LOCAL AGENCY FORMATION COMMISSION
COUNTY FOR SAN BERNARDINO

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PROPOSAL NO.: LAFCO 3129

HEARING DATE: September 28, 2011

RESOLUTION NO. 3144

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 3129 – A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE BIG BEAR MUNICIPAL WATER DISTRICT (sphere of influence reduction by approximately 11,100 acres and affirmation of the balance of its existing sphere of influence, as shown on the attached map).

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

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

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

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

WHEREAS, a public hearing by this Commission was called for August 17, 2011 at the time and place specified in the notice of public hearing and in an order or orders continuing the hearing; and,

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

WHEREAS, at this hearing, this Commission certified that the sphere of influence update including sphere amendments is statutorily exempt from environmental review pursuant to the

provisions of the California Environmental Quality Act (CEQA) and such exemption was adopted by this Commission on August 17, 2011. The Commission directed its Executive Officer to file a Notice of Exemption within five working days of its adoption; 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 Big Bear Municipal Water District (hereafter shown as the "MWD" or the "District") shall be amended as shown on the map attached as Exhibit "A" to this resolution, defined as follows:

(1) Reduce the District's existing sphere of influence to exclude Area 1 (approximately 4,480 acres), Area 2 (approximately 640 acres), Area 3 (approximately 640 acres), and Area 4 (approximately 5,340 acres); and,

(2) Affirm the balance of the District's existing sphere of influence.

WHEREAS, the determinations required by Government Code Section 56430 and local Commission policy are included in the report prepared and submitted to the Commission dated August 9, 2011 and received and filed by the Commission on August 17, 2011, a complete copy of which is on file in the LAFCO office. The determinations of the Commission are:

1. Growth and population projections for the affected area:

Land Use

Development in the San Bernardino Mountains is naturally constrained by public land ownership, rugged terrain, limited access, and lack of support infrastructure, as well as by planning and environmental policies which place much of the area off limits to significant development. Maximum build-out potential is substantially constrained by the slope-density standards and fuel modification requirements of the County of San Bernardino ("County") General Plan Fire Safety Overlay.

Unincorporated Area

According to the *Bear Valley Community Plan*, several issues set Bear Valley apart from other mountain communities, suggesting that different strategies for future growth may be appropriate. Among these are preservation of community character and infrastructure. As for preservation of community character, residents feel that the high quality of life experienced in their neighborhoods today should not be degraded by growth and the subsequent impacts of traffic congestion, strains on infrastructure and threats to natural resources.

The preservation of the community's natural setting, small town atmosphere and rural mountain character becomes important not only from an environmental perspective but from a cultural and economic point of view. The *Community* Plan further states that the Bear Valley area is faced with the potential for significant growth. Residents are concerned with the impacts that future growth and development will have on an infrastructure system they sense is already strained. The community's primary concerns center on water supply and traffic and circulation.

The County's land use designations within the study area are as follows: approximately 79% is designated Resource Conservation, 6% is Single Residential (RS, RS-10M, RS-20M, and RS-1), 4% is Rural Living (RL, RL-5, RL-10, RL-20, and RL-40), 5% is designated Floodway (lake areas), 1% is a mix of generally commercial, industrial, and institutional land uses in the County (Neighborhood Commercial, Service Commercial, General Commercial, Community Industrial, and Institutional), and the remainder 5% is within the City of Big Bear Lake ("City") boundaries, whose land uses are the jurisdiction of the City.

Incorporated Area

The preservation of the community's natural setting, small town atmosphere and rural mountain character are all aspects that are considered by the City in the development process. In addition the City imposes a development impact fee that addresses the need to construct infrastructure as development takes place.

Within the City's boundaries, approximately 60% of the lands are designated as Single-Family Residential, 9% Multiple Family Residential, 18% Commercial/ Industrial, 4% Public Facilities, and 9% Open Space. The commercial development within the City is generally located along Big Bear Boulevard (which connects between Highway 18 and SR 38) and some areas near the lakefront.

Landownership

Within the MWD's entire boundary/sphere, roughly 20% of the land is privately owned, 5% comprise all the lakes within the community, and the remainder 75% are within the San Bernardino National Forest (owned by the federal government), which are devoted primarily to resource protection and recreational use.

Land Ownership Breakdown (in Acres)				
	Private	**Public**	**Lake**	**Total Area**
MWD Boundary and Sphere	15,110	59,660	3,960	78,730
Percentage	**20%**	**75%**	**5%**	**100%**

Population Projections

In general, the San Bernardino Mountains is one of the most densely populated mountain areas within the country, and is the most densely populated urban forest west of the Mississippi River.

Unincorporated Area

The estimated unincorporated population was roughly 12,000 in 2000 and 15,000 in 2010. The seasonal population and visitors are not reflected in available demographic statistics, which count only year-round residents. It is estimated that the seasonal factors can substantially increase the peak population. The population projections below encompass the developable territory within the community. Utilizing the 1.8% annual growth from the *Bear Valley Community Plan*, by 2030 the permanent population is estimated to reach approximately 20,000, a 69% increase from 2000.

Table 3: Population, Households and Employment Projection 2000-2030

	1990	2000	Projection 2030	Average Annual Growth Rate: 1990-2000	Projected Average Annual Growth Rate: 2000-2030	Maximum Policy Plan Build-Out	Ratio of 2030 Projection to Land Use Policy Map Build-out
Population	9,058	11,771	19,910	2.7%	1.8%	43,414	0.46
Households	3,474	4,712	8,426	3.1%	2.0%	17,364	0.49
	1991	2002		1991-2002	2002-2030		
Employment	1,007	1,684	2,650	4.8%	1.6%	8,332	0.32

Source: Stanley R. Hoffman Associates, Inc.
Note: The population figures for 1990 and 2000 were based on the U.S. Census. The employment figures for 1991 and 2002 were based on data from the EDD (Employment Development Department).

Sources: County of San Bernardino 2007 *Bear Valley Community Plan* (citing Stanley R. Hoffman Associates, Inc.);
Notes: Does not include seasonal population or visitors
Annual growth for population is anticipated at 1.8%.

Incorporated Area

Both the Department of Finance and the U.S. Census list the 2000 population as 5,438. For 2010, the U.S. Census lists 2010 population as 5,019 (decrease of 419), and the Department of Finance estimates the 2011 population as 5,051. The City further states that numerous jobs have been eliminated within the City, there has been sparse development for the past two years, and the tourism industry has been significantly impacted by the road closures due to winter storms of the past two years.

In looking at the City's population projections through 2035, the Southern California Association of Government (SCAG) Growth Forecast from the *2008 Regional Transportation Plan* did not reflect the full extent of the current economic and housing conditions. Although not yet adopted, recent figures available from SCAG's Draft Integrated Growth Forecast (May 2011) point towards a more realistic and steady growth through 2035, as shown in the chart below. Again, these figures are for the permanent population and do not take into account seasonal and tourism activities.

2020	2035
5,619	7,001

The City's 1995 General Plan describes the City as a mountain resort community. Although the General Plan provides for a wide range of housing options, the majority of the development has been single family housing units. The 2010 Census identifies that from 2000 to 2010, total housing units increased by 11.5% while occupied units decreased by 6.7%. The decrease in occupied units correlates with the economic downturn.

For purposes of planning and designing infrastructure and future service delivery, the seasonal population must be considered. As the population increases, so does the need for

service. Any future projects will increase the need for municipal services within the City's existing boundaries as well as within the surrounding unincorporated territory.

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

Currently, the MWD is authorized by LAFCO to provide the functions of water, sewer, fire protection, and park and recreation.

Water

Watershed

Bear Valley lies 6,750 feet above sea level at the eastern end of the San Bernardino Mountains. The watershed surrounding the valley encompasses roughly 38.5 square miles. The main ridges, to the north and south, are relatively steep and support peaks ranging from 8,000-10,000 feet elevation. The San Bernardino National Forest comprises 62% of the Big Bear Lake watershed. Average annual precipitation ranges from nearly 40 inches at the west end of the valley to 10-15 inches at the east end of the valley. Annual precipitation is highly variable and it is common to have long dry spells (3-8 years) between years with above average precipitation.

Groundwater Basin

The Big Bear Valley groundwater basin lies within the San Bernardino Mountains, a transverse mountain range on the southern edge of the Mojave Desert. The basin is roughly 14 miles long from east to west and seven miles wide from north to south. There are two lakes in the middle of the basin: Big Bear Lake and the ephemeral Baldwin Lake. Big Bear Lake empties on the west into Bear Creek, which is a tributary of the Santa Ana River. Baldwin Lake sits in a local depression and does not empty to any other body of water. Big Bear Lake is unique among southern California populated areas in that it normally receives significant winter snowfall, averaging around 60 inches at lake level.

The water supply for the Big Bear area is produced mainly from springs on the periphery of the ground-water basin and wells drilled within the ground-water basin. To help meet water demand, the local water agencies have constructed new wells and are considering artificial recharge with reclaimed wastewater. To better manage the ground-water resources in the Big Bear Valley, there is a need to better understand the geohydrology of the ground-water basin.

Groundwater quality within the Valley groundwater basin is generally very good. As in many areas where granitic bedrock is a source for sediment, a calcium-bicarbonate water character is prevalent. Such character indicates good mixing of waters and rapid natural recharge. Water quality issues tend to be limited to fluoride and localized contaminant.

Big Bear Lake

Big Bear Lake is a man-made reservoir that was formed when a dam was built on Bear Creek in the early 1900s. Before that, the land beneath the reservoir was a marshy meadow that lay atop centuries of silt and sediment that had eroded from the surrounding

mountainsides. The surface area of Big Bear Lake is approximately 3,000 acres and the reservoir holds nearly 73,000 acre-feet of water.

Big Bear Lake is listed on the U.S. Environmental Protection Agency's 303(d) list of impaired water bodies. Historical water quality data indicated that the lake and several of its tributaries are impaired for nutrients, sediments, pathogens, and trace metals. Beneficial uses in the lake, particularly recreation and aquatic habitat, were considered compromised by these pollutants as well as the spread of noxious and nuisance aquatic plants (Eurasian Water Milfoil and Coontail). Immediately after Big Bear Lake was added to the 303(d) list, the Santa Ana Regional Water Quality Control Board ("Regional Board") initiated a program to develop and implement Total Maximum Daily Loads for pollutants of concern. A task force of local stakeholders was formed to support the Regional Board's effort.

According to the Water Quality Control Plan for the Santa Ana River Basin, known as the "Basin Plan," the prescribed beneficial uses for Big Bear Lake are: MUN, AGR, GWR, REC1, REC2, WARM COLD, WILD, and RARE. The first three uses relate to potable and agricultural water supply and groundwater recharge. Recreational uses include direct contact, such as swimming and fishing, and secondary contact, such as boating or water-skiing. The warm and cold designations refer to aquatic habitat for a variety of fish, invertebrates, vegetation, and wildlife. Wild and rare indicate supporting habitat for certain species. The Regional Board identified Big Bear Lake as water quality limited due to excessive nutrients and noxious aquatic plants.

Bulk Hauled Water

In areas that do not have access to a retail water provider or on-site wells, the hauling of domestic water is the sole means for domestic service. In Bear Valley, the use of hauled water as a means for water service primarily occurs in the Baldwin Lake area. In a joint letter to county planning and building departments in 2003, the California Department of Health Services and the California Conference of Directors of Environmental Health specify that, "bulk hauled water does not provide the equivalent level of public health protection nor reliability as that provided from a permanent water system or from an approved onsite source of water supply." This statement is based on five potential public health risks for hauled water:

1. The potential for contamination exists when water is transferred from tanker trucks to water storage tanks.
2. Storage tanks are often the source of bacterial contamination.
3. There is no assurance that licensed water haulers follow State guidelines at all times.
4. The future reliability of hauled water is susceptible to economic conditions.
5. There is generally a higher risk for contamination.

The letter further states that hauled water for domestic purposes should only be allowed to serve existing facilities due to a loss of quantity or quality and where an approved source cannot be acquired. A copy of this letter is on-file at the LAFCO office.

The County recognizes the potential health hazards with hauled water. Future development will be restricted unless there is access to an individual well or domestic water system. Therefore, new development could not be approved without verification of access to a domestic water system. However, existing units without connection to a domestic water system or without individual wells on their property must rely on hauled water for domestic

and other uses. County Code of San Bernardino Section 33.0623 (last amended in 1996) under Health and Sanitation and Animal Regulations reads:

> Water furnished by a domestic hauler shall not be used as a source of water by any public water supply system unless it has been demonstrated to DEHS [Department of Environmental Health Services] that there are no reasonable means of obtaining an acceptable quality and quantity of groundwater, and that water treatment methods have been approved by DEHS. Exception: During an officially declared state or local emergency, a public water system may utilize hauled water as a temporary source of supply.

Adherence to these parameters will limit new development within the Baldwin Lake area for the future as it has no current mechanism for providing an organized retail water system for water delivery.

Water Agencies

There are two active retail water providers for the valley, both public agencies: the Big Bear City Community Services District ("CSD") and the City through its Department of Water and Power ("DWP"). Neither of the agencies have access to supplemental water from the State Water Project. Those residents who live outside of a retail water agency have their own on-site methods such as wells or springs that are recharged annually by winter snows and rains. The yield from these sources will vary depending on the amount of snowmelt and rainfall.

There are two other public agencies authorized to provide water service in the Valley – County Service Area ("CSA") 53 and the MWD. CSA 53 provides service only through the creation of zones and has formed Zone C which has been authorized water service (although Zone C to date does not provide retail water service). This Zone addresses the Fawnskin community southerly to the northerly boundary of the City of Big Bear Lake. The MWD does not engage in wholesale or retail water service. Rather, it is responsible for the overall management of Big Bear Lake to include recreational activities, lake stabilization, water quality, and wildlife habitat. The MWD's mission of lake stabilization is accomplished through the implementation of a comprehensive water management plan which includes controlled lake releases combined with a water purchase contract to provide water to the water rights holder while minimizing demand on the reservoir.

The Bear Valley Mutual Water Company ("Mutual"), which owns the water rights to the lake, meets the water needs of its shareholders (Redlands-Highland citrus growers and the City of Redlands) primarily by diverting water from the Santa Ana River. When river flow is inadequate to meet its needs, Mutual can call upon water stored in Big Bear Lake, pump ground water from the San Bernardino ground water basin, buy State Water Project water from San Bernardino Valley Municipal Water District ("MUNI"), or reduce delivery to its shareholders.

Big Bear Lake Judgment

A 1977 court decision limits the MWD's use of the lake to "recreation and wildlife enhancement". Under the terms of this judgment, the MWD purchased from Mutual, the lake bottom, Bear Valley Dam and the right to utilize and manage the surface of Big Bear Lake for recreation and wildlife. In addition to controlling the Lake level, surface management included the transfer of the right, title and interest to oversee the seventeen commercial

landing permits, residential dock licenses, revenue activities on Big Bear Lake and various leases and properties.

MWD was unable to purchase the water rights, which remained with Mutual, and MWD became obligated to provide the water reasonably necessary to meet the beneficial use requirements of Mutual's stockholders, not to exceed 65,000 acre feet of water in any ten year period. This water can be in the form of lake releases or can be provided from other sources "in lieu" of lake releases. Hence, the lake stabilization program is commonly referred to as the "In-Lieu Water Program". The most common sources of in-lieu water have historically been the State Water Project and wells in San Bernardino and Redlands.

Over the years, MWD has implemented several management strategies to maintain the level of the lake in the most cost-effective manner possible. However, none were as dependable as the 1996 water purchase agreement with MUNI. This agreement provides a single reliable source for all in-lieu water and negates the need to pursue any other in-lieu alternatives. MUNI has the option to provide the water from the State Water Project or any other available sources authorized under the Judgment. For an annual payment, MWD is guaranteed that when the Lake is at specified levels, no water will be released to meet the downstream water needs. With this agreement, MWD meets its mission of Lake stabilization.

According to the MWD FY 2011-12 Budget, during calendar year 2010 inflow to the Lake as reported in the annual Watermaster Report totaled 32,959 acre-feet compared to the 34 year average of 16,697 acre-feet. The actual Lake level rose 6.62 feet in 2010 and ended the calendar year at 0.87 feet below the top of the dam. Because the Lake was less than six feet below full in August, MUNI called for a release to satisfy a request from Mutual. A total of 123 acre-feet was released to help meet the request. The release rate was dramatically limited due to the potential adverse impact on the construction of the new highway bridge downstream of the dam.

Releases, except for fisheries, ended on May 10. A total of 10,122 acre-feet was released from the Lake. The last time Lake releases occurred was during 1996.

Without the in-lieu agreement with MUNI, which supplied Mutual 2,479 acre-feet during 2010, the Lake would have ended the calendar year 7.58 feet below the top of the dam instead of being full. In Fiscal Year 2010-11 the MWD paid MUNI $1,239,214 for the in-lieu agreement.

The Judgment directed that the in-lieu water program be monitored through a series of accounts that are managed by the Big Bear Watermaster Committee. The three-member committee consists of one representative from each of three agencies: MWD, Mutual and the San Bernardino Valley Water Conservation District (Conservation District). This is a committee whose sole responsibility is to monitor the "physical solution" set forth in the Judgment. The Conservation District's role as a member of the Big Bear Watermaster is to ensure that the groundwater basin is not impacted by the operation of the Physical Solution as specified in the Judgment. The basic premise behind the physical solution is the comparison of the MWD's actual lake management to Mutual's historic management. MWD is then responsible for making up any net ground water deficiency in the San Bernardino basin which may occur as a result of maintaining a higher lake level than would have occurred under Mutual's operations. The amount of the deficiency or surplus is maintained in the basin make-up water account (commonly referred to as "basin compensation account"). A number of other accounting mechanisms are in place to calculate totals for lake releases,

inflow, spills, evaporation, wastewater export and other related data. An annual Watermaster report is prepared documenting the annual accounting procedures.

In 2009, Mutual reported they would need about 6,500 acre-feet of water from MWD. Its intent was to limit their deliveries from MWD to 6,500 acre-feet in 2009. Mutual met their overall 2009 water needs by in-lieu supplies from MWD, diversions from the Santa Ana River, purchases of state water project water, and local groundwater. Mutual also got some water from lake releases and dam leakage for fish protection in Bear Creek.

For the ten-year period ending with calendar year 2009, the amount of water delivered to Mutual by MWD was 60,793 acre-feet. For the 33-year period the Judgment has been in effect, the average annual deliveries by MWD to Mutual has been 4,307 acre-feet. In 2010 Mutual can request up to 17,595 acre-feet of water from MWD. This value is the amount that they are below the 65,000 limitation at the end of 2009 (which was 4,207 acre-feet), plus the deliveries made in 2000 (which was 13,388 acre-feet), which will be dropped from the ten-year period ending in 2010. The 17,595 acre-feet total includes in-lieu deliveries, lake releases and fishery outflows that Mutual is able to divert.

Improvements

The MWD is not a wholesale or retail water service provider. Therefore, it has no pipelines or treatment facilities. Court decisions handed down in 1977 limit the MWD's use of the lake to "recreation and wildlife enhancement". The mission of the MWD is to stabilize the level of Big Bear Lake. This mission is accomplished through the implementation of a comprehensive water management plan which includes controlled lake releases combined with a water purchase contract to provide water to the water rights holder while minimizing demand on the reservoir.

The MWD dredges the lake and deposits the dredge material on the shore, thereby creating developable lands. All recent dredging has removed sediment with disposal on dry land. However, in some cases a sea wall is constructed to restore dry land along the shoreline and inside a private property line. In this case, previously submerged private property is recovered. The MWD states that it is not permitting any dredging project that creates new dry ground on public property. The MWD has also identified that it has completed dredging projects in the past, some of which created slivers of dry land above the high water level of the lake. None of these sliver fills, which are MWD-owned lands, is large enough to be developable on its own. However, these slivers are adjacent to some of the private lakefront properties. Since these slivers have little value to the District or the public, the MWD recently approved a resolution that establishes a procedure and policy to sell these sliver "easements". In the past, the development of these slivers has caused confusion as to who has jurisdictional authority to build on these lands.

Private dredges permitted by the MWD have created navigable channels during low lake levels to private boat docks. Additionally, parties are allowed to construct sea walls and reclaim submerged eroded private property after completing necessary CEQA efforts and obtaining permits from the California Department of Fish and Game, Army Corps of Engineers and Santa Ana Regional Water Quality Control Board.

The dam and the abutments are inspected annually by the State Division of Safety of Dams.

The FY 2011-12 budget anticipates one significant capital project. The District RV Park, located adjacent to the District administrative office, has 25 spaces for rent, but only 21 have full hook-ups. This project will construct sewer, electricity and water to the remaining four in order to be able to charge full rent for the sites.

Storm Management Release

In 2005, a winter storm release policy was approved. It authorizes that the lake be maintained at one foot below full from December 31 through March 31. This policy was developed to improve MWD's release capabilities in the event of a major storm event during those months. According to MWD, this policy will result in lake releases that were not contemplated in the 1996 water contract, and will reduce the amount of water available for release to Mutual under MWD's Lake Release Policy. This, in turn, increases the amount of in-lieu water delivered by MUNI. The average annual increase in in-lieu deliveries is estimated at 80 acre feet, and MWD agreed to pay MUNI an additional $12,000 each year beginning on July 1, 2006, subject to an annual increase from an escalation formula.

Sale of Water for Snow Making

MWD and Snow Summit, Inc. ("Summit") entered into a contract in 2006 allowing Summit to withdraw from Big Bear Lake 11,000 acre-feet of lake water for snow making in any 10-year rolling period, not to exceed 1,300 acre-feet in any single year. The contract for water sales to Summit was negotiated with Bear Valley Mutual before the lake settlement contract was signed. The District states that Mutual is fully aware of the operations and approved the agreement prior to its adoption. Details of annual water sales are included in the Watermaster Report. The Big Bear Watermaster Committee accounting procedures calculate that one-half of the water taken returns to the Lake. On average, if all water is taken, the net reduction in the lake's surface area is only about 33 acres, or 1% of the total surface area.

Sewer

The 1977 judgment included a provision stating that if the MWD engaged in wastewater reclamation within a set short period of time after the signing of the judgment, then the reclaimed water would be used as a part of the Watermaster calculations. MWD has stated that it did not engage in reclamation activities. Therefore, beginning reclamation activities today would not alter the Watermaster calculations.

Fire Protection

Bear Valley is protected from fire and disaster by four different full-time fire protection agencies, which include:1) the Big Bear Lake FPD, which generally serves the City; 2) the CSD, which serves the east end of the valley; 3) the San Bernardino County Fire Protection District ("County Fire") and its Mountain Service Zone, which overlays the entire Valley area excluding the City and the CSD's territory but primarily serves the community of Fawnskin and the rest of the North Shore area; and 4) the U.S. Forest Service protecting the surrounding federal forest land for wildland fire purposes. All four agencies provide mutual aid to each other upon request.

Wildland fires are under the jurisdiction of the California Department of Forestry and Fire Protection (Cal Fire) and the U.S. Forest Service, both not subject to LAFCO jurisdiction.

Agencies providing fire related information are the Mountain Area Safety Taskforce (a coalition of local, state and federal government agencies, private companies and volunteer organizations in San Bernardino County working together to help prevent catastrophic wildfires) and Fire Safe Council, which provides resources for establishing and maintaining Fire Safe Councils, such as the FSC Handbook, nonprofit and funding information in California.

Fire protection and related services provided by the MWD are limited to the area of the lake. On some summer holiday weekends the San Bernardino County Sheriff's department assists with enforcement duties on the lake. However, for the balance of time the MWD is the sole provider of lake and boating law regulation, first aid and rescue on the lake. MWD employees that patrol the lake are certified as Park Rangers in order to enforce District ordinances and State laws (copies of ordinances on file at the LAFCO office). Support is provided by local and county fire agencies once victims are transported to shore by MWD personnel.

Actual fire suppression is the responsibility of County Fire with the MWD assisting if requested. The MWD has been provided training in Marine Firefighting through the California Department of Boating and Waterways.

Park and Recreation

Municipal Water District Law does not allow for recreational facilities that are not appurtenant to district facilities. However, the District does not provide retail or wholesale water; therefore, it does not have traditional water facilities. Because of the unique and special recreational situation revolving around the lake, in *Municipal Water District Law* the District has special legislation (Water Code Section 71661) authorizing the District to construct, maintain, improve, and operate public recreational facilities which are not appurtenant to a water reservoir operated by the district, when such proposal is approved by a majority of the qualified voters.

The District administers permits for commercial marina operations, public and private boat docks, public launch ramps, and boating on Big Bear Lake. Additionally, the District manages the wildlife habitat in Stanfield Marsh, an area on the east end of Big Bear Lake for wildlife viewing and fishing. Two public launch ramps have park amenities including restrooms, picnic tables, and fishing docks.

According to the District, an important project is the construction of the new Carol Morrison East Public Launch office. Through late spring 2010, about one-third of the ramp was removed and replaced. The new facility will provide the public with more efficient access and comfort to purchase lake permits. The new facility will also be equipped with video surveillance of the ramp area, spike strip at the entrance as well as the sales counter. Another improvement resulting from the construction is the removal of the old office that blocked the lake view. Improvements have also been made in computer technology, which allow attendants to enter permit application information directly into the District's server database.

Other work that is presently underway at the ramp is removal and replacement of about 1/3 of the asphalt parking lot, construction of a new vessel decontamination station, and installation of new underground water and electrical lines. The parking lot was not fully restored after suffering significant damage during the east end dredge project in 2005.

3. **Financial ability of agencies to provide services:**

The Commission has reviewed the District's budgets and audits, State Controller reports for special districts, and County filing records.

General Operations and Accounting

The MWD is responsible for itself and its component unit, the Big Bear Municipal Water District Public Facilities Corporation ("Corporation"). This exempt corporation was created to issue certificates of participation in order to finance the purchase of capital assets used by the District. The Corporation board and management is the same as the District's; therefore, the Corporation has been included in the District's reporting entity as a blended component unit. The amounts reported include the capital projects fund, general capital assets, and general long-term debt.

The District only uses governmental funds, and reports the following major funds:

- General Fund - The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of California and the bylaws of the District.

- Capital Projects Fund - The Capital Projects Fund is used to account for the proceeds of the Certificates of Participation.

Additionally, the District maintains an In-Lieu Water Fund. This fund was originally established to meet the cost of purchasing water or facilities to meet the demands of Bear Valley Mutual Water Company. At the end of each fiscal year, the account shall have a balance equal to two years' payments (twice the amount of the payment due on the following July 1st, plus 10% of that payment). The fund is reviewed annually to ensure the formula results in the appropriate balance and adjustments are made as needed. This provides the District with the ability to continue payments for at least two years in the event of an unexpected revenue shortfall. According to the audit, an advance will be made from the fund each year to meet the July 1st contract amount. This advance will be replaced with property tax income later in the fiscal year as it becomes available.

Net Assets and Fund Balances

In reviewing the District's financial documents, net assets have increased by 5.4% since FY 2005-06 as shown on the chart below. As of June 30, 2010, the District had $23.8 million in net assets. Not including capital assets value and debt, the District had roughly $7.6 million in restricted and unrestricted net assets. Of this amount $6.3 million is unrestricted.

	2005-06	2006-07	2007-08	2008-09	2009-10
Net Assets					
Invested in capital assets – net of related debt	16,204,243	16,763,436	16,646,329	16,377,558	16,179,654
Restricted for capital projects	460,526	483,696	497,973	499,731	499,731

Restricted for debt service	392,701	412,876	395,503	393,526	393,500
Restricted for other	479,281	477,870	523,345	414,132	414,137
Unrestricted	4,986,350	5,104,316	5,831,899	6,240,132	6,332,294
Total Net Assets	**$22,523,101**	**$23,242,194**	**$23,895,049**	**$23,925,079**	**$23,819,226**

Considering net assets does not indicate if an agency has enough fund balance to operate short and long-term operations. The chart below shows fund balances for the past five fiscal years. During this time, total fund balances increased generally in the same amount as Net Assets, with the biggest increases in the Unrestricted/Unreserved categories, respectively.

	2005-06	2006-07	2007-08	2008-09	2009-10
Fund Balances					
Reserved for debt	392,701	412,876	395,503	393,526	393,500
Reserved for other	479,281	477,870	523,345	414,132	414,137
Reserved for capital	460,526	483,696	497,973	499,731	499,731
Unreserved	4,383,957	4,949,669	5,558,996	6,079,885	6,260,673
Total Fund Balances	**$5,895,422**	**$6,324,111**	**$6,975,817**	**$7,387,274**	**$7,860,082**

Revenues and Expenditures

Two-thirds of the District's revenue is its share of the one percent ad valorem general levy collected within the District boundary. The balance comes from boat permit sales, dock license fees, water sales for snow making, and marina compensation. However, over the past three years property tax revenue has declined considerably resulting in a corresponding decline in designated fund allocations.

Approximately one-third of the District's annual budget is used to purchase State Project Water on behalf of Bear Valley Mutual Water Company (through the in-lieu water contract with San Bernardino Valley Municipal Water District) thereby reducing the amount of water released from Big Bear Lake. Another third of the budget provides direct support for lake improvement programs including dam maintenance, water quality protection, public education, monitoring efforts and other activities designed to preserve all of the lake's many beneficial uses. The remaining budget covers the management and administration costs of the District including debt service. Salaries and benefits for FY 2011-12 include 11 full-time employees and 14 seasonal employees.

The chart below, taken from the FY 2010-11 financial statements, shows the revenue and expenditure categories with respective amounts. In looking at the past five financial statements, the types of revenues and expenditures have generally remained constant in percentage terms.

	GENERAL	CAPITAL PROJECTS	TOTALS
REVENUES			
Property taxes	$ 2,995,037		$ 2,995,037
Charges for services	1,433,894		1,433,894
Operating grants and contributions	5,431		5,431
Investment earnings	42,825	-	42,825
TOTAL REVENUES	4,477,187	-	4,477,187
EXPENDITURES			
General government	2,805,263		2,805,263
Administration	751,368		751,368
Lake improvement	160,484		160,484
Capital outlay	243,393	-	243,393
Debt Service			
Principal	140,064		140,064
Interest	256,297		256,297
TOTAL EXPENDITURES	4,356,869	-	4,356,869
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	120,318	-	120,318
OTHER FINANCING SOURCES (USES)			
Proceeds from sales of property	60,449	-	60,449
TOTAL OTHER FINANCING SOURCES (USES)	60,449	-	60,449
NET CHANGE IN FUND BALANCES	180,767	-	180,767
FUND BALANCES, JULY 1, 2009	6,887,543	$ 499,731	7,387,274
FUND BALANCES, JUNE 30, 2010	$ 7,068,310	$ 499,731	$ 7,568,041

Long-Term Debt

The District has one debt obligation which was entered into in June 2003 and continues for 30 years until 2033. Certificates of Participation (COP) were issued in the amount of $6,100,000. This debt issue refinanced existing indebtedness of $2,540,000 from a 1991 COP issue, and included additional debt for lake dredge projects. In FY 2005-2006, the first project using these funds was completed. The East End Sediment Removal/Landfill Cap Project involved the removal of approximately 200,000 cubic yards of lake-bottom material for use at the Big Bear Landfill as the final cap for closure of the facility. The total cost of that project was $5.2 million, with $2.6 million paid from the COP funds. On June 30, 2010, the outstanding principal balance was $5,305,000.

Other Information

Government Code Section 26909 requires all districts to provide for regular audits; the District conducts annual audits and meets this requirement. Section 26909 also requires districts to file a copy of the audit with the county auditor within 12 months of the end of the fiscal year. According to records from the County Auditor, the last audit received, which was for FY 2008-09, was in October 2010.

The District contributes to the California Public Employees Retirement System (PERS), a multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. A review of the financial statements identifies that the MWD has a zero net pension obligation. The financial statements do not identify if MWD has any Other Post Employment Benefits (OPEB).

Under Article XIIIB of the California Constitution (the Gann Spending Limitation Initiative), the District is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. Furthermore, Section 5 of Article XIIIB allows the City to designate a portion of fund balance of general contingencies to be used in future years without limitation. For FY 2011-12, the District adopted an appropriations limit of $11,242,001.13.

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

The District office Board Room is used as a meeting and training room for the San Bernardino County Sheriff's Citizens on Patrol, U.S. Forest Service, County Sheriff, and local non-profits.

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

Local Government Structure and Community Service Needs

The MWD is an independent special district governed by a five-member board of directors elected by division.

Regular Board Meetings are scheduled at 1:00p.m. on the first and third Thursdays of each month at the district office. The District maintains a website (bbmwd.org) and disseminates information and lake use advisories through the website. The current board, positions, and terms of office are shown below:

Board Member	Title	Division	Term
Frank Suhay	President	3	2014
John Eminger	Vice President	4	2012
Paula Fashempour	Member	2	2014
Todd Murphy	Member	1	2014
Vince Smith	Member	5	2012

Operational Efficiencies

Operational efficiencies are achieved through the following:

- Big Bear Lake Nutrient TMDL Task Force—This is one of several Task Forces established through the Santa Ana Regional Water Quality Control Board to address specific watershed (in this case, Big Bear Lake) Total Maximum Daily Load (TMDL)

development and issues related to the Basin Plan. The Task Force has used federal, state and local resources to collect and analyze the data needed to develop a formal TMDL. TMDL Task Force meetings are held at the San Bernardino Flood Control or MWD offices approximately bimonthly. At these TMDL meetings, the Big Bear Lake stakeholders and Regional Water Quality Control Board staff are provided with an update of TMDL-related data collection and analyses efforts. The TMDL Task Force stakeholders consist of the following entities:

- Big Bear Area Regional Wastewater Authority
- Big Bear Mountain Resorts
- Big Bear Municipal Water District
- Caltrans
- City of Big Bear Lake
- Regional Board Staff
- San Bernardino County Flood Control District
- United States Forest Service

- The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA). JPIA is a public entity risk pool currently operating as a risk management and insurance program for over 200-member water agencies. The District pays an annual premium to JPIA for its general and automobile liability and property coverage.

- The District participates in professional organizations such as California Lake Managers' Society (CALMS), Western Aquatic Plant Managers' Society (WAPMS), Western Dredging Association (WEDA), Association of California Water Agencies (ACWA), and California Boating Safety Officers Association (CBSOA).

Government Structure Options

There are two types of government structure options:

1. Areas served by the agency outside its boundaries through "out-of-agency" service contracts;

2. Other potential government structure changes such as consolidations, reorganizations, dissolutions, etc.

Out-of-Agency Service Agreements:

The District has indicated that it does not provide any services outside its boundaries.

Government Structure Options:

The State has published advisory guidelines for LAFCOs to address all of the substantive issues required by law for conducting a service review, which were adopted by San Bernardino LAFCO as its guidelines in May of 2003. The Guidelines address 49 factors in identifying an agency's government structure options. Themes among the factors include but are not limited to: more logical service boundaries, elimination of overlapping boundaries that cause service inefficiencies, economies of scale, opportunities to enhance capital improvement plans, and recommendations by a service provider. The following scenarios

are not being presented as options for the Commission to consider for action as a part of this service review. Rather, a service review should address possible options, and the following are theoretical scenarios for the community to consider for the future. Movement towards these scenarios would include, but not be limited to, a plan for service, fiscal impact analysis, and any other required studies.

- MWD as a retail water agency. MWD overlays the entirety of the City's Department of Water and Power (DWP) service area and is authorized by LAFCO a water function. Although the MWD does not actively provide retail water, it does engage in other water activities. In this scenario, the MWD could assume the service responsibility of the DWP and provide retail water. This would address ongoing LAFCO concerns regarding the ability of the DWP to extend service outside the City's boundary and sphere of influence under the restrictions outlined in Government Code Section 56133.

  At the request of the DWP, on April 25, 2011, a joint workshop took place between the DWP and MWD regarding potential assumption of the City's DWP retail service by the MWD. Potential benefits cited at the joint workshop include administrative economies of scale with a single agency managing surface water and groundwater. Additionally, this would allow for elected representation to determine rates and service criteria. Assumption of retail service by the MWD for the DWP service area would not require an application to LAFCO since there would be no organizational change or change in boundaries for either the City (the DWP is a department of the City) or the MWD (currently authorized the water function).

  However, at the July 21, 2011 meeting of the MWD Board of Directors, it decided to abandon its potential acquisition of the City's DWP. Nonetheless, the Commission continues to support having a single entity responsible for surface and groundwater management in the valley as a whole. The Commission expresses its hope that this option is considered again in the future.

- MWD as a wastewater (sewer) collection and/or treatment agency. Although the MWD does not actively provide wastewater collection or treatment water, it is authorized by LAFCO the sewer function. In this scenario, MWD could assume wastewater collection responsibility to all or portions within its boundaries. This would achieve economies of scale and reduce a layer of government.

  The regional wastewater collection and treatment agency, Big Bear Area Regional Wastewater Agency (BBARWA) and the MWD have coterminous boundaries, and municipal water districts are authorized by its enabling act to provide sewer (wastewater) services. Under this scenario, MWD would assume the responsibility and liabilities of BBARWA and become the wastewater treatment and disposal agency for the Bear Valley. This could provide for economies of scale and reduce a layer of government in the community. As for representation, MWD encompasses the boundaries of all three BBARWA member agencies and the representation of the populous would remain. Additional representation could be provided in the form of a council or commission isolated to wastewater service under the current method of appointment by the governing bodies of the three service agencies.

- MWD as a region-wide park and recreation provider. Because of the unique and special recreational situation revolving around the lake, in *Municipal Water District*

Law the District has special legislation (Water Code Section 71661) authorizing the District to construct, maintain, improve, and operate public recreational facilities which are not appurtenant to a water reservoir operated by the district, when such proposal is approved by a majority of the qualified voters. In this scenario, MWD could succeed to the service responsibility of the existing park providers and becomes the sole park provider to the Bear Valley. This scenario would provide for economies of scale and reduce a layer of government.

- MWD as the region-wide fire and ambulance provider. MWD is authorized by LAFCO the fire function, although it is not the agency responsible for fire suppression and emergency medical response, and its fire related services are confined to the lake. However, *Municipal Water District Law* does allow for the MWD to provide fire related services throughout its boundaries, with the exception of existing fire providers unless consent to the overlay is received. In this scenario, the MWD would become the primary agency responsible for fire protection within its boundaries, if concurred to by the other fire providers or through a detachment. There are benefits to regionally providing services such as fire protection through a single entity such as the transfer of existing revenue streams to the larger fire entity for regional use and potential economies of scale that could be achieved. However, assumption of ambulance transport services by an agency other than the Big Bear City Community Services District (the ambulance provider) would include ICEMA authorization. Without support from all affected agencies this option would not be achievable.

- Maintenance of the status quo. This option retains the existing structure with different agencies managing surface and groundwater resources within the Bear Valley.

In reviewing these options, maintenance of the status quo is the viable option based upon the positions of the Bear Valley entities. The other options remain topics which could be discussed by the Bear Valley community for the future.

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

1. Present and Planned Uses:

The MWD's boundary and/or current sphere of influence correspond to the current LAFCO defined Bear Valley community, which includes the City of Big Bear Lake and the unincorporated communities of Big Bear City, Fawnskin, Baldwin Lake, Erwin Lake and Lake Williams. Within the unincorporated County area, the County's General Plan designates approximately 79% as Resource Conservation, 6% as Single Residential (RS, RS-10M, RS-20M, and RS-1), 4% as Rural Living (RL, RL-5, RL-10, RL-20, and RL-40), 5% as Floodway (lake areas), 1% is a mix of generally commercial, industrial, and institutional land uses, and the remainder 5% is entirely within the City.

Within the City's territory, the City's General Plan assigns the following land uses – 60% as Single-Family Residential, 9% as Multiple Family Residential, 18% as Commercial and/or Industrial, 4% Public Facilities, and 9% Open Space.

The MWD's proposed sphere reductions, Areas 1 to 4, currently have limited development potential since these are all forest lands owned by the Federal government and are proposed to correspond to the Commission's revised Bear Valley definition.

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

The MWD is authorized by LAFCO to provide the functions of water, sewer, fire protection, and park and recreation.

Water

The MWD does not engage in wholesale or retail water service. Therefore, it has no pipelines or treatment facilities. Court decisions handed down in 1977 limit the District's use of the lake to "recreation and wildlife enhancement". The mission of the MWD is to stabilize the level of Big Bear Lake. The mission of lake stabilization is accomplished through the implementation of a comprehensive water management plan which includes controlled lake releases combined with a water purchase contract to provide water to the water rights holder while minimizing demand on the reservoir.

In addition to controlling the Lake level, surface management included the transfer of the right, title and interest to oversee the seventeen commercial landing permits, residential dock licenses, revenue activities on Big Bear Lake and various leases and properties.

MWD also has a water supply contract with Snow Summit, Inc. (Summit) allowing Summit to withdraw from Big Bear Lake 11,000 acre feet of water for snow making in any 10-year rolling period, not to exceed 1,300 acre feet in any single year. The contract for water sales to Summit was negotiated with Bear Valley Mutual before the contract was signed. The District states that Mutual is fully aware of the operations and the details of annual water sales are included in the Watermaster Report. On average, if all water is taken, the net reduction in the lake's surface area is about 33 acres, or 1% of the total surface area.

Sewer

MWD has never provided sewer service and it has not identified plans to actively pursue such service at this time or the near future.

Fire Protection

Fire protection and related services are limited to the area of the lake. On some summer holiday weekends the San Bernardino County Sherriff's department assists with enforcement duties on the lake. However, for the balance of time the District is the sole provider of lake regulation and boating law enforcement, first aid and rescue on the lake. The District's authority to patrol the lake is granted by being Park Rangers and includes enforcing District ordinances and State laws. Support is provided by local and county fire departments once victims are transported to shore by District personnel.

Park and Recreation

The District administers permits for commercial marina operations, public and private boat docks, public launch ramps, and boating on Big Bear Lake. Additionally, the District manages the wildlife habitat in Stanfield Marsh, an area on the east end of Big Bear Lake for wildlife viewing and fishing. Two public launch ramps have park amenities including restrooms, picnic tables, and fishing docks.

According to the District, an important project that was completed last fiscal year was the construction of the new Carol Morrison East Public Launch office. The new facility provides the public with more efficient access and comfort to purchase lake permits. The new facility has also been equipped with video surveillance of the ramp area, spike strip at the entrance as well as the sales counter. Another improvement resulting from the construction is the removal of the old office that blocked the lake view. Improvements have also been made in computer technology, which allow attendants to enter permit application information directly into the District's server database.

Other work that is presently underway at the ramp is removal and replacement of about 1/3 of the asphalt parking lot, construction of a new vessel decontamination station, and installation of new underground water and electrical lines. The parking lot was not fully restored after suffering significant damage during the east end dredge project in 2005.

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

Water

MWD has implemented several management strategies to maintain the level of the lake in the most cost-effective manner possible. However, none were as dependable as the 1996 water purchase agreement with San Bernardino Valley Municipal Water District (MUNI). This agreement provides a single reliable source for all in-lieu water and negates the need to pursue any other in-lieu alternatives. MUNI has the option to provide the water from the State Water Project or any other available sources authorized under the Judgment. For an annual payment, MWD is guaranteed that when the lake is at specified levels, no water will be released to meet the downstream water needs. With this agreement, MWD meets its mission of lake stabilization.

Fire Protection

Fire protection and related services are limited to the area of the lake. Actual fire suppression is the responsibility of County Fire with the District assisting if requested. The District has been provided training in Marine Firefighting through the California Department of Boating and Waterways.

Park and Recreation

Municipal Water District Law does not allow for recreational facilities that are not appurtenant to district facilities. Because of the unique and special recreational situation around the lake and because the District does not provide retail or wholesale water, it has special legislation (Water Code Section 71661) authorizing it to construct, maintain, improve, and operate public recreational facilities which are not appurtenant to a water reservoir operated by the District.

The District administers permits for commercial marina operations, public and private boat docks, public launch ramps, and boating on Big Bear Lake. Additionally, the District manages the wildlife habitat in Stanfield Marsh, an area on the east end of Big Bear Lake for wildlife viewing and fishing. Two public launch ramps have park amenities including restrooms, picnic tables, and fishing docks.

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

The social communities of interest include the City of Big Bear Lake and the unincorporated communities of Big Bear City, Fawnskin, and the communities around Baldwin Lake, Erwin Lake, and Lake Williams. In addition, the MWD is within the Bear Valley Unified School District, which is a regional entity servicing the Bear Valley community (including the Angelus Oaks area) providing for a larger social unit for the eastern Mountain region.

Economic communities of interest include the two ski resorts (Bear Mountain and Snow Summit), Big Bear Lake itself and the recreational activities supported by the lake, as well as the commercial activities around the lake area and along Big Bear Boulevard (State Highway 18 and 38).

5. **Additional Determinations**

- As required by State Law notice of the hearing was provided through publication in a newspaper of general circulation, *The San Bernardino Sun*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in Commission Policy #27, in-lieu of individual notice the notice of hearing publication was provided through an eighth page legal ad.

- As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.

- Comments from landowners/registered voters and any affected agency have been reviewed and considered by the Commission in making its determinations.

WHEREAS, pursuant to the provisions of Government Code Section 56425(i) the range of services provided by the Big Bear Municipal Water District shall be limited to the following:

FUNCTIONS	**SERVICES**
Water	Acquisition of facilities, recreation, conservation, retail
Sewer	Reclamation
Park and Recreation	Development, operation, maintenance
Fire Protection	Structural, watershed, first aid, rescue, prevention, inspection, lake patrol

WHEREAS, having reviewed and considered the findings as outlined above, the Commission determines to reduce the Big Bear Municipal Water District's sphere of influence by approximately 11,100 acres and affirms the balance of its existing sphere of influence.

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 shown on the map attached as Exhibit "A" as being within the sphere of influence of the Big Bear

Municipal 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 Big Bear Municipal 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 designation of the modified sphere of influence, including any reimbursement of legal fees and costs incurred by the Commission.

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

AYES:	**COMMISSIONERS:**	**Bagley, Coleman, Cox, Curatalo, Mitzelfelt, Rutherford, Williams**
NOES:	**COMMISSIONERS:**	**None**
ABSENT:	**COMMISSIONERS:**	**McCallon (Williams voting in his stead)**

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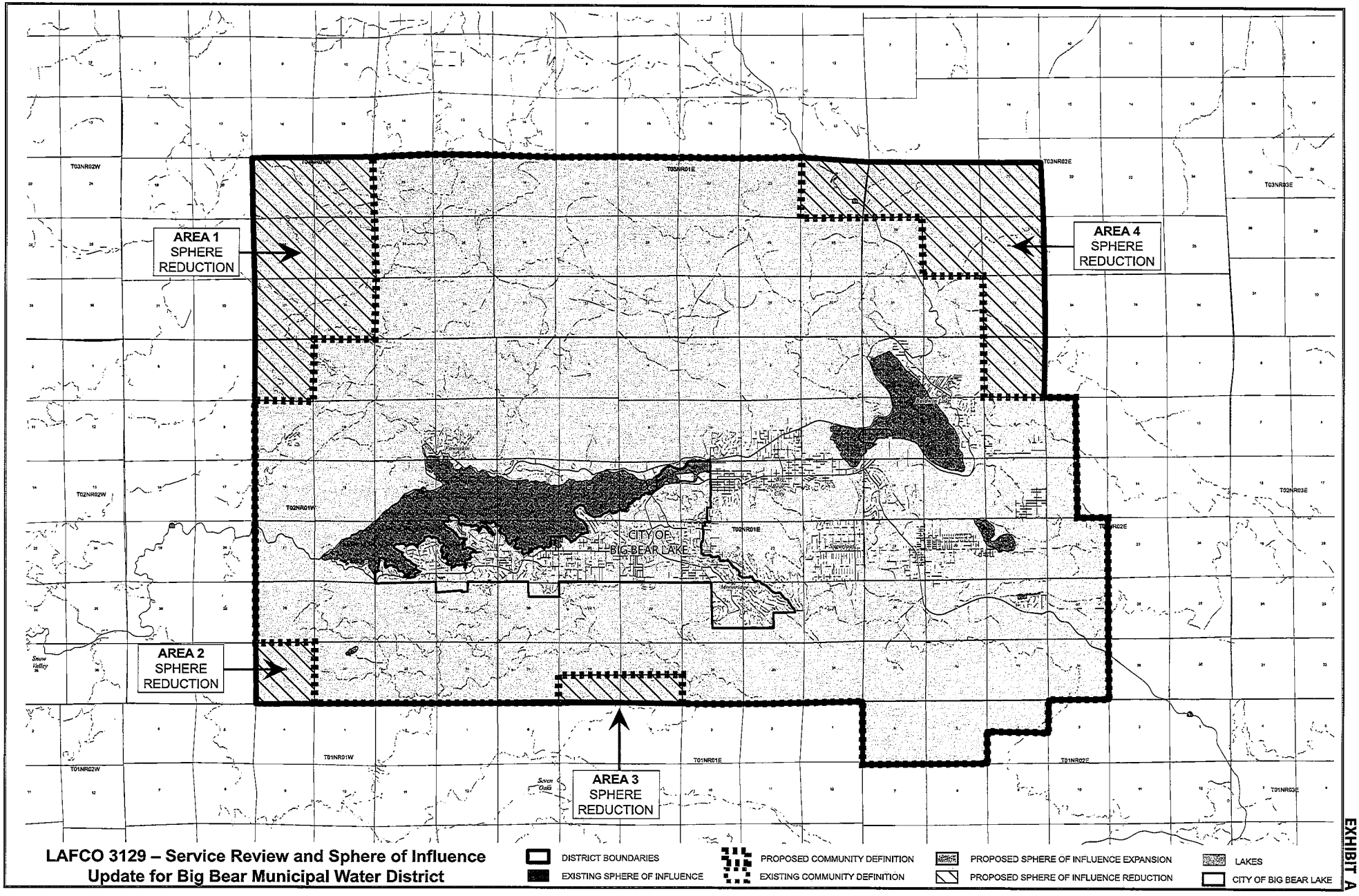
STATE OF CALIFORNIA)
) **ss.**
COUNTY OF SAN BERNARDINO)

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 September 28, 2011.

DATED: **September 29, 2011**

LOCAL AGENCY FORMATION COMMISSION CO. OF SAN BERNARDINO

KATHLEEN ROLLINGS-McDONALD
Executive Officer



LAFCO 3129 – Service Review and Sphere of Influence Update for Big Bear Municipal Water District

EXHIBIT A

EXHIBIT A