

**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
www.sbclafco.org

DATE: APRIL 12, 2004

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer



TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8 -- LAFCO 2924 -- Service Review and Sphere of Influence Update for the City of Grand Terrace

INITIATED BY:

San Bernardino County Local Agency Formation Commission

RECOMMENDATION:

1. Determine that LAFCO 2924 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption within five days;
2. Make the finding related to a service review required by Government Code Section 56430 and determine that the existing sphere of influence for the City of Grand Terrace should be affirmed as presently configured; and,
3. Adopt LAFCO Resolution #2815 setting forth the Commission's findings and determinations on this issue.

BACKGROUND INFORMATION:

This proposal was initiated by the Commission on January 15, 2003 in response to state mandates requiring service reviews and sphere of influence updates for all cities and special districts on a five-year schedule. LAFCO 2924 is a routine, non-controversial service review and sphere of influence update for the City of Grand Terrace. Included as Attachment #1 to this report is a map which identifies the boundaries and sphere of influence for the City of Grand Terrace. Attachment #2 to this report is a summary profile of the City of Grand Terrace and a copy of the survey response provided by the City to the factors required by Government Code Section 56430 for a service review.

The major points of consideration within the survey response provided by the City of Grand Terrace are outlined as follows:

1. The City of Grand Terrace sphere of influence is coterminous with its existing boundaries and the City is not proposing any change to its sphere of influence. The City is currently surrounded by the City of Colton and its sphere of influence on its western, northern, and eastern boundaries and the Riverside/San Bernardino County line makes up its southern border.
2. The City of Grand Terrace provides the services of general government, land use planning, code enforcement, building and safety, recreation, roads and sewer within its corporate boundaries. These services are not provided by the City outside its corporate limits.
3. The City currently receives the following services through outside service providers/contractors:

SERVICE	PERFORMED BY
Law Enforcement	County of San Bernardino Sheriff's Department
Animal Control	City of Colton through contract with the public safety division of the City
Wastewater Treatment	City of Colton - City succeeded to sewer service agreements through CSA 70 Improvement Zone H at the time of incorporation
Refuse Collection	Waste Management has franchise for refuse pick-up within City boundaries
Ambulance	Inland Counties Emergency Medical Authority (ICEMA) granted exclusive operating area to American Medical Response (AMR)
Vector Control	Contract with the County of San Bernardino Vector Control Program for the provision of service. Area included in the benefit assessment authorized by County Resolution No. 3103

4. The City of Grand Terrace is currently overlaid by the following public agencies:

County Service Area 38 (structural fire protection)
 San Bernardino Valley Municipal Water District
 Riverside-Corona Resource Conservation District

The City is provided its domestic water service by the Riverside-Highland Mutual Water Company. This company extends into parts of the City of Colton, the Colton sphere of influence, and into the area southerly of the City of Grand Terrace within Riverside County.

None of the adjacent or overlaying agencies have identified any concerns with the City of Grand Terrace sphere of influence, as it is coterminous with the City's current boundaries.

CONCLUSION

Based on the information outlined above, and the response provided by the City of Grand Terrace, staff recommends that the Commission uphold and affirm the existing sphere of influence determination for the City. In addition, staff recommends that the Commission adopt Resolution #2815 which sets forth written responses to the statutory factors related to service reviews and sphere of influence studies.

/krm

Attachments:

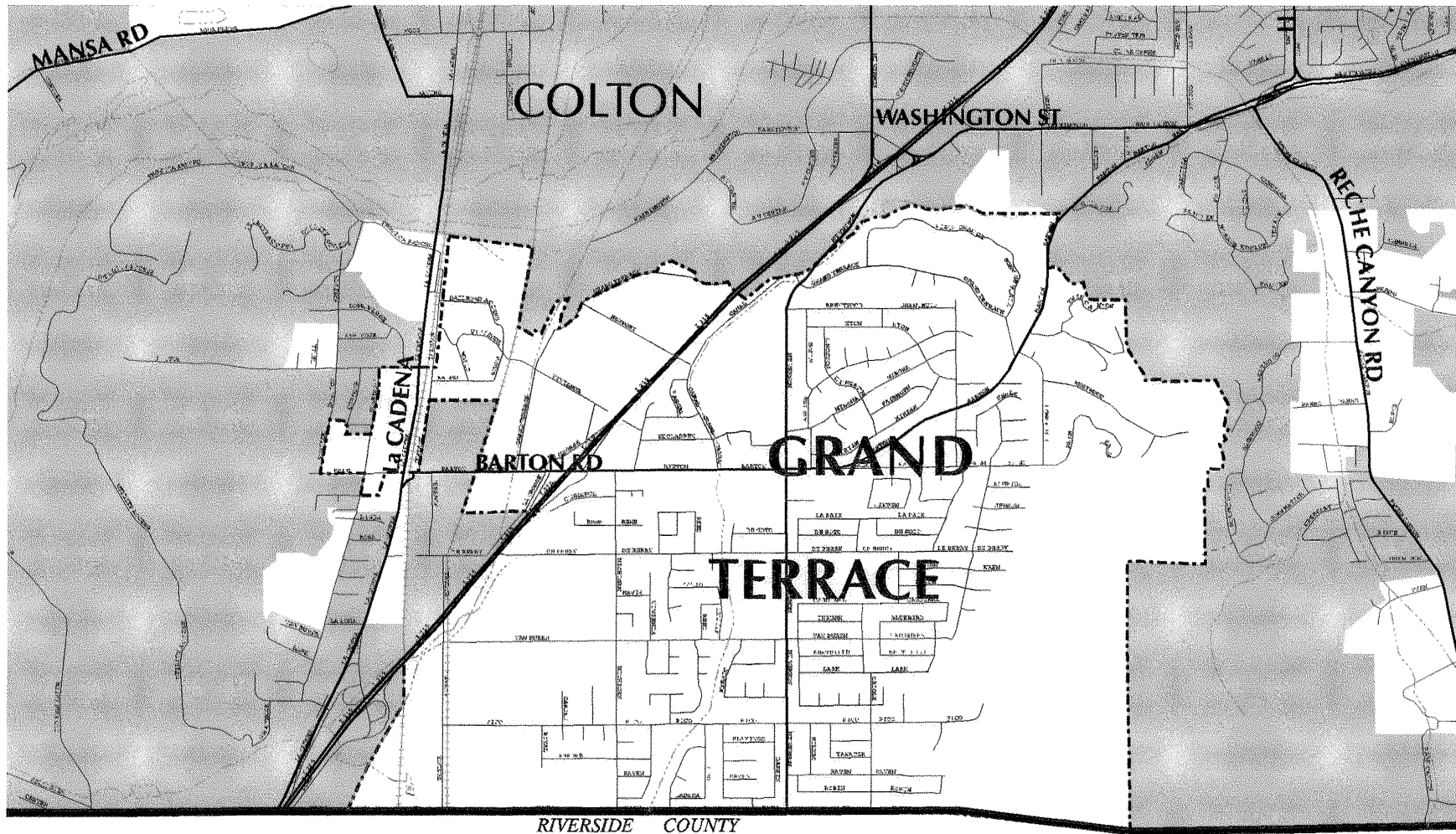
1. Map of the Existing Sphere of Influence of the City of Grand Terrace
2. Summary City Profile Sheet and Survey Response Provided by the City of Grand Terrace
3. Response from Tom Dodson and Associates
4. Draft Resolution #2815

**Map Of Existing Sphere Of
Influence Of The
City of Grand Terrace**

Attachment 1



- City of Grand Terrace (Sphere Colterminous With City Limit)
- City of San Bernardino
- City of Colton
- Colton Sphere



CITY OF GRAND TERRACE

City Limits

Map Prepared On March 19, 2004



**Summary City Profile Sheet
And Survey Response Provided
By The City Of Grand Terrace**

Attachment 2

CITY OF GRAND TERRACE

CONTACT PERSON:

ADDRESS: 22795 Barton Road
Grand Terrace, CA 92313
Phone: 909-824-6621
Fax 909-783-7629

E-MAIL ADDRESS: gtcityhall@cityofgrandterrace.org

DATE OF MUNICIPALITY FORMATION:
November 30, 1978 (LAFCO 1772)

CHARTER/DATE:

REDEVELOPMENT AGENCY: XX YES ____NO

If yes, please indicate name and define area of service.

GOVERNING BODY: 5 member City Council, elected at-large

MEMBERSHIP

Lee Ann Garcia	Mayor
Maryetta Ferre	Mayor Pro Tem
Don Larkin	Councilmember
Herman Hilkey	Councilmember
Bea Cortes	Councilmember

PUBLIC MEETINGS:

2nd and 4th Thursday of the month, 6:00 p.m.,
Council Chambers 22795 Barton Road

SERVICES PROVIDED:

DIRECTLY PROVIDED BY CITY (NON-CONTRACTUAL):

General government functions: Park and Recreation, Street Maintenance, Day Care Center, Planning, and Building and Safety

CONTRACT:

SERVICE	PROVIDED BY WHOM	DATE OF CONTRACT	SUNSET DATE
Law Enforcement	County Sheriff	At incorporation	Perpetual until specific action taken to change
Animal Control	City of Colton	November 2003	Perpetual until specific action taken to change
Sewage Treatment	City of Colton	At incorporation	Perpetual -- successor to CSA 70 Zone H agreements
City Engineer	Nolte Associates	October 2003	Perpetual until specific action taken to change
City Attorney	John Harper	July 1988	Perpetual until specific action taken to change

County Service Area 38 (structural fire protection) currently overlays and provides this service to the City of Grand Terrace. Riverside-Highland Water Company (a mutual water company) provides water service to the incorporated territory of the City plus additional territory within the City of Colton and its sphere of influence and Riverside County.

AREA SERVED 3.7 Square Miles/2,364 Acres

POPULATION 11,626 (Defined by 2000 Census)
 11,900 (Defined by ECD demographics)

SERVICES PROVIDED OUTSIDE AGENCY BOUNDARIES: NONE

SUBSIDIARY DISTRICTS? YES XX NO

SPHERE OF INFLUENCE:

ESTABLISHED:

LAFCO NUMBER	RESOLUTION NO./ DATE ADOPTED	LOCATION
LAFCO 1891	Resolution No. 1509, dated 6/13/79	Existing City boundaries plus the area generally bounded by La Cadena, Bostick, Palm and Litton Avenues in the La Loma Hills area

CHANGES:

LAFCO NUMBER	RESOLUTION NO./ DATE ADOPTED	TYPE OF CHANGE	LOCATION
LAFCO 2036	No action taken on proposal by Commission – 12/30/80	Expansion/Reduction of sphere	Special Study of South San Bernardino/Reche Canyon area for possible reorganization to realign City boundaries

TOTALLY SURROUNDED ISLANDS WITHIN BOUNDARY/SPHERE:
 _____YES XX NO

BUDGETARY INFORMATION:

TYPE	ACTUAL 1999- 2000	ACTUAL 2000-01	ACTUAL 2001-02	ESTIMATED 2002-03	BUDGETED 2003-04
Expenditures	\$3,313,459	\$3,309,201	\$3,647,135	\$3,690,821	\$4,110,889
Capital/fixed assets	\$165,603	\$187,984	\$204,428	\$67,321	\$245,548
Property Tax	\$412,174	\$410,311	\$414,818	\$421,917	\$428,614
User Fees	\$866,941	\$947,172	\$919,487	\$914,282	\$956,755

CITY OF GRAND TERRACE

2924

CONTACT PERSON:

ADDRESS: 22795 Barton Road
Grand Terrace, CA 92313
Phone: 909-824-6621
Fax 909-783-7629

RECEIVED
NOV 07 2003

E-MAIL ADDRESS: gtcityhall@cityofgrandterrace.org

LAFCO
San Bernardino County

DATE OF MUNICIPALITY FORMATION:
November 30, 1978 (LAFCO 1772)

CHARTER/DATE:

REDEVELOPMENT AGENCY: ___XX___ **YES** _____ **NO**

If yes, please indicate name and define area of service.

GOVERNING BODY: 5 member City Council, elected at-large

MEMBERSHIP

Lee Ann Garcia	Mayor
Maryetta Ferre	Mayor Pro Tem
Don Larkin	Councilmember
Herman Hilkey	Councilmember
Bea Cortes	Councilmember

PUBLIC MEETINGS: 2nd and 4th Thursday of the month, 6:00 p.m., Council Chambers
22795 Barton Road

SERVICES PROVIDED: NON-CONTRACTUAL:

General government functions: Park and Recreation, Street Maintenance, Day Care Center,
Planning, and Building and Safety

CONTRACT:

SERVICE	PROVIDED BY WHOM	DATE OF CONTRACT	SUNSET DATE
Law Enforcemen	County Sheriff	At incorporation	Perpetual until specific action taken to change
Animal Control	City of Colton	November, 2003	Perpetual until specific action taken to change
Sewer treatment	City of Colton	At incorporation	Perpetual
City Engineer	Nolte Associates	October, 2003	Perpetual until specific action taken to change
City Attorney	John Harper	July, 1988	Perpetual until specific action taken to change
Fire Protection	County Fire	At incorporation	Perpetual until specific action taken to change
Water	Riverside Highland Water Co.	At incorporation	Perpetual

County Service Area 38 (structural fire protection) currently overlays and provides this service to the City of Grand Terrace. Riverside-Highland Water Company provides water service to the City territory.

AREA SERVED 3.7 SQUARE MILESI 2364 ACRES

POPULATION 11,626 (Defined by Census 2000)

SERVICES PROVIDED OUTSIDE AGENCY BOUNDARIES:

SERVICE	PROVIDED BY WHOM	DATE OF CONTRACT	SUNSET DATE

Special Charges for service outside boundaries:

SUBSIDIARY DISTRICTS? _____ YES __XX__ NO

If yes, list

SPHERE OF INFLUENCE: ESTABLISHED:

LAFCO NUMBER	RESOLUTION NO./DATE ADOPTED	LOCATION

CHANGES:

LAFCO NUMBER	RESOLUTION NO./DATE ADOPTED	TYPE OF CHANGE	LOCATION

TOTAL Y SURROUNDED ISLANDS WITHIN BOUNDARY/SPHERE: __YES __XX__ NO

If Yes, how many

How many comply with provisions of Government Code 56375.3.

BUDGETARY INFORMATION:

TYPE	ACTUAL 1999-2000	ACTUAL 2000-01	ACTUAL 2001-02	ESTIMATED 2002-03	BUDGETED 2003-04
Expenditures	\$3,313,459	\$3,309,201	\$3,647,135	\$3,690,821	\$4,110,889
Capital/fixed assets	\$ 165,603	\$ 187,984	\$ 204,428	\$ 67,321	\$ 245,548
Property Tax	\$ 412,174	\$ 410,311	\$ 414,818	\$ 421,917	\$ 428,614
User Fees	\$ 866,941	\$ 947,172	\$ 919,487	\$ 914,282	\$ 956,755

CITY OF GRAND TERRACE
TO RESPONSE TO LAFCO
SPHERE OF INFLUENCE REVIEW
AND SERVICE REVIEW SURVEY

2024

Sphere of Influence

Does your Agency anticipate any sphere of influence amendments that might be proposed over the next five years?

The City of Grand Terrace does not anticipate proposing a sphere of influence amendment within the next five years.

Service Review

I. Infrastructure Needs and Deficiencies

Purpose: To evaluate the infrastructure needs and deficiencies of a jurisdiction in terms of capacity, condition of facility, service quality and levels of services and its relationship to existing and planned service needs.

1. **Capital Improvements Plans/Studies**
The City of Grand Terrace 5 year Capital Improvement Plan (CIP) was adopted in 2001 and outlines the City's current and future capital improvements needs. Capital Improvement projects are administered through Community Service Departments. A copy of the Capital Improvement Program is available upon request.
2. **Master Service Plans/Studies**
The City's master service plans are found in various adopted plans: General Plan, Sewer Master Plan, Water Master Plan, and Capital Improvement Program. Copies of each plan are available upon request.
3. **Water Service Plans/Studies**
Supply and demand information: The City of Grand Terrace is served by one water purveyors: Riverside Highland Water Company. A copy of the Master Plan of Service for is available upon request.
4. **Sewer Services Plans/Studies**
Capacity and demand information: The City of Grand Terrace sewer plant and distribution system is through the City of Colton. Adequate sewer capacity is available to meet current and projected flows. The City's Capital Improvement Plan Program addresses forecasted growth and infrastructure needs. A copy of the City's CIP is available upon request.
5. **Age and Condition of Facilities**
 - a) Water supply and distribution system: Copies of the Master Plans for each serving agency is available upon request.
 - b) Wastewater collection and treatment: A copy of the City's Master Plan of Sewers and treatment capacity is available upon request.
6. **Capacity Analysis (sewer)**
 - a) Number of service units available: Capacity of the City sewer treatment plant is

- presently XXX million gallons per day. (City of Colton sewer treatment plant)
 - b) Number of service units currently allocated: Not applicable.
 - c) Total number of service units within agency boundaries: The sewer treatment plant presently processes approximately XXX million gallons of wastes per day, or approximately XXXX sewer connections.
7. Future Development (sewer)
- a) What additional infrastructure is needed? Future infrastructure needs are addressed in the City Master Plan of Sewers. A copy of this plan is available, upon request.
 - b) Description of additional facilities. Please refer to City Master Plan.
 - c) How will they funded? Development fees.
 - d) Is there a schedule for improvement? Refer to Master Plan.
8. Reserve Capacity
- What is the policy? Please refer to Master Plan of Sewers.

II. Growth and Population

Purpose: To evaluate service needs based upon existing and anticipated growth patterns

1. Population Information
 - a) Existing and projected: The current population of the City is approximately 12,090 residents. The city's projected ultimate population is estimated at approximately 14,396 residents.
2. General Plan
 - a) Excerpts regarding existing and projected growth: The City's ultimate population was calculated based the residential land use densities contained in the 2002 Housing Element update General Plan Update. A copy of the Grand Terrace General Plan is on file with the LAFCO office.
 - b) Other: The City does not anticipate any major land use alternations that will substantially change the above ultimate population projection.
3. Identify Significant Growth Areas

The City is close to build-out of its vacant single and multiple family residential and areas. The City's primary growth will be industrial and commercial development along the 215 freeway.

III. Financing Opportunities and Constraints

Purpose: To evaluate factors that affect the financing of needed improvements.

1. Financing Plans
 - a) Service upgrades: The City's adopted Capital Improvement Plan outlines the approximate location, size, and timing and estimated costs of all major facilities. The development and financing of these projects depend on available funding. The City has an adopted fee program that covers the following: circulation, storm drain, water, fire and police, landscape, flood control, sewer and parks.
 - b) Capacity Improvements: The City's CIP addresses capacity improvements. Copies are available upon request.
 - c) Revenue source: The City's revenue sources are as follows: property tax, sales tax, PERS Retirement Assessment, sewer fees development fees, building permit fees, motor vehicle in lieu fees, grants redevelopment project area funds and other general revenue sources.

2. Bond Rating
The City's bond rating is AAA as of 1997
3. Joint Financing Project
 - a) Does agency participate? The city participates in joint capital improvements projects with the County and periodically with other jurisdictions as the need arises.
 - b) What are policies? There are no City policies on file for joint financing projects.
4. Revenue Sources
 - a) Identify: The City's major recurring revenue sources include: sales tax, PERS Retirement Assessment, state revenues, franchise fees, development and business related fees, and other general revenue sources.
 - b) Can they be expanded? The City maintains a legislative lobbyist and legislative City team to monitor new sources of revenue, such as, grant applications. The City also proposes a commercial development to improve the sales tax base.

IV. Cost Avoidance Opportunities

Purpose: To identify practices or opportunities that may help eliminate unnecessary costs.

1. Overlapping/Duplicative Services
The City's participation in joint capital improvements projects and other joint studies and activities does encourage coordination with other local governmental agencies, and funds from several agencies decreases the need to rely solely on one funding source.
2. Joint Agency Practice
 - a) Identify: Please refer to item III. 3a response.
 - b) Reduce Costs? Reduction of costs in joint capital improvement projects and other joint studies is obtained through economies of scale.
3. Rely on Other Agency
 - a) Administrative functions: The city does not rely on other agencies for its administrative functions.
 - b) Grant Management: Individual City departments apply and manage grant funds. The City does periodically contract with firms to prepare more complex grant applications.
 - c) In-house cost vs. outside cost: Since individual City departments apply and manage the grant funds, in-house costs are absorbed by the individual City department.
4. Growth Management Strategies
 - a) Strategies for directing growth: The City's strategies for directing growth are through capital improvement projects, such as the installation of necessary infrastructure improvements and development of vacant commercial properties.
 - b) Infill: The City does not presently have a strategy for infill.
 - c) Conservation: The City's Conservation Element of the General Plan emphasizes the conservation, development and utilization of resources located in the planning area. These resources include: mineral, water, soils, biotic, cultural and archaeological, energy and waste stream resources. A copy of the City's General Plan is on file at the LAFCO office.
 - d) Annexation policies: The City encourages the annexation of properties located within its adopted sphere of influence. The City's annexation policy is not to

propose annexation until it is the desire of the property owner(s).

5. Level of Service

- a) Meets or exceeds customer needs? The City Council has adopted the following as mission statement: "To strive to achieve total customer satisfaction...To be fiscally prosperous and accountable. To be environmentally responsible. To pursue innovative technology to meet the changing needs of our community".
- b) Customer satisfaction: Each City department has a specialized format to sample the service level rating within its clientele. Each department has customer service forms available at the public counter.

6. Per-Unit Service Cost

- a) Identify: Periodically, the City's fees and charges are reviewed and recommendations are presented to the City Council for adjustments. A copy of the City's fee schedule is available upon request.
- b) Comparison with others: The City's user's fees are based upon a cost analysis of the services provided by the City.

V. Rate Destructing

Purpose: To identify opportunities to positively impact rates without decreasing service levels.

1. Rate

- a) Use of consumer price index? Not being done at the present time.
- b) Identify ways to compare rates: Periodically, the City informally reviews and compares rates of adjoining communities.
- c) Identify current rates and plans, if any, for rate changes: Please refer to response under item V 1 b.

VI. Opportunities for Shared Facilities

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems

1. Shared Facilities

- a) Existing flood, parks, groundwater storage, etc. The city does share park facilities with Terrace View Middle School.
- b) Future opportunities/options: The City is constantly reviewing opportunities with the various governmental agencies to enhance the delivery of municipal services for the benefit of all serving agencies.

2. Duplication of Facilities

- a) Existing duplication.
- b) Planned/future duplication.
- c) Excess capacity available to outside customers.
- d) Productivity ratings, if any, for staff.

The City does not have any existing duplication of facilities; therefore, the items listed above are not applicable.

VII. Government Structure Options

Purpose: To consider the advantages and disadvantages of various government structures to provide

services.

1. Agency Recommendation
 - a) Government structure options: The island provisions outlined in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 should be revised to delete or substantially increase the acreage limitation on an unincorporated island of territory. The revision to the Act should be a state-wide effort by all jurisdictions and the Local Agency Formation Commissions.
 - b) Benefits to customers: By providing inform city limit boundaries and eliminating "County Islands" of unincorporated territory the delivery of municipal services can be more cost effective and less confusing to the general public.
2. Hurdles to Consolidation/Reorganization:

Several islands of unincorporated territory that are surrounded or substantially surrounded by the City's boundaries are too large to fit the criteria outlined in the island provisions of the Cortese-Knox-Hertzberg Act.
3. Recommended Options
 - a) Benefit to customers: Same as item VII-1 b.
 - b) Services to be provided: By providing logical and uniform city limits the City can provide more efficient municipal services.

VIII. Evaluation of Management Efficiencies

Purpose: To evaluate whether organizational changes to governmental structure can be made to improve the quality of public services in comparison to cost.

1. Training Opportunities

The on-going training of employees is preformed on an individual department basis through the use of workshops, conferences, seminars and memberships in professional associations. In addition, training for general interest courses or to improve existing job performance is offered by the City.
2. Staffing Levels

Historically, the City has maintained a low ratio of employees per population. Currently, the ratio is approximately 4.3 per 1,000 residents. While an employee/resident ratio may be an important indicator, the City maintains a staffing level that is appropriate to available funding.
3. Technology

Billing Systems: The City maintains billing systems for business and dog licensing, and miscellaneous receivables. The city shares billing systems with the Riverside Highland Water Co. for sewer and water bills and the County of San Bernardino weed abatement.
4. Budget
 - a) Policies: Budget policies are established by the City Council, formulated into policy guidelines by staff, reviewed by the City Council and adopted through the public hearing process.
 - b) Preparation/public involvement: The City's two year budget is prepared by each department under the supervision of the Finance Department. Throughout the budget process the public is encouraged to review drafts by accessing the City's web site and reviewing draft copies available at the public counter.

- c) Analysis- revenue/reserves/expenditures: The analysis of the City revenues/reserves/expenditures is done through the preparation of the operating budget and through periodic updates. The budget covers the General Fund, the Redevelopment Agency and Housing Agency, and other miscellaneous City funds.

5. Joint Powers Agreement
Identify and describe: none

IX. Local Accountability and Governance

Purpose: To evaluate the accessibility and levels of participation associated within the agency's decision-making and management processes.

1. Governing Body

- a) Selection Process: The selection of members of the Grand Terrace City Council is done at an election held every two years for four-year terms. The mayor is chosen by the council for a two-year term. Grand Terrace is a City Administrator oriented form of government.
- b) Representation (District's, area-wide): The Grand Terrace City Council is selected on a city-wide basis.
- c) Frequency of meetings: The Grand Terrace City Council meets on the second and forth Thursday of each month at 6:00 P .M.
- d) Brown Act Compliance: In compliance with the Brown Act, the City Council's agenda is posted 72 hours prior to its regularly scheduled meetings. The agenda is posted outside of the City Council Chambers
- e) Number of elections over last decade: The number of elections held over the last ten years is five.

2. Customer Feedback:

- a) Surveys: Periodically the City conducts city-wide resident surveys. These surveys are inserted in water and sewer monthly bills. Customer survey cards are also provided at the front counters of each department.
- b) Complaint tracking: Each individual department track and respond to complaints as they are filed. In addition, the Public Works Department responds to pothole, graffiti and other complaints as they are filed.

3. Access

- a) Hours: City Hall is open Monday through Thursday, 7:30 A.M. to 5:30 P.M and the odd Fridays of every month from 8:00 AM to 5:00 PM . City employee's work a 9/80 work schedule.
- b) Publication: City announcements are publishes in a monthly city-wide newsletter published jointly through the Grand Terrace Area Chamber of Commerce and the City.
- c) Website: The city maintains a website, which is updated periodically by the Community Service Department.
- d) Media coverage: The newspapers that cover the City are the San Bernardino Sun, the Riverside Press Enterprise, Blue Mountain Outlook and the City of Grand Terrace News.
- e) Cable/public access TV: Residents can view the City council meetings on local cable television. The city's cable provider is Adelphia.

4. Regular Progress Report

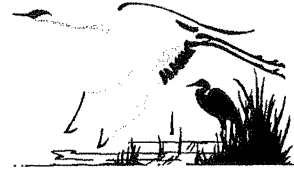
- a) Budget-major projects: The City's budget is adopted every years during the month of June and reviewed on a quarterly basis. Progress reports are periodically presented to the City Council.
- b) Operations: Please review the pervious response.
- c) Voter participation: City residents are encouraged to review the proposed City budget purchasing or reviewing the budget at the public counter. Public comments on the city budget are encouraged in written or oral communications.

**Response From
Tom Dodson & 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



April 10, 2004

RECEIVED
APR 12 2004

Ms. Kathleen Rollings-McDonald
Local Agency Formation Commission
175 West Fifth Street, Second Floor
San Bernardino, CA 92415-0490

LAFCO
San Bernardino County

Dear Kathy:

LAFCO 2924 consists of a service review for the City of Grand Terrace (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 2924 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 2924 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 2924.

Based on a review of LAFCO 2924 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 2924 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 2924 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 cursive script, appearing to read "Tom Dodson".

Tom Dodson

Draft Resolution No. 2815

Attachment 4

DRAFT

PROPOSAL NO.: LAFCO 2924

HEARING DATE: APRIL 21, 2004

RESOLUTION NO. 2815

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 2924, A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE CITY OF GRAND TERRACE (sphere of influence coterminous with existing City boundaries).

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 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 on April 21, 2004, 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 was adopted by this Commission at its April 21, 2004 hearing. The Clerk is directed to file a Notice of Exemption within five working days of adoption; and,

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 Grand Terrace shall be maintained as a coterminous sphere of influence; and,

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

1. Infrastructure Needs and Deficiencies.

The City of Grand Terrace provides its services to the residents within its boundaries, which encompass 3.7 square miles (approximately 2,364 acres). The City has a Capital Improvement Plan which outlines the City's current and future capital improvement needs, along with a master plan for sewer collection systems. The City participates with the City of Colton for sewer treatment services and has indicated that there is adequate capacity within this facility for ultimate build-out of the city. Copies of the City's Capital Improvement Program and Master Plans are maintained in City offices and are available for public review.

2. Growth and Population.

The current population of the City of Grand Terrace is approximately 12,090 residents. The City's projected ultimate population is estimated at approximately 14,396. This population estimate is calculated based on the residential land use densities and designation contained in the 2002 Housing Element Update and the General Plan Update. As noted, the City is close to build-out of its vacant single and multiple-family residential areas and anticipates its primary growth will be industrial and commercial development along the I-215 freeway corridor.

3. Financing Opportunities and Constraints.

The primary funding mechanisms for the City are:

- A share of the 1% general ad valorem levy (estimated at \$428,614 for FY 2003-04)
- Sales Tax
- PERS Retirement Assessment
- Franchise Fees
- Motor Vehicle In-Lieu Fees
- Redevelopment Project Area Funds
- Grants
- Development Impact Fees (sewer fees, building permit fees, etc.)

The City has indicated that the Capital Improvement Program identifies capacity improvements, and the development and financing of these projects.

4. Cost Avoidance Opportunities.

The City of Grand Terrace participates in joint capital improvement projects and other joint studies. This activity encourages coordination with other local governmental agencies and maximizes the funding source for projects. The City's strategy for directing growth is through its Capital Improvement Projects. The City does not have an infill strategy. The City Council has adopted as its mission statement: "To strive to achieve total customer satisfaction. To be fiscally prosperous and accountable. To be environmentally responsible. To pursue innovative technology to meet the changing needs of our community."

5. Rate Restructuring.

The City of Grand Terrace periodically reviews and compares its rates to those of adjoining communities. Copies of the City's rate structure are available for review in City offices. As outlined above, the City's primary funding is derived from its share of sales tax, the 1%

general ad valorem tax levy, fees, grants and PERS Retirement assessment. The materials submitted to the Commission do not identify rates beyond these revenue sources.

6. **Opportunities for Shared Facilities.**

The City currently shares park facilities with Terrace View Middle School and it continues to review opportunities with other governmental agencies to enhance the delivery of service to the benefit of its residents.

7. **Government Structure Options.**

No options for governmental structure change were identified for the City of Grand Terrace as its sphere of influence is coterminous with its existing boundaries. No change to that designation is anticipated through this action.

8. **Management Efficiencies.**

The City has maintained a low ratio of employees per population. Currently the ratio is approximately 4.3 employees per 1,000 residents. The City maintains a staffing level that is appropriate to available funding. The City provides for the ongoing training of employees through the use of workshops, conferences, seminars, and membership in professional associations. The City's two-year budget process is prepared by each individual department under the supervision of the Finance Department. Throughout the budget review process the public is encouraged to participate through the review of drafts on the City's website. Budget policies are established by the City Council, formulated into policy guidelines by staff and reviewed and adopted by the City Council through the public hearing process.

9. **Local Accountability and Governance.**

The City is governed by a five-member City Council, elected at-large. The mayor is chosen by the City Council for a two-year term. The City maintains a website which is periodically updated through the Community Service Department. As noted above, the City's budget is adopted every two years during the month of June and is reviewed on a quarterly basis. Progress reports are periodically presented to the City Council.

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

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

The present and planned land uses within the area, comprising the corporate limits of the City of Grand Terrace, represent varying levels and intensities of urban development. This area includes approximately 3.7 square miles (approximately 2,364 acres) within San Bernardino County.

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

The City, along with County Service Area 38 for fire protection and the Riverside-Highland Mutual Water Company, provide for the full range of public facilities and services in the area. The City has adopted Master Plans for the delivery of its services which outline the location, sizing and estimated cost for extension of infrastructure.

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

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The City indicates that the present capacity of public facilities and services is adequate to meet the needs of the developed areas within the City, which corresponds to its sphere of influence. The City has indicated that it has almost reached build out of residential lands within its boundaries and future growth and development is anticipated for commercial and industrial uses along the I-215 corridor.

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

The existing sphere of influence assigned the City of Grand Terrace is coterminous with the City's boundaries which represents that community, and no change in this assignment is contemplated at this time. The Commission, therefore, determines that this factor of consideration is not relevant to this review, as permitted by Government Code Section 56425.

5. **OTHER FINDINGS**

- A. Notice of the April 21, 2004 hearing was published as required by law and directed by the Commission in The Sun and the Colton Courier, 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 affected local agencies have been reviewed and considered by the Commission in making its determination; and,

WHEREAS, having reviewed and considered the findings as outlined above, the Commission affirms and upholds the sphere of influence for the City of Grand Terrace as it currently exists, as depicted on the map attached and on file in the office of the Local Agency Formation Commission for San Bernardino County.

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 the attached map as being the sphere of influence of the City of Grand Terrace, 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 Grand Terrace 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:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

DATED:

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