

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: OCTOBER 14, 2015

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
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TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #6 – LAFCO 3173 – Sphere of Influence Amendment for the San Bernardino Valley Water Conservation District

RECOMMENDATION:

LAFCO staff recommends that the Commission take the following actions:

1. For environmental review, certify that LAFCO 3173 is statutorily exempt from environmental review and direct the Executive Officer to file the Notice of Exemption within five (5) days.
2. Approve the sphere of influence expansion for the San Bernardino Valley Water Conservation District to encompass the jurisdictional boundary of the San Bernardino Valley Municipal Water District within San Bernardino County along with additional surrounding areas to clarify the water basin boundary and the use of parcel lines to define the area.
3. Affirm the description of the functions and services for San Bernardino Valley Water Conservation District as identified in the *LAFCO Policy and Procedure Manual, Section VI, Chapter 3: Listing of Special Districts within San Bernardino LAFCO Purview - Authorized Functions and Services*.
4. Adopt LAFCO Resolution No. 3204 reflecting the Commission's findings and determinations.

However, should the Commission determine to approve a different option identified in this report for the sphere of influence or one provided at the hearing, it would need to take the following actions:

1. For environmental review, certify that LAFCO 3173 is statutorily exempt from environmental review and direct the Executive Officer to file the Notice of Exemption within five (5) days;

2. Identify the option to be chosen and the factors to support the option;
3. Affirm the description of the functions and services for San Bernardino Valley Water Conservation District as identified in the *LAFCO Policy and Procedure Manual, Section VI, Chapter 3: Listing of Special Districts within San Bernardino LAFCO Purview - Authorized Functions and Services*; and,
4. Continue the adoption of the resolution reflecting the Commission's findings and determinations to the November 18, 2015 hearing.

BACKGROUND

In November 2013, San Bernardino Valley Water Conservation District (hereafter shown as "SB Valley WCD" or "District") initiated an application requesting expansion of its sphere of influence from a zero sphere designation to one that returns it previous sphere of influence which included the district area and extending beyond its boundary to include territory along the Santa Ana River easterly of the I-10/I-215 interchange (copy included as Attachment #2 to this report). As the Commission will recall, in March 2006 it approved a "zero" sphere of influence for SB Valley WCD (LAFCO 2919). LAFCO's position at that time was that a single water conservation entity should address the water conservation services in the Bunker Hill Groundwater Basin, and therefore SB Valley WCD should be consolidated with the San Bernardino Valley Municipal Water District (hereafter shown "MUNI") in the future (the San Bernardino County Flood Control District declined to be a named potential successor). The "zero" sphere was determined by LAFCO to be "...subject to review and change in the event a future significant change of circumstances so warrants." Following that determination in July 2009, a proposed consolidation of SB Valley WCD and MUNI (LAFCO 3076) was considered and ultimately denied by LAFCO on a 4-3 vote based upon three determinations:

1. It could not be determined that the public service costs of the proposal is authorizing are likely to be less than, or substantially similar to, the costs of alternative means of providing the service.
2. Mining royalties and contractual lease payments which would be transferred to the successor agency are a volatile source of revenue subject to the fluctuations of the economy.
3. Consolidation would put together incompatible groundwater functions, i.e. conservation and groundwater recharge with the sale of state project water, and would have the potential for loss of local control of water resources within the basin.

With the consent of SB Valley WCD, the sphere amendment application was placed on hold to allow for the completion of the service review cycle for water conservation in the valley region. In May 2015, the Commission considered the service review for Water Conservation in the Valley Region (included as Attachment #3). As an outgrowth of the service review, the Commission modified LAFCO 3173 to include the analysis of the following alternatives for consideration:

- Expand the SB Valley WCD sphere of influence to be coterminous with the sphere of influence of MUNI,
- Include the whole of the Bunker Hill Basin, or
- Expand the sphere of influence from its current zero sphere designation to include the District's boundary plus an additional 1,973 acres within the Santa Ana River course.

Recent Groundwater Legislation

As discussed in the May 2015 Water Conservation Service Review, in response to the recent groundwater legislation to form groundwater sustainability agencies (GSAs) by June 1, 2017, and as an alternative to another effort toward consolidation of the SB Valley WCD, the SB Valley WCD, MUNI, and the East Valley Water District ("East Valley WD") submitted a joint letter signed by the respective general managers on the possible formation of a Regional Sustainable Groundwater Management Council (letter dated July 9, 2015 included as a part of Attachment #4 to this report). The concept has been vetted with each agency board to be included in the Council along with the draft Memorandum of Understanding for the Development of a Groundwater Sustainability Council Framework Agreement. It has been conveyed to staff that there appears to be a universal intent to move forward with development of the framework.

It is staff's understanding that the Groundwater Sustainability Council, should it be implemented through adoption and signing of the follow-up agreement, would propose to provide for the equitable funding of groundwater recharge for each basin covered by the Council. The Council's purpose will in no way change the existing authority of the elected city councils and special district boards of directors that make up the Council. These governmental structures will fully retain their legislative authority to set rates, appropriate funds, etc. The Council, made up of general managers or equivalent staff representatives, will perform the scientific studies to determine the water supply and funding needs and then develop recommendations for their respective boards. While the Council does not achieve the full range of economies of scale available in a consolidation, the formation of this Council would in essence be a functional consolidation through an anticipated equalizing of groundwater extraction charges and cooperation on development of infrastructure needs, an effort that this Commission has historically supported.

Of note, the formation of the Council does not require LAFCO approval except in the instance of service being provided outside an agency's boundaries. Pursuant to Government Code Section 56133, LAFCO is charged with the responsibility for reviewing and taking action on any city or district contract to extend service outside of its jurisdiction. In this scenario, if the SB Valley WCD is intended to perform conservation education or other activities outside its boundaries, it would need to submit an application to LAFCO requesting either approval or exemption from Section 56133.

The following discussion will evaluate the proposal against the mandatory criteria the Commission is required to review as set forth in Government Code Section 56425.

SPHERE OF INFLUENCE AMENDMENT

A sphere of influence is defined by Government Code Section 56076 as “a plan for the probable physical boundaries and service area of a local agency as determined by the Commission”. This Commission in its policies related to assignment of a sphere of influence has indicated the purpose is “to encourage economical use and extension of facilities by assisting governmental agencies in planning the logical and economical extension of governmental facilities and services, thereby avoiding duplication of services” and “to promote coordination of cooperative planning efforts”.

At this hearing the Commission will:

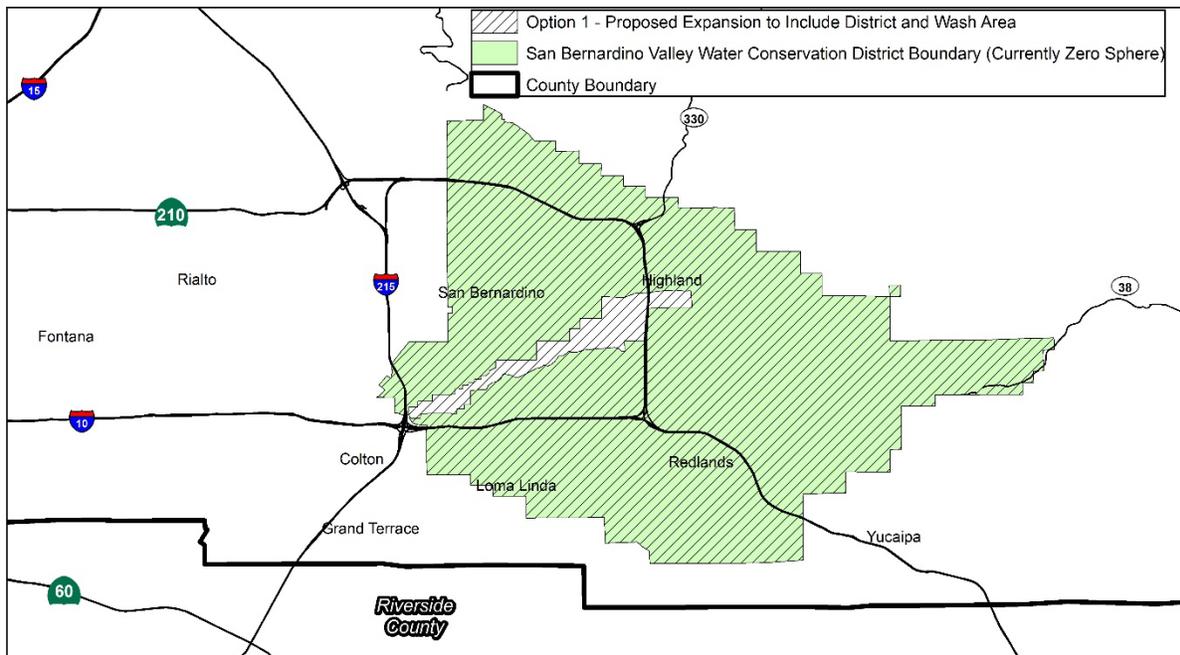
- Consider a sphere of influence amendment for the district from amongst four options (or it may chose not to deny the proposal, thereby maintaining a zero sphere of influence).
- Evaluate and make determinations on the factors outlined in Government Code Section 56425 for LAFCO 3173. These determinations will be guided by the Commission’s mission statement which reads in part, “to ensure the establishment of an appropriate, sustainable and logical municipal level government structure for the distribution of efficient and effective public services”.

Analysis of Options:

In the East Valley both storm water capture and water education activities are provided by the water conservation district and the municipal water district, as well as the Flood Control District. Specifically, the SB Valley WCD is 1) a single purpose district, 2) is not the only agency within its basin that provides stormwater capture or water education, 3) is overlaid by a municipal water district (MUNI) and flood control district that are authorized and actively provide stormwater capture, and 4) is overlaid by a municipal water district that engages in water education activities regionally. Therefore, a discussion of the potential for streamlining these activities is warranted. The options analyzed are (maps included as Attachment #1):

Option 1 - District Application: Proposed Expansion to include existing District boundary and “Wash Area” of the Santa Ana River

The SB Valley WCD, MUNI, and East Valley Water District have submitted a joint letter signed by the respective general managers requesting that the Commission move forward with the re-establishment of a sphere of influence for SB Valley WCD as requested by that district. A copy of the letter is included as Attachment #4 to this report. The rationale expressed in the letter is that SB Valley WCD needs the certainty of a sphere to plan for the future, finance future recharge projects and provide assurances to their partners that they will be able to continue to provide water conservation services into the future. The Districts have indicated that once formed, the proposed Groundwater Sustainability Council would be in a position to assess the need for a different SB Valley WCD sphere, if appropriate. However, to date it is the staff’s understanding that the agreement to evaluate the development of Council framework has not be completed; therefore, it is uncertain as to the timing of these future steps to come to fruition. A map of Option 1 is below.



However, this option, in the staff view, does not meet the criteria for a sphere of influence as outlined above as the “probable physical boundary for the agency”. In 1993 SB Valley WCD proposed to annex the Santa Ana River area (LAFCO 2751) but the territory was excluded from consideration as the water producers in the area opposed their inclusion on the basis of the newly imposed groundwater charge. No information has been received during the processing of this sphere amendment proposal that shows a change in position from the City of Riverside or the other mutual water companies pumping water in this region. Therefore, it does not meet the expectation that it will become the physical boundary of the agency.

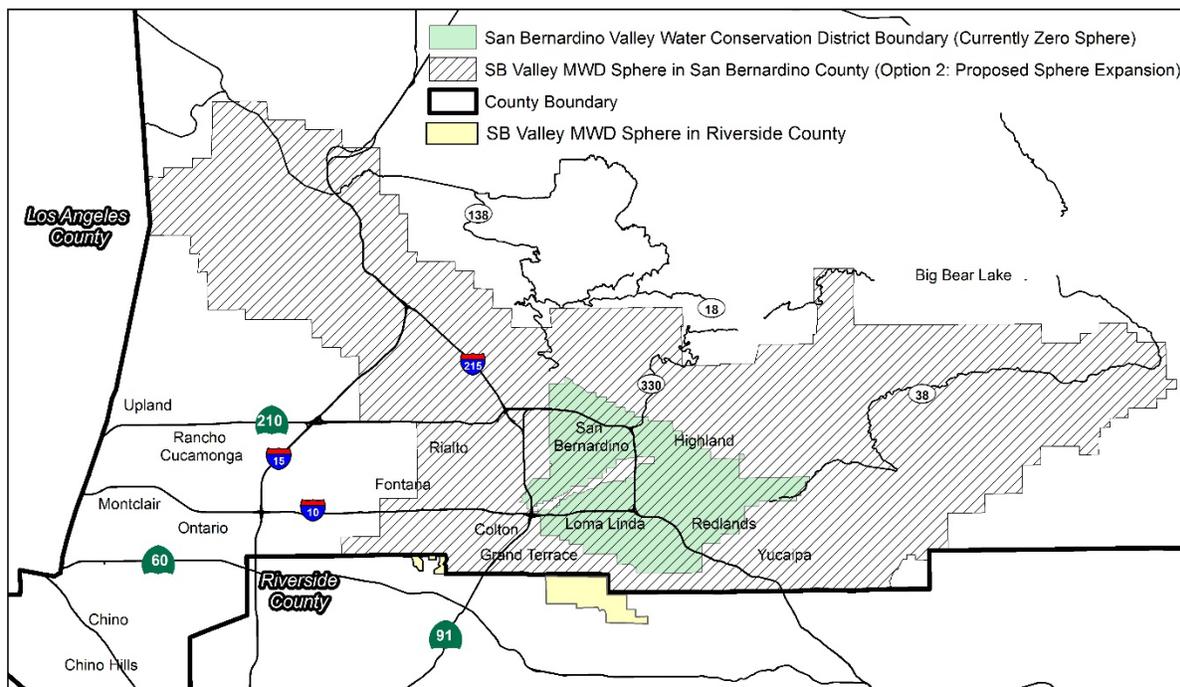
In response to the statements that the District is in need of assurances regarding the continued provision of water conservation services; therefore the sphere of influence should be reinstated, a sphere of influence designation will not provide for this. A more compelling assurance for the continuing existence of the District is the requirement in Water Conservation District law for voter approval to move forward with a dissolution application. It specifies that a 60% petition in support is required to move forward with a dissolution, estimated at this time to require more than 60,000 voters. Therefore, staff does not support Option 1.

Option 2 - Expansion to be Coterminous with San Bernardino Valley Municipal Water District Sphere in San Bernardino County

Generally, spheres that are coterminous offer a mechanism to plan for service provision on a regional or community scale amongst agencies. This position is reinforced by the Commission’s policies for spheres of influence regarding coterminous spheres of influence within its community-by-community approach which reads:

The community-by-community approach is a guide used to establish spheres of influence. The idea was adopted by San Bernardino LAFCO prior to the mandate for spheres of influence, and includes the practice of looking at a total area, which could be considered a community, and defining its boundaries. This approach also considers the existence of inter-related economic, environmental, geographic, and social interests, and attempts to harmonize the conflicting plans and services of the various service entities. Under this approach, an attempt is made to keep the spheres of influence of the various service districts as nearly the same as possible.

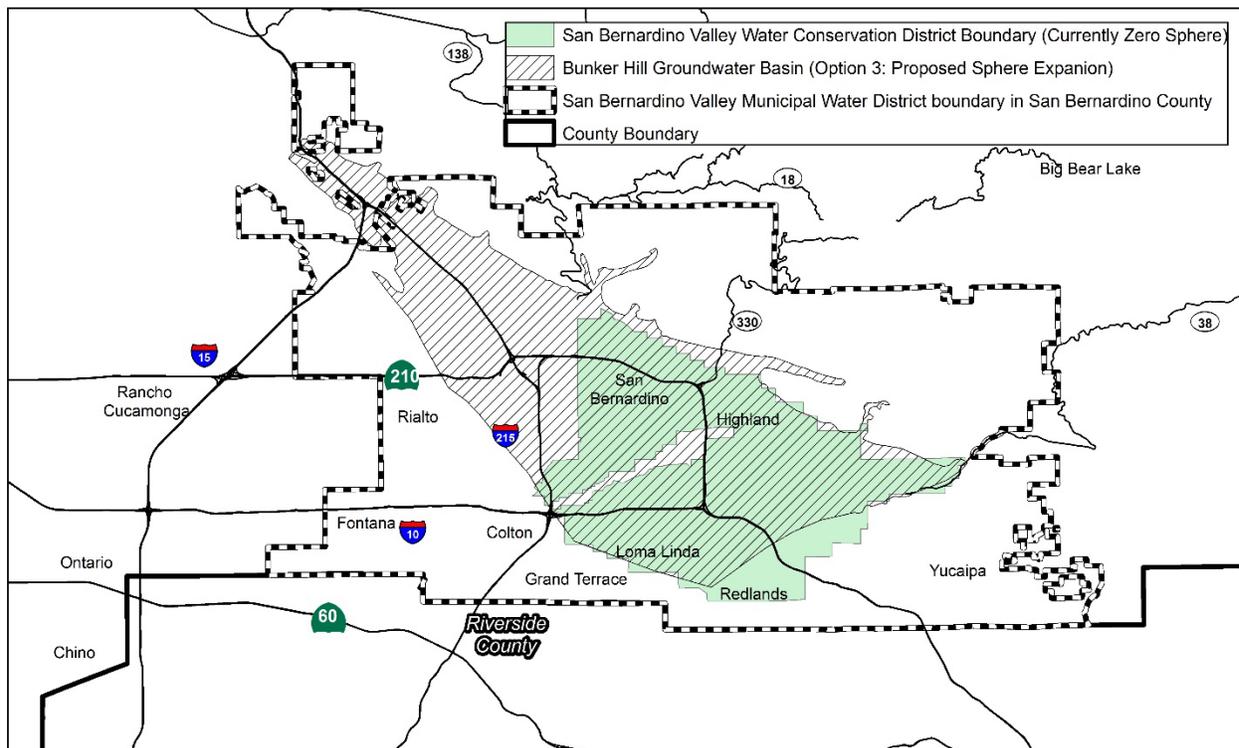
However, MUNI's sphere extends northwesterly to the Los Angeles County line near the mountain community of Wrightwood (conforming to the watershed boundary), northerly into the San Bernardino Mountains, and easterly near Barton Flats where Highway 38 curves northward towards Bear Valley and southerly into Riverside County. The map below identifies the sphere of influence for MUNI and Option 2 which would propose the expansion of the District's sphere in San Bernardino County only. A sphere of influence expansion into Riverside County would be considered by the Riverside LAFCO per the existing agreement regarding cross-county sphere determinations. The map is shown below.



These vast areas do not require the services or planning available from SB Valley WCD. Further, the SB Valley WCD territory comprises 78 square miles, and the MUNI sphere in San Bernardino County comprises 616 square miles. A sphere expansion of this magnitude would increase the District's sphere beyond its boundary by 689%. For these reasons, Option 2 lacks proper justification and therefore staff does not support this option.

Option 3 - Expansion to Encompass the Bunker Hill Groundwater Basin

It has been LAFCO's staff's position since the District's original service review in 2005 that the Bunker Hill Basin should be considered as a single unit when evaluating agencies with recharge responsibilities or operations. It remains staff's position that the ability to maximize recharge efforts should be coordinated at the regional level, or basin - level. Therefore, in comparison with Option 1, a sphere of influence including at least the entirety of the Bunker Hill Basin is preferred by LAFCO staff for the reasons identified above. A map of Option 3 is shown below.



However this boundary does not conform with parcel lines or the boundaries of other overlying agencies which may create issues on the implementation of the Groundwater Sustainability Council efforts. Therefore, staff does not support this option.

Hybrid Alternative:

The Commission modified LAFCO 3173 to include the three alternatives outlined above. After analyzing the three options, LAFCO staff presents an alternative for consideration which is a hybrid taking the best from the other options.

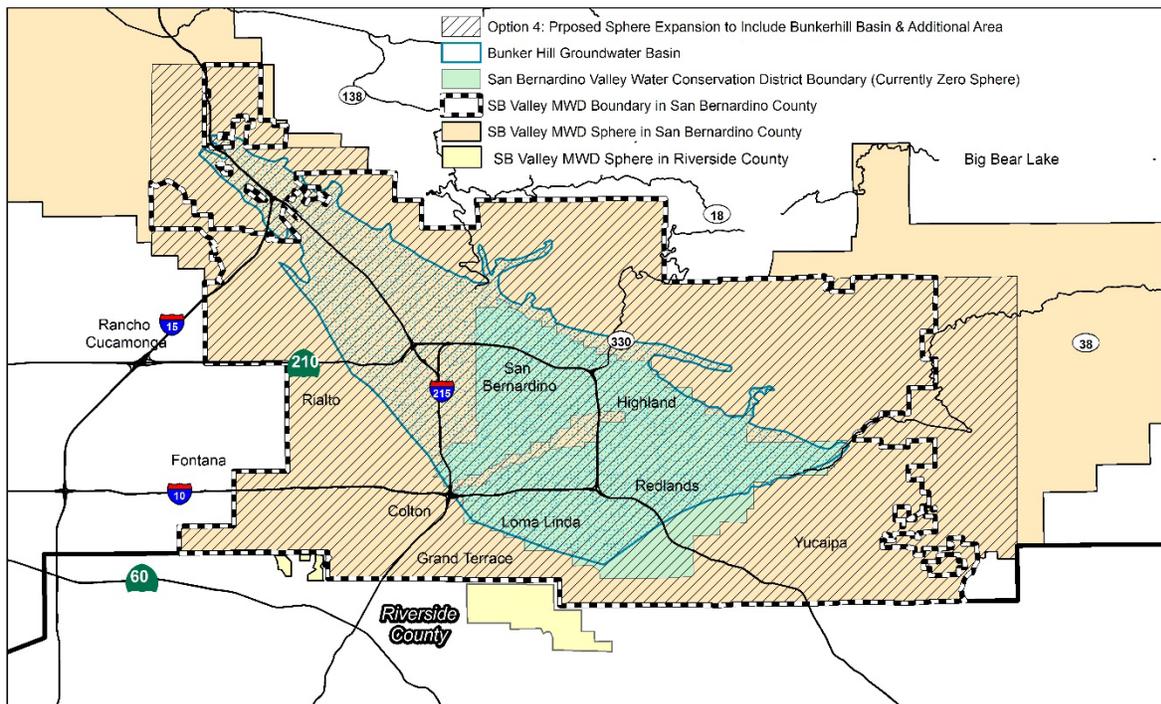
As stated, LAFCO staff's position remains that the Bunker Hill Basin should be considered as a single unit when evaluating agencies with recharge responsibilities or operations. That

being said, when looking at the map for Option 3, the MUNI boundary (San Bernardino County portion) does not include the entirety of the basin. In order to achieve the best result, staff supports a hybrid between Option 2 (MUNI sphere) and Option 3 (Bunker Hill Basin). Referencing the joint support letter for Option 1, once formed, the proposed Groundwater Sustainability Council would be in a position to assess the need for a different SB Valley WCD sphere, if appropriate. However, support for the hybrid Option would not necessitate that the District return to LAFCO with an application to expand its sphere as the area would already be included.

Therefore, LAFCO staff's position is that inclusion of the entire Bunker Hill Basin and the MUNI service boundary, along with minor adjustments to provide for inclusion of the entire water basin area and the use of parcel lines to provide for a clear and identifiable sphere boundary, provides for a logical, ultimate probable service boundary and would:

- Meet the goals of including the entire Bunker Hill Basin as identified in the service review,
- Include the territories of its two main partnering agencies in the Groundwater Sustainability Council (MUNI and East Valley WD), and
- Negate the future need for application for amended spheres of influence to support service delivery options from the Groundwater Sustainability Council thereby requiring only one LAFCO review for approval or exemption from Section 56133.

A map of the hybrid option is shown below.



DENIAL OF LAFCO 3173:

Alternatively, by denying the proposal, the current “zero” sphere of influence designation would remain; thereby continuing the Commission’s position that a change of organization should take place assigning the District’s service obligations and responsibilities to another agency at some point in the future. Such future action could theoretically be either a dissolution or consolidation process. However, to dissolve a water conservation district, Water Conservation District Law requires a petition signed by 60% of the registered voters within a water conservation district to support the dissolution. The number of voters within the District is estimated as 101,000 which would mean that 60,600 valid voter signatures would be required to pursue this option. Therefore, dissolution of the SB Valley WCD is not likely. Instead, consolidation of a water conservation district provides a more likely mechanism.

In this case, a potential consolidation could be with MUNI or SB County Flood Control District. Consolidation offers the greatest level of benefit for resource management, seamless operations, and standardized coverage. For stormwater capture, overhead would reduce as shared equipment and labor would result in savings. All areas would participate in capital costs for new equipment and facility upgrades. Further, the redundancies for multiple elected and appointed officials as well as leadership staff would be eliminated. It would be expected that a single agency could use resources more effectively, and water education activities could consolidate thereby resulting in a single, streamlined message. However, the Commission denied a proposed consolidation of SB Valley WCD and MUNI (LAFCO 3076) in 2009 and the lingering animosity of the processing of that application makes such a proposal unlikely.

LAFCO STAFF RECOMMENDATION:

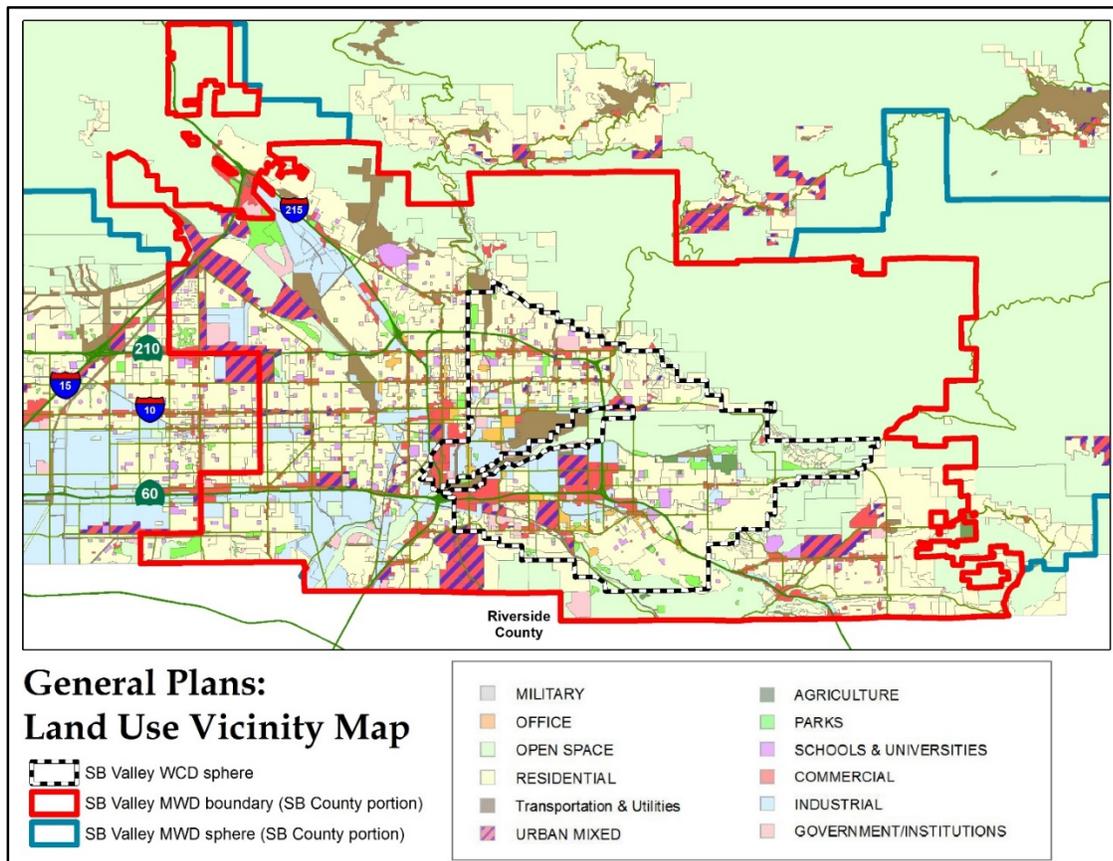
Given the determinations made in the May 2015 service review, the information outlined above, and the determinations required for a sphere amendment which are discussed below, LAFCO staff recommends that the Commission approve the hybrid option which would expand the sphere of influence for the District to encompass the MUNI boundary, the Bunker Hill Groundwater Basin and the additional area to reflect parcel boundaries. This option would allow the SB Valley WCD to participate with other agencies for stormwater capture activities outside of its boundary but within its sphere of influence (via contracts with overlying agencies or possible annexation).

FACTORS OF DETERMINATION

Government Code Section 56425(e) requires that the Commission make a written statement of its determinations on the factors outlined in the statute. The following narrative provides the staff’s analysis of these factors in relation to the hybrid option staff recommends, which includes information from the service review conducted in May 2015 titled “Service Review for Water Conservation in the Valley Region”.

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

The map below illustrates the land use designations of the city and county jurisdictions within the study area. As shown, the full range of land uses vary and include densely developed residential uses, industrial, San Bernardino International Airport and its airport land use plan, open space uses within the floodway of the Santa Ana River, and the San Bernardino National Forest.



The present and probable need for public facilities and services in the area;

Present Need

The population within the MUNI sphere and SB Valley WCD increased 14% and 8%, respectively, from 1990 to 2000. The 2015 estimated population is 679,858 (MUNI sphere) and 231,357 (SB Valley WCD sphere), and projections identify the areas to grow at marked lesser rate of 0.5% annually through 2020.

Population Source	Census			Estimate	Projected			
	1990	2000	2010	2015	2020	2025	2035	2045
Valley Region								
MUNI Sphere	515,456	585,520	665,559	679,858	698,454	737,723	823,010	918,156
SB Valley WCD	195,123	209,886	227,590	231,357	236,176	249,455	278,294	310,466
sources: 1990, 2000, and 2010 population (U.S. Census) 2014 estimate & 2020 Projected (ESRI) 2025 through 2045 population (SCAG and LAFCO)								

There are five basins, or portions of, within the East Valley. The figure below is a summary of the five basins from the Department of Water Resources (“DWR”). As part of the California Statewide Groundwater Elevation Monitoring Program and pursuant to the California Water Code §10933, DWR is required to prioritize California groundwater basins to help identify, evaluate, and determine the need for additional groundwater level monitoring. As identified by the DWR, the Bunker Hill and Riverside-Arlington basins have been designated as High Priority basins (high cumulative ratings as shown in the chart below) and the others as Medium Priority basins for future monitoring.

California Statewide Groundwater Elevation Monitoring Program								
Upper Santa Ana Valley Basin - East Valley								
DWR Rating (1 = low, 5 = high)								
Sub-Basin	Sq. Miles	2010 Pop.	Pop. Growth	GW Reliance	Impacts	Basin Priority	Impact Comments	
Bunker Hill	127	363,394	4	1	3	3 High	Impacted with toxins from Newmark Superfund site & perchlorate from Crafton-Redlands plume.	
Rialto-Colton	47	145,832	4	1	3	3 Medium	Extensive perchlorate contamination in basin.	
Riverside-Arlington	92	336,884	4	2	4.5	5 High	Water quality degradation issues known in several public supply wells.	
San Timoteo	115	54,169	2	5	2.5	3 Medium	High nitrates and salinity. Upper basin water quality issues.	
Yucaipa	40	65,180	3	1	3.5	5 Medium	Overdraft. Documented impacts of nitrates and sulfates.	

For the first time in California’s history, urban water suppliers are required to comply with new mandatory restrictions aimed at achieving a statewide 25 percent reduction in potable urban water use. The Governor’s Executive Order comes as water supplies continue to decline due to the severe drought gripping the state. The need for water conservation resources has intensified due to this circumstance.

Probable Need

It is not until 2025 that the growth rate is projected to increase. LAFCO uses a 30-year horizon for its population projections, and its analysis in conjunction with Southern California Associated Governments (“SCAG”) projections provides a projected population of roughly 918,000 in 2045 for the current MUNI sphere of influence and roughly 310,000 for the current SB Valley WCD boundary. For the MUNI sphere, which includes the territory of the SB Valley WCD, the 2045 figure would be 80% larger that of 1990 with an evident corresponding increase in population density.

The population projections identified above do not include the heavy daily business, commercial, education and industrial activities. Further, the transient traffic on Interstate 10 (one of four interstates that exit Southern California to the east) has significantly increased in volume each decade and is anticipated to continue to do so. All of this signals that the East

Valley Region is densely populated, with heavy travel and that the need for water conservation resources will only intensify for the already impacted groundwater basins.

Over the next 25 years, the subject area population is expected to significantly increase. It is paramount that the agencies recognize the need to develop and promote programs that protect existing water resources for the region's sustainability and future growth. Conservation and the efficient use of water is the most cost-effective source of water supply reliability and are essential to meeting the region's current and future demand.

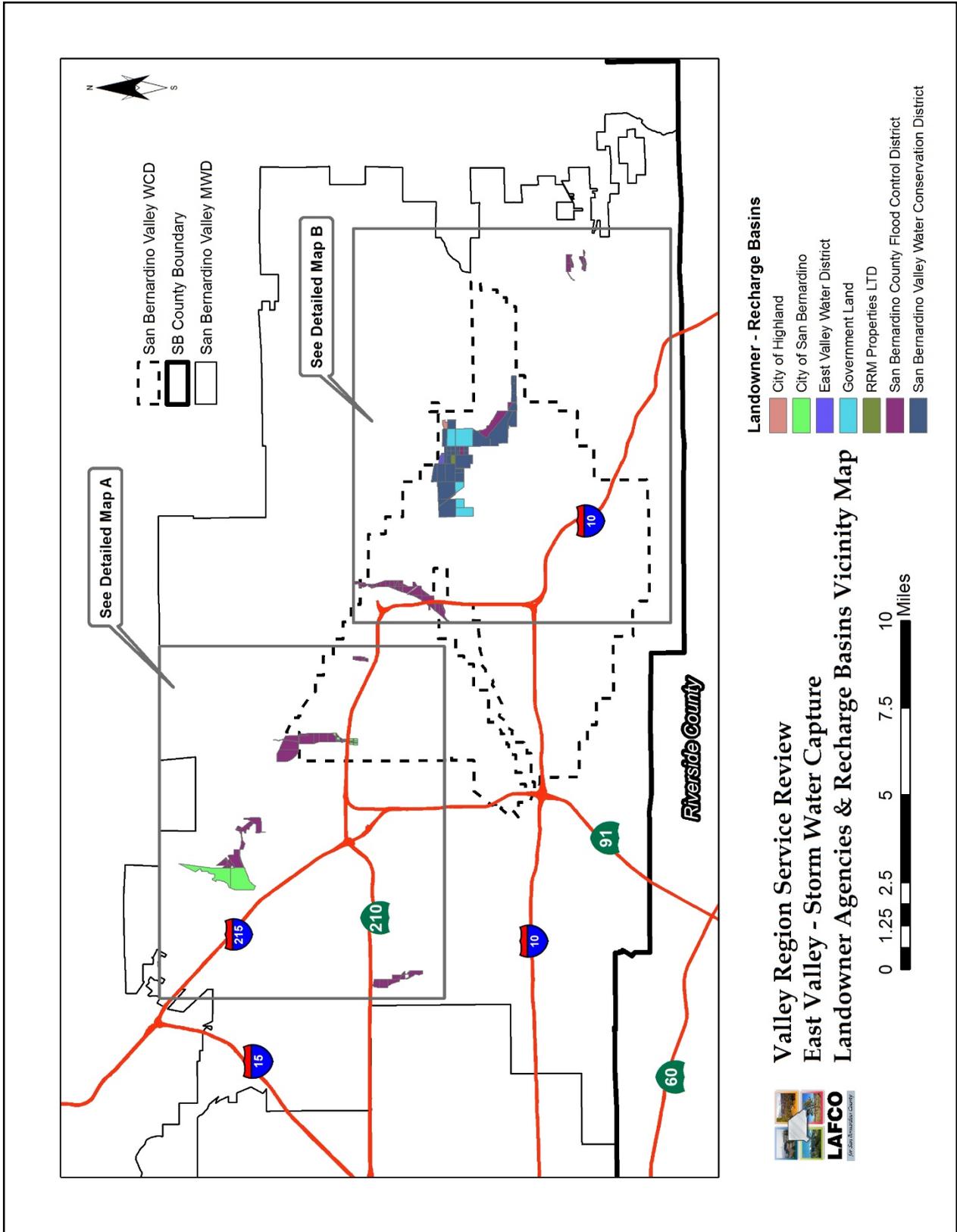
The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;

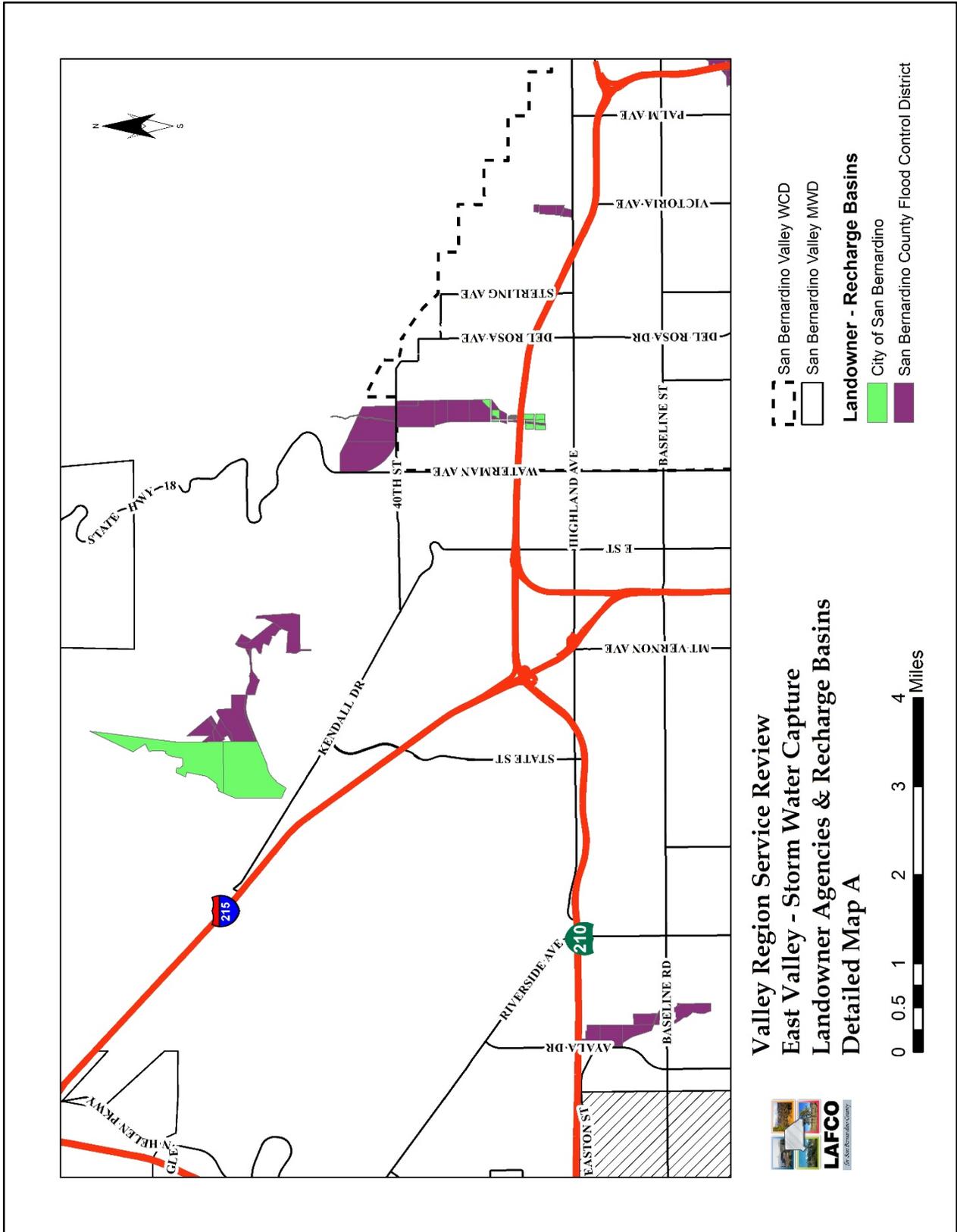
Surface Water Capture

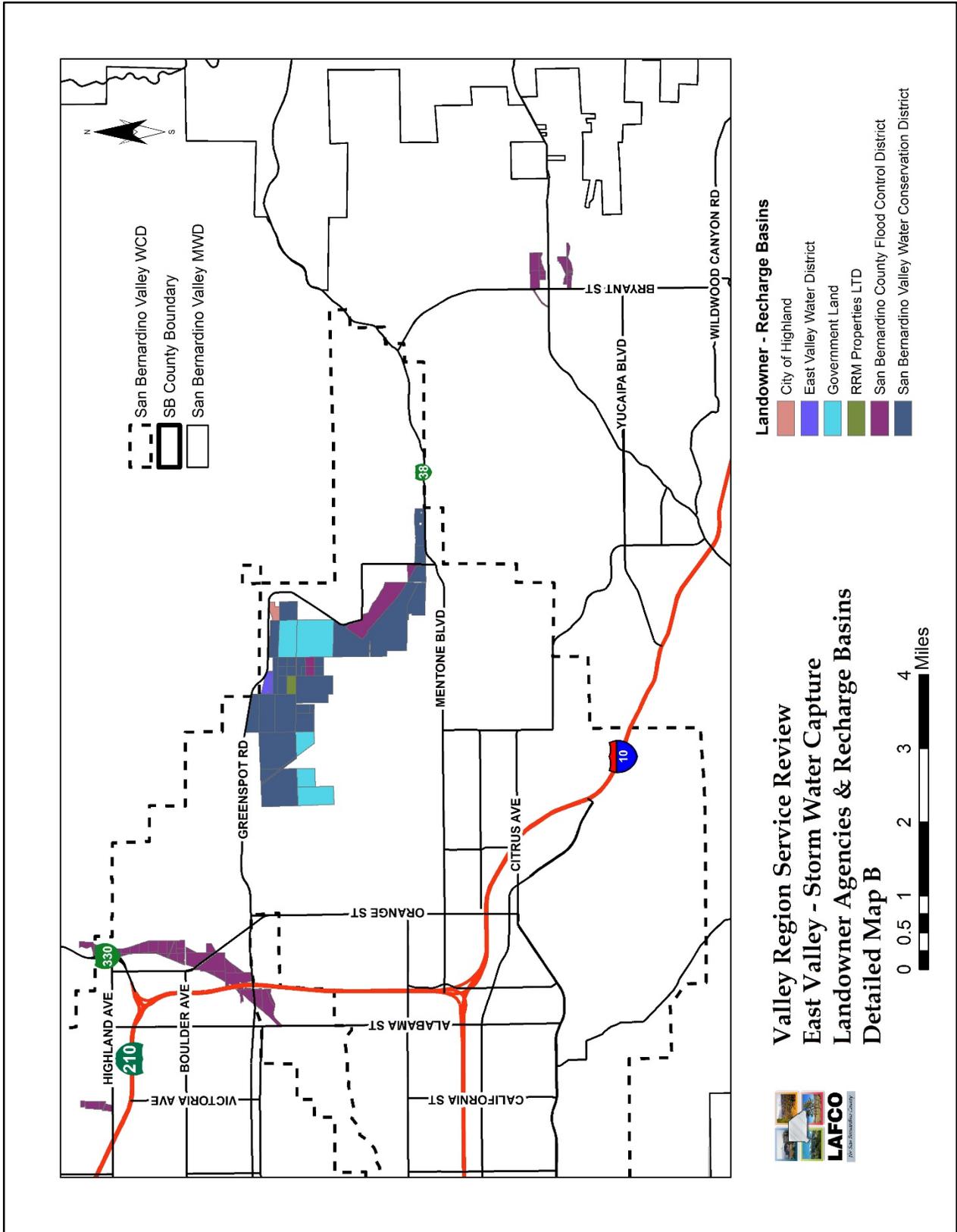
The following agencies actively recharge the groundwater basins (not limited to stormwater/runoff) or account for recharge within the general East Valley. MUNI encompasses the whole of the agencies under LAFCO review and is the court-appointed watermaster for the San Bernardino Basin Area which includes the Bunker Hill Basin in San Bernardino County, which extends into Riverside County.

- Primary Agencies
 - San Bernardino Valley Municipal Water District
 - San Bernardino Valley Water Conservation District
 - San Bernardino County Flood Control District
- Secondary Agencies
 - Beaumont-Cherry Valley Water District
 - City of San Bernardino Municipal Water Department
 - East Valley Water District
 - West Valley Water District
 - Yucaipa Valley Water District

Numerous existing groundwater recharge facilities (spreading grounds or spreading basins) are located in the San Bernardino Basin Area, Rialto-Colton, and Yucaipa basins. Further, more than one agency can play a role in recharge at a single or group of facilities. Therefore, for presentation purposes, the locations of these facilities are shown below by landowner only. Selected characteristics of the facilities are summarized in the following table.







Facility Name	Owner or Operator	Conveyance Used to Serve Facility Turnout Name & Capacity (cfs)	Recharge Facility Characteristics ¹			
			Active Recharge Facility Area ² (acres)	Percolation Rate ³ (feet/day)	Monthly Capacity (AF)	Groundwater Basin (and Subbasin) Recharged ⁴
SAR Spreading Grounds	SBVWCD	Foothill Pipeline	64 ⁴	3	12,000	SBBA (Bunker Hill)
		Santa Ana Low Flow (288)				
		Santa Ana Intake (200 Max)				
Devil Canyon and Sweetwater Basins	SBCFCD ⁵	Foothill Pipeline	30	1.5	1,350	SBBA (Bunker Hill)
		Sweetwater (37)				
Lytle Basins	Lytle Creek Water Conservation Association	Fontana Power Plant	Variable	1.5	Variable	SBBA (Lytle Creek)
		Constructed drainage channel				
City Creek Spreading Grounds	SBCFCD	Foothill Pipeline	75	1.5	3,375	SBBA (Bunker Hill)
		City Creek (60)				
Patton Basins	SBCFCD	Foothill Pipeline	3	0.3	27	SBBA (Bunker Hill)
		Patton (12)				
Waterman Basins	SBCFCD	Foothill Pipeline	120	0.5	1800	SBBA (Bunker Hill)
		Waterman (135)				
East Twin Creek Spreading Grounds	SBCFCD	Foothill Pipeline	32	1.5	1440	SBBA (Bunker Hill)
		Waterman (135)				
Badger Basins	SBCFCD	Foothill Pipeline	15	0.5	225	SBBA (Bunker Hill)
		Sweetwater (22)				
Mill Creek	SBVWCD	Greenspot Pipeline	66	3	6,000	SBBA (Bunker Hill)
		Mill Creek Spreading (50)				
		Mill Creek Intake (110)				
Cactus Spreading and Flood Control Basins	SBCFCD	San Gabriel Valley MWD Lytle Pipeline	46	1.5	2,070	Rialto-Colton
		Lower Lytle Creek (55)				
Wilson Basins	SBCFCD	East Branch Extension	12	1	360	Yucaipa subbasin
		Wilson Basins (30)				
Garden Air Creek	Valley District	East Branch Extension	n/a	n/a	n/a	San Timoteo subbasin
		Garden Air Creek (16)0				

¹ Values are from tabulation on map contained in Water Right Application by Valley District and Western to appropriate water from the SAR or by engineering evaluation of spreading grounds.

² Recharge facility area is the geographical extent of each basin that can be inundated for recharge.

³ Estimated percolation rate. This is the estimated rate at which water can percolate into the ground through the basin, expressed in feet per day. The values used have generally been computed from the annual recharge capacity. These rates are typically about one-half of the percolation rates presented by the USGS (1972). The use of the small percolation rates is reasonable in that it would involve longer-term percolation rates that are typically smaller than short-term rates.

⁴ Note that there may be flow out of the subbasin or basin identified. For example, a report by Geoscience Support Services, Inc. (1992) estimated that only 36 percent of the water recharged in the upper Lytle Creek area remains in the Lytle Creek subbasin, while most of it flows to the Rialto-Colton subbasin.

⁵ Recharge facility area based upon 4/11/03, SBVWCD Report: "SBVWCD Basin Storage Capacity for SAR and MC." Or by estimating using GIS.

Source: Upper Santa Ana River Watershed: Integrated Regional Water Management Plan. 2015.

In response to the draft staff report for the service review, SB Valley WCD clarified the data in the chart above as follows:

- SAR Spreading Grounds – Diversion capacity at Cuttle Weir is approximately 900 CFS, current capacity under Greenspot trail is 200-250 CFS. Enhanced Recharge Cooperative project is designed to increase to 500 CFS.
- Mill Creek Row - Two 50 CFS canals can deliver a peak of 100 CFS. Improvements are in design to upgrade the reliability at this capacity during more productive storm events.

In response to the draft staff report for the service review, the San Bernardino County Flood Control District clarified the data in the chart above by noting that it's Oak Glen and Wildwood basins are a part of the Yucaipa area basins.

San Bernardino Basin Area

The Bunker Hill Basin and surrounding areas comprise the San Bernardino Basin Area. The Bunker Hill Basin is an adjudicated groundwater basin through a 1969 judgment in *Western Municipal Water District v. East San Bernardino County Water District* which appointed MUNI and Western Municipal Water District as Watermasters for the San Bernardino Basin Area. As Watermaster, MUNI is required to monitor and replenish the basin when surface diversions and groundwater extractions exceed the determined safe yield. Groundwater extraction and replenishment activities must be carefully balanced in the Bunker Hill Basin due to the unique hydrogeology of the basin. As its primary mission, SB Valley WCD is also responsible for replenishment of the Bunker Hill Basin which it accomplishes through a network of canals, diversion structures, and percolation basins.

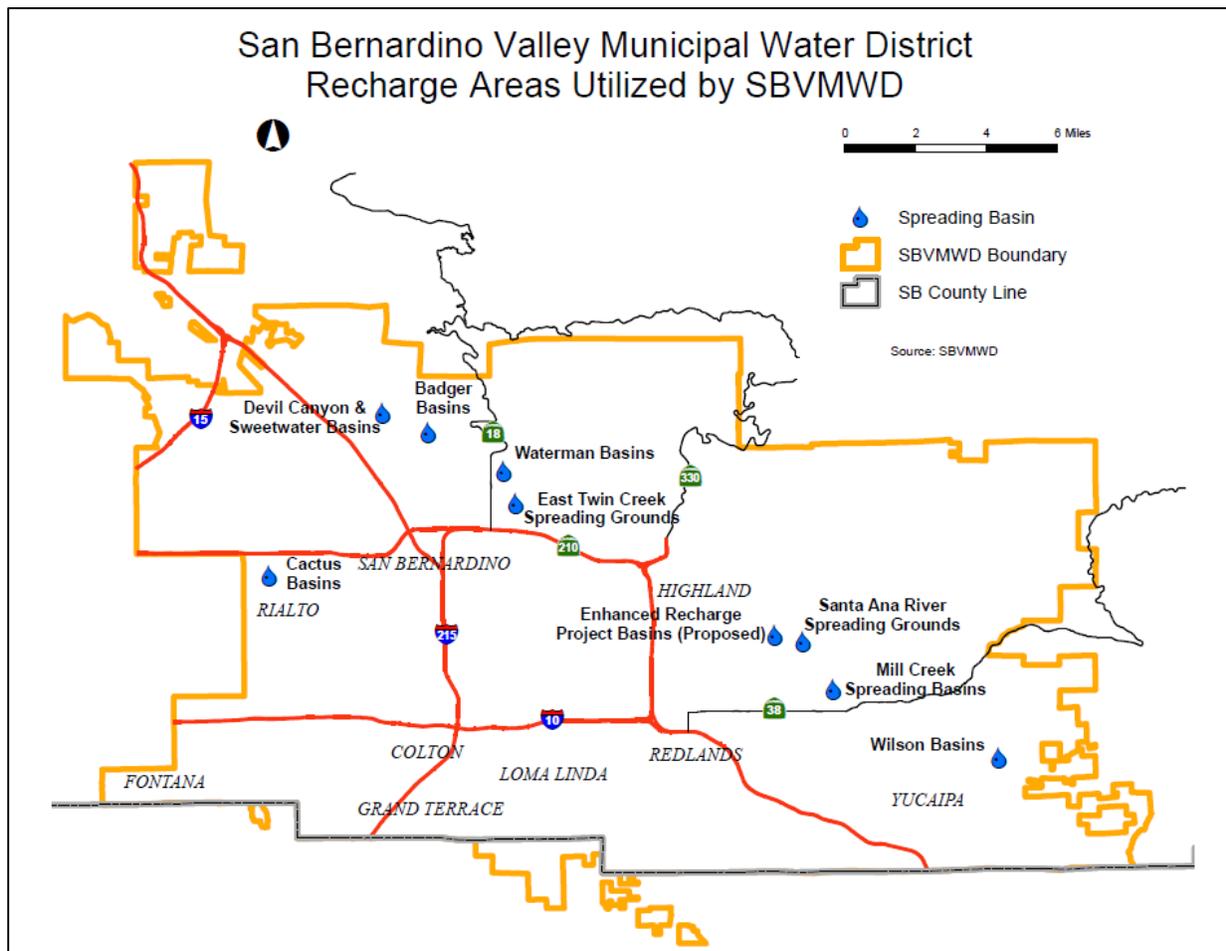
MUNI and SB Valley WCD cooperatively monitor and report on surface and groundwater for the Bunker Hill Basin. SB Valley WCD provides the Daily Flow Report for surface water and annual Engineering Investigation Report for groundwater levels and change in storage as required by the Water Code Section 75601. According to MUNI, groundwater storage in the San Bernardino Basin Area is currently 650,000 acre-feet lower than it was in the base year, 1934. This new, historic low storage level is about 78,000 acre-feet lower than the previous, historic low storage level recorded in 1965.

San Bernardino Valley Municipal Water District

MUNI is responsible for long-range water supply management, including importing supplemental water, and is responsible for most of the groundwater basins within its boundaries and for groundwater extraction over the amount specified in the judgments. It has specific responsibilities for monitoring groundwater supplies in the San Bernardino and Colton-Rialto basins and maintaining flows at the Riverside Narrows on the Santa Ana River. It fulfills its responsibilities in a variety of ways, including importing water through the State Water Project ("SWP") for direct delivery and groundwater recharge and by coordinating water deliveries to retail agencies throughout its service area.

MUNI receives delivery of SWP water at the Devil Canyon Power Plant Afterbay, which is located just within its northern boundary. Water is conveyed 17 miles eastward to various spreading grounds, agricultural, and wholesale domestic delivery points in the San

Bernardino Basin, which are shown in the figure below. Water is also conveyed westward for direct delivery and recharge in the Colton-Rialto basin.



San Bernardino Valley Water Conservation District

SB Valley WCD and its predecessors have conducted groundwater recharge activities since 1912 or earlier in two areas that overlie the Bunker Hill groundwater basin in the San Bernardino Valley. These areas are at the upper end of the Santa Ana River wash area and on Mill Creek just upstream of the confluence with the Santa Ana River (collectively, the wash area). The SB Valley WCD diverts surface water flows during both storm and normal runoff from the Santa Ana River and Mill Creek and channels the flows into two separate systems of recharge basins. From there, it percolates into the groundwater basin for later pumping and use by local entities and private producers.

To accomplish the recharge, the District maintains 71 water percolation basins in the Mill Creek and Santa Ana River spreading grounds. The District also plans for, maintains or leases over 3,600 acres in the Santa Ana River Wash at and below the confluence of the Santa Ana River and Mill Creek. With water years 2013 and 2014 being dry years, the District recharged all water that was available; 7,946 acre feet of water successfully

recharged into the groundwater basin for the water year ending September 30, 2013, and 8,153 acre feet for the water year ending September 30, 2014.

SB Valley WCD has two water right licenses that allow for up to 10,400 acre feet of Santa Ana River water to be diverted for groundwater recharge during certain periods during the year. SB Valley WCD also claims to hold certain quantities of pre-1914 water rights on the Santa Ana River and Mill Creek.

Agreement to Develop and Operate Enhanced Recharge Facilities

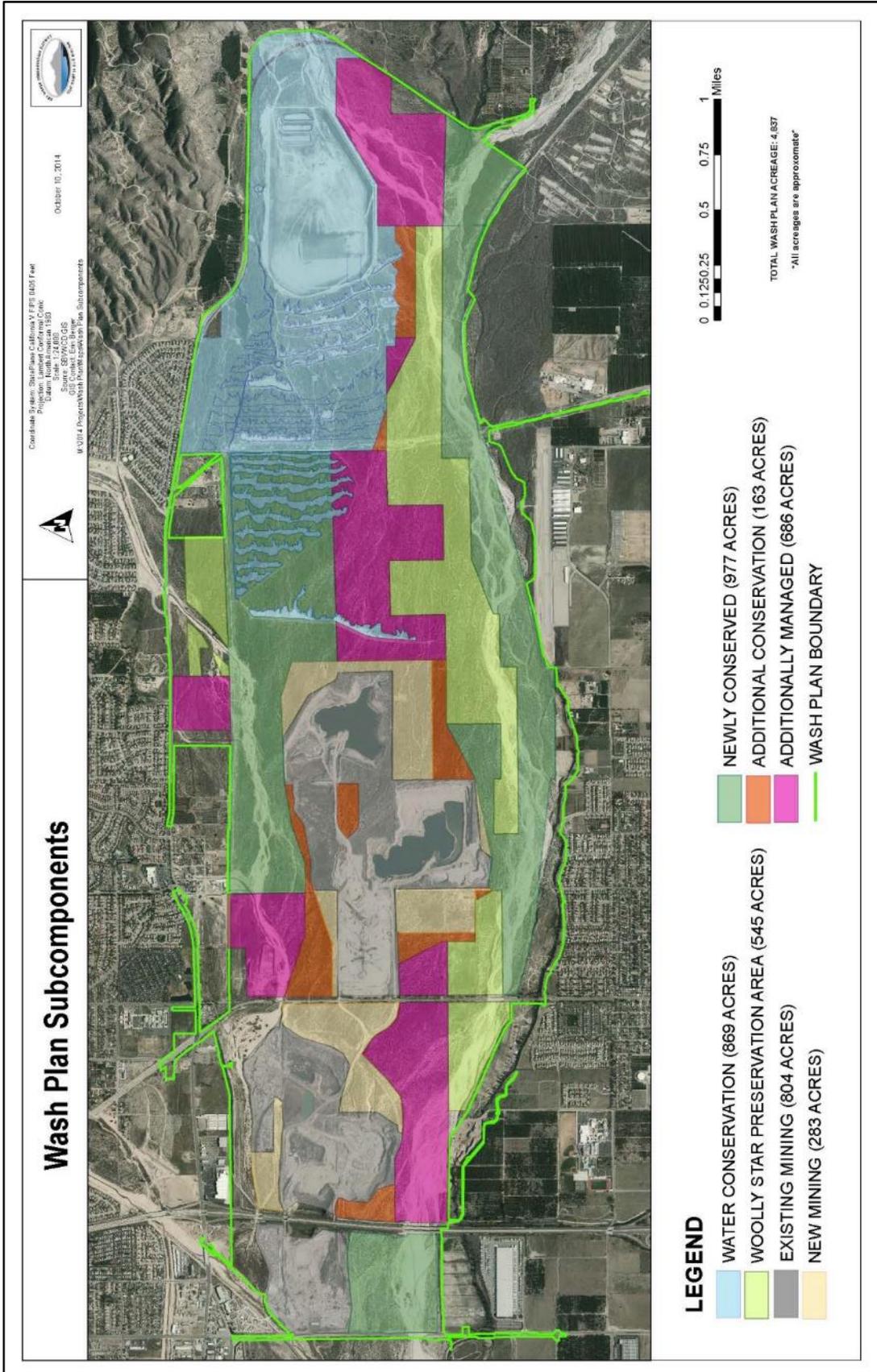
In 2012 an agreement to develop and operate enhanced recharge facilities was entered into by the SB Valley WCD, MUNI, and Western Municipal Water District (Riverside County entity which is a party to the adjudication). The purpose for the agreement is to allow for collaboration by increasing opportunities to recharge local surface water supplies, as well as State Project Water, in the San Bernardino Basin Area by reducing the time and cost required to permit and construct essential public infrastructure (such as spreading basins); and by working together to achieve an efficient division of labor in the operation and maintenance of water infrastructure.

The goal of the agreement is to harmonize their water resource activities with other uses of lands in the area, for the optimization of coordinated use by all. The other uses in the area include the mining of sand and gravel mineral deposits pursuant to existing leases, and habitat conservation and management, pursuant to a series of multi-agency cooperative initiatives (as yet unapproved) involving local, state, and federal resource management and control agencies. The parties agreed that they must increase groundwater storage in the basin in order to meet current and future demands for water among their constituents. The agreement term is for 25 years with optional renewals.

Upper Santa Ana River Habitat Conservation Plan (Wash Plan)

A key planning and management effort is the Upper Santa Ana River Habitat Conservation Plan (also known as the "Wash Plan"). Located at the confluence of the Santa Ana River and Mill Creek, the Wash Plan is generally bounded on south by the Santa Ana River, on the north and east by Greenspot Road, and continues west to Alabama Street. This plan is a long term environmental, infrastructure, and management approach to create a comprehensive program to manage the Wash Area. A map showing the Wash Plan sub-components is shown in the figure below. The development of this plan continues to be difficult and requires the participation of a Task Force, made up of stakeholder communities and partners as well as resource agencies, U.S. Fish and Wildlife Service, the Bureau of Land Management ("BLM"), and the California Department of Fish and Wildlife. The Task Force intends to have an approved program by the end of calendar year 2015.

In 2012 and 2013 the SB Valley WCD was able to work with the U.S. Fish and Wildlife Service to refocus efforts and increase progress toward completion of the Wash Plan Habitat Conservation Plan. The plan supports a land exchange between SB Valley WCD and the BLM to improve water recharge thereby enhancing local supplies and continuing to supply the region aggregate for local construction projects. This plan will contribute significant environmental improvements to habitat for several endangered species including the San Bernardino Kangaroo Rat and the Santa Ana River Woolly Star plant in the wash. The plan also allows expanded water conservation facilities, mining, transportation and trails.



Education and Demonstration

San Bernardino Valley Municipal Water District

MUNI offers large water users (1,500 ccf per year, or higher) a financial incentive to invest in weather stations and weather based irrigation controllers, and has developed a brochure that offers a variety of water efficient plants that do well in the Southern California climate.

As a wholesaler, MUNI is not responsible for the demand reductions required by the Water Conservation Act of 2009 – SBX7-7 (10% demand reduction by 2015 and 20% by 2020) but is responsible for helping the retail agencies within its boundary achieve their water use reductions (Water Code §10608.36). MUNI's water use efficiency program is designed to help the retail agencies within its service area achieve their demand reductions.

San Bernardino Valley Water Conservation District

The District currently budgets very limited funding toward conservation education and outreach efforts. Instead, it focuses on water recharge efforts in cooperation with other agencies. SB Valley WCD also participates with the Inland Empire Resource Conservation District (IERCD) in its Elementary School Education efforts. By partnering with the IERCD the District can convey messages about conservation and its efforts to help while supporting the existing programs. This cost effective program shares staff and facilities, and achieves multiple goals at a low cost.

SB Valley WCD is the local sponsor (with the Basin Technical Advisory Committee, Conservation Subcommittee) to provide QWEL (Qualified Water Efficient Landscaper Board) training for landscapers. Instructors are drawn from local district conservation staff and IERCD staff. The District co-sponsored the cost of the training for participants from the service area. The training was held in cooperation with Chino Basin Water Conservation District at their facilities in December 2014. In response to the draft staff report, SB Valley WCD states that it works closely with agricultural and commercial groundwater producers to address conservation opportunities and is an active participant in the regional iEfficient program and helps fund the program.

The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency;

Within the study area are the following social communities of interest: all or portions of the Bunker Hill, Rialto-Colton, Riverside-Arlington, San Timoteo, and Yucaipa Groundwater Basins; the Cities of San Bernardino, Colton, Loma Linda, Redlands, Rialto, Highland, Grand Terrace, and Yucaipa; and unincorporated communities of Bloomington, Mentone, Muscoy, and Oak Glen.

Economic communities of interest are vast and varied. To illustrate this point, the subject area includes heavy business, commercial, education, and industrial activities, as well as an international airport. Further, the transient and freight traffic on Interstate 10 (one of four interstates that exit Southern California to the east) has significantly increased in volume each decade and is anticipated to continue to do so. All of this signals that the area includes dense population and heavy travel.

AUTHORIZED POWERS:

When adopting or amending a sphere of influence for a special district, the Commission is required to establish the nature, location, and extent of any functions or classes of services provided by the district (Government Code §56425(i)). LAFCO staff recommends that the Commission affirm the service description for San Bernardino Valley WCD as identified in the *LAFCO Policy and Procedure Manual, Section VI, Chapter 3: Listing of Special Districts within San Bernardino LAFCO Purview - Authorized Functions and Services*, as follows:

**San Bernardino Valley
Water Conservation
District**

Water Conservation

Appropriation, acquisition, and conservation of water and water rights for any useful purpose. Acquisition and construction of dams, reservoirs, canals, conduits, spreading basins, and sinking basin in order to conserve, store, spread and sink water.

Surveys of Water Supply
and Resources

Make surveys and investigation of the water supply and resources of the Water Conservation District.

According to SB Valley WCD, habitat management and enhancement in accordance with the Wash Plan is both a requirement and an opportunity for the district. However, SB Valley WCD is not authorized by LAFCO or State Law the function or service of habitat management or similar activity. Further, Water Conservation District Law does not allow for a water conservation district to provide habitat management services. Since March 2006, SB Valley WCD is authorized by LAFCO to provide “water conservation” and “surveys of water supply and resources” pursuant to the *LAFCO Policy and Procedure Manual*. Should the District desire to actively provide habitat management and enhancement, it would need to receive special legislation to expand the scope of its authorized activities in Water Conservation District Law as well as submit an application to LAFCO requesting authorization to provide said service. As an alternative to SB Valley WCD providing habitat management and enhancement, the IERCD could perform this service as its parent act and LAFCO authorize it to do so.

ENVIRONMENTAL CONSIDERATIONS:

The Commission’s Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has indicated his recommendation that the review of LAFCO 3173 is statutorily exempt from California Environmental Quality Act (CEQA). This recommendation is based on the finding that the sphere amendment as a planning boundary is not judged to pose any adverse changes to the physical environment. Therefore, the sphere amendment is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b) (3). A copy of Mr. Dodson’s analysis is included as Attachment #5 to this report.

CONCLUSION:

Given the determinations made in the May 2015 service review, staff's analysis of the options presented for this sphere amendment, and the determinations required for a sphere amendment which are discussed in this report, LAFCO staff recommends that the Commission approve the hybrid option which is a sphere expansion to encompass the territory of the San Bernardino Valley Municipal Water District and additional surrounding area. This option will provide the framework for the district to have a greater role in recharge planning and education activities throughout the Basin and to a larger area as part of the Groundwater Sustainability Council should it come to fruition.

However, the SB Valley WCD, MUNI, and East Valley Water District have submitted a joint letter signed by the respective general managers requesting that the Commission move forward with the re-establishment of a sphere of influence for SB Valley WCD as requested, which includes the district's boundary and the wash area (Option 1). Should the Commission determine that this is the option of choice, it will need to advise staff on the factors of determination to reflect this as the best option and continue the adoption of the resolution until the November 2015 hearing to allow staff additional time for consideration.

KRM/MT

Attachments:

1. [Maps of the Three Sphere of Influence Options and the Staff's Hybrid Option for San Bernardino Valley WCD](#)
2. [District's Application to LAFCO](#)
3. [Service Review for Water Conservation in the Valley Region \(May 2015\) with links to Attachments \(accessible from digital copy\)](#)
4. [Joint Letter dated July 9, 2015 from San Bernardino Valley Water Conservation District, San Bernardino Valley Municipal Water District, and East Valley Water District](#)
5. [Letter from Tom Dodson of Tom Dodson and Associates](#)
6. [Draft Resolution No. 3204](#)