



**AGENDA**

**MEETING/WORKSHOP  
OF THE  
BOARD OF DIRECTORS**

**WEDNESDAY, MARCH 7, 2018  
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY\*  
AGENCY HEADQUARTERS  
BOARD ROOM  
6075 KIMBALL AVENUE  
CHINO, CALIFORNIA 91708**

**CALL TO ORDER  
OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS  
MEETING/WORKSHOP MEETING**

**FLAG SALUTE**

**PUBLIC COMMENT**

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which is available on the table in the Board Room. Comments will be limited to three minutes per speaker. Thank you.

**ADDITIONS TO THE AGENDA**

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. **WORKSHOP**

A. **RETIREMENT UNFUNDED LIABILITIES UPDATE (POWERPOINT)**

B. **IEUA PROCUREMENT ORDINANCE NO. 101 (POWERPOINT)**

2. **ACTION ITEM**

A. **LAFCO COMMISSION REGULAR AND ALTERNATE SPECIAL DISTRICT MEMBER NOMINATIONS**

Staff recommends that the Board:

1. Nominate a Regular and Alternate Special District Member for the LAFCO Commission; or
2. Take no action.

B. **LAFCO REGULAR AND ALTERNATE SPECIAL DISTRICT MEMBER NOMINATIONS FOR THE COUNTYWIDE REDEVELOPMENT OVERSIGHT BOARD**

Staff recommends that the Board:


1. Nominate a Regular and Alternate Special District Member for the Countywide Redevelopment Oversight Board; or
2. Take no action.

3. **ADJOURN**

\*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

**Declaration of Posting**

Proofed by: 

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency\*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, March 1, 2018.

  
April Woodruff

# WORKSHOP

# 1A

# Retirement Unfunded Liabilities Update



# Public Employee Retirement Benefit Governance

## PENSION BENEFITS

- **California Public Employees' Retirement Law (PERL), California constitutional provisions, statutes, and regulations.**
- **Agency contract with CalPERS, 1967.**
- **Public Employees Pension Reform Act (PEPRA), effective January 1, 2013.**

## HEALTH BENEFITS

- **Agency Memoranda of Understanding (MOUs) and Personnel Manuals.**

# Pension Benefits Formulas

**Cost of Benefits \* = \$193 million**

Major Benefit Provisions	Classic Tier I Prior to Jan 1, 2012	Classic Tier II On or after Jan 1, 2012	PEPRA Jan 1, 2013
Benefit Formula	2.5% @ 55	2.0% @ 55	2.0% @ 62
Social Security Coverage	Yes	Yes	Yes
Employee Contribution rate	8.00%	7.00%	6.25%
Final Average Compensation Period	One Year	Three Year	Three Year
Cost of Living Adjustment (COLA)	2%	2%	2%

\* As of June 30, 2017, based on CalPERS GASB 68 accounting valuation reports issued in January 2018



# Retiree Health Benefit Formulas

## Other Post Employment Benefits (OPEB)

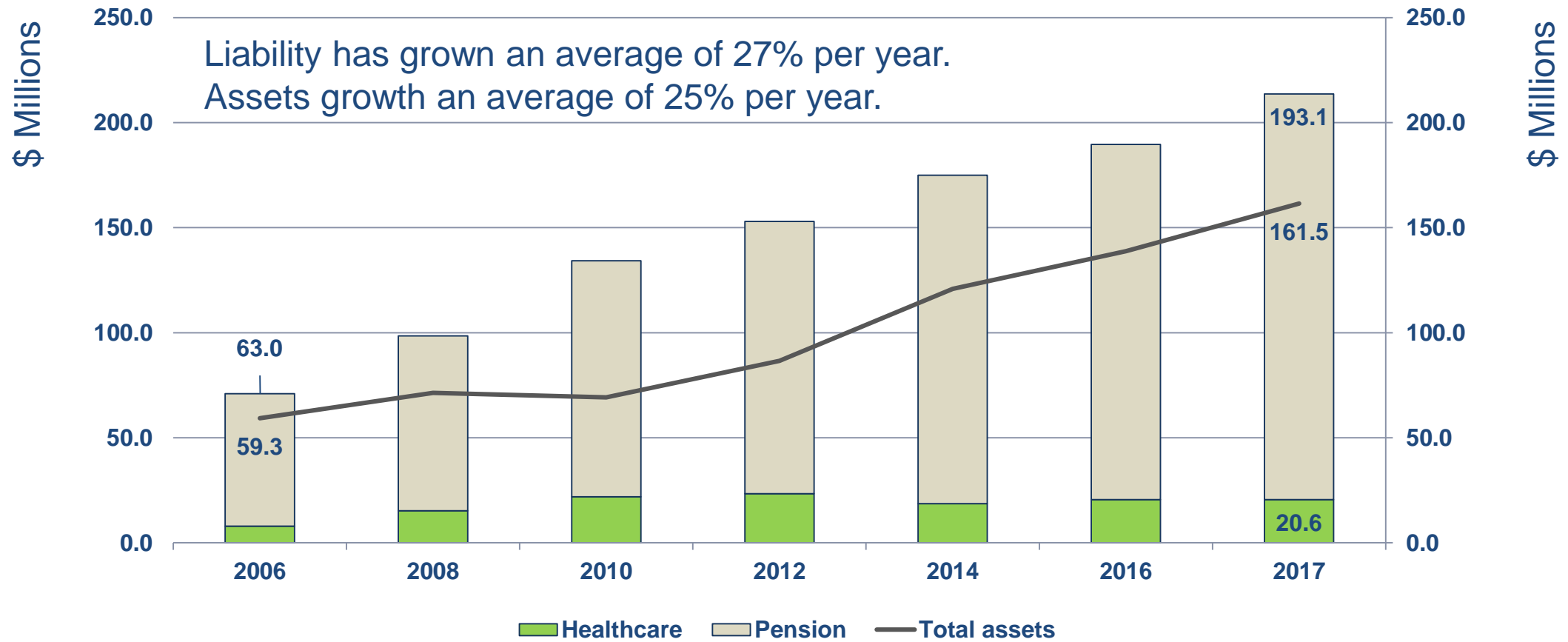
**Cost of Benefits \* = \$21 million**

Retiree Health Benefits	Major Benefit Provisions		
Public Employee Medical and Hospital Care Act (PEMHCA)	Greater monthly amount between <ul style="list-style-type: none"> <li>• Minimum contribution established by CalPERS or</li> <li>• \$133 in 2018.</li> </ul>		
Retiree Longevity Benefits			
Hire Date	Before July 2, 1980	Before January 1, 1992	After December 31, 1991
Minimum Years of Agency Service	15	20	12
Benefit Level	Employee and/or eligible dependents	Employee and/or eligible dependents	Employee only or surviving spouse
Benefit	100% of applicable Kaiser Rate	50% of applicable Kaiser rate	



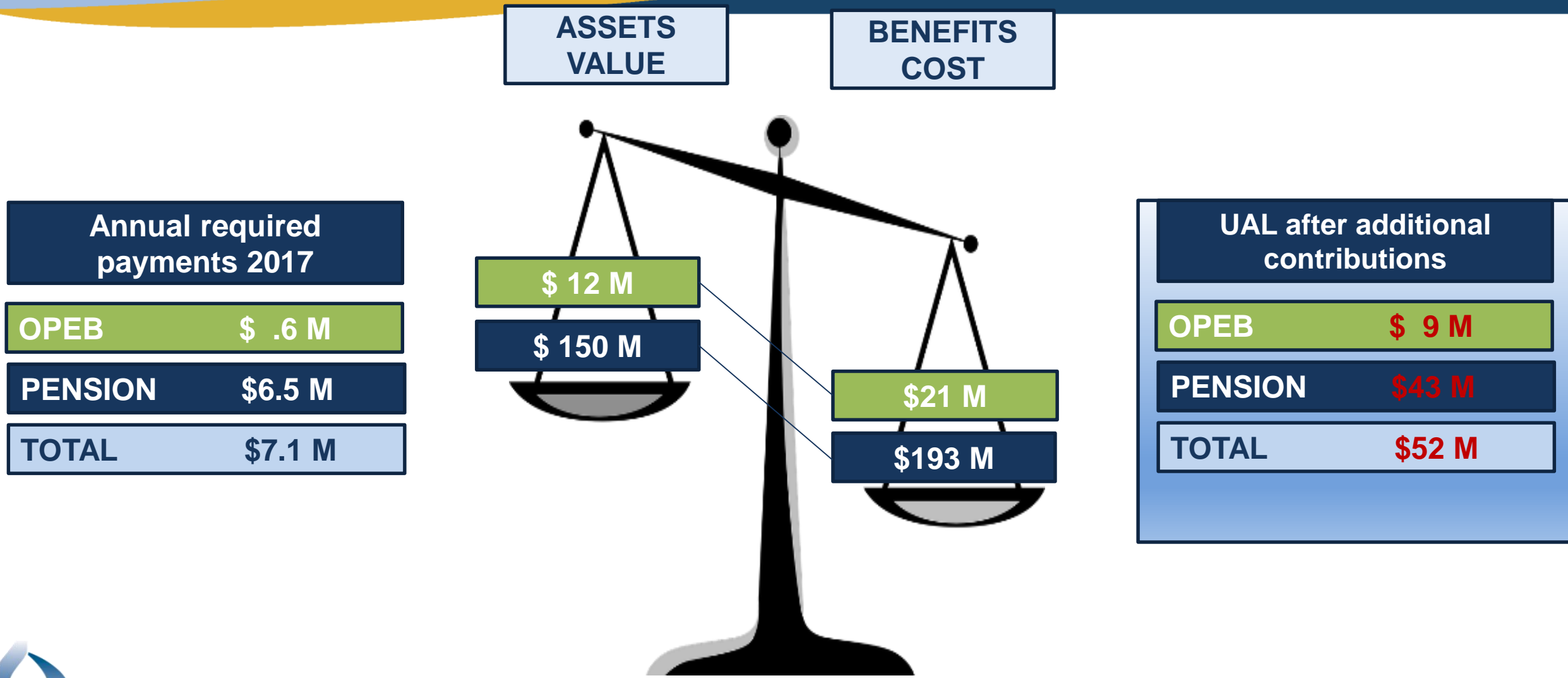
\*As of June 30, 2017, GASB 45 accounting valuation reports issued in August 2017

# Historical Actuarial Accrued Liability

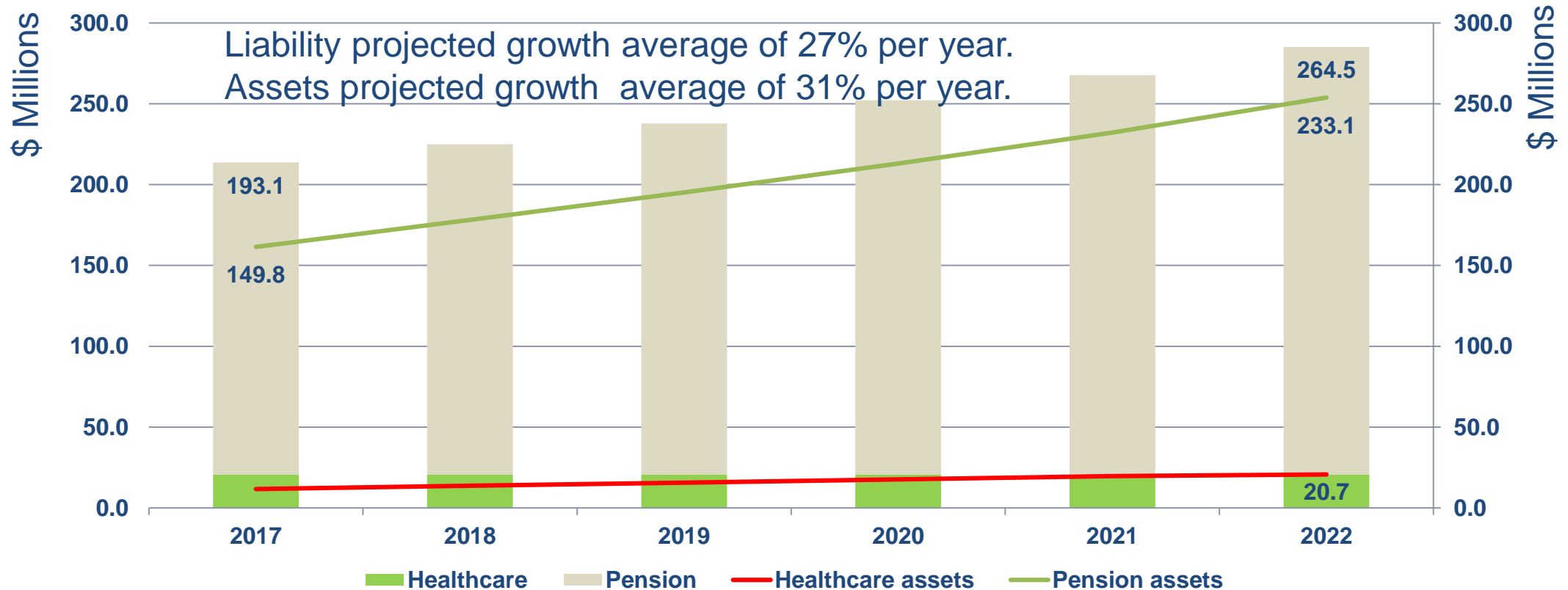




# Unfunded Accrued Liabilities (UAL) June 30, 2017



# Projected Actuarial Accrued Liability



# Why Pay-Down Unfunded Accrued Liabilities?

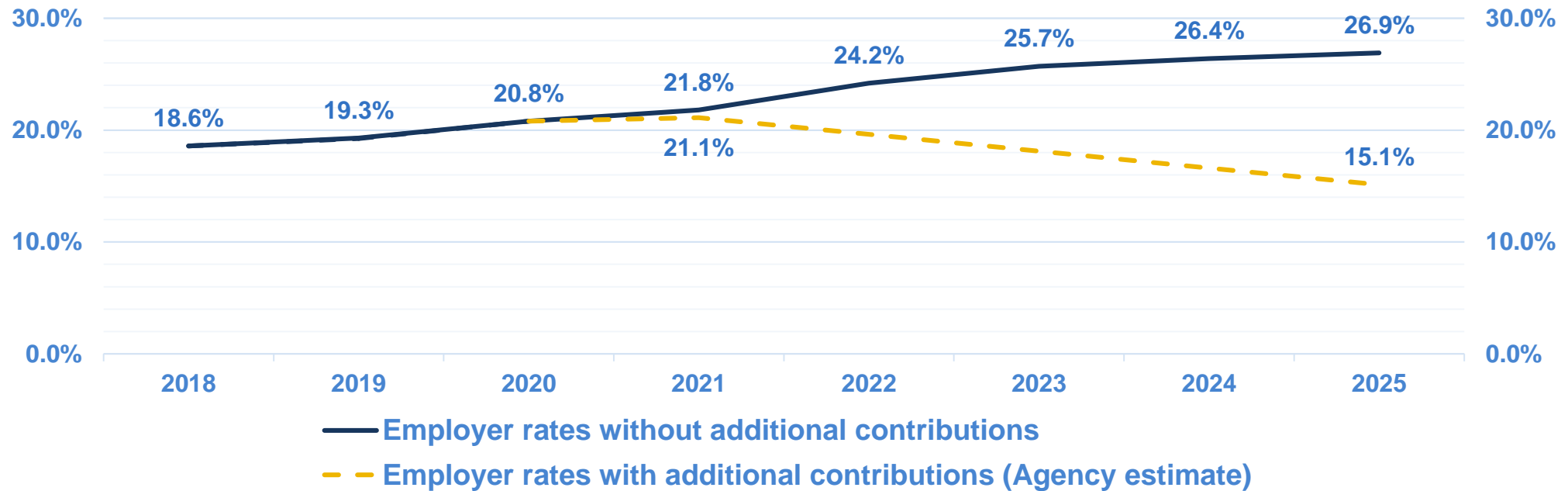
- Sound financial planning, long term savings
- Maintain sustainable employer contribution rates
- Improve Agency credit rating
- Cheaper debt service in future financing
- Generational equity (costs recovered by current ratepayers)

Additional contributions since 2013	
OPEB	\$11 M
PENSION	\$14 M
TOTAL	\$25 M

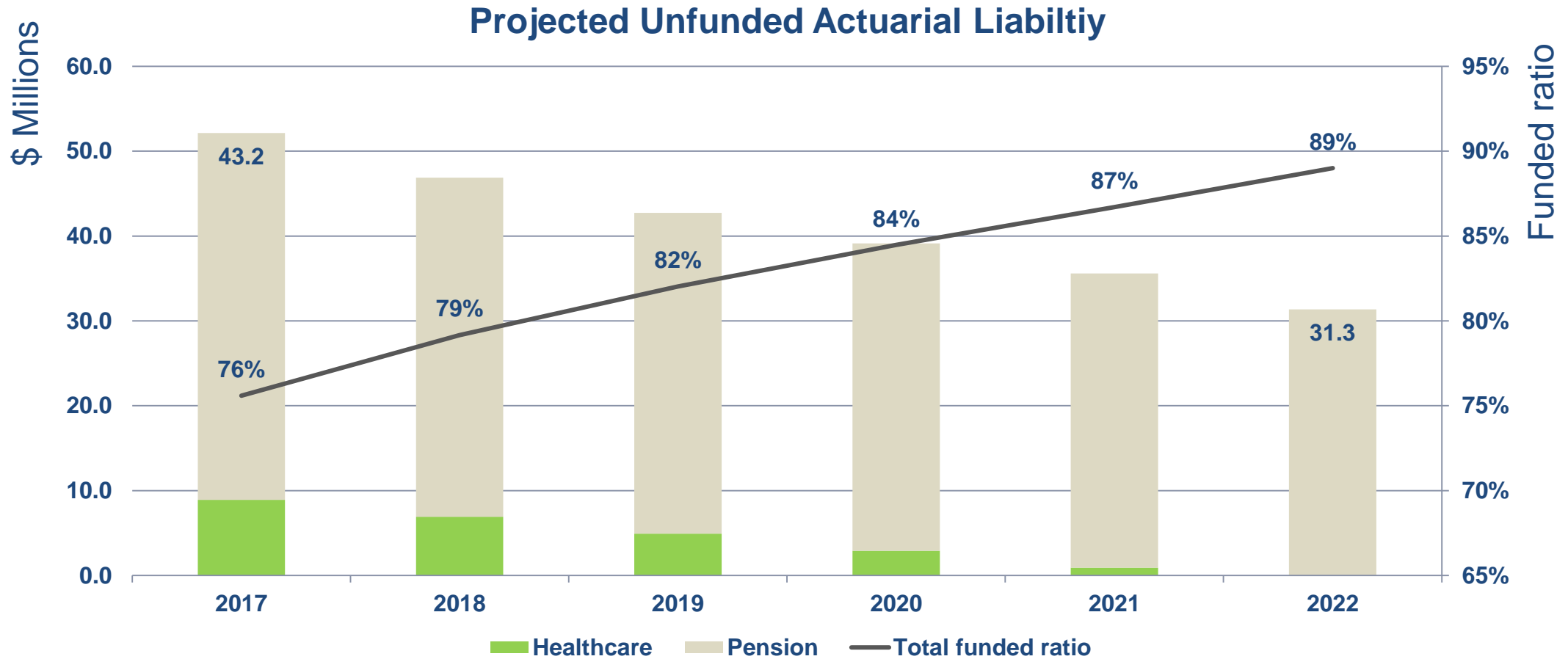
AUL with no additional contributions	
OPEB	\$21 M
PENSION	\$59 M
TOTAL	\$80 M

# What is the impact of not reducing UAL?

- Higher employer contribution rates
- Risk of deteriorated credit rating
- Risk of higher interest cost for future financing



# Projected Unfunded Actuarial Liability & Funded Ratio



# Who pays Public Pensions?

## The CalPERS Pension Buck

As of June 2017, CalPERS' income over the last 20 years demonstrates that every dollar spent on public employee pensions comes from the following sources:

**61¢**

CalPERS investment earnings

Investment returns

**26¢**

CalPERS employers

Employer

**13¢**

CalPERS members

Employee

# Where to find more information?

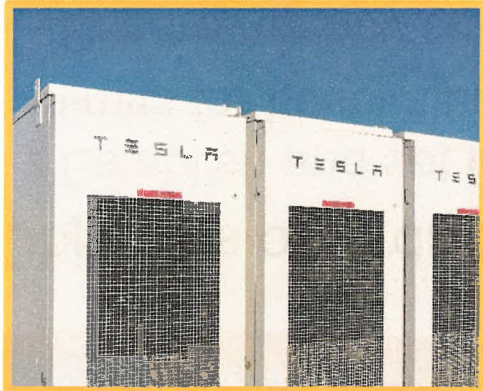
- Memoranda of Understanding and Personnel Manuals
- CalPERS website for actuarial valuations:  
<https://www.calpers.ca.gov/page/employers/actuarial-services/employer-contributions/public-agency-actuarial-valuation-reports>
- Agency Audited Comprehensive Annual Financial Report (CAFR):  
<https://www.ieua.org/fy-2016-17-comprehensive-annual-financial-report-fiscal-year-ended-june-30-2017/>
  - Notes to basic financial statements
    - 1) d. Other Post-Employment Benefits
    - 5) Defined Benefit Pension Plan
  - Required Supplementary Information

**WORKSHOP**

**1B**



# IEUA Procurement Ordinance No. 101



# IEUA Procurement Ordinance No. 101

- Objective of Ordinance

- Establish and set forth the policies governing Agency authority and dollar limits for best value procurements and procurement-related activities
- Ensure Agency compliance with:
  - California Water Codes
  - Government Codes
  - Federal and California Public Contract Codes
  - Labor Code
  - California Commercial Code

- Last revised March 2015

- Board Discussion through Committee and written feedback

# Proposed Ordinance Revisions

- Evaluate Identified Limits For:
  - Board Action, General Manager Approval, Single or Sole Source, Change Orders/Amendments
  - Potential to increase the limits based on:
    - Review comparable member agency practices and limits
    - Review for best management practices and increased efficiency
- Budgeted Items
  - Increase the General Manager's approval threshold from \$250,000 to \$500,000 for routine/recurring competitive solicitations specifically identified and previously approved in the adopted budget

# Proposed Ordinance Revisions

- Authority to Reject Bids/Proposals
  - Delegate the authority to the General Manager to reject all bids and proposals
- Language Clarifications and Additions
  - Review language to provide better clarity and direction
  - Add and clarify language regarding grant and state revolving fund requirements,
    - Include Small and Disadvantaged Business Enterprise requirements.



# Recommendation and Process



The Agency's Procurement Ordinance is consistent with the IEUA's Business Goal of *Fiscal Responsibility* by being committed to safeguarding the Agency's fiscal health through compliance with federal and state procurement regulations.

**ACTION  
ITEM**

**2A**

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**Date:** March 7, 2018

**To:** The Honorable Board of Directors

**From:**  Steven J. Elie, President

**Committee:**

**Subject:** LAFCO Commission Regular and Alternate Special District Member Nominations

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**Executive Summary:**

The Local Agency Formation Commission (LAFCO) is seeking nominations for the position of Regular Special District and Alternate Special District members on the Local Agency Formation Commission (LAFCO). The positions are currently held by Mr. James Curatalo as regular voting member, and Mr. Steven Farrell as alternate. The term of office is scheduled to expire May 7, 2018. Both have indicated a desire to run again.

The LAFCO of San Bernardino County is composed of seven voting members and four alternate members. The Special District member will represent the independent special districts on the LAFCO Commission.

The nominations for each position will need to be submitted by District Board vote, and must be received in the LAFCO office by 5:00 p.m. on March 15, 2018.

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**Staff's Recommendation:**

1. Nominate a Regular and Alternate Special District Member for the LAFCO Commission; or
2. Take no action.

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**Budget Impact** *Budgeted (Y/N):* Y *Amendment (Y/N):* Y *Amount for Requested Approval:*

*Account/Project Name:*

None

*Fiscal Impact (explain if not budgeted):*

None

**Prior Board Action:**

None

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

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**Attachments:**

Attachment 1 - LAFCO letter with attachments dated February 1, 2018; Subject: Special Districts Selection Committee





February 1, 2018

**TO:** Presidents of the Boards of Directors of the  
Independent Special Districts in San Bernardino  
County

**SUBJECT:** Special Districts Selection Committee

**Local Agency  
Formation Commission  
for San Bernardino County**

1700 Hamilton Street, Suite 100  
San Bernardino, CA 92410-1400  
909-386-1400 | Fax 909-386-0481  
E-mail: [lafco@lafco.org](mailto:lafco@lafco.org)  
[www.lafco.org](http://www.lafco.org)

Established by the State of California  
to serve the Citizens, Cities, Special Districts  
and the County of San Bernardino

**COMMISSIONERS**

JIM BAGLEY  
Public Member

SHERELY COY-JONES  
Special District

JAMES V. CURATALO  
Special District

ROBERT A. LIVINGOOD  
Board of Supervisors

PATRY MACALLUM  
City Member

JAMES RAMOS, Vice Chair  
Board of Supervisors

DANIEL WILLIAMS  
City Member

**ALTERNATES**

STEVEN FARRELL  
Special District

JANCE RUTHERFORD  
Board of Supervisors

VACANT  
Public Member

ANGUINETTA WARREN  
City Member

**STAFF**

KATHLEEN ROLLINGS-MACDONALD  
Executive Officer

SAMUEL MARTINEZ  
Assistant Executive Officer

MICHAEL TUERPE  
Public Manager

LA TRICIA JONES  
Clerk to the Commission

**LEGAL COUNSEL**

GLORIA H. ALZOP

This letter will officially open the nomination period for the position of Regular Special District and Alternate Special District members on the Local Agency Formation Commission (LAFCO). The regular voting member position is currently held by James Curatalo and the Alternate position is currently held by Steven Farrell, both of whom have indicated a desire to run again. The term of office is scheduled to expire May 7, 2018 pursuant to the provisions of Government Code Section 56334. The nomination period for these positions will be 32 days, opening on Monday, February 5, 2018, and ending at the close of business at 5:00 p.m. on Thursday, March 8, 2018.

Nominations for the position will need to be submitted by District Board vote. The signed original nomination form, with the name of each voting Board Member outlined, must be received in the LAFCO office by 5:00 p.m. on **March 15, 2018**. If a faxed copy of the nomination form is provided by the March 15 deadline, the original signed copy must be received by 5:00 p.m. on **March 22, 2018**, or the nomination will be declared invalid.

Enclosed with this letter is a sample nomination form for the positions outlining the date of the action and District Board vote. Nominations submitted without a date will be returned to the District and will need to be re-submitted within the nomination period in order to be considered valid. If only a single candidate is nominated for the position, pursuant to the provisions of Government Code Section 56332(f)(2), that candidate shall be deemed selected with no further vote required.

At the end of the nomination period, LAFCO staff will prepare and send, by certified mail, to each independent special district a ballot with the candidates nominated and the voting instructions.

A long-standing policy of the Selection Committee is to encourage balanced geographic representation with valley, desert and mountain districts seated on the Commission as voting or alternate members. The positions up for nomination are now represented by the mountain and valley areas and both incumbents represent county water districts. A copy of the Policy Statement is attached for your information.

Please let me know if you have any questions concerning the nomination process. You may contact me at the address listed above, by email at [kmcdonald@lafco.sbcounty.gov](mailto:kmcdonald@lafco.sbcounty.gov), or by phone at (909) 388-0480.

Sincerely,



KATHLEEN ROLLINGS-McDONALD  
Executive Officer

KRM/lt

Enclosures:

- 1) Regular and Alternate Member Nomination Forms
- 2) Policy Statement

**NOMINATION FOR  
REGULAR SPECIAL DISTRICT MEMBER  
MEMBER OF THE  
LOCAL AGENCY FORMATION COMMISSION**

The \_\_\_\_\_  
(Name of District)

hereby nominates the following person for the position on the Local Agency  
Formation Commission

\_\_\_\_\_ REGULARSPECIAL DISTRICT MEMBER  
(Name of Nominee)

I, \_\_\_\_\_, do hereby certify that at its regularly  
(Name of President or Designee of District)  
scheduled meeting of \_\_\_\_\_, the Board of Directors voted to  
nominate the above-identified candidate for the Regular Special District Member  
of the Local Agency Formation Commission of San Bernardino County, by the  
following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
District President/Authorized Board Member

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

Attach – Letter of Interest or Resume of Nominee

**NOMINATION FOR  
ALTERNATE SPECIAL DISTRICT MEMBER  
MEMBER OF THE  
LOCAL AGENCY FORMATION COMMISSION**

The \_\_\_\_\_  
(Name of District)

hereby nominates the following person for the position on the Local Agency  
Formation Commission

\_\_\_\_\_ ALTERNATE SPECIAL DISTRICT MEMBER  
(Name of Nominee)

I, \_\_\_\_\_, do hereby certify that at its regularly  
(Name of President or Designee of District)  
scheduled meeting of \_\_\_\_\_, the Board of Directors voted to  
nominate the above-identified candidate for the Regular Special District Member  
of the Local Agency Formation Commission of San Bernardino County, by the  
following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
District President/Authorized Board Member

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

Attach – Letter of Interest or Resume of Nominee

**SECTION VI**  
**SPECIAL DISTRICTS**

**CHAPTER 1: INTRODUCTION AND POLICIES**

**INTRODUCTION:**

In 1975 the San Bernardino LAFCO received a request from the independent special districts within the County to approve the seating of Special Districts on the Commission pursuant to the provisions of the Knox-Nisbet Act (the predecessor of the Cortese-Knox-Hertzberg Reorganization Act of 2000). The original rules and regulations were adopted concurrent with an order for representation on the Commission by Independent Special Districts in 1976. As a function of the seating of Special Districts within San Bernardino County an inventory of the existing functions and classes of service were to be determined. The process that was undertaken at that time was that the Commission would:

1. Classify the various types of services which customarily are or can be provided within a single function of a special district.
2. Require existing districts to file written statements with the commission specifying the functions or classes of service provided by such district.
3. Establish the nature, location, and extent of any functions or classes of service provided by existing districts
4. Determine that, except as otherwise authorized by such rules and regulations, no new or different function or class of service shall be provided by any existing district.

Once the inventory was completed, the rules and regulations did not apply to the extension or enlargement, within the boundaries of an existing district, of any function or service which the commission, pursuant to these rules and regulations, has established as currently being provided by such special district. A listing of the Special Districts and the authorized functions and services was historically identified as the "Exhibit A" but is now outlined in Chapter 3 of the Special Districts Section of the Manual.

The San Bernardino County Special Districts Association has historically offered its services to work with the special districts and San Bernardino LAFCO to provide assistance and coordination, to act as a forum to air and discuss problems affecting all special districts, and to provide a forum for the review of candidates for the Special District seats on the Commission.

**POLICIES:**

**1. METHOD OF SELECTION (Amended April 17, 2002)**

An Independent Special Districts Selection Committee shall be composed of the presiding officers of the legislative body of each independent special district located wholly within the County of San Bernardino and those containing territory within said County representing 50% or more of the assessed value of taxable property of each district. The Selection Committee shall appoint all independent special district representatives and alternate. Each member of the Selection Committee shall be entitled to one vote for each independent special district for which they are presiding officer. The meetings of the Selection Committee shall be in accordance with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000 et seq.

**2. SPECIAL DISTRICT REPRESENTATIVES (Amended April 17, 2002)**

It is the policy of San Bernardino LAFCO that special district representatives and alternate should represent districts located in the San Bernardino Valley area, the desert area, and the mountain area. Inasmuch as possible, they should not represent agencies that provide like service, (i.e., they should represent fire protection service, water service, sewer service, cemetery service, etc.). They shall be chosen as provided by the provisions within Government Code Section 56000 et seq.

**3. ALTERNATIVE FUNDING FORMULA (Adopted by Special District Vote July 2002; Amended by Special District Vote March 2, 2010)**

Pursuant to authority provided by Government Code Section 56381, the Independent Special Districts, by majority vote, have determined an Alternative Funding Formula to the Independent Special Districts' mandatory share of the LAFCO net operating costs as follows:

- A. Healthcare (Hospital) Districts shall be limited to payment of \$1,500 regardless of Total Revenue.
- B. Those districts with Total Revenue of more than \$50,000,000 shall pay \$30,000.
- C. Those districts with Total Revenue of between \$20,000,000 to \$50,000,000 shall pay \$20,000.
- D. Those districts with Total Revenue of between \$5,000,000 to \$20,000,000 shall pay \$10,000.

*San Bernardino LAFCO Policy and Procedure Manual  
Section VI - Special Districts*

- E. Those districts with Total Revenue of between \$2,000,000 to \$5,000,000 shall contribute an amount not to exceed \$5,000.
- F. Those districts with Total Revenue of less than \$2,000,000 shall be apportioned an amount to be determined by the ratio of each district's Total Revenue as compared to the Total Revenues whose share does not exceed \$5,000.

**4. CONVERSION TO ALL MAIL BALLOTING FOR SPECIAL DISTRICT SELECTION COMMITTEE BUSINESS (Adopted by Special District Vote April 2008)**

The business of the Special District Selection Committee shall be routinely conducted by mail. The procedures for such processing are outlined in Government Code Section 56332(f).

**5. SELECTION OF INDEPENDENT SPECIAL DISTRICT REPRESENTATIVES (REGULAR AND ALTERNATE) TO THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD (Adopted November 15, 2017)**

Effective July 1, 2018, the redevelopment oversight boards in each county in the State of California will be consolidated into one seven-member board (Health & Safety Code § 34179(j)). One of the members of the consolidated board "may be appointed by the independent special district selection committee established under Government Code Section 56332 for the types of special districts that are eligible to receive property tax revenues pursuant to the redevelopment agency (RDA) dissolution law. The Auditor-Controller/Treasurer/Tax Collector for San Bernardino County has requested that such representatives (regular and alternate) be selected.

Only the agencies that receive RDA funding are deemed eligible agencies for the purposes of appointing a special district representative and alternate to the countywide redevelopment oversight board per Health and Safety Code Section 34179(j)(3) and must be members of the Special Districts Selection Committee for San Bernardino County per Government Code Section 56332. In addition, eligibility requires special districts that have territory in the territorial jurisdiction of a former RDA and are eligible to receive property tax residual for the Redevelopment Property Tax Trust Fund (RPTTF) may serve on the new Oversight Board. In San Bernardino County, the committee members for the RPTTF-qualifying districts are:

- Apple Valley Fire Protection District
- Barstow Cemetery District
- Bear Valley Community Health Care
- Big Bear Airport District
- Big Bear Municipal Water District

*San Bernardino LAFCO Policy and Procedure Manual  
Section VI – Special Districts*

**Chino Basin Water Conservation District  
Chino Valley Independent FPD  
Crestline-Lake Arrowhead Water Agency  
Hesperia Park and Recreation District  
Hi-Desert Water District  
Inland Empire Resource Conservation  
Inland Empire Utilities Agency  
Lake Arrowhead Community Services District  
Mojave Desert Resource Conservation District  
Mojave Water Agency  
Monte Vista County Water District  
Morongo Basin Healthcare District (formerly known as the Hi-Desert  
Memorial Hospital District)  
San Bernardino Valley Water Conservation District  
San Bernardino Mountains Community Healthcare District  
San Bernardino Valley Municipal Water District  
Twentynine Palms Public Cemetery District  
West Valley Water District  
Yucaipa Valley Water District**

**The San Bernardino LAFCO Executive Officer is responsible for conducting the business of the Special Districts Selection Committee for the RPTTF-qualifying appointment and pursuant to local procedures the committee's business shall be conducted by mail to nominate and appoint a representative and alternate. Elections by mail shall be conducted in accordance with Government Code Section 56332(f). The independent special district members appointed to the consolidated redevelopment oversight board shall be appointed by a majority of those RPTTF-qualifying committee members voting once a quorum has been established. The terms of office for regular and alternate committee members shall be staggered by action of the Oversight Board following its reorganization in July 2018.**



**ACTION  
ITEM**

**2B**

**Date:** March 7, 2018

**To:** The Honorable Board of Directors



**From:** Steven J. Elie, President

**Committee:**

**Subject:** LAFCO Regular and Alternate Special District Member Nomination for the Countywide Redevelopment Oversight Board

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**Executive Summary:**

Effective July 1, 2018, the Redevelopment Oversight Boards in each county in the State of California will be consolidated into one seven-member Board. Upon the request by the San Bernardino County Auditor-Contoller/Treasurer/Tax Collector, the Local Agency Formation Commission (LAFCO) is seeking nominations for the position of Regular Special District and Alternate Special District members on the Countywide Oversight Board for Redevelopment. Only independent special districts overlaying a former redevelopment agency, whose principal county status is San Bernardino County, are eligible to nominate and vote in this process.

The Oversight Board Members' roles and responsibilities include continuing to pay the Annual Recognized Obligation Payments (ROPS), dispose of any county-owned property and leverage refinancing opportunities for outstanding bonds.

The nominations for each position will need to be submitted by District Board vote, and must be received in the LAFCO office by 5:00 p.m. on March 15, 2018.

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**Staff's Recommendation:**

1. Nominate a Regular and Alternate Special District Member for the Countywide Redevelopment Oversight Board; or
2. Take no action.

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**Budget Impact** Budgeted (Y/N): Y Amendment (Y/N): Y Amount for Requested Approval:

Account/Project Name:

None

**Fiscal Impact** (explain if not budgeted):

None

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**Prior Board Action:**

None

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

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**Attachments:**

Attachment 1 - Letter from LAFCO dated February 1, 2018, with attachments; Subject: Special Districts Selection Committee for Countywide Redevelopment Oversight Board



**Local Agency  
Formation Commission  
for San Bernardino County**

1170 West 2nd Street, Suite 150  
San Bernardino, CA 92415-0400  
909.388.0480 | Fax 909.388.0481  
E-mail: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbdafco.org](http://www.sbdafco.org)

Established by the State of California  
to serve the Citizens, Cities, Special Districts  
and the County of San Bernardino

**COMMISSIONERS**

**JIM BAGLEY**  
Public Member

**KIMBERLY COX, Chair**  
Special District

**JAMES V. CURATALO**  
Special District

**ROBERT A. LOVINGOOD**  
Board of Supervisors

**LARRY McCALLON**  
City Member

**JAMES RAMOS, Vice Chair**  
Board of Supervisors

**DIANE WILLIAMS**  
City Member

**ALTERNATES**

**STEVEN FARRELL**  
Special District

**JANICE RUTHERFORD**  
Board of Supervisors

**Vacant**  
Public Member

**ACQUANETTA WARREN**  
City Member

**STAFF**

**KATHLEEN ROLLINGS-McDONALD**  
Executive Officer

**SAMUEL MARTINEZ**  
Assistant Executive Officer

**MICHAEL TUERPE**  
Project Manager

**LA TRICI JONES**  
Clerk to the Commission

**LEGAL COUNSEL**

**CLARK H. ALSOP**

February 1, 2018

**TO:** Presidents of the Boards of Directors of the  
Independent Special Districts within Redevelopment  
Agencies (See Distribution Listing below)

**SUBJECT:** Special Districts Selection Committee for  
Countywide Redevelopment Oversight Board

This letter will officially open the nomination period for the position of Regular Special District and Alternate Special District members on the Countywide Oversight Board for Redevelopment as requested by the San Bernardino County Auditor-Controller/Treasurer/Tax Collector. Pursuant to the adoption of the policies and procedures related to the Special District Selection committee (copy included as Attachment #2), San Bernardino LAFCO is implementing the inaugural selection process. Only those independent special districts overlaying a former redevelopment agency, whose principal county status is San Bernardino County, are eligible to nominate and vote in this process.

The nomination period for these positions will be 32 days, opening on Monday, February 5, 2018, and ending at the close of business at 5:00 p.m. on Thursday, March 8, 2018. Nominations for each position will need to be submitted by District Board vote. The signed original nomination form, with the name of each voting Board Member outlined, must be received in the LAFCO office by 5:00 p.m. on **March 15, 2018**. If a faxed copy of the nomination form is provided by the March 15 deadline, the original signed copy must be received by 5:00 p.m. on **March 22, 2018**, or the nomination will be declared invalid.

Enclosed with this letter is a sample nomination form for the positions outlining the date of the action and District Board vote. Nominations submitted without a date will be returned to the District and will need to be re-submitted within the nomination period in order to be considered valid. If only a single candidate is nominated for the position, pursuant to the provisions of Government Code Section 56332(f)(2), that candidate shall be deemed selected with no further vote required.

At the end of the nomination period, LAFCO staff will prepare and send a ballot, by certified mail, to each eligible voting independent special district area with the candidates nominated and the voting instructions.

Attachment #3 to this letter is information provided by the San Bernardino County Auditor-Controller related to the process for your information. Please let me know if you have any questions concerning the nomination process. You may contact me at the address listed above, by email at [kmcdonald@lafco.sbcounty.gov](mailto:kmcdonald@lafco.sbcounty.gov), or by phone at (909) 388-0480. If you have questions related to the Countywide Oversight Board, please contact either Ms. Linda Santillano, Property Tax Manager at the Auditor-Controller's office by email at: [linda.santillano@atc.sbcounty.gov](mailto:linda.santillano@atc.sbcounty.gov) or Mr. Gary Hallen, Deputy Director, Community Development and Housing Department for the County by email at: [gary.hallen@cdh.sbcounty.gov](mailto:gary.hallen@cdh.sbcounty.gov).

Sincerely,



KATHLEEN ROLLINGS-McDONALD  
Executive Officer

KRM/tj

Enclosures:

- 1) Regular and Alternate Member Nomination Forms
- 2) Policy Statement
- 3) Information Submitted by the Auditor-Controller/Treasurer/Tax Collector related to the Countywide Oversight Board and affected Independent Special Districts

DISTRIBUTION:

Apple Valley Fire Protection District  
Barstow Cemetery District  
Bear Valley Community Healthcare District  
Big Bear Airport District  
Big Bear Municipal Water District  
Chino Basin Water Conservation District  
Chino Valley Independent Fire Protection District  
Crestline-Lake Arrowhead Water Agency  
Hesperia Park and Recreation District  
Hi-Desert Water District  
Inland Empire Resource Conservation District  
Inland Empire Utilities Agency  
Lake Arrowhead Community Services District  
Mojave Desert Resource Conservation District  
Mojave Water Agency  
Monte Vista County Water District

**Morongo Basin Healthcare District (formerly known as the Hi-Desert Memorial  
Hospital District)**

**San Bernardino Mountains Community Healthcare District**

**San Bernardino Valley Municipal Water District**

**San Bernardino Valley Water Conservation District**

**Twentynine Palms Public Cemetery District**

**West Valley Water District**

**Yucaipa Valley Water District**

**NOMINATION FOR  
REGULAR SPECIAL DISTRICT MEMBER  
MEMBER OF THE  
COUNTYWIDE OVERSIGHT BOARD  
(REDEVELOPMENT)**

The \_\_\_\_\_  
(Name of District)

hereby nominates the following person for the position on the Countywide Oversight Board:

\_\_\_\_\_ REGULAR SPECIAL DISTRICT MEMBER  
(Name of Nominee)

I, \_\_\_\_\_, do hereby certify that at its regularly  
(Name of President or Designee of District)  
scheduled meeting of \_\_\_\_\_, the Board of Directors voted to  
nominate the above-identified candidate for the Regular Special District Member  
of the Countywide Oversight Board of San Bernardino County, by the following  
vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
District President/Authorized Board Member

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

Attach – Letter of Interest or Resume of Nominee

**NOMINATION FOR  
ALTERNATE SPECIAL DISTRICT MEMBER  
MEMBER OF THE  
COUNTYWIDE OVERSIGHT BOARD  
(REDEVELOPMENT)**

The \_\_\_\_\_  
(Name of District)

hereby nominates the following person for the position on the Countywide Oversight Board

\_\_\_\_\_ ALTERNATE SPECIAL DISTRICT MEMBER  
(Name of Nominee)

I, \_\_\_\_\_, do hereby certify that at its regularly  
(Name of President or Designee of District)  
scheduled meeting of \_\_\_\_\_, the Board of Directors voted to  
nominate the above-identified candidate for the Alternate Special District Member  
of the Countywide Oversight Board (Redevelopment) of San Bernardino County,  
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
District President/Authorized Board Member

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

Attach – Letter of Interest or Resume of Nominee





Community Development & Housing Agency  
Community Development and Housing

## **Countywide Oversight Board Information**

Senate Bill No. 107 (SB 107), Health and Safety Code Section (HSC) 34179(j) requires the consolidation of the 26 oversight boards currently in place in San Bernardino County into one, Countywide oversight board commencing on and after July 1, 2018.

The County Auditor-Controller is responsible for staffing the countywide oversight board and, as allowed by regulation, has delegated this responsibility to the Community Development and Housing Agency.

Pursuant to SB 107 and HSC 34179(j)(3), one member of the oversight board may be appointed by the independent special district selection committee established pursuant to Government Code Section 56332.

### **TIMELINE:**

June 2017 - February 2018	Coordinate with various entities regarding Countywide oversight board member appointments.
February 2018 – May 2018	Provide oversight board training including a summary of dissolution status of successor agencies and items that may require Countywide oversight board approval.
April 2018 – July 2018	Hold briefings with newly appointed Countywide oversight board members.
July 2018 – August 2018	Hold meetings to establish processes, rules and regular meeting schedule.

## **OVERSIGHT BOARD MEMBER ROLES AND RESPONSIBILITIES:**

Items that may require oversight board approval include, but is not limited to:

- Annual Recognized Obligation Payments Schedule (ROPS) – approving payments for outstanding obligations.
- Modifications to the Long Range Property Management Plan (LRPMP) – only for properties that remain with the successor agency.
- Bond refunding or refinancing
- Amendments to the annual ROPS
- Property disposition that does not adhere to the LRPMP

The Countywide oversight board:

- Members serve without compensation or reimbursement for expenses.
- Members serve at the pleasure of the entity that appointed such member.
- Is deemed to be a local entity for purposes of the Brown Act, Public Records Act and the Political Reform Act.
- Actions approved shall not be effective for five (5) business days after submission to the California Department of Finance (DOF), unless DOF requests a review of the action.
- Has a fiduciary responsibility to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other related revenues.

## **OVERSIGHT BOARD 7-MEMBER COMPOSITION, HSC 34179 (J)**

- One member may be appointed by the County Board of Supervisors.
- One member may be appointed by the City Selection Committee established pursuant to Section 50270 of the Government Code.
- One member may be appointed by the Independent Special District selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.
- One member may be appointed by the County Superintendent of Education.
- One member may be appointed by the Chancellor of the California Community Colleges.
- One member of the public may be appointed by the County Board of Supervisors.
- One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the County.

## **SECTION VI** **SPECIAL DISTRICTS**

### **CHAPTER 1: INTRODUCTION AND POLICIES**

#### **INTRODUCTION:**

In 1975 the San Bernardino LAFCO received a request from the independent special districts within the County to approve the seating of Special Districts on the Commission pursuant to the provisions of the Knox-Nisbet Act (the predecessor of the Cortese-Knox-Hertzberg Reorganization Act of 2000). The original rules and regulations were adopted concurrent with an order for representation on the Commission by Independent Special Districts in 1976. As a function of the seating of Special Districts within San Bernardino County an inventory of the existing functions and classes of service were to be determined. The process that was undertaken at that time was that the Commission would:

1. Classify the various types of services which customarily are or can be provided within a single function of a special district.
2. Require existing districts to file written statements with the commission specifying the functions or classes of service provided by such district.
3. Establish the nature, location, and extent of any functions or classes of service provided by existing districts
4. Determine that, except as otherwise authorized by such rules and regulations, no new or different function or class of service shall be provided by any existing district.

Once the inventory was completed, the rules and regulations did not apply to the extension or enlargement, within the boundaries of an existing district, of any function or service which the commission, pursuant to these rules and regulations, has established as currently being provided by such special district. A listing of the Special Districts and the authorized functions and services was historically identified as the "Exhibit A" but is now outlined in Chapter 3 of the Special Districts Section of the Manual.

The San Bernardino County Special Districts Association has historically offered its services to work with the special districts and San Bernardino LAFCO to provide assistance and coordination, to act as a forum to air and discuss problems affecting all special districts, and to provide a forum for the review of candidates for the Special District seats on the Commission.

**SAN BERNARDINO COUNTY AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR**  
**REDEVELOPMENT PROPERTY TAX TRUST FUND (RPTTF) DISTRIBUTIONS TO SELF GOVERNED SPECIAL DISTRICTS**  
**FISCAL YEAR 2011-12 thru 2016-17**

AGENCY	PASS-THRU PAYMENTS	RESIDUAL PAYMENTS	DUE DILIGENCE REVIEW (DDR) PAYMENTS *	ASSET LIQUIDATION PAYMENTS *	TOTAL
29 PALMS CEMETERY DISTRICT	\$ 143,972.51	\$ 9,859.99	\$ 37,358.43	\$ -	\$ 191,190.93
APPLE VALLEY FIRE PROTECTION DISTRICT	3,232,819	244,572	1,093,902	-	4,571,293
BARSTOW CEMETERY DISTRICT	13,995	59,489	19,330	1,207	94,022
BEAR VALLEY COMMUNITY HOSPITAL DISTRICT	528,344	85,137	162,248	-	775,729
BIG BEAR CITY AIRPORT DISTRICT	73,575	442,769	210,965	-	727,309
BIG BEAR MUNICIPAL WATER DISTRICT	412,395	1,035,814	549,877	-	1,998,086
CHINO BASIN WATER CONSERVATION DISTRICT	469,749	2,976,883	1,417,996	20,570	4,885,198
CHINO VALLEY INDEPENDENT FIRE DISTRICT	225,009	4,194,520	543,582	-	4,963,111
CRESTLINE-LAKE ARROWHEAD WATER AGENCY	28,594	29,115	11,847	41	69,597
HESPERIA PARK DISTRICT	4,234,446	80,458	184,467	-	4,499,372
HI-DESERT WATER DISTRICT	921,196	79	39,908	-	961,183
MORONGO BASIN HEALTHCARE DISTRICT (FORMERLY KNOWN AS HI-DESERT MEMORIAL HOSPITAL DISTRICT)	151,036	71,055	47,051	-	269,142
INLAND EMPIRE JOINT RESOURCE CONSERVATION DISTRICT	1,031,238	1,451,094	663,881	17,494	3,163,706
INLAND EMPIRE UTILITIES AGENCY	53,726,187	8,101,138	13,614,437	222,824	75,664,586
LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT	57,370	41,934	91,992	342	191,639
MOJAVE DESERT RESOURCE CONSERVATION DISTRICT	101,115	23,547	21,043	107	145,812
MOJAVE WATER AGENCY	1,677,209	132,522	168,161	1,004	1,978,896
MONTE VISTA COUNTY WATER DISTRICT	458,522	1,295,973	590,072	-	2,344,567
SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT	23,787	162,683	21,760	77	208,308
SAN BERNARDINO MOUNTAINS COMMUNITY HOSPITAL DISTRICT	14,845	10,852	23,797	89	49,582
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT	79,311,425	28,784,910	1,303,498	190,143	109,589,977
WEST VALLEY WATER DISTRICT	1,390,900	946,837	297,717	69,385	2,704,839
YUCAIPA VALLEY WATER DISTRICT	-	197,915	14,851	-	212,766
<b>TOTAL</b>	<b>\$ 148,227,729</b>	<b>\$ 50,379,155</b>	<b>\$ 21,129,743</b>	<b>\$ 523,284</b>	<b>\$ 220,259,911</b>

**Note:**

\* Due Diligence Review (DDR) and Asset Liquidation remittances represent one time monies whereas pass-thru and residual payments, if sufficient funds are available, will continue until the RDA Successor Agency has paid off all enforceable obligations and is officially dissolved.

**POLICIES:**

1. **METHOD OF SELECTION** *(Amended April 17, 2002)*

An Independent Special Districts Selection Committee shall be composed of the presiding officers of the legislative body of each independent special district located wholly within the County of San Bernardino and those containing territory within said County representing 50% or more of the assessed value of taxable property of each district. The Selection Committee shall appoint all independent special district representatives and alternate. Each member of the Selection Committee shall be entitled to one vote for each independent special district for which they are presiding officer. The meetings of the Selection Committee shall be in accordance with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000 et seq.

2. **SPECIAL DISTRICT REPRESENTATIVES** *(Amended April 17, 2002)*

It is the policy of San Bernardino LAFCO that special district representatives and alternate should represent districts located in the San Bernardino Valley area, the desert area, and the mountain area. Inasmuch as possible, they should not represent agencies that provide like service, (i.e., they should represent fire protection service, water service, sewer service, cemetery service, etc.). They shall be chosen as provided by the provisions within Government Code Section 56000 et seq.

3. **ALTERNATIVE FUNDING FORMULA** *(Adopted by Special District Vote July 2002; Amended by Special District Vote March 2, 2010)*

Pursuant to authority provided by Government Code Section 56381, the Independent Special Districts, by majority vote, have determined an Alternative Funding Formula to the Independent Special Districts' mandatory share of the LAFCO net operating costs as follows:

- A. Healthcare (Hospital) Districts shall be limited to payment of \$1,500 regardless of Total Revenue.
- B. Those districts with Total Revenue of more than \$50,000,000 shall pay \$30,000.
- C. Those districts with Total Revenue of between \$20,000,000 to \$50,000,000 shall pay \$20,000.
- D. Those districts with Total Revenue of between \$5,000,000 to \$20,000,000 shall pay \$10,000.

- E. Those districts with Total Revenue of between \$2,000,000 to \$5,000,000 shall contribute an amount not to exceed \$5,000.
- F. Those districts with Total Revenue of less than \$2,000,000 shall be apportioned an amount to be determined by the ratio of each district's Total Revenue as compared to the Total Revenues whose share does not exceed \$5,000.

4. **CONVERSION TO ALL MAIL BALLOTING FOR SPECIAL DISTRICT SELECTION COMMITTEE BUSINESS** *(Adopted by Special District Vote April 2008)*

The business of the Special District Selection Committee shall be routinely conducted by mail. The procedures for such processing are outlined in Government Code Section 56332(f).

5. **SELECTION OF INDEPENDENT SPECIAL DISTRICT REPRESENTATIVES (REGULAR AND ALTERNATE) TO THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD** *(Adopted November 15, 2017)*

Effective July 1, 2018, the redevelopment oversight boards in each county in the State of California will be consolidated into one seven-member board (Health & Safety Code § 34179(j)). One of the members of the consolidated board "may be appointed by the independent special district selection committee established under Government Code Section 56332 for the types of special districts that are eligible to receive property tax revenues pursuant to the redevelopment agency (RDA) dissolution law. The Auditor-Controller/Treasurer/Tax Collector for San Bernardino County has requested that such representatives (regular and alternate) be selected.

Only the agencies that receive RDA funding are deemed eligible agencies for the purposes of appointing a special district representative and alternate to the countywide redevelopment oversight board per Health and Safety Code Section 34179(j)(3) and must be members of the Special Districts Selection Committee for San Bernardino County per Government Code Section 56332. In addition, eligibility requires special districts that have territory in the territorial jurisdiction of a former RDA and are eligible to receive property tax residual for the Redevelopment Property Tax Trust Fund (RPTTF) may serve on the new Oversight Board. In San Bernardino County, the committee members for the RPTTF-qualifying districts are:

- Apple Valley Fire Protection District
- Barstow Cemetery District
- Bear Valley Community Health Care
- Big Bear Airport District
- Big Bear Municipal Water District

*San Bernardino LAFCO Policy and Procedure Manual  
Section VI - Special Districts*

**Chino Basin Water Conservation District  
Chino Valley Independent FPD  
Crestline-Lake Arrowhead Water Agency  
Hesperia Park and Recreation District  
Hi-Desert Water District  
Inland Empire Resource Conservation  
Inland Empire Utilities Agency  
Lake Arrowhead Community Services District  
Mojave Desert Resource Conservation District  
Mojave Water Agency  
Monte Vista County Water District  
Morongo Basin Healthcare District (formerly known as the Hi-Desert  
Memorial Hospital District)  
San Bernardino Valley Water Conservation District  
San Bernardino Mountains Community Healthcare District  
San Bernardino Valley Municipal Water District  
Twentynine Palms Public Cemetery District  
West Valley Water District  
Yucaipa Valley Water District**

**The San Bernardino LAFCO Executive Officer is responsible for conducting the business of the Special Districts Selection Committee for the RPTTF-qualifying appointment and pursuant to local procedures the committee's business shall be conducted by mail to nominate and appoint a representative and alternate. Elections by mail shall be conducted in accordance with Government Code Section 56332(f). The independent special district members appointed to the consolidated redevelopment oversight board shall be appointed by a majority of those RPTTF-qualifying committee members voting once a quorum has been established. The terms of office for regular and alternate committee members shall be staggered by action of the Oversight Board following its reorganization in July 2018.**