

LAFCO 3212

Notice of Filing Attachments:

Resolution of Application

RESOLUTION NO. 2016-8-1

**RESOLUTION OF APPLICATION BY THE INLAND
EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS
REQUESTING THE LOCAL AGENCY FORMATION
COMMISSION OF SAN BERNARDINO COUNTY TO
INITIATE PROCEEDINGS FOR THE CONSOLIDATION
OF THE CHINO BASIN WATER CONSERVATION
DISTRICT AND THE INLAND EMPIRE UTILITIES
AGENCY, A MUNICIPAL WATER DISTRICT**

WHEREAS, the Inland Empire Utilities Agency, A Municipal Water District (IEUA) desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56826.5 of the California Government Code, for the consolidation of the Chino Basin Water Conservation District (CBWCD) and IEUA; and

WHEREAS, CBWCD's service area is wholly contained within the service area of IEUA, and the area of the proposed consolidation is inhabited, and a map showing the legal boundaries of IEUA is attached hereto as Appendix E in the Plan for Service (Exhibit A), and by this reference are incorporated herein; and

WHEREAS, it is desired that the proposed consolidation be subject to the following terms and conditions:

1. IEUA shall provide for an orderly transition of the assets, liabilities, agreements, staff and activities from CBWCD to IEUA, as shown in the Plan for Service accompanying this Resolution, which Plan for Service is attached hereto as Exhibit A and by this reference incorporated herein.
2. IEUA shall establish an Advisory Board on conservation comprised of the Board of Directors of CBWCD beginning on the effective date of the consolidation, with duties and terms as shown in the Plan for Service accompanying this Resolution.
3. IEUA shall employ each regular employee of the CBWCD beginning on the effective date of the consolidation determined by the Local Agency Formation Commission of San Bernardino County (LAFCO).
4. IEUA shall establish a special general ledger account in IEUA's annual budget to track where CBWCD assets and tax revenue is spent, with the understanding that all funds generated by local taxes will be spent on local services; and

WHEREAS, the principal reasons for the proposed consolidation are as follows:

1. Under its principal act, the Municipal Water District Law of 1911 which commences with California Water Code Section 71000, IEUA is authorized to provide the services currently provided by the CBWCD.

2. IEUA has the legal authority and responsibility to manage the groundwater resources of western San Bernardino County in accordance with the Orange County Judgment (Orange County Water District v. City of Chino *et al.*, April 17, 1969).
3. CBWCD's authorized functions and services, included in the San Bernardino LAFCO Policy and Procedure Manual, Section VI – Special Districts, could be assumed by the overlying agency (IEUA) that has the same authorized functions and services.
4. The services provided by CBWCD benefit only a portion of the Chino Basin area, which is the groundwater basin that underlies western San Bernardino County, whereas services provided by IEUA benefit the majority of the Chino Basin area.
5. The consolidation will eliminate redundant operating expenses, saving just under \$1.1 million annually, and improve comprehensive water resource management and benefit groundwater producers, the public and other governmental and municipal agencies.
6. The consolidation will provide greater public accountability by eliminating one governmental entity and redundancy of jurisdictions, and will result in better integration of regional programs and transparency in government decision-making.
7. As stated in the May 2015 LAFCO *Service Review for Water Conservation within the Valley Region*, "LAFCO staff's position is that the best option for continuing the level of service offered for the entire West Valley would be for the Chino Basin WCD to consolidate with the IEUA."; and

WHEREAS, a sphere of influence review was completed for the CBWCD and LAFCO Resolution No. 3203 was adopted on September 16, 2015, amending the sphere of influence for the CBWCD to be coterminous with the sphere of influence of IEUA. This action coincides with LAFCO staff's recommendation to consolidate the two western county agencies; and

WHEREAS, it is desired that LAFCO commence proceedings for the consolidation of CBWCD into IEUA, pursuant to the provisions of Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56650 of the California Government Code; and

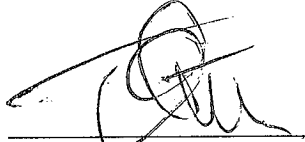
WHEREAS, it is desired that IEUA be named the successor agency, conducting itself under the Municipal Water District Law of 1911, commencing with Section 71000 of the California Water Code; and

NOW, THEREFORE BE IT RESOLVED, IEUA shall indemnify, defend, and hold harmless the Local Agency Formation Commission of the County for San Bernardino from any legal expense, legal action, or judgment arising out of the Commission's affirmation of this consolidation, including any reimbursement of legal fees and costs incurred by the Commission.

BE IT FURTHER RESOLVED by the IEUA Board of Directors that this Resolution of Application is hereby adopted and approved, and LAFCO is hereby requested to take proceedings for consolidation of the two districts as authorized and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

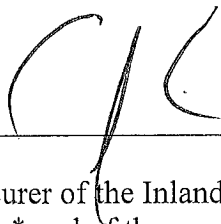
BE IT FURTHER RESOLVED that the General Manager is hereby authorized and directed to take any additional actions that may be necessary to assist LAFCO in proceeding with the proposed consolidation.

ADOPTED this 17th day of August, 2016.



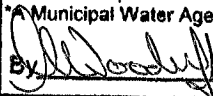
Terry Catlin
President of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof


*A Municipal Water District

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency
By  Date 8/17/16

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2016-8-1, was adopted at a regular
Board Meeting on August 17, 2016, of said Agency by the following vote :

AYES: Hall, Elie, Camacho, Catlin
NOES: Hofer
ABSTAIN: None
ABSENT: None



Steven J. Elie
Secretary/Treasurer

*A Municipal Water District