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

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.

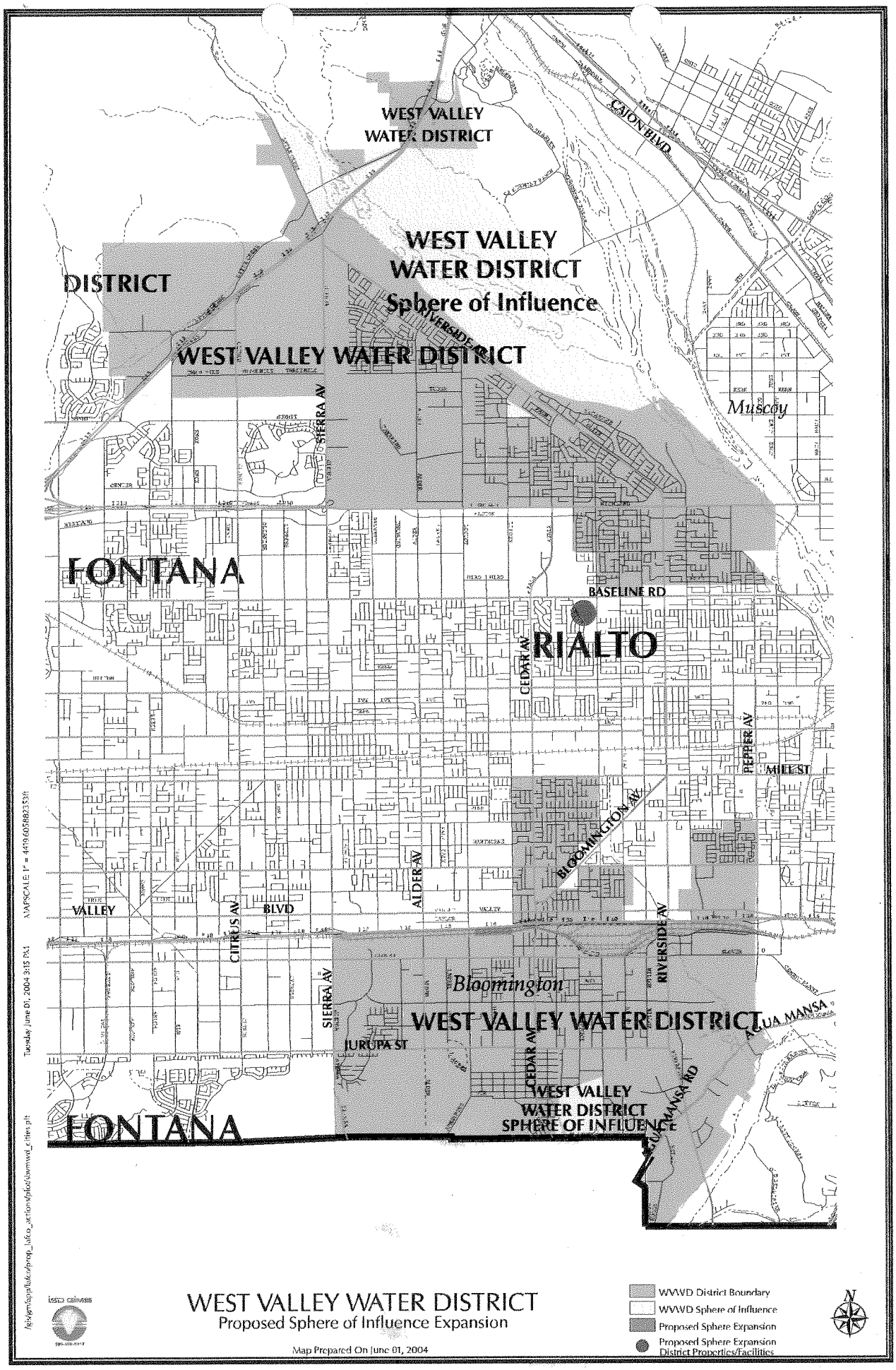
Staff also wishes to thank and commend the District for its responsive and thorough replies to the service review survey requirements.

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

Maps of the Existing Sphere of Influence and Proposed Sphere of Influence for the West Valley Water District

Attachment 1



WEST VALLEY WATER DISTRICT
Proposed Sphere of Influence Expansion

Map Prepared On June 01, 2004

Tuesday June 01, 2004 3:15 PM MAPSCALE: 1" = 4419.6058823531ft

WEST VALLEY WATER DISTRICT

Proposed Sphere of Influence Expansion of District Properties/Facilities (+-7.4 acres)

Map Prepared On June 01, 2004

WVWD District Boundary

Proposed Sphere Expansion (APN 0128-021-14, 29, & 33)

N

/gis/gmtapp/lafco/prop_lafco_actions/plot/wvwd_facility_property.plt Tuesday June 01, 2004 3:19 PM MAPSCALE: 1" = 571ft

Outline of County Water Districts

Attachment 2

LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO

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COUNTY WATER DISTRICT

(Water Code Sections 30000 through 33900)

WHAT IS A COUNTY WATER DISTRICT?

A County Water District (commonly referred to simply as a "Water District") is a legal subdivision of the State of California formed essentially for the purpose of providing retail water service to the residents within its boundaries. The first introduction of "County Water District Law" was in 1949.

The control and provision of water service within the State of California has a long and colorful legislative history. County Water District law is only one of many different forms of legislation providing for retail water service. Some of these other types are: California Water District, Irrigation District, Municipal Water District, Special Act Water Agency, and County Waterworks District. Other types of districts may also provide water service among their other services authorized by law.

WHO GOVERNS A COUNTY WATER DISTRICT?

The governing body, which is established by law to administer the operation of a water district, is a five member, elected board of directors. Directors of a water district, whether appointed to fill a vacancy or elected, must be a registered voter within District boundaries.

Following formation, the District can be divided into five divisions that will each elect a member of the Board of Directors. Such a change must be decided by election of the District as a whole.

WHAT KINDS OF SERVICES CAN A COUNTY WATER DISTRICT PROVIDE?

A Water District can provide one, or any combination, of the following services:

- Furnish sufficient water in the district for any present or future beneficial use. To accomplish this purpose, the District has the power for storage and conservation of water and water rights, and the operation of water works;

- Acquisition, construction, and operation of facilities for the collection, treatment and disposal of sewage, waste and storm water;
- Generate and sell electric power supplied in connection with a water or water conservation project;
- Draining and reclaiming lands within the District;
- Provide fire protection services as outlined commencing with Section 13801 of the Health and Safety Code;
- Acquire, construct, maintain and operate facilities appropriate or ancillary to the recreational use of water within the District; and,
- Acquire, construct, and operate facilities for the collection and disposal of garbage, waste or trash; or contract with others for this service.

In addition to the above listed powers, an existing District can request that the State authorize (through passage of special legislation) other services to meet a specific community need. For example, one Water District in an isolated area of San Bernardino County has the ability to provide road maintenance and improvement services to meet the specific needs of its community.

HOW CAN YOU BE ANNEXED INTO (INCLUDED IN) AN EXISTING WATER DISTRICT?

A Water District's boundaries can be expanded to include additional territory within its sphere of influence which is:

- Incorporated or unincorporated territory;
- Contiguous or non-contiguous territory;
- Land in any county contiguous to the County wherein the district was formed.

Lands within another County Water District can not be included without the support of that District.

Proceedings for the annexation process are handled under the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Govt. Code Section 56000 et seq.) which is administered by the Local Agency Formation Commission.

Summary District Profile Sheet And Survey Response from the West Valley Water District

Attachment 3

WEST VALLEY WATER DISTRICT
Formerly Known as "WEST SAN BERNARDINO COUNTY WATER DISTRICT"

CONTACT PERSON:

Anthony "Butch" Araiza, General Manager

ADDRESS: 855 West Base Line
Rialto, CA 92376
Phone: (909) 875-1804
Fax: (909) 287-7284

E-MAIL ADDRESS: None provided

DATE OF FORMATION: December 18, 1951

PRINCIPAL ACT:

County Water District Law, Water Code Sections 30000 - 33900

IMPROVEMENT DISTRICTS: _____YES ___XX__NO

GOVERNING BODY:

5 member Board of Directors, elected at-large

MEMBERSHIP:

Earl Tillman Jr.	President
Betty Gosney	Vice-President
Alan Dyer	
Donald Olinger	
Jackie Cox	

PUBLIC MEETINGS:

The Board meets on the first and third Thursday of every month at 3:00 p.m. at the District office, 855 Base Line.

SERVICES PROVIDED:

CURRENTLY AUTHORIZED POWERS (SERVICES):

SERVICE	FUNCTIONS
Water	Domestic, irrigation, spreading
Sewer	Collection

LATENT POWERS (SERVICES) those services authorized by the principal act, but not activated through the LAFCO process:

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

AREA SERVED 38.28+/- SQUARE MILES (23,500 ACRES)

POPULATION

56,000 (Defined by Census) with an estimated 16,618 active water connections.

SERVICES PROVIDED OUTSIDE AGENCY BOUNDARIES: NONE

SPECIAL ISSUES: District is dual-county, providing service within Riverside County area commonly known as "Crestmore". Sphere of influence and service review for the area within Riverside County to be conducted by the Riverside LAFCO.

Contamination Plumes – see information within document regarding perchlorate and other contamination issues.

SPHERE OF INFLUENCE:

ESTABLISHED:

LAFCO NUMBER	RESOLUTION NO./ DATE ADOPTED	LOCATION
LAFCO 1601	2/23/1977	San Bernardino County portion of District
Unknown	Unknown	Riverside County portion

CHANGES:

LAFCO NUMBER	RESOLUTION NO./ DATE ADOPTED	TYPE OF CHANGE	LOCATION
LAFCO 2122	1/13/82	Expansion	
LAFCO 2165	9/8/82	Expansion/Reduction	
LAFCO 2538	10/18/89	Expansion	
LAFCO 2546	9/16/89	Expansion	Northeast portion of District (Lytle Creek project area)

BUDGETARY INFORMATION:

TYPE	ACTUAL 2000-01	ACTUAL 2001-02	ACTUAL 2002-03	BUDGETED 2003-04 – **Not provided**
Expenditures:				
Operating	$7,388,124	$7,704,715	$10,196,653	
Non-Operating	$168,488	$219,266	$123,311	
Revenues:				
Operating	$7,205,120	$7,203,952	$9,200,820	
Non-Operating	$3,103,935	$2,180,188	$2,695,054	
Property Tax	$273,913	$663,554	$1,081,893	

West Valley Water District
(Formally West San Bernardino County Water District)

Municipal Services Review

San Bernardino County
Local Agency Formation Commision

Draft

June 4, 2004

West Valley Water District

(formally West San Bernardino County Water District)

Draft Municipal Service Review

San Bernardino County Local Agency Formation Commission

DRAFT

June 4, 2004

West Valley Water District
855 W. Base Line
Rialto, CA 92377

Prepared by:
Cotton/Bridges/Associates
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8079.00

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A. Glossary

List of Abbreviations

Ac	Acres= 43,560 square feet
ADF	Average Daily Flow/Average Day Water Demand
AF	Acre-Feet – one acre foot equals 1 acre covered to 1 foot in depth (325,840 gallons)
AVG	Average
BLF	Baseline Feeder
CKH Act	Cortese-Knox-Hertzberg Local Government Accountability Act of 2000 codified in the California Government Code §56000 et seq.
cfs	Cubic Feet Per Second
DU	Dwelling Unit
EDU	Equivalent Dwelling Unit- For purposes of determining existing and future connection demands in the WSBCWD, water demand is converted to EDU based on meter size and flow rate.
gpad	Gallons Per Acre Per Day
gpcd	Gallons Per Capita Per Day
gpd	Gallons Per Day
gpm	Gallons per Minute
HGL	Hydraulic Grade Line
LAFCO	Local Agency Formation Commission
LCLR	Lytle Creek Land and Resources
MSR	Municipal Service Review- A study and evaluation of municipal service(s) by specific area or region that includes written determinations regarding nine (9) specific evaluation categories.
mgd/MGD	Million Gallons Per Day

mg/MG	Million Gallons
PDF	Peak Daily Flow/Peak Day Water Demand
PRV	Pressure Reducing Valve - A valve which reduces water pressure to the desired level.
PS	Pumping Station
SOI	Sphere of Influence- A plan for the probable physical boundaries and service area of a local agency, as determined by the commission.
TDH	Total Dynamic Head
UC	Under Construction
WFF	Water Filtration Facility

B. Executive Summary

West Valley Water District
Municipal Service Review

A. Background of Municipal Service Review Requirement

This Municipal Service Review (MSR) responds to a relatively new requirement in California law. The requirement was enacted as part of the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (the CKH Act; California Government Code §56400 et seq), widely seen as the most significant reform to local government reorganization law since the 1963 establishment of local agency formation commissions (LAFCOs) within each county.

The CKH Act requires the preparation of an MSR prior to any sphere of influence modification by LAFCO. A MSR entails analysis of several key factors–such as infrastructure adequacy, financial status, and governmental structure—all of which are intended to provide LAFCOs with adequate and timely information with which to make informed decisions regarding sphere of influence updates. Prior to the CKH Act, all LAFCOs were allowed to conduct MSRs to evaluate proposed sphere of influence changes; the CKH Act now requires MSRs for these circumstances.

The CKH Act also sets a deadline of January 1, 2006 by which each LAFCO must complete MSRs for the review of spheres of influence of all of the agencies under its jurisdiction, whether or not changes to those spheres of influence are immediately pending. The West Valley Water District (formally the West San Bernardino County Water District) is scheduled by San Bernardino County LAFCO to complete the MSR in this calendar year (2004).

B. MSR Evaluation

As required by the CKH Act, the MSR for the District includes evaluation of nine critical factors. Following is a listing and brief discussion of each of these factors.

1. Infrastructure Needs and Deficiencies

This MSR reports that the District can continue to meet current demand and meet anticipated future demand with the construction of certain key facilities and the upgrading of certain existing facilities. These facilities are programmed in the District's internal planning documents, including a water master plan and a capital improvement plan. The District's Water Master Plan is currently being updated. Many facilities within the existing Water Master Plan are already under construction.

With regard to the main area for the potential sphere of influence change, the District is poised to serve the Lytle Creek area; this area has been included in District service expansion plans since 1990.

2. Growth and Population Projections

The MSR documents that the District has taken regional population projections into consideration; its planning documents are reasonably congruent with the location, timing, and magnitude of growth anticipated within the District's service and sphere areas.

3. Financial Constraints and Opportunities

The District's financial situation is sound overall, with relatively limited long- term debt and significant reserves. Growth of the District's service area has been aided by its "pay as you go" policy, which requires developers to largely fund infrastructure extensions. The District faces some potential financial challenges as it and other regional agencies address

contamination of wells and water sources by perchlorate and other substances. At the same time, the District is aggressively pursuing outside funding to assist with cleaning up contamination and promotion of water conservation.

4. Cost Avoidance Opportunities

Historically, the District has engaged in several projects with other agencies that have led to significant cost savings, including the Baseline Feeder project and the Inland Empire Perchlorate Task Force to provide a cooperative effort to recoup costs associated with perchlorate contamination. Further, the District is planning or has already implemented measures to reduce energy costs and increase personnel efficiency.

5. Opportunities for Rate Restructuring

The District has an enviable record in minimizing rate increases, holding the line on water prices to customers between 1994 and 2002. Even with a small rate increase in 2002, the District's rates are among the lowest in the region. To date, the District has not considered using a graduated rate system as a means to encourage conservation.

6. Opportunities for Shared Facilities

The District has a history of successfully joining with other agencies in providing mutually beneficial infrastructure and services. The District continues to seek out additional opportunities for shared facilities in its ongoing master planning process.

7. Government Structure Options

As a public agency established under the California Water Code, the District has succeeded in providing water services to an area that has experienced significant population growth and related changes in water demand for the past several decades.

8. Evaluation of Management Efficiencies

The District engages in several sound planning and budgeting processes. It encourages its staff to receive additional training and continuing education. The District has maintained a consistent staff-to-customer ratio over the past 10 years and now provides service to more than 16,600 customers with a workforce of 42 full-time employees plus one temporary and two part-time employees. The District would do well to consider additional outside review of its management structure and its policies and procedures as it moves towards serving its anticipated ultimate number of customers.

9. Local Accountability and Governance

The District does a reasonable job communicating with its customers through newsletters, bill inserts, and public meetings. To aid with its outreach to its customers, the District engaged the services of a public relations consultant in early 2003. As a result of the public relations consultant's recommendations, the District expanded its outreach activities to include the development of water conservation coloring books provided to local schools, a water conservation poster contest, redesigned customer/applicant information packets, and tours of the District's facilities to local schools and the general public. An additional means by which the District might improve its local outreach (and perhaps simultaneously increase its service efficiency) is the augmentation of its website.

Summary

This MSR shows that the West Valley Water District:

1) Is able to include all portions of the Lytle Creek North Planned Development Project within its service area;
2) Can include all portions of the District's facilities located at 855 West Base Line Road within its sphere of influence;

3) Can include the portion of the Union Pacific Railroad tracts (23 acres) located south of the I-10 freeways within its sphere of influence;
4) With the exception of the updates mentioned above, can otherwise maintain its current sphere of influence and service area boundaries.

The MSR also provides the San Bernardino County LAFCO with substantive written determinations on all nine critical factors set forth in the CKH Act. Among the many determinations are the following key points:

- The District is in good financial shape, with limited long-term debt and substantial reserves.
- The District currently has storage equal to two days of peak-day usage
- The District continues to upgrade all of the major infrastructures needed, including but not limited to, supply, storage and transmission facilities. By following the recommendations of the Master and Capital Improvement plan, the District will be able to provide service to existing and future customers.
- The District's "pay as you go" policy on infrastructure extensions has allowed for significant service expansion without the need for rate increases on existing customers or the assumption of significant long-term debt.
- The District's water and service rates are very competitive regionally, offering a good value for customers.
- The District's planning practices are robust and timely relative to growth projections within the District's sphere of influence.
- The District has a good history of implementing cost-saving practices and joint agency projects and continues to seek out similar future opportunities.

1. Introduction and Purpose

The Cortese/Knox/Hertzberg Act of 2000 (the CKH Act) requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence (SOI) for all applicable jurisdictions in the County. A Sphere of Influence is defined by Government Code 56076 as "Plan for the probable physical boundaries and service area of a local agency or municipality." The Act requires that a Municipal Service Review (MSR) be conducted prior to or in conjunction with the update of a Sphere of Influence.

Evaluating existing and future service requirements enables a review of the advantages and disadvantages of various service structure options. The MSR is intended to assist LAFCO in the evaluation and approval process when considering applications affecting services or boundaries. The MSR does not make specific recommendations; it provides a resource to be used by LAFCO in acting on a change in the SOI.

This MSR for the West Valley Water District (District) has been prepared in accordance with the requirements of the CKH Act as a means of identifying and evaluating public services for the District. The MSR will be used as an information base to update the District's Sphere of Influence. The MSR also provides a foundation for the public, District and LAFCO to discuss changes to the SOI.

Issues Addressed

In accordance with the CKH Act, the MSR addresses the following issues:

- Infrastructure Needs and Deficiencies
- Growth and Population
- Financing Constraints and Opportunities
- Cost Avoidance Opportunities
- Opportunities for Rate Restructuring
- Government Structure Options

- Management Efficiencies
- Local Accountability and Governance

Information regarding each of the above issue areas is provided in this document. Written determinations are included for each of the areas addressed as required by the Draft Service Review Guidelines prepared by the State Office of Planning and Research.

SPHERE OF INFLUENCE UPDATE PROCESS

The CKH Act calls for the MSR Review to be completed either prior to or concurrent with the SOI update. In the case of the West Valley Water District, the Service Review and the Sphere of Influence (SOI) update will be processed concurrently to ensure efficient use of resources. This MSR analyzes the District's services as required by the State's Final Draft Guidelines. The MSR will be used also as an information base to consider SOI issues relevant to the Lytle Creek development, addition of the District's administration facilities on West Base Line Road and the addition of a 23 acre parcel that includes the Union Pacific railroad tracks located south of the I-10 freeway. The Service Review also provides a basis for the public, the District, and LAFCO to discuss changes to the SOI.

PUBLIC PARTICIPATION

A stated goal of the CKH Act is to increase public participation in the activities of LAFCOs and special districts in general. In addition to evaluating the District's public outreach efforts within the "Local Accountability" section of the MSR, direct customer comment on the performance of the District was sought. The District's billing statements issued during the months of February and March, 2003 included a brief statement about the service review process and solicited customer comment and opinion. Between February and March 2003, one public comment was received.

This document was also made available for public review 21 days prior to its scheduled public hearing before the San Bernardino County LAFCO.

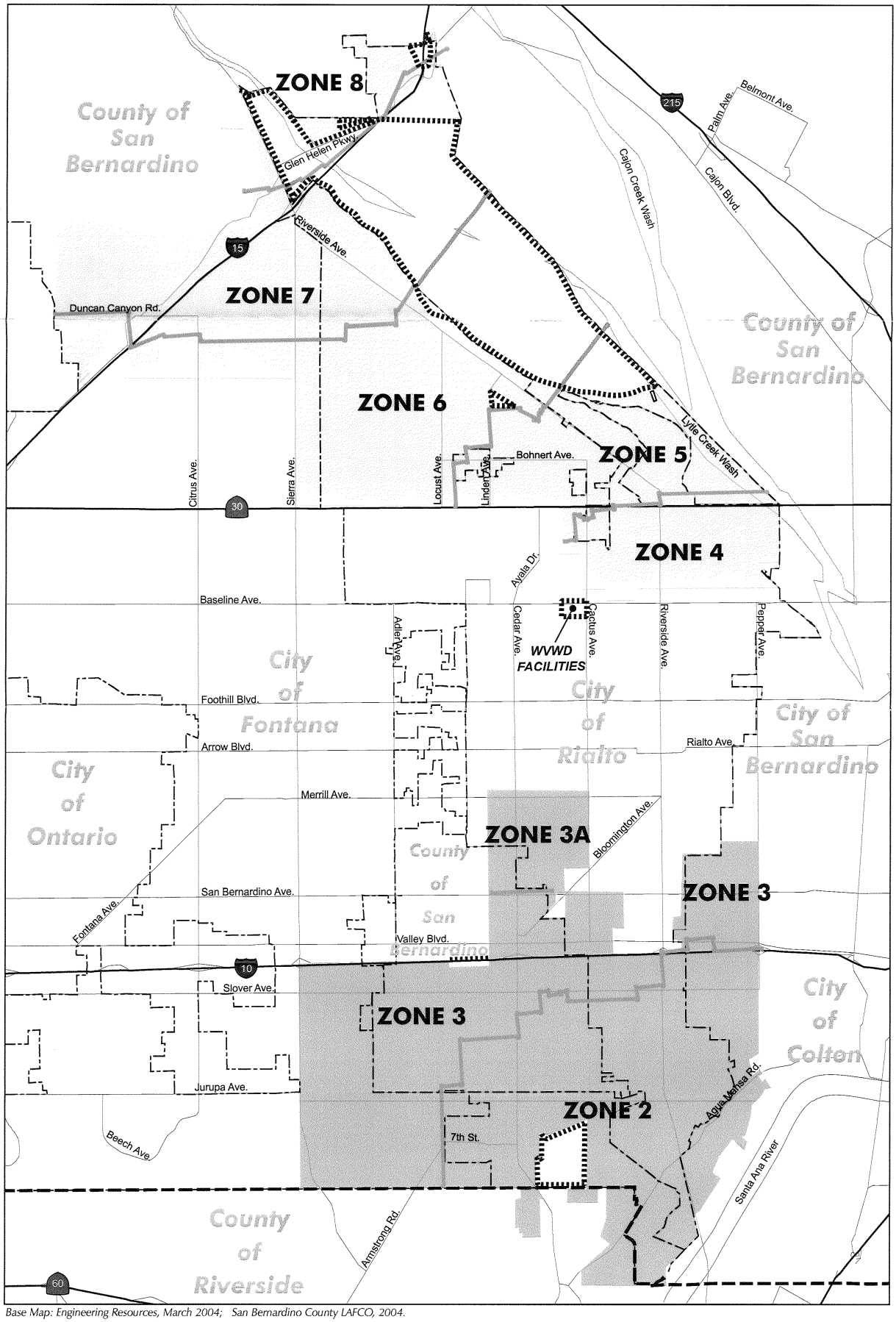
2. Infrastructure Needs and Deficiencies

Infrastructure needs and deficiencies are evaluated in terms of supply, capacity, condition, and service quality. "Infrastructure Needs and Deficiencies" refers to the status of existing and planned infrastructure and its relationship to the quality and levels of service that are, can, and need to be provided. This evaluation determines whether the District is reasonably capable of providing needed water resources and infrastructure to service areas within the District boundaries and the SOI.

Background

The West Valley Water District's jurisdictional boundaries encompass approximately 23,500 acres in southwestern San Bernardino County with a small part in northern Riverside County. The District is part of the greater San Bernardino-Riverside-Ontario Metropolitan area and is located about 50 miles east of downtown Los Angeles. The District is adjacent to the western limits of the cities of San Bernardino and Colton on the east; adjacent to, and including the eastern part of the city of Fontana on the west; adjacent to the U.S. Forest Service boundary on the north; and the County of Riverside on the south. The District is divided into northern and southern sections by the central portion of the city of Rialto (Figure 1).

The District is situated in an interior valley of Southern California known as the San Bernardino Valley and within the Santa Ana River Basin Watershed. The District presently contains approximately 23,500 acres and serves primarily users within San Bernardino County. However, a small portion of the District's service is within Riverside County. The majority of the District's service area lies within the boundaries of the San Bernardino Valley Municipal Water District, a water wholesaler. The Agua Mansa, Industrial Specific Plan represents a major development and customer base within the District's boundaries. Also, the Lytle Creek Land and Resources Specific Plan area is in the Lytle Creek Wash area, northeast of Riverside Avenue.



Base Map: Engineering Resources, March 2004; San Bernardino County LAFCO, 2004.

- City Boundaries
- County Boundary
- Pressure Zone Boundary
- Sphere of Influence
- Water District Boundary (North System)
- Water District Boundary (South System)

N

0 1 2 4 Miles

Figure 1
WVWD Service Area Boundaries

The District provides water from a combination of groundwater wells, in five groundwater basins, Lytle Creek surface water, supplemental water from the San Bernardino Valley Municipal Water District through the Baseline Feeder, and water from the State Water Project (SWP). The District's service system includes areas in the cities of Rialto, Fontana, and Colton, and the counties of San Bernardino and Riverside. The District serves a population of approximately 56,000 people and has a total of 16,618 active connections.

EXISTING WATER SYSTEM AND IMPROVEMENTS

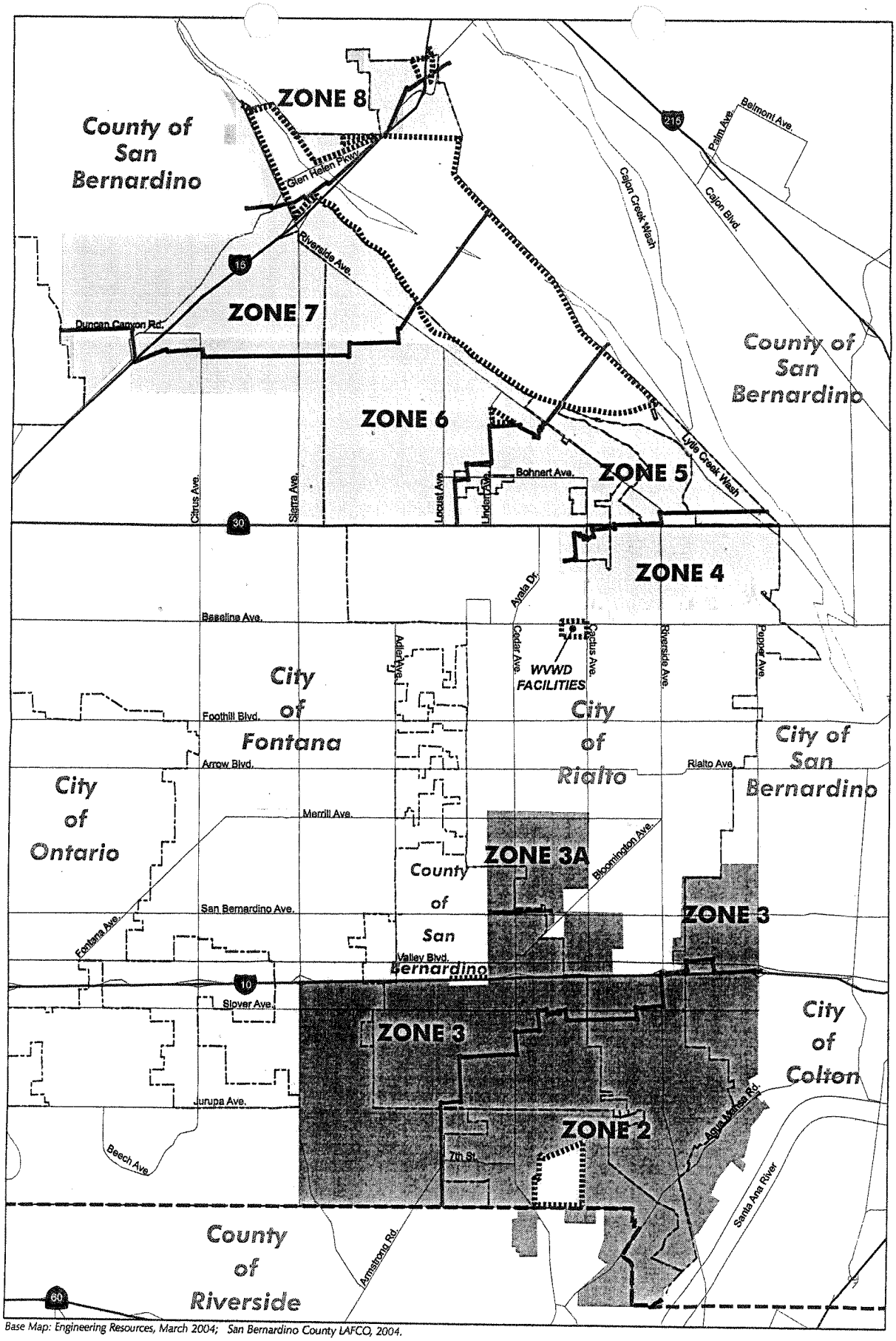
The West Valley Water District service system includes areas in the cities of Rialto, Fontana, and Colton, and the counties of San Bernardino and Riverside. The District has 21 active groundwater wells with a capacity of 38 million gallons per day (mgd) and 64.7 mgd of storage available in the system. The current average day water demand is 18.5 mgd.

The District water system encompasses eight pressure zones divided into north and south systems (Figure 1). Each pressure zone is identified by the elevation of various reservoirs from which each zone derives its storage. Reservoirs are established at approximately 100 feet above the upper range of each zone to provide a minimum allowable service pressure of 40 pounds per square inch (psi). Table 1 summarizes each pressure zone elevation.

Table 1
PRESSURE ZONE ELEVATIONS

System	Pressure Zone	Service Area Elevation
South	2	1092-920
	3	1192-1020
	3A	1205-1030
North	4	1424-1254
	5	1552-1392
	6	1784-1522
	7	2045-1780
	8	2267-2040

Source: *WSBCWD Water Master Plan*. February, 2001.



Base Map: Engineering Resources, March 2004; San Bernardino County LAFCO, 2004.

City Boundaries
County Boundary
Pressure Zone Boundary
Sphere of Influence
Water District Boundary (North System)
Water District Boundary (South System)

0 1 2 4 Miles

Figure 1
WVWD Service Area Boundaries

WVWD
Draft

WVWD Municipal Services Review

Table 2 displays the number, type, and meter size of active connections and the equivalent dwelling units (EDUs) within the District by Pressure Zone. Currently the District has 16,618 active connections and 854 inactive water connections. The largest number of connections are located within Pressure Zones 3, 4, and 5. As shown in greater detail in Table 11, the District converts all connection types (domestic, fire or irrigation) into EDUs. This calculation provides a standard measurement for the District. The number and proportion of EDUs is estimated based on meter size and flow rate.

Of all active connections, approximately 99 percent are domestic connections, which include both commercial and residential connections. The remaining one percent are comprised of fire and irrigation connections. Of the domestic connections, 95 percent are residential and 5 percent are commercial.

Table 2

EXISTING NO. OF ACTIVE CONNECTIONS AND EQUIVALENT DWELLING UNITS PER PRESSURE ZONES (JAN. 2003)

			Zone 2		Zone 3		Zone 3A		Zone 4		Zone 5		Zone 6		Zone 7		Zone 8		TOTAL	
Meter Type	Meter Size	EDU Factor	No. of Conn.	EDU	No. of Conn.	EDU	No. of Conn.	EDU	No. of Conn.	EDU	No. of Conn.	EDU	No. of Conn.	EDU	No. of Conn.	EDU	No. of Conn.	EDU	No. of Conn.	EDU
DOMESTIC	5/8	1.0	1,092	1,092	1,125	1,125	98	98	767	767	238	238	155	155	2	2	1	1	3,478	3,478
	3/4	1	606	606	2,041	2,041	1,623	1,623	1,837	1,837	2,088	2,088	1,214	1,214	572	572	2	2	9,983	9,983
	1	1.7	507	862	812	1,380	48	82	164	279	363	617	676	1,149	115	196	20	34	2,705	4,599
	1 ½	3.3	25	83	23	76	7	23	22	73	15	50	17	56	10	33	4	13	123	406
	2	5.3	37	196	52	276	7	37	21	111	6	32	15	80	3	16	1	5	142	753
	3	11.7	2	23	4	47	0	0	1	12	1	12	1	12	0	0	0	0	9	105
	4	20.0	1	20	5	100	0	0	4	80	6	120	1	20	0	0	0	0	17	340
	6	41.7	1	42	4	167	0	0	0	0	1	42	1	42	0	0	0	0	7	292
	8	60.0	2	120	1	60	1	60	0	0	1	60	0	0	0	0	0	0	5	300
FIRE	2		25	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	26	0
	4		4	0	5	0	0	0	0	0	0	0	1	0	2	0	1	0	13	0
	6		26	0	9	0	1	0	2	0	2	0	2	0	2	0	0	0	44	0
	8		17	0	11	0	1	0	0	0	9	0	4	0	2	0	0	0	44	0
	10		3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0
IRRIGATION	1	1.7	1	2	1	2	0	0	0	0	0	0	0	0	0	0	0	0	2	3
	1 ½	3.3	1	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	3
	2	5.3	6	32	3	16	0	0	1	5	0	0	0	0	0	0	0	0	10	53
	3	11.7	2	23	2	23	0	0	0	0	0	0	0	0	0	0	0	0	4	47
	4	20.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	6	41.7	1	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	42
	8	60.0	0	0	0	0	0	0	1	6	0	0	0	0	0	0	0	0	1	60
		Subtotals	2,359	3,146	4,098	5,312	1,786	1,923	2,821	3,224	2,730	3,258	2,087	2,727	708	818	29	56	16,618	20,463
INACTIVE			124	124	278	278	61	61	80	80	84	84	155	155	68	68	4	4	854	854
		TOTAL	2,483	3,270	4,376	5,590	1,847	1,984	2,901	3,304	2,814	3,342	2,242	2,882	776	886	33	60	17,472	21,317

PRESSURE ZONES

Zone 2

Zone 2 is located within the South System and is bounded by Pepper Avenue on the east, and the Santa Ana River on the south. The Riverside/San Bernardino County line is located south of Zone 2, with a portion of southwestern Zone 2 serving Riverside County. Zone 2 is bordered on the north by Interstate 10 and on the west by Locust, Maple, Cedar and Larch Avenues.

Storage: Storage in Zone 2 is provided by Reservoirs R2-1 (0.5 mg), R2-2 (2.0 mg), R2-3 (4.0 mg), and R2-4 (5.0 mg). Two additional reservoirs (R2-5 and R2-6) will be added to meet the ultimate storage requirements.

Major transmission lines: Major lines are located in Eucalyptus, Slover, Larch, Riverside, Santa Ana, and Cedar Avenues, and 8th Street, El Rivino Road, and Agua Mansa Road. Major transmission pipelines range from 12" to 24". The District has added a booster pump to lift water into Zone 3. This new station will move +/- 2,000 gpm to Zone 3.

Zone 3

Zone 3 is located north and west of Zone 2 in the South system. The first portion of Zone 3 is bounded by Zone 2 and Willow Avenue on the east, and on the south by the San Bernardino/Riverside County Line. The second portion is bounded by Randal Avenue on the north, the I-10 freeway on the south, Sycamore Avenue on the west, and Pepper Avenue on the east. Major transmission pipelines range from 16" to 24".

Storage: Storage is provided by Reservoirs R3-1 (4.0 mg), R3-2 (1.2 mg), and R3-3 (mg 5.0). Water is supplied by Well 37 in Chino Basin and Wells 15 and 30 in Bunker Hill Basin. Additional water is supplied by the Baseline Feeder System through Zone 3A from pressure-reducing stations.

Major Transmission lines: Lines are located in Jurupa, Alder, Slover, Linden, and Larch Avenues. Additional transmission lines from Zone 3A are also used; these include Cactus, Cedar, Merrill, and the Baseline Feeder. Major transmission lines range from 12" to 24".

Two Zone 3 booster pumps located in Zone 3A-1, pump to Zone 3.

Zone 3A

This zone is located north of Zones 2 and 3 and is in the District's South System. This area is bounded by Linden Avenue on the west, Merrill Avenue on the north, Cactus and Bloomington Avenues on the east, and San Bernardino Avenue on the south.

Storage: The R3A-1(2.0 mg) Reservoir and the R3A-2 (4.0 mg) Reservoir provide storage to Zone 3A. Water sources include Wells 11 and 33 and the Baseline Feeder System.

Major Transmission Lines: Major lines are located in Cactus, Merrill, Eucalyptus, and San Bernardino Avenues, and in the Baseline Feeder Pipeline.

Zone 3A has 3 booster pumps to lift water to Zone 4.

Zone 4

Located at the lowest elevation zone in the North System, Zone 4 is bounded by Baseline Road on the south, Highland Avenue on the north, Arrowhead Avenue on the west, and the Lytle Creek Wash on the east.

Storage: Storage is provided by R4-1 (2.0 mg), R4-2 (2.0 mg), and R4-3 (7.0 mg) Reservoirs (mg). The Lord Ranch Reservoir (R3-2) provides a supply for the 4-1 pump station. The R3A-1 and R3A-2 Reservoirs provide supply for the 4-2 pump station.

Major Transmission Lines: These lines are located in Cactus, Riverside, and Walnut Avenues; Country Club Drive; and to the El Rancho Verde Golf Course.

Zone 4 has 5 booster pumps to lift water to Zone 5.

Zone 5

Located north/northwest of the Zone 4, Zone 5 is bounded by Highland Avenue on the south and the divide between the Lytle Creek and Cajon washes on the north and east. The westerly boundary runs northeast along Alder, Locust, and Linden Avenues and cuts across the Lytle Creek Wash near the Southern California Edison power plant.

Storage: Storage is provided by the R5-1 (3.0 mg) and R5-2 (4.0 mg) reservoirs. These reservoirs also provide pumping storage for Zones 6, 7, and 8. Zone R5-3 (6.0 mg) is currently under construction.

Zone 5 has 5 booster pumps to lift water to Zone 6.

Major Transmission Lines: Major lines are in Riverside, Apple, and Cedar Avenues. Major transmission lines range from 24" to 30".

Zone 6

Zone 6 is in the North System, located northwest of Zone 5. Highland Avenue and Summit Avenue are on the southern boundary, and Sierra Avenue and San Sevaine Road are on the western boundary. The northern boundary runs from the San Bernardino National Forest to Lytle Creek wash.

Storage: Water storage is provided at the Zone 6 site in R6-1 (0.25 mg), R6-2 (1.0 mg), R6-3, (4.0 mg) and R6-4 (6.0 mg) reservoirs. Supply wells 23A and 24 pump from the Rialto Basin pump into the Zone 6 reservoirs.

Major Transmission Lines: Lines are in Riverside, Sierra, and Casa Grande Avenues. Major transmission pipelines range from 12″ to 24″.

Zone 7

This zone is located north of Zone 6 in the North System. The northern boundary is along the San Bernardino National Forest to the Glen Helen Regional Park. Zone 7 is bounded by Zone 6 on the south. The easterly line is along Glen Helen Regional Park.

Storage: R7-1 (0.15 mg) and R7-2 (2.0 mg) reservoirs on Lytle Creek Road provide storage to Zone 7. The District is in the process of developing the R7-3 reservoir primarily to serve the needs of the Coyote Canyon Development. The Zone 7-1 pump station at the Rancho Reservoir Site (Zone 6) pumps water up to the Reservoirs. This pump has been recently updated in (February, 2003) with the installation of a new pump, pump motor, and telemetry.

Major Transmission Lines: Major lines are located at Riverside Avenue and Lytle Creek Road. Development of transmission lines within the Duncan Canyon Road and Sierra Avenue are in process. Major transmission pipelines range from 12″ to 18″.

Booster Stations: Zone 6 has 5 Booster Pumps to lift water to Zone 7.

Zone 8

Zone 8 is the located at the highest elevation pressure zone and is in the North System. It occupies the northern most area of Lytle Creek and a small area within Sycamore Canyon.

Storage: Water storage is provided at Zone 8 site in R8-1 (0.10 mg) and R8-2 (0.5 mg) Reservoirs. Water is supplied from Zone 7 through 2 Booster Pumps.

Major Transmission Lines: One major line is located in Lytle Creek Road.

Note: The District Operating System is very versatile. Supply can be lifted from one pressure zone to another. Also through a series of Pressure Reducing Stations, the District can release water from higher pressure zone to lower pressure zones for better operations and reliability. In other words, the District can move supply in either direction.

STORAGE FACILITIES

The District has 23 existing reservoirs with a total storage capacity of 64.7 million gallons. The breakdown of each pressure zone is listed in Table 3.

Table 3
EXISTING STORAGE FACILITIES

Pressure Zone	Designation	Capacity (MGD)	Description and Type of Construction
2	R 2-1	0.5	Little Adler Reservoir No. I Welded Steel
	R 2-2	2.0	Eucalyptus Reservoir, Reinforced Concrete
	R 2-3	4.0	Little Adlér Reservoir No. 2, Welded Steel
	R 2-4	5.0	El Rivino Reservoir No. 2, Welded Steel
	Total	**11.5**	
3A	R 3A-1	2.0	Baseline Reservoir No. 1, Reinforced Concrete
	R 3A-2	4.0	Baseline Reservoir No. 2, Welded Steel
	Total	**6.0**	
3	R 3-1	4.0	Big Alder Reservoir, Welded Steel
	R 3-2	1.2	Lord Ranch Reservoir, Welded Steel
	R 3-3	5.0	South Park Reservoir, Welded Steel
	Total	**10.2**	
4	R 4-1	2.0	Riverside Reservoir No. 1, Reinforced Concrete
	R 4-2	2.0	Riverside Reservoir No. 2, Reinforced Concrete
	R 4-3	7.0	Upper Lytle Crk. Reservoir No. 1, Welded Steel
	Total	**11.0**	
5	R 5-1	3.0	El Verde Reservoir No. 1, Reinforced concrete
	R 5-2	4.0	El Verde Reservoir No. 2, Welded Steel
	R 5-3	5.0	El Verde Reservoir No. 3 Reinforced concrete
	Total	**12.0**	
6	R 6-1	0.25	Rancho Reservoir No. 1, Welded Steel
	R 6-2	1.0	Rancho Reservoir No. 2, Welded Steel
	R 6-3	4.0	Rancho Reservoir No. 3, Welded Steel
	R 6-4	6.0	Rancho Reservoir No. 4, Welded Steel
	Total	**11.25**	
7	R 7-1	0.15	Upper Lytle Crk. Reservoir, No. 1, Welded Steel
	R 7-2	2.0	Upper Lytle Crk. Reservoir No. 2, Welded Steel
	Total	**2.15**	
8	R 8-1	0.10	Zone 8 Reservoir, Welded Steel
	R 8-2	0.50	Zone 8 Reservoir, Welded Steel
	Total	**0.60**	
Total		**64.7***	

Source: *WSBCWD Water Master Plan*. February, 2001 *Updated by WVWD May 2004.
MGD= Millions Gallons per Day

WELL SUPPLY

The District has 21 existing production wells with a total production capacity of 36.7 mgd. Three wells are planned and are expected to be added in 2004/05.

- W-17 located in Zone 2 (reactivated)
- W-39 located in Zone 3
- W-40 located in Zone 2 (in process)
- W-43 located in Zone 3A

PUMPING FACILITIES

Table 4 displays the District's existing Booster Pumping Stations and their capacities. Ultimate booster pump station capacities are based on 16 hour per day pumping.

Table 4
EXISTING PUMPING STATIONS

Designation and No.	Description	Capacity in MGD [1] Existing	Capacity in MGD [1] Ultimate [2]
Zone 2 to Zone 3 Transfer PS [1] *	Zone 2 to Zone 3 Transfer PS 1-1 1,500 gmp @ 120 ft. TDH, 60 HP	1.4	--
Zone 3A-1 PS [3]	Zone 3a Booster Pumps, 2 each 2 - 3,500 gpm @ 210 ft. TDH 300 HP Zone 3 Booster Pumps, 2 each 2 – 3,400 gpm @ 150 ft. TDH, 200 HP	6.7 6.5	6.7 6.67
Zone 4-1 PS	2- 2,400 gpm @240ft. TDH, 200 HP	6.9	6.9
Zone 4-2 PS	3-2,400 gpm @170 ft. TDH, 200 HP 3 – Spaces for Future	4.6	11.5
Zone 5-1 PS [4]	2- 3,000 gpm @ 170 ft. TDH, 200 HP 2- 3,000 gpm @ 170 ft. TDH, 200 HP	6.8	8.6
Water Filtration Plant Effluent Pumps	4 – 1,800 gpm @ 130 ft. TDH, 100 HP	10.8 [5]	20.4 [5]
Zone 6-1 PS [4]	3 – 2,500 gpm @ 235 ft. TDH, 200 HP 2 – 2,500 gpm @ 235 ft., TDH, 200 HP	6.6	9.6
Zone 7-1 PS	1 – 1,300 gpm @ 280 ft., TDH, 125 HP 3 – 2,200 gpm @ 280 ft., TDH, 200 HP	6.3	6.3
Zone 8-1 PS	1 – 175 gpm@ 225 ft/ TDH, 15 HP 1- 280 gpm@225 ft. TDH, 25 HP	0.17	0.24

1: One pump per zone is not included in the ultimate capacity. It is allocated as a stand by pump.
2: Capacity assumes 16 hour per day pumping during summer months.
3. Zone 3A-1 Pumping Station is capable of pumping to Zone 2 and 3 or 3A. There are three (3) pumps, however the City of Rialto is utilizing the third booster pump.
4: Capacity of pump station 5-1 and 6-1 is based on half of the capacity at 16 hrs/day and half of the capacity at 6 hrs/day (one pump utilized as standby).
5: Capacity for 24-hour per day pumping.
* New Zone 2 to 3 Pump Station 1980 gpm @ 108 ft. TDH, 100 HP
MGD= Millions Gallons per Day
TDH=Total Dynamic Head
Source: *WSBCWD Water Master Plan*. February, 2001. Updated by WVWD in May 2004.

ULTIMATE WATER DEMAND

The District serves areas within the cities of Rialto, Fontana, Colton, and the counties of San Bernardino and Riverside. According to the West Valley Water District Master Plan, the General Plan of each jurisdiction and applicable Specific Plans were used to calculate the District's ultimate water demand. Pressure Zones 5, 6, 7, and 8 include the Sycamore Flats Specific Plan and Lytle Creek Land and Resources Specific Plan area. Zones 6 and 7 include the Coyote Canyon Specific Plan. Identifiable developable land and associated growth projections are displayed in Tables 14 and 15. The District is in the process of updating its Water Master Plan and will update any new and revised land uses associated with recently adopted Land Use Plans and Specific Plans.

Total acres and ultimate average day and peak water demands for each pressure zone are summarized on Table 5.

Table 5
ULTIMATE WATER DEMAND

System	Pressure Zone	Service Area (acres)	Ultimate Water Demand (MGD) ADF Average Daily Flow	PDF Peak Daily Flow
South	2	4800*	11.13	18.92
	3	3,760	8.32	14.14
	3A	719	2.20	3.74
South System Total		9,279	21.65	36.80
North	4	1,286	4.06	6.90
	5	2,226*	5.58	9.49
	6	3,809*	9.52	16.18
	7	3,338*	6.55	11.14
	8	374	0.66	1.12
North System Total		11,033	26.37	44.83
		20,312	48.02	81.63

Source: *WSBCWD Water Master Plan*. February, 2001.
*There is expected to be some loss of developable service lands to environmental concerns.
MGD= Millions Gallons per Day

PROJECTED NEEDS AND DEFICIENCIES BY PRESSURE ZONE

STORAGE REQUIREMENTS

Storage capacity by zone equals the sum of one-day demand during peak-day flow for operation storage, plus the required storage for fire protection flow. Presently the District has 2 days of peak-day storage supply. The District will need an additional storage capacity of 66.7 million gallons (mg) to meet ultimate projected demand. The ultimate projected water demand is based on land use and is calculated by multiplying the area of each land use category by the assigned water use rate. The storage requirements for all pressure zones are summarized in Table 6. Planned and existing improvements are displayed in Figure 2.

Table 6
STORAGE REQUIREMENTS

Pressure Zone	Present Requirement (MGD)	Ultimate Requirement (MGD)	Existing Storage (MGD)	Additional Storage Required (MGD)
Zone 2	7.72	20.84	11.5	9.5
Zone 3	8.96	15.10	10.2	5.0
Zone 3A	3.74	4.24	6.00	0.0
Zone 4	8.69	25.15	11.00	14.0
Zone 5	6.94	22.16	7.0	15.0
Zone 6	7.11	23.75	11.25	12.5
Zone 7	1.99	12.54	2.15	10.0
Zone 8	0.28	1.30	0.60	0.7
TOTAL	**45.43**	**125.08**	**59.70**	**66.7**

Source: *WSBCWD Water Master Plan*. February, 2001.

Zone 2: An additional 9.5 mg of storage is required. Two more reservoir sites are planned to be purchased when land becomes available.

Zone 3: This zone requires an additional 5.0 mg. Zone 3 includes Empire Center, South Park, Rancho La Terra, and South Park Developments, which could be developed before 2015. The District plans to secure a site for the R3-4 Reservoir to meet this need.

Zone 3A: This zone has sufficient storage for ultimate peak-day demands. No additional storage is recommended for Zone 3A.

Zone 4: Zone 4 requires an additional 14 mg of storage. However, additional storage is not anticipated until after 2010/11.

Zone 5: Zone 5 presently has a combined storage of 7.0 mg and needs an additional 6.94 mg. R5-3 (6.0 mg) is being constructed presently.

Zone 6: This zone has a combined storage of 11.25 mg at the present time. Ultimately, Zone 6 needs an additional 12.5 mg storage capacity. Zone 6 Reservoir site has area for another 6 mg tank.

Additional sites within the Lytle Creek Land and Resources Specific Plan area and the Coyote Canyon area should be obtained for the additional 6.5 mg of necessary storage.

Zone 7: This zone currently has 2.2 mg of storage capacity. The development of the R7-3 Reservoir is in process and is anticipated to be completed in 2003. The development of the reservoir will meet the needs of the Coyote Canyon development.
RZ-7 will meet the ultimate demand for this zone.

Zone 8: Currently Zone 8 has an existing capacity of 0.60 mg. To meet ultimate demands, Zone 8 needs an additional 0.70 mg of storage capacity. It is anticipated that 0.41 mg will be provided to meets the needs of the Lytle Creek Land and Resources Specific Plan project and/or the Sycamore Flats Specific Plan project.

SUPPLY AND TRANSMISSION

The District's current and ultimate water demand are as follows:

Table 7
CURRENT AND ULTIMATE WATER DEMAND

	Current MGD		Ultimate MGD	
	Average Daily Demand	Peak Daily Demand	Predicted Average Demand	Peak Daily Demand Normal Conditions*
South System	8.50	17.00	21.65	36.80
North System	9.85	19.70	26.37	44.83
Total	18.35	36.70	48.02	81.63

Source: *WSBCWD Water Master Plan*. February, 2001
*Under normal conditions for ultimate peak day demands, the ultimate peaking factor of 1.7 is expected.

To meet the District's ultimate supply requirement, the District could obtain additional water from the following potential sources:

1) Extract more water from the North Riverside Basin

2) Extract more water from the Bunker Hill Basin. The District could extract an estimated 30 mg+ from the Bunker Hill Basin. The District's rights are 18 mgd in the Baseline Feeder and up to 20 mgd through the District's Zone 2 and 3 transmission lines. To accomplish this, the District would be required to:

   a) Drill additional wells along the Baseline Feeder east of Pennsylvania Avenue
   b) Enter an agreement with the San Bernardino Valley Municipal Water District (SBVMWD) to obtain additional capacity
   c) Purchase water from the City of San Bernardino

3) Purchase State Water Project water

WELL SUPPLY

The District has 38 mgd of capacity from wells. The District plans to complete Wells W-19, W-38, and W-40 in the North Riverside Basin; Well W-54 in the Rialto Basin; Wells W-43 and W-45 in the Bunker Hills Basin; and Well W-8A in the Lytle Creek Basin for an total estimated supply capacity of 21.2 mgd for current planned wells. The District plans to drill additional wells along the Baseline Feeder to supply approximately 13.4 mgd to the ultimate use of the Baseline Feeder capacity and the future transmission lines from the 3A-1 Booster Station to Pressure Zones 2 and 3.

The District plans to drill two additional wells in the Cajon Creek and I-15 area to supply Pressure Zones 7 and 8 east of Lytle Creek. The District also plans to drill a new well (W-54) in the Mid Valley Landfill area to supply landfill, sand, and gravel operations (Table 8).

Table 8
RECOMMENDED FUTURE WELLS

Well No.	Location of Planned Well Facility	Basin	Pressure Zone	Est. Supply Capacity (mg)
W-19	Slover and Lilac (to be redrilled)	NR	2	2.0
W-38	S.E. corner of Slover and Sycamore Ave.	NR	2	1.8
W-40	Near intersection of Riverside Ave. and Resources Dr. (in process)	NR	2	1.4
W-39	Cedar Ave and So. Pacific RxR	C	3	1.0
W-49		NR	2	1.6
W-50		NR	2	1.6
W-51		NR	3	1.6
W-52		C	3	1.6
W-53		C	3	1.6
			Subtotal	**14.2**
W-43	East of existing W-15 and W-30	BH	2/3/3A	3.4
W-45	East of Pennsylvania	BH	2/3/3A	3.4
W-46	East of Pennsylvania	BH	3A	3.4
W-47	Along Baseline Feeder	BH	3A	3.4
W-48	Along Baseline Feeder	BH	3A	3.4
W-55	Cajon Creek and I-15 freeway	BH	7	3.4
W-56	Cajon Creek and 1-15 freeway	BH	7	3.4
			Subtotal	**23.8**
W-22A	Riverside Avenue at R4-1*	R	4	1.3
W-54	Coyote Canyon (2004)	R	6	1.0
			Subtotal	**2.9**
			Total	**44.7**

Source: *WSBCWD Water Master Plan*. February, 2001.
* Completed. WVWD 2004.

Notes:
NR= North Riverside Basin
C= Chino Basin
BH= Bunker Hill Basin
R= Rialto Basin

WATER SUPPLY

PURCHASED WATER

The District currently contracts with San Bernardino Valley Municipal Water District (SBVMWD) to purchase up to 5,000 acre-feet per year (AF/year), or 4.5 mgd, (4.5 mgd) via the Baseline Feeder. Due to operation and equipment problems, the District has not received the full amount of 5,000 AF/year. To do so, the SBVMWD would have to drill additional wells in the Bunker Hills Basin, which are not expected to be completed before 2005/06. The District plans to use the Baseline Feeder to relieve the overdraft in the Lytle Creek Basin wells during drought conditions.

LYTLE CREEK SURFACE WATER SUPPLY

The District has a 5.09 cubic feet per second (cfs) water right in the Lytle Creek surface water and has entered into an agreement with the city of San Bernardino to purchase the City's 3.00 cfs water right. This would yield a total of 8.09 cfs of Lytle Creek surface water. The District also has a court settlement agreement with the Fontana Water Company (FWC) for approximately 1% of the FWC's annual water production to be taken at the District's water filtration plant. This is approximately 320 AF/year, or 200 gallons per minute/gpm. The District and the cities of Rialto and San Bernardino have a combined purchasing capacity of 6.7 mgd of Lytle Creek surface water right. The District and the city of Rialto constructed the Oliver P. Roemer Water Filtration Facility, a 9.6 mgd plant (14.4 mgd ultimate). The Roemer Facility will be able to supply 4.0 mgd for meeting the summer water demand during extended drought periods.

STATE PROJECT WATER

To augment current supplies, the District purchases State Water Project (SWP) water. However, the use of SWP water as a domestic supply source is considered only as an alternative because water quality is not as high as local ground or surface water, the price is generally higher, and availability is uncertain in dry years.

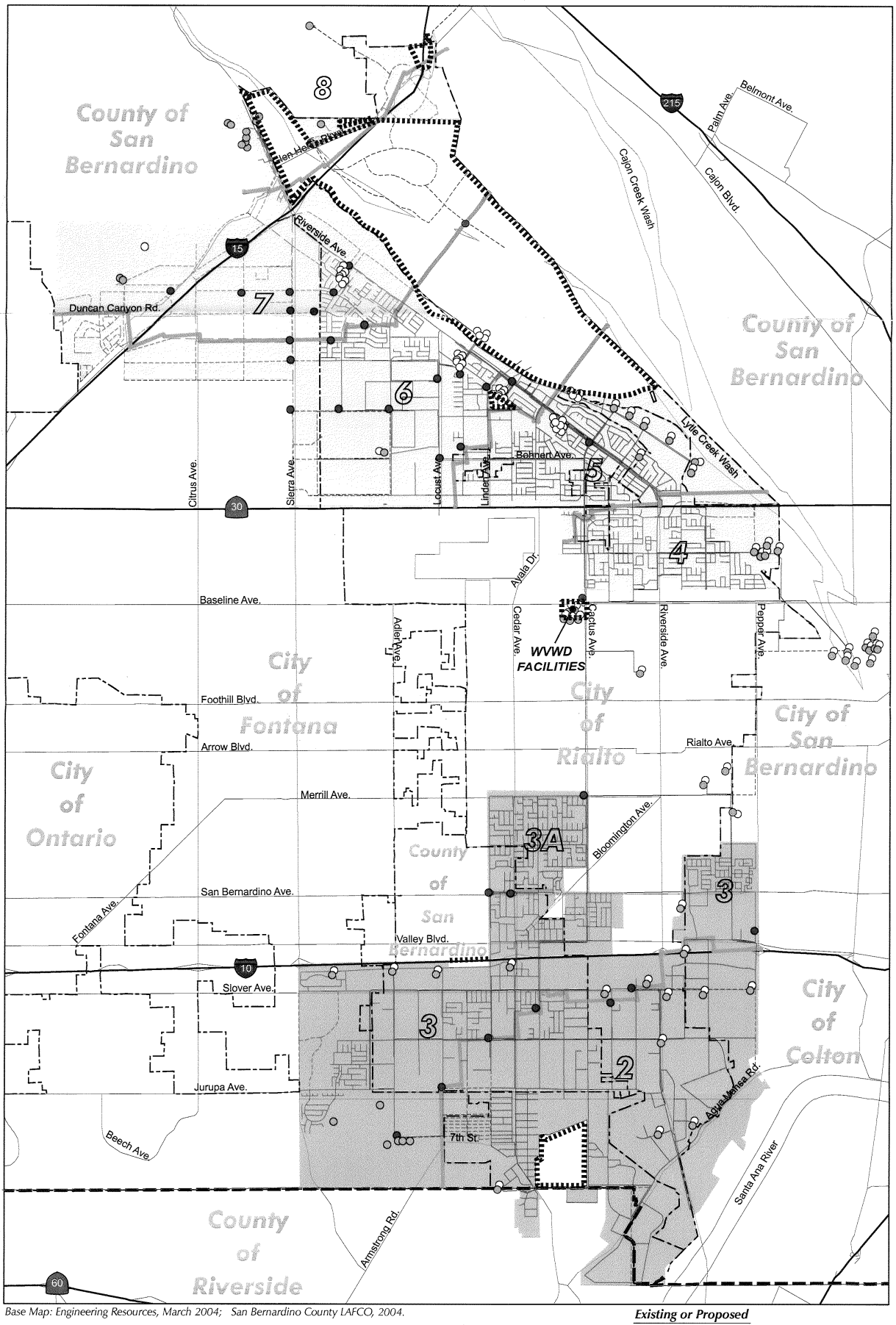
POTENTIAL WATER SUPPLY SOURCES - RECLAIMED WATER

The District could possibly use reclaimed water as part of the ultimate water supply by purchasing treated wastewater effluent from the cities of Rialto and San Bernardino RIX Wastewater Treatment Plant. The treated water could be used for landscaping irrigation, agriculture, and industrial process water.

The estimated existing and potential water sources will provide the District with an additional 94.5 mgd during normal conditions and an estimated additional 77.9 mgd during drought periods. Since the District will not be able to meet its peak summer day demand for water supply, conservation measures/policies in the District's Ordinance No. 69 (its Water Conservation Plan) would need to be invoked. These policy and measures provide water consideration methods needed during drought conditions (Appendix A).

PLANNED PROJECTS/CAPITAL IMPROVEMENT PLAN

To meet ultimate water demand, the District needs to implement the following capital improvement plans for the construction of supply, transmission, storage, and pumping facilities. These plans do not include in-tract distribution facilities and exclude the improvement needs in the Lytle Creek Land and Resources Specific Plan area. Infrastructure improvements and costs for the Lytle Creek North Planned Development Project are shown in Table 9.



Base Map: Engineering Resources, March 2004; San Bernardino County LAFCO, 2004.

- City Boundaries
- County Boundary
- Pressure Zone Boundary
- Sphere of Influence
- Water District Boundary (North System)
- Water District Boundary (South System)
- Existing Pipelines
- Future Pipelines

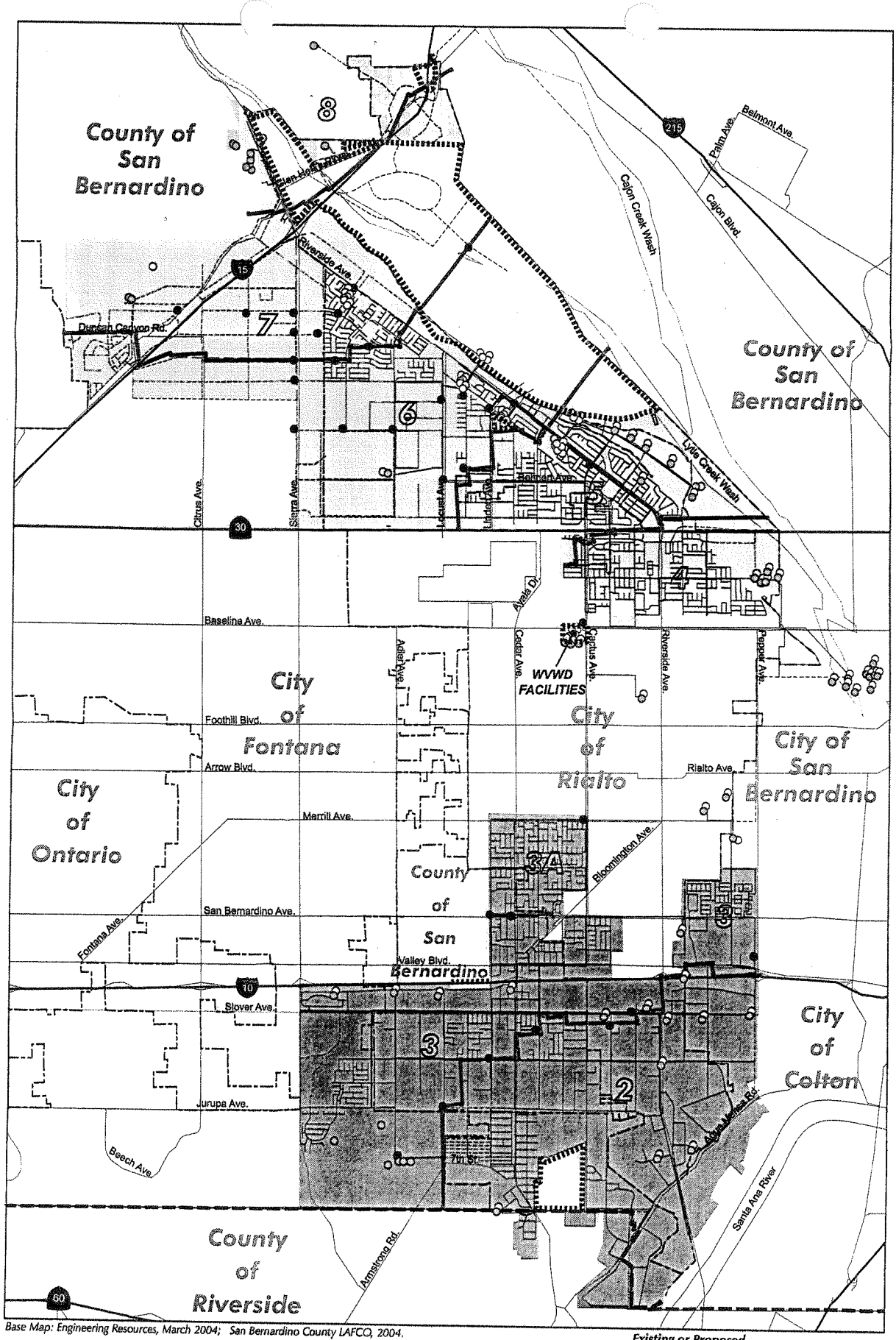
Existing or Proposed

- Well or Booster Pump
- Well or Reservoir Location
- Pressure Reducing Valve

N

0 1 2 4 Miles

Figure 2
Existing and Planned Infrastructure



Base Map: Engineering Resources, March 2004; San Bernardino County LAFCO, 2004.

City Boundaries
County Boundary
Pressure Zone Boundary
Sphere of Influence
Water District Boundary (North System)
Water District Boundary (South System)
Existing Pipelines
Future Pipelines

Existing or Proposed
Well or Booster Pump
Well or Reservoir Location
Pressure Reducing Valve

N
0 1 2 4 Miles

Figure 2
Existing and Planned Infrastructure

YEAR 2002/2003

Construction	Estimated Construction Cost
A. Supply	
1. Drill and Equip Well to serve the Coyote Canyon project (in process) Well #54 See following page	$200,000 to $400,000
B. Transmission	
1. Construct 12,000 18" L.F. in Lytle Creek Rd to serve Coyote Canyon Project (completed 12/02)	$1,200,000
2. Construct 4,500 LF of 24" Transmission Line in Zone 6 in Coyote Canyon Rd. (in process)	$450,000
C. Storage	
1. Construct R7-3 Reservoir (4.0 mg) (in process)	$1,200,000
Total	**$3,050,000 to $3,250,000**

* Recommended Drought project.

Year 2003/2004

Construction	Estimated Construction Cost
A. Supply	
1. Drill and equip Well No. W-44*	$500,000
2. Drill and equip Well No. W-43*	
3. Equip Well No. W-39 for Blending* or add treatment facilities	$200,000 to $500,000
B. Transmission	
1. Construct 1,320 LF of 24" of Zone 2 Transmission Line in Valley Boulevard from Eucalyptus Ave. to Pepper Ave.	$200,000
2. Construct 2,640 LF of 20" of Zone 2 Transmission Line in Acacia Ave. between Slover Ave. and Santa Ana Ave.	$300,000
3. Construct 2,640 LF of 20" of Zone 2 Waterline in Santa Ana Ave. between Acacia Ave. and Riverside Ave.	$300,000
4. Construct W-44 Discharge Line. (20" x 2,000)	$200,000
5. Construct 4,200 LF of 24" of Zone 2 Transmission Line in Etiwanda Ave. between Meridian Ave. and Well No. W-30 (under design and environmental work)	$500,000
6. Construct Pumping Station 3A-2	$350,000
C. Storage	
1. Purchase R3-4 Reservoir Site	$50,000
2. Purchase R2-5 Reservoir Site	$60,000
Total	**$2,600,000 to $2,900,000****

* Recommended Drought project.
** Completed Reservoir 5-3 5 MG in 2003/04

Year 2004-2005

Construction	Estimated Construction Cost
A. Supply	
1. Drill and Equip Well No. W-19*	$500,000
B. Transmission	
1. Construct 5,280 LF of 24′ of Zone 2 Transmission Line in 8th St.	$600,000
2. Construct 2,640 LF of 20″ of Zone 2 Transmission Line in Pepper Ave. between Valley Boulevard and Slover Ave. including freeway and R/R	$500,000
3. Construct 2,640 LF of 24″ of Zone 2 Transmission Line in Slover Ave. an Acacia Ave.	$350,000
4. Construct 7,920 LF of 24″ of Zone 2 Transmission Line in Eucalyptus Ave. from Merrill Ave., Valley Blvd. and connect R2-2 Reservoir and R2-6 Reservoir	$900,000
C. Storage	
None	
Total	**$2,850,000**

* Recommended Drought project.

Year 2005/06

Construction	Estimated Construction Cost
A. Supply	
1. Drill and Equip Well No. W-54 (Coyote Canyon)	$500,000
B. Transmission	
1. Construct W-54 discharge line (12′x 200 ft) (Coyote Canyon)	$150,000
C. Storage	
1. Construct and design a 3.0 mg R7-4 reservoir	$200,000
Total	**$850,000**

* Recommended Drought project.

3. SPHERE OF INFLUENCE (SOI) STUDY AREAS

The District's existing service area presently encompasses approximately 20,300 acres. The District's Sphere of Influence (SOI) area comprises approximately 3,300 acres which is primarily located in the northern boundaries of the District. The SOI comprises approximately 16% of the District's existing service area. Potential areas of adjustment include the Lytle Creek North Planned Development Project which encompasses 647.4 acres. Of this total, 634 acres lie outside of the District boundaries but within the District's SOI. The District plans to serve the project site and annex 634 acres into its service boundaries. The District also plans to update the SOI to include the West Valley Water District facilities located on Base Line Road and Cactus Avenue. The District also will update the SOI to include a 23 acre parcel which contains the Union Pacific Railroad facilities near the I-10 freeway. These areas are discussed in detail below.

A. WEST VALLEY WATER DISTRICT FACILITIES

The West Valley Water District facilities are located at 855 West Base Line Road at the southwest intersection of Base Line Road and Cactus Avenue. The district owns lots within this area that total approximately 7.4 acres. Located at the site are several buildings that include the District's offices and administrative buildings, a field operations building, a warehouse, a garage, parking and a storage area.

B. UNION PACIFIC RAILROAD FACILITIES

A portion of Union Pacific railroad tracks encompassing 22.8 area is located immediately south of the I-10 freeway within an unincorporated area of the County of San Bernardino. This parcel is located east of Palmetto Avenue and west of Cedar Avenue. This property contains no habited dwellings nor will ever contain dwellings because the property is used entirely for railroad tracks.

C. LYTLE CREEK NORTH PLANNED DEVELOPMENT PROJECT

The Lytle Creek North Planned Development Project encompasses 647.4 acres of land northeast of the Lytle Creek Wash, northeast of the Interstate 15 freeway and the Sierra Avenue interchange. The site is located within an unincorporated portion of San Bernardino County, northeast of the city of Rialto, within Rialto's SOI. The land use plan for the area assigns specific land uses and densities within the project area.

The project proposes development of 2,234 single-family residential units and 172 multi-family units, as well as commercial, educational, and recreational facilities. The ten land use categories identified within the project include three Detached Single-Family Residential designations (SF-5, SF-6, SF-7), Multi-family Attached Residential (MF), Commercial (C), Elementary School (ES), Community Park (P), Open Space (OS), Public Facility (PF) and landscape parkways and trails (LANDSCAPE).

The majority (634 acres) of the Lytle Creek North Project site is not located within the boundaries of any water purveyor but lies within the District's SOI. The remaining 13 acres lie within the District's service boundaries. There is currently no water service or water service infrastructure serving the project site. However, the District's plans to serve the proposed project and has included the project in the West Valley Water District's 1990, 1996, and 2001 Master Plans. The project's water system will be part of a more regional system sized to accommodate the expected future growth within the I-15 freeway corridor.

The area of development would be within the District's Pressure Zone 7 and Pressure Zone 8, with the zone split generally following the I-15 freeway alignment. The nearest existing District facility in Pressure Zone 7 is an 18-inch transmission pipeline in Lytle Creek Road at Glen Helen Parkway. This is approximately 2,600 feet southwest from the proposed Lytle Creek North Planned Development's West Entry Drive. It is also approximately 2,600 feet to the nearest transmission line in Zone 8, which is also located within Lytle Creek Road.[1]

[1] *Water Facilities Feasibility Study for the Lytle Creek North Planned Development Project*. 12/02.

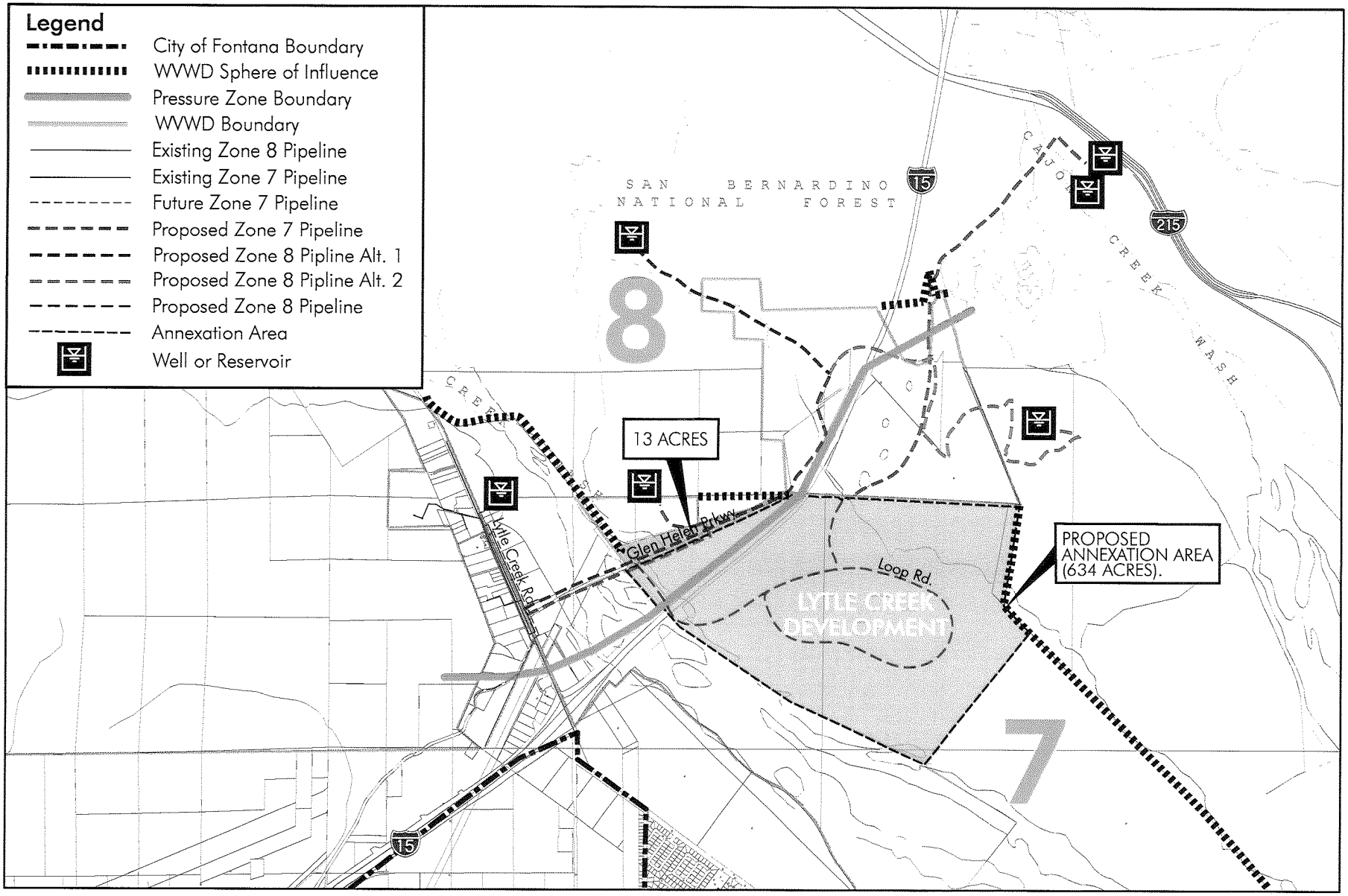
WATER FACILITIES AND CHARGES

The Lytle Creek North Planned Development Project (also known as the North Villages of Lytle Creek) is projected to have a potable water demand for peak day of 3.26 mgd. It is also required to have a supplemental supply for average day demand of 1.63 mgd. The required potable water system facilities and charges to provide such facilities for the North Village of Lytle Creek project are displayed in Table 9.

Table 9
NORTH VILLAGES OF LYTLE CREEK WATER SYSTEM REQUIREMENTS

Facilities	Units	Unit Cost	Facility Cost	Developer Cost
Zone 7				
1. Reservoir 7-3	4.0 mg	$0.40/gal	$1,600,000	$1,400,000
2. Upgrade PS 7-1	2.0 mgd	$100,000	$100,000	$100,000
3. 30" Pipeline, PS 7-1 to Glen Helen Parkway	7,000 LF	$150/LF	$1,050,000	$275,000
4. 24" Pipeline from Lytle Creek Road to West Entry Drive	2,600 LF	$120/LF	$312,000	$312,000
5. Wells W-55 and W-56 on Institution Road	2 each	$600,000 each	$1,200,000	$1,200,000
6. 16" Pipeline from wells to Reservoir at Filtration Facilities	14,300 LF	$80/LF	$1,144,000	$1,144,000
7. 20" Pipeline from Glen Helen Turnout to Water Filtration Facilities	11,400 LF	$100/LF	$1,140,000	$315,000
8. Water Filtration Facility (supplemental supply)	4.0 mgd	$1.55/gal	$6,200,000	$2,527,000
9. Reservoir for water filtration facility and wells W-55 and W-56	2.0 mg	$0.40/gal	$800,000	$652,000
10. Pump Station from water filtration facility to North Village Zone 7	6.0 mgd	$800,000	$800,000	$435,000
11. Pavement Replacement	13,600 LF	$20/LF	$272,000	$132,000
12. Reservoir 7-5 site	1.0 acres	$100,000	$100,000	$100,000
13. Land for filtration facilities	7 acres	$100,000	$700,000	$380,000
Zone 8				
1. Reservoir 8-3	1.5 mg	$0.45/gal	$675,000	$385,000
2. Booster Station	1	$250,000	$250,000	$250,000
3. 12" Pipeline	6,700 LF	$60/LF	$402,000	$402,000
4. Pavement	5,100 LF	$20/LF	$102,000	$102,000
Total Construction for Zone 7 and 8			$16,847,000	$9,725,000
20% Engineering, inspection, administration, etc.			$3,369,000	$1,945,000
15% Contingencies			$3,032,000	$1,750,000
Total Cost			**$23,248,000**	**$13,420,000**

Source: West Valley Water District. March 2004

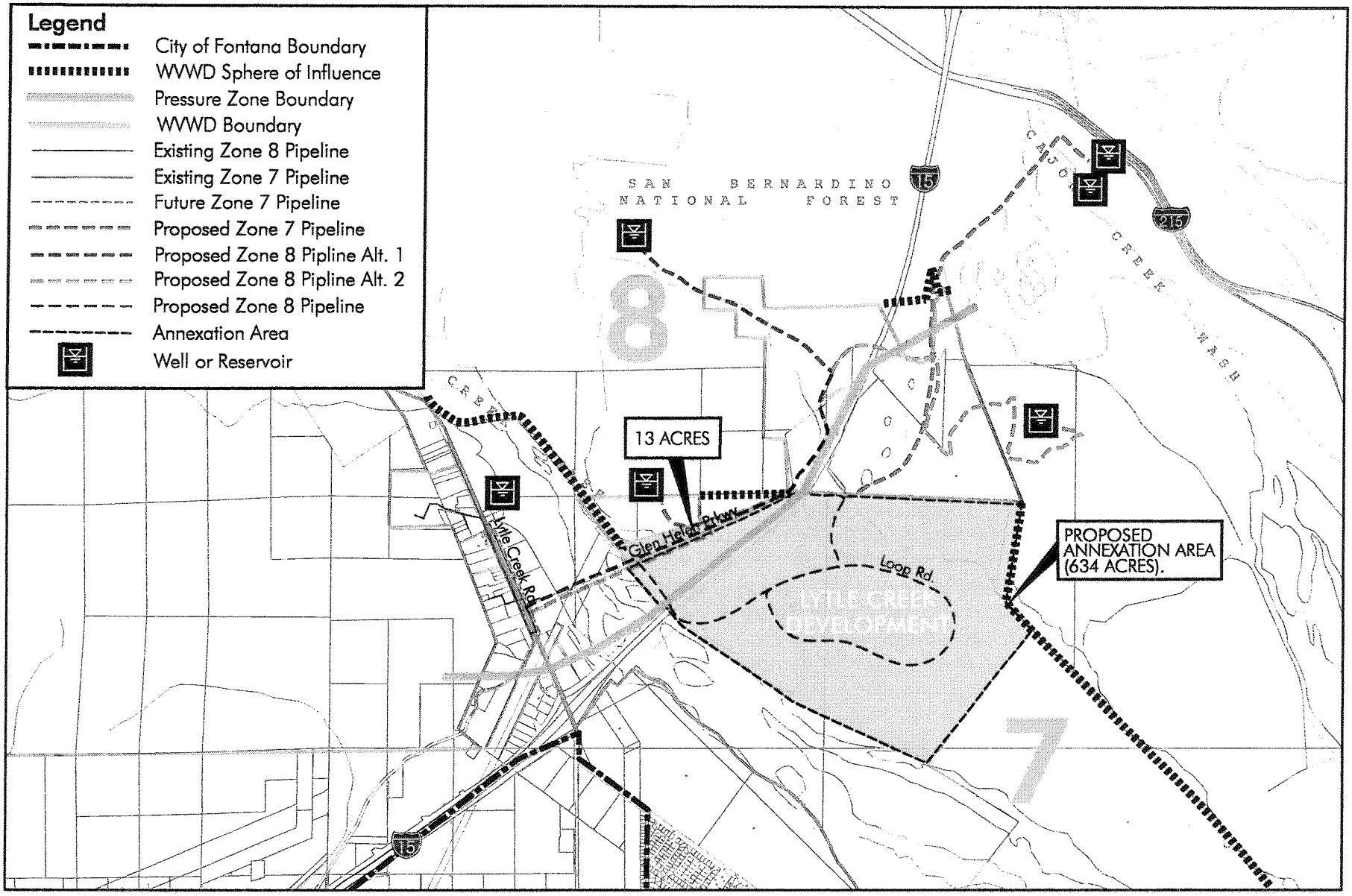


Source: Engineering Resources, March 2004; San Bernardino County LAFCO, 2004.

0 .25 .5 1 Mile

WVWD
Draft

Figure 3
WVWD Water System Improvements for Lytle Creek Project



Source: Engineering Resources, March 2004; San Bernardino County LAFCO, 2004.

0 .25 .5 1 Mile

Figure 3
WVWD Water System Improvements for Lytle Creek Project

OTHER ISSUES

SAN BERNARDINO COUNTY AND RIVERSIDE COUNTY BOUNDARY CHANGE

In October 28, 2003, San Bernardino County Board of Supervisors approved county boundary adjustment along with a General Plan Land Use District amendment for the County of Riverside. The amendment involved the transfer of 8.56 acres of land from Riverside County to San Bernardino County and 4.06 acres from San Bernardino County to Riverside County. This area is bounded by the Agua Mansa Road to the northwest, Brown Avenue to the southwest and the former San Bernardino County line to the east. The amendment also included an action to place the AM/SP (Agua Mansa/Specific Plan) designation on the 8.56 acre portion in the Agua Mansa Specific Plan areas. The Riverside and San Bernardino boundary adjustment does not impact the District since it currently serves all areas that were included in the amendment.

WRITTEN DETERMINATIONS

Based upon the above information and the State guidelines for implementing the CKH Act, the following are presented as written determinations of Infrastructure Needs and Deficiencies.

1. The District is in the process of upgrading and maintaining much of its existing service infrastructure, including transmission lines and supply and storage facilities. Overall, the facilities will need continued upgrading and maintenance to be able to serve future customers.

2. The District has adequate infrastructure and capacity to serve residents within the District boundaries; however, the District's 2001 Water Master Plan indicates that infrastructure facilities will need to be developed in the northeastern portion of the District (Zones 6, 7, and 8) to serve proposed developments, including the Lytle Creek development.

3. The District continues to examine future needs and conditions within the service boundaries and the Sphere of Influence.

4. The District has planned for the necessary infrastructure improvements to serve the Lytle Creek development within the District's 1990, 1996, and current Water Master Plan. The District is currently working with the developer to serve the project. The project's water system will be part of a more regional system sized to accommodate the expected future growth within the I-15 freeway corridor.

5. The San Bernardino County and Riverside County boundary change that occurred on October 28, 2003 is currently within the West Valley Water District's service boundaries and does not impact the District since it currently serves all areas that were included in the amendment.

4. GROWTH AND POPULATION PROJECTIONS

This section evaluates future service demands based on existing and anticipated growth patterns and population projections. The Draft Service Review Guidelines call for LAFCO to determine anticipated growth patterns and population projections prior to a Sphere of Influence adjustment. Additionally, LAFCO is asked to evaluate if providing services to the affected lands facilitates the implementation of the adopted land use plans rather than inducing growth in areas not intended for growth.

Since 1981, the District's total water service connections have increased from 7,533 connections to approximately 16,488 active connections in 2001/02 (Table 10). As of January, 2003, the District has 16,618 active and 854 inactive connections (Table 2). The connections includes those for domestic, commercial, fire, and irrigation consumption. According to the District's Water Master Plan, this growth rate averages approximately 4.4% per year. The data indicate that the average daily water consumption per connection ranges from 645 gpd to 978 gpd, with an average of 830 gpd. The average number of persons per households increased from 2.8 in 1990 to 3.4 in 1998.

Table 10
HISTORICAL GROWTH RATES AND AVERAGE DOMESTIC/COMMERCIAL WATER CONSUMPTION

Year	No. of Total Connections *		Connection Growth Rate (%)	Domestic Consumption (100 CF)	Consumption Growth Rate (%)	ADF Per Connection (GPD)
	Total	Yearly Addition				
1980/81	7,533	--	--	2,744,356	--	747
1981/82	7,615	82	1.09	2,829,027	3.09	761
1982/83	7,697	82	1.08	2,423,216	-14.34	645
1983/84	8,142	445	5.78	2,801,644	15.62	705
1984/85	9,220	1,078	13.24	3,032,932	8.26	674
1985/86	11,241	2,021	21.92	3,494,374	15.21	637
1986/87	11,897	656	5.84	3,885,435	11.19	669
1987/88	11,943	46	0.39	4,400,267	13.25	755
1988/89	12,644	701	5.87	4,794,367	8.96	777
1989/90	13,155	511	4.04	5,286,857	10.27	824
1990/91	13,994	839	6.38	5,168,786	-2.23	757
1991/92	14,036	42	0.30	4,988,609	-3.49	728
1992/93	14,346	310	2.21	5,430,342	8.85	776
1993/94	15,092	746	5.20	5,604,579	3.20	761
1994/95	15,112	20	0.10	5,620,427	0.28	762
1995/96	15,148	36	0.20	6,568,835	16.87	889
1996/97	15,240	92	0.61	6,694,748	1.31	900
1997/98	15,390	150	0.98	5,758,013	-13.48	767
1998/99	15,663	273	1.77	6,503,546	13.03	851
1999/00	16,005	342	2.18	7,379,881	13.47	945
2000/01	16,360	66	0.41	7,478,734	1.34	937
2001/02*	16,488	128	0.78	7,871,363	5.25	978

Source: *WSBCWD Water Master Plan*. February, 2001.
Update for 2000-2002 provided by Engineering Resources. March, 2003.
Total connections includes: Domestic, Commercial, fire and irrigation, both active and inactive.

* Average daily metered usage for 21,109 domestic and commercial EDU's was 764 gpd for 2002. This excludes 208 EDUs assigned to irrigation connections.

To project growth within the District by pressure zone, the Water Master Plan examined the General Plan of each jurisdiction served by the District (cities of Rialto, Fontana and Colton, and Riverside and San Bernardino counties) and applicable Specific Plans to calculate ultimate water demand. These land uses have all been converted into equivalent dwelling units EDUs. The proportion of EDUs is estimated based on meter size and flow rate. Table 11 displays the relationship between meter size, flow rate, and EDUs.

Table 11
METER FLOW RATES BY SIZE

Meter Size	Meter Type	Max. Allowable Flow (GPM)	EDU's
5/8" & 3/4"	Positive Displacement Type	30	1.0
1"	Positive Displacement Type	50	1.7
1 ½"	Positive Displacement Type	100	3.3
2"	Turbine Type	160	5.3
3"	Turbine Type	350	11.7
4"	Turbine Type	600	20.0
6"	Turbine Type	1250	41.7
8"	Turbine Type	1800	60.0

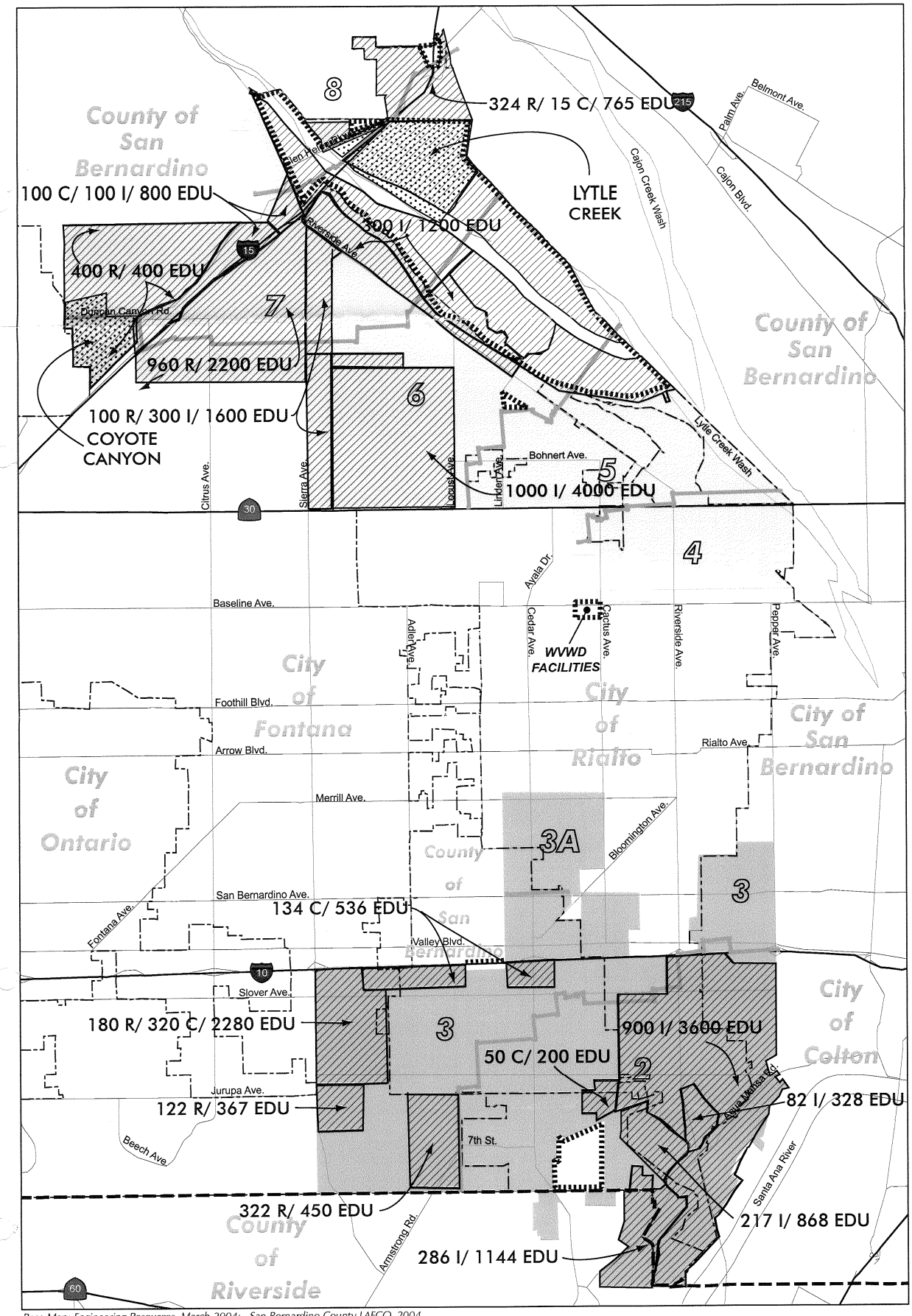
Source: *WSBCWD Water Master Plan*. February, 2001.

Table 12 summarizes the major developable lands, approximate time for development, and planned EDUs in the South System, which includes Pressure Zones, 2, 3, and 3A. Table 13 displays developable land and growth projections for Pressure Zones in the North System, which includes Pressure Zones 4, 5, 6, 7, and 8.

Figure 4 displays the major developable lands within each Pressure Zone and indicates anticipated acreage by type of development and associated EDU. As shown, a significant amount of development within the District boundaries is expected to occur within Zones 2, 6, and 7.

Within the South System, the majority of development is expected occur within Zone 2. The majority of the development is anticipated to be industrial (1,438 acres). This will occur largely as a result of the development of the Agua Mansa project. In contrast, within the Northern System, the majority of new development is expected to be residential development which will primarily occur within Zones 6 and 7. Within Zone 6, the majority

of new development will occur as a result of new residential development within the city of Fontana and development of the Coyote Canyon and Lytle Creek projects. Growth in Zone 8 and within the SOI will largely occur as a result of the Lytle Creek project described earlier in detail.

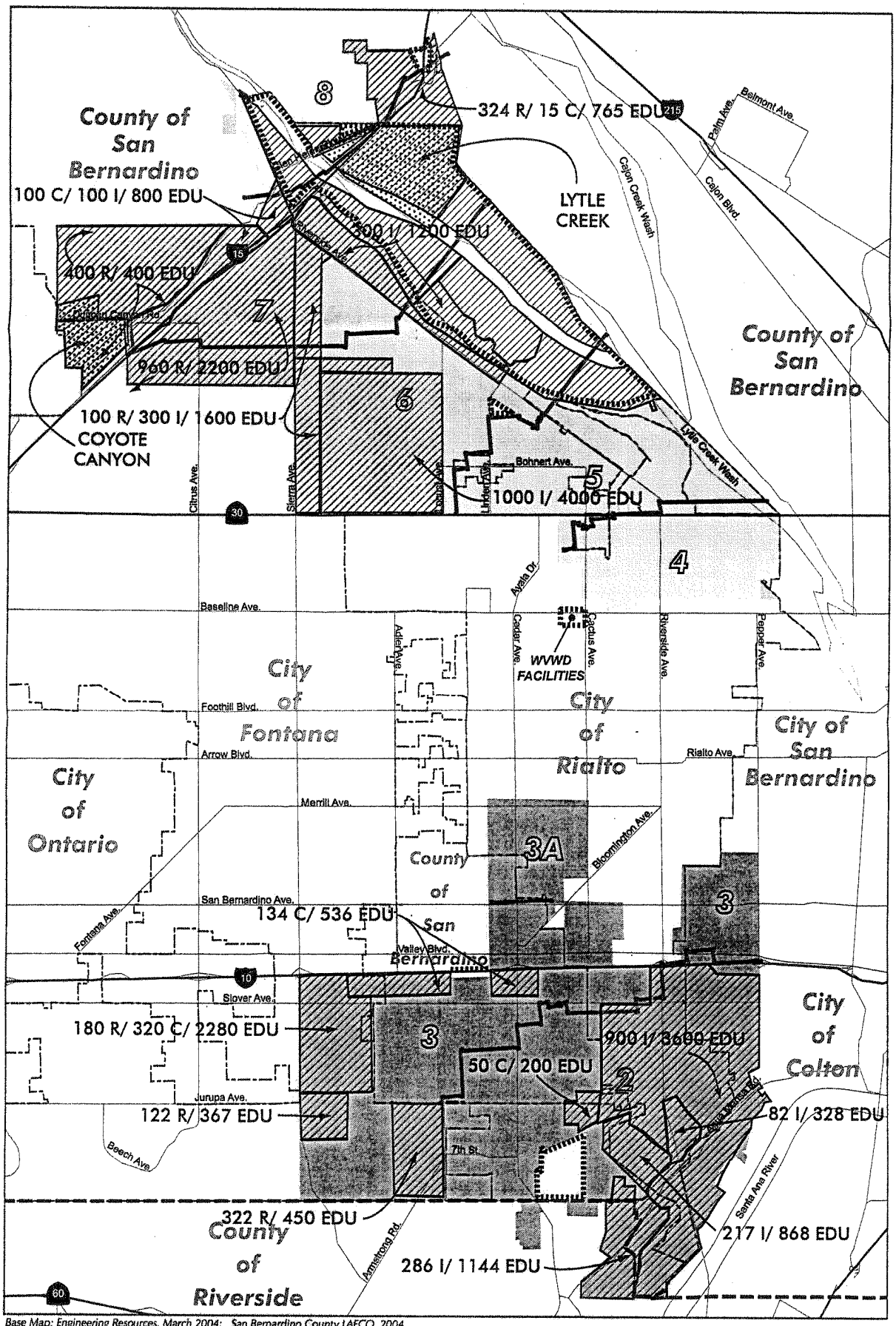


Base Map: Engineering Resources, March 2004; San Bernardino County LAFCO, 2004.

City Boundaries
County Boundary
Pressure Zone Boundary
Sphere of Influence
Water District Boundary (North System)
Water District Boundary (South System)
Major Developable Land
Lytle Creek & Coyote Canyon Projects

N
0 1 2 4 Miles

Figure 4
Major Developable Land



Base Map: Engineering Resources, March 2004; San Bernardino County LAFCO, 2004.

City Boundaries
County Boundary
Pressure Zone Boundary
Sphere of Influence
Water District Boundary (North System)
Water District Boundary (South System)
Major Developable Land
Lytle Creek & Coyote Canyon Projects

0 1 2 4 Miles

Figure 4
Major Developable Land

Table 12
IDENTIFIABLE DEVELOPABLE LANDS AND GROWTH PROJECTION IN THE SOUTH SYSTEM

Zone	Developable Land	Area (AC)	No. of EDUs Anticipated					
			2001/02	2002/03	22003/04	2004/05	2005/06	Total
2	Agua Mansa	900-I	50	100	100	100	1000	3600
	Owl	217-I	50	100	100	100	100	870
	Angeles Block	35-I	50	50	50	0	0	330
	Madison	286-I	50	50	50	50	50	1140
	Madison	50-C	0	0	0	0	0	200
	Miscellaneous	100-R	10	10	10	10	10	400
	Subtotal	**1,588**	**210**	**310**	**310**	**260**	**260**	**6,540**
3	Rancho La Terra	322-R	50	50	50	50	0	450
	South Park	122-R	20	20	20	20	20	370
	Empire Center	500-R,C	100	100	100	100	100	2,280
	Southern Pacific	134-C	0	0	0	0	0	540
	Miscellaneous	20-R	10	10	10	10	10	80
	Subtotal	1,098	180	180	180	180	130	320
3A	Miscellaneous	150-C	10	10	10	10	10	600
	Subtotal	150	10	10	10	10	10	600
South System Total		**2836**	**400**	**500**	**500**	**450**	**400**	**10,860**

Source: *WSBCWD Water Master Plan*. February 2001.

*Only parcels with identifiable, planned development included. Vacant developable land without identifiable planned development was not included.

I= Industrial

R=Residential

C=Commercial

Table 13
IDENTIFIABLE DEVELOPABLE LANDS AND GROWTH PROJECTION IN THE NORTH SYSTEM

Zone	Developable Land	Area (AC)	No. of EDUs Planned					
			2001/02	2002/03	2003/04	2004/05	2005/06	Total
4	Miscellaneous	50-R	10	10	10	10	10	200
	Subtotal	50-R	10	10	10	10	10	200
5	Miscellaneous	20	20	20	20	20	20	600
	El Verde Golf Course	70	0	0	0	0	0	250
	LCLR	200	0	0	0	0	0	800
	Subtotal	290	20	20	20	20	20	1650
6	Foothill Freeway	1000-I	50	50	50	50	50	4000
	Sierra Corridor	50-R/150	0	0	20	20	20	800
	Coyote Canyon	100	50	50	50	50	50	400
	Fontana	320-R	0	0	0	0	0	800
	N. Fontana	200-R	0	0	0	0	0	200
	N.W. Rialto Ind.	100-I	0	0	0	0	0	400
	LCLR	200	0	0	100	100	100	700
	Miscellaneous		10	10	10	10	10	100
	Subtotal	2120	110	110	230	230	230	7400
7	Sierra Corridor	50-R/150-I	0	0	20	20	20	800
	Coyote Canyon Estates	60	50	50	50	50	50	250
	Fontana	640-R	0	0	0	0	0	1600
	Fontana	640-R	0	0	0	0	0	1600
	N. Fontana	200-R	50	50	50	50	50	200
	I-15 Comm/Ind	100-C/100-I	0	0	0	0	0	800
	LCLR	700			30	30	30	2,000
	N.W. Rialto Ind.	200-I	0	0	0	0	0	800
	Sycamore Flats	100	10	10	10	10	10	300
	Miscellaneous	0	0	0	0	0	0	250
	Subtotal	2,940	110	110	260	260	260	8600
8	LCLR	100	0	0	0	0	0	200
	Sycamore Flats	100	0	0	0	0	0	450
	Miscellaneous	0	0	0	0	0	0	0
	Subtotal	**200**	**0**	**0**	**0**	**0**	**0**	**450**
North System Total		**5600**	**250**	**250**	**520**	**520**	**520**	**18,300**

Source: *WSBCWD Water Master Plan*. February 2001.

*Only parcels with identifiable, planned development included. Vacant developable land without identifiable planned development was not included.

I= Industrial

R=Residential

C=Commercial

GROWTH PROJECTION SUMMARY

Table 14 displays the projected growth in EDUs within in each pressure zone from the year 2000 to 2015. The ultimate water demand is based on the total build-out scenario indicated in Table 5 and 700 gpd per EDU water usage.

The ultimate number of EDUs planned for the South System is 30,940, while the North System is expected to gain 37,670 EDU. According to the District, the number of EDUs associated with build-out is a reasonable and feasible projection. However, no timeframe is associated with the build-out projection.

Table 14
SUMMARY OF GROWTH PROJECTION

Pressure Zone	No. of EDUs Planned								
	2000	**2001/02**	**2002/03**	**2003/04**	**2004/05**	**2005/06**	**2010/11**	**2015/16**	**Ultimate**
2	3455	3660	3970	4260	4510	4750	5850	7000	15900
3	4809	4990	5070	5260	5400	5550	6000	6800	11900
3A	1944	1950	1950	1980	1990	2000	2050	2100	3140
South System	**10208**	**10600**	**11000**	**11500**	**11900**	**12300**	**13900**	**15900**	**30940**
4	3474	3490	3500	3510	3520	3530	3580	3630	5800
5	3355	3370	3410	3430	3450	3470	3500	3550	7970
6	2770	2880	3020	3220	3420	3650	4200	5400	13600
7	806	900	1010	1280	1550	1790	2520	3800	9360
8	60	60	60	60	60	60	200	420	940
North System	**10645**	**10700**	**11000**	**11500**	**12000**	**12500**	**14000**	**16800**	**37670**
District	**20673**	**21300**	**22000**	**23000**	**23900**	**24800**	**27900**	**32700**	**68610**

Source: *WSBCWD Water Master Plan*. February, 2001.

Table 15 shows present water demands, projected water demand from year 2000 to 2015, and the ultimate water demand for each pressure zone. The District Master Plan assumes a gradual decrease to 800 gpd/EDU in average daily demand for the projected demands by the year 2005/06 (from 830 gpd/EDU for 2000). Demand per EDU is assumed to further decrease from 800 gpd/EDU in the year 2005/06 to 700 gpd/EDU at build-out. This is based on the premise that the average number of persons per household will be 3.5, with an average of 200 gpd at build-out.

Table 15
PROJECTED WATER DEMAND BY PRESSURE ZONE

	Projected Average Daily Water Demand (MGD)[2]								
Zone	**2000**	**2001/02 830/ EDU**	**2002/03 825 /EDU**	**2003/04 820 /EDU**	**2004/05 810/ EDU**	**2005/06 800/ EDU**	**2010/11 775/ EDU**	**2015/16 750/ EDU**	**Ultimate 700gpd/ EDU**
2	2.9	3.07	3.25	3.48	3.65	3.80	4.53	5.25	11.13
3	4.0	4.10	4.20	4.33	4.37	4.44	4.65	5.10	8.32
3A	1.6	1.63	1.63	1.62	1.61	1.60	1.59	1.58	2.20
S. System Total	**8.50**	**8.80**	**9.08**	**9.43**	**9.63**	**9.84**	**10.77**	**11.93**	**21.65**
4	2.9	2.90	2.89	2.88	2.85	2.82	2.77	2.72	4.06
5[3]	3.2	3.20	3.21	3.21	3.19	3.18	3.11	3.06	5.58
6[4]	3.0	3.09	3.19	3.34	3.47	3.62	3.96	4.75	9.52
7	0.7	0.75	0.83	1.05	1.26	1.43	1.95	2.85	6.55
8	0.05	0.05	0.05	0.05	0.05	0.05	0.16	0.32	0.66
N. System	**9.85**	**9.99**	**10.17**	**10.53**	**10.82**	**11.10**	**11.95**	**13.70**	**26.37**
District	**18.35**	**18.79**	**19.25**	**19.96**	**20.45**	**20.94**	**22.72**	**25.63**	**48.02**

Source: *WSBCWD Water Master Plan*. February 2001.

[2] Future water conservation policies are expected to lower the average daily water usage to 800 gpd/EDU by the year 2005 and to 750 gpd/EDU for 2015, and 700 gpd/EDU for the ultimate demand. Demand per EDU (including unaccounted for water) will be 830 gpd for 2001, 825 gpd for 2002, 820 gpd for 2003, and 810 for 2004, 800 gpd for 2005, 775 gpd for 2005, 750 gpd for 2015.

[3] Includes 0.4 mgd ADF for Rancho Verde Golf Course

[4] Includes 0.7 mgd ADF for Mid-Valley Landfill/Robertson's Ready Mix

WRITTEN DETERMINATIONS

Based upon the above information, the following are offered as written determinations of Population Needs and Projections.

1. Ultimate demand within the District is 68,610 EDU (equivalent dwelling units). Of the planned EDUs, 30,940 will be located within the South System and 37,670 within the North System.

2. The District's existing plans for service and future development have considered regional projections and patterns in terms of promoting planned and efficient infrastructure improvements. According to the District Master Plan, the General Plans of each jurisdiction and applicable Specific Plans were used to calculate population and development projections to determine ultimate water demand. The District is in the process of updating its Water Master Plan and has a Capital Improvement Plan that provides for upgrades to water storage, transmission, and supply facilities.

3. The District has and continues to upgrade all of the major infrastructures needed including but not limited to, supply, storage and transmission facilities. By following the direction of their Master and Capital Improvement plans, the District's ability to provide service to existing and future customers looks promising.

5. Financial Constraints And Opportunities

This section evaluates the factors affecting the financing of needed improvements relative to both: 1) needs within the District's current boundaries, and 2) needs relative to the two proposed system expansions currently under consideration.[5]

The District issued and made public a series of audited financial statements in October of 2002. These statements cover fiscal years 2000-2001, 2001-2002, and 2002-2003. Selected tables from the financial statements are contained in Appendix B to this report as listed below.

Appendix B, Table B-1: Summary financial information and analysis
Appendix B, Table B-2: Revenues, expenses and changes in net assets
Appendix B, Table B-3: Long term debt
Appendix B, Table B-4: Planned Improvements

These tables, along with the complete report, demonstrate that overall the District is financially stable. During fiscal year 2002-2003, the District's total assets increased by $4,175,525. This is largely the result of the District receiving $2,360,251 during the year from property contributions and facility charges to install water systems improvements and water master plan projects. The District also received $1,024,609 during the fiscal year which has legal restrictions to be used for perchlorate treatment.

Appendix B, Table 2 shows that the District has operated at small losses for the last three fiscal years. The summary financial information in Appendix B, Table 1 indicates restricted assets of $2.6 million targeted at capital projects and debt service, relative to unrestricted net assets of $31 million (largely investments in U.S. government securities and cash), and non-

[5] Information in this section has been drawn mainly from interviews with the Assistant General Manager of the WSBCWD, the District's *2001 Water Master Plan*, and the *West San Bernardino County Water District Audited Financial Statement and Report on Audit, June 30, 2002*.

liquid assets of $61 million (largely depreciable capital investments in the physical plant). After liabilities, the District's total net assets are about $94.7 million.

The District has adopted a "pay as you go" policy regarding the extension of infrastructure, which has been crucial to the District's ability in expanding its service base without increasing its rates. Specifically, the District requires developers to largely fund system extensions through connection fees to avoid passing on such costs to existing customers. A developer's share of a project's cost is determined by multiplying the number of anticipated connections by fixed rates per each connection type. If the actual cost of development exceeds the projected share, the District will typically pay the overage.

With this policy in place, is the District financially able to operate and maintain any new improvements associated with system expansions? Historically, the answer has been yes. Although the District significantly increased its number of customer connections in the past 10 years, water rates remained stable from 1994 through 2002, and the District has been able consistently to operate its system without assumptions of long-term debt. (Some leveraging occurred in the construction of infrastructure extensions; discussion of this follows). The rate increase put forward in 2002 was attributable more to rising energy costs than to any other factor. By and large, water sales revenue has proven an adequate means of financing the maintenance of the District's existing infrastructure. The District is also presently seeking State funding for certain projects, including some infrastructure maintenance.

The following examination of known financial constraints and opportunities is intended to give policymakers a clearer picture of the District's future financial picture.

Restricted Assets and Long-Term Debt

The District has two key pools of restricted assets totaling about $2.6 million in the current fiscal year. Of this amount, $2.3 million is targeted for the construction of capital

improvements as outlined in the District's capital improvement plan, discussed in more detail in the infrastructure needs/deficiencies section of this report.

The remainder, about $274,000, is earmarked toward the payment of long-term debt. As Appendix B, Table 3 indicates, the District carries about $3.8 million in long-term debt. About half of this amount is associated with costs associated with the construction of the Baseline Feeder, a water supply project financed and constructed through a joint powers authority. The payoff date for this portion of long-term debt is April, 2011.

Of more immediate impact was the recent payoff (in August of 2003) of bonds issued by the District in 1988. As of June 30, 2003, the remainder to be paid off was $205,000. These refunding bonds are a residual product of a $3.5 million loan from the Bureau of Reclamation in 1967, the proceeds of which enabled the District to complete substantial systemwide upgrades.

Historically, many of the District's early acquisitions of other water companies were completed without the issuance of bonds or creation of any other type of long-term debt. When the District has found it necessary to leverage a project through some form of long-term debt, the District has consistently budgeted sufficient liquid assets to make ongoing progress payments. At present, the District is not contemplating the assumption of any additional long-term debt.

The District's last bond issuance was for Association of Bay Area Governments water revenue bonds. The District's bond rating by Moody's was high quality (AAA-AA).

INVESTMENT POLICY

The District has established a policy for its investments, establishing safety, liquidity and yield as three key goals. Much of the District's unrestricted assets are invested in U.S. government securities.

PLANNED IMPROVEMENTS

In addition to the proposed capital improvements, the District proposes a larger program of overall needed improvements to existing infrastructure. Appendix B, Table 4 shows proposed budgets by type of improvement scheduled for the next five years.

These improvements were distilled in part from the District's 2001 Water Master Plan and also from growth and population projections within the master plan and within this report. The District estimates that the cost of these improvements for projects through 2008 is about $63 million. Included in the $63 million are approximately $12 million in planned future projects for the months of July 1 2003 through June 30, 2004 to be constructed as follows:

1)	Expand existing O.P. Roemer Water Filtration Facilities (Phase I)	$4,000,000
2)	Drill and equip Well No. 35A	$672,750
3)	Equip Well No. 18A and Well No. 42 with wellhead treatment	$1,481,600
4)	Drill and equip monitoring Well No. 54 (Rialto Basin)	$1,120,000
5)	Equip Well No. 8A (under construction)	$200,000
6)	Construct Zone 4-1 pump station and transmission line	$1,063,200
7)	Construct Zone 5-2 booster station	$1,009,000
8)	Upgrade Zone 7-1 booster station	$50,000
9)	Construct Zone 6 water mains relating to Target Warehouse construction	$736,160
10)	Construct Etiwanda Avenue, Zone 2 and Zone 3 water line	$812,000
11)	Construct Persimmon Avenue, Zone 6 water line	$422,500
12)	Construct Zone 6 waterline in Alder Avenue	$630,000

Many of these infrastructure improvements are associated with new development projects including the Lytle Creek project discussed in more detail below, meaning that the District anticipates significant reimbursement from project developers.

Lytle Creek Project

As identified in Table 9, the required potable water system facilities for the North Villages of Lytle Creek are expected to cost $23 million with developer contributions estimated at $13.4 million. Prior to beginning construction, the District conducted a facilities feasibility study for the proposed Lytle Creek development. The study included calculation of the minimum required developer contribution for the infrastructure needed for the project. To serve the project, the developer would provide all improvement costs up front.

Revenue Flows

Activities of the District are funded by a combination of operating revenues (primarily water sales) and non-operating revenues (property taxes, assessments, interest, and other sources). Water sales to residential customers constitute the District's single most significant revenue source—nearly 67% of all revenues in fiscal 2003. Table 2 of Appendix B shows detailed revenues and expenses.

As noted, the District recently increased its residential water charges by about 14% in 2002. Specifically, the price for 100 cubic feet of water (about 750 gallons) increased from $.70 to $.80. This rate increase is expected to translate into significant additional revenue, which is needed to cover increasing operating expenses. (The District operated at a loss of $183,000 in fiscal year 2001; this rose to about $500,000 in fiscal year 2002, further necessitating that year's rate increase.) Further discussion of rates follows in the "Rate Restructuring" section of this report.

Perchlorate Contamination

Many wells in the Inland Empire have been closed due to unacceptably high concentrations of perchlorate, a toxic substance associated with rocket fuels, explosives, munitions, and other sources. Perchlorate is known to negatively affect the human thyroid gland. The Inland Empire was or is now home to many private and public entities suspected or found to

be associated with sources of perchlorate. When discharged into the ground, perchlorate is known as a particularly fast-moving contaminant; it has been estimated to move underground at rates up to three feet per day.

Numerous wells in the vicinity of the District have been closed because of detected perchlorate contamination. Within the District itself, one well (W-22) was shut down in the 1990s, but is used today only to monitor perchlorate levels in the water table. Further, several additional wells within the District are operating at greatly reduced capacity in an attempt to minimize underground pressure changes and thus stem any further spread of perchlorate contamination.

This problem has had and will have financial impacts on the District. Perchlorate contamination has necessitated the construction of previously unplanned water treatment systems; these systems will require ongoing maintenance so long as they are in service.

Additionally, the District has incurred an estimated $1 million in legal fees (as of February, 2003) associated with identifying the extent of and parties responsible for the perchlorate problem. The District has covered most such costs to date with funds recouped from thus-far identified responsible parties, as well as from a grant towards cleanup and abatement from the State Regional Water Quality Control Board (RWQCB). In fiscal year 2003, the District received approximately $1,024,609 from BF Goodwrench, one of the main polluters of perchlorate in the area. These funds will be used for the cleanup and abatement of perchlorate contamination.

The Santa Ana RWQCB, along with the Inland Empire Perchlorate Task Force (to be discussed in greater detail later), continues to aggressively pursue a still-expanding list of potentially responsible parties. Perhaps the best result the District can hope for is to recoup from identified responsible parties all costs associated with responding to the perchlorate matter.

Over the long term, the perchlorate matter may require the District to make expensive changes in its water distribution system. Currently, 80% of the District's water supply is

delivered by gravity flow – in other words, delivered from a higher source to a lower end user. Reliance on gravity is a very cost-effective means of water delivery, as less mechanical assistance is needed to move water. However, as perchlorate contamination continues to be a problem, particularly in the higher elevation northern part of the District, the District is considering finding additional water sources in the less-contaminated southern district and physically pumping it to higher elevation end users. Overcoming the change in elevation requires the installation and maintenance of pumping systems, which is a more expensive means of delivery than gravity-based systems.

MTBE

In addition to issues associated with perchlorate, the District faces problems stemming from MTBE (methyl tertiary butyl ether) contamination of wells. A common gasoline additive, MTBE has been detected in water sources throughout California and nationwide. While its health impacts are still the subject of research and pending federal regulations, MTBE is known to lend an unpleasant odor and taste to water.

Within the District, a leaking gasoline tank at a large tank "farm" is suspected of causing MTBE contamination of a new but still inactive well (W-40) and an active well (W-41). As of 2003, the District had successfully negotiated with the owner of the tank farm to recover costs associated with water treatment and well reactivation of MTBE-contaminated sites.

ENERGY COSTS

Throughout California, energy costs have ballooned, particularly so in the last three years. While the District has been able to use less energy intensive gravity flow water delivery systems in the past, additional electric-powered pumping mechanisms may be needed in the future. Further, most of the District's wells require electric-powered pumping for water extraction. The District saw a spike in energy costs in fiscal year 2001-2002 relative to the previous fiscal year. Although there is uncertainty associated with predicting the precise cost of energy from year to year, it is likely that the District will see the cost of energy continue to

climb. While the District cannot control the cost of electricity, it can, as it has already done in many cases (discussed elsewhere in this report), seek to more efficiently use its infrastructure to minimize the cost of energy. In any case, continually rising energy costs pose a significant financial constraint upon the District.

Other Potential Financial Constraints

Taxes and assessments constituted a relatively small portion (less than 10%) of the District's overall revenues in 2002-2003. The District is monitoring budget negotiations in Sacramento, wary that budget problems at the State level could result in a reduced distribution of ad valorem taxes to agencies such as the District. Because taxes constitute a relatively small portion of the District's overall revenues, the potential impact of any such loss would be a hardship, but not fiscally devastating.

Potential Financial Opportunities

As of March, 2004, the District is pursuing several outside funding sources to assist in a variety of service areas.

Proposition 50 (2002)

In 2002, California voters passed Proposition 50, the "Water Security, Clean Drinking Water, Coastal and Beach Protection Act," a bond measure intended to fund water-related projects statewide. The District has applied for a distribution of $1.8 million from this fund, which would be used to cover the cost of water treatment facilities (including some related to perchlorate issues).

Proposition 13 (2000)

In March, 2000, California voters passed Proposition 13, the "2000 Water Bond," authorizing the sale of almost $2 billion in bonds to support safe drinking water, water quality, flood

protection, and water reliability projects statewide. In December 2002, the District applied for a Proposition 13 funded conservation grant for $850,000. These funds would be used to improve leaking mainlines and subsidize water-efficient home consumer products, like low-flow showerheads and toilets. The District's application is currently in review by the state Office of Water Use Efficiency. This is a 100% matching fund program, so the District would be expected to provide $850,000 of its own funds on the stated programs if it is awarded the grant. With or without the grant, the District anticipates engaging in some portion of the proposed activities.

BROWNFIELDS GRANT

To assist with costs associated with the District's five known contaminated wells, the District has applied to the U.S. Environmental Protection Agency (EPA) for a Brownfields grant. The Brownfields program is intended to assist in the clean-up of the nation's largest and most problematic contaminated sites. The District has requested $1.2 million from the EPA for additional treatment and abatement facilities and costs.

WRITTEN DETERMINATIONS

Based upon the above information and the State's guidelines to implementing the CKH Act, the following are offered as written determinations of Financial Constraints and Opportunities for the affected area:

1. The District engages in various practices to assure wise management of financial resources. These practices include annually updated budgets and capital improvement plans, and periodic (3-5 year) water service master plans. District Directors and staff use information gained in these processes to make informed budgetary decisions.

2. The District has established a "pay as you go" policy on infrastructure extensions, requiring project developers to cover the bulk of infrastructure extension costs rather than incurring additional long-term debt or passing on such costs to existing consumers. The District carries a small amount of long-term debt relative to its net assets, and its bonds have high ratings.

3. In the current fiscal year, the District has made numerous applications for State and federal grant funding to assist in a variety of projects. The District keeps abreast of relevant notices of funding availability from a variety of sources.

4. The District has established a conservative investment policy, prioritizing safety, liquidity, and yield — in that order — as its key goals.

5. The District's engagement with the Inland Empire Perchlorate Task Force will further efforts to receive remuneration for perchlorate-related problems.

6. As part of consideration of the system expansions relative to the Lytle Creek development, the District engaged an engineering firm to conduct feasibility studies. These studies included detailed cost estimates for the related infrastructure extensions. Although the District has not conducted a formal cost-benefit analysis, these studies,

coupled with the District's regular reports on its finances, have helped the District to conclude that the proposed new service areas would not have a negative financial impact.

6. Cost Avoidance Opportunities

This section identifies practices or opportunities that may help eliminate unnecessary costs. One of the District's most important goals is to provide high quality water at the most reasonable cost possible. Thus, cost avoidance is a consideration in every action of the District.

Although the District has dramatically increased service connections in the past decades, it has maintained stable water prices for customers from 1994 through 2002. Only in 2002 did the District enact a modest water price increase, keeping its rates below those of most neighboring suppliers. This suggests prudent planning and good management practices on the District's part over the past several years. The remainder of this section examines existing and potential cost avoidance opportunities.

No Overlap or Duplication

The District is the only entity, public or private, that provides retail water services to customers located within the District's boundary. This would not change even if service is extended to the Lytle Creek development, as the development area is not presently served by any water provider. As such, there is no duplication of the services the District provides and thus no clearly related cost avoidance opportunity.

Joint Agency Practices

In an effort to minimize costs and improve services, the District works formally and informally with other public and private entities, often seeking to more efficiently serve regional interests. Some of these efforts are discussed below.

BASELINE FEEDER

About a decade ago, the District joined with neighboring agencies (the San Bernardino Valley Municipal Water District [SBVMWD] and the city of Rialto) in the construction and operation of the Baseline Feeder, a large distribution pipeline that is fed by several wells in different jurisdictions. These agencies came together to form the West End Water Development Treatment and Conservation Joint Powers Authority (or the WEWDT & C JPA), pursuant to California Government Code §6500 et seq. The District continues today to repay debt incurred in this facility's construction; payoff is in April, 2011. This project would not have been feasible without regional participation in construction and financing and is now a critical source of water for the District.

PERCHLORATE TASK FORCE

As discussed above, many water sources in the Inland Empire are contaminated with perchlorate, a toxic substance associated with rocket fuels, explosives, munitions, and other sources.

Stemming the spread of perchlorate contamination is a quintessentially regional problem: the contaminant is widespread throughout the Inland Empire, affecting virtually all surrounding water entities. To more efficiently address these problems, the District joined the Inland Empire Perchlorate Task Force, whose participants include State Senator Nell Soto, neighboring water agencies, the Santa Ana Regional Water Quality Control Board, and other stakeholders. Beyond the obvious mission of protecting public health via safe drinking water, the task force is also aggressively seeking recompense from identified responsible parties. In fiscal year 2003, the District received approximately $1,024,609 from BF Goodwrench, one of the main polluters of perchlorate in the area. Each of the four members of the task force also received approximately $1 million in financial compensation from BF Goodwrench.

EMERGENCY CONNECTIONS

Every water district must have plans in place for unexpected or emergency situations. In the event of a temporary inability to meet demand independently, the District maintains connections to all neighboring water agencies. These agencies include the cities of Colton, Rialto, and San Bernardino; the Fontana Water Company (private); Rubidoux Community Services District; and the Marygold Mutual Water Company. These connections are in essence insurance policies that would lessen the need for the District to obtain other even more expensive water sources in the event of a shortage or an emergency. These connections also enable the District to receive any excess production from other agencies if such water were to become available for purchase.

CONNECTION TO STATE WATER PROJECT

The District has found it necessary in several past years to purchase outside water to meet demand. The District has been able to purchase water from the SWP via connections through the neighboring San Bernardino Valley Municipal Water District. The infrastructure to allow such purchases has long been in place and is similar to the emergency connections described above as constituting a type of insurance policy to assist during emergencies of local supply.

ENERGY AND EFFICIENCY SAVINGS

The District has instituted several measures designed to save energy and energy-related costs and reduce water waste at many points in the delivery stream. Discussion of these efforts follows.

PUMPING

The District uses electric powered pumps to extract water from most of its wells and, when gravity flow is not a feasible option, as a means of moving water through its distribution network. The energy cost of operating these pumps is lower at nighttime when electrical rates are lower due to reduced demand. The District has made it a practice to concentrate pumping during these lower-cost hours. However, the smaller nighttime window of pumping means that wells will need to produce the needed amount of water in a limited period of time. To address this issue, the District is seeking in its program of planned improvements to increase pump sizes at many of its wells so as to yield sufficient water during nighttime hours alone.

These newer pumps, although larger, will be more energy efficient than the pumps they replace. In the long term, this should lead to significant cost savings for the District. Total energy costs, of which pumping is a majority component, accounted for more than 12 percent of the District's total operating expenses in 2002, up from around 8 percent in fiscal 2001.

CONSERVATION

As discussed in the previous section on financial constraints and opportunities, the District is seeking State funding to assist with conservation efforts. Specifically, the District hopes to replace leaking water mainlines and to subsidize home consumer purchases of water-efficient appliances like showerheads and toilet. Water savings reduce operating costs for the District and end-user costs for consumers. The District has also adopted detailed conservation policies within its organizational by-laws, although these policies primarily address water emergency protocol.

TECHNOLOGICAL EFFICIENCIES

According to the assistant general manager, the District will over the next two years, implement an Automatic Radio Reading electronic meter reading system that is expected to greatly expedite the meter reading process. At present, customer water usage is observed on meters by meter service operators. To reduce if not entirely eliminate the need for a physical reading of each customer's meter, each meter will be fitted with a low-frequency radio transmitter, not unlike the Fastrak electronic toll collection tool. Water usage information will be beamed from each device and received and recorded by computers within District vehicles that drive by individual households. Usage data can then be downloaded directly into the District's billing system. These innovations will increase the efficiency of customer billing, which provides the overwhelming majority of the District's revenue.

WRITTEN DETERMINATIONS

Based upon the above information and the State's guidelines to implementing the CKH Act, the following are offered as written determinations of Cost Avoidance Opportunities for the affected area:

1. The District has thorough budget and planning processes which assist the District in keeping track of costs and avoiding unnecessary expenditures.

2. The District has a long history of engaging in joint efforts with other entities in a means of providing better and more cost efficient service to its own customers.

3. The District has implemented or is considering programs to reduce energy usage and increase the efficient use of its infrastructure and human resources.

7. Opportunities for Rate Restructuring

The Municipal Service Review guidelines require an agency to analyze potential means to reduce or restructure rates without adversely affecting service quality. District consumers pay a fixed monthly service charge for their connection in addition to a water charge based on the actual amount of water used.

The District did not raise its water rates between 1994 and 2002, implementing only a 5% service (per meter) charge during that period. In 2002, consumer water rates for 100 cubic feet of water (about 748 gallons) were increased from $.70 to $.80. The District also raised monthly meter rates for typical consumer connections from $6.98 to $7.96.

Both of these rates are lower than those of nearby agencies. For instance, the Fontana Water Company (FWC) charges $1.077 per 100 cubic feet of water and $10.36 for a typical home consumer meter.[6] The FWC is proposing significant water rate increases in the coming years: a 39.1% increase in 2003; a 7.3% increase in 2004; a 6.8% increase in 2005; and a 6.4% increase in 2006. The FWC is a for-profit company which has a policy of reimbursing developers for infrastructure expansion costs over a 40-year period. This may contribute to the FWC's higher charges to its customers.

The Eastern Municipal Water District (EMWD), which serves an area spanning Moreno Valley to Temecula, charges an average of $1.479 per 100 cubic feet of water. Most of EMWD's water is from SWP sources. Rates are lowest in the EMWD's easternmost areas, where, like the District, it has reliable groundwater sources, and is thus able to charge a lower average rate of $.859 per 100 cubic feet of water, which is still higher than that of the District.[7]

The District currently operates on a flat rate system – the per-unit cost of water does not change with changes in consumption. The District has not considered a permanent

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[6] Schedule No. F0-1, *Fontana Water Company General Metered Service*. Effective 8/01/01.

[7] Eastern Municipal Water District website: www.emwd.org, February 2003.

graduated rate system which would set forth higher rates for higher water consumption. However, the District's Urban Water Management Plan does reference the potential to implement such a system under certain circumstances.

The District formally reviews its rates on an annual basis and its staff are actively and acutely concerned with keeping rates low.

WRITTEN DETERMINATIONS

Based upon the above information and the State's guidelines to implementing the CKH Act, the following are offered as written determinations of Opportunities for Rate Restructuring for the affected area:

1. The District has a strong record of minimizing rate increases. Water sale rates did not increase from 1994 through 2002. The District's current rates remain consistently lower than those of other similar service providers in the region.

2. The District's "pay as you go" policy on infrastructure extensions protects existing customers from rate increases triggered by annexations and new development. As such, the proposed sphere of influence expansions would not force the District to implement rate increases on existing customers.

3. The District currently sells water at a flat rate that does not change relative to consumption. As a means of encouraging conservation, the District could in the future consider consumption-based water rates that would provide incentives for reducing water use.

8. Opportunities for Shared Facilities

This section evaluates opportunities to share facilities and resources to develop more efficient service delivery systems. The District has a history of working with other entities on a variety of projects and seeks opportunities for greater efficiency through collaboration.

Baseline Feeder

About a decade ago, the District joined with neighboring agencies (the San Bernardino Valley Municipal Water District [SBVMWD] and the city of Rialto) in the construction and operation of the Baseline Feeder, a large distribution pipeline that is fed by several wells in different jurisdictions. Associated with the Baseline Feeder is a joint water treatment facility. The District participated with other agencies in the financing and operation of this facility and continues today to repay debt incurred in the facility's construction. This project would not have been feasible without regional participation in construction and financing and is now a critical source of water for the District.

Emergency Connections

Every water district must have plans in place for unexpected or emergency situations. In the event of a temporary inability to meet demand independently, the District maintains connections to all neighboring water agencies. These agencies include the cities of Colton, Rialto, and San Bernardino; the Fontana Water Company (private), Rubidoux Community Services District; and the Marygold Mutual Water Company. These connections are in essence insurance policies that would lessen the need for the District to obtain other even more expensive water sources in the event of a shortage or an emergency. These connections also enable the District to receive any excess production from other agencies if such water were to become available for purchase.

RECLAIMED WATER

The District is presently examining the potential use of reclaimed water as a means of meeting its ultimate demand. The District is now considering the purchase of treated wastewater from the cities of Rialto and San Bernardino. Though not potable, reclaimed water could be used for landscaping irrigation, agriculture, and industrial processes. Although the District itself does not provide wastewater services, the purchase of treated wastewater from other entities would enable the District to provide more cost-effective and conservation-oriented services.

POTENTIAL FUTURE SHARED FACILITIES

At present, the District is reevaluating its water master plan, with expected completion in mid 2004. As part of this process, the District will seek further opportunities for cost and service improvements that may be achievable through shared facilities.

WRITTEN DETERMINATIONS

Based upon the above information and the State's guidelines to implementing the CKH Act, the following are offered as written determinations of Opportunities for Shared Facilities for the affected area:

1. The District has a long history of engaging in joint efforts with other entities as a means of providing better and more cost efficient service to its own customers. Examples of joint efforts include construction and operation of the Baseline Feeder, maintenance of emergency connections, and membership on the Inland Empire Perchlorate Task Force. The District may also consider a joint project to purchase and use reclaimed water from other entities for non-potable uses. The District is committed to seeking additional opportunities for joint projects that would help it in its mission of delivering high quality and cost-effective service.

2. As practicable, the District will ensure that the proposed system expansions into Lytle Creek maintain emergency connections to other water providers to provide a back-up source in the event of an emergency.

9. Government Structure Options

The District is a public agency of the State of California established under Division 12 of the State Water Code. It was initially established in 1952 as the Bloomington County Water District. In 1959, the District's name was changed to the Semi-Tropic Water District, followed in 1961 by a change to the West San Bernardino County Water District. In 2003, the District changed its name to the West Valley Water District. The District's jurisdiction expanded significantly in 1962 when it acquired the assets of three other mutual water and/or irrigation companies (Citizens Land and Water Company of Bloomington, Lytle Creek Water and Improvement Company, and Slover Mutual Water Company). The District acquired several other water suppliers since then, and now serves about 16,600 customers in parts of the cities of Rialto, Fontana, and Colton, the Lytle Creek area, and the Crestmore Heights area of western Riverside County.

Since its inception in 1952, the District has been engaged consistently in financing, constructing, operating, maintaining, and furnishing water service to its customers. The District's status as an independent, single-purpose district has proven to be an effective and efficient means of delivering water service to its customers. As documented in the first section of this report, the District has developed the infrastructure to serve its current customers and plans carefully so as to be able to serve anticipated new customers. Further, its status as a public entity makes it eligible for a wider array of targeted State grants and assistance than would be available for a private entity.

Written Determinations

Based upon the above information and the State's guidelines to implementing the CKH Act, the following are offered as written determinations of Government Structure Options for the affected area:

1. The District has operated successfully as a single-purpose special district for many years, during which the District's customer base and service area expanded significantly. The proposed system expansions do not suggest any need for a change in the District's government structure.

10. EVALUATION OF MANAGEMENT EFFICIENCIES

This section evaluates whether organizational changes can be made to improve the quality of public service in comparison to cost.

STAFFING LEVELS

According to internal records, the District's staffing has remained relatively stable over the past 10 years. The total number of staff in 1993 was 39; this rose to 44 in 1998, and changed in 2004 to 42 full-time, 1 temporary, and 2 part-time employees. Cross-checking against growth in the number of connections, the District's staff-to-customer ratio has remained essentially stable throughout this period.

Appendix C, Figure 1, shows the District's organization charts, including department level organization as of September, 2002.

The District has not sought formal outside review of its management structure as some larger water agencies and other public agencies have done; such review may be warranted, however, as the District approaches its anticipated "ultimate demand" number of customers. As part of any such review, the District may consider the adoption of formal policies and procedures governing personnel and practices, in that such policies can contribute to the overall professionalism and level of service of any organization.

TRAINING OPPORTUNITIES

The District has a highly focused mission, but still requires experts and technicians in a wide array of specialties. Ongoing training of management and staff is thus crucial to the District's continued ability to provide a high level of customer service. Employees in all areas, including management, customer service, water treatment and water distribution, are encouraged to attend conferences and take classes related to particular specialties. Members

of the management team are further encouraged to become knowledgeable in one or more fields outside their primary areas of expertise. The District provides financial assistance for the costs of such continuing education.

EMERGENCY TRAINING

The provision of water is clearly a vital public service. As such, it is important that the District have plans in place to deal with emergency circumstances that have the potential to interrupt water service.

To this end, the District has a formal Emergency Plan. The plan is intended to provide District employees with personal and family preparations as well as to inform them of recovery procedures for the District. While the plan appropriately devotes most attention to earthquakes — the service area is known to be seismically active — it also addresses other potential catastrophes, both natural and manmade. Like most public service providers, the District is prepared to establish an Emergency Operations Center in the event or likelihood of a disaster.

BUDGETING AND PLANNING PROCESSES

Several concurrent practices inform District decisions and policies on projects and expenditures. Every few years, the District updates its Water Master Plan, which sets forth the District's overall work program for a five- to seven-year planning window. The District annually updates its capital improvement plan and its budget. Further, as a public agency, the District is required to undergo an annual financial audit, which the District uses as a means to evaluate progress and calibrate future planning.

TECHNOLOGICAL EFFICIENCIES

According to the assistant general manager, the District will over the next two years, implement an Automatic Radio Reading electronic meter reading system that is expected to

greatly expedite the meter reading process. At present, customer water usage is directly observed on meters either by meter service operators or by customers themselves. To reduce if not entirely eliminate the need for a physical reading of each customer's meter, each meter will be fitted with a low frequency radio transmitter, not unlike the Fastrak electronic toll collection tool. Water usage information will be beamed from each device and received and recorded by equipment within District vehicles as they drive by individual households. Usage data will be downloaded into to District's billing system. This automation of the meter reading process will is hoped to greatly increase overall system efficiency.

PROFESSIONAL ASSOCIATIONS

The District is affiliated with several professional organizations, such as the Water Education Foundation, the San Bernardino County Special Districts Association, the California Special Districts Association, and others. These associations offer District staff and board members numerous opportunities for continuing education, interactions with peers at other agencies, and management training tailored to the District's relatively specialized needs.

WRITTEN DETERMINATIONS

Based upon the above information and the State's guidelines to implementing the CKH Act, the following are offered as written determinations of Management Efficiencies for the affected area:

1. While the District's geographic reach and customer base has increased in the last decade, it has maintained an essentially stable employee-to-customer ratio.

2. The District encourages and provides financial assistance to employees to keep up to date in their fields of specialty and encourages managers to cross-train in areas outside their key expertise.

3. The District's participation in the Inland Empire Perchlorate Task Force enables it to aggressively pursue issues that would likely be significantly more difficult and costly for the District to pursue on its own.

4. The District engages in sound budgeting and planning practices.

5. The District maintains active memberships in a variety of professional organizations and encourages staff and board participation in training and continuing education opportunities where appropriate.

6. The District has adopted a formal emergency response plan and to help ensure that all employees are trained in specific procedures to help minimize disaster related service disruptions.

7. The District ought to consider having an outside review of its management structure, particularly as it approaches ultimate growth. As part of such a review, the District may wish to consider the formation and adoption of more formal policies and procedures governing personnel and practices.

11. LOCAL ACCOUNTABILITY AND GOVERNANCE

The District is governed by a five-member Board of Directors, elected at large from the population of the District's geographic area. Directors are elected to four year terms, with the most recent election in November, 2001. The General Manager of the District, Mr. Anthony Araiza, serves as Secretary to the Board of Directors, and is responsible for seeing that proceedings are in compliance with the Ralph M. Brown Act and that the directors and other appropriate individuals comply with the rules of the Fair Political Practices Commission.

The board meets regularly on the first and third Thursdays of every month at 3:00 p.m. at the District office, 855 Base Line Road in Rialto. Notices of board meetings are regularly published in the local newspaper (the San Bernardino *Sun*), as well as posted in public places within the District's geographic area. The board's meeting space is accessible to persons with disabilities, in compliance with the Americans with Disabilities Act. The District office is open to the public during regular business hours of 8:00 a.m. until 5:00 p.m. weekdays. The public is able to obtain copies of all public documents at the District office; meeting agendas and related materials are also available at public libraries within the District.

A review of Board agendas from the last three years indicates that public comment is welcomed near the beginning of every Board meeting. The Board routinely receives detailed reports from the District's general manager, assistant general manager, treasurer, chief engineer, superintendent, and administrative secretary. These reports help provide a greater understanding of staff activities to both the Board and the public at large.

The great majority of the public served by the District does not typically attend Board meetings. Rather, District customers will typically initiate and often complete interactions with the District via telephone to discuss customer-specific issues. The relatively few customer complaints and concerns that cannot be addressed directly are routinely referred to supervisors and managers for prompt resolution. Written policies for addressing such matters are codified in the District's Water Service Regulations.

The District uses occasional, seasonal newsletters to communicate with its customers. A well-designed, easy-to-read newsletter published in the summer of 2002 explained factors behind the District's need to raise water and meter rates and included consumer information on home conservation practices. The District also reserves space on its bills for short messages to its customers, typically on conservation or customer service matters. The District also maintains relationships with local newspapers and other media, in an effort to foster greater public understanding of the District's mission and activities.

The District website is still in its developmental stages. It provides basic contact information and some background on the District's history and practices, but is not at present particularly useful to customers in understanding billing practices and procedures or in resolving typical customer issues. Greater development of the website in the future may enable customers to gain solutions to problems that now require typically expensive direct telephone interaction.

In early 2003, the District engaged the services of a public relations consultant to evaluate and make recommendations on its public outreach activities. As a result of the recommendations, new community outreach activities include providing water conservation coloring books for schools, a water conservation school poster contest, and a redesigned customer/applicant information packet. The District also offers tours of the facilities to schools and the general public.

WRITTEN DETERMINATIONS

Based upon the above information and the State's guidelines to implementing the CKH Act, the following are offered as written determinations of Local Accountability and Governance for the affected area:

1. The District conducts its business at regularly scheduled meetings open to the public. Meetings routinely include detailed discussions of staff activities, allowing the Board and the public opportunities for involvement and greater understanding. The District has designated its Board Secretary as responsible for ensuring adherence to the Brown Open

Meeting Act, the regulations of the Fair Political Practices Commission, the Americans with Disabilities Act, and other related laws.

2. The District has made reasonable efforts to engage the public in its affairs, including publication of newsletters and cooperation in providing interviews and information to local news media. The District's website could be enhanced to serve as an additional tool of public engagement. In 2003, the District engaged a public relations consultant to assist in the evaluation and improvement of its public outreach activities. As a result of the public relations consultant's suggestions, the District expanded its outreach efforts to include a water conservation coloring books for schools, a water conservation school poster contest, and a redesigned customer/applicant information packets. In addition, tours of the District's offices are provided upon request from local schools or the general public.

Appendix A

ORDINANCE NO. 69/ ARTICLE 24. WATER CONSERVATION

1. **Purpose.** The purpose of this Article is to provide water conservation measures in order to minimize the effect(s) of a water shortage on the citizens of, visitors to, and the economic well-being of the communities we serve and, by means of this Article, to adopt provisions that will significantly reduce the wasteful and inefficient consumption of water, thereby extending the available water resources required for the domestic, sanitation, and fire protection needs of the citizens of, and visitors to, the communities we serve while reducing the hardship on the District and the general public to the greatest extent possible.

2. **Application.** The provisions of this Article shall apply to all customers and property within the service area of the District and shall also apply to all property and facilities owned, maintained, operated, or otherwise under the jurisdiction of the West San Bernardino County Water District.

   a) Exception. The prohibited uses of water provided for by this Ordinance are not applicable to that use of water necessary for public health and safety or for essential government services such as police, fire, and similar emergency services.

3. **Policy.** Due to the fact that we are located in a semi-arid region and our groundwater is of limited supply and in an overdraft condition and because of these conditions prevailing in the District and areas elsewhere from which the District obtains its water supplies, the general welfare requires that the water resources available to the District be put to the maximum beneficial use to the extent to which they are capable and that the wasteful, inefficient, or unreasonable use, or method of use of our previous, limited, and finite water resources be prevented.

   As such, the conservation of such waters is to be exercised with a view to the reasonable and beneficial and efficient use thereof in the interests of the people of the District and for the public welfare.

   Therefore, the West San Bernardino County Water District establishes the following goals, objectives, policies, and four-stage water conservation plan pertaining to the conservation and use of water:

SECTION 2401. GOALS

- The conservation of water.
- The efficient use and distribution of available water supplies.
- Adequate and sufficient potable water supply and availability for the greatest public benefit, with particular regard to human consumption, sanitation, and fire protection.
- Maintain high quality customer service.
- Ensure fiscal soundness.
- Protect environmental quality.

- Meet growing water quality regulations.

SECTION 2402. OBJECTIVES

- To conserve all available water supplies.
- To achieve an overall water use reduction.
- To reduce the volume of wastewater.
- To continuously increase consumer awareness about the need for and benefits of water conservation.
- To reduce or eliminate wasteful and inefficient uses of water.
- To assure an adequate supply of potable water sufficient to meet the essential private and public needs of the District's growing population and economy of those communities in which we serve.
- To assure that all new developments and existing dwellings which are remodeled or added to are equipped with water-conserving devices, fixtures, and appliances.
- To increase the use of native or water-conserving plant species for landscaping purposes.

SECTION 2403. POLICIES

1. As a condition of water service, all new structures shall be equipped with ultra low-flush toilets (1.6 gallons per flush max) as per Section 17921.3 of the California Health and Safety Code, and with low-flow showers and faucets as per Title 24, Part 6, Article 1, T20-1406F of the California Administrative Code, in addition to the insulating of all hot water lines according to California Energy Commission Rules.

2. As a condition of continued water service, existing structures not so equipped, which require building permits to remodel or expand, shall be retrofitted with toilet tank dams resulting in 1.6 gallon flushes unless the toilets are to be replaced, in which case the new toilets shall be ultra low-flush (1.6 gpf), as stated above, and low-flow showers and faucets. Certification of compliance with this Ordinance shall be forwarded to the District.

3. The use of lawns shall be minimized in new commercial, hotel, condominium, and high-density housing and shall be subject to District review and conditioning of projects.

4. The use of native or water-conserving trees, shrubs, lawns, grass, ground cover, vines, and other plant species for landscape planting or replanting purposes is required and shall be approved by the District. (A list of such plants can be obtained at the District office.)

5. Large water users, as determined by the District, shall submit a water conservation plan to the District and promote implementation of same as a condition to continued service.

6. Water demand, use, and mitigation shall be address in every Environmental Impact Report.

The District shall:

a) Cooperate with other local water purveyors, appropriate state and other responsible agencies in facilitating a continuous program to increase consumer awareness about the need for and benefits of water conservation.

b) Encourage large water users to implement water recycling and reuse processes.

c) Make water conservation as reliable a method of reducing water demands as water supply projects are in meeting such demands.

SECTION 2404. STAGE 1 - NORMAL CONDITION

Normal supply and distribution capacity is available. All policies shown in Section 2403 and the following water conservation measures shall apply.

1. Recommendations for use of water.

(a) Watering with sprinklers should be done at night between 11:00 p.m. and 8:00 a.m. Handwatering should be done between 6:00 p.m. and 8:00 a.m. Drip irrigation and hand watering while gardening is exempt from this recommendation. Water being used during repair or maintenance of watering system is exempt from this section.

b) Water conservation should be practiced within the home or business.

c) All restaurants are requested not to serve water to their customers unless specifically requested by the customer.

2. The following uses of water are hereafter considered non-essential to the public health, safety and welfare and, if allowed, would constitute the wasting of water and is hereby prohibited, pursuant to Water Code Section 350 et seq., Water Code Section 71640 et. Seq., and the common law:

a) There shall be no hose washing of sidewalks, walkways, driveways, parking areas, patios, porches, verandas, tennis courts, or other paved, concrete, or other hard surface areas, unless done with hand-held hose equipped with a trigger nozzle, except that flammable or other similarly dangerous or unhealthy substances may be washed from said areas by direct hose flushing for the benefit of public health or safety.

b) No water shall be used to clean, fill, operate, or maintain levels in decorative fountains unless such water is part of a recycling system.

c) No person shall permit water to leak from any facility or plumbing fixture on his/her premises; said leak shall be repaired in a timely manner.

d) Washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment are prohibited unless done with a hand-held bucket or hand-held hose equipped with an automatic positive shut off trigger nozzle for quick rinses. The nozzle shall be removed when the hose is not in use. This section does not apply to the washing of the above-listed vehicles or mobile equipment when conducted at a commercial car wash utilizing recycling systems.

1. Such washings are exempted from these regulations when the health, safety, and welfare of the public is contingent upon frequent vehicle cleaning such as garbage trucks and vehicles used to transport food and perishables.

e) Use of water for any purpose, which results in flooding or run-off in gutters, driveways or streets, should be prevented and controlled.

f) The use of sprinklers for any type of irrigation during high winds is prohibited.

SECTION 2405. STAGE 11 - WATER ALERT

The District may not be able to meet all water demands of all customers, unless the following water conservation measures are applied:

a) All policies and prohibitions listed in Sections 2403 and 2404.

b) All customers are asked for a voluntary minimum 10% reduction of their water consumption over their last year's consumption, unless otherwise stated.

(c) Washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment is prohibited unless done with a hand-held bucket or hand-held hose equipped with a positive shut off nozzle for quick rinses. This section does not apply to the washing of the above-listed vehicles or mobile equipment when conducted at a commercial car wash utilizing recycling systems. Such washings are exempted from these regulations when the health, safety, and welfare of the public is contingent upon frequent vehicle cleaning such as garbage trucks and vehicles used to transport food and perishables.

d) All restaurants are prohibited from serving water to their customers except when specifically requested by the customer.

e) District will screen all new applications for water service installations and will limit water use before occupancy to that essential use for construction and testing of landscape plumbing. Limited landscaping for new development shall be allowed as approved by the District.

f) Irrigators will be notified that water delivery will be limited to those crops, which are presently planted. Water will not be delivered to crops planted after date of notice.

g) Commercial nurseries shall curtail all non-essential water use and shall irrigate between the hours of 11:00 p.m. to 6:00 a.m. and consumption shall be reduced to 25% less than the customer's last year's comparable billing period unless they are using reclaimed water.

h) All publicly owned lawns, landscapes, parks, school grounds, and freeways shall be irrigated between the hours of 11:00 p.m. and 6:00 a.m. and consumption shall be reduced to 25% less than the customer's last year's comparable billing period unless they are using reclaimed water.

i) All golf courses and other large landscaped areas shall be irrigated between the hours of 11:00 p.m. to 6:00 a.m. and consumption shall be reduced to 25% less than the customer's last year's comparable billing period unless they are using raw creek water or reclaimed water.

j) All other lawn watering and landscape irrigation shall be done between the hours of 8:00 p.m. and 6:00 a.m. Drip irrigation, hand-watering while gardening and water being used during repair and maintenance of watering system is exempt from this section.

k) Water use for compaction, dust control, and other types of construction shall be by permit only and will be limited to conditions of the permit or may be prohibited as determined by the General Manager or his designee.

SECTION 2406. STAGE 111 - WATER WARNING

District is not able to meet all water demands of all customers; therefore, the following water conservation measures shall apply.

a) All policies and prohibitions listed in Sections 2403, 2404 and 2405.

b) All customers are asked for voluntary minimum of 15% reduction in their water consumption over their last year's consumption, unless otherwise stated.

c) Washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment are prohibited. Washing of the above-listed vehicles or mobile equipment shall be allowed only at a commercial car wash where recycled water is being utilized.

Such washings are exempt from these regulations when the health, safety, and welfare of the public is contingent upon frequent vehicle cleaning such as garbage trucks and vehicles used to transport food and perishables.

d) New water services shall be installed but water shall be used before occupancy for essential construction only and for testing of landscape irrigation systems. The installation of new landscaping for all new development/projects must be approved by the District.

e) Commercial nurseries shall use water only between the hours of 11:00 p.m. and 6:00 p.m., and only with hand-held devices or with drip irrigation, and consumption shall be reduced to 50% less than the customer's last year's comparable billing period unless they are using reclaimed water.

f) School grounds shall be watered only on odd numbered days except where they are equipped with electronic moisture sensor control systems and/or drip irrigation systems. All watering shall be done between the hours of 11:00 p.m. and 6:00 a.m. and consumption shall be reduced to 40% less than the customer's last year's comparable billing period, unless they are using reclaimed water.

g) All other publicly owned lawns, landscape, parks, and freeways shall be watered on even numbered days unless equipped with electronic moisture sensor control systems and/or drip irrigation systems. All watering shall be done only between the hours of 11:00 p.m. and 6:00 a.m. and consumption shall be reduced to 50% less than the customer's last year's comparable billing period, unless they are using reclaimed water. Water being used during repair or maintenance of watering system is exempt from this section.

h) All other lawn and landscape irrigation shall be done as follows: users with house numbers ending in an even number shall water on even numbered days only and users with house numbers ending in an odd number shall water on odd numbered days only, except where equipped with electronic moisture sensor control system and/or drip irrigation systems. All watering shall be done between the hours of 8:00 p.m. and 6:00 a.m.

(i) All agricultural water users shall irrigate only at times approved by the District.

j) Swimming pools, ornamental pools, fountains and artificial lakes shall not be filled or refilled after being drained.

k) Water used for compaction, dust control, and other types of construction shall be by permit only and will be limited to conditions of the permit or may be prohibited as determined by the General Manager, or his designee.

SECTION 2407. STAGE 1V - WATER EMERGENCY

District is experiencing a major failure of supply or distribution; therefore, the following water conservation measures shall apply:

a) All policies and prohibitions shown in Sections 2403, 2404, 2405 and 2406.

b) All customers are asked for voluntary minimum 20% reduction in their water consumption over their last year's consumption, unless otherwise stated.

c) No water shall be used for construction purposes. All construction meters shall be locked off or removed.

d) Commercial nurseries shall water only between the hours of 11:00 p.m. and 6:00 a.m. and only with hand-held devices or with drip irrigation systems.

e) There shall be no watering of any lawn or landscaped area.

f) The use of water shall be limited to essential household, commercial, manufacturing, or processing uses only, except where other uses may be allowed by permit.

g) All agricultural water users shall irrigate only at times approved by the District.

SECTION 2408. DETERMINATION AND DECLARATION OF WATER CONDITIONS

The General Manager of the District, or his designee, shall access all available water supply data and shall make a report of his/her findings to the Board of Directors at the next Regular meeting or at a Special meeting called for that purpose. The Board of Directors may at that time determine and declare which of the four (4) previously discussed conditions the District's water supply is in and the extent of water conservation required to prudently plan for and supply water to the District's customers.

Thereafter, the Board of Directors may order that the appropriate stage of water conservation be implemented or terminated in accordance with the applicable provision of this Ordinance. The declaration of any stage shall be made by public announcement and notice shall be published once in a local newspaper of general circulation. The stage designated shall become effective immediately upon announcement.

SECTION 2409. DURATION OF DECLARATION

The declaration of any stage of water supply conditions shall remain in effect until such time as another stage is declared.

SECTION 2410. AUTHORITY - MISDEMEANOR

This Article is adopted pursuant to Sections 375 and 376 of the California Water Code. Any second or subsequent violation of this policy after notice as specified in Section 2411 1(a) is a misdemeanor. (California Water Code Section 377).

SECTION 2411. ENFORCEMENT

1. **Violations**. In addition to the remedy of criminal prosecution available to the District as described above, violation of this Ordinance may result in the imposition of surcharges and restriction and/or termination of water service as set forth below:

a) First Violation - written warning accompanied by a copy of this Ordinance, delivered by U.S. Mail and/or hung on customer's door.

b) Second Violation (within one year) - a surcharge of $100.00 or 100% of the current water billing cycle, whichever is higher.

c) Third Violation (within one year of the first violation) – a surcharge of $300.00 or 200% of current water billing cycle, whichever is higher, and installation of flow restricting device in the meter for a minimum of ninety-six (96) hours. Said restricted flow shall meet minimum County Health Department's standards, if any have been established. If said ninety-six (96) hour period ends on a weekend or holiday, full service will be restored during the next business day.

d) Fourth Violation (within one year of the first violation) – a surcharge of $500.00 or 300% of the current water billing cycle, whichever is higher, and termination of service for such period as the Board of Directors determines to be appropriate under the circumstances, following a hearing regarding said issue. Written notice of the hearing shall be mailed to the customer at lest ten days before the hearing.

2. **Surcharges, Additional Charges**. Any surcharge hereunder shall be in addition to the basic water rates and other charges of the District for the account and shall appear on and be payable with the billing statement for the period during which the violation occurred; non-payment shall be subject to the same remedies available to the District as for non-payment of basic water rates.

   In addition to any surcharge, a customer violating this Ordinance shall be responsible for payment of the District's charges for installing and/or removing any flow restricting device and for disconnecting and/or reconnecting service per the District's Schedule of Charges then in effect. Such charges shall be paid prior to the removal of the flow restrictor or reconnection of service, whichever the case may be.

3. **Nonliability for Damage**. The customer or resident who violates this Ordinance thereby assumes responsibility for injury to the customer and/or other residents/occupants receiving service, including emotional distress and/or damage to the customer's private water system and/or to other real or personal property owned by the customer or by a third party resulting from the installation and operation of a flow restricting device or from termination of service; said customer shall thereby be deemed to have: (a) waived any claim for injury or for damage to the customer's property which the customer may otherwise have against the District; and (b) agreed to indemnify, defend, and hold the District harmless from claims by third parties for injury or property damage arising or claimed to arise out of the District's installation and/or operation of a flow restricting device or termination of water service.

4. **Exemptions**. No exemption shall be granted to any person for any reason in the absence of a showing by said person that he/she has achieved the maximum practical reduction in water consumption in his/her residential, commercial, industrial, or governmental water consumption as the case may be.

   The General Manager, or his designee, may grant exemptions ("exceptions" to this Ordinance) for uses of water otherwise prohibited by the regulations. Water customers who feel that they need an adjustment in the prohibitions as they relate to him/her will fill out a simple application form for an exemption stating the justification and

circumstances. If the exemption is not granted, customer may appeal in writing as stated in Section 2412.1.

a) Inconvenience or the potential for damage to landscaping shall not be considered for exemption from any section of this Ordinance.

SECTION 2412. APPEALS

1. **Procedures.** The General Manager, or his designated Enforcement Officer, shall determine when violations have occurred and shall issue to the customer a Notice of Violation by mailing same and/or hanging same on the customer's door at least ten (10) days before taking enforcement action. Said notice shall describe the action to be taken (notice of first violation shall simply be accompanied by a copy of this Ordinance) and shall be mailed or delivered at least ten (10) days before the proposed action is scheduled to be taken.

   A customer may appeal the Notice of Violation by filing a written notice of appeal with the District no later than the close of business on the day before the date scheduled for enforcement action. Any Notice of Violation not timely appealed shall be final. Upon receipt of a timely appeal, a hearing on the appeal by the Board of Directors shall be scheduled at the Board's next Regular meeting or at a Special meeting scheduled for that hearing; in either, the hearing shall be at least ten (10) days following receipt of the appeal, and the District shall mail written notice of the hearing to the customer at least ten (10) days before the date of said hearing.

2. **Interim Measures**. Pending receipt of a written appeal or pending a hearing pursuant to an appeal, the General Manager or the Enforcement Officer, if one has been designated, may take appropriate steps to prevent the unauthorized use of water as appropriate to the nature and extent of the violation and the current declared water condition.

SECTION 2413. CEQA EXEMPTION

The adoption of this Ordinance, and the actions taken hereunder, are exempt from the provisions of the California Environmental Quality Act of 1970 in that they constitute a project undertaken as immediate action necessary to prevent or mitigate an emergency pursuant to Section 15071 of the State EIR Guidelines.

SECTION 2414. DURATION OF ORDINANCE

This Ordinance shall remain in effect until the Board of Directors finds that the threatened emergency and threatened water shortage no longer exists. The provisions of this Ordinance shall prevail and control in the event of any inconsistency with any other rules and regulations of the District.

SECTION 2415. SEVERABILITY

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this

Ordinance. The Board of Directors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases may be unconstitutional or invalid.

SECTION 2416. EFFECTIVE DATE, PUBLISHING, AND POSTING

This Ordinance shall be effective immediately upon adoption. Within ten (10) days of adoption, a copy of this Ordinance shall be published one time in a local newspaper and posted in the lobby of the District Office.

Appendix B

Appendix B
Table B-1
WEST VALLEY WATER DISTRICT
SUMMARY FINANCIAL INFORMATION AND ANALYSIS

	June 30, 2003	June 30,2002	June 30,2001
Assets			
Current Assets	$31,031,954	$33,383,743	$32,831,810
Restricted Assets	$2,521,848	$1,453,110	$1,429,831
Non-current Assets including capital assets	$61,180,727	$55,814,310	$53,835,438
Total	**$94,734,529**	**$90,651,163**	**$88,097,079**
Liabilities			
Current Liabilities	$2,656,050	$2,007,809	$1,864,414
Liabilities Payable from Restricted Assets	$735,537	$675,156	$636,587
Non-current Liabilities	$2,935,346	$3,739,126	$4,462,828
Total Liabilities	**$6,326,933**	**$6,422,091**	**$6,963,829**
Net Assets			
Invested in capital assets, net of related debt	$57,832,973	$51,748,979	$49,074,705
Restricted for capital projects	*$2,376,794*	*$2,117,186*	*$1,966,466*
Restricted for debt service	*$274,821*	*$265,013*	*$252,874*
Unrestricted	*$26,896,552*	*$30,097,894*	*$29,839,205*
Restricted for perchlorate treatment	*$1,026,456*	--	--
Net Assets	**$88,407,596**	**$84,229,072**	**$81,133,250**

Source: *West Valley Water District Audited Financial Statements and Report on Audit*, June 30, 2002 and June 30, 2003.

Appendix B
Table B-2
WEST VALLEY WATER DISTRICT
REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	June 30, 2003	June 30,2002	June 30,2001
Operating Revenues			
Water Sales	$8,175,683	$7,203,424	$7,204,592
Water Services	$528	$528	$528
Other Operating Revenues (Perchlorate contamination settlement)	$1,024,609		
Total Operating Revenues	**$9,200,820**	**$7,203,952**	**$7,205,120**
Operating Expenses			
Source of Supply	$604,506	$571,024	$657,703
Pumping	$2,160,643	$1,471,809	$1,236,467
Water Treatment	$701,175	$528,217	$492,371
Transmission and distribution	$714,712	$655,404	$677,119
Customer Accounts	$524,188	$450,359	$451,528
Administrative and general	$3,142,323	$1,904,426	$1,748,057
Depreciation and amortization	$2,349,106	$2,123,476	$2,214,879
Total Operating Expenses	$10,196,653	$7,704,715	$7,388,124
Operating Income (loss)	**($995,833)**	**($500,763)**	**($183,004)**
Non-operating Revenues	**$2,695,054**	**$2,180,188**	**$3,103,935**
Non-operating Expenses	**$123,311**	**$219,266**	**$168,488**
Income Before Contributions	$1,575,910	$1,460,159	$2,752,473
Property contributions (taxes)	$1,081,893	$663,554	$273,913
Facility charges	$1,520,721	$972,109	$750,565
Change in Net Assets	**$4,175,525**	**$3,095,822**	**$3,776,951**

Source: *West Valley Water District Audited Financial Statements and Report on Audit,* June 30, 2002 and June 30,2003.

Appendix B
Table B-3
WEST VALLEY WATER DISTRICT
LONG TERM DEBT

	Long term Debt June 30,2003	Payoff Date
1988 Refunding Bonds, General Obligation	$205,000	August 2003
Note Payable – State of California (inter-County water)	$9,396	October 2007
Limited Obligation Improvement Bonds, Assessment District No. 97-1 (Crestmore Heights Mutual Water Company)	$460,000	September 2017
Association of Bay Area Governments (ABAG) Water Revenue Bonds, Series 1998A	$1,025,000	October 2005
Contract payable- water protection rights	$2,115,000	April 2011
Total	**$3,814,396**	

Source: *West Valley Water District Audited Financial Statements and Report on Audit*, June 30, 2003.

Appendix B
TABLE B-4
WEST VALLEY WATER DISTRICT
SUMMARY OF PLANNED IMPROVEMENTS THROUGH FY 2008

Category	Estimated total cost
Source of Supply (wells)	$10,366,850
Pumping Plant	$2,417,000
Water Treatment Plan	$16,019,000
Reservoirs	$11,765,360
Pipelines	$13,198,385
Reclaimed Water- Transmission	$4,287,360
Reclaimed Water- Distribution	$2,186,800
Reclaimed Water- Pumping	$1,971,200
Reclaimed Water- Reservoirs	$1,108,800
Total Projects	**$63,320,755**

Source: *West Valley Water District Audited Financial Statements and Report on Audit*, June 30, 2003.

Appendix B
Table B-5
GENERAL METERED SERVICE COMPARISON
WEST VALLEY WATER DISTRICT AND FONTANA WATER COMPANY

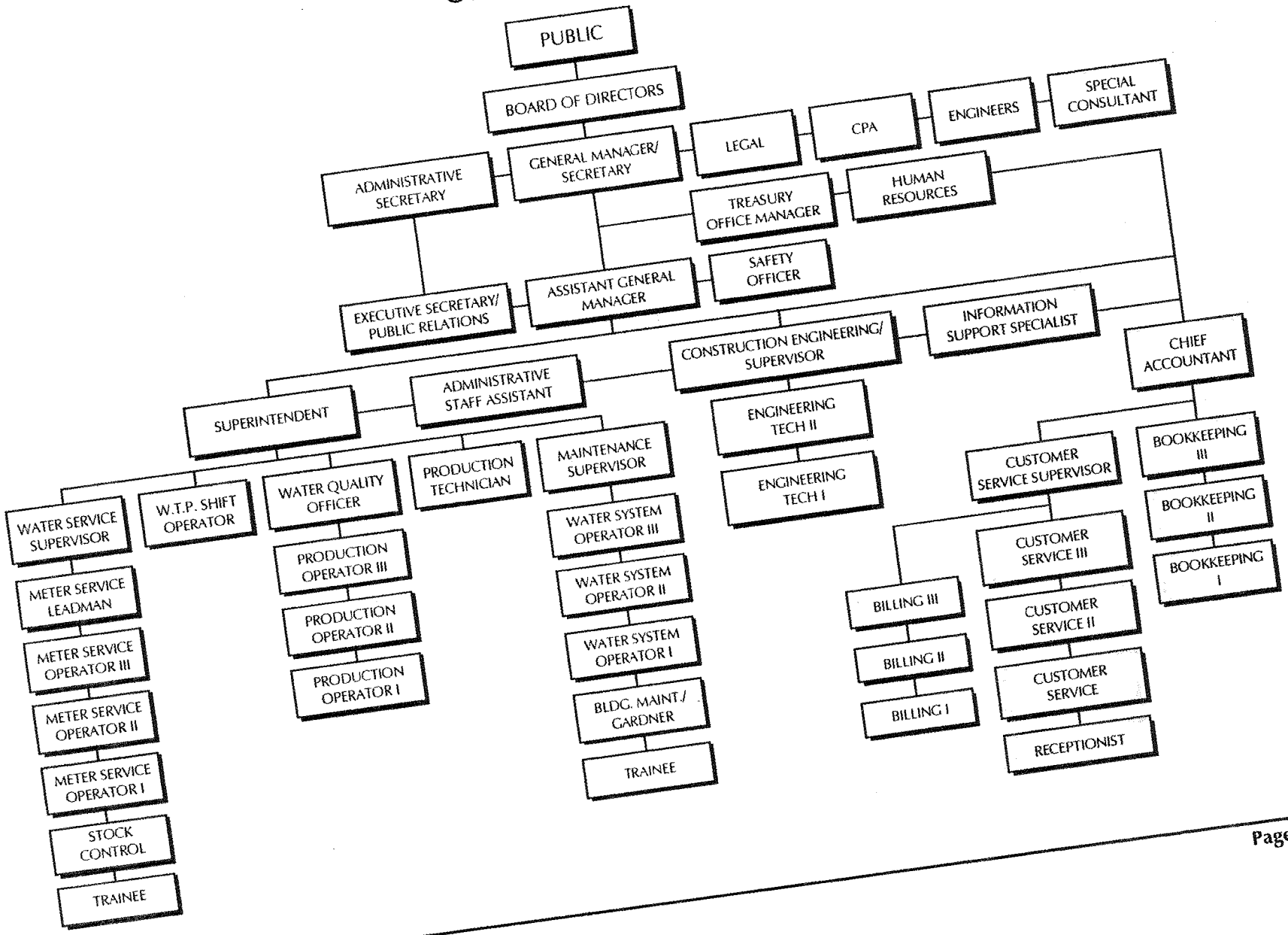
	Per Month Cost	
Meter Size	**West Valley Water District**	**Fontana Water Company**
5/8-inch meter	$6.98	$10.36
3/4-inch meter	$6.98	$15.53
1-inch meter	$10.41	$25.90
1 and ½-inch meter	$15.36	$51.74
2-inch meter	$21.16	$82.76
3-inch meter	$30.72	$154.94
4-inch meter	$40.50	$259.97
6-inch meter	$61.45	$516.41
8-inch meter	$82.39	$826.26

Sources: *Fontana Water Company General Metered Service Summary Schedule*. Effective 8/01/01; *West Valley Water District Audited Financial Statements and Report on Audit*, June 30, 2002

Appendix C

Appendix C

West Valley Water District Organization Chart



Appendix D

Appendix D
Sources Consulted

Personal Communications

Mr. Leon Long, Assistant General Manager, West Valley Water District.

Other Sources Consulted

City of Fontana. Ordinance of the City of Fontana No. 1354. August 21, 2002.

AEI-CASC Consulting. *Coyote Canyon Plan for Services Annexation.* May 2001.

Michael Brandman Associates. *Coyote Canyon Specific Plan and Annexation, Final Environmental Impact Report.* May 2001.

West Valley Water District Report on Audit. June 30, 2002 and 2003.

Eastern Municipal Water District website: www.emwd.org. February 2003.
L.D. King, Inc. *Lytle Creek North Planned Development Project, Draft Environmental Impact Report*, pp. 4.9-1 to 4.9-9. April 2001.

Engineering Resources, Inc. *Revised Preliminary Engineering Feasibility Study to Serve Coyote Canyon Estates.* October 2000.

Engineering Resources, Inc. *Engineering Feasibility for the Lytle Creek North Planned Development Project.* December 2002.

Rogers, Anderson, Malody & Scott, LLP. *West Valley Water District Audited Financial Statement and Report on Audit, June 30, 2002.* June 30, 2003.

San Gabriel Valley Water Company. *Schedule No. F0-1, Fontana Water Company General Metered Service.* August 2001.

State of California, Department of Water Resources website: wwwdwr.water.ca.gov. February 2003.

State of California, Government Code §56400 et seq.

State of California, Governor's Office of Planning and Research. *LAFCO Municipal Service Review Guidelines Final Draft.* Sacramento, October 2002.

"Water filters top priority." *San Bernardino County Sun*, February 20, 2003.

West San Bernardino County Water District. Board of Directors meeting agendas and minutes, 2001-2003.

West San Bernardino County Water District. Summer 2002 newsletter to retail customers.

West San Bernardino County Water District. *Water Facilities Feasibility Study for the Lytle Creek North Planned Development Project*. December 2002.

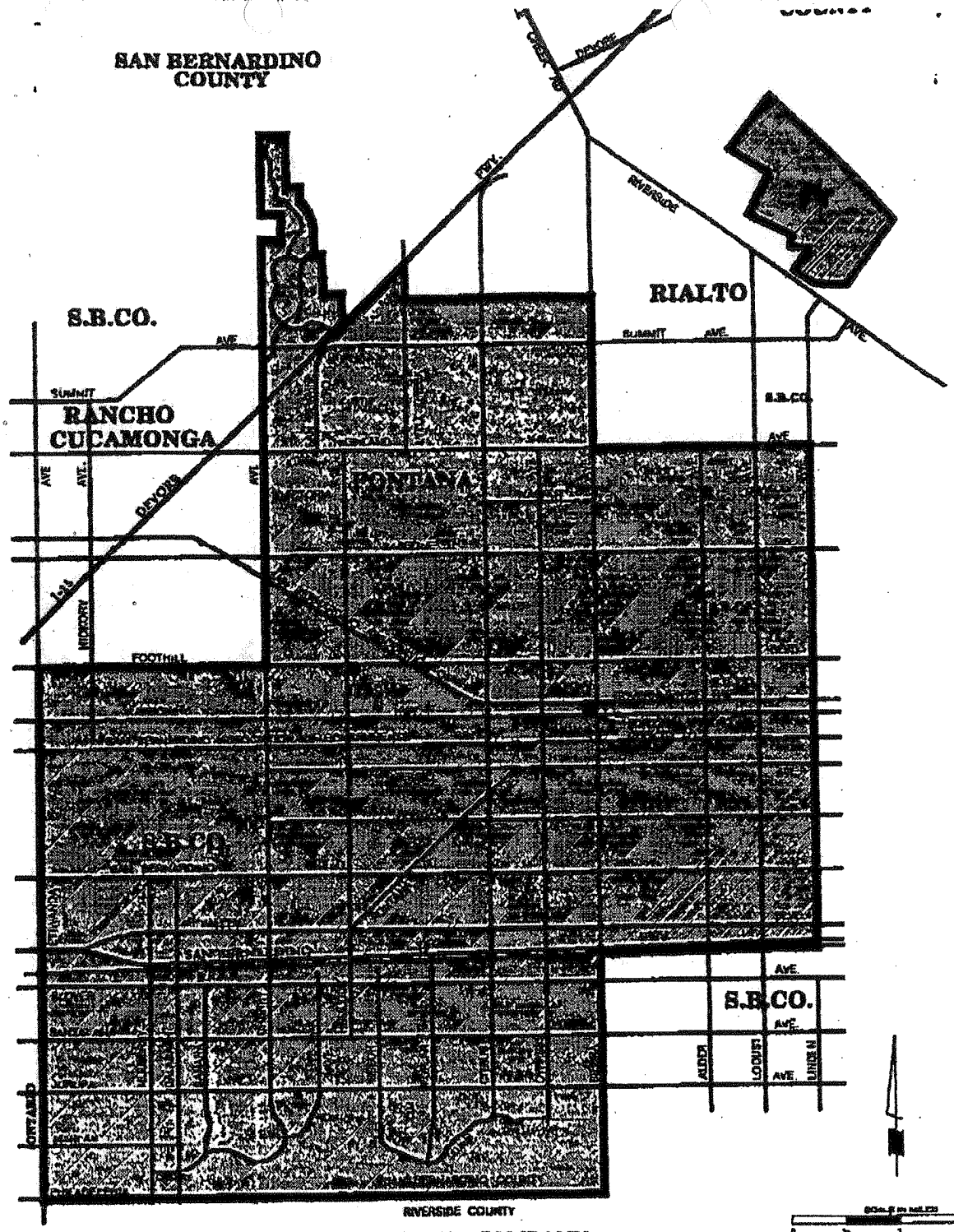
West Valley Water District website: www.wsbcwd.org, February 2003.

West San Bernardino County Water District. *West San Bernardino County Water District Final Water Master Plan*. February 2001.

West San Bernardino County Water District. *West San Bernardino County Water District Water Service Regulations*. 1998.

Fontana Water Company Service Area within the Sphere of Influence of the West Valley Water District

Attachment 4



FONTANA WATER COMPANY
SYSTEM NO. 3610041

LEGEND

FONTANA WATER COMPANY EXISTING SERVICE AREA

SERVICE AREA TO BE ADDED BY THE FILING OF THIS MAP

SAN GABRIEL VALLEY WATER COMPANY

RECEIVED

DEC 14 2000

LAFCO
San Bernardino County

Advice Letter No. 308 U337W

December 13, 2000

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel") hereby submits for filing with the Commission an original and five copies of the following tariff sheets applicable to its Fontana Water Company division, which are attached hereto:

CPUC Sheet No.	Title	Schedule No.	Canceling CPUC Sheet No.
1535-W	List of Contracts & Deviations	N/A	1360-W
1536-W	Table of Contents (continued)	N/A	1500-W
1537-W	Table of Contents	N/A	1534-W

This advice letter is filed in accordance with Section X.A of General Order No. 96-A for the purpose of modifying San Gabriel's List of Contracts and Deviations to include an agreement for service of non-potable water to Cemex USA Construction Materials, Inc. ("Cemex"), an existing customer of San Gabriel. **Because this advice letter does not propose an increase to rates, more restrictive conditions, or withdrawal of service, a Commission resolution is not required for approval.**

Background

Cemex and its predecessors have operated sand and gravel mining and processing facilities in the Lytle Creek wash area in San Bernardino County since 1954. The street address of these operations is: 3221 N. Riverside Avenue, Rialto, California. Prior to the recent initiation of water service by San Gabriel, all of the water for these operations had been supplied by Fontana Union Water Company ("Fontana Union"), a mutual water company which has also been the primary source of water for San Gabriel's Fontana Water Company division. The annual deliveries from Fontana Union to Cemex over the past three years were as follows:

11142 GARVEY AVENUE • P.O. BOX 6010 • EL MONTE, CALIFORNIA 91734-2010 • (626) 448-6183 • Fax (626) 448-5530

Year	MIH	Ccf
1997	307,040	221,683
1998	438,506	316,601
1999	331,902	239,633

Note: MIH stands for miners-inch-hour and equates to 0.722 Ccf

By Advice Letter No. 307, San Gabriel added the Cemex property to its Fontana Water Company service area and now serves Cemex under its general metered water rate Schedule No. FO-1. However, Cemex does not require potable water for its mining and processing operations at its facilities, and San Gabriel has been providing Cemex with non-potable water that would otherwise have to be treated at San Gabriel's Sandhill Water Treatment Plant. San Gabriel and Cemex have recently negotiated an arrangement for Cemex to purchase non-potable water at a reduced rate. Service will be provided to Cemex by pumping non-potable water through an existing 12-inch meter, an existing 12-inch diameter pipeline (approximately 1,100 feet in length), and an existing concrete reservoir (160' x 150' x 15'). San Gabriel's other customers will benefit from this arrangement because the available supply of lower-cost potable water will increase while Cemex's demand for potable water will decrease.

The New Service Agreement

The significant terms of the Non-Potable Water Service Agreement, dated November 21, 2000 ("Service Agreement"), are summarized as follows:

a) San Gabriel will supply and Cemex will buy its entire sand and gravel processing and related water requirements from San Gabriel subject to interruption, curtailment, or limitation. [Paragraphs 1 and 2]

b) San Gabriel will own and use two wells, the reservoir, the pipeline, and the booster pump to serve non-potable water to Cemex on an interruptible basis. [Paragraph 3]

c) Cemex will maintain, replace, or repair the reservoir, pipeline, and booster pump pursuant to a facilities agreement ("Facilities Agreement") entered into between the parties contemporaneously with the Service Agreement. [Paragraph 3]

d) The source of water under this agreement is untreated Lytle Creek surface water delivered at the Fontana Union Afterbay adjacent to Southern California Edison's lower powerhouse, or water produced at San Gabriel's Well F32A or Well F40A. Water may be supplied from other sources at San Gabriel's sole discretion. [Paragraph 2]

e) As contributions in aid of construction, Cemex pays San Gabriel $70,000 for the cost to extend service from Well F32A and transfers its 138.75 shares of Fontana Union stock to San Gabriel. [Paragraph 3] Under the Facilities Agreement, Cemex will also contribute $92,000 for San Gabriel to acquire from Fontana Union the reservoir, pipeline, and booster for the purpose of extending service to Cemex.

f) Cemex will pay San Gabriel the following rates for service: $0.50 per Ccf ($0.36/MIH), as escalated from time to time by the same percentage that the Commission authorizes for the Schedule No. FO-1 Quantity Rate, for the amount of water it would have otherwise received from Fontana Union had it retained its 138.75 shares; additional water (as well as non-quantity charges) at Schedule No. FO-1 rates and charges. If Cemex acquires additional shares of Fontana Union stock, it has the right to transfer the shares to San Gabriel as a contribution in aid of construction in exchange for additional amounts of water from San Gabriel at the contract rate. [Paragraph 4]

g) The Service Agreement shall remain in force until terminated by Cemex upon 60 days written notice to San Gabriel. [Paragraph 11]

h) The Service Agreement is subject to any changes or modifications made by the Commission. [Paragraph 11]

Impacts on Cemex and Existing San Gabriel Customers

Cemex will benefit by obtaining a reliable source of water supply at a rate roughly the same as it historically has paid to Fontana Union for water pursuant to its shares. The contract rate is lower than the general metered rate Cemex has been paying since it recently commenced service from Fontana Water Company. Without the new contract

rate (which is about the same as Cemex paid Fontana Union), Cemex's annual cost of water would increase about $81,000 over what it paid Fontana Union for water pursuant to its shares in 1999. These savings are offset by the capital investments and other contributions required of Cemex under the two agreements.

San Gabriel's other Fontana Water Company customers will benefit from the availability of additional water at little or no cost from the shares of Fontana Union received from Cemex. In addition, the agreement with Cemex will allow San Gabriel much more flexibility in managing its available Lytle Creek water supplies. For example, low cost surface water can be directed to San Gabriel's Sandhill Treatment Plant to assure steady flows and maximize plant efficiency. Since Cemex has agreed to bear all incremental costs of providing this service and to indemnify San Gabriel, there are no offsetting capital costs or operating expenses to be borne by San Gabriel's other Fontana Water Company customers. As is shown in the submitted workpapers, the cost to serve Cemex with available untreated surface water (primary source) or groundwater is covered by the $0.050/Ccf proposed contract rate.

Protests and Responses

A protest is a document objecting to the granting in whole or in part of the authority sought in this advice letter. A response is a document that does not object to the authority sought, but nonetheless presents information that the party tendering the response believes would be useful to the Commission in acting on the request.

A protest must be mailed within 20 days. It must state the facts constituting the grounds for the protest, the effect that approval of the advice letter might have on the protestant, and the reasons the protestant believes the advice letter, or part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the application.

All protests or responses to this filing should be sent to:

California Public Utilities Commission, Water Division
505 Van Ness Avenue
San Francisco, CA 94102
Fax: (415) 703-4426
E-Mail: water division@cpuc.ca.gov,

And to this utility to:

San Gabriel Valley Water Company
Director, Rates and Revenue
11142 Garvey Avenue
El Monte, CA 91733
FAX: (626) 448-5530
E-Mail: dadellosa@sgvwater.com

If you have not received a reply to your protest within 10 business days, contact this person at (626) 448-6183.

Conclusion

The Commission's Water Division has been provided with two copies of the agreements (Service Agreement and Facilities Agreement) and workpapers supporting this request. In accordance with General Order No. 96-A, Sections III.G and X.A, a copy of the advice letter is being concurrently mailed to the parties listed on the attached Distribution List. Notice of customers other than Cemex is not deemed necessary for this advice letter, and no other parties have requested notification of tariff filings related to the Fontana Water Company division.

The actions requested in this advice letter are not now the subject of any formal filings with the California Public Utilities Commission, including a formal complaint, nor action in any court of law.

Since existing customers will benefit as a result of the operating efficiencies produced by this arrangement with Cemex, San Gabriel respectfully requests approval of this advice letter effective at the earliest possible date.

San Gabriel Valley Water Company

Daniel A. Dell'Osa
Director of Rates and Revenue

DD:de
cc: John A. Yager, CPUC-ORA

LIST OF CONTRACTS AND DEVIATIONS

Name & Location of Customer	Type or Class of Service	Execution and Expiration Date	Commission Authorization Number and Date	Most Comparable Regular Tariff	
				Schedule Number	Contract Differences
1. Norman's Nursery	Reclaimed Water	2/28/94	W-3882 10/12/94	N/A	N/A
2. Arbor Nursery	Reclaimed Water	6/10/94	W-3882 10/12/94	N/A	N/A
3. Cemex USA Construction, Inc	Non-Potable Water	11/22/00		N/A	N/A (N)

TABLE OF CONTENTS
(continued)

Subject Matter of Sheet		C.P.U.C. Sheet No.			
List of Contracts and Deviations			1535-W		(C)
Rule Nos.					
1	Definitions	974-W	975-W		
2	Description of Service	720-W			
3	Application for Service	394-W	1417-W		
4	Contracts	395-W			
5	Special Information Required on Forms	1307-W/1309-W			
6	Establishment and Re-establishment of Credit	398-W			
7	Deposits	749-W	709-W		
8	Notices	1310-W	1311-W		
9	Rendering and Payment of Bills	402-W	403-W		
		855-W			
10	Disputed Bills	980-W	981-W		
11	Discontinuance and Restoration of Service	1312-W/1319-W			
12	Information Available to Public	409-W	410-W		
13	Temporary Service	411-W	412-W		
14	Continuity of Service	413-W			
15	Main Extensions	968-W	899-W	900-W	
		1240-W			
		902-W	903-W	1241-W	
		1242-W	906-W	907-W	
		969-W	909-W	970-W	
16	Service Connections, Meters and Customer's Facilities	424-W	1243-W	930-W	
		1244-W	1208-W		
		1209-W			
		1210-W	1211-W		
17	Standards for Measurement of Service	971-W			
18	Meter Tests and Adjustment of Bills for Meter Error	432-W/434-W			
19	Service to Separate Premises and Multiple Units, and Resale of Water	1006-W	1007-W		
20	Water Conservation	782-W			

(continued)

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the rates and services of the utility, together with information relating thereto:

Subject Matter of Sheet	C.P.U.C. Sheet No.		
Title Page	651-W		
Table of Contents	1537-W	1531-W	(T)
	1500-W	1155-W	
	1279-W		
Preliminary Statement	634-W	390-W	
Service Area Maps:			
Fontana Water Company	1533-W		
Los Angeles County			
Service Area - East Portion	1183-W		
- South Portion	869-W		
- West Portion	1171-W		
Area Maps of Less Than 40 p.s.i.g.	871-W		
	691-W	697-W	

Rate Schedules	Schedule Number			
All Tariff Areas				
Surcharge to Fund Public Utilities Commission Reimbursement Fee	AA-UF		1460-W	
Fontana Water Company				
General Metered Service	FO-1		1457-W	1515-W
Private Fire Service	FO-4	1392-W	1087-W	1476-W
Construction and Tank Truck Service	FO-9C		1393-W	1516-W
Service to Tract Homes During Construction	FO-9CL			1517-W

(continued)

APPENDIX A

DISTRIBUTION LIST

Fontana Water Company Division
Advice Letter No. 308

City Clerk, City of Fontana
Post Office Box 518
Fontana, CA 92335

City of Colton Water Department
650 North La Cadena Drive
Colton, CA 92324

Cucamonga County Water District
Post Office Bin 638
Cucamonga, CA 91730

City of Ontario Water Department
303 East B Street
Ontario, CA 91764

City of Rialto Water Department
150 South Palm Avenue
Rialto, CA 92376

West San Bernardino County Water District
Post Office Box 188
Rialto, CA 92376

Local Agency Formation Commission for
San Bernardino County
175 West Fifth Street, 2nd Floor
San Bernardino, CA 92415-0490

Mr. John A. Yager
Water Utilities Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-4208

Ms. Linda Robinson
Vice President Administration
Cemex USA Construction Materials, Inc.
430 N. Vineyard Avenue, Suite 500
Ontario, CA 91761-1067

Fontana Union Water Company
Post Office Box 309
Fontana, CA 92335

SAN GABRIEL VALLEY WATER COMPANY

RECEIVED
APR 16 2004
LAFCO
San Bernardino County

Advice Letter No. 307 **U337W**

July 24, 2000

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel") hereby submits for filing with the Commission an original and five copies of the following tariff sheets applicable to its Fontana Water Company division, which are attached hereto:

CPUC Sheet No.	Title	Schedule No.	Canceling CPUC Sheet No.
1533-W	Service Area Map	N/A	1196-W
1534-W	Table of Contents	N/A	1532-W

This revised service area map is being filed pursuant to Section I.E. of General Order 96-A to extend the Fontana Water Company service area to include a new customer, Cemex USA Construction Materials, Inc ("Cemex"), that is located contiguous to San Gabriel's existing water production wells and surface water diversion plant and facilities and is not served by a public utility of like character. Public Utilities Code Section 1001 allows such extension of service without a water utility first securing a certificate of public convenience and necessity:

> "... This article shall not be construed to require any such corporation to secure such certificate for an extension within any city or city and county within which it has lawfully commenced operations, or for an extension into territory either within or without a city or city and county **contiguous to its street railroad, or line, plant, or system**, and not theretofore served by a public utility of like character, or for an extension within or to territory already served by it, necessary in the ordinary course of its business. ..." [Emphasis added]

Because this advice letter does not propose an increase to rates, more restrictive conditions, or a withdrawal of service, this advice letter may be approved without a Commission resolution.

Cemex Has Requested Service From San Gabriel and
No Competing Utility Is Able to Serve Cemex

Cemex and its predecessors have operated sand and gravel mining and processing facilities in the Lytle Creek wash area in San Bernardino County since 1954. The street address of these operations is 3221 N. Riverside Avenue, Rialto, California.

11142 GARVEY AVENUE • P.O. BOX 6010 • EL MONTE, CALIFORNIA 91734-2010 • (626) 448-6183 • Fax (626) 448-5530

All of the water for these operations has been supplied by Fontana Union Water Company ("Fontana Union"), a mutual water company which has also been the primary source of water for Fontana Water Company. Most recently, sufficient quantities of surface water from Fontana Union have not been available to Cemex. Cemex, therefore, requires a reliable source of water in excess of the quantity it is able to receive through its shares of Fontana Union stock, and San Gabriel is ready, willing, and able to provide such water service from its own source of supply in the immediate vicinity of the Cemex processing facility. The annual deliveries from Fontana Union to Cemex over the past three years are as follows:

Year	MIH	Ccf
1997	307,040	221,690
1998	438,506	316,611
1999	331,902	239,640

Note: MIH stands for miners inch hours and equates to 0.722 Ccf

Cemex does not require potable water for its mining and processing operations at its facilities, which are immediately adjacent to San Gabriel's existing Lytle Creek well field. In fact, five of the wells in that well field are located on easements on Cemex' property. As of June 8, 2000, pursuant to Cemex' request for emergency service, San Gabriel began to provide water service to Cemex on an emergency temporary basis in order to allow Cemex and its employees to continue operations. At Cemex' request, San Gabriel is willing to provide water service, on a permanent basis, from its existing facilities from the Lytle Creek surface water supplies or from its nearby wells including, in particular, Well No. 32A. Water from that well and the surface water supplies would otherwise have to be treated at San Gabriel's Sandhill Water Treatment Plant, for domestic use, but Cemex is able to use that water in its operations without treatment.

The proposed service area extension is approximately 932 acres within the Lytle Creek Wash (non-developable land) and consists of the entire Cemex property and no other property. Service will be provided under Schedule FO-1, General Metered Service. San Gabriel and Cemex are in the process of negotiating a non-potable water service contract. When the negotiations are completed, San Gabriel will seek approval by advice letter to serve Cemex under that contract rather than pursuant to the tariff.

The only other water systems in the area are West San Bernardino County Water District (the "District") and the City of Rialto (the "City"). Neither the District nor the City have the facilities required to provide water to Cemex in the same manner that it currently receives water from Fontana Union or as proposed by San Gabriel. San Gabriel can provide water service to Cemex in the same manner that it has historically received water from Fontana Union and, with only minor modifications to its facilities (for which Cemex has contributed the funding), San Gabriel can furnish service to Cemex with much greater reliability. Fontana Union supports this proposed service area extension.

The Proposed Service Area Expansion Will Not Adversely Impact San Gabriel's Existing Customers

San Gabriel provides its Fontana Water Company division customers with groundwater from the Chino Groundwater Basin, Colton-Rialto Basin, an unnamed basin, the Lytle Creek Groundwater Basin, and surface water from Lytle Creek. Pursuant to an agreement dated February 7, 1992, San Gabriel is authorized to exercise Fontana Union's rights to produce water from these sources and San Gabriel, as agent for Fontana Union, has operated all of Fontana Union's facilities, including the facilities required to deliver water to Cemex. San Gabriel's provision of service to Cemex will not change San Gabriel's operations nor require additional water supply. On the contrary, San Gabriel will be better able to effectively manage the available surface water and groundwater supplies for Fontana Water Company's customers and for Fontana Union.

Conclusion

San Gabriel is furnishing the Commission's Water Division staff with documents in support of this filing.

In accordance with Section III-G of General Order 96-A, a copy of this advice letter is being mailed to all parties, including the Local Agency Formation Commission for San Bernardino County, listed on the Distribution List attached to this advice letter. No notification of customers is deemed necessary, and no other parties have requested notification of tariff filings related to the Fontana Water Company division.

San Gabriel respectfully requests approval of this advice letter effective at the earliest possible date.

San Gabriel Valley Water Company

Daniel A. Dell'Osa
Director of Rates and Revenue

DD:de

Cancelling Revised Cal. P.U.C. Sheet No. 1532-W

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the rates and services of the utility, together with information relating thereto:

Subject Matter of Sheet	C.P.U.C. Sheet No.		
Title Page	651-W		
Table of Contents	1531-W	1534-W	(T)
	1455-W	1155-W	
	1279-W		
Preliminary Statement	634-W	390-W	
Service Area Maps:			
Fontana Water Company	1533-W		(T)
Los Angeles County			
Service Area - East Portion	1183-W		
- South Portion	869-W		
- West Portion	1171-W		
Area Maps of Less Than 40 p.s.i.g.	871-W		
	691-W	697-W	

Rate Schedules	Schedule Number			
All Tariff Areas				
Surcharge to Fund Public Utilities Commission Reimbursement Fee	AA-UF		1460-W	
Fontana Water Company				
General Metered Service	FO-1		1457-W	1515-W
Private Fire Service	FO-4	1392-W	1087-W	1476-W
Construction and Tank Truck Service	FO-9C		1393-W	1516-W
Service to Tract Homes During Construction	FO-9CL			1517-W

(continued)

DISTRIBUTION LIST

Fontana Water Company Division
Advice Letter No. 307

City Clerk, City of Fontana
Post Office Box 518
Fontana, CA 92335

City of Colton Water Department
650 North La Cadena Drive
Colton, CA 92324

Cucamonga County Water District
Post Office Bin 638
Cucamonga, CA 91730

City of Ontario Water Department
303 East B Street
Ontario, CA 91764

City of Rialto Water Department
150 South Palm Avenue
Rialto, CA 92376

West San Bernardino County Water District
Post Office Box 188
Rialto, CA 92376

Local Agency Formation Commission for
San Bernardino County
175 West Fifth Street, 2nd Floor
San Bernardino, CA 92415-0490

Mr. John A. Yager
Water Utilities Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-4208

Ms. Linda Robinson
Vice President Administration
Cemex USA Construction Materials, Inc.
430 N. Vineyard Avenue, Suite 500
Ontario, CA 91761-1067

Fontana Union Water Company
Post Office Box 309
Fontana, CA 92335

Response from Tom Dodson and Associates

Attachment 5

TOM DODSON & ASSOCIATES
2150 N. ARROWHEAD AVENUE
SAN BERNARDINO, CA 92405
TEL (909) 882-3612 • FAX (909) 882-7015
E-MAIL tda@tstonramp.com

RECEIVED
JUN 03 2004
LAFCO
San Bernardino County

June 3, 2004

Ms. Kathleen Rollings-McDonald
Local Agency Formation Commission
175 West Fifth Street, Second Floor
San Bernardino, CA 92415-0490

Dear Kathy:

LAFCO 2922 consists of a service review for the West Valley Water District (District) pursuant to Government Code Section 56430 and Sphere of Influence Study Pursuant to Government Code 56425. If approved by the Commission, the service and Sphere review would result in some minor changes in the Sphere of Influence for the District which will be adjusted to encompass the District main office. Although there will be a minor Sphere adjustment, it appears that LAFCO 2922 can be implemented without causing any physical changes to the environment or any adverse environmental impacts. The service and Sphere review does not appear to have any potential to alter the existing physical environment in any manner, since the District's office complex already exists. Since no projects are pending or will occur as a result of approving this review, no physical changes in the environment are forecast to result from approving the action before the Commission.

Without a potential for causing physical changes in the environment, I recommend that the Commission find that a Statutory Exemption applies to LAFCO 2922 under the Section 15061 (b) (3) which states: "A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." It is my opinion, and recommendation to the Commission, that this circumstance applies to LAFCO 2922.

Based on a review of LAFCO 2922 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 2922 does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate determination to comply with the CEQA process for this action. The Commission can approve the review and findings for this action and I recommend that you notice LAFCO 2922 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption with the County Clerk to the Board for this action once the hearing is completed.

A copy of this exemption should be retained in LAFCO's project file to serve as verification of this evaluation and as the CEQA environmental determination record. If you have any questions, please feel free to give me a call.

Sincerely,

Tom Dodson

Tom Dodson

Draft Resolution No. 2821

Attachment 6

PROPOSAL NO.: LAFCO 2922

HEARING DATE: JUNE 16, 2004

RESOLUTION NO. 2821

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 2922, A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE WEST VALLEY WATER DISTRICT.

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 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 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 West Valley Water District should be expanded to include the parcels upon which the District's administrative facilities are located, the area of the County Boundary Exchange within the Agua Mansa area, the parcels southerly of the I-10 freeway, generally between Linden and Locust Avenues and should be affirmed as it currently exists for the balance of the area, as more specifically described on the maps 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 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. **Growth and Population.**

   The District provides service to approximately 38.28 square miles (approximately 23,500 acres) within portions of the incorporated and unincorporated areas of the Cities of Fontana, Rialto, and Colton, including the unincorporated areas of southern Lytle Creek within San Bernardino County and a portion of the Crestmore community within Riverside County. The District estimates a population of 56,000 and approximately 16,618 connections.

3. **Financing Opportunities and Constraints.**

   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.

4. **Cost Avoidance 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) and the Inland Empire Perchlorate Task Force to provide a cooperative effort to recoup costs associated with perchlorate contamination. The District is planning, or has already

implemented, measures to reduce energy costs and increase personnel efficiency. In reference to the District's current level of service, it meets, or exceeds, the requirements of a retail water agency within its service area.

5. **Rate Restructuring.**

The District has a record of minimizing rate increases, holding the line on water prices to customers between 1994 and 2002. With the rate increase approved and implemented in 2002, the District's water rates are among the lowest in the region. To date, the District has not considered using a graduated rate system as a means to encourage conservation.

6. **Opportunities for Shared Facilities.**

The District has a long history of engaging in joint efforts with other entities as a means of providing better and more cost efficient service to its customers. Examples of joint efforts include the Baseline Feeder project, maintenance of emergency connections, and membership on the Inland Empire Perchlorate Task Force. The District may also consider joint projects to purchase and use reclaimed water from other entities for non-potable uses. The District is committed to seeking additional opportunities for joint projects that would help it in its mission of delivery high quality and cost-effective service.

7. **Government Structure Options.**

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

8. **Management Efficiencies.**

The District engages in several sound planning and budgeting processes. It encourages its staff to receive additional training and/or continuing education. The District has maintained a consistent staff-to-customer ratio over the past ten (10) years and now provides service to more than 16,600 customers with a workforce of 42 full-time employees plus one temporary and two part-time employees.

9. **Local Accountability and Governance.**

The District is governed by a five-member Board elected at-large. The District does a reasonable job communicating with its customers through newsletters, bill inserts, and public meetings. To aid with its outreach, the District engaged the services of a public relations consultant in 2003. The District is currently preparing a 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 West 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 only changes proposed would be to include the area of the District's administrative facilities, accommodate the County Boundary Exchange, approved by the Boards of Supervisors for Riverside and San Bernardino Counties on October 28, 2003, and include the parcels generally southerly of the I-10 Freeway between Linden and Locust Avenues. The WVWD endorses this approach by indicating that no sphere of influence changes are contemplated within the next five years except for those identified above.

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

The District has adopted a Master Plan for service which addresses this issue, and is 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 minor areas of consideration: the inclusion of District administrative facilities, the County Boundary Exchange previously described, and the parcels generally southerly of the I-10 Freeway between Linden and Locust Avenues. The District has adopted a Master Plan for service which addresses these issues. This document is on file in the District office and the District is in the process of updating this Master Plan.

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

The change proposed to the District's sphere of influence does not affect the community of interest. The Commission, therefore, determines that this factor of determination is not relevant to this review, as permitted by Government Code Section 56425.

5. **OTHER FINDINGS**

A. Notice of the original hearing in April 2004 was published as required by law in The Sun, and Rialto Record, 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,

RESOLUTION NO. 2821

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); 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:

SERVICE	FUNCTIONS
Water	Domestic, irrigation, spreading
Sewer	Collection

WHEREAS, pursuant to the provisions of Government Code Section 56425(h), the range of services provided by the West Valley Water District are limited 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 sphere of influence to include the area of: the District's administrative facilities, the County Boundary Exchange effective December 1, 2003, and the parcels southerly of the I-10 Freeway between Linden and Locust Avenues, and affirms and upholds the balance of the sphere of influence for the West Valley Water District as it currently exists, and is depicted on the maps attached to this report.

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 maps as being within the sphere of influence of the West 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 West 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 affirmation 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:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

RESOLUTION NO. 2821

****

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 June 16, 2004 .

DATED:

KATHLEEN ROLLINGS-McDONALD
Executive Officer

DRAFT