

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

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DATE: JANUARY 12, 2004
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9 (a, b, and c): Service Reviews and Sphere Of Influence Updates For Resource Conservation Districts (See Full Titles below)

FULL TITLES:

- #9(a) LAFCO 2901 –Service Review/Sphere of Influence Update for the Inland Empire West Resource Conservation District (initiated March 20, 2002)
- #9(b) LAFCO 2917 – Service Review/Sphere of Influence Update for the East Valley Resource Conservation District (initiated January 15, 2003)
- #9(c) LAFCO 2918 – Service Review/Sphere of Influence Establishment for the Riverside-Corona Resource Conservation District (initiated January 15, 2003)

INITIATED BY:

Local Agency Formation Commission for San Bernardino County

RECOMMENDATION:

1. Determine that LAFCOs 2901, 2917 and 2918 are statutorily exempt from environmental review, and direct the Clerk to file a Notice of Exemption for each within five days;
2. Approve LAFCO 2918 sphere of influence establishment for the Riverside-Corona Resource Conservation District (RCD), noting it will be coterminous with the District's boundaries within San Bernardino County;

3. Approve a sphere of influence expansion for the East Valley Resource Conservation District (RCD) (LAFCO 2917) to include within its sphere territory:
 - a. that area not currently a part of a Resource Conservation District between the existing boundaries of the East Valley RCD and the Inland Empire West Resource Conservation District (RCD);
 - b. expand the sphere to include the whole of the Inland Empire West RCD (within San Bernardino County); and
 - c. include the totally surrounded, unsphered area of the community commonly known as "Alta Loma",

with the finding that consolidation of the Inland Empire West RCD and East Valley RCD should take place;

4. Approve a sphere of influence reduction for the Inland Empire West RCD (LAFCO 2901) to a zero-sphere of influence, with the finding that the District should be consolidated with the East Valley RCD; and,
5. Continue the adoption of the appropriate LAFCO Resolutions to the February hearing, direct staff to prepare the necessary documents setting forth the Commission's findings and determinations on these matters as outlined above, making the findings related to a service review required by Government Code Section 56430, and providing written responses to the factors of consideration required by Government Code Section 56425 for each.

BACKGROUND INFORMATION:

In the spring of 2002, the Commission deferred the consideration of the service review/sphere update for the Inland Empire West RCD from the West Valley considerations until the East Valley agencies were reviewed on the basis that these regional agencies should be considered at one time. This hearing will open that process and the staff proposes to provide a general outline of the functions of these entities, followed by a specific look at the three service providers in the Valley portion of the County: Inland Empire West RCD, East Valley RCD, and Riverside-Corona RCD. Maps of the regional perspective of these agencies and individual maps of their boundaries within San Bernardino County are included as Attachment #1 to this report.

OUTLINE OF RESOURCE CONSERVATION DISTRICT SERVICES:

Attachment #2 to this report includes a general outline of what a Resource Conservation District is and the services it can perform under its principal act as prepared by LAFCO staff, along with information taken from the California Association of Resource Conservation Districts' website. Together these documents provide a broad background on the governance, service delivery, and history of these entities. A general summary of this information follows:

Resource Conservation District Law has been in existence since 1938 as a means to address locally the national issues identified during the "Dust Bowl" crisis of the 1930's and to work with the federally-created Soil Conservation Service. This legislation has been amended over time and was last updated and amended in the 1991 legislative session. The services offered by these types of agencies include the control of runoff, the prevention or control of soil erosion, the development and distribution of water, and the improvement of land capabilities. In San Bernardino County these agencies have evolved as the land uses within our area have changed. These agencies have shifted their focus to manage the watersheds within their jurisdiction away from an agrarian economy.

Of special note in these considerations, 25 years ago the Commission conducted a study to determine, in essence, whether or not Resource Conservation Districts had outlived their intended purpose given the shrinking revenues to perform their services. This study was the outgrowth of funding questions following approval of Proposition 13 as RCDs were losing approximately two-thirds of their local property tax support. The position adopted by the Commission in April of 1979 was that Resource Conservation Districts continued to perform a needed function by providing a local liaison for the Federal Soil Conservation Service, but that consolidations of the districts serving within San Bernardino County should be pursued. A copy of that staff report and the minutes from the April 1979 hearing are included as Attachment #3 to this report.

Due to the regional nature of these agencies and their lack of annexation activity, they have had little official contact with LAFCO during the past 25 years. In 1982, the Commission reviewed and approved the consolidation of the Redlands-Highland-Yucaipa RCD with the San Gorgonio RCD (an agency within Riverside County) into what is now known as the East Valley RCD, implementing the direction of the Commission from 1979. In about the mid-1980's, the West End RCD changed its name to the Inland Empire West RCD, and noting the change in the District's name was about the last official participation of that District with the Commission. However, during 2001, problems associated with the financial management of the Inland Empire West RCD were brought to the Commission's attention. The direction to staff was

that these matters be looked into during the now-mandated sphere of influence update/service review as the appropriate vehicle to look into the operations of these agencies.

SERVICE REVIEW:

In reference to the factors and findings required for a service review, each of the Districts has provided a response for Commission consideration. These documents are included as attachments to this report. Each District has indicated that it performs a needed service working in conjunction with the Federal Natural Resource Conservation Service and others. Each District has provided a short- and long-range plan for its operations. So, the question is, Should these three agencies that provide the same types of services be consolidated? Is it more effective and efficient an operation if these agencies were consolidated into one or two entities serving the Valley portion of the County? The information which follows proposes to open that discussion:

1. Each of the three entities provides the services identified through coordination with the Federal Department of Agriculture/Natural Resource Conservation Service and performs education programs within their respective areas. Copies of the long-range plans for these entities are included in the information submitted for their service review.
2. It appears that these three agencies coordinate with the same level of federal liaison, specifically the District Conservationist, and consolidation would reduce the need for coordination with multiple districts. It is identified in the documents provided that the East Valley RCD and Riverside-Corona RCD have entered into cooperative agreements with the Federal USDA Natural Resource Conservation Service; no mention has been made to such an agreement within the Inland Empire West RCD documents.
3. Each of the RCDs are funded through a combination of a share of the general ad valorem tax along with the pursuit of grants, mitigation fees, payment for their services, or State bond revenues. The Districts' share of property tax revenue for Fiscal Year 2003-04 from San Bernardino County has been identified by the County Auditor-Controller's Office as follows:

Inland Empire West RCD	\$281,269
East Valley RCD	\$ 88,890
Riverside-Corona RCD	\$ 8,751

One concern expressed by the Riverside-Corona RCD was that should a consolidation or reorganization propose to eliminate the area of the Riverside-Corona RCD within San Bernardino County, it would eliminate its bi-county status, affecting its exemption from participating in the State-mandated ERAF funding. The elimination of this exemption would reduce the District's property tax funding by approximately 20% in both San Bernardino **and** Riverside Counties.

FACTORS OF CONSIDERATION:

Each of the RCDs have provided a response to the findings required by Government Code Section 56430 for the conduct of service reviews, which is included as a part of their attachment for Commission review. Pursuant to the requirements of Government Code Section 56425, every sphere of influence review is required to consider four factors of consideration. Due to the regional nature of these Districts, a response to these factors is difficult to provide. However, a summary response follows:

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

The present and planned land uses in the area comprising the Valley portion of San Bernardino County represent varying levels and intensities of urban development within the unincorporated County area and the corporate limits of the 14 municipalities. The transition of the Valley area from an agrarian economy to an urban one has changed the emphasis of the services offered by the regional RCDs. The East Valley RCD comprises approximately 453,390 acres (708 square miles) within San Bernardino and Riverside Counties; the Inland Empire West RCD encompasses 370,000 acres (578 square miles) within San Bernardino and Riverside Counties; and the Riverside-Corona RCD is estimated to have approximately 3,200 acres (5 square miles) within San Bernardino County.

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

The transition of the services from RCDs to provide for watershed management, noxious weed eradication, and sedimentation control will continue and expand as the territory of San Bernardino County develops. A consolidated agency, primarily serving the Valley portion of the County, could effectively respond to joint operations, seeking to partner with the many other agencies concerned with conservation efforts, soil control, etc.

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

Within their respective boundaries, each of these entities provides the full range of service to their constituents, limited by the resources available to them.

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

Due to the regional nature of these agencies, it is problematic to address this issue. However, the principal act of Resource Conservation Districts defines the area which can be included within such a district as follows.

“Territory need not be contiguous but shall be under the provisions of the same general plan or system for the control of runoff, the prevention or control of soil erosion and the development and distribution of water or land improvement.”

Consolidation of the territory of the East Valley RCD and Inland Empire West RCD within San Bernardino County would join together the area for the control of runoff into the Santa Ana River; it would join the areas between the major state contractors in the Valley area for control of runoff detrimental to water supplies, etc.

For the reasons identified above, LAFCO staff believes that the Inland Empire West RCD and East Valley RCD should be consolidated; and that the Riverside-Corona RCD should be maintained in its current configuration.

CONCLUSION:

Based on the information outlined above and contained within the survey responses of the agencies, staff believes that the number of RCDs should be reduced. The question is, How many RCDs should serve the Valley? The staff is proposing that the East Valley RCD and the Inland Empire West RCD be consolidated and, in order to achieve that direction, that the East Valley RCD sphere should be expanded to include the area of the Inland Empire West RCD and include the territory not currently a part of that agency or its sphere. Staff is proposing that the Riverside-Corona RCD retain its service area within San Bernardino County so that its funding stream would be unaffected. The basis for these positions is:

- a. The consolidation of the sphere of influence of the East Valley RCD and Inland Empire West RCD into a single sphere would point toward the consolidation of these two entities. These agencies serve within the same watershed of the Santa Ana River, they coordinate with the same representative of the Department of Agriculture/Natural Resource Conservation Service, and they coordinate with the same regional entities, such as the Santa Ana Watershed Association, among others.
- b. The retention of Riverside-Corona RCD within its limited service area will maintain its bi-county status, thus allowing it to be exempt from the provisions transferring a share of its property tax revenues to ERAF. This distinction is very important to the future funding of this entity.

If the Commission supports this position, it would need to adopt the staff's recommendation and instruct staff to work with Legal Counsel to develop the necessary resolutions setting forth the findings, terms, and determinations outlined above. If the Commission does not support the staff recommendation, direction should be provided to LAFCO staff to return at a later hearing with a modified report.

Attachments:

1. Maps of the Districts' Regional Location as well as Individual District Boundaries
2. Outline of a Resource Conservation District Prepared by LAFCO Staff and Excerpts of Information from the California Association of Resource Conservation Districts
3. March 26, 1979 LAFCO Staff Report on Resource Conservation Districts and Minutes from April 11, 1979 Commission Hearing
4. Survey Response from the Inland Empire West Resource Conservation District and Response from Tom Dodson and Associates
5. Survey Response from the East Valley Resource Conservation District and Response from Tom Dodson and Associates
6. Survey Response from the Riverside-Corona Resource Conservation District and Response from Tom Dodson and Associates