

## AGENDA

### Special Meeting of the City/County Manager's Technical Advisory Committee

**Thursday, October 3, 2024**

**10:00 AM**

**LOCATION:**

San Bernardino County Transportation Authority  
*First Floor Lobby Board Room*  
1170 W. 3rd Street, San Bernardino, CA 92410

**TELECONFERENCE LOCATIONS:**

Needles City Administration & Utility Office  
817 3<sup>rd</sup> Street, Needles, CA 92363

**Call to Order**

Attendance

**Council of Governments**

**1. San Bernardino Council of Governments (SBCOG) Small Business Study – Monique Reza-Arellano, SBCOG**

Receive a report on the completed Small Business Study and a discussion of the recommendations identified in the study.

Attachment No. 1: Pg. 5  
Attachment No. 2: Pg. 17

**2. SBCOG Policy, Bylaws, and Work Plan – Monique Reza-Arellano, SBCOG**

Receive an update and discuss the proposed policy, bylaws update, and the prioritized project list. SBCOG staff has been working on updating its policy, bylaws, and Work Plan.

Attachment No. 1: Pg. 24  
Attachment No. 2: Pg. 31  
Attachment No. 3: Pg. 33  
Attachment No. 4: Pg. 57  
Attachment No. 5: Pg. 61  
Attachment No. 6: Pg. 64

**3. Legislative Update – Ross Buckley, California Advisors, LLC**

Receive a general legislative update.

**4. 2028 Olympics Update - Lorraine Chapman and Justin Balancio, GOCAL Greater Ontario, California**

Receive an update and presentation on the 2028 Olympics and the operational details.

Attachment No. 1: Pg. 81

**5. Economic Impact Analysis – Arlene B. Chun, San Bernardino County and Niree Kodaverian, Beacon Economics**

Receive an Economic Impact Analysis on the proposed Stormwater Permit Tentative Order.

Attachment No. 1: Pg. 92

Attachment No. 2: Pg. 139

**Public Comment**

Brief Comments from the General Public

**ADJOURNMENT**

The next meeting of the City/County Manager's Technical Advisory Committee is scheduled for November 7, 2024.

## Meeting Procedures and Rules of Conduct

**Meeting Procedures** - The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Board of Directors and Policy Committees.

**Accessibility & Language Assistance** - The meeting facility is accessible to persons with disabilities. A designated area is reserved with a microphone that is ADA accessible for public speaking. A designated section is available for wheelchairs in the west side of the boardroom gallery. If assistive listening devices, other auxiliary aids or language assistance services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk can be reached by phone at (909) 884-8276 or via email at [clerkoftheboard@gosbcta.com](mailto:clerkoftheboard@gosbcta.com) and the office is located at 1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor, San Bernardino, CA.

Service animals are permitted on SBCTA's premises. The ADA defines service animals as dogs or miniature horses that are individually trained to do work or perform tasks for people with disabilities. Under the ADA, service animals must be harnessed, leashed, or tethered, unless these devices interfere with the service animal's work, or the individual's disability prevents using these devices. In that case, the individual must maintain control of the animal through voice, signal, or other effective controls.

**Accesibilidad y asistencia en otros idiomas** - Las personas con discapacidad pueden acceder a la sala de reuniones. Se reserva una zona designada con un micrófono accesible que cumple con los requisitos de la ADA para hablar en público. Una sección designada está disponible para sillas de ruedas en el lado oeste de la galería de la sala de reuniones. Si se necesitan dispositivos de ayuda auditiva, otras ayudas auxiliares o servicios de asistencia en otros idiomas para participar en la reunión pública, las solicitudes deben presentarse al Secretario de la Junta al menos tres (3) días hábiles antes de la fecha de la reunión de la Junta. Puede comunicarse con el Secretario llamando al (909) 884-8276 o enviando un correo electrónico a [clerkoftheboard@gosbcta.com](mailto:clerkoftheboard@gosbcta.com). La oficina se encuentra en 1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor, San Bernardino, CA.

Los animales de servicio están permitidos en las instalaciones de SBCTA. La ADA define a los animales de servicio como perros o caballos miniatura que son entrenados individualmente para hacer trabajo o realizar tareas para personas con discapacidades. Según la ADA, los animales de servicio deben tener un arnés o ser atados, a menos que estos dispositivos interfieran con el trabajo del animal de servicio, o que la discapacidad de la persona impida el uso de estos dispositivos. En ese caso, la persona debe mantener el control del animal a través de su voz, señales u otros controles efectivos.

**Agendas** – All agendas are posted at [www.gosbcta.com/board/meetings-agendas/](http://www.gosbcta.com/board/meetings-agendas/) at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed online at that web address. Agendas are also posted at 1170 W. 3<sup>rd</sup> Street, 1st Floor, San Bernardino at least 72 hours in advance of the meeting.

**Agenda Actions** – Items listed on both the “Consent Calendar” and “Discussion” contain recommended actions. The Board of Directors will generally consider items in the order listed on the agenda. However, items may be considered in any order. New agenda items can be added and action taken as provided in the Ralph M. Brown Act Government Code Sec. 54954.2(b).

**Closed Session Agenda Items** – Consideration of closed session items excludes members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the President of the Board or Committee Chair (“President”) will announce the subject matter of the closed session. If reportable action is taken in closed session, the President shall report the action to the public at the conclusion of the closed session.

**Public Testimony on an Item** – Members of the public are afforded an opportunity to speak on any listed item, except Board agenda items that were previously considered at a Policy Committee meeting where there was an opportunity for public comment. Individuals in attendance at SBCTA who desire to speak on an item may complete and turn in a "Request to Speak" form, specifying each item an individual wishes to speak on. Individuals may also indicate their desire to speak on an agenda item when the President asks for public comment. When recognized by the President, speakers should be prepared to step forward and announce their name for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The President or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations. Any individual who wishes to share written information with the Board may provide 35 copies to the Clerk of the Board for distribution. If providing written information for distribution to the Board, such information must be emailed to the Clerk of the Board, at [clerkoftheboard@gosbcta.com](mailto:clerkoftheboard@gosbcta.com), no later than 5:00 pm the day before the meeting in order to allow sufficient time to distribute the information. Information provided as public testimony is not read into the record by the Clerk. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda. Any consent item that is pulled for discussion shall be treated as a discussion item, allowing further public comment on those items.

**Public Comment** –An opportunity is also provided for members of the public to speak on any subject within the Board’s jurisdiction. Matters raised under “Public Comment” will not be acted upon at that meeting. See, “Public Testimony on an Item,” above.

**Disruptive or Prohibited Conduct** – If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the President may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive or prohibited conduct includes without limitation addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, bringing into the meeting any type of object that could be used as a weapon, including without limitation sticks affixed to signs, or otherwise preventing the Board from conducting its meeting in an orderly manner.

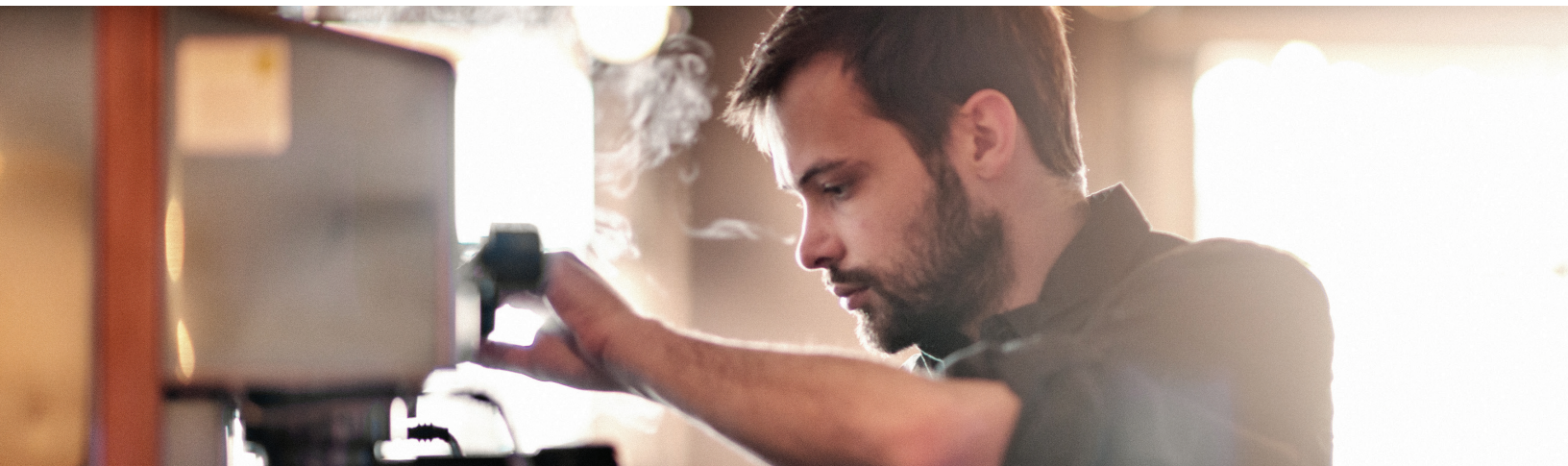
Your cooperation is appreciated!



Attachment No. 1 to Agenda Item No. 1  
San Bernardino Region Public Procurement Memorandum

**San Bernardino Region**  
**Public Procurement**  
**Memorandum**

December 2023



# San Bernardino Region Public Procurement Memorandum

December 2023

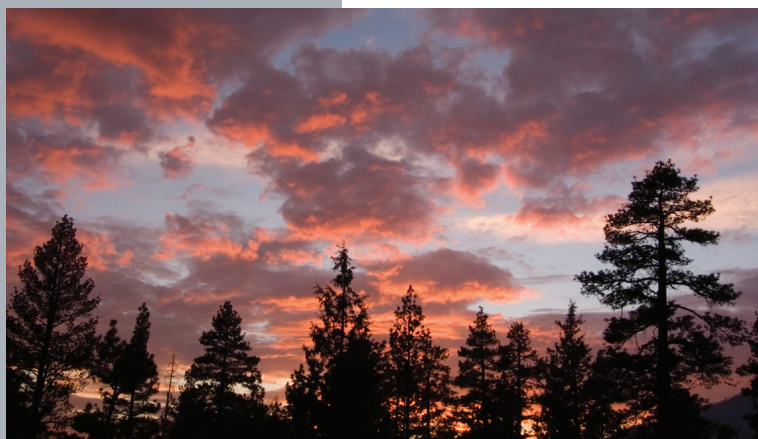
Prepared for San Bernardino  
Council of Governments by

  
**AMPLIFY**  
COMMUNITIES





National Geographic, Esri, Garmin, HERE, UNEP-WCMC, USGS, NASA, ESA, METI, NRCAN, GEBCO, NOAA, increment, P. Corp.



## EXECUTIVE SUMMARY

Public procurement is how public sector agencies and private sector organizations contract to deliver a particular service. Public sector agencies are largely funded by taxpayer dollars and are therefore accountable to the public. Improving public procurement systems can assist government agencies in obtaining competitive pricing for their limited funds, expand the playing field to emerging businesses, and create equity in advancing local investment.

In San Bernardino County, procedural constraints hinder small businesses' access to procurement opportunities. Constraints in the region include:

- The public procurement process is complex and difficult to navigate.
- Notification of current solicitation opportunities is primarily relationship-driven.
- Specialized training and support are needed by small businesses to access and secure public contracts.
- Access to capital and payment delays are hurdles for small businesses, even after winning contracts.

While the constraints discussed above negatively affect the success of small businesses wishing to participate in the public procurement process, there is ample opportunity for improving this economic ecosystem. There are strong networks of partners within San Bernardino County that are helping small businesses grow and succeed. These networks are assets that can be strengthened and scaled to immediately improve the outcomes for

small businesses in the realm of public procurement in its current landscape. However, reaching larger procurement equity goals will require additional research into each jurisdiction, and resources to fully understand the equity needs of the region. These suggestions and others extracted directly from case studies are discussed in more detail in this report.

Simultaneously, there are regional assets that can be leveraged to strengthen public procurement opportunities for local small businesses.

- There is interest from local partners in supporting a localized public procurement process.
- Local and national organizations are implementing programs in the county of San Bernardino that can be leveraged.
- Informal bids are an accessible entryway for boosting public procurement participation amongst small and local businesses.

This report identifies case studies of public sector agencies that have implemented improved public procurement processes to understand streamlining measures that can be considered for the County of San Bernardino. Some effective programs include creating a centralized online hub where small businesses can view and apply for procurement opportunities. Municipalities have also established a local, small business preference policy, deployed outreach strategies to target small businesses and connect them to resources, and simplified the language and process for public procurement.







## BACKGROUND

In May of 2021, the San Bernardino Council of Governments (SBCOG, hereinafter referred to as the Agency) adopted a Joint Policy on Regional Equity, demonstrating the agencies’ commitment to equitable programs and practices to meaningfully advance justice, equity, diversity, and inclusion in San Bernardino County (hereinafter referred to as the County). To inform the ongoing work of the Agency to study, track, and improve equity outcomes for communities across the County, Amplify Communities and SBCOG conducted a series of focus group meetings in the summer of 2022 with community-based organizations, government agencies, and other stakeholders interested in promoting favorable health, equity, and environmental justice outcomes in communities across the County. Focus group participants elevated areas of concern and opportunities to advance equity and environmental justice.

This report emerged from the feedback provided by these focus groups and is centered on understanding opportunities to advance equity and local wealth-building through public procurement in the County. This research focuses on the following priorities:

1. Advance SBCOG’s commitment to study, track, and improve equity outcomes for communities across the County (Joint Policy on Equity, 2021).
2. Understand the public agency procurement/contracting environment in the County of San Bernardino, including the barriers to entry and available resources to increase access for small and local businesses.
3. Identify small business providers, partners, model programs, and best practices to inform a small and local business program for the County of San Bernardino.

## WHAT IS PUBLIC PROCUREMENT?

### Overview of Public Procurement (Laws and Regulations)

Public procurement is the process of purchasing goods or hiring services using public funds, and it is a highly complex and regulated process in California. Public procurement in California is governed by the California Public Contract Code (PCC) and the California Code of Regulations (CCR), with the ultimate regulatory mission of ensuring fair and open competition, transparency, and integrity in public contracting. Generally, the state requires competitive bidding, advertisement and notice, standardized bid evaluation, and contract award and protest. While the state mandates that public procurement must involve competitive bidding processes, there are variations in the implementation of the code based on several factors. These include:

1. **Type of service or goods being procured.** Public procurement spending typically falls into one of four categories: public works/capital improvement projects, professional services, general services, and purchase of supplies and equipment. Different services carry distinct budgets, which may trigger competitive bidding requirements. For example, the state explicitly establishes regulations for public works projects (e.g., projects with a total estimated cost of \$5,000), while other categories are less defined. Notably, public works contracts in California are also subject to prevailing wage requirements. Table 1 below demonstrates a few public procurement contract types.

**Table 1 - Sample of Public Procurement Contracts**

Types of Contracts	Description/Examples
Purchases of Supplies and Equipment	Purchase of goods or commodities such as medical supplies; tools; fire and law enforcement equipment; automobiles; food safety supplies; food; office supplies; furniture; and computer equipment
Public Works/Capital Improvements	(a) A project for the creation, improvement, painting, or repairing of public buildings and works. (b) Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow. (c) Street or sewer work except maintenance or repair. (d) Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.
Professional Services	Hiring of private consulting firms specializing in private architecture, engineering, land surveying, and construction project management
General Services	Hiring for building maintenance, custodial, landscape, and other general services



**2. Type of entity.** California procurement regulations set different requirements for state agencies, cities, counties, and school and community college districts. For public works projects, state agencies, cities, and counties are subject to competitive bidding for costs over \$5,000, while school and community college districts are subject to competitive bidding for costs totaling \$15,000 or more.

**3. Jurisdiction incorporation.** Charter and General Law cities differ in their procurement processes in that charter cities have more flexibility in structuring their procurement processes. Charter cities have more autonomy and local control to govern themselves, including how they regulate procurement. General Law cities derive their statutory framework from the state's general laws and must follow state regulations with little flexibility or opportunity for customization. The breakdown of SBCOG member jurisdictions by incorporation type is listed below in Table 2.

**4. Size of the project.** A project's size (estimated budget) will determine whether competitive bidding is required. The dollar amounts that trigger competitive bidding depend on which spending category it falls within. The state does not regulate thresholds for non-public works projects. Local jurisdictions determine this.

**5. Project funding source(s).** If external agencies provide funding to public projects, there may be specific public procurement requirements associated with the project.

**6. Local Preferences.** Jurisdictions may establish goals or preferences for awarding contracts to small businesses, micro-businesses, women-owned, veteran-owned, and disadvantaged small businesses through preferences for enterprises that have undergone a certification process for their respective business type. To utilize any distinctions, firms must certify with each jurisdiction individually.



**7. Type of Procurement Method.** There is a myriad of procurement types that fall within the competitive bidding process. Jurisdictions may utilize all or some of these different procurement methods, typically depending on the type of service/good and the project size.

These factors all contribute to varied public procurement processes across jurisdictions.

The State of California requires municipalities to establish their own procurement procedures in accordance with applicable state regulations within its Municipal Code. Local ordinances governing purchasing for SBCOG member jurisdictions [can be found here](#).

**Table 2 - Cities by Jurisdiction Type in San Bernardino County**

Charter Cities	General Law Cities
County of San Bernardino	Apple Valley
Adelanto	Barstow
Big Bear Lake	Chino
Loma Linda	Chino Hills
Needles	Colton
San Bernardino	Fontana
Victorville	Grand Terrace
	Hesperia
	Highland
	Montclair
	Ontario
	Rancho Cucamonga
	Redlands
	Rialto
	Twentynine Palms
	Upland
	Yucaipa
	Yucca Valley

**Table 3 - Procurement Method Types**

Procurement Method	Description
Competitive Bidding	A formal process to identify and request products and/or services applicants need so potential service providers can review those requests and submit bids for them.
Request for Proposal (RFP)	This requires public agencies to define the services they need and publish a document with specific information relating to the project. The RFP will define the terms, conditions, and specifications of goods or services required by the public agency. An RFP is primarily intended for large, complex projects where cost and performance are equally important.
Request for Qualifications (RFQ)	A request to seek a written presentation of the professional qualifications and experience of a proposed consultant/contractor.
Request for Information (RFI)	A request for written information about the capabilities of various suppliers.
Request for Bid	A solicitation in which the terms, conditions, and specifications are described, and responses are not subject to negotiation.
Request for Quote	A request for a statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser. The purchaser uses this to evaluate and compare quotes and competing resources.
Informal Bidding	An informal process for projects totaling under a dollar amount set by the jurisdiction. The request for bid is solicited from a minimum of three vendors on an established list of bidders for that service/good maintained by the jurisdiction.





## PUBLIC PROCUREMENT AS LEVERAGE FOR ECONOMIC DEVELOPMENT AND EQUITY

Procurement is a powerful tool to advance local and equitable development. Typically, one-third to one-half of a city’s budget goes toward purchasing from the private sector. Government leaders can leverage this spending to meet economic and social goals. Sixty (60) percent of job growth traditionally comes from small businesses; therefore, cities can leverage their estimated \$1.6 trillion annual spending to support small and locally owned businesses. When governments spend public dollars on locally owned businesses, those businesses rely on local supply chains, creating an “economic multiplier” effect. Utilizing local vendors can also augment local tax revenue in addition to strengthening local supply chains and creating local job growth.

Procurement can be a powerful mechanism for advancing other municipal goals as well. Small business contractors often are more diverse than the

general pool of contractors. By working with small businesses, municipalities can elevate marginalized groups and level out the contractual playing field. Public agencies can also advance diversity in public procurement by outlining the agency’s equity and diversity goals in its call for services. This may include targeting an economic development group to apply, including minority-, woman-, and veteran-owned businesses.

The costs and complexity inherent in today’s public procurement system were intended to minimize risks to public agencies when working with vendors and to ensure that cities remain accountable to taxpayers. However, small businesses are negatively impacted by the hurdles of a complex procurement system. Rethinking procurement systems can benefit small businesses and strengthen local economies and communities.

## UNDERSTANDING PUBLIC PROCUREMENT IN THE COUNTY OF SAN BERNARDINO

### Landscape Analysis Process

Amplify Communities reviewed SBCOG member jurisdictions’ websites to gather preliminary information about the municipalities’ procurement policies and practices, including vendor registration requirements, frequency of bid opportunities, resources, contact information, and, importantly, threshold amounts that each jurisdiction uses for distinguishing informal and formal bidding.

To augment online findings, a survey was developed for jurisdictions to complete and provide gap in information and details that were unavailable online. To increase participation in the survey, SBCOG facilitated communication with member jurisdictions, specifically asking procurement and purchasing teams to complete the questionnaire. Seven cities responded to the survey, including the Cities of Needles, Chino Hills, Colton, Highland, Barstow, Grand Terrace, and the town of Yucca Valley. The preliminary research results from the member surveys [can be found here](#).

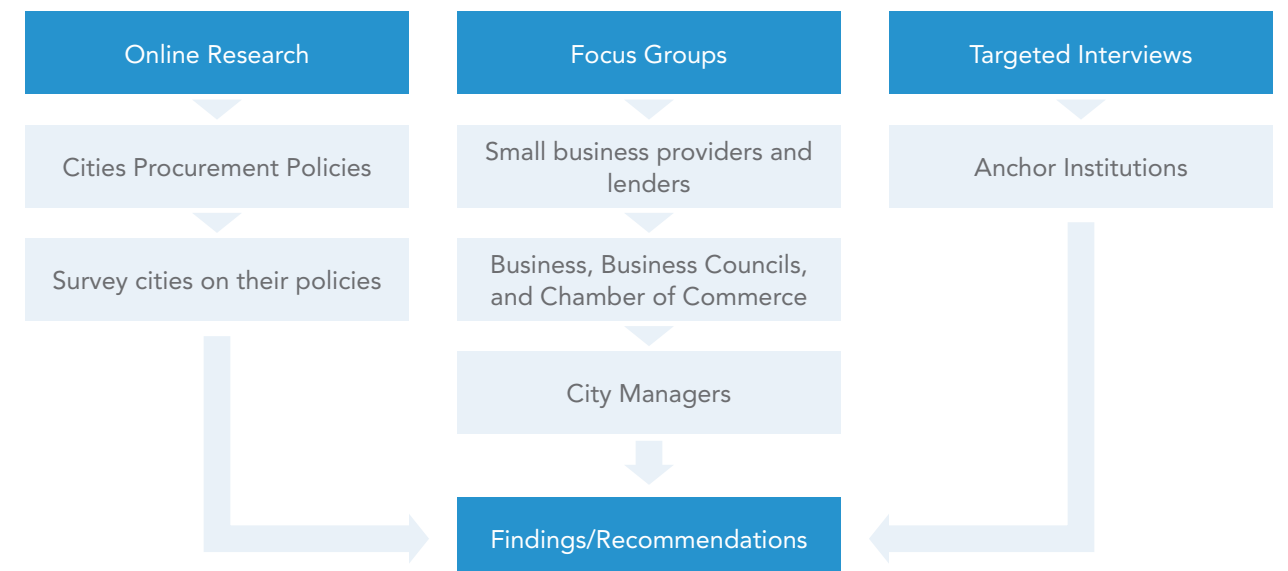
After exploring jurisdictional procurement regulations, Amplify Communities solicited input from small businesses and organizations that provide technical assistance in obtaining public procurement contracts. Additionally, focus groups and targeted interviews were held with anchor institutions such as schools, Native American tribes, and other public agencies to better understand small businesses’ needs and determine opportunities that can be leveraged.

### Focus Group Methodology

Focus groups were conducted in person and via Zoom with three key stakeholder groups: small business service providers and lenders, local chambers of commerce through the Inland Empire Chamber Alliance<sup>1</sup>, and member jurisdiction city managers. Input gathered from participants was then examined using a strengths, weaknesses, opportunities, and threats (SWOT) analysis approach. This input was central in understanding the current public procurement landscape and in developing a set of recommendations. A detailed list of focus group participants can be found in Appendix A.

### Targeted Interviews

A series of targeted interviews with anchor institutions were also held to gain insight into procurement programs being considered or implemented locally. Three entities were interviewed to understand public procurement processes implemented or being considered in the region. While they have different procurement regulations from the state, the interviews provided insight and inspiration for managing a procurement program that can elevate small businesses within a specified geographical area. Altogether, the online research, city surveys, focus groups, and interviews enumerated above informed the following findings, which include both barriers and strengths.



<sup>1</sup> The [Inland Empire Chamber Alliance](#) serves as a forum for member organizations to learn about legislations being considered in the CA Legislature and the US Congress or regulations being proposed by State and Federal Agencies and advocate with a unified voice. Membership is open to Chamber of Commerce or business councils associated with a city or a region.

## BARRIERS TO PUBLIC PROCUREMENT CONTRACTS

### 1. The public procurement process is difficult to navigate.

Each city and town has different procurement regulations and requirements posted online on their websites. Amongst the 24 cities and towns that are SBCOG members, many bidding platforms are used with varying registration requirements; many cities do not have a main point of contact for procurement/purchasing, and few explicitly state the threshold amount for informal/formal bids. Websites contained minimal information on whom to contact for procurement questions.

Additional outreach to local jurisdictions would provide further insight into local procurement processes. However, it is evident that the existing process for obtaining information on public procurement opportunities needs to be more cohesive and presents a significant barrier for small businesses. Small business service providers share this sentiment, often the liaison between cities and small businesses trying to identify client procurement opportunities.

### 2. The public procurement notification process is currently relationship driven.

Public procurement opportunities are currently noticed through professional relationships and networks. Because many small businesses remain outside of such professional networks, they seldom receive solicitation announcements. Even when small businesses receive procurement opportunity notifications, they have a limited understanding of the application requirements. Small businesses might also feel uninvited from the process and discouraged from pursuing public bids.

### 3. Specialized training and support are needed to access, secure, and retain public procurement contracts.

Small businesses see public procurement as a path to financial and business growth but lack the capacity to navigate cities' varied procurement processes successfully. Small businesses feel intimidated by the public procurement process and are often lost when they attempt to participate. They need dedicated staff or outside assistance to register with cities as vendors, complete and submit bids, and negotiate contracts. If awarded, additional assistance and resources are needed to complete the scope. Even cities have a difficult time with county-related contracts, often hiring outside consultants to assist in managing them.

### 4. Access to capital and payment delays are hurdles for small businesses, even after winning contracts.

Larger businesses are more competitive when submitting bids because they can offer lower pricing to secure a contract. The playing field is not leveled between small and larger businesses because the latter can take a loss to ensure access to future public contracts. When small businesses do secure public contracts, there is often a lack of access to capital to complete the work within the project scope successfully. Public contracts often face long payment schedules, and small businesses typically do not have the resources to comfortably wait extended periods for payment for services rendered.

### 5. Designing and executing more equitable public procurement methods that benefit small businesses will require resources and collaboration.

Designing and implementing changes to public procurement procedures will require dedicated staff time and funding. Like small businesses, member jurisdictions have limited staff and capacity that would hinder their ability to handle 'smaller' contracts. Cities typically handle an average of 600 contracts per year and prefer multiyear agreements to limit cost increases. In some cases, bids from the State and utility companies provide extra points when large companies partner with small businesses, but once awarded, nothing is cementing that partnership. Overall, there is limited knowledge of the economic benefits of prioritizing public procurement opportunities within the region, so education will be instrumental in initiating local conversations and efforts.

## REGIONAL STRENGTHS TO ENHANCE PUBLIC PROCUREMENT

### 6. There is interest in supporting a localized public procurement process.

San Bernardino County has a strong network of small business service providers that provide capacity building (e.g., technical assistance, lending, and resources) and are working together to improve access and opportunity for small businesses. The Inland Empire Chamber Alliance and other stakeholders are interested in improving access to public procurement opportunities. However, the local demand for small business mentorship and procurement assistance is so great that these entities can only adequately assist some of those who desire it. Staffing and funding shortfalls are core challenges needed to meet the demand. Further, small business providers are developing pilot programs to improve access to opportunities. For example, Uplift San Bernardino, a collective impact initiative focused on the city of San Bernardino, adapted the public health outreach model and is deploying 'business ambassadors' to build relationships with hard-to-reach small businesses and connect them to resources. The details of this outreach plan will be available in Fall 2023. There is an opportunity to learn from this initiative and replicate best practices in disadvantaged communities and remote areas of the County.

### 7. Strengthening relationships is crucial to enhancing the public procurement process in the County of San Bernardino.

Given the complexity of the procurement process, there is a desire for networking opportunities from small business providers and related organizations to connect with cities and vice versa and from small businesses to receive mentorship support throughout the process. Chambers and business councils are trusted sources and have direct relationships with businesses and small business providers, especially with the Inland Empire Small Business Development Center (IE SBDC). However, it is important to underscore that not all chambers have equal resources to implement services. Larger Chambers sometimes benefit from businesses in neighboring cities with less active chambers in their jurisdiction. Anchor institutions are also exploring and/or implementing public procurement programs that benefit local small businesses, and there is interest in sharing best practices and aligning processes where possible. A public procurement process that integrates mentorship and networking opportunities is essential to improving opportunities for small businesses.

### 8. Local and National organizations are implementing programs in the County of San Bernardino that can be leveraged.

Various organizations often collaborate to improve opportunities for small businesses. The MCISC, for example, developed a [Small Business Resources & Assistance Tool](#) that connects small businesses to service providers and microlender nonprofit organizations that provide no-cost, low-cost service to small business owners. These organizations have long-standing relationships working to streamline small businesses' needs. Information sharing, joint networking, advertising each other's programs, and focusing on specific geographics are all strategies that are being implemented to improve opportunities for small businesses in the County. The Aspen Institute City Action Lab also works with several organizations and stakeholders, focusing on "generating long-term, inclusive growth through business ownership" in the city of San Bernardino. One of the key strategies being pursued is establishing a centrally located Entrepreneurial Resource Center (ERC) to provide access to small business training and technical assistance. There is an opportunity to leverage these local and national partnerships to implement recommendations.

### 9. Informal bids as an initial step to boost public procurement opportunities for local and small businesses.

According to the IE SBDC, the top small business services offered in the County of San Bernardino are:

- Janitorial/janitorial supplies
- Construction
- Construction support services
- Professional services (marketing, IT, etc.)

Most of these services are procured by municipalities through informal bids, expediting the process and minimizing administrative burden. The SBDC IE offers a program, the Center for Contracting, focused on centralizing access to regional public procurement opportunities and technical assistance to small businesses with certifications, bid process, and contract management. Four cities and the County are listed on their website and linked to contracting opportunity bids. Similarly, the NLWBA-IE has a vendor portal that matches businesses to procurement opportunities as part of their procurement and business matching program, Latina BizMatch: Inclusive Matchmaking at the Latina BizCon. These service partners can provide insight and support in developing a robust program for informal bids.





## BEST PRACTICES: CASE STUDIES FROM OTHER PUBLIC SECTOR AGENCIES

There is consensus that public procurement is a key tool in making economies more equitable among agencies at all levels of government, from cities to the federal government. President Biden signed the executive order “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government” on his first day in office on January 21, 2021. It acknowledged the barriers that small businesses and underserved communities face in dealing with federal government procurement and called for an equity review and plan for addressing the barriers identified in government purchasing. The Office of Management and Budget (OMB) conducted the equity review and produced a report that listed three primary challenges for equitable procurement: inadequate outreach to vendors, opacity of federal procurement to potential vendors, and lack of attention to equity within purchasing agencies.

OMB then provided high-level recommendations for changes to the federal procurement process to be carried out by the Small Business Administration (SBA). They included:

- data prioritization (data about spending to small businesses disaggregated by race and ethnicity of business owners),
- goal setting (increase the percentage of federal procurement spending with SBDs by 50 percent over five years) and
- structural changes (introducing human-centered components of a whole-of-organization approach, which included meeting equity goals as part of performance metrics for federal agencies’ senior leadership and ensuring that officials charged with SBD utilization have direct access to agency leadership).<sup>2</sup>

SBA also launched the Community Navigator Program, which will directly support 51 community hubs. These hubs will work with smaller spoke organizations in their geographic region to help with outreach, education, and technical assistance for small businesses. This hub and spoke model is meant to reach business owners through organizations that are already connected and have established trust, with the expectation that it will increase the accessibility of the federal government’s program to potential federal contractors.<sup>3</sup> Many cities share the federal government’s equity goals for procurement. Three case studies, Detroit, Michigan, Long Beach, California, and St. Paul, Minnesota, exhibit how these goals can be championed and implemented locally.

<sup>2</sup> “The Benefits of Increased Equity in Federal Contracting.” The White House. December 1, 2021. [The Benefits of Increased Equity in Federal Contracting | CEA | The White House](#)

<sup>3</sup> “Procurement Lessons From the World’s Biggest Purchaser.” Aspen Institute. March 21, 2022. [Procurement lessons from the world’s biggest purchaser - The Aspen Institute](#)



## DETROIT, MICHIGAN

In 2020, Detroit Mayor Mike Duggan established the Detroit Equity Council in response to national social justice protests and the disparities exacerbated by the COVID-19 pandemic. The Equity Council included the sub-council on Procurement Equity, which created two key initiatives for making their public procurement process more equitable: quicker pay and multi-contracting.

**Quicker Pay:** Small and micro businesses often operate on very tight budgets dedicated to payroll and the immediate work they are contracted to do. Government contract payouts are often a timely process, which can be particularly challenging for these small businesses. Paying contractors faster can help them compete for contracts and thus grow their businesses. In 2021, the Office of Contracting and Procurement started a pilot program to provide a set of projects completed by small and micro businesses with net immediate or net 7-day payment terms. The program’s success has led to continued efforts to expand quicker payment terms to more small businesses.

**Multi-Contracting:** The initiative divides large contracts into multiple smaller contracts to create a more equitable playing field for small businesses to compete.<sup>4</sup>

The City of Detroit partnered with the Detroit Economic Growth Corporation, a small business development center and the City’s economic development catalyst, to create BuyDetroit. This online platform serves as a central hub for the procurement of local goods and services. BuyDetroit is unique in that it provides private procurement opportunities to small businesses in their search for opportunities in a central location. It provides resources and capacity-building workshops for small businesses, helping them compete for contracts, and seeks to serve as a networking space, assisting small businesses to gain consideration by large firms. BuyDetroit also drives inclusivity and diversity in the local supply chain. This includes assisting under-represented Detroit companies where access previously has been denied. The City and its community partners conduct outreach to vendors from under-represented communities to register with the site and take advantage of its free resources and opportunities.<sup>5</sup>

<sup>4</sup> Equity Council 2021 Report. City of Detroit. <https://detroitmi.gov/sites/detroitmi.localhost/files/2022-03/CRIO-EC%20Annual%20Report%202021-PRES-Draft%20Final.pdf>

<sup>5</sup> “BuyDetroit: Local Procurement Program Enables Small Business Growth, Diversity, and Job Creation.” Detroit Economic Growth Corporation. <https://www.degc.org/buydetroit-local-procurement-program-enables-small-business-growth-diversity-and-job-creation/>



## LONG BEACH, CALIFORNIA

Bloomberg Philanthropies (BP) is available to support select cities, dedicating themselves to using procurement to advance equity goals. BP supports procurement reform through programs including the City Data Alliance, innovation teams, and the Bloomberg Harvard City Leadership Initiative, in partnership with the leading procurement experts Harvard Kennedy School Government Performance Lab (GPL). Long Beach, California, is one of the pilot cities receiving support from BP and GPL to completely overhaul their procurement system to redesign it with equity-centered goals and practices.

Like many other cities reexamining their procurement practices, the City of Long Beach's procurement reform efforts stemmed from establishing new equity frameworks. The City's ["Everyone In" Economic Inclusion Plan](#), [Racial Equity and Reconciliation framework](#), and the [Long Beach Recovery Act](#) identify procurement improvements as a way to advance city equity goals. They created a new position, Recovery and Equity in Contracting Officer, to oversee the changes to meet the City's equity goals.

The City of Long Beach had a notably robust outreach process, inclusive of small business owners, community-based organizations, and City staff. They surveyed nearly 500 potential vendors, asking them how the public contracting process could be improved. City representatives went to community events to encourage vendors to bid on city projects and partnered with community-based organizations to expand outreach to small businesses. The predominant theme of feedback gained during this outreach process was that the public procurement process is confusing and cumbersome. "We heard, 'I'm a small business—how do I have time to submit this 40-page proposal when I'm trying to keep my business afloat?' Our takeaway was that we needed to start figuring out how to reduce barriers." (Michelle Wilson, Purchasing Agent).<sup>6</sup>

Access became a central priority for the City after this feedback. This included language access and a welcoming, inclusive, and approachable tone within procurement documents. They are working on digitizing all vendor resources and prioritizing information requests to prevent redundancies that make responding to RFPs onerous.

The City also engaged internal departments about what was needed to make the procurement process more user-friendly internally. City employee input was used to inform the redesign of procurement forms, RFP templates, and exercises to help predict when, where, and how they would need to better engage with vendors. The City also created the Procurement University to train employees since the City's procurement is decentralized. The program has trained more than 130 employees and received positive feedback. These efforts reduced the average RFP issuance to award from 8 months to 3.5 months.<sup>7</sup>

Notably, the City of Long Beach prioritized setting measurable goals throughout this procurement overhaul, and these goals evolved while they gained stakeholder input. Core indicators accompanied the goals to track whether the city is on track with hitting procurement objectives.

*The City of Long Beach published these goals for its procurement and purchasing.*

**Results-Driven.** In 95% of high priority contracts strategic goals are defined; contract performance is managed and used to inform renewal decisions.

**Best Value.** >85% of citywide staff report procurement processes result in high quality goods and services, at competitive prices.

**Service.** >95% of citywide staff responsible for procurement functions are trained on procurement best practices and results-driven contracting strategies within six months of assuming the role.

**Efficient.** 30% reduction in cycle times for RFPs (<6 month average cycle time for RFPs and ITBs).

**Competitive.** >85% of solicitations are competitive (receive ≥3 responses).

**Fair.** No solicitations receive a protest that is substantiated by a neutral independent source.

**Equitable.** Small / Local / Diverse / Disadvantaged vendors bid at rates that match availability.

**Transparent.** >85% of bidders believe the solicitation process is transparent.

Further, 100% of service contracts have defined goals (up from 10 percent in just two years). Vendor outreach has also resulted in a 114-percent jump in the number of vendors bidding on American Rescue Plan Act (ARPA) contracts, including large increases among women- and minority-owned businesses.

## LONG BEACH KEY ELEMENTS

- Formal Bids over \$100,000 are posted in the classified section of the Long Beach Press-Telegram,
- There is a 10% Local Preference policy on bids for materials, supplies, equipment, or nonprofessional services. Only businesses with a current, valid business license from the City showing a place of business within city limits AND a Seller's Permit from the State Board of Equalization where the permit lists a Long Beach address are eligible for this program.
- An agreement with insurance servicers was established to provide low-cost insurance alternatives to assist small businesses in meeting City insurance requirements for small, low-risk projects.
- A Business Resources website was launched to support small businesses at various stages of growth.
- A link to the SBA was created to provide bond assistance and help guarantee bonds for contracts of up to 2M.

## ST. PAUL, MINNESOTA

Like many other cities, St. Paul sought to reform its procurement practices to center equity. Like Long Beach, St. Paul's procurement redesign benefited from the assistance of the Bloomberg Philanthropies and Harvard Kennedy School Government Performance Lab partnership.

The City wanted to understand why it was not adequately reaching small businesses and businesses of color, so it implemented structural changes to its procurement process, including an online bidding platform where vendors could download bids for free. The City also revised the language of bids to be approachable and accessible and trained AmeriCorps volunteers on the City's online vendor system to assist business owners at libraries. The City created monthly one-day Central Certification Program (CERT) community workshops, where vendors can register as a minority-owned business enterprise (MBE), a woman-owned business enterprise (WBE), or a small business enterprise (SBE). Most importantly, these certifications are recognized regionally by Minneapolis, Hennepin, and Ramsey Counties so that vendors do not have to register for certification individually with these municipalities. After these changes, the City has seen a dramatic increase in attendance at the annual procurement fair.

The City has also changed its five-year agreements to one-year agreements to open contracts to new businesses. They have also broken larger projects into small subcontracts to increase opportunities for new and small businesses. Further, St. Paul has removed financial barriers small businesses face: city projects up to \$100,000 no longer require bonds.

Making the procurement process more transparent and accessible was only the first step. The City sought to expand equity by assisting small businesses, especially minority-owned small businesses, to grow through the new Construction Partnering Program (CPP). The CPP is administered by the Metropolitan Economic Development Association and the Association of Women Contractors and supports emerging small businesses owned by women and minorities by fostering long-term relationships between them and industry leaders.

<sup>6</sup> "Procurement is Reforming How Cities Work." Bloomberg Cities Network. February 1, 2023. [Procurement is reforming how cities work | Bloomberg Cities \(jhu.edu\)](#)

<sup>7</sup> Betsy Gardner, "Long Beach Leads the Way on Inclusive Procurement." Bloomberg Center for Cities at Harvard University. February 28, 2022. <https://datasmart.hks.harvard.edu/long-beach-leads-way-inclusive-procurement>

<sup>8</sup> "Seattle and Syracuse Set Out to Prove the Power of Procurement." Bloomberg Cities Network. August 17, 2022. [Seattle & Syracuse set out to prove the power of procurement | Bloomberg Cities \(jhu.edu\)](#)

<sup>9</sup> "How the City of St. Paul is Reforming its Procurement Policies to Open Opportunities to Inner City Businesses." Initiative for a Competitive Inner City. [How the City of St. Paul is Reforming its Procurement Policies to Open Opportunities to Inner City Businesses - ICIC](#)

<sup>10</sup> "Expanding Opportunity in City Contracts: St. Paul's Racial Equity Strategy." PolicyLink. March 30, 2017. [expanding-opportunity-in-city-contracts \(policylink.org\)](#)





## RECOMMENDATIONS

The county of San Bernadino is home to a strong network of small business providers that offer no-cost or low-cost technical assistance and lenders to provide access to capital. These partners have been working together for over ten years through the Microenterprise Collaborative of Inland Southern California and, most recently, through Uplift San Bernardino and the Aspen Institute to strengthen the small business ecosystem with the goal of engaging small businesses in services and training that will lead to economic opportunity. This offers a unique opportunity for the SBCOG to work with its member jurisdictions, build on this groundwork, and continue to develop the path toward implementing a more accessible, equitable public procurement process for local and small businesses that will lead to economic prosperity for the County.

Based on the findings above, the following recommendations were curated for consideration in response to the existing landscape and best practices found in case studies.

1. Develop a Centralized System to streamline and standardize access to public procurement opportunities within the County. This would require creating a uniformed portal where cities can post opportunities using simplified language and agreed-upon application requirements to facilitate access of public procurement opportunities for small businesses.

**Phase I:** Development of a contact list of local small businesses that cities can contact for informal bids, especially for emergency-related work, that includes recommendations from other cities. Each implementation partner listed below hosts a website that can be leveraged to support a clearinghouse for cities. Additionally, according to the CA Department of General Services, [CaleProcure](#) is the state marketplace that contains information on contract opportunities and can be used to search certified SBs/DVBEs and the [Supplier Clearing House](#) is open to the public and can be utilized by the County or other jurisdictions for their procurement efforts. However, it does not include all businesses, only those registered.

- a. **Recommended implementation:** County and Cities
- b. **Implementation partners:** SBCOG, SBDC IE, NLWBA-IE, and MCISC

**Phase II:** Standardize informal bids across the County, where possible, thresholds, application language, and insurance requirements. This includes the creation of a public-facing guidebook that is informative and easy to find on each jurisdiction's website, directing small businesses to the host portal website for informal bid opportunities and resources for obtaining certifications, insurance, and assistance in completing bid application.

- a. **Recommended implementation:** County and Cities
  - b. **Implementation partners:** SBCOG, SBDC IE Center for Contracting, NLWBA-IE
2. Establish a Local Small Business Preference Policy. Award preference points to certified small business enterprises. This typically includes an award of 5-10 extra points, which is enough to assist a small business in winning a contract but not enough to make the bidding process less competitive. The [State of California](#) offers a 5% award for small businesses, wherein 5% of the final bid price is subtracted. The [City of Los Angeles](#) has a Local, Small Business Preference, where they designate awards between 5 and 10% of the bid price, contingent on project size and whether the certified business is the main contractor or a subcontractor (fewer points awarded for projects over \$150,000 and in projects where the subcontractor is the certified Local or Small Business). These preferences give small businesses a slight advantage in the competitive bidding process, where they often do not operate at a large scale to offer as low prices as bigger businesses. By implementing such a preference, local governments can make their cities more conducive to small business success and help their local economies thrive. SBCOG may wish to create a draft preference policy for its member jurisdictions to choose to opt in to and adapt as needed.

- a. **Recommended implementation:** County and Cities
- b. **Implementation partner:** SBCOG



3. Create a regionally recognized small business certification that individual jurisdictions may opt in. This can be amplified by free workshops that small businesses can attend to receive assistance and obtain a certification on the same day.

a. **Recommended implementation:** SBCOG

4. Collaborate on vendor and procurement fairs where municipalities, chambers of commerce, business councils, and small business providers can meet with businesses to share information on public procurement opportunities. These events could include networking opportunities, training on the procurement and vendor registration processes, and opportunities for small business owners to provide feedback on the procurement process. This type of event would also need to be held at a convenient time and location to provide certification training.

a. **Recommended implementation:** SBCOG

b. **Implementation partners:** Cities, County, Small Business Providers, Business Councils

It should be noted that most of the implementation partners are being convened on a monthly basis by Uplift San Bernardino, a collective impact network that is focusing and aligning small business services in the City of San Bernardino.

These initial actions can foster the growth of small businesses, boosting local employment opportunities for residents and generating local tax revenue for the region. Furthermore, expanding public procurement opportunities to support a more equitable regional economy development plan can also lead to:

- a new pool of vendors to increase competition while simultaneously providing municipalities with more options to ensure they receive the best service.
- direct and substantial socioeconomic benefits to the region.

Long-term implementation strategies for developing an equity-centered economic plan can be achieved by establishing measurable regional equity goals for procurement focusing on Black, Latino, and other minority-owned small businesses. This requires a thorough review and understanding of each jurisdiction's procurement funds secured by Black, Latino, and other Minority-owned small businesses. The findings will determine what strategies to implement based on the community's needs. Some effective strategies implemented by other municipalities have included:

- Identifying other types of procurement contracts beyond informal bids that can be streamlined as a jurisdiction/region.
- Changing the practice of multi-contracting, where larger contracts are broken down into multiple smaller contracts, so there is a more approachable and equitable playing field for small businesses to compete and win public contracts.
- Shifting contract awarding methods from the lowest bidder to prioritizing local bids to support the local economy.
- Employing targeted outreach strategies to reach and engage local small businesses, especially in low-income communities, in public procurement opportunities.
- Pairing a communication strategy with outreach focused on identifying and engaging small businesses and connecting them to small business providers to prepare them for procurement opportunities.

Numerous experts within the County are working to improve and leverage funding for capacity building for small businesses that will lead to their growth. It would be prudent to work as a region to support strategies focused on enhancing public procurement processes for local small businesses that are intentional and strategic to ensure the success of the regional economy.





9692 Haven Ave., Suite 100 | Rancho Cucamonga, CA 91730  
[amplifycommunities.org](http://amplifycommunities.org)

Attachment No. 2 to Agenda Item No. 1  
SBCOG Small Business Study  
(PowerPoint)

**Small Business Study**  
Equity Programs

**cta** San Bernardino County Transportation Authority

**cog** San Bernardino Council of Governments

1

**Small Business Equity Study Goals**

- Help Small Businesses gain and complete government contracts successfully.
- Understand Public Agency procurement/contracting across region
- Identify small business provider partners, model programs, and best practices

**Board Direction**

- Equity Ad Hoc Committee
- Resolution 21-037

**NOW THEREFORE BE IT RESOLVED**, that the San Bernardino County Transportation Authority (SBCTA) and SBCOG are committed to programs and practices that provide services and opportunities equitably and will further this commitment by:

1. Examining the practices that SBCTA uses in planning, evaluating, procuring and building transportation projects.
2. Creating tools that can be used by all of our members to better understand how issues of equity impact the built environment.
3. Providing the regional forum where efforts that work toward promoting a fair and just region; eliminating barriers that reduce opportunities for residents; and meaningfully advancing justice, equity, diversity, and inclusion can be discussed.

**cta** San Bernardino County Transportation Authority

**cog** San Bernardino Council of Governments

2



# Analysis Method



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# Stakeholder Focus Groups and Interviews

Cal State University San Bernardino, Re-Entry Operations	Loma Linda University Health System	Common Spirit Health (St. Bernardine's Medical Center)	Making Hope Happen Foundation
SoCal Black Chamber of Commerce	Community Health Action Network	People's Collective for Environmental Justice	Arts Connection Network
Inland Empire Health Partnership	IE United	High Roads Training Partnership	NALEO Educational Fund
Young Visionaries Youth Leadership Academy Inland Empire	Reach Out 29	El Sol Neighborhood Educational Center	Step Up
Riverside San Bernardino County Indian Health	San Bernardino County Sherriff's Department	San Bernardino County Department of Public Health	SBCTA/SBCOG PDTF



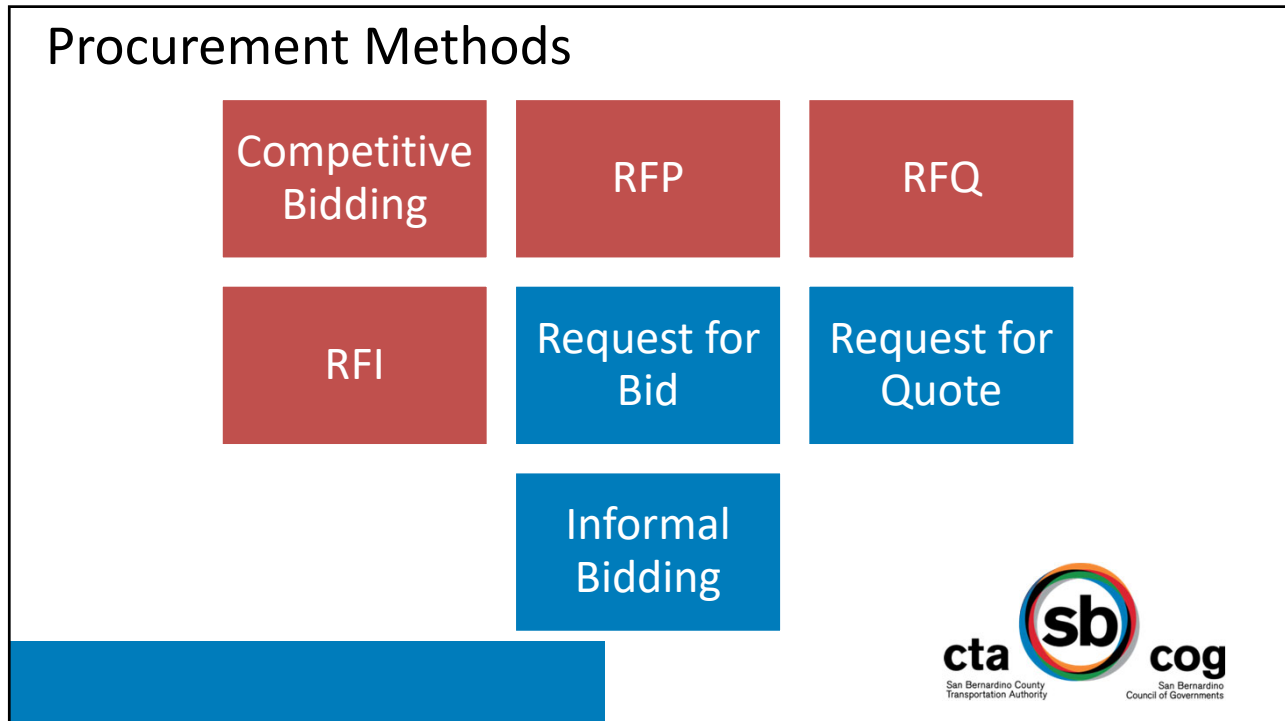
4

Types of Contracts	Description/Examples
Purchases of Supplies and Equipment	Purchase of goods or commodities
Public Works/CIP	Projects for creation, improvement, repairing of public buildings, waterfronts, streams, etc.
Professional Services	Hiring of private consulting firms specializing in private architecture, engineering, land surveying, and construction PM
General Services	Hiring for building maintenance, custodial, landscape, and other general services.




cta **sb** cog  
San Bernardino County Transportation Authority      San Bernardino Council of Governments

5



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**Small Business Study**  
FINDINGS



**cta**  
San Bernardino County  
Transportation Authority

**cog**  
San Bernardino  
Council of Governments

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# Challenges for Small Businesses

Public Procurement Process is complex and difficult to navigate	Notification of solicitation opportunities is heavily relationship-driven	Access to capital and payment delays are hurdles for small businesses.	Multiple Public Agencies with different policies and processes
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San Bernardino County  
Transportation Authority


**cog**  
San Bernardino  
Council of Governments

8



# Regional Assets






Interest from local partners to support options	Local and national organizations are implementing programs in San Bernardino that can be leveraged	Informal bids are an accessible entryway for boosting public procurement participation amongst small businesses
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## Findings – Barriers to Public Contracts

-  Navigating the procurement process is difficult to navigate for small businesses
-  In region, 20+ websites with different procurement regulations and requirements
-  Small businesses need specialized training and support to succeed at accessing procurement Opportunities
-  Access to capital and payment delays are hurdles.
-  Designing and executing more equitable public procurement methods that benefit small businesses will require more resources and collaboration



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## Findings – Opportunities

- There is interest in supporting a localized public procurement process
- Strengthening Relationships is crucial to enhancing the public procurement process
- Local and National organizations are implementing programs that we can leverage
- Informal bids as an initial step to boost public procurement opportunities for small businesses
- A strong network of small business service providers that provide capacity building (e.g., technical assistance, lending, resources) already exists.
- Small business providers are interested in improving access to public procurement opportunities.



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## Recommendations

- Develop Centralized System to streamline and standardize access to public procurement opportunities among member agencies
- Establish a Small Business Preference Policy
- Create a regionally recognized small business certification that individual jurisdictions may opt in.
- Collaborate on vendor and procurement fairs.



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# Thank You

## Questions?



**Preamble**

**Article I – Functions**

**Article II – Definitions**

**Article III -- Membership & Representation**

**Article IV -- Board of Directors**

**Article V -- Officers, Elections & Vacancies**

**Article VI -- Executive Director**

**Article VII – General Counsel**

**Article VIII – Finances**

**Article IX -- Statutory Authority**

**Article X – Withdrawal**

**Article XI – Amendments**

**Article XII -- Effective Date**

**PREAMBLE**

The San Bernardino Council of Governments (SBCOG) is voluntarily established by its members pursuant to a Joint Exercise of Powers Agreement for the purpose of providing a forum for discussion, study and development of recommendations on countywide, subregional and regional problems of mutual interest and concern. It shall be the responsibility of the SBCOG to effect improved intergovernmental collaboration and thereby increase the overall quality of government services.

**Article I - Functions**

The functions of SBCOG are:

- A. Exchange of planning information. Making available to members plans and planning studies, completed or proposed by local governments or those of state or federal agencies, which would affect local governments.
- B. Study of sub-regional problems. Identification and study of problems requiring planning by more than one governmental entity within the collective area of its membership and the making of appropriate policy or action recommendations.
- C. Review and/or development of governmental proposals. Review and/or develop proposals creating agencies of regional scope and the making of appropriate policy or action recommendations concerning the need for such units or agencies.
- D. Consider questions of mutual interest and concern to members of SBCOG and develop policy and action recommendations.
- E. Act upon any matter to the extent and in the manner required, permitted or authorized by joint powers agreements, state or federal law or the regulations adopted pursuant to any such law.
- F. Identify and apply for potential fund sources in the form of grants, earmarks, allocations, and other options that may arise on behalf of and/or in partnership with SBCOG's member agencies.

**Article II - Definitions**

- A. SBCOG.** SBCOG, as used in these Bylaws, means the San Bernardino Council of Governments as established by the Joint Exercise of Powers Agreement.
- B. Board of Directors.** As used in these Bylaws, means the official representatives of the members of the San Bernardino Council of Governments.
- C. Official Representative.** As used in these Bylaws, means either the Mayor or Councilmember of each member city or town, and the members of the Board of Supervisors of San Bernardino County.
- D. Alternate.** Alternate, as used in these Bylaws when referring to the Board of Directors, shall mean either the Mayor or a Councilmember of each member city or town in the absence of the official representative of that member city or town. The County shall have no alternates to the Board of Directors.

**Article III - Membership and Representation**

**A. Membership.**

- 1. Membership shall be contingent upon the execution of the Joint Exercise of Powers Agreement and the payment by the county, cities and towns of each annual assessment. A member whose dues are more than three months overdue which has been notified of this delinquency shall be deemed to have withdrawn from SBCOG if payment of the dues is not received within 30 days of the notification.
- 2. Any city or town in the area set forth in the Joint Exercise of Powers Agreement may become a member after the initial formation of this SBCOG, provided that all the provisions of this Article III are met by the jurisdiction seeking membership.

**B. Representation.**

- 1. Only the Official Representatives or alternates present shall represent a member on the Board of Directors.
- 2. Names of Official Representatives and alternates shall be communicated to the Board of Directors by the appointing city, town or county.
- 3. Official Representatives and alternates shall serve until a successor is appointed, except if an Official Representative or alternate ceases to be a member of the legislative body or mayor of the city, town or county appointing him/her, in which case his/her seat as an Official Representative shall be vacant until a successor is appointed.
- 4. The Official Representatives and alternates appointed by the members to the SBCOG Board shall be the same persons appointed to serve as representatives and alternates on the San Bernardino County Transportation Authority Board.

**Article IV - Board of Directors**

**A. The powers and functions of the Board of Directors, subject to the limitations of Article I, shall include:**

- 1. The making of policy decisions and the determination of policy matters for the SBCOG.

# Bylaws, San Bernardino Council of Governments (SBCOG)

Amended  
November 6, 2024

2. Any Official Representative may, at any meeting of the Board of Directors, propose a subject or subjects for study by the SBCOG. The Board of Directors may determine whether a study will be made of the subject or subjects so proposed.
3. The Board of Directors shall review the proposed budget and member dues assessment schedule submitted by the Executive Director and shall adopt an annual budget and an assessment schedule.
4. The Board of Directors shall review and approve the SBCOG Work Plan which shall be updated on a biannual basis coinciding with the development of the fiscal year budget.

## **B. Duties.**

1. The Board of Directors shall conduct the affairs of the SBCOG.
2. The Board of Directors shall have power to transfer funds within the total budget amount in order to meet unanticipated needs or changed situation.
3. The Board of Directors shall have the power to appoint committees to study specific problems, programs, or other matters which they have approved for study.
4. Recommendations from committees for policy decisions shall be made to the Board of Directors. The Board shall act upon policy recommendations including policy recommendations from committees.

## **C. Meetings.**

1. Regular meetings of the Board of Directors shall be held at such times as shall be designated by the Board, and shall be coordinated with the San Bernardino County Transportation Authority's regular meetings. Special meetings of the Board of Directors may be called by the President or a majority of the Board of Directors. Written notice of a special meeting shall be given to the Official Representatives and alternates in accordance with Government Code section 54956. An agenda specifying the subject of the special meeting shall accompany the notice.
2. At its first meeting of the calendar year or such other meeting determined by the Board of Directors, the Board of Directors shall establish the time and dates of its regular meetings for such year in coordination with the times and dates of regular meetings of the San Bernardino County Transportation Authority. Other meetings may be called by the Board of Directors for the purpose of determining sub-regional consensus of items of common interest.
3. SBCOG committee meetings shall be established in the same manner as Board meetings or on the call of their chairpersons.

## **D. Voting on the Board of Directors shall be conducted in the following manner:**

1. A quorum of the Board of Directors shall consist of Official Representation from a majority of the membership of the Board of Directors, and the Board of Directors shall act only upon a majority vote of the membership.
2. Each member of the Board of Directors shall have one vote. In the absence of the Official Representative, the attending alternate shall be entitled to vote.

3. Voting may be by voice, electronic or roll call vote. A roll call vote shall be conducted upon the demand of five official representatives present, at the discretion of the presiding officer, and when required to comply with the Brown Act.

**E. Expenses.**

1. Members of the Board of Directors shall receive a stipend of one hundred dollars (\$100) for attendance at each regular meeting of the Board, and also may be compensated at a rate not exceeding one hundred dollars (\$100) for any day attending to the business of SBCOG, but not to exceed \$200 in any month. Except with regard to regular meetings of the Board, members may receive only one stipend on any day for which they attend to the business of both SBCOG and SBCTA. Members shall be reimbursed for the actual and necessary traveling and personal expenses incurred by them in the performance of their duties to the extent that reimbursement is not otherwise provided by another public agency.

**Article V - Officers, Elections and Vacancies**

- A. Officers of SBCOG shall consist of a President, a Vice President, a Secretary and a Treasurer. The President and Vice President of the San Bernardino County Transportation Authority Board shall be the President and Vice President of the SBCOG Board. The Secretary shall be the Clerk of the Board of the San Bernardino County Transportation Authority, and the Treasurer shall be the Chief Financial Officer of the San Bernardino County Transportation Authority, but they shall have no votes in the SBCOG.
- B. The President shall be the presiding officer of the Board of Directors. The Vice President shall act in the President's absence.
- C. The Secretary shall keep a record of all proceedings and perform the usual duties of such office. The Treasurer shall have custody of all funds and perform the usual duties of such office pursuant to the SBCOG/SBCTA Board-approved/adopted policies and procedures.
- D. The President of the Board of Directors may designate ad hoc committees to study specific projects or matters subject to the concurrence of the Board of Directors, and shall make appointments to ad hoc committees.

**Article VI - Executive Director**

The Executive Director of the San Bernardino County Transportation Authority shall be the Executive Director and chief administrative officer of the SBCOG. The powers and duties of the Executive Director are:

- A. Subject to the authority of the Board of Directors, to administer the affairs of SBCOG.
- B. To appoint, direct and remove all staff of the SBCOG.
- C. Annually to prepare and present a proposed budget to the Board of Directors and to control the approved budget.
- D. To attend the meetings of the Board of Directors.
- E. To perform such other and additional duties as the Board of Directors may require.

**Article VII – General Counsel**

The General Counsel of the San Bernardino County Transportation Authority shall be the General Counsel and chief legal advisor of the SBCOG. The powers and duties of the General Counsel are:

- A. Subject to the direction of the Board of Directors, to provide legal advice and representation for the SBCOG.
- B. To appoint, retain, direct and remove all outside legal counsel and legal staff of the SBCOG.
- C. To attend the meetings of the Board of Directors.
- D. To perform such other and additional duties as the Board of Directors may require.

**Article VIII - Finances**

- A. **Fiscal Year.** The Fiscal Year of the SBCOG shall commence on July 1.
- B. **Budget Submission and Adoption.** The budget of the SBCOG shall be submitted to the Board of Directors by the Executive Director on or before the second to last regular meeting of each fiscal year. The annual budget and assessment schedule shall be adopted by the Board of Directors not later than June 15th of each fiscal year. Notwithstanding any provision of the agreement establishing the SBCOG, any member that cannot pay its assessment therefore because of any applicable law or charter provision or other lack of ability to appropriate or pay the same, may add such assessment to its assessment for the next full fiscal year. The budget for each year shall provide the necessary funds with which to obtain and maintain the requisite liability insurance to fully protect each of the signatory parties hereto against liabilities reasonably estimated to arise out of SBCOG's own activities, and such insurances shall be so obtained and maintained.
- C. **Annual Audit.** The Board of Directors shall cause an annual audit of the financial affairs of the SBCOG to be made at the end of each fiscal year. The audit report shall be made available to SBCOG members.
- D. **Indemnification for Tort Liability.** In contemplation of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined in Section 895 of said code, the parties hereto as between themselves, pursuant to the authorization contained in Section 895.4 and 895.6 of said code, will each assume the full liability imposed upon it, or any of its officers, agents or employees by law for injury caused by a negligent or wrongful act or omission occurring in the performance of this agreement to the same extent that such liability would be imposed in the absence of Section 895.2 of said code. To achieve the above stated purpose, each party indemnifies and holds harmless the other party for any loss, cost or expense that may be imposed upon such other party solely by virtue of said Section 895.2. The rules set forth in Civil Code Section 2778 are hereby made a part of these Bylaws.
- E. Notwithstanding the provisions of said Joint Exercise of Powers Agreement by which this SBCOG is formed, no contract, employment, debt, liability or obligation of the SBCOG shall be binding upon or obligate any member of this SBCOG without the express written request or consent of such member and only to the extent so requested or consented to, nor shall the



SBCOG have the authority or the power to bind any member by contract, employment, debt, liability, or obligation made or incurred by it without the written request or consent of such member and then only to such extent as so requested or consented to in writing.

**Article IX - Statutory Authority**

The San Bernardino Council of Governments shall be an agency established by a joint powers agreement among the members pursuant to Title 1, Division 7, Chapter 5, of the Government Code of the State of California and shall have the powers vested in SBCOG by state or federal law, the Joint Exercise of Powers Agreement, or these Bylaws. SBCOG shall not have the power of eminent domain, or the power to levy taxes.

**Article X - Withdrawal**

Any member city, town or county may, at any time, withdraw from SBCOG providing, however, that the intent to withdraw must be stated in the form of a resolution enacted by the legislative body of the jurisdiction wishing to withdraw. Such resolution of intent to withdraw from SBCOG must be given to the Executive Director by the withdrawing jurisdiction at least 90 days prior to the effective date of withdrawal. Such withdrawal shall be made prior to May 1 of any year and shall be effective only as of July 1 of the year withdrawal is made.

Nonpayment of member dues by a member agency will be considered a “Withdrawal,” and the SBCOG Board will initiate a Resolution of Termination to remove a member agency that has withdrawn.

**Withdrawal from SBCOG.** Members that have withdrawn from SBCOG are ineligible to receive funds from grants sources, allocations and any other fund sources allocated to SBCOG originating outside of SBCOG membership dues.

**Re-entry to SBCOG.** Any member agency that has withdrawn from SBCOG will be eligible to petition for re-entry after five years from the date of withdrawal.

- a. The petition for re-entry shall include:
  - i. A resolution of the local agency’s governing body stating the reason for the request to rejoin SBCOG and affirming its commitment to work together with fellow SBCOG member jurisdictions for the benefit of the entire region; and
  - ii. The local agency’s most recent audit report and statement of the agency’s fiscal soundness, with confirmation of its ability to pay its member dues for at least the next five years.
- b. Member agencies petitioning to re-enter SBCOG shall pay a member agency penalty, which shall be based on 120% of the dues the member agency would have been assessed for the immediate prior year assessments had they been a member agency of SBCOG.
- c. Member agencies petitioning to re-enter SBCOG shall pay to SBCOG all amounts owed under Article 12 of the JPA Agreement, if any, plus interest, (determined using the current Local Agency Investment Fund rate) before re-entry will be effective.
- d. A majority of the SBCOG Board must vote to permit re-entry into SBCOG.

**Article XI - Amendments**

The Board of Directors shall review these Bylaws periodically. Amendments to these Bylaws may be proposed by an Official Representative on the Board of Directors. A proposed amendment shall be submitted to the Board of Directors at least 14 days prior to the regular meeting at which the proposed amendment shall be first introduced. Each proposed amendment shall be considered and voted upon no sooner than the first regular meeting following the introduction of the amendment.

A majority vote of the entire membership of the Board of Directors is required to adopt an amendment to these Bylaws.

Initial adoption of these Bylaws shall follow this same procedure.

**Article XII - Effective Date**

These Bylaws shall go into effect November 6, 2024.

DRAFT

Attachment No. 2 to Agenda Item No. 2  
SBCOG Member Agency Dues Collection

San Bernardino Council of Governments	<b>Policy</b>	<b>10014</b>
Adopted by the Board of Directors	Pending	Revised
<b>SBCOG Member Agency Dues Collection</b>		Revision No. 0

**Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SBCTA Intranet.**

<a href="#">Table of Contents</a> <a href="#">  Purpose</a>   <a href="#">References</a>   <a href="#">Policy</a>   <a href="#">Revision History</a>
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**I. PURPOSE**

The purpose of this policy is to establish the process by which Amendment No. 4 to the SBCOG Joint Powers Authority Agreement may be implemented for the collection of member agency dues. SBCOG collects member agency dues annually based on the Article entitled "Assessments" as amended by Amendment No. 4 of the Joint Powers Authority.

**II. REFERENCES**

List Policies, Forms, Procedures, other references referred to in this policy.  
 SBCOG Joint Powers Authority  
 SBCOG Joint Powers Authority Agreement Amendment No. 4  
 FY 15/16 Additional Dues Assessment  
 FY 24/25 Additional Assessment

**III. POLICY**

Assessments shall be computed on an annual basis as follows to create a minimum \$1,500,000 annual budget:

- A. Base assessment whereby the prior year's base assessment is adjusted based on the annual percentage change in population of each signatory member plus the annual percentage change in assessed valuation of each signatory member added together and divided by two (2) to arrive at the annual increase;
- B. The additional assessment adopted in Fiscal Year 2015/2016 of \$133,418 (or approximately \$5,337 per each signatory member due to rounding);
- C. The additional assessment adopted in Fiscal Year 2021/2022 of \$200,000 (or \$8,000 per each signatory member) for Fiscal Year 2024/2025, escalated every Fiscal Year thereafter of the lower of Consumer Price Index (CPI) or 2%;
- D. Further assessment to fund any gap between the Board-approved annual budget and the total of the assessments set forth in a., b., and c., above. In determining the amount of said gap, no grant moneys shall be considered. This "gap" assessment shall be based one-half on the population of each signatory member and one-half on the combined General Fund property tax and General Fund base sales tax revenue rate of each signatory member, where "base sales tax" means the statewide sales tax and is exclusive of any additional local sales taxes, escalated every Fiscal Year thereafter of the lower of Consumer Price Index (CPI) or 2%;
- E. Further assessments to fund optional or subscription programs and projects beyond those identified in the annual budget will be assessed on a cost-allocation basis to fund the cost of the program or project.

**IV. REVISION HISTORY**

Revision No.	Revisions	Adopted
0	Adopted.	Mm/dd/yy

DRAFT

# **DRAFT - San Bernardino Council of Governments 5-Year Work Plan**

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## Introduction

The San Bernardino Council of Governments (SBCOG), originally formed as the San Bernardino Associated Governments in 1973 and legally separated from the Transportation Authority in 2016, is a voluntary association guided by a joint powers agreement (JPA) and elected representatives from the 24 member cities and towns and five county supervisorial districts that serve San Bernardino County (County) residents. SBCOG works with member jurisdictions and partners to address broad, long-term policy matters like greenhouse gas emissions, housing, promoting healthy communities, public safety, and more. In addition to its 25 member agencies (the 24 member cities and towns and the County of San Bernardino), SBCOG partners with many other federal, state, and regional agencies and private entities in the course of our work, in order to best serve the interests of the County. SBCOG plays a vital role in supporting its member jurisdictions and enhancing the County's communities by providing a forum for local leaders and regional officials to form a comprehensive approach to community services and establish priorities that will benefit the region for generations to come.

The San Bernardino Council of Governments 5-Year Work Plan establishes projects and programs the COG and other responsible agencies will prioritize over the next 5 years. This document serves to provide a County profile including the varying geographic context of the subregions, a demographic and socioeconomic overview of the people and economy of the County, and other factors that provide a lens for the prioritization of the selected Work Plan projects and programs.

The overview of programs included in this document is organized by Countywide and Regional programs. This section includes the SBCOG Work Plan Programs and Priorities over the next 5 years, and an overview of programs related to the state's Regional Early Action Plan 2.0 (REAP 2.0) programs and other ongoing County programs. Additional cross-jurisdictional efforts which involve coordination and shared funding with other council of governments are described in the Inland Empire Regional Programs section. Each program under these sections includes a program summary, identified funding sources and amounts, and highlights key project deliverables, as applicable. Lastly, the attached program matrix provides a detailed description of all funding sources, amounts, and project phasing and implementation years for the selected work plan programs described in the Work Plan Programs and Priorities section.

# County Profile

## Geographic Context:

The San Bernardino County (County) is approximately 20,105 square miles, the largest county in the contiguous United States. There are twenty-four (24) incorporated towns and cities and over eighty (80) unincorporated communities. The County is commonly divided into six distinct subregions, the San Bernardino Valley, the Victor Valley, the Mountains, the North Desert, the Morongo Basin, and the Colorado River as shown in Figure 1. The Colorado River, Morongo Basin, Mountains, and North Desert Subregions are also commonly referred to as the Rural Mountain/Desert Subregions.

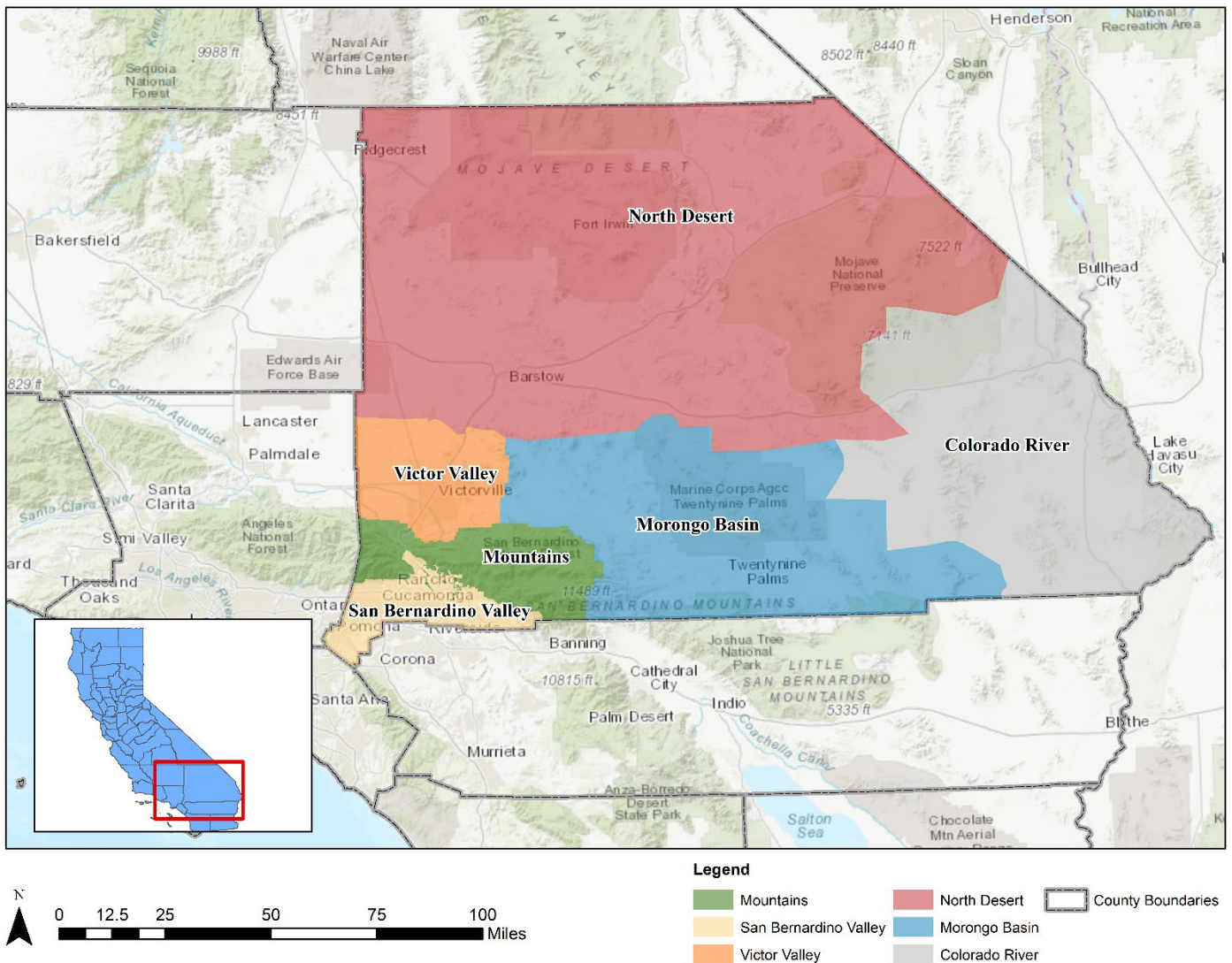


Figure 1. County regions

Source: [https://services.arcgis.com/aA3snZwJfKvYDuP/arcgis/rest/services/Cities\\_and\\_Communities/FeatureServer](https://services.arcgis.com/aA3snZwJfKvYDuP/arcgis/rest/services/Cities_and_Communities/FeatureServer)

### **San Bernardino Valley**

The San Bernardino Valley Subregion, sometimes further divided into East and West Valley, is the most densely populated region. Cities include Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa. Unincorporated communities include Bloomington, Mentone, and Muscoy.

### **Victor Valley**

Victor Valley is located in the western Mojave Desert, the Victor Valley Subregion in the high desert region of the San Bernardino County. It is bordered by the San Bernardino Mountains to the south and the San Gabriel Mountains to the southwest. Cities within the subregion include Adelanto, Apple Valley, Hesperia, and Victorville. There are many unincorporated communities within the subregion such as Helendale, Lucerne Valley, and Phelan.

### **Mountains**

The Mountains Subregion is primarily comprised of public lands owned and managed by federal and state agencies. The City of Big Bear Lake is the only incorporated city within the subregion. However, there are multiple unincorporated communities such as Big Bear City, Crestline, Lake Arrowhead, Running Springs, and Wrightwood within the subregion.

### **North Desert**

The North Desert Subregion is the largest subregion geographically, covering approximately 93% of the county, and includes parts of the Mojave Desert. The City of Barstow is the only incorporated city within the subregion. However, there are many unincorporated communities such as Baker, Lenwood, Newberry Springs, and Yermo within the subregion.

### **Morongo Basin**

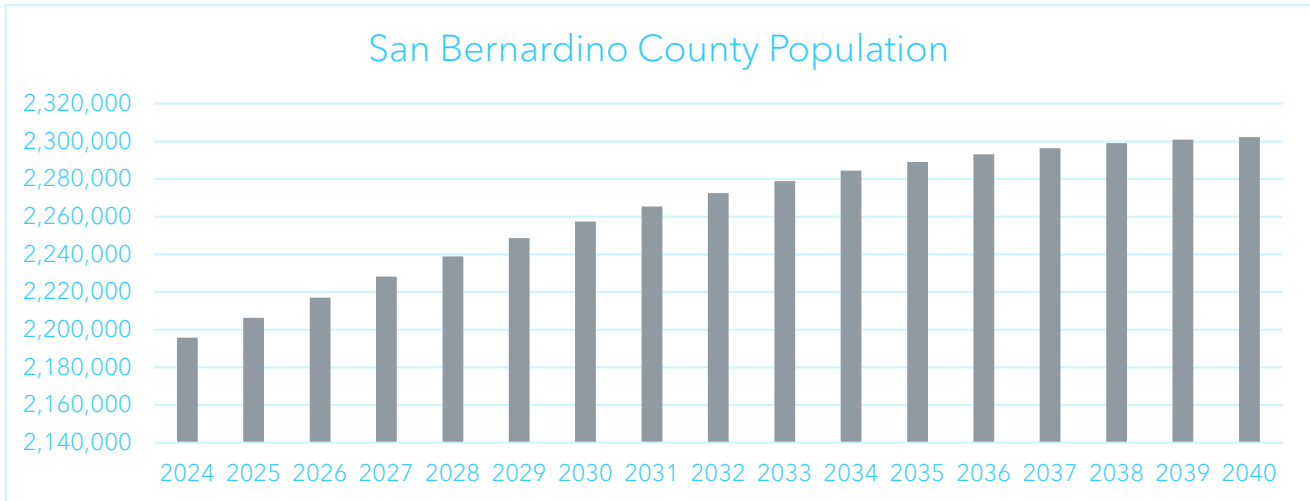
The Morongo Basin Subregion is located within the Mojave Desert and in the high desert region of the county. It is a desert landscape of hills and alluvial fans framed by mountain ranges. Cities within the subregion include Yucca Valley and Twentynine Palms. Joshua Tree is an unincorporated community within the subregion.

### **Colorado River**

This subregion is framed by the Mojave Desert to the west and the Colorado River to the east. The City of Needles is the only incorporated city within the subregion and borders the state of Arizona.

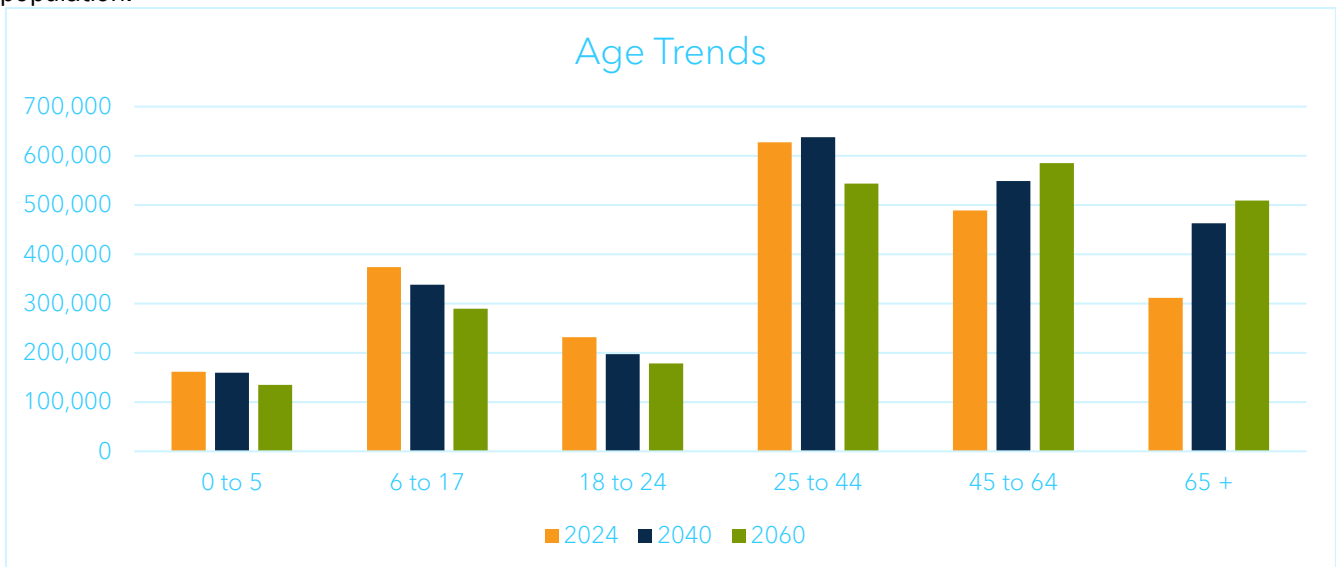
# People

**Population.** The County is the fifth most populous county in the State of California with a total population of 2,195,732 in 2024 and a population density of 109 persons per square mile. Densities in the developed areas tend to be in the range of 3000 to 4000 persons per square mile. The County’s population forecast varies depending on the source. The State Department of Finance (DOF) forecast shows the County reaching a population of approximately 2.3 million by 2040, representing a 5% growth rate over the next 15 years as shown in Figure 2. The forecast from the Southern California Association of Governments (SCAG) projects a 2.43 million population by 2040 (10.5%) and 2.62 million by 2050 (19%).



**Figure 2.** Projected Population Growth  
Source: CA DOF, P-2: County Population Projections, 2020-2060

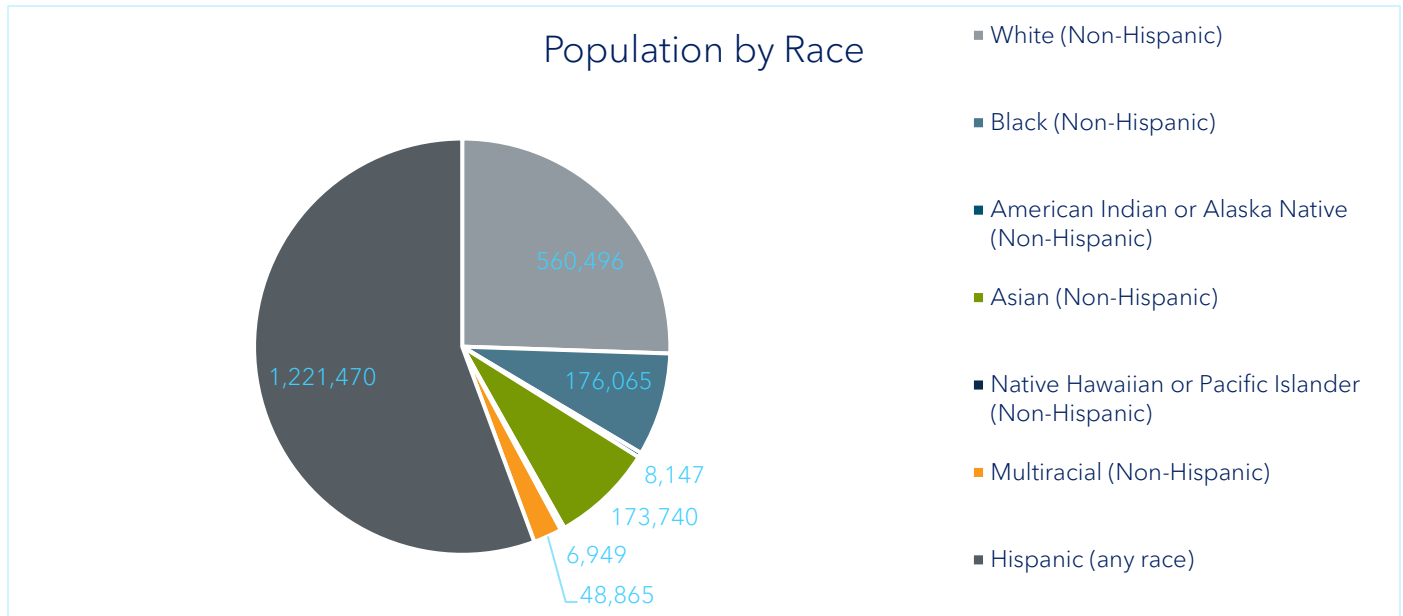
**Age.** In 2024, persons aged 25 to 44 make up 29 percent of the total population, according to the DOF forecast. In 2040, all age categories are projected to experience a decline except for age categories 45 to 64 and 65 and older which are expected to continue to experience an increase in population size as shown by Figure 3. By 2060, it is projected that the 45 to 64 and 65 and older age categories will make up almost 50 percent of the County’s population.



**Figure 3.** County Age Trends and Projections  
Source: CA DOF, P-2B: Population Projections by Individual Year of Age, 2020-2060



**Race.** Hispanic persons make up the largest population in the County followed by White non-Hispanic persons as shown in Figure 4. Population projections for 2040 indicates a 5 percent growth across each race category indicating the racial make-up of the County is projected to remain the same.



**Figure 4.** Population by Race.  
 Source: CA DOF, P-1D Total Hispanic and Non-Hispanic Race, 2024

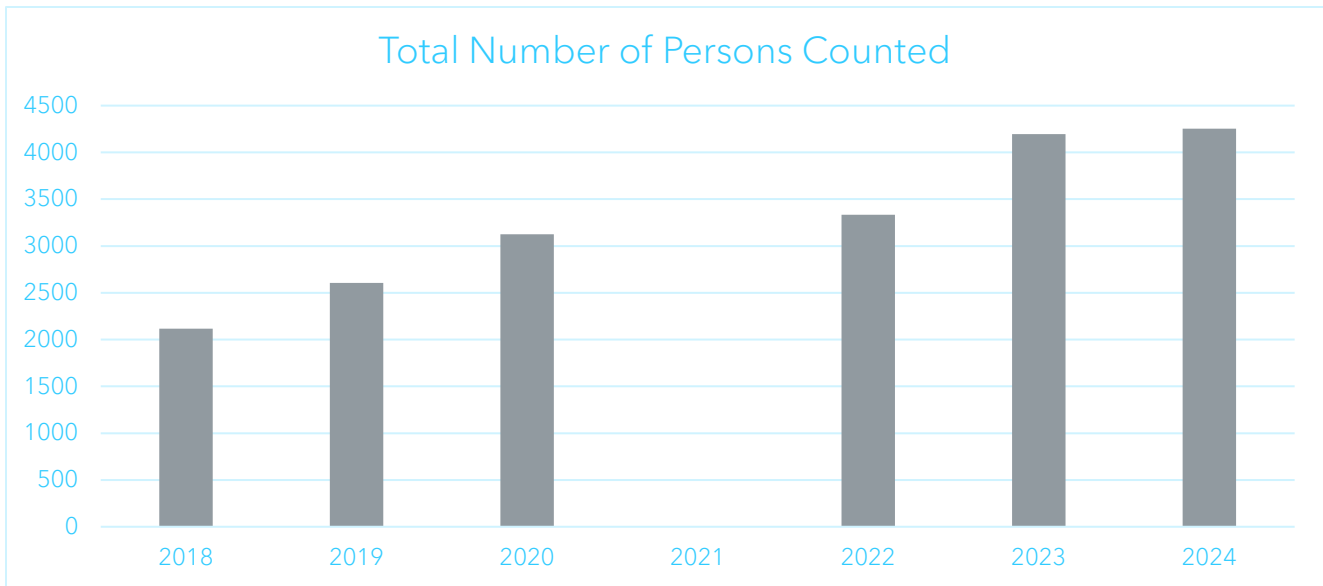
**Social and Household Characteristics & Civic Engagement**

- Total Households. 674,191 ACS 1 -year estimates 2022.
- 45 Percent of persons speak a language other than English at home ACS 1 -year estimates 2022.
- 22 percent of the population is foreign born ACS 1 -year estimates, 2022 falls below the California foreign born population which is 27 percent but higher than the national ratio which is 13 percent.
- Average household size 3.2 ACS 1 -year estimates 2022, compared to 2.82 for the State of California.
- Households with Children under 18: 34 % ACS 1 -year estimates 2022.
- Voter turnout among population registered to vote is 1,138,702 (general election 2022)
- Voting by mail is 86% (general election 2022).
- The median household income for San Bernardino County in 2023 is \$85,069. which falls below the California median household income of \$95,521.

Sources:

<https://data.census.gov/table/ACSDP1Y2022.DP02> and <https://data.census.gov/table/ACSDP1Y2023.DP03>  
<https://sbcountyelections.com/elections/votinghistory/>

**People Experiencing Homelessness.** The number of persons experiencing homelessness has doubled in size since 2018, with 2,118 then, and 4,195 in 2024 as shown in Figure 5.



**Figure 5.** Persons Experiencing Homelessness Counts since 2018. Note: The total count for 2021 is not included in the report.

Source: San Bernardino County, Point in Time Count.

(<https://main.sbcounty.gov/wp-content/uploads/sites/80/2024/05/SBC-Point-in-Time-Count-Report-2024-Final.pdf>)

However, when comparing the total number of persons experiencing homeless in the year 2023 and 2024 in Table 1, there was only a 1 percent increase in total population, which is an increase of 60 persons from 2023.

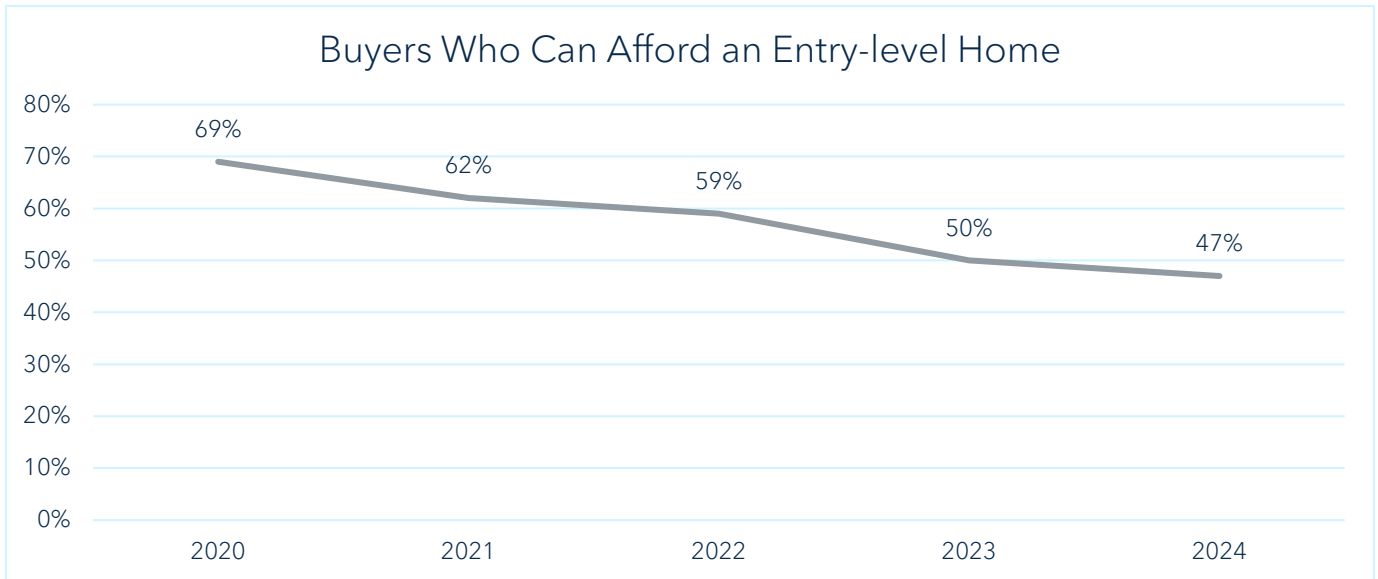
**Table 1.** San Bernardino County 2023 and 2024 Homeless County Comparison

Year	Sheltered	Unsheltered	Total
2023 Count	1,219	2,976	4,195
2024 Count	1,200	3,055	4,255
Difference	-19 (1.6%)	+79 (2.6%)	+60 (1.4%)

Source: <https://main.sbcounty.gov/wp-content/uploads/sites/80/2024/05/SBC-Point-in-Time-Count-Report-2024-Final.pdf>

## Economy

**Housing.** The median single family existing home price has increased by 6.2% from July 2023 to July 2024 and has a current median sale price of \$515,000. The median sold price of existing condos and townhomes has increased by 4.7 percent over the last year and has a current median price of \$472,700. The percentage of buyers in the County who can afford an entry-level home has decreased over the last 5 years and is currently at 47 percent as shown in Figure 6. According to the California Association of Realtors First-time Buyer Housing Affordability Index, the minimum income needed to qualify purchasing a home is \$89,100 which is greater than the median household income for the County.



**Figure 6.** Buyers Who Can Afford an Entry-level Home

Source: [https://carorg.sharepoint.com/:x/s/CAR-RE-PublicProducts/ET\\_2DKm5ImVEqXVolM7RGP0BomBEy7JfeTkOpDgsbh5fLg?rttime=8nlsxdrN3Eg](https://carorg.sharepoint.com/:x/s/CAR-RE-PublicProducts/ET_2DKm5ImVEqXVolM7RGP0BomBEy7JfeTkOpDgsbh5fLg?rttime=8nlsxdrN3Eg)

**Key Industries and Employment.** There are approximately 1,086,962 persons 16 years and older who are in the labor force, including persons in the armed forces (2023 ACS 1-year estimates). The County’s unemployment rate is approximately 6 percent, which is slightly higher than the State unemployment rate of 5 percent. Key industries include, education services, and health care and social assistance, Transportation and warehousing, and utilities, and retail trade industries which account for 48 percent of the total employed population 16 years or older (excluding armed forces).

Infographic #1 (Placeholder)

- Retail trade: 12%
- Transportation and warehousing, and utilities: 13%
- Educational services, and health care and social assistance: 23%

**Business Sector.** Enterprise businesses accounted for 67 percent of employed persons in the County in 2021. Table 2 below highlights enterprises by business size categorized by number of people employees. Businesses with less than 100 employees accounted for 22 percent of the employed population in 2021, indicating that small businesses play a vital role in employment trends in the County.

**Table 2.** San Bernardino County Number of Firms and Employment, 2021

Enterprise Size	Firms		Employees	
	Number of Firms	Percent of Total Firms	Number	Percent of Total Employees
<20 employees	28,189	85%	110,241	17%
20-99 employees	2,756	8%	92,973	15%
100-499 employees	868	3%	70,346	11%
500+ employees	1,543	5%	359,801	57%
<b>Total</b>	<b>33,356</b>	-	<b>633,361</b>	-

Source: <https://www.census.gov/data/tables/2021/econ/susb/2021-susb-annual.html>

# Countywide and Regional Programs

The programs and projects below include a list of programs and projects enabled through San Bernardino Council of Governments (SBCOG). The list includes budgeting capacity, Regional Early Action Planning Grants of 2021 (REAP 2.0) projects, and other countywide sustainability and climate related projects. The programs will be funded by a variety of sources; such as, member dues, Measure I, REAP 2.0 grants, the Carbon Reduction Program grants (CRP), Caltrans Sustainable Transportation Planning Grant Program, and the California Public Utilities Commission (CPUC).

## Work Plan Programs and Priorities

The programs and project options selected were informed through comprehensive outreach including, initial discussions with the SBCOG Board Ad Hoc, targeted coordination and collaboration over five subregional meetings held with subsets of City and County Managers, and research on programs offered by sister agencies including the Western Riverside Council of Governments (WRCOG) and the San Gabriel Valley Council of Governments (SGVCOG). The subregional meetings were held in the West Valley, East Valley, Mountain, Victor Valley, and Desert Regions. Finally, the Work Plan is being reviewed and anticipated to be approved by the General Policy Committee and the Board of Directors. Funding for these plans and programs will be a mix of Member Agency Dues, Equity/Indirect Funds, Measure I where applicable, grant funds, and partner funds.

### HOMELESSNESS STRATEGIC PLAN

**Program Summary:** This program is a regional strategy to plan for the population of persons experiencing homelessness within the County with prioritized programs and targeted strategies. San Bernardino Council of Governments (SBCOG) will lead a collaborative strategy for the region and coordinate with member jurisdictions. The plan will include an inventory of existing resources, law enforcement options, nonprofit organization (NGO) support, and create strategies to plan and prioritize shelter placement for individuals experiencing homelessness. Additionally, the program will identify and prioritize funding opportunities to support the identified strategies across region.

**Deliverable:**

Establish a regional strategy with prioritized projects, inventory of existing resources, and strategy for countywide coordination.

Target Fiscal Year	2025/2026
Funding Source	Member Dues; Equity/Indirect;
Funding Amount	\$750,000

### STREET VENDOR TOOLKIT/STANDARDS

**Program Summary:** Street vendor regulation varies from jurisdiction to jurisdiction in the County which can be difficult for street vendors to navigate the complexity of the permitting process when operating in different jurisdictions. This program will analyze and create best practices on regulations and ordinances to create a menu of options for jurisdiction to implement to create consistency across the region and encourage street vendors to operate in compliance.

**Deliverable:**

Toolkit and standards on street vendor regulation.

Target Fiscal Year	2026/2027
Funding Source	Member Dues
Funding Amount	\$250,000

**SMALL BUSINESS VENDOR FAIRS**

**Program Summary:** The program creates networking opportunities for small business owners countywide to connect with other vendors and consumers to enhance visibility and boost sales. It includes collaboration with member agencies and partners to host vendor and procurement fairs.

**Deliverable:**

Establish vendor fairs throughout the county to highlight small businesses within the region.

Target Fiscal Year	2024/2025 - 2028/2029
Funding Source	Equity/Indirect
Funding Amount	\$290,000

**SMALL BUSINESS HUB**

**Program Summary:** This program will establish a hub or dashboard for public access to public procurements and a site that promotes local, small business service providers for the benefit of San Bernardino Council of Government's (SBCOG's) member jurisdictions.

**Deliverable:**

Dashboard that promotes small business service providers.

Target Fiscal Year	2025/2026 - 2026/2027
Funding Source	Member Dues; Equity/Indirect
Funding Amount	\$550,000

**REGIONAL SMALL BUSINESS CERTIFICATION**

**Program Summary:** The program creates a regionally recognized small business certification that individual jurisdictions may opt into so as to support small businesses in applying and bidding for a government contract. Amongst the San Bernardino Council of Governments (SBCOG) members, many of the cities' and towns' bidding platforms are used with varying registration requirements, they do not have a main point of contact for procurement and purchasing which is cumbersome for small businesses and may deter them from successfully contracting with the local governments. This program allows participating businesses to capitalize on opportunities in government and private-sector procurement through a more equitable process.

**Deliverable:**

Create a regional procurement program to streamline certification for small businesses and training for small businesses in contract administration.

Target Fiscal Year	2025/2026 - 2026/2027
Funding Source	Member Dues; Equity/Indirect
Funding Amount	\$315,000

**FORUM**

**Program Summary:** Discussion and information sharing meetings between cities, towns, and counties on various issues and challenges experienced within the county. Discussion topics will include Municipal Separate Storm Sewer System (MS4) Permits, Ambulance Contracts, Animal Shelters, and more.

**Deliverable:**

Host discussion opportunities focused on a rotation of topics and challenges within the county.

Target Fiscal Year	2025/2026 - 2028/2029
Funding Source	Member Dues; Management/Support Cost (2910 & 7001)
Funding Amount	\$11,000

**SMART INTERSECTIONS AND CORRIDORS**

**Program Summary:** Countywide Capital Improvement Projects for identified corridors under the Smart County Master Plan (SCMP). Implement Smart Corridor pilots to extend the principles of smart intersections along entire traffic corridors, modernize transportation at a large scale to facilitate smoother traffic flow, enhance safety, reduce travel times, and minimize environmental impact.

**Deliverable:** New smart intersections and corridors

Target Fiscal Year	2024/2025 - 2028/2029
Funding Source	Measure I
Funding Amount	\$5,000,000

**SPEAKER SERIES**

**Program Summary:** The program creates an opportunity, quarterly or biannually, for discussion on various topics and networking opportunity for member jurisdictions.

**Deliverable:**

Establish a panel of experts or series of speakers to create discussion opportunities and networking events.

Target Fiscal Year	2024/2025 - 2028/2029
Funding Source	Member Dues; Management/Support Cost (2910 & 7001)

Funding Amount	\$41,800
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**CAD-TO-CAD**

**Program Summary:** This program, focused on connecting computer-aided dispatch (CAD) systems, would implement data sharing across boundaries to improve emergency services. To create a unified system and maximize public safety, this program would leverage the existing Inland Empire Public Safety Operations Platform (IE PSOP) and connect neighboring Emergency Communication Centers (ECC) and other cooperating agencies through a cloud-hosted communications system interface.

**Deliverable:**

Cloud-hosted communications system interface known as CAD-to-CAD.

Target Fiscal Year	2027/2028
Funding Source	Member Dues; Management/Support Cost (2910 & 7001)
Funding Amount	\$357,500
Subregions and Participating Cities	CONFIRE Jurisdictions: Apple Valley, Big Bear, Chino, Chino Hills, Colton, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, Running Springs, San Bernardino County, San Manuel Band of Mission Indians, Victorville

# REAP 2.0 Programs

The Regional Early Action Planning Grants (REAP) 2.0 program was established as part of the 2021 California Comeback Plan under Assembly Bill 140 and builds on the success of the REAP 2019 program. The REAP program focused on providing housing planning and process improvement services to cities and counties. Building on the success of the REAP 2019 program, REAP 2.0 seeks to accelerate infill housing development, reduce vehicle miles traveled (VMT), increase housing supply at all affordability levels, affirmatively further fair housing, and implement adopted regional and local plans to achieve these goals.

The REAP 2.0 grant applications were reviewed and recommended for approval by the Board of Directors Metro Valley Study Session on August 11, 2022. The item was recommended for approval by the Mountain/Desert Policy Committee on August 12, 2022. Lastly, the item was approved by the San Bernardino Council of Governments (SBCOG) Board of Directors on September 7, 2022. As shown in the graphic above, the County received over 17 million dollars in combined funding for Countywide and regional programs.

SBCOG coordinated with member agencies through the standing committee of jurisdiction planning directors called the Planning and Development Technical Forum (PDTF), City-County Manager's Technical Advisory Committee (CCMTAC), and through one-on-one meetings to identify and select REAP application projects. Additionally, SBCOG staff informed the selection of projects through collaboration with member agencies to identify eligible sites for affordable housing in their jurisdiction, housing-related projects undergoing the process of entitlement, and technical assistance needs related to implementing projects and programs in their 6th cycle certified housing element that could be supported by REAP funds. The following section provides a summary of the selected projects that received funding from the REAP 2.0 program.

## VMT MITIGATION BANK - CTC PARTNERSHIP PROGRAM

**Program Summary:** To establish a regional San Bernardino County VMT Mitigation Bank (VMT Bank) using a mode-choice-based framework, with telework as an initial regional mitigation measure and incrementally adding transit and shared-ride measures. Initially, the VMT Bank will incentivize individuals to earn VMT reduction credits by reducing their commute travel with home-based work, or “telework.” The money exchanged for purchased credits could be applied to individual, local, regional, or state VMT reduction programs or projects, such as housing-specific projects included in a regional housing trust program. While telework would be the primary mode choice included in the bank initially, additional mode-choice programs, such as transit, vanpool/carpool, and active transportation will be incrementally added in the course of this two-year pilot project. The concept is one of incentivizing trip-reducing behavior, which will, in turn, build more demand for alternate mode investments. Once fully developed, the program will provide financial incentives to persons living in disadvantaged areas who are able to telework, ride transit, vanpool/carpool, or bike/walk to work. Secondly, using proceeds from the VMT Bank, the San Bernardino County Housing Trust will be able to target funding to affordable housing and supportive infrastructure projects located in these disadvantaged communities. The VMT Bank may be the first in the state to be implemented. It is innovative and transformative in that it will incentivize “trip-makers” to make modal choices that personally reduce their VMT.

### Deliverables:

1. **Develop Home-Based Work-Mode-choice-based framework/VMT Bank Program:** Establish a framework, develop the VMT Mitigation Bank application, and market the program to enroll participants and attract developers.
2. **Develop Verification Oversight and Banking Capabilities:** Develop funding strategies for incentives, establish the VMT Bank, and set up third-party verifier to validate recorded VMT reductions.



- 3. **Sell Banked VMT Credits:** Sell developers VMT-mitigation credits, prices will be market-based with the minimum amount to be the VMT credit development costs (credits will not be funded by the REAP 2.0 CTC grant).

Target Fiscal Year	2024/2025 - 2025/2026
Funding Source	REAP 2.0 and CRP (Federal Carbon Reduction Program)
Funding Amount	\$3,045,000
Subregions and Participating Cities	Countywide

### MULTI-MODAL COMPLETE STREETS PROGRAM - (CTC) PARTNERSHIP PROGRAM

**Program summary:** Supports transformative planning activities connecting infill housing to daily services and increase travel options that support multimodal communities to shift travel modes. The projects will all demonstrate a nexus to accelerate infill development that facilitates housing supply, choice and affordability. Projects will reduce VMT and affirmatively further fair housing by fostering racially equitable and inclusive communities while retaining and increasing affordability and protecting existing residents from displacement.

**Deliverable:**

Pre-construction activities for transportation improvements near affordable housing sites. Deliverables could include surveys, preliminary engineering design, background studies, environmental studies, pre-construction documents (PS&E package). Colton and Rialto have planning studies completed pertaining to active transportation.

Target Fiscal Year	2024/2025
Funding Source	REAP 2.0
Funding Amount	\$6,519,868
Subregions and Participating Cities	San Bernardino Valley: Cities of Colton, Fontana, Ontario, Rialto, and Upland Morongo Basin: City of Twentynine Palms

### SUBREGIONAL PARTNERSHIP PROGRAM 2.0

**Program Summary:** The program focuses on implementing approved and compliant Housing Elements in order to invest in early actions that will accelerate infill development facilitating housing supply, choice, and affordability. The goal is to affirmatively further fair housing while reducing vehicle miles traveled across the region. The program will provide member jurisdictions with technical assistance and materials to adopt and implement. Additionally, webinars and technical training will be available to facilitate and accelerate affordable housing projects. Finally, the project assists with outreach and engagements to all community members, gathering information and feedback related to fair housing, and providing resources to empower residents and increase discourse around fair housing. Program funding is available to member jurisdictions interested in technical assistance.

**Deliverable:**

Templates and Implementation Guides for best practices, AFFH engagement programs, technical assistance to jurisdictions and programs/actions implemented.

Target Fiscal Year	2024/2025
Funding Source	REAP 2.0
Funding Amount	\$2,367,317
Subregions and Participating Cities	Agencies interested in technical assistance include: San Bernardino Valley: cities of Chino Hills, Colton, Loma Linda, and Yucaipa Victor Vally: cities of Hesperia and Victorville Colorado River: City of Needles

**HOUSING INFILL ON PUBLIC AND PRIVATE LANDS (HIPP) PILOT PROGRAM**

**Program Summary:** SBCOG will partner with member jurisdictions and the San Bernardino County Superintendent of Schools to develop a comprehensive inventory and analysis of all surplus properties within the County to identify suitable sites for housing development. The project will identify sites that could accommodate housing at a variety of affordability levels, with focus on workforce housing for educators. An implementation guide detailing best practices and implementable actions to provide member jurisdictions with direction on how to develop sites with residential uses will be created. Finally, the pilot project with the City of Needles will utilize the implementation guide to demonstrate the streamlined process of predevelopment activities related to publicly-owned surplus land, environmental assessment, surveys, etc., for development of affordable housing.

**Deliverable:**

Implementation Guide, inventory, development guide for jurisdictions, project documents for Needles, such as permits.

Target Fiscal Year	2024/2025
Funding Source	REAP 2.0
Funding Amount	\$720,000
Subregions and Participating Cities	Countywide Colorado River: City of Needles

**NOTICE OF FUNDING AVAILABILITY – FUNDING FOR LASTING AFFORDABILITY/PATH**

**Program Summary:** The program will establish and administer the San Bernardino Regional Housing Trust (Housing Trust) and provide a mechanism to raise and leverage existing funds to support the creation of housing, with a focus on affordable housing. Additionally, two programs with the City of Ontario and the City of Twentynine Palms will demonstrate how a gap financing program will be used to provide funding needed to complete the affordable housing projects and accelerate infill development in order to increase the housing stock Countywide. For additional information on the Housing Trust see the Current and Ongoing Programs section.

**Deliverable:**

Establishment of Housing Trust and accompanying documents, gap financing program for pilot projects.

Target Fiscal Year	2024/2025
Funding Source	REAP 2.0
Funding Amount	\$5,000,000
Subregions and Participating Cities	Countywide San Bernardino Valley: City of Ontario Morongo Basin: City of Twentynine Palms

## Current and Ongoing Programs

This section includes a summary of programs SBCOG and its member jurisdictions have recently began or are ongoing.

### SMART COUNTY MASTER PLAN (SCMP)

**Program Summary:** SBCOG is leading a Smart County Master Plan (SCMP) that will provide a roadmap for improving the region’s communications and technology infrastructure to better serve the County’s growing technology needs. The SCMP will allow the County and its cities to be more competitive for the growing number of state and federal grants available to local governments. Goals of the SCMP are to improve technology infrastructure, address growing technology needs, equitable resource distribution, share information/break down silos, and to serve the County and all jurisdictions. The SCMP is divided into two phases, the Early Action Plan and the Long-Range Smart County Master Plan. The Early Action Plan, which identifies tasks that the region can implement has been completed. Early Action Plan projects include broadband, smart intersections, smart corridors, Advanced Traveler Information System (ATIS) and Emergency Management Services (EMS), CAD-to-CAD, and Zero Emission Vehicles (ZEV). The Early Action Plan identified next steps for implementation.

**Deliverable:**

Master Plan to promote clean and sustainable transportation, enhance traffic flow and connectivity, improve quality of life through universal broadband access, and rewrite the narrative by promoting advancements and celebrating early wins to incentivize living and working in the County.

Target Fiscal Year	2024/2025
Funding Source	County of San Bernardino; SBCTA
Funding Amount	\$1,000,000

### Equity Framework

**Program Summary:** The Equity Framework kicked off in July 2024 and will build off of the work completed and guide the agency toward its equity goals when implementing projects, designing programs, and performing public outreach. As a part of the Equity Framework Scope which derives from direction of the Equity Ad Hoc discussion and ultimately direction of the Board, SBCTA/ SBCOG has a goal of strengthening relationships with Community Based Organizations and other local partners. Additionally, as the goals of funding agencies evolve to include questions on how applicants address inequities, it has become clear that SBCTA/SBCOG needs to define equity clearly and identify practices that support its definition.

**Deliverable:**

Create a plan to compile studies to guide member agencies in advancing SBCOG equity goals and strengthen relationships with Community Based Organizations and other local partners to advance SBCOG equity goals.

Target Fiscal Year	2024/2025
Funding Source	Equity/Indirect
Funding Amount	\$199,934

**San Bernardino Regional Housing Trust**

**Program Summary:** The San Bernardino Regional Housing Trust (SBRHT) will be established by execution of the Joint Exercise of Powers Agreement (JPA) by and between participating jurisdictions. Through the established JPA, the SBRHT would be authorized to receive and pursue public and private financing and funds for the purpose of funding the planning, construction, and preservation of housing for extremely low-, very low-, low-, and moderate-income households, and attract significant funding and affordable housing development interest into the San Bernardino region. Through strong participatory governance, member jurisdictions will increase the region's affordable housing supply, reduce household overcrowding, increase equitable access to community resources, and provide financial relief for vulnerable and cost-burdened households.

**Deliverable:** Establish a JPA for the San Bernardino Regional Housing Trust including to develop a framework and methodology for member dues, distribution of funds, administration and funding priorities of the trust.

Target Fiscal Year	2024/2025
Funding Source	REAP 2.0
Funding Amount	\$1,500,000

# Inland Empire Regional Programs

The programs and projects included in this section highlight ongoing and upcoming cross-jurisdiction projects in the region which involve multiple council of governments agencies, specifically within the Inland Empire region.

## Climate Pollution Reduction Grant (CPRG) Program

### Climate Pollution Reduction Grant (CPRG) SCAQMD

**Program Summary:** SBCOG led development of a Priority Climate Plan for the bi-county Riverside/San Bernardino MSA (Metropolitan Statistical Area), funded by the Environmental Protection Agency. A bi-county grant application was submitted for implementation of multiple climate measures but was not awarded CPRG funding. However, SBCOG/SBCTA are part of a collaboration with the South Coast Air Quality Management District (SCAQMD) that was awarded the largest CPRG grant in the U.S., focused on cleaning up the goods movement system across Southern California. SBCOG will collaborate on identifying those investments over approximately a 5-year period.

**Deliverable:** A study identifying investments to reduce air pollution in the goods movement system within the San Bernardino County.

Target Fiscal Year	2024/2025 - 2029/2030
Funding Source	US EPA CPRG
Funding Amount	A share of SCAQMD's \$500,000,000 CPRG award

## Caltrans Sustainable Transportation Planning Grant - Climate Adaptation Programs

### Emergency Evacuation Network Resilience (EENR) Study

**Program Summary:** SBCOG and WRCOG have partnered to conduct an Emergency Evacuation Network Resilience (EENR) Study. The study will conduct a local-level evacuation compliance assessment (Senate Bill 99) and a high-level evacuation route capacity, safety, and viability analysis (Assembly Bill 747) for up to 40 member agencies within SBCOG and WRCOG's jurisdiction. This Study builds upon the completed Resilient Inland Empire (Resilient IE) Study to provide planning resources for extreme weather events through evacuation planning, identifying communities with inadequate access to transportation options, and planning for increased transportation options in evacuation corridors.

**Deliverable:**

The EENR Study will help individual agencies to identify areas where transportation networks need redundancy improvements to boost resilience and recommend specific infrastructure to help areas adapt to extreme weather events.

Target Fiscal Year	2024/2025
Funding Source	Caltrans Climate Adaptation Planning Grant Program
Funding Amount	\$1,500,000

# Inland Regional Energy Network Energy Efficiency Programs

The Inland Regional Energy Network (I-REN) Program is an initiative to help San Bernardino and Riverside County jurisdictions access project development and funding resources for energy efficiency projects.

On January 9, 2019, SBCOG's Board of Directors authorized staff to pursue the development of a Regional Energy Network (REN) in coordination with the Coachella Valley Association of Governments (CVAG) and the Western Riverside Council of Governments (WRCOG). In October 2021, the California Public Utilities Commission (CPUC) issued a proposed decision to approve the I-REN Business Plan. The decision provided \$65 million combined over five years for funding of programs for jurisdictions within both the San Bernardino County and the Riverside County. I-REN initiatives are guided by the I-REN Executive Committee, comprised of a board of elected officials from San Bernardino and Riverside counties.

## Public Sector Programs

The Public Sector Program offers no-cost energy efficiency support and technical assistance to all public agencies served by Southern California Edison or Southern California Gas Company including cities, school districts, water districts, special districts, and tribes.

Target Fiscal Year	2022-2027
Funding Source	California Public Utilities Commission (CPUC)
Funding Amount for Both Counties	\$29,600,000

### Building Upgrade Concierge (Technical Assistance and Strategic Energy Planning)

**Program Summary:** The Building Upgrade Concierge (BUC) software is part of the technical assistance provided to member jurisdictions, designed to be a one-stop-shop to access information on energy efficiency, building codes and standards, available rebates and grants, financing opportunities, access to energy consumption of publicly owned facilities, and various types of reporting.

BUC has three components that work together to support member agencies.

1. Analytics – This includes the dashboard, benchmarking, and energy analysis tools. The dashboard provides at-a-glance energy savings information, while the benchmarking and energy analysis tools allow a deeper understanding of energy usage.
2. Modeling – These tools allow agencies to estimate the energy savings potential of various projects, along with any associated incentives that may be available through I-REN.
3. Measurement & Verification – This tool allows agencies and I-REN personnel to track the performance of installed projects and calculate the incentives that have been achieved.

The Public Sector Program focuses on helping public agencies save energy and money with the following support:

- Energy Usage Review - Review utility data and share insights on energy savings potential, including an energy benchmarking tool created exclusively for I-REN agencies called the Building Upgrade Concierge (BUC).
- Energy Resilience Roadmap - Help develop a plan to make lasting energy impacts, big and small.
- Energy Audits - Identify actionable energy improvement projects for public facilities.
- Funding and Financing Support - Help secure incentives and financing for projects
- Project Completion - Help take plans off the shelf and into reality with project coordination support.

- Celebrate Success - Spread the word about agency leadership and achievements through case studies, check presentations, and other community outreach.

**Deliverable:**

Dashboard providing information on energy efficiency, building codes and standards, available rebates and grants, financing opportunities, access to energy consumption of publicly owned facilities, and various types of reporting.

**Program In Action**

Member agencies who are actively receiving Public Sector Program support include:

- |                        |                             |                            |
|------------------------|-----------------------------|----------------------------|
| 1. City of Adelanto    | 6. City of Grand Terrace    | 11. City of San Bernardino |
| 2. City of Barstow     | 7. City of Highland         | 12. City of Victorville    |
| 3. City of Chino Hills | 8. City of Ontario          | 13. City of Yucaipa        |
| 4. City of Colton      | 9. City of Rancho Cucamonga | 14. Town of Apple Valley   |
| 5. City of Fontana     | 10. City of Redlands        |                            |

Member agencies who have conducted a minimum of one energy audit include:

- |                         |                             |                           |
|-------------------------|-----------------------------|---------------------------|
| 1. Town of Apple Valley | 4. City of Grand Terrace    | 7. City of Redlands       |
| 2. City of Barstow      | 5. City of Highland         | 8. City of San Bernardino |
| 3. City of Fontana      | 6. City of Rancho Cucamonga | 9. City of Victorville    |

**Energy Efficiency Community Block Grant (EECBG) (Technical Assistance and Strategic Energy Planning)**

**Program Summary:** The Department of Energy (DOE) deployed \$550M of Energy Efficiency Community Block Grant (EECBG) funds in January 2023 designed to help states, local governments, and Tribes reduce energy use, reduce fossil fuel emissions, and improve energy efficiency. Several eligible uses for these grant funds included, but are not limited to, energy efficiency retrofits and renewable energy technologies related to government buildings, traffic signals, and street lighting. The I-REN Public Sector team provided ongoing technical assistance to I-REN member agencies for the EECBG funding. The types of EECBG projects supported have included battery systems, streetlights, building retrofits, solar charging stations, HVAC and lighting controls, electric vehicle (EV) charging stations, and solar light poles.

I-REN support to SBCOG member agencies included:

- Facilitating the application processes
- Providing sample applications
- Technical assistance and guidance
- Hosting information sessions
- Coordination with the Department of Energy (DOE) and the California Energy Commission (CEC)
- Navigating funding options
- Enhancing community energy strategies

**Deliverable:**

Retrofit and renewable energy technologies related to government buildings, traffic signals, and street lighting.

**Program In Action**

The following SBCOG member agencies have received I-REN EECBG technical support, along with their total formula allocation funding and proposed projects:

1. City of Adelanto: \$76,240 - Solar Light Poles Project
2. City of Chino Hills: \$131,750 - Battery System, City Yard
3. City of Fontana: \$230,640 - Solar Charging Station & Facility Retrofit

4. City of Redlands: \$133,300 - Joslyn Senior Center
5. City of San Bernardino: \$249,590 - Streetlights
6. City of Victorville: \$173,590 - Novar System & Retrofits
7. City of Yucaipa: \$113,510 - Charging Stations

**Cash for Kilowatts**

**Program Summary:** The I-REN Cash for Kilowatts Program provides incentives and financing for savings based on energy reduction achieved with a special focus on Heating, Ventilation, Air Conditioning (HVAC) improvements to community-serving buildings. The money saved on the monthly electric bill will help pay for facility upgrades. There are \$10.75 million dollars in incentives available.

**Deliverable:**

Incentives and financing for savings from HVAC upgrades for community-serving buildings.

**Program In Action**

The following SBCOG member agencies have conducted an I-REN Energy Audit at an eligible public facility and their respective eligible incentives:

City/Town	Number of Incentives/Financing	Public Facility and Funding Amount
City of Barstow	2	City Hall \$28,752 Dana Park \$3,242
City of San Bernardino	1	Feldheym Library \$188,015
City of Victorville	2	Center of Arts \$9,554.98 City Hall \$737,371
Town of Apple Valley	3	Corporate Yard \$19,571 Development Services \$48,558 Conference Center, Police Department \$36,272

## Workforce Education and Training (WE&T) Programs

The Workforce Education & Training (WE&T) Program is primarily focused on providing resources to support the development of green workforce pathways, by building partnerships within the community to help advance and promote energy jobs for a trained workforce in both Riverside and San Bernardino counties. I-REN is uniquely positioned to effectively support these initiatives through the direct connections to local governments and stakeholders that I-REN, and its Council of Government member agencies, have with the communities within Riverside and San Bernardino Counties. The intent of this Sector is not to duplicate initiatives already under delivery by Investor-Owned Utilities (IOUs) or various workforce organizations, but to supplement and tailor programs to fill gaps, with a focus on enhancing energy and energy efficiency knowledge and understanding.

During the development of other WE&T Sector program initiatives (energy certification, and workforce training programs), staff continue to meet and develop relationships with various educational institutions, workforce organizations, and community-based organizations specialized in supporting job pathways in energy fields. Staff have met with approximately 30 local organizations to date.



Staff is in the process of identifying services that can assist staff and the I-REN Executive Committee to determine the workforce gaps within both Riverside and San Bernardino Counties to help guide the implementation and deployment of existing WE&T resources as well as support and identify the best use of the remaining unallocated WE&T budget.

Target Fiscal Year	2022 - 2027
Funding Source	California Public Utilities Commission (CPUC)
Funding Amount for Both Counties	\$15,100,000

### WE&T Training and Education

**Program Summary:** Establish local partnerships to enable job seekers have easy access to training and education. The program will assess the training resources currently available and support providers to “train the trainer” on energy efficiency topics and trends.

The WE&T program aims to deploy up to 27 I-REN Energy Fellows per year to offer energy efficiency support services at no cost to member agencies. Total estimated value per fellow at \$33,000.

**Deliverable:**

Establish a fellowship program for continuing education.

**Program In Action**

The following SBCOG member agencies have hosted an I-REN Energy Fellow for the 2023-2024 service year:

1. City of Chino Hills
2. City of Grand Terrace
3. City of Ontario
4. City of Rancho Cucamonga
5. City of San Bernardino

The following SBCOG member agencies will host an I-REN Energy Fellow for the 2024-2025 service year:

1. City of Chino Hills
2. City of Ontario
3. City of Rancho Cucamonga
4. Town of Apple Valley

### WE&T Workforce Development

**Program Summary:** Connect with local companies to develop appropriate job pathways, develop energy efficiency training for job pathways, foster connections between industry and workforce development organizations. Help job seekers find employment in energy efficiency and advanced energy. Collaborate with employers to provide continuing education for professional development and employee retention.

**Deliverable:** Connect job seekers to companies, develop job pathways, and provide continuing education.

## Code and Standards (C&S) Programs

The Code and Standards (C&S) programs seek to empower local building department staff and building professionals to be energy-efficiency leaders in the community. The program will support the local jurisdictions' building departments through identifying potential issues, providing guidance to permit applicants, and streamlining the permitting process. The program will engage and support local builders and the building industry to comply with energy codes through education. Lastly, the program will provide regional tools, training, and resources to promote energy codes by serving as a bridge between the Statewide Codes Team and the local industry.

Target Fiscal Year	2022-2027
Funding Source	California Public Utilities Commission (CPUC)
Funding Amount for Both Counties	\$9,390,000

### C&S Training and Education Program

**Program Summary:** I-REN C&S Training & Education Program establishes and implements training and education for building department staff and the building industry to support, understand, and effectively implement energy efficiency codes and standards (C&S), including where gaps exist in the Statewide Investor-Owned Utility (IOU) Compliance Improvement program and enforcement activities. The Program also includes outreach to engage, educate, and involve regional construction firms, architects, industry experts, and building departments, as well as support compliance and enforcement within regional energy efficiency programs and customers.

The C&S Training & Education Program provides accessible information on existing requirements, as well as continuing education on the latest changes and trends in energy codes and standards through the form of monthly no-cost virtual training. Training participants are eligible to receive free continuing education units (CEU) training certificates from the International Code Council (ICC) valued at an approximate cost per registrant between \$40-\$50.

**Deliverable:**

Provide training for the building department staff and other professionals on energy efficiency codes and standards.

**Program In Action**

The following member agencies have participated in an I-REN C&S training:

- |                          |                              |                              |
|--------------------------|------------------------------|------------------------------|
| 1. City of Adelanto      | 8. City of Loma Linda        | 15. City of San Bernardino   |
| 2. City of Chino Hills   | 9. City of Montclair         | 16. City of Twentynine Palms |
| 3. City of Colton        | 10. City of Needles          | 17. City of Yucaipa          |
| 4. City of Fontana       | 11. City of Ontario          | 18. Town of Apple Valley     |
| 5. City of Grand Terrace | 12. City of Rancho Cucamonga | 19. Town of Yucca Valley     |
| 6. City of Hesperia      | 13. City of Redlands         | 20. County of San Bernardino |
| 7. City of Highland      | 14. City of Rialto           |                              |

## **C&S Technical Support Program**

**Program Summary:** I-REN C&S Technical Support Program develops technical assistance tools and resources to assist building departments and the building industry with understanding, evaluating, and permitting the energy codes to support improved enforcement and compliance. I-REN develops regionally appropriate model ordinances, and vets and refines them with participating local governments, provides ongoing technical assistance for adoption and implementation, and delivers model ordinance updates to reflect the triennial code cycle. I-REN developed the “Ask an Energy Code Question” that enables a “Code Mentor” to provide quick, tailored support to aid building professionals in navigating the Energy Code. Members of the public can submit an inquiry via the [iren.gov](http://iren.gov) website and a “Code Mentor” will respond within 48 hours.

**Deliverable:**

Provide technical support for building professionals in evaluating and permitting energy codes to improve enforcement and compliance.

DRAFT

# SBCOG Work Plan Program Matrix

The attached document provides details for the funding, implementation, and phasing of the SBCOG programs provided in the Work Plan Programs and Priorities section.

# SBCOG Work Plan Program FY 2024/25-FY28/29

<b>Programming Funding FY25 thru FY29</b>												
<b>Total SBCOG Revenues</b>	\$	1,091,000.00	\$	1,716,365.00	\$	1,663,374.46	\$	1,592,573.89	\$	1,608,306.80		
<b>Total SBCOG Staff and Budget Expenditures</b>	\$	991,000.00	\$	1,005,865.00	\$	1,020,952.98	\$	1,036,267.27	\$	1,051,811.28		
<b>Total Available for Vendor Projects</b>	\$	100,000.00	\$	710,500.00	\$	642,421.48	\$	556,306.62	\$	556,495.52		
<b>Total Programing Cost</b>		<b>FY 24/25</b>		<b>FY 25/26</b>		<b>FY 26/27</b>		<b>FY 27/28</b>		<b>FY 28/29</b>		<b>Total</b>
COG Member Dues (remaining fees available)	\$	55,000	\$	710,450	\$	635,450	\$	555,950	\$	535,450	\$	2,492,300
Equity/Indirect Fund	\$	50,000	\$	502,500	\$	247,500	\$	60,000	\$	60,000	\$	920,000
Grant/Partner	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Measure I	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	5,000,000
Subscription	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Management/Support Cost (2910 & 7001)	\$	1,000	\$	15,950	\$	35,950	\$	33,450	\$	950	\$	87,300
<b>Total</b>	\$	<b>1,106,000</b>	\$	<b>2,228,900</b>	\$	<b>1,918,900</b>	\$	<b>1,649,400</b>	\$	<b>1,596,400</b>	\$	<b>8,499,600</b>

## Funding By Project FY 25-29

<b>1</b>	<b>Homelessness Strategic Plan</b>	<b>FY 24/25</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>FY 28/29</b>	<b>Total</b>
	COG Member Dues (remaining fees available)		\$ 240,000	\$ 230,000			\$ 470,000
	Equity/Indirect Fund		\$ 242,500	\$ 37,500			\$ 280,000
	Grant/Partner						\$ -
	Measure I						\$ -
	Subscription						\$ -
	Management/Support Cost (2910 & 7001)				\$ -	\$ -	\$ -
	<b>Total</b>	\$ -	\$ 482,500	\$ 267,500	\$ -	\$ -	\$ 750,000

<b>2</b>	<b>Street Vendor Toolkit</b>	<b>FY 24/25</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>FY 28/29</b>	<b>Total</b>
	COG Member Dues (remaining fees available)		\$ 250,000				\$ 250,000
	Equity/Indirect Fund						\$ -
	Grant/Partner						\$ -
	Measure I						\$ -
	Subscription						\$ -
	Management/Support Cost (2910 & 7001)	\$ -			\$ -	\$ -	\$ -
	<b>Total</b>	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000

# SBCOG Work Plan Program FY 2024/25-FY28/29

3	Small Business Hub	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
	COG Member Dues (remaining fees available)		\$ 150,000	\$ 200,000			\$ 350,000
	Equity/Indirect Fund			\$ 150,000			\$ 150,000
	Grant/Partner						\$ -
	Measure I						\$ -
	Subscription						\$ -
	Management/Support Cost (2910 & 7001)	\$ -	\$ 15,000	\$ 35,000	\$ -	\$ -	\$ 50,000
	Total	\$ -	\$ 165,000	\$ 385,000	\$ -	\$ -	\$ 550,000

4	Regional Small Business Certification	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
	COG Member Dues (remaining fees available)			\$ 115,000			\$ 115,000
	Equity/Indirect Fund		\$ 200,000				\$ 200,000
	Grant/Partner						\$ -
	Measure I						\$ -
	Subscription						\$ -
	Management/Support Cost (2910 & 7001)	\$ -			\$ -	\$ -	\$ -
	Total	\$ -	\$ 200,000	\$ 115,000	\$ -	\$ -	\$ 315,000

5	Small Business Vendor Fairs	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
	COG Member Dues (remaining fees available)						\$ -
	Equity/Indirect Fund	\$ 50,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 290,000
	Grant/Partner						\$ -
	Measure I						\$ -
	Subscription						\$ -
	Management/Support Cost (2910 & 7001)						\$ -
	Total	\$ 50,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 290,000



# SBCOG Work Plan Program FY 2024/25-FY28/29

6 Speaker Series	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
COG Member Dues (remaining fees available)	\$ 10,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 38,000
Equity/Indirect Fund						\$ -
Grant/Partner						\$ -
Measure I						\$ -
Subscription						\$ -
Management/Support Cost (2910 & 7001)	\$ 1,000	\$ 700	\$ 700	\$ 700	\$ 700	\$ 3,800
<b>Total</b>	<b>\$ 11,000</b>	<b>\$ 7,700</b>	<b>\$ 7,700</b>	<b>\$ 7,700</b>	<b>\$ 7,700</b>	<b>\$ 41,800</b>

7 Forum	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
COG Member Dues (remaining fees available)		\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	
Equity/Indirect Fund						
Grant/Partner						
Measure I						
Subscription						
Management/Support Cost (2910 & 7001)	\$ -	\$ 250	\$ 250	\$ 250	\$ 250	
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,750</b>	<b>\$ 2,750</b>	<b>\$ 2,750</b>	<b>\$ 2,750</b>	<b>\$ -</b>

8 Smart Intersections/Corridors	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
COG Member Dues (remaining fees available)						\$ -
Equity/Indirect Fund						\$ -
Grant/Partner						\$ -
Measure I	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000
Subscription						\$ -
Management/Support Cost (2910 & 7001)						\$ -
<b>Total</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 5,000,000</b>

9 Cad to Cad	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
COG Member Dues (remaining fees available)				\$ 325,000		\$ 325,000
Equity/Indirect Fund						\$ -
Grant/Partner						\$ -
Measure I						\$ -
Subscription						\$ -
Management/Support Cost (2910 & 7001)	\$ -	\$ -	\$ -	\$ 32,500	\$ -	\$ 32,500
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 357,500</b>	<b>\$ -</b>	<b>\$ 357,500</b>

# SBCOG Work Plan Program FY 2024/25-FY28/29

10 Telling Our Stories	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	0
COG Member Dues (remaining fees available)				\$ 130,000	\$ 445,000	\$ 575,000
Equity/Indirect Fund						\$ -
Grant/Partner						\$ -
Measure I						\$ -
Subscription						\$ -
Management/Support Cost (2910 & 7001)	\$ -	\$ -	\$ -	\$ 13,000	\$ 35,000	\$ 48,000
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 143,000</b>	<b>\$ 480,000</b>	<b>\$ 623,000</b>

10 Outreach/Advocacy	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	0
COG Member Dues (remaining fees available)	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 225,000
Equity/Indirect Fund						\$ -
Grant/Partner						\$ -
Measure I						\$ -
Subscription						\$ -
<b>Total</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ 225,000</b>



## 2024 Work Plan Update Project Options

Project/Program	Deliverable	Regional Area
<b>1.</b> Homelessness Strategic Plan/Planning	Regional Strategy with prioritized projects and strategy for coordination with existing County Infrastructure and County/City/Town resources.  SBCOG to lead a collaborative strategy for the region between the member jurisdictions. To include inventory or existing resources, planning/prioritizing for shelter placement, inventory of law enforcement options, inventory of NGO support, prioritizing the funding opportunities and use across region.	Countywide
<b>2.</b> Fellowship Program	Internship program in partnership with college programs at CSUSB/UCR for placement at member agencies in elected official offices/CM offices.	Countywide
<b>3.</b> Clean Cities Program/ZEV Planning – SCMP	Regional study and prioritization of potential ZEV sites with prioritization and funding options.	Countywide
<b>4.</b> Cad to Cad - SCMP	Implementation of data sharing across boundaries to improve emergency services.  Leverage the existing Inland Empire Public Safety Operations Platform (IE PSOP) to connect neighboring ECC’s and other cooperating agencies through a cloud-hosted communications system interface known as CAD-to-CAD.	CONFIRE Jurisdictions
<b>5.</b> ATIS/EMS Integration and Information Hub	System integration and implementation. Establishment of a Communications Hub for use during an emergency.  Integrate Advanced Traveler Information Systems (ATIS), video surveillance of key locations, and automation of emergency signage into EMS to make responses more efficient, effective, and timely. This will also free up personnel bandwidth at critical times, further improving EMS. Implement process and practice of pushing out information on the emergency to the public.	Countywide



## 2024 Work Plan Update Project Options

Project/Program	Deliverable	Regional Area
<b>6.</b> Smart Intersections/Smart Corridors	CIP improvements for identified corridors under SCMP.  Implement Smart Corridor pilots to extend the principles of smart intersections along entire traffic corridors, modernize transportation at a large scale to facilitate smoother traffic flow, enhance safety, reduce travel times, and minimize environmental impact.	Subregional
<b>7.</b> Wildfire Prevention and Education	Establish outreach and partnership with fire agencies. Implement outreach strategies as requested.	Emphasis on jurisdictions in Wildland Urban Interface
<b>8.</b> Speaker Series	Establish panel or speaker discussions  Quarterly or biannual opportunity for discussion on various topics and networking opportunity	Countywide
<b>9.</b> Forum	Discussion and Information Sharing meetings between cities, towns, and counties on various issues, i.e. MS 4 Permits, Ambulance Contracts, Animal Shelters, etc.	Countywide
<b>10.</b> Marketing Campaign/Tell Our Story	Marketing campaign and implementation - Campaign illustrating the quality of life benefits of the region, higher education, healthcare sector fastest growing sector, workforce opportunities, destinations, local businesses (robotics, cybersecurity, etc.)	Countywide
<b>11.</b> Small Business Hub	Hub/Dashboard for public access to public procurements and a site that promotes local, vetted small business service providers for the benefit of SBCOG's member jurisdictions.	Countywide
<b>12.</b> Regional Small Business Certification	Regional Certification Program. Create and partner on a regionally recognized small business certification that individual jurisdictions may opt in that would train small businesses how to administer a government contract successfully.	Countywide
<b>13.</b> Small Business Vendor Fairs	Collaborate with member agencies and partners on vendor and procurement fairs.	Countywide




## 2024 Work Plan Update Project Options

Project/Program	Deliverable	Regional Area
14. Street Vendors	Toolkit and Standards. Analysis and menu of regulations and ordinances to create consistency across the region.	As needed by jurisdiction
15. Animal Shelter Strategic Plan	Cost study/Strategic Plan – Similar to the model SBCOG used for the initial research and strategizing on the Housing Trust, the Animal Shelter Strategic Plan would be a strategy for a regional and/or a subregional approach to building and operating (a/an) animal shelter(s).	Countywide
16. Community Indicators Report	County leads the update, and SBCOG would partner in hosting the data and report on the COG website.	Countywide
17. Olympics Approach?	Marketing Campaign - An opportunity for the region to market itself as a destination for So Cal residents in the face of crowds coming to Southern CA for the 2028 Olympics. An opportunity to capitalize on attracting more people to come to the region.	countywide
18. Regional Dispatch Center	Collaborative Analysis, Strategy, and Cost Structure. Local agencies contract with CONFIRE for Fire -Related services. Is there an opportunity to use this model for law enforcement? Currently, dispatchers are not necessarily available. 24- hour/day program. Is there a better way?	Sub Regional
19. Insurance-fire/Flood	Collaborative Strategy that would include existing condition analysis, advocacy efforts, and strategizing for educating and changing how insurance companies identify insurance risk areas (flood, fire, etc.)	Countywide

Attachment No. 6 to Agenda Item No. 2  
Draft Work Plan, Policy, and Bylaws  
(PowerPoint)

SBCTA/SBCOG in Collaboration with **DUDEK**



San Bernardino  
Council of Governments

# Draft Work Plan, Policy, and Bylaws

San Bernardino Region

1

## Agenda

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- 01** Overview
- 02** Bylaws and Policy Discussion
- 03** Work Plan Project Options & Discussion
- 04** Next Steps

2

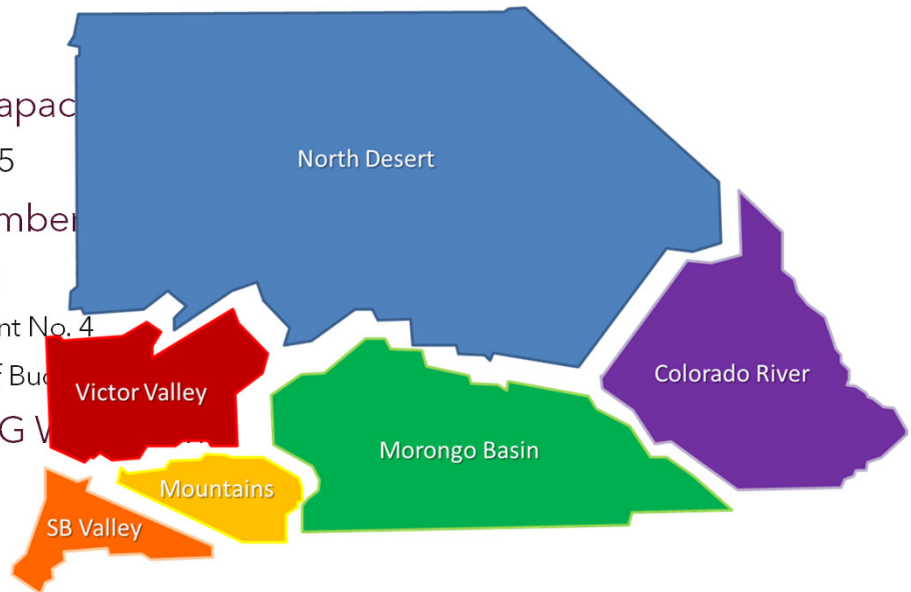
# 01

## Overview



## Background

- Budget and Capacity
  - FY 2024-2025
- Update to Member
  - New formula
    - Amendment No. 4
    - Creation of Budget
- Update SBCOG V

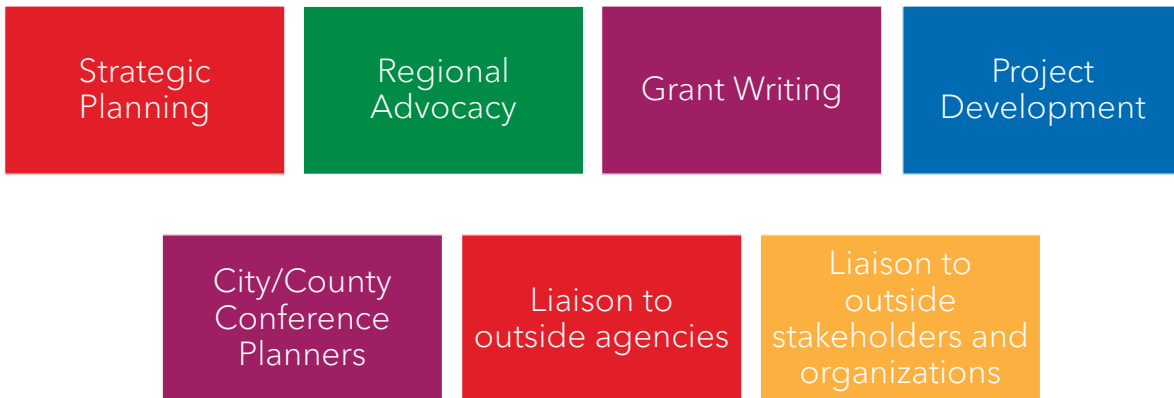




## Process To-Date



## Functions of SBCOG







## Updates in Progress

### Policy

- Budget Policy

### Bylaws

- Participation Standards
- Member Expectations

### Work Plan

- Key Functions
- 5-Year Projects & Programs

7

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02

## Policies and Bylaws

**cog**

San Bernardino  
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## Policy Creation

Assessment is computed annually:

- A. Annual change in population
- B. Additional FY 2015/2016
- C. Additional FY 2021/2022
- D. Gap in annual budget and total assessments
- E. Optional or subscription programs and projects

### III. POLICY

State policy. Assessments shall be computed on an annual basis as follows to create a minimum \$1,500,000 annual budget:

A. Base assessment whereby the prior year's base assessment is adjusted based on the annual percentage change in population of each signatory member plus the annual percentage change in assessed valuation of each signatory member added together and divided by two (2) to arrive at the annual increase;

B. The additional assessment adopted in Fiscal Year 2015/2016 of \$133,418 (or approximately \$5,337 per each signatory member due to rounding);

C. The additional assessment adopted in Fiscal Year 2021/2022 of \$200,000 (or \$8,000 per each signatory member) for Fiscal Year 2024/2025, escalated every Fiscal Year thereafter of the lower of Consumer Price Index (CPI) or 2%;

D. Further assessment to fund any gap between the Board-approved annual budget and the total of the assessments set forth in a., b., and c. above. In determining the amount of said gap, no grant moneys shall be considered. This "gap" assessment shall be based one-half on the population of each signatory member and one-half on the combined General Fund property tax and General Fund base sales tax revenue rate of each signatory member, where "base sales tax" means the statewide sales tax and is exclusive of any additional local sales taxes, escalated every Fiscal Year thereafter of the lower of Consumer Price Index (CPI) or 2%;

E. Further assessments to fund optional or subscription programs and projects beyond those identified in the annual budget will be assessed on a cost-allocation basis to fund the cost of the program or project.

A.



## Bylaw Update

### Withdrawal from SBCOG

- Members are ineligible to receive funds allocated to SBCOG
- Funds include grants, allocations and other fund sources outside of SBCOG membership dues

### Re-entry to SBCOG

- 5-Year period from date of withdrawal
- Requires petition for re-entry, requirements include:
  - Resolution from the local agency
  - Audit and financial report
  - Penalty fees
  - Fees owed under Article 12 of JPA Agreement
  - Majority Approval from SBCOG Board

**Withdrawal from SBCOG.** Members that have withdrawn from SBCOG are ineligible to receive funds from grants sources, allocations and any other fund sources allocated to SBCOG originating outside of SBCOG membership dues

**Re-entry to SBCOG.** Any member agency that has withdrawn from SBCOG will be eligible to petition for re-entry after five years from the date of withdrawal

a. The petition for re-entry shall include:

i. A resolution of the local agency's governing body stating the reason for the request to rejoin SBCOG and affirming its commitment to work together with fellow SBCOG member jurisdictions for the benefit of the entire region; and

ii. The local agency's most recent audit report and statement of the agency's fiscal soundness, with confirmation of its ability to pay its member dues for at least the next five years.

b. Member agencies petitioning to re-enter SBCOG shall pay a member agency penalty, which shall be based on 120% of the dues the member agency would have paid been assessed for the immediate prior year assessments had they been a member agency of SBCOG

c. Member agencies petitioning to re-enter SBCOG shall pay to SBCOG all amounts owed under Article 12 of the JPA Agreement, if any, plus interest, (determined using the current Local Agency Investment Fund rate) before re-entry will be effective.

d. A majority of the SBCOG Board must vote to permit re-entry into SBCOG.

## Slide 9

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**MRO** Same Comment from previous slide

Monique Reza-Arellano, 2024-09-11T14:40:54.041

03

# Work Plan Project Options & Discussion

Handout



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## Informing the Work Plan

### Project Options Developed

- Previous Ad Hoc discussions
- Research on sister agency programs (WRCOG, CVAG, SGVCOG)
- SBCOG Objectives
- CCMTAC subregional meeting discussions

### Prioritization of Projects and Programs

- CCMTAC and Board Ad Hoc

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## Projects/Programs – Ad Hoc, COG research, SCMP, Equity

*#1 Homelessness Strategic Plan/Planning\**

*# 11 Small Business Hub\**

*#12 Regional Small Business Certification\**

#13 Small Business Vendor Fairs

#2 Fellowship Program

#3 Clean Cities Program/ZEV Planning - SCMP

#5 ATIS/EMS Integration and Information Hub

#7 Wildfire Prevention and Education

#10 Marketing Campaign/Tell Our Story

\****Bold/Italics*** indicates CCMTAC priority/ preferred project and program

13

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## Project/Programs - CCMTAC Input

*#14 Street Vendors Toolkit/Standards\**

*# 15 Animal Shelter Strategic Plan\**

#16 Community Indicators Report

#17 Olympics Marketing Approach

#18 Regional Dispatch Center

#19 Insurance - Fire/Flood

\****Bold/Italics*** indicates CCMTAC priority/ preferred project and program

14

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## Projects/Programs – Early/Quick Wins

#4 Cad to Cad - SCMP

#6 Smart Intersections/Smart Corridors

#8 Speaker Series

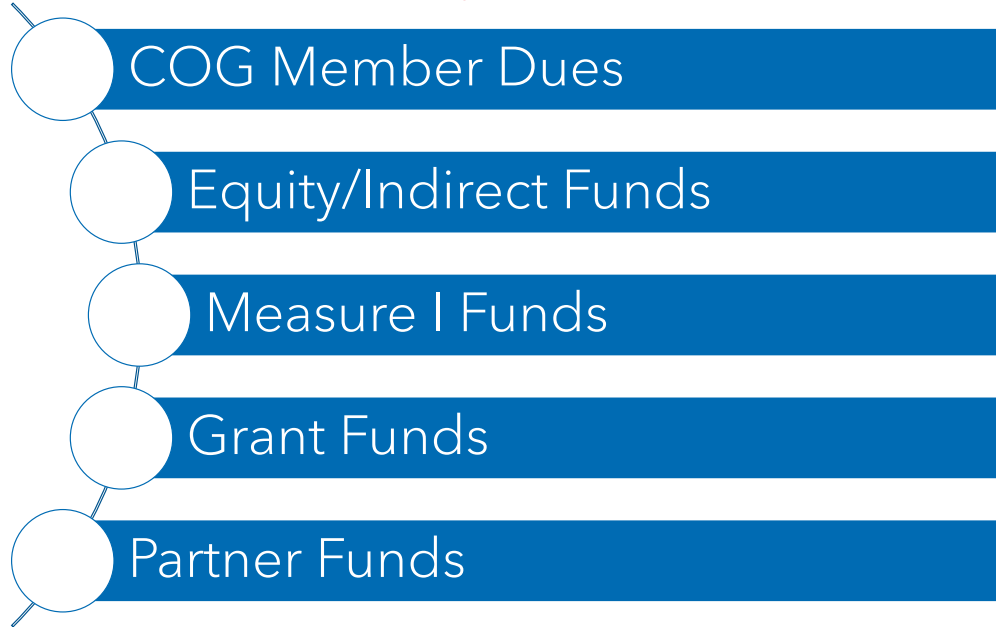
#9 Forum (MS 4 Permits, Ambulance Contracts, Animal Shelter)

\*Bold indicates CCMTAC priority/ preferred project and program

## Tally – SBCOG Ad Hoc and Sub Regional CCMTAC Discussions

Program Options	East Valle	WV1	WV2	Morongo Basin	High Dese	TOTAL
Homelessness Strategic Plan	10	3	4	3	1	21
Street Vendor Toolkit/Standards	10				2	12
Small Business Vendor Fairs	4	2	3		3	12
Small Business Hub	4	2	3		2	11
Regional Small Business Certification	4	2	4			10
Forum	3	2	3	1		9
Smart Intersections/Corridors	0	2	2	2	2	8
Speaker Series	3	2	1	1		7
Cad to Cad	0	1	3		1	5
Telling Our Stories Campaign	4	1		2		7
Insurance Roadmap/Strategy			4	1	1	6
Housing Trust (Workforce Housing, Subsidized Housing)				5		5
Clean Cities Program/ZEV Planning	0		1		2	3
Community Indicators Report Hub		1	1			2
Wildfire Prevention			1	1		2
Olympics/Come to SB/IE		1		1		2
ATIS/EMS Integration			1			1
Regional Dispatch Center for Law Enforcement			1			1
Fellowship Program	1					1

## Fund Sources for Prioritized Projects



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## SBCOG Work Plan Program 2024/25-2028/29

1	Homelessness Strategic Plan	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
	COG Member Dues (remaining fees available)		\$ 240,000	\$ 230,000			\$ 470,000
	Equity/Indirect Fund		\$ 242,500	\$ 37,500			\$ 280,000
	Grant/Partner						\$ -
	Measure I						\$ -
	Subscription						\$ -
	Management/Support Cost (2910 & 7001)				\$ -	\$ -	\$ -
	<b>Total</b>	\$ -	\$ 482,500	\$ 267,500	\$ -	\$ -	\$ 750,000

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## SBCOG Work Plan Program 2024/25-2028/29

2	Street Vendor Toolkit	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
	COG Member Dues (remaining fees available)		\$ 250,000				\$ 250,000
	Equity/Indirect Fund						\$ -
	Grant/Partner						\$ -
	Measure I						\$ -
	Subscription						\$ -
	Management/Support Cost (2910 & 7001)	\$ -			\$ -	\$ -	\$ -
	<b>Total</b>	<b>\$ -</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 250,000</b>

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## SBCOG Work Plan Program 2024/25-2028/29

3	Small Business Hub	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
	COG Member Dues (remaining fees available)		\$ 150,000	\$ 200,000			\$ 350,000
	Equity/Indirect Fund			\$ 150,000			\$ 150,000
	Grant/Partner						\$ -
	Measure I						\$ -
	Subscription						\$ -
	Management/Support Cost (2910 & 7001)	\$ -	\$ 15,000	\$ 35,000	\$ -	\$ -	\$ 50,000
	<b>Total</b>	<b>\$ -</b>	<b>\$ 165,000</b>	<b>\$ 385,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 550,000</b>

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## SBCOG Work Plan Program 2024/25-2028/29

4	Regional Small Business Certification	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
	COG Member Dues (remaining fees available)			\$ 115,000			\$ 115,000
	Equity/Indirect Fund		\$ 200,000				\$ 200,000
	Grant/Partner						\$ -
	Measure I						\$ -
	Subscription						\$ -
	Management/Support Cost (2910 & 7001)	\$ -			\$ -	\$ -	\$ -
	<b>Total</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 115,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 315,000</b>

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## SBCOG Work Plan Program 2024/25-2028/29

5	Small Business Vendor Fairs	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
	COG Member Dues (remaining fees available)						\$ -
	Equity/Indirect Fund	\$ 50,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 290,000
	Grant/Partner						\$ -
	Measure I						\$ -
	Subscription						\$ -
	Management/Support Cost (2910 & 7001)						\$ -
	<b>Total</b>	<b>\$ 50,000</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ 290,000</b>

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## SBCOG Work Plan Program 2024/25-2028/29

6	Speaker Series	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
	COG Member Dues (remaining fees available)	\$ 10,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 38,000
	Equity/Indirect Fund						\$ -
	Grant/Partner						\$ -
	Measure I						\$ -
	Subscription						\$ -
	Management/Support Cost (2910 & 7001)	\$ 1,000	\$ 700	\$ 700	\$ 700	\$ 700	\$ 3,800
	<b>Total</b>	<b>\$ 11,000</b>	<b>\$ 7,700</b>	<b>\$ 7,700</b>	<b>\$ 7,700</b>	<b>\$ 7,700</b>	<b>\$ 41,800</b>

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## SBCOG Work Plan Program 2024/25-2028/29

7	Forum	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
	COG Member Dues (remaining fees available)		\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	
	Equity/Indirect Fund						
	Grant/Partner						
	Measure I						
	Subscription						
	Management/Support Cost (2910 & 7001)	\$ -	\$ 250	\$ 250	\$ 250	\$ 250	
	<b>Total</b>	<b>\$ -</b>	<b>\$ 2,750</b>	<b>\$ 2,750</b>	<b>\$ 2,750</b>	<b>\$ 2,750</b>	<b>\$ -</b>

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## SBCOG Work Plan Program 2024/25-2028/29

8 Smart Intersections/Corridors	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
COG Member Dues (remaining fees available)						\$ -
Equity/Indirect Fund						\$ -
Grant/Partner						\$ -
Measure I	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000
Subscription						\$ -
Management/Support Cost (2910 & 7001)						\$ -
Total	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000

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## SBCOG Work Plan Program 2024/25-2028/29

9 Cad to Cad	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
COG Member Dues (remaining fees available)				\$ 325,000		\$ 325,000
Equity/Indirect Fund						\$ -
Grant/Partner						\$ -
Measure I						\$ -
Subscription						\$ -
Management/Support Cost (2910 & 7001)	\$ -	\$ -	\$ -	\$ 32,500	\$ -	\$ 32,500
Total	\$ -	\$ -	\$ -	\$ 357,500	\$ -	\$ 357,500

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## SBCOG Work Plan Program 2024/25-2028/29

10 Telling Our Stories	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	0
COG Member Dues (remaining fees available)				\$ 130,000	\$ 445,000	\$ 575,000
Equity/Indirect Fund						\$ -
Grant/Partner						\$ -
Measure I						\$ -
Subscription						\$ -
Management/Support Cost (2910 & 7001)	\$ -	\$ -	\$ -	\$ 13,000	\$ 35,000	\$ 48,000
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 143,000</b>	<b>\$ 480,000</b>	<b>\$ 623,000</b>

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## SBCOG Work Plan Program 2024/25-2028/29

10 Outreach/Advocacy	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	0
COG Member Dues (remaining fees available)	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 225,000
Equity/Indirect Fund						\$ -
Grant/Partner						\$ -
Measure I						\$ -
Subscription						\$ -
<b>Total</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ 225,000</b>

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## SBCOG Work Plan Program 2024/25-2028/29

### Programming Funding FY25 thru FY29

<b>Total SBCOG Revenues</b>	\$ 1,091,000.00	\$ 1,716,365.00	\$ 1,663,374.46	\$ 1,592,573.89	\$ 1,608,306.80	
<b>Total SBCOG Staff and Budget Expenditures</b>	\$ 991,000.00	\$ 1,005,865.00	\$ 1,020,952.98	\$ 1,036,267.27	\$ 1,051,811.28	
<b>Total Available for Vendor Projects</b>	\$ 100,000.00	\$ 710,500.00	\$ 642,421.48	\$ 556,306.62	\$ 556,495.52	
<b>Total Programing Cost</b>						<b>Total</b>
COG Member Dues (remaining fees available)	\$ 55,000	\$ 710,450	\$ 635,450	\$ 555,950	\$ 535,450	\$ 2,492,300
Equity/Indirect Fund	\$ 50,000	\$ 502,500	\$ 247,500	\$ 60,000	\$ 60,000	\$ 920,000
Grant/Partner	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Measure I	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000
Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management/Support Cost (2910 & 7001)	\$ 1,000	\$ 15,950	\$ 35,950	\$ 33,450	\$ 950	\$ 87,300
<b>Total</b>	\$ 1,106,000	\$ 2,228,900	\$ 1,918,900	\$ 1,649,400	\$ 1,596,400	\$ 8,499,600

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# 04

## Next Steps



San Bernardino Council of Governments

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## Next Steps



**Board Ad Hoc**  
Review of  
Policies and Bylaws

**Board of Directors**  
Presentation and  
discussion on the  
policy, bylaws, and  
work plan

**Board of Directors**  
Approval of Work  
Plan, Policies, and  
Bylaws

**Staff Work**  
Implementation of  
Work Plan

**Staff Work**  
Program Priorities for  
Board

**CCMTAC**  
Report and Feedback

# Thank you



San Bernardino  
Council of Governments

Attachment No. 1 to Agenda Item No. 4  
 Destination and Economic Update  
 (PowerPoint)



1

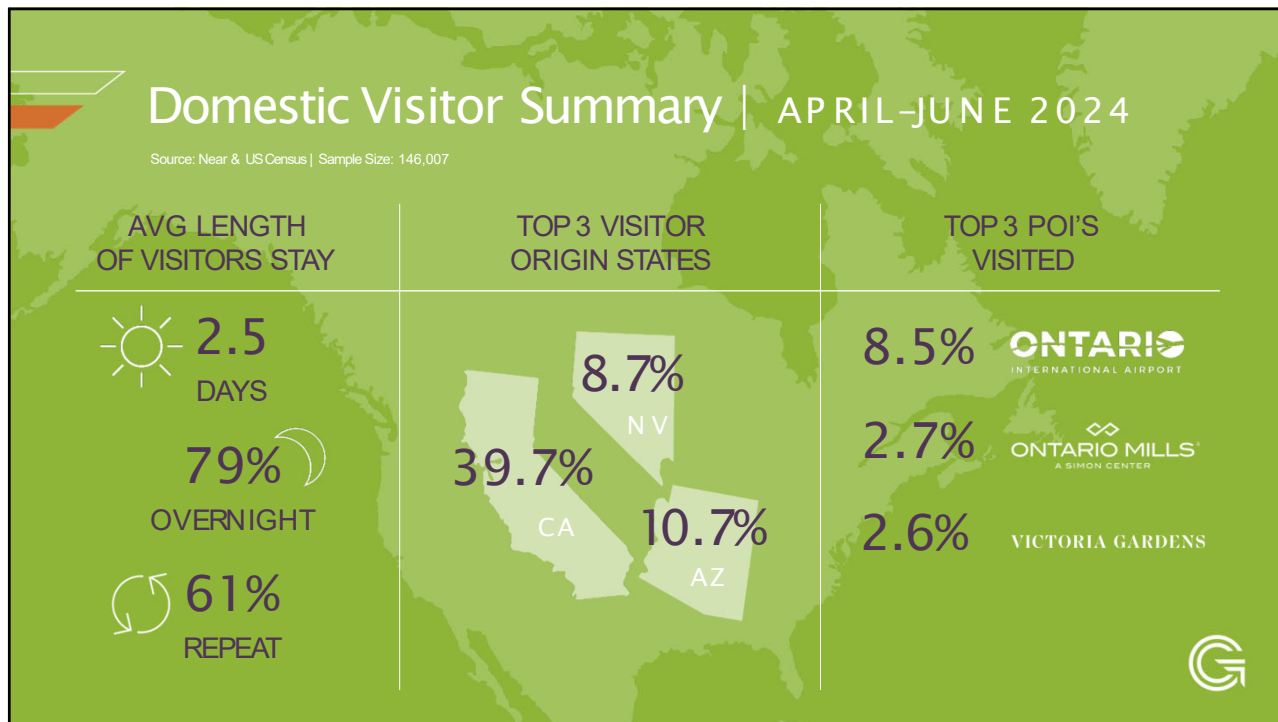
- Greater Ontario, located in the Inland Empire is located 36 miles east of Downtown Los Angeles, where two interstates intersect I10 and I15
- Within less than hour in any direction, enjoy mountain resorts, deserts, Orange County & Los Angeles beaches, Disneyland, Hollywood and Universal Studios
- ASM Global manages GOCAL, Greater Ontario California, GOSPORTS, Ontario Convention Center, Toyota Arena, California Welcome Center
- **TOTAL ECONOMIC IMPACT FY 2023-2024 \$110M** – please see our annual report at [go-cal.org](http://go-cal.org)



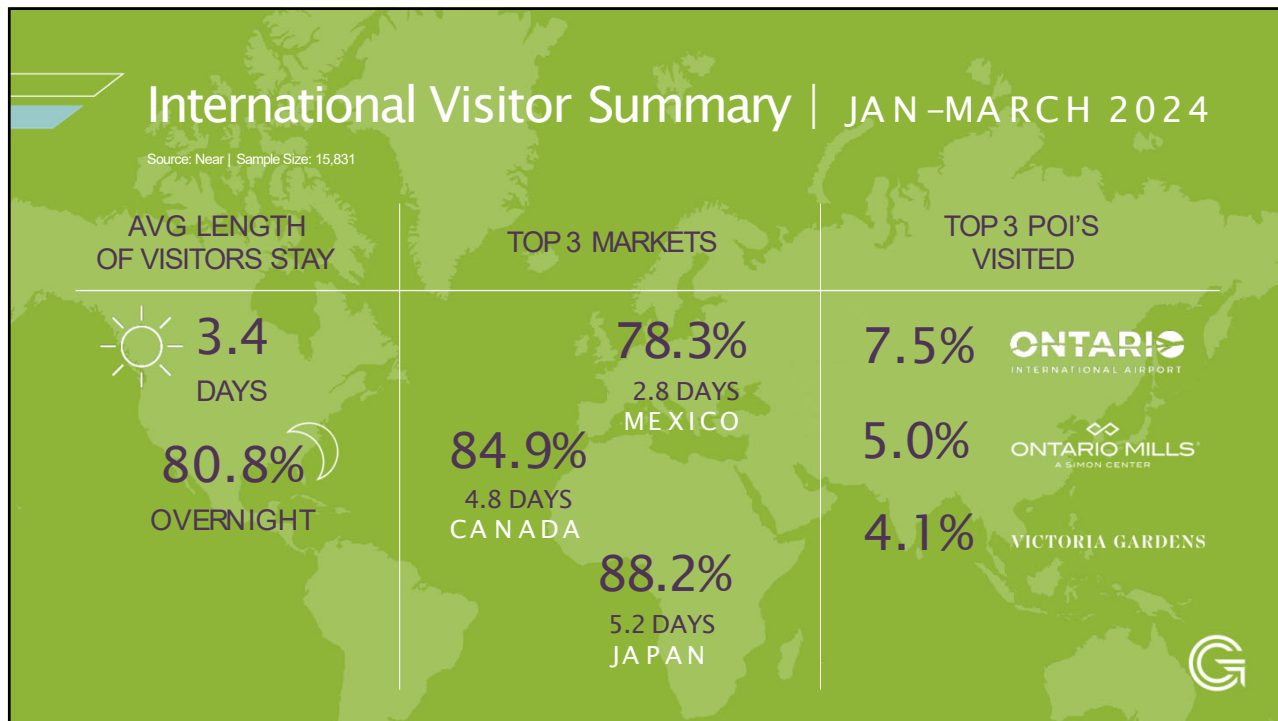
GO-CAL.ORG

2





3



4



## Ontario Convention Center

- **1M total attendees and 400 events per year**
- Plans for an expansion increasing square footage from 250K to double in size
- Larger footprint will attract larger conventions, increased attendance and hotel room nights
- Build an on-site Convention Center hotel
- Add multi-level parking structure to add capacity



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Hosted  
**44** public and private events  
 in Q4 with most multi-day events

Including: Run for the Wall  
 Comic Con Revolution  
 USA Judo Senior Nationals  
 California Bridal & Wedding Expo

Total Visits = **230K**

HONORING EXCELLENCE IN THE MEETINGS INDUSTRY

NORTHSTAR  
**Stella Awards**



**FINALIST**

**Named Top 3 Best  
 Convention Center in  
 the Far West Region.**

Winners Announced in Q2.

6



**Built and operated by GOCAL in 2016**

**2<sup>nd</sup> busiest in the State** (23 locations) after Pier 39 in San Francisco **3,119 Visitors this quarter**

**Serviced nearly 750,000 visitors since opening**

- Q1 has been the busiest of the past 3 years
- 180K+ GOCAL Visitor Guides Distributed
- Increased International Visitation from Europe and Taiwan

**Services include:**

- Hotel, Restaurant & Car Reservations
- Concierge Services
- California and Local Guides and Brochures
- Coupon Books and Gift Cards
- State of California and Local Merch










[GO-CAL.ORG](http://GO-CAL.ORG)

7



MARKETING | DESTINATION ADVERTISING

## ROUTE 66 CRUISIN' REUNION

COMING THIS FALL!

### SEPTEMBER 20-21, 2024



ENTERTAINMENT







Friday & Saturday, September 20 & 21

Rev up your engines for the celebration that us for two action-packed days of classic cars, live entertainment, family fun, and unforgettable memories along U.S. 66. Arrive in Ontario, California. With over 1,000 vintage Fords, thrilling concerts, live tapping live music, and delicious eats, this event is a must-see for car enthusiasts of all ages. Mark your calendars and join the celebration!

For More Information and Vehicle Registration, Visit [Route66CruisinReunion.com](http://Route66CruisinReunion.com) or call 888.262.7115



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MARKETING | DESTINATION ADVERTISING

# CHRISTMAS ON EUCLID

COMING THIS WINTER!  
**THANKSGIVING 2024 – JAN 1, 2025**



EST. 1958  
*Christmas*  
 ON EUCLID EXPERIENCE



Historic Nativity Scene



5K Reindeer Run



Craft Fair & Festival




Celebrate Hanukkah







9




TOYOTA

# ARENA

**Total Attendance: 2M total guests 347 Active Days**


**17 Sold Out Events through September 2024 and Counting!**

- Charlie Wilson
- TobyMac
- Marc Anthony
- Dave Chappelle
- Jeff Dunham
- Ms. Lauryn Hill
- Luis Miguel
- Zepeda vs Cabrera
- Banda MS
- Trans—Siberian Orchestra



**Community Summer Concerts**

- Toyota Arena hosted a total of 17 community concerts at the newly rebranded outdoor patio – **"The Backyard by Stater Bros."**



GREATER ONTARIO CALIFORNIA

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**TOYOTA ARENA** 2024 Mid-Year Rankings

**billboard** #6 in the US / #2 in California by Gross Revenue

**POLLSTAR** #34 in the US / #6 in California by Gross Revenue and Ticket Sales

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**TOYOTA ARENA**

Backyard by Stater Bros.  
**Summer Series**  
 June 25 – August 27

- > Theme nights
- > KGGI Partnership
- > Broadcast, Streaming, Podcast
- > 20 Live Ticket Giveaways
- > 8 Street Team Appearances

**99.1 KGGI**

**2.3 M IMPRESSIONS**

JUNE	AUGUST
25 TUES. OPENING NIGHT	06 TUES. IE'S BEST NIGHT
02 TUES. COUNTRY NIGHT	13 TUES. COMEDY NIGHT
09 TUES. SOCIAL MEDIA INFLUENCER NIGHT	20 TUES. SPORTS NIGHT
16 TUES. BESTIE NIGHT	27 TUES. CLOSING NIGHT
23 TUES. LATIN NIGHT	
30 TUES. 90'S/Y2K NIGHT	

[TOYOTA-ARENA.COM](http://TOYOTA-ARENA.COM)

**the backyard** BY STATER BROS.

**TOYOTA ARENA** SCHEDULE SUBJECT TO CHANGE

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### Plans for Brightline high-speed train connects Ontario/Rancho Cucamonga and Las Vegas expected to open in 2027



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- California Is Back In The Game!**
- California maintains position as #1 state in the US

**\$150B Travel in Related Spending**

**\$17B International Visitor Spending**

**\$12.7B State & Local Tax Revenue**  
+21.6% YOY – CA Households saved \$906 in taxes

**\$1.1M Travel & Tourism Employment**  
+157K Tourism Related Jobs

**\$17.4M Total Media Investment**  
902M Total Impressions

Source: Tourism Economics



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**Why Sports Tourism is Valuable**

- Sports-related travel generates 90 million room nights and \$32 billion in direct spending every year. Sports is one of the strongest segments in the entire travel industry
- Sports related meetings and convention generate nearly 25 million room nights annually
- Sports-event organizers value long-term destination and hotel relationships
- Sporting events are highly visible, their impact is more easily measured, they enhance the quality of life for residents of the host city and can be key to economic development



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**LA 28 Olympic Games Local Impact and Sales Opportunities**

- Opportunity to secure regional and national qualifiers and competitions in years leading up to the games
- Attract participating Olympic athletes to bring training camps to our destination prior to Olympic games
- Partnering with the hospitality providers to promote and attract visitors to the region
- Post-Olympics surge in sports participation



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## Marketing Roadmap

### 2024 – 2025 Foundation Building & Amplifying Awareness

- Tournament/Meeting Planner Outreach
- Partnership Activations
- Research & Benchmarking
- Media Relations & PR Strategy



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## Marketing Roadmap - Continued

### 2026 – 2027 Scaling Campaigns & Heightened Engagement

- Campaign refinement and adjustments
- Local engagement and enhanced visitor experience
- Event promotions in the Greater Ontario region



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## Marketing Roadmap - Continued

### 2028 - Maximizing the Olympic Opportunity

#### Pre-Olympics

- Olympic events and tourism push
- Onsite engagement

#### Post-Olympics

- Post event recap and PR
- Brand awareness and destination perception study
- Capitalize on post-Olympic momentum to promote region for future events, tourism and economic development



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## Marketing Outreach

#### Target Audiences

- Drive markets
- Domestic and International tourists and tour groups
- Tournament organizers and meeting planners

#### Utilizing existing collaborations

- Local governments, Ontario International Airport, key venues
- Visit California and Brand USA



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**Marketing Efforts**

**PR & Earned and Paid Media**

- Olympics-related stories
- Media tours & familiarization trips (FAM)
- Partnership PR other local destination marketing organizations

**Owned Assets**

- Website and social media channels
- Content creation – videos, blogs, and social posts highlighting Greater Ontario



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**THANK YOU!**



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# Cost Impact Analysis of MS4 Tentative Order for San Bernardino County

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September 2024





# Executive Summary

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In this report, Beacon Economics estimates the explicit and implicit costs associated with the proposed Regional Municipal Separate Storm Sewer System (MS4) Permit (referred to as Tentative Order (TO)) for the local government agencies in San Bernardino County under the regulatory jurisdiction of the Santa Ana Regional Water Quality Control Board. These Permittees (cities, the county, and the Flood Control District) have been regulated since 1990 under a series of MS4 permits that set forth regulations on how stormwater runoff from urbanized areas is to be monitored and managed.

We find that most new costs (\$billions) will be associated with:

**Attaining water quality objectives** for stormwater, which will effectively require the urban landscape to be constructed in accordance with a Watershed Management Plan (WMP).

Further new costs (\$millions) will be incurred in relation to a ratcheting up of existing mandatory mitigation measures, including:

- (1) **Increasing the frequency of inspections for businesses and construction sites**, particularly since general industrial permit holders and all food and drink establishments are now required to undergo annual inspections.
- (2) **Installing, maintaining and monitoring trash and litter capture devices on most street drain inlets.** While installation and maintenance have been mandated by the state's trash policy, the requirement for monitoring is a new addition.
- (3) **Requiring incorporation of features for water quality protection (referred to as Water Quality Management Plan (WQMP) requirement)** into a much broader universe of qualifying public and private development and redevelopment projects.

Over the next 20 years, these changes will cost San Bernardino County **nearly \$10.8 billion**. This estimate does not include all possible costs or unintended consequences that could arise from the change in MS4 permitting requirements.



San Bernardino County 20-Yr Cost Estimates (2024 \$)	
Numeric Limits Compliance/WMP	\$ 10,219,563,415.05
Development/Re-Dev.	\$ 552,204,672.74
Comm. Inspection	\$ 13,321,247.92
Trash	\$ 6,560,000.00
Ind. Inspection	\$ 1,947,649.80
<b>Total Costs</b>	<b>\$ 10,793,596,985.51</b>

- NUMERIC LIMITS COMPLIANCE, WMP DEVELOPMENT, AND COMPLIANCE MAINTENANCE** We estimate median capital costs of approximately \$7.52 billion and annual O&M costs of \$135 million for San Bernardino. Over 20 years, it will cost San Bernardino approximately **\$10.2 billion** to develop and maintain a WMP.
- DEVELOPMENT AND RE-DEVELOPMENT** Installation of ADA ramps exceeding 5,000 square feet will now trigger a WQMP, which will create delays and constrain city budgets. Due to changes in requirements for when a development triggers a WQMP could increase the construction cost of single-family homes by up to **\$25,000 per home**. Assuming the exact same conditions for all single-family home developments in the county, this equates to increased single-family housing costs of **\$27.6 million** across the county. Over 20 years, the aggregate increase in housing costs across the county would be **\$552.2 million**.

Rising constructions costs are particularly problematic as **residential construction has decreased substantially over the last 45 years**. Low housing supply in the face of a growing population leads to **rising home prices**.

- COMMERCIAL INSPECTIONS** Commercial inspection costs are expected to rise by over **\$13.3 million** over the next 20 years in San Bernardino due to more frequent inspections of Low Priority facilities and food and drink establishments. All but one of the agencies that will be disproportionately impacted encompass disadvantaged communities. Of these four, Ontario will likely be impacted most, followed by Chino and Colton.
- TRASH COMPLIANCE** Over the next 20 years, it will cost over **\$6.5 million** for San Bernardino to comply with the new monitoring requirements for trash.
- INDUSTRIAL INSPECTIONS** The changes presented in the TO will increase industrial inspection costs by approximately **\$1.9 million** over the next 20 years.

All the agencies that will be disproportionately impacted encompass disadvantaged communities. Of these four, Fontana and Ontario will likely be impacted most.

In addition to explicit costs, Beacon Economics considers the implicit costs or opportunity costs that will likely be incurred by San Bernardino County in meeting the proposed requirements. These costs include those associated with increased tax rates and redirected county funds. The financial implications of the TO raise concerns about resource allocation in counties already facing serious socioeconomic challenges. Redirecting funds to meet TO requirements could undermine ongoing efforts to support disadvantaged communities, risking the deepening of existing economic hardships.

	Cost Share %	Capital (\$M)	1-Yr O&M (\$M)	20-Yr O&M (\$M)	General Fund (\$M)	Share of General Fund Budget		
						Capital	1-Yr O&M	Capital/5 + 1-Yr O&M
<b>Estimated Median Cost (WMP)</b>		<b>\$7,522</b>	<b>\$135</b>	<b>\$2,698</b>				
Grand Terrace	1.66%	\$125	\$2	\$45	\$7.86	1588.5%	28.5%	346.2%
Highland	3.63%	\$273	\$5	\$98	\$23.85	1144.9%	20.5%	249.5%
Yucaipa	4.19%	\$315	\$6	\$113	\$28.81	1093.9%	19.6%	238.4%
Chino Hills	5.23%	\$393	\$7	\$141	\$55.27	711.8%	12.8%	155.1%
Loma Linda	2.31%	\$174	\$3	\$62	\$26.71	650.4%	11.7%	141.7%
Rancho Cucamonga	8.37%	\$630	\$11	\$226	\$117.83	534.3%	9.6%	116.4%
County of San Bernardino	13.51%	\$1,016	\$18	\$364	\$193.00	526.5%	9.4%	114.7%
Upland	4.15%	\$312	\$6	\$112	\$61.30	509.2%	9.1%	111.0%
Big Bear Lake	1.63%	\$123	\$2	\$44	\$24.26	505.5%	9.1%	110.2%
Fontana	9.51%	\$715	\$13	\$257	\$149.08	479.8%	8.6%	104.6%
Montclair	2.45%	\$184	\$3	\$66	\$39.36	468.2%	8.4%	102.0%
Colton	3.45%	\$259	\$5	\$93	\$65.94	393.5%	7.1%	85.8%
San Bernardino	10.53%	\$792	\$14	\$284	\$224.81	352.3%	6.3%	76.8%
Chino	4.95%	\$372	\$7	\$134	\$112.30	331.5%	5.9%	72.3%
Redlands	5.10%	\$384	\$7	\$138	\$115.73	331.5%	5.9%	72.2%
Rialto	5.34%	\$402	\$7	\$144	\$129.29	310.7%	5.6%	67.7%
Ontario	9.00%	\$677	\$12	\$243	\$428.87	157.8%	2.8%	34.4%
SB County Flood	5.00%	\$376	\$7	\$135	-	-	-	
<b>Average</b>	<b>6%</b>	<b>\$418</b>	<b>\$7</b>	<b>\$150</b>	<b>\$106.13</b>	<b>594%</b>	<b>11%</b>	<b>129%</b>
<b>Median</b>	<b>5%</b>	<b>\$374</b>	<b>\$7</b>	<b>\$134</b>	<b>\$65.94</b>	<b>505%</b>	<b>9%</b>	<b>110%</b>

- SOCIECONOMIC FACTORS AND DISADVANTAGED COMMUNITIES** The county’s socioeconomic vulnerabilities are profound, with **33% of its population living in Disadvantaged Communities (DACs). Nine agencies in the county have poverty rates above the state average.** Six of these nine are within the Santa Ana region, including San Bernardino (18%), Ontario (13%), Rialto (15%), Montclair (10%), Highland (16%), and Colton (15%).

Considering the stormwater program cost shares assigned to each agency in San Bernardino County, we find that the estimated Numeric Limits Compliance/WMP (capital spread out over five years plus one year's O&M) would equate, **at best, to a third, and at worst, three-and-a-half times an agency's general fund budget**. This means if agencies attempt to pay for their fair shares of the numeric limit compliance/regional WMP development in five years, in most cases, they will **have no general funds left over for other public expenditures** (legal services, libraries, parks and recreation, police, public works, etc.).

- **CAPITAL AND O&M COSTS** San Bernardino County faces severe financial challenges under the TO, with most cities experiencing **capital costs exceeding 300% of their general funds**. Particularly, Grand Terrace, Highland, and Yucaipa are highlighted as cities where one year's O&M costs alone consume a large share of their general funds. The potential financial demands associated with the TO could present these cities with difficult decisions between regulatory compliance and maintaining essential public services and infrastructure. Cities with poverty rates above the 12% state average would need to contribute substantially to WMP costs, indicating that **economic vulnerability is prevalent in areas financially burdened by TO requirements**.
- **IMPACTS ON AQUATIC LIFE** While the goal of the TO is to increase the water quality, the impact on local aquatic life may be negative, and may conflict with conservation efforts by the MWD. The **San Bernardino MWD is leading a large-scale habitat conservation plan**, including multiple tributary restoration projects along the Santa Ana River. Currently, these tributaries have flows and are important habitats for aquatic species such as the western pond turtle, Santa Ana sucker, and Arroyo chub, some of which are federally threatened.



Photo credit: Oregon Dept. of Fish & Wildlife; Santa Ana Watershed Project Authority; Zack Abbey.

A significant concern of the TO is the **potential impact of the new prohibitions on these local aquatic species**.

# Introduction

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The **Santa Ana Regional Water Quality Control Board (Santa Ana Water Board)** is a state government agency responsible for protecting and improving water quality within the Santa Ana River Watershed, which spans portions of Riverside, San Bernardino, and Orange counties in Southern California.

Stormwater from the Santa Ana River Watershed flows through a network of channels and eventually drains into the Pacific Ocean, via the Santa Ana River. The Municipal Stormwater Program of the Santa Ana Water Board regulates stormwater discharges from **municipal separate storm sewer systems (MS4s)** throughout the Santa Ana River Watershed. As per the Federal Water Pollution Control Act (Clean Water Act) section 402(p), stormwater permits are required for discharges from an MS4 that serves a population of 100,000 or more.

MS4 permits in the Santa Ana River Watershed have been issued since the 1990s and have been renewed four times since their initial issuance. Until now, the Santa Ana Water Board has regulated portions of the Orange, Riverside, and San Bernardino counties located within the Santa Ana Region through separate Phase 1 MS4 permits for each county. These permits expired but were administratively extended and so, remain in effect.

Currently, a **Tentative Order (TO)** has been drafted for a fifth iteration, where for the first time, the separate permits would transition to a single Regional MS4 permit covering those portions of the Orange, Riverside, and San Bernardino counties (including their cities and flood districts) located within the jurisdiction of the Santa Ana Water Board.

In addition to consolidation of the three counties' MS4 permits into a single regional permit, the TO addresses administrative details, discharge prohibitions—including those related to non-stormwater runoff<sup>1</sup> and trash—and outlines specific requirements for managing new developments to reduce pollution and hydrological impacts. It also contains provisions for detecting and eliminating illicit discharges, as well as public education initiatives and training programs to ensure compliance.

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<sup>1</sup> The TO includes a list of authorized non-stormwater discharges. These authorized discharges include air conditioning condensate, fire hydrant flushing, non-commercial vehicle washing, among other exempt discharges.

Most notably the TO includes responsibilities for Permittees to:

- (1) Engage in an **iterative process** for continual improvements in all their programs, to achieve compliance with Effluent Limits and Receiving Water Limitations, including numeric Effluent Limits based on **Waste Load Allocations (WLAs)**.
- (2) Adopt a **system of performance metrics** prescribed by the draft permit to objectively measure the performance of their control measures and **Best Management Practices (BMPs)**.

While the primary goal of the TO is to strengthen BMPs and pollutant control measures in pursuit of better water quality (as established in the Water Quality Control Plan for the Santa Ana River Basin) an objective analysis of the costs is necessary to meet federal and state requirements.<sup>2</sup> In this report, **Beacon Economic** estimates the costs for San Bernardino County Permittees associated with the more stringent MS4 permitting requirements as set forth in the TO.

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<sup>2</sup> Federal law mandates that “social, economic, and environmental consequences of proposed decisions shall be clearly stated in [informational materials].” (40 C.F.R. § 25.4(b)(2).) State law mandates evaluation of all “impacts of the permitted activity,” not just water quality impacts. (Wat. Code, § 13149.2, subd. (b)(2).)



# Part I. Explicit Costs

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As a first step, Beacon Economics estimates the expected **explicit costs** to be expended with the new requirements. Explicit costs are those directly associated with outlays of money, including those incurred once and those incurred on an ongoing basis.

The TO is based on the federal standards for MS4s established by the **Clean Water Act (CWA)** section 402(p)(3)(B), which require MS4s to “reduce the discharge of pollutants to the **maximum extent practicable [MEP]**.” MEP is the highest level of effectiveness that can be achieved employing whatever BMPs are technically feasible (i.e., those that are likely to be effective) and are not cost prohibitive.<sup>3</sup> The TO also references State Water Resources Control Board precedential orders directing that MS4 permits in California require the eventual attainment of water quality standards.

The MEP standard applies to a series of provisions in the TO referred to as the **minimum control measures** (40 CFR, section 122.26 (d)(2)(iv)). These measures include, among others, discharge elimination and remediation, runoff monitoring and reporting, conducting program effectiveness assessments, conducting municipal inspections, and public education.

## WATERSHED MANAGEMENT PLAN COSTS

As part of the new permitting requirements, Permittee counties will likely need to adopt **Watershed Management Plans (WMPs)** or similar plans attempting compliance with the numeric limits in the TO. For the purposes of this section, numeric limits compliance measures and WMPs are synonymous.

To estimate the capital cost of developing these plans, as well as the associated annual **Operations and Maintenance (O&M)** costs, cost estimates were extrapolated from WMP groups as presented in the 2021 Los Angeles Water Board Study.<sup>4</sup> These costs are incurred by implementing a systemwide combination of parcel-scale water quality controls, street

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<sup>3</sup> State Water Resources Control Board Office of Chief Counsel February 11, 1993 Memorandum, “Definition of Maximum Extent Practicable.”

<sup>4</sup> [https://www.waterboards.ca.gov/losangeles/water\\_issues/programs/stormwater/municipal/public\\_docs/2022/Att\\_F\\_FacSheet\\_corrected\(ACC\).pdf](https://www.waterboards.ca.gov/losangeles/water_issues/programs/stormwater/municipal/public_docs/2022/Att_F_FacSheet_corrected(ACC).pdf)

drainage retrofits (often referred to as “Green Streets”) and regional stormwater capture facilities.

**Table 1. Permittees’ Projected Cost Estimates for EWMP Full Implementation (Millions of Dollars, 2019\$)<sup>5</sup>**

EWMP Group	Capital (Low)	Capital (High)	Annual O&M (Low)	Annual O&M (High)	Total 20-Yr Cost (Low)	Total 20-Yr Cost (High)
Ballona Creek	\$2,892.12	\$2,892.12	\$82.55	\$82.55	\$4,543.09	\$4,543.09
Dominguez Channel	\$1,340.65	\$1,340.65	\$15.39	\$15.39	\$1,648.41	\$1,648.45
Malibu Creek	\$201.54	\$201.54	\$3.86	\$3.86	\$278.71	\$278.71
Marina Del Rey	\$368.12	\$368.12	\$2.39	\$2.39	\$415.91	\$415.91
North Santa Monica Bay	\$34.51	\$34.51	\$1.15	\$1.15	\$57.55	\$57.55
Palos Verdes Peninsula Cities	\$90.00	\$129.50	\$1.34	\$1.52	\$116.80	\$159.90
Rio Hondo/San Gabriel River	NR	NR	NR	NR	\$121.80	\$121.80
Santa Monica Bay J2 & J3	\$660.02	\$660.02	\$4.82	\$4.82	\$756.38	\$756.38
South Bay Beach Cities	\$46.13	\$95.48	\$2.15	\$3.33	\$89.04	\$162.00
Upper LA River	\$6,541.98	\$6,541.98	\$123.38	\$123.88	\$9,009.65	\$9,009.65
Upper San Gabriel River	\$1,216.34	\$1,216.34	\$44.31	\$44.31	\$2,102.59	\$2,102.59
Upper Santa Clara River	\$669.12	\$669.12	NR	NR	\$669.12	\$669.12
<b>Total</b>					<b>\$19,809.06</b>	<b>\$19,925.11</b>

Source: Los Angeles Water Board Analysis.

**Table 2. Estimated WMP Capital and O&M Costs for San Bernardino County, Extrapolated by Relative Land Area (Millions of Dollars, 2019\$)**

EWMP Group	Land (in Acres)	San Bernardino Land Ratio <sup>6</sup>	San Bernardino County Costs	
			Total 20-Yr Cost (Low)	Total 20-Yr Cost (High)
Ballona Creek	81,677	4.22	\$19,176.88	\$19,176.88
Dominguez Channel	50,857	6.78	\$11,174.85	\$11,175.12
Malibu Creek	32,992	10.45	\$2,912.52	\$2,912.84
Marina Del Rey	1,409	244.69	\$101,768.58	\$101,771.02
North Santa Monica Bay	1,056	326.48	\$18,789.13	\$18,776.07
Palos Verdes Peninsula Cities	14,464	23.84	\$2,784.07	\$3,811.41
Rio Hondo/San Gabriel River	20,416	16.89	\$2,056.85	\$2,056.85
Santa Monica Bay J2 & J3	34,362	10.03	\$7,589.04	\$7,589.44
South Bay Beach Cities	15,217	22.66	\$2,017.35	\$3,672.19
Upper LA River	309,757	1.11	\$10,027.94	\$10,038.99
Upper San Gabriel River	79,185	4.35	\$9,154.55	\$9,154.33
Upper Santa Clara River	199,811	1.73	\$1,154.54	\$1,154.54
<b>Average</b>	<b>70100.24</b>	<b>56.10</b>	<b>\$15,717.19</b>	<b>\$15,940.81</b>
<b>Median</b>	<b>33677.00</b>	<b>10.24</b>	<b>\$8,371.89</b>	

Source: Analysis by Beacon Economics.

<sup>5</sup> Cost estimates are based on Permittees’ EWMP estimates as presented under “Method 2” of the LA Water Board Study.

<sup>6</sup> Land ratios were calculated using the included lands as reported in each watershed’s annual reports.

**Table 3. Median WMP Capital and O&M Costs for San Bernardino County, Extrapolated by Relative Land Area, (Millions of Dollars, 2024\$)**

	San Bernardino County	
	2019\$	Present Value (2024\$)
Capital, Median	\$6,161.71	<b>\$7,521.60</b>
O&M (20-Yr), Median	\$2,210.18	<b>\$2,697.96</b>
Total Cost, Median	\$8,371.89	<b>\$10,219.56</b>

Source: Analysis by Beacon Economics.

**Table 4. Average WMP Capital and O&M Costs for San Bernardino County, Extrapolated by Relative Land Area, (Millions of Dollars, 2024\$)**

	San Bernardino County	
	2019\$	Present Value (2024\$)
Capital, Average	\$12,565.65	<b>\$15,338.89</b>
O&M (20-Yr), Average	\$3,263.03	<b>\$3,983.18</b>
Total Cost, Average	\$15,829	<b>\$19,322.46</b>

Source: Analysis by Beacon Economics.

**CAPITAL COSTS** In terms of averages, the estimated capital cost for San Bernardino County is \$15.34 billion in today’s dollars. However, these averages may include outlier data points, such as the cost of the Marina Del Rey WMP.

In terms of medians, the estimated **capital cost for San Bernardino County is approximately \$7.5 billion** in today’s dollars.

**O&M COSTS** The average O&M costs for San Bernardino County equal \$3.98 billion in today’s dollars. These values equate to approximately \$200 million for San Bernardino per year. Again, these averages may include outlier data points, such as the costs of the Marina Del Rey WMP. It is more reasonable to consider median costs instead. The estimated median **O&M costs for San Bernardino County equal \$2.7 billion over the next 20 years**. This corresponds to annual O&M costs of around \$134 million.

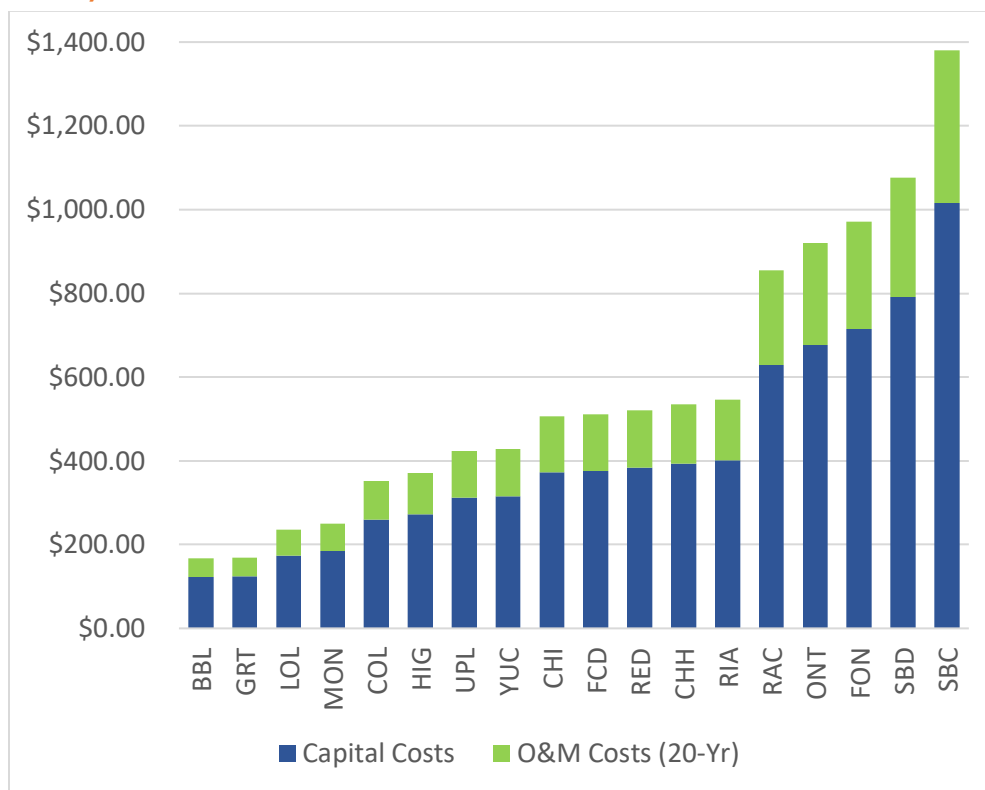
**TOTAL WMP COSTS** Over the next 20 years, it will cost San Bernardino County an average of \$19.3 billion to cover the capital and annual O&M costs of developing a WMP. As for the median, over the next 20 years, it will **cost San Bernardino County an estimated \$10.2 billion** in median capital and annual O&M costs to develop a WMP.

**Table 5. Estimated WMP Capital and O&M Costs for Agencies within San Bernardino County, Extrapolated by Relative Land Area, (Millions of Dollars, 2024\$)**

San Bernardino County Proposed WMP							
Agency	Land Area (Acres)	Population	Cost Share	Costs (in Millions, 2024\$)			
				Capital	O&M (Annual)	O&M (20-Yr)	Total (20-Yr)
Big Bear Lake	4074.24	4914	1.63%	\$122.60	\$2.20	\$43.98	\$166.58
Chino	14835.2	93137	4.95%	\$372.32	\$6.68	\$133.55	\$505.87
Chino Hills	21176.45	77058	5.23%	\$393.38	\$7.06	\$141.10	\$534.48
Colton	9469.38	53154	3.45%	\$259.50	\$4.65	\$93.08	\$352.57
Fontana	27432.45	213851	9.51%	\$715.30	\$12.83	\$256.58	\$971.88
Grand Terrace	2255.04	12814	1.66%	\$124.86	\$2.24	\$44.79	\$169.64
Highland	10562.11	55984	3.63%	\$273.03	\$4.90	\$97.94	\$370.97
Loma Linda	5487.62	25228	2.31%	\$173.75	\$3.12	\$62.32	\$236.07
Montclair	3520.64	37494	2.45%	\$184.28	\$3.31	\$66.10	\$250.38
Ontario	31339.71	180717	9.00%	\$676.94	\$12.14	\$242.82	\$919.76
Rancho Cucamonga	26851.71	173545	8.37%	\$629.56	\$11.29	\$225.82	\$855.38
Redlands	21201.09	71972	5.10%	\$383.60	\$6.88	\$137.60	\$521.20
Rialto	15144.06	102985	5.34%	\$401.65	\$7.20	\$144.07	\$545.72
San Bernardino	35303.55	223230	10.53%	\$792.02	\$14.20	\$284.10	\$1,076.12
Upland	9782.02	78376	4.15%	\$312.15	\$5.60	\$111.97	\$424.11
Yucaipa	16847.42	53991	4.19%	\$315.15	\$5.65	\$113.04	\$428.20
County of SB	89484.03	137778	13.51%	\$1,016.17	\$18.22	\$364.50	\$1,380.66
District	-	-	5.00%	\$376.08	\$6.74	\$134.90	\$510.98
<b>Total</b>	<b>344,766.72</b>	<b>1596228</b>	<b>100%</b>	<b>\$7,521.60</b>	<b>\$134.90</b>	<b>\$2,697.96</b>	<b>\$10,219.56</b>

Source: San Bernardino Stormwater Management Program Budget and Cost Sharing Allocation for FY 2024-2025. Analysis by Beacon Economics.

**Figure 1. Estimated WMP Capital and 20-Year O&M Costs for SBC Agencies (Millions of Dollars, 2024\$)**



Source: San Bernardino Stormwater Management Program Budget and Cost Sharing Allocation for FY 2024-2025. Analysis by Beacon Economics.

## TRASH COMPLIANCE COSTS

According to the TO, Permittees must choose between two options for trash management:

- 1) Track 1 requires the installation of **Full Capture Devices (FCDs)** to control trash larger than 5mm in size from priority, designated and equivalent land uses.
- 2) Track 2 requires the installation of a combination of trash capture systems that achieve equivalency of Full Capture Systems.

Permittees made their track selection several years ago based on requirements set forth in the state’s trash policy adopted by the State Water Resources Control Board (SWRCB) in 2015.<sup>7</sup> The state’s version of Track 1 trash compliance does not include a requirement for monitoring.

<sup>7</sup> [https://www.waterboards.ca.gov/water\\_issues/programs/trash\\_control/documentation.html](https://www.waterboards.ca.gov/water_issues/programs/trash_control/documentation.html)



Instead, the state’s trash policy requires the installation, operation, and maintenance of full capture systems. **The trash control requirements set forth in the TO may not be in-line with the state board’s trash reduction requirements.** To require Track 1 agencies to monitor their full capture systems is unreasonable, as agencies had not anticipated this new requirement when making their track selection and changing a trash management system once it is up and running is costly.

Each Track 1 Permittee in San Bernardino will incur expenses related to the following tasks:

- a. Initial Assessment – Develop an On-Land Visual Trash Assessments (OVTA) plan and estimate trash generation rates from non-protected full capture systems.
- b. Monitoring Efforts – Estimate trash generation rate reduction and conduct inspections.
- c. Increased Annual Reporting Efforts – GIS map updates, annual report templates, and coordination with O&M.

An initial assessment is expected to cost a flat fee of \$30,000. Monitoring efforts are expected to cost each Track 1 Permittee \$15,000 annually and increased annual reporting efforts are expected to cost each Permittee \$4,000 annually in additional expenses.<sup>8</sup> For the county’s Track 1 Permittees,<sup>8</sup> **these three tasks will cost a combined \$4.92 million over the next 20 years.**

## **ADDITIONAL INSPECTION COSTS**

Each Permittee must have an effective inspection program for industrial, commercial, and construction sites to minimize or reduce the pollutant discharge into MS4s. The TO specifies inspection frequencies for different priority sites:

- **High Priority:** Inspected once a year.
- **Medium Priority:** Inspected once every two years.
- **Low Priority:** Inspected once every five years.

Permittees can, however, propose alternative inspection schedules.

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<sup>8</sup> Based on consultation with stormwater program expert within Riverside County.

## INDUSTRIAL INSPECTION COSTS

The current permit has the same schedule of inspections as specified in the TO for High and Medium Priority sites. However, the current permit requires that Low Priority sites be inspected once every permit term. Permit terms can last longer than five years; the current term has extended to 14 years. The TO specifies that Low Priority sites be inspected once every five years. The new industrial inspection specifications will impact agencies' Low Priority industrial facilities.

**Table 6. Industrial Facilities in San Bernardino Agencies, Fiscal Year 2022-2023**

San Bernardino County Industrial Facilities (FY 2022-2023)			
0-99	100-199	200-499	500-999
Big Bear Lake Chino Hills Grand Terrace Highland Loma Linda Redlands Upland Yucaipa	Chino Colton Montclair Rancho Cucamonga Rialto	Fontana County of SB	Ontario San Bernardino

Source: San Bernardino County Stormwater Program Annual Report for 2022-2023. Analysis by Beacon Economics.

In the 2022-2023 fiscal year, of the nearly 3,000 industrial facilities located within the jurisdiction of the 17 Co-Permittees, 3.3% reported deficiencies. Although the number of industrial facilities has increased by 84% since the 2006-2007 fiscal year, **the percentage of inspections finding deficiencies has dropped from approximately 60% to less than 20%** over the last 15 years.

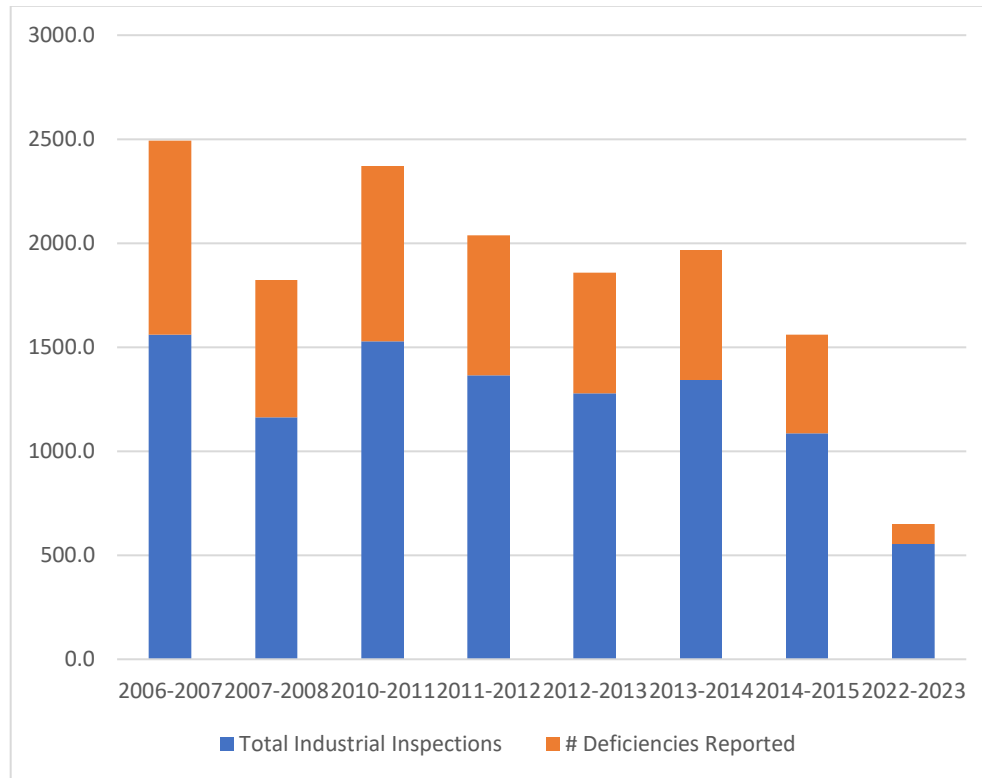
Moreover, **the severity of deficiencies has substantially decreased over time**. In the 2006-2007 fiscal year, over 90% of deficiencies required some level of enforcement action, whereas in the 2022-2023 fiscal year, over 90% of deficiencies required no enforcement action.

**Table 7. Industrial Facility Inspections and Deficiencies in San Bernardino Agencies, FY 2006-2007 through FY 2022-2023**

San Bernardino County Industrial Facility Inspections and Deficiencies								
	2006-2007	2007-2008	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2022-2023
Inspections	1561	1162	1527	1364	1280	1344	1085.0	554.0
Deficiencies	933	661	845	674	578	623	474.0	96.0
<b>% Deficient</b>	<b>59.8%</b>	<b>56.9%</b>	<b>55.3%</b>	<b>49.4%</b>	<b>45.2%</b>	<b>46.4%</b>	<b>43.7%</b>	<b>17.3%</b>

Source: San Bernardino County Stormwater Program Annual Reports retrieved from <https://sbcountystormwater.org/government/resources/>. Analysis by Beacon Economics.

**Figure 2. Industrial Facility Inspections and Deficiencies in San Bernardino Agencies, FY 2006-2007 through FY 2022-2023**



Source: San Bernardino County Stormwater Program Annual Reports. Analysis by Beacon Economics.

**Table 8. Industrial Facility Deficiencies and Enforcement Severity in San Bernardino Agencies, FY 2006-2007 through FY 2022-2023**

San Bernardino County Agencies, Industrial Inspection Actions by Severity (Low to High)								
	2006 - 2007	2007- 2008	2010- 2011	2011- 2012	2012- 2013	2013- 2014	2014- 2015	2022- 2023
None Required	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.5
Verbal w Educ/Outreach	0.1	0.2	0.2	0.0	0.0	0.1	0.2	0.0
NOC	0.8	0.5	0.1	0.7	0.8	0.8	0.7	0.5
NOV	0.1	0.2	0.0	0.3	0.1	0.1	0.1	0.0
Require Clean Up or Charge Clean Up Costs	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Admin Order	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stop Work Order	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Admin Civil Action	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Refer to the RWQCB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: San Bernardino County Stormwater Program Annual Reports. Analysis by Beacon Economics.

Table 9 presents data on the share of High, Medium, and Low Priority industrial facilities within each agency in San Bernardino. For example, in fiscal year 2014-2015, approximately 20% of industrial facilities in Highland were High Priority and the remaining 80% were Low Priority.

Agencies where most industrial facilities are already classified as High or Medium Priority will not experience see as significant a change with the new industrial inspection requirements set forth in the TO as those agencies where most industrial facilities are classified as Low Priority.

- Most industrial facilities in Colton, Chino Hills, Redlands, Rialto, Upland, and Yucaipa have been historically classified as High Priority.<sup>9</sup> Most industrial facilities in Big Bear Lake, Grand Terrace, Loma Linda, Montclair, Rancho Cucamonga, the City of San Bernardino, and the unincorporated regions of San Bernardino County have historically been classified as Medium Priority. The anticipated impact of additional industrial inspections will be relatively **low** for these agencies.

<sup>9</sup> Industrial facilities in the Flood Control District have also historically been classified primarily as High Priority, for the annual reports where data is available.

- Most industrial facilities in Chino, Fontana, Highland, and Ontario have historically been classified as Low Priority. The anticipated impact of additional industrial inspections will be relatively **high** for these agencies.
- **All the agencies that will be disproportionately impacted by the new industrial inspection requirements house disadvantaged communities.**<sup>10</sup> Of these four agencies, Fontana and Ontario will likely see a disproportionate impact, as they each have a significant number of industrial facilities, as shown in **Table 6**.

**Table 9. Heat Map of Industrial Facilities in San Bernardino by Priority Level as a Share of All Facilities within Agency, FY 2006-2007 through FY 2014-2015**

San Bernardino County Industrial Facilities by Priority Level																					
	FY 2006-2007			FY 2007-2008			FY 2010-2011			FY 2011-2012			FY 2012-2013			FY 2013-2014			FY 2014-2015		
	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L
BBL	1.0	0.0	0.0	1.0	0.0	0.0	0.2	0.8	0.0	0.1	0.9	0.0	0.0	0.9	0.1	0.0	0.8	0.2	0.0	0.8	0.2
CHI	0.1	0.1	0.8	0.1	0.2	0.7	0.1	0.3	0.6	0.1	0.3	0.6	0.1	0.3	0.6	0.1	0.3	0.6	0.1	0.3	0.6
CHH	1.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0
COL	1.0	0.0	0.0	0.5	0.5	0.0	0.7	0.2	0.1	0.7	0.2	0.1	0.6	0.3	0.1	0.6	0.3	0.1	0.4	0.5	0.1
FON	0.1	0.3	0.7	0.1	0.5	0.4	0.0	0.3	0.6	0.1	0.3	0.6	0.1	0.3	0.6	0.1	0.3	0.6	0.1	0.3	0.6
GRT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0
HIG	0.0	1.0	0.0	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.0	0.0	1.0	0.2	0.0	0.8
LOL	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.7	0.3	0.0	0.7	0.3	0.0	0.7	0.3	0.0	0.7	0.3	0.0	0.7	0.3
MON	0.2	0.4	0.4	0.3	0.4	0.3	0.3	0.5	0.2	0.3	0.6	0.2	0.3	0.5	0.2	0.3	0.5	0.2	0.4	0.5	0.2
ONT	0.2	0.3	0.5	0.2	0.3	0.5	0.2	0.3	0.5	0.2	0.3	0.5	0.2	0.3	0.5	0.2	0.3	0.5	0.2	0.3	0.5
RAC	0.2	0.5	0.3	0.2	0.5	0.3	0.2	0.4	0.4	0.3	0.4	0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.3	0.4	0.3
RED	0.4	0.6	0.0	0.4	0.6	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.6	0.4	0.0	0.6	0.4	0.0
RIA	0.3	0.3	0.4	0.5	0.2	0.3	0.9	0.1	0.0	0.9	0.1	0.0	0.7	0.1	0.2	0.7	0.1	0.3	0.7	0.1	0.3
SBD	0.2	0.3	0.6	0.1	0.0	0.9	0.1	0.6	0.3	0.0	0.6	0.4	0.0	0.6	0.4	0.0	0.6	0.4	0.0	0.6	0.4
UPL	0.4	0.3	0.3	0.3	0.5	0.3	0.4	0.1	0.5	0.3	0.1	0.6	0.5	0.2	0.3	0.5	0.3	0.3	0.4	0.3	0.3
YUC	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0
SBC	0.6	0.4	0.1	0.5	0.4	0.1	0.9	0.1	0.0	0.8	0.2	0.0	0.6	0.3	0.1	0.4	0.5	0.1	0.4	0.5	0.1
FCD	0.8	0.2	0.0	0.9	0.1	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: San Bernardino County Stormwater Program Annual Reports. Analysis by Beacon Economics.

Note: H = High Priority, M = Medium Priority, L = Low Priority facilities

<sup>10</sup> Based on 2022 Census tracts. Data retrieved from: <https://oehha.ca.gov/calenviroscreen/sb535>. Parts of Chino are considered disadvantaged.



On average, industrial facilities within San Bernardino agencies have historically been classified as follows: 788 High Priority, 1136 Medium Priority, and 1377 Low Priority. Due to the change in the frequency of inspections (from once per permit term, to once every five years) required for Low Priority facilities set forth in the TO, these industrial facilities will face higher inspection costs.

Considering an inspection in San Bernardino costs \$250 per visit, and independent of the hours of inspection conducted within a visit, inspection costs are expected to rise by \$44,274 annually.

Inspection costs are expected to rise by \$885,490 over the next 20 years, combined for agencies in San Bernardino.

**Table 10. Estimate of Additional Industrial Inspection Costs in San Bernardino County**

	<b>High (Avg)</b>	<b>Med (Avg)</b>	<b>Low (Avg)</b>
Total Facilities	788	1136	1377
Current Freq/year	1	0.5	0.0714286
New (TO) Freq/year	1	0.5	0.2
Inspection Cost	\$250	\$250	\$250
Current Insp. Cost	\$197,000	\$142,000	\$24,597
New Insp. Cost	\$197,000	\$142,000	\$68,871
Added Cost (Annual)	\$0	\$0	\$44,274
<b>Added Cost (20-Yr)</b>	\$0	\$0	<b>\$885,490</b>

Source: San Bernardino County Stormwater Program Annual Reports. Analysis by Beacon Economics.

On average, between 15% and 25% of industrial facilities in San Bernardino have historically had general use permits, and between 75% and 85% of facilities have had non-general permits.

**Table 11. Industrial Facilities by Permit Type for San Bernardino County Agencies**

		San Bernardino County Agencies, Industrial Permits by Type							
		2006-2007	2007-2008	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	Average
General	# Permits	709	635	667	592	589	555	531	<b>611</b>
	Share of Total	24.0%	21.4%	19.9%	18.0%	17.2%	15.7%	14.8%	<b>18.7%</b>
Non-General	# Permits	2244	2332	2684	2704	2842	2979	3046	<b>2690</b>
	Share of Total	76.0%	78.6%	80.1%	82.0%	82.8%	84.3%	85.2%	<b>81.3%</b>
<b>Total</b>		<b>2953</b>	<b>2967</b>	<b>3351</b>	<b>3296</b>	<b>3431</b>	<b>3534</b>	<b>3577</b>	<b>3301</b>

Source: San Bernardino County Stormwater Program Annual reports. Analysis by Beacon Economics.

While under the current permit, industrial facilities with general use permits do not have a specified frequency of inspection different to that specified by their priority level, under the TO, generally permitted industrial facilities will be considered High Priority. As such, they will be subject to annual inspections.

Inspection costs will increase for Medium and Low Priority industrial facilities with general use permits, but not for High Priority facilities as they are currently subject to annual inspections. The additional costs for new inspections of Low Priority industrial facilities have already been accounted for above. If 18.7% of Medium Priority facilities are general permit holders, we estimate that this requirement change will adversely impact around 212 facilities. Considering that the cost of an inspection is \$250 in San Bernardino, this change will equate to additional costs of \$53,108 per year, or \$1,062,160 over the next 20 years.

Overall, the changes presented in the TO will increase industrial inspection costs by **over \$1.94 million in the next 20 years**, due to more frequent inspections of Low Priority industrial facilities and of facilities with general use permits.

## COMMERCIAL INSPECTION COSTS

Like industrial inspections, commercial inspections are expected to increase in frequency—and in turn, in costs—in San Bernardino County, based on the requirements set forth in the draft permit.

**Table 12. Commercial Facilities in San Bernardino Agencies, Fiscal Year 2022-2023**

San Bernardino County Commercial Facilities (FY 2022-2023)					
0-99	100-199	200-499	500-999	1000-1999	2000+
Grand Terrace	Big Bear Lake Highland Loma Linda	Chino Hills Rancho Cucamonga Upland Yucaipa	Chino Colton Fontana Montclair Rialto SB County		Ontario Redlands San Bernardino

Source: San Bernardino County Stormwater Program Annual Report for 2022-2023. Analysis by Beacon Economics.

### **The share of commercial inspections reporting deficiencies in San Bernardino has decreased substantially over time.**

Whereas historically (between fiscal year 2005-2006 and fiscal year 2014-2015), about 30% of commercial facility inspections have reported deficiencies, in the most recent fiscal year 2022-2023 only about 10% of commercial facility inspected reported deficiencies.

Table 13 presents data on the share of High, Medium, and Low Priority commercial facilities within each agency in San Bernardino. For example, in fiscal year 2014-2015, approximately 20% of commercial facilities in Highland were Medium Priority and 70% were Low Priority.

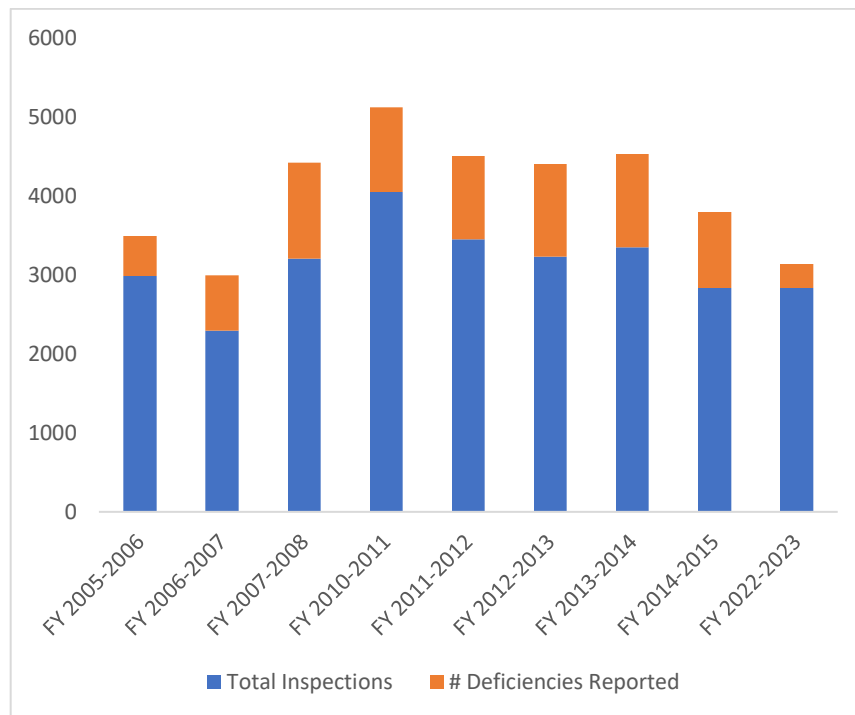
Agencies where most commercial facilities are already classified as High or Medium Priority will not experience as significant a change with the new commercial inspection requirements set forth in the TO compared to those agencies where most commercial facilities are currently classified as Low Priority.

- Most commercial facilities in Chino Hills, Montclair, Rancho Cucamonga, Redlands, and Rialto have been historically classified as High Priority. Most

commercial facilities in Big Bear Lake, Fontana, Loma Linda, Ontario,<sup>11</sup> and the unincorporated parts of San Bernardino County have historically been classified as Medium Priority. The anticipated impact of additional commercial inspections will be relatively **low** for these agencies.

- Most commercial facilities in Chino, Colton, Highland, Loma Linda, Ontario, Upland, and Yucaipa have historically been classified as Low Priority. The anticipated impact of additional commercial inspections will be relatively **high** for these agencies.
- **All but one of the agencies that will be disproportionately impacted by the new commercial inspection requirements encompass disadvantaged communities.**<sup>12</sup> Of these four agencies, Ontario will likely be impacted most, followed by Chino and Colton, as they each have a substantial number of commercial facilities, as shown in **Table 12**.

**Figure 3. Commercial Facility Inspections and Deficiencies in San Bernardino Agencies, FY 2005-2006 through FY 2022-2023**



Source: San Bernardino County Stormwater Program Annual Reports. Analysis by Beacon Economics.

<sup>11</sup> Half of the industrial facilities in Loma Linda and Ontario are classified as Medium Priority, and half are classified as Low Priority.

<sup>12</sup> Based on 2022 Census tracts. Data retrieved from: <https://oehha.ca.gov/calenviroscreen/sb535>. Parts of Chino, Colton, Highland, Loma Linda, Ontario, and Upland are classified as disadvantaged.

On average, commercial facilities within San Bernardino agencies have been classified as follows: 2,417 High Priority, 3,501 Medium Priority, and 4,242 Low Priority. Due to the change in frequency of inspections (from once per permit term, to once every five years) required for Low Priority facilities set forth in the TO, these commercial facilities will face higher inspection costs.

Considering an inspection in San Bernardino costs \$250 per visit, and independent of the hours of inspection conducted within a visit, **inspection costs are expected to rise by \$136,336 annually.**

**Inspection costs are expected to rise by over \$2.7 million** over the next 20 years, combined for agencies in San Bernardino.

**Table 13. Heat Map of Commercial Facilities in San Bernardino by Priority Level as a Share of All Facilities within Agency, FY 2006-2007 through FY 2014-2015**

San Bernardino County Commercial Facilities by Priority Level																					
	FY 2006-2007			FY 2007-2008			FY 2010-2011			FY 2011-2012			FY 2012-2013			FY 2013-2014			FY 2014-2015		
	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L
BBL	1.0	0.0	0.0	0.2	0.8	0.0	0.2	0.8	0.0	0.2	0.8	0.0	0.2	0.8	0.1	0.2	0.8	0.1	0.2	0.8	0.1
CHI	0.0	0.3	0.7	0.0	0.3	0.7	0.0	0.3	0.7	0.0	0.3	0.7	0.0	0.3	0.7	0.0	0.3	0.7	0.0	0.3	0.7
CHH	0.7	0.3	0.0	0.7	0.3	0.0	0.7	0.3	0.0	0.7	0.3	0.0	0.7	0.3	0.0	0.3	0.3	0.4	0.7	0.3	0.0
COL	0.0	0.3	0.7	0.2	0.1	0.7	0.2	0.1	0.7	0.2	0.1	0.7	0.0	0.3	0.7	0.2	0.1	0.7	0.0	0.3	0.7
FON	0.6	0.3	0.1	0.2	0.5	0.3	0.2	0.5	0.3	0.1	0.7	0.3	0.1	0.6	0.3	0.2	0.6	0.2	0.2	0.6	0.2
GRT	0.2	0.5	0.2	0.3	0.4	0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.3	0.4	0.3
HIG	0.6	0.1	0.3	0.6	0.2	0.2	0.6	0.2	0.2	0.5	0.3	0.2	0.4	0.4	0.2	0.0	0.3	0.7	0.0	0.2	0.7
LOL	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.5
MON	0.2	0.2	0.7	0.4	0.4	0.2	0.4	0.4	0.2	0.4	0.4	0.2	0.4	0.4	0.2	0.5	0.3	0.2	0.5	0.3	0.2
ONT	0.5	0.3	0.1	0.2	0.5	0.3	0.2	0.5	0.3	0.2	0.5	0.3	0.1	0.5	0.4	0.1	0.4	0.5	0.1	0.4	0.5
RAC	0.4	0.1	0.5	0.4	0.2	0.5	0.4	0.2	0.5	0.5	0.2	0.3	0.5	0.2	0.3	0.5	0.2	0.3	0.6	0.2	0.2
RED	0.8	0.1	0.1	0.8	0.1	0.1	0.8	0.1	0.1	0.8	0.2	0.1	0.7	0.2	0.1	0.7	0.2	0.1	0.7	0.2	0.2
RIA	0.1	0.1	0.8	0.2	0.1	0.7	0.2	0.1	0.7	0.2	0.1	0.7	0.5	0.2	0.3	0.5	0.2	0.2	0.5	0.2	0.2
SBD	0.7	0.1	0.2	0.2	0.5	0.3	0.2	0.5	0.3	0.1	0.4	0.4	0.1	0.4	0.4	0.1	0.4	0.4	0.1	0.4	0.4
UPL	0.6	0.1	0.2	0.7	0.1	0.2	0.7	0.1	0.2	0.8	0.0	0.1	0.6	0.3	0.1	0.1	0.1	0.8	0.1	0.1	0.8
YUC	0.0	0.3	0.7	0.0	0.4	0.6	0.0	0.4	0.6	0.0	0.4	0.6	0.0	0.4	0.6	0.0	0.4	0.6	0.0	0.4	0.6
SBC	0.3	0.5	0.2	0.5	0.3	0.2	0.5	0.3	0.2	0.5	0.3	0.2	0.4	0.4	0.2	0.2	0.5	0.3	0.2	0.5	0.3
FCD	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: San Bernardino County Stormwater Program Annual Reports. Analysis by Beacon Economics.

Note: H = High Priority, M = Medium Priority, L = Low Priority facilities

**Table 14. Estimate of Additional Commercial Inspection Costs in San Bernardino County**

	High (Avg)	Med (Avg)	Low (Avg)
Total Facilities	2417	3501	4242
Current Freq/year	1	0.5	0.0714286
New (TO) Freq/year	1	0.5	0.2
Inspection Cost	\$0	\$250	\$250
Current Insp. Cost	\$0	\$437,607	\$75,742
New Insp. Cost	\$0	\$437,607	\$212,079
Added Cost (Annual)	\$0	\$0	\$136,336
<b>Added Cost (20-Yr)</b>	\$0	\$0	<b>\$2,726,724</b>

Source: San Bernardino County Stormwater Program Annual Reports. Analysis by Beacon Economics.

**Restaurants** However, the TO brings another substantial change to commercial facility inspections. Per the current permit, “restaurants are inspected at least once during the MS4 permit cycle,”<sup>13</sup> as these establishments engage with fats, oil, and grease (FOG), pollutants that are the most impactful on receiving waters.

According to the TO, “the Permittees must inspect eating or drinking establishments annually or cause such inspections to occur on their behalf.”<sup>14</sup> The expansion of the definition of restaurants to “eating and drinking establishments” will generate substantial costs for businesses in the county.

There are currently 1,178 full-service restaurants, 1,847 limited-service restaurants and 93 drinking places in San Bernardino County, according to the latest (fourth quarter 2023) U.S. Census Bureau data. Assuming these establishments are distributed evenly across the county, we scale the number of establishments based on relative population ratio to the portions of the county (agencies plus unincorporated portions of the county that are

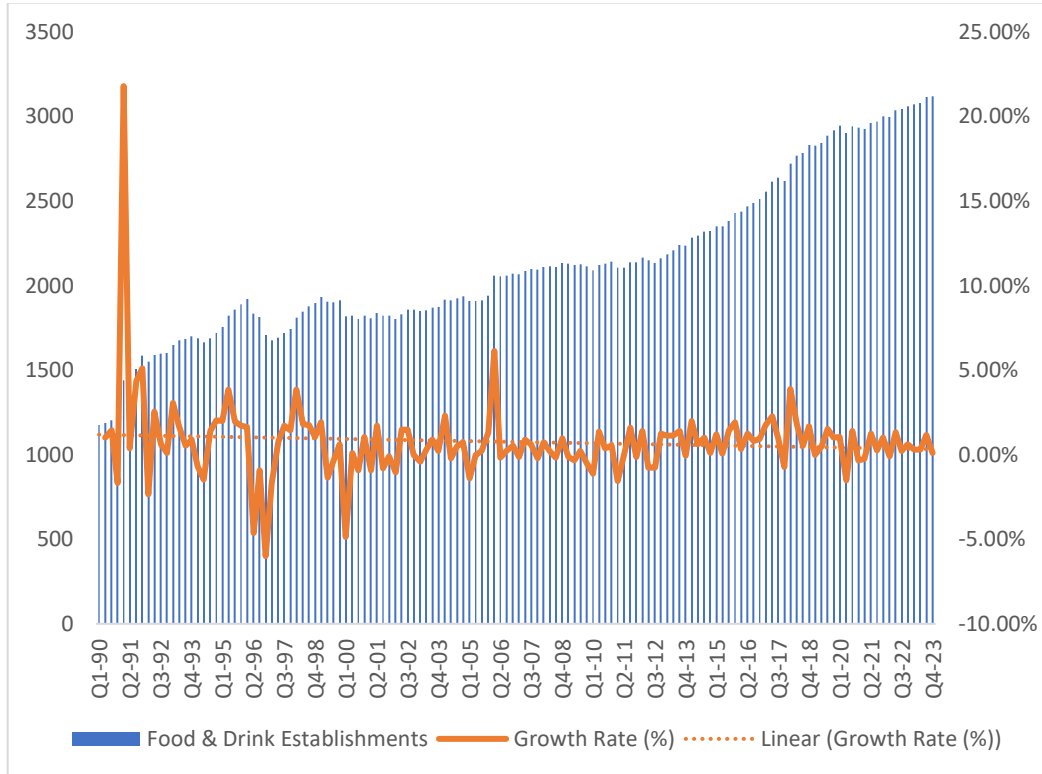
<sup>13</sup>[https://www.waterboards.ca.gov/santaana/board\\_decisions/adopted\\_orders/orders/2010/10\\_033\\_rc\\_ms4\\_permit\\_01\\_29\\_10.pdf](https://www.waterboards.ca.gov/santaana/board_decisions/adopted_orders/orders/2010/10_033_rc_ms4_permit_01_29_10.pdf)

<sup>14</sup>[https://www.waterboards.ca.gov/santaana/water\\_issues/programs/stormwater/docs/2024/tentative\\_ms4\\_permit\\_2-29-24.pdf](https://www.waterboards.ca.gov/santaana/water_issues/programs/stormwater/docs/2024/tentative_ms4_permit_2-29-24.pdf)



currently Permittees) to estimate the number of food and drink establishments within the Santa Ana River Watershed.

**Figure 4. Food and Drink Establishments in San Bernardino County, Q1 1990 – Q4 2023**



Source: U.S. Census Bureau. Analysis by Beacon Economics.

According to the 2020 decennial census, San Bernardino County has a population of 2,181,654. The 17 agencies (not including the Principal Permittee) of the county have a combined population of 1,596,228, representing approximately 73.17% of the county’s total population. Based on this population ratio, we estimate there to be **2,282 food and drink establishments in San Bernardino that would be subject to the MS4 TO**.

We assume for simplicity and consistency<sup>15</sup> with previous parts of the report, that the number of restaurants does not grow (although historically, the number of food and drink establishments has grown at 0.6% per year) in the next 20 years.

Considering that an inspection costs \$250 per visit in San Bernardino, and the current permit term has extended for 14 years, the additional annual cost of requiring annual inspections for food and drink establishments equals \$529,726. **The 20-year cost of**

<sup>15</sup> This is also reasonable, given that the newly added costs will likely hinder growth.

requiring annual inspections for food and drink establishments is approximately \$10.6 million.

**Table 15. Estimate of Additional Commercial Inspection Costs in San Bernardino County**

Inspection Freq.	Annual Cost	Total Cost (20-Yr)	Added Costs
1x per permit term	\$ 40,748.17	\$ 814,963.34	
1x per year	\$ 570,474.34	\$ 11,409,486.77	\$ 10,594,523.43

Overall, adding the 20-year marginal cost of \$2.7 million for higher frequency inspections of Low Priority commercial facilities (with the 20-year marginal cost of \$10.6 million for higher frequency inspections for food and drink establishments), we arrive at a **20-year cost of \$13.3 million for San Bernardino County.**

This control measure would **disproportionately impact disadvantaged and tourist communities within Permittee counties.** Significant portions of San Bernardino County are classified as Disadvantaged Communities (DACs) or as Severely Disadvantaged Communities (SDACs) and may be adversely impacted by the increased regulations on restaurants. For example, the City of Big Bear Lake in San Bernardino County is primarily a tourist community, and restaurants make up a significant element of the local economy. Restaurants in the state already face financial burdens due to existing regulations and new higher minimum wages. The proposed classification of all food and drink establishments as High Priority will place an additional burden on the cities' economies.

## CONSTRUCTION SITE INSPECTION COSTS

Currently, the construction site inspection frequency is as follows:

- For High Priority sites: eight times per year (once per month during the wet season)
- For Medium Priority sites: twice per wet season
- For Low Priority sites: once per wet season

The TO specifies the same inspection frequency for Medium and Low Priority sites, however the inspection frequency for High Priority construction sites is reduced to four times per year (once every two months during the wet season).

This change should reduce the inspection costs faced by agencies. However, at the same time, there is a change in how priority levels are determined.

High Priority sites are currently defined as those disturbing 50 acres of soil and greater, Medium Priority sites are those disturbing between 20 and 50 acres, and Low Priority sites are those disturbing less than 20 acres.

With the TO, High Priority sites will include any construction site disturbing 20 acres of soil or more, Medium Priority sites are those disturbing between five and 20 acres, and Low Priority sites are those disturbing less than five acres.

These two changes (lower frequency inspections for High Priority sites and lower threshold acreage to be defined as High Priority) will have opposing effects on costs. We assume for simplicity that these roughly cancel each other out.

## **NEW DEVELOPMENT & SIGNIFICANT REDEVELOPMENT COSTS**

The MS4 permit requirements are designed to reduce the discharge of pollutants from new developments and significant redevelopment projects. Permittees must use source control measures (e.g. street sweepers), structural control measures, and treatment control measures (e.g. bioswale) in their designs. These measures are designed to prevent or reduce the discharge of pollutants into the receiving waters.

## **ELIMINATION OF GREEN STREETS GUIDANCE**

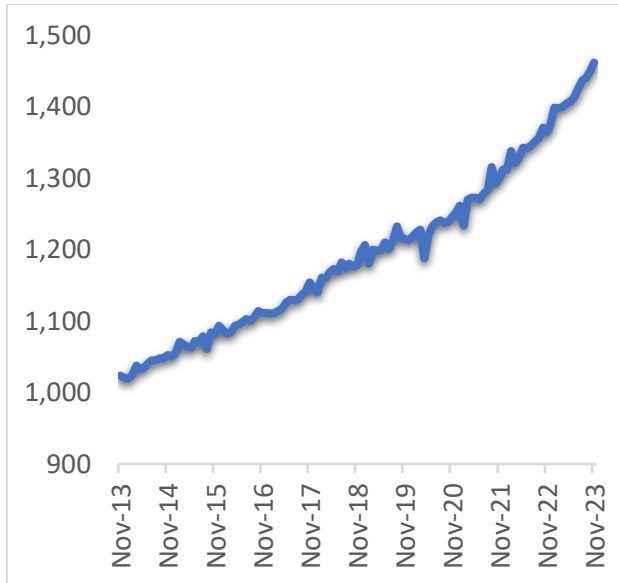
Although there are several changes in the TO that increase development costs, the highest potential cost impact on developers is likely to be the change to road requirements.

The proposed elimination of EPA Green Streets Guidance and, in turn, the inclusion of roadway projects as priority projects triggers the requirement to prepare a **Water Quality Management Plan (WQMP)** which could **disproportionately affect roadway improvement projects in San Bernardino County**. As most roadway projects in these regions are improvements to existing infrastructure, there is an inherent limitation on space available to incorporate additional water quality infrastructure.

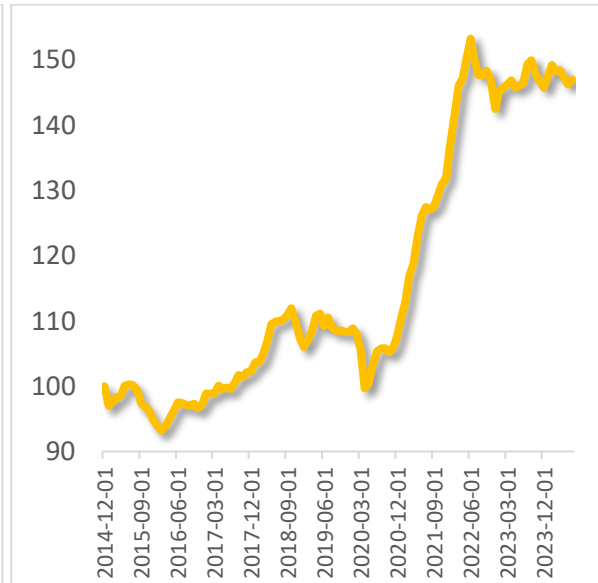
In addition to the limitation on space, construction costs are currently high, which is generally true across the nation (see figures below), and the new requirements would place an additional cost on development and redevelopment projects. The new

requirements **would likely delay construction**, presenting additional opportunity costs that are difficult to quantify.

**Figure 5a. Average Weekly Wage Construction in the United States**



**Figure 5b. Producer Price Index: Inputs to Industries: Net Inputs to Highways and Streets, Goods (Dec 2014 = 100), United States**



Source: U.S. Bureau of Labor Statistics, Average Weekly Earnings of All Employees, Construction [CEU2000000011], retrieved from FRED, Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: Inputs to Industries: Net Inputs to Highways and Streets, Goods [WPUIP2312311], retrieved from FRED, Federal Reserve Bank of St. Louis. Analysis by Beacon Economics.

**CASE STUDY 1<sup>16</sup>** As an example, a \$4 million project in San Bernardino that would not have triggered a WQMP requirement under the current permit (due to the project not extending beyond 0.5 miles) may now require a WQMP with BMP costs of over \$200,000, not including regular maintenance costs.<sup>17</sup> **This represents a 5% increase in construction costs.**

However, this figure cannot be applied to all projects. Each project, depending on its dimensions, location, and surrounding infrastructure, has different inherent needs for water treatment. Currently, the permit requirements allow for projects to be evaluated on a case-by-case basis through feasibility studies. With the new TO, projects surpassing 5,000 square feet will all require a WQMP (and in turn, BMPs), regardless of the feasibility or specific conditions surrounding the project.

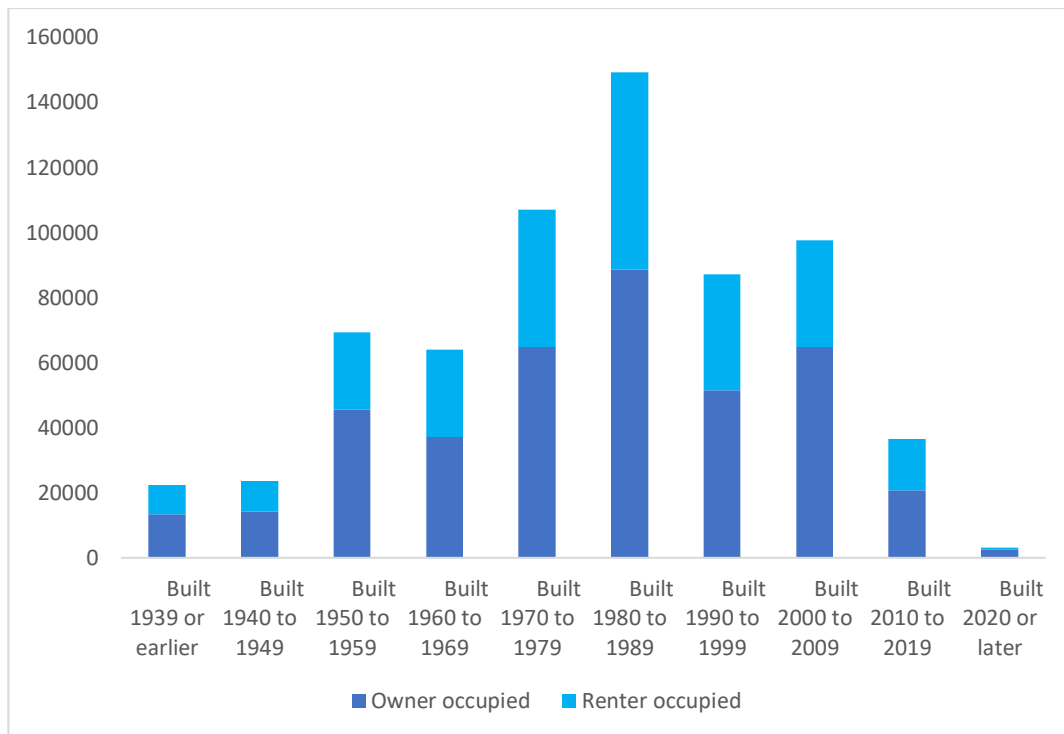
<sup>16</sup> Case studies are based on consultation with stormwater program expert within San Bernardino County.

<sup>17</sup> Costs are highly dependent on the type of project. Some projects require infiltration methods while others do not. BMP costs vary based on the treatment method required for a particular project.

**CASE STUDY 2** As another example, a development of 29 single homes spanning a land area of 40 feet by 3,620 feet (where each parcel is 125 feet) would currently require no BMPs in San Bernardino. The same development under the new TO would require 29 BMPs. With a rough approximation of cost for a BMP at \$20,000 to \$30,000, which varies depending on the type of BMP implemented, **this permitting change results in a cost increase of roughly \$725,000, or \$25,000 per home.**

Again, this figure may be greater for other projects of the same size, depending on the location and other factors that may necessitate a different BMP for water treatment. It should be noted that if the land area of 40 feet by 3,620 feet was instead used for a single project, it would require four BMPs, both under the current permit as well as under the newly proposed permit.

**Figure 6. Residential Construction in San Bernardino County over Time**



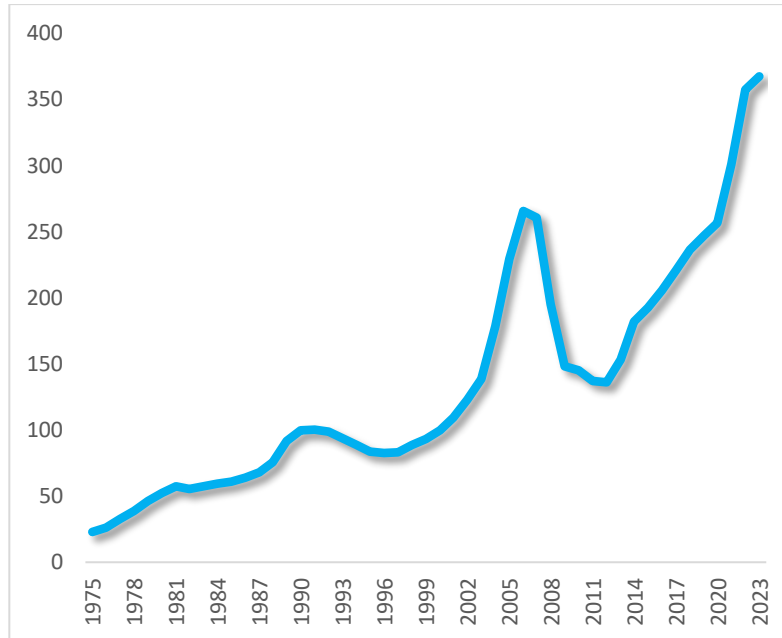
Source: U.S. Census Annual Community Survey (ACS) 5-year estimates. Analysis by Beacon Economics.

For simplicity, assuming that single-family homes are all built in similarly sized lots, with similarly sized parcels, and the existing road and environmental conditions surrounding them are similar, we can extrapolate the figures from Case Study 2 to estimate that the overall increase in housing construction costs will be roughly \$27.61 million in the county

per year. **Over 20 years, this would add up to over \$552.2 million** in additional single family home construction costs.

Additional residential construction costs are especially problematic given the drop in construction over time, as shown in [Figure 6](#) above. With limited residential housing supply, house prices continue to rise in the county (see [Figure 7](#)).

**Figure 7. Home Price Index in San Bernardino County: 1975 to 2023**



Source: U.S. Federal Housing Finance Agency, All-Transactions House Price Index for San Bernardino County, CA [ATNHPIUS06065A], retrieved from FRED, Federal Reserve Bank of St. Louis. Analysis by Beacon Economics.

Moreover, since municipalities typically do projects on a larger scale, such as the installation of ADA ramps, this proposed change may adversely affect their ability to complete projects in a timely or cost-effective manner.

## **DEFINITION OF IMPERVIOUS SURFACE**

Further, the **new definition of “imperviousness” will trigger WQMPs** for individual homes, trails projects, and other small projects.

The definition of Impervious Surface found in the glossary includes virtually any surface that is “cleared, graded, graveled, paved.” This essentially requires any surface on a construction site to be considered impervious regardless of its future condition. Newly



developed parks, landscapes, and gardens that would be effective infiltration areas for years to come would be considered impervious, if during their construction the site is cleared or graded. This new definition thus unfairly increases the size of post-construction BMP treatment, impacting the space and funding available for the development project. The WQMP requirements could easily crush the economic vitality and available resources for these small projects.

## CHANGES TO HYDROMODIFICATION CHANNEL EXEMPTIONS

Stormwater from urban areas can cause stream channel modifications, either through accelerated erosion or channel engineering to prevent erosion. Mitigating for hydromodification can require the setting aside of land for large basins. Under the current permit, developers may be relieved from mitigation requirements, based on hydromodification susceptibility maps that have been submitted by the counties and incorporated into their guidance documents.

**The proposed removal of this exemption poses an additional and entirely unnecessary cost to developers**, in both the public and private sector, analogous to the additional development costs associated with the proposed removal of the Green Streets guidance.

## OTHER CONCERNS AND COSTS

### DRY WEATHER FLOWS

The TO establishes discharge prohibitions aimed at eliminating dry weather flows into the Santa Ana River. However, the San Bernardino Valley Municipal Water District (MWD) has already taken steps to eliminate dry weather flows in certain critical sub-watershed areas. The **San Bernardino MWD is leading a large-scale habitat conservation plan**, including multiple tributary restoration projects along the Santa Ana River. The conservation plan redistributes water from the Riverside treatment plant to these tributaries.

Currently, these tributaries have flows and are **crucial habitats for key aquatic species, some of which are federally threatened**. These species include the western pond turtle, Santa Ana sucker, and Arroyo chub (pictured below).



Photo credit: Oregon Dept. of Fish & Wildlife; Santa Ana Watershed Project Authority; Zack Abbey.

A significant concern of the TO is the **potential impact of the new prohibitions on the protection of these aquatic species**, as the new MS4 requirements could conflict with the San Bernardino MWD’s ongoing efforts. Because of the naturally occurring “background” bacterial levels in some stream channels, there could be an excess of numeric limits as set forth in the TO, even with the introduction of clean or recycled water. Eliminating dry weather flows into some of these tributaries could negatively impact these species.

The current MS4 permit appears to prioritize recreational uses (Rec) over other beneficial uses in the basin plan, such as the protection of rare or spawning habitats. In a dry climate like ours, the treatment plants along the river have minimum discharge requirements to ensure sufficient water for aquatic wildlife. Therefore, if water is diverted from the river, there should be an equivalent amount of clean water returned to the Santa Ana River. The San Bernardino MWD seeks a clear pathway for entities responsible for MS4 compliance to collaborate with those aiming to enhance native species habitats. As the TO stands, the **MS4 Permittees will be hindered from supporting native species’ habitat** enhancement due to concerns about factors such as background bacteria that might jeopardize compliance.

To address this, the San Bernardino Valley MWD proposes compensatory reclaimed water discharges to maintain base flow in certain critical reaches. Essentially, the MWD proposes that captured water be treated and returned to the Santa Ana River to help maintain the habitats of native species. Additionally, restoring streams impacted by stormwater systems would be beneficial.

## **PUBLIC EDUCATION AND OUTREACH**

Permittees must implement an effective public education and outreach program designed to raise awareness of pollution-prevention of BMPs by distributing educational material and motivating the public to implement BMPs resulting in reduction of pollutants in MS4

discharges. Beacon Economics has not attempted to estimate the additional costs of public education and outreach programs that would be required to ensure compliance with the numeric limitations as set forth in the TO.<sup>18</sup>

## Part III. Impact on Disadvantaged and Developing Communities

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The financial impact of the TO on Permittee counties is not just a matter of compliance. **It is a question of prioritizing resources in regions already struggling with substantial socioeconomic challenges.** This reallocation could further strain efforts to uplift disadvantaged communities, creating a cycle of economic hardship that is difficult to break.

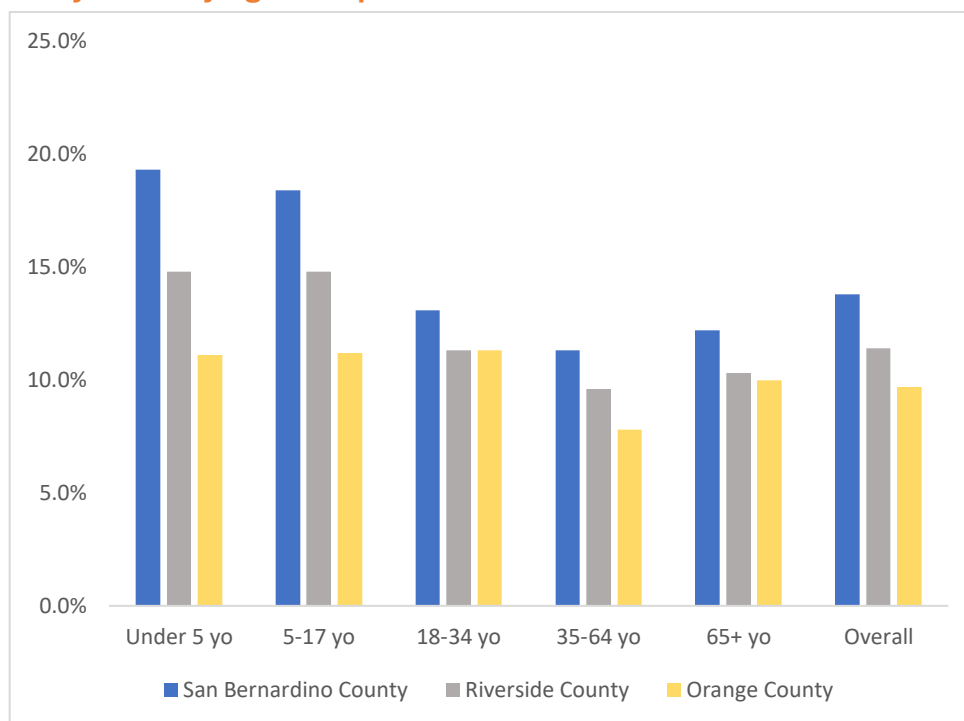
The proposed TO for stormwater management in the Santa Ana River Watershed presents challenges across the counties involved, particularly San Bernardino and Riverside. These counties, which already face substantial economic challenges, are expected to bear a disproportionate share of the financial burden compared to wealthier counties like Orange.

This section contextualizes these concerns by providing a comparative analysis of these three counties, focusing on their **demographic profiles, disadvantaged communities,** and the **financial implications for city budgets.**

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<sup>18</sup> In addition to the costs above, this report does not include cost estimations for: constraints to water quality credit trading, additional staff training, integrated pest management, new program effectiveness, assessments, re-evaluation of the monitoring program, and TMDL programs.

**Figure 8. Poverty Rates by Age Group across Permittee Counties**



Source: U.S. Census Annual Community Survey (ACS) 5-year estimates. Analysis by Beacon Economics.

Globally, there is a well-documented disparity between those who contribute most to environmental degradation and those who suffer the consequences.<sup>19</sup> The financial burdens imposed by the TO—ranging from the development and maintenance of WMPs to increased industrial and commercial inspection costs—are likely to disproportionately impact the counties of San Bernardino and Riverside. These counties, which house a significant proportion of disadvantaged communities, are less equipped than Orange County to comply with the TO without facing substantial economic disruption.

## DEMOGRAPHIC AND SOCIOECONOMIC OVERVIEW

The three counties involved in the TO exhibit significant differences in their demographic compositions and socioeconomic conditions (Table 16 and Figure 9). These differences can, in turn, influence their capacity to manage the financial demands imposed by the TO.

- SAN BERNARDINO COUNTY** San Bernardino has a total population of 2.18 million. Of the three counties under discussion, it has the **highest percentage of**

<sup>19</sup> Chancel, L., Bothe, P., & Voituriez, T. (2023). *Climate inequality report 2023, Fair taxes for a sustainable future in the global South* (Doctoral dissertation, World Inequality Lab (WIL)).

**residents living in disadvantaged communities** (33%),<sup>20</sup> with a large Hispanic population (55%) and significant economic challenges. The county’s median household income is approximately \$79,091—14% less than the state median—and 13.4% of the population lives below the poverty level.

- The county ranks **29<sup>th</sup> out of 58 counties** in the state on the Distressed Community Index, indicating a comfortable level (Economic Innovation Group EIG, 2023).<sup>21</sup>
- **RIVERSIDE COUNTY** With a population of 2.43 million, Riverside County also has a significant Hispanic population (51%), and **15% of its residents are classified as living in disadvantaged communities**. The median household income is below the state median, at \$86,748, with 11% of the population living below the poverty line.
  - According to EIG, Riverside County ranks **21<sup>st</sup> out of 58 counties** in California, indicating a comfortable level (Economic Innovation Group EIG, 2023).
- **ORANGE COUNTY** Orange County is the largest of the three counties, with a population of 3.2 million. A total of 15% of its population is classified as living in disadvantaged communities, and 10% of residents live below the poverty line. The county boasts a median household income of \$106,209, which is **16% higher than the state median**. Its racial composition is more diverse, featuring a lower percentage of Hispanic residents compared to the other counties (34%), and a higher percentage of Asian residents (22%).
  - Classified by EIG as prosperous, ranking **10<sup>th</sup> out of 58 counties** in California (Economic Innovation Group EIG, 2023).

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<sup>20</sup> DAC population percentages are based on data from CalEnviroScreen 4.0, developed by the California Office of Environmental Health Hazard Assessment (OEHHA). For more information, see the CalEnviroScreen 4.0 report: <https://cehha.ca.gov/calenviroscreen/report/calenviroscreen-40>.

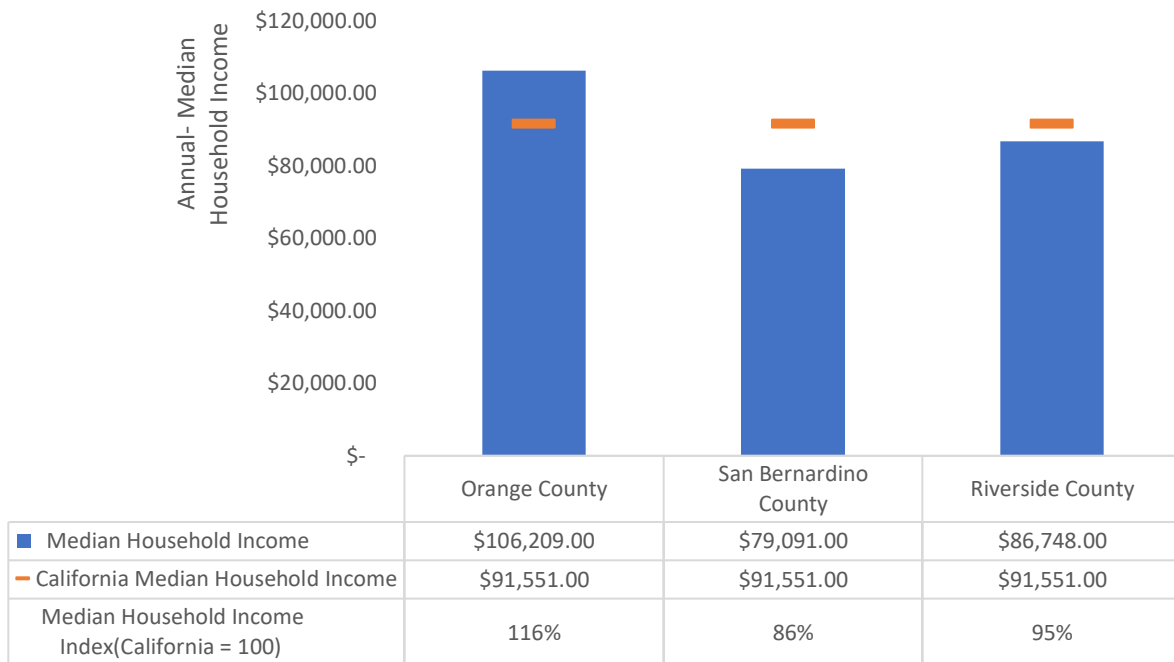
<sup>21</sup> To estimate the share of the population under DAC, it was considered the proximate location of each Census Tract. For more information, see the Distressed Communities Index by the Economic Innovation Group: <https://eig.org/distressed-communities/?regions%5B0%5D=06065&regions%5B1%5D=06025&geo=counties&lat=33.35&lon=-116.06&z=8.01>.

**Table 16. Demographic and Socioeconomic Characteristics Across Counties, 2022**

	Population	Hispanic	Black or African American	Asian	Percent below poverty level	Total Population in DAC %
<b>Orange County</b>	3,175,227.00	34%	2%	22%	10%	15%
<b>San Bernardino County</b>	2,180,563.00	55%	7%	8%	13%	33%
<b>Riverside County</b>	2,429,487.00	51%	6%	7%	11%	15%

Source: U.S. Census Bureau, American Community Survey 2022.

**Figure 9. Annual Median Household Income by County, 2022**



Source: U.S. Census Bureau, American Community Survey 2022. Analysis by Beacon Economics.



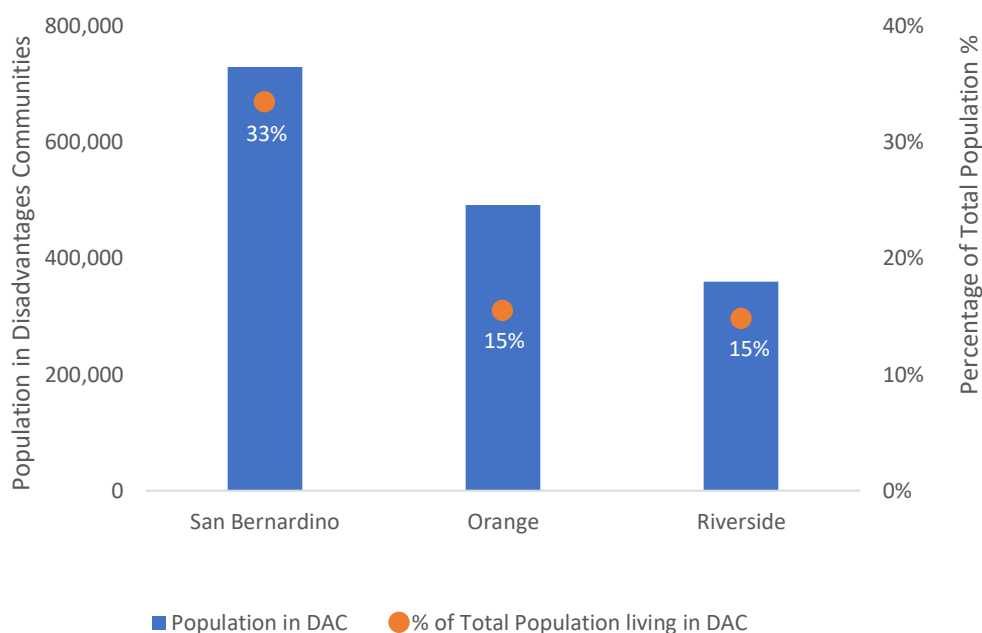
## DISADVANTAGED COMMUNITIES

To effectively classify disadvantaged communities, the **CalEnviroScreen score**<sup>22</sup> incorporates a broad spectrum of environmental, health, and socioeconomic data to generate scores for every census tract in California. This rigorous method identifies areas where residents are most burdened by pollution and social vulnerability.

San Bernardino County stands out for having a significantly higher percentage of its population living in DACs, as compared to Orange County. Figure 10 illustrates this contrast: 33% of San Bernardino's population resides in DACs, compared with 15% in Riverside and Orange Counties.

This demographic reality positions San Bernardino and Riverside counties in a more precarious situation. **The counties' budgets, which might otherwise be directed towards fostering economic growth and improving living conditions in these vulnerable areas, will need to be reallocated to meet the TO's stringent requirements.**

**Figure 10. Population in Disadvantaged Communities by County**



Source: U.S. Census Bureau, American Community Survey 2022; *CalEnviroScreen 4.0: California Communities Environmental Health Screening Tool*. Analysis by Beacon Economics.

<sup>22</sup> CalEnviroScreen 4.0 score is developed by the California Office of Environmental Health Hazard Assessment (OEHHA). For more information, see the CalEnviroScreen 4.0 report: <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>

The demographic and socioeconomic landscape of these counties is diverse and complex. Within San Bernardino, Riverside, and Orange counties, the population distribution differs widely in terms of racial composition, income levels, and residents in distressed communities. These factors play a crucial role in shaping how each city within these counties will experience the impacts of the TO.

To fully understand the extent of these impacts, it is essential to delve into the agency-level analysis, where the nuances of each community's economic and social structure become clear. The following sections will explore how these differences influence the capacity of individual cities to absorb the financial burdens imposed by the TO, highlighting the unique challenges faced by the most vulnerable populations in each region.

**San Bernardino County is in the least favorable position** among the three counties impacted by the TO for stormwater management. The cities within the county that shoulder the largest share of TO costs—such as San Bernardino, Fontana, and Ontario—not only face significant financial burdens but are also characterized by high levels of poverty and large populations living in DACs (Table 17).

## CITIES BEARING THE HIGHEST COSTS

- **San Bernardino (11%):** As the largest city in the county, San Bernardino bears the highest share of TO costs. This city also faces notable socioeconomic challenges, with 18% of its population living below the poverty line, well above the state average of 12.20%. Additionally, **67% of its population is classified as living in DACs**, reflecting the significant economic and infrastructural pressures on the city and its population. San Bernardino and Rialto have a notably larger share of Black or African American residents (12%) compared to other cities in the county.
- **Fontana (10%):** Fontana follows closely, contributing 10% to TO costs. The city has a predominantly Hispanic population (73%) and **60% of its population is considered DAC**. This high percentage indicates that a substantial portion of Fontana's population is economically vulnerable, despite its lower poverty rate.
- **Ontario (9%):** This city also contributes significantly to the TO costs. Ontario, with **13% of its population below the poverty line and 71% classified as DAC**, faces substantial challenges similar to San Bernardino and Fontana.

## POVERTY AND DISADVANTAGED COMMUNITIES

































- **High Poverty Rates:** Nine agencies in the county have poverty rates above the state average of 12%. Six of these are within the Santa Ana region. These include San Bernardino (18%), Ontario (13%), Rialto (15%), Montclair (10%), Highland (16%) and Colton (15%).
  - These cities are also among those contributing substantial shares to the TO costs, indicating that economic vulnerability is widespread in areas that are also financially burdened by the TO requirements.
- **High DAC Populations:** Cities with a significant proportion of their population classified as DAC include Rialto (78%), Ontario (71%), San Bernardino (67%), Montclair (67%), Colton (60%) and Fontana (60%).

The high DAC percentages in these cities suggest that a large segment of their populations is economically and socially disadvantaged, making the financial burden of the TO particularly harsh.

The analysis of cities within San Bernardino, Riverside, and Orange counties reveals a complex and varied landscape where economic and social vulnerabilities intersect with the financial demands of the TO. Each agency faces unique challenges, from high poverty rates and large DAC populations, to racial and ethnic disparities. These factors underscore the profound impact that the TO will have on city agencies that are already struggling with significant economic hardships.

**The requirements of the TO will not only place additional pressure on city fiscal budgets but will also affect household incomes and local industries. As cities work to comply with the TO, the financial burden may result in reduced public services, increased taxes, or other measures that could further strain the local economy.**

**Table 17. Distribution of Tentative Order Costs and Socioeconomic Demographics across San Bernardino County Agencies**

	Share of County TO Costs	Population	Hispanic	Black or African American	Asian	% Below Poverty Level	% Population in DAC
Big Bear Lake	1.6%	5,059		30%	0%		14%
Chino	5.0%	91,008		54%	6%		12%
Chino Hills	5.2%	78,223		29%	4%		8%
<b>Colton</b>	<b>3.5%</b>	<b>53,959</b>		<b>73%</b>	<b>9%</b>		<b>15%</b>
Fontana	<b>10%</b>	209,279		69%	8%		9%
Grand Terrace	1.7%	13,104		51%	4%		7%
Highland	3.6%	56,789		59%	7%		16%
Loma Linda	2.3%	24,883		28%	6%		13%
<b>Montclair</b>	<b>2.5%</b>	<b>37,842</b>		<b>71%</b>	<b>5%</b>		<b>15%</b>
<b>Ontario</b>	<b>9%</b>	<b>176,326</b>		<b>70%</b>	<b>5%</b>		<b>13%</b>
Rancho Cucamonga	<b>8%</b>	174,696		40%	9%		7%
Redlands	5.1%	73,234		38%	5%		16%
<b>Rialto</b>	<b>5.3%</b>	<b>103,873</b>		<b>75%</b>	<b>12%</b>		<b>15%</b>
<b>San Bernardino</b>	<b>11%</b>	<b>221,041</b>		<b>67%</b>	<b>12%</b>		<b>18%</b>
Upland	4.2%	78,847		44%	6%		12%
Yucaipa	4.2%	54,428		34%	1%		9%
<b>San Bernardino County</b>	<b>13.5%</b>	<b>2,180,563</b>		<b>55%</b>	<b>7%</b>	<b>8%</b>	<b>13%</b>
Riverside County		2,429,487		51%	6%	7%	11%
Orange County		3,175,227		34%	2%	22%	10%

Source: U.S. Census Bureau, American Community Survey 2022. Analysis by Beacon Economics.

**Table 18. Distribution of Tentative Order Costs and Socioeconomic Demographics across San Bernardino County Agencies**

	Median Household Income	Median Household Income (California = 100)
Big Bear Lake	\$ 70,020	76%
Chino	\$ 95,721	105%
Chino Hills	\$ 105,978	116%
<b>Colton</b>	<b>\$ 66,725</b>	<b>73%</b>
Fontana	\$ 93,581	102%
Grand Terrace	\$ 89,781	98%
Highland	\$ 72,222	79%
Loma Linda	\$ 70,685	77%
<b>Montclair</b>	<b>\$ 72,789</b>	<b>80%</b>
<b>Ontario</b>	<b>\$ 79,129</b>	<b>86%</b>
Rancho Cucamonga	\$ 108,345	118%
Redlands	\$ 92,787	101%
<b>Rialto</b>	<b>\$ 85,585</b>	<b>93%</b>
<b>San Bernardino</b>	<b>\$ 62,801</b>	<b>69%</b>
Upland	\$ 97,838	107%
Yucaipa	\$ 85,075	93%
<b>San Bernardino County</b>	<b>\$ 79,091</b>	<b>86%</b>
Riverside County	\$ 86,748	95%
Orange County	\$ 106,209	116%

Source: U.S. Census Bureau, American Community Survey 2022. Analysis by Beacon Economics.

The next section will explore the financial implications of the TO on each city's general fund budget, analyzing how much each city and agency is expected to pay and what these costs represent as a percentage of their general fund budget. This analysis will provide a clearer understanding of the economic pressures facing these communities and the potential ripple effects on both municipal operations and the local economy. By understanding the full scope of these financial demands, we can better assess the sustainability of these requirements and their long-term impacts on the fiscal health of the affected cities.<sup>23</sup>

<sup>23</sup> For this analysis, the General Fund Budget is primarily considered. The funding sources for individual permittees in San Bernardino County include a mix of **General Funds**, which most agencies heavily rely on, alongside **Specialized Funds** (such as Sanitation, Sewer, and Storm Drain Funds), **Inspection and Permit Fees**, **Development Fees**, and **Special Assessments** (like Stormwater Management Fees and Business License Renewal Fees). Some agencies also rely on **Property Taxes**, **Rents**, **Royalties**, and other specific fees like Water Quality Management Plan (WQMP) Check Fees. This diversity reflects the varied financial strategies employed by each city or district to support their stormwater management and related environmental programs.

# Part III. Implicit Costs

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As the demographic analysis points out, the cities most impacted by the TO are those already facing socioeconomic challenges. The financial demands of the TO will exacerbate existing fiscal pressures on city budgets and will also ripple through local economies. Compliance with the TO could force cities to make difficult choices, such as reducing public services, increasing taxes, or diverting funds from critical economic development initiatives. These measures, while necessary for compliance, risk deepening the economic strain on the most vulnerable populations, potentially leading to a cycle of hardship that further undermines long-term growth and stability.

## CAPITAL COSTS RELATIVE TO GENERAL FUNDS

The capital costs required to comply with the TO present a challenge for several cities within San Bernardino County, especially when these costs are considered relative to each city's general fund budgets (Table 20).

- Several agencies would face **great financial strain**, with capital costs vastly exceeding their general funds. Grand Terrace and Highland are under immense pressure, with their capital costs exceeding **1,100%** of each of their general funds—equivalent to nearly **eleven years' worth** of each city's entire budget.
- Other agencies, including Colton, San Bernardino, and Montclair, are similarly burdened, with capital costs ranging above 350% of their general funds. These cities, which are already facing economic hardship, such as DAC populations and **high poverty rates**, may find it difficult to absorb these costs without compromising their ability to fund **essential services** and infrastructure projects.
- With **capital costs alone consuming multiple years' worth of general funds**, these cities may have to divert funds from other critical areas, potentially **exacerbating existing socioeconomic disparities**.



## O&M COSTS RELATIVE TO GENERAL FUNDS

The ongoing O&M costs present another layer of financial strain on cities within San Bernardino County. These costs are particularly concerning as they represent a significant portion of each city's general funds, leaving little room for other essential expenditures.

- **Ongoing O&M costs** under the TO represent a significant financial burden, especially for cities like **Yucaipa and Highland**, where these costs account for **20% of the city's general funds**. This percentage indicates that the agencies may struggle to maintain other essential services.
- Grand Terrace faces even more substantial O&M costs, **consuming about 28% of its general funds**. These considerable expenses could force the city to reallocate funds from other critical areas, further straining an already tight budget and potentially compromising essential services.

## OPPORTUNITY COSTS

The financial demands of the TO extend beyond direct costs; they also represent significant opportunity costs for the affected cities. Funds that could have been allocated to critical public works projects, economic development initiatives, or community services will instead be directed towards meeting the TO's requirements.

We estimate the burden of capital costs and O&M for WMP development:

- **Public Works:** Public works expenditures are crucial for maintaining infrastructure, ensuring public safety, and fostering community growth in many cities. In the City of San Bernardino, where capital costs exceed 350% of the annual budget, the O&M costs for just one year represent **34% of the general fund budget allocated to public works**. Similarly, in Colton, the O&M costs for one year are equivalent to **89% of the total annual public works budget**.<sup>24</sup>
  - These high opportunity costs suggest that cities may be forced to delay or cancel essential public works projects, compromising infrastructure

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<sup>24</sup> Source: Colton Financial Report. General Fund Expenditures Budget, FY 2024-25.

maintenance and public safety. Other agencies will likely face similar challenges, requiring a reassessment of budget priorities and potentially diverting funds from critical infrastructure improvements to cover TO-related expenses.

- Economic Development:** The diversion of funds to cover TO compliance may also impact cities' ability to invest in economic development. In Montclair, for example, the need for funds to cover yearly O&M costs could be significant, with the required amount being equivalent to over 8% of the city's general funds. This potential strain on the city's budget could limit its ability to attract new businesses, improve local infrastructure, and support job creation initiatives, especially considering that 67% of the population lives in distressed communities and 15% lives in poverty. This could have long-term consequences for the city's economic health and its ability to improve living standards for its residents.

**Table 19. Proposed Capital and O&M Expenditures Relative to 2024 San Bernardino City General Fund Expenditures**

TO Median Cost	GF Expenditures Budget (\$, M)	Share (\$, M) 2024 - 25 Budget	\$ 792	\$ 14	\$ 173
			Capital	O&M - 1 year	Capital/5 + 1-Yr O&M
Police	\$105.7 M	47.7%	750%	13%	156%
Public Works	\$41.4 M	18.7%	1912%	34%	392%
General Government	\$21.6 M	9.8%	3667%	66%	732%
Community Development & Housing	\$14.5 M	6.6%	5457%	98%	1089%
Capital Improvement Projects	\$0.0 M	0.0%			
Finance & Management Services	\$7.2 M	3.3%	10924%	196%	2144%
Parks Recreation & Community	\$6.4 M	2.9%	12400%	222%	2588%
Legal Services	\$5.2 M	2.3%	15280%	274%	3117%
Library	\$5.8 M	2.6%	13710%	246%	3118%
City Manager	\$5.3 M	2.4%	15068%	270%	3009%
Human Resource & Risk Management	\$2.8 M	1.3%	28052%	503%	5569%
City Clerk	\$2.1 M	0.9%	38513%	691%	9151%
City Council	\$1.2 M	0.6%	64249%	1152%	13475%
Economic Development	\$1.8 M	0.8%	43677%	783%	8497%
Mayor	\$0.3 M	0.2%	236757%	4246%	49154%
Total	\$221.3 M	100%	358%	6%	74%

Source: San Bernardino City 2024 Budget. Analysis by Beacon Economics.

To illustrate the tradeoffs that need to be considered by agencies, we consider the example of the City of San Bernardino. For every \$1 that is spent on compliance with the new MS4 regulations, San Bernardino **either must increase taxes by a dollar, give up spending on other public services by a dollar, or choose a combination of higher taxes and less spending on other public projects.**

Based on the city’s cost share of 10.53%, the new permitting requirements correspond to capital and one-year O&M costs (for WMP development and management) of \$173 million per year.<sup>25</sup> The table below illustrates the relative size of the city’s annual cost obligation for WMP development and management, based on their 2024 general fund expenditures.<sup>26</sup>

**Table 20. Distribution of Tentative Order Costs for San Bernardino County, Sorted by Largest Impact Relative to Agency General Fund Budget**

	Cost Share %	Capital (\$M)	1-Yr O&M (\$M)	20-Yr O&M (\$M)	General Fund (\$M)	Share of General Fund Budget		
						Capital	1-Yr O&M	Capital/5 + 1-Yr O&M
<b>Estimated Median Cost (WMP)</b>		<b>\$7,522</b>	<b>\$135</b>	<b>\$2,698</b>				
Grand Terrace	1.66%	\$125	\$2	\$45	\$7.86	1588.5%	28.5%	346.2%
Highland	3.63%	\$273	\$5	\$98	\$23.85	1144.9%	20.5%	249.5%
Yucaipa	4.19%	\$315	\$6	\$113	\$28.81	1093.9%	19.6%	238.4%
Chino Hills	5.23%	\$393	\$7	\$141	\$55.27	711.8%	12.8%	155.1%
Loma Linda	2.31%	\$174	\$3	\$62	\$26.71	650.4%	11.7%	141.7%
Rancho Cucamonga	8.37%	\$630	\$11	\$226	\$117.83	534.3%	9.6%	116.4%
County of San Bernardino	13.51%	\$1,016	\$18	\$364	\$193.00	526.5%	9.4%	114.7%
Upland	4.15%	\$312	\$6	\$112	\$61.30	509.2%	9.1%	111.0%
Big Bear Lake	1.63%	\$123	\$2	\$44	\$24.26	505.5%	9.1%	110.2%
Fontana	9.51%	\$715	\$13	\$257	\$149.08	479.8%	8.6%	104.6%
Montclair	2.45%	\$184	\$3	\$66	\$39.36	468.2%	8.4%	102.0%
Colton	3.45%	\$259	\$5	\$93	\$65.94	393.5%	7.1%	85.8%
San Bernardino	10.53%	\$792	\$14	\$284	\$224.81	352.3%	6.3%	76.8%
Chino	4.95%	\$372	\$7	\$134	\$112.30	331.5%	5.9%	72.3%
Redlands	5.10%	\$384	\$7	\$138	\$115.73	331.5%	5.9%	72.2%
Rialto	5.34%	\$402	\$7	\$144	\$129.29	310.7%	5.6%	67.7%
Ontario	9.00%	\$677	\$12	\$243	\$428.87	157.8%	2.8%	34.4%
SB County Flood	5.00%	\$376	\$7	\$135	-	-	-	
<b>Average</b>	<b>6%</b>	<b>\$418</b>	<b>\$7</b>	<b>\$150</b>	<b>\$106.13</b>	<b>594%</b>	<b>11%</b>	<b>129%</b>
<b>Median</b>	<b>5%</b>	<b>\$374</b>	<b>\$7</b>	<b>\$134</b>	<b>\$65.94</b>	<b>505%</b>	<b>9%</b>	<b>110%</b>

<sup>1</sup>Note: General Funds: Total General Fund Budgets for the last year available (2023 or 2024). For Grand Terrace, last year available is 2021; Ratio: Capital: Estimated Capital Cost / General Fund Budget; Ratio: 1-Yr O&M: One year estimated O&M costs / General Fund Budget. Source: San Bernardino FY 2024 - 2025 budget and cost-sharing allocation; City Financial Reports. Analysis by Beacon Economics.

<sup>25</sup> Assuming capital costs for WMP development are spread out over 5 years.

<sup>26</sup> City of San Bernardino’s general fund is used here to illustrate the relative size of TO-induced spending.

The significant budget required to comply with the TO highlights the need for San Bernardino County to explore alternative funding sources beyond the general fund. While **Measure W**<sup>27</sup> in Los Angeles County serves as an effective model of dedicated funding for water quality and infrastructure projects, these counties must consider pursuing similar initiatives or securing additional state and federal grants tailored to their specific needs to bridge the substantial funding gap.

However, it is relevant that any new funding mechanisms are designed to avoid imposing an undue burden on already economically vulnerable communities. As discussed throughout this analysis, many cities within these counties are already facing challenges. Implementing regressive funding strategies could exacerbate these challenges, particularly in areas with high DAC populations and existing socioeconomic disparities.

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<sup>27</sup> Measure W collects funds through a property tax of 2.5 cents per square foot of impermeable surface area, such as driveways and rooftops, on properties in Los Angeles County. This tax is specifically designed to address stormwater runoff, with the revenue allocated to projects that enhance water quality, increase water supply, and support environmental sustainability across the county.

For more detailed information, you can visit [Measure W: The Safe, Clean Water Program](#).

# Conclusion

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The proposed TO carries significant costs—both explicit and implicit—on the 17 agencies in San Bernardino County (excluding the Flood Control District). These costs stem from three key factors: (1) a proposed overhaul of the existing BMP approach to stormwater management in favor of an approach based on numeric limitations, (2) an increase in industrial and commercial inspections, and (3) changes in development and significant redevelopment requirements that will now more easily, and often unreasonably, trigger a WQMP.

Beacon Economics estimates the annual costs for the county will be over half a billion dollars, which equates to nearly \$10.8 billion over the next 20 years. Spending of this size will be cost-prohibitive for agencies, which is directly against the expectations outlined in the California State Auditor’s Report on State and Regional Water Boards:<sup>28</sup>

“We would expect that in developing pollutant control plans, regional boards would adequately consider the costs local jurisdictions would incur to comply with the pollutant control plans and would determine the overall cost of storm water management to those jurisdictions so as to make sure that such costs are not prohibitive.”

Based on Beacon Economics’ analysis, these increased costs will disproportionately impact San Bernardino County’s disadvantaged communities, forcing them to choose between important public programs—police, fire service, public works, economic development—and complying with the new requirements.

As Los Angeles has had to do through Measure W, San Bernardino County will likely need to implement a new tax based on the square footage of property, which being a somewhat regressive tax will continue to pose disproportionately high financial burdens on the most disadvantaged communities.

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<sup>28</sup> <https://information.auditor.ca.gov/pdfs/reports/2017-118.pdf>

# About Beacon Economics

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Founded in 2006, Beacon Economics, an LLC and certified Small Business Enterprise with the state of California, is an independent research and consulting firm dedicated to delivering accurate, insightful, and objectively based economic analysis. Employing unique proprietary models, vast databases, and sophisticated data processing, the company's specialized practice areas include sustainable growth and development, real estate market analysis, economic forecasting, industry analysis, economic policy analysis, and economic impact studies. Beacon Economics equips its clients with the data and analysis they need to understand the significance of on-the-ground realities and to make informed business and policy decisions.

**Learn more at [beaconecon.com](http://beaconecon.com)**

## Project Team

**Christopher Thornberg PhD.** Founding Partner (Project Advisor)

**Niree Kodaverdian PhD.** Research Manager

**Miriam Valdes PhD.** Research Manager

**For further information about this report or to learn more about Beacon Economics please contact:**

**Sherif Hanna**, Managing Partner [sherif@beaconecon.com](mailto:sherif@beaconecon.com)

**Victoria Bond**, Director of Marketing and Communications. [victoria@beaconecon.com](mailto:victoria@beaconecon.com)

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Attachment No. 2 to Agenda Item No. 5  
 Cost Impact Analysis for San Bernardino County of Draft Permit for MS4  
 (PowerPoint)



# Cost Impact Analysis for San Bernardino County of Draft Permit for MS4

**Niree Kodaverdian, PhD**

Lead Research Associate, Beacon Economics  
 September 13, 2024  
 beaconecon.com



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## Purpose

Beacon Economics estimates:

- **Explicit and implicit costs** assoc. with proposed Regional MS4 Permit (set forth in Tentative Order (TO))
- For local government agencies in **San Bernardino County** under the regulatory jurisdiction of the Santa Ana Regional Water Quality Control Board
- Permittees (cities, counties, and Flood Control Districts) have been regulated since 1990 under MS4 permits that set forth regulations on how stormwater runoff from urbanized areas is to be monitored and managed.
- **Tentative Order (TO)** has been drafted for a 5th iteration, where for the first time, the separate permits would transition to a single Regional MS4 permit.



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## Primary Changes Driving Cost Increases

We find that most new costs are associated with the proposed:

- (1) **Numeric limits** on stormwater quality, which effectively require the development of a **Watershed Management Plan (WMP)**
- (2) **Increased inspections**, such as those due to the classification of general use industrial permit holders and all food and drink establishments as High Priority
- (3) **Installing, maintaining and monitoring trash and litter capture devices on most street drain inlets.** While installation and maintenance have been mandated by the state’s trash policy, the requirement for monitoring is a new addition
- (4) **Development requirements** that increase the likelihood of public and private projects triggering a **Water Quality Management Plan (WQMP)**



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## San Bernardino 20-Yr Cost Estimates

San Bernardino 20-Yr Cost Estimates (2024 \$)	
Numeric Limits Compliance/WMP	\$ 10,219,563,415.05
Development/Re-Dev.	\$ 552,204,672.74
Comm. Inspection	\$ 13,321,247.92
Trash	\$ 6,560,000.00
Ind. Inspection	\$ 1,947,649.80
<b>Total Costs</b>	<b>\$ 10,793,596,985.51</b>

### Methodology:

Numeric limits compliance (WMP) cost estimates are based on 2021 Los Angeles Water Board study analyzing 20-year expected costs for MS4 permit. Extrapolation based on land area, utilizing included lands only.

1. Each LA watershed provided one WMP cost data point, for a total of 12 estimates.

2. Each LA estimate was scaled to SB using relative land sizes.

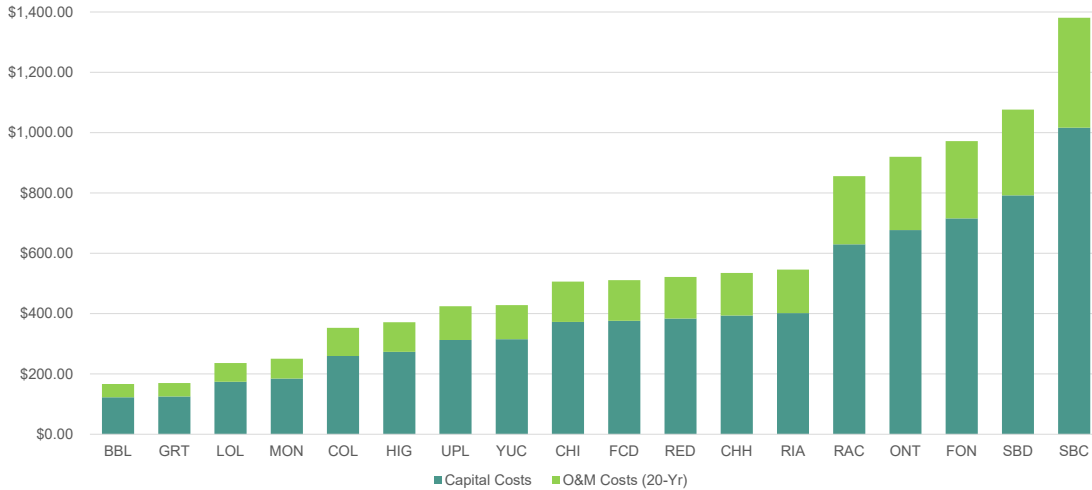
3. To avoid biased estimates due to potential outlier watersheds, median of 12 estimates was used.

4. Using county-provided existing cost shares for SB’s 17 agencies, cost burden for each agency was estimated.

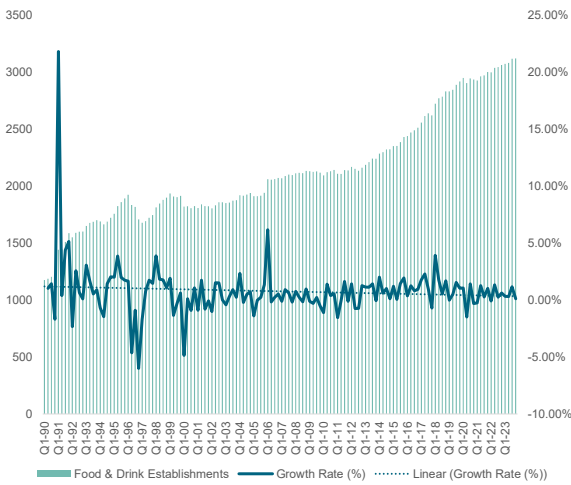


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## WMP Costs: San Bernardino Agencies

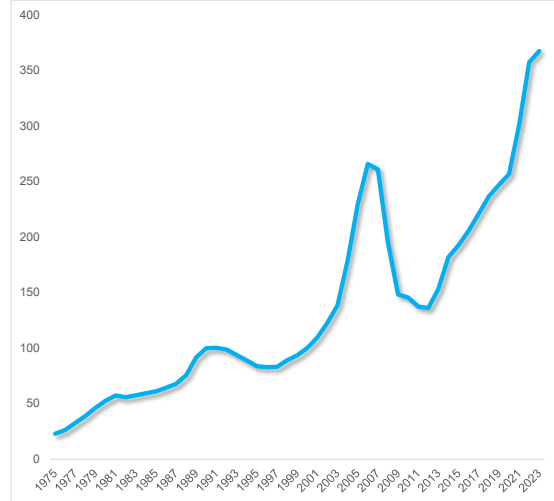
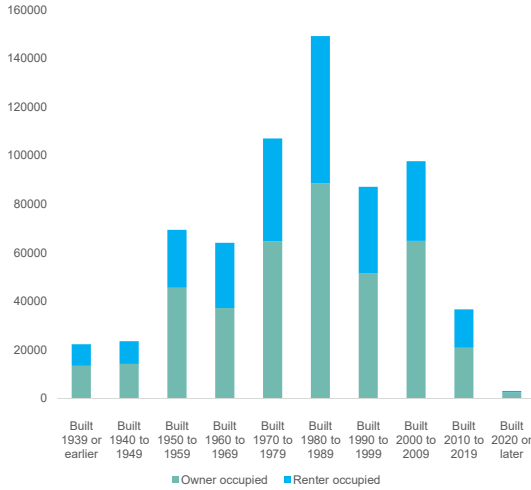


## Food & Drink Establishment Inspection Costs: San Bernardino County



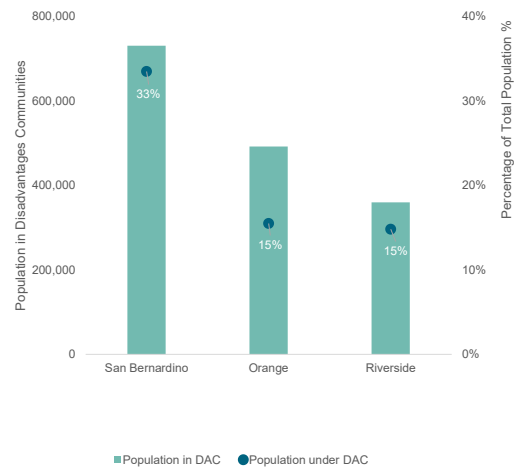
- **2,282** food and drink establishments in San Bernardino that would be subject to the MS4 TO
- Additional annual cost of requiring annual inspections for food and drink establishments equals **\$529,726**.
- 20-year cost of requiring annual inspections for food and drink establishments is approximately **\$10.6 million**

# Housing Construction & Home Price Index: San Bernardino



7

# Median HH Income & Disadvantaged Populations



8

## Relative Costs: San Bernardino County

	Cost Share %	Capital (M)	1-Yr O&M (M)	20-Yr O&M (M)	General Fund	Share of General Fund		
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