

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

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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 Sedano, duly seconded by Commissioner Colven 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

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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.

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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.

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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.

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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,

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,

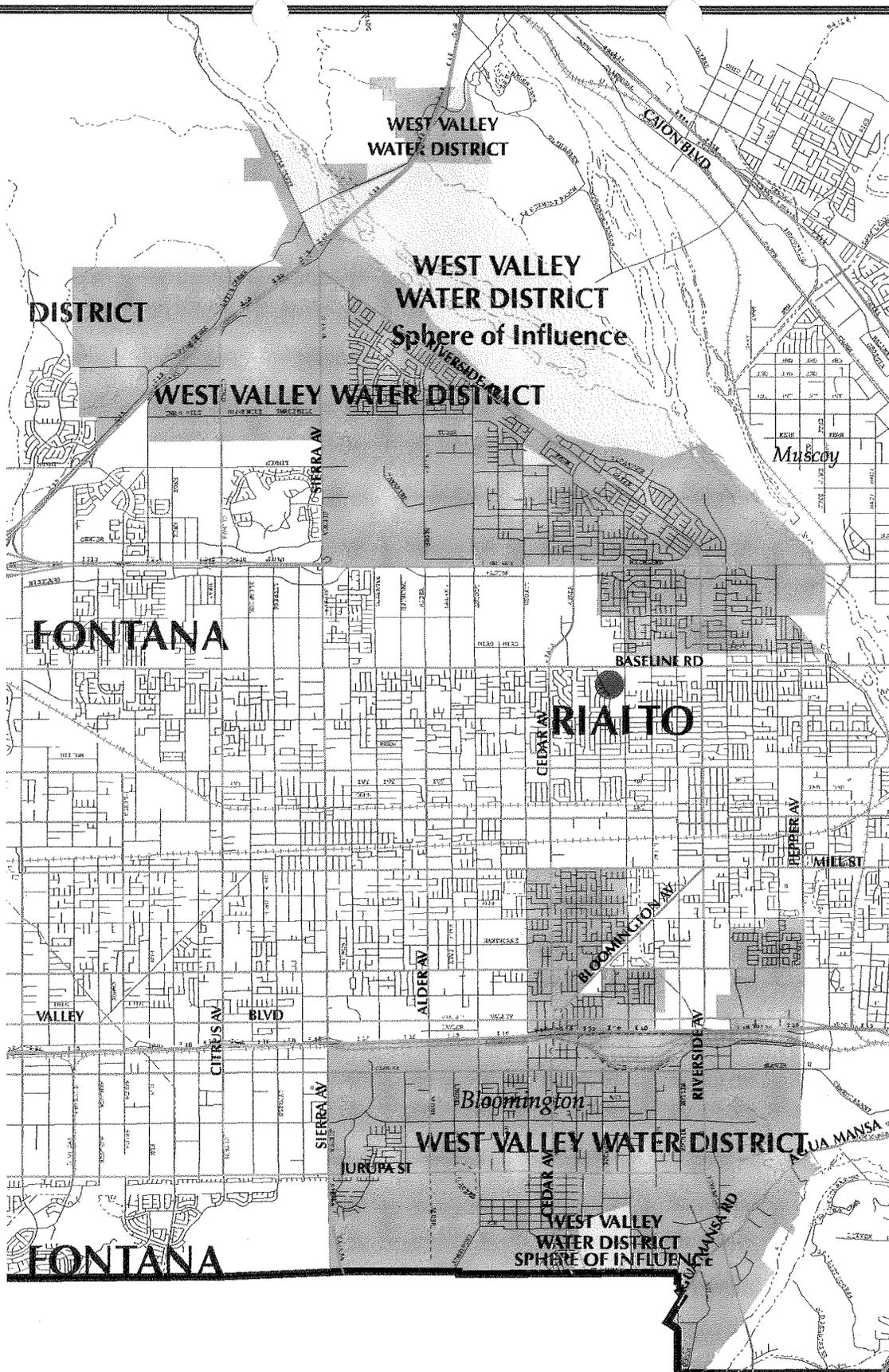
WHEREAS, the Local Agency Formation Commission of the County of San Bernardino is required to review and update the Exhibit "A" of the Rules and Regulations of Special Districts to outline the services provided:

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



Map Scale: 1" = 4419.6078023331'

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WEST VALLEY WATER DISTRICT Proposed Sphere of Influence Expansion

- WWD District Boundary
- WWD Sphere of Influence
- Proposed Sphere Expansion
- Proposed Sphere Expansion District Properties/Facilities



Map Prepared On June 01, 2004

