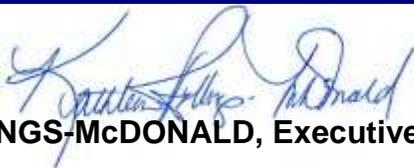


**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE : MARCH 9, 2015 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #8 – Status Report on Conditions Imposed on LAFCO
3157 - Sphere of Influence Establishment for County Service Area 120

RECOMMENDATION:

Staff recommends that the Commission continue the status report regarding the conditions imposed on LAFCO 3157—Sphere of Influence Establishment for County Service Area 120—to the April 15, 2015 hearing.

BACKGROUND:

At the October 22, 2014 LAFCO hearing, the Commission adopted its resolution, Resolution No 3190, related to the sphere of influence establishment for County Service Area (CSA) 120. Included within that resolution (copy included as Attachment #1) were conditions imposed on its sphere establishment, which are outlined below:

1. Within six months of the approval of the sphere of influence establishment, County Service Area 120 shall have completed the due diligence process with the California Department of Fish and Wildlife to be declared an available recipient of mitigation properties in the future. Failure to do so will require a further analysis of the sphere of influence assignment;
2. Within six months of the approval of the sphere of influence establishment for CSA 120, management of the County Special Districts Department shall develop a mechanism to provide for the maintenance and operation of the improvements constructed through the 2008-09 State Park grant without use of the endowment funds established for mitigation purposes only;
3. Within six months of the approval of the sphere establishment, County Service Area 120 shall have completed all reporting required by State law for the management of mitigation properties;

4. Within six months of the approval of the sphere of influence establishment, County Service Area 120 will have developed funding plans to restore endowment balances for those mitigation properties where mitigation work has not been performed but interest earnings used; and,
5. Direct LAFCO staff to provide ongoing monitoring of the completion of these activities with periodic updates provided to the Commission.

The first four are conditions that directly relate to CSA 120, which addresses questions on solvency, operational issues, and management of endowment funds. The fifth condition is the reason this status report is being provided to the Commission as part of its on-going monitoring of CSA 120.

In anticipation of the Commission's consideration of this status report, the County Special Districts Department submitted a letter dated March 6, 2015 (copy included as Attachment #2) in response to the conditions identified above. This letter was provided to LAFCO staff just days before the staff report needed to be published and distributed to the public. Therefore, in order to provide LAFCO staff and its Special Legal Counsel the ability to fully evaluate the positions now taken by the County and its Special Districts Department as outlined in its letter, staff is recommending that the status report be continued to the April 15, 2015 hearing.

KRM/sm

Attachment:

1. [LAFCO Resolution No. 3190](#)
2. [Response from County Special Districts Department Dated March 6, 2015](#)