LAFCO 3187

Countywide Service Review for Water (Wholesale, Retail, Recycled)



for San Bernardino County

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List of Acronyms and Abbreviations

AFY Acre Feet Per Year

APUA Adelanto Public Utilities Authority
Baker CSD Baker Community Services District

BAP Base Annual Production

BBARWA Big Bear Area Regional Wastewater Agency
BBCCSD Big Bear City Community Services District

BBMWD Big Bear Municipal Water District
BDVWA Bighorn-Desert View Water Agency

BOR Bureau of Reclamation

Cadiz Project Cadiz Valley Water Conservation, Recovery and Storage Project

CBA Colton Basin Area

CGRDA Cedar Glen Disaster Recovery Redevelopment Project Area

CLAWA Crestline - Lake Arrowhead Water Agency

Crestline SD Crestline Sanitation District

CRWA California Rural Water Association

CSA County Service Area

CSA 70 W-4 County Service Area 70 Zone W-4
CVWD Crestline Village Water District
DACs Disadvantaged Communities

Daggett CSD Daggett Community Services District

DDW Division of Drinking Water, State Water Resources Control Board

DUCs Disadvantaged Unincorporated Communities

DWP City of Big Bear Lake Department of Water and Power

DWR Department of Water Resources EPA Environmental Protection Agency

ESRI Environmental Systems Research Institute

Fontana Union Fontana Union Water Company
FPA Free Production Allowance
FVWA Fenner Valley Water Authority
GIS Geographic Information Systems

GPM Gallons per Minute

GSAs Groundwater Sustainability Agencies
GSPs Groundwater Sustainability Plans
GSWC Golden State Water Company
GWMP Groundwater Management Plan

HDWD Hi-Desert Water District
I-Bank California Infrastructure Bank
IEUA Inland Empire Utilities Agency

IWVGA Indian Wells Valley Groundwater Authority

JBWD Joshua Basin Water District

JVHI Johnson Valley Hydrologic Investigation
LACSD Lake Arrowhead Community Services District

MAF Million Acre Feet

MCL Maximum Contaminant Level MDD Maximum Daily Demand

Metropolitan Water District of Southern California

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Morongo Area MWA's Improvement District M

MWA Mojave Water Agency
PHD Peak Hourly Demand
PSY Production Safe Yield
RBA Riverside Basin Area

RSWD Running Springs Water District SAWC San Antonio Water Company

SAWPA Santa Ana Watershed Project Authority

SBBA San Bernardino Basin Area

Searles Water Searles Domestic Water Company

SGMA Sustainable Groundwater Management Act of 2014

SGPWA San Gorgonio Pass Water Agency SMWD Santa Margarita Water District

SWP State Water Project TCE trichloroethene

TPWD Twentynine Palms Water District UWMP Urban Water Management Plan

Valley District San Bernardino Valley Municipal Water District

Veolia Water North America

VVWRA Victor Valley Wastewater Reclamation Authority

Waterworks #8 County Waterworks District #8

WECAN Water-Energy Community Action Network

West Valley Water District

WIRP Water Infrastructure Restoration Program

WUE Water Use Efficiency
WVWD West Valley Water District
WW8 Waterworks District No. 8

Executive Summary

This service review consists of a countywide service review on water (wholesale, retail and recycled) within San Bernardino County. It fulfills the service review requirements identified in the Cortese-Knox-Hertzberg Local Reorganization Act of 2000 (Government Code §56000 et. seq.). The report is organized geographically by the county's four major regions: Valley, Mountain, North Desert and South Desert. A stakeholder group was formed within each region to provide a peer review of the service review's purpose, objectives and methodology. A draft copy was circulated to all water systems reviewed in this report as well as interested parties for review and comment. The final version of this report includes LAFCO staff's responses to the comments. LAFCO may use this report as a basis to initiate agency sphere of influence updates, where warranted, and to help address identified service deficiencies.

Approach

Legislation adopted since 2012 impacting service reviews or the provision of services has been incorporated into the report's analysis. These laws are detailed in the Introduction portion of this report and address:

- Mutual water companies in service reviews
- Disadvantaged unincorporated communities
- Pilot program for San Bernardino LAFCO regarding services outside an agency sphere of influence
- The Sustainable Groundwater Management Act of 2014, and
- Authorization for the State Water Resources Control Board to consolidate water systems that are serving disadvantaged communities with unreliable and unsafe drinking water with other water systems.

The primary goal of this service review is to provide the Commission with recommendations to: (1) update the determinations from previous service reviews, and (2) initiate sphere of influence updates where appropriate. To arrive at these recommendations, the service review focuses on two areas:

- (1) Identification of "hot spots" Those areas or agencies within the county which have significant water-related issues including, but not limited to, insufficient water supply, water quality related issues, deficient infrastructure, financial constraints, and/or inadequate oversight and monitoring.
- (2) Service review update Update of water agencies' determinations since the prior service review.

To identify the County's water "hot spots," staff utilized a multi-pronged approach using prior service reviews, audits, budgets, consumer confidence reports, sanitary survey reports, and GIS data to identify future population growth areas, disadvantaged communities, and small community water systems. This Executive Summary summarizes the hot spots identified in the report and staff recommendations. Additionally, staff has identified opportunities for efficiencies for the community at large to consider – these do not have a recommendation for Commission action.

What Did We Learn?

Countywide

- 80% of the land in the county (roughly 16,200 sq. miles) is primarily vacant and outside the governing control of the County's Board of Supervisors and 24 cities.
- Significant opportunities for economies of scale via consolidation exist in the Mountain, North Desert, and South Desert regions.
- San Bernardino County and the broader Inland Empire region are anticipated to see more population growth in the near term than the coastal regions of Southern California. The high cost of housing in the coastal counties of Los Angeles, Orange and San Diego has made the Inland Empire a destination of choice for many residents willing to commute to those areas.
- The Metropolitan Water District of Southern California has never been assigned a sphere of influence in San Bernardino County.
- LAFCO staff has comprehensively digitally mapped all the water systems identified in this report. The following entities requested access to this data which LAFCO has provided: Department of Water Resources, Division of Drinking Water of the State Water Resources Control Board, California Environmental Health Tracking Program of the Department of Public Health, and the County of San Bernardino as a part of its upcoming general plan update.

Legislation/Regulations

- Senate Bill 88 authorizes the State Water Board to order consolidation with a
 receiving water system where a public water system, or a state small water system
 within a disadvantaged community, consistently fails to provide an adequate supply
 of safe drinking water. This authority provides an opportunity for water system
 improvements by offering inducements or by ordering consolidation of systems.
- Other State agencies, such as the California EPA, use alternative criteria to identify
 disadvantaged communities for grant funding purposes. The different criteria at the
 local and state government levels is confusing and complicates implementation of a
 consistent approach to address our disadvantaged residents. While staff recognizes
 the difficulty in developing a one-size-fits-all definition, LAFCO staff's position is that
 additional work needs to be done state-wide to develop a method for identifying
 disadvantaged communities that is more consistent yet recognizes the diversity of
 communities and geographies in California.
- Agencies have adopted resolutions to form Groundwater Sustainability Agencies for areas identified as fringe areas – areas outside a local agency boundary.
- There is a systemic lack of understanding and compliance with the California Land Conservation Act of 1965 (known as the Williamson Act) statutes and implementation by the County and cities. Government Code §51243 states that when annexing properties into a city, "...the city shall succeed to all rights, duties, and powers of the county under the contract." As a whole, the data provided to LAFCO by the County and cities is either incomplete, outdated, and/or not in compliance between Agricultural Preserves and Williamson Act parcels. LAFCO staff will continue work on this matter and present a final product to the Commission as a part of the wastewater service review.

Water Systems

- Many systems identified in the first round of service reviews as having experienced significant challenges, remain as having significant challenges.
- There are clusters where challenges are difficult to overcome due to groundwater quality and economic status (being defined as a disadvantaged community).
- There are areas where agencies provide, or plan to provide, service outside of its sphere of influence: (1) City of Colton, (2) City of Big Bear Lake via its Department of Water and Power, and (3) Town of Apple Valley (potential condemnation and purchase of the Liberty Utilities system). This is addressed in the context of Gov't. Code §56133.5 a pilot program, through 2020, for Napa and San Bernardino LAFCOs to authorize a city or district to extend services outside of a sphere for additional purposes beyond responding to threat to public health or safety.
- During the course of the service review, two areas were identified that warrant identification but are not considered a hot spot as remediation efforts are well underway: (1) Rockets, Fireworks, and Flares Site (Rialto area), and (2) County Service Area 70 CG Cedar Glen.
- During the drought, many local agencies that self-reported water usage data to the state (which meant that a zero state conservation standard was applied) opted to implement a higher conservation standard.
- On average, the 33 water systems that were required to report to the State their water usage during the drought reported in February 2017 a 16.7% cumulative savings as compared to the same month in 2013.

Successes

The following provides one positive effort for each region:

- Valley Region There is extensive coordination amongst agencies within groundwater basins. Between certain basins conflict is present.
- *Mountain Region* The County purchased a failing water system in Cedar Glen which is now operated under County Service Area 70 Zone CG. Great progress has been made to improve this once failing system, although challenges remain.
- North Desert Region To assist small water systems within the boundaries of Mojave Water Agency ("MWA"), MWA's Small Water Systems Assistance Program provides resources for disadvantaged and severely disadvantaged small water systems that lack staff, expertise, and funding to meet their individual water reliability, conservation and quality standards. The MWA service area includes 36 small water systems of which 65% meet the criteria of disadvantaged communities.
- South Desert The Twentynine Palms Water District ("TPWD") has become a test district for the EPA's research into an economical method for small, low-income water agencies to remove arsenic. This new method brings the TPWD drinking water into compliance with the new maximum contaminant levels for arsenic and saves the district over \$20,000 annually. Not only does this clean the local water, the results from this test case will support the removal of arsenic in other areas of the country with a lower cost method. Additionally, the District operates a 3MGD Fluoride Removal Plant that removes high levels of naturally occurring fluoride from the Mesquite Lake sub-basin.

Staff Recommendations for Commission Action

The following outlines staff's recommendations for the Commission. The first recommendation concerns the lack of a sphere of influence for the Metropolitan Water District of Southern California within San Bernardino County. The remaining five recommendations stem from the agencies being identified a "hot spot".

Metropolitan Water District of Southern California

- <u>Issue</u> Metropolitan Water District of Southern California lacks sphere of influence within San Bernardino County. Metropolitan is a special district subject to LAFCO purview. Therefore, San Bernardino LAFCO is obligated to establish a sphere of influence. This issue is detailed in Section III.
- <u>Staff Recommendation</u> Initiate the establishment of a sphere of influence for Metropolitan within San Bernardino County to be coterminous with the sphere of its member agency, Inland Empire Utilities Agency.

County Service Area 70 Zone CG (Cedar Glen)

- <u>Issue</u> County Service Area 70 Zone CG (Cedar Glen) experiences ongoing challenges due to County's purchase of a failing water system as detailed in Section IV.
- <u>Staff Recommendation</u> Direct staff to continue to monitor the Zone CG system and provide an update to the Commission by February 2018.

City of Adelanto

- <u>Issue</u> Water operations of the Adelanto Public Utilities Authority, a component of
 the City, in significant debt to the City; 2014 audit (most recent completed) questions
 agency's ability to continue given inability to secure financing to address debt
 payments; City's water system has multiple deficiencies; City under a conservation
 order from the State Board; City has inadequate water storage facilities to
 accommodate future growth.
- <u>Hot Spot Identification</u> The City of Adelanto has been identified in this service review as a hot spot due to the issues identified above and detailed in Section V.
- <u>Staff Recommendation</u> Indicate the Commission's intent to initiate a sphere of influence review to reduce the City's sphere of influence following the completion of the wastewater and fire service reviews.

Apple Valley Foothill County Water District Apple Valley Heights County Water District Mariana Ranchos County Water District

- Issue:
 - Apple Valley Foothill County Water District Lack of audit internal controls; lack of inter-tie with another water system; classified as a disadvantaged community.
 - Apple Valley Heights County Water District Lack of audit internal controls; lack of inter-tie with another water system. The Sanitary Survey Report identifies that additional source capacity is needed to meet State regulation and for reliability. Additionally, the District is deficient in storage capacity and must develop a plan of action to meet the storage capacity requirements.

Deterioration of its tanks and failure of its existing pipeline resulted in emergency repairs.

- Hot Spot Identification The Apple Valley Foothill CWD and Apple Valley Heights CWD have been identified in this service review as a hot spots due to the issues identified above and detailed in Section V. Mariana Ranchos CWD is not identified as a hot spot but is contiguous to the other two districts.
- <u>Staff Recommendation</u> Reaffirm the Commission's position that Apple Valley Foothill, Apple Valley Heights, and Mariana Ranchos County Water Districts have a combined sphere of influence signaling the Commission's preference that the three districts consolidate.

County Service Area 70 Zone J

- <u>Issue</u> All sources have hexavalent chromium above MCL; Zone J is currently working on a hexavalent chromium compliance plan under Senate Bill 385 to achieve compliance; previous service review determined the need to resolve boundary conflicts between the Hesperia Water District and Zone J in the Maple/Topaz strip which is currently a part of the City of Hesperia.
- Hot Spot Identification CSA 70 Zone J has been identified in this service review as a hot spot due to the issues identified above and detailed in Section V.
- <u>Staff Recommendation</u> Indicate the Commission's preference that the Hesperia Water District and Zone J implement a mechanism (e.g., joint powers agreement or memorandum of understanding) to provide stability to the water source and boundary challenges in the overall Hesperia and Oak Hills communities.

Although LAFCO staff is working with the Hesperia Water District and CSA 70 Zone J on a mechanism to resolve the boundary conflicts, staff recommends that the Commission direct staff to continue to monitor the Zone J system and provide an update to the Commission by February 2018.

Daggett Community Services District

- <u>Issue</u> Classified as a disadvantaged community; lacks intertie with an adjacent agency; significant deficiencies identified in sanitary survey report; located within the Mojave Basin Baja subarea which is at 45% ramp down; significant financial challenges identified in audits; prior service review identified concerns with the aging pipes; lack of adequate managerial oversight.
- Hot Spot Identification Daggett CSD has been identified in this service review as a hot spot due to the issues identified above and detailed in Section V.
- <u>Staff Recommendation</u> Reaffirm the Commission's position that Daggett CSD and Yermo CSD have a combined sphere of influence signaling the Commission's position for consolidation.

<u>Systems Identified as Hot Spots – No Staff Recommendations</u>

The following outlines water systems identified as hot spots but are either not under Commission purview or where no tangible Commission action is recommended. In the Mountain Region, no water systems were identified as hot spots.

In the Valley Region, staff identified one private water purveyor as a "hot spot":

Hot Spots	Rationale	Summary
San Antonio Canyon Mutual Service Company	Non-compliance with source capacity requirements and interim drought measures.	Not under LAFCO purview. See "Opportunities" below.

In the North Desert, staff identified the following seven public water agencies and three private water purveyors as "hot spots":

Hot Spots	Rationale	Summary
Baker CSD	Located within a disadvantaged unincorporated community; is an isolated area with no access to another water system; gross alpha and uranium levels exceed the MCL; Well #2 and Well #3 exceed the MCL for hexavalent chromium, Cr (VI), of 10 µg/L; lack of quarterly monitoring of Cr (VI) in violation of state regulations.	System is not eligible for SB 88 grant funds since there are no adjacent systems for potential consolidation.
Bar Len MWC	The sanitary survey report identifies significant deficiencies of the water system; system is under consideration by the State Water Board for potential Water System (SB 88) consolidation with the adjacent Hi Desert Mutual Water Company.	Not under LAFCO purview.
County Service Area 42	Classified as a disadvantaged community; system lacks an inter-tie connection; previous service review determined system did not meet required storage capacity; substantial rate increases have been implemented in order to pay for capital upgrades.	There are no recommendations for the Commission.
Desert Springs MWC	The sanitary survey report identifies issues with system leaks and inadequate storage capacity; 2015 Consumer Confidence Report indicates inadequate water quality testing.	Not under LAFCO purview.
Gordon Acres WC	System not complying with sampling requirements for a community water system; two violations issued by County Public Health in 2017 regarding failure to monitor and test for inorganic chemicals, perchlorate and secondary standards; system is under consideration by the State Water Board for potential Water System (SB 88) consolidation with the adjacent Jubilee Mutual Water Company.	Not under LAFCO purview.

In the South Desert, staff identified the following three public agencies and one private water purveyor as "hot spots":

Hot Spots	Rationale	Summary
CSA 70 Zone F (Morongo Valley)	2015 Consumer Confidence Report states source water violates gross alpha and uranium MCLs; 2016 Sanitary Survey Report notes water exceeds uranium MCL, and system has aging distribution lines requiring frequent maintenance.	No Commission action because zones do not have spheres of influence. See "Opportunities" below.
CSA 70 Zone W-3 (Hacienda Heights, Morongo Valley)	2015 Consumer Confidence Report notes that source water exceeds uranium MCL; 2016 Sanitary Survey Report reports that distribution lines are old and require frequent maintenance; Well #1 exceeds MCL for gross alpha and uranium; Well #2 is very close to the MCL; system lacks an emergency response plan.	No Commission action because zones do not have spheres of influence. See "Opportunities" below.
CSA 70 Zone W-4 (Pioneertown)	Notice of Violation issued in March 2016 by U.S. EPA indicating water system in violation of Safe Drinking Water Act for exceeding MCL for arsenic, fluoride and uranium; state grant funding provides customers with bottled water supplies every two weeks.	No Commission action because zones do not have spheres of influence. See "Opportunities" below.
Golden State Water Company – Morongo del Norte	2016 Sanitary Survey Report identifies Elm Well exceeding uranium MCL; well will not be placed in service until a uranium treatment system is in place and operational, or district submits a compliance plan; gross alpha and uranium levels are at or near MCL for Bella Vista and Highway Wells.	Not under LAFCO purview.

Opportunities for Future Consideration

The following identifies opportunities for the Commission and the water systems to consider.

Opportunities - Valley Region

Agency	Issue	Opportunity
San Antonio Canyon Mutual Service Company	Insufficient source capacity.	Consolidation of San Antonio Canyon Mutual Service Company with Mt. Baldy HOA would allow eligibility for SB 88 funding to upgrade facilities.

Opportunities - Mountain Region

Agencies	Issue	Opportunity
Crest Forest-Crestline Village Water District and Crestline Sanitation District	Overlapping territory	Consolidation of water and wastewater services under a single agency would benefit the community and likely reduce staffing and admin costs.
CSA 70 Zone CG, Lake Arrowhead Community Services District, and Crestline-Lake Arrowhead Water Agency Improvement Districts	Multiple public agencies overlaying the same area providing the same service.	Consolidate or form a community services district to increase service delivery efficiency through a single agency.
Running Springs Water District, Arrowbear Park County Water District, CSA 79 (sewer only)	Adjacent agencies, which work together and share facilities, providing similar services under the same parent act.	Consolidation of water and wastewater services under a single agency would provide for an efficient delivery pattern.

Opportunities - North Desert Region

Agencies	Issue	Opportunities
Apple Valley Foothill County Water District, Apple Valley Heights County Water District	Lack of financial internal controls; lack of inter-ties with another system; Apple Valley Heights County Water District is deficient in storage capacity and water source capacity.	Districts should consider initiating consolidation and include Mariana Ranchos County Water District – all three share a single sphere of influence; consolidation would open up opportunities for SB 88 grant funding.
Bar Len Mutual Water Company	Sanitary survey report identifies significant deficiencies	Under consideration by State Water Board for potential water system (SB 88) consolidation with Hi-Desert Mutual Water Company.
Gordon Acres Water Company	Non-compliance with water quality monitoring requirements.	Under consideration by State Water Board for potential Water System (SB 88) consolidation with Hi-Desert Mutual Water Company.
Daggett Community Services District and Liberty Utilities Yermo	Significant deficiencies/financial challenges.	Consolidation of Daggett Community Services District and Liberty Utilities Yermo would allow eligibility for SB 88 funding to upgrade facilities.

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Opportunities - South Desert Region

Agencies	Issue	Opportunities
CSA 70 Zone F, CSA Zone W-3, Golden State WC Morongo del Norte and Golden State WC Morongo del Sur	High gross alpha, uranium levels; ongoing operation and maintenance issues.	All classified as small water systems; eligible for SB 88 funds if consolidated; all four agencies should consider jointly initiating a consolidation application to the state since additional resources are available when three or more agencies consolidate.
CSA 70 W-4	Water system exceeds MCLs for arsenic, fluoride and uranium.	Classified as a small water system and eligible for SB 88 funds; funding requires consolidation with an adjacent system; CSA 70 W-4 under consideration for potential SB 88 consolidation with Hi-Desert Water District.

SECTION I Introduction

Purpose of Report

This report consists of a countywide service review on water (wholesale, retail, and recycled) within San Bernardino County. The service review fulfills the service review requirements as identified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et. seq.) In general, service reviews evaluate how agencies currently provide municipal services within their service area and the impacts on those services that may occur over the long-term due to population growth and other issues. While most reports limit an agency evaluation to its current boundary, LAFCO's service reviews take a broader view and explore, where appropriate, a full range of service provision options that are not limited by existing agency boundaries.

LAFCO may then use this service review as a basis to initiate agency sphere of influence updates, where warranted, to help address identified service deficiencies. "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission (§56076). Spheres are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. The requirement for LAFCOs to conduct service reviews was established as an acknowledgment of the importance of spheres of influence, and recognition that periodic updates of agency spheres should be conducted (§56425(g)) with the benefit of current information available through service reviews (§56430(a)).1

Service reviews are considered "receive and file" reports, but they do require LAFCO to prepare written statements of six determinations:

- Growth and population projections for the affected area;
- Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to ...municipal and industrial water... in any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
- Financial ability of agencies to provide service;
- Status of, and opportunities for, shared services; and,
- Accountability for community service needs, including governmental structure and operational efficiencies.

¹ Five California counties border San Bernardino County – Inyo, Los Angeles, Orange, Riverside and Kern. With the exception of Kern LAFCO, San Bernardino LAFCO has entered into Memorandums of Understanding with its surrounding LAFCOs to transfer sphere of influence jurisdiction for agencies that cross county boundaries to the county where the sphere of influence is located.

Report Objective – Staff Recommendations for Sphere Update and Further Study

A number of water-related reports already exist which address various aspects of water infrastructure and water planning in San Bernardino County. These include, but are not limited to: groundwater plans, adjudicated groundwater basin monitoring reports, integrated regional water management plans, urban water management plans, and other County visioning documents. While the Countywide Water Service Review utilizes and references many of these reports in its analysis, the primary goal of this service review is to provide the Commission with recommendations to: (1) update the determinations from previous service reviews, and (2) initiate sphere of influence updates where appropriate. In our view, such reevaluation through subsequent service reviews is necessary if water production is to be most efficient and its distribution most effective. To arrive at these recommendations, the service review focuses on two areas:

- (1) <u>Identification of "hot spots"</u> Those areas or agencies within the county which have significant water-related issues including, but not limited to, insufficient water supply, water quality related issues, deficient infrastructure, financial constraints, and/or inadequate oversight and monitoring.
- (2) <u>Service review update</u> Update of water agencies' determinations since the prior service review.

This service review approach is unique. Given the countywide nature of this review, and the significant number of water systems within the county, this approach provides value to the Commission, the affected agencies, and the public by focusing on those areas and agencies that face significant water related challenges in the short and long-term. Water agencies that have no significant issues are referenced in the report, but they are not the focus of this service review.

Methodology

San Bernardino LAFCO conducted its initial round of service reviews on a community-by-community basis, consistent with its sphere of influence policies, addressing the full range of public services. In April 2016, in an effort to more efficiently conduct the mandatory service reviews along with the passage of new legislation affecting service reviews (described below), the Commission modified the scope of all of the second round service reviews to address individual services on a countywide basis.

Legislation adopted since 2012 impacting service reviews has been referenced and incorporated into report's analysis. These laws include:

- AB 54 (effective 2012) authorizes LAFCOs to include mutual water companies in service reviews; requires mutual water companies to submit a map depicting the boundaries of the area served by the company and, upon request, additional information which may be used in LAFCO-initiated service reviews.
- SB 244 (effective 2012) requires cities, counties, and LAFCOs to plan for disadvantaged unincorporated communities.

 AB 402 (effective 2016) - establishes a pilot program, until January 2021, for Napa and San Bernardino LAFCOs to authorize a city or district to extend services outside of a sphere for additional purposes beyond responding to threat to public health or safety. This process requires that the Commission make a determination that the proposed service extension was addressed in a service review.

Legislation adopted since the first round of reviews not directly related to service reviews but impacting the provision of services and government organization include:

- SB 88 (effective 2016) authorizes the State Water Resources Control Board to require water systems that are serving disadvantaged communities with unreliable and unsafe drinking water to consolidate with or receive services from public water systems with safe, reliable, and adequate drinking water.
- The Sustainable Groundwater Management Act of 2014 ("SGMA") enacted comprehensive legislation aimed at strengthening local control and management of groundwater basins that are prioritized as high or medium. The Act provides a framework for sustainable management of groundwater basins by local authorities. The first step is for local agencies to form local groundwater sustainability agencies (GSAs) by June 30, 2017. The second step is the adoption of groundwater sustainability plans (GSPs) by January 31, 2020 for basins determined by the Department of Water Resources to be in critical overdraft, and by January 31, 2022 for those not in critical overdraft. Once the GSPs are in place, local agencies have 20 years to fully implement the plans and to achieve the sustainability goals.

Senate Bill 13 amended SGMA in 2015 to clarify that local agencies can only impose regulatory requirements within their own boundaries (Water Code §10726.8).

The water agencies addressed in this service review include community water systems (serves 15 or more residential connections): 53 cities or districts under direct LAFCO purview, 28 private water companies, and 31 mutual water companies for a total of 112 community water systems. Select transient and non-transient systems are included due to significance to the community. Table 1-1 includes a listing of the water agencies included in this service review, organized by region (Valley, Mountain, North Desert and South Desert). Additionally, a primary tenet of LAFCO is to encourage the preservation of agricultural land. This service review touches upon the impact of agricultural uses in the county on water, notably the Valley and North Desert Regions. Conversely, available water supply for agricultural use impacts quality of life and the economy. Not included in this review are tribal water systems, which are regulated by the Environmental Protection Agency.

To identify the county's water "hot spots", staff utilized a multi-pronged approach. Previous service review reports and determinations, audits and budgets, consumer confidence reports, groundwater basin reporting, and sanitary surveys were reviewed as well as state and county water reports. LAFCO's geographic information system ("GIS") was also used to identify future population growth areas, disadvantaged unincorporated communities, and

small community water systems (between 15 and 1,000 connections)² adjacent to another water system (which addresses SB 88)³. GIS data was obtained from the U.S. Census, ESRI, San Bernardino Associated Governments, County of San Bernardino, State Department of Water Resources, State Regional Water Quality Control Board, and the wholesale water agencies.

A stakeholder group was convened within each region to provide a peer review of the service review's purpose, objective, and methodology. The stakeholder groups were composed of a variety of public agencies and at least one private system. Following the peer review, each water system identified in this review was provided a draft of the report for review and comment.

Report Organization

In general, this service review is organized geographically by the county's four major geographic regions: Valley, Mountain, North Desert and South Desert.⁴ Each of the four regions is presented separately and includes an overview of the region, a listing of water agencies within the region under review, and an identification of agency/area hot spots. A detailed analysis of each hot spot follows, along with staff recommendations for future agency sphere of influence updates to address the identified service concerns.

Comments from the public and water purveyors are included in Appendix A of this report. Appendices B through E contain service review updates of cities and districts, by region, including an update of staff's recommendations and identified challenges from the prior service review (with additional review where warranted). A detailed listing of community water systems, wholesale entities, and joint powers authorities is included as a part of Appendix F.

² A community water system is defined as a public water system which serves at least 15 <u>year-round</u> service connections or regularly serves at least 25 <u>year-long</u> residents. A small community water system is more than 15 connections (25 people) but less than 1,000 connections (3,300 people).

³ Senate Bill 88 authorizes the State Water Board to order consolidation with a receiving water system where a public water system, or a state small water system within a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water.

⁴ These regions reflect the San Bernardino County Fire Protection District's regional service zones. The description is general and does not preclude the review from extending beyond the described boundary.

Table 1-1: Water Agencies Reviewed – Countywide Water Service Review

Region	Water Agencies		
Valley	Under LAFCO Purview		
	STATE WATER CONTRACTORS:		
	Metropolitan Water District of Southern California (via its member Inland Empire Utilities Agency), San Bernardino Valley Municipal Water District, San Gorgonio Pass Water Agency (Riverside County based, no wholesale presence in SB County)		
	RETAIL AGENCIES (San Bernardino County Based):		
	Cities of Chino, Chino Hills, Colton, Loma Linda, Ontario, Redlands, Rialto, San Bernardino Municipal Water Department, Upland		
	Cucamonga Valley Water District, East Valley Water District, Monte Vista Water District, West Valley Water District, Yucaipa Valley Water District		
	RETAIL AGENCIES (Riverside County Based):		
	Beaumont-Cherry Valley Water District		
	Not Under LAFCO Purview		
	RETAIL AGENCIES (San Bernardino County Based):		
	Devore Water Company, Fontana Water Company, Lytle Creek Springs Water Company, Marygold Mutual Water Company, Muscoy Mutual Water Company, Oak Glen Domestic Water, Riverside Highland Water Company, Rocky Comfort Mutual Water Company, San Antonio Canyon Mutual Service Company, San Antonio Water Company, Terrace Water Company, Tres Lagos Mutual Water Company, Western Heights Water Company		
	RETAIL AGENCIES (Los Angeles County Based):		
	Golden State Water Company – Claremont System, Mt. Baldy Homeowners' Association		
	RETAIL AGENCIES (Riverside County Based):		
	South Mesa Water Company		
	OTHER:		
	Aqua Mansa Water Company, Chino Basin Desalter Authority, Fontana Union Water		
	Company, Meeks and Daley Water Company, Reche Canyon Mutual Water Company, Rialto/Colton Basin JPA, Santa Ana Watershed Project Authority, Water Facilities		
	Authority, West End Consolidated Water Company; West End Water Development, Treatment, and Conservation JPA		
	INSTITUTIONAL:		
	California Institution for Men – Chino, California Institution for Women - Chino		

Mountain Under LAFCO Purview

STATE WATER CONTRACTOR:

Crestline-Lake Arrowhead Water Agency (portion)

RETAIL AGENCIES:

City of Big Bear Lake Dept. of Water and Power

Arrowbear Park County Water District, Big Bear City Community Services District, County Service Area 70 Zone Cedar Glen, Crestline-Lake Arrowhead Water Agency Improvement Districts A-D, Crestline Village Water District, Lake Arrowhead Community Services District, Running Springs Water District

OTHER:

Big Bear Municipal Water District

Not Under LAFCO Purview

RETAIL:

Alpine Water Users Association, Arrowhead Villas Mutual Service Company, Big Pine Tract Improvement, Camp Waterman MWC, Cedarpines Park MWC, Dogwood Blue Jay Canyon Improvement Association Inc., Fallsvale Service Company, Forest Park MWC, Glen Martin MWC, Green Valley MWC, Mill Creek Mutual Service Company, North Shore MWC, Sky Forest MWC, Strawberry Lodge MWC, Valley of Enchantment MWC, Valley View Park MWC

North Desert

Under LAFCO Purview

STATE WATER CONTRACTOR:

Mojave Water Agency (portion)

RETAIL AGENCIES (San Bernardino County based):

City of Adelanto (via its Adelanto Public Utilities Authority)

Apple Valley Foothill County Water District, Apple Valley Heights County Water District, Baker Community Services District, County Service Area 42, County Service Area 64, County Service Area 70 Zone J, Daggett Community Services District, Helendale Community Services District, Hesperia Water District, Juniper-Riviera County Water District, Mariana Ranchos County Water District, Phelan Pinon Hills Community Services District, Thunderbird County Water District, Victorville Water District

RETAIL AGENCIES (Kern County Based):

Indian Wells Valley Water District, Rand Communities Water District

Not Under LAFCO Purview

RETAIL:

Apple Valley View MWC, Bar H MWC, BarLen MWC, Center Water Company, Chamisal MWC, Desert Dawn MWC, Desert Springs MWC, Golden State Water Company Apple Valley North System, Golden State Water Company Apple Valley South System, Golden State Water Company Desert View System, Golden State Water Company Lucerne Valley System, Golden State Water Company Wrightwood System, Gordon Acres Water Company, Hi Desert MWC, Jubilee

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	MWC, Liberty Utilities Apple Valley System, Liberty Utilities Yermo System, Lucerne Valley MWC, Lucerne Vista MWC, Navajo MWC, Rancheritos MWC, Searles Domestic Water Company, Sheep Creek Water Company, Stoddard Valley MWC, West End MWC INSTITUTIONAL:
	U.S. Army National Training Center, Fort Irwin
	U.S. Marine Corps Logistics Base, Barstow: Nebo Annex and Yermo Annex
South Desert	Under LAFCO Purview
	STATE WATER CONTRACTOR:
	Mojave Water Agency (Improvement District M)
	RETAIL AGENCIES:
	City of Needles
	Bighorn-Desert View Water Agency, County Service Area 70 Zone F, County Service Area 70 Zone W-3, County Service Area 70 Zone W-4, Hi-Desert Water District, Joshua Basin Water District, Twentynine Palms Water District
	Not Under LAFCO Purview
	RETAIL:
	Golden State Water Company Morongo Del Norte, Golden State Water Company Morongo Del Sur, Havasu Water Company
	OTHER: Fenner Valley Water Authority [(Cadiz Inc., Fenner Valley Mutual Water Company, Santa Margarita Water District (Orange County)]
	INSTITUTIONAL: U.S. Marine Corps Air Ground Combat Center, Twentynine Palms