

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

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PROPOSAL NO.: LAFCO 3015

HEARING DATE: October 15, 2008

RESOLUTION NO. 3026

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 3015 – A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THUNDERBIRD COUNTY WATER DISTRICT (affirmation of existing coterminous sphere of influence)

On motion of Commissioner _____, duly seconded by Commissioner _____, and carried, the Local Agency Formation Commission adopts the following resolution:

WHEREAS, a service review mandated by Government Code 56430 and a sphere of influence update mandated by Government Code Section 56425 have been conducted by the Local Agency Formation Commission of the County of San Bernardino (hereinafter referred to as “the Commission”) in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

WHEREAS, a public hearing by this Commission was called for August 20, 2008 and continued to September 17, 2008 at the time and place specified in the notice of public hearing and in an order or orders continuing the hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; the Commission considered all plans and proposed changes of organization, objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing;

WHEREAS, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that this service review and sphere of influence update are

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statutorily exempt from CEQA and such exemption was adopted by this Commission on September 17, 2008. The Clerk was directed to file a Notice of Exemption within five working days of its adoption;

WHEREAS, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that coterminous sphere of influence for Thunderbird County Water District should be affirmed as depicted on the maps attached hereto as Exhibit "A" and "B"; and,

WHEREAS, the determinations required by Government Code Section 56430 and local Commission policy are included in the report prepared and submitted to the Commission dated September 8, 2008 and received and filed by the Commission on September 17, 2008, a complete copy of which is on file in the LAFCO office. The determinations of the Commission are:

1. Growth and population projections for the affected area:

According to the 2000 Census, the estimated population for the District was 505 and the estimated 2006 population was 535. Growth within the District's boundaries is anticipated to continue with the sole limitation being the adequacy of the water supply and the District's facilities.

The current development surrounding the District was noted. Historic trends indicate moderate to high growth within this area. The staff report identifies the current development projects surrounding the District with two projects abutting the District's boundaries. These projects are conditioned by the County to be served water by the Apple Valley Ranchos Water Company and include tract development projects through general plan amendments, which would increase the need for the full range of public services to the area.

2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies:

The District currently has two employees, a general manager and an office manager. Water is provided through underground distribution mains and is supported by three wells and three reservoirs.

The District has about 285 active connections. Based on the water duty coefficient of 435 gallons per day (gpd) per dwelling unit (October 2004 study, pg 2), the District's water demands are as identified below:

Water Demands

Year	Connections	Average Daily Demand (ADD)		Max Daily Demand (2.5 x ADD) [Emergency Storage]		Operational Storage (gallons)	Fire Storage (gallons)
		gpd	AF/Yr	gpd	gpm		
2006	285	123,975	309,938	309,938	215	402,919	492,919

gpd = gallons per day

AF/Yr = acre feet per year

gpm = gallons per minute

The District has three wells with a total production capacity of 712,800 gpd or 495 gpm. They provide adequate supply for current customers unless one is down. The wells were installed in 1967, the early 1980's, and 2002. Maintenance and rehabilitation of existing wells and drilling of additional wells are essential to provide a reliable source of water supply. District staff indicates that the system is in excellent condition overall.

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The District has three bolted steel storage tanks with a storage capacity of 410,000 gallons, and the Study indicates that bolted tanks are not as durable as welded steel tanks. The Study recommends regular inspection to ensure the integrity of the structure and interior coating. The District meets the maximum daily demand and operation storage of its customers, but current capacity allows for only 24 hours of reserve storage during the high use months and also does not meet the required fire storage of the Apple Valley FPD. Adding the recommended storage (402,919 gallons) with the required 750 gpm fire flow for two hours, the total storage should be 492,919 to meet fire storage. Therefore, the District lacks 82,919 gallons of storage to meet fire flow demands.

The Study and service review materials do not mention water quality or arsenic issues, if any. In correspondence with LAFCO staff, District staff indicates that arsenic is at 3.17 – 3.92 parts per billion, which is in the range of acceptable standards. Additionally, the District does not have any inter-ties with other agencies for emergency supply; rather, they must rely on their tanks. However, the Commission is aware that the District is in consultation with the Apple Valley Ranchos Water Company regarding an inter-tie, but no written information has been provided to date. In correspondence with LAFCO staff, District staff indicates that it has no long term contracts for replacement water. The study recommends one new additional tank, one new additional well, and replacement of the small existing piping with larger mains to ensure adequate fire flow.

Thunderbird CWD has water production rights (also known as Base Annual Production) to assure 118 acre-feet (AF) annually. The District is within the Alto sub-region, and Free Production Allowance (FPA) is currently at 60% of Base Annual Production, which permits the district 71 AF of FPA for FY 2008-09. As noted in the most recent Watermaster Annual Report, “further rampdown is not warranted in Alto at this time”. Producers are required to replace any water pumped above their FPA by paying the Mojave Basin Area Watermaster to purchase supplemental water or by purchasing unused production rights from another party. As indicated in the table below, the historical trend for the District’s water production indicates that it produces more than its FPA. Thus, it has to purchase water from other agencies within the sub-basin to avoid paying the higher replacement water and make-up water rates charged by the Watermaster.

Thunderbird CWD Water Production and Water Obligations (units in acre feet unless otherwise noted)

Water Year	Free Production Allowance (FPA)	Carryover from Prior Year	Transfers from Other Water Agencies	Verified Production	Unused FPA or (Water Production in Excess of FPA)	Replacement Water Obligation (Agency overdraft)	Makeup Water Obligation (Watermaster replacement to the sub-basin)
2002-03	89	0	109	(191)	0	\$0	\$0
2003-04	83	0	63	(138)	0	\$0	\$0
2004-05	77	0	49	(126)	0	\$0	\$0
2005-06	71	0	71	(142)	0	\$0	\$0
2006-07*	71	0	n/a	(136)	(65)	n/a	n/a

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2007-08**	71	0	n/a	n/a	n/a	n/a	n/a
2008-09	71	--	--	--	--	--	--

sources: Mojave Basin Area Watermaster, Annual Reports of the Mojave Basin Area Watermaster for Water Years 2003/04 through 2006/07, (April 1, 2005 through April 1, 2008).

Mojave Basin Area Watermaster, Request for Assignment of Carryover Right in Lieu of Payment of Replacement Water Assessments Recommended for Filing, For Water Years 2002/03 through 2006/07.

* Subject to amendment in Appendix I in Fifteenth Annual Report of the Watermaster due April 2009.

** Draft data (Appendix B) not available until January 2009.

3. Financial ability of agencies to provide services:

Service upgrades and capacity improvements are funded through capital improvement funds as needed. Revenues for upgrades and improvements is generated from standby charges and meter sales. The District charges a standby charge of \$30 per acre since June 1996, and these funds are used to make loan payments for installation of the original system and future projects.

According to the District's audits for FY 2004-05 and 2005-06, the District's cash flow decreased by \$626 for FY 2004-05 but increased roughly \$21,000 to \$115,716 for FY 2005-06. Net assets increased roughly \$38,000 in FY 2005-06 from the previous year.

4. Status of, and opportunities for, shared facilities:

There are no facilities that the District shares and it does not have any inter-ties with other agencies.

5. Accountability for community service needs, including governmental structure and operational efficiencies:

The District does not participate in joint financing projects. Being a small water district, the ability to serve more efficiently increases with increased customer base.

The District has not had an election for over a decade. Members of the Board of Directors are appointed in lieu of election.

Government Structure Options

There are two types of government structure options:

- Out-of-agency service agreements where an agency provides service outside its boundaries; or,
- Other potential government structure options such as consolidation, reorganization, or dissolution.

Out-of-Agency Service Agreements:

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The District has identified that it does not currently provide service outside its boundaries and its infrastructure is a limitation.

Other Government Structure Options:

While the discussion of some government structure options may be theoretical, a service review should address all possible options. The options would be:

1. Assignment of a zero sphere of influence to the District. This option would send a signal that the Commission anticipates a future consolidation of the public water districts within the Town's southern sphere.
2. Include the Thunderbird CWD with a future consolidation of the three county water districts within the Town's southern sphere which are a part of the Alto sub-basin of the Mojave River adjudication. However, the TCWD has no direct connection with these other water districts, as its system is more than four miles from these agencies.
3. Retain the status quo; a coterminous sphere of influence for the District

As outlined in the Municipal Service Review, the Commission has indicated, since 1973, that the public water agencies in the Apple Valley area should consolidate for efficiencies in service delivery, economies of scale for purchasing the services necessary to operate the district – well testing, meter installation, etc., and to address the service needs for potential development in the area. Failure to address the issue at this juncture, in Commission's view, will mean that the private water companies in the area will expand to surround the four public water districts within the Alto sub-basin limiting their future options. For the Thunderbird CWD it appears that the options are limited and maintenance of the status quo, the existing sphere of influence coterminous with District boundaries is appropriate.

Local Accountability and Governance

The District is governed by a five-member Board of Directors elected at-large to four-year staggered terms. The figure below lists the current Board of Directors, their titles, and terms of office:

Board Member	Title	Term
Beth Drake	Director	2007
Peter Lindberg	Director	2009
Betty Kreml	Director	2009
Robert H. Tebbets	Director	2007
Stephen Kass	Director	2007

The information identified above was taken from documents available on the Registrar of Voters website. No information related to an extension of the term of office from 2007 has been provided. No information related to an extension of the term of office from 2007 has been provided. In addition the District maintains a routine hearing scheduled before the Board of Directors. The District did not provide an outline of its regular office hours.

WHEREAS, the following determinations are made in conformance with Government Code

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Section 56425 and local Commission policy:

1. **Present and Planned Uses:**

Present uses within the district include residential and vacant lands. The County Land Use designations assigned by the updated County General Plan include Resource Conservation (RC) allowing one unit per forty acres, Rural Living (RL) allowing one unit per five acres, and Residential Single (RS) allowing one unit per acre minimum. Furthermore, as indicated in the attached map, current development in the surrounding areas is significant. Such developments include tract development projects through general plan amendments. None of these projects anticipates the receipt of water service from the TCWD.

2. **Present and Probable Need for Public Facilities and Services:**

The District currently meets the water operational demands of its customers within its boundaries. However, it does not meet fire storage and fireflow demands. As the population increases and the uses of the land intensify, the area will require additional water production. The District indicated that developments adjacent to the District desiring annexation would be required to pay for a feasibility study to identify system deficiency and infrastructure needs. However, the District has identified a maintenance of the sphere of influence coterminous with its existing boundaries.

3. **Present Capacity of Public Facilities and Adequacy of Public Services:**

Current facilities and services delivered are adequate to meet operational demands. The District owns and operates three wells and reservoirs. The Water Study identifies the need for additional storage capacity, additional water production and the purchase of additional water to supplement its free production allowance. Staffing levels meet the needs of the area.

4. **Social and Economic Communities of Interest:**

The entirety of the District is within the sphere of the Town of Apple Valley. Since the area is unincorporated, it is likely that some residents in the area do not believe they share social or economic ties with the Town; however, it is the economic and retail hub for the region.

5. **Additional Determinations:**

- The Commission's Environmental Consultant, Tom Dodson and Associates, has determined the changes outlined for the Thunderbird County Water District sphere of influence are statutorily exempt from environmental review
- Legal advertisement of the Commission's consideration has been provided through publication in *The Daily Press* through publication of a 1/8 page legal ad and in *The Apple Valley News*, as required by law. In accordance with Commission Policy #27, a 1/8th page legal ad was provided in lieu of individual notice because the service review sphere of influence update for the community of Apple Valley would have exceeded 1,000 notices.
- As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.

