

**SUPPLEMENT
SPECIAL DISTRICT SERVICES
ACTIVATION OR DIVESTITURE OF FUNCTION/SERVICE**

INTRODUCTION: The questions on this form are designed to obtain data about the specific service(s) requested to be authorized for the district. The purpose is to allow the Commission, staff and others to adequately assess the proposal. You may also include any additional information which you believe is pertinent, using additional sheets, where necessary, and including any relevant documents.

1. Please identify the function(s)/service(s) proposed for activation:

Example: (Function) *Water* (Service) *Retail, wholesale, domestic, industrial, irrigation, fire protection, sanitation*

FUNCTION	SERVICE
<u>Wastewater</u>	<u>Wastewater Treatment, Reclamation, Disposal, and Recharge of Recycled Water</u>

2. Provide a statement of the reason(s) for the proposal which shall include, but not be limited to, a description of any existing service deficiency, general plan determinations (existing or anticipated change necessitating service), anticipated growth rate (please identify source of data), topography, etc.

Within the service area of East Valley Water District (District), there are major developments which are expected to add approximately 5,000 dwelling units over the next decade, as identified within the General Plans of the local land use authorities. The District currently provides sewer collection services, and by providing wastewater treatment this new recycled water supply could be used for groundwater recharge. This resource utilization would allow for the District to provide these services in a cost effective and efficient manner consistent with water conservation efforts.

3. What service(s) was the District authorized to provide at the time of its formation? (Would be identified in final resolution approving formation or included in election decision – a copy of this document may be attached to fulfill this requirement.)

When the District was established in 1954, it had authorization for functions under the California Water Code, including wastewater treatment and reclamation. When Independent Special Districts were seated on the San Bernardino LAFCO in 1976, the Commission was required by law to adopt "Rules and Regulations Affecting Special Districts" which established the "active" and "latent" powers for each of the special districts under its purview. The active authorized services of the District were identified as:

Water: Retail, agricultural, domestic, and replenishment
Sewer: Collection
Park and Recreation: Development, maintenance in conjunction with water facilities

4. Provide an identification of any multiple purpose districts within the area authorized to provide the identified function/service activation. Include a description as to why the preferred choice has been made.

City of San Bernardino Water Department is currently authorized through a mutual JPA however their facilities do not allow for recharge of the local groundwater basin. The proposed latent power activations for the District would result in a regional benefit through the development of recycled water for replenishment of the local groundwater basin. A mutually beneficial agreement has been reached with the City to facilitate the District's authority activations while maintaining rate stability and continuity of service within the City of San Bernardino. See attached Appendix 3- Settlement Agreement.

San Bernardino Valley Municipal Water District (Valley District) is currently authorized to provide the services of wastewater treatment within their service area, which includes the boundaries of the District. Valley District supports the activation of the requested services and the development of recycled water facilities by the District.

5. PLAN FOR SERVICES:

The requirements for the Plan for Service are outlined in Government Code Section 56824.12 and are summarized below:

1. The total estimated cost to provide the new or different function or class of service within the District's boundaries. This projection shall be, at a minimum, for a five-year period.
2. The estimated cost of the new or different function or service to existing customers within the district's jurisdictional boundaries. (The cost can be identified by customer class).
3. An identification of existing providers, if any, of the function(s)/service(s) and the potential fiscal impact of this activation to the customers of those providers.
4. A plan for financing the establishment of the new or different function/service within the district's jurisdictional boundaries. A five-year projection of revenues (at a minimum) with discussion about the sufficiency of revenues to fund the anticipated ongoing maintenance and operation of the service is required. This plan should include:
 - a. An indication of whether territory is or will be proposed for inclusion within a proposed improvement zone/district, assessment district, or community facilities district to fund the service.
 - b. If retail water service is proposed to be activated through this action, provide a description of the timely availability of water for projected needs within the area. (The response should be patterned after the factors identified in Government Code Section 65352.5 related to an Urban Water Management Plan.)
5. A discussion of the alternatives to the establishment of the new or different service within the District's boundaries/service area.

This plan shall, at a minimum, respond to each of the items identified above and shall be signed and certified as to its completeness and accuracy by an official of the requesting agency.

CERTIFICATION

As a part of this application, the East Valley Water District District/Agency agrees to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

The district signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the proponent to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in any attachments and exhibits hereto present the data and information required 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 February 21, 2018



SIGNATURE OF APPLICANT

John Mura

PRINTED NAME

General Manager/CEO

TITLE