

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

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**DATE:** FEBRUARY 7, 2005  
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT: AGENDA ITEM #8 – LAFCO 2963 -- Reorganization Including Consolidation of the East Valley Resource Conservation District and the Inland Empire West Resource Conservation District and Annexations to the District**

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**INITIATED BY:**

District Resolutions by the East Valley Resource Conservation District and the  
Inland Empire West Resource Conservation District Boards of Directors

**RECOMMENDATION:**

That the Commission:

1. Determine that the reorganization including consolidation is Statutorily Exempt from environmental review on the basis that it does not have the potential for causing significant physical changes in the environment and instruct the Clerk to file a Notice of Exemption within five (5) days.
2. Approve LAFCO 2963, reorganization to include consolidation of the East Valley Resource Conservation District and the Inland Empire West Resource Conservation District and annexations thereto, subject to the standard terms and conditions. In addition, the following supplemental terms and conditions have been requested by the Districts and modified by staff:
  - a) The name of the consolidated district shall be the Inland Empire Resource Conservation District.
  - b) The Inland Empire Resource Conservation District shall be the successor agency to all rights, responsibilities, properties, contracts, assets and liabilities, and functions of the Inland Empire West Resource Conservation District and the East Valley Resource Conservation District.

- c) The Board of Directors of the successor agency shall consist of seven (7) members with fixed terms of office to be appointed by the Board of Supervisors of the principal county in compliance with resolutions filed by the predecessor districts as required by Public Resources Code Section 9301. One (1) member of the appointed Board of Directors shall reside within and/or represent Riverside County.
- d) The initial Board of Directors shall consist of the existing four (4) members of the current Board of Directors of the East Valley Resource Conservation District and the existing three (3) members of the current Board of Directors of the Inland Empire West Resource Conservation District.
- e) Members of the successor agency Board of Directors shall have staggered terms of office in accordance with the Uniform District Election Law. To establish the staggered terms of office, the two (2) members currently representing the Inland Empire West Resource Conservation District with terms expiring in November 2006 shall determine the position with the initial one-year term by drawing lots, and the existing two members representing the East Valley Resource Conservation District with terms expiring in November 2006 shall have an initial term of one year; the balance of the initial Directors shall have three-year terms expiring in November 2008.
- f) All full-time employees of the Inland Empire West Resource Conservation District and the East Valley Resource Conservation District shall become full-time employees of the successor agency with retention of salaries, seniority rights, vacation/sick leave accruals and accrual rates, retirement and other employee benefits applicable to the Districts.
- g) The successor agency shall function under and carry out all authorized duties and responsibilities assigned to a Resource Conservation District as outlined in the California Public Resources Code Sections 9000 et seq. and other applicable laws.
- h) Upon consolidation, the successor agency succeeds to all properties, rights, contracts, obligations of each of the two (2) Districts; and any funds to which it succeeds may be expended and properly disposed of as provide by Public Resources Code Sections 9000 through 9978, Resource Conservation District Law.
- i) All income from taxes or any other source which has been a continuing right to tax distribution, or historical distribution or allocation of funds to either of the Districts to be consolidated shall continue to be distributed to the successor consolidated district.

- j) The appropriation limit of the consolidated District shall be the aggregate appropriation limit of the two consolidating districts.
  - k) The consolidated district shall be the Depository and Custodian of monies of the consolidated district pursuant to the provisions of Public Resources Code Section 9521(b) and any and all monies, credits, and cash balances now to the credit of either district either in Riverside or San Bernardino Counties or in any other account shall be transferred to the consolidated district.
  - l) All previously authorized charges, fees, assessments, and/or taxes currently in effect, now levied or collected by either District, including improvement or assessment districts thereof, shall continue to be levied and collected by the successor agency. All previously authorized charges fees assessment and/or taxes currently in effect shall be assumed by the annexing territory in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t).
  - m) Indebtedness of either District shall remain the legal obligation of only the lands and areas which incurred such indebtedness; however, the outstanding indebtedness of either District at the time of consolidation shall remain the obligation of the consolidated District.
  - n) The consolidation shall not change the rights of the lands in the respective District as they existed immediately prior to the consolidation.
3. Waive the requirement for individual notice of the protest proceeding as authorized due to the anticipated 600,000+ notices required and direct the Executive Officer to provide for publication of the protest notice in newspapers of general circulation as authorized pursuant to Government Code Section 56157.
4. Adopt LAFCO Resolution #2862 setting forth the Commission's terms, conditions, findings, and determinations for approval.

**BACKGROUND:**

At the January 21, 2004 hearing, the Commission reviewed and considered the municipal service review/sphere of influence update for the three valley Resource Conservation Districts (hereafter "RCD"s). At that hearing, the Commission conducted the service review and approved a sphere of influence expansion for the East Valley Resource Conservation District to include the whole of the valley area excluding the territory of the Riverside-Corona RCD. At the same hearing, the Commission approved a zero sphere of influence for the Inland Empire West RCD indicating its position that the two districts should be consolidated. A copy of that staff report is included as Attachment #2 to this report for information purposes.

Outlined in that report, and during the Commission’s consideration, was the finding that the primary rationale for the continuing presence of RCDs is their status as the liaison with the National Resource Conservation Service of the Federal Department of Agriculture. However, it was determined at that hearing that a change in the structure of those governments was warranted.

Each of the Districts took the direction of the Commission to heart. They established subcommittees of their respective Boards to review their options; they began developing a plan for presentation to LAFCO for the consolidation; and set about preparing the necessary documents and materials to ultimately merge the functions of the Districts. Since the service review/sphere update hearing a year ago, the Districts have worked diligently to accomplish the Commission’s direction through the filing of this application and all of its component parts for the creation of this new agency. This hearing is the culmination of those efforts and will review their request to form the “Inland Empire Resource Conservation District”.

In reference to the processing of this consolidation application, the Commission is precluded from denying this application, or from substantially modifying the proposal, since it was submitted by substantially similar resolutions adopted by the Boards of Directors of each District (Government Code Section 56853). This prohibition then focuses the Commission’s consideration on the terms and conditions for implementing the consolidation submitted by the Districts. The requested terms and conditions are outlined in the resolutions submitted by the Districts and included in Attachment #3.

Staff supports the list of conditions with some minor amendments and the submission of some additional information. Those amendments are outlined as follows:

1. The Districts have proposed as a condition the following:

“Upon consolidation the Board of Supervisors as conducting authority shall appoint four (4) then incumbent directors from the East Valley RCD and three (3) incumbent directors from the Inland Empire West RCD to constitute the Board of Directors of the consolidated District”.

The staff is proposing the amended language as follows:

“The Board of Directors of the successor agency shall consist of seven (7) members with fixed terms of office to be appointed by the Board of Supervisors of the principal county in compliance with resolutions filed by the predecessor districts as required by Public Resources Code Section 9301. One (1) member of the appointed Board of Directors shall reside within and/or represent Riverside County.”

“The initial Board of Directors shall consist of the existing four (4) members of the current Board of Directors of the East Valley Resource Conservation District and the existing three (3) members of the current

Board of Directors of the Inland Empire West Resource Conservation District.”

“Members of the successor agency Board of Directors shall have staggered terms of office in accordance with the Uniform District Election Law. To establish the staggered terms of office, the two (2) members currently representing the Inland Empire West Resource Conservation District with terms expiring in November 2006 shall determine the initial one-year term by drawing lots, and the existing two (2) members representing the East Valley Resource Conservation District with terms expiring in November 2006 shall have an initial term of one-year; the balance of the initial Directors shall have three-year terms expiring in November 2008.”

The staff recommended language change is required to specify that the Board of Directors shall be composed of seven members in compliance with Public Resources Code Section 9301.1 and that the members shall be appointed in-lieu of election as allowed by provisions of Public Resources Code Section 9301.

In addition, LAFCO staff believes that representation on the Board of Directors of the consolidated District should, in the future, be required to include specific representation from within Riverside County. The territory of the consolidated District includes 67,914 registered voters, as of December 2004, within Riverside County and approximately 280 square miles of territory. This represents approximately 12% of the registered voters within the existing Districts and approximately 22% of the proposed consolidated District’s land area. It is staff’s position, therefore, that it is appropriate that they be specifically represented on the consolidated agency Board of Directors.

2. The Districts’ resolutions are silent as to the requirements of Public Resources Code Section 9521 which reads as follows:

*“(a) Except as provided in subdivision (b), the treasury of the principal county is the depository of all of the funds of the district.*

*(b) As an alternative to using the county treasury as depository, a district may adopt a resolution transferring responsibility for the district treasury to the board of directors of the district, which shall deposit district funds as provided in Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code. Following adoption of the resolution, the provisions of this article relating to the country treasurer and county treasury shall not apply to the District.”*

Staff has reviewed this question with the District Manager for both East Valley and Inland Empire West RCDs. Each of the Districts has operated as its own treasury for a number of years but a review of the records has not supplied a copy of the resolution adopted transferring that authority from the County

Treasury and Auditor/Controller. The District Manager has indicated that such resolutions shall be supplied to the Commission prior to or at the hearing for consideration. Therefore, staff has proposed the inclusion of the following condition:

“The consolidated district shall be the Depository and Custodian of monies of the consolidated district pursuant to the provisions of Public Resources Code Section 9521(b) and any and all monies, credits, and cash balances now to the credit of either district either in Riverside or San Bernardino Counties or in any other account shall be transferred to the consolidated district.”

The remaining conditions are reasonably routine, relating to the disposition of employees, transfer of assets and liabilities to the successor agency, etc. Some minor modifications in the language of the conditions have been reviewed with the General Manager of the Districts and to date no concern has been expressed.

**BOUNDARIES:**

As a part of the reorganization application, there are two areas proposed for annexation that constitute totally surrounded islands of territory identified as: the Alta Loma community within the City of Rancho Cucamonga and the territory surrounded by the three districts in the general area of the I-10 and I-215 intersections within the Cities of Colton and San Bernardino. Maps of these areas are included in Attachment #1. The approval of these annexations as a part of the reorganization will solidify the area within which the consolidated district is authorized to provide its services of resource education and conservation to the residents.

**ENVIRONMENTAL CONSIDERATIONS:**

The California Environmental Quality Act and the State Environmental Guidelines provide for a statutory exemption if it is determined that a project will not alter the physical environment. The current proposal will not alter the physical environment and will not alter the geographical area within which services are already provided. The Commission’s Environmental Consultant, Tom Dodson and Associates, has reviewed this proposal and determined that this exemption would apply to LAFCO #2963 (copy of Mr. Dodson’s response is included as Attachment #4). The Commission’s approval for this proposal should include making the finding that this proposal is statutorily exempt from environmental review, and direct the Clerk of the Commission to file a Notice of Exemption with the appropriate agencies within five days.

**CONCLUSION:**

Staff supports the reorganization to include consolidation of the two RCDs and the annexation of the two surrounded islands as proposed by the Districts in keeping with the findings and determinations made by the Commission in its service review/sphere update for these agencies. This consolidation will determine that a

single RCD will address the needs of the citizens and agencies within the Santa Ana River watershed and it will determine a single coordination point as the liaison with the National Resource Conservation Service of the Federal Department of Agriculture and other regional entities serving this area.

**FINDINGS:**

The following findings are required to be provided by Commission policy and Govt. Code Section 56668:

1. The reorganization area has been certified by the individual Registrar of Voters for Riverside County and San Bernardino County as being legally inhabited, with a total of 603,415 registered voters. The certification as to the number of voters within the individual areas within the consolidated proposals is outlined as follows:

Total within RCDs in Riverside County	67,914
Inland Empire West RCD	36,985
East Valley RCD	30,929
Total within RCDs in San Bernardino County	495,866
Inland Empire West RCD	365,456
East Valley RCD	130,410
Annexation Area #1 (Alta Loma)	8,543
Annexation Area #2 (Island within Colton/San Bernardino City areas)	31,092

2. The County Assessor for San Bernardino County has indicated that the total values for the annexation portions of the reorganization are:

Area #1 (Alta Loma area)	\$1,160,668,811
Area #2 (Colton/San Bernardino)	\$2,633,513,695

Valuation information has not been provided by the San Bernardino or Riverside County Assessors for the existing areas of the Districts. The “principal county” determination for the District at its consolidation shall be designated as the County of San Bernardino as such is defined in Government Code Section 56066.

3. The reorganization area is within the sphere of influence assigned the East Valley Resource Conservation District and complies with the direction of the Commission in determining a zero sphere of influence for the Inland Empire West Resource Conservation District.
4. Notice of this hearing was published in The Sun, the Daily Bulletin, and the Press Enterprise, newspapers of general circulation in the area, as required by law. Individual notice has been provided to affected and interested agencies,

County departments, and those individuals and agencies having requested such notification.

5. Pursuant to the determination made by the Commission on August 18, 2004, individual notice was not provided for the proposal as allowed under Government Code Section 56157 due to the number of notices required to be provided. In keeping with these provisions, notice was provided by placing a display advertisement of at least one-eighth page in a newspaper of general circulation within the reorganization area.
6. This proposal has no direct effect on the County General Plan or the General Plan of the Cities within the reorganization boundaries.
7. Upon annexation and consolidation, the Inland Empire Resource Conservation District will extend its services to the residents, landowners, and governments within its boundaries. The Districts proposing consolidation have submitted a Plan for Service which provides a general outline of the delivery of their services as mandated by Government Code Section 56653. The Plan for Service indicates that the consolidated District can maintain and/or improve the level and range of services available to the area as reorganized.
8. The area in question is presently served by a number of local agencies, a complete listing of which is on file in the office of the Local Agency Formation Commission. None of these other agencies will be directly affected by the completion of this proposal through an adjustment in their boundaries.
9. The consolidation proposal complies with Commission findings in its service review/sphere of influence update study for the affected agencies that a single Resource Conservation District for the Valley would be appropriate. The annexation of Areas #1 and #2 as a part of the reorganization complies with Commission policies which indicate that the elimination of service islands allows for more efficient and effective service delivery.
10. As a CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the application and determined that a Statutory Exemption would be appropriate for the reorganization to consolidate the two Resource Conservation Districts and for the annexations. Mr. Dodson has recommended the certification of this finding by the Commission. A copy of Mr. Dodson's response is included as Attachment #4 to this report.
11. The reorganization area can benefit from the consolidation of the Resource Conservation Districts serving it through the economies of scale available, the efficient delivery of service and the coordination of efforts with the National Resource Conservation Service.

12. The County of San Bernardino has determined that there will be no exchange of property tax revenues for the annexation proposals within LAFCO 2963 upon completion of this reorganization. These negotiated agreements fulfill the requirements of Section 99 of the Revenue and Taxation Code.

Staff has recommended as a condition of approval for the consolidation the transfer of the ad valorem tax revenues of the Inland Empire West Resource Conservation District and the East Valley Resource Conservation District to the successor agency, the new Inland Empire Resource Conservation District, upon successful completion of the reorganization.

13. Maps and legal descriptions, as revised, are in substantial compliance with LAFCO and state standards through certification by the County Surveyor's Office.

/KRM

Attachments:

- 1 -- Location and Vicinity Maps
- 2 -- Staff Report on Service Review/Sphere Updated for Resource Conservation Districts dated January 12, 2004 and its Attachment #2 Outlining Resource Conservation Districts
- 3 -- District Application, Plan for Service and Resolutions Initiating the Applications
- 4 -- Response from Tom Dodson and Associates
- 5 -- Draft Resolution No. 2862