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Hi Desert Water DISTRICT  
DISTRICT PROFILE SUMMARY SHEET

3140

LAFCO  
San Bernardino County

District Contact Person(s):

Ed Muzik, General Manager

Address:

55439 29 Palms Hwy

Yucca Valley, CA 92284

E-mail Address:

edm@hdwd.com

Website Address:

www.hdwd.com

Date of Formation:

December 12, 1962 (Under the name Yucca Valley County Water District, later changed to Hi-Desert Water District in 1980)

Principal Act:

County Water District Law, Water Code 30000 et seq., Division 12.

Improvement District(s):  YES  NO

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

Governing Body:

A five member Board of Directors

Membership:

Sheldon Hough (President)

Sarann Graham (Vice-President)

Roger Mayes (Director)

Bob Stadum (Director)

Dan Munsey (Director)

Public Meetings:

Public meetings of the board are held each month on the first and third Wednesday at 6:00 p.m.

## SERVICES

Currently Authorized Powers (Services):

SERVICE	FUNCTIONS
Water	Retail, agricultural, domestic, replenishment, fire flow, fire hydrants
Sewer	Engineering, planning
Park & Recreation	Engineering, planning

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:          52   Square Miles/  33,280   Acres

Population:         23,211   (2007 estimate based on 2000 Census data and escalated using growth factors provided by the US Census Bureau)

Registered Voters:  11,697   As Of  03/16/2009   (Date)

Services Provided Outside Agency Boundaries:

SERVICE	PROVIDED TO WHOM	DATE OF CONTRACT	SUNSET DATE
N/A			

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
1164	July 19, 1972	

CHANGES:

LAFCO Number	Resolution No./ Date Adopted	Type Of Change	Location
2422	9/23/87	Reduction	
2463	2/17/88	Expansion	

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## MUNICIPAL SERVICE REVIEW

LAFCO  
San Bernardino County

3140

**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. **Growth and Population**

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

1. Population Information (include identification of source for growth projection)  
Population in 2007 was approximately 23,211 based on the 2000 Census and escalated using growth factors developed by the Census Bureau. Using the same growth factors, the population is expected to increase to a total population of 25,000 by 2030.

#### 2. General Plan

Pursuant to the Judgment in the case of the Hi-Desert Water District vs. Yucca Water Company, Ltd, and by Order of Judge Phillip Schaefer, on February 10, 1992, The Hi-Desert Water District has been appointed as the Warren Basin Watermaster.

The basin includes five sub basins, in the area of Yucca Valley, California. The Watermaster is responsible to report, on an annual basis, the condition of the Warren Basin, including all groundwater information, usage, precipitation and production values.

#### 3. Identify Significant Growth Areas

In addition to some small infill projects within the District there is a 1420 home Century Vintage Homes development being proposed. This project is on hold, and Century Vintage has withdrawn their request for an AB 221 Verification Request.

### II. **Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or 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 present and planned capacity. (Provide copies of documents where necessary).

#### 1. Capital Improvement Plans/Studies

Capital Improvement Plans are budgeted as part of the District's normal budgeting process with detailed plans for Water and Sewer Services contained in separate Water and Sewer Master Plan documents.

## 2. Water Service Plans/Studies

In July of 2007 the District adopted a Water System Master Plan that outlined current and project water supply and demand. The plan also includes a Capital Improvement Plan that prioritizes infrastructure investments to achieve the required levels of service in the District's service area. The Plan will be updated every five years to address changes in growth patterns and/or demands on the system.

## 3. Sewer Service Plans/Studies

In January of this year the District adopted a Sewer Master Plan that outlined a strategy for implementation of a new sewer system for the District as well as the coupling of that system with a water reclamation plant and percolation ponds project. The Sewer Master Plan also presents a Capital Improvement Program (CIP) to help the District identify and prioritize sewer infrastructure projects required to protect groundwater quality within the District's service area. It is expected that full implementation of the plan will allow the District to meet required levels of service for projected demands. The Plan will be updated every five years to address changes in growth patterns and/or demands on the proposed system.

## 4. Age and Condition of Facilities

The District's facilities range in age from 60+ years old to almost new. The majority of the District's pipelines were initially constructed in the 1940's, but beginning in 1997 the District has been aggressively replacing approximately 10 miles of pipe a year from uncoated steel to PVC. The District's reservoirs and pump stations were built in the 1980's. While not scheduled for replacement, the District has a maintenance plan in place and facilities issues are addressed expeditiously. Generally speaking, given the aggressive nature of the District's maintenance and replacement efforts, the overall state of the District's facilities ranges from very fair to brand new.

## 5. Capacity Analysis

The District has approximately 10,000 active connections to its water system and currently does not provide sewer or wastewater reclamation service. The District's current infrastructure is sufficient to support current levels of service and plans are in place to address future growth.

## 6. Future Development

In order to address future development, additional water, sewer and water reclamation infrastructure will be needed. Capital Improvement Plans for the infrastructure are included in the District's current Water System Master Plan and Sewer Master Plan. The facilities needed include a comprehensive sewer system, a wastewater reclamation plant, water conveyance pipelines, water storage reservoir and a water system booster station.

## 7. Reserve Capacity

N/A

**III. Financial ability to provide services**

Purpose: To evaluate factors that affects the financing of providing services and needed improvements. To identify practices or opportunities that may help eliminate unnecessary costs. (Provide copies of documents where necessary).

1. Finance Documents/Plans for:

a) Two most recent adopted budgets

The two most recent budgets were adopted on June 27, 2007 and June 30, 2008 and are included as attachments to this package.

b) Two most recent completed audits

The two most recent District audits were completed on February 4, 2009 and 01/09/2008.

c) Service upgrades

Service upgrades are described in the attached Sewer Master Plan and Water System Master Plan.

d) Capital improvements

The District's Capital Improvement Plans are included in the attached Sewer Master Plan and Water System Master Plan.

2. Bond Rating

The District's bond rating is AAA.

3. Revenue Sources

The District's revenue falls into two general categories, Operating Revenue and Non-Operating Revenue. Operating Revenue consists of revenue based on water consumption as well as revenue from fees (connection, new accounts, delinquency, etc), meter sales and returned checks. Non-operating revenue consists of property taxes, revenue from pipeline usage and other minor sources such as interest on bank balances. The pipeline non-operating revenue is the Pipeline Surcharge assessed to customers that is paid to Mojave Water Agency for debt service. Revenues could theoretically be increased by raising water consumption rates or increasing fees on services such as connections or on delinquencies. The District will not implement any rate increase without a detailed review of a recently completed rate study with a Proposition 218 Rate Hearing. The District also maintains a Wastewater Enterprise Fund separate from the District's General Fund as a means to isolate revenue and costs for the planned Sewer and Wastewater Reclamation Project. This fund's revenues are a combination of loans from the General Fund and grants from agencies such as US Bureau of Reclamation, the US Environmental Protection Agency and the State Water Resources Control Board.

4. Major Expenditure Categories

The District's major expenditures are water purchases, pumping and treatment, transmission, customer service and general administrative expenses. Costs are controlled through careful planning by staff and thorough review by the District's governing board. The District's planned capital expenditures are captured in Capital Improvement Plans that are developed with support from outside consultants and vetted through District management prior to finalization and adoption by the Board. Plans are developed with cost efficiency and effectiveness in the forefront.

5. Joint Financing Projects  
 N/A

6. Overlapping/Duplicative Services  
 N/A

7. Rely on Other Agencies  
 N/A

8. Per-Unit Service Costs  
 Current per-unit service costs are as follows:

Tier	Consumption Units From – To	Current Rates
Tier 1	0 – 4	2.97
Tier 2	5 – 10	4.61
Tier 3	11 – 28	5.57
Tier 4	29 – 53	7.21
Tier 5	54 – over	8.06

9. Identify current rates and plans. Please identify any planned rate changes. Current rates took effect December 1, 2008. The District will not implement any rate increase without a detailed review of a recently completed rate study.

**IV. Status of, and 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**

There are no current shared facilities in use by the District. In the current fiscal year the District kicked off a joint planning effort for the Integrated Regional Wastewater Management Plan with the City of 29 Palms, the Joshua Basin Water District, the Bighorn Desert View Water Agency, the 29 Palms Water District, the Town of Yucca Valley and the County of San Bernardino. This is currently a joint planning effort, but one of the goals is to collaborate on a regional strategy for Wastewater Management which, in the future, could lead to shared facilities or closer coordination of services and activities.

This is an initiative of the Hi-Desert Water District to partner with the local agencies and develop a framework for planning and cooperation.

**2. Duplication of Facilities**

There are no known duplication of facilities.

**V. Accountability for community service needs, including governmental structure and operational efficiencies**

Purpose: To evaluate the accessibility and levels of public participation associated within the agency's decision-making and management processes, to consider the advantages and disadvantages of various government structures to provide public services, and to evaluate whether organizational changes to governmental structure can be made to improve the quality of public services in comparison to cost.

## 1. Budget

### a) Policies

The District's budget is developed in full compliance with all applicable regulations and adopted through a public process at the Board of Director level. In full compliance with the Brown Act, the public is encouraged to provide comment to the District on the budget and how expenditures are allocated.

### b) Policies for payment of stipend, benefits, travel, educational expenses of the governing body

Directors are paid a stipend of \$125 per meeting day for a pre-selected list of *meeting attended as part of their official board duties*. *These meetings include* regularly scheduled board meetings, board committee meetings and joint committee meetings with other agencies. Directors are required to provide the full board with an update on any meetings attended outside of the general board meeting at the next board meeting. Directors must submit monthly reports documenting meetings attended which will be reviewed by the General Manager in order to receive compensation. Directors are offered benefit coverage for themselves and one dependent in the same manner and level as is provided to exempt employees of the District. Reasonable travel expenses are reimbursable by the District provided the travel was to an approved meeting or event, expenses are supported by receipts and an expense report is completed within 30 days of returning from the trip. Directors and all District employees to travel on District business, are encouraged to plan travel in advance to secure the most cost effective rates. The District does not provide for educational expenses for Directors.

### c) Preparation/public involvement

The budget of the District is prepared and approved in a full public process. At the monthly board meeting, Directors are given an update as to the status of the budget in preparation and the monthly expenditures from the current year budget. The public is encouraged to provide comment at every board meeting and at any stage in the budget development process.

### d) Analysis – revenues/reserves/expenditures

The District's budget documents provide an analysis of revenues/reserves/expenditures. In general, the District's financial position is well supported by its revenues and capital reserves.

## 2. Governing Body

The five member Governing Board of the District is elected by voters in the District's service area. The Board members are all elected for area-wide representation and

there are no districts within the District's service area. The Board meets each month on the first and third Wednesday at 6:00 p.m. The board meetings are shown on Time Warner Cable Channel 10 on Wednesdays and Thursdays at 7:00 p.m. the week after the regularly scheduled meetings. The meetings are open and accessible to the public and held in full compliance with the Brown Act with a point of contact provided for any information requests. Elections are held every two years, so five elections have been held over the past decade.

### 3. Level of Service

#### a) Meets or exceeds customer needs?

The current level of service meets customer needs for water service and the 2007 Water System Master Plan provides a plan to maintain an acceptable level of service through its planning horizon. The District has identified that a combined Sewer and Wastewater Reclamation System is needed in order to meet future needs of residents within its service area. The Sewer Master Plan identifies the proposed project and presents a Capital Improvement Plan for the facilities needed in order for the full system to be implemented. The project is currently in the planning stages, but the District is moving expeditiously with the implementation of the plan in order to provide the level of service identified in the plan concurrent with the proposed schedule.

#### b) Customer satisfaction

The District provides a variety of mechanisms for the public to provide feedback regarding operations. The District's website provides e-mail and phone numbers for feedback. Comments and questions received are tracked and responded to by the appropriate District staff. Specific to the Sewer and Wastewater Reclamation Project, the District has developed a public outreach plan that includes interactions with the public on the variety of fronts and includes many opportunities for the public to provide feedback, ask questions and receive information.

### 4. Customer/Community Access

The District's offices are open regular business hours Monday through Thursday from 8am to 5pm and Friday from 8am to 4:30pm for in person or telephonic questions from the public. The District publishes a Monthly Wastewater Project Update that is available on their website ([www.hdwd.com](http://www.hdwd.com)) and at meetings of the District's Governing Board. Meetings of the District's Governing Board are broadcast on Time Warner Cable Channel 10 on Wednesdays and Thursdays at 7:00 p.m. the week after the regularly scheduled meetings. District reports including its strategic plan, Water System Master Plan, Sewer Master Plan and budget documents are also made available on the District's website. The District has a Public Information Officer that coordinates media activities and coverage of District projects and events.

### 5. Regular Progress Reports

The District makes available all budget documents on its website along with monthly updates provided to the Governing Board that outline current expenditures and any budget changes that may occur throughout the year. The District publishes a Monthly Wastewater Project Update as well and provides regular communication on the project in accordance with its outreach plan.

6. Does the agency recommend any government structure options (consolidation, reorganization, status quo)?

N/A

7. Does the agency have strategies or policies for future service delivery?

The District has several conservation and wastewater reuse programs in place to encourage greater efficiency of water use in its service area. The District has Capital Improvement Plans in place to address future growth in its service area. While growth ultimately is managed and directed by other agencies, the District is in communication with those agencies and is trying to ensure levels of service are maintained while the population grows.

8. Operational Efficiencies

The District manages staffing levels to cost effectively provide necessary levels of service for customers. The vast majority of District staff are dedicated to Operations and Maintenance of the Water System and Finance (including customer billing and tracking). The District has an on-line bill payment system and customers can opt for auto pay which deducts the exact bill payment amount from a customer's checking or savings account on the date the bill is due.

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MANDATORY FIVE YEAR  
SPHERE OF INFLUENCE UPDATE

3140

**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: Hi-Desert Water District

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.):

N/A

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.)

The District is planning a combined sewer and water reclamation project to address water quality and water supply planning needs. An application has been submitted to LAFCO to address necessary changes in authorized powers for these projects.

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).

N/A

5. **CITIES:** Provide an outline of the dates for adoption and plans for update, if any, for:

General Plan N/A

Elements if adopted separately

NAME

DATE OF ADOPTION/UPDATE PLANS

_____	_____
_____	_____
_____	_____
_____	_____

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

Water System Master Plan Adopted in July 2007 and will be updated every five years.

Master Plan for Sewer Utility

Sewer Master Plan Adopted January 2009 and will be updated every five years

Master Plan for Fire Service

N/A

Master Plan for Park Service

N/A

Urban Water Management Plan

Urban Water Management Plan 2005 Adopted April 2006 and will be updated every five years.

(with copy of certification from Department of Water Resources)

Other (Please name):

_____	_____
_____	_____
_____	_____

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(i) et seq.

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

The District provides water service. The District has over 10,000 water connections and is in the planning stages of implementing a combined sewer and water reclamation system.

The San Bernardino land use designations are included.

_____
_____
_____

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 current water service area is the boundary of the District; however, the District is not yet at a build-out population level so the maximum number of connections planned are not yet in place.

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- 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.

A Water System Master Plan was adopted in July of 2007 and it provided a plan to meet project water demands through 2015. The plan provides a water source analysis as well as a Capital Improvement Plan which lists projects to be implemented during the plan's planning horizon.

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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.

The primary responsibility for planning future land use rests with the Town of Yucca Valley for areas within its boundaries. The Town's 2008 Zoning map provides for residential, Commercial and industrial uses within the City's boundaries. In unincorporated areas of the District, land use is primary residential or desert scrub with residential development potential. Reference the County General Plan.

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- b) The present and probable need for public facilities and services in the area. The District currently is not providing sewer or wastewater reclamation service, but a system is currently in the planning stages of development. It is anticipated this system will be needed to maintain water quality and ultimately quality of life for residents.

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c) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.  
The current capacity of the water system is sufficient to meet existing demands, but the above noted Water System Master Plan outlines a series of future improvements designed to meet the District's expected build-out demands.

The United States Geological Survey has concluded that readily available water supplies, in the ground water upper and mid layers of the Warren Basin constitute a 20 year supply of storage of water.

Also, the District is receives water from the Mojave Water Agency, as State Water contractor, with a Table A amount of 4,282 Acre-Feet per year. This amount varies, depending on the state water reliability factor. The District water demand is 3,000 Acre-Feet per year.

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d) The existence of any social or economic communities of interest in the area.  
The Town on Yucca Valley is in the incorporated entity within the Service District. The Yucca Mesa area is a community, within the un-incorporated portions of San Bernardino County, in the Service District.

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**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: 22 May 09

Joseph Muzik  
Signature of Official  
*for* Edward Muzik  
Printed Name  
General Manager  
Title