Associated Governments (SCAG) adopted its 2020-2045 Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS) pursuant to Government Code Section 65080. LAFCO 3249 has no direct impact on SCAG's Regional Transportation Plan.

8. The Commission's Environmental Consultant, Tom Dodson and Associates, has recommended that this proposal is exempt from environmental review based on the finding that the Commission's approval of the annexation has no potential to cause any adverse effect on the environment; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). Mr. Dodson recommends that the Commission adopt the Exemption and direct its Executive Officer to file a Notice of Exemption within five (5) days. A copy of Mr. Dodson's response letter is included as Attachment #4 to this report.

9. The annexation area is served by the following local agencies:

    County of San Bernardino
    Mojave Desert Resource Conservation District
    Mojave Water Agency and its Improvement Zones 1 and M
    Morongo Basin Healthcare District
    San Bernardino County Fire Protection District, its South Desert Service Zone, and its Service Zone FP-5
    County Service Area 70 (unincorporated County-wide multi-function agency) and its Zones R-15 and TV-5

    None of these agencies are affected by this proposal as they are regional in nature.

10. A plan was prepared for the extension of water service to the annexation area, as required by law. The Plan for Service indicates that the Agency can provide water service to APN 0631-071-12 and can maintain and/or improve the level of service currently available. A copy of this plan is included as a part of Attachment #2 to this report.

    The Plan for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government

Code Section 56668. The Commission finds that the Plan for Service conforms to those adopted standards and requirements.

11. The annexation can benefit from the availability and extension of water service from the Agency as evidenced by the Plan for Service.

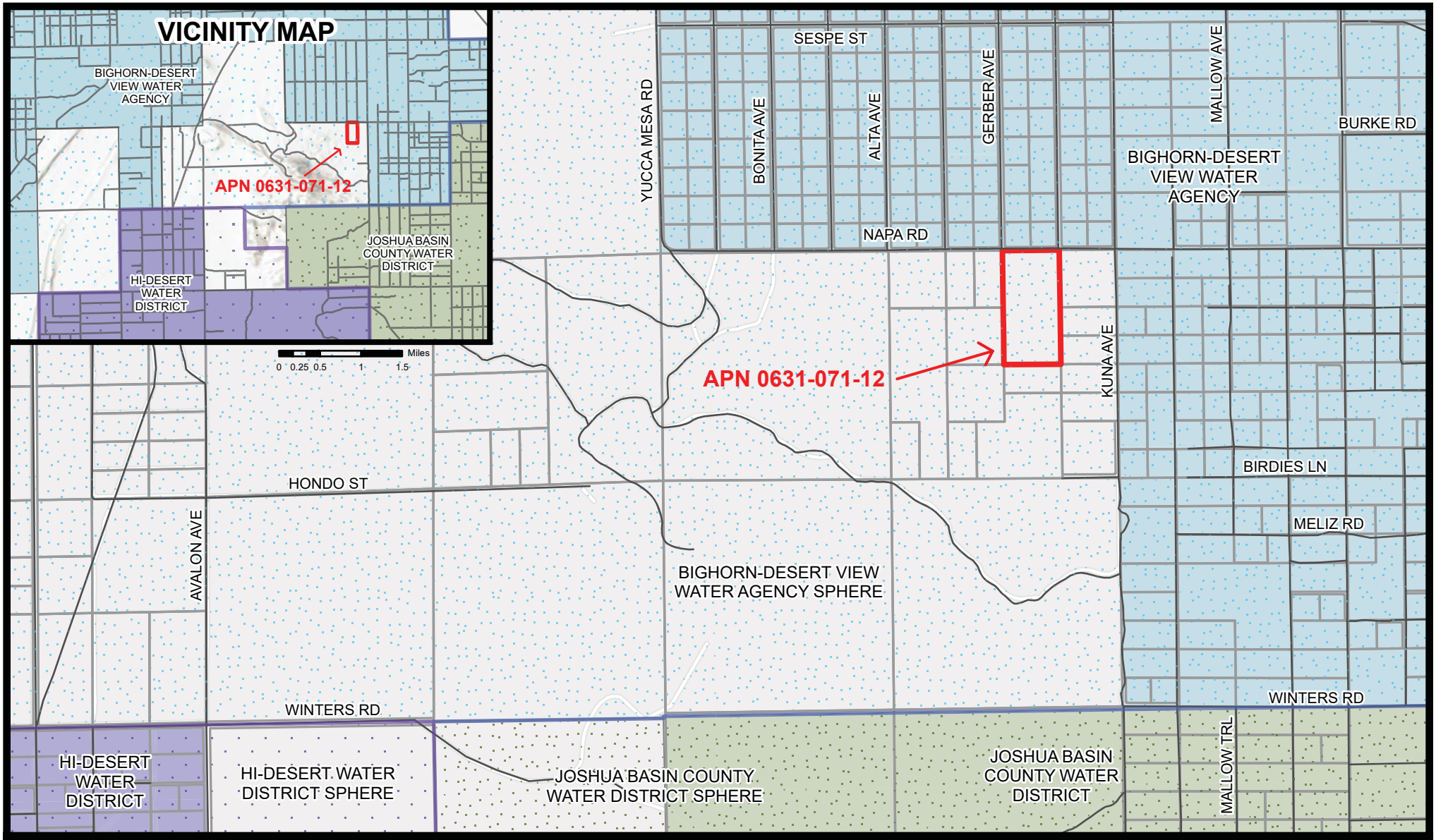
12. With respect to environmental justice, the annexation—which is to provide water service to the parcel —will not result in the unfair treatment of any person based on race, culture or income.

13. The County of San Bernardino adopted a resolution determining there will be no transfer of property tax revenues. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.

14. The map and legal description, as revised, are in substantial compliance with LAFCO and State standards.

Attachments:

1. Vicinity Maps for the Annexation Proposal
2. Bighorn-Desert View Water Agency Application and Plan for Service
3. Landowner Consent Form
4. Tom Dodson's Environmental Response for LAFCO 3249
5. Draft Resolution No. 3334



LAFCO 3249 - Annexation to the Bighorn-Desert View Water Agency and its Improvement Zone CSA 70 W-1 (APN 0631-071-12)

Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.

Miles
0 0.1 0.2 0.4 0.6

N

- APN 0631-071-12
- Bighorn-Desert View Water Agency
- Hi-Desert Water District
- Joshua Basin County Water District
- Bighorn-Desert View Water Agency Sphere
- Hi-Desert Water District Sphere
- Joshua Basin County Water District Sphere

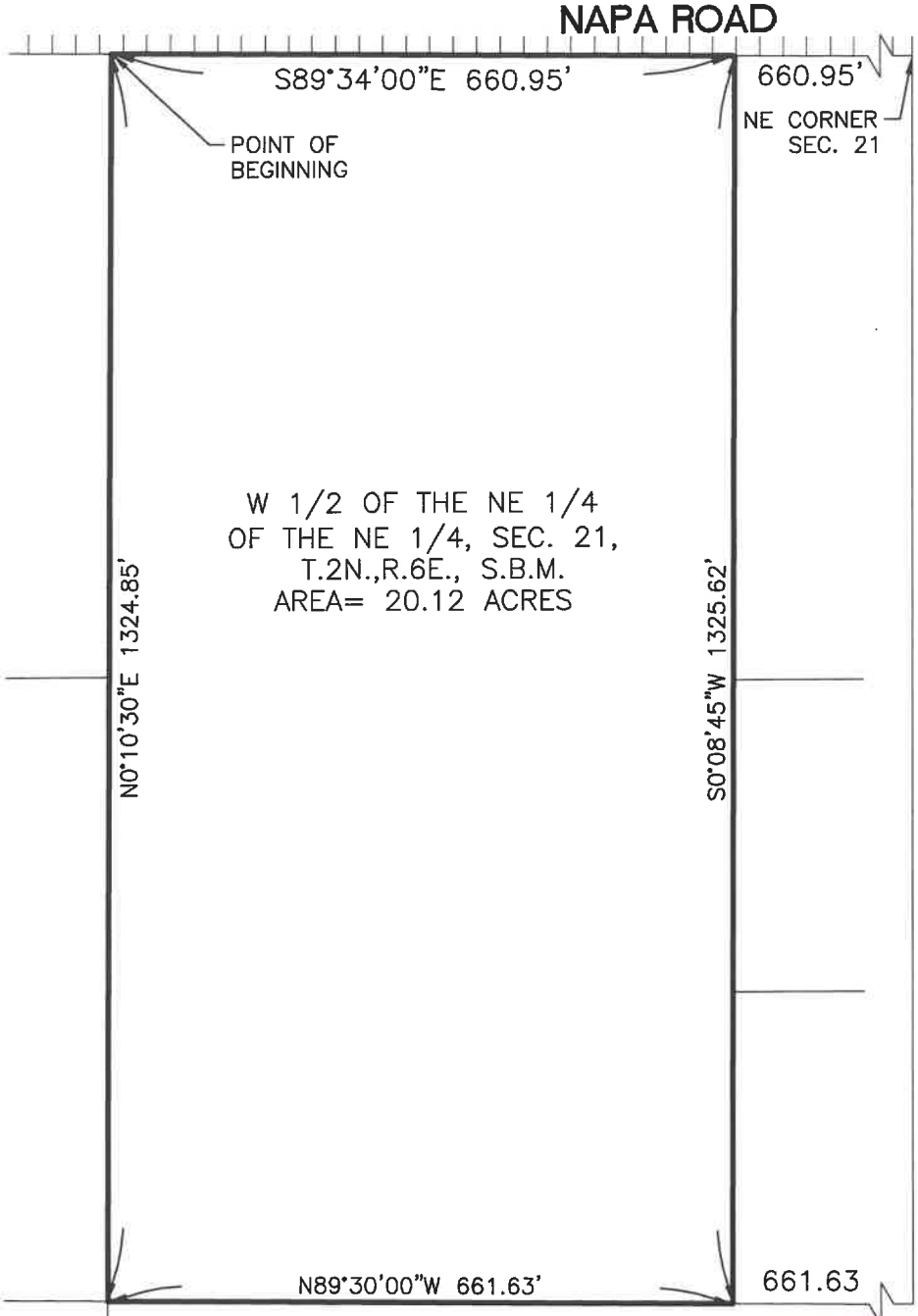
Author: Hannah Larsen Map Created: 03/24/2021

EXHIBIT "B"

W 1/2 OF THE NE 1/4 OF THE NE 1/4, SEC. 21, T.2N.,R.6E., S.B.M.

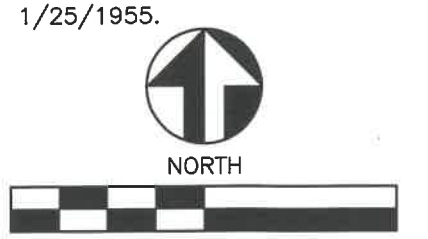
LAFCO# 3249

ANNEXATION TO THE BIGHORN–DESERT VIEW WATER AGENCY



NOTE:

1. BEARING AND DISTANCES SHOWN HEREON ARE CALC'D PER THE US GOV PLAT DATED 1/25/1955.

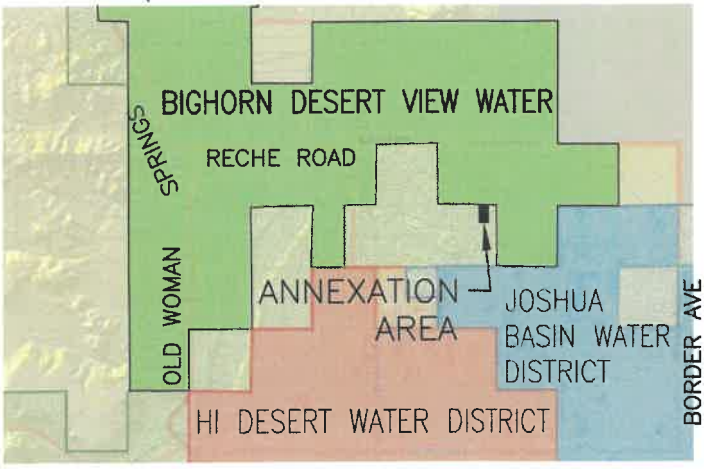


INDICATES THE EXISTING BOUNDARY OF BIGHORN–DESERT VIEW WATER AGENCY

VICINITY MAP

(NO SCALE)





LICENSED LAND SURVEYOR
PHILLIP K. FOMOTOR
No. 7070
STATE OF CALIFORNIA

THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY DIRECTION, BASED ON RECORD INFORMATION.

PHILLIP K. FOMOTOR, P.L.S.

(FOR LAFCO USE ONLY)

SAN BERNARDINO LAFCO
APPLICATION AND PRELIMINARY
ENVIRONMENTAL DESCRIPTION FORM

INTRODUCTION: The questions on this form and its supplements are designed to obtain enough data about the application to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

GENERAL INFORMATION

1. NAME OF PROPOSAL: **Annexation APN 631-071-12 (Madrigal, M. Owner)**

2. NAME OF APPLICANT: Bighorn-Desert View Water Agency/M. Madrigal

   APPLICANT TYPE: X Landowner X Local Agency

   ☐ Registered Voter ☐ Other_____

   MAILING ADDRESS: **622 Jemez Trail, Yucca Valley, CA 92284**

   PHONE: **(760) 364-2315**

   FAX: **(760) 364-3412**

   E-MAIL ADDRESS: **mwest@bdvwa.org**

3. GENERAL LOCATION OF PROPOSAL: **Ms. Madrigal purchased 20-acres near the corner of Kuna and Napa in Landers, The land lies adjacent at the Agency water service boundary within the Sphere of Influence as determined by San Bernardino Local Area Formation Commission.**

4. Does the application possess 100% written consent of each landowner in the subject territory? YES X NO ☐ If YES, provide written authorization for change.

5. Indicate the reason(s) that the proposed action has been requested.

   Applicant was told by real estate company that the property was in Bighorn-Desert View Water Agency service boundary. They assumed access as there are fire hydrants and water meters on Napa west of Kuna directly adjacent to the property. Upon inquiring to purchase a water meter they discovered the property is just outside the Agency boundary. They were informed of the need to annex in order to gain access to water.

LAND USE AND DEVELOPMENT POTENTIAL

1. Total land area of subject territory (defined in acres): One 20-acre parcel

(FOR LAFCO USE ONLY)

2. Current dwelling units within area classified by type (single-family residential, multi-family [duplex, four-plex, 10-unit], apartments)

This is vacant land which has not undergone any development to date.

3. Approximate current population within area: **Zero**

4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s):

N/A – not annexing to a city

San Bernardino County General Plan designation(s) and uses permitted by this designation(s):

HV/RL

5. Describe any special land use concerns expressed in the above plans. In addition, for a City Annexation or Reorganization, provide a discussion of the land use plan's consistency with the regional transportation plan as adopted pursuant to Government Code Section 65080 for the subject territory:

None

6. Indicate the existing use of the subject territory.

Vacant Land

What is the proposed land use?

Owner has not determined the ultimate use as they cannot make that decision until they secure a water source in order to pursue any kind of development.

7. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES ☐ NO X If YES, please explain.

The Agency is not operating at or near capacity. Therefore, this project would have not impact the Agency's ability to supply water to any development on this property.

There is no sanitary sewer planned for the BDVWA service area.

The Agency cannot determine whether or not the project would have a negative impact on police, fire or schools.

(FOR LAFCO USE ONLY)

8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:

☐ Agricultural Land Uses ☐ Agricultural Preserve Designation

☐ Williamson Act Contract ☐ Area where Special Permits are Required

☐ Any other unusual features of the area or permits required: _____

_____

9. Provide a narrative response to the following factor of consideration as identified in §56668(p): *The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services:*

This parcel, as well as those around it, are located within the Sphere of Influence of the Bighorn-Desert View Water Agency as determined by San Bernardino Local Agency Formation Commission. Therefore, given that the sole owner of the parcel desires to annex in order to get access to water service, the annexation process positively PROMOTES environmental justice by providing a pathway to water service while meeting all the goals and objectives of SB LAFCO.

The Agency understands that the State of California, through SB1263 (Wieckowski/2016), has trampled on the rights of property owners to utilized a potable "hauled water" solution to obtain a building permit in San Bernardino County. This has the opposite effect on Environmental Justice as it directly discriminates against those who seek an affordable way of life in the high desert.

The only other option for the property owner would be to drill a water well. However, local geologic data and institutional knowledge tends to support a lack of groundwater, sustainable or suitable, for development of the property.

This is the primary driver of the request to annex the parcel into the boundaries of Bighorn-Desert View Water Agency.

ENVIRONMENTAL INFORMATION

1. Provide general description of topography.

Generally flat alluvial plain with one "blue line" stream crossing approximately thru the center of the parcel from west to east.

2. Describe any existing improvements on the subject territory as % of total area.

(FOR LAFCO USE ONLY)

Residential	0 %	Agricultural	0 %
Commercial	0 %	Vacant	0 %
Industrial	0 %	Other	0 %

3. Describe the surrounding land uses:

NORTH	Residential and agricultural uses
EAST	Residential and agricultural uses
SOUTH	Immediately south is vacant land (private and pubic/BLM)
WEST	Vacant land with County Landfill southwest (within 1 mile of the sw property boundary)

4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).

The water meter would be installed on the mainline running east to west on Napa Road immediately adjacent to the north property boundary. The meter would be placed on either the NW or NE corner of the parcel.

5. Will service extensions accomplished by this proposal induce growth on this site? YES ☐ NO X Adjacent sites? YES ☐ NO ☐ Unincorporated X Incorporated ☐

Currently the parcel owner is seeking one water meter connection. The Agency could require additional meters be purchased under conditions outlined in Agency's Rules and Regulations for Water Service. The Agency cannot determine if this proposal would induce growth at the site in the future.

6. Are there any existing out-of-agency service contracts/agreements within the area? YES ☐ NO X If YES, please identify.

_____

_____

_____

7. Is this proposal a part of a larger project or series of projects? YES ☐ NO X If YES, please explain.

_____

_____

_____

(FOR LAFCO USE ONLY)

NOTICES

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME Bighorn-Desert View Water Agency TELEPHONE NO. 760-364-2315

ADDRESS:
622 Jemez Trail, Yucca Valley, CA 92284

NAME Ms. Mirian Araceli Madrigal TELEPHONE NO. (951) 760-2294

ADDRESS: DW 21860 Walnut St. Wildomar CA 92595

CERTIFICATION

As a part of this application, the **Bighorn-Desert View Water Agency** (the applicant) and/or **Mirian Araceli Madrigal** (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE 11-19-2020 Mirian A. Madrigal
SIGNATURE

Mirian A. Madrigal Marina West (BDWA)
Printed Name of Applicant or Real Property in Interest
(Landowner/Registered Voter of the Application Subject Property)

land owner Applicant
Title and Affiliation (if applicable)

(FOR LAFCO USE ONLY)

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- [X] ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- [ ] SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- [ ] CITY INCORPORATION SUPPLEMENT
- [ ] FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- [ ] ACTIVATION OR DIVESTITURE OF FUNCTIONS AND/OR SERVICES FOR SPECIAL DISTRICTS SUPPLEMENT

KRM-Rev. 8/19/2015

_____
(FOR LAFCO USE ONLY)

SUPPLEMENT
ANNEXATION, DETACHMENT, REORGANIZATION PROPOSALS

INTRODUCTION: The questions on this form are designed to obtain data about the specific annexation, detachment and/or reorganization proposal to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please identify the agencies involved in the proposal by proposed action:

ANNEXED TO	DETACHED FROM
Bighorn-Desert View Water Agency	_____
_____	_____
_____	_____

2. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following: **N/A**

   a. Has pre-zoning been completed? YES ☐ NO ☐
   b. If the response to "a" is NO, is the area in the process of pre-zoning? YES ☐ NO ☐

   Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.
   _____ **N/A** _____
   _____
   _____

3. For a city annexation, would the proposal create a totally or substantially surrounded island of unincorporated territory?
   YES ☐ NO ☐ If YES, please provide a written justification for the proposed boundary configuration.
   _____ **N/A** _____
   _____
   _____

4. Will the territory proposed for change be subject to any new or additional special taxes, any new assessment districts, or fees?

   Not to Agency's knowledge.

5. Will the territory be relieved of any existing special taxes, assessments, district charges or fees required by the agencies to be detached?

(FOR LAFCO USE ONLY)

Not to Agency's knowledge.

6. If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of non-renewal (if appropriate) and any protest to the contract filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract.

____N/A_____

_____

_____

7. Provide a description of how the proposed change will assist the annexing agency in achieving its fair share of regional housing needs as determined by SCAG.

___ N/A _____

_____

_____

_____

8. **PLAN FOR SERVICES:**

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) must be submitted. This plan shall, at a minimum, respond to each of the following questions and be signed and certified by an official of the annexing agency or agencies.

A. A description of the level and range of each service to be provided to the affected territory.

B. An indication of when the service can be feasibly extended to the affected territory.

C. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.

D. The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.

E. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.

F. If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)).

(FOR LAFCO USE ONLY)

CERTIFICATION

As a part of this application, the **Bighorn-Desert View Water Agency**, and/ or **Mirian Araceli Madrigal** (real party in interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

As the proponent, I acknowledge that annexation to the **Bighorn-Desert View Water Agency** may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIIIC and XIIID of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

I hereby certify that the statements furnished above and the documents attached to this form present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE 11-18-2020

Mirian M. Madrigal
SIGNATURE

Mirian A. Madrigal MARLINS WEST (EDUNA)
Printed Name of Applicant or Real Property in Interest
(Landowner/Registered Voter of the Application Subject Property)

land owner / Applicant
Title and Affiliation (if applicable)

/REVISED: krm – 8/19/2015

San Bernardino Local Agency Formation Commission

LAFCO 3249 - Annexation to Bighorn-Desert View Water Agency and Bighorn-Desert View Improvement Zone CSA 70 W-1

(APN 0631-071-12)

PLAN OF SERVICE REPORT

February 2021
(Revised June 9, 2021 per DRC comment letter May 26, 2021)

Prepared by Applicant: Bighorn-Desert View Water Agency

Marina D. West, PG

Bighorn-Desert View Water Agency

622 Jemez Trail, Yucca Valley, CA 92284

I certify that the information contained in this Plan of Service Report is accurate to the best of my knowledge.

SUMMARY:

This *Plan for Service* was prepared in accordance with Government Code Section 56653 and is included as an attachment to the application for annexation of Assessor Parcel No. 0631-071-20 (20-acres located near the intersection of Napa Road and Kuna Avenue, Landers, CA).

The annexation was requested by the property owner, M. Madrigal. Bighorn-Desert View Water Agency will serve as the applicant on behalf of the landowner.

Ms. Madrigal recently purchased this vacant 20-acre parcel with the understanding, from the real estate agent, that it had access to water service from Bighorn-Desert View Water Agency. Upon inquiry with the Agency, the owner was informed that annexation would be required to purchase a water meter to develop the property. The landowner has decided it is in their best interest to proceed with the annexation so that water service to the parcel can be secured.

The annexation is for one single parcel for one water meter which is the basis for this *Plan for Service* in meeting the minimum requirements for such under the LAFCO guidelines.

A. Level and Range of Service to be Provided: The property owner is seeking access to water service from Bighorn-Desert View Water Agency. To our knowledge, there would be no other entity that would be providing a "service" for which LAFCO would be required to approve (ie. sewer service).

To that end, the level of service would be provision of water through a 1-inch water meter and service line installed at the northern edge of the property where the Agency has an existing water main.

B. Discuss When Service can be Feasibly Extended to the Parcel: No mainline extension or other infrastructure is needed to service this parcel. The parcel lies adjacent to an existing 8-inch transmission mainline. The only additional work needed is to install the service line and meter. Once the annexation proceedings are completed to bring the parcel into the service territory of the Agency, the water meter and service line can be installed within two weeks of that request.

C. Identify any Improvements or Upgrades the Agency would Impose on the Territory: None, no additional infrastructure is required to serve this parcel.

D. Fiscal Impact Analysis: The Agency has sufficient capacity to service this additional parcel. The fiscal impact of adding one additional service connection would not be significant and is within the projected annual growth for the Agency. The Agency has completed a Rate and Capacity Fee Study which, if adopted by the Board of Directors following the rate setting process outlined in Proposition 218, will adequately fund the Agency's operations going forward. Furthermore, this rate study contemplates water consumption tiers to both encourage conservation but to also fund replacement water for any user that consumes more than the baseline established in the first consumption Tier. The Rate and Capacity Fee Study includes a 20-year financial model which is used here as the fiscal impact analysis.

The 2020 Water Rate Study and Water Capacity Fee Study reports and associated appendixes were received and filed by the Board of Directors on February 9, 2021 and are submitted as an Appendix to this report.

E. Annexing Parcel to Existing Improvement District: The project would become part of the Improvement District Goat Mountain. A water system dissolved and annexed to the Agency thru the formation of an improvement district (LAFCO Proposal No. 3181/Resolution No. 3197).

F. Water Availability to Parcel: Upon finalization of approvals by LAFCO to annex the territory (a single 20-acre parcel) and payment of fees applicable to initiating water service, the Agency can install the needed improvements within approximately two weeks.

LAFCO #3249

ANNEXATION TO THE BIGHORN-
DESERT VIEW WATER AGENCY

BEING THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 2 NORTH, RANGE 6 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 21 SAID POINT ALSO BEING ON THE EXISTING BOUNDARY OF BIGHORN-DESERT VIEW WATER AGENCY PER LAFCO ACTION #3181;

COURSE 1. THENCE ALONG THE NORTHERLY LINE OF SAID SECTION 21 AND ALONG SAID EXISTING BOUNDARY, SOUTH 89° 34' 00" EAST A DISTANCE OF 660.95 FEET TO THE NORTHEAST CORNER OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 21;

COURSE 2. THENCE LEAVING SAID EXISTING BOUNDARY, ALONG THE EASTERLY LINE OF SAID WEST HALF, SOUTH 00° 08' 45" WEST A DISTANCE OF 1325.62 FEET TO THE SOUTHEAST CORNER OF SAID WEST HALF;

COURSE 3. THENCE ALONG THE SOUTHERLY LINE OF SAID WEST HALF, NORTH 89° 30' 00" WEST A DISTANCE OF 661.63 FEET TO THE SOUTHWEST CORNER OF SAID WEST HALF;

COURSE 4. THENCE ALONG THE WESTERLY LINE OF SAID WEST HALF, NORTH 00° 10' 30" EAST A DISTANCE OF 1324.85 FEET TO POINT OF BEGINNING.

SAID ABOVE DESCRIBED AREA CONTAINS 20.12 ACRES, MORE OR LESS.

SUBJECT TO ALL COVENANTS, RIGHTS, RIGHTS-OF-WAY, AND EASEMENTS OF RECORD.

AS DEPICTED IN EXHIBIT "B", ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

THIS DOCUMENT WAS PREPARED BY
ME OR UNDER MY DIRECTION,
BASED ON RECORD INFORMATION.

PHILLIP K. FOMOTOR, P.L.S.

DATE 6/10/2021

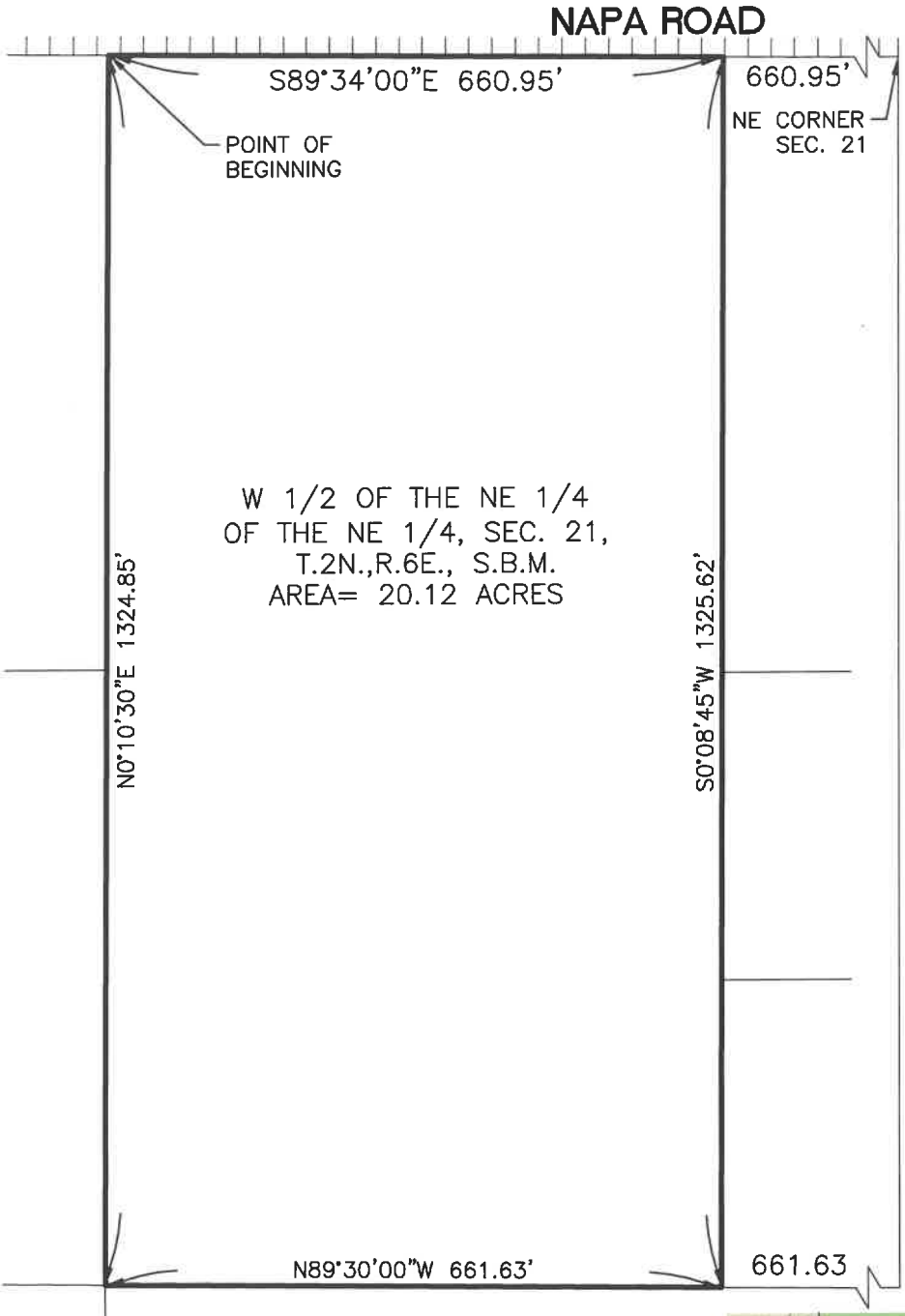


EXHIBIT "B"

W 1/2 OF THE NE 1/4 OF THE NE 1/4, SEC. 21, T.2N.,R.6E., S.B.M.

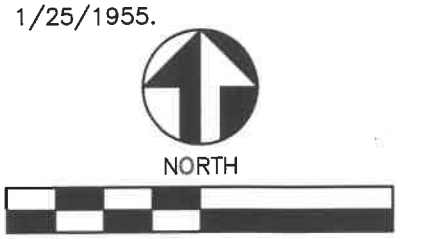
LAFCO# 3249

ANNEXATION TO THE BIGHORN–DESERT VIEW WATER AGENCY



NOTE:

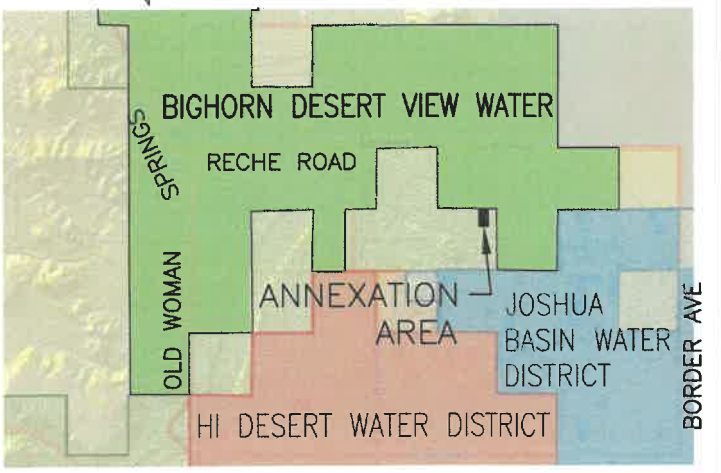
1. BEARING AND DISTANCES SHOWN HEREON ARE CALC'D PER THE US GOV PLAT DATED 1/25/1955.



INDICATES THE EXISTING BOUNDARY OF BIGHORN–DESERT VIEW WATER AGENCY

VICINITY MAP

(NO SCALE)



LICENSED LAND SURVEYOR
PHILLIP K. FOMOTOR
No. 7070
STATE OF CALIFORNIA

THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY DIRECTION, BASED ON RECORD INFORMATION.

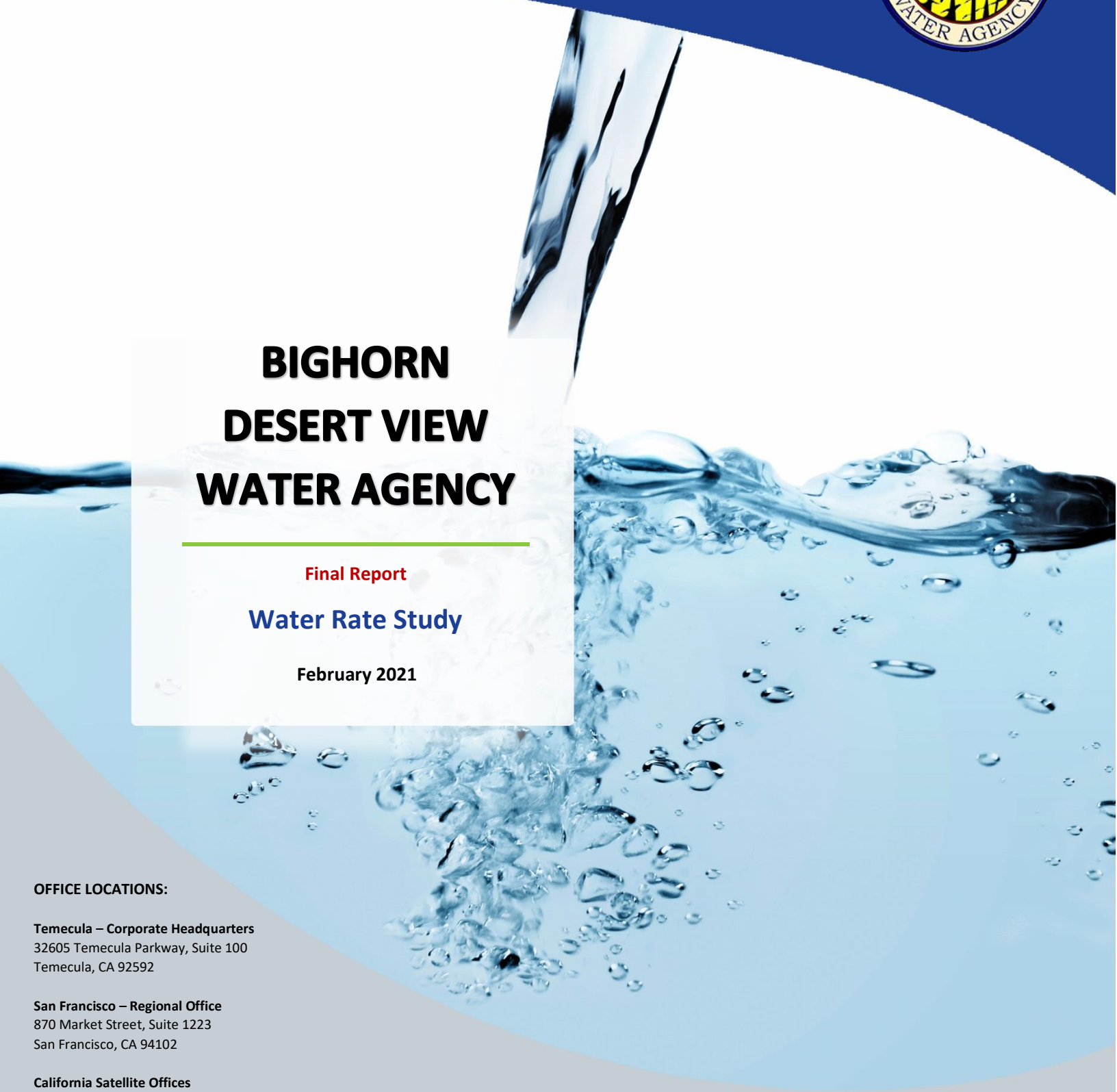
PHILLIP K. FOMOTOR, P.L.S.

BIGHORN DESERT VIEW WATER AGENCY

Final Report

Water Rate Study

February 2021



OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis
Huntington Beach,
Joshua Tree, Riverside
Sacramento, San Jose

www.nbsgov.com

Prepared by: NBS helping communities fund tomorrow

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Section 1. PURPOSE AND OVERVIEW OF THE STUDY

A. Purpose

Bighorn Desert View Water Agency (Agency, BDVWA) retained NBS to conduct a water rate study for a number of reasons, including meeting revenue requirements and updating the water rate structure. The rates resulting from this study were developed in a manner that is consistent with industry standard cost of service principles. In addition to documenting the rate study methodology, this report is provided with the intent of assisting the Agency to maintain transparent communications with its residents and businesses.

In developing new water rates, NBS worked cooperatively with Agency staff and the Agency's Board of Directors (Board) in selecting appropriate rate alternatives. Based on input from Agency staff and the Board, the proposed water rates are summarized in this report.

B. Overview of the Study

Comprehensive rate studies such as this one typically include the following three components, as outlined in **Figure 1**:

1. Preparation of a **Financial Plan**, which identifies the net revenue requirements for the utility.
2. **Cost of Service Analysis,** which determines the cost of providing water service to each customer class.
3. **Rate Design Analysis,** which evaluates different rate design alternatives.

Figure 1. Primary Components of a Rate Study



Compares current sources and uses of funds and determines the revenue needed from rates and projects rate adjustments.

Proportionately allocates the revenue requirements to the customer classes in compliance with industry standards and State Law.

Considers what rate structure will best meet the Agency's need to collect rate revenue from each customer class.

These steps are intended to follow industry standards and reflect the fundamental principles of cost-of-service rate making embodied in the American Water Works Association (AWWA) Principles of Water Rates, Fees, and Charges[1], also referred to as the M1 Manual. They also address requirements under Proposition 218 that rates not exceed the cost of providing the service, and that they be proportionate to the cost of providing service for all customers. In terms of the chronology of the study, these three steps represent the

1 Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017.

order they were performed. Detailed tables and figures documenting the development of the proposed rates are provided in Appendix A.

FINANCIAL PLAN

As a part of this rate study, NBS projected revenues and expenditures on a cash flow basis for the next five years. The amount of rate revenue required that will allow capital projects to be funded and reserves to be maintained at the approved levels, is known as the *net revenue requirement*. Although current rate revenue covers all the net revenue requirements, rate adjustments -- or more accurately, adjustments in the total revenue collected from water rates -- are recommended in order to fund planned capital improvement projects and keep reserve funds at healthy levels. This report presents an overview of the methodologies, assumptions, and data used, along with the financial plans and proposed rates developed in this study[2].

RATE DESIGN ANALYSIS

Rate Design is typically the stage in the study where NBS, staff and the Board must work closely together, to develop rate alternatives that will meet the Agency's objectives. It is important for the Agency to send proper price signals to its customers about the actual cost of their water usage. This objective is typically addressed through both the magnitude of the rates, and the rate structure design. In other words, both the amount of revenue collected and the way in which the revenue is collected from customers are important to consider.

Several criteria are typically considered in setting rates and developing sound rate structures. The fundamentals of this process have been documented in several rate-setting manuals, such as the AWWA Manual M1. The foundation for evaluating rate structures is generally credited to James C. Bonbright in the *Principles of Public Utility Rates*[3] which outlines pricing policies, theories, and economic concepts along with various rate designs. The following is a simplified list of the attributes of a sound structure:

- Rates should be easy to understand from the customer's perspective.
- Rates should be easy to administer from the utility's perspective.
- Rates should promote the efficient allocation of the resource.
- Rates should be equitable and non-discriminating (that is, cost based).
- There should be continuity in the ratemaking philosophy over time.
- Rates should address other utility policies (for example, encouraging conservation & economic development).
- Rates should provide month-to-month and year-to-year revenue stability.

The following are the basic rate design criteria that were considered in this study:

Rate Structure Basics –The vast majority of water rate structures contain a fixed or minimum charge in combination with a volumetric charge. The revenue requirements for each customer class are collected from both fixed monthly meter charges and variable commodity charges. Based on direction from the Board of Directors, the rates proposed in this report are designed to collect 60 percent of rate revenue from the fixed meter charges and 40 percent from the variable commodity charges.

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2 The complete financial plan is set forth in the Appendix.

3 James C. Bonbright; Albert L. Danielsen and David R. Kamerschen, Principles of Public Utility Rates, (Arlington, VA: Public Utilities Report, Inc., Second Edition, 1988), p. 383-384.

Fixed Charges – Fixed charges can be called base charges, minimum monthly charges, customer charges, fixed meter charges, etc. Fixed charges for water utilities typically increase by meter size based on meter equivalent capacity factors. BDVWA refers to this as the Basic Service Charge.

Volumetric (Consumption-Based) Charges – In contrast to fixed charges, variable costs such as purchased water, the cost of electricity used in pumping water, and the cost of chemicals for treatment tend to change with the quantity of water produced. For a water utility, variable charges are generally based on metered consumption and charged on a dollar-per-unit cost (for example, per 100 cubic feet, or hcf).

Uniform (Single-Tier) Water Rates – There are significant variations in the basic philosophy of variable charge rate structure alternatives. Under a uniform (single tier) rate structure, the cost per unit does not change with consumption, and provides a simple and straightforward approach from the perspective of customers regarding their understanding of the rates, and for the utility's administration and billing of the rates.

Multi-Tiered Water Rates – In contrast to a uniform tier, an inclining block rate structure attempts to send a price signal to customers that their consumption costs are greater as more water is consumed. Tiered water rates are intended to represent the higher costs for customers that contribute more to peak summertime usage and place greater demands on the system. The types of higher costs reflected, for example, in the *highest* tier of the rate structure may include:

- Conservation program costs: intended to encourage customers to eliminate inefficient and wasteful water use, and otherwise reduce consumption during peak periods.
- Replacement Water costs: when consumption exceeds the amount of the Agency's allocated water rights, the agency incurs additional costs for replacement water in order to meet that increased demand. That replacement water comes at a higher cost.
- Energy costs: during summer months, the Agency may pay more in electric charges to pump, treat and deliver water, and have a higher percentage of its energy bill in higher electricity "tiers".
- Higher maintenance costs: peak periods tend to have higher numbers of service calls, capacity costs, and system maintenance issues when the water system is running at peak demand.

Section 2. WATER RATE STUDY

A. Key Water Rate Study Issues

The Agency's water rate analysis was undertaken with a few specific objectives, including, but not limited to:

- Avoiding operational deficits and further depletion of reserves.
- Generating additional revenue needed to meet projected funding requirements.
- Continuing to encourage water conservation with a tiered rate structure for residential and agriculture customers.

NBS developed various water rate alternatives as requested by Agency staff over the course of this study. All rate structure alternatives relied on industry standards and cost-of-service principles. The rate alternative that will be implemented, is ultimately the decision of the Board of Directors. The fixed and volume-based charges were calculated based on the net revenue requirements, number of customer accounts, water consumption, and other Agency-provided information.

B. Financial Plan

It is important for municipal utilities to maintain reasonable reserves in order to handle emergencies, fund working capital, maintain a good credit rating, and generally follow healthy financial management practices. Rate adjustments are governed by the need to meet operating and capital costs, maintain adequate debt coverage, and build reasonable reserve funds. The current financial condition of the Agency, with regard to these objectives, is as follows:

- **Meeting Net Revenue Requirements:** For FY 2020/21 through FY 2024/25, the projected net revenue requirement (that is, total annual expenses plus debt service and rate-funded capital costs, less non-rate revenues) for the Agency is approximately $1.66 million, annually on average. If no rate adjustments are implemented, the Agency is projected to see a $131,500 deficit by fiscal year 2024/25. With 4% increases to the net revenue requirement, the Agency will see an annual surplus that grows to $182,000 in fiscal year 2024/25 that will be used to replenish reserve funds as capital investments are made in the water system.
- **Building and Maintaining Reserve Funds:** Reserve funds provide a basis for a utility to cope with fiscal emergencies such as revenue shortfalls, asset failure, and natural disasters, among other events. Reserve policies provide guidelines for sound financial management, with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and emergencies. The Agency plans to accumulate approximately $3,790,000 in reserves by the end of FY 2024/25. These reserve funds for the Utility are considered unrestricted reserves and consist of the following:
    - **The Operating Reserve** should equal approximately 180 days of operating expenses, which is about $1,000,000 at the end of FY 2024/25. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures. Fluctuations in revenue can be caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue

streams (such as volumetric charges), and – particularly in periods of economic distress – changes or trends in age of receivables.
    - **The Emergency Contingencies Reserve** should equal a minimum of $200,000. This reserve shall be authorized by the Board should cash be needed immediately for needs such as water system repairs or unforeseen circumstances.
    - **The Capital Replacement and Refurbishment Reserve** should equal at least 10 percent of net capital assets plus $1,500,000 for capital emergencies, totaling approximately $2,180,000 in FY 2024/25, which is set aside to address long-term capital system replacement and rehabilitation needs.
- **Funding Capital Improvement Projects:** The District must also be able to fund necessary capital improvements in order to maintain current service levels. Agency staff has identified roughly $800,000 (current year dollars) in expected capital expenditures for FY 2020/21 through 2024/25. With the recommended rate adjustments, these expenditures can be funded.
- **Inflation and Growth Projections –** Assumptions regarding cost inflation were made in order to project future revenues and expenses for the study period. The following inflation factors were used in the analysis:
    - No Customer growth over the 5-year rate period is estimated in order to maintain a conservative approach.
    - Electricity cost inflation is 3.5% annually.
    - General cost inflation is 2% annually.
    - Salary cost inflation is 3.3% annually.
    - Benefits cost inflation is 6% annually.
    - Fuel cost inflation is 1% annually.

- **Impact of Annual Rate Adjustment Date:** In the current year, the Agency will only collect two months of the planned revenue increase for FY 2020/21 since rate increases will not be effective until May 1, 2021. However, in future years of the rate plan, the financial plan modeling assumes that rate adjustments occur starting on the January bill of each year. This means that only six months of the planned revenue to be collected from the rate adjustment listed for one fiscal year will be collected in that year. For example, there is a 4 percent adjustment in rate revenue planned for FY 2020/21; meaning, the rates are developed to recover $1.68 million, which is a 4 percent adjustment over the expected $1.62 million that would be collected without a rate adjustment. However, because of the timing for when the rates will go into effect, the Financial Plan results in $1.63 million in rate revenue for FY 2020/21.

Rate adjustments of 4 percent annually in FY 2020/21 through FY 2024/25 will be needed in order to fully fund all operating expenses, planned capital projects, debt service obligations and keep reserves above the recommended targets through FY 2024/25[4]. **Figure 2** summarizes the sources and uses of funds, net revenue requirements, and the recommended annual percent adjustments in total rate revenue recommended for the next 5 years for the Agency.

4 Because of the mid-year adjustment to the rates, the full impact of each year's adjustment does not affect revenue until the following year.

Figure 2. Summary of Water Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget FY 2020/21	Projected FY 2021/22	Projected FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
Sources of Water Funds					
Rate Revenue Under Prevailing Rates	$ 1,618,617	$ 1,618,617	$ 1,618,617	$ 1,618,617	$ 1,618,617
Additional Revenue from Rate Increases [1]	*10,791*	*98,412*	*167,093*	*238,521*	*312,807*
Non-Rate Revenues	289,832	289,832	289,832	289,832	289,832
Interest Earnings	16,000	6,741	6,825	6,981	7,209
Total Sources of Funds	**$ 1,935,240**	**$ 2,013,602**	**$ 2,082,367**	**$ 2,153,952**	**$ 2,228,465**
Uses of Water Funds					
Operating Expenses	$ 1,850,115	$ 1,868,584	$ 1,926,253	$ 1,986,073	$ 2,046,138
Debt Service	25,000	25,000	25,000	-	-
Rate-Funded Capital Expenses	-	-	52,665	-	-
Total Use of Funds	**$ 1,875,115**	**$ 1,893,584**	**$ 2,003,918**	**$ 1,986,073**	**$ 2,046,138**
Surplus (Deficiency) after Rate Increase	**$ 60,125**	**$ 120,018**	**$ 78,449**	**$ 167,879**	**$ 182,327**
Projected Annual Rate Increase	***4.00%***	***4.00%***	***4.00%***	***4.00%***	***4.00%***
Cumulative Rate Increases	*4.00%*	*8.16%*	*12.49%*	*16.99%*	*21.67%*
Surplus (Deficiency) before Rate Increase	**$ 49,334**	**$ 21,606**	**$ (88,644)**	**$ (70,643)**	**$ (130,480)**
Net Revenue Requirement [2]	**$ 1,569,283**	**$ 1,597,011**	**$ 1,707,261**	**$ 1,689,260**	**$ 1,749,097**

1. Revenue from rate increases assume an implementation date of May 1, 2021 and then January 1st, 2022 through 2025.
2. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from water rates.

Figure 3 summarizes the projected reserve fund balances and reserve targets. A summary of the Agency's proposed 5-year financial plan is included in Tables 1 and 2 of Appendix A. The appendix tables include revenue requirements, reserve funds, revenue sources, proposed rate adjustments, and the Agency's capital improvement program. As can be seen in Figure 3, given proposed rate adjustments, reserves meet the minimum target all 5 years of the prop 218 rate period.

Figure 3. Summary of Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget FY 2020/21	Projected FY 2021/22	Projected FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
Operating Reserve Fund (Current Customer Deposits)					
Ending Balance	$ 912,385	$ 921,493	$ 949,933	$ 979,433	$ 1,009,054
Recommended Minimum Target	*912,385*	*921,493*	*949,933*	*979,433*	*1,009,054*
Emergency Contingencies Reserve Fund					
Ending Balance	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Recommended Minimum Target	*200,000*	*200,000*	*200,000*	*200,000*	*200,000*
Replacement & Refurbishment Reserve Fund					
Ending Balance	$ 2,258,258	$ 2,290,793	$ 2,340,803	$ 2,425,132	$ 2,577,838
Recommended Minimum Target	*2,033,750*	*2,086,438*	*2,118,390*	*2,151,935*	*2,181,602*
Total Ending Balance	**$ 3,370,643**	**$ 3,412,287**	**$ 3,490,736**	**$ 3,604,565**	**$ 3,786,892**
Total Recommended Minimum Target	***$ 3,146,135***	***$ 3,207,931***	***$ 3,268,323***	***$ 3,331,368***	***$ 3,390,656***

C. Cost of Service Analysis

Once the net revenue requirements are determined, the cost-of-service analysis proportionately distributes the revenue requirements to each customer class. The cost-of-service analysis consists of two major

components: (1) the classification of expenses, and (2) the allocation of costs to customer classes. Costs were classified corresponding to the function they serve.

All costs in the Agency's budget are allocated to each component of the rate structure in proportion to the level of service required by customers. The levels of service are related to volumes of peak and non-peak demand, infrastructure capacity, and customer service. These are based on allocation factors, such as water consumption, peaking factors, and number of accounts by meter size. Ultimately, a cost-of-service analysis is intended to result in rates that are proportional to the cost of providing service to each customer.

CLASSIFICATION OF COSTS

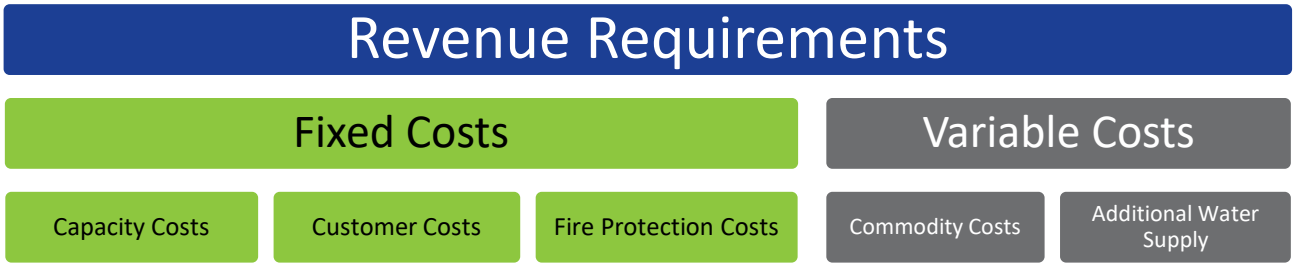
Most costs are not typically allocated 100 percent to fixed or variable categories and, therefore, are allocated to multiple functions of water service. Costs were classified using the commodity-demand method which is found in the AWWA M1 Manual[5]. In accordance with this method, budgeted costs were "classified" into five categories: commodity, additional water supply, capacity, customer and fire protection. The classification process provides the basis for allocating costs to various customer classes based on the cost causation (classification) components described below:

- **Commodity related costs** are those that change as the volume of water produced and delivered changes. These commonly include the costs of chemicals used in the treatment process, energy related to pumping for transmission and distribution, and source of supply.
- **Additional water supply related costs** are associated with the additional water purchased by the Agency to serve its customers.
- **Capacity related costs** are associated with sizing facilities to meet the maximum, or peak demand. This includes both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events.
- **Customer related costs** are associated with having a customer on the water system, such as meter reading, postage and billing.
- **Fire Protection related costs** are associated with providing sufficient capacity in the system for fire meters and other operations and maintenance costs of providing water to properties for private fire service protection.

The Agency's budgeted costs were reviewed and allocated to these cost causation components which are used as the basis for establishing new water rates and translate to fixed and variable charges. Tables 15 through 18 in Appendix A show how the Agency's expenses were classified and allocated to these cost causation components. Additionally, each cost causation component is considered fixed or variable, as summarized in **Figure 4.**

[5] *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017, p. 83.*

Figure 4. Cost Classification Summary



Ideally, utilities should recover all their fixed costs from fixed charges and all of their variable costs from volumetric charges. When this is the case, fluctuations in water sales revenues would be directly offset by reductions or increases in variable expenses. When rates are set in this manner, they provide greater revenue stability for the utility. However, other factors are often considered when designing water rates such as community values, water conservation goals, ease of understanding, and ease of administration.

Based on the Agency's projected costs, the Cost-of-Service Analysis (COSA) resulted in a distribution that is approximately 65 percent fixed and 35 percent variable. The Agency's current rate structure collects approximately 41 percent of revenue from fixed charges and 59 percent from variable charges. The Board of Directors has chosen to move forward with a rate structure that will collect approximately 60 percent of revenue from fixed charges and 40 percent from variable charges. However, a share of the Agency's capacity costs will need to be collected from the variable rates in order to reach this rate structure. Thus, capacity related costs (which are normally considered fixed) will be collected from both fixed and variable rates.

Figure 5 summarizes the allocation of the net revenue requirements to each cost causation component.

Figure 5. Allocation of Water Revenue Requirements

Functional Category	*Proposed Rates* Adjusted Net Revenue Requirements (2020-21) 60% Fixed / 40% Variable	
Commodity - Related Costs	**$ 532,313**	*31.6%*
Additional Supply Costs	**$ 48,271**	*2.9%*
Capacity - Related Costs (volumetric share)	**$ 92,760**	*5.5%*
Capacity - Related Costs (fixed share)	**$ 811,720**	*48.2%*
Customer - Related Costs	**$ 198,076**	*11.8%*
Fire Protection - Related Costs	**$ 221**	*0.0%*
Total	**$1,683,362**	*100%*

CUSTOMER CLASSES

Customer classes are determined by combining customers with similar demand characteristics and types of use into categories that reflect the cost differentials to serve each type of customer. This process is limited by the desire to not overcomplicate the Agency's rate structure.

For Bighorn Desert View Water Agency, six customer classes were analyzed: residential, agriculture, commercial, institutional, private fire and bulk water. The amount of consumption, the peaking factors and the number of meters by size are used in the cost-of-service analysis to allocate costs to customer classes and determine the appropriate rate structures for each. Definitions of each customer class are provided in Appendix B.

COSTS ALLOCATED TO CUSTOMER CLASSES

Costs are allocated to each customer class based on the customer characteristics of each class in order to reflect the cost differentials to serve each type of customer. **Figure 6** summarizes how the costs for each cost causation component from Figure 5 are allocated to each customer class.

Figure 6. Cost Allocation Methodology

Capacity Related Costs (fixed share)	•Allocated based on the hydraulic capacity of each meter size
Customer Related Costs	•Allocated based on the total number of meters
Fire Protection Related Costs	•Allocated based on the hydraulic capacity of fire meters
Commodity Related Costs	•Allocated based on water consumption by customer class
Additional Water Supply Costs	•Allocated based on additional water purchased
Capacity Related Costs (volumetric share)	•Allocated based on peak consumption by customer class

The costs allocated to each causation component are assigned to each customer class using the cost allocation methodology described in Figure 6. This process is shown in the following sections, in Figure 7 through Figure 11.

Capacity Related Costs

Capacity related costs are those costs associated with constructing and operating the water system to ensure there is enough capacity in the system to meet the demand of each meter connected. Larger meters have the potential to use more of the system's capacity, compared to smaller meters. The potential capacity demanded is proportional to the maximum safe meter capacity of each meter size as established by the AWWA[6]. The meter capacity factors used in this study are shown in the third and fifth columns of **Figure 7**.

6 Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017, p. 338.

A "hydraulic capacity factor" (columns two and four in Figure 10) is calculated by dividing the maximum capacity or flow of large meters by the capacity of the base meter size, which is typically the most common residential meter size (in this case a 1-inch meter). For example, Figure 10 shows the hydraulic capacity of a two-inch meter is 3.2 times that of a 1-inch meter and therefore, the capacity component of the fixed meter charge is 3.2 times that of the 1-inch meter.

The actual number of meters by size is multiplied by the corresponding capacity ratios to calculate the total number of equivalent meters. The number of equivalent meters is used as a representation for the potential demand that each customer can place on the water system. The capacity related allocation is summarized in **Figure 8**. Capacity related costs are allocated to each customer class based upon their percentage of peak bi-monthly use.

Figure 7. Hydraulic Capacity Factors

Meter Size	Standard Meters [1]		Fire Service Meters [2]	
	Meter Capacity (gpm)	Equivalency to 1 inch	Meter Capacity (gpm)	Equivalency to 1 inch
	Displacement Meters		*Displacement Meters*	
3/4 inch	30	1.00	30	1.00
1 inch	50	1.00	50	1.00
1.5 inch	100	2.00	100	2.00
2 inch	160	3.20	160	3.20
	Compound Class I Meters		*Fire Service Type II*	
3 inch	320	6.40	350	7.00
4 inch	500	10.00	700	14.00
6 inch	1,000	20.00	1,600	32.00
8 inch	1,600	32.00	2,800	56.00

1. Meter flow rates are from *AWWA M-1* Table B-1.
2. Fire Service meter flow rates are from AWWA M-6 Table 5-3.

Figure 8. Capacity Related Allocation

Customer Class	Average Bi-Monthly Use (hcf)	Peak Bi-Monthly Use (hcf) [1]	Peaking Factor	Max 2-Month Capacity Factor
Residential	29,341	44,281	**1.51**	**82.3%**
Agriculture	2,716	6,034	**2.22**	**11.2%**
Bulk Water	1,760	2,760	**1.57**	**5.1%**
Commercial & Institutional	359	707	**1.97**	**1.3%**
Fire Meter	0	0	**0.00**	**0.0%**
Total	**34,176**	**53,782**		**100%**

1. Based on peak monthly data (peak day data not available).

Customer Related Costs

The customer related cost allocation is summarized in **Figure 9**. Customer related costs are comprised of those costs relating to reading and maintaining meters, customer billing and collection, and other customer service related costs. The customer service costs do not differ among the various meter sizes; therefore, these costs

are spread equally among all meters. Each customer class is allocated customer related costs based upon the percentage of total meters that are in that class.

Figure 9. Customer Related Cost Allocation

Customer Class	Number of Meters [1]	Percent of Total
Residential	2,522	**93.2%**
Agriculture	50	**1.8%**
Bulk Water	121	**4.5%**
Commercial & Institutional	12	**0.4%**
Fire Meter	2	**0.1%**
Total	**2,707**	**100.0%**

1. Meter Count is from July/August 2020. BHDVWA charges monthly rates, but bills bi-monthly

Source files: *CUSTOMER BILLING DATA 09.18.2020.xlsx*

Fire Protection Related Costs

Only Fire Protection meters are allocated this cost component. A direct allocation is made in the functionalization and classification step in the cost-of-service analysis to represent their share of system capacity and other related operations and maintenance costs. The percent of revenue collected over the total revenue was used to allocate these costs to fire protection meters. This cost is spread over the fire meters using the meter equivalency factors in Figure 7.

Commodity Related Costs

The commodity related cost allocation is summarized in **Figure 10**. Commodity related costs are those costs related to the amount of water sold and commonly include the costs of chemicals used in the treatment process, energy related to pumping for transmission and distribution, and source of supply. Each customer class is allocated commodity related costs based upon the percentage of total consumption by that class.

Figure 10. Commodity Related Costs Allocation

Customer Class	Volume (hcf) [1]	Percent of Total Volume
Residential	176,045	**85.9%**
Agriculture	16,297	**7.9%**
Bulk Water	10,563	**5.2%**
Commercial & Institutional	2,152	**1.0%**
Fire Meter	-	**0.0%**
Total	**205,057**	**100%**

1. Consumption is from September 2019 through August 2020. BDVWA charges monthly rates, but bills customers bi-monthly.

Source files: *CUSTOMER BILLING DATA 09.18.2020.xlsx*

Figure 11 summarizes the costs allocated to each customer class.

Figure 11. Allocation of Adjusted Net Revenue Requirements

Customer Classes	Classification Components						Cost of Service Net Rev. Req'ts	% of COS Net Revenue Req'ts
	Commodity-Related Costs	Additional Supply Costs	Capacity-Related Costs *Volumetric Share*	Capacity-Related Costs *Fixed Share*	Customer-Related Costs	Fire Protection-Related Costs		
Residential	$ 457,000	$ 38,855	$ 76,373	$ 668,320	$ 184,539	$ -	$ 1,425,088	*84.7%*
Agriculture	42,306	8,518	10,406	91,064	3,659	-	155,952	*9.3%*
Bulk Water	27,420	-	4,761	41,661	8,854	-	82,696	*4.9%*
Commercial & Institutional	5,587	449	1,220	10,675	878	-	18,809	*1.1%*
Fire Meter	-	449	-	-	146	221	816	*0.0%*
Total Net Revenue Requirement	**$ 532,313**	**$ 48,271**	**$ 92,760**	**$ 811,720**	**$ 198,076**	**$ 221**	**$ 1,683,362**	**100%**

D. Rate Design Analysis

NBS discussed several water rate alternatives and methodologies with Agency Staff over the course of this study, such as the percentage of revenue collected from fixed vs. variable charges and differentiating rates by customer class. Based on input provided by Agency staff and the Board of Directors, the proposed rates were developed. The following sections describe this process.

The rates proposed in this study make the following modifications to the water rate structure:

1. Update monthly fixed meter charges to collect 60% of the revenue requirement and update volumetric charges to reflect collecting 40% of revenue.
2. Update the volumetric rates for Residential and Agriculture customers as follows:
    a. Develop a two tier rate structure.
    b. Establish breakpoint between tier 1 and tier 2 to 25 hcf bi-monthly, which is based on the availability of ground water for customers in the Agency's service area.
3. Keep all non-residential customers on a uniform volumetric rate and impose a single charge for all water consumed.

FIXED CHARGES

The fixed meter charge recognizes that the Agency incurs fixed costs regardless of whether customers use water. There are two components that comprise the fixed meter charge: the customer component and the capacity component, as described in the previous section.

VARIABLE CHARGES

The Agency currently has a uniform volumetric rate for all customers. Based on the Agency's sources of water supply, NBS recommends updating the Residential and Agriculture customers to a two-tiered inclining rate structure.

The goals when setting the tier breakpoint were twofold:

1. The breakpoint for the first tier was set to the 25 hcf[7], which is the bi-monthly ground water allocated to each customer.
2. The second tier consists of any consumption above 25 hcf and includes the cost of purchased water in addition to base commodity costs.

Figure 12 shows the calculation for the tier breakpoint with 908 acre feet of free ground water production used as the base water allotment.

Figure 12. Tier Breakpoint Calculation

Water Supply Allocation	Based on # of Accounts
Total Water Allocation 2020	908 acre feet
Total Customer Base	2,707 total active accounts
Water Allocated to Each Customer Annual	0.34 acre feet/parcel/year
Conversion to Hundred Cubic Feet	146.1 hcf
HCF Bi-Monthly Allocation Per Customer	24.4 hcf
Bi-Monthly Tier 1 Water	25.00 hcf

Figure 13 shows the calculation for the additional water supply costs that are added in the calculation for the fee of Tier 2 water consumption.

Figure 13. Additional Water Supply Costs

Cost Per Unit for State Water Project Water	Total
Total Cost for Additional Water Supply (70 AF)	$48,271.27 Total Cost
Cost per Acre Foot	$689.59 per AF
Cost per HCF	$1.58 per hcf

Figure 14 presents the full calculation for the variable tiered charges for residential and agriculture customers. The base rate is calculated by dividing the commodity and volumetric capacity costs by the water consumption for residential and agriculture customers.

Figure 14. Residential & Agriculture Customer Tiered Rate Calculation

Customer Classes	Tier Break	Est. Water Consumption (hcf/yr.)	% of Consumption in Tier	Base Rate	Plus Additional Supply Cost	Cost Per Unit of Water	Estimated Revenue
Residential							
Tier 1	25	124,215	70%	$3.03	$0.00	**$3.03**	$ 376,341
Tier 2	--	53,094	30%	$3.03	$1.58	**$4.61**	$ 244,914
Agriculture							
Tier 1	25	4,052	26%	$3.23	$0.00	**$3.23**	$ 13,106
Tier 2	--	11,649	74%	$3.23	$1.58	**$4.82**	$ 56,120
Total		**193,010**					**$ 690,481**

Due to the varying consumption characteristics, non-residential/agriculture customers will maintain a uniform volumetric rate because it best represents their cost-of-service. Using the commodity, volumetric capacity and additional supply costs allocated to each customer class, **Figure 15** shows the calculation for

7 HCF is one hundred cubic feet of water.

the per unit volumetric charge for each customer class and tier. It is notable to mention that the base rate for residential and agriculture customers is shown in Figure 17, which filters into the calculation in Figure 16.

Figure 15. Calculated Variable Charges for FY 2020/21

Customer Classes	Water Consumption (hcf/yr.)	Commodity Assigned Costs	Capacity Assigned Costs	Additional Supply Costs [1]	Fixed Costs to Recover from Vol. Charges	Target Rev. Req't from Vol. Charges	Base Volumetric Rates ($/hcf)
Residential	176,045	$ 457,000	$ 76,373	*See*	$ -	$ 533,374	$3.03
Agriculture	16,297	42,306	10,406	*footnote*	-	52,712	$3.23
Bulk Water	10,563	27,420	4,761	-	50,515	82,696	$7.83
Commercial & Institutional	2,152	5,587	1,220	719	-	7,525	$3.58
Fire Meter	0	-	-	180	-	180	$3.58
Total	**205,057**	**$ 532,313**	**$ 92,760**	**$ 898**	**$ 50,515**	**$ 676,487**	

1. Additional water supply costs for Residential and Agriculture customers shown in Figure 14.

E. Current and Proposed Water Rates

The cost-of-service analysis is used to establish the rates for FY 2020/21. In the subsequent four years of the rate study, proposed charges are simply adjusted by the proposed adjustment in total rate revenue needed, to meet projected revenue requirements. **Figure 16** provides a comparison of the current and proposed rates for FY 2020/21 through FY 2024/25. More detailed tables on the development of the proposed charges are documented in Appendix A.

Figure 16. Current and Proposed Water Rates

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Projected Increase in Rate Revenue per Financial Plan:		*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*
Fixed Meter Charges						
Bi-Monthly Fixed Service Charges:						
3/4 inch	$66.84	$61.78	$64.25	$66.82	$69.49	$72.27
1 inch	$66.84	$61.78	$64.25	$66.82	$69.49	$72.27
1.5 inch	$66.84	$111.36	$115.81	$120.44	$125.26	$130.27
2 inch	$66.84	$170.86	$177.69	$184.80	$192.19	$199.88
3 inch	$66.84	$329.53	$342.71	$356.42	$370.68	$385.51
4 inch	--	$508.03	$528.35	$549.48	$571.46	$594.32
6 inch	--	$1,003.87	$1,044.02	$1,085.78	$1,129.21	$1,174.38
Bi-Monthly Fire Service Charges:						
3/4 inch	$16.00	$30.62	$31.84	$33.11	$34.43	$35.81
1 inch	$16.00	$30.62	$31.84	$33.11	$34.43	$35.81
2 inch	$16.00	$71.14	$73.99	$76.95	$80.03	$83.23
3 inch	$34.43	$141.14	$146.79	$152.66	$158.77	$165.12
4 inch	$57.38	$270.09	$280.89	$292.13	$303.82	$315.97
6 inch	$114.75	$601.66	$625.73	$650.76	$676.79	$703.86
8 inch	$183.60	$1,043.76	$1,085.51	$1,128.93	$1,174.09	$1,221.05
Commodity Charges						
Rate per hcf of Water Consumed:						
Bulk Meters	$9.57	$7.83	$8.14	$8.47	$8.81	$9.16
Commercial, Institutional, Fire & Other	$3.38	$3.58	$3.72	$3.87	$4.02	$4.18
Residential, 3/4" and 1" Meters	$3.38	--	--	--	--	--
Tiered Rate - Residential Customers:						
Proposed Break						
Tier 1 0-25 hcf	$3.38	$3.03	$3.15	$3.28	$3.41	$3.55
Tier 2 26+ hcf	$3.38	$4.61	$4.80	$4.99	$5.19	$5.40
Tiered Rate - Agriculture Customers:						
Proposed Break						
Tier 1 0-25 hcf	$3.38	$3.23	$3.36	$3.49	$3.63	$3.78
Tier 2 26+ hcf	$3.38	$4.82	$5.01	$5.21	$5.42	$5.64

F. Comparison of Current and Proposed Water Bills

Figure 17 and **Figure 18** compare a range of monthly water bills for the current and proposed water rates as a result of the initial rate adjustment for residential customers (with a 1-inch meter) and non-single family residential customers (the bill comparison for a commercial customer is also a 1-inch meter). These monthly bills are based on typical meter sizes at various consumption levels.

Figure 17. Bi-Monthly Bill Comparison for Single Family Customers

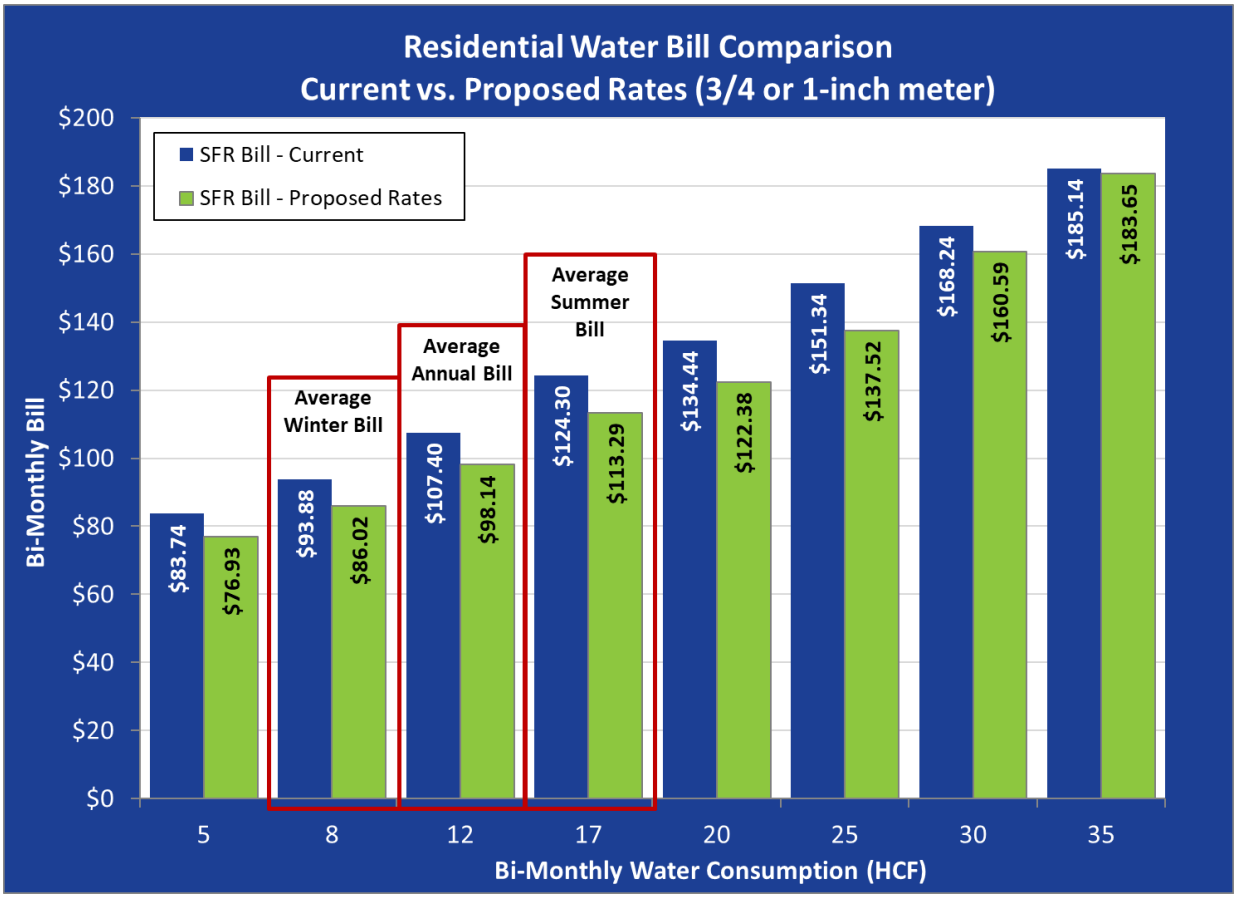
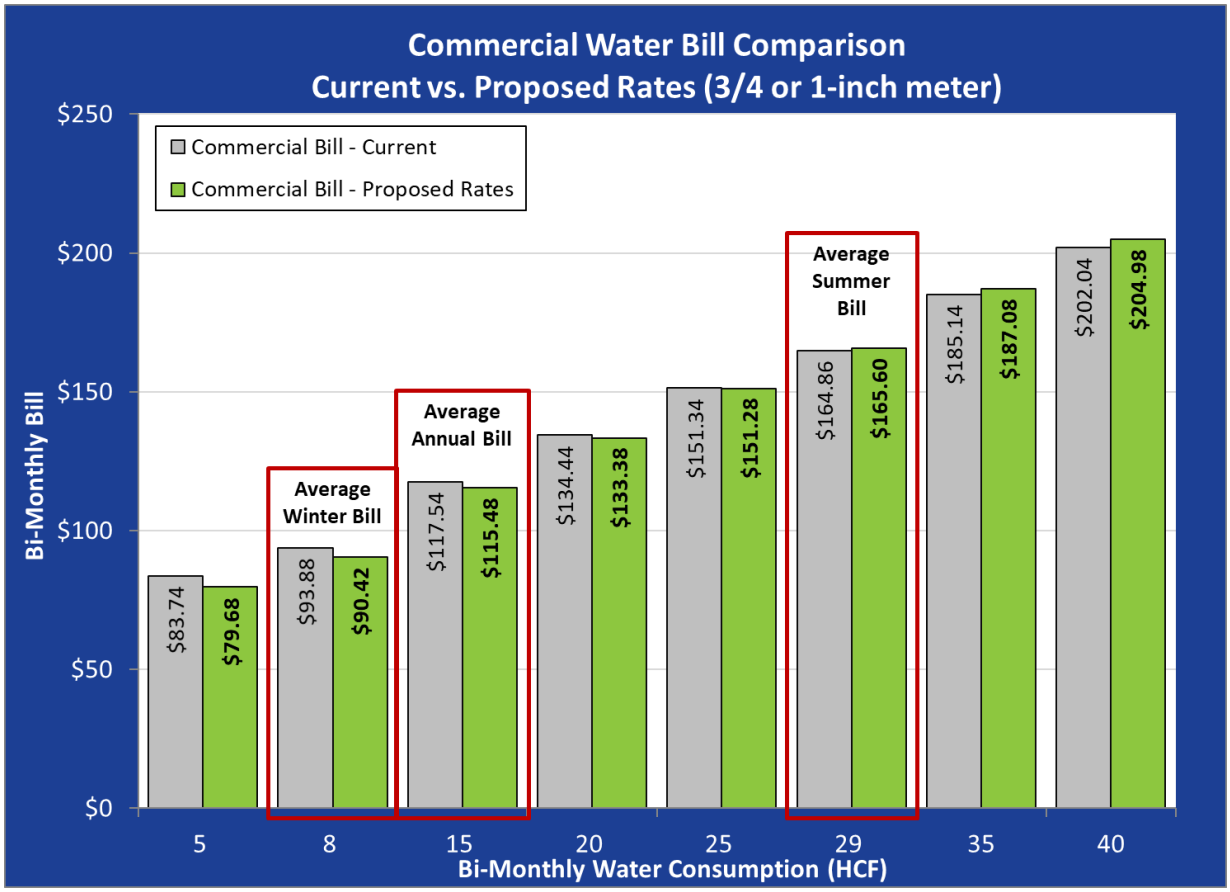


Figure 18. Bi-Monthly Water Bill Comparison for Commercial Customers



Section 3. RECOMMENDATIONS AND NEXT STEPS

A. Consultant Recommendations

NBS recommends the Agency take the following actions:

Approve and accept this Study: NBS recommends the Agency Board formally approve and adopt this Study and its recommendations and proceed with the steps required to implement the proposed rates. This will provide documentation of the rate study analyses and the basis for analyzing potential changes to future rates.

Implement Recommended Levels of Rate Adjustments and Proposed Rates: Based on successfully meeting the Proposition 218 procedural requirements, the Agency should proceed with implementing the 5-year schedule of proposed rates and rate adjustments previously shown in Figure 16. This will help ensure the continued financial health of Agency's water utility.

B. Next Steps

Annually Review Rates and Revenue – Any time an agency adopts new utility rates or rate structures, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements—particularly those related to environmental regulations that can significantly affect capital improvements and repair and replacement costs.

Note: The attached Technical Appendix A provides more detailed information on the analysis of the water revenue requirements, cost-of-service analysis and cost allocations, and the rate design analyses that have been summarized in this report.

C. NBS' Principal Assumptions and Considerations

In preparing this report and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions, and events that may occur in the future. This information and these assumptions, including Agency's budgets, capital improvement costs, and information from Agency staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

APPENDIX A: WATER RATE STUDY TABLES AND FIGURES

APPENDIX B: CUSTOMER CLASS DEFINITIONS (DRAFT)

This appendix shows the customer class definitions that are currently in progress and subject to change. The definitions will be updated upon final approval of the Board of Directors.

Customer Classes Served

Any person or entity connected to the water system and immediately able to receive water service from the Agency under these rules and regulations will be placed into a unique customer class.

1. Residential Customer: A place where people reside. A legally permitted dwelling and/or "vacation" parcel (e.g. "inactive") which has a meter connected to the water system and readily able to receive water service.

2. Bulk Hauling Customer and/or (Temporary) Construction Meters: A bulk hauling customer is one who obtains water from one of the Agency's "bulk water station" facilities. A construction meter is connected to a fire hydrant to supply water to a project on a temporary basis thru application for such.

3. Commercial/Institutional/Industrial/Non-Agriculture: A facility that is neither residential, bulk, nor agriculture. Such facility may or may not have a cross connection control device (backflow device). Examples of such facilities are restaurants, retail stores, schools and other types of "commercial" businesses.

4. Agriculture (Non-Residential and Non-Commercial/Institutional): Agricultural customer classes will be the default class whenever any of the following are met:
    - Cross connection control device mandated per an analysis by staff of the Water Use Questionnaire completed and signed by the customer at time of application for water service (new or renewed).
    - A property with, or without, a permitted residential dwelling but also with irrigation of non-ornamental landscaping or "vegetable gardens". For reference, and "ornamental landscape" shall be defined as a permanent landscape designed which serves the primary purpose of adding visually pleasing plants to the landscape. Non-ornamental landscaping or crops are those that are harvested on a routine basis and are not a permanent part of the landscape. Such crops could also be defined as specialized botanicals or otherwise botanicals that are harvested for extraction or consumption.
    - Livestock (horses, pigs, cows, poultry, etc.) that are raised for commercial purposes such as food processing or commercial sales.

5. Fire Service Connections: Parcels which have separate and distinct connections for fire sprinklers or on-site fire hydrants or other fire suppression devices or systems. Such fire service connections are static and only consume water during firefighting efforts.

TABLE 1 : FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY [1]	Budget	Projected			
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Sources of Water Funds					
Rate Revenue:					
Water Sales Revenue Under Current Rates	$ 1,618,617	$ 1,618,617	$ 1,618,617	$ 1,618,617	$ 1,618,617
Revenue from Rate Increases [2]	*10,791*	*98,412*	*167,093*	*238,521*	*312,807*
Subtotal: Rate Revenue After Rate Increases	1,629,408	1,717,029	1,785,710	1,857,138	1,931,424
Non-Rate Revenue:					
Other Operating Revenue	$ 60,001	$ 60,001	$ 60,001	$ 60,001	$ 60,001
Non-Operating Revenue	229,831	229,831	229,831	229,831	229,831
Interest Income [3]	16,000	6,741	6,825	6,981	7,209
Subtotal: Non-Rate Revenue	305,832	296,573	296,657	296,813	297,041
Total Sources of Funds	**$ 1,935,240**	**$ 2,013,602**	**$ 2,082,367**	**$ 2,153,952**	**$ 2,228,465**
Uses of Water Funds					
Operating Expenses [4]					
Operating Administrative Expenses	$ 854,710	$ 890,584	$ 925,153	$ 961,173	$ 996,638
Non-Operating Administrative Expenses	24,300	24,900	25,500	26,100	26,700
Operations Expense	786,005	806,600	827,600	849,300	871,800
Director Expense	45,100	46,500	48,000	49,500	51,000
Administration Projects	140,000	100,000	100,000	100,000	100,000
Subtotal: Operating Expenses	$ 1,850,115	$ 1,868,584	$ 1,926,253	$ 1,986,073	$ 2,046,138
Other Expenditures:					
Existing Debt Service	$ 25,000	$ 25,000	$ 25,000	$ -	$ -
New Debt Service	-	-	-	-	-
Rate-Funded Capital Expenses	-	-	52,665	-	-
Subtotal: Other Expenditures	$ 25,000	$ 25,000	$ 77,665	$ -	$ -
Total Uses of Water Funds	**$ 1,875,115**	**$ 1,893,584**	**$ 2,003,918**	**$ 1,986,073**	**$ 2,046,138**
Annual Surplus/(Deficit)	**$ 60,125**	**$ 120,018**	**$ 78,449**	**$ 167,879**	**$ 182,327**
Net Revenue Req't. *(Total Uses less Non-Rate Revenue)*	**$ 1,569,283**	**$ 1,597,011**	**$ 1,707,261**	**$ 1,689,260**	**$ 1,749,097**
Projected Annual Rate Revenue Adjustment	***4.00%***	***4.00%***	***4.00%***	***4.00%***	***4.00%***
Cumulative Increase from Annual Revenue Increases	*4.00%*	*8.16%*	*12.49%*	*16.99%*	*21.67%*
Debt Coverage After Rate Increase	*3.40*	*5.80*	*6.24*	*N/A*	*N/A*

1. Revenue for FY 2019/20 through FY 2020/21 are from source files: *Resolution No. 19R-03 Adopting the Agency Budget for FY 2019-20.pdf, and FY2020.21 Budget adopted 5 26 2020 20R-14.pdf*
2. Rate increases assume an implementation date of May 1, 2021 and then January 1st thereafter.
3. Interest earnings for FY 2019/20 through FY 2020/21 from Agency budgets. For all other years, it is calculated based on historical LAIF returns.
4. Expenses for FY 2019/20 through FY 2020/21 are from source files: *Resolution No. 19R-03 Adopting the Agency Budget for FY 2019-20.pdf, and FY2020.21 Budget adopted 5 26 2020 20R-14.pdf*

TABLE 2 : RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Budget	Projected			
UN-RESTRICTED RESERVES	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Total Beginning Cash [1, 2, 3]	**$ 3,310,519**				
Operating Reserve Fund (Current Customer Deposits)					
Beginning Reserve Balance [1]	$ 856,666	$ 912,385	$ 921,493	$ 949,933	$ 979,433
Plus: Net Cash Flow (After Rate Increases)	60,125	120,018	78,449	167,879	182,327
Plus: Transfer of Debt Reserve Surplus	-	-	-	-	-
Less: Transfer Out to Emergency Contingencies Fund	-	-	-	-	-
Less: Transfer Out to Capital Replacement Reserve	(4,406)	(110,910)	(50,010)	(138,379)	(152,706)
Ending Operating Reserve Balance	***$ 912,385***	***$ 921,493***	***$ 949,933***	***$ 979,433***	***$ 1,009,054***
Target Ending Balance (180-days of O&M) [2]	*$ 912,385*	*$ 921,493*	*$ 949,933*	*$ 979,433*	*$ 1,009,054*
Emergency Contingencies Reserve Fund					
Beginning Reserve Balance	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Plus: Transfer of Operating Reserve Surplus	-	-	-	-	-
Less: Use of Reserves for Capital Projects	-	-	-	-	-
Ending Emergencies Contingencies Reserve Balance	***$ 200,000***	***$ 200,000***	***$ 200,000***	***$ 200,000***	***$ 200,000***
Target Ending Balance Set by Board ($200,000 minimum) [3]	*$ 200,000*	*$ 200,000*	*$ 200,000*	*$ 200,000*	*$ 200,000*
Replacement & Refurbishment Reserve Fund					
Beginning Reserve Balance	$ 2,253,852	$ 2,258,258	$ 2,290,793	$ 2,340,803	$ 2,425,132
Plus: Transfer of Operating Reserve Surplus	4,406	110,910	50,010	138,379	152,706
Less: Use of Reserves for Capital Projects	-	(78,375)	-	(54,050)	-
Ending Capital Rehab & Replacement Reserve Balance	***$ 2,258,258***	***$ 2,290,793***	***$ 2,340,803***	***$ 2,425,132***	***$ 2,577,838***
Target Ending Balance [4]	*$ 2,033,750*	*$ 2,086,438*	*$ 2,118,390*	*$ 2,151,935*	*$ 2,181,602*
Ending Balance	**$ 3,370,643**	**$ 3,412,287**	**$ 3,490,736**	**$ 3,604,565**	**$ 3,786,892**
Minimum Target Ending Balance	**$ 3,146,135**	**$ 3,207,931**	**$ 3,268,323**	**$ 3,331,368**	**$ 3,390,656**
Ending Surplus/(Deficit) Compared to Reserve Targets	***$ 224,508***	***$ 204,356***	***$ 222,413***	***$ 273,197***	***$ 396,236***
Restricted Reserves:					
Bond Debt Service Reserve Fund					
Beginning Reserve Balance	$ -	$ -	$ -	$ -	$ -
Plus: Reserve Funding from New Debt Obligations	-	-	-	-	-
Less: Transfer of Surplus to Operating Reserve	-	-	-	-	-
Ending Debt Reserve Balance	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***
Target Ending Balance	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Connection Fee Reserve					
Beginning Reserve Balance	$ 12,780	$ 25,586	$ 38,417	$ 51,274	$ 64,156
Plus: Capital Impact Fee Revenue	12,780	12,780	12,780	12,780	12,780
Plus: Interest Revenue	26	51	77	103	128
Less: Use of Reserves for Capital Projects	-	-	-	-	-
Ending Connection Fee Fund Balance	***$ 25,586***	***$ 38,417***	***$ 51,274***	***$ 64,156***	***$ 77,064***
Annual Interest Earnings Rate [5]	*0.20%*	*0.20%*	*0.20%*	*0.20%*	*0.20%*

1. Beginning cash from Audited Financial Statements for 2019/20 source files: *BHDVWA_FINAL-CAFR-FY2018.19-1.pdf, page 30, Note 2; Cash and Cash Equivalents.* Beginning balance for 2020/21 is per client email 9/7/2020.
2. Operating Reserve Target set to 180 days (or 6 months) of O&M expenses. Industry standard is 3 to 6 months.
3. Reserve target set by Agency Board. Source file: 16R-11 Establishing Criteria for Agency Financial Reserves.pdf
4. Replacement & Refurbishment Reserve target set to 10% of net assets, plus a $1.5 million component for capital emergencies (increased by ENR CCI annually of 2.63%). Existing Board adopted policy is a $300,000 minimum.

CHART 1

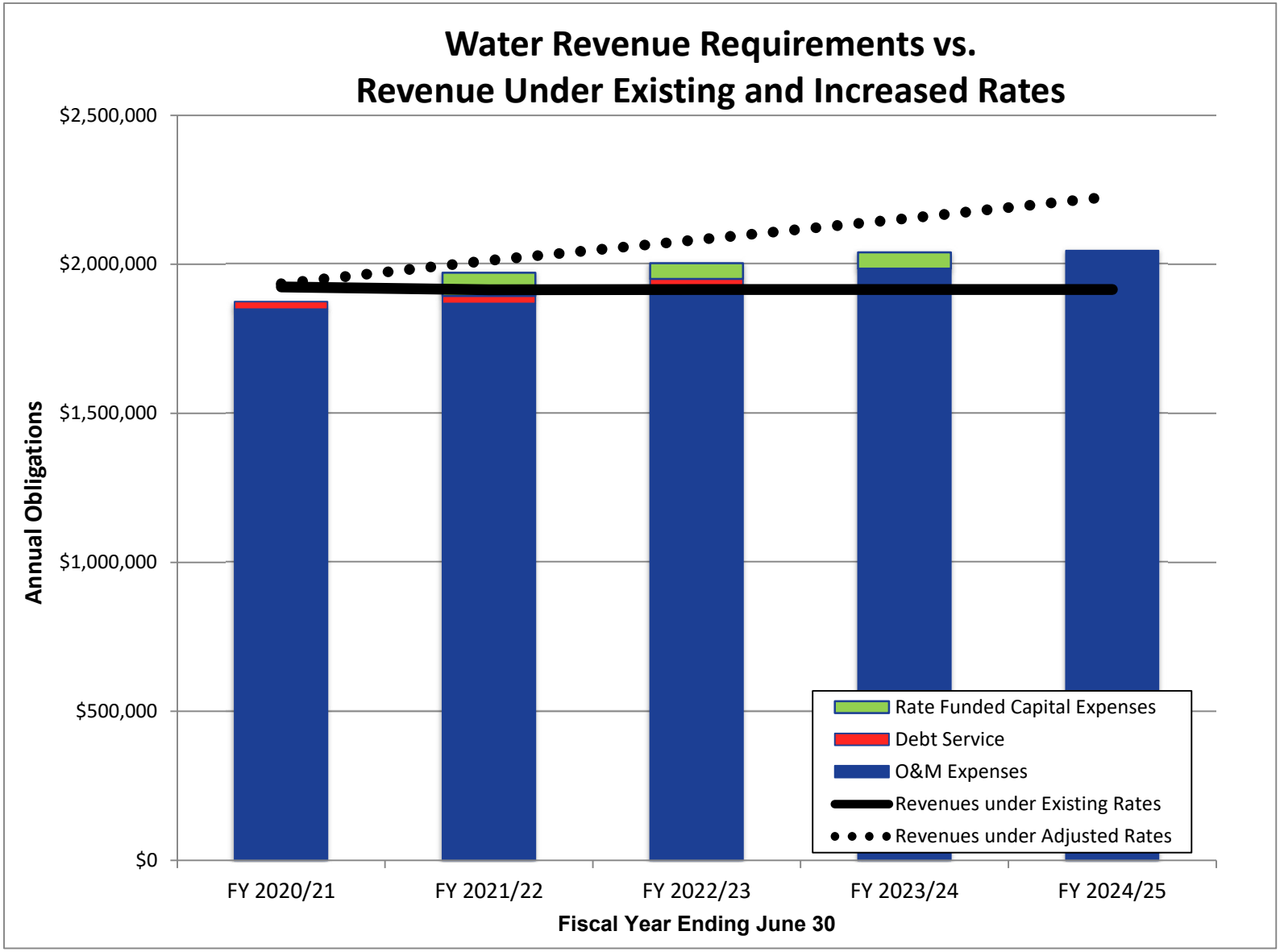

Water Revenue Requirements vs.
Revenue Under Existing and Increased Rates
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
Annual Obligations
FY 2020/21
FY 2021/22
FY 2022/23
FY 2023/24
FY 2024/25
Fiscal Year Ending June 30
Rate Funded Capital Expenses
Debt Service
O&M Expenses
Revenues under Existing Rates
Revenues under Adjusted Rates

CHART 2

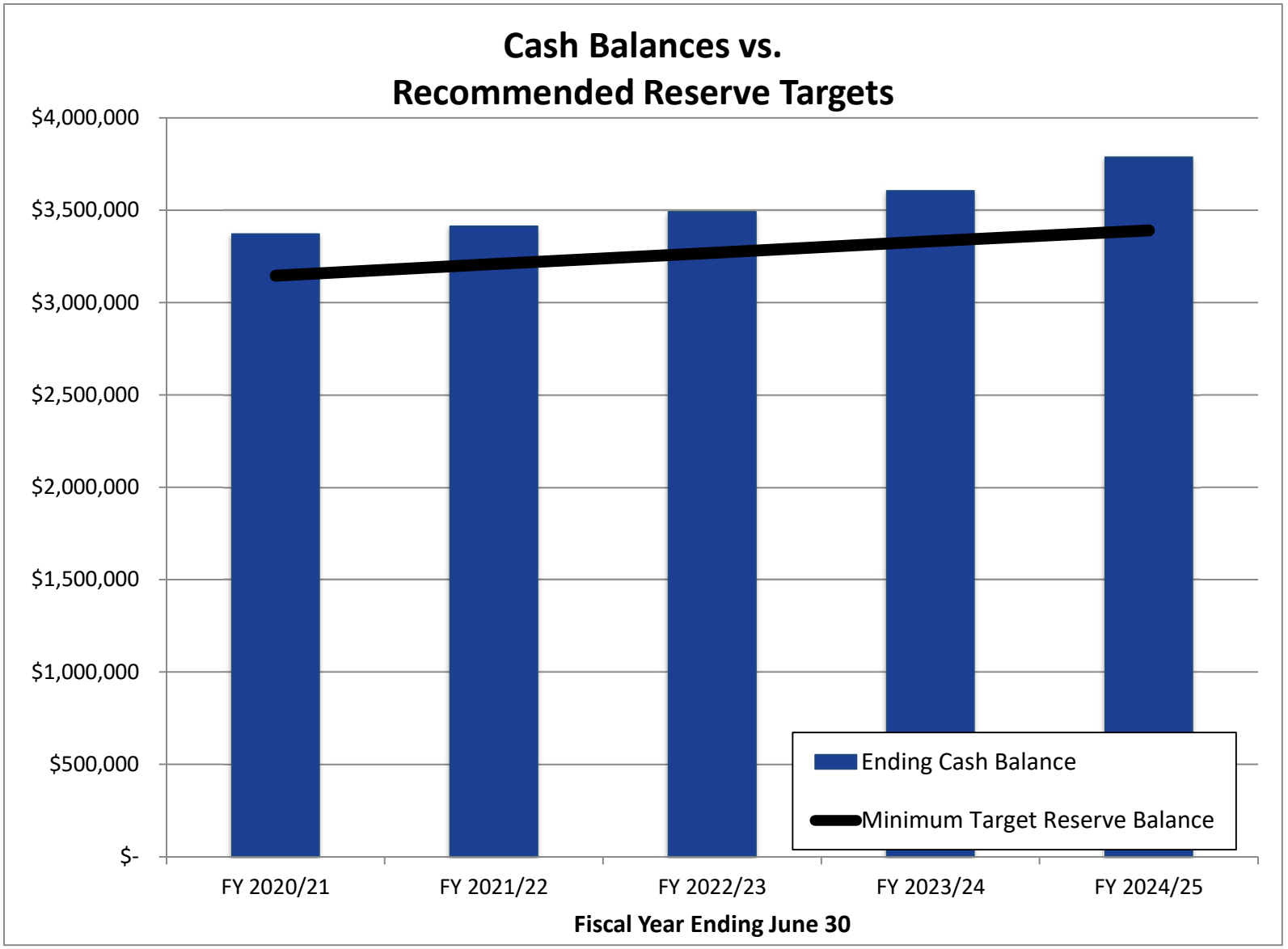
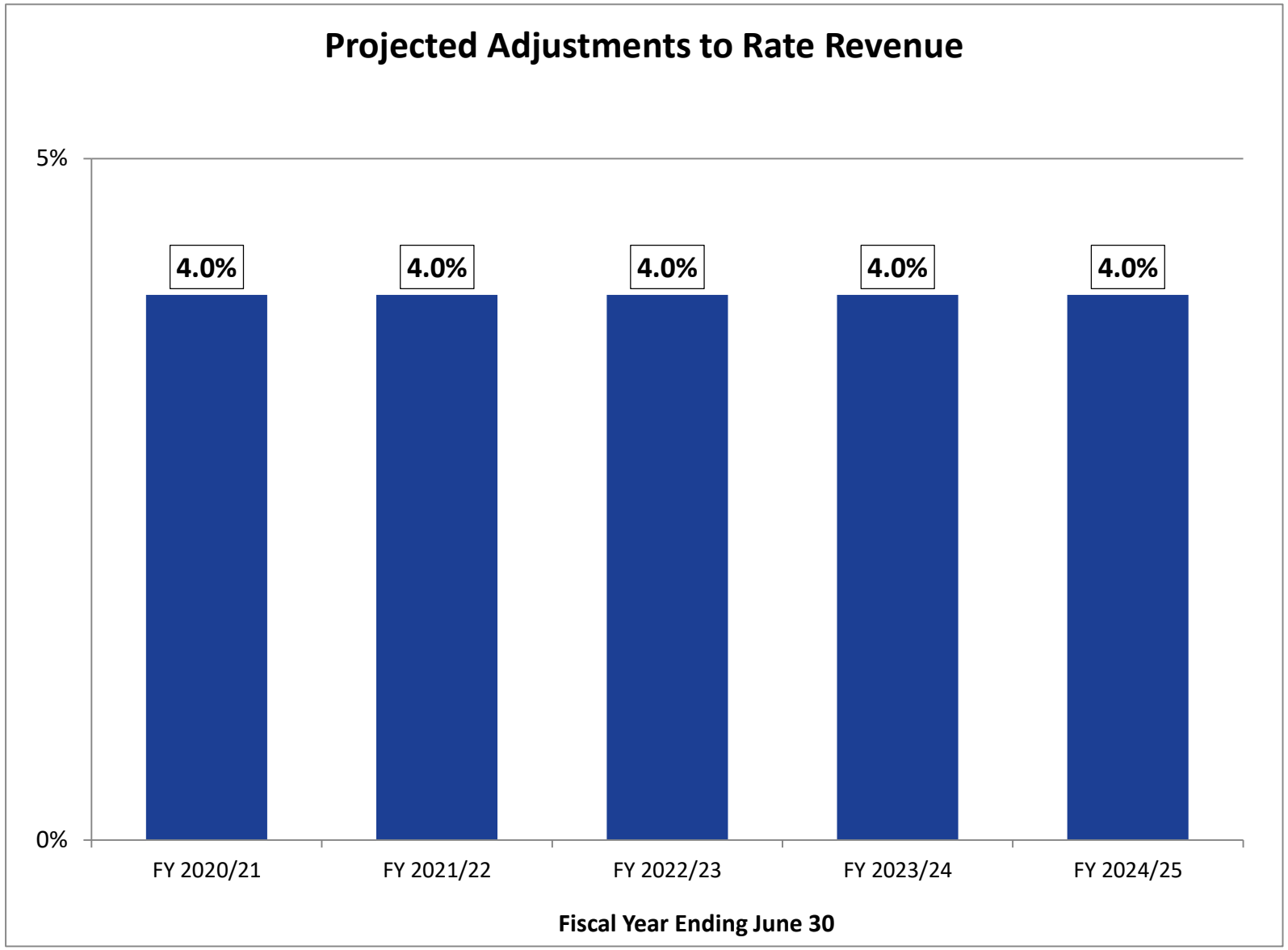

Cash Balances vs.
Recommended Reserve Targets
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$-
FY 2020/21
FY 2021/22
FY 2022/23
FY 2023/24
FY 2024/25
Fiscal Year Ending June 30
Ending Cash Balance
Minimum Target Reserve Balance

CHART 3


Projected Adjustments to Rate Revenue
5%
0%
4.0%
4.0%
4.0%
4.0%
4.0%
FY 2020/21
FY 2021/22
FY 2022/23
FY 2023/24
FY 2024/25
Fiscal Year Ending June 30

BIGHORN DESERT WATER AGENCY **EXHIBIT 1**
WATER RATE STUDY
Operating Revenue and Expenses

TABLE 3 : REVENUE FORECAST [1] Budget

DESCRIPTION	Inflation Basis	2021	2022	2023	2024	2025
Operating Revenue						
Metered Water Sales	1	$ 678,177	$ 678,177	$ 678,177	$ 678,177	$ 678,177
Basic Service Charge	1	940,440	940,440	940,440	940,440	940,440
Other Operating Income	1	60,000	60,000	60,000	60,000	60,000
Interest Income Unrestricted	See FP	16,000				
Water Sales from Ames	1	1	1	1	1	1
Subtotal		$ 1,694,618	$ 1,678,618	$ 1,678,618	$ 1,678,618	$ 1,678,618
Non-Operating Revenue						
Stand-By Income W-1	1	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000
Predicted Lien Receipts (DQ, Pen, Int)	1	28,500	28,500	28,500	28,500	28,500
Debt Service BDVWA ID "1"	1	1	1	1	1	1
Debt Service DV	1	-	-	-	-	-
General Tax Income (portion of 1%)	1	136,330	136,330	136,330	136,330	136,330
Subtotal		$ 229,831	$ 229,831	$ 229,831	$ 229,831	$ 229,831
Non-Operating Revenue - New Connections						
Meter Connect Fees (SL Install Fees)	1	$ 3,590	$ 3,590	$ 3,590	$ 3,590	$ 3,590
Basic Facilities Charge (Buy-In)	1	9,190	9,190	9,190	9,190	9,190
Subtotal		$ 12,780	$ 12,780	$ 12,780	$ 12,780	$ 12,780
TOTAL: REVENUE		**$ 1,937,229**	**$ 1,921,229**	**$ 1,921,229**	**$ 1,921,229**	**$ 1,921,229**

TABLE 4 : REVENUE SUMMARY Budget

RATE REVENUE:						
Metered Water Sales		$ 678,177	$ 678,177	$ 678,177	$ 678,177	$ 678,177
Basic Service Charge		940,440	940,440	940,440	940,440	940,440
OTHER REVENUE:						
Other Operating Revenue		$ 60,001	$ 60,001	$ 60,001	$ 60,001	$ 60,001
Interest Income		16,000	-	-	-	-
Non-Operating Revenue		229,831	229,831	229,831	229,831	229,831
Non-Operating Revenue - New Connections		12,780	12,780	12,780	12,780	12,780
TOTAL: REVENUE		**$ 1,937,229**	**$ 1,921,229**	**$ 1,921,229**	**$ 1,921,229**	**$ 1,921,229**

BIGHORN DESERT WATER AGENCY **EXHIBIT 1**
WATER RATE STUDY
Operating Revenue and Expenses

TABLE 5 : OPERATING EXPENSE FORECAST [1] Budget

DESCRIPTION	Inflation Basis	2021	2022	2023	2024	2025
Operating Administrative Expenses						
Administrative Compensation	2	$ 307,871	$ 318,000	$ 328,500	$ 339,300	$ 350,500
Contractual Services - Auditor	2	21,165	21,900	22,600	23,300	24,100
Contractual Services - Legal	2	20,000	20,700	21,400	22,100	22,800
Legislative Affairs	4	10,000	10,200	10,400	10,600	10,800
PERS Contribution	3	39,079	41,400	43,900	46,500	49,300
PERS UAL [1]		60,921	67,284	71,053	75,073	77,138
Payroll Tax	2	15,703	16,200	16,700	17,300	17,900
Telephone & Fax	4	9,085	9,300	9,500	9,700	9,900
Mailing Expenses	4	1,500	1,500	1,500	1,500	1,500
Contractual Services - Other	2	78,500	81,100	83,800	86,600	89,500
Property/Liability Insurance	4	67,230	68,600	70,000	71,400	72,800
Workers Comp Insurance	4	12,606	12,900	13,200	13,500	13,800
Dues & Subscriptions & Annual Fees	4	17,850	18,200	18,600	19,000	19,400
Power/Propane - Office & Yards	6	8,200	8,500	8,800	9,100	9,400
Bad Debt Expense	7	1,500	1,500	1,500	1,500	1,500
Bad Debt Expense - Uncollected Liens	7	5,000	5,000	5,000	5,000	5,000
Office Supplies/Printing	4	8,500	8,700	8,900	9,100	9,300
Employee Benefits Insurance	3	155,000	164,300	174,200	184,700	195,800
Employee Education	4	15,000	15,300	15,600	15,900	16,200
Non-Operating Administrative Expenses						
Office Equipment Expense	4	$ 10,000	$ 10,200	$ 10,400	$ 10,600	$ 10,800
Customer Relations	4	3,800	3,900	4,000	4,100	4,200
Other Administrative Expenses	4	7,500	7,700	7,900	8,100	8,300
Election Costs	4	2,500	2,600	2,700	2,800	2,900
Misc. Expenses	4	500	500	500	500	500
Operations Expense						
Operations Staff Compensation	2	$ 326,155	$ 336,900	$ 348,000	$ 359,500	$ 371,400
Uniforms	4	6,750	6,900	7,000	7,100	7,200
Vehicle, Tractor, Equipment Expense	4	30,000	30,600	31,200	31,800	32,400
Vehicle Expense - Fuel	5	36,750	37,100	37,500	37,900	38,300
Field Materials and Supplies	4	75,000	76,500	78,000	79,600	81,200
Water Testing	4	12,000	12,200	12,400	12,600	12,900
Engineering	4	60,000	61,200	62,400	63,600	64,900
Water System Repairs	4	70,000	71,400	72,800	74,300	75,800
Excavation Permit Fees (CoSB)	4	500	500	500	500	500
Building Maintenance and Repair	4	15,500	15,800	16,100	16,400	16,700
Communications Expense	4	6,700	6,800	6,900	7,000	7,100
Disinfection Expense	4	15,000	15,300	15,600	15,900	16,200
Power - Wells, Booster Pumps	6	75,000	77,600	80,300	83,100	86,000
Other Operations Expense	4	11,650	11,900	12,100	12,300	12,500
Water Purchases	4	45,000	45,900	46,800	47,700	48,700
Sub-Total		**$ 1,665,015**	**$ 1,722,084**	**$ 1,778,253**	**$ 1,836,573**	**$ 1,895,138**

BIGHORN DESERT WATER AGENCY **EXHIBIT 1**
WATER RATE STUDY
Operating Revenue and Expenses

TABLE 6 Budget

DESCRIPTION	Inflation Basis	2021	2022	2023	2024	2025
Director Expense						
Director - McBride	2	$ 9,020	$ 9,300	$ 9,600	$ 9,900	$ 10,200
Director - Corl-Lorono	2	9,020	9,300	9,600	9,900	10,200
Director - J. Burkhart	2	9,020	9,300	9,600	9,900	10,200
Director - McKenzie	2	9,020	9,300	9,600	9,900	10,200
Director - Coulombe	2	9,020	9,300	9,600	9,900	10,200
Sub-Total		**$ 45,100**	**$ 46,500**	**$ 48,000**	**$ 49,500**	**$ 51,000**

TABLE 7 Budget

DESCRIPTION	Inflation Basis	2021	2022	2023	2024	2025
Administration Projects (Approved April 2020)						
Rate and Fee Study	4	$ 40,000	$ -	$ -	$ -	$ -
PARS TRUST FY 2020/21 Contribution (No. 2)	7	100,000	100,000	100,000	100,000	100,000
Sub-Total		**$ 140,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**
GRAND TOTAL: WATER OPERATING EXPENSES		**$ 1,850,115**	**$ 1,868,584**	**$ 1,926,253**	**$ 1,986,073**	**$ 2,046,138**

TABLE 8 : FORECASTING ASSUMPTIONS

INFLATION FACTORS [2]	Inflation Basis	2021	2022	2023	2024	2025
Water Sales	1	0.00%	0.00%	0.00%	0.00%	0.00%
Salaries	2	3.30%	3.30%	3.30%	3.30%	3.30%
Benefits[3]	3	6.00%	6.00%	6.00%	6.00%	6.00%
General Inflation[4]	4	2.00%	2.00%	2.00%	2.00%	2.00%
Fuel[5]	5	1.00%	1.00%	1.00%	1.00%	1.00%
Electricity	6	3.50%	3.50%	3.50%	3.50%	3.50%
No Escalation	7	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenue and expenses for FY 2019/20 through FY 2020/21 are from source files: *Resolution No. 19R-03 Adopting the Agency Budget for FY 2019-20.pdf, and FY2020.21 Budget adopted 5 26 2020 20R-14.pdf* . PERS updated by Cindy September 9, 2020 in source file: *V2 9.8.20 BHDWA_Water Rate Model_09.08.20 -to client.xlsx*
2. Inflation values follow 5-year average from US Bureau of Labor Statistics (BLS).
   Website: https://data.bls.gov/cgi-bin/surveymost?en+06
3. Benefits inflation set to 6% per Agency staff on September 9, 2020.
4. Five-year average CPI for All Urban Consumers for the Los Angeles/Riverside/Orange County areas, per BLS.
5. Average cost inflation for Fuel and Utilities for US City Average (2018-2020), per BLS.

BIGHORN DESERT WATER AGENCY **EXHIBIT 2**
WATER RATE STUDY
Capital Improvement Plan Expenditures

TABLE 9 : CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST	Budget	Projected			
Funding Sources:	**FY 2020/21**	**FY 2021/22**	**FY 2022/23**	**FY 2023/24**	**FY 2024/25**
Grants[1]	$ 430,030	$ 194,970	$ -	$ -	$ -
Use of Capacity Fee Reserves	-	-	-	-	-
SRF Loan Funding	-	-	-	-	-
Use of New Revenue Bond Proceeds	-	-	-	-	-
Use of Capital Rehabilitation and Replacement Reserve	-	78,375	-	54,050	-
Rate Revenue	-	-	52,665	-	-
Total Sources of Capital Funds	**$ 430,030**	**$ 273,345**	**$ 52,665**	**$ 54,050**	**$ -**
Uses of Capital Funds:					
Total Project Costs	$ 430,030	$ 273,345	$ 52,665	$ 54,050	$ -
Capital Funding Surplus (Deficiency)	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***
Bank Loan	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***
New Revenue Bond Proceeds	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***

1. Grant Funding is per page 14 of the Agency's 2020/21 budget (file: *FY2020.21 Budget adopted 5 26 2020 20R-14.pdf*).

BIGHORN DESERT WATER AGENCY **EXHIBIT 2**
WATER RATE STUDY
Capital Improvement Plan Expenditures

CAPITAL IMPROVEMENT PROGRAM

TABLE 10 : CAPITAL IMPROVEMENT PROGRAM COSTS (IN CURRENT-YEAR DOLLARS) [1]

Avg. Life Yrs.	Project Description	2021	2022	2023	2024	2025
Refurbish and Replacement Projects						
15	Well 4 Rehab	$ 39,425				
15	Well 6 Rehab					
8	Well 7 Rehab	34,030				
8	Well 8 Rehab					
8	Well 9 Rehab					
15	Well 10 Rehab					
15	Well GMW1		24,900			
15	Well GMW2					
15	Well GMW3					
15	Well 13					
15	Pump Well 3	60,575				
15	Pump Well 4	100,000				
15	Pump Well 6					
8	Pump Well 7					
8	Pump Well 8					
8	Pump Well 9					
8	Pump Well 10					
8	Pump Well GMW1		41,440			
15	Pump Well GMW2					
8	Pump Well GMW3					
8	Pump Well 13					
30	New Replacement Well for BH or DV					
7	JV Booster Station Upgrade - VFD's/Pressure Vessels		15,000			
	New Storage Tank					
20	Customer Meter w/ Box & Shutoff, Complete					
20	Utility Billing Software Replacement					
75	Loop Charles Rd.					
75	Shop Building Upgrades - storage and work space		50,000			
20	Replace Generator - 90 KW mobile					
20	Dump truck		85,000			
15	Replace Tractor					
9	Replace Fleet Vehicles (avg life)		50,000	50,000	50,000	
Distribution System Projects						
75	Distribution Valve, 6" avg, both water systems 50%	$ -	$ -	$ -	$ -	$ -
75	Fire Hydrants, both water systems 50%	-	-	-	-	-
75	Pipe w/sand bedding, 6" avg. ID Goat Mtn	-	-	-	-	-
75	Pipe w/sand bedding, 6" avg. BDVWA					
Operations Capital Projects (from 2020/21 Budget) [2]						
	Water Storage Tank Recoating (B1, B2), May 26, 2020	81,000	-	-	-	-
	Water Storage Tank Recoating (B1, B2), Feb. 2020	80,000	-	-	-	-
	C-Booster Station Upgrades	35,000	-	-	-	-
Total: CIP Program Costs *(Current-Year Dollars)*		**$ 430,030**	**$ 266,340**	**$ 50,000**	**$ 50,000**	**$ -**

TABLE 11 : CAPITAL IMPROVEMENT PROGRAM COSTS (IN FUTURE-YEAR DOLLARS) [1]

Project Description		2021	2022	2023	2024	2025
Refurbish and Replacement Projects						
15	Well 4 Rehab	$ 39,425	$ -	$ -	$ -	$ -
15	Well 6 Rehab	-	-	-	-	-
8	Well 7 Rehab	34,030	-	-	-	-
8	Well 8 Rehab	-	-	-	-	-
8	Well 9 Rehab	-	-	-	-	-
15	Well 10 Rehab	-	-	-	-	-
15	Well GMW1	-	25,555	-	-	-
15	Well GMW2	-	-	-	-	-
15	Well GMW3	-	-	-	-	-
15	Well 13	-	-	-	-	-
15	Pump Well 3	60,575	-	-	-	-
15	Pump Well 4	100,000	-	-	-	-
15	Pump Well 6	-	-	-	-	-
8	Pump Well 7	-	-	-	-	-
8	Pump Well 8	-	-	-	-	-
8	Pump Well 9	-	-	-	-	-
8	Pump Well 10	-	-	-	-	-
8	Pump Well GMW1	-	42,530	-	-	-
15	Pump Well GMW2	-	-	-	-	-
8	Pump Well GMW3	-	-	-	-	-
8	Pump Well 13	-	-	-	-	-
30	New Replacement Well for BH or DV	-	-	-	-	-
7	JV Booster Station Upgrade - VFD's/Pressure Vessels	-	15,395	-	-	-
--	New Storage Tank	-	-	-	-	-
20	Customer Meter w/ Box & Shutoff, Complete	-	-	-	-	-
20	Utility Billing Software Replacement	-	-	-	-	-
75	Loop Charles Rd.	-	-	-	-	-
75	Shop Building Upgrades - storage and work space	-	51,315	-	-	-
20	Replace Generator - 90 KW mobile	-	-	-	-	-
20	Dump truck	-	87,236	-	-	-
15	Replace Tractor	-	-	-	-	-
9	Replace Fleet Vehicles (avg life)	-	51,315	52,665	54,050	-
Distribution System Projects		-	-	-	-	-
75	Distribution Valve, 6" avg, both water systems 50%	-	-	-	-	-
75	Fire Hydrants, both water systems 50%	-	-	-	-	-
75	Pipe w/sand bedding, 6" avg. ID Goat Mtn	-	-	-	-	-
75	Pipe w/sand bedding, 6" avg. BDVWA	-	-	-	-	-
Operations Capital Projects (from 2020/21 Budget)2		-	-	-	-	-
--	Water Storage Tank Recoating (B1, B2), May 26, 2020	81,000	-	-	-	-
--	Water Storage Tank Recoating (B1, B2), Feb. 2020	80,000	-	-	-	-
--	C-Booster Station Upgrades	35,000	-	-	-	-
Total: CIP Program Costs *(Future-Year Dollars)*		**$ 430,030**	**$ 273,345**	**$ 52,665**	**$ 54,050**	**$ -**

BIGHORN DESERT WATER AGENCY **EXHIBIT 2**
WATER RATE STUDY
Capital Improvement Plan Expenditures

TABLE 12 : FORECASTING ASSUMPTIONS

Economic Variables	2021	2022	2023	2024	2025
Annual Construction Cost Inflation, Per Engineering News Record [3]	*0.00%*	*2.63%*	*2.63%*	*2.63%*	*2.63%*
Cumulative Construction Cost Multiplier from 2020	*1.00*	*1.03*	*1.05*	*1.08*	*1.11*

1. Estimated capital improvement project costs found in source files: *BDVWA Replacement Refurbishment CIP and Min Rate Gen 5 1 2017.xlsx*
Cindy and Marina confirmed updated costs in source file: *CIP Estimates through 2035-36 V2.xlsx*
2. Operations Capital projects are per page 14 of the Agency's 2020/21 budget (file: FY2020.21 Budget adopted 5 26 2020 20R-14.pdf).
3. Construction inflator is based on the most current 10 year average of the Engineering News-Record Construction Cost Index.
Source: www.enr.com/economics (August 2010 to August 2020).

TABLE 13

AGENCY DEBT OBLIGATIONS					
Annual Repayment Schedules:	**FY 2020/21**	**FY 2021/22**	**FY 2022/23**	**FY 2023/24**	**FY 2024/25**
Desert View Water Revenue Bonds [1]					
Principal Payment	$ -	$ -	$ -	$ -	$ -
Interest Payment	-	-	-	-	-
Subtotal: Annual Debt Service	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Coverage Requirement ($-Amnt above annual payment)	100%	100%	100%	100%	100%
Reserve Requirement (total fund balance)	$ -	$ -	$ -	$ -	$ -
MWA Pipeline Debt					
Principal Payment [2]	$ 25,000	$ 25,000	$ 25,000	$ -	$ -
Interest Payment	-	-	-	-	-
Subtotal: Annual Debt Service	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ -**	**$ -**
Coverage Requirement ($-Amnt above annual payment)	100%	100%	100%	100%	100%
Reserve Requirement (total fund balance)	$ -	$ -	$ -	$ -	$ -

1. Water revenue bonds due to mature in 2020. Source file: *Resolution No. 19R-03 Adopting the Agency Budget for FY 2019-20.pdf, page 8.*
2. Per Agency staff, this is in all likelihood going to be reimbursed with a grant. Leaving in model as a conservative approach.

TABLE 14 : EXISTING ANNUAL DEBT OBLIGATIONS TO BE SATISFIED BY WATER RATES

Existing Annual Debt Service	***$ 25,000***	***$ 25,000***	***$ 25,000***	***$ -***	***$ -***
Existing Annual Coverage Requirement	***100%***	***100%***	***100%***	***100%***	***100%***
Existing Debt Reserve Target	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***

TABLE 15

Classification of Expenses											
Budget Categories	**Total Revenue Requirements**	**Commodity**	**Additonal Supply**	**Capacity**	**Customer**	**Fire Protection**	**Basis of Classification**				
	FY 2020/21	**(COM)**	**(ADD SUP)**	**(CAP)**	**(CA)**	**(FP)**	**COM**	**ADD SUP**	**CAP**	**CA**	**FP**
Operating Administrative Expenses											
Administrative Compensation	$ 307,871	$ 92,361	$ -	$ 184,676	$ 30,787	$ 46	30.0%	0.0%	60.0%	10.0%	0.02%
Contractual Services - Auditor	$ 21,165	$ 6,350	$ -	$ 12,696	$ 2,117	$ 3	30.0%	0.0%	60.0%	10.0%	0.02%
Contractual Services - Legal	$ 20,000	$ 6,000	$ -	$ 11,997	$ 2,000	$ 3	30.0%	0.0%	60.0%	10.0%	0.02%
Legislative Affairs	$ 10,000	$ 3,000	$ -	$ 5,998	$ 1,000	$ 2	30.0%	0.0%	60.0%	10.0%	0.02%
PERS Contribution	$ 39,079	$ 11,724	$ -	$ 23,442	$ 3,908	$ 6	30.0%	0.0%	60.0%	10.0%	0.02%
PERS UAL	$ 60,921	$ 18,276	$ -	$ 36,543	$ 6,092	$ 9	30.0%	0.0%	60.0%	10.0%	0.02%
Payroll Tax	$ 15,703	$ 4,711	$ -	$ 9,419	$ 1,570	$ 2	30.0%	0.0%	60.0%	10.0%	0.02%
Telephone & Fax	$ 9,085	$ 2,726	$ -	$ 5,450	$ 909	$ 1	30.0%	0.0%	60.0%	10.0%	0.02%
Mailing Expenses	$ 1,500	$ -	$ -	$ -	$ 1,500	$ -	0.0%	0.0%	0.0%	100.0%	0.0%
Contractual Services - Other	$ 78,500	$ 23,550	$ -	$ 47,088	$ 7,850	$ 12	30.0%	0.0%	60.0%	10.0%	0.02%
Property/Liability Insurance	$ 67,230	$ 20,169	$ -	$ 40,328	$ 6,723	$ 10	30.0%	0.0%	60.0%	10.0%	0.02%
Workers Comp Insurance	$ 12,606	$ 3,782	$ -	$ 7,562	$ 1,261	$ 2	30.0%	0.0%	60.0%	10.0%	0.02%
Dues & Subscriptions & Annual Fees	$ 17,850	$ 5,355	$ -	$ 10,707	$ 1,785	$ 3	30.0%	0.0%	60.0%	10.0%	0.02%
Power/Propane - Office & Yards	$ 8,200	$ 2,460	$ -	$ 4,919	$ 820	$ 1	30.0%	0.0%	60.0%	10.0%	0.02%
Bad Debt Expense	$ 1,500	$ 450	$ -	$ 900	$ 150	$ 0	30.0%	0.0%	60.0%	10.0%	0.02%
Bad Debt Expense - Uncollected Liens	$ 5,000	$ 1,500	$ -	$ 2,999	$ 500	$ 1	30.0%	0.0%	60.0%	10.0%	0.02%
Office Supplies/Printing	$ 8,500	$ 2,550	$ -	$ 5,099	$ 850	$ 1	30.0%	0.0%	60.0%	10.0%	0.02%
Employee Benefits Insurance	$ 155,000	$ 46,500	$ -	$ 92,977	$ 15,500	$ 23	30.0%	0.0%	60.0%	10.0%	0.02%
Employee Education	$ 15,000	$ 4,500	$ -	$ 8,998	$ 1,500	$ 2	30.0%	0.0%	60.0%	10.0%	0.02%
Non-Operating Administrative Expenses											
Office Equipment Expense	$ 10,000	$ 3,000	$ -	$ 5,998	$ 1,000	$ 2	30.0%	0.0%	60.0%	10.0%	0.02%
Customer Relations	$ 3,800	$ -	$ -	$ -	$ 3,800	$ -	0.0%	0.0%	0.0%	100.0%	0.0%
Other Administrative Expenses	$ 7,500	$ 2,250	$ -	$ 4,499	$ 750	$ 1	30.0%	0.0%	60.0%	10.0%	0.02%
Election Costs	$ 2,500	$ 750	$ -	$ 1,500	$ 250	$ 0	30.0%	0.0%	60.0%	10.0%	0.02%
Misc. Expenses	$ 500	$ 150	$ -	$ 300	$ 50	$ 0	30.0%	0.0%	60.0%	10.0%	0.02%
Sub-Total	**$ 879,010**	**$ 262,113**	**$ -**	**$ 524,095**	**$ 92,671**	**$ 131**	**29.8%**	**0.0%**	**59.6%**	**10.5%**	**0.01%**

TABLE 16

Classification of Expenses, continued

Budget Categories	Total Revenue Requirements	Commodity	Additonal Supply	Capacity	Customer	Fire Protection	Basis of Classification				
	FY 2020/21	(COM)	(ADD SUP)	(CAP)	(CA)	(FP)	COM	ADD SUP	CAP	CA	FP
Operations Expense											
Operations Staff Compensation	$ 326,155	$ 97,847	$ -	$ 195,644	$ 32,616	$ 49	30.0%	0.0%	60.0%	10.0%	0.02%
Uniforms	$ 6,750	$ 2,025	$ -	$ 4,049	$ 675	$ 1	30.0%	0.0%	60.0%	10.0%	0.02%
Vehicle, Tractor, Equipment Expense	$ 30,000	$ 9,000	$ -	$ 17,995	$ 3,000	$ 5	30.0%	0.0%	60.0%	10.0%	0.02%
Vehicle Expense - Fuel	$ 36,750	$ 11,025	$ -	$ 22,044	$ 3,675	$ 6	30.0%	0.0%	60.0%	10.0%	0.02%
Field Materials and Supplies	$ 75,000	$ 22,500	$ -	$ 44,989	$ 7,500	$ 11	30.0%	0.0%	60.0%	10.0%	0.02%
Water Testing	$ 12,000	$ 12,000	$ -	$ -	$ -	$ -	100.0%	0.0%	0.0%	0.0%	0.0%
Engineering	$ 60,000	$ 18,000	$ -	$ 35,991	$ 6,000	$ 9	30.0%	0.0%	60.0%	10.0%	0.02%
Water System Repairs	$ 70,000	$ 21,000	$ -	$ 41,989	$ 7,000	$ 11	30.0%	0.0%	60.0%	10.0%	0.02%
Excavation Permit Fees (CoSB)	$ 500	$ 150	$ -	$ 300	$ 50	$ 0	30.0%	0.0%	60.0%	10.0%	0.02%
Building Maintenance and Repair	$ 15,500	$ 4,650	$ -	$ 9,298	$ 1,550	$ 2	30.0%	0.0%	60.0%	10.0%	0.02%
Communications Expense	$ 6,700	$ -	$ -	$ -	$ 6,700	$ -	0.0%	0.0%	0.0%	100.0%	0.0%
Disinfection Expense	$ 15,000	$ 15,000	$ -	$ -	$ -	$ -	100.0%	0.0%	0.0%	0.0%	0.0%
Power - Wells, Booster Pumps	$ 75,000	$ 75,000	$ -	$ -	$ -	$ -	100.0%	0.0%	0.0%	0.0%	0.0%
Other Operations Expense	$ 11,650	$ 3,495	$ -	$ 6,988	$ 1,165	$ 2	30.0%	0.0%	60.0%	10.0%	0.02%
Water Purchases	$ 45,000	$ -	$ 45,000	$ -	$ -	$ -	0.0%	100.0%	0.0%	0.0%	0.0%
Director Expense											
Director - McBride	$ 9,020	$ -	$ -	$ -	$ 9,020	$ -	0.0%	0.0%	0.0%	100.0%	0.0%
Director - Corl-Lorono	$ 9,020	$ -	$ -	$ -	$ 9,020	$ -	0.0%	0.0%	0.0%	100.0%	0.0%
Director - J. Burkhart	$ 9,020	$ -	$ -	$ -	$ 9,020	$ -	0.0%	0.0%	0.0%	100.0%	0.0%
Director - McKenzie	$ 9,020	$ -	$ -	$ -	$ 9,020	$ -	0.0%	0.0%	0.0%	100.0%	0.0%
Director - Coulombe	$ 9,020	$ -	$ -	$ -	$ 9,020	$ -	0.0%	0.0%	0.0%	100.0%	0.0%
Administration Projects (Approved April 2020)											
Rate and Fee Study	$ 40,000	$ 12,000	$ -	$ 23,994	$ 4,000	$ 6	30.0%	0.0%	60.0%	10.0%	0.02%
PARS TRUST FY 2020/21 Contribution (No. 2)	$ 100,000	$ 30,000	$ -	$ 59,985	$ 10,000	$ 15	30.0%	0.0%	60.0%	10.0%	0.02%
Sub-Total	**$ 971,105**	**$ 333,692**	**$ 45,000**	**$ 463,267**	**$ 129,031**	**$ 116**	**34.4%**	**4.6%**	**47.7%**	**13.3%**	**0.0%**
Total Operating Expense	**$ 1,850,115**	**$ 595,805**	**$ 45,000**	**$ 987,362**	**$ 221,702**	**$ 247**	**32.2%**	**2.4%**	**53.4%**	**12.0%**	**0.0%**

TABLE 17

Classification of Expenses, continued											
Budget Categories	**Total Revenue Requirements**	**Commodity**	**Additonal Supply**	**Capacity**	**Customer**	**Fire Protection**	**Basis of Classification**				
	FY 2020/21	**(COM)**	**(ADD SUP)**	**(CAP)**	**(CA)**	**(FP)**	**COM**	**ADD SUP**	**CAP**	**CA**	**FP**
Debt Service Payments											
Existing Debt Service	$ 25,000	$ -	$ -	$ 25,000	$ -	$ -	0.0%	0.0%	100.0%	0.0%	0.0%
New Debt Service	$ -	$ -	$ -	$ -	$ -	$ -	0.0%	0.0%	100.0%	0.0%	0.0%
Total Debt Service Payments	**$ 25,000**	**$ -**	**$ -**	**$ 25,000**	**$ -**	**$ -**	**0.0%**	**0.0%**	**100.0%**	**0.0%**	**0.0%**
Capital Expenditures											
Rate Funded Capital Expenses	$ -	$ -	$ -	$ -	$ -	$ -	0.0%	0.0%	100.0%	0.0%	0.0%
TOTAL REVENUE REQUIREMENTS	**$ 1,875,115**	**$ 595,805**	**$ 45,000**	**$ 1,012,362**	**$ 221,702**	**$ 247**	**31.8%**	**2.4%**	**54.0%**	**11.8%**	**0.0%**
Less: Non-Rate Revenues											
Operating Revenue											
Metered Water Sales											
Basic Service Charge											
Other Operating Income	$ (60,000)	$ (19,533)	$ -	$ (33,190)	$ (7,268)	$ (8)	32.6%	0.0%	55.3%	12.1%	0.0%
Interest Income Unrestricted	$ (16,000)	$ (5,209)	$ -	$ (8,851)	$ (1,938)	$ (2)	32.6%	0.0%	55.3%	12.1%	0.0%
Water Sales from Ames	$ (1)	$ (0)	$ -	$ (1)	$ (0)	$ (0)	32.6%	0.0%	55.3%	12.1%	0.0%
Non-Operating Revenue							32.6%	0.0%	55.3%	12.1%	0.0%
Stand-By Income W-1	$ (65,000)	$ (21,161)	$ -	$ (35,956)	$ (7,874)	$ (9)	32.6%	0.0%	55.3%	12.1%	0.0%
Predicted Lien Receipts (DQ, Pen, Int)	$ (28,500)	$ (9,278)	$ -	$ (15,765)	$ (3,453)	$ (4)	32.6%	0.0%	55.3%	12.1%	0.0%
Debt Service BDVWA ID "1"	$ (1)	$ (0)	$ -	$ (1)	$ (0)	$ (0)	32.6%	0.0%	55.3%	12.1%	0.0%
Debt Service DV	$ -	$ -	$ -	$ -	$ -	$ -	32.6%	0.0%	55.3%	12.1%	0.0%
General Tax Income (portion of 1%)	$ (136,330)	$ (44,383)	$ -	$ (75,413)	$ (16,515)	$ (18)	32.6%	0.0%	55.3%	12.1%	0.0%
Non-Operating Revenue - New Connections											
Meter Connect Fees (SL Install Fees)											
Basic Facilities Charge (Buy-In)											
NET REVENUE REQUIREMENTS	**$ 1,569,283**	**$ 496,239**	**$ 45,000**	**$ 843,185**	**$ 184,653**	**$ 206**					
Allocation of Revenue Requirements	**100.0%**	**31.6%**	**2.9%**	**53.7%**	**11.8%**	**0.0%**					

TABLE 18

Classification of Expenses, continued Adjustments to Classification of Expenses						
Adjustment for Current Rate Level:	**Total**	**COM**	**ADD SUP**	**CAP**	**CA**	**FP**
FY 2020/21 Target Rate Rev. After Rate Increases	$ 1,683,362					
Projected Rate Revenue at Current Rates	$ 1,618,617					
FY 2020/21 Projected Rate Increase	4.0%					
Adjusted Net Revenue Req'ts	**$ 1,683,362**	**$ 532,313**	**$ 48,271**	**$ 904,480**	**$ 198,076**	**$ 221**
Percent of Revenue	*100.0%*	*31.6%*	*2.9%*	*53.7%*	*11.8%*	*0.0%*

TABLE 19

Development of the COMMODITY Allocation Factor			*Average Monthly Statistics*			*Average Bi-Monthly Statistics*		
Customer Class	**Volume (hcf) [1]**	**Percent of Total Volume**	***Winter***	***Annual***	***Summer***	**Winter**	**Annual**	**Summer**
Residential	173,074	**84.4%**	4	6	9	8	12	17
Residential + Backflow	2,971	**1.4%**	9	14	18	18	28	36
Agriculture	8,593	**4.2%**	1	31	75	2	62	150
Agriculture + Residence	7,704	**3.8%**	7	24	48	15	48	95
Bulk Water	10,563	**5.2%**	4	7	11	7	15	23
Commercial	448	**0.2%**	4	7	14	8	15	29
Commercial + Backflow	856	**0.4%**	12	18	27	24	36	53
Fire Meter	-	**0.0%**	-	-	-	-	-	-
Institutional - Fire Dept.	9	**0.0%**	-	1	3	-	2	7
Institutional + Backflow	839	**0.4%**	13	35	86	27	70	172
Total	**205,057**	**100%**						

1. Consumption is from September 2019 through August 2020. BDVWA charges monthly rates, but bills customers bi-monthly.

Source files: *CUSTOMER BILLING DATA 09.18.2020.xlsx*

Commodity Related Costs: *These costs are associated with the total consumption (flow) of water over a specified period of time (e.g. annual).*

BIGHORN DESERT WATER AGENCY
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TABLE 20

Development of the CAPACITY (MAX MONTH) Allocation Factor				
Customer Class	**Average Bi-Monthly Use (hcf)**	**Peak Bi-Monthly Use (hcf) [1]**	**Peaking Factor**	**Max 2-Month Capacity Factor**
Residential	28,846	43,629	**1.51**	**81.1%**
Residential + Backflow	495	652	**1.32**	**1.2%**
Agriculture	1,432	3,461	**2.42**	**6.4%**
Agriculture + Residence	1,284	2,572	**2.00**	**4.8%**
Bulk Water	1,760	2,760	**1.57**	**5.1%**
Commercial	75	144	**1.92**	**0.3%**
Commercial + Backflow	143	213	**1.49**	**0.4%**
Institutional - Fire Dept.	2	7	**4.33**	**0.0%**
Institutional + Backflow	140	344	**2.46**	**0.6%**
Total	**34,176**	**53,782**		**100%**
Fire Meter	0	0	**0.00**	**0.0%**

1. Based on peak monthly data (peak day data not available).

Capacity Related Costs: *Costs associated with the maximum demand required at one the maximum size of facilities required to meet this demand.*

BIGHORN DESERT WATER AGENCY
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Water Cost of Service Analysis

TABLE 21

Development of the CUSTOMER Allocation Factor		
Customer Class	**Number of Meters [1]**	**Percent of Total**
Residential	2,504	**92.5%**
Residential + Backflow	18	**0.7%**
Agriculture	23	**0.8%**
Agriculture + Residence	27	**1.0%**
Bulk Water	121	**4.5%**
Commercial	5	**0.2%**
Commercial + Backflow	4	**0.1%**
Fire Meter	2	**0.1%**
Institutional - Fire Dept.	1	**0.0%**
Institutional + Backflow	2	**0.1%**
Total	**2,707**	**100.0%**

1. Meter Count is from July/August 2020. BHDVWA charges monthly rates, but bills bi-monthly.
Source files: *CUSTOMER BILLING DATA 09.18.2020.xlsx*

***Customer Related Costs** : Costs associated with having a customer on the water system. These costs vary with the addition or deletion of customers on the system. Examples: Meter-reading, Postage and billing.*

TABLE 22

Meter Size	Standard Meters [1]		Fire Service Meters [2]	
	Meter Capacity (gpm)	Equivalency to 1 inch	Meter Capacity (gpm)	Equivalency to 1 inch
	Displacement Meters		*Displacement Meters*	
3/4 inch	30	1.00	30	1.00
1 inch	50	1.00	50	1.00
1.5 inch	100	2.00	100	2.00
2 inch	160	3.20	160	3.20
	Compound Class I Meters		*Fire Service Type II*	
3 inch	320	6.40	350	7.00
4 inch	500	10.00	700	14.00
6 inch	1,000	20.00	1,600	32.00
8 inch	1,600	32.00	2,800	56.00

1. Meter flow rates are from *AWWA M-1* Table B-1.
2. Fire Service meter flow rates are from AWWA M-6 Table 5-3.

TABLE 23 : ALLOCATION OF WATER REVENUE REQUIREMENTS

Functional Category	*COSA Results*		*Proposed Rates*	
	Unadjusted Net Revenue Requirements (2020-21) 68% Fixed / 32% Variable		Adjusted Net Revenue Requirements (2020-21) 60% Fixed / 40% Variable	
Commodity - Related Costs	**$ 532,313**	*31.6%*	**$ 532,313**	*31.6%*
Additional Supply Costs	**$ 48,271**	*2.9%*	**$ 48,271**	*2.9%*
Capacity - Related Costs (volumetric share)	**$ -**	*0.0%*	**$ 92,760**	*5.5%*
Capacity - Related Costs (fixed share)	**$ 904,480**	*53.7%*	**$ 811,720**	*48.2%*
Customer - Related Costs	**$ 198,076**	*11.8%*	**$ 198,076**	*11.8%*
Fire Protection - Related Costs	**$ 221**	*0.0%*	**$ 221**	*0.0%*
Total	**$1,683,362**	*100%*	**$1,683,362**	*100%*

TABLE 24 : ALLOCATION OF ADJUSTED NET REVENUE REQUIREMENTS - FY 2020/21

Proposed Rates - Net Revenue Requirements (60% Fixed / 40% Variable)

Customer Classes	Classification Components						Cost of Service Net Rev. Req'ts	% of COS Net Revenue Req'ts
	Commodity-Related Costs	Additional Supply Costs	Capacity-Related Costs *Volumetric Share*	Capacity-Related Costs *Fixed Share*	Customer-Related Costs	Fire Protection-Related Costs		
Residential	$ 449,288		$ 75,249	$ 658,483	$ 183,222	$ -	$1,366,243	*81.2%*
Residential + Backflow	7,713		1,124	9,836	1,317	-	19,990	*1.2%*
Agriculture	22,307	*Direct*	5,970	52,239	1,683	-	82,199	*4.9%*
Agriculture + Residence	19,998	*Allocation*	4,437	38,825	1,976	-	65,236	*3.9%*
Bulk Water	27,420	*Made based*	4,761	41,661	8,854	-	82,696	*4.9%*
Commercial	1,164	*on Tiered*	248	2,167	366	-	3,944	*0.2%*
Commercial + Backflow	2,222	*Water*	368	3,216	293	-	6,098	*0.4%*
Fire Meter	-	*Usage*	-	-	146	221	367	*0.0%*
Institutional - Fire Dept.	24		12	101	73	-	210	*0.0%*
Institutional + Backflow	2,177		593	5,190	146	-	8,107	*0.5%*
Total Net Revenue Requirement	**$ 532,313**	**$ 48,271**	**$ 92,760**	**$ 811,720**	**$ 198,076**	**$ 221**	**$1,683,362**	**97%**

TABLE 25 : CALCULATION OF BI-MONTHLY FIXED METER SERVICE CHARGES FOR FY 2020/21

Proposed Rates - Net Revenue Requirements (60% Fixed / 40% Variable)

Number of Meters by Class and Size [1]	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	Total
Residential	1,628	875	-	1	-	-	-	2,504
Residential + Backflow	7	11	-	-	-	-	-	18
Agriculture	6	17	-	-	-	-	-	23
Agriculture + Residence	12	15	-	-	-	-	-	27
Commercial	3	2	-	-	-	-	-	5
Commercial + Backflow	3	1	-	-	-	-	-	4
Institutional - Fire Dept.	-	1	-	-	-	-	-	1
Institutional + Backflow	1	-	-	1	-	-	-	2
Total Meters/Accounts	**1,660**	**922**	**-**	**2**	**-**	**-**	**-**	**2,584**
Hydraulic Capacity Factor [2]	*1.00*	*1.00*	*2.00*	*3.20*	*6.40*	*10.00*	*20.00*	
Total Equivalent Meters	**1,660**	**922**	**-**	**6**	**-**	**-**	**-**	**2,588**
Bi-Monthly Fixed Service Charges								
Customer Costs ($/Acct/2 months) [3]	$12.20	$12.20	$12.20	$12.20	$12.20	$12.20	$12.20	
Capacity Costs ($/Acct/2 months) [4]	$49.58	$49.58	$99.17	$158.67	$317.34	$495.84	$991.68	
Total Bi-Monthly Meter Charge	**$61.78**	**$61.78**	**$111.36**	**$170.86**	**$329.53**	**$508.03**	**$1,003.87**	
Annual Fixed Costs Allocated to Bi-Monthly Meter Charges								
Customer Costs	$ 189,076							
Capacity Costs	770,058							
Total Fixed Meter Costs	$ 959,134							
Annual Revenue from Bi-Monthly Meter Charges								
Customer Charges	$ 121,465	$ 67,464	$ -	$ 146	$ -	$ -	$ -	**$ 189,076**
Capacity Charges	493,856	274,298	-	1,904	-	-	-	**$ 770,058**
Total Revenue from Bi-Monthly Meter Charges	**$ 615,321**	**$ 341,763**	**$ -**	**$ 2,050**	**$ -**	**$ -**	**$ -**	**$ 959,134**

1. Number of meters by size and customer class for July-August 2020.
   Source file for meters and consumption: CUSTOMER BILLING DATA 09.18.2020.xlsx
2. Source file: *AWWA Manual M1, "Principles of Water Rates, Fees, and Charges",* Table B-1.
3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
4. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

TABLE 26 : CALCULATION OF BI-MONTHLY FIXED METER SERVICE CHARGES FOR FY 2020/21

Proposed Rates - Net Revenue Requirements (60% Fixed / 40% Variable)

Number of Meters by Class and Size [1]	3/4 inch	1 inch	2 inch	3 inch	4 inch	6 inch	8 inch	Total
Fire Protection - Related Costs	-	2	-	-	-	-	-	2
Total Meters/Accounts	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**2**
Hydraulic Capacity Factor [2]	*1.00*	*1.00*	*3.20*	*7.00*	*14.00*	*32.00*	*56.00*	
Total Equivalent Meters	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**2**
Bi-Monthly Fixed Service Charges								
Customer Costs ($/Acct/2 months) [3]	$12.20	$12.20	$12.20	$12.20	$12.20	$12.20	$12.20	
Capacity Costs ($/Acct/2 months) [4]	$18.42	$18.42	$58.95	$128.95	$257.89	$589.47	$1,031.56	
Total Bi-Monthly Meter Charge	**$30.62**	**$30.62**	**$71.14**	**$141.14**	**$270.09**	**$601.66**	**$1,043.76**	
Annual Fixed Costs Allocated to Bi-Monthly Meter Charges								
Customer Costs	$ 146							
Fire Protection Costs	221							
Total Fixed Meter Costs	$ 367							
Annual Revenue from Bi-Monthly Meter Charges								
Customer Charges	$ -	$ 146	$ -	$ -	$ -	$ -	$ -	**$ 146**
Capacity Charges	-	221	-	-	-	-	-	**221**
Total Revenue from Bi-Monthly Meter Charges	**$ -**	**$ 367**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 367**

1. Number of meters by size and customer class for July-August 2020.
   Source file for meters and consumption: CUSTOMER BILLING DATA 09.18.2020.xlsx
2. Source file: *AWWA Manual M6, "Water Meters - Selection, Installation, Testing and Maintenance",* Table 5-3.
3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
4. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

PROPOSED VOLUMETRIC CHARGES FOR FY 2020/21

TABLE 27

Proposed Rates - Net Revenue Requirements (60% Fixed / 40% Variable)								
Customer Classes	**Water Consumption (hcf/yr.) [1]**	**Commodity Assigned Costs**	**Capacity Assigned Costs**	**Additional Supply Costs [2]**	**Fixed Costs to Recover from Vol. Charges**	**Target Rev. Req't from Vol. Charges**	**Cost Per Unit of Water ($/hcf)**	**Volumetric Rates ($/hcf)**
Residential	173,074	$ 449,288	$ 75,249	*Allocated based on water supply costs.*	$ -	$ 524,537	$3.03	$3.03
Residential + Backflow	2,971	7,713	1,124		-	8,837	$2.97	
Agriculture	8,593	22,307	5,970		-	28,277	$3.29	$3.23
Agriculture + Residence	7,704	19,998	4,437		-	24,435	$3.17	
Bulk Water	10,563	27,420	4,761		50,515	82,696	$7.83	**$7.83**
Commercial	448	1,164	248		-	2,310	$5.15	
Commercial + Backflow	856	2,222	368		-	2,589	$3.03	
Fire Meter	0	-	-	898	-	-	N/A	**$3.58**
Institutional - Fire Dept.	9	24	12		-	36	$3.84	
Institutional + Backflow	839	2,177	593		-	2,770	$3.30	
Total	**205,057**	**$ 532,313**	**$ 92,760**	**$ 898**	**$ 50,515**	**$ 676,487**		

1. Consumption by customer class for July-August 2020.
   Source file for meters and consumption: CUSTOMER BILLING DATA 09.18.2020.xlsx
2. Additional water supply costs for Residential and Agriculture customers shown in Table 29.

TABLE 28: PROPOSED TIER BREAKPOINTS

Water Supply Allocation	Based on # of Parcels		Based on # of Accounts	
Total Water Allocation 2020	908	acre feet	908	acre feet
Total Customer Base	5,286	total parcels	2,707	total active accounts
Water Allocated to Each Customer Annual	0.17	acre feet/parcel/year	0.34	acre feet/parcel/year
Conversion to Hundred Cubic Feet	74.8	hcf	146.1	hcf
HCF Bi-Monthly Allocation Per Customer	12.5	hcf	24.4	hcf
Bi-Monthly Tier 1 Water	13.00	hcf	25.00	hcf
Total Water Allocation in hcf	395,524			

TABLE 29: ADDITONAL WATER SUPPLY COSTS

Cost Per Unit for State Water Project Water	Ag+Res	Non-Res	Total	
Total Cost for Additional Water Supply (70 AF)	$47,373.11	$898.16	$48,271.27	Total Cost
Cost per Acre Foot	$689.59		$689.59	per AF
Cost per HCF	$1.58		$1.58	per hcf

TABLE 30: TIERED WATER RATES

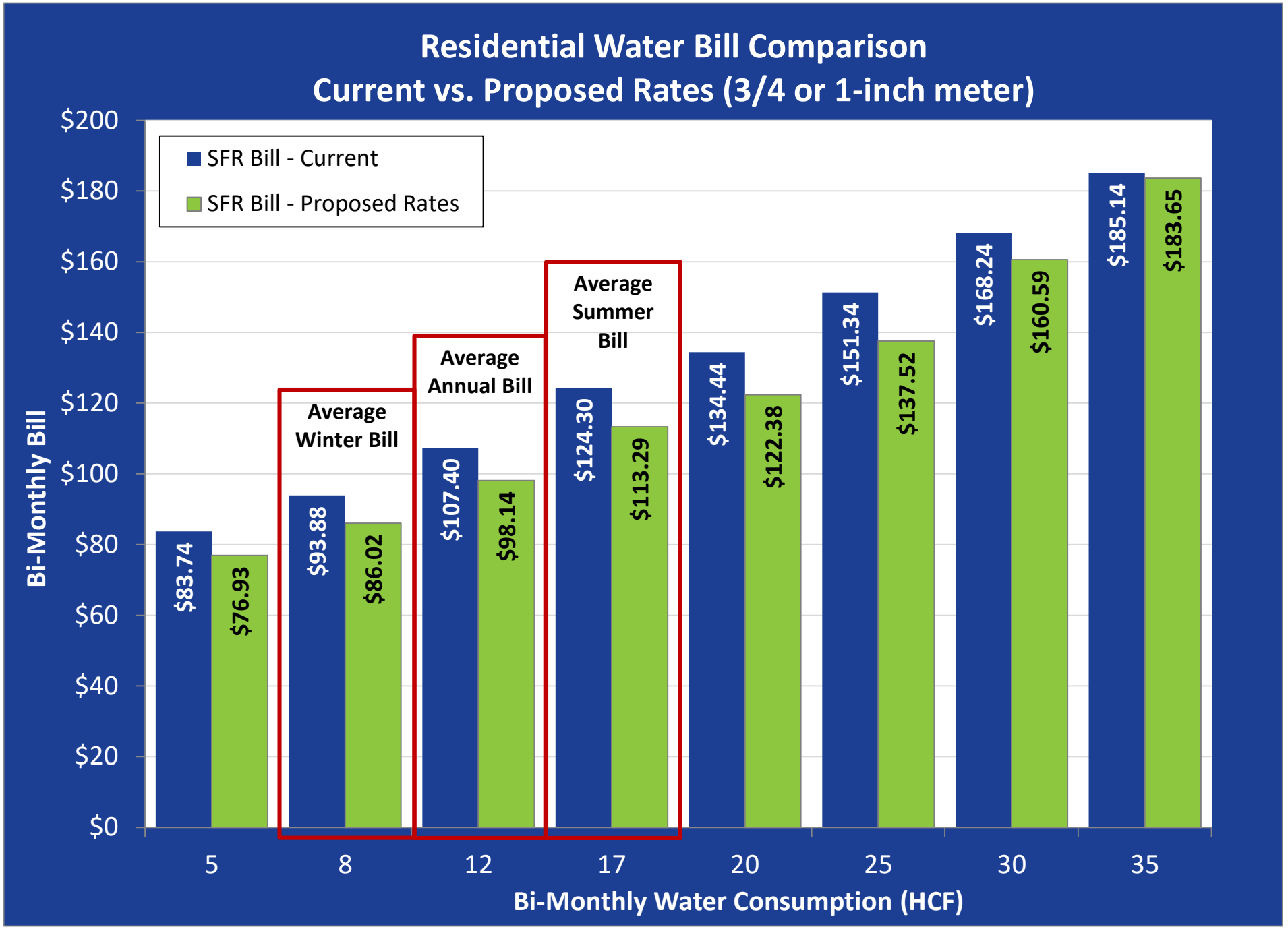
Proposed Rates - Net Revenue Requirements (60% Fixed / 40% Variable)						
Customer Classes	**Est. Water Consumption (hcf/yr.)**	**% of Consumption in Tier**	**Base Rate**	**Plus Additional Supply Cost**	**Cost Per Unit of Water ($/hcf)**	**Estimated Revenue**
Residential						
Tier 1	124,215	70%	$3.03	$0.00	**$3.03**	$ 376,341
Tier 2	53,094	30%	$3.03	$1.58	**$4.61**	$ 244,914
Agriculture						
Tier 1	4,052	26%	$3.23	$0.00	**$3.23**	$ 13,106
Tier 2	11,649	74%	$3.23	$1.58	**$4.82**	$ 56,120
Total	**193,010**					**$ 690,481**

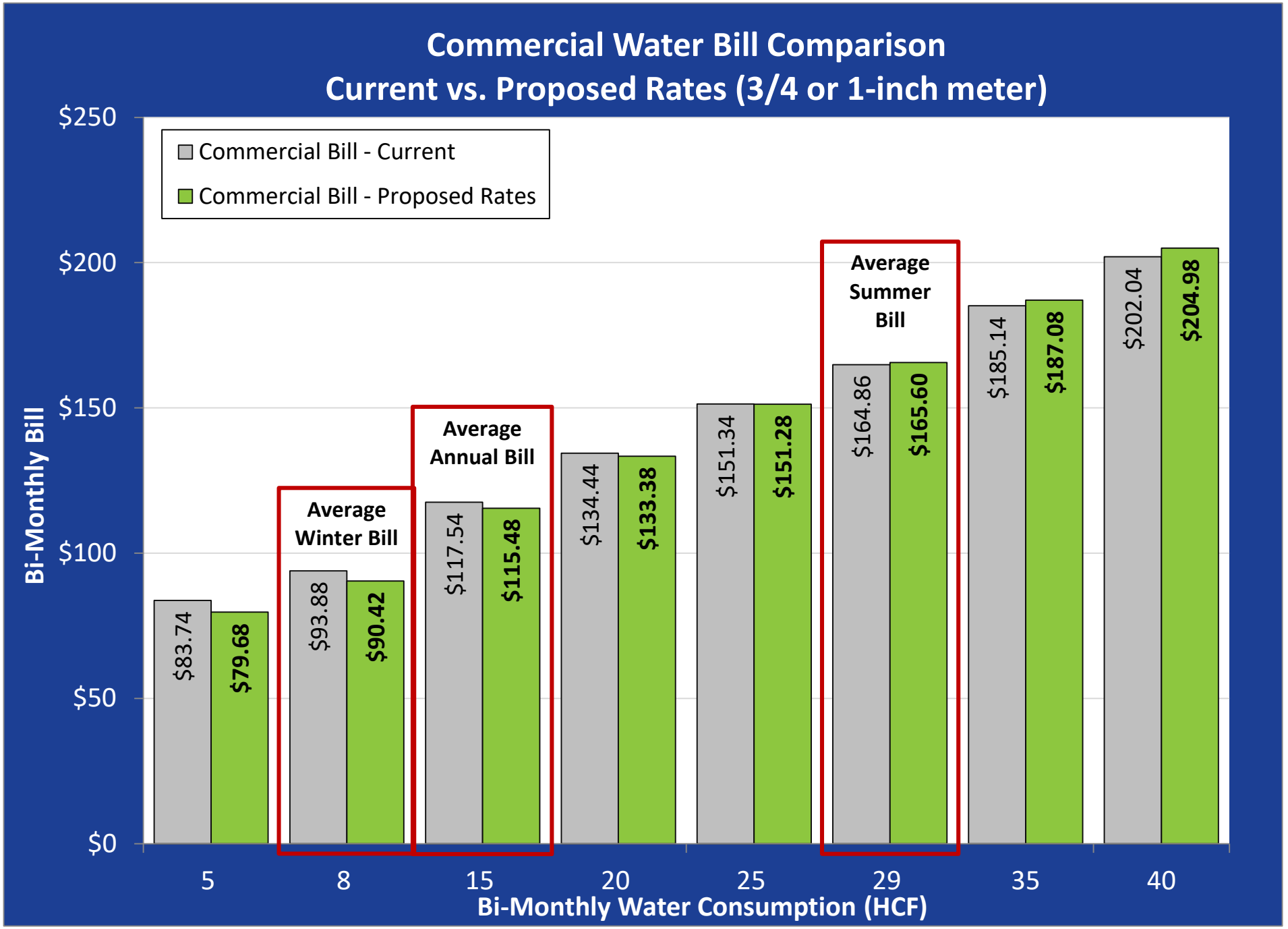
CURRENT VS. PROPOSED WATER RATES:

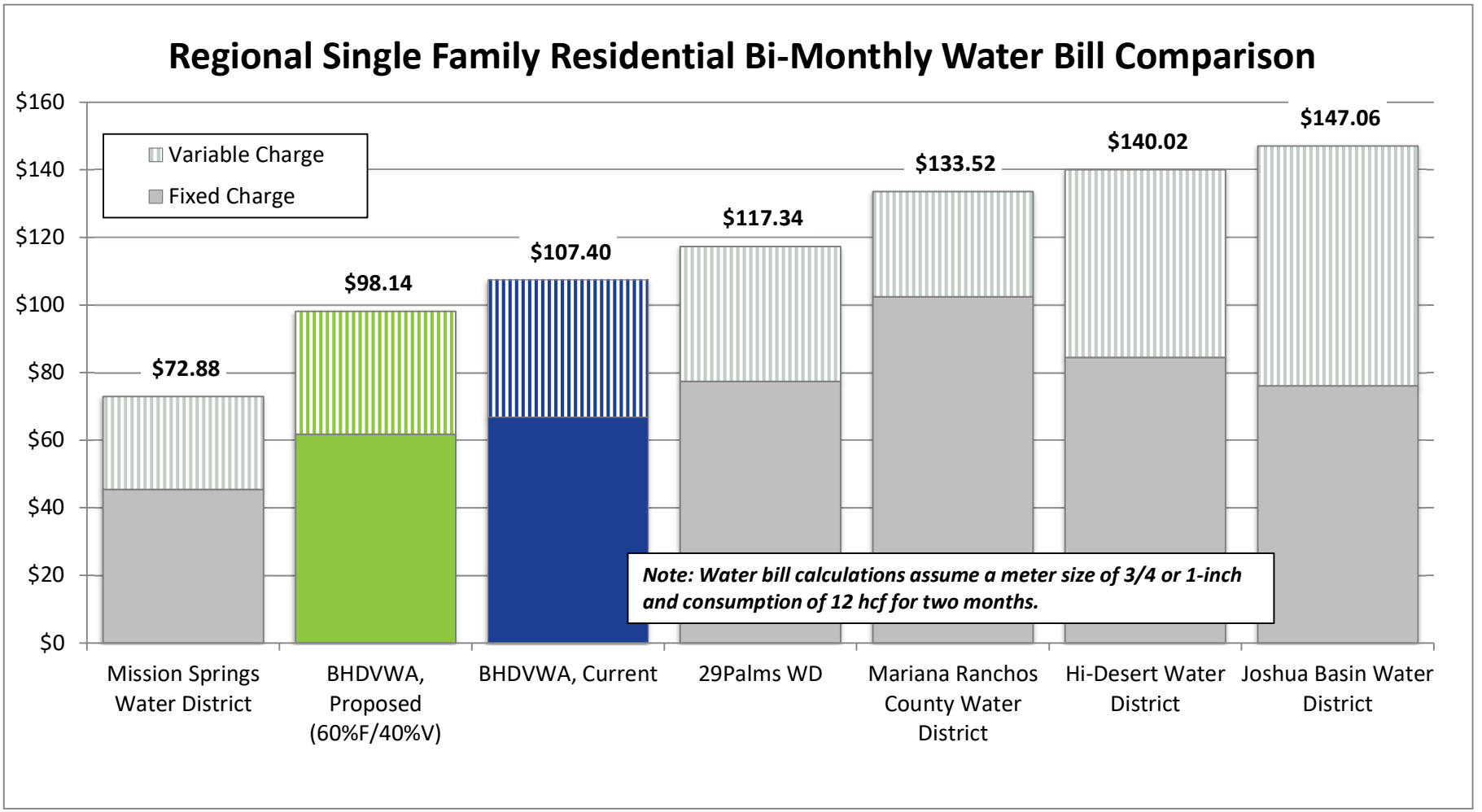
TABLE 31

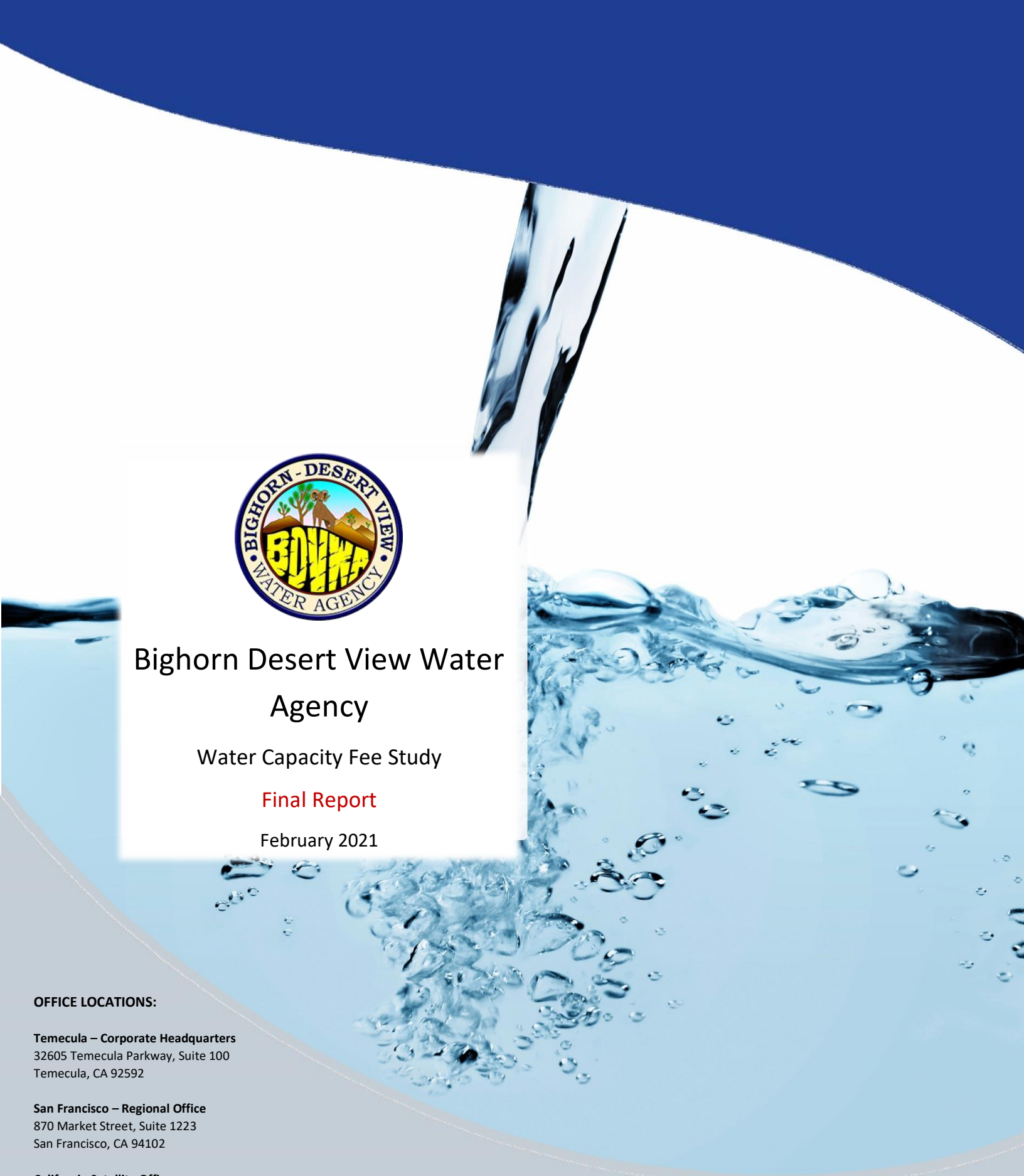
Proposed Rates - Net Revenue Requirements (60% Fixed / 40% Variable)

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Projected Increase in Rate Revenue per Financial Plan:		*4.00%*	*4.00%*	*4.00%*	*4.00%*	*4.00%*
Fixed Meter Charges						
Bi-Monthly Fixed Service Charges:						
3/4 inch	$66.84	$61.78	$64.25	$66.82	$69.49	$72.27
1 inch	$66.84	$61.78	$64.25	$66.82	$69.49	$72.27
1.5 inch	$66.84	$111.36	$115.81	$120.44	$125.26	$130.27
2 inch	$66.84	$170.86	$177.69	$184.80	$192.19	$199.88
3 inch	$66.84	$329.53	$342.71	$356.42	$370.68	$385.51
4 inch	--	$508.03	$528.35	$549.48	$571.46	$594.32
6 inch	--	$1,003.87	$1,044.02	$1,085.78	$1,129.21	$1,174.38
Bi-Monthly Fire Service Charges:						
3/4 inch	$16.00	$30.62	$31.84	$33.11	$34.43	$35.81
1 inch	$16.00	$30.62	$31.84	$33.11	$34.43	$35.81
2 inch	$16.00	$71.14	$73.99	$76.95	$80.03	$83.23
3 inch	$34.43	$141.14	$146.79	$152.66	$158.77	$165.12
4 inch	$57.38	$270.09	$280.89	$292.13	$303.82	$315.97
6 inch	$114.75	$601.66	$625.73	$650.76	$676.79	$703.86
8 inch	$183.60	$1,043.76	$1,085.51	$1,128.93	$1,174.09	$1,221.05
Commodity Charges						
Rate per hcf of Water Consumed:						
Bulk Meters	$9.57	$7.83	$8.14	$8.47	$8.81	$9.16
Commercial, Institutional, Fire & Other	$3.38	$3.58	$3.72	$3.87	$4.02	$4.18
Residential, 3/4" and 1" Meters	$3.38	--	--	--	--	--
Tiered Rate - Residential Customers:						
Proposed Break						
Tier 1 0-25 hcf	$3.38	$3.03	$3.15	$3.28	$3.41	$3.55
Tier 2 26+ hcf	$3.38	$4.61	$4.80	$4.99	$5.19	$5.40
Tiered Rate - Agriculture Customers:						
Proposed Break						
Tier 1 0-25 hcf	$3.38	$3.23	$3.36	$3.49	$3.63	$3.78
Tier 2 26+ hcf	$3.38	$4.82	$5.01	$5.21	$5.42	$5.64


Residential Water Bill Comparison
Current vs. Proposed Rates (3/4 or 1-inch meter)
SFR Bill - Current
SFR Bill - Proposed Rates
Bi-Monthly Bill
$200
$180
$160
$140
$120
$100
$80
$60
$40
$20
$0
Average Winter Bill
Average Annual Bill
Average Summer Bill
$83.74
$76.93
$93.88
$86.02
$107.40
$98.14
$124.30
$113.29
$134.44
$122.38
$151.34
$137.52
$168.24
$160.59
$185.14
$183.65
5
8
12
17
20
25
30
35
Bi-Monthly Water Consumption (HCF)


Commercial Water Bill Comparison
Current vs. Proposed Rates (3/4 or 1-inch meter)
Commercial Bill - Current
Commercial Bill - Proposed Rates
Bi-Monthly Bill
$250
$200
$150
$100
$50
$0
Average Winter Bill
Average Annual Bill
Average Summer Bill
$83.74
$79.68
$93.88
$90.42
$117.54
$115.48
$134.44
$133.38
$151.34
$151.28
$164.86
$165.60
$185.14
$187.08
$202.04
$204.98
5
8
15
20
25
29
35
40
Bi-Monthly Water Consumption (HCF)


Regional Single Family Residential Bi-Monthly Water Bill Comparison
$160
$140
$120
$100
$80
$60
$40
$20
$0
Variable Charge
Fixed Charge
$72.88
$98.14
$107.40
$117.34
$133.52
$140.02
$147.06
Note: Water bill calculations assume a meter size of 3/4 or 1-inch and consumption of 12 hcf for two months.
Mission Springs Water District
BHDVWA, Proposed (60%F/40%V)
BHDVWA, Current
29Palms WD
Mariana Ranchos County Water District
Hi-Desert Water District
Joshua Basin Water District



Bighorn Desert View Water Agency

Water Capacity Fee Study

Final Report

February 2021

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Bighorn Desert View Water Agency
Water Capacity Fee Analysis
Demographic Data and Projections

EXHIBIT 1

TABLE 1 - METER EQUIVALENT UNITS

Meter Size	Existing Water Meters [1]	Meter Equivalence		1-inch Meter Equivalent Units
		Maximum Flow (gpm) [2]	Equivalency to 1 inch meter	
3/4 inch	1,660	30	1.00	1,660
1 inch	1,019	50	1.00	1,019
1.5 inch	0	100	2.00	0
2 inch	26	160	3.20	83
3 inch	0	320	6.40	0
Total	**2,705**			**2,762**

1. Number of meters by size and customer class for July-August 2020. Includes 121 Bulk meters.
   Source file for meters and consumption: CUSTOMER BILLING DATA 10.13.2020_v2.xlsx
2. Source: *AWWA M1, Table B-2.* Assumes displacement meters for 5/8" through 2", Compound Class I for 3".

TABLE 2 - EXISTING AND PROJECTED SERVICE NUMBERS

Demographic Statistics	Existing Total	Projected Service Total [1] *(thru FY2037/38)*	% Allocation Factors		Cumulative Change	
			Existing Customers	New Customers	Number of Units	% Increase
Equivalent 1-inch meters	2,762	3,525	72.4%	27.6%	763	27.6%

1. Customer growth estimated in 2007 Urban Water Master Plan. Assumes 40 new connections per year.
   Source file: Water Master Plan 2007.pdf, page 16.

Bighorn Desert View Water Agency **EXHIBIT 2**
Water Capacity Fee Analysis
Existing Capital Facilities and Equipment for Consideration (System Buy-In)

TABLE 3 - EXISTING ASSETS, ORIGINAL AND REPLICATION VALUE

Asset Category [1]	Original Values [1] Asset Cost	Replication Value [2] Asset Cost	System Buy-In Cost Basis [3]
Water Fund			
Infrastructure	$ 582,157	$ 1,416,064	$ 1,416,064
Land	38,690	38,690	38,690
Large Machinery	595,257	914,242	914,242
Mains and Piping	1,845,242	4,762,862	4,762,862
Meters and Hydrants	257,851	318,347	318,347
Office Equipment	576,474	719,186	719,186
Pumps, Tanks & Wells	3,443,496	8,175,586	8,175,586
Treatment Plant	4,003,823	16,369,245	16,369,245
Vehicle	253,208	265,048	265,048
Total Capital Facilities & Equipment	**$ 11,596,198**	**$ 32,979,269**	**$ 32,979,269**

1. Source file for Bighorn Desert View Water Agency current assets as of August 2020: *2020.09.02-58227744-FA-Asset Listing.xlsx*
   Fully depreciated assets have been excluded from this analysis.
2. Takes into account estimated cost inflation, noted in Footnote 3.
3. System Buy-In Cost Basis values are calculated by escalating the book values (from Agency's fixed asset report) from service date to current year values using historical cost inflation factors from the Handy-Whitman Index of Public Utility Construction Costs for Water Utility Construction in the Pacific Region.
   The percentage change in the asset cost is shown in column M of the Existing Assets Detail tab, labeled "Adjusted % of Original Value".

TABLE 4 - EXISTING ASSETS, ALLOCATION TO EXISTING AND FUTURE CUSTOMERS

Asset Category [1]	System Buy-In Cost Basis	Allocation Basis (%) [2]			Distribution of Cost Basis ($)		
		Exclude from Analysis [3]	Existing Customers	Future Customers	Exclude from Analysis [3]	Existing Customers	Future Customers
Water Fund							
Infrastructure	$ 1,416,064	0.0%	72.4%	27.6%	$ -	$ 1,024,906	$ 391,158
Land	38,690	0.0%	72.4%	27.6%	-	28,002	10,687
Large Machinery	914,242	0.0%	72.4%	27.6%	-	661,702	252,540
Mains and Piping	4,762,862	0.0%	72.4%	27.6%	-	3,447,221	1,315,641
Meters and Hydrants	318,347	0.0%	93.2%	6.8%	-	296,842	21,505
Office Equipment	719,186	0.0%	72.4%	27.6%	-	520,526	198,660
Pumps, Tanks & Wells	8,175,586	0.0%	72.4%	27.6%	-	5,917,251	2,258,335
Treatment Plant	16,369,245	0.0%	72.4%	27.6%	-	11,847,583	4,521,662
Vehicle	265,048	0.0%	72.4%	27.6%	-	191,834	73,214
Total Capital Facilities & Equipment	**$ 32,979,269**	**0.0%**	**72.6%**	**27.4%**	**$ -**	**$ 23,935,867**	**$ 9,043,402**

1. Source file for Bighorn Desert View Water Agency current assets as of August 2020: *2020.09.02-58227744-FA-Asset Listing.xlsx*
2. Based on proportionate allocation between existing and future users. See Table 2 in Exhibit 1 for demographic expectations.

TABLE 5 - Asset Categories for Inflation

Category	Type of Asset
ENR-LA	**Engineering News Record Average Construction Inflation - Los Angles**
ENR-SF	**Engineering News Record Average Construction Inflation - San Francisco**
	Source of Supply Plant
1	Collecting & Impounding Res.
	Pumping Plant
2	Structures & Improvements
3	Electric Pumping Equipment
	Water Treatment Plant
4	Structures & Improvements
5	Large Treatment Plant Equipment
6	Small Treatment Plant Equipment
	Transmission Plant
7	Steel Reservoirs
8	Elevated Steel Tanks
9	Concrete Reservoirs
10	Cast Iron Mains
11	Steel Mains
12	Concrete Cylinder Mains
	Distribution Plant
13	Mains-Average All Types
14	Cast Iron Mains
15	Cement Asbestos Mains
16	Steel Mains
17	PVC Mains
18	Services Installed
19	Meters
20	Meter Installations
21	Hydrants Installed
	Miscellaneous Items
22	Flocculating Equipment - Installed
23	Clarifier Equipment - Installed
24	Filter Gallery Piping - Installed

TABLE 6 - ALLOCATION OF CASH RESERVES TO EXISTING AND FUTURE USERS

Cash Reserves	Beginning Cash [1]	% Allocation		$ - Allocation	
		Existing Customers	Future Customers	Existing Customers	Future Customers
Un-restricted Reserves					
Operating Reserve Fund (Current Customer Deposits)					
Emergency Contingencies Reserve Fund	$ 3,310,519	100.0%	0.0%	$ 3,310,519	$ -
Replacement & Refurbishment Reserve Fund					
Restricted Reserves					
Capacity Fee Reserve [2]	$ 12,780	100.0%	0.0%	$ 12,780	$ -
Total Beginning Cash	**$ 3,323,299**	**100.0%**	**0.0%**	**$ 3,323,299**	**$ -**

1. Beginning balance for fiscal year 2020/21 is per client email September 7, 2020.
2. Capacity fee cash is excluded as to not double count asset values included in the fee calculation.

Bighorn Desert View Water Agency **EXHIBIT 6**
Water Capacity Fee Analysis
Water Planned Capital Facilities and Equipment for Consideration (System Development)

TABLE 7 - PLANNED CAPITAL IMPROVEMENT COSTS, ALLOCATED TO EXISTING AND FUTURE CUSTOMERS

Capital Project Description [1]	Future Cost Estimate (2020-2034) [1]	System Development Cost Basis [3]	% Allocation		Distribution of Cost Basis ($)	
			Existing Customers	Future Customers	Existing Customers	Future Customers
Refurbish and Replacement Projects						
Well 4 Rehab	$ 78,850	$ 78,850	100.0%	0.0%	$ 78,850	$ -
Well 6 Rehab	$ -	$ -	100.0%	0.0%	$ -	$ -
Well 7 Rehab	$ 68,060	$ 68,060	100.0%	0.0%	$ 68,060	$ -
Well 8 Rehab	$ 130,310	$ 130,310	100.0%	0.0%	$ 130,310	$ -
Well 9 Rehab	$ 81,340	$ 81,340	100.0%	0.0%	$ 81,340	$ -
Well 10 Rehab	$ 69,720	$ 69,720	100.0%	0.0%	$ 69,720	$ -
Well GMW1	$ 24,900	$ 24,900	100.0%	0.0%	$ 24,900	$ -
Well GMW2	$ -	$ -	100.0%	0.0%	$ -	$ -
Well GMW3	$ 29,299	$ 29,299	100.0%	0.0%	$ 29,299	$ -
Well 13	$ -	$ -	100.0%	0.0%	$ -	$ -
Pump Well 3	$ 60,575	$ 60,575	100.0%	0.0%	$ 60,575	$ -
Pump Well 4	$ 200,000	$ 200,000	100.0%	0.0%	$ 200,000	$ -
Pump Well 6	$ -	$ -	100.0%	0.0%	$ -	$ -
Pump Well 7	$ 65,120	$ 65,120	100.0%	0.0%	$ 65,120	$ -
Pump Well 8	$ 129,880	$ 129,880	100.0%	0.0%	$ 129,880	$ -
Pump Well 9	$ 99,840	$ 99,840	100.0%	0.0%	$ 99,840	$ -
Pump Well 10	$ 44,000	$ 44,000	100.0%	0.0%	$ 44,000	$ -
Pump Well GMW1	$ 82,880	$ 82,880	100.0%	0.0%	$ 82,880	$ -
Pump Well GMW2	$ -	$ -	100.0%	0.0%	$ -	$ -
Pump Well GMW3	$ 82,880	$ 82,880	100.0%	0.0%	$ 82,880	$ -
Pump Well 13	$ 100,000	$ 100,000	100.0%	0.0%	$ 100,000	$ -
New Replacement Well for BH or DV	$ 500,000	$ 500,000	0.0%	100.0%	$ -	$ 500,000
JV Booster Station Upgrade - VFD's/Pressure Vessels	$ 15,000	$ 15,000	100.0%	0.0%	$ 15,000	$ -
New Storage Tank	$ 500,000	$ 500,000	0.0%	100.0%	$ -	$ 500,000
Customer Meter w/ Box & Shutoff, Complete	$ -	$ -	100.0%	0.0%	$ -	$ -
Utility Billing Software Replacement	$ 200,000	$ 200,000	100.0%	0.0%	$ 200,000	$ -
Loop Kickapoo Trail	$ 702,240	$ 702,240	0.0%	100.0%	$ -	$ 702,240
Shop Building Upgrades - storage and work space	$ 50,000	$ 50,000	100.0%	0.0%	$ 50,000	$ -
Replace Generator - 90 KW mobile	$ 50,000	$ 50,000	100.0%	0.0%	$ 50,000	$ -
Dump truck	$ 85,000	$ 85,000	100.0%	0.0%	$ 85,000	$ -
Replace Tractor	$ 175,000	$ 175,000	100.0%	0.0%	$ 175,000	$ -
Replace Fleet Vehicles (avg life)	$ 430,000	$ 430,000	100.0%	0.0%	$ 430,000	$ -

Bighorn Desert View Water Agency **EXHIBIT 6**
Water Capacity Fee Analysis
Water Planned Capital Facilities and Equipment for Consideration (System Development)

TABLE 8 - PLANNED CAPITAL IMPROVEMENT COSTS, ALLOCATED TO EXISTING AND FUTURE CUSTOMERS

Capital Project Description [1]	Future Cost Estimate (2020-2038) [1]	System Development Cost Basis [3]	% Allocation		Distribution of Cost Basis ($)	
			Existing Customers	Future Customers	Existing Customers	Future Customers
Distribution System Projects						
Distribution Valve, 6" avg, both water systems 50%	$ -	$ -	72.4%	27.6%	$ -	$ -
Fire Hydrants, both water systems 50%	$ -	$ -	72.4%	27.6%	$ -	$ -
Pipe w/sand bedding, 6" avg. ID Goat Mtn	$ -	$ -	72.4%	27.6%	$ -	$ -
Pipe w/sand bedding, 6" avg. BDVWA	$ -	$ -	72.4%	27.6%	$ -	$ -
Operations Capital Projects						
Water Storage Tank Recoating (B1, B2), May 26, 2020	$ 81,000	$ 81,000	72.4%	27.6%	$ 58,625	$ 22,375
Water Storage Tank Recoating (B1, B2), Feb. 2020	$ 80,000	$ 80,000	72.4%	27.6%	$ 57,902	$ 22,098
C-Booster Station Upgrades	$ 35,000	$ 35,000	72.4%	27.6%	$ 25,332	$ 9,668
Total	**$ 4,250,894**	**$ 4,250,894**	**58.7%**	**41.3%**	**$ 2,494,513**	**$ 1,756,381**

1. Estimated capital improvement project costs found in source files: *BDVWA Replacement Refurbishment CIP and Min Rate Gen 5 1 2017.xlsx*

   Cindy and Marina confirmed updated costs in source file: *CIP Estimates through 2035-36 V2.xlsx*

   Certain projects being built in order to allocate new growth are 100% allocated to future customers.

2. Operation Capital projects are per page 14 of the District's 2020/21 budget (file: *FY2020.21 Budget adopted 5 26 2020 20R-14.pdf*).

Bighorn Desert View Water Agency
Water Capacity Fee Analysis
Unit Cost Calculation

EXHIBIT 7

TABLE 9 - DEVELOPMENT OF THE COST BASIS FOR NEW CUSTOMERS

System Asset Values Allocated to Future Development	Replacement Cost
Costs Included in Existing System Buy-In:	
Existing Assets	$ 9,043,402
Planned, Future Capital Projects	1,756,381
Total Cost Basis for New Development	**$ 10,799,783**

TABLE 10 - DEVELOPMENT OF THE MAXIMUM CAPACITY FEE PER METER EQUIVALENT

Summary of Capacity Fee Calculation	Adjusted System Cost Basis	Planned Additional Meter Equivalents *(thru FY2037/38)*	Base Capacity Fee
Proposed Fee -Replacement Cost	$ 10,799,783	763	$14,154

1. Refer to Exhibits 2 and 4 for detail of existing assets.
2. Refer to Exhibit 6 for detail related to planned assets.
3. Refer to Exhibit 5 for detail related to cash reserves and outstanding debt.
4. Refer to Exhibit 1 (Demographics) for growth projections.

Bighorn Desert View Water Agency **EXHIBIT 8**
Water Capacity Fee Analysis
Water Fee Classification and Calculation of Maximum Fee

TABLE 11 - WATER CAPACITY FEE BASED ON METER SIZE

Meter Size	Equivalency Factor		Capacity Fee Per Meter Size
	Maximum Continuous Flow (gpm) [1]	Equivalency to 1 inch meter	
3/4 inch	30	1.00	**$14,154**
1 inch	50	1.00	**$14,154**
1.5 inch	100	2.00	**$28,309**
2 inch	160	3.20	**$45,294**
3 inch	320	6.40	**$90,588**
4 inch	500	10.00	**$141,544**
6 inch	1,000	20.00	**$283,087**
8 inch	2,800	56.00	**$792,645**
10 inch	4,200	84.00	**$1,188,967**

1. Source: *AWWA M1, Table B-2. Assumes displacement meters for 3/4" through 2", Compound* Class I for 3" through 6", and Turbine Class II for 8" through 10".

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Section 1. Executive Summary

A. Background and Purpose

Bighorn Desert View Water Agency retained NBS to conduct a water capacity fee study in conjunction with the water rate study for two primary reasons: (1) to ensure that the fees are updated to comply with legal requirements and industry standards, and (2) to ensure that these fees reflect the cost of capital infrastructure needed to serve new connections, or any person requesting additional capacity in the Agency's water system (referred to throughout as "future customers").

Please note, the fees updated in this study are commonly referred to as "connection fees," "capital facility fees," "capacity charges," or in this case, "capacity fees." BDVWA refers to this as the Basic Facilities Charge. The terms are often used interchangeably, and California Government Code Section 66013 defines these types of fees (referred to as a "capacity charge") as a one-time "charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities." It authorizes public agencies to impose "connection fees" (e.g., capacity fees) which are more appropriately called system capacity charges or capacity fees, on customers connecting to or upsizing their connection to the water system, to ensure that they pay their fair share of existing utility asset costs, plus the costs of new facilities needed to serve them. In its simplest form, capacity fees are the result of dividing the cost (or value) of the Utility's current system assets plus planned capital improvements, by the expected number of future customers. As a result, future customers connecting to the Agency's water utility would enter as equal participants, along with current customers, regarding their financial commitment and obligations to the utility.

Whereas water rate increases imposed on existing customers require a protest ballot procedure (under Proposition 218), capacity fees do not because they are an appropriate funding mechanism for facilities that benefit new development agencywide and may be imposed by a majority vote of the governing legislative body, which in this case is the Bighorn Desert View Water Agency's Board of Directors. This report provides the documentation and findings necessary for the adoption of proposed capacity (system capacity) fees.

B. Overview of Capacity Fee Program Methodology

Various methodologies have been and are currently used to calculate water capacity fees. The most common methodologies are based on the following from the American Water Works Association's Principles of Water Rates, Fees and Charges[1], also referred to as Manual M1:

- The value of existing (historical) system assets, often called a "system buy-in" or "replacement cost" methodology.

[1] *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017.*

- The value of planned future improvements, also called the "incremental" or "system development" methodology.
- A combination of these two approaches.

This analysis uses the "Combination Approach,[2]" which requires new customers to pay both their fair share of existing system assets as well as their share of the planned future capital improvements needed to provide them with capacity in the Agency's water system. As a result, new customers connecting to the Agency's water system would enter as equal participants with existing customers regarding their financial commitment and obligations to the utility.

In its simplest form, capacity fees (also referred to as connection fees, capacity fees, or system development charges) are calculated by dividing the costs allocated to future development by the number of units of new development anticipated:

- Costs of planned future facilities and improvements required to serve new development are those that can reasonably be allocated to future development.
- The number of new units (i.e., growth) are those units projected to occur within the timeframe covered by the capacity fee analysis.

Capacity fees are one-time fees intended to reflect the cost of existing infrastructure and planned improvements available to new services, and place new utility customers or existing customers requesting an increase in service capacity on equal basis from a financial perspective with existing customers. Once new customers are added to the system, they then incur the obligation to pay the same service charges or water rates that existing customers pay.

This capacity fee study and the recommended fees assume a given level of development activity over the course of the study period based on data available from the Agency's 2007 Water Master Plan. The development that occurs may result in both different impacts and fee revenues than those that are calculated in this study. For that reason, regular updates are recommended to adjust the fees to match the needs created by the rate of actual development.

In developing the proposed fees, NBS worked cooperatively with Agency staff. The fees presented in this study reflect input provided by Agency staff regarding financial matters, available capacity in the water system, existing asset values, and planned capital improvements.

Section 2 discusses in more detail the development of the water capacity fees and present the updated fees recommended for new and upsized connections.

[2] Method of calculating capital facility fees (also known as System Development Fees, Connection Fees, Capacity Fees) are set forth in the American Water Works Association's *Principles of Water Rates, Fees and Charges* Seventh Edition (2017) pages 311 to 347.

Section 2. Water Capacity Fee Study

A. Existing Connections and Projected Future Growth

The Agency currently has approximately 2,700 equivalent 1-inch water meter connections to the water system. The Agency has implemented 1-inch meters as the standard (or base) meter size installed, but there are over 1,600 3/4-inch meters connected to the system. For the purpose of this study, 3/4-inch meters are treated the same as 1-inch meters; which is a common industry practice when setting rates and fees for smaller meter sizes. **Figure 1** shows the current number of meters by size connected to the system, meter equivalency factors and meter equivalent units.

FIGURE 1. CURRENT WATER CUSTOMERS

Meter Size	Existing Water Meters [1]	Meter Equivalence		1-inch Meter Equivalent Units
		Maximum Flow (gpm) [2]	Equivalency to 1 inch meter	
3/4 inch	1,660	30	1.00	1,660
1 inch	1,019	50	1.00	1,019
1.5 inch	0	100	2.00	0
2 inch	26	160	3.20	83
3 inch	0	320	6.40	0
Total	**2,705**			**2,762**

1. Number of meters by size and customer class for July-August 2020. Includes 121 Bulk meters.
   Source file for meters and consumption: CUSTOMER BILLING DATA 10.13.2020_v2.xlsx
2. Source: *AWWA M1, Table B-2.* Assumes displacement meters for 5/8" through 2", Compound Class I for 3".

Larger meters have the potential to use more of the system's capacity, compared to smaller meters. The potential capacity demanded by each meter is proportional to the maximum hydraulic flow through each meter size as established by the AWWA[3] hydraulic capacity ratios. The AWWA hydraulic capacity ratios (also known as flow factors, or meter equivalencies) used in this study are shown in the fourth column of Figure 1. The maximum flow rate, in gallons per minute (gpm) for each size meter is used to determine the number of equivalent 1-inch meter units currently connected.

As an example, a 2-inch meter has a greater capacity, or potential peak demand than a 1-inch meter. The "equivalency to a 1-inch meter" is calculated by dividing the maximum capacity or flow of larger meters by the capacity of the base (1-inch) meter size. The meter capacity factors shown in Figure 1 are the ratio of potential flow through each meter size compared to the flow through a 1-inch meter. The 1-inch meter is the base meter size for the utility and is used to compare the capacities of the larger meters. For example, column 4 in Figure 1 shows that a 2-inch meter is equivalent to 3.2 1-inch meters.

The actual number of meters by size is multiplied by the corresponding meter equivalency to calculate the total number of equivalent meters. The number of equivalent meters is used as a proxy for the

[3] "AWWA" is the American Water Works Association.

potential demand that each customer can place on the water system. A significant portion of a water system's peak capacity, and in turn the utility's fixed capital costs, are related to meeting system capacity requirements. Therefore, the capacity fee for a new connection will be proportional to the service's meter equivalence.

The equivalent meter calculation is summarized for standard use meters in Figure 1. Given that the state now requires fire suppression systems in all new single-family home construction, the minimum meter size going forward is a 1-inch meter. This difference has not changed the expected use within the home. Consequently, the District has chosen to treat 3/4-inch meters equivalent to 1-inch meters for the following reasons:

- The desire for a single, fixed meter charge across all customer classes.
- The desire for a single capacity fee for new connections.
- The overwhelming number of meters between 3/4-inch and 1 inch are for residential and non-residential properties.

The result of this analysis, summarized in Figure 1, is that while there are currently 2,705 connections to the water system, there are 2,762 potable water equivalent (i.e., 1-inch) meter units.

Figure 2 shows existing and projected service numbers for the water system. The anticipated future connections are based on the Agency's planned customer growth rate of 40 meters added annually, for the next 20 years. Existing capacity in the Agency's water system is allocated to current and future customers and the percentage assigned to current and future customers is based upon their assigned share of 1-inch meter equivalent units. As shown in Figure 2, new customers will be allocated about 27.6% of existing assets and planned assets. This is calculated by taking the expected number of new units (763) divided by the existing total of equivalent meters (2,762).

FIGURE 2. EXISTING AND PROJECTED SERVICE NUMBERS

Demographic Statistics	Existing Total	Projected Service Total [1] *(thru FY2037/38)*	% Allocation Factors		Cumulative Change	
			Existing Customers	New Customers	Number of Units	% Increase
Equivalent 1-inch meters	2,762	3,525	72.4%	27.6%	763	27.6%

1. Customer growth estimated in 2007 Urban Water Master Plan. Assumes 40 new connections per year.
Source file: Water Master Plan 2007.pdf, page 16.

B. Existing and Planned Assets

The capital assets addressed in this study include existing assets and planned capital improvements (i.e. the system buy-in and incremental assets). An important aspect of this study is how the value of existing utility assets is determined. For example, the purchase price does not account for wear and tear, and current book value (purchase price less accumulated depreciation) typically underestimates the "true value" of facilities as it does not account for cost increases over time. Therefore, this study uses the replacement cost (RC) approach summarized in **Figure 3** to estimate existing asset values, because it provides an up-to-date asset value that reflects estimated cost inflation.

FIGURE 3. SUMMARY OF EXISTING ASSET VALUES

Asset Category [1]	Original Values [1] Asset Cost	Replication Value [2] Asset Cost	System Buy-In Cost Basis [3]
Water Fund			
Infrastructure	$ 582,157	$ 1,416,064	$ 1,416,064
Land	38,690	38,690	38,690
Large Machinery	595,257	914,242	914,242
Mains and Piping	1,845,242	4,762,862	4,762,862
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Treatment Plant	4,003,823	16,369,245	16,369,245
Vehicle	253,208	265,048	265,048
Total Capital Facilities & Equipment	**$ 11,596,198**	**$ 32,979,269**	**$ 32,979,269**

1. Source file for Bighorn Desert View Water Agency current assets as of August 2020: *2020.09.02-58227744-FA-Asset Listing.xlsx*
   Fully depreciated assets have been excluded from this analysis.
2. Takes into account estimated cost inflation, noted in Footnote 3.
3. System Buy-In Cost Basis values are calculated by escalating the book values (from Districts fixed asset report) from service date to current year values using historical cost inflation factors from the Handy-Whitman Index of Public Utility Construction Costs for Water Utility Construction in the Pacific Region. The percentage change in the asset cost is shown in column M of the Existing Assets Detail tab, labeled "Adjusted % of Original Value".

The replacement cost is calculated by escalating the book value of existing assets to current-day values using inflation factors from the Handy-Whitman Index of Public Utility Construction Costs for Water Utility Construction. Figure 3 summarizes the System Buy-In Cost Basis by Asset Category for the water utility. For this analysis, assets that have exceeded their useful life (as defined in the Agency's asset records) were considered to have no remaining value.

Most of the replacement costs were allocated to current customers based on the 72.4 percent allocation factor previously shown in Figure 2 (and the 27.6 percent allocation factor for future customers). Meters are allocated 100 percent to current customers since they do not benefit future customers. **Figure 4** shows the allocation of about $33 million system buy-in costs to current and future customers. Future customers are allocated approximately $9 million of the existing water utility assets, or about 27.4%, due to meters being allocated to current customers only.

FIGURE 4. EXISTING ASSET VALUES ALLOCATED TO CURRENT & FUTURE CUSTOMERS

Asset Category [1]	System Buy-In Cost Basis	Allocation Basis (%) [2]		Distribution of Cost Basis ($)	
		Existing Customers	Future Customers	Existing Customers	Future Customers
Water Fund					
Infrastructure	$ 1,416,064	72.4%	27.6%	$ 1,024,906	$ 391,158
Land	38,690	72.4%	27.6%	28,002	10,687
Large Machinery	914,242	72.4%	27.6%	661,702	252,540
Mains and Piping	4,762,862	72.4%	27.6%	3,447,221	1,315,641
Meters and Hydrants	318,347	93.2%	6.8%	296,842	21,505
Office Equipment	719,186	72.4%	27.6%	520,526	198,660
Pumps, Tanks & Wells	8,175,586	72.4%	27.6%	5,917,251	2,258,335
Treatment Plant	16,369,245	72.4%	27.6%	11,847,583	4,521,662
Vehicle	265,048	72.4%	27.6%	191,834	73,214
Total Capital Facilities & Equipment	**$ 32,979,269**	**72.6%**	**27.4%**	**$ 23,935,867**	**$ 9,043,402**

1. Source file for Bighorn Desert View Water Agency current assets as of August 2020: *2020.09.02-58227744-FA-Asset Listing.xlsx*
2. Based on proportionate allocation between existing and future users. See Table 2 in Exhibit 1 for demographic expectations.

The Agency's capital improvement plans for the water utility extend to FY 2035/36. Some of the cost estimates for planned future improvements used to calculate the system development component of the capacity fees are allocated 100% to future customers, as these projects are needed specifically to serve future customers. There are a few other projects allocated using the same allocations found in Figure 2, as these projects benefit both current and future customers. **Figure 5** and **Figure 6** include a list of future capital improvement projects; where future customers are allocated about $1.8 million of planned asset costs.

FIGURE 5. PLANNED ASSETS ALLOCATED TO CURRENT & FUTURE CUSTOMERS

Capital Project Description [1]	Future Cost Estimate (2020-2034) [1]	System Development Cost Basis [3]	% Allocation		Distribution of Cost Basis ($)	
			Existing Customers	Future Customers	Existing Customers	Future Customers
Refurbish and Replacement Projects						
Well 4 Rehab	$ 78,850	$ 78,850	100.0%	0.0%	$ 78,850	$ -
Well 6 Rehab	$ -	$ -	100.0%	0.0%	$ -	$ -
Well 7 Rehab	$ 68,060	$ 68,060	100.0%	0.0%	$ 68,060	$ -
Well 8 Rehab	$ 130,310	$ 130,310	100.0%	0.0%	$ 130,310	$ -
Well 9 Rehab	$ 81,340	$ 81,340	100.0%	0.0%	$ 81,340	$ -
Well 10 Rehab	$ 69,720	$ 69,720	100.0%	0.0%	$ 69,720	$ -
Well GMW1	$ 24,900	$ 24,900	100.0%	0.0%	$ 24,900	$ -
Well GMW2	$ -	$ -	100.0%	0.0%	$ -	$ -
Well GMW3	$ 29,299	$ 29,299	100.0%	0.0%	$ 29,299	$ -
Well 13	$ -	$ -	100.0%	0.0%	$ -	$ -
Pump Well 3	$ 60,575	$ 60,575	100.0%	0.0%	$ 60,575	$ -
Pump Well 4	$ 200,000	$ 200,000	100.0%	0.0%	$ 200,000	$ -
Pump Well 6	$ -	$ -	100.0%	0.0%	$ -	$ -
Pump Well 7	$ 65,120	$ 65,120	100.0%	0.0%	$ 65,120	$ -
Pump Well 8	$ 129,880	$ 129,880	100.0%	0.0%	$ 129,880	$ -
Pump Well 9	$ 99,840	$ 99,840	100.0%	0.0%	$ 99,840	$ -
Pump Well 10	$ 44,000	$ 44,000	100.0%	0.0%	$ 44,000	$ -
Pump Well GMW1	$ 82,880	$ 82,880	100.0%	0.0%	$ 82,880	$ -
Pump Well GMW2	$ -	$ -	100.0%	0.0%	$ -	$ -
Pump Well GMW3	$ 82,880	$ 82,880	100.0%	0.0%	$ 82,880	$ -
Pump Well 13	$ 100,000	$ 100,000	100.0%	0.0%	$ 100,000	$ -
New Replacement Well for BH or DV	$ 500,000	$ 500,000	0.0%	100.0%	$ -	$ 500,000
JV Booster Station Upgrade - VFD's/Pressure Vessels	$ 15,000	$ 15,000	100.0%	0.0%	$ 15,000	$ -
New Storage Tank	$ 500,000	$ 500,000	0.0%	100.0%	$ -	$ 500,000
Customer Meter w/ Box & Shutoff, Complete	$ -	$ -	100.0%	0.0%	$ -	$ -
Utility Billing Software Replacement	$ 200,000	$ 200,000	100.0%	0.0%	$ 200,000	$ -
Loop Kickapoo Trail	$ 702,240	$ 702,240	0.0%	100.0%	$ -	$ 702,240
Shop Building Upgrades - storage and work space	$ 50,000	$ 50,000	100.0%	0.0%	$ 50,000	$ -
Replace Generator - 90 KW mobile	$ 50,000	$ 50,000	100.0%	0.0%	$ 50,000	$ -
Dump truck	$ 85,000	$ 85,000	100.0%	0.0%	$ 85,000	$ -
Replace Tractor	$ 175,000	$ 175,000	100.0%	0.0%	$ 175,000	$ -
Replace Fleet Vehicles (avg life)	$ 430,000	$ 430,000	100.0%	0.0%	$ 430,000	$ -

FIGURE 6. PLANNED ASSETS ALLOCATED TO CURRENT & FUTURE CUSTOMERS, CONTINUED

Capital Project Description [1]	Future Cost Estimate (2020-2038) [1]	System Development Cost Basis [3]	% Allocation		Distribution of Cost Basis ($)	
			Existing Customers	Future Customers	Existing Customers	Future Customers
Distribution System Projects						
Distribution Valve, 6" avg, both water systems 50%	$ -	$ -	72.4%	27.6%	$ -	$ -
Fire Hydrants, both water systems 50%	$ -	$ -	72.4%	27.6%	$ -	$ -
Pipe w/sand bedding, 6" avg. ID Goat Mtn	$ -	$ -	72.4%	27.6%	$ -	$ -
Pipe w/sand bedding, 6" avg. BDVWA	$ -	$ -	72.4%	27.6%	$ -	$ -
Operations Capital Projects						
Water Storage Tank Recoating (B1, B2), May 26, 2020	$ 81,000	$ 81,000	72.4%	27.6%	$ 58,625	$ 22,375
Water Storage Tank Recoating (B1, B2), Feb. 2020	$ 80,000	$ 80,000	72.4%	27.6%	$ 57,902	$ 22,098
C-Booster Station Upgrades	$ 35,000	$ 35,000	72.4%	27.6%	$ 25,332	$ 9,668
Total	**$ 4,250,894**	**$ 4,250,894**	**58.7%**	**41.3%**	**$ 2,494,513**	**$ 1,756,381**

1. Estimated capital improvement project costs found in source files: *BDVWA Replacement Refurbishment CIP and Min Rate Gen 5 1 2017.xlsx*
   Cindy and Marina confirmed updated costs in source file: *CIP Estimates through 2035-36 V2.xlsx*
   Certain projects being built in order to allocate new growth are 100% allocated to future customers.
2. Operation Capital projects are per page 14 of the District's 2020/21 budget (file: *FY2020.21 Budget adopted 5 26 2020 20R-14.pdf*).

C. Calculated Capacity Fees – Water Utility

The sum of the existing and future planned asset values (that is, the system buy-in and system development costs), defines the total cost basis allocated to future customers. **Figure 7** summarizes this calculation.

FIGURE 7. SUMMARY OF COST BASIS ALLOCATED TO FUTURE CUSTOMERS

System Asset Values Allocated to Future Development	Replacement Cost
Costs Included in Existing System Buy-In:	
Existing Assets	$ 9,043,402
Planned, Future Capital Projects	1,756,381
Total Cost Basis for New Development	**$ 10,799,783**

The total adjusted cost basis is then divided by the number of future customers, measured in 1-inch meter equivalents, expected to connect to the water utility (that is, the 763 meter equivalents) in order to determine the base capacity charge for a 1-inch water meter. This calculation is shown in **Figure 8**.

FIGURE 8. SUMMARY OF NEW BASE CAPACITY FEES

Summary of Capacity Fee Calculation	Adjusted System Cost Basis	Planned Additional Meter Equivalents *(thru FY2037/38)*	Base Capacity Fee
Proposed Fee -Replacement Cost	$ 10,799,783	763	$14,154

Based on the system buy-in capacity fee methodology, and the assumptions used in this analysis, NBS has calculated the new capacity fees for various water meter sizes, as shown in **Figure 9.** The updated fees represent the maximum that the Agency can charge for new connections.

FIGURE 9. UPDATED WATER CAPACITY FEES

Meter Size	Equivalency Factor		Capacity Fee Per Meter Size
	Maximum Continuous Flow (gpm) [1]	Equivalency to 1 inch meter	
3/4 inch	30	1.00	**$14,154**
1 inch	50	1.00	**$14,154**
1.5 inch	100	2.00	**$28,309**
2 inch	160	3.20	**$45,294**
3 inch	320	6.40	**$90,588**
4 inch	500	10.00	**$141,544**
6 inch	1,000	20.00	**$283,087**
8 inch	2,800	56.00	**$792,645**
10 inch	4,200	84.00	**$1,188,967**

1. Source: *AWWA M1, Table B-2. Assumes displacement meters for 3/4" through 2", Compound* Class I for 3" through 6", and Turbine Class II for 8" through 10".

D. Water Capacity Fee Findings Statements

The new water capacity fees calculated in this report are based on regulatory requirements and generally accepted industry standards, and are further detailed in *Appendix A*. This study concludes the following:

- The purpose of the Agency's water capacity fee is to ensure that new and upsized connections reimburse and/or mitigate a reasonable portion of the Agency's planned capital investment projects. These investments are necessary to accommodate the increased demand for water service.
- The Agency uses capacity fee proceeds to fund capital investments in the water system, which include the future design and construction of planned facilities.
- Capacity fees for new water customers vary depending on the size of the water meter serving the connection. Meter size is generally proportionate to the demands that a parcel places on the water utility system, specifically the peaking requirements related to the meter size.
- Without capital investment in existing facilities, the water system capacity available to serve the needs of future connections would be uncertain. Without planned investments in future facilities, water service would not be sustainable at the level of service received by current users. The total value of planned water system assets that are attributable to serving future connections is identified in *Appendix A*.
- Upon payment of a capacity fee, a new customer incurs the obligation to pay the same ongoing service rates as existing customers, regardless of the date of connection to the system or the actual start of service. These fees ensure that, over time, ongoing service rates are not disproportionately burdened by the accommodation of system growth.

Section 3. Recommendations and Next Steps

A. Consultant Recommendations and Next Steps

NBS recommends the Agency take the following actions:

- **Accept this Study Report**: On January 12, 2021, the Board of Directors implemented the new capacity fees. This report is further documentation of the study and the basis for adopting the new capacity fees.
- **Implement New Water Capacity Fees:** Based on the analysis presented in this report, the Board should implement the new water capacity fee of $14,154 per 1-inch water meter equivalent unit, as described in this study.
- **Periodically Review Capacity Fees:** Any time an Agency adopts capacity fees, they should be periodically reviewed to incorporate new capital improvement programs, significant repair and replacement projects, or new planning data (i.e. customer growth estimates). This will help ensure the fees generate sufficient revenue to cover the cost of capital projects, support the fiscal health of the Agency, and ensure future customers invest their fair share of infrastructure costs.
- **Annually Update Capacity Fees:** NBS recommends applying an inflation factor to the capacity fees on an annual basis. Annually, the Agency should review the Engineering News Record's Construction Cost Indices and calculate the percentage change in construction costs and apply that change to the capacity fees to ensure they keep pace with cost inflation.

B. Principal Assumptions and Considerations

In preparing this study and the recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, number of customer accounts, asset records, planned capital improvements, and other conditions and events that may occur in the future. This information and assumptions were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this Study and its recommendations, some assumptions will invariably not materialize as stated herein or may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

Appendix A. Water Capacity Facility Fee Study Summary Tables

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LANDOWNER CONSENT FORM

Local Agency Formation Commission
For San Bernardino County

(I)(We), Mirian A. Madrigal, consent to the annexation/ reorganization of my (our) property located at:

Near the intersection of Napa Road and Kuna Avenue, Landers, CA which is identified as Assessor's Parcel Number(s) **0631-071-12**,

to the **Bighorn-Desert View Water Agency**.
(name of agency)

Signature(s): Mirian A.

Address: 21860 Walnut St.

City, State, Zip Wildomar, CA. 92595

Date Signed: 11-18-2020

If a corporation or company owns the property, please provide with this form authorization from the entity for the signer to sign on its behalf.

TOM DODSON & ASSOCIATES

Mailing Address: **PO Box 2307, San Bernardino, CA 92406-2307**
Physical Address: **2150 N. Arrowhead Avenue, San Bernardino, CA 92405**
Tel: (909) 882-3612 ✦ Fax: (909) 882-7015 ✦ Email: tda@tdaenv.com

July 12, 2021

Mr. Samuel Martinez
Local Agency Formation Commission
1170 West 3rd Street, Unit 150
San Bernardino, CA 92415-0490

Dear Sam:

LAFCO 3249 consists of a request for an Annexation by the Bighorn-Desert View Water Agency (Agency) for an approximate 20-acre parcel located within the Agency's southeastern Sphere of Influence. The parcel of land proposed for Annexation is designated Assessor Parcel Number 0631-071-12 and it is located on the south side of Napa Road between Gerber and Ducor Avenues in the Community of Landers. If LAFCO 3249 is approved by the Commission the identified property would be annexed to the Agency and the services of the Agency would be available to the property.

Based on the above proposal, it appears that the proposed reorganization would allow the construction of one single family residence on the 20-acre parcel. The construction of a single-family residence can be implemented on the proposed site without causing significant physical changes to the environment or any significant adverse environmental impacts. This finding is based on limited impacts on the environment from development of a single residence on the specific parcel identified in the application. The approval of LAFCO 3249 does not appear to have any potential to significantly alter the existing physical environment in any manner different from the existing environmental circumstance.

Therefore, I recommend that the Commission find that a Statutory Exemption, as defined in CEQA under Section 15061 (b) (3) of the State CEQA Guidelines, applies to LAFCO 3249. This Section states: "*A project is exempt from CEQA if the activity is covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA*." It is my opinion and recommendation to the Commission that this circumstance applies to LAFCO 3249.

Based on this review of LAFCO 3249 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that the proposed LAFCO action does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate environmental determination to comply with CEQA for this action. The Commission can approve the review and findings for this action and I recommend that you notice LAFCO 3249 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption with the County Clerk to the Board for this action once the hearing is completed and assuming LAFCO 3249 is approved.

A copy of this exemption recommendation should be retained in LAFCO's project file to serve as verification of this evaluation and as the CEQA environmental determination record. If you have any questions, please feel free to give me a call.

Sincerely,

Tom Dodson

TD/cmc

LAFCO 3249 SE NOE Annex Memo

LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

PROPOSAL NO.: LAFCO 3249

HEARING DATE: JULY 21, 2021

RESOLUTION NO. 3334

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 3249 AND APPROVING THE ANNEXATION TO THE BIGHORN-DESERT VIEW WATER AGENCY AND BIGHORN-DESERT VIEW WATER AGENCY IMPROVEMENT ZONE CSA 70 W-1 (APN 0631-071-12). The annexation area consists of Assessor Parcel Number 0631-071-12, comprising approximately 20 acres, generally located on the south side of Napa Road between Gerber and Ducor Avenues.

On motion of Commissioner _____, duly seconded by Commissioner _____, and carried, the Local Agency Formation Commission adopts the following resolution:

WHEREAS, an application for the proposed annexation in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.), and the Executive Officer has examined the application and executed his certificate in accordance with law, determining and certifying that the filings are sufficient; and,

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including his recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

WHEREAS, the public hearing by this Commission was called for July 21, 2021 at the time and place specified in the notice of public hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written support and/or opposition; the Commission considered all plans and proposed changes of organization, and all evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing;

DRAFT

NOW, **THEREFORE**, **BE IT RESOLVED**, that the Commission does hereby determine, find, resolve, and order as follows:

DETERMINATIONS:

SECTION 1. The proposal is approved subject to the terms and conditions hereinafter specified:

CONDITIONS:

Condition No. 1. The boundaries are approved as set forth in Exhibits "A" and "A-1" attached.

Condition No. 2. The following distinctive short-form designation shall be used throughout this proceeding: LAFCO 3249.

Condition No. 3. All previously authorized charges, fees, assessments, and/or taxes currently in effect by the Bighorn-Desert View Water Agency (annexing agency) shall be assumed by the annexing territory in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t).

Condition No. 4. The Bighorn-Desert View Water Agency shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

Condition No. 5. The date of issuance of the Certificate of Completion shall be the effective date of this annexation.

SECTION 2. The Commission determines that:

a) this proposal is certified to be legally uninhabited;

b) it has 100 % landowner consent; and,

c) no written opposition to a waiver of protest proceedings has been submitted by any subject agency.

Therefore, the Commission does hereby waive the protest proceedings for this action as permitted by Government Code Section 56662(d).

SECTION 3. DETERMINATIONS. The following determinations are noted in conformance with Commission policy:

1. The annexation area is legally uninhabited containing zero registered voter as certified by the County Registrar of Voters as of June 15, 2021.

DRAFT

2. The County Assessor has determined that the total assessed value of land within the annexation area is $85,000 as of March 31, 2021.

3. The annexation area is within the sphere of influence assigned the Bighorn-Desert View Water Agency.

4. Notice of this hearing has been advertised as required by law through publication in the *Hi Desert Star*, a newspaper of general circulation within the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. Comments from any affected local agency have been reviewed by the Commission.

5. In compliance with the requirements of Government Code Section 56157 and Commission policy, individual notice was mailed to surrounding landowners and registered voters within approximately 1,350 feet of the exterior boundaries of the annexation area (totaling 80 notices). Comments from landowners, registered voters and any affected local agency have been reviewed and considered by the Commission in making its determination.

6. The County's land use designation for the annexation area is HV/RL (Homestead Valley/ Rural Living). No change in land use is anticipated as a result of the annexation.

7. The Southern California Associated Governments (SCAG) adopted its 2020-2045 Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS) pursuant to Government Code Section 65080. LAFCO 3249 has no direct impact on SCAG's Regional Transportation Plan.

8. The Local Agency Formation Commission has determined that this proposal is exempt from environmental review. The basis for this determination is that the Commission's approval of the annexation has no potential to cause any adverse effect on the environment; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). The Commission adopted the Exemption and directed its Executive Officer to file a Notice of Exemption within five (5) days with the San Bernardino County Clerk of the Board of Supervisors.

9. The local agencies currently serving the area are: County of San Bernardino, Mojave Desert Resource Conservation District, Mojave Water Agency and its Improvement Zones 1 and M, Morongo Basin Healthcare District, San Bernardino County Fire Protection District, its Desert Service Zone and its Service Zone FP-5, County Service Area 70 Zone R-15, and County Service Area 70 (multi-function unincorporated area Countywide).

   None of these agencies are affected by this proposal as they are regional in nature.

10. The Bighorn-Desert View Water Agency submitted a plan for the provision of water service as required by Government Code Section 56653, which indicates that the Agency can, at a minimum, maintain the existing level of service delivery. The Plan

for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that such Plan conforms to those adopted standards and requirements.

11. The annexation area can benefit from the availability and extension of water service from the Agency.

12. With respect to environmental justice, the annexation proposal—which is to provide water service to the parcel—will not result in unfair treatment of any person based on race, culture or income.

13. The County of San Bernardino, acting on behalf of the Bighorn-Desert View Water Agency, adopted a resolution indicating no transfer of property tax revenues would be required. This negotiated agreement fulfills the requirements of Section 99 of the Revenue and Taxation Code.

14. The map and legal description, as revised, are in substantial conformance with LAFCO and State standards.

SECTION 4. The primary reason for this annexation is to provide water service to APN 0631-071-12, which is proposed to be developed for residential use in the future. The parcel is currently not within the Agency's boundary; therefore, annexation to the Agency is required in order to receive water service.

SECTION 5. Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change of organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

SECTION 6. The Commission hereby orders the territory described in Exhibits "A" and "A-1" reorganized. The Commission hereby directs, that following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer shall prepare and file a Certificate of Completion, as required by Government Code Section 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204.

SECTION 7. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

DRAFT

RESOLUTION NO. 3334

*** * * * * * * * * * * * * * * * ***

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of July 21, 2021.

DATED:

_____
SAMUEL MARTINEZ
Executive Officer

DRAFT

LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
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www.sbclafco.org

DATE: **JULY 14, 2021**

FROM: **SAMUEL MARTINEZ, Executive Officer**
MICHAEL TUERPE, Project Manager

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **Agenda Item #13: Unaudited Year-End Financial Report for FY 2019-20 to include Transfer from Reserves to Services and Supplies**

RECOMMENDATION:

Staff recommends that the Commission:

1. Note receipt of this report and file.

2. Approve a transfer of $43,852 from Reserve Account 6010 (Net Pension Liability Reserve) to Revenue Account 9970 (SBCERA Contributions) to provide budget authority for the payment to SBCERA that occurred in June 2021.

SUMMARY:

1. Budget Markers

Fiscal Year 2020-21 has concluded, and staff presents the Commission with its final financial report. This report includes a review of the financial activities and the presentation of a spreadsheet (see Attachment) showing the line item expenditures and receipts during the year. The summary table below shows that Total Expenditures did not exceed appropriations. For Revenues, the Fees and Deposits category earned 83% of expected revenue, with Total Revenues of 97% being slightly below expectation. The table below is a snapshot through the year-end.

Expenditures		Revenues	
Salaries and Benefits (*below appropriations*)	85%	Apportionment *(met goal)*	100%
Services and Supplies (*below appropriations*)	93%	Fees and Deposits *(below goal)*	83%
TOTAL	**87%**	**TOTAL**	**97%**

2. Applications

The table below identifies the number of proposals and service contracts received: four proposals and 14 service contracts.

Activity	Budget	Through June	
		No.	% of Budget
Proposals	9	4	44%
Service Contracts - Commission approval	2	5	250%
Service Contracts - Admin (E.O.) approval	2	9	450%

3. Cash in Treasury

As of June 30, the Commission's cash in the County Treasury was $423,899. A breakdown of this amount is shown below. As shown, the balance of the Net Pension Liability Reserve was $0 at the year end due to the authorized payment of $43,852 to SBCERA in June 2021 to reduce its net pension liability. Additionally, roughly $42,000 in additional funds carries forward into FY 2021-22. Staff will review this carryover with the Commission as a part of the FY 2021-22 First Quarter Review.

June 30, 2021 Balance		**$423,899**
Cash Balance is composed of the following:		
Committed *(constrained to specific purposes)*		
	Net Pension Liability Reserve (Account 6010) *June 2021 payment to SBCERA*	0
	Compensated Absences Reserve (Account 6030)	142,623
Assigned *(intended for specific purposes)*		
	Contingency (Account 6000)	18,600
	General Reserve (Account 6025)	150,000
Amount to Balance the FY 2021-22 Budget		54,503
Accounts Payable and (Receivable)		16,101
Carryover into FY 2021-22		**$42,072**

DETAIL:

The following provides a discussion of (1) expenditures, (2) reserves, (3) projects and programs, and (4) revenues.

1. Expenditures

Expenditures are comprised of two categories of accounts: 1) Salaries and Benefits, and 2) Services and Supplies. At year's end, expenditures were at 87% of Approved Budget authority. A more detailed analysis of the categories is as follows:

A. Salaries and Benefits (1000 series)

The Salaries and Benefits series of accounts (1000 series) had expenditures of $709,096, representing 85% of Approved Budget authority. The 15% variance from 100% is due to the Clerk and GIS Analyst separating towards the end of the first quarter. At the September meeting, the Commission:

- Approved the reclassification of Angie Schell from Administrative Secretary to Clerk to the Commission. The Administrative Secretary position remains unfilled, and temporary help is supplementing staffing needs when needed (see Account 2335 – Temporary Services).

- Approved the recruitment for the vacant GIS Analyst position. The new employee started on January 4.

B. Services and Supplies (2000 and 5000 series)

Through year's end, the Services and Supplies series of accounts (2000 and 5000 series) had expenditures of $327,891, or 93% of appropriations.

2. Reserves

The budget funded the annual payment to SBCERA, but placed that amount into the Net Pension Liability Reserve with approval for staff to submit the payment in June 2021. At the time of the budget in April 2020, the proper accounting strings were not known because SBCERA was withdrawing its funds and accounting mechanism from the County Treasury. In June, staff issued payment to SBCERA for the approved amount.

This staff report recommends that the Commission approve a transfer of $43,852 from Reserve Account 6010 (Net Pension Liability Reserve) to Revenue Account 9970 (SBCERA Contributions) to provide budget authority for the payment to SBCERA that occurred in June 2021 (shown in red on pages 3 and 4 of the attachment).

Moving forward, instead of continuing with this multi-step process, the FY 2021-22 budget skips the reserve allocation and simply funds the payment as a part of the budget.

3. Projects and Programs

The following provides an update on expenditures and progress on projects approved by the Commission.

A. Sustainable Agricultural Lands Conservation (SALC) Program

At the July 2020 meeting, the Commission authorized the Executive Officer to submit the SALC Program Planning Grant to the CA Department of Conservation

(DOC). LAFCO finalized contracts with the DOC (grant contract with a start date of May 6) and Inland Empire Resource Conservation District (cooperative agreement setting terms for roles and reimbursement).

Staffs formulated the work plan and other documents. Staffs held a "SALC Kickoff" meeting on June 29 with interested stakeholders. The meeting was well attended with a variety of stakeholders from the Valley Region (the project area).

B. Service Reviews:

Pursuant to the service review schedule that the Commission approved in September 2020, the *Countywide Service Review for Park and Recreation* was originally scheduled for presentation to the Commission in November 2021. However, the Census will not release the decennial data until late September/early October. Therefore, a November hearing is not possible if the report is to include current population and income data with staff's mapping and analysis. We now anticipate presentation in January 2022.

C. Governance Training Program

The budget included one course: LAFCO 101. However, due to the pandemic, the Governance Training Program was on hiatus. The FY 2021-22 budget anticipates resuming this program.

D. Fiscal Indicators Program

The platform of the LAFCO website will not be supported in the coming year or two. Portions of the website will be incompatible with the new website platform, including the Fiscal indicators. The FY 2021-22 Budget allocates funds for a new website.

4. Revenues

Year-end revenues received were 97% of anticipated budget. The items below outline the revenue activity:

- Interest (Account 8500) – Lower interest rates have yielded minimal investment returns. $7,512 in interest revenue was earned from the Commission's cash in the County Treasury.

- Apportionment (Account 8842) - 100% of the mandatory apportionment payments from the County, cities, and independent special districts billed by the County Auditor have been received.

- Fees and Deposits (Accounts 9545 – 9800) – Fees and Deposits series of accounts have received 83% of its budgeted revenue ($96,643). This amount is made up of a combination of proposal and service contract filing fees as well as legal cost recovery.

- Carryover from Prior Year (Account 9970) - Prior Year Contingency and Reserve funds of $278,745 from FY 2019-20 carried forward into FY 2020-21.

CONCLUSION:

On a cash basis, the year ended with expenditures within appropriations and revenues slightly below budget. The year ended with a surplus due two large proposals being received as well as cost-savings by not filling the Administrative Assistant position.

Staff will be happy to answer any questions from the Commission prior to or at the hearing regarding the items presented in this report.

SM/MT

Attachment: Spreadsheet of Expenditures, Reserves, and Revenues

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 18-19	ACTUAL YEAR-END FY 19-20	AMENDED FY 20-21 (July 2021)	AMOUNT THRU Q1	AMOUNT THRU Q2	AMOUNT THRU Q3	AMOUNT THRU Q4	% THRU Q4
	SALARIES AND BENEFITS								
1010	Earnable Compensation	503,704	485,548	507,972	133,450	232,362	326,137	437,453	86%
1030	Auto and Cell Phone Allowances	19,269	9,735	9,485	2,450	4,900	7,000	9,450	100%
1035	Overtime				3	3	3	3	
1045	Termination Payment				1,839	1,839	1,839	1,839	
1110	General Member Retirement	173,050	185,575	183,251	44,781	81,028	115,024	155,303	85%
1130	Survivors Benefits	179	176	183	43	72	103	140	77%
1135	Retirement Subsidy (no longer active)	1,995				-			
1200	Medical Premium Subsidy	53,970	55,906	55,860	14,109	23,721	33,227	44,613	80%
1205	Long-Term Disability	1,068	1,110	1,184	279	489	696	945	80%
1207	Vision Care Insurance	782	779	812	187	308	441	603	74%
1215	Dental Insurance Subsidy	1,230	1,237	1,282	305	503	693	891	70%
1222	Short-Term Disability	4,990	5,636	6,072	1,414	2,462	3,497	4,743	78%
1225	Social Security Medicare	6,277	5,827	6,170	1,629	2,719	3,807	5,127	83%
1235	Workers' Compensation	3,019	1,152	5,266	2,534	2,534	2,534	2,534	48%
1240	Life Insurance & Medical Trust Fund	9,251	9,906	11,853	2,584	4,895	6,887	9,238	78%
1305	Medical Reimbursement Plan	3,900	5,496	6,392	992	1,646	2,206	2,859	45%
1310	Annuitant Employee Medical (no longer active)	3,774			-	-			
1314	457/401a Contribution	2,695	2,929	3,378	748	1,436	2,073	2,849	84%
1315	401k Contribution	35,173	37,051	39,482	9,466	16,719	23,127	30,506	77%
	TOTAL SALARIES & BENEFITS	**$ 824,325**	**$ 808,062**	**$ 838,641**	**$ 216,812**	**$ 377,637**	**$ 529,293**	**$ 709,096**	**85%**
	Staffing (Full time equivalent units)	5.25	5.0	5.0					
	SERVICES AND SUPPLIES								
	General Services & Supplies								
2031	Payroll System Services (County IT)		654	826	170	333	476	694	84%
2032	Virtual Private Network (County IT)						297	350	
2033	Network Labor Services (County IT)				1,006	1,006	1,006	1,006	
2037	Dial Tone (County IT)	$ 3,593	3,148	3,434	510	1,275	2,040	3,061	89%
2041	Data Line	8,644	7,598	8,400	1,762	5,170	7,196	8,552	102%
2043	Electronic Equipment Maintenance (County IT)	92	-	-	-	-	-	-	
2075	Membership Dues	10,303	11,822	12,039	10,662	12,144	12,144	12,144	101%
2076	Tuition Reimbursement	-	999	1,000	-	-	-	999	100%
2080	Publications	2,723	3,448	3,343	1,234	1,484	2,982	3,483	104%
2085	Legal Notices	21,188	12,180	11,250	5,153	8,069	17,514	18,240	162%

Attachment #1

Budget Spreadsheets

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 18-19	ACTUAL YEAR-END FY 19-20	AMENDED FY 20-21 (July 2021)	AMOUNT THRU Q1	AMOUNT THRU Q2	AMOUNT THRU Q3	AMOUNT THRU Q4	% THRU Q4
2090	Building Expense	6,466	7,627	7,000	2,160	3,630	5,445	7,260	104%
2115	Computer Software	3,054	2,259	3,054	-	184	184	4,933	162%
2135	Utilities		2,557		-	-	-	-	
2180	Electricity	3,576	5,817	7,200	1,276	2,246	2,632	4,335	60%
2245	Other Insurance	14,285	12,683	14,238	13,292	13,340	13,340	12,027	84%
2305	General Office Expense	4,918	4,354	1,250	1,423	4,532	8,343	9,359	749%
2308	Credit Card Clearing Account	(1,276)	311	-	1,001	(1,302)	(1,302)	79	
2310	Postage - Direct Charge	7,121	9,201	5,316	1,570	2,745	3,927	5,792	109%
2315	Records Storage	808	1,305	900	257	451	644	837	93%
2322	Enterprise Printing (County IT)				14	39	61	90	
2323	Reproduction Services	162		-	-	438	438	560	
2335	Temporary Services	699	89	-	522	1,299	2,102	2,487	
2400	Legal Counsel	94,182	39,584	30,870	3,729	8,813	23,477	34,148	111%
2405	Auditing	8,000	14,528	11,668	-	-	8,445	8,445	72%
2410	IT Infrastructure (County IT)	12,851	11,255	8,439	2,418	4,836	7,254	9,673	115%
2415	COWCAP	10,109	13,328	7,345	1,145	2,290	3,436	4,581	62%
2416	Enterprise Printing (County IT)		36	31	-	-	-	-	0%
2417	Enterprise Content Management (County IT)				471	942	1,413	1,886	
2418	Data Storage Services (County IT)		8,459	7,200	1,209	2,418	3,627	4,842	67%
2420	Wireless Device Access (County IT)	300	262	286	35	88	141	211	74%
2421	Desktop Support Services (County IT)	17,417	14,761	15,085	1,871	4,678	7,717	11,994	80%
2424	Environmental Consultant	10,605	25,526	10,600	5,720	6,630	12,624	15,474	146%
2444	Security Services	480	691	492	-	396	519	642	130%
2445	Other Professional Services	96,029	64,545	34,161	7,762	16,087	23,602	39,509	116%
2449	Outside Legal (Litigation & Special Counsel)	3,216	4,115	-	165	275	275	275	
2460	Aerial Imagery (County IT)	13,518	13,500	16,500	-	3,000	3,000	3,000	18%
2895	Rent/Lease Equipment (copier)	5,289	6,004	5,100	962	962	962	1,786	35%
2905	Office/Hearing Chamber Rental	99,052	99,474	101,201	38,564	47,012	70,519	93,535	92%
2940	Private Mileage	4,952	4,025	4,632	-	-	-	-	0%
2941	Conference/Training	5,231	5,205	4,710	375	375	375	375	8%
2942	Hotel	5,886	6,151	7,610		-	-	-	0%
2943	Meals	456	724	1,100		-	-	-	0%
2945	Air Travel	1,011	1,792	800		-	-	-	0%
2946	Other Travel	122	848	300		-	-	-	0%
5012	Services Out (Staples)	283	2,619.44	3,600	267	4,018	4,188	1,227	34%

Attachment #1 **Budget Spreadsheets**

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 18-19	ACTUAL YEAR-END FY 19-20	AMENDED FY 20-21 (July 2021)	AMOUNT THRU Q1	AMOUNT THRU Q2	AMOUNT THRU Q3	AMOUNT THRU Q4	% THRU Q4
	TOTAL SERVICES & SUPPLIES	$ 475,345	$ 423,483	$ 350,981	$ 106,706	$ 159,903	$ 251,044	$ 327,891	93%
TOTAL EXPENDITURES		$ 1,299,670	$ 1,231,546	$ 1,189,622	$ 323,518	$ 537,540	$ 780,337	$ 1,036,988	87%
	RESERVES (Increases)								
6000	Contingency (Assigned)								
6010	Net Pension Liability Reserve (Committed)			-					
6025	General Reserve (Assigned)								
6030	Compensated Absences Reserve (Committed)			32,477					
6035	Salary Reserve for Extra Pay Period (Committed)								
TOTAL CONTINGENCIES & RESERVES		$ -	$ -	$ 32,477	$ -	$ -	$ -	$ -	0%
TOTAL APPROPRIATION		$ 1,299,670	$ 1,231,546	$ 1,222,099	$ 323,518	$ 537,540	$ 780,337	$ 1,036,988	85%

Attachment #1 **Budget Spreadsheets**

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 18-19	ACTUAL YEAR-END FY 19-20	AMENDED FY 20-21 (July 2021)	AMOUNT THRU 1ST Q	AMOUNT THRU 2ND Q	AMOUNT THRU Q3	AMOUNT THRU Q4	% THRU Q4
	CONTRIBUTION REVENUES								
	Use of Money:								
8500	Interest	16,191	16,325	19,000	$ 2,767	4,288	5,973	7,512	40%
	Mandatory Contribution from Governments:								
8842	Apportionment	1,105,497	1,090,497	1,120,497	756,998	756,998	1,120,497	1,120,497	100%
	Fees and Deposits (Current Services):								
9545	Individual Notice	8,916	7,429	11,000	2,000	3,000	5,000	6,032	55%
9555	Legal Services	70,067	18,404	19,400	4,284	10,311	13,446	15,650	81%
9595	Protest Hearing	3,000		6,000	4,840	6,340	10,595	10,595	177%
9655	GIMS Fees	825	1,605	765	975	2,075	4,360	4,760	622%
9660	Environmental	10,619	10,245	10,400	1,700	2,700	8,856	11,328	109%
9800	LAFCO Fees	69,389	93,422	68,889	13,372	29,365	41,809	48,278	70%
	Total Fees and Deposits	162,816	131,105	116,454	27,170	53,791	84,065	96,643	83%
	TOTAL CONTRIBUTION REVENUES	**1,284,504**	**1,237,927**	**1,255,951**	**786,935**	**815,077**	**1,210,535**	**1,224,652**	**98%**
	OTHER REVENUES								
9910	Prior Year Activity (refunds, collections)	$ (373)						-	
9930	Miscellaneous Revenues	265	685		2,658	2,657.98	2,658	158	
9970	Carryover of Open Proposals/Projects	(50)	116	10,000	1,123	1,122.84	1,123	1,123	11%
9970	Carryover from Prior Year, Assigned	50						-	
9973	Stale-dated Checks	1,000	38			60.00	60	60	
9990	SBCERA Contributions	(184,963)	(42,500)	(43,852)				(43,852)	
	TOTAL OTHER REVENUES	**(184,071)**	**(41,661)**	**(33,852)**	**3,781**	**3,841**	**3,841**	**(42,511)**	**126%**
TOTAL REVENUES		$ 1,100,434	$ 1,196,266	$ 1,222,099	$ 790,716	$ 818,918	$ 1,214,376	$ 1,182,141	97%

LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY

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www.sbclafco.org

DATE: **JULY 14, 2021**

FROM: **MICHAEL TUERPE, Senior Analyst**

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **AGENDA ITEM 14: Continued Monitoring from LAFCO 3231 (Countywide Fire Service Review) for San Bernardino County Fire Protection District (CONTINUED FROM MAY 19, 2021)**

RECOMMENDATION:

Staff recommends that the Commission:

1. Receive and file this report.

2. Cease monitoring of the San Bernardino County Fire Protection District.

BACKGROUND:

As an outgrowth from LAFCO's February 2020 Countywide Fire Service Review (LAFCO 3231), the Commission directed staff to return at its September 2020 meeting with an update on the sustainability of the San Bernardino County Fire Protection District (County Fire).

In September 2020, County Fire requested that the Commission continue this update due to Measure U from the November election, which proposed to repeal County Fire's special tax for its Service Zone FP-5 (the measure was unsuccessful and the tax remains).

At this hearing Dan Munsey, Fire Chief, and Katrina Turturro, Deputy Chief of Business Operations, will present information on County Fire's sustainability.

LAFCO staff has reviewed materials presented to County Fire's board (the board of supervisors) which identifies that County Fire is sustainable for at least the next five years. Therefore, LAFCO staff recommends that the Commission cease monitoring of County Fire.

SM/MT

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DATE: **JULY 14, 2021**

FROM: **MICHAEL TUERPE, Senior Analyst**

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **AGENDA ITEM 15: Continued Monitoring for the Barstow Cemetery District related to LAFCO 3245 - Countywide Service Review for Public Cemetery Districts**

RECOMMENDATION:

Staff recommends that the Commission:

1. Receive and file this report.

2. Schedule an update for the Barstow Cemetery District for the November 17, 2021 meeting, unless otherwise directed by the Commission.

BACKGROUND:

As an outgrowth from LAFCO's December 2020 Countywide Service Review for Public Cemetery Districts (LAFCO 3231), the Commission directed staff to return with an update on the sustainability of the Barstow Cemetery District, to include the status of its audits. The first update was at the March hearing. This is the third update.

AUDITS:

In June, the District contracted with a new independent auditor, who contacted LAFCO staff with an update. Work has begun on FY 2017-18 and 2018-19. When a backlog of audits occurs, the earlier audits require additional work. Additionally, the District has not submitted the required Financial Transactions Report to the State Controller for FY 2019-20. According to the independent auditor, this is invoking an upcoming visit from personnel from the State Controller's Office.

LANDSCAPE CONVERSION PROJECT:

The service review identified that the District has challenges with its wells and has to use domestic water for irrigation, which averages $10,000 to $20,000 per month depending on the season.

The Mojave Water Agency (MWA), the wholesale water agency, is working with the District to convert the grass to xeriscape. MWA provided a draft timeline for the project:

2021 Timeline for Barstow Cemetery Landscape Renovation

July 14 - Cemetery Board Meeting – Present concept drawings and timeline to Board.

August 1 - Shut off water to grass that will be removed.

August 7 – Hold public meeting to discuss the future of the cemetery. Nick Schneider from Mojave Water Agency will discuss the drought and lack of water in our area as well as the current grant and future grant possibilities (Prop 1) and timeline. Landscape architect, Jaime Yamashita, will present concept designs and renderings for public comment.

September - Cemetery will request for Prop 1 grant funding through the MWA's Technical Advisory Committee.

October - Cemetery will remove 8.6 acres of turf as well as some failing trees. Once this turf is removed photos will be submitted along with check request to MWA.

November - Cemetery will receive a check from MWA for $375,000 for 8.6 acres of turf removal. (Approximately 4.4 acres of turf will still be eligible for removal. MWA may be able to fund removal of this area if money becomes available.)

December – Finalize landscape and irrigation plans and cost estimate.

2022

January - Begin installation of irrigation system, extruded curbing and "crusher fines" (from Brubaker Mann). Prop 1 applications will be prepared and submitted by an MWA consultant on behalf of the cemetery.

February - March – Complete irrigation system installation. Plant new trees and plants as weather permits.

June - September - Prop 1 is a competitive process. If Prop 1 funding is awarded to the Barstow cemetery, MWA will manage the project with an expected completion date of late 2022 or early 2023.

CONCLUSION:

Staff recommends that the Commission schedule an update for the Barstow Cemetery District for the Commission's November 17, 2021 meeting, unless otherwise directed by the Commission.

SM/MT

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DATE: **JULY 14, 2021**

FROM: **MICHAEL TUERPE, Senior Analyst**

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **AGENDA ITEM 16: Update on Countywide Service Review for Park and Recreation**

RECOMMENDATION:

Staff recommends that the Commission receive and file this report.

UPDATE:

1. Delayed Release of Census Data

Pursuant to the service review schedule that the Commission approved in September 2020, the *Countywide Service Review for Park and Recreation* was originally scheduled for presentation to the Commission in November 2021. However, the Census will not release the decennial data until late September/early October. Therefore, a November hearing is not possible if the report is to include current population and income data with staff's mapping and analysis. We now anticipate presentation in January 2022.

2. Big River Community Services District

During the data gathering phase of the service review, issues were illuminated which leads LAFCO staff to question the sustainability of the Big River CSD. The general issues have been known to LAFCO staff and County staff for some time: the master lease of the park being on Indian land expiring in 2029 and declining revenues due to fewer receipts of the assessment. However, the speed in the decline of revenue receipts has lessened the available funds available for routine operations and maintenance. For example, the general manager is paid for only eight hours per week and maintenance staff have been terminated. The District plans to take over collecting the assessment from the County, with hopes of a better collection rate (the 2020-21 delinquency rate was 24% according to the District).

LAFCO staff has interviewed the general manager, will virtually attend the District's July 17 meeting, and has met with staff from the First Supervisorial District. The purpose of this update is to apprise the Commission of the situation. We will present details as a part of the overall service review in January 2022, unless the Commission directs staff to isolate the district now and present a focused service review in November 2021.

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DATE: **JULY 14, 2021**

FROM: **SAMUEL MARTINEZ, Executive Officer**

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **Agenda Item #17: Appointment of Voting Delegate and Alternate Voting Delegate for the 2021/2022 CALAFCO Regional Caucus Elections and for the Annual Business Meeting and Nominations for CALAFCO Board Member**

RECOMMENDATION:

Staff recommends that the Commission:

1. Select Commission Chair Jim Bagley as voting delegate (and Acquanetta Warren as alternate voting delegate) to cast this Commission's vote for CALAFCO Board Member during the Regional Caucus Elections and for any items during the Annual Business Meeting; and,

2. For CALAFCO Board Member election nomination/selection:

   - Option 1 – If any of the County and/or District member Commissioners from this Commission is interested to serve on the CALAFCO Board of Directors, nominate said County and/or District member Commissioner and direct the voting delegate to select this LAFCO's nominated County and/or District Member as the Southern Region representative(s) to the CALAFCO Board of Directors; or,

   - Option 2 – Direct the voting delegate to select the incumbents Michael Kelley (Imperial LAFCO) for the County Member Seat and Jo MacKenzie (San Diego LAFCO) for the District Member Seat as the Southern Region representatives to the CALAFCO Board of Directors.

BACKGROUND:

At the CALAFCO Annual Conference, elections will occur for the Southern Region representatives on the Board of Directors. The positions up for election for 2021/2022

are Board of Supervisor and Special District representatives. These positions are for a two year term.

Voting Delegate for Regional Caucus Elections and the Annual Business Meeting:

Pursuant to CALAFCO bylaws, the member LAFCO's voting delegate (or alternate) designated to cast the Commission's vote for CALAFCO Board Member during the Regional Caucus Elections must be forwarded to the CALAFCO Executive Director prior to the conference.

In addition, the voting delegate (or alternate) may be required to cast this Commission's vote on other matters during the CALAFCO Annual Business Meeting.

LAFCO staff is recommending that the Commission designate:

- Chair Jim Bagley as the voting delegate; and,
- Vice Chair Acquanetta Warren as the alternate voting delegate.

Nomination and Selection of Candidates for Board of Directors:

As outlined in the attached memo from CALAFCO, there are two positions on the CALAFCO Board of Directors representing the southern region whose terms are expiring this year. The first position is for the County member, currently occupied by Commissioner Mike Kelley from Imperial LAFCO. Commissioner Kelley has indicated his desire to continue in this position. The second position is for the District member, currently occupied by Commissioner Jo MacKenzie from San Diego LAFCO. Commissioner MacKenzie has also indicated her desire to continue in this position.

It should be noted that it is the Southern Region's practice to also have a secondary nominee as a back-up, in the event of a vacancy, so that a replacement candidate can be appointed to the Board of Directors in a timely manner.

If any of this Commission's County or District members are interested in serving on CALAFCO and wish to be nominated for either the County or District member seat, LAFCO staff is recommending that the Commission nominate the interested Commissioner for either the County or District member seat on the CALAFCO Board of Directors.

Staff will be happy to answer any questions prior to or at the hearing on the proposed nomination(s).

Attachment: CALAFCO Memo Regarding Nominations for 2021/22 CALAFCO Board of Directors Dated June 1, 2021

CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION COMMISSIONS

CALAFCO

June 1, 2021

To: Local Agency Formation Commission
Members and Alternate Members

From: Gay Jones, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors

RE: **Nominations for 2021/2022 CALAFCO Board of Directors**

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

Central Region	Southern Region	Northern Region	Coastal Region
City Member	County Member	County Member	City Member
Public Member	District Member	District Member	Public Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 7, 2021 at the Hyatt Regency in Newport Beach at the John Wayne Airport, CA.

Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until *Tuesday, September 7, 2021 at 5:00 p.m.*

Incumbents are eligible to run for another term. Nominations received by September 7 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than September 23, 2021 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. **The ballot request must be made no later than Tuesday, September 7, 2021. Completed absentee ballots must be returned by 8:00 a.m., Monday, October 4, 2021.**

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.

1020 12th Street, Suite 222, Sacramento, CA 95814
Voice 916-442-6536 Fax 916-442-6535
www.calafco.org

The nomination forms and materials must be received by the CALAFCO Executive Director no later than Tuesday, September 7, 2021 at 5:00 p.m. Here is a summary of the deadlines for this year's nomination process:

- June 1 – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- September 7 – Completed Nomination packet due
- September 7 –Request for an absentee/electronic ballot due
- September 7 – Voting delegate name due to CALAFCO
- September 23 – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- September 23 – Distribution of requested absentee/electronic ballots.
- October 4 – Absentee ballots due to CALAFCO
- October 7 - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed to the address below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1020 12th Street, Suite 222
Sacramento, California 95814
EMAIL: info@calafco.org

Questions about the election process can be sent to the Chair of the Committee, Gay Jones, at gjones@calafco.org or by calling her at 916-208-0736. You may also contact CALAFCO Executive Director Pamela Miller at pmiller@calafco.org or by calling 916-442-6536.

Members of the 2021/2022 CALAFCO Election Committee are:

Gay Jones, Chair gjones@calafco.org	Sacramento LAFCo (Central Region) 916-208-0736
Blake Inscore binscore@calafco.org	Del Norte LAFCo (Northern Region) 707-951-0517
Chris Lopez clopez@calafco.org	Monterey LAFCo (Coastal Region) 831-755-5033
David West dwest@calafco.org	Imperial LAFCo (Southern Region) 760-352-3411

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

Please consider joining us!

Enclosures

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS CALAFCO

Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF AN ELECTION COMMITTEE:

a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending. [8]

b. The Board shall appoint one of the members of the Election Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Election Committee in cooperation with the CALAFCO Executive Director. [8]

c. Each region shall designate a regional representative to serve as staff liaison to the Election Committee. [8]

d. Goals of the Committee are to provide oversight of the elections process and to encourage and solicit candidates by region who represent member LAFCos across the spectrum of geography, size, and urban suburban and rural population if there is an open seat for which no nominations papers have been received close to the deadline. [8]

2. ANNOUNCEMENT TO ALL MEMBER LAFCOs:

a. No later than three months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following: [8]

   i. A statement clearly indicating which offices are subject to the election.

   ii. A regional map including LAFCos listed by region.

   iii. The dates by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Elections Committee action." [8]

   iv. The names of the Election Committee members with the Committee Chairman's LAFCo address and phone number, and the names and contact information for each of the regional representatives.[8]

   v. The address to send the nominations forms.

   vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.

Key Timeframes for Nominations Process

Days*	
90	Nomination announcement
30	Nomination deadline
14	Committee report released

**Days prior to annual membership meeting*

b. No later than four months before the annual membership meeting, the Election Committee Chairman shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the web site. The

announcement shall include the following: [8]

i. A statement clearly indicating which offices are subject to the election.

ii. The specific date by which all nominations must be received by the Election Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked "Received too late for Election Committee action." [8]

iii. The names of the Election Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives. [8]

iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.

c. A copy of these procedures shall be posted on the web site.

3. THE ELECTION COMMITTEE:

a. The Election Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period. [8]

b. At the close of the nominations the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Election Committee member shall immediately conduct a run-off ballot of the tied candidates. [8]

c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference.

d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).

e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference. [8]

f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.

g. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election. [8]

h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election. [8]

4. **ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING**[6]
Limited to the elections of the Board of Directors

   a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.

   b. LAFCos requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.

   c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.

   d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.

   e. LAFCos voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.

   f. LAFCos voting under this provision may only vote for the candidates nominated by the Election Committee and may not vote in any run-off elections.[8]

5. **AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:**

   a. The Election Committee Chairman, another member of the Election Committee or the Chair's designee (hereafter called the Presiding Officer) shall:[8]

      i. Review the election procedure with the membership.

      ii. Present the Election Committee Report (previously distributed).

      iii. Call for nominations from the floor by category for those seats subject to this election:

         1. For city member.

         2. For county member.

         3. For public member.

         4. For special district member.

   b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.

   c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.

   d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.

   e. The Presiding Officer shall then conduct the election:

      i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:

1. Name the nominees and offices for which they are nominated.
2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.

ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:

1. Poll the LAFCos in good standing by written ballot.

2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.

3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.[8]

4. With assistance from CALAFCO staff, tally the votes cast and announce the results.

iii. Election to the Board shall occur as follows:

1. The nominee receiving the majority[6] of votes cast is elected.

2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).[6]

3. In case of tie votes[6]:

a. A second run-off election shall be held with the same two nominees.

b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.

4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected. [6]

a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.

b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.

c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

6. ADDITIONAL PROCEDURES

a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.

b. The Election Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting. [8]

c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCo may be nominated

for at-large seats.

d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.

e. As required by the Bylaws, the members of the Board shall meet as soon as possible after election of new board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

7. LOSS OF ELECTION IN HOME LAFCo

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

CALAFCO Regions
FOUR REGIONS



The counties in each of the four regions consist of the following:

Northern Region
Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

CONTACT: Steve Lucas
Butte LAFCo
slucas@buttecounty.net

Southern Region
Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

CONTACT: Gary Thompson
Riverside LAFCo
gthompson@lafco.org

Coastal Region
Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

CONTACT: Martha Poyatos
San Mateo LAFCo
mpoyatos@smcgov.org

Central Region
Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kern
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

CONTACT: Christine Crawford, Yolo LAFCo
christine.crawford@yolocounty.org

CALAFCO Board Members 2020-21 *(as of June 1, 2021)*		
Board Member Name	***LAFCo - Region***	***Type*** *(Term Expires)*
Bill Connelly - **Secretary**	Butte - *Northern*	County (2021)
David Couch	Humboldt - *Northern*	District (2021)
Blake Inscore	Del Norte - *Northern*	City (2022)
Gay Jones	Sacramento - *Central*	District (2022)
Michael Kelley – **Chair**	Imperial - *Southern*	County (2021)
Christopher Lopez	Monterey – *Coastal*	County (2022)
Daron McDaniel	Merced – *Central*	County (2022)
Michael McGill – **Immediate Past Chair**	Contra Costa - *Coastal*	District (2022)
Jo MacKenzie	San Diego - *Southern*	District (2021)
Margie Mohler - **Treasurer**	Napa - *Coastal*	City (2021)
Tom Murray	San Luis Obispo - *Coastal*	Public (2021)
Anita Paque – **Vice Chair**	Calaveras - *Central*	Public (2021)
Daniel Parra	Fresno - *Central*	City (2021)
Josh Susman	Nevada - *Northern*	Public (2022)
Acquanetta Warren	San Bernardino – *Southern*	City (2022)
David West	Imperial - *Southern*	Public (2022)

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS

CALAFCO

Board of Directors
2021/2022 Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) ☐ City ☐ County ☐ Special District ☐ Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

_____

LAFCo Chair

_____

Date

NOTICE OF DEADLINE

Nominations must be received by **September 7, 2021** at 5:00 p.m. to be considered by the Election Committee.
Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Or email to: info@calafco.org

Date Received

_____

California Association of Local Agency Formation Commissions **CALAFCO**

Board of Directors
2021/2022 Candidate Resume Form
(Complete both pages)

Nominated By: _____ LAFCo Date: _____

Region (please check one): ❑ Northern ❑ Coastal ❑ Central ❑ Southern

Category (please check one): ❑ City ❑ County ❑ Special District ❑ Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Nominations must be received by **September 7, 2021** at 5:00 p.m. to be considered by the Election Committee.
Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Or email to: info@calafco.org

LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: **JULY 14, 2021**

FROM: **SAMUEL MARTINEZ, Executive Officer**

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **AGENDA ITEM #19: EXECUTIVE OFFICER'S REPORT**

LAFCO Reminder/Update:

The Commission will be dark in August. Please note that the next Commission meeting will be on September 15, 2021, which is being planned as an in-person meeting. Although the Governor's new executive order allows the Commission to continue to hold its meetings electronically until September 30, 2021, staff (in consultation with the chair) is preparing to have the September meeting as a regular in-person meeting.

The LAFCO office has re-opened its doors to the public. The office is now open to the public Monday through Thursday, from 9:00 am to 5:00 pm, and every other Friday from 8:30 am to 4:30 pm. Although the office is open, LAFCO staff continues to encourage visitors to make an appointment.

LAFCO Ad Hoc Administrative and Finance Committee Appointment:

LAFCO staff has reached out to the Commission Chair on forming the three-member Ad Hoc Administrative Committee for this fiscal year.

As you may be aware, the Commission's new practice on the Ad Hoc Administrative and Finance Committee composition is: the Chair, the Vice Chair, and a member from the regular membership to be selected by the Chair. Based on LAFCO staff's consultation with the Commission Chair, he has chosen Commissioner McCallon to be the third member of the Committee. Therefore, the Ad Hoc Administrative and Finance Committee for Fiscal Year 2021-22 is composed of the following members:

- Chair Bagley
- Vice Chair Warren
- Commissioner McCallon

The Committee will be meeting this fiscal year to review lease options related to the LAFCO office, review of the upcoming Audit, and review of next year's budget.

CALAFCO NEWS:

- **Annual CALAFCO Conference**

  This year's Annual CALAFCO Conference is from Wednesday, October 6 to Friday, October 8 at the Hyatt Regency (John Wayne Airport), Newport Beach. See flyer included as Attachment #1 for additional information.

  LAFCO staff will be coordinating with Commissioners regarding their attendance.

- **CALAFCO Achievement Awards**

  CALAFCO sent out a memo for the 2021 Achievement Awards nominations (copy included as Attachment #2). Each year, at the CALAFCO Annual Conference awards ceremony, CALAFCO recognizes outstanding achievements of individuals and organizations. This year, the nomination period covers both Fiscal Years 2020 and 2021.

  It is requested that the Commission provide direction, if any, on items which they wish to nominate for these awards.

- **CALAFCO Quarterly Report**

  Attached is the 2nd Quarterly CALAFCO Report for 2021 (see Attachment #3), which highlights LAFCOs in the news, educational events, and other CALAFCO information.

Attachments:
1. Annual CALAFCO Conference Flyer
2. CALAFCO Memo Regarding 2021 CALAFCO Achievement Award Nominations
3. CALAFCO Quarterly Report – May 2021

Announcing The 2021 CALAFCO Annual Conference

Hosted by CALAFCO

October 6 - 8

Hyatt Regency, Newport Beach
Conveniently located near the John Wayne Airport

Highly Relevant & Diverse General & Breakout Session Topics

- The New Era: State of the State in terms of extreme water and fire issues, and what it means for LAFCo* (Wed)
- Looming pension liabilities (Thu)
- City/District funding and property tax agreements (Thu)
- Post-pandemic workforce best practices for hiring staff (Thu)
- Hot topic facilitated breakouts – two rounds (Thu)
- The "bilities" of water and the LAFCo connection: Availability, accessibility, and portability (along with quality and state mandates)* (Wed)
- Cyber Security threats to LAFCos and local agencies* (Fri)
- Annual CALAFCO Legislative Update* (Fri)
- CALAFCO Annual Business Meeting (for all CALAFCO members)* (Thu)

Note: The Program is subject to change.
**Indicates General Session*

Mark your calendar and plan to attend!

Registration is now open! Visit www.calafco.org

Special Highlights

LAFCo 101
An introduction to LAFCo and LAFCo law for Commissioners, Staff, and anyone interested in learning more about LAFCo

Wednesday from 10:00 a.m. to Noon

Special Thursday afternoon session:

Hot Topic Roundtables

Join us for a special kind of breakout session format: ***topical roundtables.*** Choose the topics that are of most interest to you and join the conversation. This is a chance to share issues, existing best practice solutions, and create new and innovation solutions. Each round of the two-round breakouts will be approx. 50 mins.

Topical list still being prepared and may include LAFCo indemnification, sea level rise, pandemic recovery, local fire issues, local water issues.

It's been 2 years since we've seen you...are you missing each other?

We've Created Invaluable Networking Opportunities for Reconnection!

- Regional Roundtable discussions on current regional LAFCo issues
- Extended roundtable discussion for LAFCo legal counsel
- Networking breakfasts and extended breaks
- Welcome Reception Wednesday
- Thursday Pre-dinner Reception & breaks with Sponsors
- Awards Banquet Thursday

Hyatt Regency Newport Beach at the John Wayne Airport



Make your reservations now at the ***Hyatt Regency*** at the special CALAFCO rate of $194 (excludes tax and fees). Special rates available 3 days pre- and post-conference on availability, includes in-room wifi and parking.
Reservation cutoff date is 9/6/21.

TO MAKE HOTEL RESERVATIONS, PLEASE VISIT: https://www.hyatt.com/en-US/group-booking/SNARJ/G-CAL2 or call directly at 949-975-1234 and reference CALAFCO event.

Visit www.calafco.org for Conference details or call us at 916-442-6536.

CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION COMMISSIONS

Date: May 24, 2021



To: CALAFCO Members
LAFCo Commissioners and Staff
Other Interested Organizations

From: CALAFCO Achievement Awards Committee

Subject: **2021 CALAFCO Achievement Award Nominations**

On behalf of the Association, we are pleased to announce the newly updated CALAFCO Achievement Awards program and the opening of the nomination period. During the past year while the Committee and program were in hiatus due to the pandemic, the program underwent a comprehensive review and update. On April 30, 2021, the Board of Directors unanimously approved and adopted the program.

Each year, CALAFCO recognizes outstanding achievements by dedicated and committed individuals and/or organizations from throughout the state at the Annual Conference Achievement Awards Ceremony. This year's ceremony will be on October 7 at the Hyatt Regency Newport Beach John Wayne Airport, during the awards banquet.

Recognizing individual and organizational achievements is an important responsibility. It provides visible recognition and support to those who go ***above and beyond*** in their work to advance the principles and goals of the Cortese-Knox-Hertzberg Act. We invite you to use this opportunity to nominate the individuals and organizations you feel deserve this important recognition based on the criteria outlined. *Please carefully review the nomination instructions and the criteria for each category. Incomplete nominations will not be considered by the Committee, nor will nominations that do not adhere to the submittal guidelines.*

For this year only, the nomination period covers the 2020 and 2021 timeframe. This is because there were no awards last year. This will be a one-time only expansion of the timeframe. *SPECIFICALLY, THAT IS JULY 1, 2019 THROUGH JUNE 30, 2021. Please ensure your nomination highlights achievements only during this timeframe.*

To make a nomination, please use the following procedure:

1. Nominations may be made by an individual, a LAFCo, a CALAFCO Associate Member, or any other organization.
2. Each nomination must meet the specific award category criteria for consideration. The Committee will not consider any nomination for an award for any category other than the one for which it was submitted. Duplicate nominations *will not be considered by the Committee*.
3. Nominations ***must be submitted with a completed nomination form***. Please use a separate form for each nomination. The form is your opportunity to highlight the most important points of your nomination.
4. Nomination *Executive Summaries* must be *limited to no more than 250 words in length.* Nomination *Summaries* must be *limited to no more than 1,000 words or 2 pages in length maximum*. You are encouraged to write them in a clear, concise and understandable manner. If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount *will not be considered by the Committee*.

5. All supporting information (e.g. reports, news articles, etc.) must be submitted with the nomination. ***Limit supporting documentation to no more than 3 pages.*** If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount ***will not be considered by the Committee***.
6. All nomination materials must be submitted at one time and must be received by the deadline. No late nominations will be accepted – no exceptions. Electronic submittals are required and must be submitted as pdf document, using the fillable pdf document provided.
7. **Nominations and supporting materials must be received no later than 3:00 p.m., Friday, August 13, 2021**. Send nominations via e-mail to:

   Stephen Lucas, CALAFCO Executive Officer
   slucas@buttecounty.net
   AND
   Christine Crawford, CALAFCO Deputy Executive Officer
   christine.crawford@yolocounty.org

Please contact Steve Lucas, CALAFCO Executive Officer, at slucas@buttecounty.net or (530) 538-7784 with any questions.

Members of the 2021 CALAFCO Board of Directors Awards Committee

Board Members:

Anita Paque, Committee Chair (Calveras LAFCo, Central Region)	apaque@calafco.org
Daron McDaniel (Merced LAFCo, Central Region)	dmcdaniel@calaco.org
Jo MacKenzie (San Diego LAFCo, Southern Region)	jmackenzie@calafco.org
Margie Mohler (Napa LAFCo, Coastal Region)	mmohler@calafco.org
Josh Susman (Nevada LAFCo, Northern Region)	jsusman@calafco.org

Regional Officer Members:

Christine Crawford, CALAFCO Deputy Executive Officer (Central Region)	christine.crawford@yolocounty.org
Steve Lucas, CALAFCO Executive Officer (Northern Region)	slucas@buttecounty.net
Martha Poyatos, CALAFCO Deputy Executive Officer (Coastal Region)	mpoyatos@smcgov.org
Gary Thompson, CALAFCO Deputy Executive Officer (Southern Region)	gthompson@lafco.org

Included as attachments:

- Achievement Awards Program Summary
- 2021 Achievement Award nomination form
- Achievement Award categories, nomination and selection criteria
- Listing of prior Achievement Award recipients

CALAFCO ACHIEVEMENT AWARDS
SUMMARY OF PROGRAM CHANGES
AS ADOPTED BY THE BOARD OF DIRECTORS ON APRIL 30, 2021

Purpose of the changes

There are several goals to updating the CALAFCO Achievement Awards program.

First, nomination criteria did not exist for any award. By adding specific nomination criteria to each award, it will be easier for those considering submittal of a nomination to have clear standards that must be met in order for any nomination to be considered. Further, the criterion creates guidelines for the author of a nomination submittal.

Next, also non-existent were selection criteria. By creating selection criteria for each award, the Awards Committee has clear guidelines by which to review and consider each nomination within a given award category. Each proposed selection criteria is customized to the nomination criteria for that award category. This clear criterion also allows nominators to understand what will be considered by the Awards Committee as the nominations for a given category are considered.

We believe both of these goals create a more transparent and comprehensive Achievement Awards program for our membership.

Additionally, the updated Awards Program does several other things. First, it spotlights achievements ***above and beyond*** what is expected in the normal course of business. Second, it streamlines the current Award categories. Finally, it links specific achievements back to the mission and purpose of LAFCo, thereby enhancing their value and meaning.

On April 30, 2021, the Board of Directors unanimously approved the updated program. This approval was preceded by months of comprehensive review and work by the Association's Executive Director and Regional Officers, followed by a unanimous approval and recommendation to the Board by the Awards Committee.

Difference of the prior program to the updated program

In addition to the differences noted above, there are other notable differences:

- Prior program had eleven (11) total award categories whereas the updated program has eight (8).
- Eliminated *Distinguished Service Award* (already awarding longevity in *Lifetime Achievement Award*).
- Rolled *Outstanding LAFCo Clerk* into *Outstanding LAFCo Professional* and expanded to all LAFCo personnel. With the new criteria, each LAFCo personnel role shall be treated equally.
- Changed *Outstanding CALAFCO Member* to *Outstanding CALAFCO Volunteer,* thereby excluding "staff person" and expanding scope to all who volunteer for the Association, not just Board or staff.
- Added nomination criteria to *Outstanding CALAFCO Associate Member.*
- Combined the following four awards into one (with two distinct categories): *Most Effective Commission, Project of the Year, Government Leadership Award and Mike Gotch Courage and Innovation in Local Government Award*. These are now the *Mike Gotch Excellence in Public Service Award.*

- Criteria for this new award was taken from all four eliminated awards and tied directly to several aspects of the mission of LAFCo through the creation of the two distinct award subcategories.

Adopted changes to the membership and voting of the Achievement Awards Committee

There are two other changes directly affecting the Awards Committee. One relates to the membership structure of the Awards Committee and the other is to the voting.

First, the four Regional Officers are full voting members of the Committee. These Officers enhance the perspective of the Board Committee Members through their technical expertise and "on the ground" experiences. By adding them as voting members (they were previously "advisors" to the Committee), the full voting membership is nine (9).

And finally, it is now a policy of the Committee that any voting member abstain from voting on any category in which a nomination has been submitted by/for their LAFCo or a member (staff or commissioner) of their LAFCo. With bringing the voting membership to nine, this abstention should not pose a problem in terms of not having a quorum of votes cast.

2021 Achievement Award Nominations
Due by Friday, August 13, 2021 at 3:00 p.m.

Achievement Award Nomination Form

NOMINEE - Person or Agency Being Nominated

Name:

Organization:

Address:

Phone:

E-mail:

NOMINATION CATEGORY (check one – see category criteria on attached sheet)

- ☐ Outstanding CALAFCO Volunteer
- ☐ Outstanding CALAFCO Associate Member
- ☐ Outstanding Commissioner
- ☐ Outstanding LAFCo Professional
- ☐ Mike Gotch Excellence in Public Service (choose one category below)
  Protection of agricultural and open space lands and prevention of sprawl
- ☐ *Innovation, collaboration, outreach and effective support of the evolution and viability of local agencies, promotion of efficient and effective delivery of municipal services*
- ☐ Legislator of the Year (must be approved by the full CALAFCO Board)
- ☐ Lifetime Achievement Award

NOMINATION SUBMITTED BY:

Name:

Organization:

Address:

Phone:

E-mail:

CALAFCO

2021 Achievement Award Nominations
Due by Friday, August 13, 2021 at 3:00 p.m.

EXECUTIVE SUMMARY

In no more than 250 words, summarize why this recipient is the most deserving of this award.

CALAFCO

2021 Achievement Award Nominations

Due by Friday, August 13, 2021 at 3:00 p.m.

NOMINATION SUMMARY

Please indicate the reasons why this person or agency deserves to be recognized (this section must be no more than 1,000 words or 2 pages maximum).

CALAFCO
California Association of Local Agency Formation Commissions

CALAFCO ACHIEVEMENT AWARD CATEGORIES, NOMINATION & SELECTION CRITERIA

CALAFCO recognizes excellence within the LAFCo community and the full membership by presenting the *Achievement Awards* at the CALAFCO Annual Conference. Nominations are being accepted until ***3:00 p.m., Friday, August 13, 2021*** in the following categories:

Outstanding CALAFCO Volunteer

Award Summary:

Recognizes a CALAFCO volunteer who has provided exemplary service during the past year. Exemplary service is service which clearly goes above and beyond that which is asked or expected in the charge of their responsibilities. This category may include a CALAFCO Board member, regional officer, program volunteer, or any other requested volunteer.

Nomination criteria:

1. Nominee must have volunteered for the Association during the year in which the nomination is being made.
2. Nominee does not have to be a CALAFCO member.
3. Volunteer efforts must have demonstrated the individual going above and beyond what was asked/expected with positive and effective results.
4. Nominee can be a CALAFCO Board member, regional officer, program volunteer or any other volunteer.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to each nominee, regardless of their position or role as a volunteer. Only the contributions and outcomes shall be considered, not the individual's position.
3. The extent of the volunteerism and the overall impact to the statewide Association and membership based on that volunteerism shall be considered.
4. Preference may be given to individuals who have not previously received this award and meet all the required criteria.

Outstanding CALAFCO Associate Member

Award Summary:

Presented to an active CALAFCO Associate Member (person or agency) that has advanced or promoted the cause of LAFCos by consistently producing distinguished work that upholds the mission and goals of LAFCos and has helped elevate the role and mission of LAFCos through its work. Recipient consistently demonstrates a collaborative approach to LAFCo stakeholder engagement. Further, the individual or firm has a proven commitment to the Association membership through volunteering time and resources to further the cause of LAFCo and CALAFCO.

Nomination criteria:

1. Nominee must be a CALAFCO Associate Member in good standing with the Association.
2. Nominee shall be an Associate Member for the full year in which the nomination is being made.
3. The Associate Member nominated shall have been an Associate Member in good standing with the Association for at least one year prior to the year for which the nomination is being made.
4. As an Associate Member, the nominee may be an individual, firm or agency.
5. The nominee may be an individual within an Associate Member firm or agency.
6. Nominee shall demonstrate that through their work as an Associate Member, the role and mission of LAFCo has been upheld and furthered.
7. Nominee must have proven cooperative and collaborative approaches to situations and solutions that affect LAFCos statewide as an Associate Member.
8. Proven commitment to the Association's membership as an Associate Member by volunteering resources to the Association during the year in which the nomination is made.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to all nominees that meet the nominating criteria.
3. The level of volunteering time and resources to the Association shall be a consideration with all other nomination criteria.

Outstanding Commissioner

Award Summary:

Presented to an individual Commissioner for extraordinary service to his or her Commission. Extraordinary service is considered actions above and beyond those required in the course of fulfilling their statutory responsibilities as a Commissioner. It requires consistently demonstrating independent judgment on behalf of the interest of the entire county, developing innovative and collaborative solutions to local issues, and leading the commission and community by example.

Nomination criteria:

1. Nominee must be a Commissioner of a LAFCo in good standing with the Association.
2. Nominee shall be a Commissioner for the full year in which the nomination is being made.
3. Proven demonstration of consistently exercising independent judgment for the greater good of the County is required.
4. Proven leadership of the commission and the community through collaborative, innovative and creative solutions to local issues is required.
5. Proven effective results and outcomes shall be demonstrated in the nomination.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to all nominees that meet the nominating criteria.
3. Representation type (city-county-district-public) shall not be a consideration nor shall be the size or geographic area of the LAFCo on which the Commissioner serves.
4. The overall impact of the leadership of the Commissioner shall be considered.
5. Preference may be given to individuals who have not previously received this award and meet all the required criteria.

Outstanding LAFCo Professional

Award Summary:

Recognizes an Executive Officer, Staff Analyst, Clerk, Legal Counsel or any other LAFCo staff person for exemplary service during the past year. Exemplary service is considered actions which clearly go above and beyond that which is asked, expected, or required in the charge of their LAFCo responsibilities.

Nomination criteria:

1. Nominee must be a staff person of a LAFCo in good standing with the Association.
2. Nominee shall be a staff person for the full year in which the nomination is being made.
3. As a staff person, the nominee can be either an employee of the LAFCo or a contractor providing employee-type services to the LAFCo.
4. Efforts must be demonstrated that the individual has consistently gone above and beyond or outside the scope of their role or job responsibilities, with proven results that otherwise would not have occurred.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to all nominees that meet the nominating criteria.
3. Position within a LAFCo shall not be a consideration, nor shall be the size or geographic area of the LAFCo.
4. The overall impact of the LAFCo professional to their LAFCo and the greater community shall be considered.
5. Preference may be given to individuals who have not previously received this award and meet all the required criteria.

Lifetime Achievement Award

Award Summary:

Recognizes any individual who has made extraordinary contributions to the statewide LAFCo community in terms of longevity of service, exemplary advocacy of LAFCo-related legislation, proven leadership in approaching a particular issue or issues, and demonstrated support in developing and implementing innovative and creative ways to support the goals of LAFCos throughout California. At a minimum, the individual should be involved in the LAFCo community for at least twenty (20) years.

Nomination criteria:

1. Nomination must be received from a member LAFCo or Associate Member in good standing with the Association.
2. A minimum of 20 years direct involvement with the LAFCo community is required for consideration.
3. During that time, nominee shall have a proven positive impact and effect on the support and evolution of LAFCos statewide.
4. This includes advocacy of LAFCos statewide through legislation, developing creative and innovative solutions to LAFCo issues that serve beyond their LAFCo to the greater good, and collaborative stakeholder approaches to issues and opportunities to further the cause and mission of LAFCo.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Preference may be given to nominees who also have proven experience volunteering for CALAFCO through a regional officer role, serving on committees, serving on the CALAFCO Board, or any other method of volunteering for the Association that serves to promote and support the mission and work of LAFCos throughout the state.

Legislator of the Year

Award Summary:

Presented to a member of the California State Senate or Assembly in recognition of leadership and valued contributions in support of LAFCo goals that have a statewide effect. The recipient shall have demonstrated clear support and effort to further the cause and ability of LAFCos to fulfill their statutory mission. Selected by CALAFCO Board by super majority.

Nomination criteria:

1. Nominee shall be a California State legislator during the full year in which the nomination was made.
2. Nominee must have demonstrated extraordinary leadership in the Legislature on behalf of LAFCos statewide, with efforts resulting in a positive impact for all LAFCos.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. All Legislator of the Year nominations shall be forwarded by the Achievement Awards Committee to the Board for consideration.
3. Selection of the recipient of this award shall be done with a super majority approval of the Board (present at the time of the vote).

Mike Gotch Excellence in Public Service Award

Awarded to an individual, group or agency for actions that rise above expected or common functions or actions that are LAFCo-related; *and* reduce or eliminate common institutional roadblocks; *and* result in a truly extraordinary public service outcome. Individuals, a LAFCo, or collaborative effort among multiple LAFCos or a LAFCo with other entities are eligible. Other entities shall be decision-making bodies at the local, regional or state level. This award has two distinct categories, each focusing on specific areas of the LAFCo mission.

Mike Gotch Excellence in Public Service Award categories:

1. *Protection of agricultural and open space lands and prevention of sprawl*
2. *Innovation, collaboration, outreach and effective support of the evolution and viability of local agencies, promotion of efficient and effective delivery of municipal services*

<u>Mike Gotch Excellence in Public Service Award categories:</u>

Protection of agricultural and open space lands and prevention of sprawl

Includes the development and implementation of programs or other actions associated with agriculture, water, flood control, parks and recreation, habitat conservation plans and public lands. Demonstrates the recipient has identified, encouraged and ensured the preservation of agricultural and open space lands. Proven actions that encourage cities, counties and special districts to direct development away from all types of agricultural lands, including prime agricultural lands and open space lands. Includes demonstrated consideration given in decisions to Regional Transportation Plans, including sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, and sustainable communities.

Innovation, collaboration, outreach and effective support of the evolution and viability of local agencies, promotion of efficient and effective delivery of municipal services

Includes the development and implementation of innovate support and systems within internal LAFCo operations in the support of local agencies. Actions produce systemic and sustainable improvements and innovation of local government. Proven facilitation of constructive discussions with local and regional agencies and proactive outreach to local and regional agencies as well as local stakeholders and communities to identify issues and solutions and demonstrated action as a coordinating agency in offering and supporting unique local solutions to meet local challenges. Successful demonstration of development of capacities and abilities of local agencies. Provide tools and resources to local agencies to address aging infrastructure, fiscal challenges and the maintenance of existing services. Demonstrated action to streamline the provision of local services with proven results that services are consistent or have been improved as a result, with little to no increased cost to the consumer. Focused efforts and proven results to ensure delivery of services to all communities, especially disadvantaged communities.

<u>Nomination criteria:</u>

1. Clear demonstration that the actions rise above expected or common functions or actions.
2. The actions reduced or eliminated common institutional roadblocks.
3. The actions clearly proven a truly extraordinary public service outcome that is systemic and sustainable.
4. Identified unique circumstances and factors leading to the solution/project.
5. The innovative steps taken by the LAFCo or entity/entities/individual to solve the problem, overcome the situation, or to take action.
6. Clear description of the results/outcomes of the work and the short- and long-term effects.
7. How this work can be promoted as a LAFCo best practice.
8. Clear demonstration how this nomination meets all criteria.

<u>Selection Criteria:</u>

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to each nominee within each category. The size or geographic area of the LAFCo within a given category shall not be a consideration.
3. The overall impact of the actions and outcomes to the greater community being served shall be considered.
4. The level of impact based on the required nomination criteria shall be considered.

PREVIOUS CALAFCO ACHIEVEMENT AWARD RECIPIENTS

2019

Distinguished Service Award	**Charley Wilson**, Orange LAFCo
Most Effective Commission	**Contra Costa LAFCo**
Outstanding Commissioner	**Jim DeMartini,** Stanislaus LAFCo
Outstanding LAFCo Professional	**David Church**, San Luis Obispo LAFCo
Project of the Year	**Orange LAFCo,** *for San Juan Capistrano Utilities MSR*
Government Leadership Award	**CA State Water Resources Control Board, Los Angeles County and Los Angeles LAFCo,** *for Sativa Water District*
Mike Gotch Courage & Innovation in Local Government Leadership Award	**Butte LAFCo**
Legislator of the Year	**Assembly Member Mike Gipson**
Lifetime Achievement Award	**John Benoit,** various LAFCos, **Jurg Heuberger,** Imperial LAFCo

2018

Distinguished Service Award	**John Withers**, Orange LAFCo
Most Effective Commission	**Santa Clara LAFCo**
Outstanding Commissioner	**Margie Mohler,** Napa LAFCo
Outstanding LAFCo Professional	**George Williamson**, Del Norte LAFCo
Outstanding LAFCo Clerk	**Elizabeth Valdez**, Riverside LAFCo
Outstanding CALAFCO Associate Member	**Best Best & Krieger**
Project of the Year	**Lake LAFCo,** water services consolidation
Government Leadership Award	**City of Porterville, County of Tulare, Dept. of Water Resources, State Water Resources Control Board, Governor's Office of Emergency Services, Self Help Enterprises, Community Water Center** for East Porterville water supply project
Mike Gotch Courage & Innovation in Local Government Leadership Award	**Mike Ott,** San Diego LAFCo
Legislator of the Year	**Assembly Member Anna Caballero**
Lifetime Achievement Award	**Pat McCormick,** Santa Cruz LAFCo, **George Spiliotis**, Riverside LAFCo

2017

Most Effective Commission	**Los Angeles LAFCo**
Outstanding CALAFCO Member	**Sblend Sblendorio,** Alameda LAFCo
Outstanding Commissioner	**John Marchand,** Alameda LAFCo
Outstanding LAFCo Professional	**Paul Novak**, Los Angeles LAFCo
Outstanding LAFCo Clerk	**Richelle Beltran**, Ventura LAFCo
Outstanding CALAFCO Associate Member	**Policy Consulting Associates**
Project of the Year	**County Services MSR**, Butte LAFCo, and **Santa Rosa Annexation,** Sonoma LAFCo

Government Leadership Award	**San Luis Obispo County Public Works Dept.**
Lifetime Achievement Award	**Kathy Rollings McDonald** (San Bernardino)

2016

Distinguished Service Award	**Peter Brundage**, Sacramento LAFCo
Most Effective Commission	**San Luis Obispo LAFCo**
Outstanding CALAFCO Member	**John Leopold,** Santa Cruz LAFCo
Outstanding Commissioner	**Don Tatzin,** Contra Costa LAFCo
Outstanding LAFCo Professional	**Steve Lucas**, Butte LAFCo
Outstanding LAFCo Clerk	**Cheryl Carter-Benjamin**, Orange LAFCo
Project of the Year	**Countywide Water Study,** (Marin LAFCo)
Government Leadership Award	**Southern Region of CALAFCO**
Lifetime Achievement Award	**Bob Braitman** (retired Executive Officer)

2015

Mike Gotch Courage & Innovation in Local Government Leadership Award	**Yuba County Water Agency**
Distinguished Service Award	**Mary Jane Griego**, Yuba LAFCo
Most Effective Commission	**Butte LAFCo**
Outstanding CALAFCO Member	**Marjorie Blom,** formerly of Stanislaus LAFCo
Outstanding Commissioner	**Matthew Beekman,** formerly of Stanislaus LAFCo
Outstanding LAFCo Professional	**Sam Martinez**, San Bernardino LAFCo
Outstanding LAFCo Clerk	**Terri Tuck**, Yolo LAFCo
Project of the Year	**Formation of the Ventura County Waterworks District No. 38** (Ventura LAFCo) and **2015 San Diego County Health Care Services five-year sphere of influence and service review report** (San Diego LAFCo)
Government Leadership Award	**The Cities of Dublin, Pleasanton, Livermore and San Ramon, the Dublin San Ramon Services District and the Zone 7 Water Agency**
CALAFCO Associate Member of the Year	**Michael Colantuono** of Colantuono, Highsmith & Whatley
Legislators of the Year Award	**Assembly member Chad Mayes**
Lifetime Achievement Award	**Jim Chapman** (Lassen LAFCo) and **Chris Tooker** (formerly of Sacramento LAFCo)

2014

Mike Gotch Courage & Innovation in Local Government Leadership Award	**David Church,** San Luis Obispo LAFCo
Distinguished Service Award	**Kate McKenna**, Monterey LAFCo
Most Effective Commission	**Santa Clara LAFCo**
Outstanding CALAFCO Member	**Stephen Lucas, Butte** LAFCo
Outstanding Commissioner	**Paul Norsell**, Nevada LAFCo
Outstanding LAFCo Professional	**Kate McKenna**, Monterey LAFCo
Outstanding LAFCo Clerk	**Paige Hensley**, Yuba LAFCo
Project of the Year	**LAFCo Procedures Guide: 50th Year Special Edition,** San Diego LAFCo

Government Leadership Award	**Orange County Water District, City of Anaheim, Irvine Ranch Water District, and Yorba Linda Water District**
Legislators of the Year Award	**Assembly member Katcho Achadjian**
Lifetime Achievement Award	**Susan Wilson, Orange** LAFCo

2013

Mike Gotch Courage & Innovation in Local Government Leadership Award	**Simón Salinas**, Commissioner, Monterey LAFCo
Distinguished Service Award	**Roseanne Chamberlain**, Amador LAFCo
Most Effective Commission	**Stanislaus LAFCo**
Outstanding CALAFCO Member	**Harry Ehrlich**, San Diego LAFCo
Outstanding Commissioner	**Jerry Gladbach**, Los Angeles LAFCo
Outstanding LAFCo Professional	**Lou Ann Texeira**, Contra Costa
LAFCo Outstanding LAFCo Clerk	**Kate Sibley**, Contra Costa LAFCo
Project of the Year	**Plan for Agricultural Preservation**, Stanislaus LAFCo
Government Leadership Award	**Orange County LAFCo Community Islands Taskforce**, Orange LAFCo
Legislators of the Year Award	**Senators Bill Emmerson and Richard Roth**
Lifetime Achievement Award	**H. Peter Faye**, Yolo LAFCo; **Henry Pellissier**, Los Angeles LAFCo; **Carl Leverenz**, Butte LAFCo; **Susan Vicklund-Wilson**, Santa Clara LAFCo.

2012

Mike Gotch Courage & Innovation in Local Government Leadership Award	**Bill Chiat**, CALAFCO Executive Director
Distinguished Service Award	**Marty McClelland**, Commissioner, Humboldt LAFCo
Most Effective Commission	**Sonoma LAFCo**
Outstanding CALAFCO Member	**Stephen A. Souza**, Commissioner, Yolo LAFCo and CALAFCO Board of Directors
Outstanding Commissioner	**Sherwood Darington**, Monterey
LAFCo Outstanding LAFCo Professional	**Carole Cooper**, Sonoma LAFCo
Outstanding LAFCo Clerk	**Gwenna MacDonald**, Lassen LAFCo
Project of the Year	**Countywide Service Review & SOI Update**, Santa Clara LAFCo
Government Leadership Award	**North Orange County Coalition of Cities**, Orange LAFCo
Lifetime Achievement Award	**P. Scott Browne**, Legal Counsel LAFCos

2011

Mike Gotch Courage & Innovation in Local Government Leadership Award	**Martin Tuttle**, Deputy Director for Planning, Caltrans **Mike McKeever**, Executive Director, SACOG
Distinguished Service Award	**Carl Leverenz**, Commissioner and Chair, Butte
LAFCo Most Effective Commission	**San Bernardino LAFCo**
Outstanding CALAFCO Member	**Keene Simonds**, Executive Officer, Napa LAFCo
Outstanding Commissioner	**Louis R. Calcagno**, Monterey LAFCo
Outstanding LAFCo Professional	**June Savala**, Deputy Executive Officer, Los Angeles LAFCo
Outstanding LAFCo Clerk	**Debbie Shubert**, Ventura LAFCo

Project of the Year	**Cortese-Knox-Hertzberg Definitions Revision** Bob Braitman, Scott Browne, Clark Alsop, Carole Cooper, and George Spiliotis
Government Leadership Award	**Contra Costa Sanitary District** **Elsinore Water District and Elsinore Valley Municipal Water District**

2010

Mike Gotch Courage & Innovation in Local Government Leadership Award	**Helen Thompson**, Commissioner, Yolo LAFCo
Distinguished Service Award	**Kathleen Rollings-McDonald**, Executive Officer, San Bernardino LAFCo **Bob Braitman**, Executive Officer, Santa Barbara LAFCo
Most Effective Commission	**Tulare LAFCo**
Outstanding CALAFCO Member	**Roger Anderson, Ph.D.**, CALAFCO Chair, Santa Cruz LAFCo
Outstanding Commissioner	**George Lange**, Ventura LAFCo
Outstanding LAFCo Professional	**Harry Ehrlich**, Government Consultant, San Diego LAFCo
Outstanding LAFCo Clerk	**Candie Fleming**, Fresno LAFCo
Project of the Year	**Butte LAFCo** Sewer Commission - Oroville Region Municipal Service Review
Government Leadership Award	**Nipomo Community Services District** and the **County of San Luis Obispo**
Special Achievement	**Chris Tooker**, Sacramento LAFCo and CALAFCO Board of Directors

2009

Mike Gotch Courage & Innovation in Local Government Leadership Award	**Paul Hood**, Executive Officer, San Luis Obispo LAFCo
Distinguished Service Award	**William Zumwalt**, Executive Officer, Kings LAFCo
Most Effective Commission	**Napa LAFCo**
Outstanding CALAFCO Member	**Susan Vicklund Wilson**, CALAFCO Vice Chair **Jerry Gladbach**, CALAFCO Treasurer
Outstanding Commissioner	**Larry M. Fortune**, Fresno LAFCo
Outstanding LAFCo Professional	**Pat McCormick,** Santa Cruz LAFCo Executive Officer
Outstanding LAFCo Clerk	**Emmanuel Abello**, Santa Clara LAFCo
Project of the Year	**Orange LAFCo** Boundary Report
Government Leadership Award	**Cities of Amador City, Jackson, Ione, Plymouth & Sutter Creek; Amador County; Amador Water Agency; Pine Grove CSD –** Countywide MSR Project
Legislator of the Year Award	**Assembly Member Jim Silva**

2008

Distinguished Service Award	**Peter M. Detwiler**, Senate Local Government Committee Chief Consultant
Most Effective Commission	**Yuba LAFCo**
Outstanding Commissioner	**Dennis Hansberger**, San Bernardino LAFCo
Outstanding LAFCo Professional	**Michael Ott,** San Diego LAFCo Executive Officer **Martha Poyatos**, San Mateo Executive Officer

Outstanding LAFCo Clerk	**Wilda Turner**, Los Angeles LAFCo
Project of the Year	**Kings LAFCo** City and Community District MSR and SOI Update
Government Leadership Award	**San Bernardino Board of Supervisors**
Legislator of the Year Award	**Assembly Member Anna M. Caballero**

2007

Outstanding CALAFCO Member	**Kathy Long**, Board Chair, Ventura LAFCo
Distinguished Service Award	**William D. Smith**, San Diego Legal
Counsel Most Effective Commission	**Santa Clara LAFCo**
Outstanding Commissioner	**Gayle Uilkema**, Contra Costa LAFCo
Outstanding LAFCo Professional	**Joyce Crosthwaite**, Orange LAFCo Executive Officer
Outstanding LAFCo Clerk	**Debby Chamberlin**, San Bernardino LAFCo
Project of the Year	**San Bernardino LAFCo and City of Fontana** Islands Annexation Program
Government Leadership Award	**City of Fontana -** Islands Annexation Program
Lifetime Achievement	**John T. "Jack" Knox**

2006

Outstanding CALAFCO Member	**Everett Millais**, CALAFCO Executive Officer and Executive Officer of Ventura LAFCo
Distinguished Service Award	**Clark Alsop,** CALAFCO Legal Counsel
Most Effective Commission Award	**Alameda LAFCo**
Outstanding Commissioner Award	**Ted Grandsen**, Ventura LAFCo **Chris Tooker**, Sacramento LAFCo
Outstanding LAFCo Professional Award	**Larry Calemine**, Los Angeles LAFCo Executive Officer
Outstanding LAFCo Clerk Award	**Janice Bryson**, San Diego LAFCo **Marilyn Flemmer**, Sacramento LAFCo
Project of the Year Award	**Sacramento Municipal Utility District** Sphere of Influence Amendment and Annexation; **Sacramento LAFCo**
Outstanding Government Leadership Award	**Cities of Porterville, Tulare, and Visalia and Tulare LAFCo** Island Annexation Program
Legislator of the Year Award	**Senator Christine Kehoe**

2005

Outstanding CALAFCO Member	**Peter Herzog**, CALAFCO Board, Orange LAFCo
Distinguished Service Award	**Elizabeth Castro Kemper**, Yolo LAFCo
Most Effective Commission Award	**Ventura LAFCo**
Outstanding Commissioner Award	**Art Aseltine**, Yuba LAFCo **Henri Pellissier**, Los Angeles LAFCo
Outstanding LAFCo Professional Award	**Bruce Baracco**, San Joaquin LAFCo
Outstanding LAFCo Clerk Award	**Danielle Ball**, Orange LAFCo
Project of the Year Award	**San Diego LAFCo** MSR of Fire Protection and Emergency Medical Services
Outstanding Government Leadership Award	**Sacramento Area Council of Governments** (SACOG)

2004

Outstanding CALAFCO Member	**Scott Harvey**, CALAFCO Executive Director
Distinguished Service Award	**Julie Howard**, Shasta LAFCo
Most Effective Commission Award	**San Diego LAFCo**

Outstanding Commissioner Award	**Edith Johnsen**, Monterey LAFCo
Outstanding LAFCo Professional Award	**David Kindig**, Santa Cruz LAFCo
Project of the Year Award	**San Luis Obispo LAFCo** Nipomo CSD SOI Update, MSR, and EIR

2003

Outstanding CALAFCO Member	**Michael P. Ryan**, CALAFCO Board Member
Distinguished Service Award	**Henri F. Pellissier**, Los Angeles LAFCo
Most Effective Commission Award	**San Luis Obispo LAFCo**
Outstanding Commissioner Award	**Bob Salazar**, El Dorado LAFCo
Outstanding LAFCo Professional Award	**Shirley Anderson**, San Diego LAFCo
Outstanding LAFCo Clerk Award	**Lori Fleck**, Siskiyou LAFCo
Project of the Year Award	**Napa LAFCo** Comprehensive Water Service Study
Special Achievement Award	**James M. Roddy**

2002

Outstanding CALAFCO Member	**Ken Lee**, CALAFCo Legislative Committee Chair
Most Effective Commission Award	**San Diego LAFCo** Outstanding
Commissioner Award	**Ed Snively**, Imperial LAFCo
Outstanding LAFCo Professional Award	**Paul Hood**, San Luis Obispo LAFCo
Outstanding LAFCo Clerk Award	**Danielle Ball**, Orange LAFCo
Project of the Year Award	**San Luis Obispo LAFCo**
Outstanding Government Leadership Award	**Napa LAFCo, Napa County Farm Bureau, Napa Valley Vintners Association, Napa Valley Housing Authority, Napa County Agricultural Commissioner's Office, Napa County Counsel Office, and Assembly Member Patricia Wiggins**

2001

Outstanding CALAFCO Member	**SR Jones**, CALAFCO Executive Officer
Distinguished Service Award	**David Martin**, Tax Area Services Section, State Board of Equalization
Outstanding Commissioner Award	**H. Peter Faye**, Yolo LAFCo
Outstanding LAFCo Professional Award	**Ingrid Hansen**, San Diego LAFCo
Project of the Year Award	**Santa Barbara LAFCo**
Outstanding Government Leadership Award	**Alameda County Board of Supervisors, Livermore City Council, Pleasanton City Council**
Legislator of the Year Award	**Senator Jack O'Connell**

2000

Outstanding CALAFCO Member	**Ron Wootton**, CALAFCO Board Chair
Distinguished Service Award	**Ben Williams**, Commission on Local Governance for the 21st Century
Most Effective Commission Award	**Yolo LAFCo**
Outstanding Commissioner	**Rich Gordon**, San Mateo LAFCo
Outstanding LAFCo Professional Award	**Annamaria Perrella**, Contra Costa LAFCo
Outstanding LAFCo Clerk Award	**Susan Stahmann**, El Dorado LAFCo
Project of the Year Award	**San Diego LAFCo**
Legislator of the Year Award	**Robert Hertzberg, Assembly Member**

1999

Distinguished Service Award	**Marilyn Ann Flemmer-Rodgers**, Sacramento LAFCo
Most Effective Commission Award	**Orange LAFCo**
Outstanding Executive Officer Award	**Don Graff**, Alameda LAFCo
Outstanding LAFCo Clerk Award	**Dory Adams**, Marin LAFCo
Most Creative Solution to a Multi-Jurisdictional Problem	**San Diego LAFCo**
Outstanding Government Leadership Award	**Assembly Member John Longville**
Legislator of the Year Award	**Assembly Member Robert Hertzberg**

1998

Outstanding CALAFCO Member	**Dana Smith**, Orange LAFCo
Distinguished Service Award	**Marvin Panter**, Fresno LAFCo
Most Effective Commission Award	**San Diego LAFCo**
Outstanding Executive Officer Award	**George Spiliotis**, Riverside LAFCo
Outstanding Staff Analysis	**Joe Convery**, San Diego LAFCo **Joyce Crosthwaite**, Orange LAFCo
Outstanding Government Leadership Award	**Santa Clara County Planning Department**

1997

Most Effective Commission Award	**Orange LAFCo**
Outstanding Executive Officer Award	**George Finney**, Tulare LAFCo
Outstanding Staff Analysis	**Annamaria Perrella**, Contra Costa LAFCo
Outstanding Government Leadership Award	**South County Issues Discussion Group**
Most Creative Solution to a Multi-Jurisdictional Problem	**Alameda LAFCo and Contra Costa LAFCo**
Legislator of the Year Award	**Assembly Member Tom Torlakson**



News from the Board of Directors
CALAFCO QUARTERLY

May 2021

A message from the Executive Director

Greetings from your CALAFCO Board of Directors and Executive Director. Spring is in the air and things seem to be shifting. Spring is a time of renewal and re-awakening and that is exactly what it feels like this year - in so many ways.

This Second Quarterly Report of 2021 will begin by highlighting the good news in our CALAFCO family first, followed by Association updates. Happy reading!

LAFCos in the News

Alameda LAFCo Awarded Sustainable Agricultural Lands Conservation (SALC) Grant

In our last Quarterly Report we announced SALC grants for San Bernardino and San Diego LAFCos. CALAFCO inadvertently omitted Alameda LAFCos grant award and apologize for the oversight. We are pleased to announce their grant award.

Alameda LAFCo, in partnership with the Alameda County Resource Conservation District, was awarded a SALC planning grant for $250,000. The planning grant project is aimed at collaborative stakeholder planning in Alameda County to ensure the identification and preservation of agricultural and working lands, an infill development focus on healthy and resilient communities for disadvantaged and low-income populations, and a reduction in greenhouse gas emissions.

The Strategic Growth Council (SGC) added LAFCos to the list of eligible entities to apply for SALC grants in January 2019 after many years of CALAFCO trying to get LAFCos eligible for state-level grant funding. We are pleased that to date, three of our member LAFCos have received these grants.

Los Angeles LAFCo Executive Officer Receives State Appointment

On January 4, 2021, Assembly Speaker Anthony Rendon appointed *Los Angeles LAFCo Executive Officer Paul Novak* to the Board for Professional Engineers, Land Surveyors, and Geologists. The Board regulates the practices of engineering (civil, electrical, structural, geotechnical/soils), land surveying, geology, and geophysics in the State of California to safeguard the life, health, property and welfare of the public. The Board licenses qualified individuals, based on experience and successfully passing examinations; establishes regulations and promotes professional conduct; enforces laws and regulations; and provides information to the public on using professional engineering and land surveying services. Paul's term runs to June 30, 2023.

Marin LAFCo Holds Shared Services Workshop For Agencies

Marin LAFCo held a Shared Services Workshop on April 29, 2021. Partners for the workshop included Marin County Council of Mayors and Councilmembers, Marin County Special Districts Association, and Marin County Office of Education. The workshop had 2 panels, one on successful shared services in Marin, and another exploring how to successfully implement shared services. Marin LAFCo reports the workshop was a success with 78 people attending, including elected officials and staff throughout the County, as well as staff from 2 other LAFCos. If you are curious about this event, a recording is posted on their website at www.marinlafco.org. Marin LAFCo thanks CALAFCO for offering their Zoom account, noting the webinar function played a large role in the success of this workshop.

Orange LAFCo Welcomes New Assistant EO

Orange LAFCo is pleased to welcome a new member to the Orange LAFCo team. *Raymond Barragan* will serve as Orange LAFCo's Assistant Executive Officer and brings extensive experience in local government to his new role. Before joining Orange LAFCo, he served as the Acting Director of Community Development with the City of Gardena where he was employed since 2012. Raymond holds a bachelor's degree in urban and regional planning and is a master's candidate in Community and Economic Development at Penn State.

San Luis Obispo Announces New Hire and Promotion

San Luis Obispo LAFCo is excited to announce *Robert "Rob" Fitzroy* as its new Executive Officer. Most recently he was the Director of the Community Development Department for the City of Arroyo Grande. Prior to that, Rob was the Asst. Director for the County Planning & Building Department. Rob graduated from Cal Poly San Luis Obispo with a bachelor's degree and has a master's of Natural Resource Management, Environmental Planning & Public Policy. He begins his new role on May 24, 2021.

Imelda Marquez, *San Luis Obispo LAFCo* Clerk, was promoted to Analyst late last year. Imelda has been with SLO LAFCo for about 19 months. Her broad range of skills and analytical abilities are numerous. She is a proud Fresno St. Bulldog with a Geography degree and according to Interim EO David Church, "is an absolute delight to work with".



Welcome to Our Newest Associate Members

CALAFCO is pleased to welcome two new Silver Associate Members.

We welcome the return of ***SWALE, Inc.*** SWALE's consulting services focus on LAFCos critical issues including MSRs, SOIs, CEQA compliance, strategic planning, workshops and mapping with GIS. Their northern California office is expanding to bring you the best of consulting services. To learn more about the services provided by SWALE, contact ***Kateri Harrison*** at harrison@swaleinc.com, or visit their website at www.swaleinc.com.

We also welcome ***DTA***. DTA is a national public finance and urban economics consulting firm specializing in infrastructure and public service finance. Their financing programs have utilized a variety of public financing mechanisms such as Ads, CFDs, LLDs and various types of fee programs. To learn more about DTA, contact ***Nathan Perez*** at Nate@FinanceDTA.com, or visit their website at www.FinanceDTA.com.

CALAFCO Educational Events

MARK YOUR CALENDARS FOR THESE UPCOMING CALAFCO EDUCATIONAL EVENTS!

CALAFCO 2021 ANNUAL CONFERENCE

Join us October 6-8 at the Hyatt Regency Newport Beach John Wayne Airport for the 2021 Annual Conference. It's been so long since we've gathered in person and the time is finally here! The program planning committee is forming and CALAFCO staff is working with the facility on details to keep all of our attendees safe. Watch for Conference registration and hotel reservations to be open soon. Conference registration rates will be at the 2019 rates. We look forward to seeing you in Newport Beach later this year.

CALAFCO UNIVERSITY

We are pleased to continue offering webinars at no cost to our membership and are preparing several great sessions for you. Registration is now open for our June 7 session: *Financial Health Indicators for Cities and Districts.* Registration is open until June 2. You will find all the details on the CALAFCO website at www.calafco.org.

We are also working on a very unique 4-part series on *Fire & EMS* services and a session on *Forming a CSD*. Watch for details and registration for these offerings coming soon.

CALAFCO Board of Directors

CALAFCO BOARD ACTIONS



The Board met virtually on April 30 with a full agenda. Under the leadership of ***Chair Mike Kelley***, the Board took a number of important actions.

- ✓ The FY 2021-22 budget was adopted. For the first time, the Board considered a rolling 2-year budget. The FY 21-22 budget reflects a decrease of 2.1% over the current FY operating budget. The adopted budget can be found on the CALAFCO website.
- ✓ The 2021-22 Strategic Plan was adopted. The three primary strategies for the Association are: (1) Serve as an educational resource to member LAFCo Commissioners, LAFCo staff, Associate Members, and stakeholders; (2) Focus efforts on Association member relations, development, recognition and communication. Continue development of a strong and sustainable Association; and (3) Serve as an information resource to all Association members, work as a legislative and policy advocate for LAFCo issues and provide information to the Legislature and other stakeholders. The adopted Strategic Plan can be found on the CALAFCO website.
- ✓ Updated Policies for Sections I and II of the current CALAFCO Policies were adopted. One of the goals for 2021 is to conduct a comprehensive review of CALAFCO Policies, considering two sections per quarter. This is the first of a three-phase update process. The updated policies can be found on the CALAFCO website.
- ✓ The new Annual Achievement Awards program was approved. As the membership is aware, last year the Board approved consideration of an update to the Achievement Awards program. CALAFCO staff and Regional Officers worked for many months in crafting two options for the Achievement Awards Committee to consider. The Committee unanimously approved one of the options and recommended adoption of that option to the Board, which was unanimously approved. Watch for an announcement on the new program and the opening of the nomination period coming soon!
- ✓ The Board ratified approval of filing an amicus letter in support of San Luis Obispo (SLO) LAFCo's appeal to the State Supreme Court. As a follow up to the Superior Court decision in favor of the City of Pismo Beach, and at the request of SLO LAFCo, CALAFCO filed an amicus letter requesting the court review the case. The Court of Appeal opinion in *San Luis Obispo Local Agency Formation Commission v. City of Pismo Beach*

threatens to change operations across of LAFCos throughout the state.

By limiting the ability of LAFCos to require indemnification agreements from annexation applicants, the opinion conflicts with a number of decisions on which LAFCos reasonably relied to require indemnification as part of their implied powers. We thank **BBK** for their work on this amicus letter (which was preceded by an amicus brief). CALAFCO will keep our members posted on the appeal process.

- ✓ The Board received the 3rd quarter financial reports and the projected FY 20-21 year-end fiscal report.
- ✓ The Board received several verbal updates from staff.

All Board meeting documents are on the CALAFCO website.

CALAFCO Administrative Update

The 2021-22 CALAFCO Membership Directory is out! Each LAFCo received their requested number of hard copy directories and each Associate Member also received a copy. There is an electronic version of the Membership Directory on the CALAFCO website.



CALAFCO Legislative Update



What an interesting and busy legislative year this is turning out to be! CALAFCO is sponsoring the 2021 Assembly Local Government Committee (ALGC) Omnibus bill, AB 1581. This year's Omnibus contains a record number of items, totaling 13. Six of the items came from member LAFCos and seven from the protest provisions rewrite working group (deleting obsolete provisions). CALAFCO is currently tracking 32 bills, has a formal position on 9, and has been actively engaged on amendment negotiations for 10 bills.

This year there seems to be a number of bills addressing the same issue by several different authors, who, at the beginning of the year, did not appear to be talking with each other. The primary topics include COVID relief, wildfire prevention, climate resilience, homelessness and affordable housing, bridging the equity divide and transparency and public participation.

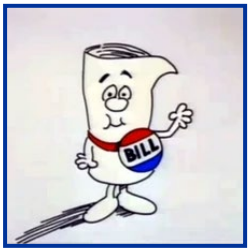
To complicate matters, the Legislature is still meeting under COVID restrictions with the majority of their staff working remotely. There are only a handful of meeting rooms in the Capitol that allow for social distancing, so the number of committee meetings have been reduced and the timeframe condensed.

Here are a few of the bills of importance we are tracking or working on:

- ✓ AB 339 (Lee) **CALAFCO Watch** - Open meetings. Requirements recently drastically amended and narrowed the scope to now apply only to cities and counties with a population over 250,000 with a sunset of 12-31-23 (requirements no longer applies to LAFCo).
- ✓ AB 1195 (C. Garcia) **CALAFCO Watch With Concerns** – Drinking water. Creates the So LA County Human Rights to Water Collaboration Act and gives the Water Board authority to appoint a Commissioner to oversee the Central Basin Municipal Water District.
- ✓ SB 403 (Gonzalez) **CALAFCO Oppose Unless Amended** – Drinking water consolidation. Authorizes the Water Board to order consolidation where a water system serving a disadvantaged community is an at-risk water system, as defined, or where a disadvantaged community is substantially reliant on at-risk domestic wells, as defined. Two of our three requested amendments have been taken (define "at risk" and put a cap on the number of users to be added to the subsuming system). The third request to add GSAs to the list of entities the Board must consult with has not yet been taken.

The last day for all policy committees to pass bills originating in their house was May 14. With one additional week for fiscal committees to pass bills to the respective floors, the Legislature will spend the last several weeks of May focusing on passing bills to the other house and the first part of June negotiating last minute budget deals for the June 15 budget passage deadline.

All bills being tracked by CALAFCO can be found on the CALAFCO website inside the Legislation section of the site (log in with your member id first to access this section). CALAFCO's position on all bills is reflected there, and any letters issued by CALAFCO are posted. The CALAFCO Legislative Committee meets regularly and all meeting materials are located in the Legislation section of the CALAFCO website.



CALAFCO Associate Members' Corner



This section is dedicated to highlighting our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.

Cucamonga Valley Water District

The ***Cucamonga Valley Water District*** has been a Silver Associate Member since 2014. Formed in 1995, the district provides water and wastewater service to 200,000 customers in a 47 square mile area. The district has a mission of providing high quality, reliable water and wastewater service while practicing good stewardship of natural and financial resources. CVWD's water supply is comprised of two main sources: groundwater and imported water. Supplemented by surface water, recycled water and water conservation, the district's average daily demand is 43 million gallons. For more information on the district, contact ***Cindy Cisneros*** at cindyc@cvwdwater.com or visit their website at www.cvwdwater.com.

P. Scott Browne

Scott Browne has been a Silver Associate member since 2007. Scott provides legal services and staff support to various LAFCos throughout the state. He has served as a member of the CALAFCO Legislative Committee for a number of years. To learn more about the services he provides or to contact him, email him at scott@scottbrowne.com or visit his website at www.scottbrowne.com.

E Mulberg & Associates

E Mulberg & Associates has been a Silver Associate Member since 2011. Services offered include Municipal Service Reviews, Sphere of Influence updates, changes in organization, staff reports, CEQA analysis, and assistance with applications to LAFCo. For more information, contact ***Elliot Mulberg*** at elliot@emulberg.com or visit their website at www.emulberg.com.

Policy Consulting Associates

A Silver Associate member since 2010, ***Policy Consulting Associates*** (PCA) prepares interdisciplinary research studies for LAFCos, councils of government, counties, cities, states, elected representatives and candidates, with an emphasis on MSRs and fiscal studies. The PCA team's combined experience covers the spectrum of governance configurations and alternatives, and runs the gamut of services under LAFCo jurisdiction. For more information on PCA, contact ***Jennifer Stephenson*** or ***Oxana Wolfson*** at info@pcateam.com, or visit their website at www.pcateam.com.

CALAFCO wishes to thank all of our Associate Members for your ongoing support and partnership We look forward to continuing to highlighting you in future Quarterly Reports.

Did You Know??



Meeting Documents Online

Did you know that all *CALAFCO Board of Directors and Legislative Committee meeting documents are online?* Visit the Boards & Committees pages in the Members Section of the site. Board documents cover 2008 to present and Legislative Committee documents span 2007 to present.

CALAFCO Webinars & Courses Archived

Did you know that all *CALAFCO Webinar recordings on archived on the CALAFCO website and available at no cost for on-demand viewing?* Visit the CALAFCO website in the CALAFCO Webinars section (log in as a member first).

Certificate of Recognition Program



Did you know that CALAFCO has a *Certificate of Recognition Program* and offers it at no cost to our members (both LAFCo and Associate members)? The program has been in place several years and while a few of you utilize this service, most of you do not. For details, visit the CALAFCO website in the Member Services Section and upload the program packet or contact the CALAFCO Executive Director.

Mark Your Calendars For These Upcoming CALAFCO Events



- CALAFCO Legislative Committee virtual meeting – 6/18
- CALAFCO Legislative Committee virtual meeting – 7/23
- CALAFCO Board of Directors virtual meeting – 7/30

The *CALAFCO 2021 Calendar of Events* can be found on the CALAFCO website.