

**COUNTY SERVICE AREA 70 J OAK HILLS  
DISTRICT PROFILE SUMMARY SHEET**

District Contact Person(s):

Thomas L. Sutton, Director, Special Districts Department  
Manuel M. Benitez, Deputy Chief, Water and Sanitation Division

Address:

Administration- 157 West 5<sup>th</sup> Street, 2<sup>nd</sup> Floor, San Bernardino, Ca. 92415  
Operations- 12402 Industrial Blvd, Bldg D, Suite 6, Victorville, Ca 92395

E-mail Address:

mбенitez@sbcсdd.org

Website Address:

www.specialdistricts.org

Date of Formation:

December 21, 1971

Principal Act:

Water services

Improvement District(s):  YES  NO

If yes, please indicate name and define area of service (include map).

County Service Area 70, Improvement Zone J. Refer to attached documents for map.

Governing Body:

San Bernardino County Board of Supervisors  
Water Advisory Commission appointed by the First District Supervisor represents County Service Area 70, Improvement Zone J customers.

Membership:

Bill Postmus, First District  
Paul Biane, Second District  
Dennis Hansberger, Third District  
Gary Ovitt, Fourth District  
Josie Gonzales, Fifth District

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**LAFCO**  
San Bernardino County

**Public Meetings:**

Board of Supervisors meet every Tuesday, except for those following Monday holidays and as otherwise scheduled.

The Commission meets the 3<sup>rd</sup> Tuesday of every month at 7:00 p.m. in the Community Building of the Oak Hills Fire Station #40 located at 6584 Caliente Road, Oak Hills, CA.

**SERVICES**

Currently Authorized Powers (Services):

SERVICE	FUNCTIONS
Water	Operation and Maintenance

Latent Powers (Services) -- those services authorized by the Agency's principal act, but not activated through the LAFCO process:

SERVICE	FUNCTIONS
N/A	

Area Served: 19,275 Acres, 30 Square Miles

Population: Approximately 9,233

Registered Voters: 1,004 As Of 8/5/2005

Services Provided Outside Agency Boundaries:

SERVICE	PROVIDED TO WHOM	DATE OF CONTRACT	SUNSET DATE
Water	City of Hesperia	August 18, 2004	N/A
Water	City of Hesperia	August 18, 2004	N/A
Water	City of Hesperia	August 18, 2004	N/A

See attached Service Agreements.

Special charges for service outside boundaries: N/A

Special policies for providing service outside boundaries: N/A

## SPHERE OF INFLUENCE

Established:

LAFCO Number	Resolution No./ Date Adopted	Location

CHANGES:

LAFCO Number	Resolution No./ Date Adopted	Type Of Change	Location
LAFCO 2733	Resolution 2407	Form Improvement Zone J	
LAFCO 2736	Resolution 2408	Expand SOI for City of Hesperia	
LAFCO 2763	Resolution 2445	Approving SOI Expansion for City of Hesperia	

## BUDGETARY INFORMATION

See Attachment



**MANDATORY FIVE YEAR  
SPHERE OF INFLUENCE REVIEW**  
(Government Code Section 56425)

**INTRODUCTION:** The questions on this form are designed to obtain data about the entity's existing sphere of influence to allow the Commission and its staff to begin to assess the mandated sphere update process. You are encouraged to include any additional information that you believe is pertinent to the process. Use additional sheets where necessary and/or include any relevant documents.

1. NAME OF AGENCY: County Service Area 70, Improvement Zone J (CSA 70 J)
2. Provide an identification of the entities that provide service to your agency. Please indicate whether they are public or private entities and include subsidiary districts in this description. Please include a description of City or District-governed agencies (i.e., redevelopment agency, development corporations, joint powers authorities, improvement districts, etc.):

CSA 70 J is a dependent special district governed by the County of San Bernardino, Board of Supervisors and provides water services.

The County of San Bernardino, Special Districts Department consolidates many of the administrative and technical functions necessary to manage the water services. CSA 70 J benefits from the economy of jointly provided financial, administrative, construction and managerial support services provided by the Special Districts Department.

CSA 70 J receives services from a number of public and private entities per attached list. (See Service Provider attachment).

3. Provide a narrative description of anticipated alterations in the agency's current sphere of influence that should be considered in this review. This identification should include any potential development that would require a sphere of influence amendment for implementation, etc. (If additional room for response is necessary, please attach additional sheets to this form.)

CSA 70J is bound by the City of Hesperia to the east and north, Baldy Mesa Road to the west, and the mountain pass of the Cajon Summit to the south. It is generally known as the unincorporated area of Oak Hills.

4. CITIES: Provide an outline of negotiations with the County of San Bernardino related to any sphere change anticipated. Please include an outline of agreements on boundaries, development standards, zoning requirements, if any. This is required pursuant to Government Code Section 56425(b).

See the attached agreements with the City of Hesperia; Agreement No. 04-906, 04-905, and 04-904.

5. CITIES: Provide an outline of the dates for adoption and plans for update, if any, for:  
General Plan: CSA 70J is covered under the County General Plan.

Elements if adopted separately: N/A

6. CITIES/SPECIAL DISTRICTS: For the services provided by the agency identify the appropriate document below and provide an outline of the date of adoption, schedule for update, copy of the document and copy of environmental document, if applicable:

Master Plan for Water Utility	<u>Water Master Plan August 2002</u>
Master Plan for Fire Service	_____
Master Plan for Park Service	_____
Urban Water Management Plan (with copy of certification from Department of Water Resources)	_____
Other (Please name):	
<u>Water System Report</u>	<u>April 2001</u>
_____	_____
_____	_____

7. SPECIAL DISTRICTS: Provide an outline of the following items related to the services provided by the District. This response is specifically required by Government Code Section 56425(h) et seq.

- a) Provide a written statement specifying the functions and/or classes of service provided by your District.

The Special Districts Department's goal, in CSA 70J, is to provide a safe and dependable supply of drinking water and water for fire protection in an efficient and economic manner.

- b) Provide a written description of the nature, location and extent of the functions and/or classes of service outlined above. Where the service area is less than the boundaries of the District provide a map depiction of the location.

The existing CSA 70J water system services an area of approximately 19,275 acres with 2,781 active residential and commercial water services. The system is divided into 4 pressure zones. Water services in each zone are gravity fed from storage reservoirs located at higher elevations to provide a minimum operating pressure. Water is produced by four wells, which provide water to Pressure Zone 2; Pressure Zones 3 & 4 are supplied by booster stations. Pressure Zone 1 is supplied from storage in Pressure Zone 2 through pressure reducing stations and is divided into two areas, separated by Interstate 15. Booster stations for Pressure Zone 3 are located at and supplied by storage reservoirs in Pressure Zone 2. Booster stations for Pressure Zone 4 are located at and supplied by storage reservoirs in Pressure Zone 3. Pressure Zones 2 & 3 are also capable of receiving water from the upper pressure zones through pressure reducing stations located throughout the district.

- c) Provide a brief outline of master plans adopted for each of the services listed above including a summary of their findings and the date of their adoption. If master plans are required to be filed with a County, State or Federal agency please note the date of their acceptance. Provide a copy of the master plans with this document if not previously provided to the LAFCO staff office including a copy of the environmental determination associated with the document.

San Bernardino County Special Districts Department Final Zone J Water System Report adopted in April 2001

County of San Bernardino Special Districts Department County Service Area 70J Water Master Plan Final Draft adopted in August 2002

8. Provide a response to the four factors outlined in Government Code Section 56425 required for a sphere of influence review outlined as follows:

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

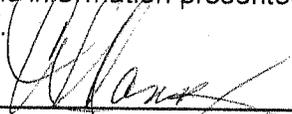
Land use and Zoning in CSA 70 J is predominantly single family residential with some commercial area along Interstate 15 and Highway 395 and some mixed commercial/residential areas throughout the district.

- b) The present and probable need for public facilities and services in the area.  
Not applicable for water service.
- c) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.  
Not applicable for water service.
- d) The existence of any social or economic communities of interest in the area.  
N/A

### CERTIFICATION

I hereby certify that the statements furnished above and in the attached supplements, exhibits, and documents present the date and information required for this mandatory review to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE: 9/20/05

  
Signature of Official

LISA MANNING  
Printed Name

DEPUTY CHIEF  
Title



**MUNICIPAL SERVICE REVIEW**  
**COUNTY SERVICE AREA 70 IMPROVEMENT ZONE J**  
(Government Code Section 56430)

**INTRODUCTION:** The following provides an outline of the mandatory determinations for a municipal service review as set out in Government Code Section 56430. In addition it provides an explanation of the purpose of the determination and the issues to be considered. While no agency will be required to respond to each of the issues identified below, this list is intended to be illustrative of the scope of issues that might be relevant to a local agency service review. Please review the list and identify those issues that are relevant to your agency and develop narrative responses to each determination.

**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 users.

1. Capital Improvement Plans/Studies; the Capital Improvement Plans are budgeted as part of the County of San Bernardino Special Districts Department annual budget. The plan includes projects that are developed as part of a master planning effort to improve infrastructure deficiencies. Projects for County Service Area 70, Improvement Zone J (CSA 70J) include one 1.75 million gallon reservoir, a new well # 5 and various looping of water mainlines through out the District. See CIP attachment.
2. Water Service Plans/Studies
  - a) Supply and demand information: San Bernardino County Special Districts Department. CSA 70 J Water System Report by Engineering Resources Of Southern California, Inc. April 2001.
  - b) Water Master Plan by So and Associates Engineers, Inc. August 2002.
3. Sewer Service Plans/Studies
  - a) Capacity and demand information – N/A

4. Age and Condition of Facilities

- a) Water supply and distribution system: CSA 70 J was formed in 1971.

Ground water will continue to be the primary source of supply until pumping costs become uneconomical due to the accelerated lowering of the ground water table or until a more economical alternative source of water supply is identified. The existing CSA 70 J water system serves an area of approximately 19,275 acres (30 square miles). The system is divided into four pressure zones. Water services in each zone are gravity fed from storage reservoirs located at higher elevations to provide the minimum operating pressure. The current water system operates four wells. All four wells provide water to pressure zone 2; booster stations supply pressure zones 3 and 4; pressure zone 1 is supplied by storage in pressure zone 2 through pressure reducing stations.

Comparison of the available supply to the maximum demand indicates that CSA 70 J has adequate supply capacity to meet current and near future demands. However, development of additional sources of supply will be required in the future due to growth and operating conditions of existing wells and pumps. The majority of the distribution system consists of asbestos cement pipe ranging in size from 6-inches to 16-inches in diameter. The transmission and distribution system is well maintained and in satisfactory condition.

There are eleven operative reservoirs within CSA 70 J, with a combined total capacity of 2.27 million gallons. Two of these reservoirs are de-sanding tanks for the wells, three are located in pressure zone 2, three are located in pressure zone 3 and three are located pressure 4.

Comparison of existing storage capacities and current/future requirements for each pressure zone indicates that currently there is adequate storage. However, to avoid future deficiencies additional storage facilities are being planned and are presently under construction.

5. Capacity Analysis

- a) Number of service units available  
b) Number of service units currently allocated  
c) Total number of service units within agency boundaries  
Approximately 9,000

WATER SERVICE consists of 2,781 active connections as of June 30, 2005 with the number of new connections projected at 175 during calendar year 2005.

**Table 1 – CSA 70 J Water Historical and Projected Connections**

NUMBER OF CONNECTIONS BY YEAR										PROJECTION OF TOTAL CONNECTIONS		
	1996	1997	1998	1999	2000	2001	2002	2003	2004	3/31/2005	6/30/2005	6/30/2006
<b>70 J</b>	1,903	1,948	2,017	2,148	2,203	2,287	2,404	2,578	2,798	2,817	2,781	2,912

**Table 2 – CSA 70 J Water Historical and New Connections**

AVERAGE NUMBER OF NEW CONNECTIONS BY YEAR										PROJECTION OF NEW CONNECTIONS		
	1996	1997	1998	1999	2000	2001	2002	2003	2004	3/31/2005	6/30/2005	6/30/2006
<b>70 J</b>	48	45	69	131	55	84	117	174	220	4	10	175

6 Future Development

- a) What additional infrastructure is needed?

WATER SERVICE: In order to provide sufficient back-up supply in the event of unplanned outages, it is recommended that improvements in storage, supply, and transmission be completed. Storage improvement recommendations are for the construction of a 1.75 million gallon reservoir at the Reservoir Site 2-A location. Supply improvement recommendations are for construction of a new 800 to 1,000gpm well in Pressure Zone 2. Transmission improvement recommendations include the installation of new water main lines in Pressure Zone 2 to allow adequate flow of supply to the new 1.75 million gallon reservoir and for the purpose of looping several dead end lines throughout the district.

- b) Description of additional facilities.  
 c) How will it be funded?  
 d) Is there a schedule for improvement?

See Capital Improvement Projects (CIP) attachment for CSA 70 J

7. Reserve Capacity

- a) What is the policy? See CIP program.

**II. Growth and Population**

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

1. Population Information

- a) Existing and projected within agency boundary (include identification of source for growth projection).

County Service Area 70 J provides water service to a community of approximately 9,233. The current annual growth rate in CSA 70 J is approximately 6%, which is double the rate just two years ago.

- b) Existing and projected within sphere of influence (include source for growth projection). N/A

2. General Plan

- a) Excerpts regarding existing and projected growth.

CSA 70 J currently provides service to 2,860 water connections. Most of the District's land is zoned for residential with some commercial/industrial and planned mix use areas along Interstate 15 and Highway 395. CSA 70 J has a defined boundary with an area of approximately 19,275 acres of land and a projected build out of 9,214 water connections as is defined in the *Water Master Plan* final draft August 2002. Build out is projected to be approximately 50% by the year 2022.

- b) Other: N/A

3. Identify Significant Growth Areas

CSA 70 J is currently experiencing 3 areas of significant growth. Two and one-half acre lot housing tracts are being constructed in the southwest area near Oak Hills Road and Mesquite Road. Two and one-half acre lot housing tracts are being constructed in the southeast area near Farmington Road and Kouries Way. Several single home developments are occurring in the northwest area near Smoketree Road between Baldy Mesa Road and Bellflower Road.

**III. Financing Opportunities and Constraints**

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

1. Finance Plans for CSA 70 J include (provide copies of documents where necessary):

- a) Service upgrades  
b) Capacity improvements  
c) Revenue source

2. Bond Rating: NOT APPLICABLE

3. Joint Financing Projects

- a) Does agency participate? NOT APPLICABLE  
b) What are policies?

4. Revenue sources for CSA 70 J service related activities are classified as enterprise. *Enterprise activities* are financed entirely or predominantly by establishing user fees to cover costs. Water and sewer utilities, among others, are operated as special district enterprise activities.
  - a) Identify: The District receives operating revenues from water sales, connection fees and meter installations and incurs expenses from services, supplies, salaries, depreciation and utility costs.
  - b) Can they be expanded? Yes, through Fire Flow Testing and Backflow Testing programs.

#### IV. Cost Avoidance Opportunities

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

1. Overlapping/Duplicative Services: NOT APPLICABLE
2. Joint Agency Practices: NOT APPLICABLE
  - a) Identify: The County of San Bernardino Special Districts Department consolidates many of the administrative and technical functions necessary to manage water services.
  - b) Reduce costs? CSA 70 J benefits from the economy of jointly provided financial, administrative, construction and managerial support services provided by the Special Districts Department.
3. Rely on Other Agencies: NOT APPLICABLE
  - a) Administrative functions provided by the County Special Districts Department.
  - b) Grant management provided by the County Special Districts Department.
  - c) In-house cost vs. outside cost not specifically evaluated.
4. Growth Management Strategies
  - a) Strategies for directing growth: Replacement and expansion strategies are developed by the County Special Districts Department as part of a master planning effort to improve infrastructure deficiencies. Capital replacement or expansion projects are included in the Capital Improvement Plan over a 5-year planning period.
  - b) Infill: NOT APPLICABLE

- c) Conservation: The Water and Sanitation Division of the Special Districts Department, has found that the most cost-effective measure for extending the life of the aquifers that provide water to the District is through conservation efforts. Natural recharge is a long-term process that is falling behind the demands of our expanding communities. While replenishment efforts are effective, they are also expensive. The Division is exploring every opportunity for increasing the dependability of all water resources available.

The conservation message is communicated through handouts and information packets to customers that are made available at no charge. The Division has increased its participation in the Alliance for Water Awareness & Conservation (AWAC) program. "The mission of the Alliance for Water Awareness & Conservation is to promote the efficient use of water and increase the communities' awareness of conservation as an important tool to help ensure an adequate water supply." The Division, as an AWAC member participates in workshops, outreach events, and public education to communicate the conservation message. Another facet of conservation activity by the Division is its long-time participation in the Desert Communities Water Awareness Expo (Expo). The Expo group is also involved with communicating water conservation messages and resources at the Annual Home and Garden Show.

- d) Annexation policies: The procedures for changing special district boundaries are defined by legislature in the 1985 Cortese-Knox Local Government Reorganization Act, which sets uniform requirements for initiating boundary changes. If an annexation proposal is approved by LAFCO a proposal to change the boundaries is sent to the County Board of Supervisors. The Supervisors hold a public hearing and review any written protests.
- e) Policies related to providing service outside agency boundaries: Provisions to provide service outside the district boundaries are defined through contract negotiation. Once council is satisfied with the terms set forth the contract is sent to the County Board of Supervisors for approval.

5. Level of Service

- a) Meets or exceeds customer needs?  
b) Customer satisfaction

The Water and Sanitation Division plans to compile customer surveys.

6. Per-Unit Service Costs

- a) Identify Water Service

**Table 5- CSA 70 J Fiscal Year 2005/2006 Water Use Fees and Facility Charges**

Meter Size	Facility Charge (\$ Bi-monthly)
¾" meter	12.03
1" meter	16.84
1 ½" meter	28.55
2" meter	41.20
3" meter	69.85
4" meter	107.07
6" meter	196.55
8" meter	290.12
Monthly Use	Water Use Fee (\$/HCF)
0 –14 hcf	1.49
>14 – 80 hcf	1.64
>80 hcf and above	2.15

b) Comparison with others: Water Service

**Table 7 - Local Agency Rate Comparison (Measure in Hundred Cubic Feet)**

Agency	Flat Rate	Tier One \$/HCF	Tier Two	Tier Three	Monthly Meter Charge (1' Meter)	Cost Based on Average Consumption
Apple Valley Ranchos Water Company	1.34	-	-	-	40.03	121.6
Baldy Mesa Water District	-	0.59	0.84	0.92	15.48	57.04
Hesperia Water District	-	0.59	0.70	0.87	29.28	78.93
Southern California Water Company	2.29	-	-	-	37.25	145.49
Victor Valley Water District	-	0.23	0.70	0.81	18.72	55.26
Water & Sanitation Division (CSA 70J)	-	1.49	1.64	2.15	16.84	54.25

\* Average consumption in CSA 70 J with a 1 inch meter is 35 hcf of water during a bi-monthly period; cost factors were determined by CSA 70 Js average consumption and the representative Agency fees. Average cost for consumption among the agencies is \$85.11.

## V. Rate Restructuring

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

1. Rate restructuring is considered by: The annual rate restructuring process takes multiple factors into consideration to develop proposed rates and charges for public consideration (i.e. allocated staffing and district staffing costs, existing connections, proposed connections, proposed expansion and/or replacement projects, grants, loans, money in reserve). Rate restructuring has had a significant impact, bringing revenues in line with ongoing district operating costs. Staff continues to work with local communities and advisory boards to find workable solutions regarding cost containment and infrastructure improvement needs. The Special Districts Department continues to analyze rate structures. Recommendations in recent years to resolve infrastructure deficiencies affecting the Districts ability to provide safe reliable and adequate water/sewer services to unincorporated communities typically result in multiple construction projects.
  - a) Use of consumer price index: NOT APPLICABLE.
  - b) Identify ways to compare rates: Water and sanitation rates are based on the costs associated with operations and maintenance and locally funded capital improvement projects.
2. Identify current rates and plans, if any, for rate changes.  
Water Service: CSA 70 J water rate changes are estimated to increase by 1.5% for fiscal years 2005/2006, 2006/2007 and 2007/2008.

## 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. NOT APPLICABLE.
  - b) Future opportunities/options NOT APPLICABLE.
2. Duplication of Facilities
  - a) Existing duplication? NOT APPLICABLE.
  - b) Planned/future duplication? NOT APPLICABLE.
  - c) Excess capacity available to outside customers? NOT APPLICABLE.
  - d) Productivity ratings, if any, for staff NOT APPLICABLE.

## VII. Government Structure Options

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

1. Agency Recommendation
  - a) Government structure options and benefits to customers: Due to the size and location of CSA 70 J, the community is best served by a county service area where it can enjoy economies of scale while paying minimal costs for the services received.
2. Hurdles to Consolidation/Reorganization: Consolidation is not likely given the size and location of the District.
3. Recommended Options
  - a) Benefit to customers & Services to be provided: CSA 70 J needs to maintain the existing structure to guarantee its continued operation.

#### **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 Special Districts Department has established policies for professional training and membership dues procedures to encourage all employees to pursue educational opportunities and involvement in organizations to enhance their contribution as District employees and assist in their career development.
2. Staffing Levels: CSA 70 J is supported by the Special Districts Department and pays an allocated share for administrative and district staffing costs. Allocated costs are based on two criteria, district size and the number of customers. Administration is measured on the number of customers, while field maintenance and meter reading are tied to the size of a district. The district size is determined by a job costing methodology. The total number of hours needed to complete each field activity is determined and placed into 1 of 6 categories, which are as follows:
  - Production-maintenance of wells, reservoirs and telemetry
  - Boosters-maintenance of booster stations
  - Transmission and distribution-maintenance of transmission and distribution systems, pipelines, hydrants and valves.
  - Customer Accounts-maintenance of meters; expedition of customer work orders and meter reading
  - Vehicle & Equipment maintenance-maintenance of equipment and vehicles
  - Meter Installation-installation of meters.

3. Technology

a) Billing systems:

Water and Sewer Service - The current billing system was determined to be outdated; as such a new system was purchased and is scheduled for deployment in October 2005.

4. Budget

a) Policies: CSA 70 J budgets are prepared in conjunction with the County's annual budgeting process and are fully compliant with legal requirements and County Administrative policy.

b) Policies for payment of stipend, benefits, travel, educational expenses of governing body: NOT APPLICABLE.

c) Preparation/public involvement: Customers receive notification on a yearly basis of proposed increases/decreases to water and sanitation rates and facility charges.

d) Analysis – revenues/reserves/expenditures: Expenditures and revenues are reviewed on a monthly basis by management. Management staff and the County Administrative Office review CSA 70 J budgets prior to submission to the County Board of Supervisors for a final review and adoption. Additionally, revenues, expenditures and reserves are audited annually by the County Auditor/Controller's office and a consolidated financial report is prepared.

5. Joint Powers Agreements -

Identify and describe: NOT APPLICABLE.

**IX. Local Accountability and Governance**

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

1. Governing Body: A special district is classified as either *independent* or *dependent*, according to the type of governing body under which it operates. An *independent district* operates under a locally elected, independent board of directors. A *dependent district* operates under the control of a county board of supervisors or a city council. CSA 70 J is a dependant district.

a) Selection process: The San Bernardino County Board of Supervisors governs CSA 70 J; it is within the political boundaries of the First Supervisorial District. The First District Supervisor is selected through voter participation every four years. The Board of Supervisors forms the District's commissions and then the District's Supervisor appoints the commissioners.

- b) Representation (Districts, area-wide): CSA 70 J Water Advisory Commission.
  - c) Frequency of meetings: The Board of Supervisors meet every Tuesday, while commissions and councils meet at varying times the most common are monthly and quarterly.
  - d) Brown Act compliance: The rules for complying with the Brown Act are explained to the Commission/Council members by department staff. During the course of the introduction to the Rules of the Brown Act a specially prepared binder is given to commissioners/council members for future reference. All commissions/councils have a secretary appointed whether or not it is a commission/council member or department staff.
  - e) Number of elections over last decade: N/A
2. Customer Feedback: The Special Districts Department goal continues to be "to provide a safe and dependable supply of drinking water in an efficient and economical manner." District staff has increased the effectiveness of this commitment with specialized crews, diligent water quality monitoring, effective operational procedures, and reliable customer service. An additional component was initiated last year and will become operational in 2005. This additional component is known as a Customer Service Management Program (CSM). This program will compliment the District's goals to provide a higher level of service to our customer, continue fiscal accountability, and increase the effectiveness of staff efforts. The CSM program is a software program that encompasses billing information, customer service orders, inventory control, and preventive maintenance scheduling. This allows district staff to access more information about our customer's needs that will enable a higher level of dependable and quality service.
- a) Surveys: The last survey conducted by the Water and Sanitation Division was on the topic of alternative forms of payments.
  - b) Complaint tracking: Customer complaints are recorded in the billing systems comment section and resolutions of complaints are copied to the customer file. The Division utilizes an escalation process wherein staff within the chain of command attempts to resolve the complaint.
3. Access
- a) Hours: The Water and Sanitation Division, Victorville Office operates between the hours of 8:00 a.m. and 4:00 p.m. and has 24 hour on-call services.

- b) Newsletters: The Water and Sanitation Division does not currently publish a newsletter to its customers but instead utilizes the billing statement to keep customers informed regarding special events, workshops, etc. Additionally, the Division utilizes the billing process to enclose fliers with the mailing of the billing statement.
- c) Website: The Water and Sanitation Division's is accessible through the Special Districts Department website at [www.specialdistricts.org](http://www.specialdistricts.org).
- d) Media coverage: The Water and Sanitation Division does not have a Public Information Officer.
- e) Cable/public access TV: N/A

#### 4. Regular Progress Reports

- a) Budget – major projects: District proposed budgets include Operation and Maintenance, Replacement, Expansion and Capital Improvement Project 5-year Plans, which are distributed yearly to District Commissioners/Council members during specially scheduled meetings referred to as budget workshops where commission/council members are briefed on the various aspects of the proposed budgets. Budget workshops occur prior to the regularly scheduled commission/council meetings. During the regularly scheduled commission/council meetings the proposed budgets and capital improvement project plan are presented, public questions are answered and the District Commissioner/Council members make their recommendations to the Board of Supervisors. Customers within Districts that do not have commissions/councils receive notification on a yearly basis of proposed increases/decreases to water and sanitation rates and facility charges.
- b) Operations: The Water and Sanitation Division provides monthly/quarterly spend-down reports, operation and maintenance reports, and CIP reports to District Commissioners/Council members during their regularly scheduled commission/council meetings.
- c) Voter participation: Customers within Districts that have Commissions/Councils receive notification yearly that a rate presentation will occur and are encouraged to attend. Customers within District that do not have commissions/councils receive notification yearly via a mailer. The mailer includes proposed increases/decreases to the water and sanitation rates and facility charges it also provides examples of how the rates and charges will impact the average user.

CSA 70  
OAK HILLS

Revised 5/20/04												
Number	Location - Name	Expansion/Replacement	Funding									TOTALS
			2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2009/10		
CSA 70J (WATER) OAK HILLS												
	Telemetry System		Local	55,534	55,534	42,833						153,901
2004004	Line Extensions/Looping	E	Local	250,000	250,000	250,000	175,000	175,000				1,100,000
NEW	New Tanks at 2B & 3B	E	Local				880,000					880,000
990037	Trans Lines Phase I	E	Loan/Local	1,478,100	1,200,000	1,200,000						3,878,100
2001017	2 M storage & property	E	Loan/local	1,401,000	1,200,000	1,200,000						3,801,000
2001018	Well # 5, tank & booster	E	Loan/local	1,370,500	1,250,000	1,250,000						3,870,500
New	Pipeline Replacement (One mile)	R	Loan/Local			200,000						200,000
New	Booster 3B Replacement	R	Loan/Local			200,000						200,000
New	On-Site Generation (Includes prefab building)	E	Loan/Local			100,000						100,000
New	Add booster at 2A	E	Loan/Local			75,000						75,000
NEW	Well # 6, tank & booster	E	local ISRF						100,000			100,000
NEW	2 MG Reservoir Storage	E	local ISRF						1,450,000			1,450,000
NEW	Trans Lines Phase II	E	local ISRF						120,000			120,000
NEW	Land Acquisition Well #6	E	Local						1,200,000			1,200,000
NEW	Trans Lines Phase II	E	Local						100,000			100,000
990039	Trans Lines Phase II	E	Loan				605,000		1,000,000			1,000,000
	TOTAL			4,555,134	3,955,534	4,517,833	1,660,000	175,000	3,995,000	0		18,858,501

DISTRICT PROFILE  
 CSA 70 IMPROVEMENT ZONE J OAK HILLS  
 BUDGETARY INFORMATION

County Service Area 70 L	FY 2001/02	FY 2002/03	FY 2003/04
<b>Expenditures</b>	1,577,649	1,744,831	1,572,721
Charges for Services	1,782,564	2,204,056	2,546,872
Prop Tax	5,647	5,203	10,237
Special Assessments	134,698	134,910	122,635
Investment Earning	106,686	97,751	39,022
Penalties	39,538	35,499	48,125
Other	20,578	20,028	43,151
<b>Total Revenue</b>	<b>2,089,711</b>	<b>2,497,447</b>	<b>2,810,042</b>
Prior Period Adjustment	0	0	0
<b>OTHER FINANCING</b>			
<b>Beg Net Assets/Fund Balance</b>	<b>8,176,848</b>	<b>8,688,910</b>	<b>9,441,526</b>
<b>Change in Net Assets</b>	<b>512,062</b>	<b>752,616</b>	<b>1,237,321</b>
<b>Ending Net Assets/Fund Balance</b>	<b>8,688,910</b>	<b>9,441,526</b>	<b>10,678,847</b>

County Of San Bernardino Special Districts Report of Audit  
 Statement of Revenue, Expenditures and Change in Net Assets

County Service Area 70 J	ESTIMATE FY 2004/05	BUDGET FY 2005/06
<b>Expenditures</b>	5,076,427	5,704,961
Charges for Services	1,753,259	2,262,129
Prop Tax	0	0
Service Fees	0	0
Investment Earning	22,993	127,816
Other	1,108,704	2,069,348
<b>Total Revenue</b>	<b>2,884,956</b>	<b>4,459,293</b>
Transfer In	1,140,285	682,862
<b>OTHER FINANCING</b>		
<b>Beg Net Assets/Fund Balance</b>	<b>1,613,992</b>	<b>562,806</b>
<b>Change in Net Assets</b>	<b>(1,051,186)</b>	<b>(562,806)</b>
<b>Ending Net Assets/Fund Balance</b>	<b>562,806</b>	<b>0</b>

County Of San Bernardino Special Districts Proposed Budget FY 05/06  
 FY 04/05 Year-End Estimates  
 FY 05/06 Proposed Budget

**COUNTY OF SAN BERNARDINO  
SPECIAL DISTRICTS  
COUNTY SERVICE AREA No. 70  
ZONE J**

**REPORT ON AUDIT**

**JUNE 30, 2007**

**County of San Bernardino Special Districts  
County Service Area No. 70  
Zone J  
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Statement of Cash Flows	C	4
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**ROGERS, ANDERSON, MALODY & SCOTT, LLP**

CERTIFIED PUBLIC ACCOUNTANTS

JAY H. ZERCHER, C.P.A.  
ROBERT B. MEMORY, C.P.A.  
PHILLIP H. WALLER, C.P.A.  
BRENDA L. ODLE, C.P.A.  
TERRY P. SHEA, C.P.A.  
KIRK A. FRANKS, C.P.A.  
MATTHEW B. WILSON, C.P.A.

LEENA SHANBHAG, C.P.A.  
NANCY O'RAFFERTY, C.P.A.  
SCOTT W. MANNO, C.P.A.  
BRAD A. WELEBIR, C.P.A.  
LYNN W. JENKINS, C.P.A.  
MARION M. HABERKORN, C.P.A.

Board of Supervisors  
County of San Bernardino  
County of San Bernardino Special  
District County Service Area  
No. 70 - Zone J

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the County of San Bernardino Special District County Service Area No. 70 - Zone J (CSA), a component unit of the County of San Bernardino, as of and for the year ended June 30, 2007 as listed in the table of contents. These financial statements are the responsibility of the CSA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the State Controller's Minimum Audit Requirement for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the County of San Bernardino Special District County Service Area No. 70 - Zone J, as of June 30, 2007, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

The County of San Bernardino Special District County Service Area No. 70 - Zone J has not presented the *Management's Discussion and Analysis* that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

*Rogers, Anderson, Malody & Scott, LLP*

September 26, 2007

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**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone J**  
**Statement of Net Assets**  
**June 30, 2007**

**ASSETS**

## Current Assets:

Cash and cash equivalents	\$ 7,390,607
Accounts receivable, net	341,580
Interest receivable	87,351
Taxes receivable	6,995
Total Current Assets	<u>7,826,533</u>

## Noncurrent Assets:

## Capital assets:

Land	34,826
Improvements to land	10,377,498
Structures and improvements	162,039
Equipment	30,722
Construction in progress	2,426,517
Accumulated depreciation	<u>(4,577,076)</u>
Total Noncurrent Assets	<u>8,454,526</u>

Total Assets	<u>16,281,059</u>
--------------	-------------------

**LIABILITIES**

## Current Liabilities:

Accounts payable	141,919
Accrued interest payable	25,644
Loan payable, current portion	55,620
Bonds payable	5,000
Total Current Liabilities	<u>228,183</u>

## Noncurrent Liabilities:

Loan payable, net of current portion	<u>1,988,136</u>
Total Noncurrent Liabilities	<u>1,988,136</u>

Total Liabilities	<u>2,216,319</u>
-------------------	------------------

**NET ASSETS**

Invested in capital assets, net of related debt	6,410,770
Unrestricted	<u>7,653,970</u>
Total Net Assets	<u>\$ 14,064,740</u>

The accompanying notes are an integral part of these financial statements.

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone J**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Year Ended June 30, 2007**

**OPERATING REVENUES**

Water sales	\$ 2,083,284
Connection fees	546,967
Other services	98,845
Total Operating Revenues	<u>2,729,096</u>

**OPERATING EXPENSES**

Professional services	88,434
Salaries and benefits	787,697
Services and supplies	538,906
Rents and leases	2,330
Utilities	494,429
Depreciation	242,909
Other	727,620
Total Operating Expenses	<u>2,882,325</u>

Operating Loss (153,229)

**NONOPERATING REVENUES (EXPENSES)**

Investment earnings	390,716
Interest expense	(75,059)
Property taxes	9,951
Special assessments	85,891
Other taxes	33
State assistance	6
Penalties	19,412
Other	149,068
Total Nonoperating Revenues (Expenses)	<u>580,018</u>

Change in Net Assets 426,789

**Net Assets - beginning, restated** 13,637,951

**Net Assets - ending** \$ 14,064,740

The accompanying notes are an integral part of these financial statements.

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone J  
Statement of Cash Flows  
For the Year Ended June 30, 2007**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 3,199,951
Payments to suppliers	(1,938,468)
Payments to employees	(787,697)
Net Cash Provided by Operating Activities	<u>473,786</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Property taxes	4,882
Special assessments	85,891
State assistance	6
Penalties	19,412
Other nonoperating revenues	149,101
Net Cash Provided by Noncapital Financing Activities	<u>259,292</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital asset	(424,657)
Principal payments on long-term debt	(138,669)
Interest paid on long-term debt	(73,454)
Net Cash (Used for) Capital and Related Financing Activities	<u>(636,780)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment earnings	371,917
Net Cash Provided by Investing Activities	<u>371,917</u>
Net Increase in Cash and Cash Equivalents	468,215
<b>Cash and Cash Equivalents - beginning of the year</b>	<u>6,922,392</u>
<b>Cash and Cash Equivalents - end of the year</b>	<u>\$ 7,390,607</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (153,229)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	242,909
Change in assets and liabilities:	
Decrease in accounts receivable, net	291,560
Decrease in due from other governments	179,295
Decrease in accounts payable	(76,809)
Decrease in other liabilities	(9,940)
Net Cash Provided by Operating Activities	<u>\$ 473,786</u>

The accompanying notes are an integral part of these financial statements.

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone J  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2007**

**ASSETS**

Cash and investments

\$ 6,815

Total Assets

\$ 6,815**LIABILITIES**

Due to bondholders

\$ 6,815

Total Liabilities

\$ 6,815

The accompanying notes are an integral part of these financial statements.

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone J  
Notes to Financial Statements  
June 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting entity**

The County Service Area (CSA) No. 70 Zone J was established by an act of the Board of Supervisors of the County of San Bernardino (the County) on January 21, 1946 under Section 4700 of the State Health & Safety Code. The CSA is located 16 miles southwest of Victorville. It serves 2,567 properties and maintains 4 wells, 5 booster stations, 9 water storage reservoirs and approximately 130 miles of water pipelines.

The CSA is a component unit of the County of San Bernardino and is governed by the actions of the County Board of Supervisors.

The accompanying financial statements reflect only the accounts of the County Service Area No. 70 Zone J of the County of San Bernardino and are not intended to present the financial position of the County taken as a whole.

Because the CSA meets the reporting entity criteria established by the Governmental Accounting Standards Board (GASB), the CSA's financial statements have also been included in the Comprehensive Annual Financial Report of the County as a "component unit" for the fiscal year ended June 30, 2007.

**Measurement focus, basis of accounting, and financial statement presentation**

The CSA's financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Property taxes are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone J**  
**Notes to Financial Statements**  
**June 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Deposits and investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**Property taxes**

Secured property taxes are levied in two equal installments, November 1 and February 1. They become delinquent with penalties on December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on the March 1 lien date and become delinquent with penalties on August 31.

**Receivables and payables**

All accounts receivable are shown net of an allowance for uncollectibles when applicable. The accounts receivable balance at June 30, 2007 is net of an allowance for doubtful accounts of \$68,086.

**Inventories and prepaid items**

Inventories, if any, are valued at cost using the first-in/first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone J  
Notes to Financial Statements  
June 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Capital assets**

Capital assets, which include property, plant, and equipment are reported in the financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (for improvements to land and structures and equipment) and have an estimated useful life in excess of two years. Structures with an initial cost of \$100,000 are considered capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Structures and improvements	5 - 40
Equipment and vehicles	4 - 15

**Long-term obligations**

Long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Stewardship, compliance and accountability**

A. Budgetary information

Although the District prepares and adopts an annual budget, budgetary information is not presented because the District is not legally required to adopt a budget.

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone J**  
**Notes to Financial Statements**  
**June 30, 2007**

NOTE 2: CASH AND DEPOSITS

Cash and cash equivalents includes the cash balance of monies deposited with the County Treasurer which are pooled and invested for the purpose of increasing earnings through investment activities. Interest earned on pooled investments is deposited to the District's account based upon the District's average daily deposit balance during the allocation period. Cash and cash equivalents are shown at the fair value as of June 30, 2007.

See the County of San Bernardino's Comprehensive Annual Financial Report (CAFR) for details of their investment policy and disclosures related to investment credit risk, concentration of credit risk, interest rate risk and custodial credit risk, as required by GASB Statement No. 40.

NOTE 3: RECEIVABLES

At June 30, 2007, the accounts receivable was composed of the following:

Accounts receivable	\$ 409,666
Less: allowance for uncollectibles	<u>(68,086)</u>
Total accounts receivable, net	<u>\$ 341,580</u>

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone J  
Notes to Financial Statements  
June 30, 2007**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2007 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 18,805	\$ 16,021	\$ -	\$ 34,826
Construction in progress	3,262,695	401,905	(1,238,084)	2,426,516
Total capital assets, not being depreciated	<u>3,281,500</u>	<u>417,926</u>	<u>(1,238,084)</u>	<u>2,461,342</u>
Capital assets, being depreciated:				
Improvements to land	9,174,537	1,202,962	-	10,377,499
Structures and improvements	-	162,039	-	162,039
Vehicles	33,037	-	(33,037)	-
Equipment	49,882	-	(19,160)	30,722
Total capital assets, being depreciated	<u>9,257,456</u>	<u>1,365,001</u>	<u>(52,197)</u>	<u>10,570,260</u>
Less accumulated depreciation for:				
Improvements to land	(4,331,286)	(232,207)	-	(4,563,493)
Structures and improvements	-	(8,440)	-	(8,440)
Vehicles	(33,037)	-	33,037	-
Equipment	(2,885)	(2,258)	-	(5,143)
Total accumulated depreciation	<u>(4,367,208)</u>	<u>(242,905)</u>	<u>33,037</u>	<u>(4,577,076)</u>
Total capital assets, being depreciated, net	<u>4,890,248</u>	<u>1,122,096</u>	<u>(19,160)</u>	<u>5,993,184</u>
Total capital assets, net	<u>\$ 8,171,748</u>	<u>\$ 1,540,022</u>	<u>\$(1,257,244)</u>	<u>\$ 8,454,526</u>

**NOTE 5: REFUNDING OF 1915 ACT BONDS**

On June 30, 1994, the County's Assessment District 94-2 issued a Limited Obligation Refunding Bond (the Assessment Bond) under the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds for the purpose of refunding eleven prior series of assessment district bonds of the County. The prior series assessment bonds of Assessment District #84-3 and #87-2 amounting to \$3,675,000 were refunded. The Assessment Bond is payable from reassessment payments, collected on assessed parcels within Assessment District 94-2, of which Assessment District #84-3 and #87-2 are subareas. Exhibit D shows the cash and investments of the Agency funds including Assessment Districts #84-3 and #87-2 which represent reserve funds of the Assessment District County Service Area No. 70 - Zone J at June 30, 2007.

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone J  
Notes to Financial Statements  
June 30, 2007**

NOTE 5: REFUNDING OF 1915 ACT BONDS, (continued)

The CSA has no obligation to advance funds to pay debt service on the Assessment Bond in the event collections are insufficient. However, the CSA may, at its option and in its sole discretion, elect to advance available funds of the CSA in the amount of any delinquent payments to pay debt service on the Assessment Bond.

NOTE 6: LONG-TERM DEBT

**General Obligation Bond - Matured**

In 1974, the Board of Supervisors approved the issuance of general obligation bonds to finance construction of a water facility. Bonds were issued under the authority provided under the County Service Area Law of the California Government Code. The matured portion of bonds payable amounts to \$5,000 at June 30, 2007.

**Loan Payable**

The CSA 70 Zone J entered into an Enterprise Fund Installment Agreement (the Agreement) dated November 25, 2003 with the California Infrastructure and Economic Development Bank (CIEDB) to fund water system improvements known as the County Service Area 70 - Zone J Water Transmission and Storage Project. According to the Agreement, the CIEDB will issue a total amount of \$2,400,000 in Infrastructure State Revolving Fund Program Revenue Bonds (the Bond) to the CSA on a reimbursement basis. The CSA has agreed to make installment payments to the CIEDB on the Bond, secured by a pledge of a first lien on all pledged net system revenue and all amounts in the CSA. The term of the Agreement is thirty years from November 25, 2003 at an interest rate of 3.09%. Total amounts reimbursed by the CIEDB from inception to June 30, 2007 was \$2,234,761 and principal payments on the Bond begin August 1, 2005. The loan payable balance at June 30, 2007 is \$2,043,756.

*Change in long-term liabilities*

The following is a schedule of changes in long-term debt of the CSA for the fiscal year ended June 30, 2007.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
<b>Business-type activities:</b>					
<i>Loan payable</i>					
Enterprise Fund Installment Sale Agreement	\$ 2,097,708	\$ -	\$ (53,952)	\$ 2,043,756	\$ 55,620

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone J  
Notes to Financial Statements  
June 30, 2007**

NOTE 7: RETIREMENT PLAN

**Plan Description**

The San Bernardino County Employees' Retirement Association (SBCERA) is a cost-sharing multiple-employer defined benefit pension plan (the "Plan") operating under the California County Employees Retirement Act of 1937 ("1937 Act"). It provides retirement, death, and disability benefits to members. Although legally established as a single employer plan, the City of Big Bear Lake, the City of Chino Hills, the California State Association of Counties, the San Bernardino County Law Library, Crest Forest Fire Protection District, Mojave Desert Air Quality Management District (MDAQMD) and the South Coast Air Quality Management District (the "AQMD"), were later included, along with the County of San Bernardino (the "County"), and are collectively referred to as the "Participating Members." The plan is governed by the San Bernardino Board of Retirement under the 1937 Act. Employees become eligible for membership on their first day of regular employment and become fully vested after 5 years. SBCERA issues a stand-alone financial report, which may be obtained by contacting the Board of Retirement, 348 W Hospitality Lane - 3<sup>rd</sup> floor, San Bernardino, California 92415-0014.

**Fiduciary Responsibility**

The Retirement Association is controlled by its own board, the Retirement Board, which acts as a fiduciary agent for the accounting and control of member and employee contributions and investment income. The Retirement Association publishes its own Comprehensive Annual Financial Report and receives a separate independent audit. The Retirement Association is also a legally separate entity from the County and not a component unit. For these reasons, the County's Comprehensive Annual Financial Report excludes the Retirement Association pension trust fund as of June 30, 2007.

**Funding Policy**

Participating members are required by statute (Sections 31621, 31621.2 and 31639.25 of the California Government Code) to contribute a percentage of covered salary based on certain actuarial assumptions and their age at entry to the Plan. Employee contribution rates vary according to age and classification (general or safety). Members are required to contribute 8.97% - 12.84% for general members and 11.14% - 15.09% for safety members, of their annual covered salary of which the County pays approximately 7%. County of San Bernardino employer contribution rates are as follows: County General 12.03%, County Safety 24.84%. All employers combined are required to contribute 14.46% of the current year covered payroll. For 2007, the County's annual pension cost of \$194,130,000 was equal to the County's required and actual contributions. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act. Employer rates are determined pursuant to Sections 31453 of the 1937 Act.

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone J  
Notes to Financial Statements  
June 30, 2007**

NOTE 7: RETIREMENT PLAN (continued)

The County's annual pension cost and prepaid asset, computed in accordance with GASB 27, *Accounting for Pensions by State and Local Governmental Employers*, for the year ended June 30, 2007, were as follows (in thousands):

Annual Required Contribution (County fiscal year basis)	\$	194,130
Interest on Pension Assets		(33,738)
Adjustment to the Annual Required Contribution		44,069
Annual Pension Cost		204,461
Annual Contributions Made		194,130
Increase/(Decrease) in Pension Assets		(10,331)
Pension Assets, Beginning of Year		838,933
Pension Assets, End of Year	\$	828,602

The following table shows the County's required contributions and percentage contributed, for the current year and two preceding years:

Year Ended June 30,	Annual Contributions Made (in thousands)		Percentage Contributed
	SBCERA	County	
2005	\$ 161,906	\$ 141,450	100%
2006	\$ 197,343	\$ 166,614	100%
2007	\$ 239,857	\$ 194,130	100%

The County, along with the AQMD, issued Pension Refunding Bonds (the "Bonds") in November 1995 with an aggregate amount of \$420,527,000. These Bonds were issued to allow the County and the AQMD to refinance each of their unfunded accrued actuarial liabilities with respect to retirement benefits for their respective employees. The Bonds are the obligations of the employers participating in the Plan and the assets of the Plan do not secure the Bonds. The County's portion of the bond issuance was \$386,266,000. The current amount outstanding at June 30, 2007 is \$438,668,000.

On June 24, 2004, the County issued its County of San Bernardino Pension Obligation Bonds, Series 2004 A (Fixed Rate Bonds), its County of San Bernardino Pension Obligation Bonds, Series 2004 B (Auction Rate Bonds), and its County of San Bernardino Pension Obligation Bonds, Series 2004 C (Index Bonds) in respective aggregate principal amounts of \$189,070,070, \$149,825,000 and \$125,000,000. The Bonds were issued to finance the County's share of the unfunded accrued actuarial liability of the S.B.C.E.R.A. The current amount outstanding at June 30, 2007 is \$459,930,000.

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone J**  
**Notes to Financial Statements**  
**June 30, 2007**

**NOTE 8: FEDERAL AND STATE GRANTS**

From time to time the CSA may receive funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although the CSA expects such amounts, if any, to be immaterial.

**NOTE 9: RISK MANAGEMENT**

The CSA is insured through the County's self-insurance programs for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability and workers' compensation claims. Public liability claims are self-insured for up to \$1 million per occurrence. Excess insurance coverage over the Self-Insured Retention (SIR) up to \$25 million is provided through a Risk Pool Agreement with California State Association of Counties (CSAC) Excess Insurance Authority ("EIA") Liability Program II. Workers' compensation claims are self-insured up to \$2 million per occurrence and covered by CSAC EIA for up to \$10 million for employer's liability and up to \$50 million for workers' compensation per occurrence. Property damage claims are insured on an occurrence basis over a \$25,000 deductible, and insured with CSAC EIA Property Program.

The County supplements its self-insurance for medical malpractice claims with CSAC EIA, which provides annual coverage on a claim made form basis with an SIR of \$1 million for each claim. Maximum coverage under the policy is \$11.5 million per claim with an additional \$10 million in limits provided by the CSAC EIA General Liability II Program.

All public officials and County employees are insured under a blanket Comprehensive Disappearance, Destruction, and Dishonesty policy covering County monies and securities, also with CSAC EIA with a \$100,000 deductible, and excess limits up to \$10 million per occurrence.

The activities related to such programs are accounted for in the County's Risk Management Fund (an Internal Service Fund) except for unemployment insurance and employee dental insurance, which are accounted for in the County's General Fund. The IBNR and IBNS liabilities stated on the Risk Management Fund's balance sheet are based upon the results of actuarial studies, and include amounts for allocated and unallocated loss adjustment expenses. The liabilities for these claims are reported using a discounted rate of 4.75%. It is the County's practice to obtain actuarial studies on an annual basis.

The County has a risk management investment program agreement with the Bank of New York to finance the self-insured general liability, automobile liability, workers' compensation and medical malpractice programs. The County's investment in the agreement totaled \$50.3 million at June 30, 2007.

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone J  
Notes to Financial Statements  
June 30, 2007**

NOTE 9: RISK MANAGEMENT (continued)

The total claims liability of \$129.7 million reported at June 30, 2007 is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

Changes in the claims liability amount in fiscal years 2006 and 2007 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability (in thousands)</u>	<u>Current Year Claims and Changes in Estimates (in thousands)</u>	<u>Claims Payments (in thousands)</u>	<u>End of Fiscal Year Liability (in thousands)</u>
2005-06	\$ 115,714	\$ 46,926	\$ (35,407)	\$ 127,233
2006-07	\$ 127,233	\$ 34,312	\$ (31,862)	\$ 129,683

NOTE 10: CONTINGENCIES

As of June 30, 2007, in the opinion of the CSA Administration, there are no outstanding matters, which would have a significant effect on the financial position of the CSA.

NOTE 11: PRIOR PERIOD ADJUSTMENT

Net assets for the Enterprise Fund (Water Services) has been adjusted to correct an error in the beginning balance of capital assets and accounts payable.

Net assets - beginning	\$ 13,530,129
Prior period adjustment	<u>107,822</u>
Net assets - beginning, restated	<u>\$ 13,637,951</u>

**CSA 70 J OAK HILLS (ECA-165)**

**ACTIVITY: WATER**

**DESCRIPTION OF MAJOR SERVICES**

County Service Area (CSA) 70, Improvement Zone J was established by an act of the County of San Bernardino Board of Supervisors on December 28, 1971 and is located 16 miles southwest of Victorville. The District provides service to 3,183 customers. The District also maintains four wells, five booster stations, nine water storage reservoirs and approximately 130 miles of water pipelines ranging from 6-inches in diameter to 16-inches. The District has a Board appointed Advisory Commission and utilizes the Oak Hills Community Building for meetings.

**BUDGET AND ACTUAL HISTORY**

	<u>2006-07</u> <u>Actuals</u>	<u>2007-08</u> <u>Estimates</u>	<u>2007-08</u> <u>Adopted</u> <u>Budget</u>	<u>2008-09</u> <u>Proposed</u> <u>Adjustments</u>	<u>2008-09</u> <u>Proposed</u> <u>Budget</u>
<b>Appropriations:</b>					
Salaries and Benefits	-	-	-	-	-
Services and Supplies	829,618	967,763	985,518	(4,283)	981,235
Central Computer	-	-	-	-	-
Travel and Related Charges	-	-	-	-	-
Other Charges	581,546	572,665	572,665	197,369	770,034
Land/Structures/Improvements	-	-	-	-	-
Equipment/Vehicles	2,612	-	-	-	-
Lease/Purchases	-	-	-	-	-
Transfers Out	1,026,982	1,160,158	1,160,158	3,953	1,164,111
Reimbursements	-	-	-	-	-
Operating Transfers Out	935,116	443,204	1,447,108	(890,344)	556,764
Reserves & Contingencies	-	-	1,843,329	(564,482)	1,278,847
<b>Total Appropriations</b>	<u>3,375,874</u>	<u>3,143,790</u>	<u>6,008,778</u>	<u>(1,257,787)</u>	<u>4,750,991</u>
<b>Revenue:</b>					
Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Use of Money and Property	95,049	103,298	102,333	18,087	120,420
State, Fed or Gov't Aid	-	-	-	-	-
Current Services	2,288,318	2,416,893	2,407,169	59,518	2,466,687
Other Revenue	388,275	65,801	103,924	(38,123)	65,801
Operating Transfers In	809,213	231,510	1,478,965	(970,981)	507,984
<b>Total Revenue</b>	<u>3,580,855</u>	<u>2,817,502</u>	<u>4,092,391</u>	<u>(931,499)</u>	<u>3,160,892</u>
<b>Fund Balance</b>			1,916,387	(326,288)	1,590,099
<b>Budgeted Staffing</b>			-	-	-

**CSA 70 J OAK HILLS (ECA-165)**

**2008-09 PROPOSED BUDGET**

	<u>Budgeted Staffing</u>	<u>Amount</u>
<b>APPROPRIATIONS:</b>		
<b>Salaries and Benefits</b>	-	-
<b>Services and Supplies</b>		981,235
* \$518,059 Utilities		
* \$225,000 Gen Maint-Struct, Imp & Grounds for well/booster maint., service line replacement, and repair/replace hydrants		
* \$ 82,740 Other Professional & Spec Svcs for lab testing, alarm monitoring, pump efficiency tests, and asphalt patchwork		
* \$ 40,000 Special Dept. Exp. for Department of Health permits, Mojave Basin Area Watermaster, and road permits		
* \$ 41,537 Non-inventoriable equipment for routine maintenance		
* \$ 73,899 Other Services and Supplies accounts		
<b>Central Computer</b>	-	-
<b>Travel and Related Charges</b>	-	-
<b>Other Charges</b>		770,034
* \$644,424 Water mitigation charges as required by the Mojave Basin Area Adjudication		
* \$125,610 CIEDB debt service principal and interest (pmt 5 of 30) for system expansion projects		
Change from prior year: \$197,369 increase primarily due to higher anticipated water mitigation		
<b>Land/Structures/Improvements</b>	-	-
<b>Equipment/Vehicles</b>	-	-
<b>Lease/Purchases</b>	-	-
<b>Transfers Out</b>		1,164,111
* \$855,753 Salaries and Benefits to SKV-105 (CSA 70 Countywide) to provide for management and operations support		
* \$308,358 Services and Supplies to SKV-105 (CSA 70 Countywide) to provide for management and operations support		
<b>Reimbursements</b>	-	-
<b>Operating Transfers Out</b>		556,764
* \$200,000 Transfer out for Radio Read Meters CIP (CCN)		
* \$356,764 Depreciation		
Change from prior year: \$890,344 decrease primarily due to reduced number of CIP projects		
<b>Reserves &amp; Contingencies</b>		1,278,847
* \$1,278,847 Contingencies		
Change from prior year: \$564,482 decrease to fund current year operations		
<b>Total Appropriation and Budgeted Staffing</b>	<u>-</u>	<u>4,750,991</u>

CSA 70 J OAK HILLS (ECA-165)

**2008-09 PROPOSED BUDGET (Continued)**

	<u>Amount</u>
<b>REVENUE:</b>	
<b>Taxes</b>	-
<b>Licenses and Permits</b>	-
<b>Fines and Forfeitures</b>	-
<b>Use of Money and Property</b>	120,420
* Interest	
Change from prior year: \$18,087 increase due to higher anticipated cash balance	
<b>State, Fed or Gov't Aid</b>	-
<b>Current Services</b>	2,466,687
* \$2,252,489 Residential Sales	
* \$ 129,745 Other Sales; inspection fees, fire flow tests, collections from prior years	
* \$ 30,762 Meter Installation charges	
* \$ 53,691 Penalties	
<b>Other Revenue</b>	65,801
* Other Revenue from fire flow, feasibility studies, and plan checks	
Change from prior year: \$38,123 decrease primarily due to lower expected installation charges and non-metered water sales	
<b>Operating Transfers In</b>	507,984
* \$125,610 Transfer in from expansion reserve for debt service	
* \$182,374 Transfer in from replacement reserves for O & M support	
* \$200,000 Transfer in from replacement reserves for Radio Read Meters project (CCN)	
Change from prior year: \$970,981 decrease primarily due to reduced transfers in from reserves for capital expenditures	
<b>Total Revenue</b>	<u><u>3,160,892</u></u>

## Fiscal Year 2008-09 Proposed Capital Improvement Projects

DISTRICT TYPE	PROJECT NAME	FUND DEPT	08/09 APPROP	FUND BALANCE	FINANCING SOURCES OPERATING TRANSFER			
					LOCAL FUNDS	LOAN or GRANT	CDH	OTHER
<b>CSA 70 CG Cedar Glen</b>								
	Phase 1 Road and Water Design	CRD 563	30,515	30,515	0	0	0	0
	Water System Improvements	CRL 563	2,898,484	4,428	0	0	2,894,056	0
	<b>District Totals</b>		<b>2,928,999</b>	<b>34,943</b>	<b>0</b>	<b>0</b>	<b>2,894,056</b>	<b>0</b>
<b>CSA 70 F Morongo Valley</b>								
	Uranium Treatment Plant	CWD 135	650,000	0	0	650,000	0	0
	Upgrade Security at Well Sites	EHS 135	17,000	0	0	0	17,000	0
	Line Replacement Phase 1	EHH 135	1,359,400	0	0	1,359,400	0	0
	Water Consolidation Plan	CSA 135	950,000	0	0	950,000	0	0
	<b>District Totals</b>		<b>2,976,400</b>	<b>0</b>	<b>0</b>	<b>2,959,400</b>	<b>17,000</b>	<b>0</b>
<b>CSA 70 J Oak Hills</b>								
	Line Extensions/Looping	CJU 165	200,000	193,579	6,421	0	0	0
	Trans Lines Phase 1	CCR 165	1,124,072	1,124,072	0	0	0	0
	Radio Read Meters	CCN 165	200,000	0	200,000	0	0	0
	Pipeline Replacement	CQR 165	173,599	173,599	0	0	0	0
	Booster 3B Replacement	CQS 165	265,279	265,279	0	0	0	0
	Add Booster at 2A at Tank Site	CQU 165	210,101	210,101	0	0	0	0
	<b>District Totals</b>		<b>2,173,051</b>	<b>1,966,630</b>	<b>206,421</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CSA 70 W-1 Goat Mountain</b>								
	Upgrade Security at Well Site	EHO 345	22,000	0	0	0	22,000	0
	<b>District Totals</b>		<b>22,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,000</b>	<b>0</b>
<b>CSA 70 W-3 Hacienda</b>								
	Pave Road to R-2 Reservoir	EKD 350	127,500	0	0	127,500	0	0
	Upgrade Security at Well Sites	EJQ 350	44,000	0	0	0	44,000	0
	Water Consolidation Plan	CQZ 350	969,000	0	0	969,000	0	0
	Pipeline Replacement	ENB 350	856,858	2,773	0	854,085	0	0
	Reservoir R-1B Reservoir	ENC 350	107,396	107,396	0	0	0	0
	<b>District Totals</b>		<b>2,104,754</b>	<b>110,169</b>	<b>0</b>	<b>1,950,585</b>	<b>44,000</b>	<b>0</b>
<b>CSA 70 W-4 Pioneer Town</b>								
	Manifold Piping Wells 4 & 5	END 360	19,454	19,454	0	0	0	0
	Upgrade Security at Well Sites	CEA 360	44,000	0	0	0	44,000	0
	Offsite Pipeline/Supply Project	CQP 360	1,500,000	0	0	1,500,000	0	0
	<b>District Totals</b>		<b>1,563,454</b>	<b>19,454</b>	<b>0</b>	<b>1,500,000</b>	<b>44,000</b>	<b>0</b>
<b>WATER TOTAL FOR CIP</b>			<b>16,398,147</b>	<b>5,659,629</b>	<b>407,590</b>	<b>6,587,985</b>	<b>3,503,356</b>	<b>239,587</b>
<b>GRAND TOTAL FOR CAPITAL PROJECTS</b>			<b>32,521,034</b>	<b>11,343,382</b>	<b>5,135,838</b>	<b>8,773,284</b>	<b>4,717,147</b>	<b>2,551,383</b>

## Fiscal Year 2008-09 Proposed Reserves

DISTRICT TYPE DISTRICT NAME and PROJECT NAME	FUND DEPT	08/09 APPROP	FUND BALANCE	FINANCING SOURCES OPERATING TRANSFER				
				LOCAL FUNDS	LOAN or GRANT	CDH	OTHER	
<b>CSA 79 Green Valley Lake</b>								
Capital Replacement Reserve	EFS 485	469,889	335,440	134,449	0	0	0	0
Capital Expansion Reserve	EJS 485	98,922	83,186	15,736	0	0	0	0
<b>District Totals</b>		568,811	418,626	150,185	0	0	0	0
<b>CSA 82 Searles Valley</b>								
Capital Replacement Reserve	EIG 495	444,624	360,028	84,596	0	0	0	0
Capital Expansion Reserve	EGB 495	244,184	236,184	8,000	0	0	0	0
<b>District Totals</b>		688,808	596,212	92,596	0	0	0	0
<b>Crestline Sanitation</b>								
Capital Replacement Reserve	EGY 685	5,458,628	3,575,100	1,883,528	0	0	0	0
Capital Expansion Reserve	EGV 685	1,127,906	190,020	937,886	0	0	0	0
<b>District Totals</b>		6,586,534	3,765,120	2,821,414	0	0	0	0
<b>TOTAL FOR SANITATION RESERVES</b>			<b>11,960,922</b>	<b>7,522,452</b>	<b>3,623,128</b>	<b>0</b>	<b>0</b>	<b>0</b>

### STREETLIGHTS

NO RESERVES FOR THIS DISTRICT TYPE

### WATER DISTRICTS

<b>CSA 42 Oro Grande</b>								
Capital Replacement Reserve	EAX 310	138,568	113,077	25,491	0	0	0	0
Capital Expansion Reserve	EAT 310	31,343	31,318	25	0	0	0	0
<b>District Totals</b>		169,911	144,395	25,516	0	0	0	0
<b>CSA 64 Spring Valley Lake</b>								
Capital Replacement Reserve	EIV 420	715,214	420,859	294,355	0	0	0	0
Capital Expansion Reserve	EBT 420	802,198	778,985	23,213	0	0	0	0
<b>District Totals</b>		1,517,412	1,199,844	317,568	0	0	0	0
<b>CSA 70 F Morongo Valley</b>								
Capital Replacement Reserve	EIO 135	57,715	31,776	25,939	0	0	0	0
Capital Expansion Reserve	EBX 135	131,945	130,720	1,225	0	0	0	0
<b>District Totals</b>		189,660	162,496	27,164	0	0	0	0
<b>CSA 70 J Oak Hills</b>								
Capital Replacement Reserve	EFO 165	2,773,223	2,247,026	526,197	0	0	0	0
Capital Expansion Reserve	EFG 165	3,668,283	3,337,791	330,492	0	0	0	0
<b>District Totals</b>		6,441,506	5,584,817	856,689	0	0	0	0
<b>CSA 70 W-1 Goat Mountain</b>								
Capital Replacement Reserve	EFQ 345	668,685	496,333	172,352	0	0	0	0
Capital Expansion Reserve	EDY 345	295,006	282,506	12,500	0	0	0	0
<b>District Totals</b>		963,691	778,839	184,852	0	0	0	0

Reserves include estimated Transfers In and Out, interest earnings and miscellaneous non-operating revenue.

COUNTY OF **ERNARDINO**  
 SPECIAL DISTRICT DEPARTMENT  
 SUMMARY OF PROPOSED FEE CHANGES FY 2008/09

District Location	Supv District	District Name	FY 2007/08 Ordinance/Resolution	Fee Title	Description	Fee							
						Current \$	Proposed \$	Change \$ %					
<b>Water Districts continued</b>													
<b>Hacienda Heights continued</b>													
Pioneertown	3	CSA 70 W-4	Resolution No. 2007-268		8" meter	976.85	\$1,006.16	29.31	3.0%				
					Bi-Monthly Use								
					0 - 14 hcf	2.67	\$2.75	0.08	3.0%				
					>14 to 80 hcf	2.97	\$3.06	0.09	3.0%				
					>80 hcf and above	3.04	\$3.13	0.09	3.0%				
					Connection Fee	2,674.04	\$ 2,751.91	77.87	2.9%				
					<b>Water Services-User Charges</b>								
					Meter Size								
					1/2" meter	26.58	\$27.36	0.80	3.0%				
					1" meter	39.88	\$41.08	1.20	3.0%				
					1 1/2" meter	72.16	\$74.32	2.16	3.0%				
					2" meter	107.1	\$110.31	3.21	3.0%				
					3" meter	186.11	\$191.69	5.58	3.0%				
					4" meter	288.7	\$297.36	8.66	3.0%				
					6" meter	536.06	\$552.14	16.08	3.0%				
8" meter	794.35	\$818.18	23.83	3.0%									
Bi-Monthly Use													
First 10 hcf	4.56	\$4.70	0.14	3.1%									
>10 to 25 hcf	5.70	\$5.87	0.17	3.0%									
>25 to 50 hcf	7.68	\$7.91	0.23	3.0%									
>50 hcf	8.46	\$8.71	0.25	3.0%									
Connection Fee	3,131.31	\$ 3,222.50	91.19	2.9%									
<b>Landers</b>													
Landers	3	CSA 70 W-1	Resolution No. 2007-268		Water Services-User Charges								
					Meter Size								
					1/2" meter	20.50	\$21.02	0.52	2.5%				
					1" meter	29.74	\$30.49	0.75	2.5%				
					1 1/2" meter	52.07	\$53.38	1.31	2.5%				
					2" meter	76.25	\$78.16	1.91	2.5%				
					3" meter	130.98	\$134.26	3.28	2.5%				
					4" meter	201.31	\$206.34	5.03	2.5%				
					6" meter	373.42	\$382.76	9.34	2.5%				
					8" meter	552.08	\$565.89	13.81	2.5%				
					Bi-Monthly Use								
					0 - 14 hcf	3.32	\$3.41	0.09	2.7%				
					>14 to 80 hcf	3.68	\$3.79	0.10	2.7%				
					>80 hcf and above	4.76	\$4.88	0.12	2.5%				
					Connection Fee	4,822.02	\$ 4,962.44	140.42	2.9%				
<b>Pinon Hills</b>													
Pinon Hills	1	CSA 70 L	Resolution No. 2007-268	DELETE All - Due to dissolution and formation of Phelan Pinon Hills CSD	Water Services-User Charges								
					Meter Size								
					1/2" meter	12.53	\$12.78	0.25	2.0%				
					1" meter	17.53	\$17.88	0.35	2.0%				
					1 1/2" meter	29.70	\$30.29	0.59	2.0%				
					2" meter	42.87	\$43.73	0.86	2.0%				
					3" meter	72.67	\$74.12	1.45	2.0%				
					4" meter	111.40	\$113.63	2.23	2.0%				
					6" meter	204.49	\$208.58	4.09	2.0%				
					8" meter	301.84	\$307.88	6.04	2.0%				
					Bi-Monthly Use								
					>14 to 80 hcf	1.70	\$1.73	0.03	1.8%				
					>80 hcf and above	2.23	\$2.27	0.04	1.8%				
					Connection Fee	7,835.44	\$ 8,063.62	228.18	2.9%				
					<b>Oak Hills</b>								
Oak Hills	1	CSA 70 J	Resolution No. 2007-268		Water Services-User Charges								
					Meter Size								
					1/2" meter	12.53	\$12.78	0.25	2.0%				
					1" meter	17.53	\$17.88	0.35	2.0%				
					1 1/2" meter	29.70	\$30.29	0.59	2.0%				
					2" meter	42.87	\$43.73	0.86	2.0%				
					3" meter	72.67	\$74.12	1.45	2.0%				
					4" meter	111.40	\$113.63	2.23	2.0%				
					6" meter	204.49	\$208.58	4.09	2.0%				
					8" meter	301.84	\$307.88	6.04	2.0%				
					Bi-Monthly Use								
					>14 to 80 hcf	1.70	\$1.73	0.03	1.8%				
					>80 hcf and above	2.23	\$2.27	0.04	1.8%				
					Connection Fee	7,835.44	\$ 8,063.62	228.18	2.9%				





# COUNTY SERVICE AREA 70 IMPROVEMENT ZONE J

## 2007 CONSUMER CONFIDENCE REPORT

### GENERAL DISTRICT INFORMATION

**CSA 70 J** routinely monitors for constituents in the District's drinking water according to Federal and State laws. The tables show the results of the District's monitoring for the period of January 1<sup>st</sup> through December 31<sup>st</sup>, 2007

Questions about this report or concerning the water system?

Contact Bill Stone,  
Water Operations  
Manager at:

(760) 955-9885 or  
(800) 554-0565

**Office Hours:**  
Monday through  
Friday  
8:00 am – 5:00 pm  
Closed on Holidays

**MUY  
IMPORTANTE !**  
Este informe  
contiene información  
muy importante  
sobre su agua  
beber. Tradúzcalo ó  
nabile con alguien  
que lo entienda bien.

County Service Area 70, Improvement Zone J (CSA 70 J), a water district within the Special Districts Department Water/Sanitation Division (Division), is a Board-governed district providing water services to a community of approximately 10,474 in the Oak Hills area.

The water system consists of four wells, nine reservoirs, and two de-sanding tanks, with a combined capacity of 2,048,000 gallons and approximately 148 miles of water line. There are 3,174 metered water connections.

**Visit our website for additional information and meeting  
schedules at <http://www.specialdistricts.org/2/>**

Management and staff of CSA 70 J work as a team to ensure that the highest quality water is provided to our customers. A diligent regimen of testing and analysis for bacteriological, chemical, and radiological contaminants, along with physical qualities of the water is conducted throughout the year to ensure the highest water quality.

It is important to keep customers informed about the quality of water delivered over the past year. This year's annual water quality report, also known as a Consumer Confidence Report (CCR), contains information about the contaminants detected from testing in 2007. The Division's goal is to provide a safe and dependable supply of drinking water.

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (USEPA) and the State Department of Health Services (Department), prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that must provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's safe drinking water hotline at (1-800-426-4791) or at their web site: <http://www.epa.gov/safewater/>

The subsequent tables provide many terms and abbreviations customers may not be familiar with. To understand these terms, the district has provided the following definitions:

*Non-Detects (ND)* - laboratory analysis indicates that the constituent is not present or not tested.

*MG* - Million gallons

*Parts per million (ppm)* - one part per million corresponds to one minute in two years or a single penny in \$10,000.

*Parts per billion (ppb)* - one part per billion corresponds to one minute in 2,000 years.

*Parts per trillion (ppt)* - one part per trillion corresponds to one minute in 2,000,000 years.

*Parts per quadrillion (ppq)* - one part per quadrillion corresponds to one minute in 2,000,000,000 years.

*Picocuries per liter (pCi/L)* - picocuries per liter is a measure of the radioactivity in water.

*Millirems per year (mrem/yr)* - measure of radiation absorbed by the body.

*Million Fibers per Liter (MFL)* - million fibers per liter is a measure of the presence of asbestos fibers that are longer than 10 micrometers.

*Maximum Residual Disinfectant Level (MRDL)* - The level of a disinfectant added for water treatment that may not be exceeded at the customer's tap.

*Maximum Residual Disinfectant Level Goal (MRDLG)* - The level of a disinfectant added for water treatment below which there is no known or expected health risk. MRDLGs are set by the U.S. Environmental Protection Agency.

*Maximum Contaminant Level (MCL)* - The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

*Maximum Contaminant Level Goal (MCLG)* - The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U. S. Environmental Protection Agency.

*Nephelometric Turbidity Unit (NTU)* - nephelometric turbidity unit is a measure of the clarity of water. Turbidity in excess of 5 NTU is just noticeable to the average person.

*Public Health Goal (PHG)* The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

*Primary Drinking Water Standard (PDWS)* - MCLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

*Regulatory Action Level (AL)* - The concentrations of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

Sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

- Microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic contaminants, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.
- Pesticides and herbicides, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic chemical contaminants, including synthetic and volatile organic chemicals, that are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application, and septic systems.
- Radioactive contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.

## CSA 70 J – PRIMARY STANDARDS

### TEST RESULTS –

Data is obtained from the most recent sampling and may be from previous years.

Contaminant	Violation Y/N	Average Level Detected	Range of Detection	Unit Measurement	MCL	PHG	MCLG	Likely Source of Contamination
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#### Microbial Contaminants

Total Coliform Bacteria	N	(0)	System collects <40 samples per month					Naturally present in the environment.
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**Radioactive Contaminants: There was no detection of radiological contaminants this year.**

#### Lead and Copper Testing 2006

**Action levels for: Lead = .015 ppm Copper = 1.3 ppm**

**90th percentile (18 samples) Lead = ND Copper = ND**

No violations of the action levels for Lead and Copper

#### Inorganic Contaminants

Arsenic	N	4.0*		ppb	10	.004	.004	Erosion of natural deposits; runoff from orchards; glass and electronics production wastes
Chromium (Total)	N	21*		ppb	1000	1	N/A	Discharge from steel and pulp mills and chrome plating; erosion of natural deposits
Nitrate	N	10.7	10-11	ppm	45	45	N/A	Runoff and leaching from fertilizer use; leaching from septic tanks. Sewage; erosion of natural deposits
Nitrate + Nitrite as (N)	N	2100*		ppb	10,000	NA	NA	NA

\* Denotes only a single sample from the testing period

## CSA 70 J – SECONDARY STANDARDS

### TEST RESULTS –

Data is obtained from most recent sampling and may be from previous years.

Contaminant	Violation Y/N	Average Level Detected	Range of Detection	Unit Measurement	MCL	Likely Source of Contamination
Sulfate	N	4.8*		ppm	500	Runoff/leaching from natural deposits; industrial wastes
Odor—Threshold	N	1	1	TON	3	Naturally-occurring organic materials
Turbidity	N	.139	.1-5	NTU	5	Soil runoff
Total dissolved solids	N	140*		ppm	1,000	Runoff/leaching from natural deposits
Specific conductance	N	190*		umhos	1,600	Substances that form ions when in water; seawater influence
Chloride	N	11*		ppm	500	Runoff/leaching from natural deposits; seawater influence
Bicarbonate	N	74*		ppm	N/A	N/A

\* Denotes only a single sample from the testing period

### GENERAL PHYSICAL AND ADDITIONAL CHEMICALS - CSA 70 J SYSTEM

CONSTITUENT	AVERAGE	RANGE	CONSTITUENT	AVERAGE	RANGE	CONSTITUENT	AVERAGE	RANGE
Hardness	16*ppm		Alkalinity	68*ppm		Potassium	1.2*ppm	
Color	.1 Units	0-5	PH	8.7 Units	8.5-8.9	Vanadium	96*ppb	
Calcium	5.3*ppm		Sodium	35 ppm		Chromium (6)	17.4 ppb	9.2-23

\*Denotes only a single sample from the testing period

The Water/Sanitation Division of the Special Districts Department would like to remind customers to conserve water during Southern California Edison (SCE) rolling blackouts, and any other power outages in your area, as most production and transmission facilities may not have power for water production and delivery.

SCE emergency contact number: call 1-800-611-1911.

## CSA 70 J – Disinfectant Byproducts Monitoring

Contaminant	Violation Y/N	Average Level Detected	Range of Detection	Unit Measurement	MCL	PHG	MCLG	Likely Source of Contamination
Total Trihalomethanes (THM/TTHM)	N	5.8	0-12.2	ppb	80	NA	N/A	Byproduct of drinking water chlorination
Total Haloacetic Acids (HAA5)	N	.28	0-1.1	ppb	80	NA	N/A	Byproduct of drinking water chlorination

Year:		2006				2007			
Quarter:		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Sample Date (month/date):			5/4	7/13	10/5	1/12			
Facility 1	Site 1: Sample Point #12		2.7	6.2	7.3	12.2	10.3	6.9	8.8
	Site 2: Tank 2A								
	Site 3:								
	Site 4:								
	<i>Quarterly Average</i>		2.7	6.2	7.3	12.2	10.3	6.9	8.8
Year:		2006				2007			
Quarter:		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Sample Date (month/date):			5/4	7/13	10/5	1/12	4/13	7/19	10/11
Facility 1	Site 1: Sample Point #12		nd	nd	nd	1.1	0.0	0.0	0.0
	Site 2: Tank 2A								
	Site 3:								
	Site 4:								
	<i>Quarterly Average</i>		0	0	0	1.1	.6	.37	.28

Source water assessments were conducted for the sources of the CSA 70 Zone J water system in December 2002. A copy of the complete assessment may be viewed at the County of San Bernardino Special District Department, Water/Sanitation Division's office or at the DHS San Bernardino District Office, 464 West 4<sup>th</sup> Street, Suite 437, San Bernardino, CA 92401. You may request a summary of the assessment be sent to you by contacting the DHS District Engineer at (909) 383-4328.

## **NEW ARSENIC RULE**

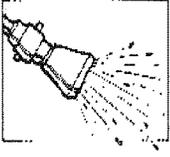
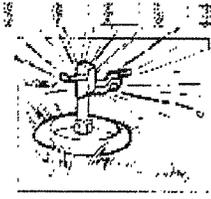
In January 2006, the USEPA set a new MCL of 10 ppb for Arsenic. The California Department of Health Services has the authority to revise the MCL for Arsenic at or below the USEPA's new level for Arsenic of 10 ppb. To date, California Department of Health Services has not set a limit for Arsenic and is working under the USEPA MCL of 10 ppb.

While your drinking water meets the current standard for arsenic, it does contain low levels of arsenic. The standard balances the current understanding of arsenic's possible health effects against the cost of removing arsenic from drinking water. The California Department of Health Services continues to research the health effects of low levels of arsenic, which is a mineral known to cause cancer in humans at high concentrations and is linked to other health effects such as skin damage and circulatory problems.

## **SYSTEM IMPROVEMENTS SCHEDULED FOR 2008**

- Equip well 5 with a new pump and motor
- Construction of new transmission/distribution pipelines to ensure adequate water deliveries during high demand periods and emergencies.

## Water Saving Hints

	<p><b>Have your toilet tanks checked for leaks.</b></p>	<p>Place a few drops of blue food coloring in the toilet tank. If coloring is seen in the toilet bowl without flushing, a wasteful leak needs to be repaired. A leaking toilet can waste up to 21,000 gallons of water per year.</p>
	<p><b>Install low-flow shower heads.</b></p>	<p>Low-flow shower heads can help you save up to 8 gallons of water for each minute of shower time. Also, you will use less hot water which saves energy.</p>
	<p><b>Lawns and shrubs should be watered only when they really need it.</b></p> <p><b>Water at the right time of day.</b></p>	<p>Check lawns and shrubs to see if they need water. A lawn that springs back after being stepped on doesn't need water. Watering may not be necessary in the winter.</p> <p>In summer water only during the cooler parts of the day. The sun can cause most of the water to evaporate before it is absorbed into the soil.</p>

**County Service Area 70**  
**Zone J**  
**12402 Industrial Blvd.**  
**Bldg. D, Suite 6**  
**Victorville, CA 92392**  
**(760) 955-9885**

**BULK**  
**RATE**



**County of San Bernardino  
Special Districts Department  
County Service Area 70J**

**Water Master Plan**

**AUGUST 2002 (Final Draft)**

Prepared By:



**So and Associates Engineers, Inc.**

16209 Kamana Road Apple Valley, CA 92307 (760) 242-2365

**CHAPTER 2**  
**HISTORICAL WATER USAGE, GROWTH PROJECTION AND FUTURE WATER**  
**REQUIREMENTS**

**HISTORICAL WATER USAGE**

Historical records on the number of equivalent connections and water consumption from Year 1995 to Year 2001 were provided by District staff, and are summarized on Table 2-1. This table presents the total number of customers during each of the seven year period.

**TABLE 2-1**  
**HISTORICAL GROWTH AND WATER CONSUMPTION**

Year	Total Number of Conn.	Number of New Conn.	Total Annual Consumption (AF)	Consumption/Conn.	
				(AF/Yr)	(GPD)
1995	1,839		960	0.52	466
1996	1,880	41	1,083	0.58	514
1997	1,938	58	1,178	0.61	542
1998	2,017	79	1,050	0.52	465
1999	2,127	110	1,291	0.61	542
2000	2,202	75	1,434	0.65	581
2001	2,282	80	1,390	0.61	544
Average		74	1,238	0.58	522

As shown on Table 2-1, the average daily water usage per connection fluctuates from a low of 466 gpd in Year 1995 to high of 581 gpd in Year 2000 with an overall average of 522 gpd (0.58 acre-ft per year). Based on the overall average for the past 7 years, an average-day demand (ADD) of 525 gpd per equivalent dwelling unit was adopted in this study.

The monthly water consumption for the district during the past 7 years is provided in Table 2-2 which indicated that the consumption varies according to seasonal changes with highest during the summer months and lowest during the winter months. The ratio of highest monthly average consumption to the lowest can be more than 4:1.

**CHAPTER 3**  
**WATER SYSTEM ANALYSIS**

**GENERAL**

Improvements to the water system within CSA 70J are essential to maintain water supply reliability and to provide an adequate level of service to existing and future customers. In the absence of other alternative sources of water supply, water wells to extract water from the Upper Mojave River Groundwater Basin will remain the primary supply source to meet the immediate and future demand. However, the continuous and increased pumping of the ground water by all the water purveyors has created an over-draft condition which will eventually lower the ground water level. It will have an impact on water pricing (due to increased pumping energy costs) and the area's ability to deliver cost efficient service to its existing and future customers. CSA 70J is recommended to encourage its customers to "conserve water" which in-turn will impact the system facilities capacity needs.

**WATER SUPPLY FACILITIES**

Water requirement in CSA 70 J is currently met by four wells with a combined capacity of 2,977 gpm, located at the south eastern end of pressure zone 2. Table 3-1 is a listing of these wells and their pumping capacities.

**TABLE 3-1**  
**EXISTING WELL DATA**

<b>Well #</b>	<b>Zone</b>	<b>Location</b>	<b>Surface Elevation (MSL)</b>	<b>Pumping Level (MSL)</b>	<b>Capacity (gpm)</b>
1	2	Ranchero/Maple	3553	2,782'	380
2	2	Ranchero/Maple	3553	2,798'	597
3	2	Opal/Mission	3527	2,768'	600
4	2	Opal/Mission	3527	2,776'	1,400
<b>Total 4 Wells</b>					<b>2,977</b>

CSA 70 J requires a minimum of 2,155 gpm of supply under max-day demand (2,365 EDU at 1,313 gpd max-day demand per EDU) to serve it's existing customers. The current supply

capacity of 2,977 gpm should be able to meet the demand if all wells are operating. The Department of Health Services requires that CSA 70 J have the ability to meet max-day demand with its largest supply source out of service. Well #4 is currently the largest source of supply at 1,400 gpm. By the Department of Health Services standard, CSA 70 J has 1,577 gpm of available supply if Well #4 is out of service. This is less than the max-day demand of 2,155 gpm. It is recommended that an additional well with a capacity of 800-1,000 gpm be constructed to meet the immediate supply deficiency.

There are five (5) existing booster pump stations in CSA 70 J. Table 3-2 lists all the existing booster pump stations and the capacities of each booster pump.

**TABLE 3-2  
EXISTING BOOSTER STATIONS**

Zone	Booster Station	Pump To	Pump A (GPM)	Pump B (GPM)	Pump C (GPM)	Total Capacity (GPM)
2	W1	Res 2A & 2B	381	286	431	1098
	W3	Res 2A & 2B	600	435	600	1635
3	2A	Res 3A	454	405		859
	2B	Res 3B	349	390		739
4	3A	Res 4A & 4B	300	201		501

The projected supply requirements, plus booster pump stations, at five-year incremental periods to Year 2022 is presented in Table 3-3.

### STORAGE ANALYSIS

CSA 70J has six (6) storage reservoirs with combined capacity of 2.048 million gallons. Table 3-4 provides a listing of all the storage reservoirs and their capacities and tank data.

Based on the storage requirements of one (1) max-day for emergency storage plus 0.3

**TABLE 3-3  
PROJECTED SUPPLY REQUIREMENT (PLUS BOOSTER PUMP STATIONS) TO YEAR 2022**

Year	2002				2007				2012				2017				2022			
	1+2	3	4		1+2	3	4		1+2	3	4		1+2	3	4		1+2	3	4	
Pressure Zones																				
Projected EDU	1,472	517	376		1,732	608	442		1,990	699	508		2,249	790	574		2,508	881	640	
Max-Day Demand (GPM)	1,342	471	342		1,578	554	403		1,814	637	463		2,050	720	523		2,286	803	583	
Cum. Max-Day Demand (GPM)	2,155				2,536				2,914				3,293				3,672			
Existing Supply (GPM)	2,977	0	0		2,977	0	0		2,977	0	0		2,977	0	0		2,977	0	0	
Largest Supply (GPM)	1,400	0	0		1,400	0	0		1,400	0	0		1,400	0	0		1,400	0	0	
Supply When Largest Well Down (GPM)	1,577	0	0		1,577	0	0		1,577	0	0		1,577	0	0		1,577	0	0	
Cum. Sup. Deficiency (GPM)	-578				-959				-1,337				-1,716				-2,095			
Proposed 800-1,000 GPM Well	0	1	0		1	0	0		0	0	0		0	1	0		0	0	0	
Excess (+) or Deficiency (-) (GPM)	235		-14		799		-157		563		-300		327		357		91		214	
Final Deficiency (GPM)	222				641				263				684				305			
Number of Wells for Period (800-1,000 GPM/EACH)	1				1				0				1				0			
Exist. Booster Capacity (GPM)	2,733	1,598	501		2,733	1,598	501		2,733	1,598	501		2,733	1,598	501		2,733	1,598	501	
Capacity When Largest Pump Down (GPM)	2,133	1,144	201		2,133	1,144	201		2,133	1,144	201		2,133	1,144	201		2,133	1,144	201	
Excess (+) or Deficiency (-) (GPM)	-22	330	-141		-403	187	498		19	44	438		440	701	378		61	558	318	
No. of Booster Stations for Period (800-1,000 GPM/Each)	0	0	1		1	0	0		0	0	0		0	1	0		0	0	0	

**TABLE 3-4  
EXISTING RESERVOIR DATA**

Pressure Zone	Reservoir	Height (ft)	Diameter (ft)	HWL (MSL)	Existing Capacity (mg)
2	2A-1	24	38.59	3,849	0.21
	2A-2	24	38.59	3,849	0.21
	2B-1	24	55.1	3,850	0.428
3	3A-1	16	36	4,063	0.122
	3A-2	16	36	4,063	0.122
	3B-1	24	55	4,071	0.428
4	4A-1	16	36.03	4,255	0.122
	4A-2	16	36.03	4,255	0.122
	4B-1	16	54.97	4,255	0.284
<b>Total</b>					<b>2,048</b>

times max-day operational storage and fire flow of 1,500 gpm for two (2) hours, the current storage facilities are 2.16 million gallons deficient. The projected storage requirements at five-year incremental periods to Year 2022 are presented in Table 3-5. It is recommended that storage reservoirs with cumulative capacity of about 2.0 millions gallons be constructed to meet the immediate deficiency.

**PIPING SYSTEM ANALYSIS (SYSTEM COMPUTER MODEL)**

The majority of the existing CSA 70 J distribution pipelines are 6 to 8-inch in diameter. Pipelines of larger diameters are mainly responsible for transmission of supply from reservoirs to residential or commercial development. Table 3-6 provides a breakdown of existing pipe sizes and lengths as identified in the computer model (excluding pipe lines in the area annexed by the City of Hesperia). There is a total of approximately 114 miles of pipelines in CSA 70 J.

There are a total of ten (10) pressure reducing stations in the piping system to distribute water from higher pressure zones back to lower zones. A listing of these pressure reducing stations is provided in Table 3-7.

TABLE 3-5

PROJECTED WATER STORAGE REQUIREMENTS

YEAR	2002			2007			2012			2017			2022			NEAR SATURATION		
	1+2	3	4	1+2	3	4	1+2	3	4	1+2	3	4	1+2	3	4	1+2	3	4
Pressure Zones	1,472	517	376	1,732	608	442	1,990	699	508	2,249	790	574	2,508	881	640	4,031	3,553	1,630
Projected EDU	1.93	0.68	0.49	2.27	0.80	0.58	2.61	0.92	0.67	2.95	1.04	0.75	3.29	1.16	0.84	5.29	4.66	2.14
Emer. Storage (MG) <sup>1</sup>	0.58	0.20	0.15	0.68	0.24	0.17	0.78	0.28	0.20	0.89	0.31	0.23	0.99	0.35	0.25	1.59	1.40	0.64
Oper. Storage (MG) <sup>2</sup>	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Fire Storage (MG) <sup>3</sup>	2.69	1.06	0.82	3.13	1.22	0.93	3.58	1.37	1.05	4.02	1.53	1.16	4.46	1.68	1.27	7.06	6.24	2.96
Total Required (MG)	0.85	0.67	0.53	2.85	0.67	1.03	3.85	1.67	1.03	3.85	1.67	1.03	4.85	1.67	1.03	4.85	1.67	1.53
Available Storage (MG)	-1.84	-0.39	-0.29	-0.28	-0.55	0.10	0.27	0.30	-0.02	-0.17	0.14	-0.13	0.39	-0.01	-0.24	-2.21	-4.57	-1.43
Cum. Deficiency (MG)	1 x 2	0	1 x 0.5	1 x 1	1 x 1	0	0	0	0	1 x 1	0	0	0	0	0.5 <sup>4</sup>	2	4	2
Proposed Tanks (MG)	Z-2	-	Z-4	Z-2	Z-3	-	-	-	-	Z-2	-	-	-	-	Z-4	Z-2	Z-3	Z-4
Location of New Tank	0.16	-0.39	0.21	0.72	0.45	0.10	0.27	0.30	-0.02	0.83	0.14	-0.13	0.39	-0.01	0.26	-0.21	-0.57	0.57
Excess Capacity (MG)	2.5			2			0			1			0.5			8		
Total for Period (MG)	2.5			2			0			1			0.5			8		

- Notes:
1. Equals to one Max-Day Demand.
  2. Equals to 0.3 times Max-day demand.
  3. Equals to 1,500 gallons per minutes for two hours.
  4. CSA 70J to consider addition of 0.5 MG tank.

**TABLE 3-6  
EXISTING PIPING SYSTEM**

Pipe Size (in.)	Length (ft.)
6	137,200
8	374,571
10	36,420
12	41,125
16	11,836
<b>Total</b>	<b>601,152</b>

**TABLE 3-7  
EXISTING PRESSURE REDUCING STATIONS**

PRV NO.	ZONE	DIAMETER (IN.)	SET PRESSURE (PSI)
1	Zone 2 to 1	8	48
3	Zone 2 to 1	8	N/A
5	Zone 2 to 1	12	85
9	Zone 2 to 1	8	95
11	Zone 2 to 1	8	125
13	Zone 3 to 2	8	50
15	Zone 3 to 2	8	46
17	Zone 3 to 2	8	40
19	Zone 4 to 3	8	48
21	Zone 4 to 3	10	50

A schematic and graphical drawing of the existing water system facilities for CSA 70J are presented in Figures 3-1 and 3-2 respectively.

Existing water facility map (H2ONET model) was updated to show the existing and future proposed water facilities at “near saturation” and simulated under steady-state conditions. Every subdivided lot was to be served with new pipelines and water requirements were developed by identifying the number of subdivided lots and/or contributing acreage (based on land use category and density) around the pipe junction nodes. A water duty coefficient of 525 gallons per day (ADD) per equivalent dwelling unit (EDU) for residential zoning and 1,000 gallons per

acre for commercial zoning were used for the analysis, and adjusted based on max-day conditions.

Water requirements for the existing condition (year 2002 as base year), near saturation, and ten-year increments to Year 2022 were determined. The maximum day demand flow was adjusted at 2.5 times the average day demand flow.

Simulations with fire flows at 1,000, 1,250 and 1,500 gallons per minutes (at near saturation scenario) revealed that the system could not meet the 1,500 gpm fire flow without extensive and costly upgrading of the existing piping system. The system could marginally meet fire flows of 1,250 gpm with pressure deficiencies at some dead end nodes. Based on these findings, fire flow at 1,250 gallons per minute was used for simulations throughout the total service boundary of about 31.1 square miles, requiring identification of pressure deficient locations and pipe adjustments to correct the deficiency. System deficiencies were identified and shown on a pipe network system map. The model was re-run with the recommended improvements included in the system. This is to ensure that the pressure deficient locations were corrected. In consideration of actual field conditions (to be verified by District staff), fire flows of less than 1,250 gpm may be stipulated for certain new developments for planning periods to the Year 2022.

The model was again simulated using the existing system with projected max-day demands and a 1,250 gpm fire flow for the Years 2012 and 2022 to identify the deficiencies for these periods. Improvements based on pipe sizing/adjustments under the "near saturation" scenario were then incorporated into the model to correct these deficiencies and the model was re-run. This process was repeated until all system deficiencies were corrected for each scenario. The recommended piping improvements for the Years 2002-2012 and 2013-2022 were then summarized (see Tables 3-8 and 3-9).

Based on the computer simulation runs and pipe improvement adjustments to ensure that the distribution piping system can deliver a minimum of 40 psi during max-day demand and 20 psi at max-day demand plus fire flow of 1,250 gpm, piping improvements for Years 2002-2012,

## CHAPTER 4

### SUMMARY AND ESTIMATED COSTS OF RECOMMENDED IMPROVEMENTS

#### SUMMARY

Based on the evaluation of the existing water system and computer simulation runs as presented in Chapter 3, and in the absence of alternative supply sources (such as imported State Project water with treatment plant or direct percolation sites etc.), the recommended system improvements for Years 2002-2012, 2013-2022, and at near saturation development are summarized below:

Year 2002 to 2012 (Incremental cost beyond Y-2002):

- Installation of new water pipelines:
  - 98,119 lineal feet of 8-inch diameter pipe.
  - 2,796 lineal feet of 10-inch pipe.
  - 15,281 lineal feet of 12-inch pipe.
- Construct one (1) 2.0 and two (2) 1.0 and one (1) 0.5 million gallon reservoirs.
- Construct and equip two (2) supply wells, equivalent to 800-1,000 gpm each.
- Construct and equip two (2) booster stations, equivalent to 800-1,000 gpm each.
- Construct four (4) 8-inch pressure reducing stations.

Year 2013 to 2022 (Incremental cost beyond Year-2012):

- Installation of new water pipelines:
  - 5,655 lineal feet of 8-inch diameter pipe.
  - 2,225 lineal feet of 12-inch pipe.
- Construct one (1) 1.0 and one (1) 0.5 million gallon reservoir.
- Construct and equip one (1) supply well, equivalent to 800-1,000 gpm each.
- Construct and equip one (1) booster station, equivalent to 800-1,000 gpm each.

Near Saturation Development Period (Incremental cost beyond Year-2022):

- Installation of new water pipelines:
  - 387,338 lineal feet of 8-inch diameter pipe.
  - 50 lineal feet of 10-inch pipe.
  - 22,190 lineal feet of 12-inch pipe.
- Construct eight (8) additional 1.0 million gallon equivalent reservoirs.
- Construct and equip six (6) supply wells, equivalent to 800-1,000 gpm each.
- Construct and equip four (4) booster stations, equivalent to 800-1,000 gpm each.
- Construct two (2) 8-in. pressure reducing stations.

#### UNIT COST OF SYSTEM FACILITIES

The unit construction cost of system facilities at Year-2002 cost are provided in Table 4-1. The unit cost for well drilling takes into consideration the prevailing wage determination recently imposed by the State of California.

**TABLE 4-1  
UNIT COSTS FOR SYSTEM FACILITIES**

Item	Description	No. of Unit (Near Sat.)	Unit Cost
1	Supply Well (800-1,000 gpm)	9	\$850,000.00
2	1.0 mg Welded Steel Storage Reservoir plus Land	14	\$500,000.00
3	8 in. Diameter Pressure Reducing Station	6	\$25,000.00
4	Booster Station (800-1,000 gpm) with Building	7	\$275,000.00
5	8 in. Diameter PVC Pipes (with some pavement repair)	491,111 ft.	\$45.00
6	10 in. Diameter PVC Pipes (with some pavement repair)	2,846 ft.	\$51.00
7	12 in. Diameter PVC Pipes (with some pavement repair)	39,696 ft.	\$57.00

#### PROJECT COSTS FOR NEAR SATURATION DEVELOPMENT

Based on the various unit costs (under Year 2002 cost index) for system facilities above and the system improvements required at near saturation, total probable project costs for near saturation are presented in Table 4-2.

TABLE 4-2

PROBABLE PROJECT COSTS FOR NEAR SATURATION DEVELOPMENT

Size/Capacity or Length	Estimated Construction & Site Cost	Cont., Engr., Survey, Envir., Proj. Admin., @ 25%	Total Estimated Project cost
<b>SUPPLY WELLS</b>			
9 X 800-1,000 GPM	\$7,650,000	\$1,912,500	\$9,562,500
<b>SUBTOTAL</b>	<b>\$7,650,000</b>	<b>\$1,912,500</b>	<b>\$9,562,500</b>
<b>STORAGE RESERVOIR</b>			
14 TANKS (1-2 MG, 11-1MG, 2-0.5 MG)	\$7,000,000	\$1,750,000	\$8,750,000
<b>SUBTOTAL</b>	<b>\$7,000,000</b>	<b>\$1,750,000</b>	<b>\$8,750,000</b>
<b>PRESSURE REDUCING STATIONS</b>			
6 X 8 IN. PRV	\$150,000	\$37,500	\$187,500
<b>SUBTOTAL</b>	<b>\$150,000</b>	<b>\$37,500</b>	<b>\$187,500</b>
<b>BOOSTER PUMP STATIONS (WITH BUILDING)</b>			
7 x 800-1,000 GPM	\$1,925,000	\$481,250	\$2,406,250
<b>SUBTOTAL</b>	<b>\$1,925,000</b>	<b>\$481,250</b>	<b>\$2,406,250</b>
<b>TRANSMISSION/DISTRIBUTION PIPES (WITH SOME PAVEMENT REPAIR)</b>			
DIAMETER	L.F.		
8" PVC	491,111	\$22,099,995	\$5,524,999
10" PVC	2,846	\$145,146	\$36,287
12" PVC	41,494	\$2,365,158	\$591,290
<b>SUBTOTAL</b>		<b>\$24,610,299</b>	<b>\$6,152,575</b>
<b>TOTAL</b>		<b>\$41,335,299</b>	<b>\$10,333,825</b>

CAPITAL CONNECTION FEE REVIEW

Total Project Costs (Near Saturation, including administration + engineering, and site acquisition)	= \$51,541,016 (Year 2002 costs)
Less Amount to be Financed by Existing Customers:	= \$6,013,787
- New Tanks + on-site improvements	= \$1,875,000
- New Well	= \$1,062,500
- Pipelines (10%)	= \$3,076,287
Adjusted Total Project Cost (Near Saturation)	= \$45,527,229
Total Projected Increase in Connections	= 9,214 - 2,365 = 6,849
Connection Fee/EDU = \$45,527,229/6,849	= \$6,647.28
Current (2002-2003) Connection Fee	= \$6,425.64

## CAPITAL REVENUE/EXPENDITURE PROJECTIONS

With the projected number of new connections at 5-year increment-periods to Year 2022, and the new connection fee of about \$6,647.28 (beginning in Year 2003, the projected capital revenue/ expenditure are presented in Table 4-3.

TABLE 4-3  
CAPITAL REVENUE/EXPENDITURE PROJECTIONS

Year	Total Connection	Number of New Connection	Projected Revenue (\$)
2002	2365		
2003-2007	2782	417	\$2,779,718
2008-2012	3198	416	\$2,773,052
2013-2017	3614	416	\$2,773,052
2018-2022	4030	416	\$2,773,052

- Assumes a connection fee at about \$6,647.28, beginning in Year 2003.

## PROJECTED EXPENDITURES

Year	System Improvement						Total Costs (\$)	
	Supply Wells (800-1,000 gpm)	Storage Reservoir	Press. Reduc. Sta.	Booster Stations	Trans./dist. (ft.)			
					8" Dia.	10" Dia.		12" Dia.
2002	1	2	1	1				
2003-2007	1	2	2	1	98,119	2,796	15,281	\$12,212,335
2008-2012	0	0	1	0				
2013-2017	1	1	0	1	5,655	0	2,225	\$2,820,375
2018-2022	0	1	0	0				

## PROJECTED 2002-2003 CAPITAL IMPROVEMENTS

Due to concern for the current system deficiency, CSA 70J has applied for a low interest loan from the State to complete essential capital projects. These include a new well, two storage reservoirs, one booster pump station, and certain pipelines to enhance the delivery of water to the various zones. The proposed capital improvements and estimated project costs are shown on the Table below and they are consistent with projects that CSA 70J staff had considered and reported to the Advisory Commission.

### PROBABLE PROJECT COSTS FOR YEAR 2002-2003

Size/Capacity or Length	Estimated Construction & Site Cost	Cont., Engr., Survey, Envir., Proj. Admin., @ 25%	Total Estimated Project cost
<b>SUPPLY WELLS</b>			
1 X 800-1,000 GPM	\$850,000	\$212,500	\$1,062,500
<b>SUBTOTAL</b>	<b>\$850,000</b>	<b>\$212,500</b>	<b>\$1,062,500</b>
<b>STORAGE RESERVOIR</b>			
2 X 1.0 MG	\$1,000,000	\$250,000	\$1,250,000
<b>SUBTOTAL</b>	<b>\$1,000,000</b>	<b>\$250,000</b>	<b>\$1,250,000</b>
<b>PRESSURE REDUCING STATIONS</b>			
1 X 8 IN. PRV	\$25,000	\$6,250	\$31,250
<b>SUBTOTAL</b>	<b>\$25,000</b>	<b>\$6,250</b>	<b>\$31,250</b>
<b>BOOSTER PUMP STATIONS (WITH BUILDING)</b>			
1 x 500 GPM	\$275,000	\$68,750	\$343,750
<b>SUBTOTAL</b>	<b>\$275,000</b>	<b>\$68,750</b>	<b>\$343,750</b>
<b>TRANSMISSION/DISTRIBUTION PIPES (WITH SOME PAVEMENT REPAIR)</b>			
DIAMETER	L.F.		
8" PVC	16,979	\$764,055	\$191,014
10" PVC	713	\$36,363	\$9,091
12" PVC	13,300	\$758,100	\$189,525
<b>SUBTOTAL</b>		<b>\$1,558,518</b>	<b>\$389,630</b>
<b>TOTAL</b>		<b>\$3,708,518</b>	<b>\$927,130</b>
			<b>\$4,635,648</b>

As the FY 2002-2003 projects are completed, CSA 70J staff will continue to monitor needs and use the combination of connection fees (AB 1600) and system repair/replacement funds (from water rates) to construct the overall system-wide improvements.