

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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PROPOSAL NO.: LAFCO 3157

HEARING DATE: SEPTEMBER 17, 2014

## RESOLUTION NO. 3190

**A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3157 – SPHERE OF INFLUENCE ESTABLISHMENT FOR COUNTY SERVICE AREA 120 (Habitat Conservation and Historical Resources – North Etiwanda) (sphere of influence establishment coterminous with existing District boundary excluding the territory currently within the City of Fontana’s Interim Multi-Species Habitat Conservation Plan)**

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

**WHEREAS**, an application for the proposed sphere of influence establishment (expansion beyond existing District boundaries) in the County of San Bernardino was filed with the Executive Officer of the Local Agency Formation Commission (hereinafter referred to as “the Commission”) in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

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

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

**WHEREAS**, the public hearing by this Commission was held upon the date and at the time and place specified in the notice of public hearing and in any order or orders continuing the hearing; and,

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

**WHEREAS**, a Mitigated Negative Declaration has been prepared pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that the sphere of influence establishment will not have a significant effect on the environment through implementation of the mitigation measures assigned; that the Commission has chosen Alternative #2 as the project for approval, and the Commission adopted the Mitigated Negative Declaration and instructed its Executive Officer to file a Notice of Determination within five days with the San Bernardino County Clerk to the Board of Supervisors if filing fees required by the California Department of Fish and Wildlife are received from the County Special Districts Department within that timeframe; and,

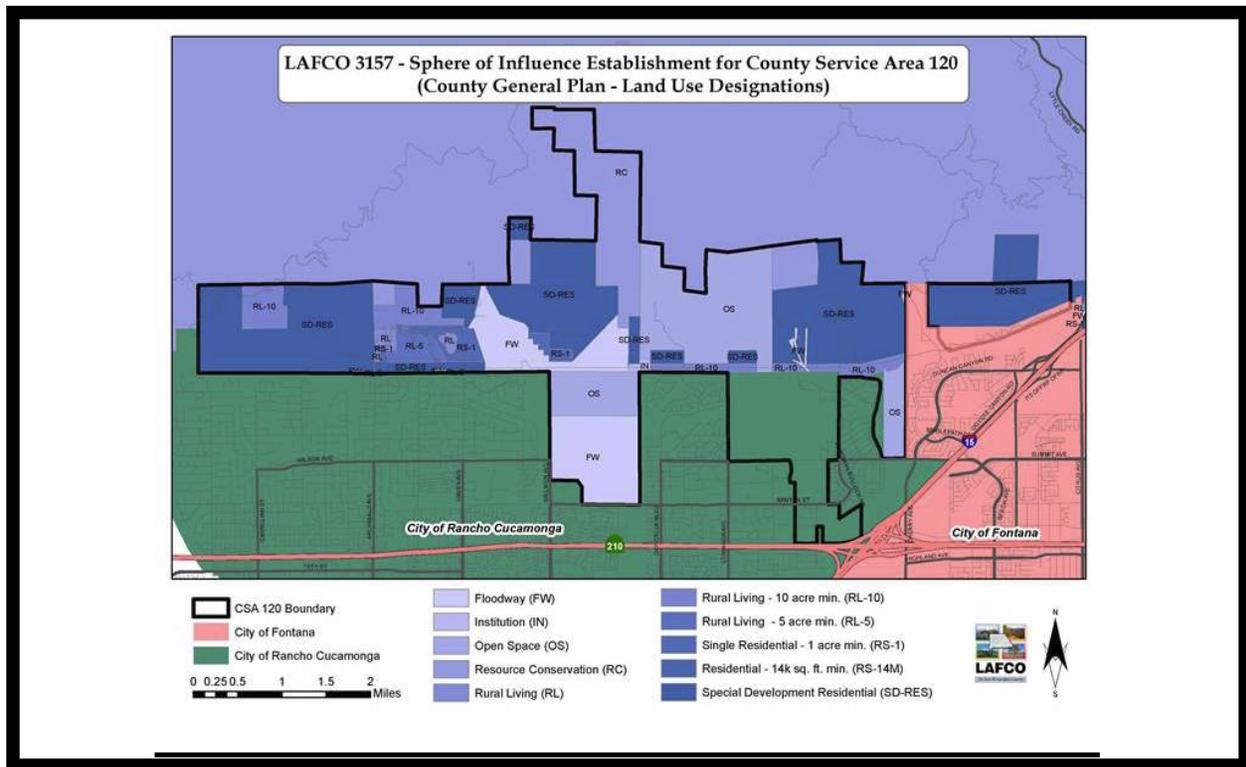
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**WHEREAS**, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that the sphere of influence for County Service Area 120 should be coterminous with its existing boundaries excluding the territory within the City of Fontana's Multi-Species Habitat Conservation Plan, as more specifically described on the attached Exhibits "A" and "A-1"; and,

**WHEREAS**, the following determinations are made:

1. **The present and planned land uses in the area, including agricultural and open space lands;**

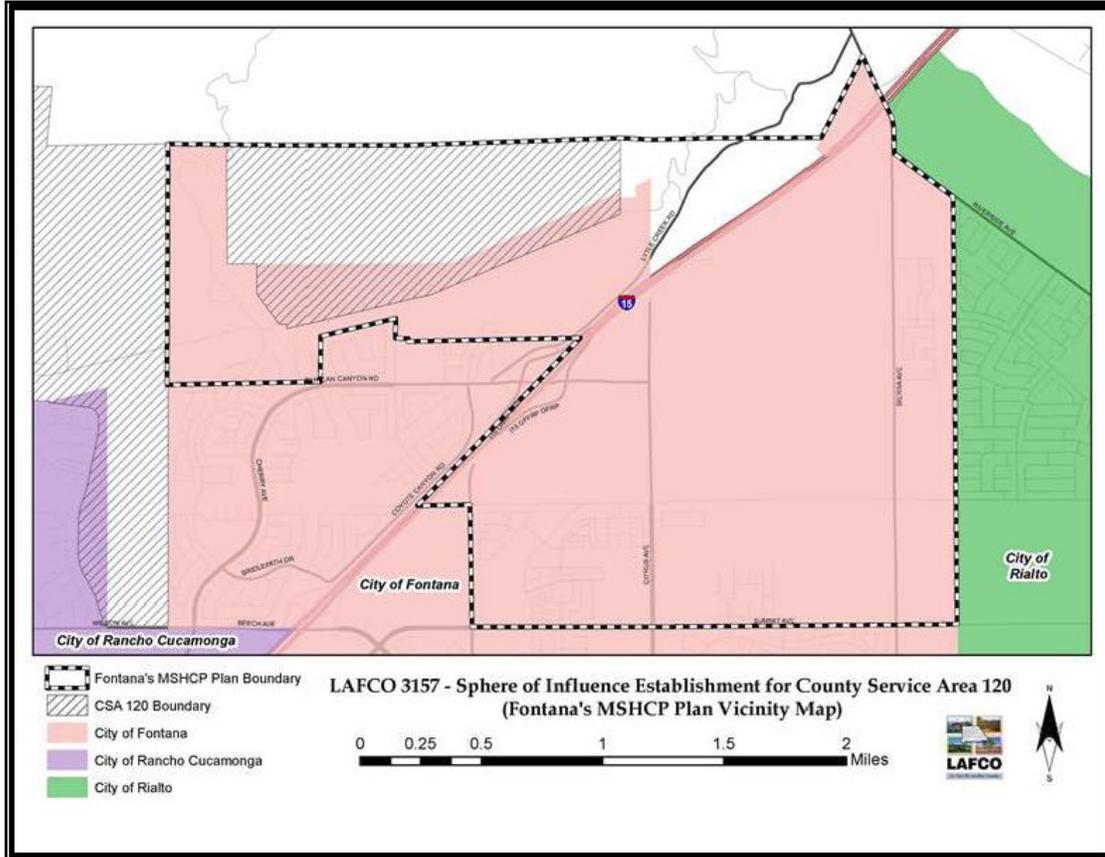
The present and planned land uses within the boundaries of CSA 120 include identification of open space uses and some rural level of residential development under the County General Plan. These uses are shown on the map below. Open space and Floodway designations within the area include those lands associated with flood control uses within Day Creek and the mitigation properties associated with the North Etiwanda Preserve as defined in 1998. However, the properties within the City of Fontana sphere of influence and within the boundaries of CSA 120, including mitigation lands deeded to CSA 120, along with most of the additional lands acquired for mitigation purposes in the Rancho Cucamonga sphere of influence have a SD-Res (Special Development -Residential) land use assignment by the County General Plan, contrary to the perpetual nature of the mitigation/conservation easement.



The City of Fontana General Plan assigns an open space designation to the territory within CSA 120 recognizing the future potential for habitat preservation. In addition, the City of Fontana has adopted a Multi-Species Habitat Conservation Plan (hereafter shown as MSHCP) and have indicated that the Interim MSHCP establishes a fee in-lieu of dedication to address mitigation. During the environmental assessment of the proposal, LAFCO's environmental consultant, Tom Dodson of Tom Dodson and Associates, reviewed an alternative that excluded the territory within

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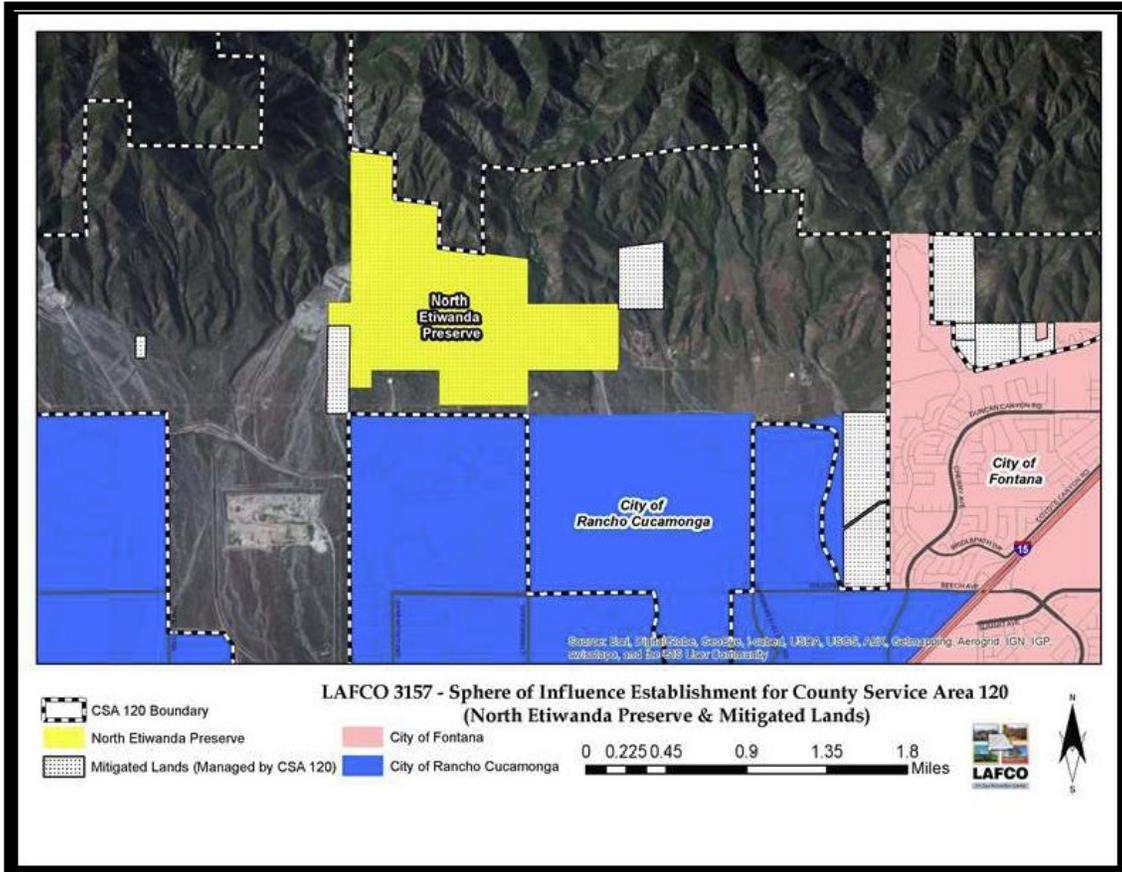
the City's MSHCP. The map below shows the relationship of the MSHCP territory to the existing boundaries of CSA 120.



### 2. The present and probable need for public facilities and services in the area;

Since 1998, mitigation lands have been managed by the County through its system of board-governed special districts. From 1998 through 2009, it was through CSA 70 Zones OS-1 and OS-3 and CSA 70 itself. From July 1, 2009 through the present day, it has been through CSA 120 in the area along the San Gabriel Mountains. These activities are managed under the auspices of the North Etiwanda Preserve Management Plan adopted in 2010 building upon its predecessor Cooperative Management Agreement of 1998. The lands now include approximately 1,207 acres and the management plan has divided the acreage into Unit 1 (original 762 acres of North Etiwanda Preserved) and Unit 2 (445 acres outside that boundary). The management of these lands is through deeded transfers of land ownership to CSA 70 OS-1 and CSA 70 (no quit claim transfer to the successor agency CSA 120 has taken place) and conservation easements transferred to the County of San Bernardino. A map of the lands under habitat management are shown below:

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The acquisition of additional lands for mitigation management are regulated by the California Department of Fish and Wildlife through its state mandated due diligence process to review the qualifications of entities to manage endowments and to perform the mitigation management activities designed in a mitigation agreement. This process is undertaken through the completion of an “Application for governmental entity, special district or nonprofit organization requesting to hold and manage mitigation lands”. To date, CSA 120 has not submitted this report; therefore, it is not able to acquire additional mitigation properties for which an endowment is proposed. The only approved entities to manage mitigation lands within San Bernardino County are: Inland Empire Resource Conservation District, Center for Natural Lands Management, Southwest Resource Management Associates and Transition Habitat Conservancy.

Without this authorization, the need for a sphere of influence, even a coterminous one, is questionable as no new service can be provided. Therefore, to address this issue, the Commission adopts the following condition:

- **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.**

3. **The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;**

The discussion of the determination identified above for a single purpose County Service Area authorized to provide habitat management and historic preservation must revolve around the

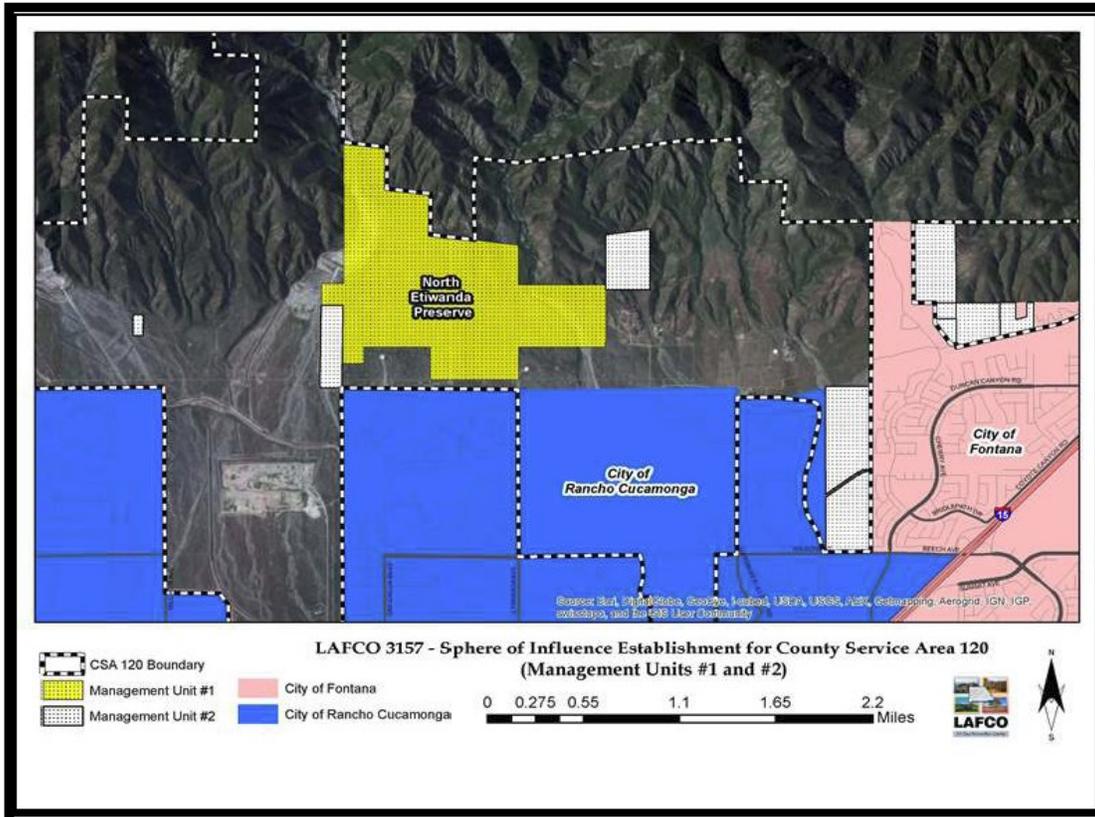
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question of funding for the provision of mitigation management services envisioned in the mitigation management agreement or other contractual arrangement. In evaluating this determination, the Commission has looked at the funding mechanism for CSA 120 and the annual expenditure/revenue picture for the agency. While this information identifies significant concerns, it should be noted that the management of the district has attempted to continue its operations under the significant duress of the recession. As the information which follows identify, the interest earnings for this agency have plummeted making its ability to perform its mandated role difficult if not insurmountable. It is within this context that the Commission identifies its concerns.

The funding for the operations of CSA 120 is limited to the interest earned on the endowment funds received at the time that the properties are transferred to its ownership for management. The statutes require that the funds be used for the purposes identified in managing the mitigation properties from which the endowment is derived. In addition, CSA 120 has an adopted fee schedule that proposes a two-tier approach to funding, the endowment for long term management and a payment for management activities necessary to bring the property into compliance for perpetual management. The County fee schedule for CSA 120 is to identify the formula for determining the endowment amount; however, this element of the fee schedule is currently being reviewed by the California Department of Fish and Wildlife so it is not available for review at this time.

Since the inception of CSA 120 (through its predecessor agencies CSA 70 OS-1 and OS-3) it has acquired the primary properties identified as the "North Etiwanda Preserve" the 762 acres set aside for habitat mitigation by SanBAG and Caltrans for the development of the I-210 Freeway (acquired in 1998) and five other properties transferred for management between 2003 and 2010 related to housing development habitat mitigation requirements imposed by the State and other agencies as a part of the development process. As was outlined in the determination above, these properties are deeded to CSA 70 OS-1 and CSA 70 with the conservation easement required held in the name of the County of San Bernardino. Included as a condition of the approval in the formation of CSA 120 in 2009 was the requirement that the agency update the Management Plan for the North Etiwanda Preserve to address the management requirements for the additional 440 acres. In October 2010 the County Board of Supervisors, as the governing body of CSA 120, approved the revised Management Plan. This plan identified that the original 762 acre North Etiwanda Preserve would be identified as "Unit 1" and all other properties would be "Unit 2". Page 4 of the plan states "Regardless of future designations, all lands within the original 762 acre Preserve boundary is subject to any terms of this management plan specified for Unit 1, and all lands outside the original 762 acre Preserve are subject to any terms specified for Unit 2." The map below identifies the location of the mitigation lands held by CSA 120.

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The chart which follows outlines the individual mitigation properties, the endowment for their perpetual management, and the interest earned by each property for the period of Fiscal Year 2007-08 through Fiscal Year 2012-13. This information is taken from the audits received as a part of the application process which are on file in the LAFCO office. Of concern to the Commission is that on several occasions during the processing of this proposal, information was requested on the work performed on those properties identified as Unit 2 and the response has always been that no mitigation work has been performed. Government Code Section 65968(c) specifies the disbursement of the interest earnings be limited to the property which funded the endowment; the section reads as follows:

*“(c) The special district or nonprofit organization shall hold, manage, invest and disburse the funds in furtherance of the long-term stewardship of the property for which the funds were set aside.”*

Therefore, the interest earned on each of the properties can only be used for activities related to the specific property. However, the interest earnings related to CSA 120 have been consolidated and used for the purpose of maintaining the original 762 acres of the North Etiwanda Preserve for years. The original determination was to require the repayment of \$112,884 which was disputed by County Special Districts staff. The following chart has been modified to show the interest earnings attributable to each of the endowments received by CSA 120 using the percentage that the endowment bears to the whole, but has been modified during consultation with the County Special Districts Department, to require the repayment only from those years 2010-11 through current. (It is noted that the 2013-14 amount is not known at this time but will be included upon issuance of the audit.) This modification identifies the interest which would need to be returned to the five endowments that comprise Unit 2 to make them whole, as approximately \$14,752.

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Name of Owner	Date Acquired	Total Acreage	Endowment Funds Received	Interest Earned by Endowment Funds for Specific Properties						Total Interest by Conservation Property	% of Total Interest from 2008-13
				2008	2009	2010	2011	2012	2013		
<b>UNIT #1 - CSA 120 MANAGEMENT PLAN</b>											
SANBAG	2/27/1998	762	\$700,000	\$33,073	\$23,262	\$16,037	\$6,015	\$2,793	\$2,983	\$84,163	43.94%
<b>UNIT #2 - CSA 120 MANAGEMENT PLAN</b>											
Lennar Communities	10/21/2003	33	\$85,600	\$3,759	\$2,643	\$1,822	\$731	\$339	\$363	\$9,657	5.04%
A&J Resources and Rancho Etiwanda 685 LLC	3/1/2004	172	\$220,000	\$10,523	\$7,402	\$5,103	\$1,890	\$877	\$938	\$26,733	13.96%
Granite Homes/ Rancho 2004 LLC	9/13/2005	86	\$215,400	\$10,523	\$7,402	\$5,103	\$1,849	\$858	\$917	\$26,652	13.92%
CENTEX Homes	10/2/2005	149	\$373,250	\$17,288	\$12,160	\$8,383	\$3,201	\$1,486	\$1,588	\$44,106	23.03%
Western Slope & Mineral Company	12/14/2010	5	\$12,500	\$0.00	\$0.00	\$0.00	\$110	\$51	\$55	\$216	0.11%
<b>Total Interest Earned</b>				<b>\$75,166</b>	<b>\$52,869</b>	<b>\$36,448</b>	<b>\$13,796</b>	<b>\$6,404</b>	<b>\$6,844</b>	<b>\$191,526</b>	<b>100.00%</b>
<b>Total Non-Wasting Endowment</b>			<b>\$1,606,750</b>								
<b>Interest for Unit #2</b>				<b>\$42,093</b>	<b>\$29,606</b>	<b>\$20,411</b>					
<b>Interest to be returned to Endowment for Unit #2 due to lack of work performed on specific properties</b>							<b>\$7,281</b>	<b>\$3,611</b>	<b>\$ 3,860</b>	<b>\$14,752</b>	

The following chart outlines, there is no funding available to repay this amount due to the limitations of the revenue stream directly available to CSA 120. Outstanding questions remain: How will this situation be rectified? How will the SanBAG dedicated properties repay the other endowments or will reports for management and operation of the other properties be provided that show some of the funds used for the appropriate purpose? The Commission determines to impose the following conditions on this sphere of influence establishment to clarify this situation:

- **Within six months of the approval of this sphere establishment County Service Area 120 shall have completed all reporting required by State law for the management of mitigation properties.**
- **Within six months of the approval of this 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.**

The question that needs to be answered in this consideration is whether or not the agency is financially sustainable. If an entity is consistently expending more than it receives, its long term viability is suspect. The chart which follows identifies the expenditures and revenues for the three accounts associated with CSA 120 – general, endowment, and capital projects. The data is taken from audits for the years 2006 through 2013 and budget data for years 2014 and 2015. The one major project within this time period was the development of the North Etiwanda Preserve trail system – design/environmental work in 2007 and 2008 and construction in 2009. This project entailed the construction of a trail system, kiosks, benches, and historic preservation. The maintenance of this system has become one of the primary operations of CSA 120 but comes without any source of funding for maintenance and operation. The following table includes the costs for the development of this facility:

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<b>County Service Area 120</b>										
	<b>Audit Data</b>								<b>Budget Data</b>	
	2006	2007	2008	2009	2010	2011	2012	2013*	2014	2015
<b>GENERAL</b>										
EXPENDITURES										
Salaries & Benefits	\$ 4,824	\$ 5,788	\$ 4,826	\$ 12,752	\$ 13,277	\$ 7,733	\$ 7,037	\$ 1,734		
Services & Supplies	\$ 63,172	\$ 58,106	\$ 70,810	\$ 35,052	\$ 22,520	\$ 14,095	\$ 10,547	\$ 13,066	\$ 18,310	\$ 47,429
Contingencies									\$ -	\$ 23,376
Transfer Out	\$ 3,942	\$ 814,996		\$ 1,361,553					\$ 3,515	\$ 13,699
<b>Total Expenditures</b>	<b>\$ 71,938</b>	<b>\$ 878,890</b>	<b>\$ 75,636</b>	<b>\$ 1,409,357</b>	<b>\$ 35,797</b>	<b>\$ 21,828</b>	<b>\$ 17,584</b>	<b>\$ 14,800</b>	<b>\$ 21,825</b>	<b>\$ 84,504</b>
REVENUES										
State Assistance				\$ 659,309			\$ 1,082		\$ 10,032	\$ 25,000
Federal Assistance							\$ 4,330			
Investment Earnings	\$ 17,954	\$ 42,323	\$ 3,111	\$ 4,828			\$ 81	\$ 399	\$ 126	\$ 138
Intergovernmental				\$ 700,000						
Other	\$ 839,342		\$ 59,597	\$ 23,060		\$ 16,325		\$ 3,339		
Operating Transfer In					\$ 26,059	\$ 19,664	\$ 9,965	\$ 5,635	\$ 6,032	\$ 8,000
County Transfer In								\$ 30,000		
<b>Total Revenues</b>	<b>\$ 857,296</b>	<b>\$ 42,323</b>	<b>\$ 62,708</b>	<b>\$ 1,387,197</b>	<b>\$ 26,059</b>	<b>\$ 35,989</b>	<b>\$ 15,458</b>	<b>\$ 39,373</b>	<b>\$ 16,190</b>	<b>\$ 33,138</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>\$ 785,358</b>	<b>\$ (836,567)</b>	<b>\$ (12,928)</b>	<b>\$ (22,160)</b>	<b>\$ (9,738)</b>	<b>\$ 14,161</b>	<b>\$ (2,126)</b>	<b>\$ 24,573</b>	<b>\$ (5,635)</b>	<b>\$ (51,366)</b>
<b>Fund Balance</b>										
Beginning	\$ 98,210	\$ 883,568	\$ 47,001	\$ 34,073	\$ 11,913	\$ 2,175	\$ 16,336	\$ 14,210	\$ 38,783	\$ 32,866
Ending	\$ 883,568	\$ 47,001	\$ 34,073	\$ 11,913	\$ 2,175	\$ 16,336	\$ 14,210	\$ 38,783	\$ 33,148	
<b>ENDOWMENT FUND</b>										
EXPENDITURES										
Operating Transfer Out					\$ 26,059	\$ 17,914	\$ 7,234	\$ 5,635	\$ 6,032	\$ 8,000
Other			\$ 159,598	\$ 20,715						
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 159,598</b>	<b>\$ 20,715</b>	<b>\$ 26,059</b>	<b>\$ 17,914</b>	<b>\$ 7,234</b>	<b>\$ 5,635</b>	<b>\$ 6,032</b>	<b>\$ 8,000</b>
REVENUES										
State Assistance				\$ 40,691						
Investment Earnings	\$ 25,262	\$ 37,230	\$ 75,166	\$ 52,868	\$ 36,448	\$ 13,797	\$ 6,405	\$ 6,844	\$ 5,184	\$ 10,000
Net Increase in Fair Value of Investments								\$ 10,673		
Special Assessment							\$ 12,500			
Other										
Operating Transfer In		\$ 737,550								
<b>Total Revenues</b>	<b>\$ 25,262</b>	<b>\$ 774,780</b>	<b>\$ 75,166</b>	<b>\$ 93,559</b>	<b>\$ 36,448</b>	<b>\$ 13,797</b>	<b>\$ 18,905</b>	<b>\$ 17,517</b>	<b>\$ 5,184</b>	<b>\$ 10,000</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>\$ 25,262</b>	<b>\$ 774,780</b>	<b>\$ (84,432)</b>	<b>\$ 72,844</b>	<b>\$ 10,389</b>	<b>\$ (4,117)</b>	<b>\$ 11,671</b>	<b>\$ 11,882</b>	<b>\$ (848)</b>	<b>\$ 2,000</b>
<b>Fund Balance</b>										
Beginning	\$ 805,797	\$ 831,059	\$ 1,605,839	\$ 1,521,407	\$ 1,594,251	\$ 1,604,640	\$ 1,600,523	\$ 1,612,194	\$ 1,612,194	\$ 1,612,065
Ending	\$ 831,059	\$ 1,605,839	\$ 1,521,407	\$ 1,594,251	\$ 1,604,640	\$ 1,600,523	\$ 1,612,194	\$ 1,624,076	\$ 1,610,065	
<b>CAPITAL PROJECTS</b>										
EXPENDITURES										
Construction in Progress				\$ 1,391,548	\$ 199,693					
Services & Supplies					\$ 389	\$ 204				
Improvement to Land		\$ 39,579	\$ 183,868			\$ 297	\$ 18,900			
Transfer Out						\$ 1,750	\$ 2,731			
<b>Total Expenditures</b>		<b>\$ 39,579</b>	<b>\$ 183,868</b>	<b>\$ 1,391,548</b>	<b>\$ 200,082</b>	<b>\$ 2,251</b>	<b>\$ 21,631</b>			
REVENUES										
Investment Earnings		\$ 294	\$ 4,251	\$ 12,836			\$ 36			
State Assistance					\$ 200,000					
Transfer in		\$ 60,000		\$ 1,361,553						
Other			\$ 200,000							
<b>Total Revenues</b>		<b>\$ 60,294</b>	<b>\$ 204,251</b>	<b>\$ 1,374,389</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ 36</b>			
<b>Excess Revenues Over (Under) Expenditures</b>		<b>\$ 20,715</b>	<b>\$ 20,383</b>	<b>\$ (17,159)</b>	<b>\$ (82)</b>	<b>\$ (2,251)</b>	<b>\$ (21,595)</b>			
<b>Fund Balance</b>										
Beginning		\$ -	\$ 20,715	\$ 41,098	\$ 23,939	\$ 23,857	\$ 21,606			
Ending		\$ 20,715	\$ 41,098	\$ 23,939	\$ 23,857	\$ 21,606	\$ 11			

\*Audit was revised; received by LAFCO staff on October 8, 2014

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The use of endowment funds for the purpose of maintenance and operation of these facilities is of concern to the Commission. The responsibility for the operation should come from some other general sources of funding, such as a share of the general property tax levy, not the restricted revenues associated with the endowment properties. Therefore, Commission adopts the following condition in the approval of the sphere of influence establishment:

- **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.**

An additional ongoing concern for the Commission is that the County Auditor-Controller has not updated the chart of accounts to acknowledge the existence of CSA 120. Case in point, up until 2013 the audits were issued for CSA 70 OS-1 and the "Budget Prep" documents provided by the County Special Districts Department with information necessary for the review of the 2014 and 2015 budget detail are titled "CSA 70 OS-1". While this may appear on the surface as a trivial matter, this directly impacts the County's reporting to the State Controller on the operations of special districts since CSA 70 and its various zones are reported as a single unit. One of the questions asked in the application to the California Department of Fish and Wildlife is whether or not the special district is current in its reporting requirements to the State Controller. To answer this question is now problematic for CSA 120 and the County.

As to the question of sustainability under the audit information outlined above, out of the eight years shown, six have operated at a deficit between revenues and expenditures within the fiscal year. In addition, the budget detail also shows that the district operates in the red without the infusion of funds from other sources. While the Commission has imposed a condition of approval related to the repayment of the endowment funds, as the chart above outlines, there are no current revenues available to provide for this. The question then to be answered at the end of the six month period is whether or not CSA 120 is sustainable for the long term? And if not what then? It is the position of the Commission that the service review to be presented in the future needs to answer these questions.

The final point in this discussion is that the County amendment for exclusion of the City of Fontana MSHCP from the sphere of influence establishment is an indication of the Commission's direction that the area should ultimately be removed from the boundaries of CSA 120. Such a future detachment would take with it the \$330,000 in endowment funds on deposit with CSA 120, representing approximately 20% of the endowment. The ramification of this change will need to be carefully addressed.

#### **4. The existence of any social or economic communities of interest in the area;**

In a typical sphere of influence review the question of social or economic communities of interest relates to the future development of the area and its associated identification with a specific community. However, for an entity that provides for the management of mitigation lands its economic community of interest would be the area from which mitigation properties could be assembled. That community would be the territory running along the foothills of the San Gabriel Mountains which support the endangered species identified by the local, state and federal wildlife agencies. This sphere of influence determination addresses a portion of this area.

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5. OTHER FINDINGS

- A. As required by State Law notice of the hearing was provided through publication in a newspaper of general circulation, *The Inland Valley Bulletin*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in Commission policy, an eighth page legal ad was provided.
- B. As required by State Law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individual requesting mailed notice.
- C. Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination.

**WHEREAS**, pursuant to the provisions of Government Code Section 56425(i) the range of services provided by County Service Area 120 shall be limited to the following:

<b>CSA 120</b>	Open space and habitat conservation	Open space and habitat conservation including, but not limited to, the acquisition, preservation, maintenance, and operation of land to protect unique, sensitive, threatened, or endangered species, or historical or culturally significant properties. Any setback or buffer requirements to protect open-space or habitat lands shall be owned by a public agency and maintained by the county service area so as not to infringe on the customary husbandry practices of any neighboring commercially productive agricultural, timber or livestock operations.
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**WHEREAS**, having reviewed and considered the findings as outlined above, the Commission establishes the sphere of influence for County Service Area 120 as outlined on the Exhibits attached to this resolution subject to the following conditions:

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 establishment County Service Area 120 shall have completed all reporting required by State law for the management of mitigation properties.
3. 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.
4. 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

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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.

- 5. LAFCO staff is to provide ongoing monitoring of the completion of the activities outlined in the preceding conditions with periodic updates provided to the Commission.

**NOW, THEREFORE, BE IT RESOLVED** by the Local Agency Formation Commission of the County of San Bernardino, State of California, that this Commission shall consider the territory described in Exhibits "A" and "A-1" as being within the sphere of influence of County Service Area 120, it being fully understood that establishment of such a sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants.

**BE IT FURTHER RESOLVED** that the Local Agency Formation Commission of the County of San Bernardino, State of California, does hereby determine that the County of San Bernardino shall indemnify, defend, and hold harmless the Local Agency Formation Commission of the County of San Bernardino from any legal expense, legal action, or judgment arising out of the Commission's approval of this sphere establishment, including any reimbursement of legal fees and costs incurred by the Commission.

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

**AYES: COMMISSIONERS: Bagley, Cox, Farrell, Lovingood, McCallon, Ramos, Williams**

**NOES: COMMISSIONERS: None**

**ABSENT: COMMISSIONERS: Curatalo (Mr. Farrell voting in his stead)**

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

I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission of the County of San Bernardino, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of October 22, 2014.

DATED: October 22, 2014



*Kathleen Rollings McDonald*  
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**KATHLEEN ROLLINGS-McDONALD**  
Executive Officer

# LAFCO 3157

## SPHERE OF INFLUENCE ESTABLISHMENT FOR COUNTY SERVICE AREA 120

**Beginning** at the Southwest corner of Section 16, Township 1 North, Range 7 West, San Bernardino Meridian;

1. Thence Northerly, along the West line of said Section 16, to the Northwest corner thereof;
2. Thence Easterly, along the Northerly line of said Section 16, and the Northerly line of Sections 15 & 14, of said Township and Range, to the Northeast corner of the Northwest Quarter of said Section 14;
3. Thence Southerly, along the East line of said Northwest Quarter, to the Northwest corner of the Southwest Quarter of the Northeast Quarter of said Section 14;
4. Thence Easterly, along the North line of said Southwest Quarter of the Northeast Quarter, to the Northeast corner thereof;
5. Thence Northerly, along said West line of the East half of the Northeast Quarter of said Section 14, to the Northerly line of said Section 14;
6. Thence Easterly, along the North line of said Section 14 and the Northerly line of Section 13, of said Township and Range, to the Southwest corner of the East half of Section 12, of said Township and Range;
7. Thence Northerly, along the West line of said East half of said Section 12, to the Northwest corner of the Southwest Quarter of the Northeast Quarter of said Section 12;
8. Thence Easterly, along the North line of said Southwest Quarter of the Northeast Quarter of said Section 12, to the Northeast corner thereof;
9. Thence Southerly, along the East line of said Southwest Quarter of the Northeast Quarter of said Section 12, to the Northwest corner of the South half of the East half of the East half of said Section 12;

10. Thence Easterly, along the North line of said South half of the East half of the East half of said Section 12 and the North line of the Southwest Quarter of Section 7, Township 1 North, Range 6 West, San Bernardino Meridian, to the Northeast corner thereof;
11. Thence Northerly, along the West line of the East half of said Section 7, to the Southeast corner of the Southwest Quarter of Section 6, of last said Township and Range;
12. Thence Westerly, along the South line of said Section 6, to the Southwest corner of the East half of the Southwest Quarter of said Section 6;
13. Thence Northerly, along the West line of said East half of the Southwest Quarter of said Section 6, to the Northwest corner thereof;
14. Thence Westerly, along the South line of the Northwest Quarter of said Section 6, to the West line of said Section 6 and common Range line between Ranges 6 & 7;
15. Thence Northerly, along said Range line, to the Southeast corner of the Northeast Quarter of the Northeast Quarter of Section 1, Township 1 North, Range 7 West, San Bernardino Meridian;
16. Thence Westerly, along the South line of said Northeast Quarter of the Northeast Quarter of said Section 1, to the Southwest corner thereof;
17. Thence Northerly, along the West line of said Northeast Quarter of the Northeast Quarter of said Section 1, to the North line of said Section 1;
18. Thence Easterly, along said North line of said Section 1, to the Northeast corner thereof;
19. Thence Southerly, along said common Range line between Ranges 6 & 7, to the Northwest corner of Section 6, Township 1 North, Range 6 West, San Bernardino Meridian;
20. Thence Easterly, along the North line of said Section 6, to the Northeast corner of the Northwest Quarter of said section 6;
21. Thence Southerly, along the East line of said Northwest Quarter of said Section 6, to the Southeast corner thereof;
22. Thence Easterly, along the North line of the Southeast Quarter of said Section 6, to the Northeast corner thereof;

23. Thence Southerly, along the East line of said Section 6 and Section 7 of last said Township and Range, to the Northwest corner of the Southwest Quarter of Section 8 of last said Township and Range;
24. Thence Easterly, along the North line of the Southwest Quarter of said Section 8, to the Northeast corner of the Northwest Quarter of the Southwest Quarter of said Section 8;
25. Thence Southerly, along the East line of said Northwest Quarter of the Southwest Quarter, to the Northwest corner of the Southeast Quarter of the Southwest Quarter of said Section 8;
26. Thence Easterly, along the North line of the Southeast Quarter of the Southwest Quarter of said Section 8, to the Northeast corner thereof;
27. Thence Southerly, along the East line of the Southeast Quarter of the Southwest Quarter, to the North line of Section 17 of last said Township and Range;
28. Thence Easterly, along said North line of said Section 17, to the Northeast corner of the Northwest Quarter of the Northeast Quarter thereof;
29. Thence Northerly, along the East line of the West half of the Southeast Quarter of said Section 8 to the Northeast corner of said West half;
30. Thence Easterly, along the North line of said Southeast Quarter of said Section 8 to the Northeast corner thereof;
31. Thence Easterly, along the North line of the South half of Section 9 and the North line of the Northwest Quarter of the Southwest Quarter of Section 10 of last said Township and Range, to the Northeast corner thereof;
32. Thence Southerly, along the East line of said Northwest Quarter of the Southwest Quarter of Section 10, to the Southeast corner thereof;
33. Thence Easterly, along the North line of the Southeast Quarter of the Southwest Quarter of said Section 10, to the Northeast corner thereof;
34. Thence Southerly, along the East line of said Southeast Quarter of the Southwest Quarter of Section 10, to the Southeast corner thereof;
35. Thence Easterly, along the North line of Section 15 of last said Township and Range, to the Northeast corner thereof;

36. Thence Southerly, along the East line of Section 15 and Section 22 of last said Township and Range, 10508 feet, more or less, to the Northerly line of the County Road, as per Document recorded on September 1, 1989 as Instrument No. 89-324653 Official Records of said County, said Northerly line being 52.00 feet Northerly, measured at right angles, from the South line of said Section 22;
37. Thence South  $89^{\circ}41'47''$  West 1326 feet, more or less, along said Northerly line of said County Road, to the East line of Tract Map No. 13565-6, as per map filed in Book 217, pages 37 through 43, inclusive of Maps, in the office of the County Recorder of said County;
38. Thence South  $00^{\circ}08'54''$  West 8 feet, more or less, along said Easterly line of said Tract Map No. 13565-6, to the Northerly Right-of-Way line of Summit Avenue, as shown on said Tract Map No. 13565-6;
39. Thence, along said Northerly Right-of-Way line of Summit Avenue, South  $89^{\circ}41'47''$  West 124.16 feet;
40. Thence, leaving said Summit Avenue Right-of-Way along the Easterly Right-of-Way of San Sevaine as shown on said Tract Map No. 13565-6, North  $45^{\circ}18'13''$  West 27.58 feet;
41. Thence North  $00^{\circ}18'13''$  West 38.26 feet, along said Easterly Right-of-Way, to the beginning of a tangent curve, concave Westerly and having a radius of 840.00 feet;
42. Thence, along said Easterly Right-of-Way and along said curve through a central angle of  $11^{\circ}25'10''$ , an arc length of 167.42 feet;
43. Thence North  $11^{\circ}43'24''$  West 249.94 feet, along said Easterly Right-of-Way, to the beginning of a tangent curve, concave Southwesterly and having a radius of 932.00 feet;
44. Thence, along said Easterly Right-of-Way and along said curve through a central angle of  $17^{\circ}37'12''$ , an arc length of 286.62 feet;
45. Thence North  $29^{\circ}20'36''$  West 377.23 feet, along said Easterly Right-of-Way, to the beginning of a tangent curve, concave Northeasterly and having a radius of 1168.00 feet;
46. Thence, along said curve and the Easterly Right-of-Way line of that certain Easement for Roadway purposes as per Instrument No. 88-324169 Official Records of said County, through a central angle of  $30^{\circ}19'33''$ , an arc length of 618.26 feet;
47. Thence North  $05^{\circ}10'24''$  East 114.61 feet, along said Easterly Right-of-Way to the beginning of a tangent curve, concave Westerly and having a radius of 1232.00 feet;

48. Thence, along said Easterly Right-of-Way and along said curve through a central angle of  $07^{\circ}11'48''$ , an arc length of 154.75 feet;
49. Thence North  $02^{\circ}01'24''$  West 159.03 feet, along said Easterly Right-of-Way, to the beginning of a tangent curve, concave Southeasterly and having a radius of 1268.00;
50. Thence, along said Easterly Right-of-Way and along said curve through a central angle of  $20^{\circ}40'52''$ , an arc length of 457.69 feet to a point on the North line of said Tract Map No. 13565-9;
51. Thence, along said Easterly Right-of-Way and leaving said North line along the Southwesterly prolongation and the Southeasterly Right-of-Way of said San Sevaine Road as shown on Tract Map No. 13564-2 as per Map, filed in Book 268, pages 19 through 24 and Tract Map No. 13564-3 as per Map, filed in Book 268, pages 72 through 77 both of Maps, in the office of the County Recorder of said County, North  $12^{\circ}23'59''$  East 1440.43 feet to the beginning of a tangent curve, concave Northwesterly and having a radius of 953.00 feet;
52. Thence, along said Easterly Right-of-Way and along said curve and the Westerly line of Lot A of Tract Map No. 13564-4 as per Map, filed in Book 268, pages 78 through 83 of Maps, in the office of the County Recorder of said County through a central angle of  $08^{\circ}39'03''$  an arc length of 143.89 feet to the beginning of a reverse curve, concave Easterly and having a radius of 92.00 feet, a radial bearing to said beginning bears North  $86^{\circ}15'04''$  West;
53. Thence, along said Easterly Right-of-Way and said Westerly Line of Lot A and along said curve through a central angle of  $07^{\circ}14'23''$ , an arc length of 11.62 feet;
54. Thence North  $10^{\circ}59'19''$  East 48.72 feet, along said Easterly Right-of-Way and said Westerly Line of Lot A, to the beginning of a tangent curve, concave Southwesterly and having a radius of 70.00 feet;
55. Thence, along said Easterly Right-of-Way and said Westerly Line of Lot A and along said curve through a central angle of  $54^{\circ}28'11''$ , an arc length of 66.55 feet;
56. Thence, leaving said Easterly Right-of-Way of San Sevaine and continuing along said Westerly line of Lot A, North  $46^{\circ}31'07''$  East 27.63 feet;
57. Thence, continuing along said Westerly Line of Lot A, North  $01^{\circ}23'43''$  West 241.71 feet to the beginning of a tangent curve, concave Southwesterly and having a radius of 225.00 feet;
58. Thence, along said Westerly Line of Lot A and along said curve through a central angle of  $81^{\circ}18'22''$ , an arc length of 319.29 feet;

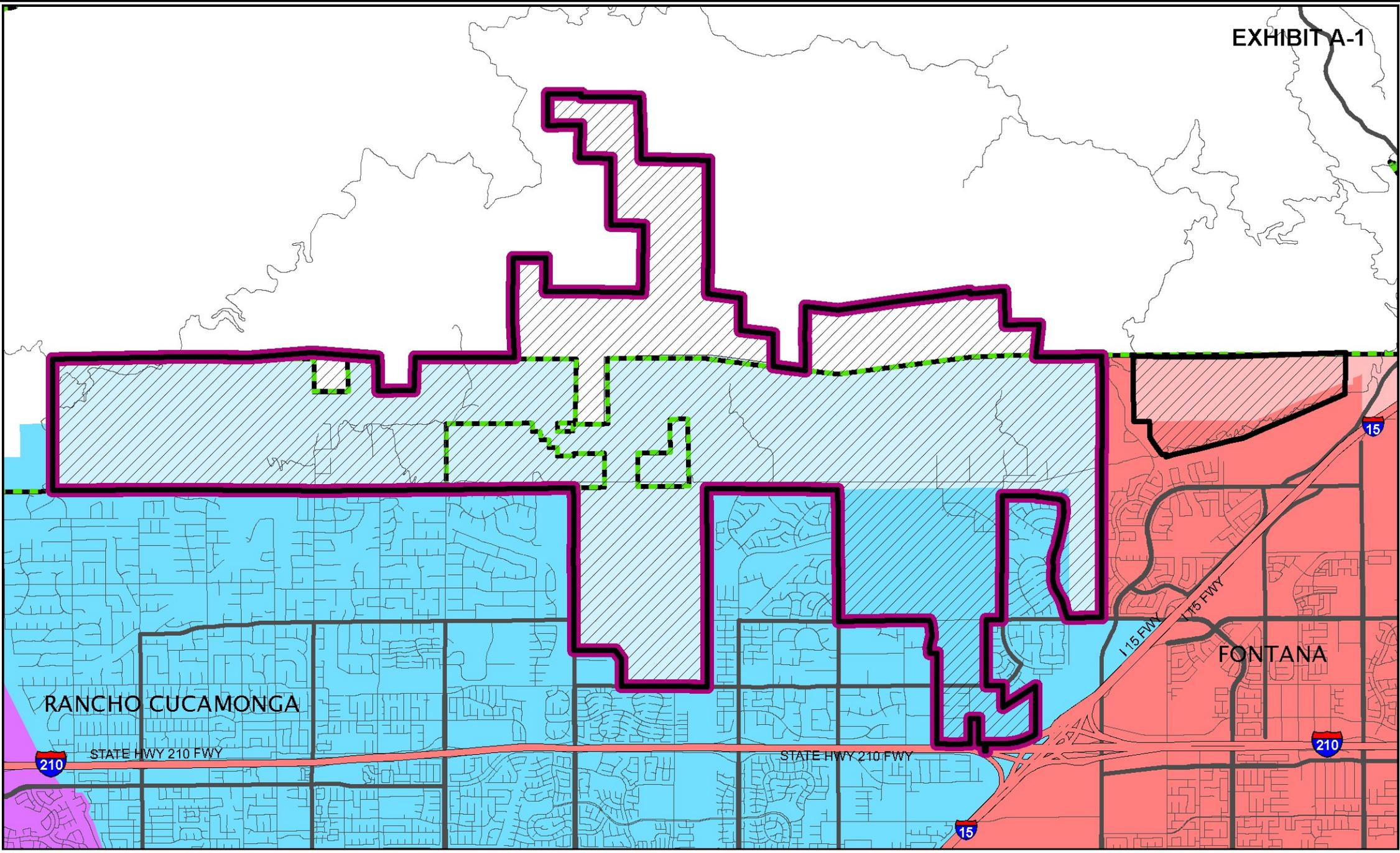
59. Thence North  $82^{\circ}39'43''$  West 725.63 feet, along said Westerly Line and the Southerly Line of Lot A, to the beginning of a tangent curve, concave Southerly and having a radius of 389.00 feet;
60. Thence, along said Southerly Line of Lot A and along said curve through a central angle of  $07^{\circ}22'27''$ , an arc length of 50.07 feet;
61. Thence South  $89^{\circ}55'28''$  West 76.72 feet to the Southwest corner of said Lot A;
62. Thence, leaving said Lot A, North  $0^{\circ}04'24''$  West 58.00 feet to the North line of Parcel "B" of Lot Line Adjustment No. 300, recorded March 8, 1989 as Instrument No. 89-084130 Official Records of said County, as shown on said Tract Map No. 13564-4;
63. Thence, along said North line, South  $89^{\circ}55'28''$  West 1391.6 feet, more or less, to the intersection with the East line of the West Half of the West Half of Section 22, Township 1 North, Range 6 West, San Bernardino Meridian;
64. Thence Southerly, along said East line to the North Line of Section 27 of last said Township and Range;
65. Thence Westerly, along said North line, to the intersection with the East line of the West Half of the West Half of the Northwest Quarter of said Section 27;
66. Thence Southerly, along said East line, to the intersection with the North line of the Northwest Quarter of the Southwest Quarter of said Section 27;
67. Thence Easterly, along said North line, to the Northeast corner of the Northwest Quarter of the Southwest Quarter of said Section 27;
68. Thence Southerly, along the East Line of the Northwest Quarter of the Southwest Quarter of said Section 27, 885 feet, more or less, to the Southerly Line of that certain Final Order of Condemnation, as per document recorded on September 3, 1976 in Book 9006, Page 683, Official Records in the office of the County Recorder of said County;
69. Thence, along said Southerly Line, North  $57^{\circ}41'30''$  East, 1572.15 feet to the East Line of the Southwest Quarter of said Section 27;
70. Thence, along said East Line, South  $00^{\circ}16'50''$  West 1886.67 feet to a point on the South Line of that certain Director's Deed, recorded June 4, 1990, as Instrument No. 90-217250, of Official Records in the office of the County Recorder of said County, said point being the beginning of a non-tangent curve, concave Northwesterly and having a radius of 2931.00 feet, a radial bearing to said point bears North  $26^{\circ}13'29''$  West;

71. Thence, along said South Line and along said curve through a central angle of  $25^{\circ}57'30''$ , an arc length of 1327.92 feet;
72. Thence, continuing along said South Line, North  $89^{\circ}39'39''$  West 706.37 feet to a point on the East Line of the West Half of the West Half of the West Half of said Section 27, said point also being the Northeast corner of that certain property conveyed to the State of California, as per Grant Deed recorded June 14, 1990, as Instrument No. 90-234198, Official Records in the office of the County Recorder of said County;
73. Thence North  $89^{\circ}39'39''$  West 8.62 feet;
74. Thence South  $00^{\circ}59'03''$  West 285.70 feet;
75. Thence South  $89^{\circ}47'24''$  West 90.02 feet;
76. Thence North  $00^{\circ}59'03''$  East 292.75 feet;
77. Thence South  $89^{\circ}00'00''$  West 232.59 feet to the East Line of the West Half of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 27;
78. Thence Northerly, along said East Line, to the North Line thereof;
79. Thence Westerly, along said North Line, to the East Line of Section 28 of last said Township and Range;
80. Thence Southerly, along said East Line 1005 feet, more or less, to the North Line of that certain Final Order of Condemnation, as per document recorded April 26, 1977, in Book 9164, Page 1392, Official Records in the office of the County Recorder of said County;
81. Thence, along the North Line of said Final Order of Condemnation, South  $89^{\circ}00'00''$  West 623.50 feet to the beginning of a tangent curve concave to the North and having a radius of 2967.00 feet;
82. Thence, along said curve through a central angle of  $05^{\circ}53'01''$ , an arc length of 304.68 feet;
83. Thence North  $85^{\circ}06'59''$  West 51.79 feet, along said North Line, to the beginning of a tangent curve concave to the South and having a radius of 4033.00 feet;
84. Thence, along said curve through a central angle of  $04^{\circ}23'44''$ , an arc length of 309.40 feet;
85. Thence North  $89^{\circ}30'43''$  West 3.21 feet to the West Line of the East Half of the East Half of said Section 28;

86. Thence Northerly, along said West Line, to the Southeast corner of the Northwest Quarter of the Northeast Quarter of said Section 28, said point also being the Southeast corner of that certain property described in Grant Deed, as per document recorded January 24, 1949 in Book 2356, Page 13, Official Records in the office of the County Recorder of said County;
87. Thence, along the Southerly line of said Grant Deed, South 89°10'00" West 290.00 feet;
88. Thence, leaving said Southerly Line along the Westerly line of said Grant Deed, North 05°24'00" West 233.00 feet;
89. Thence, along said Westerly Line, North 13°15'00" East 456.00 feet;
90. Thence, along said Westerly Line, North 04°36'00" West 413.00 feet;
91. Thence, along said Westerly Line, North 17°04'00" West 244.00 feet to the South Line of Section 21 of last said Township and Range;
92. Thence Westerly, along said South Line, to the Southwest corner thereof;
93. Thence Northerly, along the West Line of said Section 21, to the Southeast corner of Section 17 of last said Township and Range;
94. Thence Westerly, along the South Line of said Section 17, to the Northeast corner of Section 19 of last said Township and Range;
95. Thence Southerly, along the East Line of said Section 19, together with the East Line of Section 30 of last said Township and Range, to the Southeast corner of the North Half thereof;
96. Thence, along said South Line, North 89°34'39" West 3465.10 feet, more or less, to the intersection of said South Line with the Southerly prolongation of the East Line of that certain Grant Deed, as per Document recorded September 13, 2000 as Instrument No. 20000333231, Official Records in the office of the County Recorder of said County;
97. Thence, along said Southerly prolongation and said East Line, North 00°20'14" West 1084.98 feet to an angle point;
98. Thence, leaving said East Line, North 34°10'49" West 420.69 feet to the North Line of said Grant Deed;
99. Thence, along said North Line, North 89°34'44" West 1662.86 feet to the West Line of said Section 30;

100. Thence Northerly, along said West line of said Section 30, together with the West line of Section 19, of last said Township and Range, to the Southeast corner of Section 13, Township 1 North, Range 7 West, San Bernardino Meridian;
101. Thence Westerly, along the South line of said Section 13, and the South line of Section 14, 15 and 16, all of last said Township and Range, to the **Point of Beginning**.

Sphere area contains 8972 Acres, more or less.



**LAFCO 3157 - SPHERE OF INFLUENCE ESTABLISHMENT  
FOR COUNTY SERVICE AREA 120**

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|--|--|---|
|  Sphere of Influence      |  City of Rancho Cucamonga |  City of Fontana |
|  CSA 120 Boundaries       |  Rancho Cucamonga Sphere  |  Fontana Sphere  |
|  National Forest Boundary |  City of Upland           | <b>EXHIBIT A-1</b>  |