

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE: JUNE 7, 2004
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #4—LAFCO 2922: Service Review and Sphere Of Influence Update for the West Valley Water District (Formerly West San Bernardino County Water District)

INITIATED BY:

San Bernardino Local Agency Formation Commission

RECOMMENDATION:

1. Determine that LAFCO 2922 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption within five days;
2. Make findings related to a service review required by Government Code Section 56430 and determine that the sphere of influence for the West Valley Water District should include:
 - a. The parcels upon which the District's administrative facilities are located (Assessor Parcel Numbers 0128-021-14, -29, and -33);
 - b. The territory within the County Boundary Exchange effective December 2003;
 - c. The parcels southerly of the I-10 Freeway, generally between Linden and Locust Avenues; and,

- d. Confirmation of the balance of the existing sphere of influence boundaries.
3. Adopt LAFCO Resolution #2821 setting forth the Commission's findings and determinations on this issue.

BACKGROUND INFORMATION:

This proposal was initiated by the Local Agency Formation Commission on January 15, 2003, in response to state mandates requiring service reviews and sphere of influence updates for all cities and special districts on a rotating five-year schedule. In addition, the West Valley Water District (WVWD) had hired a consulting firm to address the service review factors as they were affected by an application for detachment of territory from the District related to the Coyote Canyon issue. Upon withdrawal of that application, the District modified the review of its consultants to address the mandatory sphere of influence update and service review requirements.

LAFCO 2922, in general, is a routine, non-controversial service review and sphere of influence update for the WVWD. Included as Attachment #1 are maps which identify the boundaries and the proposed sphere of influence for WVWD. Attachment #2 is an outline of what a County Water District can perform and its general government structure. Attachment #3 to this report is a District Summary Profile Sheet and the response provided by the WVWD to the LAFCO survey of the factors required by Government Code Section 56430 for a service review.

The sphere of influence update and service review propose the following changes for the WVWD sphere of influence:

1. The WVWD is proposing a minor change to its sphere of influence to include the area of its administrative offices and facilities, generally along Baseline Road, and the area generally between Linden and Locust Avenues southerly of the I-10 Freeway.
2. The WVWD sphere of influence should be amended to include the territory of the recently completed County Boundary Exchange in the general Agua Mansa area. The County Boundary Exchange approved by both the San Bernardino and Riverside County Boards of Supervisors impacts this agency since it places territory of the District within Riverside County.

3. The District indicates that it does not anticipate submission of any other sphere of influence amendments within San Bernardino County within the next five years.

SERVICE REVIEW:

The WVWD is an independent special district formed under the provisions of County Water District law, Water Code Sections 30000 through 33900. The report prepared for the WVWD by the firm of Cotton/Bridges/Associates (Attachment #3) is comprehensive in its review of the factors required by Government Code Section 56430 and will not be reiterated in this report. However, a summary of the major points of consideration within the response provided by WVWD is outlined as follows:

1. Infrastructure Needs and Deficiencies – The District can meet current demand and meet anticipated future demand with the construction of key facilities and the upgrading of existing facilities as identified in its Water Master Plan and Capital Improvement Plan. It is noted that the District’s Water Master Plan is currently in the process of being updated and many facilities identified in the Plan are under construction.
2. Financial Constraints and Opportunities – The District is in sound financial condition with relatively limited long-term debt and significant reserves. The District maintains a policy of “pay as you go” which requires developers to largely fund infrastructure extensions. The District does face some potential financial challenges as it and other regional agencies address contamination of wells and water sources by perchlorate and other substances. The District is aggressively pursuing funding to assist with the clean up of contamination, as well as promoting water conservation efforts.
3. Cost Avoidance Opportunities and Shared Facilities Opportunities – The District has historically engaged in several projects with other agencies that have led to significant cost savings, including the Baseline Feeder Project (San Bernardino Valley Municipal Water District and City of Rialto), maintenance of emergency connections with neighboring water agencies to ensure the ability to address unexpected or emergency situations, and membership in the Inland Empire Perchlorate Task Force, spearheaded by Senator Soto, to address the contamination plumes affecting the District’s water supply.
4. Government Structure Options – The District was originally established in 1952 as the Bloomington County Water District. In 1959, it changed

its name to the Semi-Tropic Water District, in 1961 to the West San Bernardino County Water District, and in 2003 to the West Valley Water District. The District’s jurisdiction expanded significantly in 1962 (prior to LAFCO) when it acquired the assets of three mutual water and/or irrigation companies (Citizens Land and Water Company of Bloomington, Lytle Creek Water and Improvement Company and Slover Mutual Water Company) and has continued to acquire other water suppliers/companies in the interim. Today, the District serves approximately 16,600 customers in parts of the Cities of Rialto, Fontana, and Colton, the unincorporated southern Lytle Creek area, and the Crestmore Heights area within Riverside County.

5. Local Accountability and Governance – The District conducts its business at regularly scheduled meetings at its administrative facilities open to the public. One of the proposed amendments to the District’s sphere of influence would be to include the area of its administrative facilities within its sphere of influence.

6. When Special Districts were seated on the San Bernardino LAFCO in 1976, the listing of services and functions was prepared, as required by law, acknowledging the services actively provided by the special districts at that time. Through this process, WVWD is currently authorized the active services and functions as follows:

SERVICE	FUNCTIONS
Water	Domestic, irrigation, spreading
Sewer	Collection

Latent powers are those powers authorized to a special district through its principal act, but which are not being actively provided. According to the WVWD’s principal act, the County Water District Law (Water Code Sections 30000 to 33900), the latent powers of the District are:

SERVICE	FUNCTIONS
Electrical Power	Generate and sell electric power supplied in connection with a water or water conservation project
Reclamation	Draining and reclaiming lands within District
Fire Protection	All functions of a Fire Protection District (except it cannot perform the function within an existing agency with fire protection services)
Park and Recreation	Acquire, construct, maintain and operate facilities appropriate or ancillary to the recreational use of water within the District

Refuse	Acquire construct and operate facilities for the collection and disposal of garbage, waste or trash, or contract with others for this service
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It is noted that at this time none of the adjacent or overlaying agencies have identified any concerns with the existing sphere of influence, or the proposed expansion areas for the West Valley Water District. However, it should be noted that the Fontana Water Company, a private water company governed by the California Public Utilities Commission (CPUC), does have a service area within the boundaries of the WVWD sphere of influence. That service area is shown on the map included as Attachment #4 to the report. As the accompanying documentation outlines, no opposition to the provision of non-treated water to the Cemex facilities in this area by the Fontana Water Company was received by the CPUC in its review of the application.

CONCLUSION:

Based on the information outlined above and the response from the WVWD, staff recommends that the Commission: (1) expand the sphere of influence as identified to include the District’s administrative offices and related facilities; (2) expand the sphere of influence to include the area generally southerly of the I-10 freeway, between Locust and Linden Avenues; and (3) uphold and affirm the balance of the sphere of influence for the District. In addition, staff recommends that the Commission adopt Resolution #2821 which sets forth written responses to the statutory factors related to service reviews and sphere of influence studies.

Staff also wishes to thank and commend the District for its responsive and thorough replies to the service review survey requirements.

Attachments:

1. Maps of the Existing Sphere of Influence and Proposed Sphere of Influence for the West Valley Water District
2. Outline of County Water Districts
3. Summary District Profile Sheet and Survey Response from the West Valley Water District
4. Fontana Water Company Service Area within the Sphere of Influence of the West Valley Water District
5. Response from Tom Dodson and Associates
6. Draft Resolution #2821