

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

175 West Fifth Street, Second Floor
San Bernardino, CA 92415-0490 • (909) 387-5866 • FAX (909) 387-5871
E-MAIL: lafco@lafco.sbcounty.gov
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DATE: JULY 8, 2002
FROM: JAMES M. RODDY, Executive Officer 
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #10: LAFCO #2897--Service Review and Sphere of Influence Update for the City of Ontario

INITIATED BY:

San Bernardino Local Agency Formation Commission

RECOMMENDATION:

1. Determine that LAFCO #2897 is statutorily exempt from environmental review, and direct the Clerk to file a Notice of Exemption within five days;
2. Make findings related to a service review required by Government Code Section 56430, determine that the existing sphere of influence for the City of Ontario should not be changed; and,
3. Adopt LAFCO Resolution #2744 setting forth the Commission's findings and determinations on this issue.

BACKGROUND INFORMATION:

The City of Ontario has submitted information in response to Government Code Section 56430 (service review factors) and has indicated that it does not propose any sphere of influence changes pursuant to Government Code Section 56425. Staff has reviewed these service review factors and sphere of influence issues with the City, and supports the City's position. Staff will provide oral comments at the July hearing to more fully respond to the service review/sphere review issues,

and recommends that the Commission adopt the attached draft resolution setting forth the findings and determinations required by law.

Attachments:

1. Submittal from the City of Ontario
2. Draft Resolution for the City of Ontario's service review/sphere update
3. Response from Tom Dodson and Associates

Submittal from City of Ontario

Attachment 1

DRAFT

June 6, 2002

Mr. James M. Roddy
Executive Officer
Local Agency Formation Commission
175 West Fifth Street, Second Floor
San Bernardino, CA 92415-0490

SUBJECT: SERVICE REVIEWS/SPHERE OF INFLUENCE STUDIES

Dear Mr. Roddy:

The City of Ontario has had the opportunity to review the information provide in your memorandum dated March 26, 2002. Based upon our review, we offer the following comments for your consideration in addressing the changes to Government Code sections 54625 and 54630:

Sphere of Influence

With the annexation of the New Model Colony (that area generally bounded by Riverside Drive on the north, Merrill and Bellegrave Avenues on the south, Milliken/Hamner Avenue on the east, and Euclid Avenue on the west) in 1999, the City of Ontario does not presently have a sphere of influence area outside of the existing city limits. As a result, there are no annexation plans contemplated within the next five years.

Service Review Issues

I. Infrastructure Needs and Deficiencies -

- The City adopts a Capital Improvement Plan/Program ("CIP") as part of the annual budget. The CIP identifies those projects needed to address various infrastructure needs within the City.
- The most recent water master plan completed for the northern portion of the City identifies the need for additional reservoir space. The water system improvements will be paid for by water connection fees.
- The most recent sewer master plan did not identify and deficiencies in the system.

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- Master plans have been completed for the NMC to address needed sewer, water, storm drain, and transportation infrastructure. These master plans identify the location and size of improvements necessary to serve the NMC.
- Presently, there is no limit/cap on sewer and/or water connections in the City.

II. Growth and Population –

- The City of Ontario's existing population is 162,332 (Department of Finance, January 2001).
- The projected population for the city is +265,000 at build-out.
- The majority of the growth will occur in the NMC with 101,845 people, 31,188 residential units, 5,505,894 square feet of commercial development, and 5,153,148 square feet of industrial development planned. Build-out is anticipated to take 20-30 years.

III. Financing Opportunities and Constraints –

- To provide the needed infrastructure, the City is in the process of updating fees for the northern portion of the City and implementing new fees for the NMC. The new fees will cover the cost of improvements needed in the respective areas.
- The City is working with Inland Empire Utilities Agency ("IEUA") on cost sharing for a sewer line that will serve IEUA as a by-pass from regional plant #1 to regional plant #5 and as a master plan trunk line serving Ontario's NMC.
- The City is working with Riverside County on cost sharing for a drainage facility along Bellegrave Avenue.
- The City will continue to consider joint financing options as a means to install needed infrastructure.

IV. Cost Avoidance Opportunities –

- There are no known duplicative services provided within the City of Ontario.

V. Rate Restructuring –

- The new fee structure being proposed anticipates periodic reviews to ensure revenue generated will meet the cost of providing the infrastructure.

VI. Opportunities for Shared Facilities –

- The City is working with school districts to provide shared parks/play areas, libraries, community meeting rooms, etc.
- The City does provide water service to a small number of houses outside the City limits (off Benson Avenue) because of insufficient service in the area.

VII. Government Structure Options – N/A

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VIII. Evaluation of Management Efficiencies –

- Numerous training opportunities are provided for management staff.
- Automated billing services are provided for utility bills (water and trash) and business licenses.
- The City staff submits a balanced, fiscally conservative budget for City Council consideration. The budget identifies projected revenue sources and expenditures, including major projects.
- The City is currently party to a Joint Powers Agreement with:
 - Jurupa Community Services District for groundwater desalters.

IX. Local Accountability and Governance –

- The City of Ontario is a general law city with a five-member City Council elected by the citizens on an at-large basis – there are presently no council district boundaries.
- City Council meetings are conducted on the first and third Tuesdays of each month and are televised by Comcast Cable Company.
- City Council meetings and all other meetings involving a quorum of the City Council are noticed in the *Inland Valley Daily Bulletin*.
- *Inland Valley Daily Bulletin* and the *Los Angeles Times* provide media coverage of local issues in Ontario.
- City hall is open Monday through Thursday from 7:30 AM to 5:30 PM and Fridays from 8:00 AM to 5:00 PM.
- The City provides an Internet website located at www.ci.ontario.ca.us.
- The City uses a computer software tracking system for customer complaints.

I hope this information adequately addresses the questions and issues raised in your memorandum that is necessary for LAFCO to complete the sphere of influence review. If you have any questions or the City of Ontario can be of any further assistance, please do not hesitate to call me at (909) 395-2036.

Sincerely,

ONTARIO PLANNING DEPARTMENT

Jerry L. Blum
Planning Director

JB:SM:

C: Greg Devereaux, City Manager

HP Fax K1220

Log for
LAFCO
909 387-5871
Jun 06 2002 4:52pm

Last Transaction

<u>Date</u>	<u>Time</u>	<u>Type</u>	<u>Identification</u>	<u>Duration</u>	<u>Pages</u>	<u>Result</u>
Jun 6	4:51pm	Received	9093952420	0:58	4	OK

**Draft Resolution for the
City of Ontario's
Service Review/Sphere Update**

Attachment 2

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

175 West Fifth Street, Second Floor
San Bernardino, CA 92415-0490 • (909) 387-5866 • FAX (909) 387-5871
E-MAIL: lafco@lafco.sbcounty.gov
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PROPOSAL NO.: LAFCO 2897

HEARING DATE: JULY 17, 2002

RESOLUTION NO. 2744

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 2894, A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE CITY OF ONTARIO.

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

WHEREAS, a service review mandated by Government Code Section 56430 and a sphere of influence update mandated by Government Code Section 56425 have been conducted by the Local Agency Formation Commission of the County of San Bernardino (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 his 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 an 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; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the review, in evidence presented at the hearing; and,

WHEREAS, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that this service review and sphere of influence update are statutorily exempt from CEQA and such exemption has been adopted by this Commission. The Clerk has been directed to file a Notice of Exemption within five working days of adoption of this resolution; and,

RESOLUTION NO. 2744

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 the City of Ontario should be affirmed as it currently exists, as more specifically described in maps and legal descriptions on file in the LAFCO staff office; and,

WHEREAS, the following findings are made in conformance with Government Code Section 56430 and local Commission policy:

1. **Infrastructure Needs and Deficiencies.** A comprehensive capital improvement plan has been adopted by the City setting forth recommendations for a variety of projects. This plan is annually reviewed and updated as part of the City's budget process. A copy of this plan is maintained in City offices.
2. **Growth and Population.** The City provides the full range of urban services to an estimated population of 162,332, with a projected build-out population of 265,000.
3. **Financing Opportunities and Constraints.** The City receives a share of the general levy of property tax revenue, but the bulk of its revenue is derived from fees for service, sales and use revenue, and other revenues. No relevant issues concerning financing opportunities and constraints were identified by the City of Ontario.
4. **Cost Avoidance Opportunities.** The City of Ontario did not identify any specific cost avoidance opportunities relevant to this review.
5. **Rate Restructuring.** The City of Ontario regularly evaluates its cost of services in order to stay in conformance with state requirements and the competitive market place. No relevant issues related to this factor were identified by the City of Ontario.
6. **Opportunities for Shared Facilities.** The City of Ontario indicates that it regularly works with school districts and other agencies to provide shared parks and play areas, libraries, community meeting rooms, and so forth. The City also notes that it provides retail water service adjacent to its northwestern boundaries. No other relevant findings related to this factor were identified by the City.
7. **Government Structure Options.** The City has already annexed its entire sphere of influence and there are no known governmental structure options in the area.
8. **Management Efficiencies.** No relevant issues related to this factor were identified by the City of Ontario..
9. **Local Accountability and Governance.** The City is governed by a five-member Council elected at large. The City maintains a web site, and conforms with provisions of the Brown Act requiring open meetings. No other relevant issues concerning this factor have been identified.

WHEREAS, the following findings are made in conformance with Government Code Section 56425 and local Commission policy:

1. **PRESENT AND PLANNED LAND USES**

The full range of urban, suburban, and rural land uses are included within the boundaries and current sphere of influence of the City of Ontario. This sphere of influence update and service review have no

RESOLUTION NO. 2744

potential whatsoever to change present or planned land uses within the City sphere, since no changes to the sphere of influence are contemplated.

2. PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA

No changes to the City sphere of influence are proposed or contemplated through this review. The City has adopted a master plan for service which addresses this issue, and is on file in the City offices.

3. PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES PROVIDED

No changes to the City sphere of influence are proposed or contemplated through this review. The City has adopted a master plan for service which addresses this issue, and is on file in the City offices.

4. COMMUNITIES OF INTEREST IN THE AREA

No changes to the City sphere of influence are proposed or contemplated through this review. The Commission therefore determines that this factor of determination is not relevant to this review, as permitted by Government Code Section 56425.

5. OTHER FINDINGS

- A. Notice of this hearing has been published as required by law in The Sun and the Inland Valley Daily Bulletin, newspapers of general circulation in the area. As required by state law, individual notification was provided to affected and interested local agencies, County departments, and those individuals wishing mailed notice.
- B. Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination.

WHEREAS, having reviewed and considered the findings as outlined above, the Commission affirms and upholds the sphere of influence for the City of Ontario as it currently exists, and is depicted on maps and legal descriptions on file in the office of the San Bernardino Local Agency Formation 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 on maps and legal descriptions on file in the LAFCO office, as being within the sphere of influence of the City of Ontario, 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 City of Ontario 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 affirmation of this sphere of influence, 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:

RESOLUTION NO. 2744

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

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

I, JAMES M. RODDY, 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 _____ .

DATED:

JAMES M. RODDY, Executive Officer

**Response from Tom Dodson
And Associates**

Attachment 3

TOM DODSON & ASSOCIATES

2150 N. ARROWHEAD AVENUE
SAN BERNARDINO, CA 92405
TEL (909) 882-3612 • FAX (909) 882-7015
E-MAIL tda@tstonramp.com



July 5, 2002

Mr. James M. Roddy, Executive Officer
Local Agency Formation Commission
175 West Fifth Street, Second Floor
San Bernardino, CA 92415-0490

Dear Jim:

LAFCO 2897 consists of a service review for the City of Ontario (City) pursuant to Government Code Section 56430 and Sphere of Influence Study Pursuant to Government Code 56425. If approved by the Commission, the service and Sphere review would not result in any change to the services or the Sphere of Influence for the City. Based on the above proposal, it appears that LAFCO 2897 can be implemented without causing any physical changes to the environment or any adverse environmental impacts. The service and Sphere review does not appear to have any potential to alter the existing physical environment in any manner. Since no projects are pending or will occur as a result of approving this review, no physical changes in the environment are forecast to result from approving the action before the Commission.

Without a potential for causing physical changes in the environment, I recommend that the Commission find that a Statutory Exemption applies to LAFCO 2897 under the Section 15061 (b) (3) which states: "A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." It is my opinion, and recommendation to the Commission, that this circumstance applies to LAFCO 2897.

Based on a review of LAFCO 2897 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 2897 does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate determination to comply with the CEQA process for this action. The Commission can approve the review and findings for this action and I recommend that you notice LAFCO 2897 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption with the County Clerk to the Board for this action once the hearing is completed.

A copy of this exemption should be retained in LAFCO's project file to serve as verification of this evaluation and as the CEQA environmental determination record. If you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dodson". The signature is written in a cursive, slightly slanted style.

Tom Dodson