

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

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PROPOSAL NO.: LAFCO 2905

HEARING DATE: NOVEMBER 20, 2002

RESOLUTION NO. 2756

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 2905, A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE CUCAMONGA COUNTY WATER DISTRICT.

On motion of Commissioner Pearson, duly seconded by Commissioner Williams 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 his 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 is directed to file a Notice of Exemption within five working days of adoption of this resolution; and,

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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 Cucamonga County Water District should be affirmed as it currently exists, as more specifically described in maps and legal descriptions on file in the LAFCO staff office; and,

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

1. **Infrastructure Needs and Deficiencies.** The Cucamonga County Water District annually adopts and updates a five-year Capital Improvement Plan which includes a budget for both water and sewer capital infrastructure improvements and new projects. The District also recently completed a recycled water master plan in conjunction with the Inland Empire Utilities Agency. The District notes that these documents are continually updated based on the changing needs of the community, and copies of these plans are on file and available for public review in District offices.

The District has a total of 23 groundwater wells (17 in the Cucamonga Basin and 6 in the Chino Basin), with a total groundwater production capacity of 31,121 gallons per minute. For FY 2001-02, the District budgeted \$100,000 to perform well upgrades and improvements. The District also has three water treatment facilities, 27 reservoirs, and 230 miles of primary distribution lines.

The District also provides sewer collection services (with the Inland Empire Utilities Agency providing regional sewage treatment) through 230 miles of collection pipelines. Existing flow is calculated to be 10.06 million gallons per day, and the District estimates that its existing and planned facilities are sufficient to accommodate anticipated growth through the year 2030.

The District's complete response to this factor of consideration is attached to the staff report for LAFCO 2905, and is also available for public review in the LAFCO staff office and District offices.

2. **Growth and Population.** The District's current population is approximately 152,000, with 42,000 water services and 32,000 sewer services. According the Southern California Association of Governments, the District's population is anticipated to grow to approximately 210,000 by the year 2020.

3. **Financing Opportunities and Constraints.** The District receives its primary revenues through water and sewer rates which are reviewed on an annual basis. These rates include commodity charges based on water consumed by customers (measured in hundred-cubic-feet) during a billing period. The District also has a fixed meter charge, which varies based on the size of the customer's water meter. Sewer rates are determined based on an *Equivalent Dwelling Unit (EDU)*.

The District also notes that it maintains an operating Reserve Fund at a minimum level of 10% of annual variable budget costs, a Capital and Equipment Reserve Fund at a minimum level of 50% of annual capital asset depreciation, and Rate Stabilization equal to the cost of purchasing 8,000 acre-feet of imported water.

The District's complete response to this statutory factor for a service review is included as a function of the staff report for LAFCO 2905, with copies available in the District and LAFCO staff offices.

4. **Cost Avoidance Opportunities.** The District notes that it does not overlap or duplicate services provided by any other water and sewer collection agency. It is also noted that the District participates in a number of joint agency practices which maximize cost avoidance opportunities (such as the Chino Basin Water Master, a Regional Sewerage Policy Committee, the Flood Control Advisory Committee, wholesale water sales to other agencies, a Water Education/Water Awareness Committee and conjunctive use agreements). These programs are more fully set forth within the District's documentation submitted for this review.
5. **Rate Restructuring.** The Cucamonga County Water District implements a flat rate system which may be adjusted due to changes in operations, personnel, capital, or debt service. Such adjustments are typically considered by the District Board of Directors in February of every fiscal year. This annual review is conducted to ensure that the District's rates are competitive with other agencies and meet operational and debt service requirements.
6. **Opportunities for Shared Facilities.** The District has provided documentation related to this service review, which is included as a function of the staff report for LAFCO 2905 and is available for public review in the District and LAFCO staff offices. In summary, the District notes that it has inter-connections with the City of Ontario, the City of Upland, and the Fontana Water Company to maximize opportunities for shared facilities wherever possible. Moreover, the District notes that it has been working with the Inland Empire Utilities Agency on the development of both a local and regional recycled water system. The District is also negotiating with the Fontana Water Company to maximize utilization of water supplies in Lytle Creek for retail and wholesale water availability.
7. **Government Structure Options.** The Cucamonga County Water District is an independent special district governed by a locally elected Board of Directors consisting of five persons elected at large. Although the District primarily serves the City of Rancho Cucamonga, it also overlays and serves portions of the City of Fontana. In discussions with the District and other agencies, there are no realistic governmental structure options available for consideration in the foreseeable future.
8. **Management Efficiencies.** The District has provided documentation which is on file in the LAFCO and District offices which responds to this factor, and is attached to the staff report as part of the record of these proceedings. In that documentation, the District notes that management efficiencies are maximized through availability of training programs, periodic review of staffing levels, accessibility to the latest technology in water, sewer, and administrative programs, and careful review of program budgets.
9. **Local Accountability and Governance.** The District has provided documentation on file in the LAFCO office and attached to the staff report which responds to this factor, and includes responses to such issues as the selection and meetings of the Board of Directors, Brown Act compliance, and customer surveys and feedback programs. In addition, the Cucamonga County Water District maintains a website (www.ccwdwater.com), provides quarterly newsletters to district constituents, and requires regular progress reports from various departments within the District.

WHEREAS, pursuant to the provisions of Government Code Section 56425(h) the range of services provided by the Cucamonga County Water District shall be limited to wholesale and retail water service, and sewer collection, and such range of services shall not be changed unless approved by this Commission; 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 Cucamonga County Water District. This sphere of influence update and service review have no potential whatsoever to change present or planned land uses within the District sphere, since no changes to the sphere of influence are contemplated.

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

No changes to the District sphere of influence are proposed or contemplated through this review. 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**

No changes to the District sphere of influence are proposed or contemplated through this review. The District has adopted a master plan for service which addresses this issue, and is on file in the District office.

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

No changes to the District sphere of influence are proposed or contemplated through this review. 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 this hearing has been published as required by law in The Sun and the Inland Valley Daily Bulletin, 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.

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WHEREAS, having reviewed and considered the findings as outlined above, the Commission affirms and upholds the sphere of influence for the Cucamonga County Water District as it currently exists, and is depicted on maps and legal descriptions on file in the office of the San Bernardino Local Agency Formation Commission.

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 maps and legal descriptions on file in the LAFCO office, as being within the sphere of influence of the Cucamonga County 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 Cucamonga County 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: Bagley, Colven, Pearson, Smith, Williams

NOES: COMMISSIONERS: None

ABSENT: COMMISSIONERS: Mikels, Postmus

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

I, JAMES M. RODDY, 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 November 20, 2002.

DATED: November 20, 2002


JAMES M. RODDY, Executive Officer
