

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

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DATE: JANUARY 8, 2010

FROM: SAMUEL MARTINEZ, Senior LAFCO Analyst

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9: LAFCO 3098 – Reorganization to Include Annexations to Beaumont-Cherry Valley Water District and San Gorgonio Pass Water Agency, and Detachment from San Bernardino Valley Municipal Water District

INITIATED BY:

Resolution of the Board of Directors of the Beaumont-Cherry Valley Water District

RECOMMENDATION:

Staff is recommending that the Commission approve LAFCO 3098, as modified, by taking the following actions:

1. Certify that LAFCO 3098, as modified, is statutorily exempt from environmental review and direct that the Notice of Exemption be filed within five (5) days;
2. Modify LAFCO 3098 to include:
 - a. Annexation of two additional privately owned parcels located along Oak Glen Road to Beaumont-Cherry Valley Water District and San Gorgonio Pass Water Agency; and,
 - b. Annexation of the existing boundary of Beaumont-Cherry Valley Water District (within San Bernardino County) to San Gorgonio Pass Water Agency and detachment from the San Bernardino Valley Municipal Water District.
3. Approve LAFCO 3098, as modified, with the standard LAFCO terms and conditions;

4. Adopt LAFCO Resolution #3084 setting forth the Commission's findings, determinations, and conditions of approval.

BACKGROUND:

The proposed reorganization was initiated by the Beaumont-Cherry Valley Water District (hereinafter BCVWD or the District). The District's primary purpose for submitting the annexation proposal (and its companion sphere of influence amendment proposal, LAFCO 3097) is to annex all of its properties in San Bernardino County. The District's application materials (included as part of Attachment #2) indicate that the purpose of the project is to maintain control of the groundwater quality of the District's existing wells, provide wellhead protection, and manage its facilities more efficiently.

Local LAFCO policy requires concurrent annexation of an area, proposed to be within a retail water provider, to the State Water Project Contractor (wholesale water provider) related to the area. The San Gorgonio Pass Water Agency (hereinafter the "Pass Agency") is a State Water Project Contractor that serves the majority of BCVWD's territory. One thing to note is that BCVWD's sphere of influence area within San Bernardino County is within the sphere of influence for the San Bernardino Valley Municipal Water District (hereinafter the "Valley District"), which is the local State Water Contractor serving the area. However, both the Pass Agency and the Valley District have agreed that the Pass Agency should ultimately serve the entirety of BCVWD boundaries within San Bernardino County since the Pass Agency already serves BCVWD within Riverside County. Therefore, through approval of a companion sphere of influence amendment proposal between the Pass Agency and the Valley District, LAFCO 3141, the reorganization area will also be annexed into the Pass Agency's boundary.

The following will provide the information necessary to make the determinations on boundaries, land use, service delivery, and environmental considerations.

BOUNDARIES:

The reorganization area encompasses approximately 595+/- acres generally bordered by the Riverside County line on the south, a combination of parcel boundaries and Oak Glen Road (portion of BCVWD's existing boundary) on the west, and parcel boundaries on the north and east. The reorganization area includes portions of Sections 1, 2, 10 and 11, Township 2 South, Range 1 West, San Bernardino Meridian (See Figure 1 below).

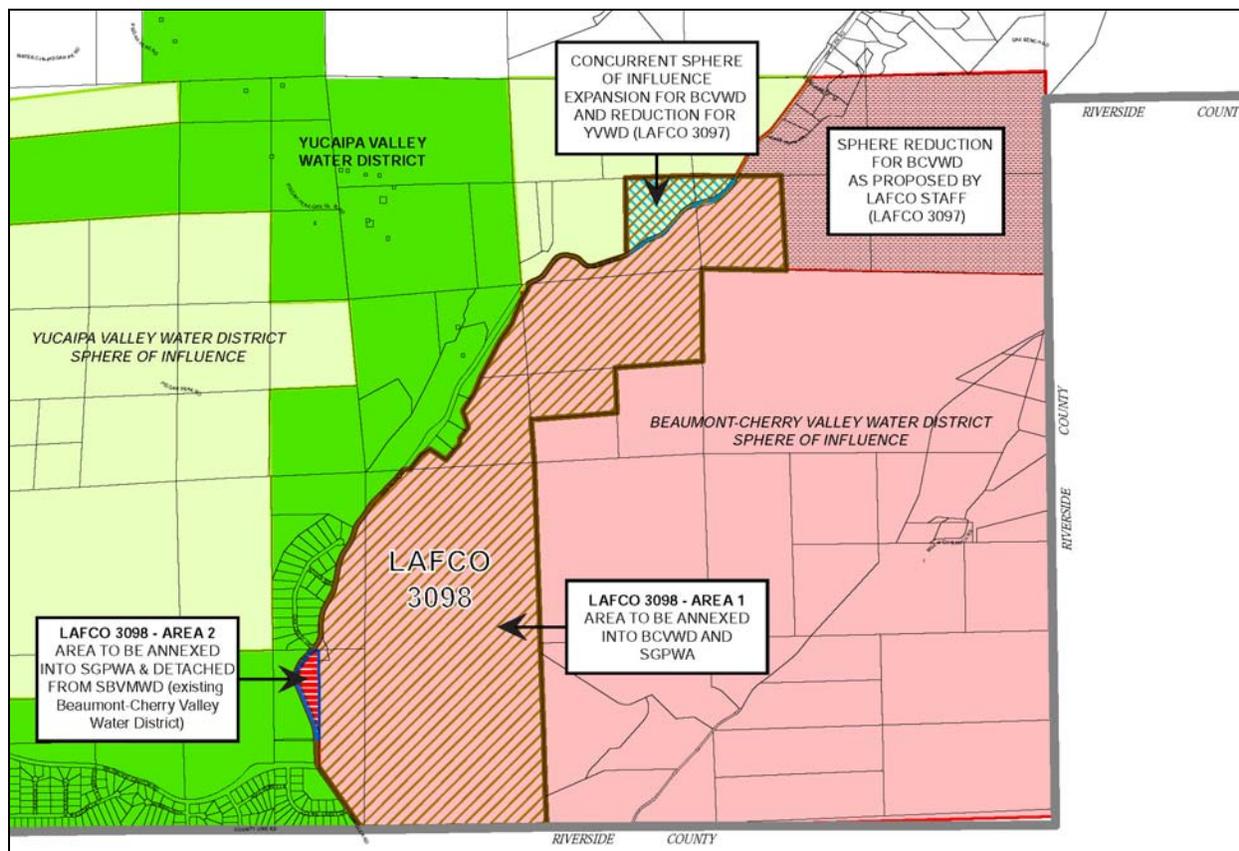


Figure 1 – LAFCO 3098 Vicinity Map

Proposed Expansion #1

The original reorganization proposal submitted by the District was to annex only the District-owned properties within San Bernardino County, which included 10 adjacent parcels. However, during the processing of the application, it was identified that an island was being created between the existing Yucaipa Valley Water District's boundary and the District's proposal boundary along Oak Glen Road. The two parcels that were excluded in the original proposal, Assessor Parcel Numbers (APN) 0325-101-10 and 0325-111-22 (both parcels privately owned by a single owner), currently have a residential development that has been verified as being served by the District for domestic water service. Therefore, the reorganization proposal has been expanded to include the annexation of the two additional parcels (see Figure 2 below).

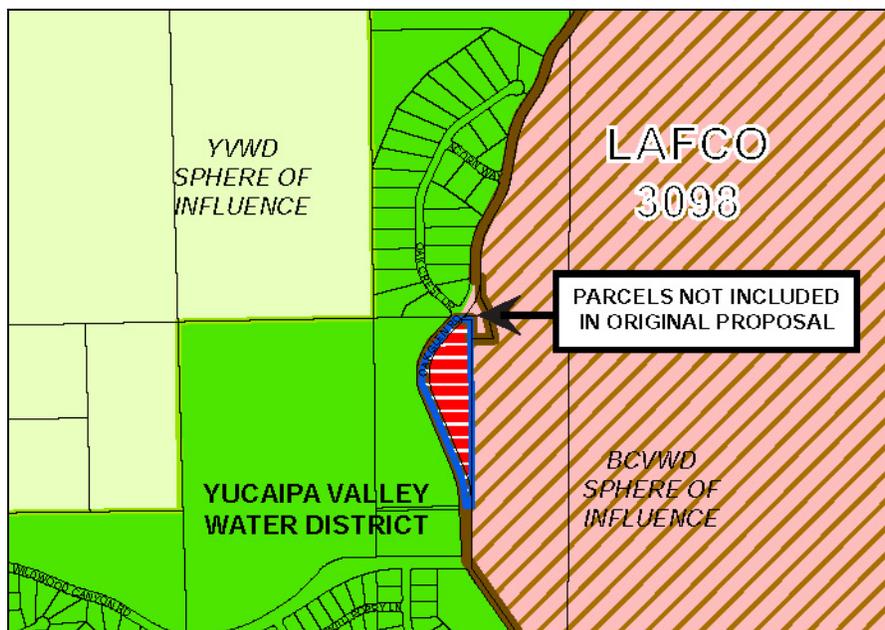


Figure 2 – Expansion #1

The expansion of LAFCO 3098 to include the two additional parcels is, in LAFCO staff's view, a logical boundary since it eliminates the creation of an island of territory between the District and Yucaipa Valley Water District's existing boundary upon reorganization. In addition, since it has been verified that the District is currently serving the existing residence on these parcels, the proposed annexation provides the legal ability of the District to serve the area.

Proposed Expansion #2

Currently, the District's territory within San Bernardino County is within the boundaries of the Valley District. However, as mentioned earlier, both the Pass Agency and the Valley District have agreed that the Pass Agency should serve the entirety of BCVWD boundaries within San Bernardino County. Therefore, the reorganization proposal has been expanded to include the detachment of District's current territory in San Bernardino County from the Valley District and annexing it into the Pass Agency (See Figure 3 below).

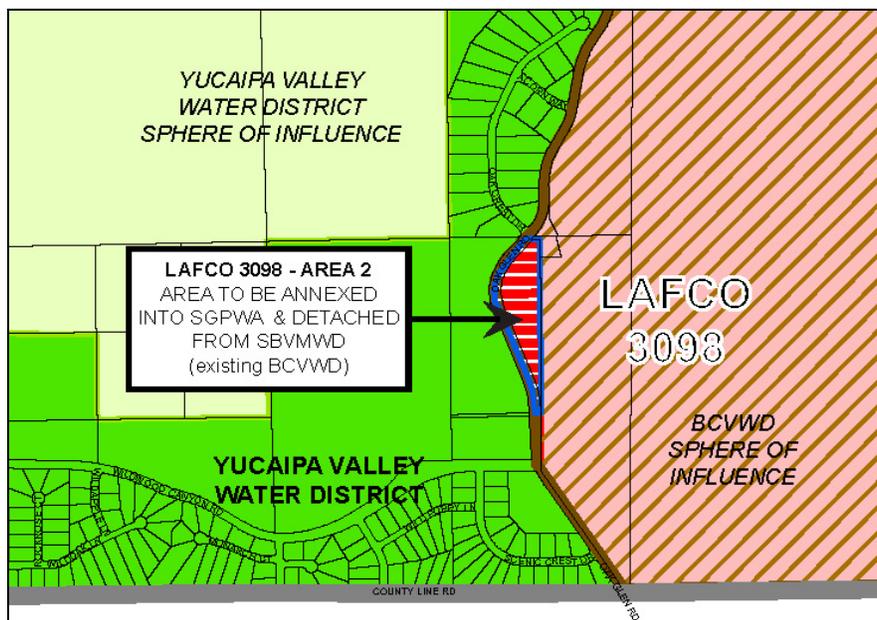


Figure 3 – Expansion #2

The expansion of LAFCO 3098 to remove the area currently within the Valley District and annexing it into the Pass Agency's boundary, places the District's boundary wholly within a single State Water Project Contractor. LAFCO staff fully support this since the issue of transferring State Project water across two State Water Project Contractors will be eliminated.

LAND USE:

Existing Land Uses:

The reorganization area is a mix of primarily vacant lands and a single-family residence. Existing uses surrounding the reorganization area include a combination of residential development and vacant lands to the west, a combination of vacant lands and an apple orchard (Riley's Farm) to the north, and vacant lands to the east and south.

Land Use Designations:

The portion of the reorganization area within the County is within the Oak Glen Community Plan area. The County's land use designations for the unincorporated portion of the reorganization area are: RL (Rural Living, 2.5 acres minimum lot size) and RL-20 (20 acres minimum lot size). The portion of the area located within the City of Yucaipa has a land use designation of RL-5 (5 acres minimum lot size). No change in land use is anticipated for the reorganization area and the District does not intend to develop the area.

SERVICE ISSUES:

In every consideration for reorganization, the Commission is required to look at the existing and proposed service providers within an area. Current service providers within the reorganization area include Inland Empire Resource Conservation District, the City of Yucaipa (portion), Beaumont-Cherry Valley Water District (portion), San Bernardino Valley Municipal Water District (State Water Contractor)(portion), San Bernardino County Fire Protection District (portion), County Service Area 63 (park and recreation) (portion) and County Service Area 70 (portion).

As a part of the application, the District has submitted a plan for service for the reorganization area as required by law and Commission policy, which is included as part of Attachment #3 to this report. In addition, the Pass Agency has also submitted a plan for service for the reorganization area, which is included as Attachment #4 to this report

Water Service

Currently, the District meets the service needs within its service area. The Plan for Service submitted by the District outlines its existing water supply including additional sources of water for future development. As identified in the Plan, the District presently extracts water from two local groundwater sources, the Edgar Canyon (which is primarily where the reorganization area is located) and the Beaumont Basin. To augment existing water sources, the District is also developing a project to capture stormwater flows, and delivering the water to recharge the basins. Likewise, the District's recharge sites are also capable of receiving State Water Project water. It should also be noted that the District is collaborating with the City of Beaumont in developing a recycled water distribution system for delivery of recycled water from the City's wastewater treatment facility to irrigate golf courses, parks, schools, and other open space areas.

The District does not intend to extend any additional water lines or facilities into the reorganization area. In addition, The Pass Agency has also indicated that it does not anticipate extension of any facilities to the reorganization area.

ENVIRONMENTAL:

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Dodson and Associates, has indicated that the review of LAFCO 3098, as modified, is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the Commission's approval of the reorganization has no potential to cause any adverse effect on the environment; and

therefore, the proposals are exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3).

CONCLUSION:

LAFCO 3098 was submitted by the District to annex all of its properties within San Bernardino County.

LAFCO 3098, as modified, represents a reasonable annexation to the District and the Pass Agency. Staff supports approval of LAFCO 3098, as modified, for the following reasons:

- The modified reorganization area to include the two additional privately owned parcels is a logical boundary expansion since it eliminates the creation of an island territory between the District and the existing Yucaipa Valley Water District boundary upon reorganization; and,
- Since both the Pass Agency and the Valley District have agreed that the Pass Agency should serve the entirety of District's boundaries within San Bernardino County, the expansion of LAFCO 3098 to remove the area currently within the Valley District and annexing it into the Pass Agency places the District's boundary wholly within a single State Water Project Contractor.

For these reasons, and those identified within this report, staff recommends approval of LAFCO 3098, as modified.

FINDINGS:

The following findings and determinations are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/ reorganization:

1. The Registrar of Voters has determined that the reorganization area, as modified, is legally uninhabited, containing one (1) registered voter as of October 13, 2009.
2. The County Assessor has determined that the total assessed value of land and improvements within the reorganization area is \$439,025 (land - \$180,345 -- improvements - \$258,680). Pursuant to the provisions of Government Code Section 56126, the County Assessor was requested to assign values to the exempt lands within the reorganization area for protest purposes only. The values for these publicly held lands are listed separately as shown below for each individual parcels:

Landowner Name	Assessor Parcel Number	Land Values as of 12/2/2009 for Protest Purposes
Beaumont-Cherry Valley Water District	0325-031-09	\$35,000
Beaumont-Cherry Valley Water District	0325-031-10	\$65,000
Beaumont-Cherry Valley Water District	0325-051-02	\$15,000
Beaumont-Cherry Valley Water District	0325-051-03	\$65,000
Beaumont-Cherry Valley Water District	0325-061-01	\$160,000
Beaumont-Cherry Valley Water District	0325-071-02	\$40,000
Beaumont-Cherry Valley Water District	0325-081-05	\$75,000
Beaumont-Cherry Valley Water District	0325-101-07	\$35,000
Beaumont-Cherry Valley Water District	0325-111-12	\$65,000
Beaumont-Cherry Valley Water District	0325-122-01	\$610,000
	Total	\$1,165,000

3. Through approval of the companion proposal, LAFCO 3097, as modified, the entire reorganization area will be within the sphere of influence assigned for Beaumont-Cherry Valley Water District. Through approval of LAFCO 3141, as modified, the reorganization area will be within the sphere of influence assigned for the San Geronio Pass Water Agency.
4. Commission review of this proposal has been advertised in *The Sun*, a newspaper of general circulation within the reorganization area. Individual notice has been provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notification.
5. LAFCO staff has provided individual notices to landowners and registered voters within the reorganization area (totaling 5) and to landowners and registered voters surrounding the reorganization area (totaling 292) in accordance with state law and adopted Commission policies. Comments from landowners/registered voters and any affected local agency have been reviewed and considered by the Commission in making its determinations.
6. The County's land use designations for the unincorporated portion of the reorganization area are: OG/RL (Rural Living, 2.5 acres minimum lot size) and OG/RL 20 (Rural Living, 20 acres minimum lot size). The portion of the reorganization area located within the City of Yucaipa has a land use designation of RL-5 (Rural Living, 5 acres minimum lot size). No change in land use is anticipated for the reorganization area.
7. As CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the reorganization proposal and has indicated that the review of LAFCO 3098 is statutorily exempt from the California

Environmental Quality Act (CEQA). A copy of Mr. Dodson's report is included for the Commission's review as Attachment #3.

8. The area in question is presently served by the following local agencies:

- County of San Bernardino
- Inland Empire Resource Conservation District
- City of Yucaipa (portion)
- Beaumont-Cherry Valley Water District (portion)
- San Bernardino Valley Municipal Water District (portion)
- San Bernardino County Fire Protection District, its Valley Service Zone, and its Service Zone PM-3 (Yucaipa Paramedic) (portion)
- County Service Area 63 (park and recreation) (portion)
- County Service Area 70 (multi-function) (portion)

The proposal will annex a portion of the territory (Area 1) to the Beaumont-Cherry Valley Water District, annex the entirety of the territory (Area 1 and 2) to the San Gorgonio Pass Water Agency, and detach a portion of the territory (Area 2) from the San Bernardino Valley Municipal Water District, as a function of the reorganization. None of the other agencies will be affected by this proposal.

9. The District has submitted a "Plan for Service" as required by law and Commission policy. This plan is included as part of Attachment #3 to this report, which indicates that the District can, at a minimum, maintain the level of service delivery and can improve the level and range of service currently available in the area. Currently, the District meets the service needs within its service area.

The Pass Agency has also submitted a "Plan for Service" as required by law and Commission policy. This plan is included as Attachment #4 to this report, which indicates that the Pass Agency can, at a minimum, maintain the level of service and can improve the level and range of service currently available in the area.

10. The reorganization area can benefit from the availability and extension of water service from the District in the future. However, the District has indicated that it does not intend to extend any additional water lines or facilities into the reorganization area. A parcel within the reorganization area already receives and/or benefits from water service provided by the District.
11. With respect to environmental justice, the reorganization proposal will not result in the unfair treatment of any person based on race, culture or income.
12. The County of San Bernardino has determined that this action does not require any transfer of property tax revenues. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.

If a proposal is expanded by the Commission, a renegotiation of property tax transfers may be requested by any of the affected agencies. Such a renegotiation process is outlined within Section 99(b)(7) of the Revenue and Taxation Code. Based upon the modification in boundary, it is staff's understanding that the Pass Agency will request renegotiation. LAFCO staff will work with the affected parties to assure the completion of the renegotiation within the mandatory 15-day period.

13. The map and legal description, as revised, are in substantial compliance with LAFCO and State standards through certification by the County Surveyor's Office.

KRM/sm

Attachments:

1. [Location and Vicinity Maps](#)
2. [Letter of Consent from the San Bernardino Valley Municipal Water District for LAFCO 3098 as identified in its Consent Letter for LAFCO 3141](#)
3. [Beaumont-Cherry Valley Water District's Application and Plan for Service](#)
4. [San Gorgonio Pass Water Agency Plan for Service](#)
5. [Comment Letters - Yucaipa Valley Water District Withdrawal of Opposition Letter Including its Original Letter of Opposition to LAFCO 3098](#)
6. [Response from the Commission's Environmental Consultant, Tom Dodson and Associates](#)
7. [Draft Resolution #3084](#)