

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

175 West Fifth Street, Second Floor
San Bernardino, CA 92415-0490 • (909) 387-5866 • Fax (909) 387-5871
E-mail: lafco@lafco.sbcounty.gov
www.sbclafco.org

PROPOSAL NO.: LAFCO 2926

HEARING DATE: AUGUST 18, 2004

RESOLUTION NO. 2836

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 2926, A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE EAST VALLEY WATER DISTRICT.

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

WHEREAS, a service review mandated by Government Code Section 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 this 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, the public hearing by this Commission was held upon the date and 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 objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the review, in evidence presented at the hearing; and,

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 statutorily exempt from CEQA and such exemption is hereby

RESOLUTION NO. 2836

adopted by this Commission. The Clerk has been directed to file a Notice of Exemption within five working days of adoption of this resolution; and,

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 the sphere of influence for the East Valley Water District should be amended as follows: (a) reduced by approximately 3,000 acres within the northwest sphere territory, making the sphere designation coterminous with that proposed for the City of Highland; (b) expanded to include the territory within the City of Highland boundary and sphere of influence southerly of Third Street, easterly of Alabama Street; (c) expanded to include Parcel B-1C as requested by the IVDA for receipt water and sewer service; and (d) affirm the balance of the sphere of influence area as it currently exists, as more specifically described on the map attached to this resolution; and,

WHEREAS, the following findings are made in conformance with Government Code Section 56430 and local Commission policy:

1. **Infrastructure Needs and Deficiencies.** The District has an adopted Five-Year Capital Improvement Plan that identifies needed infrastructure for its water and wastewater collection systems. The plan includes a budget for water and wastewater capital infrastructure improvements and new projects. The Plan is based upon information obtained from the water master plan (last updated in 2002) and wastewater master plan (last updated in 1988). Copies of this information are available for review at the District's office and summaries are available in the LAFCO office. The District provides levels of water and sewer collection service that meet public health and safety standards. The system operates well with no major operational problems identified.

2. **Growth and Population.** The District's estimated population within its boundaries and sphere of influence is 66,000. Based upon the current growth rates experienced by the Southern California region as a whole, and the Southern California Association of Governments (SCAG) specifically, the District has an anticipated growth rate of 2.4% per year. This is slightly less than the City of Highland growth rate of 2.7%. This growth projection anticipates that the District's population will be 87,870 in 2015 and 98,933 in 2020. Most of the developable land of the District is within the City of Highland which has a current population estimated at 45,081. The City of Highland's current General Plan anticipates a build out of 62,343.

3. **Financing Opportunities and Constraints.** The District maintains sound financial procedures for planning and investment security. It maintains a safe investment portfolio based on the protection of the publicly invested funds. In 2001, the District issued \$12,000,000 in Certificates of Participation for the construction of a reservoir, pump station and to refinance a previously issued debt instrument. The Moody's Rating Committee assigned an A2 rating and Standard & Poor's bond rating of A, which reflects that the District has "good financial performance, a manageable capital plan with minimal future debt needs, and a stable, primarily residential customer base, with affordable rates, and ample water supply and treatment capacity".

4. **Cost Avoidance Opportunities.** The current domestic water providers within the boundaries of the East Valley consist of the East Valley Water District, Arroyo Verde

RESOLUTION NO. 2836

Mutual Water Company, Baseline Gardens Mutual Water Company, Eastwood Farms Mutual Water Company, and Tres Lagos Mutual Water Company. The District and the Water Companies work together to provide service to the community. The District is the sole agency that provides wastewater service within its boundaries. The District has been a part of a Joint Powers Agency (JPA) with the City of San Bernardino since 1957 to provide for the regional wastewater treatment plant operated by the City of San Bernardino Municipal Water Department. In 1995, the Cities of San Bernardino and Colton formed a JPA to operate the Rapid Infiltration/Extraction Tertiary Treatment System (RI/X) to provide treatment of up to 41.0 million gallons daily of secondary effluent received from the exiting plants of the City of San Bernardino and the City of Colton. The District is a member of this JPA through its preceding JPA with the City of San Bernardino for the sewage treatment plant.

5. **Rate Restructuring.** The District Board of Directors reviews its rate structure annually and adjustments are made as necessary to allow for the protection of the public health, maintain satisfactory customer service, and to recover system operating costs, debt service requirements and administrative costs. The District has evaluated the use of the consumer price index or rate comparisons, however, these do not allow for the variations in annual expenses to be addressed. A survey of local retailers was conducted in 2003 and the District is close to the average of the nine agencies with similar service levels.

6. **Opportunities for Shared Facilities.** The District continuously strives to identify ways to share facilities and resources with other local agencies to insure the most cost-effective, efficient service delivery to its customers. The District has emergency water supply interties with the City of San Bernardino and City of Riverside. The District and City of San Bernardino exchange water frequently, averaging between 767 to 1,227 acre feet per year, allowing the District to maintain source production and blend water when necessary to reduce nitrate levels.

7. **Government Structure Options.** The District has operated successfully as a single-purpose special district for 50 years, during which time the District's customer base and service area have expanded significantly. No other relevant issues concerning this factor have been identified.

8. **Management Efficiencies.** The District's employees required to maintain specific certifications are acknowledged within their job descriptions. These certifications require ongoing training such as supplemental education, training and college courses. The District provides, as part of the employee benefit package, an education reimbursement program. Updated standards for water quality through the Clean Water Act and the Safe Drinking Water Act require that the District must monitor and test water quality at all well sites, the treatment plant, in pipelines, and for some regulatory programs within the customer's homes. The District's response indicates that as laboratory testing has improved and State and Federal Drinking water standards become stricter, the District is required to test for and remove contaminants that were not previously known to exist in the groundwater. The District has become a leader in obtaining research funding and programs to determine the health and cost implications of a vast array of potential contaminants. The District has sponsored for the last two (2) years a conference bringing together professional representatives from across the nation to discuss perchlorate

RESOLUTION NO. 2836

research, effective water treatment technologies, health effect issues, case studies, economic impacts, public awareness and program funding.

9. **Local Accountability and Governance.** The District is governed by a five-member Board elected at-large. The District does a good job communicating with its customers through newsletters, information packets, website pages, participation in local schools in the Water Awareness Month activities and public meetings. The District has an operating website and conforms to provisions of the Brown Act requiring open meetings. No other relevant issues concerning this factor have been identified; and,

WHEREAS, the following findings are made in conformance with Government Code Section 56425 and local Commission policy:

1. **PRESENT AND PLANNED LAND USES**

The full range of urban, suburban, and rural land uses are included within the boundaries and current sphere of influence of the East Valley Water District. The sphere of influence update and service review have no potential to change present or planned land uses within the sphere, since the changes proposed would be to provide for contiguity with the City of Highland sphere of influence and include a single additional parcel within the City of San Bernardino. The EVWD endorses this approach by indicating that no other sphere of influence changes are contemplated within the next five years.

2. **PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA**

The District has adopted Master Plans for its services of water and wastewater, which address this issue. Copies of these documents are on file in the District office.

3. **PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES PROVIDED**

The change to the District sphere of influence proposed through this review relates to three areas of consideration to allow for contiguity with the City of Highland sphere of influence in compliance with the Commission's community-by-community approach to spheres of influence. In addition, the parcel proposed for inclusion currently within the City of San Bernardino boundaries has been requested by the Inland Valley Development Authority and landowner on the basis of proximity to the District's services. The District has adopted Master Plans for service which address the service issues for water and wastewater. These documents are on file in the District office.

4. **COMMUNITIES OF INTEREST IN THE AREA**

The changes proposed to the District's sphere of influence are in response to the community of interest for Highland and addresses a consolidation of the sphere of influence within this community of interest. The area of the District within the City

RESOLUTION NO. 2836

of San Bernardino and its unincorporated sphere is proposed for change only for the single parcel located at the southwest corner of Third and Alabama Streets.

5. OTHER FINDINGS

- A. Notice of the hearing was published as required by law in The Sun, and the Highland Community News, newspapers of general circulation in the area. As required by state law, individual notification was provided to affected and interested local agencies, County departments, and those individuals wishing mailed notice.
- B. Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination; and,

WHEREAS, the following functions and services are provided by the District, as outlined in the Rules and Regulations affecting the functions and services of Special Districts (originally adopted on November 10, 1976, as amended); and Exhibit "A" of the Rules and Regulations lists each special district and its services and functions pursuant to the requirements of Section 6 of the Rules and Regulations; and,

WHEREAS, the Local Agency Formation Commission of the County of San Bernardino is required to review and update the Exhibit "A" of the Rules and Regulations of Special Districts to outline the services provided. The Exhibit "A" of the Rules and Regulations is amended to read as follows:

SERVICE	FUNCTIONS
Water	Retail, agricultural, domestic, replenishment
Sewer	Sewage collection
Park and Recreation	Development, maintenance in conjunction with water facilities

WHEREAS, pursuant to the provisions of Government Code Section 56425(h), the range of services provided by the East Valley Water District is limited to those identified above, and such range of services shall not be changed unless approved by this Commission; and,

WHEREAS, having reviewed and considered the findings as outlined above, the Commission modifies the District sphere of influence as follows: (a) Reduction of the District's sphere by approximately 3,000 acres within the northwest sphere territory, making the sphere designation coterminous with that proposed for the City of Highland; (b) expansion to include the territory within the City of Highland boundary and sphere of influence southerly of Third Street, easterly of Alabama Street; (c) expansion to include Parcel B-1C as requested by the IVDA for receipt water and sewer service; and (d) uphold and affirm the balance of the sphere of influence for the East Valley Water District as it currently exists. The sphere of influence as modified is depicted on the map attached to this resolution.

RESOLUTION NO. 2836

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission of the County of San Bernardino, State of California, that this Commission shall consider the territory described on the attached map as being within the sphere of influence of the East Valley Water District, it being fully understood that establishment of such a sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants.

BE IT FURTHER RESOLVED that the Local Agency Formation Commission of the County of San Bernardino, State of California, does hereby determine that the East Valley Water District shall indemnify, defend, and hold harmless the Local Agency Formation Commission of the County of San Bernardino from any legal expense, legal action, or judgment arising out of the Commission's determination of this sphere of influence, including any reimbursement of legal fees and costs incurred by the Commission.

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission of the County of San Bernardino by the following vote:

**AYES: COMMISSIONERS: Bagley, Colven, Pearson, Smith, Williams
Young**

NOES: COMMISSIONERS: None

ABSTAIN: COMMISSIONERS: Biane

ABSENT: COMMISSIONERS: None

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

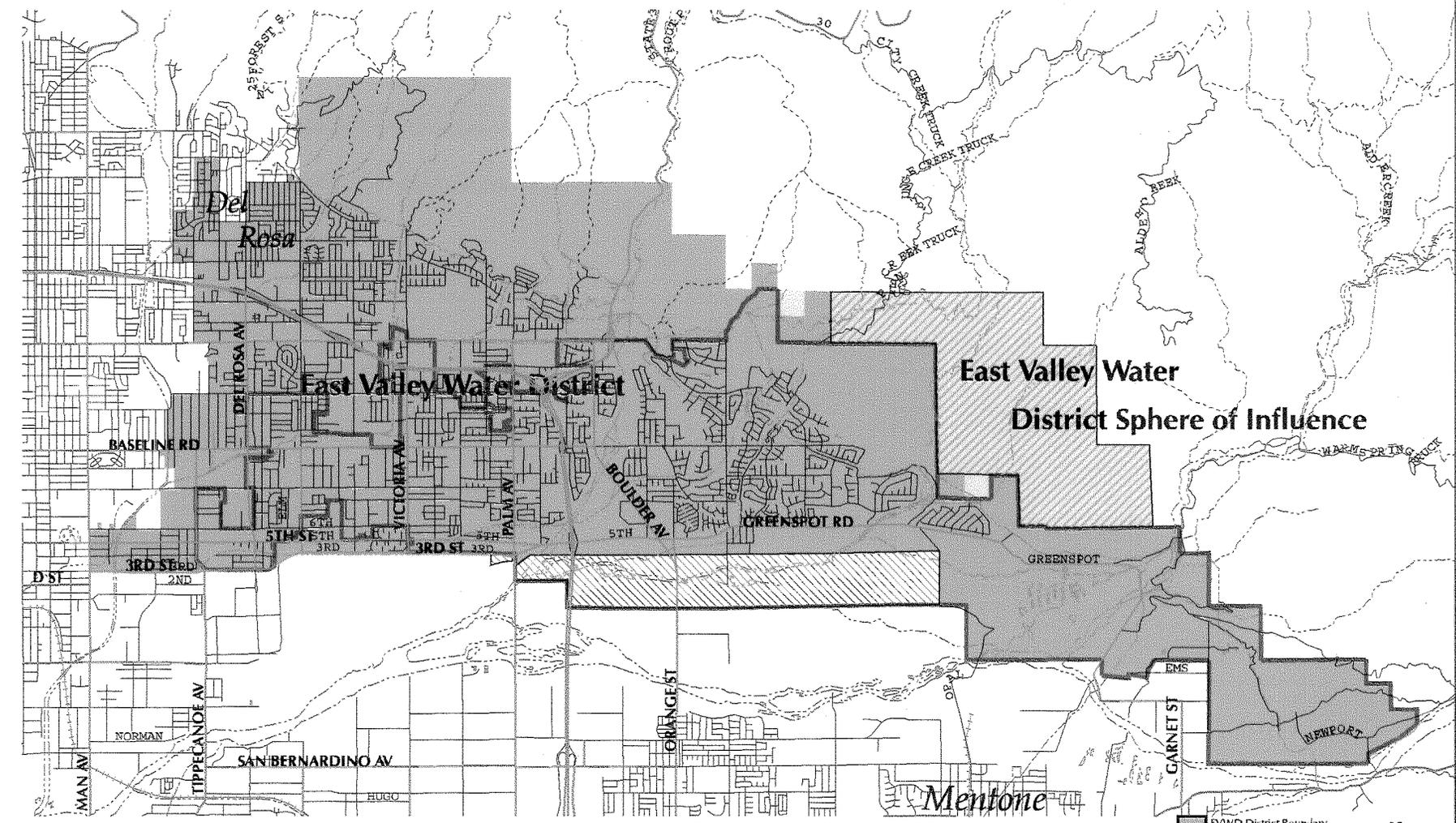
I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission of the County of San Bernardino, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of August 18, 2004.

DATED: August 18, 2004

Kathleen Rollings McDonald

KATHLEEN ROLLINGS-McDONALD
Executive Officer





EAST VALLEY WATER DISTRICT
Proposed Sphere Expansion & Reduction

Map Prepared On July 20, 2004

- EVWD District Boundary
- Current EVWD Sphere of Influence
- Prop. EVWD Sphere Reduction
- Prop. EVWD Sphere Expansion

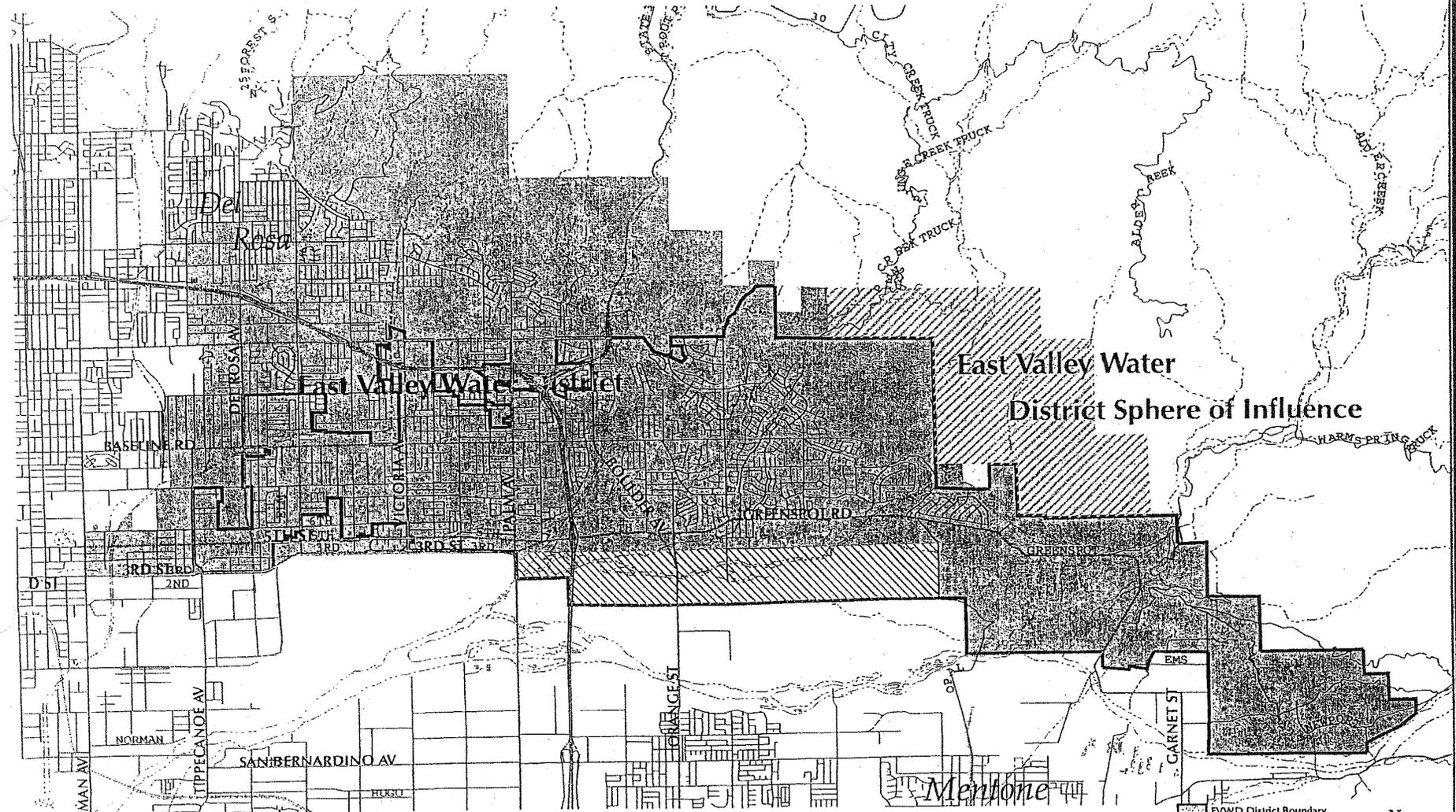



Highland City Limit

ANAPSCALE: 1" = 4275.2166705888ft

DATE: June 28, 2004 2:46 PM

FILE: \\harsco\lucabron_ams\proj\evwd\fig\011



EAST VALLEY WATER DISTRICT & CITY OF HIGHLAND
Proposed Sphere Expansion & Reduction

Map Prepared On June 28, 2004



LEGAL DESCRIPTION
"B-1C EAST"

In the City of San Bernardino, County of San Bernardino, State of California, being a portion of "IRP SITE 2" as shown on Record of Survey, filed in Book 113, at pages 15 through 22 of Records of Survey, in said County, described as follows:

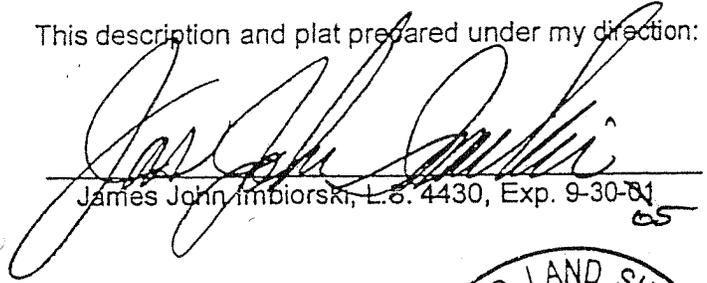
Commencing at the northeast corner of Fractional Section 8 Township 1 South, Range 3 West, San Bernardino Meridian; thence South 00° 52' 21" East along the east line of said Fractional Section 8 a distance of 50.10 feet to a point on the easterly projection of the southerly line of East 3rd Street (100 feet wide); thence North 87° 17' 22" West along said projection, 40.26 feet to the point of intersection of the west line of Alabama Avenue (80 feet wide) with said southerly line of East 3rd Street; thence continuing North 87° 17' 22" West along said southerly line, 1074.87 feet to the **TRUE POINT OF BEGINNING**; thence South 00° 34' 38" West, 539.29 feet; thence North 72° 42' 16" East, 600.82 feet; thence North 84° 56' 48" East, 510.52 feet to a point on said west line of Alabama Avenue; thence North 00° 39' 59" West along said west line, 264.86 feet to said point of intersection with the southerly line of East 3rd Street; thence North 87° 17' 22" West along said southerly line, 1074.87 feet to the **TRUE POINT OF BEGINNING**.

Subject to a Grant of Easement to the County of San Bernardino, per Book 4175, Page 390, Official Records of said County.

The land herein described contains approximately 9.20 acres.

All bearings and distances in this description are grid, based on the California Coordinate System (NAD 83), Zone 5. To obtain ground distances, divide the grid distance shown herein by 0.99993157.

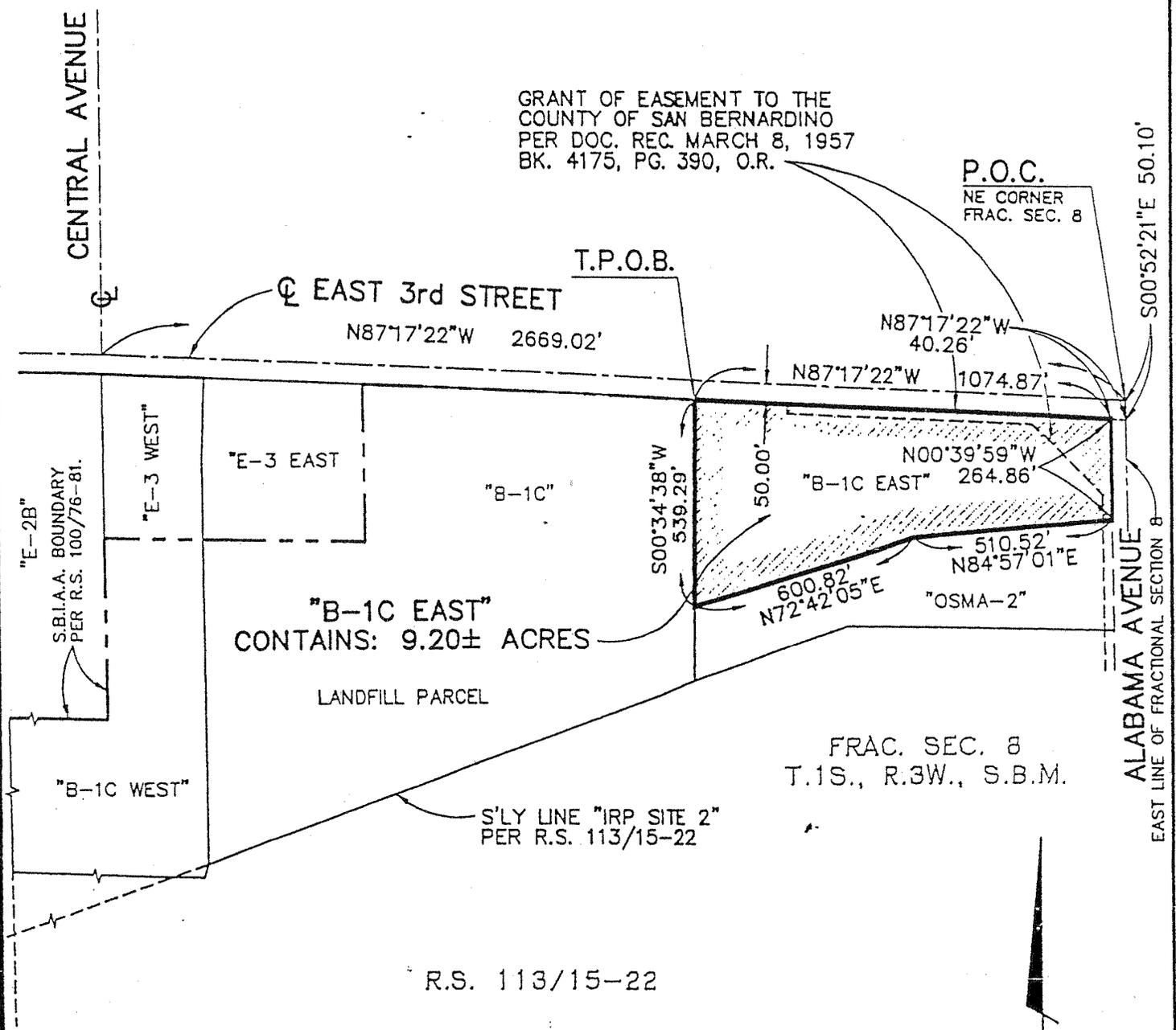
This description and plat prepared under my direction:


James John Imborski, L.S. 4430, Exp. 9-30-05

2/27/03
Date

AE J.N. 92-89-18





NOTES:

BEARINGS AND DISTANCES SHOWN HEREON ARE GRID, BASED ON THE CALIFORNIA COORDINATE SYSTEM (NAD 83) ZONE 5. TO OBTAIN GROUND DISTANCES, DIVIDE THE DISTANCE SHOWN BY 0.99993157.

SCALE: 1"=400'



REVISION	PREPARED BY:	PREPARED FOR:							
<table border="1"> <tr><td> </td></tr> </table>								<p>Associated Engineers, Inc. 3311 EAST SHELBY STREET ONTARIO, CALIFORNIA 91764 TEL: (909)980-1982 * FAX: (909)941-0891</p>	<p>SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY</p> <p>"B-1C EAST"</p> <p>FEBRUARY 27, 2003</p>