

Department of Water



July 15, 2011

Kathleen Rollings-McDonald
Local Agency Formation Commission
San Bernardino County
215 North D St Suite 204
San Bernardino CA 92415

RE: Draft San Bernardino County LAFCO Staff Report for Service Reviews for the Bear Valley Community

Dear Kathleen,

In addition to the preliminary comments submitted to your agency by the DWP on June 15, 2011 (copy attached), we would like to add the following comments:

Page 32. Supply: 53 wells, 12 booster stations, 178 miles of water main pipelines. [This modification is also recommended for page 74, sub heading Water.]

Page 33. “The average [pumping] capacity of these wells is 170 gpm.
“The DWP is currently operating under a Stage 1 water shortage emergency, pursuant to California Water Code Section [350] ~~350+~~, [for all systems except Lake William, which is operating under s Stage 2 water shortage emergency.] No new connections are currently allowed in Lake William. For all other areas connections are currently limited to 160 EDUs per year. [This modification is also recommended for page 74, sub heading Water.]

Page 34. Supplemental supply sources. The DWP has revised its alternative water supply plan. A copy of the revised plan was been provided to LAFCO staff June 15, 2011.
The current demand supply deficit is 900-acre feet.
[This modification is also recommended for pages74-75].

Page 35. “This figure [14,995] is well beyond the City’s current capabilities.” The DWP is asking for clarification on how LAFCO arrived at this conclusion. The DWP currently serves

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substantially more than 14,995 residents during peak holidays such as Independence Day and the week between Christmas and New Year's Day.

Page 69. The Service Review states that in 1994 the DWP was granted an exemption from Government Code Section 56133. It also states that the law was amended in 2004, however, the Service Review is silent with respect to whether the exemption was nullified by the 2004 change in the statute. Based upon our research, the last amendment to the 56133 was in 2002. DWP therefore does not know which amendment LAFCO believes negates the 1994 exemption. Clarification of this question by LAFCO would be helpful.

Additionally, in reviewing Government Code 56133 subsection (e), the DWP noted the following language:

“This section does not apply to an extended service that a city or district was providing on or before January 1, 2001.”

Since the DWP has been serving these areas since 1989, we believe Government Code Section 56133 does not apply in this circumstance. Moreover, the November 9, 1994 letter from LAFCO (copy with maps attached) indicates that LAFCO approved DWP providing water service to all of the areas previously served by Southern California Water Company. DWP believes that this letter satisfies the requirements of Government Code section 56133 subsection (a) and so believes that this service can and should continue. Other subsections of Government Code section 56133 – particularly subsection (c) – also do not apply to the current situation. Subsection (c) grants LAFCOs authority to allow new or extended service in cases of emergency when the agency providing the utility service does not intend to annex the area being served. That subsection is not a limit on LAFCO's authority, as suggested on page 69 of the Service Review; instead, it augments LAFCO's authority in a very specific set of circumstances. Consequently, DWP believes that LAFCO has approved water service by DWP outside of City of Big Bear Lake's boundaries and that nothing in Government Code section 56133 undermines the legal basis for that water service.

Regardless of legal requirements, LAFCO's 1994 determination has a solid foundation in sound public policy and common sense. As you know, article 11, section 9(a) of the California Constitution forbids one public agency from providing utility service within the boundaries of another public agency without that agency's consent. Government Code section 56133 gives LAFCO the ability to implement that requirement by ensuring that governmental services are provided in an efficient and productive manner.

Here, DWP acquired the Southern California Water Company (SCWC) system in 1989. DWP serves nearly 4,000 connections in Sugarloaf and Erwin Lake within the former SCWC system. Future development in those areas could be served by private wells but only to the extent that lots size requirements and setback requirements are met. While this may be possible in parts of

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Erwin Lake, the lot sizes in Sugarloaf are most likely too small to meet the code requirements for private wells. Thus, in 1994, LAFCO properly determined that integrating the DWP and SCWC systems would best serve the public interest by avoiding the need for a myriad of private wells and by preserving setback requirements. That conclusion is still correct.

More importantly, the DWP currently transfers water from the Sugarloaf/Erwin Lake System to supply water to Big Bear Lake and Moonridge. These systems are interconnected. In Fiscal Year 2010/11, nearly 54 million gallons were transferred from Sugarloaf/Erwin Lake to meet demands in Big Bear Lake/Moonridge. Severing the Sugarloaf/Erwin Lake supply from the DWP's system will therefore create unnecessary health and safety issues in other parts of the DWP's service area. Once again, the integrated water supply system approved by LAFCO in 1994 is serving the larger Bear Valley Community very well. The DWP sees no reason, either based on the law or based on common sense, to change these arrangements.

Reference to Lake Mathews should be Lake William.

The DWP wishes to acknowledge LAFCO for its thorough and comprehensive analysis of the Bear Valley Community. We trust the LAFCO will consider the DWP's input before issuing its final report.

Sincerely,



Danielle D. McGee
Interim General Manager

Department of Water



June 15, 2011

Local Agency Formation Commission
San Bernardino County
215 North D St Suite 204
San Bernardino, CA 92415

Re: Draft San Bernardino LAFCO Staff Report for Service Reviews for the Bear Valley Community

Commissioners:

The Department of Water and Power, City of Big Bear Lake, respectfully requests additional time to review the draft Staff Report for Service Reviews for the Bear Valley Community. Your staff has clearly dedicated many hours to preparing this document and the work has occurred over several years. We believe more current information may be available that should be incorporated in your report.

Our preliminary comments are as follows:

Page 27. The discussion implies that there is only one groundwater basin. The map on page 23 is actually used to define the various groundwater sub-units with the Big Bear Valley. These sub-units are considered separate groundwater basins with defined perennial yield for each sub-unit. To lump them together into one unit significantly mischaracterizes the groundwater situation within the Big Bear Valley.

Page 30. The MWD currently sells water out of the lake to Snow Summit and Bear Mountain ski areas for snow making purposes (page 38 of the staff report actually describes this). In the second paragraph you state that Mutual "owns the water in the lake". This is not always correct. Mutual owns the water rights to the lake, but the water in the lake at any given point in time may belong to either Mutual or the MWD. Through the purchase of in-lieu water, the MWD acquires

an equal amount of water in Big Bear Lake. During some years all of the water may belong to Mutual and other years a significant amount may belong to the MWD.

Page 31. Your discussion regarding the basin compensation account is generally correct. However, once the Muni agreement was in place the only impact on the San Bernardino Basin is due to the exportation of wastewater from the Big Bear Basin to the Baldwin Lake basin.

Page 32. The paragraph at the bottom of the page neglects surface runoff. A significant reason such a small portion of the precipitation reaches the ground water basins is due to surface runoff.

Page 34. Your discussion of alternative sources for water is very much out of date. The DWP adopted a revised study of alternatives over a year ago. You should obtain a copy of the new alternative study from the DWP. Our current plan is to first fully exploit the ground water basins within the valley through an extensive drilling program. At this time, it is unclear whether or not the combined safe yields of the various basins will be sufficient to meet the demand at build-out. Consequently, we also have a program to “stress test” the various sub-units to more accurately determine the perennial yields. The paragraph on demand correctly states the current demand vs. perennial yield estimate.

Page 35. Your calculation in the second paragraph of “additional population” from second homes should be reviewed. We believe the percentage of second homes within the BBV has remained relatively constant for many years. It is very unlikely that the percentage of second homes in the valley will significantly decrease in the future and will certainly never reach zero. To plan infrastructure based on 100% full time occupancy is inappropriate.

Page 35. The last paragraph on page 35 (continuing on 36) accurately describes the pipeline priorities however, it neglects to indicate that by the end of 2011-12 essentially all of the Priority 1 pipeline projects will have been completed and the DWP is now beginning to address the Priority 2 projects.

Page 37. The paragraph on the CSD master plan significantly understates the CSD’s conclusions regarding the adequacy of the current groundwater supplies. The CSD model indicated that the valley-wide annual recharge was on the order of 17,000 acre-feet per year, which is well in excess of the combined demand projections at build-out. While the DWP has some concerns with the methodology used in the CSD master plan, the LAFCO staff report should accurately reflect the report’s conclusions.

Page 38. The statements that the MWD does not sell water (first paragraph page 38) and the “Sale of Water for Snow Making” paragraph seem to be inconsistent.

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LAFCO Service Reviews
Draft Staff Report Comments
Page 3 of 3

We would appreciate additional time to review the draft report to ensure that we have a full understanding of LAFCO's position regarding community services throughout the Big Bear Valley.

Thank you for your consideration.

Sincerely,



Danielle D. McGee
Interim General Manager



LOCAL AGENCY FORMATION COMMISSION

175 West Fifth Street, Second Floor
San Bernardino, CA 92415-0490 • (909) 387-5866 • FAX (909) 387-5871

*Established by the State of California to serve the Citizens, Cities, Special Districts
and the County of San Bernardino*

November 9, 1994

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CLARK H. ALSOP

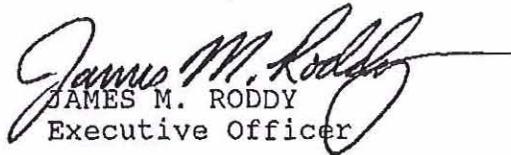
Mr. Michael Perry, General Manager
Department of Water and Power
City of Big Bear Lake
Post Office Box 1929
Big Bear Lake, CA 92315

Dear Mr. Perry:

LAFCO has received the map of the Public Utilities Commission approved service area for the former Southern California Water Company - Big Bear District. In accordance with the Commission's policies adopted May 18, 1994, the City of Big Bear Lake's Department of Water and Power qualifies for exclusion within these areas from the requirements of Govt. Code Section 56133. However, it should be noted that service extensions outside this defined service area will require LAFCO review and approval prior to contracting for the provision of services.

Should you have any questions on this letter,
please do not hesitate to contact our office.

Sincerely,


JAMES M. RODDY
Executive Officer

/krm

cc: Valery Pilmer, Planning Director



LOCAL AGENCY FORMATION COMMISSION

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June 13, 1994

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Clerk to the Commission

DOROTHY A. MOSSO
LAFCO Secretary

LEGAL COUNSEL

CLARK H. ALSOP

Mr. Michael Perry, General Manager
Department of Water and Power
City of Big Bear Lake
Post Office Box 1929
Big Bear Lake, CA 92315

Dear Mr. Perry:

At the May 18, 1994, hearing the Local Agency Formation Commission adopted policies related to the implementation of Govt. Code Section 56133. One of these policies relates directly to the City of Big Bear Lake's service requirements outside its boundaries. Page 5 of the attached information provides this policy declaration.

Please provide our office with a copy of the map of the certificated service area of the former Southern California Water Company Big Bear District as approved by the Public Utilities Commission. With the filing of the map, the City will not be constrained by the provisions of Govt. Code Section 56133 from serving these areas.

Should you have any questions on this request, please do not hesitate to contact our office.

Sincerely,


KATHLEEN ROLLINGS-McDONALD
LAFCO Analyst

/krm

SOUTHERN CALIFORNIA WATER COMPANY
 3625 WEST SIXTH STREET
 LOS ANGELES, CALIFORNIA 90020

This map shall not be considered by the Public Utilities Commission of the State of California or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.

SHOWING TERRITORY WITHIN WHICH JULY ESTABLISHED AND REGULARLY FILED TERRIFF SCHEDULES APPLICABLE TO WATER SERVICE ARE IN EFFECT.

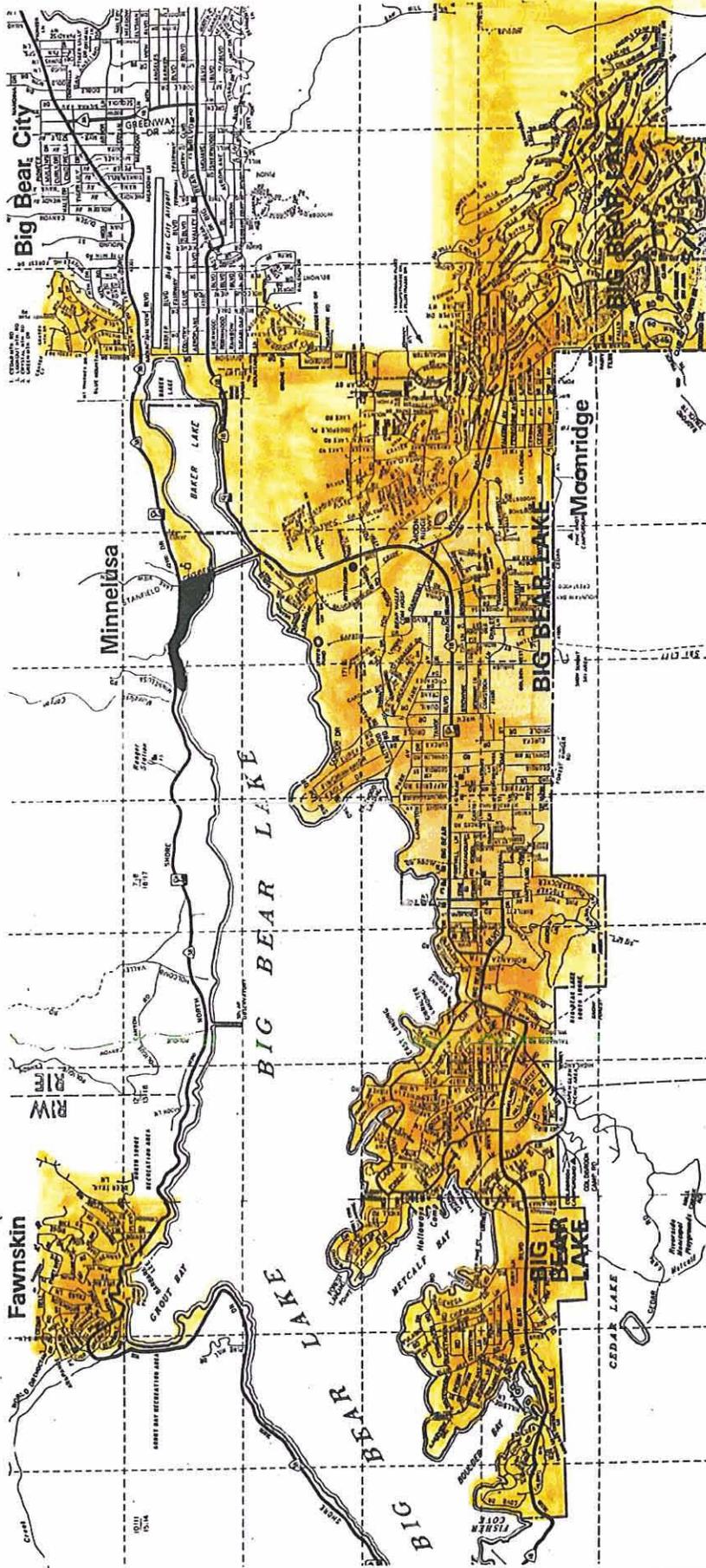
Indicates Existing Service Area
 Indicates Service Area Added by the Filing of this Map



BIG BEAR DISTRICT

Bear Valley System

Fawnskin System



(To be inserted by Utility)

Advice Letter No. 738-W
 Decision No.

ISSUED BY
 W. V. CAVENEY
 PRESIDENT

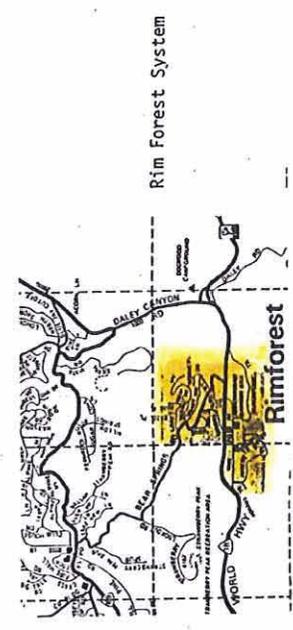
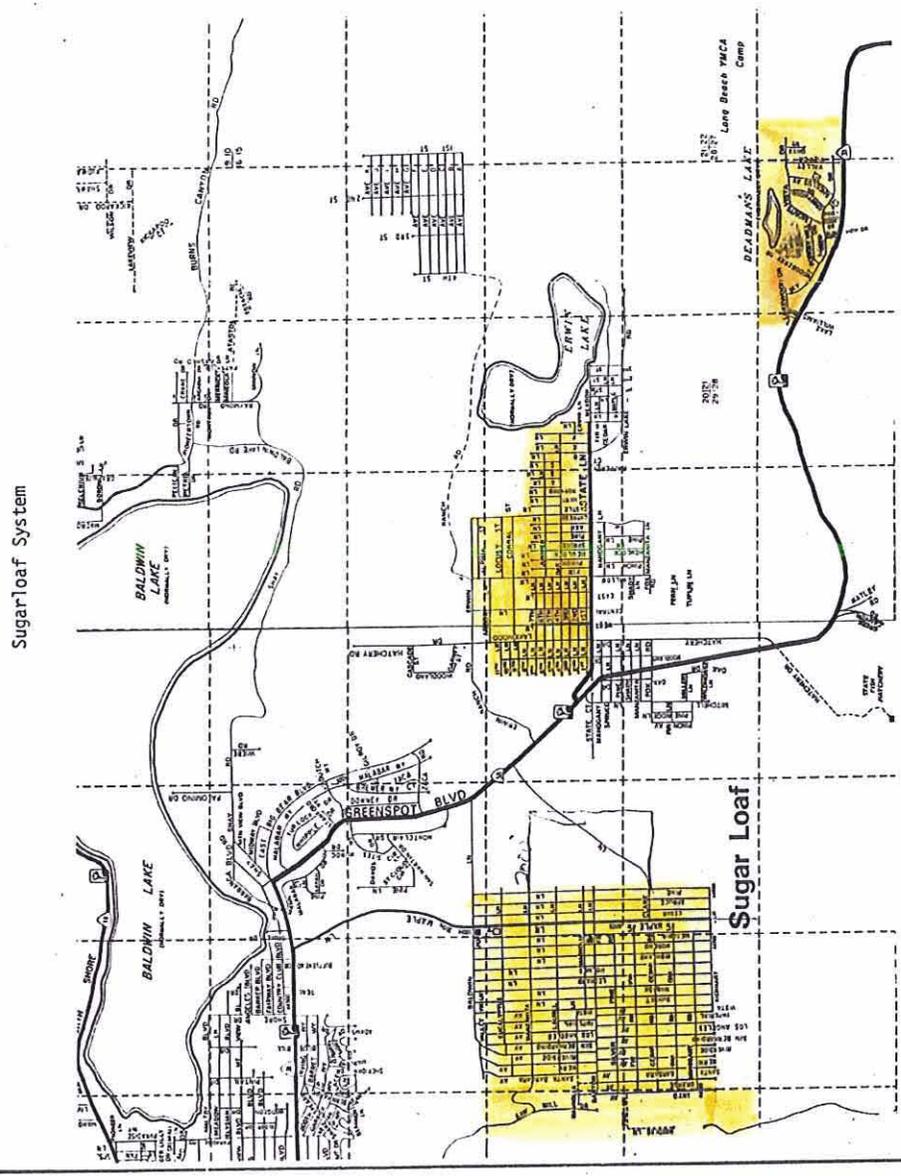
(To be inserted by Cal. P.U.C.)
 Date Filed SEP 10, 1986
 Effective OCT 10, 1986
 Reception No.

BIG BEAR DISTRICT

- Indicates Existing Service Area
- Indicates Service Area Added by the Filing of this Map

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This map shall not be considered by the Public Utilities Commission of the State of California or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.



(To be inserted by Utility)

Advice Letter No. 676-W

Decision No.

ISSUED BY

W. V. CAVENEY

PRESIDENT

(To be inserted by Cal. P.U.C.)

Date Filed MAR 26, 198

Effective APR 25, 198

Resolution No.