


LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: FEBRUARY 14, 2018 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9: Update on LAFCO 3187 – Countywide Service Review for Water Continued Monitoring

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Note receipt of status report and file.
2. Continue the status report for Daggett Community Services District to the March 21, 2018 hearing.
3. Close monitoring of County Service Area 70 Zone CG.
4. Set the next status report for the August 2018 hearing for County Service Area 70 Zone J and County Service Area Zone W-4.

BACKGROUND:

As a part of its Countywide Service Review for Water (LAFCO 3187), LAFCO at its July 19, 2017 hearing directed staff to:

1. Monitor two board-governed agencies and provide an update to the Commission at the February 2018 hearing:
 - A. County Service Area 70 Zone CG (Cedar Glen)
 - B. County Service Area 70 Zone J (Oak Hills)

2. Coordinate with Mojave Water Agency (“MWA”) to seek further assistance for the Daggett Community Services District through MWA’s Small Water Assistance Program.

Resolution No. 3248 for LAFCO 3187 memorialized the Commission’s actions, and this staff report provides the updates directed by the Commission.

Additionally, during the service review’s presentation significant public comment was provided regarding the water quality challenges of County Service Area 70 Zone W-4 (Pioneertown). The service review classifies CSA 70 W-4 as a “hot spot”, and the Commission questioned if there was a LAFCO solution for the matter. Staff responded that multiple agencies are involved, including the Federal Environmental Protection Agency, and that the Commission cannot initiate a change of organization related to this matter. However, due to the significant challenges identified in the service review coupled with the public comments, LAFCO staff is also providing the Commission with an update on CSA 70 W-4.

County Service Area 70 Zone CG (Cedar Glen)

Agency and Area Description

County Service Area 70 Zone CG (“Zone CG”) is governed by the County Board of Supervisors, and is located in the Mountain Region adjacent to the Lake Arrowhead community. In 2005 the County Board formed CSA 70 Zone CG for the purposes of providing water and future road maintenance service to the area impacted by the Old Fire of 2003 (Cedar Glen Disaster Recovery Redevelopment Project Area). The Zone provides water service to the community of Cedar Glen and serves approximately 330 customers.

Service Review Recap

Below is the summary from the water service review for Zone CG:

- Issue - County Service Area 70 Zone CG (Cedar Glen) experiences ongoing challenges due to County’s purchase of a failing water system as detailed in Section IV.
- Staff Recommendation - *Direct staff to continue to monitor the Zone CG system and provide an update to the Commission by February 2018.*

Update

The County Special Districts Department is continuing to improve the water system with many projects to ensure that customers in Cedar Glen have a safe potable water supply now and in the future. The Department has already completed numerous pipeline projects, valve and hydrant projects, and the construction of Western Tank. The following is a list of current projects now in process:

Project	Location	Project Stage	Anticipated Construction Completion
Cypress Tank Construction	Located on Cypress Road	Construction phase	March 2018
Cypress Tank Pipeline Project	Located on Cypress Road	Design phase – 100%	October 2018
Hook Creek Pneumatic Tank Site	Located on Hook Creek Road	Design phase – 100% completed	October 2018
Horizontal Well Site - Pump Station	Located off of Pineridge	Design phase – 100% completed	December 2018
Cypress Tank Site – Pump Station	Located on Cypress Road	Design phase – 100% completed	January 2019

LAFCO Analysis

As a part of the Countywide Service Review for Water, Zone CG was classified as a “hot spot” due to the infrastructure challenges it faces. No Commission action was recommended as the water system is a county service area zone, which do not have spheres of influence.

The County Special Districts Department has provided information that shows improvements to the failing system that the County purchased. Therefore, LAFCO staff recommends that no further formal monitoring occur.

County Service Area 70 Zone J (Oak Hills)

Agency and Area Description

County Service Area 70 Zone J (“Zone J”) is governed by the County Board of Supervisors,. The zone provides funding for retail water service to 3,255 customers in Oak Hills within the Hesperia community.

Service Review Recap

Below is the summary from the water service review for Zone J:

- Issue - All sources have hexavalent chromium above MCL; Zone J is currently working on a hexavalent chromium compliance plan under Senate Bill 385 to achieve compliance; previous service review determined the need to resolve boundary conflicts between the Hesperia Water District and Zone J in the Maple/Topaz strip which is currently a part of the City of Hesperia.
- Hot Spot Identification – CSA 70 Zone J has been identified in this service review as a hot spot due to the issues identified above and detailed in Section V.

- Staff Recommendation - Indicate the Commission's preference that the Hesperia Water District and Zone J implement a mechanism (e.g., joint powers agreement or memorandum of understanding) to provide stability to the water source and boundary challenges in the overall Hesperia and Oak Hills communities.

Although LAFCO staff is working with the Hesperia Water District and CSA 70 Zone J on a mechanism to resolve the boundary conflicts, staff recommends that the Commission direct staff to continue to monitor the Zone J system and provide an update to the Commission by February 2018.

Update

County Special Districts Department provide the following update to the Zone J system:

While the district currently does not exceed the MCL for total chromium and is not currently in violation of hexavalent chromium, the Department continues to evaluate the elevated hexavalent chromium in CSA 70 J and continues to monitor the State's re-evaluation of the hexavalent chromium MCL. The Department conducted three pilot studies in CSA 70 J in 2017 to evaluate the removal of hexavalent chromium, including: Layne Christensen Company conducted Zone Testing at Well #1; Layne Christensen Company conducted a pilot of Weak Based Anion hexavalent chromium removal; and Water Remediation Technology (WRT) pilot tested packed-bed media filtration for hexavalent chromium removal. The Department is continuing to keep apprised of the State's action regarding this issue and should the State set an MCL for hexavalent chromium, the Department is evaluating and monitoring Coachella Valley Water District's pilot test in which stannous chloride is being used to convert chromium-6 to chromium-3, which is a nutrient that the body needs to process certain sugars, fats, and proteins.

The Department is continuing to work with the City of Hesperia [Hesperia Water District] on a Joint Powers Agreement to manage the water system and water exchange in those areas where CSA 70 J is providing water service within the City of Hesperia. County Counsel has reviewed the agreement and it was sent to the City of Hesperia. The City had comments and questions that the County is currently answering. The County is anticipating to have the agreement sent back to the City by the end of this week [week of Feb 12] for their review.

LAFCO Analysis

As a part of the Countywide Service Review for Water, Zone J was classified as a "hot spot" due to the water quality challenges it faces, as well as lingering boundary irregularities that have patch work fixes. No Commission action was recommended as the water system is a county service area zone, which do not have spheres of influence.

The County Special Districts Department has provided information identifying that the water contaminants do not currently exceed the MCL. However, staff's understanding of the State's reevaluation of the hexavalent chromium MCL is that the State will be re-adopting a lower MCL level but with adequate substantiation to support that level. As for the boundary

irregularities and water exchange with the City of Hesperia subsidiary Hesperia Water District, progress towards forming a JPA is occurring.

While progress has been made, LAFCO staff recommends that the Commission direct staff to return in six months, at the August 2018 hearing, with an update on the Zone J system and the potential agreement with the Hesperia Water District.

Daggett Community Services District

Inadvertently, Daggett CSD was not provided notice of the February 21 hearing. Therefore, LAFCO staff recommends continuing the status report for Daggett Community Services District to the March 21, 2018 hearing.

Additionally, LAFCO staff has obtained information on the efforts of Daggett CSD and CRWA to obtain grant funding and possibly drill new wells. Staff understands that additional information will be provided shortly regarding submission of an engineering report to the appropriate state agencies. This additional information will provide for a more timely and complete update on the determinations from the Water Service Review.

County Service Area 70 Zone W-4 (Pioneertown)

Agency and Area Description

The domestic water system of County Service Area 70 Zone W-4 (Zone W-4), which has been maintained and managed under the County Special Districts Department's Water and Sanitation Division since 1980, has 120 service connections in the desert community of Pioneertown northwest of Yucca Valley. Zone W-4 is within the sphere of influence of Hi-Desert Water District, but not within Hi-Desert Water District's boundary.

Service Review Recap

Below is the summary from the water service review for the CSD:

- Issue - Notice of Violation issued in March 2016 by U.S. EPA indicating water system in violation of Safe Drinking Water Act for exceeding MCL for arsenic, fluoride and uranium; state grant funding provides customers with bottled water supplies every two weeks.
- Staff Recommendation – *No Commission action because zones do not have spheres of influence. See "Opportunities" below.*
- Opportunities - Classified as a small water system and eligible for SB 88 funds; funding requires consolidation with an adjacent system; CSA 70 W-4 under consideration for potential SB 88 consolidation with Hi-Desert Water District.

Update

On October 31, 2017, the County Board of Supervisors took actions related to the Zone W-4 water system, to include:

- Approving the submittal of a grant application to the United States Department of Agriculture (USDA)-Rural Development requesting federal funding in the amount of \$2,500,000 for the Pioneertown Pipeline and Water System Improvement Project.
- Approving the Water Exchange Agreement with the Hi-Desert Water District (HDWD) allowing Zone W-4 access to groundwater within the Warren Valley Sub-basin in exchange for an equal amount of groundwater provided to HDWD from within the Ames/Reche Basin pursuant to the water rights of Zone W-4 for a term of 20 years, with an annual service and exchange charge to Zone W-4 of \$1,000 that increases by 5% after each five years of the agreement.

The Water Exchange Agreement with HDWD is a required stipulation to both SWRCB and USDA grant funding, as the Project is not viable without securing a clean water source.

On December 12, 2017, the HDWD approved the Water Exchange Agreement with the County. The board agenda items from the County and HDWD are included as attachments to this report.

LAFCO Analysis

As a part of the Countywide Service Review for Water, Zone W-4 was classified as a “hot spot” due to the water quality challenges it faces. No Commission action was recommended as the water system is a county service area zone, which do not have spheres of influence. Further, Zone W-4 is already within the sphere of influence of HDWD. Therefore, the service review did not have any recommendations for Commission action.

While progress has been made, LAFCO staff recommends that the Commission direct staff to return in six months, at the August 2018 hearing, with an update on the Zone W-4 system.

CONCLUSION:

Due to issues identified in the Countywide Service Review for Water in July 2017, the Commission directed staff to return at the February 2018 hearing with updates for three water systems. Additionally, staff included an update for the CSA 70 Zone W-4 system due to the gravity of the situation related to water quality.

Significant progress has been made on improving the County Service Area 70 Zone CG system; therefore, LAFCO staff recommends no further monitoring. LAFCO staff does recommend, however, that the Commission direct staff to return in six months, at the August 2018 hearing, with an update on the Zone J and Zone W-4 systems. Additionally,

staff recommends that the Commission continue the status report for Daggett Community Services District to the March 21, 2018 hearing.

KRM/MT

Attachments:

1. LAFCO Resolution 3248 for LAFCO 3187 and Executive Summary from LAFCO 3187
2. County Service Area 70 Zone CG (Cedar Glen)
 - a. Map
3. County Service Area 70 Zone J (Oak Hills)
 - a. Map
4. Daggett Community Services District
 - a. Map
5. County Service Area 70 Zone W-4 (Pioneertown)
 - a. Map
 - b. County of San Bernardino Board Item 53 from October 31, 2017
 - c. Hi-Desert Water District Board Item from December 12, 2017
 - d. Copy of Contract between the County and Hi-Desert Water District