



Balancing Community and Commerce

44 N. SAN JOAQUIN STREET SUITE 374 STOCKTON, CA 95202 209-468-3198

MEETING AGENDA

THURSDAY, AUGUST 13, 2026, 9:00 A. M.
BOARD OF SUPERVISORS CHAMBERS
44 NORTH SAN JOAQUIN STREET, 6TH FLOOR
STOCKTON, CALIFORNIA

Call to Order
Announce Date and Time of Meeting for the Record
Roll Call
Pledge of Allegiance

CONSENT ITEMS

1. SUMMARY OF MINUTES OF JUNE 11, 2026
(Possible Discussion and Possible Action by All Members)
Approve Summary Minutes of the Regular Meeting.

PUBLIC COMMENTS

2. Persons wishing to address the Commission on matters not otherwise on the agenda.

Public Comments on matters within the jurisdiction of the San Joaquin Local Agency Formation Commission that are not listed on the Agenda. Please no personal attacks.

Written public comments will not be read during the Public Comment period. Written public comments submitted prior to the meeting will be routed to the Commission. All written public will be made part of the official record on file.

CORRESPONDANCE

3. Written communication received from Krystal Gonzalez, Grand Jury Staff Secretary, San Joaquin County Superior Court, June 17, 2026
(Possible Discussion and Possible Action by All Members)

Review the SJ County Civil Grand Jury Report and consider LAFCo's response with policies and procedures to the SJ County Civil Grand Jury's Finding and Recommendations

- A. SJ LAFCo draft response letter to the Grand Jury
Exhibit 1. Contract with Vasquez + Company, LLP
Exhibit 2. Letter from Brian Spaunhurst, Executive Officer, Fresno LAFCo

- B. Financial and Accounting Procedures
 1. Contingency Fund
 2. Annual Audit

3. Mid-Year Budget

- C. Sphere of Influence
- D. Conflict of Interest
- E. Code of Ethics
- F. Duties of the Executive Officer
- G. San Joaquin LAFCo Employee Handbook

EXECUTIVE OFFICER COMMENTS

- 4. Comments from the Executive Officer

COMMISSIONER COMMENTS

- 5. Comments, Reports, or Questions from the LAFCO Commissioners

ADJOURNMENT

* * * *

DISCLOSURE OF BUSINESS OR CAMPAIGN CONTRIBUTIONS TO COMMISSIONERS

Government Code Section 84308 requires that a Commissioner (regular or alternate) disqualify herself or himself and not participate in a proceeding involving an "entitlement for use" application if, within the last twelve months, the Commissioner has received **\$500 or more in business or campaign contributions from an applicant, an agent of an applicant, or any financially interested person who actively supports or opposes a decision on the matter.** A LAFCo decision approving a proposal (e.g., for an annexation) will often be an "entitlement for use" within the meaning of Section 84308. Sphere of Influence determinations are exempt under Government Code Section 84308.

If you are an applicant or an agent of an applicant on such a matter to be heard by the Commission and if you have made business or campaign contributions totaling \$250 or more to any Commissioner in the past twelve months, Section 84308(d) requires that you disclose that fact for the official record of the proceeding. The disclosure of any such contribution (including the amount of the contribution and the name of the recipient Commissioner) must be made either: 1) In writing and delivered to the Secretary of the Commission prior to the hearing on the matter, or 2) By oral declaration made at the time the hearing on the matter is opened. Contribution disclosure forms are available at the meeting for anyone who prefers to disclose contributions in writing.

Agenda Item 1



Balancing Community and Commerce

5000 S. AIRPORT WAY SUITE 209 STOCKTON, CA 95206 209-953-7646

SUMMARY MINUTES

June 11, 2026

BOARD OF SUPERVISORS CHAMBERS
44 NORTH SAN JOAQUIN STREET, 6TH FLOOR
STOCKTON, CALIFORNIA

Chair Ding called the meeting to order at 9:01 a.m.

MEMBERS PRESENT: Commissioners Barton, Gardea, Johnson, and
Chair Ding

MEMBERS ABSENT: Commissioner Diallo

ALTERNATE MEMBERS
PRESENT: Commissioners Arriola, Dhaliwal, and Dhatt

ALTERNATE MEMBERS
ABSENT: None

OTHERS PRESENT: J.D. Hightower, Executive Officer; Mitzi Stites, Clerk
Analyst, Nubia Goldstein Legal Counsel; and Claudia
Iboa, Administrative Assistant

CONSENT ITEMS

1. The Chair introduced Agenda Item No. 1, Summary of Minutes

Chair Ding opened the floor to Commissioner Comments.

No comments were made.

Chair Ding opened the floor to Public Comments

No comments were made.

A motion was made by Commissioner Barton and seconded by Commissioner Johnson
to approve the Consent Items.

Chair Ding asked for a Roll Call Vote:

Ayes: Commissioners Arriola, Barton, Gardea, Dhatt, Dhaliwal, Johnson, and Chair Ding

Noes: None

Abstain: None

Absent: Commissioner Diallo

PUBLIC HEARING

2. J.D. Hightower, Executive Officer, presented a PowerPoint presentation for the Final Budget for the Fiscal Year 2026-2027. Government Code 56381 states that the Preliminary Budget be approved by May 1st and the Final Budget needs to be approved by June 15th. Budget Committee met on March 26, 2026, Preliminary Budget Hearing was on April 9, 2026. Mr. Hightower, Executive Officer, stated that the largest increase for the FY 2026-2027 is a 30% increase in health insurance. It was recommended by the Budget Sub Committee that the fees and contributions stay the same as FY 2024-2025, and Clerk and Clerk /Analyst would receive a 3% increase for the 2026-2027 budget FY Budget.

Commissioner Johnson inquired how much LAFCo and staff are paying for healthcare. Would like to have a breakdown of numbers for next year's Budget Sub Committee.

Commissioner Gardea inquired about how the revenue contributions were broken down for each city and for the county.

J.D. Hightower, Executive Officer, stated that the contributions are broken down by population. Even though the revenues are the same as last year, the individual contributions may alter slightly. Every May 1st, the California State Department of Finance releases their population estimates.

Commissioner Gardea inquired how long the contributions have been stagnant. Inquired once LAFCo increases fees, they need to be small increments and not wait for ten years and then have a large increase.

J.D. Hightower, Executive Officer, stated that it has been four years since we have increased fees. LAFCo has large reserves that will be used to assist with LAFCo daily operations. As those reserves are used and the amount drops, the Budget Sub Committee will reevaluate the contributions and fee schedule.

Commissioner Johnson thank J.D. Hightower, Executive Officer, for putting our reserves in specific categories. Over the past few years as the reserves have gotten higher and it is good to see that they are now in specific categories. The high reserves are the main reason the contributions have not been raised over the past few years.

J.D. Hightower, Executive Officer, stated that staff have been looking into moderation efforts that will add a benefit to the community.

Commissioner Barton stated that he wanted to make a comment regarding the increase in health care benefits for staff. Commissioner Barton agrees with Commissioner Johnson that the breakdown in benefits will be crucial for next year's Budget Sub Committee.

Chair Ding stated that the health care benefits has been an issue for the entire San Joaquin County. Chair Ding also stated that San Joaquin County is the only county that did not increase fees. Thank you to J.D. Hightower for not increasing fees and staying in line with the rest of the county.

Chair Ding opened the floor to public comments

Mr. Bob Bentz addressed the commission.

Chair Ding closed public comments.

A motion was made by Commissioner Dhaliwal and seconded by Commissioner Arriola to approve Resolution 1564 Approving the Fiscal Year 2026-2027 Final Budget.

Chair Ding asked for a Roll Call Vote:

Ayes: Commissioners Arriola, Barton, Gardea, Dhatt, Dhaliwal, Johnson, and Chair Ding

Noes: None

Abstain: None

Absent: Commissioner Diallo

PUBLIC COMMENTS

5. Persons wishing to address the Commission on matters not otherwise on the agenda

Mr. Bob Bentz addressed the Commission

EXECUTIVE OFFICER COMMENTS

6. J.D. Hightower, Executive Officer, stated that staff attended the CALAFCO Staff Workshop in May and that they are looking forward to implementing new ideas. Mr. Hightower also stated that he attended Fire Ops 101 with the Stockton Fire Department. The event was very well thought out, very educational and a lot of fun. Stockton Fire Department should be commended.

COMMISSIONER COMMENTS

7. Commissioner Barton thanked Mr. Hightower regarding his message on the stagnant growth and in some cases the declining growth in within the State of California and how that will affect LAFCo and the future.

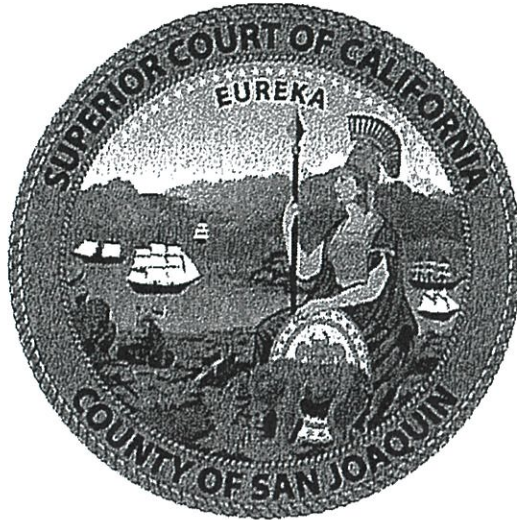
Commissioner Gardea informed the Commission about Fire Ops101. This event is held annually to help the public understand better what the Fire Department does daily. Commissioner Gardea also mentioned that there is one County that is 100% obligation covered and that was done by a ballot measure to increase taxes to cover it. SJC Employees' Retirement Association (SJCERA) is very healthy at mid-70%. The SJCERA Board is doing a great job for the County. For more information you can go to their website, www.sjcera.org

Commissioner Johnson stated that in the past staff have not had a lot of involvement with CALAFCO at the state level. Congratulations to staff for their involvement over the past few years. The more we are involved at state level, attend conferences and gain knowledge, the better we will all be.

ADJOURMENT

Chair Ding adjourned the meeting at 9:42a.m.

2025-2026 San Joaquin County Civil Grand Jury

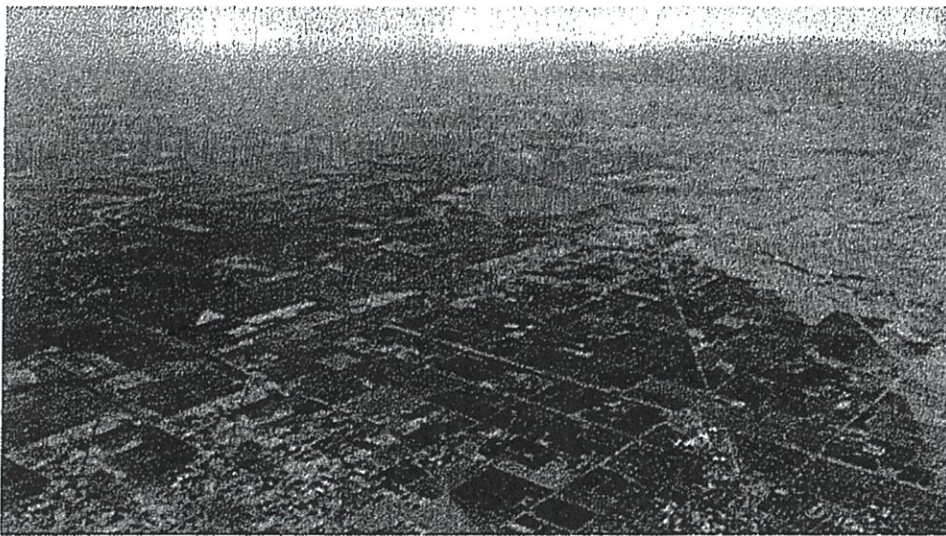


San Joaquin Local Agency Formation Commission

Coordinating and Planning Growth

Case No. 0225

Release Date: June, 2026



Aerial view of California's San Joaquin Valley (Adobe Stock Photo)

SUMMARY

The San Joaquin Local Agency Formation Commission (SJLAFCo or The Commission) is responsible for reviewing and approving proposed jurisdictional boundary changes including annexations and detachments of territory to and or from the cities and special districts within San Joaquin County. The primary purpose of SJLAFCo, as with all the other 57 counties' LAFCos in the state of California, is to promote the orderly formation of local governmental agencies for efficiently extending government services, to preserve agricultural land resources, and to discourage urban sprawl.

San Joaquin County has one of the largest numbers of special districts when compared with the other counties in the state of California. The total number of local agencies under the jurisdiction of SJLAFCo is 109, including eight cities and 101 special districts.

Local government agencies throughout the county whose boundaries are regulated by SJLAFCo include all the county's cities, certain county agencies and all special districts in the county. Special districts are limited-purpose local governments that provide specialized services like fire protection, water, sewers, parks, and electricity to a community. They are separate from cities and counties.

SJLAFCo is also responsible for incorporation of new cities and formation of new special districts, and for consolidations, mergers, and dissolutions of existing districts. SJLAFCo must act on local agency boundary changes and adopt Spheres of Influence (SOI) for the county's cities, local agencies and special districts.

In accordance with California Government Code (Cal. Gov. Code) §56425, SJLAFCo is required to determine the SOI of each city and each special district within the county, and for reviewing and updating them every 5 years as necessary. To prepare and update SOIs in accordance with Cal. Gov. Code §56425, The Commission must conduct a Municipal Service Review (MSR), which is a comprehensive review of all the agencies that provide the identified service, or services, within the designated geographic area. The Commission may assess various alternatives for

improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies.

ACRONYMS

25-26 CGJ 2025-2026 San Joaquin County Civil Grand Jury

BOS San Joaquin County Board of Supervisors

Cal. Gov. Code California Government Code

Cal. Pen. Code California Penal Code

CKH Act Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000

FY Fiscal Year

LAFCo Local Agency Formation Commission

MSR Municipal Service Review

RCFD Ripon Consolidated Fire District

SJLAFCo San Joaquin County Local Agency Formation Commission

SOI Sphere of Influence

PURPOSE OF INQUIRY

California Penal Code (Cal. Pen. Code) §925 requires that: *...the grand jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county including those operations, accounts, and records of any special legislative district or other district in the county created pursuant to state law...*

Accordingly, the 2025-2026 San Joaquin County Civil Grand Jury (25-26 CGJ) investigated SJLAFCo operations and finances as well as the processes that SJLAFCo uses for its SOI updates and Municipal Service Reviews for the agencies within its jurisdiction.

BACKGROUND

In the state of California after World War II, there was significant growth in the population as well as significant movement of the population away from city centers and toward suburban areas. This caused a high demand for the public services needed for the development of these expanding areas. To accommodate this demand, the state approved the formation of many new local government agencies and special districts to deliver the required public services.

Unfortunately, the formation of these local government agencies was chaotic and haphazard. There was very little planning and much overlap and inefficiency. Another major problem was the rapid loss of agricultural land and open space.

A commission was formed in 1959 to study these problems and to make recommendations regarding the misuse of land resources and the growing complexity of local governmental jurisdictions. As a result of the commission's report in 1963, the California state legislature created Local Agency Formation Commissions (LAFCOs) in every county in California, except San Francisco, which formed a LAFCo in the year 2000.

LAFCOs are state-mandated quasi-judicial countywide Commissions whose purview is to oversee boundary changes of cities and special districts, the formation of new agencies, including the incorporation of new cities and districts, and the consolidation or reorganization of special districts and or cities.

For two decades, LAFCOs were administered through a complicated series of statutes and enabling acts, and confusion over the application of these laws led to a consolidated LAFCo Act in 1985.

Ultimately, after a new call for reform in local government, and due to subsequent recommendations by the Commission on Local Governance in the 21st Century, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), was approved by the California State legislature and became effective on January 1, 2001. The CKH Act is codified in Cal. Gov. Code §56000 et. seq.

METHODOLOGY

The 25-26 CGJ researched the operations, management, and budgets of SJLAFCo. We interviewed SJLAFCo staff and the SJLAFCo Commission. We also reviewed applicable California Government Code sections, and we researched other county LAFCOs, and various websites related to LAFCOs including:

- The SJLAFCo website at <https://www.sjlafco.org>;
- The California Association of Local Area Formation Commissions website at <https://calafco.org>;
- The San Joaquin County Auditor/Controller's Office at <https://www.sjgov.org/departments/aud>; and
- The California State Controller's Office at <https://www.sco.ca.gov>
- Other sources for our research included:
 - Local Agency Formation Commission Municipal Service Review Guidelines (2003) published by the Governor's Office of Planning and Research (now known as the Governor's Office of Land Use and Climate Innovation)
 - Sacramento 2016-2017 CGJ Report on Sac LAFCo

DISCUSSION OF FACTS

The SJLAFCo Commission is comprised of five regular members and three alternate members appointed to four-year terms. The regular members include two members from the San Joaquin County Board of Supervisors (BOS), two council members from the incorporated cities in the county, and one member from the general public. The alternate members include one BOS member, one city member and one public member. There is a four-year rotation plan for the city members amongst the county's eight incorporated cities.

The current regular members of The Commission are shown in Table 1:

Member	Appointing Authority
Steven Ding - Chair	Board of Supervisors
Minnie Diallo	City Member, Lathrop
Gary Barton	City Member, Ripon
Mario Gardea	Board of Supervisors
Peter Johnson	Public Member

Table 1 – List of Commission Regular Members and their Appointing Authority

The Commission meets on the second Thursday of each month at 9:00 A.M. in the Board of Supervisors Chambers, 44 North San Joaquin Street, 6th Floor, Stockton, California. SJLAFCo staff include one Executive Officer, one Clerk/Analyst, one Administrative Assistant, and one Legal Counselor.

The total operating budget (revenues and expenditures) for SJLAFCo for Fiscal Year (FY) 2025-2026 is \$686,691. The bulk of financing for operations is equally contributed by the county and the cities within the county. The county allocation is \$259,638 and the sum of the individual eight cities' allocation is the same (i.e., \$259,638). These contribution amounts have not increased since FY 2023-2024. Individual city allocations reflect the city's percentage of residents of the total estimated population residing within San Joaquin cities on January 1, 2025. Additional revenue comes from interest income projected to be \$95,455 and from application filing and processing fees projected to be \$71,960 in this fiscal year. These fees are paid by the special districts within the county seeking annexations, detachments or other services provided by SJLAFCo. SJLAFCo has a projected reserve fund balance of \$1,432,240. For more details of the budget, see Table 2 below.

REVENUE	FY 24-25	FY 25-26
Interest Income	\$86,260	\$95,455
County Allocation	\$259,638	\$259,638
Cities Allocation	\$259,638	\$259,638
Application Filing Fees	\$70,000	\$71,960
TOTAL REVENUE	\$629,748	\$686,691

EXPENSES	FY 24-25	FY 25-26
Staff Expenses	\$486,871	\$501,707
Operating Expense	\$188,124	\$184,983
TOTAL EXPENSES	\$674,995	\$686,691

Reserve Fund Balance	\$1,450,357	\$1,432,240
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Table 2 – SJLAFCo Final Budget FY 2025-2026, Abridged

California law requires LAFcos to plan for sustainable services while preventing urban sprawl. They do this by determining SOIs for all local government agencies in their respective jurisdictions.

In accordance with Cal. Gov. Code §56301, ... *One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.*

Also, Cal. Gov. Code §56425(g) requires that: *On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.*

An SOI is a planning boundary that may be outside of an agency's legal boundary (such as the city limit line). The SOI designates the agency's probable future boundary and service area. It acts as a guide for future development and annexation, ensuring orderly growth and efficient provision of services like water, sewers, fire protection and other services by promoting cooperation between local agencies.

Factors in determining an agency's SOI include consideration of the current and future land use, the current and future need and capacity for services, and consideration of any relevant communities of interest.

The purpose of an SOI is to ensure the provision of efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services.

Before updating an SOI, a comprehensive study called an MSR must be completed, and it must be reviewed and approved by SJLAFCo. An MSR evaluates growth projections, infrastructure capacity, financial ability and the effectiveness and adequacy of services (e.g., water, sewer, fire protection) that are provided by local government agencies, like cities or special districts. A comprehensive MSR can identify critical service issues before they become major problems.

SJLAFCo's review of MSR's requires significant effort and sometimes requires specific expertise that requires hiring an outside consultant or consultants.

Other facts related to our investigation include:

- A. SJLAFCo financial policy does not include a requirement for regular independent third-party audits of its finances. The last time an independent audit was conducted was prior to 2001.
- B. Although Government Code requires SOI reviews and updates for each local agency every five years as necessary, the "necessity" of doing five-year reviews is determined by SJLAFCo.

- C. In accordance with SJLAFCo Service Review Policy, December 14, 2012, revision: *Initial Service Reviews should be completed by January 2008 and will be reviewed and **updated as necessary but no later than** (sic) **every five years** (emphasis added) in conjunction with or prior to Spheres of Influence reviews and updates ...*
 - D. SJLAFCo's approach to district boundary review is more reactive than proactive. For the most part, SJLAFCo will only initiate a review process when a local agency applies for annexation or other organizational changes.
 - E. The standard operating practice is for SJLAFCo to require an MSR if there is a qualifying project that a city or special district determines would be a benefit to their residents, and if an existing MSR is older than 5 years.
 - F. In determining when an SOI will be reviewed, SJLAFCo considers a given district's growth rate, and the changes needed to keep up the service delivery goals adopted and measured in the current MSR. If a district is not expanding at a significant rate, an SOI will be done less frequently than every five years.
 - G. SJLAFCo has procured a database management (DBM) tool to help organize, track and manage its work. The DBM tool is referred to as the "LAFCo Administrative Tracking Program." It was initiated in June of 2025 and the data entry process for the DBM tool is currently a work in progress.
 - H. Besides administrative and legal counsel staff, SJLAFCo has one Executive Director and one half-time Analyst performing SOI and MSR reviews. Outside consultants are used when necessary or when specific expertise is needed.
 - I. SJLAFCo does not have a plan to perpetuate its institutional knowledge. There is no plan for mentorship, succession, cross-training, or for updating its policy and procedure documentation.
 - J. SJLAFCo does not have either an annual or long-term workplan that is detailed and available to the public.
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- K. As of October 2025, there were three MSRs being developed: 1) Rural Fire District Service Review and Governance Study; 2) Woodbridge Irrigation District and 3) Woodbridge Sanitary District.
- L. As stated in the previous paragraph, the county rural fire districts are being reviewed this Fiscal Year (2025-2026). It is significant that it's been fifteen years since the last Rural Fire District review in 2011. In the meantime, Ripon Consolidated Fire District (RCFD) has been struggling to meet financial constraints and service level demands since at least 2020.
- M. In May of 2018, the City of Ripon provided its most recent MSR to SJLAFCo. In that report, the City stated that: *New development within the SOI will lead to population growth and the need for additional service provision.* The report also stated that: *The Fire District's sources of income may have to be expanded in the future to maintain adequate service levels within the City and its SOI with further development.*

Despite these statements in the report, SJLAFCo did not initiate an MSR of the fire district to determine its capacity or financial ability to handle the planned additional growth until just this year.

FINDINGS

- F1 The lack of a policy to regularly conduct independent third-party financial audits means that SJLAFCo cannot assure the public that its funds are spent appropriately and that its financial statements are accurate and transparent.
- F2 It is not clear how SJLAFCo is funding its reserves or how the reserve fund is being managed. SJLAFCo's financial and accounting procedures do not include a policy for the management of its Contingency Reserve Fund. The public is unaware of the scope and purpose of the fund, how the fund is used and replenished, and what the appropriate fund balance ought to be.

- F3 Best practices of counties such as Fresno, Santa Clara, and Sacramento include detailed workplans for the Fiscal Year with mid-year progress reports. The SJLAFCo budget for 2025-2026, on the other hand, does not include a detailed workplan to support the goals of The Commission. Information regarding the status of current and planned MSR and SOI reviews and the scope and potential costs of planned projects are not provided. There is a lack of transparency with the public about the work that The Commission has accomplished or is planning to accomplish.
- F4 Special District and City SOIs are not reviewed and updated with regularity or consistency. Without regular or consistent service reviews, it is not clear that SJLAFCo can meet its objective of providing for the present and future service needs of the cities and district agencies throughout the county in accordance with Cal. Gov. Code §56301.
- F5 SJLAFCo does not have a plan or status tracking mechanism that is visible to the public for assuring that agency MSRs and SOIs are reviewed and updated every 5 years in accordance with its policy. The public does not have a full picture of what, and when, city or district agencies have been reviewed or are planned for review regarding their service capacity or financial ability.
- F6 Even though Cal. Gov. Code §56425(g) allows for SOI reviews to be carried out “*as necessary*” it is not clear what criteria is used to determine “*necessity*.” The Commission is not fulfilling its objective of furnishing information regarding the logical and reasonable development of the local agencies in the county.
- F7 Given the large number of special districts and other local agencies under SJLAFCo jurisdiction, the SJLAFCo staffing level available for future planning and for active MSR and SOI analyses may not be adequate to perform the work required to fulfill the mission of SJLAFCo.
- F8 The lack of a plan for mentorship, succession, cross-training, or for regular updating of internal policies and procedures could lead to operational inefficiencies during periods of staff transitions.
-

RECOMMENDATIONS

The 2025-2026 San Joaquin County Civil Grand Jury recommends that the San Joaquin County Local Agency Formation Commission implement the following by May 4, 2027:

- R1 Review and revise the SJLAFCo financial and accounting procedures to include a requirement for regular (e.g., annual or biannual) independent third-party audits of its financial statements. The revised procedures should include the best practices of other similar LAFCOs (F1).
- R2 Review and revise the financial and accounting procedures to include the Commission's policy and requirements for managing, documenting and auditing The Contingency Reserve Fund (F2).
- R3 Develop a policy for a formal review that includes a mid-year progress report of its accomplishments regarding the previous year's goals and present its findings during the appropriate regular Commission meeting (F3).
- R4 Update the SJLAFCo Service Review Policy to be consistent with the best practices of other similar county LAFCOs (F3, F4 and F5).
- R5 Update the SJLAFCo Service Review Policy to include a requirement for an annual update of all districts regarding their status of MSR and SOI review and for planning for MSRs for all districts at least every five years unless explicitly determined not to be required or required at a different interval (F5).
- R6 During the annual budget process, develop a complete and detailed workplan, using the best practices of similar LAFCOs, to describe its goals and the work it anticipates accomplishing over the next fiscal year. The plan should consider all districts within the agency's jurisdiction regarding their need for SOI and MSR review, their status regarding previous reviews, and a plan for future reviews in consideration of Cal. Gov. Code §56425(g). The workplan should also detail other planned projects for the next fiscal year (F3, F4, F5 and F6).

- R7 During the annual budget process, consider adding additional staff to assist with forward-looking planning and scheduling. Additional staff could also support the review process for active SOIs and MSRs (F7).
- R8 During the annual budget process, consider an increase in funding for outside consultants with appropriate expertise to support the SOI and MSR review process (F7).
- R9 Develop a plan for mentorship, succession and cross-training of key Commission staff (F8).
- R10 Develop a plan to regularly review and update all Commission policy and procedure documents (F1, F2, F3, F4, and F8).

NOTES

Present and past San Joaquin County Civil Grand Jury Final Reports and Responses can be accessed on the San Joaquin County Civil Grand Jury website at:

<https://www.sjcourts.org/divisions/civil-grand-jury>

RESPONSES REQUIRED FOR FINDINGS AND RECOMMENDATIONS

California Penal Code §933(c) and §§933.05(a) and (b) require that specific responses to all Findings and Recommendations contained in this report be submitted to the Presiding Judge of the San Joaquin County Superior Court within 90 days of receipt of the report unless the responder is an elected county officer or agency head where such responses are required within 60 days.

For Findings: Pursuant to California Penal Code §933.05(a) the responding person or entity shall indicate one of the following for each Finding:

1. *The respondent agrees with the Finding.*
2. *The respondent disagrees wholly or partially with the Finding; in which case the response shall specify the portion of the Finding that is disputed and shall include an explanation of the reason(s) therefore.*

For Recommendations: Pursuant to California Penal Code §933.05(b) the responding person or entity shall indicate one of the following for each Recommendation:

1. *The recommendation has been implemented, with a summary regarding the implemented action.*
2. *The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.*
3. *The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This*

timeframe shall not exceed six months from the date of publication of the grand jury report.

4. *The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation of the reason(s) therefore.*

RESPONSE DEADLINES

Response from San Joaquin Local Agency Formation Commission is required within 90 days from receipt of this report.

Mail, or deliver, response to:

The Honorable Lance G. Jacot, Presiding Judge
San Joaquin County Superior Court
180 E Weber Ave, Suite 1306J
Stockton, California 95202

Email response to:

Ms. Krystal Gonzalez
Staff Secretary to the Civil Grand Jury
San Joaquin County Superior Court
civilgrandjury@sjcourts.org

DISCLAIMER

Civil Grand Jury reports are based on documentary evidence and the testimony of sworn or admonished witnesses, not on conjecture or opinion. However, the Civil Grand Jury is precluded by law from disclosing such evidence except upon the specific approval of the Presiding Judge of the Superior Court or another judge appointed by the Presiding Judge (Penal Code Section 911. 924.1 (a) and 929). Similarly, the Civil Grand Jury is precluded by law from disclosing the identity of witnesses except upon an order of the court for narrowly defined purposes (Penal Code Sections 924.2 and 929).



DRAFT

Balancing Community and Commerce

5000 S. AIRPORT WAY SUITE 209 STOCKTON, CA 95206 209-953-7646

CHAIR
STEVEN DING
COUNTY BOARD OF
SUPERVISORS

August 6, 2026

MINNIE DIALLO
CITY MEMBER, LATHROP

The Honorable Lance G. Jacot, Presiding Judge
San Joaquin County Superior Court
180 E. Weber Avenue, Suite 1306J
Stockton, CA 95202

GARY BARTON
CITY MEMBER, RIPON

SUBJECT: San Joaquin Local Agency Formation Commission
Coordinating and Planning Growth Case No. 0225

PETER JOHNSON
PUBLIC MEMBER

Your Honor,

MARIO GARDIA
COUNTY BOARD OF
SUPERVISORS

Thank you and the Grand Jury for preparing the report regarding the operation of the San Joaquin Local Agency Formation Commission (SJLAFCo). The report brings forth some valid factors that the Commission acknowledges and has already taken steps to improve upon. The findings and recommendations of the report and Commission's responses, rationale, actions taken and actions to be taken are discussed below:

ALTERNATE MEMBERS

VICE - CHAIR
DAN ARRIOLA
CITY MEMBER, TRACY

FINDINGS

SONNY DHALIWAL
COUNTY BOARD OF
SUPERVISORS

F1. The lack of a policy to regularly conduct independent third-party financial audits means that SJLAFCo cannot assure the public that its funds are spent appropriately and that its financial statements are accurate and transparent.

RAVDEEP "REX" DHATT
PUBLIC MEMBER

EXECUTIVE OFFICER

J.D. HIGHTOWER

CLERK/ANALYST

MITZI STITES

F1 Reponse. SJLAFCo partially disagrees with this finding. All revenues and expenditures are monitored by the San Joaquin Auditor's Office (CAO). SJLAFCo agrees that a private qualified auditing firm will increase transparency and disagrees that SJLAFCo cannot assure the public that funds are spent appropriately.

ADMINISTRATIVE ASSISTANT

CLAUDIA IBOA

COUNSEL

NUBIA GOLDSTEIN

SJLAFCo is an independent public entity that is separate from the County of San Joaquin (County). For SJLAFCo, the County is a contractor for certain services like: communication systems, payroll, insurance pooling, geographic information system

maintenance, accounts payable, office space rent, and payroll. Currently all financial transactions are via the County of San Joaquin Auditor's Office. Because SJLAFCo is an independent public entity, the CAO is a third party.

The County provides SJLAFCo with access to the Workday system. SJLAFCo staff enters all draw warrants and claims into the financial system which tracks SJLAFCo's revenues and expenditures. The system is used in completing payroll, budgeting, and accounts receivable/payable transactions. The Commission's financial records, however, are separate and excluded from the County's external audit process.

The accounts payable service that the County entails submittal of contracts and receipts, for contractual services W-9's, to the County Auditor's Office prior to payment of the first invoice. Other non-contract day to day expenditures require receipts and justifications thereof prior to reimbursement.

Thus, SJLAFCo revenues and expenditures of public funds are continually audited. Noteworthy is that Local Agency Formation Commissions (LAFCo's) are not strictly required by state statute to perform annual audits. SJLAFCo is, as independent public entity, committed to ensuring fiscal transparency.

Demonstrating this commitment, SJLAFCo has executed a four (4) year contract with Vasquez + Company, LLC for the fiscal years ending June 30, 2026, June 30, 2027, June 30, 2028 and June 30, 2029 with an option for one additional fiscal year, ending June 30, 2030. Please find attached the contract between SJLAFCo and Vasquez + Company. .

F2. If is not clear how SJLAFCo is funding it's reserves or how the reserves area managed. SJLAFCo's accounting procedures do not include a policy for the management of its Contingency Reserve Fund. The public is unaware of the scope and purpose of the fund, how the fund is used and replenished, and what the appropriate balance ought to be.

Response F2. SJLAFCo currently disagrees with this finding as SJLAFCo recognized the need for transparency regarding the CRF and has already adopted a policy for the management of the CRF. On June 11, 2026, the Commission approved the FY 2026/2027 operating budget that addressed the Contingency Reserve Fund (CRF). The Executive Officer Staff Report stated the rational for different uses of the CRF:

- 1) Litigation - restricted funds for use in the event of significant legal costs or lawsuits involving SJLAFCo. Staff recommends a minimum balance of \$150,000.00.

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2) Compensated absences liability -- restricted funds to offset anticipated agency liabilities including employee vacation and administrative leave payouts. Minimum balance to be 75% of eligible total pay-out liability. Total eligible leave pay-out is two weeks (80 hours) per fiscal year. Currently 75% of eligible leave pay-out is \$7,323.6, staff recommends a minimum balance of \$7,500.

3) Pension/OPES liabilities -- restricted funds for the purposes of achieving and maintaining a reasonable amount of reserve funds for covering future pension/OPES obligations. Staff is working with SJCERA to determine the appropriate minimum level. The Commission may make contributions above current minimums with the intention of paying down OPEB liabilities. Minimum initial balance to be \$10,000.

4) Working Capital - unrestricted funds the purpose and objective of which shall be to meet needs associated with planned and unplanned non-recurring expenses such as those that may be necessary to assist with operational fluctuations in revenues; expenses that may occur on a year-to-year basis; one time investments in either programs and/or grant expenses; and reimbursement of expenses incurred by other reserve categories to ensure minimum balances are maintained. The Working Capital Reserved forecasted balance on June 30, 2027 is \$807,996.35.

Commission Resolution 1564 memorialized two (2) directions regarding the CRF that:

Section 5. The Commission hereby adopts separate Contingency Reserve Funds categories of Litigation, Compensated Absences, Pension/OPES and Working Capital with minimum balances as stated in the Executive Officer's Staff Report.

Section 6. The Commission hereby directs the Executive Officer to report on the status of each category of Contingency Reserve Funds as part of mid-year and annual budget preparation and review processes.

Both the June 11, 2026 FY 2026/2027 Budget Executive Officer Staff Report and Resolution 1564 are posted on the SJLAFCo website at

<https://www.sjlafco.org/2026-06-11-commission-meeting#docaccess-f9c9996dc7c4e17016f7fe31babb7dae>

F3. Best practices of counties such as Fresno, Santa Clara, and Sacramento include detailed workplans for the Fiscal Year with mid-year progress reports. The SJLAFCo budget for 2025-2026, on the other hand, does not include a detailed workplan to support the goals of the

Commission. Information regarding the status of current and planned MSR and SOI reviews and the scope and potential costs of planned projects are not provided. There is a lack of transparency with the public about the work that the Commission has accomplished or is planning to accomplish.

Response F3. SJLAFCo partially disagrees with Finding F3. The Cortese–Knox–Hertzberg (CKH) Local Government Reorganization Act of 2000, recognizes that, “community service priorities be established by weighing the total community service needs against the total financial resources available for securing community services; and that those community service priorities are required to reflect local circumstances, conditions and limited financial resources.”

SJLAFCo is a member of the California Association of Local Agency Formation Commissions (CALAFCo) and regularly participates with other LAFCo’s within the CALAFCo Central Region. Fresno and Sacramento are within the CALAFCo central region. A letter from Fresno LAFCo explains their position on the best practices on service reviews. SJLAFCo and Fresno LAFCo interpretations and practices are consistent with one another.

A majority of the work that the Commission does are reorganizations (annexations/detachments) the processing time of which are governed by Ca. Gov. Code Section 56658(h) mandates a timeframe for the evaluation of reorganization applications. This section states, “Following the issuance of the certificate of filing, the executive officer shall proceed to set the proposal for hearing and give published notice thereof as provided in this part. The date of the hearing shall be not more than 90 days after issuance of the certificate of filing or after the application is deemed to have been accepted, whichever is earlier. Notwithstanding Section 56106, the date for conducting the hearing, as determined pursuant to this subdivision, is mandatory.” Such importance is given to this timeframe that unlike other sections of CKH, where timeframes are directory, 56658(h) timeframe is mandatory (Cal. Gov. Code Section 56106).

Most SJLAFCo work items are annexation and reorganization applications. Applications are evaluated to ensure that the services needed can be delivered in a cost-efficient manner and balanced with other state goals. Most applications are filed by cities and districts so that private investment can develop territory in accordance with adopted plans. Time is of the essence, and applications are evaluated and actions taken within timeframe established by Cal. Gov. Code Section 56658(h).

During that timeframe, applications are evaluated to ensure compliance with all applicable provisions and factors of CKH. Due to the mandatory timeframe and the nature of private investment schedules, it is not feasible to accurately develop a detailed work plan regarding the majority of work performed by SJLAFCo. In review of the workplans of Fresno, Santa Clara and Sacramento LAFCo workplans application evaluations are noted simply as on-going.

SJLAFCo disagrees that the FY 2025/2026 Budget did not include a detailed work schedule. The work schedule for that fiscal year is posted on the SJLAFCo website on page 165 of the June 12, 2025 meeting agenda packet. The work plan was outlined along with the accomplishments achieved by the Commission during FY 2024/2025. That work plan highlighted anticipated projects many of which required scopes of work out of SJLAFCo's control.

Every public entity is unique in their territory served, services provided, level of service delivered and other factors within their respective boundaries. This makes a cost estimate of each service review unique to an individual public entity. Providing cost estimates to the public on speculative projects would add confusion to the work of the Commission.

SJLAFCo agrees that transparency is of utmost importance. SJLAFCo has inquired about methods that would enable the public to track the progress of submitted applications. The key aspect of such an effort is cost efficiency in terms of software cost, staff time for data updating and storage of such data. SJLAFCo staff has contacted firms for providing software to enable residents track project progression, paramount issue is cost efficiency.

Cost efficiency of new systems is an important aspect and the need to balance transparency with fiscal constraints. Currently SJLAFCo is operating at \$0.86 per capita. Coincidentally, this per capita cost is exactly the average cost per capita of San Joaquin along with the other three (3) LAFCo's stated in the finding – Fresno, Santa Clara and Sacramento as shown on the table below.

	FY 2026/2027 Operating Budget	1/1/2026 Population	LAFCo Cost Per Capita
San Joaquin	\$ 705,699	820,125	\$ 0.86
Santa Clara	\$ 1,735,906	1,932,468	\$ 0.90
Fresno	\$ 1,020,934	1,041,679	\$ 0.98
Sacramento	\$ 1,218,251	1,628,349	\$ 0.75
Total	\$ 4,680,790	5,422,621	\$ 0.86

The cost of service review preparation is both in terms of absolute cost of staff time from both the public entity as well as LAFCo. Additionally, there is an unquantifiable opportunity cost in terms of time and manpower effort required for a service review. There is a need to balance available funds for both service provision and oversight via service reviews. SJLAFCo is committed to ensuring that services provided by both local public entities and LAFCo are done so in a cost efficient manner..

F4. Special District and City SOIs are not reviewed and updated with regularity or consistency. Without regular or consistent service reviews, it is not clear that SJLAFCo can meet its objective of providing for the present and future service needs of the cities and district agencies throughout the county in accordance with Cal. Gov. Code §56301.

Response F4. SJLAFCo partially disagrees with Finding F4. LAFCo does not provide service needs of cities and districts. Rather in accordance with Cal. Gov. Code Section 56301, SJLAFCo's role is, "encouraging the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objectives of the Commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities." In this role, SJLAFCo contracts with the University of the Pacific Center for Business and Policy Research to provide socio-economic data for the San Joaquin region.

State law does not require Municipal Service Reviews (MSRs) to be conducted every five years. Cal. Gov. Code Section 56106 states, "Any provisions in this division governing the time within which an official or the commission is to act shall in all instances, except for notice requirements and the requirements of subdivision (h) of Section 56658, and subdivision (b) of Section 56895, be deemed directory, rather than mandatory."

As a directory time limit, Section 56106 informs SJLAFCo when a service review should be done, and allows for local conditions and circumstances to guide the need for updating a service review. This context sensitivity does not prevent the Commission from providing information needed to advantageously plan for present and future needs of San Joaquin County. Rather it allows for strategic attention needed for a thriving County.

Like Fresno LAFCo, SJLAFCo being context sensitive to the circumstances of individual districts is intended to conserve public funds. Strict adherence to

fixed timetable of when a service review must be performed an expenditure of funds could present an unintended hardship to a district and/or impact the level of service provided. It is SJLAFCo's interpretation that Section 56106 directory timeframes for processes allows context sensitivity. Meaning that the function and value of a service review changes based on its surrounding environment, situation, or background.

Service Reviews are to be conducted "in order to prepare and to update Sphere of Influence" pursuant to Cal. Gov. Code Section 56430. Cal. Gov. Code Section 56425(g) does suggest that, every five years, "the commission shall, as necessary, review and update each sphere of influence." Section 56106 makes the five (5) years a directory, to be taken as local conditions and circumstances evolve.

SJLAFCo has established a sphere of influence for every city and a wide array of special districts. Per adopted Commission Policy and Procedure, Sphere of Influence, Policy 3, "Territory will not be considered for inclusion within a City's sphere of influence unless the area is included within the city's general plan land use element."

As related to special district sphere of influences (SOI), the adopted Commission Policy and Procedure has two (2) policies that describe special district SOI and how the relationship between a district SOI and city SOI:

7. Districts and Cities: LAFCo shall encourage districts and cities to develop plans for the orderly detachment, merger/dissolution of a district when districts have significant territory within a proposed city's sphere of influence.

8. Types of Spheres: In addition to a traditional sphere, the following other types of spheres may be considered by the Commission:

- a. A special district that provides services, which ultimately will be provided by another agency, will be assigned a zero sphere.
- b. If additional information is necessary to determine a sphere boundary, but is currently unavailable, a partial sphere may be approved and a special study area may be designated.
- c. A local agency may be allocated a coterminous sphere if there is no anticipated need for the agency's services outside its existing boundaries, or if there is insufficient information to support inclusion of areas outside the agency's boundaries in the sphere of influence

Most special district SOI's are either partial or coterminous. For special districts with boundaries that overlap with a city SOI, depending on the

proportional area of overlap, either a partial SOI or zero SOI is assigned. The key is whether with the area of overlap designated as a special study area. The special study area will require mitigation as to the loss of property tax that is expected when territory is detached and annexed into a city.

In San Joaquin, 63% of the population reside in cities (Lodi, Manteca, Mountain House, Stockton) where territorial growth within their respective SOI, and the most new housing opportunities, take place via reorganizations. Reorganizations typically include annexation to a city and detachment from a fire protection district.

Although each fire district and city are unique, there are five (5) basic types of fire protection organizational scenarios within San Joaquin County. The Commission is currently scheduled to consider a countywide Rural Fire Protection District Service Review at the September 10, 2026 meeting. to reorganizations where city growth does not involve detachment from a fire district and the territory is added via annexations:

1. **Consolidated fire protection districts.** Specifically brought forward in the Grand Jury Report, the Ripon Consolidated Fire Protection District (CFD) provides fire protection services both within and outside of the City of Ripon's incorporated boundaries as well as territory within and beyond existing the City's SOI. The same is true with the Escalon Consolidated Fire Protection District. Annexation of territory both to the City of Ripon and City of Escalon takes place without detachment from these respective districts.

2. **Joint Power Agreement (JPA).** The South County Fire Authority (SCFA) that is comprised of the City of Tracy and Tracy Rural Fire Protection District (TRFD). The City of Tracy growth takes place via annexation of territory only as the City of Tracy and TRFD have formed the South County Fire Authority that includes territory both within and outside of City boundaries and SOI. It is important to note that SJLAFCO does not have JPA regulatory and review authority under the provisions of S8 1266 (Cal Gov. Code Section 6503.8). SJLAFCO's role is to serve as a depository for associated filings.

3. **City Fire Protection by District.** The City of Lathrop has not yet formed a fire department and fire protection is currently provided by the Lathrop-Manteca Fire Protection District both within the City's incorporated boundaries and SOI. Historically the City boundaries were part of the District and the City has grown without detachment. To date the City and District enjoy a close working relationship that is foreseen to continue. The City of Mountain House contracts fire protection within it's boundaries with French

Camp-McKinley Fire Protection District. City territorial growth occurs via detachment from Tracy Rural FD.

4. City Fire Protection via District Detachment. The Cities of Lodi, Stockton and Manteca territorial growth occurs within the respective cities SOI after detachment from respective fire protection districts.

5. District Protection via Contract with City. The City of Stockton provides fire protection to districts adjacent outside of its boundaries to the Boggs Tract, Eastside, Lincoln, and Tuxedo County Club Fire Protection Districts. Boggs Tract and County Club-Tuxedo FD's are completely surrounded by the City with the territory of those districts comprising unincorporated county islands. The territory of Eastside and Lincoln FD's are within and outside of the City's SOI.

As related to the Partial SOI that the Commission may apply to a special district, the special study area designation is the area of overlap with a city SOI boundary as stated in scenario 4 above. A special study to determine the appropriate mitigation for impact to the special district created by the loss of territory and associated property tax. The detachment from a district is required due to the hierarchy of SOI's as listed in Policy 9 of the Commission's Policy and Procedures:

9. Sphere Hierarchy: Where an area could be assigned to the sphere of influence of more than one agency providing needed service, the following hierarchy shall apply dependent upon ability to serve, unless an agency or district has specialized capacity to provide such service:

- a. Inclusion within a municipality sphere of influence.
- b. Inclusion within a multipurpose district sphere of influence.
- c. Inclusion within a single-purpose district sphere of influence

It should be noted that the Commission may direct completion of an MSR for one or more agencies and for any reason at any time as the Commission finds as necessary. A second phase of the evaluation of rural fire districts, a governance study, will be conducted to see if there are opportunities to achieve economies of scale after adoption of the service reviews.

SJLAFCo agrees that special district and some city SOI's are not reviewed and updated with regularity. Nor should they be. Population growth is a primary reason why development occurs. For cities and agencies that are experiencing a low rate of population growth, the rate of change in demand for public services provided and level of service delivered is relatively stable. Cal. Gov.

Sections 56106 and 56425(g) recognize this by providing discretion to the Commission when local conditions and circumstances make, "...necessary, review and update each sphere of influence."

Without a definition of "as necessary" within the Cortese-Knox-Hertzberg Act (CKH) SJLAFCo uses the common definition. A search for a definition of the phrase "as necessary" found it defined as:

as needed, when required, or according to what is called for by the situation. It describes an action that is done only if or when a need arises, rather than on a strict or fixed schedule.

According to need; when necessary; not on a fixed schedule: This phrase indicates that an action should be performed only when a requirement or condition arises, rather than at predetermined times.

The definitions above are consistent with directory nature Cal. Gov. Code Section 56106, Time for action directory rather than mandatory.

Both Cal. Gov. Code Section 56106 and common definition of the term "as necessary" implies a degree of judgment and discretion on the part of the LAFCo that is performing the service review. The exchange of ideas regarding the interpretation of directory actions is a benefit that SJLAFCo receives as a member of the California Association of Local Agency Formation Commissions (CALAFCo). The exchange of ideas regarding practices and policies is why Fresno LAFCo and SJLAFCo are much alike.

The first factor of 17 listed in Cal. Gov. Code Section 56668, Factors to be Considered in Review of Proposal, is population. Sub-section (a) clarifies that states that, "Population and population density ... proximity to other populated areas; and the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years" is a factor that LAFCo's must consider for annexations.

The rate of population growth within boundaries is a factor that is measurable, available and that all public entities have in common. The table below shows that the cities of Ripon, Stockton, Lodi and Escalon have experienced population growth at a significantly lower rate than the county average.

Entity	2010 (Census)	2020 (Census)	2026	Growth Rate
Lathrop	18,023	28,681	40,942	7.06%
Mountain House*	9,657	24,499	30,687	5.64%
Manteca	67,096	83,529	96,511	2.44%
Tracy	82,922	92,959	99,705	1.12%
County Total	685306	779233	820,125	1.09%
Ripon	14,297	15,988	15,873	0.61%
Stockton	291,707	320,290	322,436	0.59%
Lodi	62,134	66,128	68,513	0.57%
Escalon	7,132	7,444	7,304	0.13%
Balance of County	141,995	164,214	138,154	-0.15%
* Incorporated 2024, growth rate for city since				

San Joaquin Population Growth Rates

Of the four (4) cities that are experiencing lower than county average growth, the City of Stockton and the City of Ripon service reviews are currently older than five years. The City of Stockton has submitted a draft service review and resubmitted based on the first round of comments.

It is staff's understanding that the City of Ripon is beginning a General Plan Update process this fiscal year. The Commission's Policy and Procedure Manual, Policies and Procedures for Spheres of Influence, has two policies that address Ripon's general plan update and it's Sphere of Influence:

2. Consistency Required: Territory will not be considered for inclusion within a City's sphere of influence unless the area is included within the city's general plan land use element.

3. General Plan Approach: LAFCo would prefer a sphere of influence proposal where the city has adopted general plan policies ... that address: smart growth principles; infill and redevelopment strategies to minimize conversion of open space/agricultural land; mixed use and increased densities; job development centers; community buffers; and habitat, agriculture and open space preservation strategies.

Many of the special districts providing services within the unincorporated areas of the county generally have not experienced significant rates of population growth.

The decrease in population in the unincorporated area is primarily due to the incorporation of the City of Mountain House and attrition due to

annexation/reorganization of territory to cities. LAFCo has contacted the UOP Center for Business and Policy research for population estimates for fire and irrigation districts during FY 2026/2027 and making such available on the SJ Socio-Economic data website.

Using the rate of population growth to determine when a service review is necessary may prolong the directory five (5) year time span of such. This is due to the projected statewide population stabilization. The California Department of Finance projects that there will be about the same number of residents within the State in 2070 (39,853,687) as 2030 (39,879,496).

While statewide population is forecasted to stabilize, San Joaquin will continue to grow at a modest rate. Proportionally more state residents will call San Joaquin home in 2070 (2.89%) than 2030 (2.07) with an average rate of population growth of 0.85%. For comparison, the average rate of population growth in San Joaquin from 2010 to 2026 was 1.98%. The table below shows the forecasted population of the cities and unincorporated areas.

Entity	2030	2040	2050	2060	2070	Average Rate
County Total	851,471	947,828	1,030,829	1,093,562	1,149,051	0.87%
Escalon	7,292	7,545	7,834	8,074	8,335	0.36%
Lathrop	47,057	61,305	72,485	80,587	86,998	2.12%
Lodi	69,828	75,172	80,089	83,905	87,497	0.63%
Manteca	103,975	123,146	138,751	150,258	159,809	1.34%
Mountain House	31,796	35,270	38,277	40,555	42,581	0.85%
Ripon	16,191	17,457	18,616	19,515	20,358	0.64%
Stockton	328,366	352,987	375,732	393,412	410,111	0.62%
Tracy	103,818	116,159	126,717	134,674	141,662	0.91%
Balance of Coun	143,148	158,787	172,327	182,582	191,701	0.85%

San Joaquin 2070 Population Projection

The demand for public services is expected to grow in San Joaquin at a rate proportional with population growth. Altogether, the projected reduction in the rate of growth in San Joaquin may have an impact on the frequency on the preparation of service reviews

F5. SJLAFCo does not have a plan or status tracking mechanism that is visible to the public for assuring that agency MSRs and SOIs are reviewed and updated every 5 years in accordance with its policy. The public does not have a full picture of what, and when, city or district agencies have been reviewed or are planned for review regarding their service capacity or financial ability.

Response F5. SJLAFCo partially disagrees with this finding. All service reviews are posted on the SJLAFCo website, www.sjlafco.org. As stated above, the five (5) year time span between service reviews is directory and not mandated. SJLAFCo's practice is that service reviews are performed as necessary. That determination is directly correlated to the population growth rates that a public entity has been or expected to be experiencing.

Although service reviews are useful tools for evaluating financial abilities, there are other tools in the public information toolbox. Financial audits of public entities are conducted every year. The Capital Improvement Program (CIP) of a public entity is typically reviewed and approved during adoption of the annual operating budget. SJLAFCo regularly searches for public information from other government sources to verify information submitted as part of an application.

F6. Even though Cal. Gov. Code §56425(g) allows for SOI reviews to be carried out "as necessary" it is not clear what criteria is used to determine "necessity." The Commission is not fulfilling its objective of furnishing information regarding the logical and reasonable development of the local agencies in the county.

Response F6. SJLAFCo partially disagrees with this finding. As stated in F4 and F5 responses, the rate of population growth within the boundaries of a public entity is the primary driver of when a service review is necessary. Due to the wide array of special districts and services provided by a city, the rate of population growth is the prime denominator of making this determination. Comparing an entity's rate to the overall San Joaquin average is what SJLAFCo uses to determine if a service review is necessary.

SJLAFCo disagrees with the statement that the Commission is not fulfilling its objective of furnishing information regarding the logical and reasonable development of the local agencies in the county. Rather, SJLAFCo is exceeding the minimum requirements by annually updating needed socio-economic data so that public entities can make informed decisions.

SJLAFCo practices continual self-improvement for transparency, we are open to making changes necessary to deliver needed information. Please review the information available on the SJLAFCo website and give specific suggestions on information that is would be useful. SJLAFCo is willing to research, interpret and communicate to facilitate the exchange of ideas needed to ensure a logical and reasonable development of San Joaquin's local agencies.

Part of this commitment is reflected in SJLAFCo's partnership with the University of the Pacific Center for Business and Policy Research (CBPR). CBPR maintains and updates socio-economic conditions within San Joaquin. SJLAFCo staff has attended and made presentations to local agencies advisory and decision-making bodies regarding factors, policies and procedures for contemplated actions. SJLAFCo is a regular participant in the North Valley Thrive project that includes public entity staff from San Joaquin, Stanislaus and Merced counties.

Please give specific examples of when information was not provided on a request by an agency. SJLAFCo will take corrective action on any trend regarding such requests.

F7. Given the large number of special districts and other local agencies under SJLAFCo jurisdiction, the SJLAFCo staffing level available for future planning and for active MSR and SOI analyses may not be adequate to perform the work required to fulfill the mission of SJLAFCo.

Response F7. SJLAFCo partially disagrees with this finding. With funding for a small staff (2.4 FTE), SJLAFCo seeks to maximize labor efficiency by using available technological tools. For the analysis and evaluations of service reviews, SJLAFCo trusts and verifies applicant submitted services reviews by requiring applicant public entities to also provide source documents used within the review.

To implement efficient review, SJLAFCo has entered into a contract with The Paperwork Company (TPC) that has increased staff's analytical capacity by leveraging advanced data analytics. The TPC system performs a comprehensive gap analysis by cross-referencing the claims made in the MSR directly against the raw source documents and official records provided by the public entity. This ensures a highly accurate, evidence-based review process without requiring a massive expansion of internal staff and ensures that every review is grounded in verified public data. .

Maximizing labor efficiency enables the Commission to maintain its current staffing level while planning for the future. Further maximizing Commission staff efficiency is the use of consultants when needed.

F8. The lack of a plan for mentorship, succession, cross-training, or for regular updating of internal policies and procedures could lead to operational inefficiencies during periods of staff transitions.

Response F8. SJLAFCo partially disagrees with this finding. The vulnerable position is the Executive Officer (EO) position. The current EO has stated

intentions of leaving employment during the third quarter of FY2027/2028. As such, the Commission will start a recruitment effort during the first quarter of FY 2027/2028, with intent of hiring an Assistant EO (AEO) by the beginning of the second quarter FY2027/2028. This will allow approximately six month transition time for the selected AEO and current EO to work together. Upon the current EO separation from SJLAFCo via retirement, the intention is that the selected AEO should or could be uniquely qualified to assume the EO position.

The Commission currently has a SJLAFCo Policy and Procedure Manual that covers how the Commission operates and factors taken into account for various types of reviews and actions. The Policy and Procedure Manual, Rules of the San Joaquin Local Agency Formation Commission, Chapter IV, Duties of the Executive Officer states:

Section 15. The Executive Officer appointed by the Commission shall attend each meeting of the Commission and maintain a record of all proceedings. The Commission shall set forth the duties of the Executive Officer in job specifications or other such documents.

Section 16. The Executive Officer shall prepare an agenda for each meeting. The agenda shall comply with the Cortese-Knox-Hertzberg Government Reorganization Act of 2000 and the Ralph M. Brown Act.

A more thorough description of needed knowledge, skills and abilities of the Executive Officer is expected to be reviewed and approved by the Commission by the end of the second quarter of FY 2026/2027.

Existing policies regarding the Executive Officer position are posted on the SJLAFCo website at <https://www.sjlafco.org/policies-and-procedures>. This manual was last updated on June 13, 2024.

To facilitate the recruitment effort, the Commission is scheduled to consider it's first personnel policy manual during the second quarter of FY 2026/2027. The personal policy manual will complement and provide a finer grain of detail regarding all positions, including the Executive Officer, in an effort to facilitate succession planning efforts.

RECOMMENDATIONS

R1. Review and revise the SJLAFCo financial and accounting procedures to include a requirement for regular (e.g., annual or biannual) independent third-party audits of its financial statements. The revised procedures should include the best practices of other similar LAFCos (F1).

Response R1 This recommendation will be brought to the Commission by the second quarter of FY 2027/2028.

R2 Review and revise the financial and accounting procedures to include the Commission's policy and requirements for managing, documenting and auditing The Contingency Reserve Fund (F2).

Response R2 This recommendation was implemented with the adoption of the FY 2026/2027 budget resolution as discussed in the response to Finding 2. Please reference the June 11, 2026 FY 2026/2027 Budget Executive Officer Staff Report and Resolution 1564 on the SJLAFCo website at <https://www.sjlafco.org/2026-06-11-commission-meeting#docaccess-f9c9996dc7c4e17016f7fe31babb7dae>.

A policy will be adopted for inclusion into the Commission's Policy and Procedure Manual by the second quarter of FY 2026/2027.

R3 Develop a policy for a formal review that includes a mid-year progress report of its accomplishments regarding the previous year's goals and present its findings during the appropriate regular Commission meeting (F3).

Response R3 This recommendation is being practiced by the Commission. The mid-year budget report is usually discussed at the February or March Commission hearing date. A link to the most recent mid-year report, FY 2025/2026, February 12, 2026, Agenda Item 4, Special Matters, is found at: <https://www.sjlafco.org/2026-02-12-commission-meeting#docaccess-07b8fd1f04cbc19b2c5fa15ab45ddd6a3bbd400309e2ba22cda25f979835c1f6>.

A formal policy amending the Commission's Policy and Procedure Manual is expected to be adopted by the third (3rd) quarter of FY 2026/2027.

R4 Update the SJLAFCo Service Review Policy to be consistent with the best practices of other similar county LAFCos (F3, F4 and F5).

Response R4 This recommendation has not yet been implemented, but will be implemented in the future with anticipated adoption by the end of the second (2nd) quarter of FY 2026/2027.

R5 Update the SJLAFCo Service Review Policy to include a requirement for an annual update of all districts regarding their status of MSR and SOI review and for planning for MSRs for all districts at least every five years unless explicitly determined not to be required or required at a different interval (F5)

This recommendation has not yet been implemented, but will be implemented in the future, by the end of the second (2nd) quarter of FY 2026/2027.

R6 During the annual budget process, develop a complete and detailed workplan, using the best practices of similar LAFCOs, to describe its goals and the work it anticipates accomplishing over the next fiscal year. The plan should consider all districts within the agency's jurisdiction regarding their need for SOI and MSR review, their status regarding previous reviews, and a plan for future reviews in consideration of Cal. Gov. Code §56425(g). The workplan should also detail other planned projects for the next fiscal year (F3, F4, F5 and F6).

Response R6: This recommendation requires further analysis with a need to evaluate the balance between capital and labor investment. That study of the balance between capital and labor is currently in preliminary stages and is foreseen as being on-going as the balance between capital and labor is dynamic.

Staff is developing key performance indices intended to generate a matrix of measurable performance based indicators of when a MSR may be warranted. These indices will vary depending on services provided and can either be completed by LAFCo staff and/or agency self-certification with verification by SJLAFCo.

The sheer number of special districts and relationships between both other districts and cities, as an example please see fire district discussion in Finding 4, requires additional evaluation of methods to balance capital investment tools like artificial intelligence (AI) with labor costs (employees). Staff has received one estimate, with significant initial capital start-up cost and on-going maintenance costs that needs comparison to the supply and technical proficiency of labor cost.

Options for such will be brought forward in the overall service modernization considerations moving forward. Please note that the timeframe stated in Cal. Gov. Code Section 56425(g) is directory and not mandatory. Once an evaluation of efficiency service delivery, the balance of capital and labor costs, the indices of performance indicator matrices will be part of a more descriptive workplan starting in FY 2027/2028.

R7 During the annual budget process, consider adding additional staff to assist with forward-looking planning and scheduling. Additional staff could also support the review process for active SOIs and MSRs (F7).

Response R7: Determining the appropriate staffing level is a consideration taken into account by the Commission each and every fiscal year. Population growth rate, please refer to response in Finding 4, is a prime consideration of appropriate staffing level. As the population growth rate in San Joaquin stabilizes as projected, appropriate capital investment will allow more time proactive LAFCo planning efforts.

The balancing of capital investment compared to labor costs is and will continue to be a key consideration for the adoption of operating budgets. Capital investment in the form of software and technology provides more budget flexibility as much of the time these are one-time purchases and/or services that have an annual term. Labor costs are less flexible in that employment expectations are longer term and have fringe benefit costs that are outside the control of LAFCo.

R8 During the annual budget process, consider an increase in funding for outside consultants with appropriate expertise to support the SOI and MSR review process (F7).

Response R8: This recommendation has not yet been implemented, but will be implemented in the future, during the drafting of the FY 2027/2028 budget.

R9 Develop a plan for mentorship, succession and cross-training of key Commission staff.

Response R9: The recommendation has not yet been implemented, but will be implemented in the future during FY 2027/2028. Complementing the actions stated in the response to Finding 8, is that SJLAFCo is a member of the California Association of Local Agency Formation Commissions (CALAFCo). The current CALAFCo schedule for training conferences in September/October and March/April. The intention is to provide mentorship, succession, and cross-training for leadership both internally within SJLAFCo as well as the depth of knowledge available through CALAFCo.

R10 Develop a plan to regularly review and update all Commission policy and procedure documents (F1, F2, F3, F4, and F8).

Response R10: The recommendation has not yet been implemented, but will be implemented in the future, starting in the third (3rd) quarter of FY 2026/2027 during the mid-year budget review. The review of progress made on LAFCo projects during this time along with the lessons learned over the fiscal year are expected to ensure development and amendment of policies to enable more efficient service delivery.

The Grand Jury is commended for their thoughtful and insightful findings and recommendations. Their findings and recommendations have and will be used for motivation and guide towards delivering needed regional planning services.

If we can provide any further clarifications to responses given, please contact the Commission.

Your Truly,

J.D. Hightower, Executive Officer
San Joaquin Local Agency Formation Commission

Exhibit 1

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into this 29th day of January, 2026, by and between the **SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSION**, a public body, corporate and politic ("SJLAFCo") and Vasquez + Company, LLP, a California corporation ("Consultant").

RECITALS

- A. Consultant is specially trained, experienced, and competent to perform the professional services required by this Agreement.
- B. Consultant possesses the skill, experience, ability, background, certification, and knowledge to provide the services described in this Agreement on the terms and conditions specified herein.
- C. SJLAFCo desires to retain Consultant to render the professional services set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the auditing services described in the attached Attachment 1 that is incorporated by this reference, and pursuant to the Proposal submitted by Consultant dated November 14, 2025, and attached hereto as Attachment 2. Consultant shall provide these services at the time, place, and in the manner specified in Attachment 1, subject to the direction of the SJLAFCo through its staff that may be provided from time to time. Performance of the auditing services is sometimes referred to herein as "the Project."

2. Work Through SJLAFCo Staff. Consultant shall perform its services pursuant to this Agreement solely through SJLAFCo staff. No communications, information or documentations shall be made directly to any SJLAFCo member agency or applicant(s) without the prior written consent of the SJLAFCo. This shall not apply to the sole request of information or clarification of information by Consultant from member agencies or applicant(s). All requests shall be noted to SJLAFCo in an expeditious manner.

3. Time of Performance. Consultant's services will commence upon execution of this Agreement and shall be completed in accordance with the Schedule of Activities, attached hereto as Attachment 3. All work associated with the first year subsequent annual work efforts shall be completed no later than March 1, 2027 and March 1 thereafter for the term of this agreement. Failure to submit work products in accordance with the Schedule of Activities may result in the SJLAFCo withholding progress payments. Repeated failure to complete work products in accordance with the Schedule of Activities may result in a reduction of the total compensation provided for in Section 4 herein.

B. All memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other documents and data, either created by or provided to Consultant in connection with the performance of this Agreement, shall be held confidential by Consultant. These materials shall not, without the SJLAFCo's prior written consent, be used by Consultant for any purposes other than the performance of the services under this Agreement. Nor shall these materials be disclosed to any person or entity not connected with the performance of services under this Agreement. Nothing furnished to Consultant that is otherwise known to Consultant, or is generally known, or has become known to the related profession shall be deemed confidential. Consultant shall not use SJLAFCo's name or insignia, photographs relating to the Project for which Consultant's services are rendered, or any publication of SJLAFCo pertaining to the Consultant's services under this Agreement in any magazine, trade paper, newspaper, television or radio production, or other similar medium without the SJLAFCo's prior written consent.

9. Consultant's Books and Records.

A. Consultant shall maintain all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to SJLAFCo, for a minimum period of three years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement.

B. Consultant shall maintain all records that document performance under this Agreement for a minimum period of three years, or for any longer period required by law, from the date of termination or completion of this Agreement.

C. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit at any time during regular business hours, upon written request by the SJLAFCo Manager, SJLAFCo Attorney, SJLAFCo Auditor, or a designated representative of any of these officers. Copies of such documents shall be provided to SJLAFCo for inspection at SJLAFCo Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Consultant's address specified in Section 16 of this Agreement.

D. Where SJLAFCo has reason to believe that records or documents may be lost or discarded due to the dissolution or termination of Consultant's business, SJLAFCo may, by written request, require that custody of the records be given to the SJLAFCo and that the records and documents be maintained in SJLAFCo Hall. Access to these records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

10. Independent Contractor. In the performance of the work and services required by this Agreement, Consultant shall act as and be an independent contractor and not an agent, or employee of the SJLAFCo. Consultant shall obtain no rights to retirement or other benefits that accrue to SJLAFCo's employees, and Consultant expressly waives any claim it may have to any such rights.

11. Interest of Consultant.

A. Consultant represents that neither it nor any employee has any investment or interest in real property, and shall not acquire any such interest, direct or indirect, within the area covered by this Agreement, or any other source of income, interest in real property, or investment that would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further represents that, in the performance of its duties hereunder, no person having any such interest shall perform any services under this Agreement.

B. Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

- (1) will conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation, or counsel independent of the control and direction of the SJLAFCo, or of any SJLAFCo official, other than normal Agreement monitoring; and
- (2) possesses no authority with respect to any SJLAFCo decision beyond the rendition of information, advice, recommendation, or counsel. (FPPC Reg. 18700(a)(2).)

12. Professional Ability of Consultant.

A. SJLAFCo is relying upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

B. The primary provider of the services required by this Agreement shall be Cristy Canieda, Partner – Government Practice Leader. A list of other individuals assigned to the Project will be provided to SJLAFCo for its review and approval, and these individuals shall not be replaced without the SJLAFCo's prior written consent, unless the individuals leave the firm.

13. Compliance with Laws. Consultant shall use the customary standard of care in its profession to comply with all applicable federal, state, and local statutes, codes, ordinances, and regulations.

14. Licenses. Consultant represents and warrants to SJLAFCo that it has all licenses, permits, qualifications, insurance, and approvals that are legally required of Consultant to practice its profession. Consultant represents and warrants to SJLAFCo that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance, and approvals that are legally required of Consultant to practice its profession.

15. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, and hold harmless the SJLAFCo, its officers, officials, agents, employees, and volunteers, from and

against any and all claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all costs and expenses in connection therewith), arising out of Consultant's negligent performance of this Agreement, or Consultant's failure to comply with any of its obligations contained in this Agreement; excluding, however, any claim arising out of the active negligence or willful misconduct of the SJLAFCo, its officers, agents, employees, or volunteers.

16. Insurance Requirements.

A. Job specific insurance requirements can be found on the attached Attachment 4. Other insurance provisions can be found below:

B. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing an A.M. Best's rating of no less than A:VII and shall be endorsed with language substantially as follows:

- (1) The SJLAFCo, its elected and appointed officers, officials, employees, agents and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the Consultant, including materials, parts, or equipment furnished in connection with such work.
- (2) The policy shall be considered primary insurance as respects the SJLAFCo, its elected and appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the SJLAFCo, including any self-insured retention the SJLAFCo may have, shall be considered excess insurance only and shall not contribute with it.
- (3) The insurance shall apply to each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
- (4) The insurer waives all rights of subrogation against the SJLAFCo, its elected and appointed officers, officials, employees, and agents.
- (5) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the SJLAFCo, its elected and appointed officers, officials, employees, agents, or volunteers.
- (6) The insurance provided by the policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after 30 days written notice has been received by the SJLAFCo.
- (7) The SJLAFCo will not accept any endorsements that were issued in 2004. Acceptable endorsement forms are CG 20 10 11 85 or both CG 20 10 10 01 and CG 20 37 10 01.

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the SJLAFCo. At the SJLAFCo's option, Consultant shall demonstrate financial capability for payment of those deductibles or self-insured retentions.

D. Certificates of Insurance. Consultant shall provide to SJLAFCo certificates of insurance with original endorsements as evidence of the required insurance coverage. Certificates of insurance shall be filed with the SJLAFCo on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the SJLAFCo at all times during the term of this Agreement.

17. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to SJLAFCo: San Joaquin Local Agency Formation Commission
1001 W. Center Street
Manteca, CA 95337
Attention: J.D. Hightower, Executive Officer

If to Consultant: Vasquez + Company, LLP_
655 North Central Avenue, Suite 1550
Glendale, CA 91203
Attention: Cristy Canieda, Partner

18. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the SJLAFCo and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in their entirety by this Agreement.

19. Amendments. This Agreement may be amended only by a written document executed by both Consultant and SJLAFCo and approved as to form by the SJLAFCo Attorney.

20. Assignment and Subcontracting. The parties recognize that a substantial inducement to SJLAFCo for entering into this Agreement is the professional reputation, experience, and competence of Consultant. Assignments of any or all rights, duties, or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the SJLAFCo. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of the SJLAFCo. If SJLAFCo consents to such subcontract, Consultant shall be fully responsible to SJLAFCo for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between SJLAFCo and subcontractor nor shall it create any obligation on the part of the SJLAFCo to pay any monies due to any such subcontractor other than as may be required by law.

21. Waiver. Waiver of any breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach or default of the same or any other provision under this Agreement.

22. Severability. If any provision of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

23. Controlling Law; Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California, and any legal action relating to this Agreement shall take place in the Superior Court, County of San Joaquin.

24. Litigation Expenses and Attorneys' Fees. If either party to this Agreement commences any legal action against the other party arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.

25. Mediation. The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and shall divide the costs of mediation equally. If the parties are unable to agree upon a mediator, the dispute shall be submitted to JAMS/ENDISPUTE ("JAMS") or its successor in interest. JAMS shall provide the parties with the names of five qualified mediators. Each party shall have the option to strike two of the five mediators selected by JAMS, and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

26. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy has been signed by both parties.

27. Authority to Enter Agreement. Consultant warrants that it has all requisite power and authority to conduct its business and to execute, deliver, and perform this Agreement. Each party warrants to the other that the signatories to this Agreement have the legal power, right, and authority to enter into this Agreement and to bind each party.

28. Prohibited Interests.

A. Consultant warrants that it has not employed or retained any person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has neither paid nor agreed to pay any person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For any breach or violation of this warranty, SJLAFCo shall have the right to rescind this Agreement without liability.

B. For the term of this Agreement, no member, officer, or employee of SJLAFCo, during the period of his or her service with SJLAFCo, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

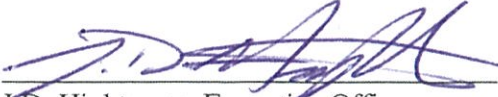
29. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer, and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

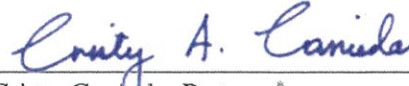
30. Precedence. In case of conflict between Consultant's Proposal/Consultant's attachments and the SJLAFCo's Agreement/SJLAFCo's attachments, the SJLAFCo's Agreement and SJLAFCo's attachments shall take precedence over Consultant's proposal/Consultant's attachments.

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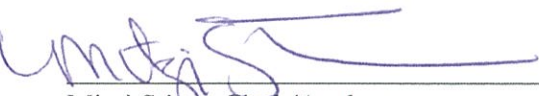
TO EFFECTUATE THIS AGREEMENT, each of the parties has caused this Agreement to be executed by its duly authorized representative as of the date set forth in the introductory paragraph on page 1 above.

**SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSION:
CONSULTANT:**


J.D. Hightower, Executive Officer
San Joaquin LAFCo


Cristy Canieda, Partner *
Vasquez + Company, LLP

ATTEST:


Mitzi Stites, Clerk/Analyst
San Joaquin LAFCo

By: _____
(Signature)

(Type name and title)

ATTACHMENT 1
REQUEST FOR PROPOSAL



Attachment 1

October 2, 2025

Subject: Request for Proposal for Audit Services

Dear Sir or Madam:

The Imperial, Fresno, Riverside, and San Joaquin Local Agency Formation Commissions (LAFCOs) are seeking proposals from qualified independent Certified Public Accounting firms to audit the financial statements of each LAFCOs for the fiscal years ending June 30, 2026, June 30, 2027, June 30, 2028, and June 30, 2029. An option to extend the contract for one additional one-year extension will be considered for firms preparing a superior response. Riverside LAFCO is responsible for coordinating the Request for Proposal (RFP) process.

LAFCOs are state-mandated local governmental agencies charged with the responsibility of making difficult decisions on proposals for new cities, special districts, spheres of influence, and annexations. Each county in California is required to have a LAFCO. Imperial, Fresno, and San Joaquin LAFCOs each have a five (5) member commission. Riverside LAFCO has a seven (7) member commission. Each of the LAFCOs employs between 3 to 5 full-time staff members.

If your firm is interested in being considered for this opportunity, please submit a reproducible digital copy, or a hard copy of a proposal, following the instructions described in the attached RFP, no later than **Friday, November 14, 2025**. If you have any questions regarding the RFP, please do not hesitate to contact me by email at: gthompson@lafco.org or by phone at (951) 369-0631.

Sincerely,



Gary Thompson
Executive Officer
Riverside LAFCO
(951) 369-0631
gthompson@lafco.org

Attachment: Request for Proposal with Exhibits

Attachment 1

IMPERIAL, FRESNO, RIVERSIDE, AND SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSIONS

REQUEST FOR PROPOSAL FOR AUDIT SERVICES

Fiscal Years ending June 30, 2026, 2027, 2028, 2029

I. OBJECTIVE

The Imperial, Fresno, Riverside, and San Joaquin Local Agency Formation Commissions (LAFCO) are seeking proposals from qualified independent Certified Public Accounting firms to audit the financial statements of each LAFCO for the fiscal years ending June 30, 2026, June 30, 2027, June 30, 2028, and June 30, 2029. An option to extend the contract for one additional year will be considered for firms preparing a superior response. An individual audit report shall be prepared for each of the four years – one for Imperial LAFCO, one for Fresno LAFCO, one for Riverside LAFCO, and one for San Joaquin LAFCO.

II. BACKGROUND

Following the end of World War II, California entered a new era of demographic growth and diversity, and economic development. With this growth came the need for housing, jobs and public services. To provide for these services, California experienced a wave of newly formed cities and special districts, but with little forethought as to how the new agencies should plan for services. The lack of coordination and adequate planning for future governance led to a multitude of overlapping, inefficient jurisdictional and service boundaries.

In 1963, the State Legislature created Local Agency Formation Commissions (LAFCOs) to help direct and coordinate California's growth in a logical, efficient, and orderly manner. Each county within California is required to have a LAFCO. LAFCOs are charged with the responsibility of making difficult decisions on proposals for new cities and special districts, spheres of influence, consolidations, and annexations.

A. LAFCO Commission Composition and Staffing

Imperial, Fresno, Riverside, and San Joaquin LAFCOs have a similar composition of their commission, consisting of the following: two members are from the respective county's Board of Supervisors; two members are elected officials from cities within each county; two members are elected officials representing special districts (except Imperial, Fresno, and San Joaquin) located within each county; and one member is selected as a public at-large member from each county.

Each LAFCO has a staff comprised of an Executive Officer, and varying staff positions. Each of the LAFCOs employs between 3 to 5 full-time staff members. All four LAFCOs utilize consultant assistance on a limited basis to supplement staff efforts.

B. Funding for LAFCOs

In 2000, the State Legislature signed into a law the Cortese-Knox-Hertzberg Local Government Reorganization Act which provided more independence for LAFCOs and changed

Attachment 1

the way LAFCOs are funded. Previously, LAFCOs were entirely funded (staffing, facilities, etc.) through their respective counties. Beginning January 1, 2001, State Law requires that LAFCOs be independent of their respective counties, and requires that LAFCO's beneficiaries, the county, cities and special districts, equally share in the funding of LAFCO's budgetary costs.

1. Imperial, Fresno, Riverside, and San Joaquin LAFCO Budgets

Annual operating budgets for the four LAFCOs range from approximately \$700,000 to \$1.4 million (Using FY 2025-26 Budgets). Funding for LAFCO operations is equally shared by the county, the cities and the independent special districts who are within the LAFCO purview, located in each county. Although the counties contribute one-third of the LAFCO funding, each LAFCO is an independent agency and its budget is not subject to their respective County's approval or oversight. Due to available cost saving opportunities, each LAFCO may have entered into various contractual arrangements with their respective county as well as private vendors to provide certain services for LAFCO, including: office facilities, insurance, banking/investment, purchasing, internal auditing and employee benefits. Each LAFCO also participates in the following retirement systems for pension benefits: Imperial (Imperial County Employee Retirement System-ICERS), Fresno (401a Money Purchase Plan- ICMA-RC Administered), Riverside (California Public Employees' Retirement System- CalPERS), and San Joaquin (San Joaquin County Employee Retirement Association- SJCERA).

III. CONTRACT SERVICES

A. Contract Work

The contract is described in the *Scope of Work* enclosed with this RFP as Exhibit A. The work includes completion of four individual audit reports for Imperial, Fresno, Riverside, and San Joaquin LAFCOs (Participating LAFCOs) for Fiscal Years 2025-26, 2026-27, 2027-28, and 2028-29. The audits are to be conducted in accordance with audit standards generally accepted in the United States of America, Government Auditing Standards, issued by the State Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

IV. COST

Proposers shall complete the Pricing Sheet (Exhibit C) which identifies the total of all charges to complete each Task required under the Contract. The participating LAFCOs reserve the right to negotiate the terms, conditions, and prices of the final Contract, in their sole discretion, to achieve the most beneficial work plan and price.

The participating LAFCOs may limit the negotiation, if any, to one or more responsive and responsible Proposers who receive the highest scores in a preliminary scoring of Proposers in accordance with the evaluation criteria set forth in Section X.B. (pg. 8). The negotiation with the Proposer(s) will not result in a change in the rating of the Proposer. The participating LAFCOs may, at their sole discretion, begin Contract negotiations with the next highest rated Proposer who submitted a Proposal, as determined by the participating LAFCOs.

Attachment 1

V. PROJECT SCHEDULE

Time is of essence. Proposers shall submit, as part of its Proposal, a timeline with completion dates, which includes time for review by the four participating LAFCOs for the Imperial, Fresno, Riverside, and San Joaquin counties, for each Task (Project Schedule). The final Project Schedule for the contract work may be negotiated with the Proposer prior to an agreement being recommended to each respective Commission for adoption. The enclosed Project Schedule (Exhibit B) must be completed and submitted with the response to this RFP to be considered complete and responsive. The Project Schedule must identify all Tasks clearly; however it may be modified by Proposers only if needed to include the completion of more detailed subtasks.

VI. PROPOSAL SUBMISSION

A. Acceptance or Rejection of Proposals

The participating LAFCOs: Imperial, Fresno, Riverside, and San Joaquin reserve the right to reject any or all Proposals that are considered nonresponsive. The participating LAFCOs further reserve the right to cancel this Request for Proposals at any time. The participating LAFCOs will not be liable for any costs incurred by any proposers in connection with the preparation and submittal of their Proposal, including where a Proposal is rejected, or the solicitation is cancelled.

B. Altering Solicitation Document

The wording of the solicitation document shall not be changed. Any additions, conditions, limitations, or provisions inserted by the Proposer will render their Proposal irregular and may cause its rejection nonresponsive.

C. Pass/Fail Review: Proposals not meeting all of the requirements listed below may be rejected as nonresponsive:

Submit a Proposal by the deadline noted. The proposal must be time stamped by Riverside LAFCO no later than **Friday, November 14, 2025 at 5:00pm PST** and/or emailed by the deadline. Any Proposal without a LAFCO time stamp or email confirmation verifying that the deadline for submission has been met will be rejected.

Submit a Proposal in the form described in Paragraph D below, including but not limited to the Work Plan, Pricing Sheet, and Project Schedule.

Proposer shall meet all of the following Minimum Requirements to be considered:

1. The firm's licensing, independence with respect to each LAFCO, and results of the most recent peer review.
2. Proposer or the Lead Professional(s) including Partner, Manager, and Senior Auditor assigned to manage the Contract work must demonstrate project oversight

Attachment 1

responsibilities for at least three audits performed for three different public agencies in the State of California, in the past seven years.

3. For those Proposers that have provided audit services to any of the participating LAFCOs, note that it is our general understanding that the same firm may continue providing audit services to the same public agency, as long as the firm rotates the Partner assigned to the agency, every six consecutive years.
4. Proposer or the Lead Professional(s) assigned to manage the Contract work must demonstrate familiarity with public agency audits, including cities, special districts, and other governments.
5. Prior experience of the engagement team in implementation of GASB pronouncements.
6. Proposer or the Lead Professional managing the Contract work must demonstrate experience presenting to governing bodies at public meetings in the past three years.

D. Proposal Format and Content: The Proposal must contain the following information and be presented in an organized fashion.

- a. A Work Plan that describes how the Proposer will meet the requirements of the Scope of Services (Exhibit A). The Work Plan shall include a staffing plan that clearly identifies the Lead Professional(s) responsible for managing the Contract work and any additional staff who will be performing the day-to-day work, including subcontractors and the estimated work hours for each. Note that the Work Plan may identify potential time and cost saving measure(s) proposed to complete the work.
- b. Experience – The Proposal must also describe relevant experience and/or familiarity with local governments' financial statements. The Experience section of the Proposal should describe the Proposer's history as well as the competencies and resumes of the Lead Professionals, staff and subcontractors, who will be involved in the Contract work. This section of the Proposal should include the following:
 - i. Experience of the firm auditing California agencies;
 - ii. Experience performing governmental financial statements and audits;
 - iii. Familiarity with Comprehensive Annual Financial Reports (CAFRs);
 - iv. Ability to facilitate and synthesize input from various stakeholders;
 - v. Ability to interpret various budget documents;
 - vi. Ability to interpret various pension documents, including but not limited to Alternative Measurement Methods and Actuarial Valuation Reports;
 - vii. Familiarity with public input processes and experience handling the presentation and dissemination of public information for review and comment;
 - viii. Experience presenting to governing bodies at public meetings.

Attachment 1

- c. Subcontracting – LAFCO seeks diverse, broad-based participation in its contracting. Subcontractors, if any, shall be subject to all requirements set forth in the RFP that are applicable to the Contractor. If Subcontractors are to be employed, Proposer must submit a statement of their proposed assignments, qualifications, experience, staffing, and availability.
- d. References – Provide a list of at least three (3) client references, preferable from government agencies. The reference list should include the client's/agency's name, address, telephone, email address, and location.
- e. Prior Audits Performed – Provide any relevant website links for audits prepared by the Proposer and Lead Professional(s) (i.e.: Partner, Manager, and Senior Auditor) to include:
 - i. The date and agency the Audited Financial Statements were prepared for;
 - ii. The affected agency and fiscal year financial statements were reviewed;
 - iii. The outcome of the Audited Financial Statements (Firm's Opinion).
- f. Project Schedule – Proposals shall contain the Project Schedule (Exhibit B), which shows the overall timeline for completion of each work Task.
- g. Cost/Pricing – The Proposal must include a Pricing Sheet (Exhibit C) that lists each firm professional working on the Contract work, the estimated number of work hours corresponding to each professional, and the billable hourly rate.
- h. The Pricing Sheet (Exhibit C), must include all costs required for a complete product, including all administrative costs and out of pocket expenses incurred by the firm, if any (i.e.: mileage, copies, postage, etc.)

VII. NOTICE TO PROPOSERS REGARDING THE PUBLIC RECORDS ACT

1. Responses to this solicitation shall become the exclusive property of each respective LAFCO participating in this RFP process. Absent extraordinary circumstances, the recommended Proposer's Proposal will become a matter of public record, when the Proposer recommendation appears on each respective LAFCO's agenda. Exceptions to disclosure are those parts or portions of the Proposals that are justifiably defined as business or trade secrets, and plainly marked by the Proposer as "Trade Secret," "Confidential," or "Proprietary."
2. LAFCO shall not, in any way, be liable or responsible for the disclosure of any such record or any parts thereof, if disclosure is required or permitted under the California Public Records Act or otherwise by law. A blanket statement of confidentiality or the marking of each page of the Proposal as confidential shall not be deemed a sufficient of exemption. The Proposers must specifically label only those provisions of their respective Proposal submission which may be accepted.

Attachment 1

VIII. CONFLICT OF INTEREST

There shall be no Conflict of Interest with the Contractor firm selected. Proposers warrant and covenant that no official or employee of LAFCO, nor any business entity in which an official of any of the participating LAFCOs has an interest, has been employed or retained to solicit or aid in the procuring of the resulting contract, nor that any such person will be employed in the performance of such contract without immediate divulgence of such fact to the participating LAFCOs. Proposers will notify LAFCO of any potential conflict of interest regarding or work or third-party contracts.

IX. SUBMISSION

Riverside LAFCO is coordinating the RFP process on behalf of the participating LAFCOs, therefore, all questions and the Proposal submittals shall be directed to Riverside LAFCO as noted below. *Cost for the preparation, submittal and subsequent work effort or interviews during the review process of Proposals shall be borne by the proposers.*

QUESTIONS:

Questions to the RFP should be directed to Gary Thompson, Riverside LAFCO Executive Officer at gthompson@lafco.org. To ensure a response, questions must be received no later than **Monday, October 20, 2025 (5:00pm PST)**. All questions and responses will be posted to Riverside LAFCO's website at: <https://lafco.org/>

SUBMISSION:

Responses to this RFP must be received no later than the date and time specified below. **Proposals received after the due date and time will not be accepted.** No additional time will be granted to any Proposer to submit a Proposal unless the time is extended to all proposers by the participating LAFCOs through an addendum to this RFP.

DEADLINE:

Proposals must be submitted and received by Riverside LAFCO on or before **Friday, November 17, 2025 (5:00pm PST)**.

NUMBER OF COPIES:

One (1) complete reproducible copy

EMAIL TO:

Gary Thompson, Executive Officer, Riverside LAFCO: gthompson@lafco.org
Crystal Craig, Assistant Executive Officer, Riverside LAFCO: ccraig@lafco.org

Note: Proposals may also be submitted hard copy by mail or hand delivered to Riverside LAFCO, 6216 Brockton Ave, Suite 111-B, Riverside, CA 92506. Please provide a complete reproducible copy by the due date and time.

Attachment 1

X. SELECTION PROCESS:

Participating LAFCOs reserve the sole right to judge the contents of the Proposals submitted pursuant to this RFP and to review, evaluate and select the successful Proposal(s). Each responsive Proposal will be evaluated and scored by an evaluation committee comprised of staff representatives of each participating LAFCO. A final interview may be required. **Final selection of recommended proposing firm is anticipated by February 9, 2026.**

A. Award of Contract

Subject to the right of each respective Commission to make the ultimate decision concerning the award of contracts, the participating LAFCOs intend to recommend award of a Contract to the highest rated Proposer, based on the criteria identified in the following Paragraph B, Evaluation of Proposal. The Proposal presenting the most qualified firm and at the most reasonable price with all other factors evaluated, will be considered the most viable Proposer.

Each participating LAFCO retains the right to select a Proposal other than the Proposal receiving the highest number of points, if the participating LAFCOs determine in their sole discretion, another Proposal is the most qualified, cost-effective, responsive, responsible, and in the best interest of the respective LAFCOs. Proposers shall be advised that individual contracts with each participating LAFCO will be executed and may vary in format or structure.

The recommended awardee shall submit copies of its proof of insurance coverage, within 14 days after each Commission approval of the proposed Contracts or at least 14 days prior to the proposed Contract's start date, whichever occurs last. Work under the proposed Contract cannot begin before proof of valid insurance coverage is submitted to LAFCO.

B. Evaluation of Proposal

1. Participating LAFCOs in their sole discretion, may elect to waive any error or informalities in the form of a Proposal or any other disparity, if, as a whole, the Proposal substantially complies with the RFP's requirements.
2. Participating LAFCOs may utilize the services of appropriate experts to assist in the evaluation process.
3. EVALUATION CRITERIA (MAXIMUM 20 POINTS)
(Rating Scale of 1 to 5, 5 being the highest. Sections i. Cost and iii. Qualifications will represent 67% of the weight of the evaluation criteria. The Project Schedule and Cost will be assigned the remaining 33%, equally).

i. **COST (10 POINTS):**

The proposed cost in the Pricing Sheet (Exhibit C) should accurately reflect the Proposer's cost of providing the required products and services. The maximum fee for the audit of each LAFCO should be provided in the Pricing Sheet format.

Attachment 1

Evaluators may provide higher points based on the following criteria:

- a. Completion of the Pricing Sheet (Exhibit C).
- b. Most economical service.
- c. Potential cost saving alternatives.
- d. Maximum Contract Sum.

ii. WORK PLAN (5 POINTS):

Proposers will be evaluated on the Work Plan submitted. The evaluators may give reduced scores to any Work Plan that omits or fails to sufficiently address any of the items specified Section VI.D. of the RFP (pg. 5), or that fails to clearly identify the Lead Professionals: Partner, Manager, Senior Auditor, and/or subcontractors and the number of estimated work hours for the Lead Professional(s). Evaluation and scoring of the Proposer's Work Plan will be based on the extent to which it demonstrates the Proposer is likely to meet or exceed the performance requirements set forth in Exhibit A, Scope of Services, to demonstrate creativity and innovation that exceed the minimum requirements of the Scopes of Services; to render timely and responsive service to the participating LAFCOs; and to provide a professional level of quality in the services and work product. The highest scores will be awarded to the most comprehensive and detailed Work Plans that are likely to lead the Proposer to exceed minimum requirements.

The evaluators will award higher scores to Work Plans to commit to specific staffing levels that exceed the requirements of the work. Evaluators may provide higher points based on the following criteria:

- a. Availability of Lead Professional(s) including Partner, Manager, and Senior Auditor as well as other staff, and subcontractors, if any.
- b. Organization of Work Plan and Proposal.
- c. Thoroughness of approach to conducting the audit of participating LAFCOs.
- d. Demonstration of understanding of the objectives and scope of the audit.

iii. QUALIFICATIONS AND EXPERIENCE OF PROPOSER, LEAD PROFESSIONAL(S) AND STAFF (10 POINTS):

Proposers will be evaluated on the Experience submitted as part of their Proposal. The evaluators may give reduced scores to any Proposer that omits or fails to sufficiently address any of these items specified in Section VI.D. (pg. 5) of the RFP. Failure to demonstrate the minimum lengths of experience performing the service, as indicated in the Minimum Requirements, may result in rejection of the Proposal as nonresponsive.

The evaluators may award higher points for the higher quality and quantity of experience of the Proposer, its Lead Professional(s), manager, staff, and subcontractors, if any, in providing the required services. Greater weight will be

Attachment 1

given to services provided to agencies of similar size and nature. Evaluators may provide higher points based on the following criteria:

- a. The firms' licensing, independence with respect to participating LAFCOs and results of the most recent peer review (mandatory requirement).
- b. Qualifications of key staff, including the Lead Professional (i.e.: Partner, Manager, Senior Auditor) who will serve LAFCO.
- c. Familiarity with the implementation of current General Accounting Standards Boards (GASB) procurements.
- d. Experience preparing audits for local municipalities.
- e. Reference of local government clients. A minimum of three client references was provided. Proposer listing government agencies as references may be rated higher.
- f. Capabilities in general consulting and compliance auditing.
- g. Experience presenting to governing bodies.

iv. PROJECT SCHEDULE (5 POINTS):

Evaluators may provide higher points based on the following criteria:

- a. Completion of Project Schedule (Exhibit B).
- b. Approach, Scope and Timing of the Audit.
- c. Provide sufficient detail to the firm's approach to the LAFCO audit.
- d. Provide sufficient information of firm's understanding of the objective and scope of the engagement.

v. LAFCO Contact

Firms are encouraged to contact Gary Thompson, Executive Officer, Riverside LAFCO, at gthompson@lafco.org with any questions relating to this RFP or for copies of the LAFCOs' previous audits. For general information about each participating LAFCO, refer to the following websites:

Imperial LAFCO: <https://www.iclafco.com/>

Fresno LAFCO: <https://fresnolafco.org/>

Riverside LAFCO: <http://www.lafco.org/>

San Joaquin LAFCO):

<https://www.sjlafco.org>

Attachment 1

EXHIBIT A SCOPE OF WORK

I. SCOPE OF THE WORK TO BE PERFORMED AND STANDARDS TO BE FOLLOWED

Imperial, Fresno, Riverside, and San Joaquin LAFCOs desire their General Purpose Financial Statements (GPFS) to be prepared by Independent Auditors and be fully compliant for GASB pronouncements and then-current accounting/audit requirements and standards for the fiscal years ending June 30, 2026, 2027, 2028, and 2029.

The following is a summary of the scope of the audit of previous LAFCOs for the previous fiscal years:

1. The audit firm will perform an audit of all funds of participating LAFCOs. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States. The audit will be in full compliance with GASB pronouncements and then-current accounting/audit requirements and standards for the fiscal year being audited. The audit firm will render their auditors' report on the basic financial statements which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to the General Fund and each major fund of the agency.
2. The audit firm shall issue a separate "management letter" that includes recommendations for improvements in internal control that are considered to be non-reportable conditions.

Each participating LAFCO staff will provide normal cooperation and assistance during the audit including the distribution of audit confirmation letter requests, referral to the appropriate person and/or department for supporting documents and reconciliations of major asset and liability balances. Each participating LAFCO will have the option to prepare the MD&A and transmittal letters based on a template supplied by the audit firm, or have the audit firm prepare the MD&A on behalf of management. The cost of the word processing the MD&A shall be included in the cost proposal. The format of supporting documents provided by each participating LAFCO is at the discretion of each participating LAFCO. All other information and financial statements are the responsibility of the audit firm.

All working papers and reports are to be retained at the auditors' expense for a minimum of three years. The audit firm will be responsible for making working papers available to each participating LAFCO or any other appropriate government agency.

II. TIMETABLE OF DELIVERABLE REPORTS

The audit firm shall be responsible for the preparation and word processing of the following financial statements:

Attachment 1

<u>Report Description</u>	<u>Number of Copies</u>	<u>Deadline</u>
General Purpose Financial Statements (GPFS)	One (1) reproducible copy	3rd week in January annually

A draft copy of each financial statement should be delivered to the LAFCO Executive Officer for the specific LAFCO for review approximately 21 days prior to the deadlines noted above. Deadlines for delivery of draft and final financials statements may vary for each LAFCO referenced in this RFP and would be specified in the contract between the firm selected and each participating LAFCO.

This information should be included in Exhibit B, Project Schedule.

III. TIMETABLE OF AUDIT WORK TO BE PERFORMED

It is expected that participating LAFCOs books will be closed and ready for audit between August 1- November 1 of each year depending on practices of each participating LAFCO for that year. The audit fieldwork should begin no earlier than the date of the closing of the books and be complete in time to meet the January deadline of each year. At the discretion of each participating LAFCO, the appropriate staff from the audit firm may be requested to present the audit report to the Commission during a public meeting.

A few of the participating LAFCOs have the same meeting schedule. Please describe your best approach to address the time conflict.

IV. PROPOSAL CONTENT REQUIREMENTS

The following material is requested to be received by the proposal due date or the firm will not be considered:

1. **Title Page** - The title page shall show the proposal subject, the firm's name and contact person and the firm's California CPA License Number and firm's Federal Identification Number.
2. **Cover Letter** - The cover letter should briefly state the proposer's understanding of the work to be performed, the commitment to perform the work in the required time frame and statements as to why the firm believes it is best qualified to perform the engagement. The cover letter should also make a statement that the firm's offer is a firm, irrevocable offer for 60 days. The cover letter should indicate whether the firm is independent with respect to each participating LAFCO and that the firm is an Equal Opportunity Employer.
3. **Table of Contents**
4. **Proposer's Qualifications** - The audit firm should set forth the following:
 - A. **Qualifications and Related Experience of the Personnel Who Will Serve each**

Attachment 1

participating LAFCO - Resumes of the Partner, Manager and Senior Auditor should be included. Resumes should include all relevant experience, education and CPA licenses and continuing education of the individuals over the past 3 years.

- B. Prior Experience Auditing Cities, Independent Special Districts and Other Local Governments** - Sufficient information should be provided regarding current local government audit clients, and date that the client has been served. Information should be provided regarding clients that the firm serves that have received the CSMFO and GFOA awards.
- C. Assistance in Implementation of GASB No. 34 and Other GASB Pronouncements** - Set forth your understanding of this accounting pronouncement and provide information on clients that you have assisted to date in implementing GASB No. 34 and other GASB Pronouncements.
- D. References of Local Government Clients** - Provide a listing of at least three municipal clients for which the firm's local or satellite office serves.
- E. Capabilities in General Consulting and Compliance Auditing** - Provide any other information regarding general consulting and special audits provided by the firm.

5. Approach, Scope and Timing of the Audit

- A. Provide in sufficient detail the firm's approach to LAFCO type audits**, including procedures to be performed, tasks to be accomplished under GASB No. 34 and other GASB pronouncements, tasks required as a part of the A-133 single audit, extent to which statistical sampling is to be used in the engagement, type and extent of use of software in the audit engagement, analytical procedures that may be used, the approach to be taken to gain and document an understanding of LAFCO's general internal control structure, the approach to be taken in drawing audit samples for purposes of compliance testing, the consideration of laws and regulations, assistance required from participating LAFCO staff and proposed segmentation of the audit. Segmentation of the audit should include breakdown of hours required to perform the audit by classification and in total for the planning and interim, GASB #34 and other GASB pronouncements implementation, final audit procedures including CAFR and reports preparation.
- B. Provide sufficient information of your firm's understanding of the Objectives and Scope of the Engagement** - Specifics shall be provided of the auditing standards to be followed and reports to be issued by the audit firm.

6. Hourly Rates

Hourly Rates of the Firm's Employees shall be provided by the firm for services which may be requested outside the scope of the audits in Exhibit C, Pricing Sheet.

Attachment 1

7. Maximum Fee

The maximum fee for the audit of each LAFCO shall be provided in the Pricing Sheet format. The fees shall be inclusive of any out of pocket expenses incurred by the audit firm. All proposals shall contain provisions to the effect that in the event that extraordinary circumstances warrant more intensive and detailed services beyond those in the contractual agreement, the firm shall provide in writing and in advance, reasons for the additional services together with the firm's estimate of costs, as a statement that no work will be performed without advance approval by each individual applicable LAFCO. Any and all additional work as agreed to in advance by an individual LAFCO shall be compensated at the same rate quoted in the schedule submitted in the proposal.

8. Other Information Required in Proposal

The Auditing Firm shall provide a copy of its most recent Peer Review together with the California Society of CPA's acceptance of such peer review. The auditing firm shall make a positive statement that it has the required insurance policies in force in amounts of coverage for not less than \$1,000,000 per occurrence or accident for each of the following: Professional Liability (Errors & Omissions), Workers Compensation and Employer's Liability, Comprehensive General Liability and Bodily Injury Insurance, and Automobile Liability (Owned and Non-Owned) and Property Damage Insurance. Prior to any commencement of audit services, the auditor will be required to provide certificates of insurance coverage to each participating LAFCO.

The auditing firm shall make a positive statement that it will not delegate or subcontract its responsibilities without prior written consent of the participating LAFCO.

Attachment 1

EXHIBIT B PROJECT SCHEDULE

FRESNO LAFCO

Project Schedule		
Tasks	Projection Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	
Kickoff Meeting	Intro. Firm staff to LAFCO	
Management Engagement Letters	Made available to LAFCO Staff	
PBC List Distribution	Made available to LAFCO Staff	
Fieldwork	On-site/Remote	
Draft Audit for Staff		
Auditor revising document		
Final Audit for Commission		
Commission Meeting		

IMPERIAL LAFCO

Project Schedule		
Tasks	Projection Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	
Kickoff Meeting	Intro. Firm staff to LAFCO	
Management Engagement Letters	Made available to LAFCO Staff	
PBC List Distribution	Made available to LAFCO Staff	
Fieldwork	On-site/Remote	
Draft Audit for Staff		
Auditor revising document		
Final Audit for Commission		
Commission Meeting		

RIVERSIDE LAFCO

Project Schedule		
Tasks	Projection Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	
Kickoff Meeting	Intro. Firm staff to LAFCO	
Management Engagement Letters	Made available to LAFCO Staff	
PBC List Distribution	Made available to LAFCO Staff	
Fieldwork	On-site/Remote	
Draft Audit for Staff		
Auditor revising document		
Final Audit for Commission		
Commission Meeting		

Attachment 1

SAN JOAQUIN LAFCO

Project Schedule		
Tasks	Projection Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	
Kickoff Meeting	Intro. Firm staff to LAFCO	
Management Engagement Letters	Made available to LAFCO Staff	
PBC List Distribution	Made available to LAFCO Staff	
Fieldwork	On-site/Remote	
Draft Audit for Staff		
Auditor revising document		
Final Audit for Commission		
Commission Meeting		

***Include any additional tasks, as you feel appropriate and necessary.**
These schedules are subject to negotiation with each respective LAFCO.

Attachment 1

EXHIBIT C PRICING SHEET

LAFCO	Description of Services	Estimated Hours	Year Ended June 30				1-yr option to extend
			2026	2027	2028	2029	
1. <u>Fresno</u>	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.						
	Option to prepare the Management and Discussion Analysis (MD&A) on behalf of management.						
Maximum Not to Exceed Amount							
2. <u>Imperial</u>	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.						
	Option to prepare the Management and Discussion Analysis (MD&A) on behalf of management.						
Maximum Not to Exceed Amount							
3. <u>Riverside</u>	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.						
	Option to prepare the Management and Discussion Analysis (MD&A) on behalf of management.						
Maximum Not to Exceed Amount							

Attachment 1

LAFCO	Description of Services	Estimated Hours	Year Ended June 30				1-yr option to extend
			2026	2027	2028	2029	
4. <u>San Joaquin</u>	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.						
	Option to prepare the Management and Discussion Analysis (MD&A) on behalf of management.						
Maximum Not to Exceed Amount							

Hourly Rates:

Classification	Hourly Rate	Estimated No. of Hours
Partner		
Manager		
Senior Auditor		
Senior Accountant		
Staff Accountant		

ATTACHMENT 2
CONSULTANT'S PROPOSAL

Attachment 2

Proposal to Provide Audit Services

Riverside LAFCO

Submitted by:

Cristy A. Canieda, CPA, CGMA
Partner, Government Practice Leader
Vasquez & Company LLP
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
Tel: (213) 873-1720
Fax: (213) 873-1777
Email: ccanieda@vasquezcpa.com

Firm's California CPA License Number: 6286
Firm's Federal Identification Number: 33-0700332

November 14, 2025



Attachment 2



655 N. Central Avenue
Suite 1550
Glendale, CA 91203

www.vasquez.cpa

213-873-1700
OFFICE

LOS ANGELES
SAN DIEGO
IRVINE
SACRAMENTO
FRESNO
PHOENIX
LAS VEGAS
MANILA, PH

2. Cover Letter

November 14, 2025

Gary Thompson

Executive Officer

Riverside LAFCO

6216 Brockton Avenue, Suite 111-B

Riverside, CA 92506

RE: Vasquez & Company LLP Proposal to Provide Audit Services to Riverside LAFCO

Vasquez & Company LLP ("Vasquez," "we," "us," or "our") is pleased to submit our proposal to the Imperial, Fresno, Riverside, and San Joaquin Local Agency Formation Commissions (collectively the, "Riverside LAFCOs," "LAFCOs," "you," "your") to audit its financial statements for the 4 fiscal years ending June 30, 2026, June 30, 2027, June 30, 2028, and June 30, 2029, with option to extend the contract for 1 additional year for firms with a superior response.

Firm's Understanding of Work to be Performed

Our understanding of the scope of services is as follows:

- Perform an audit and render an auditor's report on the basic financial statements of the LAFCOs in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.
 - As part of our audit, we will render a report on the basic financial statements and apply limited audit procedures to Management's Discussion and Analysis (MD&A), if provided and required supplementary information pertaining to the General Fund and each major fund of the LAFCOs.
 - We will render our auditor's reports on the LAFCOs' internal control over financial reporting and compliance with relevant laws and regulations and other matters based on our audit of the financial statements.
 - Prepare and word-process the LAFCOs' Financial Report in accordance with the requirements of GASB standards.
- Issue a Management Letter that includes recommendations for improvements in internal control, accounting procedures, and other significant observations that are considered to be non-reportable conditions.
- Provide guidance on implementing new GASB requirements and specifics of Federal and State of California regulations pertaining to local government financial reporting.

Upon request and specifically after our audits, we will be pleased to make a presentation to the LAFCOs Commission, during which we will discuss our audit approach, scope, and results. We pride ourselves on our ability to convey complex information in an informative fashion, free of bias, such that Management and the LAFCOs Commission can evaluate the significance of the information and determine action plans as may be appropriate.

Management can be assured that our audits will be performed in accordance with the following:

- Generally accepted auditing standards in the United States of America.
- The standards applicable to financial audits contained in the most current version of the *Government Auditing Standards*, issued by the Comptroller General of the United States.



Attachment 2

Why Vasquez?

Experienced Firm:

- Experienced in serving the financial and compliance needs of over 80 municipalities and special districts in California.
- Experience assisting government agencies achieve the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

Experienced Leaders:

Our leadership team makes us uniquely qualified to provide the services requested by the LAFCOs. The team brings extensive expertise in providing audit services to governmental entities. Each member of our proposed engagement team specializes in key areas, including compliance and financial reporting. These specialties are set to ensure thorough and accurate assessments. Our proposed leadership team consists of:

- Cristy A. Canieda, Vasquez Partner and Government Practice Leader, formerly with PwC, will lead our delivery of services to the LAFCOs. She will direct and supervise the auditors in performing the engagement, review the audit results, and provide technical expertise as appropriate.
Cristy's experience includes the City of Baldwin Park, City of Carson, City of West Hollywood, City of Modesto, City of Simi Valley, City of Moreno Valley, City of Culver City, City of Temecula, City of Mission Viejo, City of Healdsburg, City of Norwalk, City of Torrance, Los Angeles County Metropolitan Transportation Authority (LACMTA), Southern California Association of Governments, San Gabriel Valley Council of Governments, San Joaquin Valley Library System, and Local Agency Formation Commission (LAFCO) for Los Angeles County, among others.
- Roger Martinez, Vasquez Partner and Audit Practice Leader, formerly with KPMG, will act as the engagement quality control reviewer and objectively evaluate the engagement team's significant judgments and conclusions in formulating the auditor's report for the LAFCOs.
Roger's experience includes the City of Long Beach, City of Vernon, City of Norwalk, City of La Puente, City of Huntington Park, City of El Monte, Los Angeles Water and Power, Metropolitan Water District of Southern California, San Gabriel Basin Water Quality Authority, Los Angeles World Airports, Port of Los Angeles, Los Angeles County Metropolitan Transportation Authority (LACMTA), Southern California Regional Rail Authority, San Joaquin Transit Agency, SunLine Transit Agency, and San Gabriel Valley Council of Governments, among others.

Our Internal Control-Based Audit Approach:

- Our professionals, with extensive experience in performing financial and compliance audits of local municipalities and other public agencies in California, will bring an unbiased, fresh perspective to the LAFCOs' systems, operations, and practices. Our experience will allow us to assess your risk and compare your existing policies and practices to those used by other efficient, reputable agencies. We will focus on the critical areas of your operations.
- Our audit approach is unique in evaluating and testing key internal accounting controls rather than merely performing substantive tests. This approach provides critically important information to the LAFCOs management about the effectiveness of its internal controls

Communication with the LAFCOs:

- We will hold regularly scheduled status meetings to keep you abreast of our progress.
- We will provide you with meaningful status reports.
- We will take a proactive approach to develop practical solutions to identified challenges.
- Team members, including the engagement and quality control partners, will be available year-round.

Attachment 2



Riverside LAFCO
November 14, 2025
Page 3

Addressing Critical Accounting Matters:

Recognizing that your interests are best served by highly qualified, knowledgeable, and trained accountants and auditors, we offer our staff and our clients:

- Frequent training in current technical matters and subjects of importance to local governments' finance, accounting, and auditing aspects, such as new GASB standards and OMB requirements.
- Specifics of Federal and State of California regulations about local government accounting, reporting, and compliance.

Timeliness:

- We understand and appreciate the importance of adhering to agreed-upon timelines and meeting deadlines.
- We structure our audit approach to recognize issues early, plan for the orderly completion of our work, and avoid end-of-audit surprises.
- We commit to performing the work within the agreed timeframe.

New GASB Pronouncement Experience:

- Our team has assisted clients in adopting applicable Governmental Accounting Standards Board (GASB) statements.
- Our firm assists clients in assessing their readiness to implement the new standards and guiding them through the implementation.

Providing an Effective and Efficient Audit:

Our risk-based approach, high-caliber management team, and experienced staff ensure that critical issues are not overlooked but promptly identified, communicated to you, and resolved to the LAFCOs' satisfaction.

Affirmations:

- Vasquez meets all the minimum requirements to be considered:
 - Vasquez possesses the firm licensing and meets the independence requirements with respect to the participating LAFCOs, in addition to meeting the minimum requirements of our most recent peer review.
 - Vasquez's proposed engagement team has maintained oversight responsibilities for more than least three audits performed for three different public agencies in the State of California in the past seven years.
 - Vasquez's proposed engagement team maintains familiarity with public agency audits, including cities, special districts, and other governments.
 - Vasquez's proposed engagement team has prior experience in the implementation of GASB pronouncements.
 - Vasquez's proposed engagement team has experience presenting to governing bodies at public meetings within the past three years.
- Vasquez offer is a firm and irrevocable offer for sixty (60) days.
- Vasquez is independent with respect to each participating LAFCOs.
- Vasquez is an Equal Opportunity Employer.
- Vasquez has the required insurance policies in force as identified in the RFP.
- Vasquez will not delegate or subcontract its responsibilities without prior written consent of LAFCOs.

Attachment 2



Riverside LAFCO
November 14, 2025
Page 4

I, Cristy A. Canieda, Partner with Vasquez, am entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the LAFCOs. Vasquez is committed to providing the LAFCOs with the highest customer service, and we trust that you will find us qualified to provide the LAFCOs with professional financial statement auditing services. If you have any questions or need further assistance, please contact me using the information provided below.

VASQUEZ & COMPANY LLP

Cristy Canieda
Partner – Government Practice Leader
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
Tel.: 213-873-1720
Email: ccanieda@vasquezcpa.com

Attachment 2

3. Table of Contents

2. Cover Letter	1
3. Table of Contents.....	5
4. Proposer's Qualifications	6
A. Qualifications and Experience of Personnel Who Will Serve Each Participating LAFCO.....	6
B. Prior Experience Auditing Cities, Independent Special Districts, and Other Local Governments.....	19
C. Assistance in Implementation of GASB No. 34 and Other GASB Pronouncements	21
E. Capabilities in General Consulting and Compliance Auditing	22
5. Approach, Scope, and Timing of Audit	24
A. Firm's Approach to LAFCO Type Audits	24
B. Firm's Understanding of Objectives and Scope of Engagement.....	34
6. Hourly Rates	36
7. Maximum Fee	37
8. Other Information Required in Proposal	39

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

6

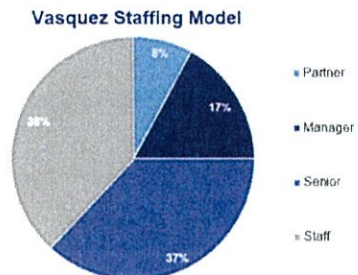
4. Proposer's Qualifications

A. Qualifications and Experience of Personnel Who Will Serve Each Participating LAFCO

Our senior engagement team members are responsible for ensuring the delivery of quality work. They will engage in regularly scheduled meetings with you, answer questions, provide guidance, and help ensure issues are identified and resolved promptly.

Vasquez has built its reputation on close partner involvement and strong client relationships. However, the ultimate success of our client relationships is largely attributable to one key component – our people. Our engagement teams are structured with extensive partner involvement. As a result, our average partner-to-staff leverage ratio is higher than most other firms. As a result, our budgeted hours include higher partner involvement than what you may have experienced in the past.

Beyond partner leadership and support, an audit is only as good as the people doing the bulk of the work daily. Therefore, we are committed to providing a staff resource pool that embodies the attributes you expect of your auditor, including technical expertise in GASB, knowledge of government and utility industries, and soft skills such as respect, empathy, and timely response to questions.



Continuing Professional Education Program

To ensure that our professional staff remains up to date on the latest audit and accounting developments and meets the requirements for maintaining active licensure in good standing, we see that our professional staff receives the required number of CPE hours within the established period. Vasquez also conducts in-house seminars for the professional staff.

Our team is held to a high standard of quality; we offer the following CPE Programs for our staff:

- Continuing Education courses provided by the American Institute of Certified Public Accountants (AICPA), which the firm sponsors live and in-house for its staff and clients, conducted by highly qualified professionals.
- Attendance at conferences and seminars related to government accounting sponsored by:
 - Government Finance Officers Association
 - Association of Local Government Auditors
 - California Society of Municipal Finance Officers

Engagement Team

A synopsis of the team members and their respective roles, followed by their resumes, is as follows:

Team Member	Role
Cristy A. Canieda, CPA, CGMA Lead Partner License No.: 97674	Cristy Canieda, Vasquez Government Practice Leader, <u>with over thirty (30) years of public accounting experience</u>, will lead the service delivery team and supervise the auditors in performing the audit engagement and provide technical assistance as appropriate. Cristy oversees all the firm's local government audit engagements and serves as a Technical Reviewer for the GFOA Certificate of Excellence in Financial Reporting Program. Cristy's audit experience includes the City of Baldwin Park, City of Carson, City of West Hollywood, City of Modesto, City of Simi Valley,



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+ COMPANY LLP

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

7

Team Member	Role
	City of Moreno Valley, City of Culver City, City of Temecula, City of Mission Viejo, City of Healdsburg, City of Norwalk, City of Torrance, Los Angeles County Metropolitan Transportation Authority (LACMTA), Southern California Association of Governments, San Gabriel Valley Council of Governments, San Joaquin Valley Library System, and Local Agency Formation Commission (LAFCO) for Los Angeles County. CANIEDA, CRISTY ANGULO LICENSE NUMBER: 97674 LICENSE TYPE: CERTIFIED PUBLIC ACCOUNTANT LICENSE STATUS: CLEAR ☒ EXPIRATION DATE: JANUARY 31, 2026 SECONDARY STATUS: N/A CITY: GLENDALE STATE: CALIFORNIA COUNTY: LOS ANGELES ZIP: 91203 
Roger A. Martinez, CPA Quality Control Partner License No.: 81467	Roger Martinez, Vasquez Audit Practice Leader, <u>with over twenty-five (25) years of public accounting experience</u>, will be responsible for the technical review of the engagement and will work closely with the Lead Partner to review and evaluate the audit fieldwork and reports. City of Long Beach, City of Vernon, City of Norwalk, City of La Puente, City of Huntington Park, City of El Monte, Los Angeles Water and Power, Metropolitan Water District of Southern California, San Gabriel Basin Water Quality Authority, Los Angeles World Airports, Port of Los Angeles, Los Angeles County Metropolitan Transportation Authority (LACMTA), Southern California Regional Rail Authority, San Joaquin Transit Agency, SunLine Transit Agency, and San Gabriel Valley Council of Governments, among others. MARTINEZ, ROGER ALEXANDER LICENSE NUMBER: 81467 LICENSE TYPE: CERTIFIED PUBLIC ACCOUNTANT LICENSE STATUS: CLEAR ☒ EXPIRATION DATE: JUNE 30, 2027 SECONDARY STATUS: N/A CITY: GLENDALE STATE: CALIFORNIA COUNTY: LOS ANGELES ZIP: 91203 
Rhoda Dollaga, CPA Senior Audit Manager License No.: 135694	Rhoda Dollaga, Vasquez Senior Audit Manager, <u>with nine (9) years of public accounting experience</u>, will work closely with the Lead Partner to plan, coordinate, and review the fieldwork for the annual financial and compliance audits. In addition, she will manage the day-to-day activities and task accomplishments, monitor progress, and ensure schedule compliance. Rhoda's audit experience includes the City of Baldwin Park, City of Carson, City of West Hollywood, City of Modesto, City of Simi Valley, City of Moreno Valley, City of Norwalk, City of Vernon, and San Joaquin Valley Library System. DOLLAGA, RHODA MAE SHEEN LICENSE NUMBER: 135694 LICENSE TYPE: CERTIFIED PUBLIC ACCOUNTANT LICENSE STATUS: CLEAR ☒ EXPIRATION DATE: DECEMBER 31, 2025 SECONDARY STATUS: N/A CITY: DELANO STATE: CALIFORNIA COUNTY: KERN ZIP: 93215 

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

8

Team Member	Role
Jason Tagasa, CISA IT Audit Senior Manager License No.: 19153674	Jason Tagasa, Vasquez IT Audit Senior Manager, formerly with EY, <u>with over ten (10) years of experience in IT consulting and auditing</u>, will perform audit procedures pertaining to the City's financial systems and Information Technology. Jason's IT risk-based controls assessment approach for evaluating and testing internal controls provides added assurance to management and the Governing Board. ISACA Certification Verification on 05 March 2025 Name: Jason Tagasa Status: Active Certification Type: CISA Certification Number: 19153674 Date Certified: 11 January 2019 Expiration Date: 31 December 2025
Kimberly Kabigting Senior Audit Associate	Kimberly Kabigting, Vasquez Senior Audit Associate, formerly with PwC, <u>with six (6) years of public accounting experience</u>, will work closely with the engagement team to coordinate the engagement and do the fieldwork.

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

9



CRISTY A. CANIEDA, CPA, CGMA
Partner, Government Practice Leader

Tel: 213-873-1720

Email: ccanieda@vasquezcpa.com

Areas of Expertise

Cristy's areas of expertise include overseeing all aspects of financial and compliance audits including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Federal Uniform Guidance, program specific audits, financial statement reviews, forecasts and projections to government agencies; preparation of comprehensive annual financial reports, State Controller's reports.

Representation of Experience

- City of Baldwin Park
- City of Carson
- City of Culver City
- City of El Monte
- City of Hawthorne
- City of Huntington Park
- City of Long Beach
- City of Lynwood
- City of Montebello
- City of Moreno Valley
- City of Norwalk
- City of Pico Rivera
- City of Simi Valley
- City of Torrance
- City of West Hollywood
- Coachella Valley Association of Governments
- Community Development Commission of Los Angeles County
- Imperial County Local Transportation Authority
- Jurupa Community Special District
- La Habra Heights Water District
- La Puente Valley County Water District
- Los Angeles Community College District
- Los Angeles County Metropolitan Transportation Authority
- Orange County Water District
- Rancho California Water District
- San Gabriel Valley Council of Governments
- Southern California Association of Governments
- SunLine Transit Agency
- Upper San Gabriel Valley Municipal Water District
- Water Replenishment District of Southern California

Professional Background and Affiliations

Cristy's professional background includes Diehl, Evans & Company and Audit Manager and Manager, Tech. Standards and Continuing Education with PwC. She is a Certified Public Accountant licensed to practice in the State of California.

Educational Background

Cristy received her Bachelor of Science in Accountancy and Associate in Government Auditing from Enverga University and her Master's in Business Administration from Ateneo Graduate School of Business. She remains current on accounting matters by attending conferences and continuing education courses which are heavily focused on subjects applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. She maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

10

Continuing Professional Education

Following are relevant continuing professional education courses completed by Cristy A. Canieda in the past three (3) years:

Title	Subject Code	Date
2025 Government and Nonprofit Accounting Updates Seminar	GV	06/10/2025
2025 GAQC Annual Required Webcast	AA	05/08/2025
BDO Alliance Conference	AA	05/04/2025-05/07/2025
CalCPA Annual Governmental Accounting and Auditing Conference	GV	04/23/2025-04/24/2025
2025 CSMFO Conference	AA	02/18/2025-02/21/2025
AICPA Townhall Series	AA	01/30/2025
GAQC 2025 Single Audit Lightning Round	AA	01/28/2025
Common Quality Issues in State and Local Government Financial Statement Audits	GV	10/24/2024
Public Sector: Auditing Alternative Investments	AA	06/19/2024
State and Local Government: Review of New Audit Templates	AA	04/02/2024
Audit Documentation	AA	03/01/2024
2024 Government & Nonprofit Updates	AA	02/15/2024
RSM Audit Methodology Refresher	AA	02/09/2024
2024 CSMFO Conference	AA	01/30/2024-02/01/2024
Fraud Auditing and Investigation	Fraud	01/27/2024
Ethics for California CPAs	Ethics	01/21/2024
Audit Year-End Audit Alert	AA	12/12/2023
Accounting and Auditing for Lessors Under ASC 842, Leases	AA	10/19/2023
Q3 State and Local Governments A&A Updates – 2023	GV	10/10/2023
Government Audit Reviewers' Training	GV	09/14/2023

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

11



ROGER A. MARTINEZ, CPA

Partner, Audit Practice Leader

Tel: 213-873-1703

Email: ram@vasquezcpa.com

Areas of Expertise

Roger's areas of expertise overseeing all aspects of financial and compliance audits including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program-specific audits, financial statement reviews, and forecasts to government agencies.

Representation of Experience

- City of Long Beach
- City of Vernon
- City of Adelanto
- City of Cudahy
- City of El Monte
- City of Huntington Park
- City of Norwalk
- City of La Puente
- University of California System
- Alameda Corridor – East Construction Authority
- Alameda Corridor Transportation Authority
- California State University System
- California State Teachers' Retirement System
- California State Treasurer's Office
- Los Angeles County Employees Retirement Association
- Los Angeles County Metropolitan Transportation Authority
- Los Angeles Unified School District
- Los Angeles Water and Power
- Los Angeles World Airports
- Los Angeles Community College District
- Metropolitan Water District of Southern California
- Port of Los Angeles
- San Gabriel Valley Council of Governments
- San Gabriel Basin Water Quality Authority
- San Joaquin Transit Agency
- Southern California Regional Rail Authority
- SunLine Transit Agency

Professional Background and Affiliations

Roger is a member of the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants, the Los Angeles Chamber of Commerce, and the Association of Latino Professionals in Finance and Accounting. He has held many board memberships with private companies and nonprofit organizations. He is currently on the Advisory Board for the Salvation Army and Los Angeles County Medical Association.

Educational Background

Roger received his Bachelor of Arts, Major in Economics and Minor in Accounting from the University of California, Los Angeles. He remains current on accounting matters by attending conferences and continuing education courses applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. He maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

12

Continuing Professional Education

Following are relevant continuing professional education courses completed by Roger A. Martinez in the past three (3) years:

Title	Subject Code	Date
Private Entity Reporting-Mid-Year Insights	AA	08/20/2025
Navigating Compliance and Risk: Understanding the New Administration's Tariffs	AA	07/29/2025
2025 Compliance Supplement and Single Audit Update	GV	07/21/2025
Fraud 101 - Misappropriations	Fraud	06/27/2025
Professional Conduct and Ethics Dealing with Ethical Crises 2024-2025	Ethics	06/25/2025
Governmental Accounting and Auditing Virtual Conference 2025	GV	06/24/2025
2025 Government and Nonprofit Updates Training	GV	06/10/2025
2025 Government and Nonprofit Updates Training	AA	06/10/2025
Proactive Issues in Assurance Quality Management	AA	05/07/2025
Annual GASB Update	AA & GV	05/06/2025
Annual Yellow Book Update	AA	05/06/2025
Annual Single Audit Update	AA	05/06/2025
ASC 740 Update	AA	05/06/2025
2025 Governmental Audit Quality Center Annual Update Webcast	AA & GV	04/23/2025
Refresher on Test Controls Training	AA	03/11/2025
Q1 2025 Quarterly Sustainability Webcast	AA	03/05/2025
AICPA & CIMA Portfolio Valuation Forum	AA	06/13/2024
Audit Documentation Refresher	AA	03/01/2024
2025 Government and Nonprofit Updates Training	AA	02/15/2024
2025 Government and Nonprofit Updates Training	GV	02/15/2024
2024 Government and Nonprofit Updates Training	AA	02/01/2024
Prospective Financial Information: Are You Doing Enough Due Diligence	AA	07/25/2023
Fraud Prevention	Fraud	06/30/2023
Ethics for CA CPAs	Ethics	06/30/2023
Introduction to Governmental Audit and Accounting Issues	GV	06/29/2023
Governmental Funds and Proprietary Funds (Yellow Book Compliant)	GV	06/28/2023
41th Annual SEC and Financial Reporting Institute Conference - Panel 3: SEC Enforcement Update	AA	06/01/2023
41th Annual SEC and Financial Reporting Institute Conference - Panel 5: Forecasting in a Fog - Practical Advice for Estimating in Today's Uncertain Environment	AA	06/01/2023

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

13



RHODA DOLLAGA, CPA

Audit Senior Manager

Tel: 213-873-1700

Email: rdollaga@vasquezcpa.com

Area of Expertise

Rhoda's practice is focused on participation in all aspects of financial and compliance audits, including internal control reviews, Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program-specific audits, indirect cost plan, and preparation of annual comprehensive financial reports and State Controller's reports.

Representation of Experience

- City of Baldwin Park
- City of Cudahy
- City of El Monte
- City of Long Beach
- City of Modesto
- City of Montebello
- City of Norwalk
- City of Palos Verdes Estates
- City of San Fernando
- City of Simi Valley
- City of South El Monte
- City of Vernon
- City of West Hollywood
- Los Angeles Community College District
- San Gabriel Basin Water Quality Authority
- Water Replenishment District of Southern California

Educational Background

Rhoda received her Bachelor of Science in Accounting from the University of the East. She remains current on accounting matters by attending conferences and continuing education courses focused on governmental accounting and financial reporting, federal and state regulatory matters, and auditing requirements. She has maintained compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

14

Continuing Professional Education

Following are relevant continuing professional education courses completed by Rhoda Dollaga in the past three (3) years:

Course Title	Subject Code	Date
Quarterly Accounting Update – Fall 2025 (45730)	AA	10/14/2025
A Fresh Look at Component Units of State & Local Government Entities	GV	10/07/2025
GFOA's Best Practices Forum	AA & GV	09/15/2025
What Every CPA Should Know About Fraud 25-26 (132207)	Fraud	08/26/2025
Local Government Planning	GV	08/15/2026
2025 OMB Compliance Supplement and Single Audit Update	GV	07/21/2025
Group Audits (Non-PCAOB) – Part 1 (Client Acceptance/Planning) (41488)	GV	06/17/2025
Auditing – Interim Testing (42088)	AA	06/17/2025
2025 Government and Nonprofit Accounting Updates Seminar	GV	06/10/2025
Compliance – Evaluation of Risk and Performing Test Controls (60816)	GV	05/21/2025
Group Audits of State & Local Government Entities (62570)	GV	05/13/2025
2025 Annual Required GAQC Webcast	GV	05/08/2025
Q1 State Local Governments A&A Updates – 2024 (61147)	GV	05/06/2025
CSMFO Annual Conference 2025	GV	02/21/2025
Q4 Quarterly Accounting Update – Winter 2025 (45631)	GV	01/08/2025
Q4 Not-for-Profit A&A Updates – 2024 (61547)	GV	01/07/2025
Q4 State Local Governments A&A Updates – 2024 (61558)	GV	01/06/2025
Common Quality Issues in State and Local Government Financial Statement Audits	GV	10/24/2024
Q3 State Local Governments A&A Updates – 2024 (61557)	GV	10/14/2024
Q2 State Local Governments A&A Updates – 2024	GV	09/16/2024
IT Application for Single Audit	GV	08/23/2024
Government Training	GV	08/15/2024
GASB: The New Financial Reporting Model (61551)	GV	06/25/2024
Compliance- Results of Test and Reporting (60817)	GV	05/29/2024
Compliance Testing (60818)	GV	05/21/2024
Compliance- Evaluation of Risk and Performing Test of Controls (60816)	GV	05/14/2024
Q1 State Local Governments A&A Updates - 2024 (61555)	GV	05/13/2024
SLG: Review of New Audit Templates (61553)	AA	04/02/2024
PwC's Q1 2024 Quarterly Accounting Webcast	AA	03/19/2024
Vasquez & Company LLP: RSM Audit Documentation Refresher	AA	03/01/2024
Vasquez & Company LLP: RSM Audit Sampling Refresher	AA	02/21/2024
2024 Government and Nonprofit Accounting Updates Training	AA	02/15/2024
CSMFO Annual Conference 2024	AA	02/02/2024
GOV Orb – Just the FAQs	AA	01/05/2024
Q4 State Local Governments A&A Updates - 2023	AA	01/04/2024
Q3 Audit Update 2023	AA	10/24/2023
Accounting & Auditing for Lessors Under ASC 842, Leases	AA	10/19/2023
SLG Pension and OPEB Audit Issues	GV	10/09/2023
Ethics for California CPAs	Ethics	09/02/2023
Fraud Prevention	Fraud	09/01/2023

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

15



JASON TAGASA, CISA

IT Audit Senior Manager

Tel: 213-873-1700

Email: jtagasa@vasquezcpa.com

Area of Expertise

Jason's practice is focused on participating in internal audit, compliance, IT risk assurance and financial auditing engagements. He is skilled at audits of various mobile, network and infrastructure systems, databases, ERP applications and data management systems.

- IT Risk Assessment
- Internal controls assessment and optimization
- Business Process and Operations Review
- SOC Reports
- Regulatory guidance and compliance (SOX)
- Project and Program Management
- Disaster recovery and business continuity
- IT Security and vulnerability assessments
- Internal Audit Support

Professional Background and Affiliations

Jason's professional background includes IT senior auditor with EY. He is a Certified Information Systems Auditor (CISA).

Representation of Experience

- City of Carson
- City of Culver City
- City of El Monte
- City of Modesto
- City of Needles
- City of Norwalk
- City of Palos Verdes
- City of Simi Valley
- City of Torrance
- City of West Hollywood

Educational Background

Jason received his Bachelor of Science in Accounting from the University of Santo Tomas. He remains current on accounting matters by attending conferences and continuing education courses which are focused on information systems and financial reporting, as well as federal and state regulatory matters and auditing requirements.



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

16

Continuing Professional Education

Following are relevant continuing professional education courses completed by Jason Tagasa in the past three (3) years:

Title	Subject Code	Date
2025 Government & Nonprofit Accounting Updates Seminar	GV & AA	06/10/2025
2025 Mid-Year Outlook for Internal Audit: Embracing Change, Managing Risk, and Leading with Insight Webcast	AA	06/05/2025
Group Audits of State & Local Government Entities (62570)	GV	05/13/2025
PMP Certification Training	AA	04/29/2025
Q1 Not-for-Profit A&A Update - 2025 (61570)	GV	04/15/2025
Emerging Trends in SOX Compliance: Navigating the Evolving Landscape Webcast	AA	03/31/2025
Refresher on Test of Controls Training	AA	03/11/2025
From Due Diligence to Resilience: Building Robust Third-Party Risk Management	AA	02/26/2025
Risk-Based IT Compliance: The Case for Business-Driven Cyber Risk Quantification	AA	02/26/2025
Demystifying AI Audits: A Practical Guide to Compliance	AA	02/26/2025
Ethics for California CPAs	AA	02/24/2025
Q1 Audit Update 2024 (45164)	AA	05/15/2024
Compliance- Evaluation of Risk and Performing Test of Controls (60816) Training	AA	05/14/2024
Q1 State Local Governments A&A Updates - 2024 (61555)	AA	05/13/2024
Compliance- Understanding/Documenting Internal Controls (60815)	AA	05/07/2024
Audit Documentation Refresher	AA	03/01/2024
Audit Sampling Refresher	AA	02/21/2024
2024 Government and Nonprofit Updates Training	AA	02/15/2024
Audit Methodology Refresher	AA	02/09/2024
GFOA Best Practices Help You Implement and Monitor Your Internal Controls	GV	02/01/2024
Rethinking Financial Reporting	GV	02/01/2024
GASB Update - Recently Issued Pronouncements	GV	02/01/2024
Comparison of IFRS to U.S. GAAP-2023 (48627)	AA	09/26/2023
Comparison of IFRS to U.S. GAAP-2023 (48627)	AA	09/26/2023
Control Testing for Financial Statements of State and Local Governments (62564)	AA	08/08/2023
Control Testing for Financial Statements of State and Local Governments (62564)	AA	08/08/2023
Testing State and Local Government Expenditures/Expenses When There are Multiple Opinion Units (62568)	AA	07/25/2023
Testing State and Local Government Expenditures/Expenses When There are Multiple Opinion Units (62568)	AA	07/25/2023

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

17



KIMBERLY KABIGTING

Senior Associate – Audit

Tel: 213-873-1711

Email: kkabigting@vasquezcpa.com

Area of Expertise

Kimberly's practice is focused on participation in all aspects of financial and compliance audits, including internal control reviews, Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program-specific audits, financial statement reviews, forecasts, and projections to government agencies, preparation of comprehensive annual financial reports, and State Controller's reports.

Representation of Experience

- Victor Valley Wastewater Reclamation Authority
- Water Replenishment District
- Los Angeles Community College District
- University of California
- San Gabriel Valley Water Company

Prior Experience

Kim's experience includes serving as an auditor at PwC and almost 2 years at SM Retail Philippines as a general accountant and sales audit associate.

Professional Background and Affiliations

Kim's professional background includes experience with various accounting software, including Oracle, QuickBooks, and Windows programs. She is a Certified Public Accountant licensed to practice in the Philippines and a member of the Philippine Institute of Certified Public Accountants (PICPA).

Educational Background

Kim received her Bachelor of Science Degree in Accountancy from Far Eastern University. She remains current in accounting by attending conferences and continuing education courses on topics relevant to accounting and financial reporting. She maintains compliance with the AICPA's continuing education requirements and the California Board of Accountancy's continuing education requirements.

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

18

Continuing Professional Education

Following are relevant continuing professional education courses completed by Kimberly Kabigting in the past three (3) years:

Title	Subject Code	Date
2025 Government and Nonprofit Accounting Updates	AA	6/10/2025
2025 Government and Nonprofit Accounting Updates	GV	6/10/2025
Compliance- Evaluation of Risk and Performing Test of Controls (60816)	GV	08/18/2025
Group Audits of State & Local Government Entities (62570)	GV	05/13/2025
Public Sector: Auditing Alternative Investments (62571)	GV	01/22/2025
Quarterly Accounting Update - Winter 2025 (45631)	AA	01/08/2025
Government Industry Training	GV	8/15/2024-08/16/2024
Audit Documentation Refresher	AA	04/23/2024
Introduction to Ethics Self-Study (52085)	Ethics	02/04/2024
Auditing Nonprofit Organizations - Intermediate (65103)	AA	01/31/2024
Introduction to Governmental Audit and Accounting Issues (60063)	AA	02/04/2024
Performing an Audit in Accordance with Government Auditing Standards (62076)	GV	02/04/2024
Unique GASB Accounting, Reporting and Audit Related Issues for Intermediate Level Auditors (60064)	GV	02/04/2024
Auditing State and Local Governments - Advanced (60065)	AA	02/04/2024
Auditing Not-for-Profit - Introduction (64103)	AA	05/27/2024
Applying Accounting and Audit Research Skills During an Audit (40299)	AA	05/27/2024
Business Combinations: Consideration, Transaction Costs, and Measurement Period Adjustments (41342)	AA	05/07/2024
Auditing and Reporting of State and Local Government	GV	08/23/2023-08/25/2023
PCAOB Auditor Reporting (48209)	AA	05/07/2023
The Green Zone: Fostering Respect in the Workplace for Senior Associates and Above (58313)	Ethics	05/07/2023

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

19

B. Prior Experience Auditing Cities, Independent Special Districts, and Other Local Governments

Experience in Auditing California Agencies

Vasquez and Company LLP is a Limited Liability Partnership established in 1969 and registered with the State of California Department of Consumer Affairs, with over 55 years of experience in performing financial, compliance, and performance audits, internal control reviews, fraud investigations, and risk assessments of government agencies. Our specialists also have technical expertise in conducting audits of cities, utilities, transportation compliance, construction contracts and leasing, affordable housing, HUD-funded low-income housing, and local governance.

Why Vasquez?

The AICPA ranks us among the nation's top 1% of accounting firms (G400). In addition:



Vasquez has been recognized as one of *INSIDE Public Accounting's* "Top 300 Firms in 2025".



Accounting Today has named us a West Coast Regional Leader for two consecutive years.

Value Added Services

As a regional firm with former partners and managers from international accounting firms, we offer a superior service characterized by timely, personalized attention. Our professionals deliver innovative yet practical solutions that help clients gain a competitive advantage. The following represents a partial list of benefits that would be available to the LAFCOs as a client of the firm:

- Specialty and expertise in financial, compliance, internal, and performance audits.
- Knowledge of government "best practices".
- Extensive partner involvement.
- Practical information about current trends.
- Routine consultation throughout the year.
- Cutting-edge technology utilized to minimize audit costs for you.
- Quality assurance is built into all aspects of the engagement, from staffing to planning, execution, and reporting.

Experience Performing Governmental Financial Statements and Audits

Vasquez performs numerous financial statements and compliance audits of governmental organizations. These audits include risk assessments conducted under a structured approach based on the standards outlined in the COSO Principles.

Our audits are performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Uniform Guidance, and the Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts (when applicable). Below is a listing of our experience in auditing California agencies and performing governmental financial statements and audits.



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

20

Clients		
City of Agoura Hills	City of Malibu	Desert Water Agency
City of Alhambra	City of Maywood	Encina Wastewater Authority
City of Antelope Valley	City of Modesto	Hidden Valley Municipal Water District
City of Arcadia	City of Montebello	Imperial County Transportation Commission
City of Avalon	City of Irwindale	Los Angeles County Metropolitan Transportation Authority
City of Artesia	City of La Puente	Metropolitan Water District of Southern California
City of Azusa	City of Monterey Park	Moulton Niguel Water District
City of Baldwin Park	City of Moreno Valley	Municipal Water District of Orange County
City of Bell	City of Needles	Needles Public Utility Authority
City of Bell Gardens	City of Norwalk	Orange County Sanitation District
City of Beverly Hills	City of Palos Verdes Estates	Plumas County Transportation Commission
City of Calabasas	City of Pico Rivera	Pomona Valley Transportation Authority
City of Carson	City of Pomona	Port of Long Beach
City of Commerce	City of Rosemead	Santa Barbara Metropolitan Transit
City of Compton	City of San Fernando	San Bernardino County Transportation Authority
City of Covina	City of Santa Fe Springs	Santa Clara Valley Water District
City of Cudahy	City of Santa Monica	San Gabriel Basin Water Quality Authority
City of Culver City	City of Simi Valley	San Gabriel Valley Council of Governments
City of Diamond Bar	City of South El Monte	San Joaquin Regional Transit District
City of Downey	City of South Gate	San Joaquin Valley Library System
City of El Monte	City of Torrance	Southern California Association of Governments
City of Hawthorne	City of Vernon	Southern California Regional Rail Authority
City of Hidden Hills	City of Walnut	SunLine Transit Agency
City of Huntington Park	City of West Hollywood	United Water Conservation District
City of Industry	City of Westlake	Upper San Gabriel Valley Municipal Water District
City of Inglewood	Alameda Corridor-East Construction Authority	Victor Valley Wastewater Reclamation Authority
City of Lawndale	Antelope Valley Transit Authority	Water Replenishment District of Southern California
City of Long Beach	California American Water	

Please refer to Page 22 on the References section regarding the date current clients have been served.

Familiarity with Annual Comprehensive Financial Reports – GFOA and CSMFO Client Awardees

Vasquez professionals are acknowledged experts on GAGAS regulations and GASB reporting requirements. In addition, we have substantial experience in preparing Annual Comprehensive Financial



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

21

Reports that have assisted our clients in achieving the Government Finance Officers Association Award for Excellence in Financial Reporting.

Cristy Canieda, Vasquez Government Practice Leader, is a reviewer for the Government Finance Officers Association. The following is a representative list of Vasquez government client engagements we have assisted in achieving their GFOA and CSMFO Certificate of Achievement for Excellence in Financial Reporting.

- City of Baldwin Park
- City of Carson
- City of Culver City
- City of El Monte
- City of Modesto
- City of Simi Valley
- City of Torrance
- City of Norwalk
- City of West Hollywood
- City of San Fernando
- City of Moreno Valley
- City of South El Monte
- City of Lynwood
- United Water Conservation District
- San Joaquin Regional Transit District
- Water Replenishment District of Southern California
- Upper San Gabriel Valley Municipal Water District
- Victor Valley Wastewater Reclamation Authority
- Encina Wastewater Authority
- Santa Clara Valley Water District

C. Assistance in Implementation of GASB No. 34 and Other GASB Pronouncements

Our firm encourages early adoption of all applicable Government Accounting Standards Board (GASB) statements. Some of these standards have been monumental in establishing new financial reporting requirements for state and local governments throughout the United States and restructured much of the information that had been presented in the past.

We take a proactive approach in assisting all our government clients in understanding GASB activities from exposure drafts to the implementation of new standards. We accomplish this through our collaborations with GASB, GFOA, ASBO, AICPA Government Audit Quality Center.

Vasquez delivers annual training sessions for local government clients and proactively coordinates requirements to ensure smooth implementation. We work closely with clients to review and plan for the impact of new GASB standards, providing practical guidance and ready-to-use templates to streamline the implementation process.

GASB 34 and Implementation

GASB Statement No. 34 requires that government-wide financial statements be prepared on the accrual basis of accounting. It introduced two key government-wide statements - Statement of Net Position and Statement of Activities - to provide a more comprehensive view of a government's overall financial health. The standard also mandated the inclusion of Management's Discussion and Analysis (MD&A) to help users interpret financial data. Additionally, governments must report capital assets and infrastructure, including depreciation, which was not previously required.

Overall, GASB 34 significantly enhances transparency and comparability in public sector financial reporting. Since its implementation in the early 2000s, Vasquez has assisted local governments in transitioning to these new reporting requirements and has continued to support clients with the adoption of subsequent GASB standards.

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

22

D. References of Local Government Clients

Client Contact	Engagement Description	Engagement Partners
City of Modesto 1010 Tenth Street, Suite 6600 Modesto, CA 95354 DeAnna Christensen Director of Finance City of Modesto dachristensen@modestogov.com (209) 577-5387	Annual Financial, Compliance Audit, Single Audit (Uniform Guidance), Transportation Development Act (TDA) Audit, Abandoned Vehicle Abatement (AVA) Audit, GANN Limit, Measure H Audit, Community Facilities Districts Audits, State Controller's Report, and Audits of the Following Joint Powers Agencies - Tuolumne River Regional Park and Modesto-Ceres Fire Protection Agency. GFOA Award. 1,343 Hours. Year: FY 2023 to Current	C. Canieda Lead Partner R. Dollaga Audit Senior Manager J. Tagasa IT Audit Manager
City of Norwalk 12700 Norwalk Blvd Norwalk, CA 90650 Jana Stuard, Finance Director JStuard@norwalkca.gov (562) 929-5748	Annual Financial and Compliance Audit, Single Audit (Uniform Guidance), GANN Appropriation Limit, Transit Fund Audit, Financing Authority Audit, Childcare Program Audit, JPA Audit, and Management Letter. GFOA Award. 900 Hours Year: FY 2022 to Current	C. Canieda Lead Partner R. Dollaga Audit Senior Manager J. Tagasa IT Audit Manager
City of Carson 701 Carson St b24 Carson, CA 90745 William Jefferson, Finance Director wjefferson@carsonca.gov (310) 952-1700	Annual Financial and Compliance Audit, Single Audit (Uniform Guidance), State Controller's Report, AQMD Fund Audit, Measure W Audit. GFOA Award. 800 Hours Year: FY 2021 to Current	C. Canieda Lead Partner J. Tagasa IT Audit Manager

E. Capabilities in General Consulting and Compliance Auditing

Firm Resources

Since its inception, Vasquez has focused on serving governmental entities. As a result, the government industry comprises the largest portion of the industries we serve today.

Category	#
Partners	7
Directors	9
Sr. Managers/Manager	20
Supervisors	19
Senior Auditors	85
Staff Auditors	8
Professionals	148
Administrators	38
Total	186



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

23

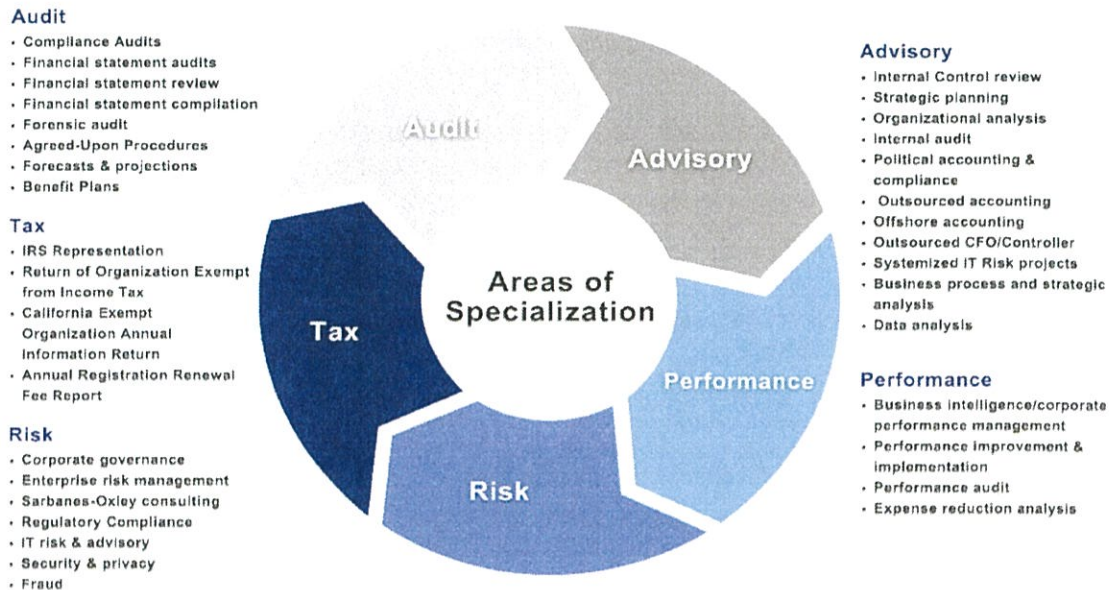
Government Practice Group

The Vasquez Government Practice Group comprises over **100** professionals trained and experienced in serving government entities, specializing in California cities, municipal water, transportation, education, and other special districts.

The Vasquez Government Practice Group comprises professionals from international accounting firms seeking to focus on their chosen industry —mainly government and nonprofit —and to work with greater autonomy in a progressive, agile, and client-centric environment. Vasquez's leadership comprises 16 directors and partners, each of whom previously worked with one or more global accounting firms. This experience emphasizes quality, innovation, performance standards, opportunity, discipline, and professional growth.

Range of Services

Vasquez is a full-service firm focused on serving government agencies and other nonprofit organizations. Below is a graph of the different lines of business and service areas.



Our team offers extensive experience in general consulting and compliance auditing for government and nonprofit entities. We assist clients in strengthening internal controls, ensuring adherence to applicable regulations, and improving operational efficiency. Our consulting services include policy development, risk assessments, and financial process reviews tailored to each agency's unique needs. In compliance auditing, we evaluate conformity with federal, state, and local requirements, including grant compliance, GASB standards, and procurement regulations. Our approach emphasizes collaboration, transparency, and actionable recommendations to support long-term accountability and performance.

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

24

5. Approach, Scope, and Timing of Audit

A. Firm's Approach to LAFCO Type Audits

As part of an audit engagement, we leverage a formal project management methodology to help ensure that all tasks are planned effectively and ultimately completed on time, and that any schedule changes are properly documented and authorized.

Embedded within your audit team are experienced project managers who have strong project management skills. These Vasquez team leaders will provide highly collaborative project management expertise and consultation to the LAFCOs to ensure no surprises during the audit. Additionally, Vasquez will continually seek ways to improve the management and execution of the audit. We want to ensure that audit planning, scheduling, and budgeting are executed properly and in a timely manner.

At each phase of our engagement, our client service standards guide us toward providing an exceptional customer experience – one in which we become a trusted adviser and bring innovative ideas and solutions that deliver value to you.

- **We understand.** Our audit and consulting professionals follow our CaseWare process, which provides a thorough understanding of your business, current situation, needs, and expectations to ensure no surprises at each phase of the engagement.
- **We communicate.** Our team is trained to communicate with consistent and open dialogue at the right time to the right people.
- **We collaborate.** We collaborate to bring together the right expertise to meet your needs, proactively resolve emerging issues, and deliver innovative ideas and solutions that add value to you.
- **We deliver.** We deliver what we promise – on time, on budget, and with the highest quality.



At Vasquez, we want to build strong relationships with our clients and continuously seek ways to ensure our services align with their needs. We believe it is important to strive for continuous improvement in how we interact with and deliver services to clients. We do this, in part, by adhering to defined client service standards and by seeking client feedback on our performance.

Every financial statement audit engagement presents a different set of challenges. No two organizations are the same, and therefore, we must tailor the audit to each organization based on the specific risks identified.

Our audit approach is based on a risk assessment process which is planned and executed by experienced auditors. The results as depicted below form the basis for our audit strategy and procedures, and ultimately yield practical comments for strengthening internal controls and improving practices, as well as our opinion on the financial statements and our auditor's reports on internal control and compliance with laws and regulations.

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

25



Risk Assessment

The design of an effective audit plan depends on the audit team's ability to identify and assess the risk that the financial statements contain a material misstatement, whether caused by error or fraud. The risk assessment process will include:

- Obtaining an understanding of the LAFCOs and the environment in which it operates. This includes efforts to understand the events, conditions, and organizational activities that might reasonably be expected to have a significant effect on the risks of material misstatement. An understanding of LAFCOs and the environment often involves consideration of the regulatory environment, business objectives and strategies, and the selection of an accounting application.
- Considering information gathered during the engagement acceptance and continuance evaluation, including prior reports, audit planning activities, previous audits, and other non-audit engagements performed for the LAFCOs.
- Inquiring from the audit committee, management, and others within the LAFCOs about risks of material misstatement.
- Obtaining an understanding of the LAFCO's internal controls over financial reporting.
- Performing analytical procedures, such as a comparison of the LAFCO's current financial statement account balances to prior year financial statements and budgeted amounts, and/or comparison of current relevant financial ratios to industry ratios or prior year ratios.

Developing an Audit Strategy

In developing an audit strategy, we may decide to test LAFCO's internal controls over certain systems and processes. We assess the desirability of adopting such a strategy by considering cost/benefit considerations, the volume of transactions, and prior-year control testing results. If test results indicate that the LAFCOs internal controls are effective, we may decide to reduce the level of substantive tests that we perform as a basis for our opinion.

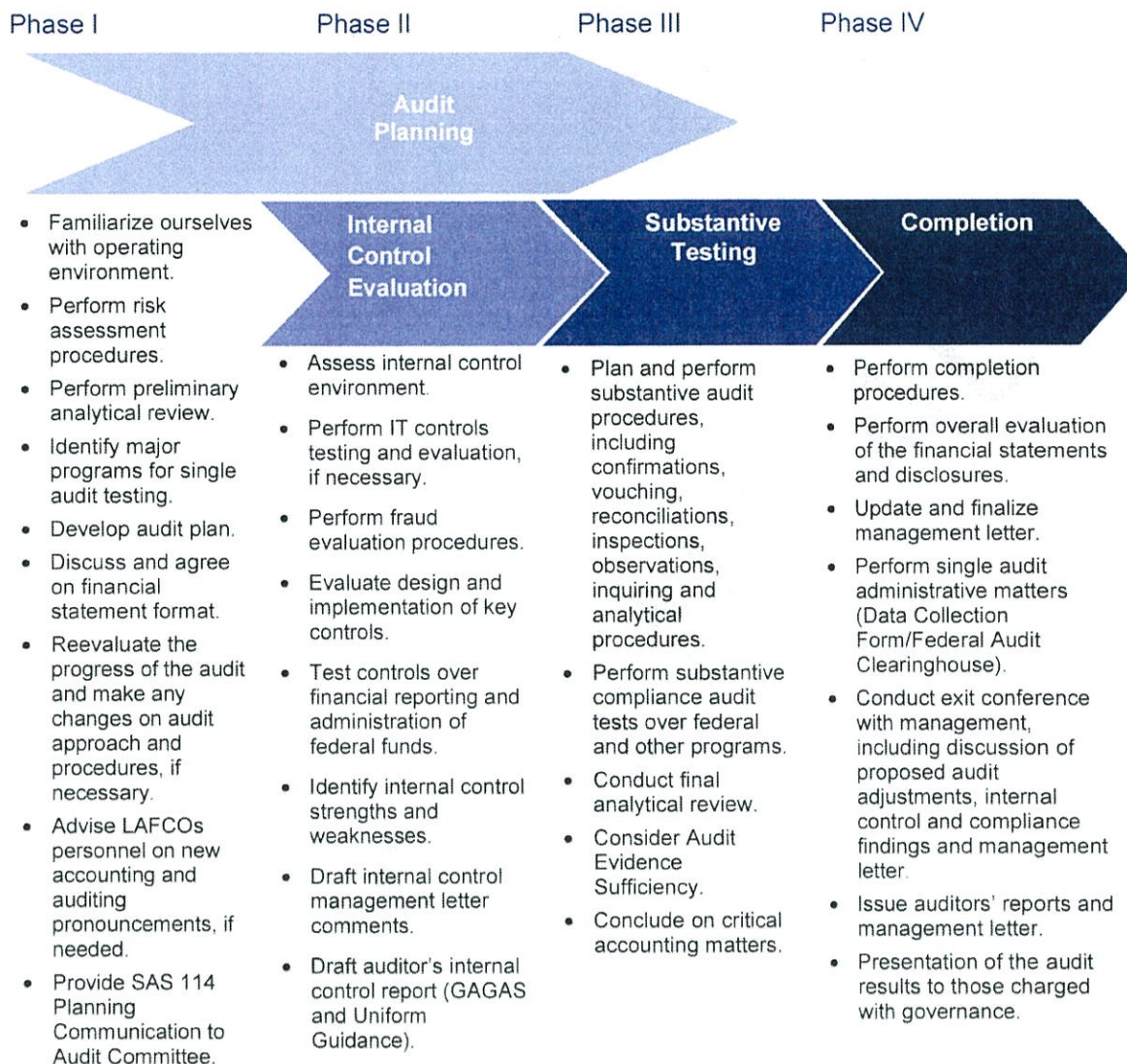
Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

26

Proposed Segmentation of Audit



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

27

Phase I – Audit Planning

The planning phase lays the foundation for the direction of our audit efforts. It encompasses the following steps:

- Conducting entrance conferences with the appropriate LAFCO management personnel. The agenda would include, but need not be limited to, the following:
 - The application of generally accepted accounting principles
 - Concerns of LAFCOs' management
 - Report requirements, refinements, and deadlines
 - Initial audit approach and timing schedule
 - Assistance by LAFCOs' personnel
 - Establishment of principal contacts
 - Progress reporting process
 - Consideration of Fraud in a Financial Statement Audit
 - The auditors' responsibility for fraud prevention
 - Scheduling inquiries of management and others (including non-accounting personnel) about the risk of fraud
- We believe it is important for us to assist the LAFCOs in implementing new accounting, auditing, and compliance requirements. It is for that reason that we intend to schedule training with LAFCOs personnel involved in all phases of the audit to ensure they have a clear understanding of the latest technical changes in their respective areas, as well as the audit requirements and timeline.

Expanding our understanding of the LAFCOs and their operating environments. We will accomplish this by familiarizing ourselves with and updating our knowledge of applicable background information on LAFCOs, their component units, their mission, funding sources, and structure.

Drawing on our background knowledge of LAFCOs and our fact-finding process, we will develop an in-depth understanding of the areas of concern. We will meet with LAFCOs' management to discuss areas that may significantly impact the timing and completion of the audits, or that may be of particular concern to management. We will review such areas in-depth to obtain an early understanding and resolution of any "problem" areas that may impede our progress and to develop our overall approach so that the LAFCOs will have sufficient time to develop the data necessary for the completion of the audit with a minimum amount of disruption to the day-to-day routine.

Our planning process will include a specific review of computer activities performed by LAFCOs personnel to:

- Determine the organizational and operational controls over the data being processed, including, but not limited to, system development and maintenance controls, hardware controls, and access controls.
- Evaluate the degree of "control consciousness" among personnel.
- Determine the potential impact of general control strengths and weaknesses.
- Consider the possibility of management override of controls.

Our principal sources of information for this review will be interviews with responsible accounting and computer operations personnel, reviews of program documentation for the LAFCOs system, and direct observations made by our audit team.

- The audit team will use our analytical review techniques to identify other areas that may require attention. Until the year-end account balances are finalized, our review will focus on budgets compared to actual/projected information. We can thus identify sensitive areas to determine whether they require extra attention. We will also focus on unusual fluctuations occurring within individual funds to identify accounts and areas that merit further investigation.

Based on our understanding of LAFCOs' operating environment, and through our analytical review and other planning procedures, we will meet with LAFCOs personnel to highlight areas to emphasize during

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

28

the audit. We will concentrate our efforts on the identified areas of audit concern and areas that we know to be important to LAFCOs' management. Some of our preliminary audit concerns are elaborated as follows:

- Compliance with applicable laws, regulations, and reporting requirements
- Receipt of all revenue to which the LAFCOs is entitled.
- Purchase authorizations within budgetary limitations.
- Adequate safeguarding of LAFCO's cash, investments, and inventory assets.
- We will work directly with the appropriate LAFCOs personnel to discuss the financial statements and footnotes in accordance with all authoritative accounting systems and interpretations. Accordingly, we will meet to discuss and agree on the format for the individual and general-purpose financial statements, as well as any additional requirements arising from recent or pending professional pronouncements. (See "Phase IV - Completion" for a more in-depth discussion of our financial reporting capabilities.)

Interim Audit Testing

Our audit approach is flexible and tailored to fit the LAFCOs' evolving needs. We will work with you to review the current audit schedule to determine the best approach for the various phases of the financial statement audit. We offer you the option of an interim audit effort or an audit after year-end. There are several advantages to performing interim testing, such as:

- It shifts the timing of our testing into less busy periods of the year for your staff and our staff.
- It allows us to focus on the high-risk areas before the year-end close, providing more time to deal with issues.
- It allows us to judge the quality of the interim period, rather than solely year-end, financial statement information, and cut-offs, which allows more opportunity for us to identify and for the LAFCOs to implement best practices over internal controls and processes.

There are advantages to performing interim audit testing, and, as we stated previously, we will work with you to determine the best approach, and you will control this process.

Phase II – Control Evaluation

Understanding how key systems and processes contribute to your overall processing environment and affect the reliability of financial information is a primary element of our audit approach. Our objective is to assess whether the standards of security, integrity, continuity, and control are conducive to reliable processing, consistent with the LAFCOs technology standards, and appropriate to safeguard your information assets.

Information Technology (IT) - General Controls

IT General Controls are pervasive controls within the IT environment. The following types of IT General Controls are typically addressed in our audit approach:

- **Logical security (access to programs and data)**—includes the components of management governance over Information Technology (policies and procedures, monitoring), application configuration (passwords, service accounts, super users, user identification/authentication), and security of the physical assets.
- **Change control management**—assesses program changes (upgrades, service patches, source code) moved into the production environment, and the processes applied to ensure the appropriate initiation, authorization, segregation, testing, and approval are evident.
- **Data backup and recovery**—reviews that the data backup process and ability to recover data for the financially significant applications, databases, spreadsheets, and operating systems for the given opinion period are complete, tested, and maintained, including the handling of errors.
- **Job processing**—tests for the completeness of data interfacing into financially significant applications and the change management processes for handling errors, script changes, and interface edits.

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

29

- **Security administration**—addresses the user access provisioning (new hire onboarding, position/role changes, employee separation) for the financially significant applications, databases, spreadsheets, and operating systems, along with management's review of access for completeness, segregation of responsibilities, and accuracy.

Out testing of IT application controls provides strong audit evidence and streamlines the audit process.

Information Technology (IT) – Application Controls

IT Application Controls apply to the business processes they support. These controls are embedded within the software applications to prevent or detect unauthorized transactions. When combined with manual controls, application controls verify the completeness, accuracy, authorization, and validity of processing transactions. Our methodology for assessing application controls is as follows:

- Define materiality by the system, such as utility billing, cashiering, purchasing and disbursements, revenues, payroll, and asset management, using business process mapping as a starting point.
- Map various transaction types to identify key controls and determine if the control is an application control or manual control.
- Utilize our proprietary questionnaires to help verify and test various automated controls.
- Through inquiry, review of written policies and procedures, and on-site testing, evaluate application security controls, which are controls to verify that minimum access to applications is allowed for individuals to perform their job.
- Through inquiry, review of written policies and procedures, and on-site testing, evaluate input controls that ensure that transactions are initially recorded, entered, and accepted by the application accurately and completely.
- By developing and testing a sample of transactions, evaluate processing controls, which ensure that transactions are processed by the application programs accurately and completely.
- Through inquiry and review of written policies and procedures, evaluate output controls, which ensure that output is complete and is delivered (standard or customized) to the appropriate parties in an appropriate manner.
- Through inquiry, review of written policies and procedures, and tests of a sample of transactions, evaluate interface controls, which ensure that transactions between multiple systems are secure, and the integrity of the information transmitted is maintained, accurate, and complete.

Phase III – Substantive Testing

Sampling is one of the methods we use to obtain efficiency in the audit process. In designing and implementing a sampling plan, we consider the specific audit objective to be achieved and determine which audit procedures will achieve it. We will:

- Define the objective of the test.
- Define the population to be sampled, the population element to be examined (sampling unit), and what an error is.
- Determine which sampling technique is most appropriate.
- Determine the appropriate sample size and select a sample intended to represent the population.
- Examine each sample item to determine whether it represents an error or an exception.

Substantive Testing – The purpose of the substantive tests is to provide reasonable assurance of the validity of the information produced by the accounting system. These tests will include various detailed tests, such as inspection of underlying source documents, confirmations, and reconciliations. We will also perform analytical procedures, including ratio analysis, comparisons of actual-to-budget information, and other procedures. Specifically, tests that we have found to be effective and efficient for the LAFCOs' audits include confirmation of cash, investments, grants receivable, loan balances and debt, tests of subsequent receipts for selected receivables, and unrecorded liabilities for payables.

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

30

Consideration of Fraud – The primary responsibility for preventing and detecting fraud rests with those charged with governance and management. It is important that management, under the oversight of those charged with governance, places a strong emphasis on fraud prevention, which may reduce opportunities for fraud, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behavior, which can be reinforced by active oversight by those charged with governance. Oversight by those charged with governance includes considering the potential to override controls or other inappropriate influence over the financial reporting process.

We are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Accordingly, as part of our audit planning process, we will perform procedures to obtain information that will be used for identifying the risks of material misstatement due to fraud, such as the following:

- Discussions with management and others within the LAFCOs. These discussions would focus on obtaining an understanding of management's: (a) assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent, and frequency of such assessments; (b) process for identifying, responding to, and monitoring the risks of fraud in the LAFCOs, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist; (c) communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the LAFCOs; and (d) communication, if any, to employees regarding its views on business practices and ethical behavior. We will also make inquiries of management and others within the LAFCOs as appropriate to determine whether they have knowledge of any actual, suspected, or alleged fraud affecting the LAFCOs.
- Discussions with those charged with governance. We will understand how those charged with governance exercise oversight of management's processes for identifying and responding to fraud risks in LAFCOs, as well as the internal controls management has established to mitigate these risks.
- Evaluation of unusual or unexpected relationships identified. Unusual or unexpected relationships, variances, or balances we may identify during our preliminary analytical review procedures will be evaluated for indications of risks of material misstatement due to fraud.
- Discussions among our audit team members. This discussion will involve our audit team members exchanging ideas and brainstorming about how and where the LAFCOs' financial statements might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how LAFCO assets could be misappropriated.

Adjusting Journal Entries – Proposed adjusting journal entries by our auditors, if any, will be discussed and explained to the Finance Director and others as appropriate. It is our practice to discuss issues and proposed audit entries with the program manager or the management personnel immediately responsible for the program to ensure we have not misunderstood the situation. This will ensure that the proposed entry or management comment and recommendation are accepted by the immediate manager and ensure that the recommendation is feasible and makes business sense. It is also our policy to address issues as they arise rather than at the end of the audit. In short, there will not be any surprises.

Our work plan's final element is the regular reporting to LAFCOs management personnel to apprise them of our progress. We believe communication is vital. Therefore, we have stressed the importance of maintaining close, continuous relationships throughout this proposal and have outlined the points we will meet to discuss and make decisions.

Any and all potential exceptions or findings will be immediately discussed with knowledgeable personnel and summarized in weekly status meetings to ensure accuracy of any findings, time for management to correct noted deficiencies and the avoidance of any surprises.

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

31

Phase IV - Reporting

- Review federal, state, and other grant reporting requirements,
- Determine which internal control findings are significant deficiencies or material weaknesses,
- Prepare findings and draft the auditors' reports,
- Prepare GASB-compliant financial reports
- Review draft reports with LAFCOs management, and
- Evaluate management feedback and proposed corrective actions, make revisions as necessary, and finalize the report.

Ample time will be provided for management review of all reports in draft form.

Our Tools



Vasquez utilizes CaseWare electronic audit workpapers for a more efficient and intelligent audit process. CaseWare is also useful for financial analysis and reporting, including financial statement preparation.



To help manage the data flow for our testing, we utilize the Vasquez Citrix ShareFile, a secure and regulatory-compliant tool, to manage the many requests more effectively and efficiently for the information necessary to conduct an engagement of this size.



Office 365 provides access to Office applications, online productivity services, and business services such as web conferencing, hosted email, and online storage.



We use IDEA software to analyze data in unique ways and the audit sampling process.



DataSnipper allows us to conduct automated document matching, text recognition, and document review and management.

Tasks Required as Part of A-133 Single Audit

We will utilize an integrated audit approach if a single audit is required. This means we will coordinate the single audit testing of major federal programs with the testing of internal controls and systems in conjunction with the financial statement audit. Each major program requires a separate opinion on compliance with federal rules and regulations. The scope of our testing will be sufficient and specific enough to allow opinions on each of the LAFCOs' major programs. In addition, we will perform risk assessment procedures, including:

- Review of prior years' reported findings
- Consider the extent of continuing or new personnel assigned to administer each major federal program.

Our procedures for testing major federal programs will be performed as follows:

- Hold a planning meeting with the accounting managers and grant administrators.
- Make a preliminary assessment of the condition of the records and controls and determine the procedures necessary to document the systems.
- Obtain copies of the grant agreements under which federal financial assistance is provided.



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

32

- Document any program-specific compliance requirements in the agreements beyond those included in the OMB Compliance Supplement.
- Review reports completed to meet the federal financial reporting requirement.
- Document our understanding of program requirements and other laws and regulations.
- Establish detailed work plans and audit timetables in conjunction with management.
- Schedule regular status meetings to monitor the audit process.
- Review the inventory of grants and other federal and state assistance.
- Test the completeness and accuracy of the schedule of expenditures of federal awards.
- Examine external, state, and federal audit reports for control weaknesses, compliance exceptions, or questioned costs.

Extent to Which Statistical Sampling is to be Used in Engagement

Non-statistical sampling is most often employed in our internal control testing and compliance testing procedures during the single audit. The extent of testing and sampling depends on many factors, including environmental controls, the program's complexity, previous audit findings, changes in federal statutes, and the number of locations at which controls are administered. Our sampling plan will conform to the AICPA's guidance for testing compliance. The number of sample sizes will depend on the assessment of controls and the inherent risk of noncompliance in a major program.

Type and Extent of Use of Software in Audit Engagement

Vasquez has been paperless for over 15 years and has been utilizing electronic workpapers. All staff members are skilled at auditing in an electronic data processing (EDP) environment and have extensive experience with software applications. Our audit personnel have a wealth of experience in evaluating complex computerized accounting systems of governmental agencies. They are proficient at:

- Analyzing an organization's information systems.
- Determining the controls and audit processes required to provide assurance that the information produced is reliable and that the system and data contained therein are secure.

Vasquez utilizes Caseware using RSM audit methodology. Our staff generates detailed working papers on laptop computers through either downloads or inputs provided by our clients. This process significantly reduces the amount of time LAFCO personnel must spend preparing audit schedules.

Analytical Procedures That May be Used

Analytical review techniques will be utilized to identify other areas that might require attention. Until the year-end account balances are finalized, our review will focus on budgets compared to actual/projected information. We can, thus, identify certain sensitive audit areas to determine whether they are indeed areas requiring extra attention. We will also focus on unusual fluctuations occurring within individual funds to identify accounts and areas that merit further investigation.

Based on our understanding of the LAFCO's operating environment, through our analytical review and other planning procedures, we will meet with the LAFCO personnel to highlight areas to be emphasized during the audit. We will concentrate our efforts on the identified areas of audit concern and areas we know are important to the LAFCO Officials. Some of our preliminary audit concerns are elaborated as follows:

- Compliance with applicable laws, regulations, and reporting requirements.
- All matters of compliance with GASB statements and interpretations.
- Receipt of all revenue to which the LAFCO is entitled.
- Purchases are authorized and within budgetary limitations.
- Encumbrances and liabilities are recorded and charged to proper budgetary accounts.
- Proper accounting and disclosure of developer agreements and similar commitments.
- Proper accounting for capital assets, including infrastructure assets.
- Proper recording of outstanding obligations.



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

33

Approach to be Taken to Gain and Document Understanding of LAFCO's General Internal Control Structure

To gain and document our understanding of the LAFCO's internal control structure, we will review the LAFCO's policies and procedures, meet with appropriate management personnel to ascertain the actual operation of policies and procedures, and carry out compliance tests to document internal control strengths and weaknesses. In reviewing controls over information technology systems, the emphasis would be placed on the following:

- Determination of the organizational and operational controls over the data being processed, including but not limited to system development and maintenance controls, hardware controls, and access controls.
- Evaluation of the degree of "control consciousness" among personnel.
- Determination of the potential impact of general control strengths and weaknesses.
- Consideration of the possibility of management override of controls.

Approach to be Taken in Drawing Samples for Purposes of Compliance Testing

The extent of testing and sampling depends on many factors, including environmental controls, the program's complexity, previous audit findings, changes in federal statutes, and the number of locations at which controls are administered. Our sampling plan will conform to the AICPA's guidance for testing compliance. However, the number of sample sizes will depend on assessing controls and the inherent risk of noncompliance in a major program.

Consideration of Laws and Regulations

An audit performed in accordance with Government Auditing Standards requires auditors to report on the LAFCO's internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. Accordingly, we will test the LAFCO's compliance with certain regulations, such as compliance with budget preparation and budgetary requirements, investment reporting, and compliance with other contracts, such as bond covenants and grant agreements.

Assistance Required from Participating LAFCOs Staff

Our audit approach assumes that representatives of the LAFCO staff will fully participate in the planning, fieldwork, and completion of the audit process. Full participation means that the LAFCO will provide the resources necessary and the requested documents to allow Vasquez to complete the audit in a timely and effective manner while meeting your deadlines. We anticipate that the management and staff of the LAFCO will participate and assist in the following areas:

- Participating in audit planning sessions to provide perspective on risk areas in the audit;
- Providing the documentation of internal controls;
- Providing information on the PBC list prior to commencing fieldwork;
- Participation in fact-finding interviews with various LAFCO staff and consultants, as necessary;
- Encouraging the free exchange of information between the LAFCO staff and the Vasquez staff;
- Committing to a year-round audit approach and interaction with the auditors;
- Providing open access to LAFCO management;
- Timely responses to information requests and audit resolution issues.

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

34

Breakdown of Hours

Position	Planning and Internal Control Testing	Fieldwork	Reporting	Total
Partner	2	6	2	10
Manager	5	16	8	29
Senior	22	49	14	85
Total Hours Per Agency (LAFCO)	29	71	24	124

Staffing Plan

Vasquez utilizes ProStaff resource planning software. ProStaff is an efficient way to organize staff schedules and assignment planning. ProStaff Suite delivers a versatile and adaptable tool to handle the accounting industry's most complex organizations. The configurable modules allow us to unify scheduling, planning, and budgeting processes into a single solution.

As part of an audit engagement, we utilize ProStaff project management methodology to help ensure that all tasks are planned effectively and ultimately completed on time and that any changes in the schedule will be properly documented and authorized. As part of the planning process, we will work with you to agree on a communications plan to set forth the protocols for periodic status updates and escalations throughout the project. We will provide regular status reporting consistent with the communications plan throughout the audit.



These tools supported effective resource planning and project management for each engagement, ensuring that deadlines are consistently met. Vasquez attests that all local government clients that participate in the GFOA Excellence in Financial Reporting program have successfully submitted their ACFR by the required deadlines.

Potential Time & Cost Saving Measures

Our project management and time management procedures and tools, in addition to our staffing methods, allow us to allocate the proper controls regarding budget and cost control initiatives. We utilize NetSuite to generate project budget vs. actual analysis. In the event that items outside our agreed-upon scope of services or items beyond our control are in effect, we will maintain an open line of communication with the LAFCOs to discuss potential budget overrun. Refer to our cost proposal for more information.

B. Firm's Understanding of Objectives and Scope of Engagement

Vasquez understands the complexity of LAFCOs and the scope of service requested. Our audit approach is meticulously tailored to meet all technical requirements while maintaining professional skepticism and a commitment to service excellence. We achieve this through comprehensive partner involvement in all audit phases and by assigning experienced governmental audit staff to the engagement. This ensures timely decision-making and minimizes disruption to your staff.

Please refer to Pages 1-2 on the Firm's Understanding of Work to be Performed subsection regarding the firm's understanding of objectives and scope of engagement.



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

35

Project Schedule

EXHIBIT B

PROJECT SCHEDULE

FRESNO LAFCO

Project Schedule		
Tasks	Project Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	May 2026
Kickoff Meeting	Intro. Firm Staff to LAFCO	Aug 2026
Management Engagement Letters	Made Available to LAFCO Staff	May 2026
PBC List Distribution	Made Available to LAFCO Staff	May 2026
Fieldwork	On-site/Remote	Oct 2026
Draft Audit for Staff		Dec 2026
Auditor Revising Document		Dec 2026
Final Audit for Commission		Jan 2027
Commission Meeting		Jan 2027

IMPERIAL LAFCO

Project Schedule		
Tasks	Project Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	May 2026
Kickoff Meeting	Intro. Firm Staff to LAFCO	Aug 2026
Management Engagement Letters	Made Available to LAFCO Staff	May 2026
PBC List Distribution	Made Available to LAFCO Staff	May 2026
Fieldwork	On-site/Remote	Oct 2026
Draft Audit for Staff		Dec 2026
Auditor Revising Document		Dec-26
Final Audit for Commission		Jan 2027
Commission Meeting		Jan 2027

RIVERSIDE LAFCO

Project Schedule		
Tasks	Project Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	May 2026
Kickoff Meeting	Intro. Firm Staff to LAFCO	Aug 2026
Management Engagement Letters	Made Available to LAFCO Staff	May 2026
PBC List Distribution	Made Available to LAFCO Staff	May 2026
Fieldwork	On-site/Remote	Oct 2026
Draft Audit for Staff		Dec 2026
Auditor Revising document		Dec 2026
Final Audit for Commission		Jan 2027
Commission Meeting		Jan 2027

Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

36

SAN JOAQUIN LAFCO

Project Schedule

Tasks	Project Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	May 2026
Kickoff Meeting	Intro. Firm Staff to LAFCO	Aug 2026
Management Engagement Letters	Made Available to LAFCO Staff	May 2026
PBC List Distribution	Made Available to LAFCO Staff	May 2026
Fieldwork	On-site/Remote	Oct 2026
Draft Audit for Staff		Dec 2026
Auditor Revising Document		Dec 2026
Final Audit for Commission		Jan 2027
Commission Meeting		Jan 2027

Vasquez has the capacity to conduct the audits of the four LAFCOs concurrently.

These schedules are subject to negotiation with each respective LAFCO.

6. Hourly Rates

Our fees for the services outlined in this proposal are based on the assumption that unexpected circumstances will not be encountered during the audit, along with the following:

1. Staff are available to answer questions within the agreed timeframe.
2. Audit fieldwork procedures are conducted at a centralized location.
3. No instances of fraud that will require additional procedures.
4. Forensic investigation performed by the LAFCOs will not require additional forensic procedures to address the risk of fraud at the LAFCOs.
5. Staff to prepare all financial statements/schedules.
6. All information requested is provided within the agreed timeframe.
7. The information provided is complete and correct for the year under audit.
8. The LAFCOs will provide audit documentation electronically in future years.
9. Other unforeseen events such as:
 - a. Accounting problems.
 - b. Changes in your business or business environment.
 - c. Contractual difficulties with suppliers, third-party service providers, or clients.

Hourly Rates

Personnel Category	Hourly Rate
Partner	\$ 375
Director	300
Senior Manager	250
Manager	225
Supervisor	200
Senior	175
Staff	140



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

7. Maximum Fee

37

EXHIBIT C PRICING SHEET

LAFCO	Description of Services	Estimated Hours	Year Ended June 30				1-yr option
			2026	2027	2028	2029	
<u>1. Fresno</u>	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.	124	\$ 9,500	\$ 9,785	\$ 10,079	\$ 10,381	\$ 10,692
	Option to prepare the Management Discussion Analysis (MD&A) on behalf of management.	4	350	361	371	382	394
Maximum Not to Exceed Amount							
<u>2. Imperial</u>	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.	128	\$ 9,850	\$ 10,146	\$ 10,450	\$ 10,763	\$ 11,086
	Option to prepare the Management Discussion Analysis (MD&A) on behalf of management.	4	350	361	371	382	394
Maximum Not to Exceed Amount		128	\$ 9,850	\$ 10,146	\$ 10,450	\$ 10,763	\$ 11,086

Attachment 2

38

Riverside LAFCO

Proposal to Provide Audit Services

3. Riverside	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.	124	\$	9,500	\$	9,785	\$	10,079	\$	10,381	\$	10,692
	Option to prepare the Management Discussion Analysis (MD&A) on behalf of management.	4		350		361		371		382		394
Maximum Not to Exceed Amount												
4. San Joaquin	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.	128	\$	9,850	\$	10,146	\$	10,450	\$	10,763	\$	11,086
	Option to prepare the Management Discussion Analysis (MD&A) on behalf of management.	4		350		361		371		382		394
Maximum Not to Exceed Amount												
		128	\$	9,850	\$	10,146	\$	10,450	\$	10,763	\$	11,086

Hourly Rates:	Hourly Rate	Estimated No. of Hours
Classification		
Partner	\$ 375	10
Manager	225	29
Senior Auditor	175	85
Senior Accountant	175	-
Staff Accountant	140	-



Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

39

8. Other Information Required in Proposal

License to Practice in California

Vasquez is licensed to conduct public accounting in California. All "key" engagement team members are properly licensed Certified Public Accountants in California. Vasquez certifies that it will inform the LAFCOs of any suspension, termination, lapse, non-renewals, or restrictions of its licenses, certificates, or other required documents upon notification.

DCA - Search Details

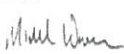
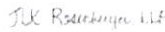
	BOARD OF ACCOUNTANCY	ISSUANCE DATE JULY 28, 1997
LICENSING DETAILS FOR: 6286		EXPIRATION DATE JULY 31, 2027
NAME: VASQUEZ & COMPANY		CURRENT DATE-TIME SEPTEMBER 24, 2025 1:56:45 PM
LICENSE TYPE: CPA PARTNERSHIP		
LICENSE STATUS: CLEAR		
PREVIOUS NAMES: VASQUEZ FARMER & COMPANY		
ADDRESS 455 N. CENTRAL AVENUE STE 1150 GLENDALE, CA 91201 LOS ANGELES COUNTY MAP		

Independence

Vasquez meets the independence requirements of the auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, published by the United States General Accounting Office ("Yellow Book") as it relates to the LAFCOs. Vasquez does not have any professional relationships involving the LAFCOs or any of its agencies or component units.

Peer Review

Vasquez is a member of the AICPA Division of Firms and received a Peer Review Rating of "Pass" without comment - the highest rating from the AICPA on its peer review dated May 5, 2023. This peer review covered several government engagements similar in size and complexity to the LAFCOs. A copy of the peer review opinion follows:

 May 05, 2023 Colleen Vasquez Vasquez & Company, LLP 100 N Central Ave Ste 1150 Glendale, CA 91201 Dear Colleen Vasquez: It is my pleasure to notify you that on May 03, 2023, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2025. This is the date by which all review documents should be completed and submitted to the administering entity. As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm. Thank you for your cooperation. Sincerely,  Michael Wagnon Chair, National FRC +1 819 452 4562 cc: James Dougherty, Roger Martinez Firm Number: 30010138115 Review Number: 597383 2701 Leigh Farm Road, Durham, NC 27707-8115 T: +1 919 452 4522 F: +1 919 452 4511 www.aicpa.org www.aicpa.org/peer-review	 Report on the Firm's System of Quality Control December 31, 2022 To the Partners of Vasquez & Company, LLP and the National Peer Review Committee We have reviewed the system of quality control for the accounting and auditing practice of Vasquez & Company, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection as of the year ended June 30, 2022. Our peer review was conducted in accordance with the standards for Performance and Projected on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards). The system, objectives, scope, limitations of, and the procedures performed in a System Review, as described in the Standards may be found at www.aicpa.org/peerreview. The summary also includes an explanation of how engagements identified in our performed as required in accordance with applicable professional standards, if any, are evaluated by a peer review to determine a peer review rating. The Firm's Responsibility The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performance and reporting in accordance with the requirements of applicable professional standards in all material respects. The firm is also responsible for establishing policies to promptly remediate deficiencies identified in our performed as required in accordance with the requirements of applicable professional standards, when appropriate, and for remedial measures in all respects of quality control, if any. Peer Reviewer's Responsibility Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review. Required Selection and Consideration Engagements selected for review on least engagements performed under Government Auditing Standards, including compliance with the "large state act" and Rules of required audit points. As a part of our peer review, we considered criteria by regulatory bodies to communicate to the firm of applicable in determining the nature and extent of our procedures. Opinion In our opinion, the system of quality control for the accounting and auditing practice of Vasquez & Company, LLP applicable to engagements not subject to PCAOB permanent inspection as of the year ended June 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performance and reporting in accordance with applicable professional standards in all material respects. Further, we observed a rating of pass, pass, with deficiencies on the firm Vasquez & Company, LLP, has received a peer review rating of pass. 
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Attachment 2

Riverside LAFCO

Proposal to Provide Audit Services

40

Prior Audits Performed

The following are website links for ACFR reports performed by the proposed engagement team.

City of Modesto – [Annual Comprehensive Financial Report](#)

City of Norwalk – [Annual Comprehensive Financial Report](#)

City of West Hollywood – [Annual Comprehensive Financial Report](#)

Evidence of Insurance

We confirm that we have the required insurance policies in force in amounts of coverage for not less than \$1,000,000 per occurrence or accident for each of the following: are selected to complete this engagement, we will maintain the minimum insurance requirements during the entire term of the engagement. Professional Liability (Errors & Omissions), Workers Compensation and Employer's Liability, Comprehensive General Liability and Bodily Injury Insurance, and Automobile Liability (Owned and Non-Owned) and Property Damage Insurance. Prior to any commencement of audit services, we will provide certificates of insurance coverage to each participating LAFCO.

Attachment 2



www.vasquez.cpa

Vasquez & Company L.L.P. has over 55 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies.



Exhibit 2

Fresno Local Agency Formation Commission

8/5/2026

The Honorable Lance G. Jacot, Presiding Judge
San Joaquin County Superior Court
180 E. Weber Avenue, Ste 1306J
Stockton, CA 95202

Re: San Joaquin County 2025-2026 Civil Grand Jury Final Report

Fresno LAFCo was recently contacted by the Executive Officer of San Joaquin LAFCo who shared the Final Report with us. J.D. and his team have always been amazing partners to us whenever we needed assistance in the past and we are excited to have the opportunity to try to return the favor and offer some additional insight that can be beneficial to the Civil Grand Jury and the public overall.

After reviewing the Final Report, it is my understanding that Fresno LAFCo is likely to be the most service in assisting with addressing Recommendation 6. Our team has already sent over the last versions of our Annual and Mid-Year Budget Reports and Work Plan Updates, and we are ready to schedule any additional follow-up necessary for any of the recommendations that we can assist with.

While wholly unsolicited, I would like to take this opportunity to offer some additional insight into how Fresno LAFCo addresses Municipal Service Reviews and how we interpret "every 5 years, as necessary". The San Joaquin Civil Grand Jury did an excellent job in identifying two key goals that every LAFCo must strive for: Logic and Efficiency. For some LAFCos in the State, there are only a few incorporated cities and a handful of districts which makes it straightforward to tackle the task of ensuring MSR are updated every 5 years. For other LAFCos like San Joaquin and Fresno, there are over ten cities and over one hundred districts to schedule and manage Municipal Service Reviews.

With a single Municipal Service Review typically taking an average of 6 months to complete, a 5-year MSR cycle would typically yield 10 MSRs per year with a cap of 60 agencies reviewed (a rate of 10 MSRs per year is virtually unheard of outside of a few exceptional cases). This rate would allow San Joaquin LAFCo to reach just over 55% of the requirement if held at a strict 5-year cycle. The logical solution to maximize efficiency would be to either hire additional Analysts or create a bigger budget for consultants to assist in processing more MSRs per year. The hurdle that of course is created with this solution would be convincing our Commissioners, Board of Supervisors, City Councils and even our District Boards to pay more per year to LAFCo in allocations. In most cases this could easily double the operating budget for any LAFCo.

It is also worth considering the resources required at the end of the Cities and Districts. While most Cities and larger Districts could absorb the additional resources needed to coordinate with LAFCo every 5 years. Some smaller Cities and most all smaller Districts operate on small and virtually fixed budgets. With resources already so tight, even the smallest increase could send a district into a slow spiral that would eventually require them to dissolve.

As the Executive Officer of an agency that is ultimately funded by public tax dollars, I feel it is my absolute duty to balance logic and efficiency to ensure the public is receiving services at or above standards while minimizing the costs to verify it through a Municipal Service Review. I also believe the team at San Joaquin LAFCo shares this sense of duty to the public.



Fresno Local Agency Formation Commission

I will be using this opportunity to self-check our own practices to make adjustments as needed and for that I offer my sincere thanks to the San Joaquin Civil Grand Jury as well as San Joaquin LAFCo. If I could make a small request, it would be to consider the long term and bottom-line effects of pushing towards a strict 5-year cycle across the board.

Even though San Joaquin and Fresno are two separate Counties, LAFCos and Civil Grand Juries, we are all partners within this State and within the Central Valley. The strong work ethics, approachable personalities, and willingness to collaborate that I have experienced with JD and his team at San Joaquin LAFCo are all traits that Fresno LAFCo strives for. It would be our absolute honor to assist in any way.

Your time and consideration in reading this letter is greatly appreciated. Please respond if there are additional details or clarification that I could provide.

Respectfully,

A handwritten signature in blue ink, appearing to read "B. Spaunhurst", is written over the typed name.

Brian Spaunhurst
Executive Officer

POLICY AND PROCEDURE MANUAL FINANCIAL AND ACCOUNTING PROCEDURES

F. CONTINGENCY FUND

LAFCo may establish a Contingency Reserve Fund to cover emergencies and other unforeseen costs not budgeted but deemed necessary for the continued operation of LAFCo. Expenditure of Contingency Funds must receive prior approval of the Commission. Funds not expended at the end of the fiscal year shall be carried over to the next fiscal year.

There are four categories that Contingency Reserve Funds are budgeted within each fiscal year budget. These categories are:

- 1) **Litigation** – restricted funds for use in the event of significant legal costs or lawsuits involving SJLAFCo. This fund shall have a minimum balance of \$150,000.00.
- 2) **Compensated absences liability** -- restricted funds to offset anticipated agency liabilities including employee vacation and administrative leave payouts. Minimum balance to be 75% of eligible total pay-out liability. Total eligible leave pay-out is two weeks (80 hours) per fiscal year.
- 3) **Pension/OPEB liabilities** -- restricted funds for the purposes of achieving and maintaining a reasonable amount of reserve funds for covering future pension/OPEB obligations. The minimum balance of pension liability shall be determined by the retirement system that the Commission participates in, currently the San Joaquin County Employee Retirement Agency (SJCERA). The Commission may make contributions above current minimums with the intention of paying down OPEB liabilities.
- 4) **Working Capital** – unrestricted funds the purpose and objective of which shall be to meet needs associated with planned and unplanned non-recurring expenses such as those that may be necessary to assist with operational fluctuations in revenues; expenses that may occur on a year-to-year basis; one-time investments in either programs and/or grant expenses; and reimbursement of expenses incurred by other reserve categories to ensure minimum balances are maintained.

The Executive Officer to report on the status of each category of Contingency Reserve Funds as part of mid-year and annual budget preparation and review processes.

FINANCIAL AND ACCOUNTING PROCEDURES

H. ANNUAL AUDIT

A. Role of the Independent Auditor

It is the policy of SJLAFCO to arrange for an annual audit of its financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by SJLAFCO will be required to communicate directly with the Commission upon the completion of their audit. In addition, members of the Commission may initiate communication directly with the independent accounting firm.

Audited financial statements, including the auditor's opinion thereon, will be submitted to the Commission by the independent accounting firm and the financial statements will be presented for consideration by the Commission at a regular meeting.

B. How Often to Review the Selection of the Auditor

In accordance with agency policy and state law, SJLAFCO shall review the selection of its independent auditor in the following circumstances:

1. Anytime there is dissatisfaction with the service of the current firm.
2. When a fresh perspective and new ideas are desired.
3. A change in Auditor every six years should be considered to ensure competitive pricing and a high quality of service.
4. SJLAFCO is restricted from employing a public accounting firm to provide audit services if the lead partner or coordinating audit partner having primary responsibility for the audit, has performed audit services for SJLAFCO for five consecutive fiscal years.

C. Selecting an Auditor

1. The following factors shall be considered by SJLAFCO in selecting an accounting firm:
 - The firm's reputation in the government community.
 - The depth of the firm's understanding of and experience with governmental agencies.
 - The demonstrated ability to provide the services requested in a timely manner.
 - The ability of firm personnel to communicate with Organization personnel in a professional and congenial manner.

If SJLAFCO decides to prepare and issue a written Request for Proposal (RFP) to be sent to prospective audit firms, the following information shall be included:

- Period of services required
- Type of contract to be awarded (fixed fee, cost basis, etc.)
- Complete description of the services requested (audit, management letter, etc.)
- Identification of meetings requiring their attendance, such as staff or Commission meetings
- Organization chart of SJLAFCO
- Chart of account information
- Financial information about the organization
- Copy of prior year reports (financial statements, management letters, etc.)
- Other information considered appropriate
- Description of proposal and format requirements
- Due date of proposals
- Overview of selection process (i.e., whether finalists will be interviewed, when a decision shall be made, etc.)
- Identification of criteria for selection

2. Minimum Proposal Requirements from prospective CPA firms shall be:

- Firm background
- Biographical information (resumes) of key firm member who will serve SJLAFCO
- Client references
- Information about the firm's capabilities
- Firm's approach to performing an audit
- Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings
- Other resources available with the firm
- Expected timing and completion of the audit

- Expected delivery of reports
- Cost estimate including estimated number of hours per staff member
- Rate per hour for each auditor
- Other information as appropriate

D. Preparation for the Annual Audit

SJLAFCO shall be actively involved in planning for and assisting with the independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the accounting department shall provide assistance to the independent auditors in the following areas:

1. **Planning** – The Executive Officer is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

2. **Commission Involvement** – Organization staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit. The Commission's Budget Committee may assist SJLAFCO in fulfilling its audit oversight responsibilities with regard to:

- (a) the integrity of SJLAFCO's financial statements,
- (b) SJLAFCO's compliance with legal and regulatory requirements, and
- (c) the independent auditor's qualifications and independence.

In providing this assistance to the full Commission, the Budget Committee may assume audit responsibilities as provided herein and recommend action on all audit matters to the full Commission.

Audit responsibilities of the Budget Committee may include, but is not limited to, the following:

- Review of the auditor's proposed audit scope and approach.
- Review of annual financial audit reports, schedules, and management letter.
- Any serious difficulties or disputes with management encountered during the audit.
- Matters required to be discussed by Statements on Auditing Standards issued by the Auditing Standards Board of the American Institute of Certified Public Accountants or other state or federal agencies.

- Review of the performance of the auditors, including any issues arising during their most recent quality-control or peer review, and their independence as it relates to SJLAFCO.
- Review of the Budget Committee's audit responsibilities annually to reassess their adequacy and recommend any proposed changes.
- Review the Executive Committee's effectiveness in carrying out its responsibilities.
- Other matters deemed appropriate by the SJLAFCO Chair.

3. Interim Procedures – To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to SJLAFCO's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. SJLAFCO staff will assist as much as possible in order to provide requested schedules and documents and to otherwise assist the auditors during any interim audit fieldwork that is performed.

Throughout the audit process, it shall be the policy of SJLAFCO to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

E. Concluding the Audit

Upon receipt of a draft of the audited financial statements of SJLAFCO from its independent auditor, the Executive Officer shall perform a detailed review of the draft, consisting of the following procedures:

1. Carefully read the entire report for typographical errors.
2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of SJLAFCO.
3. Review each footnote for accuracy and completeness.
4. Any questions or errors noted as part of this review shall be communicated to the Independent auditor in a timely manner and resolved to the satisfaction of the Executive Officer.
5. It shall also be the responsibility of the Executive Officer to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

FINANCIAL AND ACCOUNTING PROCEDURES

Section I – Mid-Year Budget and Budget Committee

1. **Mid-Year Report and Presentation:** The Executive Officer shall make a mid-year budget report and presentation to the Commission at the regularly scheduled February Commission Hearing, or the next hearing date thereafter. The mid-year budget report shall include information and progress made regarding the work schedule adopted for that year's adopted budget. The mid-year budget review shall also include information regarding the Commission's fund balance and status of each Contingency Reserve Fund categories.
2. **Budget Committee:** Following the Executive Officer's mid-year budget report and presentation, the Commission shall elect two (2) Commissioners to the Budget Committee. The Budget Committee is an ad-hoc committee that work along with the Executive Officer to review preliminary expenses, shape the annual workplan and proposed operating budget during the upcoming fiscal year prior to submitting those documents to the Commission. The Commission will then hold a public hearing to adopt the final adoption.
3. **Timing:** Convening typically in March, the Budget Committee evaluates preliminary fiscal numbers. The Budget Committee findings and recommendations regarding the upcoming fiscal year operating budget to the full LAFCo board ahead of statutory deadlines (such as passing a proposed budget by May 1 and final adoption by June 15).

POLICIES AND PROCEDURES FOR SPHERES OF INFLUENCE

D. Municipal Service Reviews (MSR)

1. **Goal:** The goal of the SJLAFCo MSR program is to provide cities and special districts with an assessment on their provision of services, make recommendations regarding areas of improvement, and determine whether an agency is equipped to effectively provide services within its existing or expanded SOI.
2. **Overview:** Pursuant to GC sec. 56430, in order to prepare and to update spheres of influence (SOI) in accordance with GC sec. 56425, the Commission shall conduct a review of the municipal services provided by a local agency. A municipal service review (MSR) is a comprehensive study prepared by SJLAFCo to inform local agencies, the public, and SJLAFCo about municipal services provided by local agencies within a designated geographic area.
3. **Evaluation:** LAFCo evaluates the municipal services provided by one or more local agencies, makes determinations based upon this information and may recommend actions to promote the efficient provision of those services. An MSR need not be prepared if no action to prepare or update a SOI is proposed, though LAFCo may choose to prepare a MSR at its discretion.
4. **Determinations:** Pursuant to GC sec. 56430, LAFCo must make the following written determinations regarding the following areas:
 - A. Growth and population projections for the affected area.
 - B. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
 - C. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
 - D. Financial ability of agencies to provide services.
 - E. Status of, and opportunities for, shared facilities. Accountability for community service needs, including governmental structure and operation efficiencies.

- F. Any other matter related to effective or efficient service delivery, as required by commission policy.
- 5. **Conclusion:** An MSR concludes with adoption of the determinations by the Commission.
- 6. **MSR and SOI Relation:** While the Commission is not required by law to make any changes to a SOI based upon MSRs, the Commission may at its discretion opt to shrink or expand an SOI, or approve, deny, or approve with conditions any change of organization or reorganization impacting the governmental agency as a result of the information contained in the MSR.
- 7. **Planning Document:** The Commission's determinations may result in recommendations to the subject local agency regarding the areas specified by the statute. When recommendations are made, they will be conveyed to the local agency for response and/or action.
- 8. **Service Review Objectives:** The objective of a MSR to evaluate a local agency—including, but not limited to:
 - A. services delivered by the agency or other agencies,
 - B. the agency's compliance with its principal act,
 - C. activities of its legislative body,
 - D. the agency's managerial practices,
 - E. sufficiency of its annual budget,
 - F. presence of an agency's long-range plan for services,
 - G. opportunities for public participation at its legislative body's meetings, and
 - H. the agency's compliance with "sunshine" laws, such as the Brown Act.
- 9. **LAFCo Tool:** SJLAFCo uses a service review in order to present thoughtful and accurate information in support of Commission determinations and facilitate: ;
 - A. Provide recommendations to encourage effective and efficient municipal service delivery;
 - B. Build and maintain effective relationships between LAFCo and local agencies; and
 - C. Encourages local agencies affected by these policies to include LAFCo at the beginning of any city planning application that may result in an annexation or SOI amendment or extension of services.

10. Municipal Services: The term “municipal services” relates to services provided by cities and many special districts to relatively dense populations at comparatively high levels of service, including:

- A. Public safety (police, fire, building inspection, etc.);
- B. Public utilities including solid waste collection and disposal, wastewater collection and treatment, domestic water production, treatment and distribution, and electricity;
- C. Land use authority including planning, code enforcement, and building code enforcement;
- D. Parks and recreation;
- E. Public facilities;
- F. Airports;
- G. Public transit;
- H. Improvement, maintenance, repair, and operation of streets and highways;
- I. Flood control;
- J. Water supply, drainage, storage, and conservation.
- K. “Municipal service” also encompasses a service or function provided to one local agency by a contract with another local agency, as permitted by GC sec. 54981.

11. Other Services: Other types of services provided by local agencies that may not be considered “municipal,” and do not in themselves facilitate or induce growth. Nonetheless, SJLAFCo deems it appropriate to include the local agencies that provide these services in the MSR program as their services were deemed necessary when the local agency was formed and are provided within a specified geographic area under the authority of the California Code. Further, performance of a MSR for a non-municipal service provider permits the full expression of LAFCo goals with all local agencies under its jurisdiction.

12. Environmental Determination: Local agencies that request a SOI amendment that is consistent with the agency’s general or master plan are expected to be the lead agency as defined by the California Environmental Quality Act (CEQA, PRC sec. 21067). The lead agency has the principal responsibility for carrying out or approving a project which may have a significant affect upon the environment. The lead agency will conduct all necessary environmental determinations as appropriate under CEQA (i.e., notice of exemption, negative declaration, environmental impact report). Under this circumstance, LAFCo will be a responsible agency as defined by CEQA (PRC sec. 21069). This relationship should be clearly

identified in the lead agency's CEQA documentation, as well as the requested actions (reorganizations, annexations and/or detachments) anticipated by the lead agency in its environmental analysis. When LAFCO initiates an MSR, it will be the lead agency and will prepare the appropriate documentation pursuant to CEQA.

13. MSR Preparation: The Commission shall conduct a programmatic update of a local agency's MSR before, or in conjunction with, but no later than the time it is considering an action to update a sphere of influence. The Executive Officer will assess local agencies' spheres of influence as necessary, by reviewing the current MSR, and contacting the local agency to determine the following:

- A. Agency's progress on the Commission's earlier MSR recommendations,
- B. Adequacy of its current SOI, and
- C. Whether the current SOI is consistent with its long-range plans.

14. SJLAFCo MSR Preparation: If staff determines that an amendment to a sphere of influence may be necessary and would necessitate an update of that agency's MSR, it may provide local agencies with an MSR questionnaire for them to complete and may request additional information. Once this information is received, staff will prepare a draft MSR.

15. Data Verification: A local agency is required to submit primary source documents so that all data presented within a MSR is backed by data submitted to other public regulatory agencies. The local agency will be provided with a MSR checklist of items needed to complete data verification. Upon data verification, an administrative draft MSR is reviewed subject to SjlAFCo staff's review for documentation, completeness, and thorough analysis.

16. Public Participation: The adoption of a MSR is not subject to a statutory public hearing (GC sec. 56430). However, to allow for public participation that demonstrates a transparent decision-making process, the following actions will take place:

- A. The draft MSR shall be posted on the Commission's website for a 21-day public review period;
- B. Notice of the public review period will be posted at the offices of Fresno LAFCo and the Clerk of the Board of Supervisors and on the Commission's website; and
- C. Notice will be mailed or e-mailed to the subject local agency to be posted in its jurisdiction.

17. Other Factors: These policies are based on circumstances unique to SJLAFCo and as such will ensure that municipal services are evaluated in an orderly, logically, and efficient manner.

- A. The SOI should reflect two planning horizons – short range five (5) to ten (10) year; medium range ten (10) to twenty (20) years and, long range twenty (20) to thirty (30) years – for the phasing of reorganizations and annexations. Said planning horizons may include additional areas that may relate to the agency’s planning.
- B. The SOI boundary as well as the Planning Horizon boundaries shall be reviewed and either affirmed or updated on average of every five (5) years, as necessary, thereafter.
- C. The Commission will evaluate proposed SOI amendments in light of many of the local agency’s own adopted plans and policies including, but not limited to, its general or master plan and related CEQA documents, service plans, annual budgets, fee structure, and capital improvement plans.
- D. MSRs may be updated independently from an SOI modification, either to facilitate review of an agency’s service deficiencies or in response to other LAFCo actions.
- E. The Commission reserves the right to have an MSR prepared by a consultant under contract with the Commission and associated expenses may be borne by the requesting local agency.

CONFLICT OF INTEREST

I. TERMS

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. Title 2, California Code of Regulations, Section 18730, adopted by the Fair Political Practices Commission (FPPC), contains the provisions required to be included in a Conflict of Interest Code and can be incorporated by reference. Section 18730 may be amended from time to time to conform to amendments in the Political Reform Act after public notice and hearings conducted by the FPPC. Therefore, the terms of Title 2, California Code of Regulations, Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the following list of designated persons and disclosure requirements, constitute the Conflict of Interest Code of the San Joaquin Local Agency Formation Commission.

II. DESIGNATED PERSONS

The following persons are subject to the provisions of this Code:

- A. All members and alternate members of the Commission
- B. The Executive Officer
- C. Legal Counsel to the Commission
- D. Clerk / Analyst
- E. Assistant Clerk
- F. Independent contractors and consultants who, as determined by the Executive Officer and/or the Commission, perform duties or provide services of a substantial and continuing nature such that they serve in a staff capacity to the Commission and participate in making governmental decisions as defined in FPPC Regulation 18702.2 , as amended, or perform the same or substantially all the same duties for the Commission that would otherwise be performed by an individual holding a designated officer position specified in this Code.

III. FULL DISCLOSURE REQUIRED

Designated persons must disclose all investments, sources of income or interests in real property within the jurisdiction of

San Joaquin County, and business positions in which the designated person is a director, officer, partner, trustee, employee or holds any position of management, if that business does any contracting with the Commission or is located within its jurisdiction.

IV. PROCEDURES

A. Commissioners holding elective positions (County Supervisors and City Council Members,) may list San Joaquin LAFCo on the same Statements of Economic Interest prepared for those offices. The Public and Alternate Public Member may also file this way if they hold appointive positions requiring the filing of Form 700.

B. Any Commissioner not also required to file elsewhere (e.g., Public Member and/or Alternate Public Member), LAFCo Staff, Legal Counsel and any independent contractor/consultant required to file will file their Statements of Economic directly through FPPC.

C. Photocopies of the schedules should be sent to the LAFCo Office

D. The copies of forms filed with San Joaquin Local Agency Formation will be retained for two (2) years, as per LAFCo detention policy.

CODE OF ETHICS

The legislative intent for LAFCo is contained in Government Code Section 56300, as amended:

It is the intent of the Legislature that each commission establish policies and exercise its powers pursuant to this part in a manner that encourages and provides planned, well-ordered efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns.

LAFCo is an independent commission and is not a part of or subordinate to the County, any city or any special district.

Each Commissioner is independent in weighing and reviewing information and making determinations based upon the particular matter under review and in consideration of LAFCo's underlying purposes, as provided by the law:

56325.1., as amended, while serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.

LAFCo's composition is a membership consisting of City, County and Public members. The mixed membership ensures that various backgrounds and perspectives are reflected on the Commission. As they carry out their LAFCo responsibilities, Commission members rely on the expertise and experience they have gained while serving on their appointing agencies. However, members will base their decisions on the policies and requirements of LAFCo law and the best interests of all the citizens.

The members of the Commission include both regular and alternate members. All members, both regular and alternate, should attend all meetings if at all possible, and all members, both regular and alternate, are responsible for participating in discussions of issues and in facilitating the work of the commission.

Participants in LAFCo proceedings are encouraged to be courteous and respectful. LAFCo expects to hear differing opinions and points of view during the course of its deliberations. Interruptions and discourteous comments will not be tolerated by the Commission.

Additionally, Commissioners agree to actively listen to each other, to voice their opinions, and to be respectful of staff, the public, and fellow commission members. Commissioners further agree to focus discussion on issues (as opposed to personalities), and to conclude issues in a timely manner. Each member accepts responsibility to stay focused on issues germane to the topic.

Attachment F

CHAPTER IV

Duties of the Executive Officer

Section 15. The Executive Officer appointed by the Commission shall attend each meeting of the Commission and maintain a record of all proceedings. The Commission shall set forth the duties of the Executive Officer in job specifications or other such documents.

Section 16. The Executive Officer shall prepare an agenda for each meeting. The agenda shall comply with the Cortese-Knox-Hertzberg Government Reorganization Act of 2000 and the Ralph M. Brown Act.

Section 17. The Executive Officer essential knowledge, skills and abilities include the principles and practices of public administration including the organizational structure and service delivery systems of local government agencies such as counties, cities and special districts.

Section 18. In executing the authority and power of the office, the Executive Officer represents the purpose and mission of the San Joaquin Local Agency Formation Commission, including operating procedures and rules and regulations as determined by statutes. In doing so the Executive Officer implements pertinent local, State and Federal rules, regulations and laws. In discretionary actions the Executive Officer demonstrates best feasible principles and practices of policy development, budgeting and professional code of conduct, including, but not limited to, applicable provisions of the American Institute of Certified Planners Code of Ethics and Professional Conduct.

Section 19. The Executive Officer Organizes and directs administrative and analytical support activities for the Commission using the principles and practices of organizational analysis, management leadership, motivation, team building, empowerment and conflict resolution.

Section 20. The Executive Officer investigates and implements modern office procedures, methods and technology to ensure the Commission's operational efficiency.

Section 21. On a continuous basis, the Executive Officer analyzes budget and technical reports; interprets, evaluates and writes staff reports; apply knowledge skills and abilities to laws, regulations and codes; observe performance and evaluate staff; problem solve LAFCO related issues; remember various rules; and explain and interpret policy.

Section 22. The Executive Officer works both autonomously and as a member of a project delivery team and/or committee in the analysis of challenges, identification of alternative solutions, project consequences of proposed actions and implement recommendations in support of goals. In doing so, gain cooperation through discussion and persuasion.



Balancing Community and Commerce

PERSONNEL HANDBOOK
2026

Table Of Contents

Contents

Chapter 1 - Introduction and General Information Policies	3
Chapter 2 Equal Employment Opportunity.....	6
Chapter 3 Classification Policies.....	20
Chapter 4 Recruitment, Selection, and Appointment	21
Chapter 5 Employment of Relatives or Spouses/ Domestic Partners.....	24
Chapter 6 Compensation and Payroll Practices.....	26
Chapter 7 Performance Evaluation Policies.....	27
Chapter 8 Leaves of Absences.....	30
Chapter 9 Resignation, Job Abandonment, Layoff, and Separation.....	45
Chapter 10 Discipline	50
Chapter 11 Grievances	55
Chapter 12 Miscellaneous Policies	56
Signature Page.....	68

Chapter 1 - Introduction and General Information Policies

1.1 Effect and Applicability of Personnel Policies

1.1.a No Contract Right; LAFCo Discretion to Modify These Policies

These Personnel Policies ("Policies") do not create any contract right, or any express or implied contract of employment. The San Joaquin Local Agency Formation Commission (LAFCo or "Agency") retains the full discretion to modify these Policies at any time in accordance with law.

1.1.b Applicability of Policies

These Policies apply to all categories of employees of the LAFCo unless a specific section or provision excludes them. Independent contractors, volunteers, and Commissioners are not employees.

1.1.c Conflict Between These Policies and Contracts for Employment

The LAFCo may, from time to time, enter into contracts with employees or contractors for specified services, such as the services of an Executive Officer. If a provision of these Policies conflicts with any provision of a valid employment agreement between the LAFCo and an employee or other contract worker, the provision of the agreement that is in conflict with these rules shall apply. The LAFCo is not otherwise bound by employment agreements, collective bargaining agreements, or other personnel rules applicable to agencies within its jurisdiction.

1.1.d Employee Acceptance of Policies and Revisions to Policies

As a condition of employment, all employees are required to read and request necessary clarification of these Policies. Each employee is required to sign a statement of receipt acknowledging that: a) he or she has received a copy or has been provided access to the Policies; and b) understands that he or she is responsible to read and become familiar with the contents and any revisions to the Policies.

1.2 Delegation of Authority

1.2a Delegation of Appointing and Personnel Authority to Executive Officer

The LAFCo Commission delegates to the Executive Officer, the authority to authorize employment, establish job responsibilities, and perform other personnel actions as to all subordinate employees in accordance with all federal and state laws and regulations and these Policies.

1.2.b Retention of Personnel Authority as to Certain Personnel

As to those elected officials, or employees who directly report to the Commission Board, if any, the Commission Board retains all authority over all personnel actions as authorized by law and these Policies.

1.3 Categories of Employees and Non-Employees

1.3.a At-Will Employee

An at-will employee's employment has no specified term and employment can be terminated at the will of either the employee or LAFCo at any time and for any reason. An at-will employee has no property right in continued employment and has no right to any pre- or post-disciplinary procedural due process or evidentiary appeal. At-will employees include any of the following:

- (a) Executive Officer
- (b) General Counsel
- (c) Special Legal Counsels
- (d) Employees whose positions are funded under a state or federal employment program
- (e) Employees designated as temporary/ seasonal or extra-help, limited-term, etc.
- (f) Probationary employees

1.3.b Probationary Employee

A probationary employee is one who is serving a probationary period at either: the outset of initial employment with LAFCo; or at the outset of a promotion to a higher classification. During the initial probationary period, a probationary employee serves at the pleasure of the appointing authority, has no property right in continued employment, and has no right to any pre- or post-disciplinary procedural due process or evidentiary appeal. A probationary employee serving in the initial probationary period is an at-will employee. An employee promoted to a higher classification has no property right and no right to any pre- or post-disciplinary due process or evidentiary appeal with respect to the position promoted into during the probationary period, serves at the pleasure of the appointing authority, and can be demoted into his or her former position at any time, with or without cause. (See 4.1(h).) LAFCo may extend probationary periods upon notice to the employee. (See 4.1(b).)

1.3.c For-Cause Employee

A for-cause employee is one who has satisfactorily completed the initial probationary period and cannot be disciplined except when LAFCo has cause to do so. A for-cause employee has a property right in continued employment and has the right to pre- and post-disciplinary procedural due process and an evidentiary appeal for certain types of disciplinary actions that result in a significant deprivation of property, as prescribed by law.

1.3.d Full or Part-Time Employee

A full-time employee is one whose position is budgeted to work at least 40 hours per week.

Full-time employees receive all benefits provided in these Policies, unless otherwise provided in an employment agreement approved by LAFCo. A part-time employee is one whose position is budgeted to work less than 40 hours per week. Part-time employees may have different rights to leave and other benefits under the law or these Policies, depending on the number of hours they work. Full-time and part-time employees may be at-will, probationary, or for-cause.

1.3.e Temporary/Seasonal /Extra-Help Employee

A temporary/ seasonal or extra-help employee is an at-will employee who is appointed other than from an eligible list for a short term or seasonal basis, not to exceed six months. A temporary/ seasonal or extra-help employee serves at-will and at the pleasure of the appointing authority, has no property right in continued employment, and has no right to any pre- or post-disciplinary procedural due process or evidentiary appeal.

1.3.f Volunteer

A volunteer is not an employee but instead is an individual who provides services to the Agency for civic or philanthropic reasons and receives no compensation or benefits other than nominal fees and reimbursement of expenses. A volunteer serves at-will and at the pleasure of the appointing authority, has no property right in continued employment, and has no right to any pre- or post-disciplinary procedural due process or evidentiary appeal.

1.3.g Independent Contractor

An independent contractor is not an employee and serves solely pursuant to a contract that has been formed and approved as required by LAFCo policies and procedures. An independent contractor may only perform work that is outside the course of LAFCo's regular business.

1.3.h Regular Employee Status

As used in these policies, "regular employee" means a non-elected individual who has been appointed to a regularly allocated position. Regular employees may be full or part-time employees, but do not include probationary or temporary/seasonal/extra-help employees, volunteers, or independent contractors.

Chapter 2 Equal Employment Opportunity

2.1 Equal Employment Opportunity Policy

LAFCo affords equal employment opportunity for all qualified employees and applicants as to all terms of employment, including compensation, hiring, training, promotion, transfer, discipline and termination. LAFCo prohibits discrimination against employees or applicants for employment on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision-making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (40 and over), sexual orientation, military and veteran status or any other basis protected by law. (Gov. Code § 12940(a), as amended.) Employees, volunteers, or applicants who believe they have experienced any form of employment discrimination or abusive conduct are encouraged to report the conduct immediately by using the complaint procedures provided in these Policies, or by contacting the U.S. Equal Employment Opportunity Commission, or the California Department of Fair Employment and Housing.

2.2 Policy Against Discrimination, Harassment and Retaliation; Complaint Procedure

2.2.a Purpose

LAFCo has a strong commitment to prohibiting and preventing discrimination, harassment, retaliation, and disrespectful or other unprofessional conduct in the workplace based on one's membership in a protected class, as described below. LAFCo also prohibits discrimination, harassment, or unprofessional conduct based on the perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics. LAFCo has zero tolerance for any conduct that violates this Policy.

Conduct need not arise to the level of a violation of state or federal law to violate this Policy. Instead, a single act can violate this Policy and provide grounds for discipline or other appropriate sanctions. This Policy establishes a complaint procedure for investigating and resolving internal complaints of discrimination, harassment and retaliation. LAFCo encourages all individuals to report any conduct they believe violates this Policy as soon as possible. Any retaliation against an employee because they filed or supported a complaint or because they participated in the complaint resolution process is prohibited. Individuals found to have retaliated in violation of this Policy will be subject to appropriate sanction or disciplinary action, up to and including termination.

2.2.a.1 Covered Individuals and Scope of Policy

The individuals covered by this Policy are: applicants, employees regardless of rank or title, elected or appointed officials, interns, volunteers, and contractors. This Policy applies to all terms and conditions of employment, internships, and volunteer opportunities, including, but not limited to, selection, hiring, placement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation, and training.

2.3 Definitions

2.3.a Protected Classification

This Policy prohibits harassment, discrimination or retaliation because of an individual's protected classification or perceived protected classification. "Protected Classification" includes race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision-making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (40 and over), sexual orientation, or military and veteran status, or any other basis protected by law. (Gov. Code § 12940(a), as amended.) This Policy prohibits discrimination, harassment or retaliation because: 1) of an individual's protected classification; 2) the perception that an individual has a protected classification; or 3) the individual associates with a person who has or is perceived to have a protected classification.

2.3.b Protected Activity

This Policy prohibits discrimination, harassment, or retaliation because of an individual's protected activity. Protected activity includes: making a request for an accommodation for a disability; making a request for accommodation for religious beliefs; making a complaint under this Policy; opposing violations of this Policy; or participating in an investigation under this Policy.

2.3.c Discrimination

This Policy prohibits treating covered individuals differently and adversely because of the individual's protected classification, actual or perceived; because the individual associates with a person who is member of a protected classification, actual or perceived; or because the individual participates in a protected activity as defined in this Policy. (Gov. Code § 11135, as amended.)

2.3.d Harassment

Harassment includes, but is not limited to, the following types of behavior that are taken because of a person's actual or perceived protected classification:

- (a) Speech, such as epithets, derogatory comments or slurs, and propositioning on the basis of a protected classification. This includes inappropriate comments about appearance, dress, physical features, gender identification, or race-oriented stories and jokes.
- (b) Physical acts, such as assault, impeding or blocking movement, offensive touching, or physical interference with normal work or movement. This includes pinching, grabbing, patting, or making explicit or implied job threats or promises in return for submission to physical acts.
- (c) Visual acts, such as derogatory posters, cartoons, emails, pictures or drawings related to a protected classification.
- (d) Unwanted sexual advances, requests for sexual favors and other acts of a sexual

nature, where submission is made a term or condition of employment, where submission to or rejection of the conduct is used as the basis for employment decisions, or where the conduct is intended to or actually does unreasonably interfere with an individual's work performance or create an intimidating, hostile, or offensive working environment. (Gov. Code § 12940(j)(4)(C) as amended; 2 Cal.Code Regs § 11019(b)(2), as amended; 5 Cal.Code Regs § 4916, as amended.)

2.3.d.1 Guidelines for Identifying Harassment

Harassment includes any conduct which would be unwelcome or unwanted to an individual of the recipient's same protected classification. The following guidelines to determine if conduct is unwelcomed or unwanted should be followed:

- (a) It is no defense that the recipient "appears" to have consented to the conduct at issue by failing to protest about the conduct. A recipient may not protest for many legitimate reasons, including the need to avoid being insubordinate or to avoid being ostracized or subjected to retaliation.
- (b) Simply because no one has complained about a joke, gesture, picture, physical contact, or comment does not mean that the conduct is welcome. Harassment can evolve over time. Small, isolated incidents might be tolerated up to a point. The fact that no one has yet complained does not preclude someone from complaining if the conduct is repeated in the future.
- (c) Even visual, verbal, or physical conduct between two people who appear to welcome the conduct can constitute harassment of a third person who witnesses the conduct or learns about the conduct later. Conduct can constitute harassment even if it is not explicitly or specifically directed at a particular individual.
- (d) Conduct can constitute harassment even if the individual has no intention to harass. Even well-intentioned conduct can violate this Policy if the conduct is directed at, or implicates a protected classification, and if an individual would find it offensive (e.g., gifts, over-attention, endearing nicknames, hugs).

2.3.e Retaliation

Retaliation occurs when adverse conduct is taken against a covered individual because of the individual's protected activity as defined in this Policy. "Adverse conduct" may include but is not limited to: disciplinary action, counseling, taking sides because an individual has reported harassment or discrimination; spreading rumors about a complainant or about someone who supports or assists the complainant; shunning or avoiding an individual who reports harassment or discrimination; or making real or implied threats of intimidation to prevent or deter an individual from reporting harassment or discrimination.

2.3.f Complaint Procedure

A covered individual who believes he or she has been subjected to discrimination, harassment or retaliation is encouraged to make a complaint -- orally or in writing -- to any supervisor, manager, or department head, without regard to any chain of command. Any supervisory or management employee who receives a harassment complaint should immediately notify the Executive Officer. The Executive Officer will ensure a timely, impartial, fair, and thorough investigation that provides all parties due process, and which reaches a reasonable conclusion based on the evidence collected. Upon receiving notification of a harassment complaint, the Executive Officer will complete and/or delegate the following steps. If the Executive Officer is accused, or a witness to the events at issue, an individual with higher authority, Legal Counsel or Commission Chair will complete and/or delegate the following steps:

- (a) Authorize and supervise the investigation of the complaint and/or investigate the complaint and document it and track it for reasonable progress. The investigation will usually include interviews with: 1) the complainant; 2) the accused; and 3) other people who have relevant knowledge concerning the allegations in the complaint. The accused will be provided notice of the allegation prior to his/her interview and will be given an opportunity to respond to the allegation.
- (b) Review the information gathered through the investigation to determine whether the alleged conduct violates the Policy under the preponderance of the evidence standard, considering all factual information, the totality of the circumstances, including the nature of the conduct, and the context in which the alleged incidents occurred.
- (c) Report a summary of the determination as to whether this Policy has been violated to appropriate persons. Communicate the determination to both the complainant and the accused. If discipline or sanctions are imposed, the level of discipline or sanctions will not be communicated to the complainant.
- (d) If conduct in violation of this Policy occurred, take or recommend to the appointing authority prompt and effective remedial action. The remedial action will be commensurate with the severity of the offense.
- (e) Take reasonable steps to protect the complainant from further harassment, discrimination or retaliation.

2.3.f.1 Proactive Approach

LAFCo takes a proactive approach to potential Policy violations and will conduct an investigation if its supervisory or management employees become aware that harassment, discrimination or retaliation may be occurring, regardless of whether the recipient or third party reports a potential violation.

2.3.g Option to Report to Outside Administrative Agencies

An individual has the option to report harassment, discrimination or retaliation to the U.S. Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment and Housing (DFEH). These administrative agencies offer legal

remedies and a complaint process. The nearest offices are listed on the Internet, in the government section of the telephone book or employees can check the posters that are located and hanging in the copy room for office locations and telephone numbers.

2.3.h Confidentiality

Every effort will be made to assure the confidentiality of complaints made under this Policy to the extent feasible. Complete confidentiality cannot occur, however, due to the need to fully investigate, the need to afford the accused his/her rights, and the duty to take effective remedial action. An employee who is interviewed during the course of an investigation is prohibited from attempting to influence any potential witness while the investigation is ongoing. An employee may discuss his or her interview with a designated representative. LAFCo will not disclose a completed investigation report except as it deems necessary to support a disciplinary action, to take remedial action, to defend itself in adversarial proceedings, or to comply with the law or court order.

2.3.i Responsibilities

(a) Each non-manager or non-supervisor is responsible for:

- 1) Treating all individuals in the workplace or on worksites with respect and consideration.
- 2) Modeling behavior that conforms to this Policy.
- 3) Participating in periodic training.
- 4) Cooperating with LAFCo investigations pursuant to this Policy by responding fully and truthfully to all questions posed during the investigation.
- 5) Taking no action to influence any potential witness while the investigation is ongoing.
- 6) Reporting any act he or she believes in good faith constitutes harassment, discrimination or retaliation as defined in this Policy, to his or her immediate supervisor.

(b) In addition to the responsibilities listed above, each manager and supervisor is responsible for:

- 1) Informing employees of this Policy.
- 2) Taking all steps necessary to prevent harassment, discrimination and, retaliation from occurring, including monitoring the work environment and taking immediate appropriate action to stop potential violations, such as removing inappropriate pictures or correcting inappropriate language.
- 3) Receiving complaints in a fair and serious manner, and documenting steps taken to resolve complaints.

- 4) Following up with those who have complained to ensure that the behavior has stopped and that there are no reprisals.
- 5) Informing those who complain of harassment or discrimination of his or her option to contact the EEOC or DFEH regarding alleged Policy violations.
- 6) Assisting, advising, or consulting with employees and the Executive Officer regarding this Policy.
- 7) Assisting in the investigation of complaints involving employee(s) in their departments and, when appropriate, if the complaint is substantiated, recommending appropriate corrective or disciplinary action in accordance with these Policies, up to and including termination.
- 8) Implementing appropriate disciplinary and remedial actions.
- 9) Reporting potential violations of this Policy of which he or she becomes aware to the Executive Officer, regardless of whether a complaint has been submitted.
- 10) Participating in periodic training and scheduling employees for training.

2.4 Reasonable Accommodation and Interactive Process

2.4.a Reasonable Accommodation

Absent undue hardship or direct threats to the health and safety of employee(s), LAFCo provides employment-related reasonable accommodations to:

- (a) qualified individuals with disabilities, both applicants and employees, to enable them to perform essential job functions (Gov. Code § 12940(n), as amended); and
- (b) employees with conditions related to pregnancy, childbirth, or a related medical condition, if the employee so requests, and with the advice of their health care provider (Gov. Code § 12945(a)(3)(A), as amended); and
- (c) employee victims of domestic violence, sexual assault, or stalking to promote the safety of the employee victim while at work (Labor Code § 230.1(a), as amended and Labor Code § 246.5, as amended.)
- (d) employees who request reasonable accommodation to address a conflict between

religious belief or observance and any employment requirement (Gov. Code § 12940(l)(1), as amended).

2.5 Supporting Documentation or Certification

2.5.a Reasonable Medical Documentation of Disability

If the disability or the need for reasonable accommodation is not obvious, LAFCo may require the individual to provide reasonable medical documentation confirming the existence of the disability and the need for reasonable accommodation, along with the name and credentials of the individual's health care provider. If the individual provides insufficient documentation, the agency will: 1) explain the insufficiency; 2) allow the employee or applicant to supplement the documentation; and 3) pursue the interactive process only to the extent that the request for reasonable accommodation is supported by the medical documentation provided. (2 Cal.Code Regs § 11069(c)(2), as amended & (d), as amended.)

2.5.b Medical Certification Indicating the Need for a Reasonable Accommodation or Transfer Due to Pregnancy or Related Conditions

If a pregnant employee, or an employee with a pregnancy-related condition, requests a reasonable accommodation or transfer due to pregnancy, LAFCo will provide the employee with notice of the need for a medical certification within two business days after the employee's request for accommodation. A medical certification confirming the need for a reasonable accommodation, including transfer, is sufficient if it contains: a description of the requested accommodation or transfer; a statement describing the medical advisability of the accommodation or transfer due to pregnancy; and the date that the need for the accommodation or transfer will become necessary and the estimated duration of the accommodation or transfer. (2 Cal.Code Regs § 11050(b)(3), as amended.)

2.5.c Certification of Victim Status

An employee who is a victim of domestic violence, sexual assault, or stalking and who requests an accommodation to provide for his or her safety while at work must provide both of the following:

- (a) a written statement signed by the employee or an individual acting on the employee's behalf, to certify that the accommodation is to address victim-safety concerns while at work; and
- (b) a certification demonstrating the employee's status as a victim of domestic violence, sexual assault, or stalking, which can be in the form of: a police report indicating the employee's victim status; a court order separating the perpetrator from the employee or that the employee has appeared in court for that purpose; or documentation from a medical professional or counselor that the employee is undergoing treatment for physical or mental injuries or abuse resulting from an act of domestic violence, sexual assault, or stalking. (Labor Code § 230(f)(7), as amended, and Labor Code § 230.5(b)(2) as amended)

2.6 Fitness for Duty Examinations

2.6.a Applicants

After a conditional offer of employment has been extended to an applicant, LAFCo may require the applicant to submit to a fitness for duty examination that is job-related; necessary for the operation of the agency; and required of all applicants for the job classification. (Gov. Code § 12940(e) & (f).) An applicant or employee who is required to pass a medical and/or psychological examination will be notified of his/her right to obtain a second opinion at his/her expense and that he/she may submit such second opinions for consideration. (2 Cal.Code Regs § 11071(b)(2), as amended.)

2.6.b Current Employees

The Executive Officer may require an employee to submit to a fitness for duty examination to determine if the employee is able to perform the essential functions of his or her job, consistent with business necessity, when there is reasonable belief, based on objective evidence, that:

- (a) a medical condition impairs the employee's ability to perform one or more essential functions of his or her job; or
- (b) the employee poses a danger to his/her own safety or others' safety due to a medical condition or disability. (Gov. Code § 12940(e), as amended & (f), as amended; 2 Cal.Code. Regs § 11065(k), as amended.)

The Executive Officer may also require an employee to submit to a fitness for duty examination if the employee's medical condition is known and the employee has observed performance problems that can be attributed to the medical condition, or in other circumstances where legally permitted. (Gov. Code 12940, as amended) The Executive Officer may also order a medical examination as part of a request for reasonable accommodation when the disability or need for accommodation is not known or obvious.

2.6.c Role of Health Care Provider

LAFCo may request the applicant's or employee's health care provider to conduct a fitness for duty exam on the applicant or employee or may request a LAFCo selected health care provider to do so at the LAFCo's expense. LAFCo will allow an employee paid time off to attend the exam. LAFCo will provide the health care provider with a letter requesting a fitness for duty examination and a written description of the essential functions of the job. The examination will be limited to determining whether the applicant or employee can perform the essential functions of his/her position consistent with an agency necessity and any work restrictions and/or functional limitations that apply to the applicant or employee. The health care provider will examine the employee and provide LAFCo with non-confidential information regarding whether:

- (a) the applicant or employee has a disability within the meaning of the California Fair Employment and Housing Act;
- (b) the applicant or employee is fit to perform essential job functions consistent with an

agency necessity; workplace restrictions or functional limitations apply to the applicant or employee, and the duration of the work restrictions or functional limitations;

- (c) there are any reasonable accommodations that would enable the employee to perform essential job functions; and
- (d) the employee's continued employment poses a threat to the health and safety of him or herself or others.

Should the health care provider exceed the scope of LAFCo's request and provide confidential health information, without valid consent of the applicant or employee, LAFCo will return the report to the health care provider and request another report that includes only the non- confidential fitness for duty information that LAFCo has requested. (2 Cal.Code Regs § 11069(c) as amended & (d), as amended.)

2.6.d Authorization for Use of Medical Information

During the course of a fitness for duty examination, LAFCo will not seek or use information regarding an employee's medical history, diagnoses, or course of treatment without an employee's written authorization.

2.6.e Medical Information from the Employee or Applicant

If an employee or applicant submits medical information to LAFCo from his or her own health care provider, the Executive Officer will not forward that information on to the health care provider who conducted the examination for LAFCo, without the employee or applicant's written authorization. Upon receipt of the written authorization, the Executive Officer will request LAFCo-paid health care provider to determine whether the information alters the original fitness for duty assessment.

2.7 Interactive Process

2.7.a When to Initiate the Interactive Process

The Executive Officer will initiate the interactive process when:

- (a) an applicant or employee with a known physical or mental disability or medical condition requests reasonable accommodation(s) (2 Cal.Code Regs § 11069(b)(1); or
- (b) LAFCo otherwise becomes aware of the need for an accommodation through a third party (e.g., a doctor's note requesting an accommodation), or by observation of the employee's work (2 Cal.Code Regs § 11069(b)(2), as amended); or
- (c) LAFCo becomes aware of the possible need for an accommodation because the employee with a disability has exhausted workers' compensation leave, Family and

Medical Act leave, or other leave rights, but the employee and/or the employee's health care provider indicate that further accommodation is still necessary for recuperative leave or other accommodation (2 Cal.Code Regs § 11069(b)(3) as amended); or

- (d) an employee disabled by pregnancy, childbirth or related medical conditions requests a reasonable accommodation or transfer based on the advice of the employee's health care provider (2 Cal.Code Regs § 11047, as amended and 2 Cal.Code Regs § 11040(b) as amended); or
- (e) an employee with a physical or mental disability, regardless of cause, at the end of or depletion of pregnancy disability leave (2 Cal.Code Regs § 11047, as amended and 2 Cal.Code Regs § 11069(b)(3), as amended); or
- (f) an employee-victim of domestic violence, sexual assault, or stalking requests a reasonable accommodation(s) for his or her safety at work (Labor Code § 230(f)(1), as amended); or
- (g) an employee requests an accommodation to address a conflict between religious belief, observance, or practice and any employment requirement (Gov. Code § 12940(l)(1), as amended); or
- (h) an employer is aware of the need for a reasonable accommodation for an employee's or applicant's religious beliefs, observance or practices. (2 Cal.Code Regs § 11060(b), as amended.)

2.7.b Interactive Communication

After the occurrence of any of the above-stated circumstances that trigger the need to conduct an interactive process meeting, the Executive Officer will promptly arrange for a discussion or discussions, in person or via conference telephone call, with the applicant or employee and his or her designated representative, (if any). The purpose of the interactive communications will be to discuss in good faith all feasible potential reasonable accommodations. The Executive Officer will document these communications in writing. (Gov. Code § 12940(n); 2 Cal.Code Regs § 11069(a), as amended.)

2.7.c Potential Accommodations for Applicants or Employees with Disabilities

Depending on the facts of each case, the interactive process analysis will generally begin with a review of possible reasonable accommodations that would enable the individual to retain his or her current job. The process will generally then move on to possible reasonable accommodations in other vacant jobs, for which the individual is qualified, provided there is no reasonable accommodation available relative to the current job that does not cause undue hardship, or that does not present a risk of harm to the individual or others. LAFCo will consider accommodations that the applicant or employee suggests but has the right to select and implement any reasonable accommodation that it deems effective. The range of potential reasonable accommodations LAFCo may consider includes, but is not limited to:

- making existing facilities used by employees readily accessible to, and usable by, individuals with disabilities, including: acquisition or modification of equipment or devices, adjustment or modifications of examinations, training materials or policies, and/or the provision of qualified readers or interpreters (2 Cal.Code Regs § 11065, as amended);
- job restructuring (2 Cal.Code Regs § 11065, as amended);
- part-time or modified work schedules (Gov. Code § 12926(p) as amended);

- paid or unpaid leave of absence of a finite duration that is likely to enable the employee to return to work at the end of the leave (2 Cal.Code Regs § 11068(c), as amended);
- preferential consideration to reassignment to a vacant, comparable position, except when such preference would violate a bona fide seniority system (2 Cal.Code Regs § 11068(d), as amended);
- reassignment to a vacant lower-paid position if there is no funded, vacant comparable position for which the individual is qualified for (2 Cal.Code § 11068(d)(2), as amended); or
- reassignment to a temporary position, if the individual agrees. (2 Cal.Code Regs § 11068(d)(3), as amended.)

2.7.d Potential Accommodations for Employees Affected by Pregnancy and Related Medical Conditions

Depending on the facts of each case, the interactive process will attempt to identify and implement a reasonable accommodation that is consistent with the medical certification applicable to the applicant or employee. Whether an accommodation is reasonable is a case- by-case analysis that takes into account several factors, including, but not limited to: the employee's medical needs; the duration of the needed accommodation; and the employer's legally permissible past and current practices. (2 Cal.Code Regs. § 11040(a)(2)(A), as amended.) The range of potential accommodations LAFCo may consider includes, but is not limited to:

- transfer to a less strenuous or hazardous position for the duration of the pregnancy (Gov. Code § 12945(a)(3)(C));
- change in or restructuring of work duties, such as modifying lifting requirements (2 Cal.Code Regs § 11040(b), as amended);
- providing more frequent breaks;
- providing seating;
- time off for medical appointments;
- transfer temporarily to a job with equivalent pay and benefits that the employee is qualified to perform in order to accommodate reduced work schedule or intermittent leave. (2 Cal.Code Regs § 11041(c), as amended.) (However, a reduction in work hours may be considered a form of pregnancy disability leave and deducted from the employee's four- month pregnancy disability leave entitlement.) (2 Cal.Code Regs § 11040(b), as amended.)

2.7.e Potential Accommodations for Employee-Victims of Domestic Violence, Sexual Assault, or Stalking

Depending on the facts of each individual case, the interactive process analysis will review all possible accommodations that would enhance the safety of the employee victim at work. In determining what accommodation is reasonable, LAFCo will consider the exigent circumstance or danger facing the employee. LAFCo will consider the preferences of the employee to be accommodated but has the right to select and implement any accommodation that it deems effective. The range of potential safety measure accommodations LAFCo may consider includes, but is not limited to:

- transfer, reassignment, modified schedule;
- change in work telephone number;

- change in location of work station;
- installation of locks;
- assistance in documenting domestic violence, sexual assault, or stalking that occurs in the workplace;
- the implementation of a safety procedure(s);
- adjustment to job structure, workplace facility, or work requirement; and
- referral to a victim assistance organization. (Gov. Code § 12945.8(d)(2), as amended)

2.7.f Potential Accommodations for Religious Creed, Religious Dress Practice, or Religious Grooming Practice

Depending on the facts of each case, the interactive process analysis will review all possible accommodations that would resolve the conflict between the religious belief or observance and any employment requirement. LAFCo will consider the preference of the employee or applicant but has the right to select and implement any accommodation that it deems effective. The range of potential accommodations LAFCo may consider includes, but is not limited to:

- (a) job restructuring or job reassignment (but not segregation from other employees or the public) (Gov. Code § 12940(l)(1), as amended);
- (b) modification of work practices, including dress or grooming standards (2 Cal.Code Regs § 11062(c)(2), as amended);
- (c) allowing time off in an amount equal to the amount of non-regularly scheduled time the employee has worked in order to avoid a conflict with his or her religious observances (2 Cal.Code Regs § 11062(a) as amended);
- (d) allowing alternatives to union membership or payment of union dues (2 Cal.Code Regs § 11062(c)(3), as amended).

2.7.g Determination

After the interactive process communications, the Executive Officer will review the information received and determine: whether all available information has been reviewed; whether all potential accommodations that the applicant or employee has suggested have been considered; whether additional discussions with the applicant or employee would be helpful; whether the applicant's or employee's preferences have been taken into account; if there is a reasonable accommodation that would enable the applicant or employee to perform essential

job functions without harming him or herself or others; and if the accommodations would pose an undue hardship on LAFCo finances or operations. The Executive Officer will inform the applicant or employee of his or her determination in writing. The Executive Officer will use his or her discretion based upon the particular facts of each case.

2.7.h Access to Medical Information Regarding Fitness for Duty

Medical records and information regarding fitness for duty, or the need for an accommodation, will be maintained separately from non-medical records and information. Medical records and information regarding fitness for duty and the need for accommodation will be accessible only by the Executive Officer, LAFCo's legal counsel, first aid and safety personnel in case of emergency, and supervisors who are responsible for identifying reasonable accommodations. Medical records and information contained therein may be released pursuant to state and federal law. (2 Cal.Code Regs § 11069(g), as amended.)

2.8 Whistleblower Protection

2.8.a Policy

LAFCo prohibits the following:

- taking any retaliatory adverse employment action against an employee because the employee has or is believed to have disclosed information to any government or law enforcement agency, including to LAFCo, if the employee has reasonable cause to believe that the information discloses a violation of state or federal law, or a violation or noncompliance with a local, state, or federal rule or regulation (Labor Code § 1102.5(b), as amended);
- preventing an employee from disclosing information to a government agency, including to LAFCo, if the employee has reasonable cause to believe that the information discloses a violation of state or federal law, or a violation or noncompliance with a local, state, or federal rule or regulation (Labor Code § 1102.5(a), as amended);
- retaliating against an employee for refusing to participate in any activity that would result in a violation of state or federal law, or a violation or noncompliance with a local, state, or federal rule or regulation (Labor Code § 1102.5(c), as amended); and
- retaliating against an employee because the employee's family member has or is perceived to have engaged in any of the protected activities listed in Labor Code § 1102.5 (a)-(c), as amended above.

2.8.b Policy Coverage

This Policy governs and protects LAFCo officials, officers, employees, seasonal/ temporary/ extra help employees, or applicants for employment.

2.8.c Definitions

(a) "**Protected activity**" includes any of the following:

- Filing a complaint with a federal or state enforcement or administrative agency that discloses any information that the employee has reasonable cause to believe violates state or federal law or a violation or noncompliance with a local, state, or federal rule or regulation.
- Participating in or cooperating in good faith with a local, federal or state enforcement agency that is conducting an investigation into alleged unlawful activity.

- Testifying in good faith and with reasonable cause as a party, witness, or accused regarding alleged unlawful activity.
- Associating with another covered individual who is engaged in any of the protected activities enumerated here.
- Making or filing in good faith and with reasonable cause an internal complaint with the LAFCo regarding alleged unlawful activity.
- Providing informal notice to LAFCo regarding alleged unlawful activity.
- Calling a governmental agency's "Whistleblower hotline" in good faith.
- Filing a written complaint under penalty of perjury that LAFCo has engaged in gross mismanagement, a significant waste of public funds, or a substantial and specific danger to public health or safety. (Labor Code § 53296(c), as amended & 53297(d), as amended.)
- Refusing to participate in any activity that the employee reasonably believes would result in a violation of state or federal law, or a violation or noncompliance with a local, state, or federal rule or regulation. (Labor Code § 1102.5(c), as amended.)

(b) "**Adverse action**" may include, but is not limited to, any of the following:

- Real or implied threats of intimidation to attempt or prevent an individual from reporting alleged wrongdoing or because of actual or potential protected activity.
- Refusing to hire an individual because of actual or potential protected activity.
- Denying promotion to an individual because of actual or potential protected activity.
- Taking any form of disciplinary action because of actual or potential protected activity.
- Extending a probationary period because of actual or potential protected activity.
- Altering work schedules or work assignments because of actual or potential protected activity.
- Condoning hostility and criticism of co-workers and third parties because of actual or protected activity.
- Spreading rumors about a person because of that person's actual or perceived protected activity.
- Shunning or unreasonably avoiding a person because of that person's actual or perceived protected activity.

2.8.d Complaint Procedure

An applicant, employee, or seasonal/ temporary/ extra help employee who feels he or she has been retaliated against in violation of this Policy should immediately report the conduct according to the complaint procedure in LAFCo's Policy Against Discrimination, Harassment or Retaliation (Section 2.3(f)) so that the complaint can be resolved fairly and quickly. Supervisors and Managers have the same responsibilities as defined in the Policy Against Discrimination, Harassment or Retaliation.

Chapter 3 Classification Policies

3.1 *Classification Plan*

3.1.a *Classification Plan*

The Executive Officer shall assess and record the duties and responsibilities of all positions and, after consulting with affected department heads, shall recommend a classification plan, including job descriptions, for such positions.

3.1 b *Reclassification*

The Executive Officer may initiate a job audit to determine whether the duties of a position have changed to such an extent that they necessitate reclassification of the position from the existing classification to a more appropriate classification. Upon completion of the job audit, the Executive Officer shall report to the Commission regarding reclassification changes.

Chapter 4 Recruitment, Selection, and Appointment

4.1 Recruitment, Selection and Appointment Policy

4.1.a Job Announcement

The Executive Officer will prepare a job announcement to announce a proposed recruitment, which may be open to the public or open to current employees only at the Executive Officer's discretion. The announcement may be posted on LAFCo's website and other locations the Executive Officer deems appropriate, depending upon whether the recruitment is open to the public or current employees only. The announcement will include:

- The title and pay for the position;
- The nature of the work to be performed and essential job duties of the position;
- The minimum qualifications, including whether the job is a promotional position;
- The last date that the Executive Officer will accept applications, if any;
- The time, place, and type of the examination, if known, and if a medical examination, and/or a drug screen will be required following a conditional offer of employment; and
- Such other pertinent information at the discretion of the Executive Officer.

4.1.b Application Process

Job applications shall require information describing an individual's training, experience, and other pertinent information as deemed necessary to assess qualifications for the job.

Applicants may be required to provide supplementary information, including but not limited to: answers to job-related questions; resume; licenses; certifications; diplomas; letters of recommendation; and references. All applications must be completed in full, physically or electronically, by the person applying. The Executive Officer will not process any application which is not fully completed. Should an applicant be appointed to a position, the supplemental information shall become a part of the individual's permanent employment records. An employee's failure to submit accurate and truthful information during the application process could lead to disciplinary action up to and including termination if later discovered by LAFCo.

4.1.c Disqualification of Applications

The Executive Officer may reject any application which: is not properly completed or incomplete; received after the application deadline; or indicates that the applicant does not meet the minimum qualifications for the position.

4.1.d Criminal Conviction Check

After LAFCo makes a conditional offer of employment, the Executive Officer may then request information about criminal convictions, except for misdemeanor marijuana-related convictions that are over two years old, or convictions that have been judicially dismissed, ordered sealed, eradicated, expunged, subject to process and jurisdiction of the juvenile court, or otherwise prohibited by law. (Labor Code § 432.7-432.8, as amended) Unless required by law, LAFCo will not deny employment to any applicant solely because he or she has been convicted of a

crime. LAFCo may, however, consider the nature, date and circumstances of the offense, evidence of rehabilitation, as well as whether the offense is relevant to the duties of the position. This Policy does not apply to applicants for public safety jobs.

4.1.e Employment Examinations

- (a) The Executive Officer will determine the manner and methods of administering employment examinations. Examinations may consist of: written tests; oral tests; performance tests; evaluations of prior training and performance, experience and/or education; interviews; working style assessments; practical exercises; file review; or any combination thereof. The content of all examinations will be job-related and designed to test knowledge, skills or abilities that help predict successful completion of job duties.
- (b) The content of all examinations will be kept confidential prior to the administration of the examination. All applicants who are invited to the examination will be notified of the nature of the examination.
- (c) An applicant with a disability may request accommodation in any examination process. Following receipt of a request for accommodation, the Executive Officer may require additional information, such as reasonable documentation of the existence of a disability. (2 Cal.Code Regs § 11069(c)(2), as amended.)
- (d) Failure in one part of the examination, or the failure to meet established standards described in the job announcement, may be grounds for determining the applicant failed the entire examination or is disqualified from participating in subsequent parts of an examination. Each applicant will be notified by mail or email whether he or she will continue in the examination process.
- (e) Applicants who meet the minimum qualifications and pass all examinations may be subject to a background and/or reference check after a conditional job offer is made.

4.1.f Appointments

- (a) The Executive Officer will make all appointments except for those classifications that report directly to the governing body. The Executive Officer has discretion to decide in what manner a vacancy shall be filled. Vacancies may be filled by reinstatement, promotion, transfer, demotion, appointment of temporary / seasonal employees, or from an appropriate eligibility list if available. The LAFCo Commission will make appointments for those classifications that report to it.
- (b) Appointment to certain positions may be made contingent upon the applicant/employee passing a drug / alcohol test, and/or a job-related medical and/or psychological examination. Such examination shall only be required after a conditional offer of employment has been made. (See Policy 2.4, Reasonable Accommodation and Interactive Process; and Policy 12.4, Prohibitions on Drugs and Alcohol in the Workplace.)
- (c) The person accepting appointment shall report to the Executive Officer or designee

on the date designated by the Executive Officer. Otherwise, the applicant shall be deemed to have declined the appointment.

4.1g Probationary Appointment

- (a) At-Will Status: The probationary period is part of the examination process and is used to determine whether work performance or work-related behavior meets the required standards of the position. A probationary employee may be rejected at any time during the probationary period with or without cause or reason, without notice or appeal or grievance, and without any rights set forth under Policy 10.1, Causes for Discipline and Procedures. The probationary employee will be notified prior to the expiration of the probationary period that he or she has been rejected from probation.
- (b) Length of Probation: Unless otherwise specified by memorandum of understanding or these Policies, the probationary period is 6 months of actual and continuous service. The probationary period is automatically extended by the length of any absence of one work week or more. The probationary period can also be extended by the Agency at the discretion of the Executive Officer or his/her designee upon notice to the employee.

4.1.h Probationary Period for Promotional Appointments

- (a) At-Will Status: A promotional probationary employee may be rejected at any time during the promotional probationary period with or without cause or reason, without notice or appeal or grievance, and without any rights described in Policy 10.1, Causes for Discipline and Procedures. If the employee fails to satisfactorily complete the probationary period in the promotional position, the employee may return to the position held prior to promotion at the range and step held prior to promotion, if there is a vacancy in the prior position, unless he or she is terminated for cause.
- (b) Length of Probation: On accepting a promotion, an employee serves a new probationary period of six months of actual and continuous service. The probationary period is automatically extended by the length of any absence of a week or more. Promotional probationary periods may be extended by the Agency at the discretion of the Executive Officer or his/her designee upon notice to the employee.

Chapter 5 Employment of Relatives or Spouses/ Domestic Partners

5.1 Employment of Relatives, Spouses, Domestic Partners

5.1.a Policy

LAFCo regulates the employment and placement of relatives, spouses, and domestic partners so as to avoid conflicts of interest and the appearance of conflicts of interest and to promote safety, security, supervision, and morale.

5.1.b Definitions

- (a) "Relative" means child, stepchild, parent, grandparent, grandchild, brother, sister, half- brother, half-sister, aunt, uncle, niece, nephew, or in-laws of those enumerated by marriage or domestic partnership.
- (b) "Spouse" means one of two persons to a marriage, or two people who are registered domestic partners, as those terms are defined by California law. (Fam. Code § 297 & 300, as amended)
- (c) "Supervisory relationship" means one in which an employee exercises the right or responsibility to control, direct, reward, or discipline another employee by virtue of the duties and responsibilities assigned to his or her LAFCo appointment.

5.1.c Employment of Relatives

LAFCo will not appoint, promote or transfer a person to a position within the same department, division, or facility in which the person's relative already holds a position, if any of the following would result:

- A direct or indirect supervisory relationship between the relatives;
- The two employees having job duties which require performance of shared duties on the same or related work assignment;
- Both employees having the same supervisor; or
- A potential for creating an adverse impact on supervision, safety, security, morale or efficiency.

5.1.d Spouses or Domestic Partners

LAFCo will not appoint, promote, or transfer a person, to the same department, division, or facility in which the person's spouse or registered domestic partner already holds a position, if such employment would result in any of the following:

- One spouse or domestic partner being under the direct supervision of the other spouse or domestic partner; or
- Potential conflicts of interest, supervision, security, morale or security or hazards for married persons or those in domestic partnership which are greater than for those who are not married or in domestic partnerships.

(g) **Employee Appearance:** The employee must appear personally before the hearing officer at the time and place set for the hearing. The employee may be represented by any person he or she may select as his or her own expense.

(h) **Conduct of the Hearing:**

- 1) **Sworn Testimony:** All witnesses shall be sworn in prior to testifying. The hearing officer or court reporter shall request each witness to raise his or her hand and respond to the following: "Do you swear that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth?"
 - 2) **Evidence:** Hearings need not be conducted according to technical rules relating to evidence and witnesses, but hearings shall be conducted in a manner that the hearing officer decides is the most conducive to determining the truth. The rules dealing with privileges shall be effective to the same extent that they are recognized in civil actions. Irrelevant or unduly repetitious evidence may be excluded. The appeal hearing officer shall determine the relevance, weight and credibility of testimony and evidence.
 - 3) **Exclusion of Witnesses:** During the examination of a witness, all other witnesses, except the parties, shall be excluded from the hearing.
 - 4) **Burden of Proof:** LAFCo has the burden of proof by the preponderance of the evidence.
 - 5) **Authority of Hearing Officer:** The appeal hearing officer shall not have the power to alter, amend, change, add to, or subtract from any of the terms of these Policies.
 - 6) **Professionalism:** All parties and their attorneys or representatives shall not, by written submission or oral presentation, disparage the intelligence, ethics, morals, integrity or personal behavior of their adversaries or the appeal hearing officer.
- (i) **Presentation of the Case:** The parties will address their remarks, evidence, and objections to the appeal hearing officer. The appeal hearing officer may terminate argument at any time and issue a ruling regarding an objection or any other matter. The appeal hearing officer may limit redundant or irrelevant testimony, or directly question the witness. The hearing will proceed in the following order unless the appeal hearing officer directs otherwise:
- 1) LAFCo is permitted to make an opening statement;
 - 2) The employee is permitted to make an opening statement;
 - 3) LAFCo will produce its evidence;
 - 4) The employee will produce its evidence;
 - 5) LAFCo, followed by the employee, may present rebuttal evidence;
 - 6) Oral closing arguments of no more than 20 minutes may be permitted at the

discretion of the appeal hearing officer. LAFCo argues first, the employee argues second, and if LAFCo reserved a portion of its time for rebuttal, LAFCo may present a rebuttal.

- (j) **Written Briefs:** Either party may request to submit a written brief in lieu of an oral closing argument. The appeal hearing officer will determine whether to allow written briefs, the deadline for submitting briefs, and the page limit for briefs.
- (k) **Appeal Hearing Officer's Recommended Decision:** Within 60 days of the conclusion of the hearing, or as soon as possible, the appeal hearing officer shall make written findings and a recommended decision as to the discipline. The hearing officer shall tender the written findings and recommended decision to the LAFCo Commission.

The LAFCo Commission shall review the findings and recommendations of the appeal hearing officer and may then affirm, revoke, or modify the findings, recommendations, or disciplinary action taken. The decision of the LAFCo Commission is final. There is no process for reconsideration.

- (l) **Proof of Service of the Written Findings and Decision:** LAFCo will mail a copy of the final written findings and decision, along with a proof of service of mailing that confirms that each of the parties and each of the parties' representatives were mailed the final written findings and decision. It shall be the responsibility of the employee to inform the LAFCo of his/her address. A copy of the decision shall also be provided to the Executive Officer.

5.1.e Marriage or Domestic Partnership After Employment

Transfer: If two LAFCo employees who work in the same department later become spouses or domestic partners, the Executive Officer has discretion to transfer one of the employees to a similar position in another department. Although the wishes of the two employees will be considered, the Executive Officer retains sole discretion to determine which employee will be transferred based upon LAFCo needs for supervision, safety, security or morale. Any such transfer that results in a salary reduction is not disciplinary and is not subject to any grievance or appeal, or pre- or post-disciplinary appeal due process.

- (a) **Separation:** If continuing employment of both employees, who work in the same department and who later become spouses or domestic partners, cannot be accommodated in a manner the Executive Officer finds to be consistent with the LAFCo's interest in the promotion of supervision, safety, security, or morale, then the Executive Officer retains sole discretion to separate one employee from LAFCo employment. Absent the resignation of one employee, the less senior employee will be separated. Any such separation is not considered to be disciplinary and is not subject to any grievance or appeal, or pre- or post-disciplinary appeal due process.

Chapter 6 Compensation and Payroll Practices

6.1 Work Schedules and Attendance

6.1a Work Schedules

Work schedules are determined at the discretion of the Executive Officer and are subject to change with or without notice, according to the needs of the department or LAFCo. An overtime-eligible employee shall be in attendance and at work during the hours specified by the supervisor.

6.1.b Meal Period

A 60-minute non-compensated meal period will be provided to all full-time overtime-eligible employees who work at least an eight-hour workday. A 30-minute non-compensated meal period will be provided to all overtime-eligible full-time employees who work more than five hours, but less than eight hours during the workday. Overtime-eligible employees are responsible for taking their meal period at a time designated by the supervisor.

6.1.c Rest Period

A 15-minute compensated rest period will be provided to all overtime-eligible employees for each four-hour period of service. The rest period shall be taken at a time designated by the employee's supervisor. Rest periods may not be combined to shorten the workday unless approved by the Executive Officer.

6.1.d Lactation Break Time, Private Location and storage of Expressed Milk.

LAFCo will provide a clean, safe, private area near an employee's work area with seating, a surface for a breast pump, and access to electricity for employees that want to express breast milk at work. Employees will be provided with a reasonable amount of break time to express milk. LAFCo will provide access to facilities suitable for storing breast milk and running water.

6.1.e Advance Request for Permission to Deviate from Regular Work Hours

Employees must obtain advance permission from their supervisor for any deviation from regular working hours, break, and mealtimes. Overtime eligible employees must have express authorization from a supervisor before working overtime, or as necessary, in accordance with 6.2.c. Employees must give their supervisor as much advance notice of any absence or tardiness as feasible in the circumstances.

6.1.f Notification of Unforeseen Late Arrival or Absence

An overtime-eligible employee who is unexpectedly unable to report for work as scheduled must notify his or her immediate supervisor no later than the beginning of the employee's scheduled work time and report the expected time of arrival or absence. If the immediate supervisor is not available, the employee must notify the department head.

6.1.g *Unauthorized Absence is Prohibited*

Arriving late to work or leaving early in connection with scheduled work times, breaks, or meal periods is prohibited, absent authorization. An non-exempt employee who fails to notify the supervisor of any absences as required by this Policy in a timely manner, or who is not present and ready to work during all scheduled work times will be deemed to have an unauthorized tardy or absence and will not receive compensation for the period of absence.

6.1.h *Excessive Tardiness/Absenteeism and Abuse of Leave*

Excessive tardiness occurs when an non-exempt employee who, without authorization or valid excuse, is late to work or late to return from breaks more than three times during any 30-day period. Excessive absenteeism occurs when the number of unapproved absences for reasons that are not excused by LAFCo policy or state or federal law exceeds three days in any three-month period. Excessive tardiness or absenteeism may be grounds for discipline, up to and including termination.

Abuse of leave is a claim of entitlement to leave when the employee does not meet the requirements for taking the leave, and may be grounds for discipline, up to and including termination. Should the LAFCo suspect that there is an abuse of leave by an employee, the LAFCo may require that the employee submit a physician's certificate to support the absence.

6.2 Work Week and Overtime

6.2.a *Work Week*

The work week is Monday through Friday. LAFCo Offices are open from 7:30 A.M. to 3:30 P.M. Employees' regular hours will be designated by the Executive Officer.

6.2.b *Overtime*

Overtime is all hours an overtime-eligible employee actually works over 40 hours in his or her designated work week. Only actual hours worked will be counted toward the 40-hour threshold for purposes of calculating Fair Labor Standards Act (FLSA) overtime pay; paid leave will not be counted. Non-exempt employees who are directed to work overtime must do so.

6.2.c *Prior Approval Required for Overtime*

Non-exempt employees are not permitted to work overtime except as directed and authorized by their supervisor, or in case of emergency, as determined by the agency. Working overtime without prior authorization or approval is grounds for discipline. In emergency situations that necessitate working overtime, the employee must notify a supervisor as soon as possible, and in no event later than the end of that day upon which the emergency occurred. If the supervisor denies the request to work overtime, the employee must obey the supervisor's directive and cease working. Failure to follow these overtime approval procedures may subject the employee to disciplinary action, up to and including termination, for violating the overtime approval procedures.

6.2.e Accurate Time Reporting

All employees must accurately report all work time to the nearest five minutes. An employee's failure to accurately record his or her time may be grounds for disciplinary action up to and including termination.

6.2.f No Volunteering of Work Time

All time spent for the benefit of the LAFCo must be reported as hours worked on time records so that the employee is paid for all work. Overtime-eligible employees may not "volunteer" work time to perform duties that are the same or similar as their stated or regular job duties. Employees have no authorization to work without compensation. No supervisor has authority to request overtime-eligible employees to volunteer work time. Working "off the clock" or requesting that an employee "work off the clock" is grounds for disciplinary action up to and including termination.

Chapter 7 Performance Evaluation Policies

7.1 Performance Evaluations

7.1.a Performance Evaluations

A non-probationary employee's supervisor will prepare and sign a performance evaluation on a LAFCo form for each performance evaluation period. The Executive Officer will review and approve all performance evaluations of employees under his or her supervision. Additional performance evaluations may be prepared at any time the Executive Officer deems necessary.

7.1.b Probationary Employee Performance Evaluations

On or about the completion of six months of a probationary period, and again at any point prior to separation or the successful completion of the probationary period, the Executive Officer will prepare and sign a performance evaluation. The purpose of the probationary performance evaluation is to chart the probationer's progress toward meeting the standards of his or her position.

7.1.c Performance Evaluation Meeting

The supervisor will meet with the employee to discuss the evaluation. The employee shall sign the evaluation to acknowledge its contents and that he or she has met with his or her supervisor to discuss the evaluation. The employee's signature shall not mean that he or she endorses the contents of the evaluation. Should the employee refuse to sign the evaluation, the supervisor shall sign it indicating he or she has reviewed it with the employee.

7.1.d No Appeal Right

An employee does not have the right to appeal or submit a grievance regarding any matter relating to the content of a performance evaluation. Instead, the employee may comment on the evaluation in a written statement which will then be placed with the evaluation in the employee's personnel file. The written statement must be submitted within 10 days after the employee receives the evaluation.

Chapter 8 Leaves of Absences

8.1 Vacation Leave and Holidays

Please refer to your benefit attachment.

8.2 Family and Medical Care Leaves

8.2.a Statement of Policy; Concurrent Running of FMLA and CFRA Leaves

LAFCo provides family and medical care leave for eligible employees as required by State and federal law. Employees who misuse or abuse family and medical care leave may be disciplined up to and including termination. Employees who fraudulently obtain or use the California Family Rights Act ("CFRA") leave are not protected by the CFRA's job restoration or maintenance of health benefits provisions. This Policy is supplemented by the Federal Family and Medical Leave Act ("FMLA"), and the CFRA. Unless otherwise stated in this Policy, "Leave" means leave pursuant to the FMLA and CFRA. Unless otherwise provided by law, LAFCo will run each employee's FMLA and CFRA leaves concurrently.

8.2.b Definitions

- (a) "12-Month Period" means a rolling 12-month period measured backward from the date leave is taken and continuous with each additional leave day taken. (29 CFR § 825.200(b)(4), as amended ; 2 Cal.Code Regs § 11090(b), as amended.)
- (b) "Single 12 Month Period" means a 12-month period which begins on the first day the eligible employee takes FMLA leave to take care of a covered service member and ends 12 months after that date.
- (c) "Child" means a biological, adopted, or foster child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person standing in loco parentis. (Gov. Code § 12945.2(b)(l), as amended.)
- (d) "Grandchild" means a child of an employee's child.
- (e) "Parent" means the biological, adoptive, step or foster father or mother, of an employee or an individual who stands or stood in loco parentis (in place of a parent) to an employee when the employee was a child. This term does not include parents-in-law. (29 CFR § 825.102, as amended; Gov. Code § 12945.2(b)(11), as amended.)
- (f) "Parent-in-law" means the parent of a spouse or domestic partner.
- (g) "Grandparent" means the parent of an employee's parent.

- (h) "Spouse" means one or two persons to a marriage, regardless of the sex of the persons, and for purposes of CFRA leave, includes a registered domestic partner as defined below. (29 CFR § 825.102; Fam. Code § 300; 2 Cal.Code Regs § 11087(x), as amended.)
- (i) "Domestic Partner" is another adult with whom the employee has chosen to share their life in an intimate and committed relationship of mutual caring and with whom the employee has filed a Declaration of Domestic Partnership with the Secretary of State, and who meets the criteria specified in California Family Code section 297. A legal union formed in another state that is substantially equivalent to the California domestic partnership is also sufficient. (Fam. Code § 299.2, as amended.)
- (j) "Sibling" means a person related to another person by blood, adoption, or affinity through a common legal or biological parent.
- (k) "Serious Health Condition" means an illness, injury impairment, or physical or mental condition that involves:
 - 1) Inpatient Care in a hospital, hospice, or residential medical care facility, including any period of incapacity (e.g., inability to work or perform other regular daily activities due to the serious health condition, treatment involved, or recovery therefrom). A person is considered "inpatient" when a health care facility admits him or her to the facility with the expectation that he or she will remain at least overnight, even if it later develops that such person can be discharged or transferred to another facility, and does not actually remain overnight; or
 - 2) Continuing treatment by a health care provider: A serious health condition involving continuing treatment by a health care provider includes any one or more of the following:
 - a. A period of incapacity (i.e., inability to work, or perform other regular daily activities) due to serious health condition of more than three consecutive calendar days; and
 - b. Any subsequent treatment or period of incapacity relating to the same condition, that also involves:
 - i. Treatment two or more times by a health care provider, by a nurse or physician's assistant under direct supervision by a health care provider, or by a provider of health care services (e.g., a physical therapist) under orders of, or on referral by a health care provider; or
 - ii. Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider. This includes, for example, a course of prescription medication or therapy requiring special equipment to resolve or alleviate

the health condition. If the medication is over the counter and can be initiated without a visit to a health care provider, it does not constitute a regimen of continuing treatment.

- 3) Any period of incapacity due to pregnancy or for prenatal care. (29 CFR § 825.120; Gov. Code § 12945.2(b)(5), as amended.) Note that pregnancy is a "serious health condition" only under the FMLA. Under California law, an employee disabled by pregnancy is entitled to pregnancy leave. (See Policy 8.3, Leave Because of Pregnancy, Childbirth, or Related Medical Condition.)
- 4) Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which:
 - i. Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;
 - ii. Continues over an extended period of time (including recurring episodes of a single underlying condition); and
 - iii. May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.). Absences for such incapacity qualify for leave even if the absence lasts only one day.
- 5) A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of but need not be receiving active treatment by health care provider.
- 6) Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment. (29 CFR § 825.113, as amended; Gov. Code § 12945.2(b)(13), as amended; 2 Cal.Code Regs § 11087(v), as amended.)

(l) "Health Care Provider" means:

- 1) A Doctor of Medicine or Osteopathy who is authorized to practice medicine or surgery in the State of California;
- 2) Individuals duly licensed as a physician, surgeon, or osteopathic physician or surgeon in another state or jurisdiction, including another country, which directly treats or supervises treatment of a serious health condition;
- 3) Podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct

a subluxation as demonstrated by x-ray to exist) authorized to practice in California and performing within the scope of their practice as defined under California State law;

- 4) Nurse practitioners and nurse-midwives and clinical social workers who are authorized to practice under California State law and who are performing within the scope of their practice as defined under California State law;
- 5) Christian Science practitioners listed with the First Church of Christ, Scientist in Boston, Massachusetts; and
- 6) Any health care provider from whom an employer or group health plan's benefits manager will accept certification of the existence of a serious health condition to substantiate a claim for benefits. (29 CFR § 825.125; Gov. Code § 12945.2(b)(10), as amended.)

(m) "Covered active duty" means: 1) in the case of a member of a regular component of the Armed Forces, duty during deployment of the member with the Armed Forces to a foreign country; or 2) in the case of a member of the reserve component of the Armed Forces, duty during the deployment of members of the Armed Forces to a foreign country under a call or order to active duty under certain specified provisions. (29 CFR § 825.102.)

(n) "Covered Servicemember" means: 1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or 2) a veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces, including a member of the National Guard or Reserves, at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy. (29 CFR § 825.102 & 825.122, as amended.)

(o) "Outpatient Status" means, with respect to a covered service member, the status of a member of the Armed Forces assigned to either: (1) a military medical treatment facility as an outpatient; or (2) a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients. (29 CFR § 825.102, as amended.)

(p) "Next of Kin of a Covered Servicemember" means the nearest blood relative other than the covered servicemember's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the covered servicemember by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave under the FMLA. (29 CFR § 825.102, as amended.)

(q) "Serious Injury or Illness" means: 1) in the case of a member of the Armed

Forces, including a member of the National Guard or Reserves, means an injury or illness that a covered servicemember incurred in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by the service in the line of duty on active duty in the Armed Forces) and that may render the servicemember medically unfit to perform the duties of the member's office, grade, rank, or rating; or 2) in the case of a veteran who was a member of the Armed Forces, including a member of the National Guard or Reserves, means an injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and that manifested itself before or after the member became a veteran. (29 CFR § 825.102, as amended.)

8.2.c Reasons for Leave

Leave is only permitted for the reasons listed below.

- (a) The birth of a child or to care for a newborn of an employee; (29 CFR § 825.120; Gov. Code § 12945.2(b)(5)(A), as amended);
- (b) The placement of a child with an employee in connection with the adoption or foster care of a child (29 CFR § 825.121; Gov. Code § 12945.2(b)(5)(A), as amended);
- (c) Leave to care for a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner who has a serious health condition (29 CFR § 825.113, as amended; Gov. Code § 12945.2(c)(3)(A) & (B), as amended);
- (d) Leave because of a serious health condition that makes the employee unable to perform any one or more essential functions of his/her position (29 CFR § 825.113, as amended; Gov. Code § 12945.2(b)(5)(C), as amended);
- (f) Leave for a variety of "qualifying exigencies" arising out of the fact that an employee's spouse, domestic partner (CFRA only), child, or parent is on active duty or call to active-duty status in the National Guard or Reserves in support of a contingency operation (29 CFR § 825.126) as amended; or
- (g) Leave to care for a spouse, son, daughter, parent, or "next of kin" who is a covered servicemember of the U.S. Armed Forces who has a serious injury or illness: incurred in the line of duty while on active military duty; or existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces. This leave can run up to 26 weeks of unpaid leave during a single 12-month period. (29 CFR § 825.127, as amended -- This is a FMLA leave and not a CFRA leave.)

8.2.d Employees Eligible for Leave

An employee is eligible for leave if:

- (a) The employee has been employed by LAFCo for at least 12 months; and
- (b) The employee has been employed by LAFCo for at least 1,250 hours during the

- 12- month period immediately preceding the commencement of the leave; and
- (c) The LAFCo directly employs at least 5 employees performing services for a wage or salary. (Gov. Code § 12945.2(a) ,as amended – CFRA only.)

8.2.e Amount of Leave

Eligible employees are entitled to a total of 12 workweeks (or 26 workweeks) of leave to care for a covered servicemember during any 12-month period. If FMLA leave qualifies as both military caregiver leave and care for a family member with a serious health condition, the leave will be designated as military caregiver leave first. (29 CFR § 825.127, as amended.)

8.2.f Minimum Duration of Leave

- (a) If leave is requested for the birth, adoption or foster care placement of a child of the employee, leave must be concluded within one year of the birth or placement of the child. In addition, the basic minimum duration of such leave is two weeks. However, an employee is entitled to leave for one of these purposes (e.g., bonding with a newborn) for less than two weeks' duration on any two occasions. (2 Cal.Code Regs § 11090(d), as amended.)
- (b) If leave is requested to care for a child, parent, spouse or the employee him/herself with a serious health condition, there is no minimum amount of leave that must be taken. However, compliance with the notice and medical certification provisions in this Policy is required. (29 CFR § 825.205, as amended; 2 Cal.Code Regs § 11090(e), as amended.)

8.2.g Employee Benefits While on Leave

- (a) **Group Health Insurance During Unpaid Leave:** Leave under this Policy is unpaid. While on unpaid leave, employees will continue to be covered by LAFCo's group health insurance for up to 12 weeks each leave year to the same extent that coverage is provided while the employee is on the job. If the employee is disabled by pregnancy, coverage will continue up to four months each leave year. If an employee disabled by pregnancy also uses leave under the CFRA for baby-bonding, LAFCo will maintain her coverage while she is disabled by pregnancy (up to four months or 17 1/3 weeks) and during her CFRA leave (up to 12 weeks). (Gov. Code § 12945(a)(2)(A) as amended & 12945.2(p) as amended.)
- (b) **Benefit Plans Not Provided through LAFCo Group Health Plan During Unpaid Leave Do Not Continue:** LAFCo does not pay for benefit plans that are not part of the group health plan for any employee on unpaid leave. As a result, employees will not continue to be covered under LAFCo benefit plans that are not provided through LAFCo group health plans while the employee is on unpaid leave. (2 Cal. Code Regs § 11092(e), as amended.)
- (c) **Payment of Premiums:** Employees may make the appropriate contributions for continued coverage under the health benefits plans by payroll deductions (if the employee is using his or her paid leave) or direct payments (if the employee is not using his or her paid leave). LAFCo will inform the employee whether the direct payments for premiums should be paid to the carrier or to LAFCo, and the deadlines

for paying premiums in order to prevent coverage from being dropped. Employee contribution rates are subject to any changes in rates that occur while employee is on leave.

- (d) **Recovery of Premium if the Employee Fails to Return from Leave:** If an employee fails to return to work after his/her leave entitlement has been exhausted or expires, LAFCo shall have the right to recover its share of health plan premiums for the entire leave period, unless the employee does not return because of the continuation, recurrence, or onset of a serious health condition of the employee or his/her family member which would entitle the employee to leave, or because of circumstances beyond the employee's control. (29 CFR § 825.213; Gov. Code § 12945.2(e)(1), as amended; 2 Cal.Code Regs § 11092(c)(5), as amended.)

8.2.h Substitution of Paid Accrued Leaves

Although family and medical care leave is unpaid, an employee may elect and LAFCo will require an employee to concurrently use all paid accrued leaves during family and medical care leave as described below.

8.2.i.1 Employee's Right to Use Paid Accrued Leave Concurrently with Family Leave

An employee may use any earned or accrued paid leave except sick leave for all or part of any unpaid family and medical care leave. An employee is entitled to use sick leave concurrently with family and medical care leave for the employee's own serious health condition or that of the employee's parent, spouse, domestic partner or child. (Gov. Code § 129045.2(b), as amended; Labor Code § 233 & 246.5(c)(1), as amended.)

8.2.i.2 LAFCo's Right to Require an Employee to use Paid Leave when using FMLA/CFRA Leave

Employees must use and exhaust their accrued leaves concurrently with family and medical care leave to the same extent that employees have the right to use their accrued leaves concurrently with family and medical care leave with two exceptions:

- (a) Employees are not required to use paid leave during leave pursuant to a disability plan that pays a portion of the employee's salary while on leave unless the employee agrees to use paid leave to cover the unpaid portion of the disability leave benefit; (29 CFR § 825.207(d), as amended; 2 Cal.Code Regs. § 11092(b)(2) & (3)); as amended and
- (b) An employee must agree to use accrued sick leave to care for a child, parent, spouse or domestic partner. (Gov. Code § 12945.2(e), as amended; 2 Cal.Code Regs § 11092(b), as amended.)

8.2.i.3 LAFCo's Right to Require an Employee to Exhaust FMLA/CFRA Leave Concurrently with Other Leaves

If an employee takes a leave of absence for any purpose which also qualifies under both

the FMLA and CFRA, LAFCo will designate that leave as running concurrently with the employee's 12-week FMLA/CFRA leave entitlement. (Labor Code § 4850(e) as amended.)

8.2.i.4 LAFCO's and Employee's Rights if an Employee Requests Accrued Leave without Mentioning FMLA or CFRA

If an employee requests to utilize accrued vacation leave or other accrued paid time off without reference to a FMLA/CFRA qualifying purpose, LAFCo may not ask the employee if the leave is for a FMLA/CFRA qualifying purpose. (2 Cal.Code Regs § 11092(b)(4)(A), as amended.) However, if LAFCo denies the employee's request and the employee provides information that the requested time off is for a FMLA/CFRA qualifying purpose, LAFCo may require the employee to exhaust accrued leave as described above. (2 Cal.Code Regs § 11092(b)(4)(A)(1), as amended.)

8.2.j.j Medical Certification/Recertification

Employees who request leave must provide a medical certification and/or recertification to support the need for the leave as described below:

(a) Employee's Own Serious Health Condition: Employees who request leave for their own serious health condition must provide written certification from the health care provider that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; and a statement that, due to the serious health condition, the employee is unable to work at all or is unable to perform any one or more of the essential functions of his or her position. (Gov. Code § 12945.2(j)(2) as amended; 2 Cal. Code Regs § 11087(a)(2) as amended; 2 Cal.Code Regs § 11091(b)(2), as amended.) Upon expiration of the time period the health care provider originally estimated that the employee needed for his/her own serious health condition, the employee must obtain recertification if additional leave is requested. (Gov. Code § 12945.2(j)(2) as amended; 2 Cal. Code Regs § 11091(b)(2) as amended; 29 CFR § 825.308, as amended.)

(a) Family Member Serious Health Condition: Employees who request leave to care for a child, parent, grandparent, grandchild, sibling, domestic partner or a spouse who has serious health condition must provide written certification from the health care provider of the family member requiring care that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; an estimate of the amount of time which the health care provider believes the employee needs to care for the child, parent, grandparent, grandchild, sibling, domestic partner, or spouse, and a statement that the serious health condition warrants the participation of the employee to provide care during a period of treatment or supervision of the family member. The term "warrants the participation of the employee" includes, but is not limited to, providing psychological comfort, and arranging third party care for the covered family member, as well as directly providing, or participating in, the medical care. (Gov. Code § 12945.2(k)(1) as amended; 2 Cal.Code Regs § 11087(a)(1) as amendment; 2 Cal.Code Regs § 11091(b)(1) as amended.) Upon expiration of the time period the health care provider originally estimated that the employee needed to care for a covered family member, the employer must obtain recertification if additional leave is

requested. (Gov. Code § 12945.2(j)(2) as amended; 2 Cal.Code Regs § 11091(b)(1) as amended; 29 CFR § 825.308 as amended.)

- (b) ***Service member Serious Injury or Illness:*** Employees who request FMLA leave to care for a covered service member who is a child, spouse, parent or "next of kin" of the employee, must provide written certification from a health care provider regarding the injured service member's serious injury or illness. (29 CFR § 825.310, as amended) LAFCo will verify the certification as permitted by the FMLA regulations. (29 CFR § 825.310(e) & (f), as amended.)
- (c) ***Qualifying Exigency:*** The first time an employee requests FMLA leave because of a qualifying exigency, an employee may require the employee to provide a copy of the military member's active-duty orders or other documentation issued by the military which indicates that the military member is on covered active duty or call to active-duty status in a foreign country, and the dates of the military member's active-duty service. A copy of the new active-duty orders or similar documentation shall be provided to LAFCo if the need for leave because of a qualifying exigency arises out of a different active duty or call to active-duty status of the same or a different military member. (29 CFR § 825.309, as amended.) LAFCo will verify the certification as permitted by the FMLA regulations. (29 CFR § 825.309 (d), as amended)

8.2.k Time to Provide a Medical Certification

When an employee has provided at least 30 days' notice for a foreseeable leave, the employee must provide a medical certification before the leave begins. When this is not possible, the employee must provide the medical certification to LAFCo within the time frame requested by LAFCo (which must allow at least 15 calendar days after the employer's request), unless it is not practicable under the particular circumstances to do so despite the employee's diligent, good faith efforts. (2 Cal.Code Regs § 11091(b)(3), as amended; 29 CFR § 825.305(b), as amended.)

8.2.l Consequences for Failure to Provide an Adequate or Timely Certification

If an employee provides an incomplete medical certification, the employee will be given a reasonable opportunity to cure any such deficiency. (2 Cal.Code Regs § 11091(b)(3) as amended; 29 CFR § 825.313 (a) & (b) as amended.) However, if an employee fails to provide a medical certification within the time frame established in this Policy, LAFCo may delay the taking of FMLA/CFRA leave until required certification is provided or deny FMLA/CFRA protections following the expiration of the time period to provide an adequate certification. (2 Cal.Code Regs § 11091(b)(3), as amended; 29 CFR § 825.313(a), as amended)

8.2.m Executive Officer Review of the Contents of Medical Certification for Employee's Own Serious Health Condition

- (a) ***Complete and Sufficient:*** The employee must provide a certification for his or her own serious health condition that is complete and sufficient to support the request for leave. A certification is incomplete if one or more of the applicable entries on the certification form have not been completed. A certification is insufficient if the information on the certification form is vague, ambiguous, or not responsive. If the

certification is incomplete or insufficient, the Executive Officer will give the employee written notice of the deficiencies and seven days to cure, unless a longer period is necessary in light of the employee's diligent, good faith efforts to address the deficiencies. (29 CFR § 825.305(c), as amended.)

- (b) **Authentication and Clarification:** After giving the employee an opportunity to cure the deficiencies in a medical certification for the employee's own serious health condition, the Executive Officer may contact the health care provider who provided the certification to clarify and/or authenticate the certification. "Authentication" means providing the health care provider with a copy of the certification form and requesting verification that the information on the form was completed or authorized by the health care provider who signed the form. "Clarification" means contacting the health care provider to understand the handwriting on the medical certification or to understand the meaning of the response. The Executive Officer may not ask for additional information beyond that required on the certification form. (29 CFR § 825.307(a), as amended.)

8.2.n Second and Third Medical Opinions for Employee's Own Serious Health Condition

If LAFCo has a good faith, objective reason to doubt the validity of a certification for the employee's serious health condition, LAFCo may require a medical opinion of a second health care provider chosen and paid for by LAFCo. If the second opinion is different from the first, LAFCo may require the opinion of a third provider jointly approved by LAFCo and the employee but paid for by LAFCo. The opinion of the third provider will be binding. (29 CFR § 825.307(b), as amended & (c), as amended; 2 Cal.Code Regs § 11091(b)(2)(A), as amended) LAFCo must provide the employee with a copy of the second and third medical opinions, where applicable, without cost, upon the request of the employee. (29 CFR § 825.307(d), as amended; 2 Cal.Code Regs § 11091(b)(2)(D), as amended.)

8.2.o Intermittent Leave or Leave on a Reduced Leave Schedule

If an employee requests leave intermittently (a few days or hours at a time) or on a reduced leave schedule for his or her own serious health condition, or to care for an immediate family member with serious health condition, the employee must provide medical certification that such leave is medically necessary. "Medically necessary" means there must be a medical need for the leave and that the leave can best be accomplished through an intermittent or reduced leave schedule. (2 Cal.Code Regs § 11090(e), as amended; 29 CFR § 825.202(b), as amended.) LAFCo may require an employee who certifies the need for a reduced schedule or intermittent leave to temporarily transfer to an alternate position of equivalent pay and benefits that better accommodates the leave schedule. (2 Cal.Code Regs § 11090(e)(1), as amended; 29 CFR § 825.204, as amended.)

8.2.p Employee Notice of Leave

Although LAFCo recognizes that emergencies arise which may require employees to request immediate leave, employees are required to give as much verbal or written notice

as possible of their need for leave. (29 CFR § 825.304(a).) If leave is foreseeable, at least 30 days' notice is required. In addition, if an employee knows that he/she will need leave in the future but does not know the exact day(s) (e.g., for the birth of a child or to take care of a newborn), the employee shall inform his/her supervisor as soon as possible that such leave will be needed. (29 CFR § 825.302(a); 2 Cal.Code Regs § 11091(a)(2) & (3).) For foreseeable leave due to a qualifying exigency, an employee must provide verbal or written notice of the need for leave as soon as practicable, regardless of how far in advance such leave is foreseeable. (29 CFR § 825.302(a).)

8.2.q Reinstatement Upon Return from Leave

(a) Reinstatement to Same or Equivalent Position: Upon expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent benefits and pay. Employees have no greater rights to reinstatement, benefits, and other conditions of employment than if the employee had been continuously employed during the FMLA/CFRA period. (2 Cal.Code Regs § 11087(h) & (u), as amended; 2 Cal.Code Regs § 11089(a), as amended; 29 CFR § 825.214-215; 29 CFR § 825.216, as amended.)

(b) Date of Reinstatement: If a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated on the date agreed upon. If the reinstatement date differs from the original agreement of the employee and LAFCo, the employee will be reinstated within two business days, where feasible, after the employee notifies the employer of his/her readiness to return. (2 Cal.Code Regs § 11089(c)(1) & (2), as amended.)

(c) Employee's Obligation to Periodically Report on His/her Condition: Employees may be required to periodically report on their status and intent to return to work. This will avoid any delays to reinstatement when the employee is ready to return. (29 CFR § 825.311, as amended.)

(d) Fitness for Duty Certification: As a condition of reinstatement of an employee whose leave was due to the employee's own serious health condition, which made the employee unable to perform his or her job, the employee must obtain and present a fitness-for-duty certification from the health care provider stating that the employee is able to resume work. Failure to provide such certification will result in denial of reinstatement. (29 CFR § 825.312, as amended)

8.2r Required Forms

Employees must complete the applicable forms to receive family and medical care leave. The forms may be found on the LAFCo server and copies can be printed if requested by staff.

8.3 Leave Because of Pregnancy, Childbirth, or Related Medical Condition

8.3.a Amount of Leave

An employee who is disabled because of pregnancy, childbirth, or a related medical condition is entitled to an unpaid leave for up to the number of hours the employee would normally work within four calendar months (one-third of a year or 17 1/3 weeks). (Gov. Code § 12945(a), as amended.) For a full-time employee who works 40 hours per week, "four months" means 693 hours of leave entitlement, based on 40 hour per week times 17 1/3 weeks. (2 Cal. Code Regs § 11042(a)(1), as amended.) An employee who works less than 40 hours per week will receive a pro rata or proportional amount of leave. (2 Cal. Code Regs § 11042(a)(2), as amended.)

8.3.b Notice & Certification Requirements

- (a) **Notice:** Requests for pregnancy disability leave must be submitted in writing with reasonable advance notice of the medical need for the leave. (2 Cal. Code Regs § 11042(c)(1), as amended.) All leaves must be confirmed in writing, have an agreed-upon specific date of return, and be submitted to the Executive Officer. (2 Cal. Code Regs § 11042(a), as amended)
- (b) **Certification:** The request for pregnancy disability leave must be supported by a written certification from the attending physician stating that: the employee is disabled from working by pregnancy, childbirth or a related medical condition; 2) the date on which the employee became disabled by pregnancy, childbirth or a related medical condition; and 3) the estimated duration or end date of the leave. (2 Cal. Code Regs § 11050(b)(7) as amended.)

8.3.c Compensation During Leave

Pregnancy disability leaves are without pay. However, the employee must first use sick leave, if any. (2 Cal. Code Regs § 11044(b)(1) as amended.) Once sick leave is depleted, the employee may elect to use vacation leave or any other accrued paid time off during the leave. (2 Cal. Code Regs § 11044(b)(2), as amended.)

8.3.d Benefits During Leave

- (a) **Group Health Insurance:** An employee on pregnancy disability leave may continue to receive any group health insurance coverage that was provided before her leave, beginning on the date the pregnancy disability leave begins and continuing for up to four months in a 12-month period, at the same level and under the same conditions that coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. (Gov. Code § 12945(a)(2)(A) as amended; 2 Cal. Code Regs § 11044(c), as amended.) LAFCo may recover premiums it paid to maintain health coverage if an employee does not return to work following pregnancy disability leave, unless the reason for the failure to return is a circumstance beyond her control or the use of the separate right to 12 weeks of bonding leave under the California Family and Medical Leave Act. (Gov. Code § 12945(a)(2)(A) as amended; 2 Cal. Code Regs § 11044(c)(3), as amended)
- (b) **Sick and Vacation Leaves:** Sick and vacation leaves do not accrue while an employee is on unpaid pregnancy disability leave. (See 2 Cal. Code Regs § 11044(d)(1) as amended.)

- (c) *Employee Status during Leave:* The employee retains employee status during the leave. The leave is not a break in service for purposes of longevity or seniority under any collective bargaining agreement or employee benefit plan. Benefits will be resumed upon the employee's reinstatement in the same manner and at the same levels as provided when the leave began, without any new qualification period, physical exam, or other qualifying provisions. (2 Cal.Code Regs § 11044(e).)

8.3.e Reinstatement

- (a) Upon the expiration of pregnancy leave, the employees will be reinstated to their original or a comparable position, so long as it was not eliminated for a legitimate business reason during the leave. (2 Cal.Code Regs§ 11043(c)as amended.)
- (b) If the employee's original position is no longer available, the employee will be assigned to a comparable, open position. (2 Cal.Code Regs§ 11043(c)(2), as amended)
- (c) If upon return from leave an employee is unable to perform the essential functions of her job because of a physical or mental disability, LAFCo will initiate an interactive process with the employee to identify a potential reasonable accommodation in accordance with these Policies. (See Policy 206, Reasonable Accommodation and Interactive Process.)

8.4 Other Leaves

8.4.a Jury Duty Leave/Subpoenaed or Court-Ordered Witness Leave

Any employee, who is summoned to serve on a jury, or subpoenaed or ordered to be a witness, must notify his or her supervisor or department head as soon as possible. Any employee who is released from jury service prior to the end of his or her scheduled work hours must report to work unless otherwise authorized by his or her supervisor. (Gov. Code § 1230; 28 USC § 1875(c) as amended.) Employees must produce the summons or proof of service from the court upon request.

8.4.a.1 Overtime-Eligible Employees

All non-exempt employees will be paid for actual work hours missed because of time spent in jury service or court. The time spent on jury duty is not work time for purposes of calculating overtime compensation. LAFCo will offset from pay the amount the employee receives from the Court for jury fees for the employee's normally scheduled work hours for a maximum of 20 days in a calendar year.

8.4.a.2 Overtime-Exempt Employees

All FLSA-exempt employees will continue to receive their normal salary while on jury duty or as serving as a witness only for any work week in which they perform any work duties. (29 CFR § 541.602(a) & (b)(3), as amended.) LAFCo will offset the amount from pay the employee receives from the Court for jury fees. (29 CFR§ 541.602(b)(3) as amended.)

B.4.b Other Court or Administrative Proceeding Appearances

8.4.b.1 Regarding Agency Duties

Any employee, including a temporary, seasonal, or extra help employee, who is subpoenaed to appear in court in a matter regarding an event or transaction in the course of his or her LAFCo job duties, must give his or her supervisor as much advance notice as is possible. LAFCo will determine whether the matter involves an event or transaction in the course of the employee's LAFCo job duties. If so, this leave to appear in court will be without loss of compensation, and the time spent will be considered work time. LAFCo will offset the amount from pay the employee receives for witness fees.

8.4.b.2 Regarding Employee-Initiated Proceedings

Any employee, including a temporary, seasonal, or extra help employee who is subpoenaed to appear or appears in court because of civil or administrative proceedings that he or she initiated is not entitled to receive compensation for time spent related to those proceedings. An employee may request to receive time off without pay or may use any accrued leave other than sick leave for time spent related to those proceedings. The time spent in these proceedings is not considered work time. Notwithstanding the above, an employee who is testifying or appearing as the designated representative in PERB conferences or hearings, or at a personnel or merit commission is entitled to paid release time. (Gov. Code § 3505.3(a)(2) & (3), as amended.)

8.4.b.3 Regarding Crime Victim/ Victim Family Member Court Attendance Leave

Any employee, including a temporary, seasonal, or extra help employee, who is a victim of a crime that is a serious or violent felony, or a felony involving theft or embezzlement, may take leave from work to attend judicial proceedings related to that crime, if the employee provides LAFCo a copy of the notice of the scheduled proceeding in advance. If advance notice is not feasible, the employee must provide LAFCo, within a reasonable time after the leave is taken, documentation from the District Attorney, victim's rights office, or court/ governing agency that shows that the judicial proceeding occurred when the leave was used. An employee who is an immediate family member of such a crime victim, including: a registered domestic partner; the child of the registered domestic partner; spouse; child; stepchild; brother; stepbrother; sister; stepsister; mother; stepmother; father; or stepfather of the crime victim is also entitled to leave from work to attend judicial proceedings relating to that crime. The leave is unpaid unless the employee elects to use accrued vacation, sick, or other paid leave, or compensatory time off. (Labor Code § 230.2.)

8.4.b.4 Regarding Crime Victim/ Family Member Victims' Rights Proceedings Leave

Any employee, including a temporary, seasonal, or extra help employee, who is a victim of a crime listed in Labor Code section 230.2(c) as amended, may take leave from work to appear in court to be heard at any proceeding in which the right of the victim is at issue, if the employee provides the employer reasonable advance notice. If advance notice is not feasible, the employee must provide LAFCo, within a reasonable time after the leave is taken, certification from a police report, a district attorney or court, or from a health care

provider or victim advocate, that the employee was a victim of any of the crimes listed in Labor Code section 230.2(c)). An employee who is a spouse, parent, child, sibling, or guardian of such a crime victim is also a victim who is entitled to this leave if the above notice or certification requirements are met. The leave is unpaid unless the employee elects to use accrued vacation or paid leave, or compensatory time off.

8.4.c Leave for Victims of Domestic Violence, Sexual Assault, or Stalking to Obtain Restraining Orders or Injunctive Relief

Any employee, including a temporary, seasonal, or extra help employee, who is a victim of domestic violence, sexual assault, or stalking, may take leave from work to obtain or attempt to obtain any relief, including, but not limited to: a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of the employee or his or her child, if the employee provides advance notice of the need for leave. If advance notice is not feasible, the employee must provide any of the following certifications within a reasonable time after the leave: a police report indicating that the employee was a victim; a court order protecting the employee from the perpetrator; evidence from the district attorney or court that the employee has appeared in court; or documentation from a health care provider or counselor that the employee was undergoing treatment for physical or mental injuries or abuse. The leave is unpaid unless the employee elects to use 2014 Healthy Workplaces sick leave (Labor Code § 246.5(a)(2), as amended), accrued vacation or paid leave, or compensatory time off. (Labor Code § 230.2(f), as amended.)

8.4.c.1 Leave for Victims of Domestic Violence, Sexual Assault, or Stalking to Obtain Medical Attention or Counseling or Safety Planning

Any employee, including a temporary, seasonal, or extra help employee, who is a victim of domestic violence, sexual assault, or stalking, may take leave from work to attend to any of the following: obtaining medical attention or psychological counseling; obtaining services from a shelter, program or crisis center; or participating in safety planning or other actions to increase safety, if the employee provides advance notice of the employee's intention to take time off for these purposes. If advance notice is not feasible, the employee must provide any of the following to LAFCo within a reasonable time after the leave: a police report indicating that the employee was a victim; a court order protecting the employee from the perpetrator; evidence from the district attorney or court that the employee has appeared in court; or documentation from a health care provider or counselor that the employee was undergoing treatment for physical or mental injuries or abuse. The leave is unpaid unless the employee elects to use 2014 Healthy Workplaces sick leave (Labor Code § 246.5(a)(2), as amended), accrued vacation or personal leave, or compensatory time off.

8.4.d Bereavement Leave

All employees, including or except temporary, seasonal, or extra help employees, may utilize paid bereavement leave to attend a funeral or memorial service, or to take care of family matters, that are related to the death of a member of immediate family. "Immediate family" consists of the following: employee's spouse, domestic partner, child, stepchild, step parent, parent, grandparent, grandchild, brother, sister, mother/father-in-law, son or daughter-in-law, brother or sister-in-law, legal guardian, or custodial child, or the same relatives of a domestic partner. Employees are entitled to up to five days for each death in

the immediate family. An employee who utilizes bereavement leave shall notify the Executive Officer of the intent to use such leave. LAFCo offers up to five days' time off and the Executive Officer shall receive five days' time off.

8.4.e Military Leave

Military leave will be granted in accordance with state and federal law. An employee requesting leave for this purpose shall promptly provide the department head with a copy of the military orders specifying the dates, site and purpose of the activity or mission. Within the limits of such orders, the department head may determine when the leave is to be taken and may modify the employee's work schedule to accommodate the request for leave.

8.5 School-Related Leave

8.5.1 School or Licensed Day Care Activity Leave

Any employee who is a parent, guardian, stepparent, foster parent, grandparent, or person who stands in loco parentis to one or more children who are in kindergarten or grades 1 through 12, or who are in a licensed child care facility, shall be allowed up to 40 hours each school year, not to exceed eight hours in any calendar month of the school year, to: participate in activities of their child's school or licensed child care facility; find, enroll, or re-enroll a child in a school or with a licensed childcare provider; or to pick up a child due to a childcare provider or school emergency. The employee must provide reasonable advance notice to his/her supervisor of the planned absence. The leave is unpaid unless the employee uses vacation, personal leave or compensatory time off. The employee must provide documentation from the school or licensed childcare facility as verification that the employee participated in school or childcare facility activities on a specific date and at a particular time. If both parents, guardians, or grandparents having custody work for LAFCo at the same LAFCo work site, only the first parent requesting will be entitled to leave under this provision. (Labor Code § 230.8, as amended.)

8.5.f.2 Child Suspension Leave

Any employee who is the parent or guardian of a child in grades 1 through 12 may take time off to go to the child's school in response to a request from the child's school, if the employee gives advance notice to his or her supervisor. A school has the authority to request that the parent attend the child's school if the child has: committed any obscene act; habitually used profanity or vulgarity; disrupted school activities; or otherwise willfully defied the valid authority of school personnel.

8.5.g Paid Administrative Leave

LAFCo has the right to place an employee on leave with full pay for non-disciplinary reasons at any time when the Executive Officer has determined that the employee's and/or LAFCo best interests warrant the leave. The employee does not have a right to appeal the decision to be placed on administrative leave with pay.

8.5.h Leave of Absence Without Pay Must Be Authorized by Law or These Policies

Unless authorized by law or a LAFCo policy, an employee is not entitled to a leave of absence without pay. An authorized leave of absence without pay is not a break in service for purposes of calculating seniority. Unless required by law, vacation leave credits, sick leave credits, increases in salary, all other paid leaves, holidays and fringe benefits and other similar benefits do not accrue to an employee on unpaid leave. Unless required by law, LAFCo will not maintain contributions toward group insurance or retirement coverage for the employee on such leave. During the period of authorized unpaid leave, all service and leave credits shall be retained at the levels existing as of the effective date of the leave.

8.5.i Time Off to Vote

Any employee, if he or she does not have sufficient time outside of working hours to vote, may request up to two hours of paid leave either at the beginning or end of scheduled working hours to enable him or her to vote. The employee must request time off to vote from his or her supervisor at least two working days prior to election day. (Elections Code §1400). An Employee may serve as an election official on election day, but such absence will be unpaid. (Elections Code 13212, as amended).

Chapter 9 Resignation, Job Abandonment, Layoff, and Separation

9.1 Resignation, Job Abandonment, Layoff and Separation

8.1.a Types of Separation

All separations of employees from positions in LAFCo employment are designated as one of the following types:

- Probationary Release;
- Release of temporary/ seasonal/ extra help employee;
- Resignation;
- Retirement;
- Job abandonment;
- Layoff;
- Non-disciplinary separation; or
- Disciplinary separation.

9.1.b Probationary Release

Probationary employees serving in their initial probationary period with LAFCo may be released at any time during the probationary period as recommended by the Executive Officer, without cause or reason or notice. A released probationary employee has no right to appeal or to submit a grievance.

9.1.c Release of Temporary/Seasonal/Extra Help Employees

A temporary/ seasonal/ extra help employee may be separated at any time, without cause, and without right to any appeal or grievance.

9.1.d Resignation

An employee who wishes to resign his or her LAFCo employment in good standing must submit written notice of resignation to the Executive Officer at least two weeks prior to the planned separation date. The written notice must state the reasons for the resignation. Failure to follow the aforementioned procedure may be cause for denying future employment with LAFCo. A resignation becomes final when the Executive Officer accepts the resignation in writing. Once a resignation has been accepted, it is final and irrevocable. A resignation can be accepted by the Executive Officer even if it is submitted less than two weeks prior to the planned resignation date.

9.1.e Retirement

An employee planning to retire may provide a written notice to the Executive Officer prior to the effective date of the retirement. A notice of retirement becomes final when the Executive Officer accepts the notice of retirement in writing. Once a notice of retirement has been accepted, it is final and irrevocable.

9.1.f Job Abandonment

An employee is deemed to have resigned from his/her position if he or she is absent for five consecutive scheduled workdays/shifts without prior authorization and without notification during the period of the absence. The employee will be given written notice, at his or her address of record, of the circumstances of the job abandonment, and an opportunity to provide an explanation for the employee's unauthorized absence. An employee who promptly responds to the agency's written notice, within the timeframe set forth in the written notice, can arrange for an appointment with the Executive Officer before final action is taken, to explain the unauthorized absence and failure of notification. An employee separated for job abandonment will be reinstated upon proof of justification for such absence, such as severe accident, severe illness, false arrest, or mental or physical impairment which prevented notification. No employee separated for job abandonment has the right to a post-separation appeal.

9.1.g Layoff

Whenever, in the judgment of LAFCo Commission, a reduction in personnel is necessary for economic or operational reasons, any employee may be laid off or demoted for non-disciplinary reasons. The decision to lay off or demote an employee or employees is not subject to appeal or grievance.

9.1.g.1 Order of Layoffs

Employees will be laid off in the inverse order of their seniority in their classification in the department. Seniority is determined based on the length of employment in the affected classification in the department, or higher classifications in the department. Length of employment includes all days of employment in attendance at work and all days on authorized or legally protected leaves of absence. Length of service does not include unauthorized periods of leave or suspension or layoff. Within each classification, employees will be laid off in the following order: temporary; part-time; probationary; and for-cause status. If two or more employees in a classification to be laid off have the same length of employment, the employee to be laid off will be decided by lottery.

9.1.g.2 Notification of Layoff

Employees to be laid off will be given 21 calendar days' notice of layoff.

9.1.g.3 Displacement

For-cause employees who are noticed for layoff and who have held for-cause status in a lower classification within the same classification series in the same department, may displace employees in the lower classification provided that the employee seeking to displace has greater length of employment in the lower classification than the incumbent in the lower classification. Employees in lower classifications will be displaced in inverse order of their length of employment in the classification. Any employee who seeks to displace another must provide the Executive Officer with written notice no later than five working days after the date of the notice of layoff.

9.1.g.4 Hearing

An employee who has been noticed for layoff, and who has any questions or concerns about the layoff decision or process, may make an appointment to be heard by the Executive Officer for an informal pre-layoff review. The employee must request the appointment in writing within five workdays from the date of the notice of layoff. The Executive Officer decision is final.

9.1.h Non-Disciplinary Separation

Any employee separated because of an inability to accommodate after the reasonable accommodation and interactive process is concluded, will be given a written pre-separation notice of the reasons for the separation, the evidence supporting the decision to separate for non-disciplinary reasons, and an opportunity to respond before the separation takes effect. Any for-cause employee has the opportunity for a post-separation appeal as described in Chapter 10 of these rules, Causes for Discipline and Procedures.

9.1.i Disciplinary Separation

A for-cause employee may be separated for disciplinary reasons pursuant to the policy and procedures in Chapter 10 of these rules, Causes for Discipline and Procedures.

9.1.j Return of LAFCo Property

All LAFCo property in the employee's possession must be returned prior to separation, including keys, key fobs, identification cards, equipment, credit cards, gas cards, cell phones, pagers, and any other LAFCo equipment or property.

9.1.k Job References/Verification of Employment

All reference inquiries and verifications of employment must be referred to and approved by the Executive Officer. Unless the Executive Officer receives a written waiver signed by the employee, LAFCo will release only the employee's dates of employment and last position held. Department heads and supervisors should not provide information in response to requests for reference checks or verification of employment, unless specifically approved by the Executive Officer on a case-by-case basis.

Chapter 10 Discipline

10.1 Causes for Discipline and Procedures

10.1.a Causes for Discipline

Employees may be disciplined for, including but not limited to, any of the following causes of discipline:

1. Violation of any department rule, LAFCo policy or LAFCo regulation, ordinance or resolution;
2. Absence without authorized leave or tardiness;
3. Excessive absenteeism and/or tardiness as defined by the employee's department head, and/or these Policies;
4. Use of leave from work in a manner not authorized or provided for under LAFCo policies;
5. Making any false representation or statement, or making any omission of a material fact;
6. Providing wrong or misleading information or other fraud in securing appointment, promotion or maintaining employment;
7. Unsatisfactory job performance;
8. Inefficiency;
9. Damaging any LAFCo property, equipment, resource, or vehicle, or the waste of LAFCo supplies through negligence or misconduct.
10. Insubordination; or insulting or demeaning the authority of a supervisor or manager;
11. Dishonesty;
12. Theft;
13. Violation of the LAFCo's or a department's confidentiality policies, or disclosure of confidential LAFCo information to any unauthorized person or entity;
14. Misuse or unauthorized use of any LAFCo property, including, but not limited to: physical property, electronic resources, supplies, tools, equipment, LAFCo communication systems, LAFCo vehicles or intellectual property;
15. Mishandling of public funds;
16. Falsifying or tampering with any LAFCo record, including work time or financial

records;

17. Discourteous or offensive treatment of the public or other employees;
18. Abusive conduct, including malicious verbal, visual or physical actions, or the gratuitous sabotage or undermining of a person's work performance.
19. Conviction, meaning any judicial determination of guilt, of a crime that has a nexus to the employee's job duties;
20. Unapproved outside employment or activity, or other enterprise that constitutes a conflict of interest with service to the LAFCo;
21. Any conduct that impairs, disrupts or causes discredit to the LAFCo, to the public service, or other employee's employment;
22. Reckless or unsafe conduct;
23. Working overtime without prior authorization or refusing to work assigned overtime;
24. Carrying firearms or other dangerous weapons while on duty when not required by job duties.
25. Horseplay or fighting.

10.1.b Types of Counseling, Reprimands and Discipline

The following are types of counseling, reprimands and discipline which LAFCo may impose:

- (a) **Counseling Memo:** A counseling memo will be provided to an employee to identify: a failure of appropriate conduct or performance issue; the performance the employee is to demonstrate in the future; and consequences for failure to correct the behavior or problem. A counseling memo will be retained in the supervisor's file until the completion of the evaluation year, and then documented in the performance evaluation, as the supervisor deems necessary. A counseling memo is not subject to the discipline or discipline appeal procedures described below.
- (b) **Verbal Reprimand:** A verbal reprimand is a verbal direction from a supervisory employee to discontinue inappropriate conduct or to correct a performance issue. A verbal reprimand will be documented in writing and retained in the supervisor's file until the completion of the evaluation year and then documented in the performance evaluation, as the supervisor deems necessary. A verbal reprimand is not subject to the discipline or discipline appeal procedures described below.
- (c) **Written Reprimand:** A written reprimand is written direction from a supervisory employee to discontinue inappropriate conduct or to correct a performance issue. A written reprimand will be retained in the employee's personnel file and documented in the performance evaluation. Unless required by law, a written reprimand is not subject to the discipline or discipline appeal procedures described below. The employee has the right to have his or her written rebuttal attached to

the reprimand in the employee's personnel file, if the employee submits the rebuttal to the Executive Officer within 14 days after the reprimand is received.

- (d) **Suspension Without Pay:** LAFCo may suspend an employee from his/her position without pay for cause. Documents related to a suspension shall become part of the employee's personnel file when the suspension is final and documented in the performance evaluation. A suspension without pay is subject to the discipline and discipline appeal procedures described below. Employees who are exempt from Fair Labor Standards Act (FLSA) overtime will only be suspended as authorized by the FLSA.
- (e) **Reduction in Pay or Paid Leave:** LAFCo may reduce an employee's pay or paid leave for cause. A reduction in pay for disciplinary purposes may take one of three forms: 1) a decrease in salary to a lower step within the salary range; 2) a decrease in salary paid to an employee for a fixed period of time; or 3) loss of accrued paid vacation or administrative leave, floating holiday, or compensatory time off. Documents related to a reduction in pay shall become part of the employee's personnel file when the reduction in pay is final and documented in the performance evaluation. A reduction in pay or a reduction in paid leave balance is subject to the discipline and discipline appeal procedures described below. Employees who are exempt from the Fair Labor Standards Act (FLSA) overtime requirements are not subject to pay reduction, except loss of accrued vacation, floating holiday, or administrative leave.
- (f) **Demotion:** LAFCo may demote an employee from his or her position to a lower position for cause. Documents related to a demotion shall become part of the employee's personnel file when the demotion is final and documented in the performance evaluation. A demotion is subject to the discipline and discipline appeal procedures described below.
- (g) **Dismissal:** LAFCo may dismiss an employee from his or her position for cause. Documents related to the dismissal shall become a part of an employee's personnel file when the dismissal is final. A dismissed employee is entitled to the discipline and discipline appeal procedures described below.

10.1.c Discipline Procedures

The following discipline procedures only apply to the LAFCo's for-cause employees. All employees other than for-cause employees, namely temporary, seasonal, extra-help, at-will, probationary employees, may be disciplined or separated at will, with or without cause, and without the disciplinary procedures listed below. The following discipline procedures apply only to suspension without pay, reduction in pay or paid leave, demotion, or dismissal.

- (a) **"Skelly" Notice of Intended Disciplinary Action to Employee:** A written notice of the intended disciplinary action shall be given to the employee, which will include the following information:
 - The level of the intended discipline;
 - The specific charges that support the intended discipline;

- A summary of the facts that show that the elements of each charge at issue in the intended discipline;
- A copy of all materials upon which the intended discipline is based;
- Notice of the employee's right to respond to the Executive Officer or designee regarding the intended discipline within seven calendar days from the date of the notice, either by requesting a *Skelly* conference, or by providing a written response, or both;
- Notice of the employee's right to have a representative of his or her choice at the *Skelly* conference; and
- Notice that failure to respond by the time specified constitutes a waiver of the right to respond prior to final discipline being imposed.

(b) Response by Employee and *Skelly* Conference: If the employee requests a *Skelly* conference, the Executive Officer or designee will conduct an informal meeting with the employee. During the informal meeting, the employee shall have the opportunity to rebut the charges against him or her and present any mitigating circumstances. The Executive Officer will consider the employee's presentation before rendering a decision. The employee's failure to attend the conference, or to deliver a written response by the date specified in the *Skelly* notice, is a waiver of the right to respond, and the intended disciplinary action will be imposed on the date specified in the *Skelly* letter.

(c) Final Notice of Discipline: After the *Skelly* conference and/or timely receipt of the employee's written response, the Executive Officer will: 1) take no disciplinary action; 2) modify the intended discipline; 3) seek additional information or investigation or 4) impose the intended disciplinary action. In any case, the Executive Officer will provide the employee with a notice that contains the following:

- The level of discipline, if any, to be imposed and the effective date of the discipline;
- The specific charges upon which the discipline is based;
- A summary of the facts that show that the elements of each charge at issue in the intended discipline;
- A copy of all materials upon which the discipline is based; and
- A reference to the employee's appeal right and deadline to appeal.

(d) Delivery of the Final Notice of Discipline: The final notice of discipline will be delivered to the employee in person or sent via mail by method verifying delivery if attempted personal service proves ineffective or email if the employee consents to electronic service. If the notice is not deliverable because the employee has moved without notifying LAFCo, is unavailable to receive delivery, or the employee refuses to accept delivery, the effective date of service will be the date the post office or delivery service attempted delivery. Employees are continuously responsible for keeping LAFCo advised of their current address. (see 12.1.b.)

10.1.d Discipline Appeal Procedures –

The following appeal procedures only apply to LAFCo's for-cause employees. All employees other than for-cause employees, namely temporary, seasonal, extra-help, at-will, probationary employees, may be disciplined or separated at will, with or without cause, and without the disciplinary appeal procedures listed below. The following appeal

procedures apply only to suspension without pay, demotion, reduction in pay or dismissal.

- (a) **Request for Appeal Hearing:** An employee may submit a written request for appeal to the Executive Officer within 14 calendar days from: 1) receipt of the final notice of discipline; or 2) the date of attempted delivery by the post office or delivery service of the notice to the last known address of the employee. Failure to file a timely written request for an appeal waives the right to an appeal hearing and any appeal of the discipline. The Executive Officer shall forward a timely request for appeal to the Personnel Committee for further action. The Personnel Committee would consist of an adhoc of the Commission if necessary, with representative from the Commission Legal Counsel.

Appeal Hearing Officer: LAFCo's Personnel Committee shall hear the appeal, unless it designates an individual selected through the State Medication and Conciliation Service (SMCS) to serve as the hearing officer for the discipline at issue.

- (b) **Date and Time of the Appeal Hearing:** Once the appeal hearing officer has been designated, the Executive Officer will set a date for an appeal hearing. The employee shall be notified in writing at least 21 days prior to the hearing of the scheduled date.
- (c) **Prehearing Notice of Witnesses and Evidence:** No later than 10 days before the hearing date, each party will provide the other and the appeal hearing officer a list of all witnesses to be called (except rebuttal witnesses), and a copy of all evidence (except rebuttal evidence) to be submitted at the hearing. LAFCo will use numbers to identify its evidence; the employee will use alphabet letters. Neither party will be permitted to call any witness or evidence that has not been listed, unless that party can show that the party could not have reasonably anticipated the need for the witness or exhibit.
- (d) **Subpoenas:** Upon the request of either party, and upon his or her own motion, the hearing officer will issue subpoenas to compel attendance at the appeal hearing. Each party is responsible for serving his/her/its own subpoenas. LAFCo employees who are subpoenaed to testify during working hours will be released with pay to appear at the hearing. LAFCo employees who are subpoenaed to testify during non-working hours will be compensated for the time they actually spend testifying.
- (e) **Continuances:** The appeal hearing officer may continue a scheduled hearing only upon good cause shown.
- (f) **Record of the Appeal Hearing:** The hearing shall be recorded, either electronically or by a court reporter, at the option of LAFCo. If LAFCo orders a transcript or makes a transcript of the recording, LAFCo will notify the employee within three days of ordering or making the transcript and will provide a copy of the transcript upon receipt of the costs of duplication from the employee. If a court reporter is utilized, the employee may order transcripts through the transcription service at his or her own expense.

Chapter 11 Grievances

11.1 Grievance Procedures

11.1.a Definition of a Grievance

A grievance is an alleged violation of a specific provision of these Policies that adversely affects the employee and that contains all of the information listed in the "Statement of the Grievance" below. The following procedure applies to all LAFCo employees, unless: another dispute resolution procedure applies to the dispute; or a discipline policy and procedure applies. The grievance procedure cannot be utilized to challenge the content of a performance evaluation.

11.1.b Statement of the Grievance

A concern is not a grievance unless the affected employee is able to state each of the following: the date of the alleged violation; the specific provision(s) of these Policies that were allegedly violated; a description of all facts regarding how the alleged violation occurred; and a list of all persons who are witnesses or are involved. The grievant may use a LAFCo form to make the Statement of the Grievance. A Statement of the Grievance must be signed by the employee filing the grievance to certify that it is filed in good faith.

11.1.c Timelines

Failure of the LAFCo to comply with the time limits of the grievance procedures allows the grievant to appeal to the next level of review. Failure of the grievant to comply with the time limits of the grievance procedures constitutes settlement and resolution of the grievance on the basis of the last disposition. The parties may extend time limits by mutual written agreement in advance of a deadline.

11.1.d Procedures

- (a) **Step I Informal Resolution with Supervisor:** The employee must first work in good faith to resolve the grievance informally through discussion with his/her immediate supervisor no later than 14 calendar days after the grievant first became aware of the facts or circumstances giving rise to the grievance.
- (b) **Step II Formal Resolution:** If the employee believes that the grievance has not been resolved through Step I, the employee may submit a written Statement of the Grievance to the Executive Officer. The employee must submit the Statement of the Grievance within 28 calendar days after he or she first became aware that a grievance has occurred. The Executive Officer shall consider the Statement of the Grievance, and may discuss the grievance with the grievant and/or any witnesses or parties, and/or investigate as he/she deems appropriate. The Executive Officer and shall, within 14 calendar days of receipt of the written statement of the Grievance, submit his/her decision in writing to the grievant.

- (c) **Step III Personnel Committee:** If the employee believes that the grievance has not been resolved through Step II, the employee may appeal the grievance decision of the department head to the Policy and Personnel Committee . Such appeal must be filed within 14 calendar days of the date of the department head's written decision. The Policy and Personnel Committee shall consider the Statement of the Grievance and the Executive Officer's Step II decision and it may discuss the grievance with the grievant and/or the Executive Officer and/or investigate as it deems appropriate. The Policy Personnel Committee shall, within 21 calendar days of receipt of the written Statement of the Grievance, submit its decision in writing to the grievant. The decision of the Policy and Personnel Committee shall be final.

Chapter 12 Miscellaneous Policies

12 Personnel Files

12.1.a Confidential LAFCo Files

LAFCo maintains a personnel file on each employee. Files are kept for at least three years after separation of employment. (Labor Code § 1198.5(c)(1), as amended.) A personnel file will contain only material that LAFCo deems necessary and relevant or that is required by law. Personnel files are the property of LAFCo, and access to the information they contain is restricted to protect employee privacy interests.

12.1.b Notification of Changes

Each employee is responsible to promptly notify the Executive Officer of any changes in his or her contact and benefits information, including: mailing address; telephone number; persons to contact in emergency; and number and names of dependents.

12.1.c Access to Applicant or Employee Medical Information

All medical information about an employee or applicant is kept in separate medical files and is treated as confidential. Access to employee or applicant medical information shall be strictly limited to only those with a legitimate need to have such information for LAFCo business reasons and the employee or applicant must provide written consent for the release of the information. Civ. Code § 56.20. Medical information of an applicant or employee can be accessed without written consent if required by law, subpoena or court order, if it required for administering health benefits or it is provided in relation to a workers' compensation claim or request for medical leave. Civ. Code § 56.20, as amended. In the case of an employee with a disability, managers and supervisors may be informed regarding necessary restrictions on the work or duties of the employee and necessary accommodations. (2 Cal.Code Regs § 11069(g)(l), as amended.)

12.1.d Employee Access to Personnel File

(a) Inspection of File: A current employee may inspect his or her own personnel file, at reasonable times and at reasonable intervals, within 30 calendar days of a written request. A former employee is entitled to inspect his or her personnel records one time per year. (Labor Code § 1198.5(d), as amended.) A current or former employee and/or his or her representative, who wishes to review his or her personnel file should make a written request to the Executive Officer. (Labor Code § 1198.5(b)(2)(A), as amended.) The inspection must occur in the presence of the Executive Officer or designee and: 1) at a location where the employee works and at a time other than the employee's work time (Labor Code § 1198.5(b)(1), as amended); or 2) at another agreed upon location without loss of compensation to the employee. (Labor Code § 1198.5(c)(2), as amended.)

(b) Copies: A current or former employee is entitled to receive a copy of his or her personnel records within 30 days after the employer receives a written request. (Labor Code § 1198.5(b)(1), as amended.) A current or former employee who

wishes to receive such a copy should contact the Executive Officer in writing. LAFCo may charge a fee for the actual cost of copying and postal service if a former employee requests to have the records mailed. (Labor Code § 1198.5(b)(1), as amended; 1198.5 (b)(2)(A), as amended)

- (c) **Representative's Inspection:** If the current or former employee wishes to have another person/representative inspect his or her personnel file, he or she must provide the person/representative with written authorization, which shall be subject to verification. (Labor Code § 1198.5(e) as amended.) The Executive Officer will notify the employee and/or representative of the date, time and place of the inspection in writing.
- (d) **No Removal of File Documents:** No person inspecting a personnel file is permitted to add or remove any document or other item to/from the personnel file.

12.1.e Limitations on Access or Copying of Personnel File

Prior to making a copy of personnel records or allowing inspection, LAFCo may redact the names of nonsupervisory employees. (Labor Code § 1198.5(g), as amended.) Under no circumstances will LAFCo provide access or copying of the following categories of personnel file documents: records relating to the investigation of a possible criminal offense; letters of reference; ratings, reports, or records that were obtained prior to employment, prepared by identifiable examination committee members, or obtained in connection with a promotional examination. (Labor Code § 1198.5(h), as amended.)

12.2

Limita

tions on Outside Employment

12.2.a No Outside Employment Without Prior Approval

An employee shall not engage in any paid or self-employment, activity, or enterprise which is inconsistent, incompatible or in conflict with his or her LAFCo duties, functions, responsibilities, or that of the department in which he or she is employed at LAFCo. In order to avoid perceived or actual conflicts of interest that may arise from outside employment, all employees must obtain written approval from the Executive Officer prior to undertaking any outside employment as described in this Policy. (Gov. Code § 1126(a), as amended.)

12.2.b Authorization and Appeal Process

- (a) **Written Request:** Any employee who wants to undertake a paid outside employment, activity, or enterprise must submit a written request to his or her department head. The written request must include: the work hours and/or time required; job title or the nature of the activity; the work location; and the supervisor, manager and name of the employer or activity.
- (b) **Analysis and Decision:** The Executive Officer will determine if the outside employment, activity, or enterprise is compatible with the employee's employment at LAFCo. If the Executive Officer determines such activity is compatible, or would be if any conditions or restrictions applied, he or she will authorize the activity and specify the conditions.

restrictions in writing, give the employee the outside employment authorization, and place a copy of the written authorization in the employee's personnel file.

- (c) **One Year Authorization:** An outside employment authorization is valid only up to one year. Should the employee continue the outside employment, activity, or enterprise for a longer duration, he or she must make another request following the process in this Policy.
- (d) **Appeal:** If the Executive Officer denies an employee's outside employment request, the employee may submit a written notice of appeal to the Policy and Personnel Committee within 10 days after the date of the denial. The decision on appeal will be put in writing, provided within 10 days after the receipt of the appeal, and will be final.

12.2.c Prohibited Outside Activities

An employee's outside employment, activity, or enterprise may be prohibited if it:

- (a) involves the use for private gain or advantage of LAFCo time, facilities, equipment, and supplies, or the badge, uniform, prestige, or influence of LAFCo or employment by LAFCo;
- (b) involves receipt or acceptance by the employee of any money or other consideration from anyone other than LAFCo for the performance of an act which the employee would be required or expected to render in the regular course of his/her LAFCo employment;
- (c) involves the performance of an act in other than his/her capacity as a LAFCo employee which act may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement by such employee or the department by which he/she is employed; or
- (d) involves time demands that would render the employee's performance of his or her regular LAFCo employment less efficient or dangerous to the employee.

12.2.d Changes in Outside Employment Status

The employee must promptly report in writing to the Executive Officer any of the following changes that may occur during the year of an authorized outside employment: the outside employment ends; or the authorized employment changes as to the number of work hours, location, or types of duties.

12.2.e Revocation /Suspension of Outside Employment Authorization

Any outside employment authorization may be revoked or suspended during the year it is granted under the circumstances listed below. An employee may appeal the revocation or suspension as provided in this Policy.

- (a) the employee's work performance declines; or
- (b) An employee's conduct or outside employment conflicts with the conditions of

the outside work authorization or is incompatible with the employee's work for LAFCo.

12.2f Use of LAFCo Equipment Prohibited

Under no circumstances may an employee use any LAFCo equipment, vehicles, tools, supplies, machines, or any other item that is LAFCo property while an employee is engaged in any outside employment, activity or enterprise.

12.3 Limitations on Political Activity

12.3.a No Solicitation During Work Hours or LAFCo Offices

LAFCo employees or officers may not solicit or receive political funds or contributions to promote the passage or defeat of any ballot measure that would affect working conditions during the working hours of its officers and employees, or in LAFCo offices. (Gov. Code § 3209.)

12.3.b No Political Activity in Uniform

No LAFCo employee or official shall participate in political activities of any kind while in a LAFCo uniform or other LAFCo -issued clothing. (Gov. Code § 3206, as amended.)

12.3.c No Political Activity on LAFCo Property or Work Hours

LAFCo employees and officials are prohibited from engaging in political activity during working hours or on LAFCo property. (Gov. Code § 3207, as amended.)

12.4 Prohibitions on Drugs and Alcohol in the Workplace

12.4.a Purpose and Scope

The purpose of this Policy is to promote a drug and alcohol-free workplace and to eliminate drug and alcohol-related inefficiencies and risks. This Policy applies to all LAFCo employees, whether they are on LAFCo property, or they are performing LAFCo related business elsewhere, except as this Policy is superseded by a memorandum of understanding or federally mandated drug and alcohol policies. Compliance with this Policy is a condition of employment. Disciplinary action will be taken against those who violate this Policy.

12.4.b Drug- and Alcohol-Free Awareness Program

LAFCo's employee assistance provider (EAP) offers counseling and treatment of drug- or Alcohol-related problems. The employee assistance provider has information about: (a) the dangers of drug or alcohol abuse in the workplace; (b) the penalties that may be imposed for drug or alcohol abuse violations; (c) the LAFCo's Policy of maintaining a drug- and alcohol-free workplace; and (d) any available drug or alcohol counseling, rehabilitation or employee assistance programs. (41 USC § 701(a)(1)(B), as amended - federal contractors; 41 USC § 702(a)(1)(B), as amended - federal grant recipients; Gov. Code § 8355(a)(2) as amended)

12.4.c Prohibited Conduct

- (a) The manufacture, distribution, sale, dispensation, possession, or use of any controlled substance in either LAFCo workplaces or wherever LAFCo business is performed. (41 USC § 701-702, as amended; Gov. Code § 8355(a)(1), as amended.)
- (b) Working or being subject to call in if impaired by alcohol or any controlled substance.
- (c) An employee's failure to notify his/her department head before beginning work when taking medications or drugs which could interfere with the safe and effective performance of duties or operation of LAFCo equipment.
- (d) An employee's failure to notify the Executive Officer of any criminal conviction for a drug violation that occurred in the workplace within five days after such conviction. (41 USC § 701-702, as amended.)
- (e) An employee's criminal conviction for a drug violation that occurred in the workplace.

12.4.d Drug and Alcohol Testing

LAFCo has discretion to test applicants and employees for alcohol and drug use under the following circumstances. LAFCo will use an outside laboratory to perform all testing.

- (a) **Pre-Employment Testing for External Applicants for Certain Jobs:** Those external applicants who apply for certain jobs where a special need for pre-employment drug and alcohol testing exists must take and pass a drug and alcohol test following a conditional offer of employment. The testing will not screen for non-psychoactive cannabis metabolites. The categories of jobs subject to pre-employment drug and alcohol testing include, but is not limited to:
 - 1) safety sensitive jobs that have public safety implications, such as operating heavy trucks to transport hazardous material, protecting national security, enforcing drug laws, and/or operating natural gas pipelines; and
 - 2) jobs that involve the direct influence over children.
- (b) **Reasonable Suspicion Testing:** LAFCo may require a blood test, urinalysis, or other drug and/or alcohol screening of those employees who are reasonably suspected of using or being under the influence of a drug or alcohol at work, under the following circumstances.
 - 1) **"Reasonable suspicion"** to test exists if, based on objective factors, a reasonable person would believe that the employee is under the influence of drugs or alcohol at work. Examples of objective factors, include, but are not limited to: unusual behavior, slurred or altered speech, body odor, red or watery eyes, unkempt appearance, unsteady gait, lack of coordination, sleeping on the job, a pattern of abnormal or

erratic behavior, a verbal or physical altercation, puncture marks or sores on skin, runny nose, dry mouth, dilated or constricted pupils, agitation, hostility, confused or incoherent behavior, paranoia, euphoria, disorientation, inappropriate wearing of sunglasses, tremors, or other evidence of recent drug or alcohol use. If LAFCo suspects drugs or alcohol may have played a role in an accident involving LAFCo property or equipment, that will also constitute reasonable suspicion.

- 2) **Document and Analysis:** In order to receive authority to test, the supervisor must record the factors that support reasonable suspicion in writing and analyze the matter with the Executive Officer. Any reasonable suspicion testing must be pre-approved by the Executive Officer.
- 3) **Testing Protocol:** If the documentation and analysis show that there is a reasonable suspicion of drug or alcohol abuse at work, and the Executive Officer has approved, the employee will be relieved from duty, transported to the testing facility and to his or her home after the test. The employee will be placed on sick or other paid leave until the test results are received.

12.5 Use of LAFCo Equipment or Resources

12.5a Policy and Applicability

LAFCo equipment and resources may only be used to conduct LAFCo business, except for incidental personal use that is consistent with this Policy. As a result, LAFCo equipment and resources are non-public forums. Every LAFCo employee is required to adhere to this Policy.

12.5.b Agency Equipment or Resources

LAFCo equipment or resources is any LAFCo-owned or supplied item or resource, including, but not limited to: intellectual property (e.g., photographs, plans, drawings, formulas, customer lists, designs, formulas), vehicles, telephones, cell phones, pagers, tools, machines, supplies, copy machines, facsimile machines, desks, office equipment, computers (including hardware and software), file cabinets, lockers, Wi-Fi, internet, intranet, LAFCo network, data systems, routers, voice mail, servers, and email or voice mail communications stored in or transmitted through LAFCo electronic resources or equipment.

12.5.c No Expectation of Privacy

LAFCo periodically and without prior notice, monitors, reviews, accesses, or retrieves data from its equipment or resources, including electronic communications and content contained in or transmitted through LAFCo networks or electronic resources. LAFCo employees must provide the agency with the employee's username or password for any LAFCo issued equipment or resource. The existence of passwords or delete functions does not restrict the LAFCo's access. As a result, LAFCo employees have no expectation of privacy in their use of any LAFCo equipment or resources.

12.5.d Appropriate Use Only -- No Misuse

Employees may only use LAFCo equipment or resources in compliance with LAFCo policies. Except as authorized by this Policy, employees are expected to avoid any use or communication which is unrelated to LAFCo business, destructive, wasteful, or illegal. LAFCo has discretion to restrict or rescind employee access to LAFCo equipment or resources. The following are examples of misuse of LAFCo equipment or resources:

- (a) Any use that violates applicable law and/or LAFCo policies, rules or procedures.
- (b) Exposing others to material which is offensive, harassing, obscene or in poor taste. This includes information which could create an intimidating, offensive or hostile work environment.
- (c) Any use that may create or further a hostile attitude or give offense on the basis of race, color, religion, sex, gender, gender expression, gender identity, national origin, ancestry, citizenship, age, marital status, physical or mental disability, medical condition, genetic information, sexual orientation, veteran status or any other basis protected by law.
- (d) Communication of confidential LAFCo information to unauthorized individuals within or outside of LAFCo.
- (e) Unauthorized attempts to access or use LAFCo data or break into any LAFCo or non-LAFCo system.
- (f) Theft or unauthorized transmission or copying of paper or electronic files or data.
- (g) Initiating or sustaining chain/spam letters, e-mail or other unauthorized mass communication.
- (h) Misrepresentation of one's identity for improper or illegal purposes.
- (i) Personal commercial or business activities (**e.g.** "for sale" notices, personal ads, etc.).
- (j) Transmitting/accessing obscene material and/or pornography.
- (k) E-commerce.
- (l) Online gambling.
- (m) Installing or downloading unauthorized software or equipment.
- (n) Violating terms of software licensing agreements.
- (o) Using LAFCo equipment or resources to access and/or use dating web resources, personal social media, or games of any type.
- (p) Any unauthorized access to LAFCo equipment or resources, including: using

keys or key cards; using or disclosing the username or password of another person or employee to gain access to his or her email or other electronic resources; or making LAFCo equipment or resources available to others who would otherwise have no authorized access.

- (q) Using LAFCo equipment or resources to speak on the LAFCo's behalf without authorization.

12.5.e LAFCo Email Address Must be Used for LAFCo Business

LAFCo's email system is an official communication tool for LAFCo business. LAFCo establishes and assigns official email addresses to each employee as LAFCo deems necessary. Employees must send all LAFCo communications that are sent via email to and from his or her official LAFCo email address. Employees are prohibited from using their private email address (such as Gmail, yahoo, MSN/Hotmail, etc.) when communicating LAFCo business via email. Should an email related to LAFCo business be sent to an employee's personal email account, the email should be immediately forwarded to the employee's LAFCo email account and responded to accordingly.

12.5.f Incidental Personal Use of LAFCo Communications Equipment Permitted

Employees may use LAFCo telephones, cell phones, internet access, and e-mail for incidental personal communications provided that the use:

- (a) Is kept to a minimum and limited to break times or non-working hours;
- (b) Does not interfere or conflict with LAFCo operations or the work performance of any LAFCo employees;
- (c) Allows the employee to more efficiently perform LAFCo work;
- (d) Is not abusive, illegal, inappropriate, or prohibited by this Policy (for example, no social media use, no electronic dating, no gaming); and
- (e) Clearly indicates it is for personal use and does not indicate or imply LAFCo sponsorship or endorsement.

12.6 Policy Against Violence in the Workplace

12.6.a Safe and Secure Workplace

LAFCo is committed to providing a safe and secure workplace and will not tolerate acts or threats of violence in the workplace. (Labor Code § 6400.) The workplace includes any location where LAFCo business is conducted, including vehicles and parking lots. Any violation of this Policy may lead to criminal prosecution, and/or disciplinary action, up to and including termination.

12.6.b Prohibited Behavior

Employees are prohibited from participating in or promoting acts of intimidation, violence, threats, coercion, assault and/or abusive behavior toward any person while in the course of LAFCo employment. LAFCo has zero tolerance for any conduct that references workplace violence, even if it was intended to be harmless, humorous, a prank, blowing off steam, or venting.

12.6.c "Workplace Violence"

"**Workplace violence**" is defined as any conduct that causes an individual to reasonably fear for his or her personal safety or the safety of his or her family, friends, and/or property. Specific examples of workplace violence include, but are not limited to, the following:

- (a) Threats or acts of physical harm directed toward an individual or his/her family, friends, associates, or property.

- (b) The destruction of, or threat of destruction of LAFCo property or another employee's property.
- (c) Fighting, challenging another person to fight, or participating in dangerous or threatening horseplay.
- (d) Striking, punching, slapping, or assaulting another person.
- (e) Grabbing, pinching, or touching another person in an unwanted way whether sexually or otherwise.
- (f) Harassing or threatening phone calls.
- (g) Surveillance.
- (h) Stalking.
- (i) Possessing a weapon(s) during work hours unless LAFCo issues the weapon(s) for performance of the job. "Weapon" is defined as a firearm, chemical agent, club or baton, knife, or any other device, tool, or implement that can cause bodily harm if used as a weapon or displayed in such a manner to cause harm or threaten a person with harm.

12.6.d Incident Reporting Procedures

- (a) Employees must immediately report to their supervisor or department director whether they have been a victim of, or have witnessed, workplace violence. The supervisor or department director will immediately report the matter to the Executive Officer.
- (b) The Executive Officer or designee will document the incident, including the employee names(s), date/time, location, incident description, witness names and statements, description of unidentified parties, description of the act(s) and/or behavior arising from the incident, action taken, and provide any other relevant information regarding the incident.
- (c) The Executive Officer or designee will take appropriate steps to provide security, such as:
 - 1) Placing the employee alleged to have engaged in workplace violence on administrative leave, pending investigation;
 - 2) Asking any threatening or potentially violent person to leave the site; or
 - 3) Immediately contacting an appropriate law enforcement agency.

12.6.e Investigation

The Executive Officer will see that reported violations of this Policy are investigated as necessary.

12.6.f Prevention

The Executive Officer or any department head has the authority to enforce this Policy by:

- (a) Training supervisors and subordinates about their responsibilities under this Policy;
- (b) Assuring that reports of workplace violence are accurately and timely documented and addressed;
- (c) Notifying the Policy and Personnel Committee, Executive Officer and/or law enforcement authorities of any incidents;
- (d) Making all reasonable efforts to maintain a safe and secure workplace; and
- (e) Maintaining records and follow up actions as to reports of workplace violence.

12.7 Appearance Standards

12.7.a Basis for Standards

These dress code, tattoo, and body piercing appearance standards are designed to promote LAFCo's legitimate and non-discriminatory goals to promote workplace safety and a professional image that is consistent with the employee's job duties and level of public contact.

12.7.b Dress Code

Employees are required to dress appropriately for the jobs they are performing. The following dress code regulations shall apply to all LAFCo employees. If an employee has questions about how these standards apply, the matter should be immediately raised with the employee's supervisor for consideration and determination.

- (a) Employees should dress in business casual attire. All clothing and footwear must be neat, clean, in good repair, and appropriate for the work environment and functions performed.
- (b) Employee must present themselves in a manner that is neat, clean and well-groomed.
- (c) Jewelry is acceptable except where it constitutes a health or safety hazard.
- (d) Good personal hygiene is required.

- (e) Dress must be professionally appropriate to the work setting, particularly if the employee has contact with the public at work.

12.7.c Tattoos

Employees are expected to project a professional appearance while at work. For employees who have contact with the public, any tattoos should be covered. Any visible tattoos should not be offensive or inflammatory. If an employee has questions about how these standards apply, the matter should be immediately raised with the employee's supervisor for consideration and determination.

12.7.d Piercing

Employees are expected to project a professional and well-groomed appearance while at work and not endanger themselves or others with excessive body piercing. If an employee has questions about how these standards apply, the matter should be immediately raised with the employee's supervisor for consideration and determination.

Signature Page

Instructions: Separate form and return to executive officer.

ACKNOWLEDGMENT

I, _____[print name], acknowledge that I have received a copy of the San Joaquin Local Agency Formation Commission {"LAFCo"} Personnel Handbook, and that LAFCo has provided me with instructions about how to access the document electronically. I further acknowledge and understand that I am responsible for reading and becoming familiar with the contents of the Handbook, and any of its revisions.

Employee Signature: _____ Date: _____

Executive Officer

RECRUITMENT INCENTIVES

Upon the request of the Department Head and with the approval of the County Administrator or their designee, the following recruitment incentives may be provided.

- a. Reimbursement of moving expenses: Actual documented cost of moving to a maximum of \$8,000. Costs may include moving expenses, interim housing, and travel expenses related to the move for the candidate and their family. Any approved reimbursement shall be made contingent upon employment, in two incremental payments: the first payment after six months of service, the second after twelve months of service.
- b. Vacation Accrual Rate: The San Joaquin County vacation accrual rate consistent with the candidate's total years of public service.
- c. Sick Leave: If the candidate is leaving other employment to accept the San Joaquin County position, credit of the candidate's actual reimbursable sick leave hours from the candidate's last agency will be a maximum of 160 hours. Such hours shall be subject to San Joaquin County's minimum sick leave cash out provisions.

Effective Date of Coverage

The effective date of coverage for new employees in the medical, dental, and vision, and life insurance plans shall be the first day of the first bi-weekly pay period next following the date of appointment to employment as a regular full-time employee, and the employee's submission of completed enrollment forms and supporting documentation.

Upon first becoming eligible for health insurance coverage, all eligible employees have 60 calendar days to enroll in such insurance coverage. Employees failing to enroll within this timeframe shall be deemed to have waived coverage and shall not be eligible to enroll until the next open enrollment period, or under a qualifying life event outside of the open enrollment period.

San Joaquin LAFCo Contracts Benefits through San Joaquin County

Medical Insurance Options

SJ LAFCo shall provide options for medical insurance coverage for eligible employees and dependents in one of several plans. The plans shall, at a minimum, include two plan options. Medical plans offered to employees may be either self-funded by the County or full insured. If any plan is self-funded, a plan document shall be adopted by the Board of Supervisors. Employees may opt-out of medical insurance coverage during each open enrollment period or during a qualifying life event, by completing an Enrollment Form and selecting the "Opt Out" option.

Medical Insurance Premiums

SJ LAFCo shall contribute 80% of the premium and the employee shall contribute 20% of the premium for the standard PPO or HMO plan options at all tier levels (employee only, employee plus one, employee plus family).

For employees electing the buy-up plan option, SJ LAFCo shall contribute at the same coverage level as the standard PPO plan County contribution at all tier levels. Employees shall pay the difference between the SJ LAFCo contribution and the full rate of they buy-up PPO plan at each coverage level.

For any new plan options, SJ LAFCo will pay 80% of the premium and the employee shall pay 20% of the premium for employees electing the lower cost plan (excluding high deductible health plans) at all tier levels (employee only, employee plus one, employee plus family). If an expanded medical plan is implemented, SJ LAFCo shall contribute at the same coverage level as the lower cost plan County contribution and the employee shall pay the difference between the County contribution and the full rate.

Coverage for Surviving Dependents

Consistent with the Federal Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) any SJ LAFCo employee who is covered by SJ LAFCo offered health insurance and who dies while employed, whether in paid or unpaid status, their surviving dependents shall be allowed to retain their dependents' coverage, provided that the dependents elect COBRA coverage and pay their applicable premiums by the due date.

<u>Dental</u>	<u>Insurance</u>	<u>Options</u>
SJ LAFCo shall provide an option for dental insurance coverage for eligible employees and dependents in one or more dental insurance plans. There shall be a primary dental plan, and a lower cost dental health maintenance organization (DHMO) plan may be offered. Such plans may be fully insured or self-insured by SJ LAFCo. SJ LAFCo may also offer buy-up plan options.		

SJ LAFCo shall pay the employee-only premium for the standard dental plan any increases thereto. The employee shall pay the difference between the employee-only County contribution and the buy-up option. Dependent dental coverage is available at the employee's expense.

Vision Insurance Options

SJ LAFCo shall provide vision insurance coverage for eligible employees and dependents in one or more vision insurance plans. The County may also offer a buy-up plan option. The County shall pay the employee-only premium for the least expensive vision insurance plan, and any increases thereto. The employee shall pay the difference between the employee only SJ LAFCo contribution and the buy-up plan option. Dependent vision coverage is available at the employee's expense.

Life Insurance

SJ LAFCo shall provide each eligible employee with life insurance coverage as follows:

- (a) At least one but less than three continuous years of service --\$1,000.
- (b) Three but less than five continuous years of service --\$3,000.
- (c) Five but less than ten continuous years of service --\$5,000.

- (d) Ten continuous years of service or more --\$10,000.

For the purposes of this subsection only, a year is defined as twelve (12) consecutive calendar months of employment.

Additional Life Insurance

Employees shall be provided with a SJ LAFCo paid term life insurance policy with a face value equal to 100% of the employee's annual salary rounded to the nearest \$1,000, up to \$75,000. The policy shall include a double indemnity accidental death and dismemberment provision.

If an employee separates from employment with a service or disability retirement, this policy shall continue through the first sixty (60) months following such separation at an amount not to exceed the lesser of the employee's annual salary or \$50,000. Such benefit will terminate at the end of sixty (60) months after separation.

Members of this unit may also purchase additional term life insurance in increments of \$25,000 to a maximum of \$200,000 at the SJ LAFCo's rate.

Flexible Benefits

Employees shall have the option to participate in a flexible benefit program (as allowed and prescribed by Section 125 of the Internal Revenue Code (IRC) and applicable IRC sections and regulations) which permits the pre-taxing of insurance premiums, reimbursement of eligible dependent care costs, and unreimbursed healthcare expenses with pre-tax dollars.

Employees who are enrolled in a high-deductible health plan with an accompanying Health Savings Account are not eligible to enroll in the flexible benefit program for unreimbursed health care expenses under this section.

Health Savings Account

For employees who are enrolled in a Health Savings Account (HSA)-Qualified High Deductible Health Plan (HDHP), the County will contribute \$700 per year for Employee Only and \$1,400 per year for Employee plus dependent(s) to an HSA. Funds will be deposited through the SJ LAFCo's payroll process and sent directly to SJ LAFCo's approved third party administrator (TPA), prorated over 26 pay periods. Employees can elect to make additional HSA contributions up to the IRS total combined (employer and employee contributions) HSA maximum contributions for single or family coverage.

Employees who are not enrolled in an HSA-Qualified HDHP or who participate in a flexible spending account as provided above are not eligible for participation in an HSA under this section.

Continuation of Insurance Benefits While On Leave of Absence

- a. Employees on an Approved, Protected Leave of Absence Employees who are on an approved, protected leave of absence retain eligibility for the for the cafeteria allowance under Section 2.1, or the employer-paid premium contributions, as applicable, for medical, dental, vision, and life insurance coverage during the time of protected leave regardless of the amount of paid time. To maintain benefits, the premiums or the employee's share of the premiums (as applicable) necessary to continue their applicable insurance coverage

shall be deducted from the employee's paycheck, or the employee must make arrangements with SJ LAFCo's Benefits office to pay the employee contribution of the premiums no later than the Monday of the SJ LAFCo's pay week.

- b. Employees on an Approved, Unprotected Leave of Absence Employees who are on an approved, unprotected leave of absence retain the employer-paid premium contributions (as applicable) for medical, dental, vision, and life insurance coverage during the time of approved, unprotected leave, not to exceed twenty-six (26) biweekly pay periods, so long as they have at least forty-one (41) hours of paid time per pay period. To maintain benefits, the premiums, or the employee's share of the premiums (as applicable), necessary to continue their applicable insurance coverage shall be deducted from the employee's paycheck, or must be paid directly to SJ LAFCo's Benefit's office no later than the Monday of SJ LAFCo's pay week. Employees who have exhausted accruals and are on approved leave without pay shall be allowed, at the employee's own expense, to remain under the medical, dental, vision and life insurance coverage for up to twenty-six (26) pay period provided that the employee makes arrangements to pay the applicable premiums directly to the SJ LAFCo's Benefits office no later than the Monday of the SJ LAFCo's pay week.
- c. Employees on an Unapproved, Unprotected Leave of Absence Employees who are absent from work on an unapproved, unprotected leave of absence (unauthorized leave) are not eligible for health benefits. Active employee benefits will be terminated and continuation of benefits will be offered through the federal Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) through the SJ LAFCo's COBRA administrator.

State Disability Insurance

Unit members have elected to participate in the State Disability Insurance program. Employees shall purchase State Disability Insurance at their own expense.

LEAVES FROM EMPLOYMENT

Vacation

Except as specified below, regular employees in this unit shall accrue and accumulate vacation according to the following schedule:

(a) Hours on payroll equal to # of full time continuous bi-weekly payroll periods	(b) hourly accrual rate	(c) Maximum bi- weekly accrual hours	(d) Approximately hours annual accrual	(e) Maximum accumulate hours
Less than 260	.0577	4.616	120	240

260, but less than 520	.0770	6.160	160	320
520 or more	.0885	7.080	187	368

Each Department Head shall make every possible effort to ensure that vacation time is utilized by each employee at times which are mutually agreeable to the employee and the department head but, consistent with San Joaquin County Ordinance Code Section 2-5222, which states that, "Vacation shall be taken at times agreeable to the department head," each department head has final authority to determine when such time off is to be utilized."

Whenever an employee's accumulation of vacation reaches its maximum as provided herein, any further vacation accrual shall be credited to such employee's sick leave accumulation until such time as the employee's vacation accumulation falls below the maximum allowed.

Except as provided in Ordinance Code Section 2-5221.5, upon reaching the maximum accumulation of vacation indicated in column (e) above, employees shall not accumulate additional vacation until such accumulation is reduced below the maximum. Leave without pay or disciplinary suspension shall delay the advancement to the next higher accrual rate until the employee has been on payroll the number of straight-time hours which is equal to the number of full continuous bi-weekly pay periods specified above.

Subject to the approval of the Executive Officer, each member of this Unit shall have the option of purchasing up to fifteen (15) 8-hour days of vacation time once each calendar year from the member's accumulated vacation.

Vacation Time for Illness

An employee may choose to use accrued vacation or compensatory time, if any, if the employee is absent beyond the limits of accumulated sick leave for reasons of illness, injury or quarantine, or death in the immediate family.

Sick Leave

Sick Leave Accrual

Employees shall accrue .0462 hours of sick leave for each straight-time hour on payroll not to exceed eighty (80) straight-time hours per pay period (annual accrual rate, approximately 96 hours).

Sick Leave Usage

Subject to the conditions specified in this Resolution sick leave may be authorized for any of the following reasons:

- (a) Illness, injury or quarantine of the employee;

- (b) Diagnosis, care, or treatment of an existing health condition of, or preventive care for an employee or an employee's immediate family member. For the purpose of this Section, "immediate family" means the spouse, domestic partner, child, parent, sibling, grandparent, grandchild, great grandchild, or a designated person of the employee; or the child, parent, sibling, grandparent, grandchild, or great grandchild of the employee's spouse or domestic partner. For the purpose of this Section, designated person is defined as a person identified by the employee at the time the employee requests the use of paid sick leave. The use of sick leave for this purpose does not require that the person be related to the employee by blood or the equivalent relationship. Employees can identify one (1) designated person each fiscal year (i.e. July 1-June 30) in compliance with CA Labor Code section 245.5.
- (c) Illness, injury or quarantine during an authorized vacation or on a floating holiday as evidenced by satisfactory proof attesting to the nature and length of disability. Sick leave for non-emergency medical, dental, or optical care during an authorized vacation or on a floating holiday period is not permitted.
- (d) An amount sufficient which, when added to an employee's temporary disability indemnity received under Worker's Compensation, will result in a payment to the employee not more than the employee's regular salary.
- (e) Employees who have sick leave accruals can use up to forty (40) hours of such sick leave time to bond with a newborn, or a child placed with the employee for adoption or foster care.
- (f) San Joaquin County will comply with applicable state and federal laws regarding the use of sick leave, including but not limited to, CA Labor Code Section 233 the Kin Care Law, and Labor Code Section 246.5 Healthy Workplace Healthy Family Act of 2014 (HWHFA), maintaining all rights and provisions that are permitted by the Labor Code.

Sick Leave Exclusion

No employee shall be entitled to sick leave because of any of the following.

- (a) Disability arising from any illness or injury purposely self-inflicted or caused by the employee's misconduct;
- (b) Illness, injury quarantine or disability while on leave without pay;
- (c) An employee who is scheduled to work on a regular holiday who is absent on that holiday due to illness, injury, or quarantine shall not be permitted to use sick leave but shall be deemed to have used the regular holiday

Sick Leave Verification

Employees absent from work because of illness, injury, or quarantine, or for nonemergency medical, dental or optical care shall be paid only upon furnishing the Appointing Authority or designee with satisfactory proof as may be required by the Appointing Authority or designee that the absence was due to such cause. The requirement, need and form for such verification shall be made known to the employee in advance of any absence, but no later than the time the employee calls in sick, provided that the employee has complied with departmental call-in procedures. An Appointing Authority shall not require "after the fact" verification.

If verification is requested, the requirement and the need for medical verification shall be confirmed to the employee in writing within two weeks explaining the justification for the request.

Sick Leave Conversion

Upon separation from employment and concurrent assumption of a retired status in SJCERA, an employee may convert up to fifteen percent (15%) of accumulated sick leave to cash if the employee has more than one hundred sixty (160) hours of sick leave accumulated as of the date of separation, and provided that such conversion shall not be in such an amount so as to reduce the accumulation below one hundred sixty (160) hours. Each employee, on the effective date of this Resolution or upon entry into this unit, must elect in advance whether to convert such accumulated sick leave to cash. Once made, this choice cannot be changed. All sick leave which is not so converted will be used to implement Section 8.4 of this Resolution.

Any amount received from the conversion of sick leave under this Section shall not be considered compensation for purposes of contributions to, or benefits from, SJCERA. Such cash conversion amount shall be paid when the employee first receives monetary allowances from SJCERA.

Sick Leave Incentive Program

In an effort to reduce the level of sick leave usage, SJ LAFCo agrees to the following sick leave incentive plan.

(1) CONDITIONS OF PARTICIPATION: An employee must be on payroll with SJ LAFCo the entire calendar year to be eligible for incentive rewards.

(2) QUALIFICATIONS AND REWARDS: Eight (8) hours of incentive leave will be granted to an employee who, at the end of each calendar year, has a sick leave Resolution Template 01/2023 balance of at least 160 hours and has used less than half of the accrued sick leave for that given year of service.

(3) DEFINITIONS: Incentive Leave - For the purposes of this program, incentive leave will be granted at the beginning of the calendar year which follows the year in which it was earned. Furthermore, this leave will have no cash conversion value and can only be taken during the year in which it was granted. Should the leave not be used during that calendar year, it will be lost. Scheduling of this time off shall be consistent with the procedures for scheduling compensatory or vacation time. In all instances, it shall require mutual agreement of the employee and the department head or designee.

Holidays

The maximum value of any holiday (floating or regular) is eight (8) hours.

Regular Holidays

The following days are established as regular holidays for regular employees:

- (a) January 1 - New Year's Day.
- (b) The third Monday in January - Martin Luther King, Jr.'s Birthday.
- (c) The third Monday in February - Washington's Birthday.

- (d) The last Monday in May - Memorial Day.
- (e) July 4 - Independence Day.
- (f) The first Monday in September - Labor Day.
- (g) November 11 - Veteran's Day.
- (h) Any November day designated as Thanksgiving Day.
- (i) The Friday following the day designated as Thanksgiving Day.
- (j) December 25 - Christmas Day.

All other holidays as may be proclaimed by the Governor of the State of California or the President of the United States and is approved by the Executive Officer

Maximum Regular Holiday Time Accrual

The maximum regular holiday time accrual shall be sixty (60) hours. Such regular holiday time off shall

be scheduled at a time mutually agreeable to the employee and the department head.

Regular Holiday - Weekend Observance

When a regular holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. When the regular holiday falls on a Sunday, the following Monday shall be observed.

Floating Holiday Observance

Regular employees scheduled to work on the floating holiday may individually, with the approval of the Department Head, take such holiday on the date of the holiday, on the day preceding the holiday in the case of holidays which fall on a Saturday, or the day following the holiday in the case of holidays which fall on a Sunday, or may accumulate up to forty-eight (48) hours of floating holiday time to be used at a defined date. Such floating holiday time off shall be scheduled at a time mutually agreeable to the employee and the Department Head. County offices and departments shall remain open for business on any day deemed to be a floating holiday and employees who elect to accumulate floating holiday time shall receive their regular compensation for working on the holiday.

Any regular employee whose regularly scheduled day off falls on a floating holiday shall accrue floating holiday time as provided in this Section.

Floating Holidays

- (a) Employee's birthday
- (b) February 12-Lincoln's birthday
- (c) March 31 – Cesar Chavez or September 9 – Admissions Day. You can observe one day not both
- (d) June 19 - Juneteenth
- (e) The second Monday in October- Columbus Day

RETIREMENT

Unless otherwise stated, all statutory references in this section "Retirement" of this document are to the California Government Code.

Retirement Tier and Eligibility

SJCERA Tier II – Employees who establish membership in SJCERA on or after January 1, 2013, who are subject to the provisions of the Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522, as amended) of Chapter 21 of Division 7 of Title I of the Government Code, as amended), hereinafter "PEPRA", participate in the defined benefit formula prescribed by PEPRA, hereinafter "SJCERA Tier II"

Retirement Formula

General Members of SJCERA Tier II participate in the defined benefit formula prescribed by Section 7522.20 of PEPRA (2% at age 62).

An annual Cost of Living Adjustment of up to three percent (3%) shall be maintained in accordance with Section 31780.1 for monthly benefits payable by SJCERA to retired members of SJCERA or their beneficiaries.

Retirement Age and Service

Retirement for General Members of SJCERA Tier II after five (5) years of service and upon reaching fifty-two (52) years of age.

Retirement Benefits – Final Compensation Calculation Period

For employees who are members of SJCERA Tier II, final compensation shall mean the highest average annual pensionable compensation earned by the member during a period of at least thirty-six (36) consecutive months immediately preceding the member's retirement or last separation from service if earlier, or during any other period of at least thirty-six (36) consecutive months, as designated by the member on the application for retirement.

In accordance with Board of Retirement Resolution 2021-05-01, and pursuant to the Public Employees' Pension Reform Act (PEPRA) (Gov. Code sec. 7522.34, as amended), employees who become members of SJCERA for the first time on and after January 1, 2022, and who do not establish reciprocity between SJCERA and another public retirement system in California as to which the individual's retirement system membership commenced prior to January 1, 2013, pensionable compensation shall be defined as base pay only and will be referred to as Tier II B.

Retirement Contributions

Employees' retirement contributions to SJCERA shall be made on a pre-tax basis.

Tier II members shall pay member contributions pursuant to Government Code Section 7522.30, as amended, which shall be at least 50% of normal cost as determined annually by the plan actuary and expressed as a percentage of payroll. The County shall not pay any of the required member contribution. In accordance with Board of Retirement Resolution 2021-05-01, and

pursuant to the Public Employees' Pension Reform Act (PEPRA) (Gov. Code sec. 7522.34, as amended), employees who become members of SJCERA for the first time on and after January 1, 2022, and who do not establish reciprocity between SJCERA and another public retirement system in California as to which the individual's retirement system membership commenced prior to January 1, 2013, shall pay contribution on base pay only and will be referred to as Tier II B.

Retirement COLA Cost Share

SJ LAFCo, and employees in this unit who are members of SJCERA shall, in accordance with Government Code Section 31873, equally share the contributions required for post-retirement cost-of-living adjustments.

Retirement Death Benefits

The death benefits provisions of Section 31789.3 of the Government Code shall be maintained for County Retirement System Members.

Retirement Information

Employees nearing retirement age who desire to discuss their retirement with SJCERA shall be allowed to do so on County time.

WORKERS' COMPENSATION AND EMPLOYEE SAFETY

Workers' Compensation

In accordance with California Labor Code 4652, the waiting period for employees disabled in the course of employment is three (3) days. After completion of the three (3) day waiting period, the employee may begin collecting Temporary Disability (TD) payments. Such days shall be charged against sick leave or other applicable accrued leave time unless the employee is hospitalized as a result of the disability or the disability lasts for seven (7) or more days. Employees who have an approved claim, and are receiving Temporary Disability (TD) indemnity payments under Division 4 or Division 4.5 of the Labor Code, shall accumulate vacation (including seniority credit for the purposes of vacation accrual under Section 3.1), holidays and sick leave during such period of time that they are drawing such Temporary Disability indemnity. The County shall continue to provide the employer contribution towards health, dental, vision, and life insurance plan coverage for such employees.

Workers' Compensation Leave

Notwithstanding other provisions of this Section, an employee who is disabled as a result of an injury or illness arising in the course of employment and has been approved to receive Temporary Disability (TD) benefits, shall be eligible for an approved leave of absence until the employee is deemed medically able to return to work. In such case, a leave of absence shall be considered canceled when permanent disability is established. The employee shall be considered on leave and not considered to be scheduled to work.

EMPLOYEE LIABILITY

SJ LAFCo employee's liability for acts or omissions within the scope of employment is established by Article 3, Division 3, of Title 1 of the Government Code of the State of California, as amended. Indemnification and defense of County employees, for claims against them arising out of acts or omissions within the scope of their employment, are set out in Article 4, Division 3.6 of Title 1 of the Government Code of the State of California.

SJ LAFCo and SJ LAFCo's employees recognize their respective rights and obligations under these provisions of these laws as they exist at this time and as they may be amended or given final, binding judicial interpretation.

Full-Time Employees

Effective Date:

The effective date of coverage for new employees in the medical, dental, and vision, and life insurance plans shall be the first day of the first bi-weekly pay period next following the date of appointment to employment as a regular full-time employee, and the employee's submission of completed enrollment forms and supporting documentation.

Upon first becoming eligible for health insurance coverage, all eligible employees have 60 calendar days to enroll in such insurance coverage. Employees failing to enroll within this timeframe shall be deemed to have waived coverage and shall not be eligible to enroll until the next open enrollment period, or under a qualifying life event outside of the open enrollment period.

San Joaquin LAFCo Contracts Payroll and Benefits through San Joaquin County - For Full Time Employees, please verify with County HR Policy as policies can change.

Medical Insurance Options

SJ LAFCo shall provide options for medical insurance coverage for eligible employees and dependents in one of several plans. The plans shall, at a minimum, include two plan options. Medical plans offered to employees may be either self-funded by the County or full insured. If any plan is self-funded, a plan document shall be adopted by the Board of Supervisors. Employees may opt-out of medical insurance coverage during each open enrollment period or during a qualifying life event, by completing an Enrollment Form and selecting the "Opt Out" option.

Medical Insurance Premiums

SJ LAFCo shall contribute 80% of the premium and the employee shall contribute 20% of the premium for the standard PPO or HMO plan options at all tier levels (employee only, employee plus one, employee plus family).

For employees electing the buy-up plan option, SJ LAFCo shall contribute at the same coverage level as the standard PPO plan County contribution at all tier levels. Employees shall pay the difference between the SJ LAFCo contribution and the full rate of they buy-up PPO plan at each coverage level.

For any new plan options, SJ LAFCo will pay 80% of the premium and the employee shall pay 20% of the premium for employees electing the lower cost plan (excluding high deductible health plans) at all tier levels (employee only, employee plus one, employee plus family). If an expanded medical plan is implemented, SJ LAFCo shall contribute at the same coverage level as the lower cost plan County contribution and the employee shall pay the difference between the County contribution and the full rate.

Flexible Benefits

Employees shall have the option to participate in a flexible benefit program (as allowed and prescribed by Section 125 of the Internal Revenue Code (IRC) and applicable IRC sections and

regulations) which permits the pre-taxing of insurance premiums, reimbursement of eligible dependent care costs, and unreimbursed healthcare expenses with pre-tax dollars.

Employees who are enrolled in a high-deductible health plan with an accompanying Health Savings Account are not eligible to enroll in the flexible benefit program for unreimbursed health care expenses under this section.

Health Savings Account

For employees who are enrolled in a Health Savings Account (HSA)-Qualified High Deductible Health Plan (HDHP), the County will contribute \$700 per year for Employee Only and \$1,400 per year for Employee plus dependent(s) to an HSA. Funds will be deposited through the SJ LAFCo's payroll process and sent directly to SJ LAFCo's approved third party administrator (TPA), prorated over 26 pay periods. Employees can elect to make additional HSA contributions up to the IRS total combined (employer and employee contributions) HSA maximum contributions for single or family coverage.

Employees who are not enrolled in an HSA-Qualified HDHP or who participate in a flexible spending account as provided above are not eligible for participation in an HSA under this section.

Continuation of Insurance Benefits While On Leave of Absence

- a. Employees on an Approved, Protected Leave of Absence Employees who are on an approved, protected leave of absence retain eligibility for the for the cafeteria allowance under Section 2.1, or the employer-paid premium contributions, as applicable, for medical, dental, vision, and life insurance coverage during the time of protected leave regardless of the amount of paid time. To maintain benefits, the premiums or the employee's share of the premiums (as applicable) necessary to continue their applicable insurance coverage shall be deducted from the employee's paycheck, or the employee must make arrangements with SJ LAFCo's Benefits office to pay the employee contribution of the premiums no later than the Monday of the SJ LAFCo's pay week.
- b. Employees on an Approved, Unprotected Leave of Absence Employees who are on an approved, unprotected leave of absence retain the employer-paid premium contributions (as applicable) for medical, dental, vision, and life insurance coverage during the time of approved, unprotected leave, not to exceed twenty-six (26) biweekly pay periods, so long as they have at least forty-one (41) hours of paid time per pay period. To maintain benefits, the premiums, or the employee's share of the premiums (as applicable), necessary to continue their applicable insurance coverage shall be deducted from the employee's paycheck, or must be paid directly to SJ LAFCo's Benefit's office no later than the Monday of SJ LAFCo's pay week. Employees who have exhausted accruals and are on approved leave without pay shall be allowed, at the employee's own expense, to remain under the medical, dental, vision and life insurance coverage for up to twenty-six (26) pay period provided that the employee makes arrangements to pay the applicable premiums directly to the SJ LAFCO's Benefits office no later than the Monday of the SJ LAFCo's pay week.
- c. Employees on an Unapproved, Unprotected Leave of Absence Employees who are absent from work on an unapproved, unprotected leave of absence (unauthorized leave) are not eligible for health benefits. Active employee benefits will be terminated and continuation of benefits will be offered through the federal Consolidated Omnibus Budget

Reconciliation Act of 1986 (COBRA) through the SJ LAFCo's (County)COBRA administrator.

Coverage for Surviving Dependents

Consistent with the Federal Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) any SJ LAFCo employee who is covered by SJ LAFCo offered health insurance and who dies while employed, whether in paid or unpaid status, their surviving dependents shall be allowed to retain their dependents' coverage, provided that the dependents elect COBRA coverage and pay their applicable premiums by the due date.

Dental Insurance Options

SJ LAFCo shall provide an option for dental insurance coverage for eligible employees and dependents in one or more dental insurance plans. There shall be a primary dental plan, and a lower cost dental health maintenance organization (DHMO) plan may be offered. Such plans may be fully insured or self-insured by SJ LAFCo. SJ LAFCo may also offer buy-up plan options.

SJ LAFCo shall pay the employee-only premium for the standard dental plan any increases thereto. The employee shall pay the difference between the employee-only County contribution and the buy-up option. Dependent dental coverage is available at the employee's expense.

Vision Insurance Options

SJ LAFCo shall provide vision insurance coverage for eligible employees and dependents in one or more vision insurance plans. The County may also offer a buy-up plan option. The County shall pay the employee-only premium for the least expensive vision insurance plan, and any increases thereto. The employee shall pay the difference between the employee only SJ LAFCo contribution and the buy-up plan option. Dependent vision coverage is available at the employee's expense.

Life Insurance

SJ LAFCo shall provide each eligible employee with life insurance coverage as follows:

- (a) At least one but less than three continuous years of service --\$1,000.
- (b) Three but less than five continuous years of service --\$3,000.
- (c) Five but less than ten continuous years of service --\$5,000.
- (d) Ten continuous years of service or more --\$10,000.

For the purposes of this subsection only, a year is defined as twelve (12) consecutive calendar months of employment.

Additional Life Insurance

Regular employees in this unit shall be provided with a SJ LAFCo paid term life insurance policy with a face value equal to 100% of the employee's annual salary rounded to the nearest \$1,000,

up to \$50,000. The policy shall include a double indemnity accidental death and dismemberment provision.

If an employee separates from employment with a service or disability retirement, this policy shall continue through the first twelve (12) months following such separation and thereafter the face value of coverage to 100% shall be reduced at a rate of 20% per year so that such benefit would terminate at the end of sixty (60) months after separation.

Members of this unit may also purchase additional life insurance to a maximum of \$200,000 in increments offered by the County's carrier.

LEAVES FROM EMPLOYMENT

Vacation

Except as specified below, regular employees in this unit shall accrue and accumulate vacation according to the following schedule:

(a) Hours on payroll equal to # of full time continuous bi-weekly payroll periods	(b) hourly accrual rate	(c) Maximum bi- weekly accrual hours	(d) Approximately hours annual accrual	(e) Maximum accumulate hours
Less than 78	.385	3.080	80	160
78, but less than 260	.0577	4.616	120	240
260, but less than 520	.0770	6.160	160	320
520 or more	.0885	7.080	187	368

Whenever an employee's accumulation of vacation reaches its maximum as provided herein, any further vacation accrual shall be credited to such employee's sick leave accumulation until such time as the employee's vacation accumulation falls below the maximum allowed.

Subject to the approval of the Executive Officer, each member of this Unit shall have the option of purchasing up to fifteen (15) 8-hour days of vacation time once each calendar year from the member's accumulated vacation.

Leave without pay or disciplinary suspension shall delay the advancement to the next higher accrual rate until the employee has been on payroll the number of pay periods specified above.

The Executive Officer shall make every possible effort to ensure that vacation time off requested by an employee is utilized at times which are mutually agreeable to the employee and the department; however, the Executive Officer has final authority to grant or deny such request. Vacation requests must be submitted at least seven (7) calendar days before the first day of the requested time off.

Vacation Time for Illness

An employee may choose to use accrued vacation or compensatory time, if any, if the employee is absent beyond the limits of accumulated sick leave for reasons of illness, injury or quarantine, or death in the immediate family as described below.

Sick Leave

Accrual

The granting of sick leave with pay is a privilege and not a right. Regular employees shall accrue .0462 hours of sick leave for each straight-time hour on payroll not to exceed eighty (80) straight-time hours per pay period (annual accrual rate, approximately 96 hours).

Sick Leave Usage

Subject to the conditions specified in this memorandum, sick leave may be authorized for any of the following reasons:

- a. Illness, injury or quarantine of the employee;
- b. Diagnosis, care, or treatment of an existing health condition of, or preventative care for an employee or an employee's immediate family member;

For the purpose of this Section, "immediate family" means the spouse, registered domestic partner, child, parent, sibling, grandparent, grandchild or great grandchild of the employee; or the child, parent, sibling, grandparent, grandchild or great grandchild of the employee's spouse or registered domestic partner.

- c. Illness, injury or quarantine during an authorized vacation or on a floating holiday as evidenced by satisfactory proof attesting to the nature and length of disability. Sick leave for non-emergency medical, dental, or optical care during an authorized vacation or on a floating holiday period is not permitted.
- d. An amount sufficient which, when added to an employee's disability indemnity under Worker's Compensation, will result in a payment to the employee not more than the employee's regular salary.

- e. An amount sufficient which, when added to an employee's disability indemnity under State Disability Insurance (if applicable), will result in a payment to the employee not more than the employee's regular salary.
- f. Employees who have sick leave accruals can use up to forty (40) hours of such sick leave time to care for a new or adopted child.
- g. Sick leave may also be authorized for reasons covered by Labor Code 246.5.

Sick Leave Exclusion

No employee shall be entitled to sick leave because of any of the following.

- a. Disability arising from any illness or injury purposely self-inflicted or caused by the employee's misconduct;
- b. Illness, injury, quarantine or disability while on leave without pay;
- c. An employee who is scheduled to work on a regular holiday who is absent on that holiday due to illness, injury, or quarantine shall not be permitted to use sick leave but shall be deemed to have used the regular holiday.

Sick Leave Verification

Employees absent from work because of illness, injury, or quarantine, or for non-emergency medical, dental or optical care shall be paid only upon furnishing the appointing authority or designee with satisfactory proof as may be required by the appointing authority or designee that the absence was due to such cause. The requirement, need and form for such verification shall be made known to the employee in advance of any absence, but no later than the time the employee calls in sick, provided that the employee has complied with departmental call-in procedures. An appointing authority shall not require "after the fact" verification.

If verification is requested, the requirement and the need for medical verification shall be confirmed to the employee in writing within two weeks after the employee's return, explaining the justification for the request.

Sick Leave Abuse

Upon information and after investigation and the determination of the Executive Officer that an employee has abused the privilege of sick leave benefits, the Executive Officer may suspend the employee's privilege of sick leave accrual and/or usage with pay for such period as the Executive Officer determines necessary to deter the employee from again abusing the privilege.

Sick Leave Incentive Program

In an effort to reduce the level of sick leave usage, SJ LAFCo agrees to the following sick leave incentive plan.

CONDITIONS OF PARTICIPATION: An employee must be on SJ LAFCo payroll through the County during the entire calendar year to be eligible for incentive rewards.

QUALIFICATIONS AND REWARDS: Eight (8) hours of incentive leave will be granted to an employee who, at the end of each calendar year, has a sick leave balance of at least 160 hours and has used less than half of the accrued sick leave for that given year.

DEFINITIONS: Incentive Leave - For the purposes of this program, incentive leave will be granted at the beginning of the calendar year which follows the year in which it was earned. Furthermore, this leave will have no cash conversion value and can only be taken during the year in which it was granted. Should the leave not be used during that calendar year, it will be lost. Scheduling of this time off shall be consistent with the procedures for scheduling compensatory or vacation time. In all instances, it shall require mutual agreement of the employee and the Executive Officer.

Holidays

Regular Holidays

The following days are established as regular holidays for regular employees:

- (a) January 1 - New Year's Day.
- (b) The third Monday in January - Martin Luther King, Jr.'s Birthday.
- (c) The third Monday in February - Washington's Birthday.
- (d) The last Monday in May - Memorial Day.
- (e) July 4 - Independence Day.
- (f) The first Monday in September - Labor Day.
- (g) November 11 - Veteran's Day.
- (h) Any November day designated as Thanksgiving Day.
- (i) The Friday following the day designated as Thanksgiving Day.
- (j) December 25 - Christmas Day.

All other holidays as may be proclaimed by the Governor of the State of California or the President of the United States and approved through the LAFCo Executive Officer.

Regular Holiday - Weekend Observance

When a regular holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. If a regular holiday falls on a Sunday, the preceding Monday shall be observed as the holiday.

Floating Holiday Observance

Regular employees scheduled to work on the floating holiday may individually, with the approval of the Executive Officer, take such holiday on the date of the holiday, on the day preceding the holiday in the case of holidays which fall on a Saturday, or the day following the holiday in the

case of holidays which fall on a Sunday, or may accumulate up to forty-eight (48) hours of floating holiday time to be used at a defined date. Such floating holiday time off shall be scheduled at a time mutually agreeable to the employee and the Executive Officer. Employees who elect to accumulate floating holiday time shall receive their regular compensation for working on the holiday.

Any regular employee whose regularly scheduled day off falls on a floating holiday shall accrue floating holiday time as provided in this Section.

Floating Holidays

- (a) Employee's birthday
- (b) February 12-Lincoln's birthday
- (c) March 31 – Farmworkers Day formally known as Ceasar Chavez Day
- (d) June 19 - Juneteenth
- (e) The second Monday in October- Columbus Day

Retirement Age and Service

SJCERA Tier II - Employees who establish membership in SJCERA on or after January 1, 2013, who are subject to the provisions of the Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522, as amended) of Chapter 21 of Division 7 of Title I of the Government Code, as amended), hereinafter "PEPRA", participate in the defined benefit formula prescribed by PEPRA, hereinafter "SJCERA TIER II. Retirement for General Members of SJCERA Tier II after five (5) years of service and upon reaching fifty-two (52) years of age.

Retirement Formula

General Members of SJCERA Tier II participate in the defined benefit formula prescribed by Section 7522.20, as amended of PEPRA (2.0% at age 62).

An annual cost of living adjustment of up to three percent (3%) shall be maintained accordance with Section 31870.1, as amended for monthly benefits payable by SJCERA to retired members of SJCERA (Tiers I and II) or their beneficiaries.

Final Compensation Calculation

For employees who are members of SJCERA Tier II, final compensation shall mean the highest average annual pensionable compensation earned by the member during a period of 36 consecutive months designated by the member or, if not designated, immediately preceding the member's retirement or last separation from service if earlier.

Retirement Contributions

Employees' retirement contributions to SJCERA shall be made on a pre-tax basis.

Tier II members pay member contributions pursuant to Government Code Section 7522.30, which is at least 50% of normal cost as determined annually by the plan actuary and expressed as a percentage of payroll. SJ LAFCo shall not pay any of the required member contribution.

Retirement Death Benefits

The death benefits provisions of Section 31789.3, as amended shall be maintained for employees who are members of SJ CERA.

Retirement Information

Employees nearing retirement age who desire to discuss their retirement with SJCERA shall be allowed to do so on SJ LAFCo time.

Purchase of Additional Retirement Service Credit

Any employee who is a member of SJCERA and eligible to purchase additional retirement service credit may elect to purchase such service credit *in* accordance with the provisions of the SJ LAFCo Retirement LAW which follows the SJ County Employees Retirement Law, the SJCERA Bylaws, and the policies and procedures applicable to SJCERA members. Any required contributions paid by a member of SJCERA for additional service credit shall become part of the member's accumulated contributions with SJ CERA. Any additional liability assumed by or contributions paid by the SJ LAFCo because of an employee's purchase of additional service credit shall not become part of the employee's accumulated contributions and shall not be considered compensation for purposes of contributions to or benefits from SJCERA

Please call the SJCERA Offices to receive individual information on your retirement.

Part Time Employees:

LEAVES FROM EMPLOYMENT

Vacation

Except as specified below, regular employees in this unit shall accrue and accumulate vacation according to the following schedule:

(a) Hours on payroll equal to # of full time continuous bi-weekly payroll periods	(b) hourly accrual rate	(c) Maximum bi- weekly accrual hours	(d) Approximately hours annual accrual	(e) Maximum accumulate hours
Less than 78	.385	3.080	80	160
78, but less than 260	.0577	4.616	120	240
260, but less than 520	.0770	6.160	160	320
520 or more	.0885	7.080	184	320

Whenever an employee's accumulation of vacation reaches its maximum as provided above, any further vacation accrual shall be credited to such employee's sick leave accumulation until such time as the employee's vacation accumulation falls below the maximum allowed. Leave without pay or disciplinary suspension shall delay the advancement to the next higher accrual rate until the employee has been on payroll the number of pay periods specified above.

The Executive Officer shall make every possible effort to ensure that vacation time off requested by an employee is utilized at times which are mutually agreeable to the employee and the department; however, the Executive Officer has final authority to grant or deny such request. Vacation requests must be submitted at least seven (7) calendar days before the first day of the requested time off.

Vacation Time for Illness

An employee may choose to use accrued vacation or compensatory time, if any, if the employee is absent beyond the limits of accumulated sick leave for reasons of illness, injury or quarantine, or death in the immediate family as described below.

Sick Leave

Accrual

Regular full-time employees shall accrue .0462 hours of sick leave for each straight-time hour on payroll not to exceed eighty (80) straight-time hours per pay period (annual accrual rate, approximately 96 hours).

Sick Leave Usage

Subject to the conditions specified in this memorandum sick leave may be authorized for any of the following reasons:

- a. Illness, injury or quarantine of the employee;
- b. Diagnosis, care, or treatment of an existing health condition of, or preventative care for an employee or an employee's immediate family member; For the purpose of this Section, "immediate family" means the spouse, registered domestic partner, child, parent, sibling, grandparent, grandchild, or great grandchild of the employee; or the child, parent, sibling, grandparent, grandchild, or great grandchild of the employee's spouse or registered domestic partner.
- c. Illness, injury or quarantine during an authorized vacation or on a floating holiday as evidenced by satisfactory proof attesting to the nature and length of disability. Sick leave for non-emergency medical, dental, or optical care during an authorized vacation or on a floating holiday period is not permitted.
- d. An amount sufficient which, when added to an employee's disability indemnity benefits under Workers' Compensation, will result in a payment to the employee not more than the employee's regular salary.
- e. An amount sufficient which, when added to an employee's disability indemnity under State Disability Insurance (if applicable), will result in a payment to the employee not more than the employee's regular salary.
- f. Employees who have sick leave accruals can use up to forty (40) hours of such sick leave time to care for a new or adopted child.
- g. Sick leave may also be authorized for reasons covered by Labor Code 246.5.

Sick Leave Exclusion

No employee shall be entitled to sick leave because of any of the following.

- (a) Disability arising from any illness or injury purposely self-inflicted or caused by the employee's misconduct;
- (b) Illness, injury, quarantine or disability while on leave without pay;
- (c) An employee who is scheduled to work on a regular holiday who is absent on that holiday due to illness, injury, or quarantine shall not be permitted to use sick leave but shall be deemed to have used the regular holiday.

Sick Leave Verification

Employees absent from work because of illness, injury, or quarantine, or for non-emergency medical, dental or optical care shall be paid only upon furnishing the appointing authority or designee with satisfactory proof as may be required by the appointing authority or designee that the absence was due to such cause. The requirement, need and form for such verification shall be made known to the employee in advance of any absence, but no later than the time the employee calls in sick, provided that the employee has complied with departmental call-in procedures. An appointing authority shall not require "after the fact" verification.

If verification is requested, the requirement and the need for medical verification shall be confirmed to the employee in writing within two weeks after the employee's return, explaining the justification for the request.

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Sick Leave Incentive Program

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DEFINITIONS: Incentive Leave - For the purposes of this program, incentive leave will be granted at the beginning of the calendar year which follows the year in which it was earned. Furthermore, this leave will have no cash conversion value and can only be taken during the year in which it was granted. Should the leave not be used during that calendar year, it will be lost. Scheduling of this time off shall be consistent with the procedures for scheduling compensatory or vacation time. In all instances, it shall require mutual agreement of the employee and the Executive Officer.

Holidays

Regular Holidays

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- (c) The third Monday in February - Washington's Birthday.

- (d) The last Monday in May - Memorial Day.
- (e) July 4 - Independence Day.
- (f) The first Monday in September - Labor Day.
- (g) November 11 - Veteran's Day.
- (h) Any November day designated as Thanksgiving Day.
- (i) The Friday following the day designated as Thanksgiving Day.
- (j) December 25 - Christmas Day.

All other holidays as may be proclaimed by the Governor of the State of California or the President of the United States and approved through the LAFCo Executive Officer.

Regular Holiday - Weekend Observance

When a regular holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. If a regular holiday falls on a Sunday, the preceding Monday shall be observed as the holiday.

Floating Holiday Observance

Regular employees scheduled to work on the floating holiday may individually, with the approval of the Department Head, take such holiday on the date of the holiday, on the day preceding the holiday in the case of holidays which fall on a Saturday, or the day following the holiday in the case of holidays which fall on a Sunday, or may accumulate up to forty-eight (48) hours of floating holiday time to be used at a defined date. Such floating holiday time off shall be scheduled at a time mutually agreeable to the employee and the Department Head. County offices and departments shall remain open for business on any day deemed to be a floating holiday and employees who elect to accumulate floating holiday time shall receive their regular compensation for working on the holiday.

Any regular employee whose regularly scheduled day off falls on a floating holiday shall accrue floating holiday time as provided in this Section.

Floating Holidays

- (a) Employee's birthday
- (b) February 12-Lincoln's birthday
- (c) March 31 – Farmworkers Day formally known as Cesar Chavez Day
- (e) June 19 - Juneteenth
- (d) The second Monday in October- Columbus Day