

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

**NORTON REGIONAL EVENT CENTER
1601 EAST THIRD STREET, SAN BERNARDINO**

REGULAR MEETING OF AUGUST 15, 2018

9:00 A.M. – CALL TO ORDER – FLAG SALUTE

ANNOUNCEMENT: Anyone present at the hearing who is involved with any of the changes of organization to be considered and who has made a contribution of more than \$250 in the past twelve (12) months to any member of the Commission will be asked to state for the record the Commission member to whom the contribution has been made and the matter of consideration with which they are involved.

1. Swear in Alternate (Mayor Acquanetta Warren) City Commissioner

CONSENT ITEMS:

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter

2. [Approval of Minutes for Regular Meeting of July 18, 2018](#)
3. [Approval of Executive Officer's Expense Report](#)
4. [Ratify Payments as Reconciled and Note Cash Receipts for Month of June 2018](#)
5. Consent Items Deferred for Discussion

PUBLIC HEARING ITEMS:

6. [Consideration of: \(1\) CEQA Statutory Exemption for LAFCO SC#424; and \(2\) LAFCO SC#424 – City of Colton Extra-Territorial Water Service Agreement \(APN 1178-371-15\)](#)
7. [Consideration of: \(1\) CEQA Statutory Exemption for LAFCO 3190 and \(2\) LAFCO 3190 – Countywide Service Review for Wastewater \(Collection, Treatment, Disposal\)](#)
CONTINUED FROM THE JULY 18, 2018 HEARING

DISCUSSION ITEMS:

8. [Update on LAFCO 3187: Countywide Service Review for Water - Required Continued Monitoring for:](#)
 - a. [County Service Area 70 Zone J \(Oak Hills\)](#)
 - b. [Daggett Community Services District](#)
 - c. [County Service Area 70 Zone W-4 \(Pioneertown\)](#)

INFORMATION ITEMS:

9. Legislative Oral Report
10. Executive Officer's Oral Report
 - a. New Proposals Received
 - b. Update on Proposals Filed with LAFCO
11. Commissioner Comments
(This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on off-agenda items unless authorized by law.)
12. Comments from the Public
(By Commission policy, the public comment period is limited to five minutes per person for comments related to other items under the jurisdiction of LAFCO not on the agenda.)

The Commission may adjourn for lunch from 12:00 to 1:30 p.m. The Commission may take action on any item listed in this Agenda whether or not it is listed for Action. In its deliberations, the Commission may make appropriate changes incidental to the above-listed proposals.

Materials related to an item on this Agenda submitted to the Commission or prepared after distribution of the agenda packet will be available for public inspection in the LAFCO office at 1170 West Third Street, Unit 150, San Bernardino, during normal business hours, on the LAFCO website at www.sbclafco.org, and at the hearing.

Current law and Commission policy require the publishing of staff reports prior to the public hearing. These reports contain technical findings, comments, and recommendations of staff. The staff recommendation may be accepted or rejected by the Commission after its own analysis and consideration of public testimony.

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE ABOVE PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE LOCAL AGENCY FORMATION COMMISSION AT, OR PRIOR TO, THE PUBLIC HEARING.

The Political Reform Act requires the disclosure of expenditures for political purposes related to a change of organization or reorganization proposal which has been submitted to the Commission, and contributions in support of or in opposition to such measures, shall be disclosed and reported to the same extent and subject to the same requirements as provided for local initiative measures presented to the electorate (Government Code Section 56700.1). Questions regarding this should be directed to the Fair Political Practices Commission at www.fppc.ca.gov or at 1-866-ASK-FPPC (1-866-275-3772).

A person with a disability may contact the LAFCO office at (909) 388-0480 at least 72-hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

**DRAFT - ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
HEARING OF JULY 18, 2018**

REGULAR MEETING

9:00 A.M.

JULY 18, 2018

PRESENT:

COMMISSIONERS:

**Louisa Amis, Alternate
James Curatalo
Steven Farrell, Alternate
Acquanetta Warren, Alternate
Diane Williams**

**Jim Bagley
Larry McCallon
James Ramos**

STAFF:

**Samuel Martinez, Executive Officer
Kathleen Rollings-McDonald, former Executive Officer
Paula de Sousa Mills, LAFCO Legal Counsel
Michael Tuerpe, Project Manager
Jeffrey Lum, LAFCO Analyst
La Trici Jones, Commission Clerk**

ABSENT:

COMMISSIONERS:

**Kimberly Cox
Robert Lovingood
Janice Rutherford, Alternate**

STAFF:

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION COMMISSION
– CALL TO ORDER – 9:00 A.M. – NORTON REGIONAL EVENT CENTER**

CONSENT ITEMS – STAFF RECOMMENDATION APPROVED

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter.

- ITEM 1.** Approval of Minutes for Regular Meetings of May 16, 2018 and June 20, 2018
- ITEM 2.** Approval of Executive Officer's Expense Report
- ITEM 3.** Ratify Payments as Reconciled for Month of May 2018 and Note Cash Receipts
- ITEM 4.** Unaudited Year-End Financial Report for Fiscal Year 2017-18

DRAFT – ACTION MINUTES FOR JULY 18, 2018 HEARING -- DRAFT

- ITEM 5.** Approval of Fiscal Year 2009-10 Financial Records Destruction Pursuant to Commission Policy
- ITEM 6.** Review and Update the Catalog of Enterprise Systems per Government Code Section 6270.5
- ITEM 7.** Consent Items Deferred for Discussion

Commissioner McCallon moves approval of the staff recommendation, Second by Commissioner Warren. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Curatalo, Farrell, McCallon, and Williams. Noes: None. Abstain: None. Absent: Cox (Farrell voting in her stead), Lovingood.

PUBLIC HEARING ITEMS:

- ITEM 8. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3227; AND (2) LAFCO 3227 – SPHERE OF INFLUENCE ESTABLISHMENT FOR THE WRIGHTWOOD COMMUNITY SERVICES DISTRICT (COTERMINOUS SPHERE OF INFLUENCE) - STAFF RECOMMENDATION APPROVED**

Executive Officer Samuel Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and made a part of the record by its reference here. The item has been advertised through publication in a newspaper of general circulation within the county, the *Mountaineer Progress*, as required by law.

Executive Officer Martinez states that it has been the practice of the Commission to establish a sphere of influence for a newly formed district within one year of its formation pursuant to the statutory direction of Government Code Section 56426.5(b). However, Government Code Section 56430(e) also requires that the Commission, in conjunction with establishing a sphere, conduct a service review.

Mr. Martinez states that at the April 2017 hearing, the Commission directed staff to defer the service review until June 2019 while moving forward to establish the District's sphere of influence. Mr. Martinez states that today staff is fulfilling that directive of establishing a sphere of influence for the Wrightwood CSD within one year of its formation.

Mr. Martinez also identified that with regard to establishing a sphere of influence following formation, it has also been the practice of the Commission that the initial sphere of influence be coterminous with the agency's boundaries. He indicated that staff also is recommending that the sphere of influence for the Wrightwood CSD be coterminous with its existing boundaries within San Bernardino County. He noted that the Wrightwood CSD straddles between Los Angeles and San Bernardino Counties. He states that it is anticipated that Los Angeles LAFCO will also be establishing a sphere of influence for the portion of the Wrightwood CSD within Los Angeles County in the near future.

He states that staff has addressed the factors required for sphere of influence reviews as outlined in Government Code Section 56425. He states that with regards to the present and

planned uses, there are no existing agricultural uses and, because this is a sphere of influence establishment only, there are no land use changes.

Executive Officer Martinez states that the existing services in the area authorized for the Wrightwood CSD include: street lighting, park & recreation, solid waste disposal and the ability to provide wastewater limited to planning and engineering. Mr. Martinez states that from staff's perspective, provision of any additional services would be extremely challenging for the Wrightwood CSD at this time. However, the issue related to a sanitary sewer system remains a concern, and LAFCO staff encourages the District and the Regional Water Quality Control Board to continue their communication on this issue. He further states that if the Wrightwood CSD intends to provide wastewater services, collection and treatment, they would be required to come back to LAFCO for authorization to provide those services.

He states that in regards to the present capacity of public facilities and adequacy of public services identified, the Wrightwood CSD can adequately provide the services they are currently authorized to provide, and there is no planned expansion of their existing services at this time. Mr. Martinez states that with respect to the existence of social or economic communities of interest, the area is a unique mountain community in the Angeles National Forest that lies between both Los Angeles and San Bernardino Counties.

He states that Government Code Section 56425 requires that when establishing a sphere of influence for an agency, the Commission is required to review and identify the range of services the Wrightwood CSD will be providing. He states that staff is requesting the Commission to confirm the services that were established for the Wrightwood CSD when it was formed, which includes; street lighting, park and recreation, solid waste and recycling and wastewater.

He states that for environmental review, LAFCO is the lead agency for establishing a sphere of influence and Tom Dodson, LAFCO's environmental consultant, has indicated that a sphere of influence is a planning boundary only and is statutorily exempt from CEQA review. Mr. Martinez states that staff recommends approval of LAFCO 3227 by taking the actions on page 1 of the staff report.

Chair Ramos asks for questions from the Commission.

Commissioner Bagley states that this is an unusual situation in which an agency boundary extends into Los Angeles County. He states that there is no practical access from Los Angeles County to provide any services, and the fact that this boundary extends across the County line is a fluke in geography. He asks if there is any limitation in extending the sphere of influence into Los Angeles County, and whether or not Los Angeles County has to ratify the change.

Mr. Martinez states that San Bernardino LAFCO has MOUs with our surrounding LAFCOs which state that the county in which an agency territory is located determines the sphere of influence. He states that in this case, for the portion of the Wrightwood CSD within Los Angeles County, Los Angeles LAFCO will determine the sphere.

Commissioner Bagley states that this is mostly a ministerial issue. He states that if the Wrightwood CSD ever wanted to expand its responsibilities in the future, San Bernardino LAFCO would be the lead agency.

Executive Officer Martinez states that this is correct. He states that similar to when the community services district was formed, Los Angeles LAFCO requested San Bernardino LAFCO to take the lead on the actual formation.

Chair Ramos asks for additional questions from the Commissioners.

There are none.

Chair Ramos opens the hearing and asks for comments.

There are none.

Chair Ramos closes the public hearing and requests further discussion or a motion from the Commission.

Commissioner Bagley moves approval of staff's recommendation, Second by Commissioner McCallon. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Curatalo, Farrell, McCallon, Ramos and Williams. Noes: None. Abstain: None. Absent: Cox (Farrell voting in her stead), Lovingood.

ITEM 9. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3190; AND (2) LAFCO 3190 – SERVICE REVIEW FOR WASTEWATER SERVICES (COLLECTION, TREATMENT, DISPOSAL) COUNTYWIDE (VALLEY, MOUNTAIN, NORTH DESERT, SOUTH DESERT REGIONS – TO BE CONTINUED TO THE AUGUST 15, 2018 HEARING

Chair Ramos states that there has been a request from staff to continue this item. He states that before the Commission considers a motion, whether there are any public comments.

There are none.

Commissioner Curatalo moves approval of the staff recommendation, Second by Commissioner McCallon. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Curatalo, Farrell, McCallon, Ramos and Williams. Noes: None. Abstain: None. Absent: Cox (Farrell voting in her stead), Lovingood.

DISCUSSION ITEMS:

ITEM 10. REVIEW AND AUTHORIZE BUDGET ADJUSTMENTS FOR FISCAL YEAR 2018-19 BUDGET TO INCLUDE:

- a. **DECREASE IN SALARIES AND BENEFITS, INCREASE IN SERVICES AND SUPPLIES, AND INCREASE IN CONTINGENCY AND RESERVES; AND,**
- b. **REVIEW AND APPROVE CONTRACT EXTENSION WITH ROBERT ALDRICH TO PROVIDE SUPPLEMENTAL STAFFING DURING FY 2018-19 – STAFF RECOMMENDATION APPROVED**

Executive Officer Martinez states that staff is recommending budget adjustments for this fiscal year. He states that because the Commission elected to hire him as the new Executive Officer, staff has an unfilled position of the Assistant Executive Officer which will remain vacant. He states that to use the savings from the unfilled Assistant Executive Officer position, staff is recommending decreasing the salaries and benefits portion of the budget and increasing the services and supplies and the contingencies and reserves.

Mr. Martinez states that additional staffing is needed because of the unfilled Assistant Executive Officer position and the pending departure of Kathleen Rollings-McDonald in September. Mr. Martinez states that the Commission currently contracts with Bob Aldrich for staffing support and that he has reached out to Mr. Aldrich to see if he was willing to continue as a consultant for this LAFCO, and he indicated he was willing to do so. Mr. Martinez states that that he is requesting that the Commission extend Mr. Aldrich's contract for the remainder of the fiscal year for an amount not to exceed the \$75,000.

He states that secondly, LAFCO has a backlog in maintaining its digital records; therefore, he is recommending the use of temporary services to start this project for an amount not to exceed \$15,000. He states that staff is also recommending an increase to the Commission's Contingency fund by \$34,652 to \$50,000 and its General Reserve fund by \$64,392 to \$150,000. He recommends the Commission to take the actions outlined on page 1 of the staff report.

Chair Ramos asks if there are any comments from the Commission.

Commissioner Farrell states what items are covered under Contingencies and why staff chose to add the extra money there.

Executive Officer Martinez states that normally agencies with hard infrastructure require a 10 percent contingency and San Bernardino LAFCO is currently at five percent. He states that LAFCO will eventually get there.

Commissioner Farrell asks if a \$50,000 Contingency is consistent with previous budgets.

Mr. Martinez states that recent budgets included a higher Contingency amount.

Chair Ramos asks if there additional comments from the Commission.

There are none.

Commissioner Curatalo moves approval of the staff recommendation, Second by Commissioner Farrell. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Curatalo, Farrell, McCallon, Ramos and Williams. Noes: None. Abstain: None. Absent: Cox (Farrell voting in her stead), Lovingood.

INFORMATION ITEMS:

ITEM 11. LEGISLATIVE UPDATE REPORT

Executive Officer Martinez states that the Legislature is currently on Summer recess, so there is little legislative activity. However, he states that the governor signed the CALAFCO omnibus bill AB 3254 on July 9, 2018. He also indicated that the rest of the CALAFCO sponsored bills (e.g. AB 2050, AB 2238) are in appropriations including AB 2258, which CSDA originally opposed but is now supporting.

ITEM 12. EXECUTIVE OFFICER'S ORAL REPORT

- a. New Proposals Received
- b. Update on Proposals Filed with LAFCO

Executive Officer Martinez states that as a reminder, CALAFCO's Annual Conference will be held in Yosemite during the first week in October. He states that if any Commissioners plan on attending, to please notify staff as soon as possible in order to get the reduced, early-bird rate.

He states that Jeffrey Lum, LAFCO Analyst, recently came back from the ESRI User Conference. Mr. Martinez thanks the County for allowing LAFCO to attend these conferences. Mr. Martinez states that on the dais are status reports that outline proposals staff has received and those that are anticipated to be heard in the near future. He states that LAFCO has received an application for an annexation to Apple Valley, and staff is working on the property tax transfers for the proposed Running Springs Annexation. He states that next month the Commission will consider the Countywide Wastewater Service Review and a service contract.

ITEM 13. COMMISSIONER COMMENTS

Commissioner Curatalo congratulates Executive Officer Martinez on his appointment and states that LAFCO is off to a great start with the new crew. He extends congratulations to LAFCO legal Counsel Paula de Sousa Mills and states that the Commission have worked with her for a while and it is great to have her in this capacity.

Commissioner Bagley congratulates Mr. Martinez and states that the Commission is off to a great start because of the short meeting, and requests that he keep this trend going.

Chair Ramos thanks Kathleen Rollings-McDonald for her hard work in getting LAFCO to where it currently is today. He states that he also offers congratulations to Mr. Martinez and echoes Commissioner Bagley's comments in regards to keeping a short agenda.

ITEM 14. COMMENTS FROM THE PUBLIC

There are none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE
HEARING IS ADJOURNED AT 9:24 A.M**

ATTEST:


LA TRICI JONES
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

JAMES RAMOS, Chair

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : AUGUST 6, 2018 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #3 – APPROVAL OF EXECUTIVE OFFICERS' EXPENSE REPORTS

RECOMMENDATION:

Approve the Executive Officers' Expense Reports for Procurement Card Purchases from June 23, 2018 to July 22, 2018.

BACKGROUND INFORMATION:

The Commission participates in the County of San Bernardino's Procurement Card Program to supply the Executive Officer a credit card to provide for payment of routine official costs of Commission activities as authorized by LAFCO Policy and Procedure Manual Section II – Accounting and Financial Policies #3(H). Staff has prepared an itemized report of purchases that covers the billing period of June 23, 2018 through July 22, 2018.

There are two Procurement Card Statements attached to this report. Although both statements are dated for July 23, 2018; one statement belongs to former Executive Officer Kathleen Rollings-McDonald, whose account was closed effective July 1, 2018. The other statement is for Executive Officer Samuel Martinez.


Staff recommends that the Commission approve the Executive Officers' expense reports as shown on the attachments.

SM/llj

Attachments

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West 3rd Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
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DATE : AUGUST 7, 2018 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM #4 - RATIFY PAYMENTS AS RECONCILED FOR
MONTH OF JUNE 2018 AND NOTE REVENUE RECEIPTS**

RECOMMENDATION:

Ratify payments as reconciled for the month of June 2018 and note revenue receipts for the same period.

BACKGROUND INFORMATION:

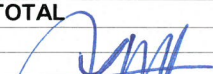
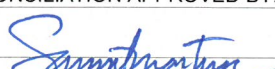
Staff has prepared a reconciliation of warrants issued for payments to various vendors, internal transfers for payments to County Departments, cash receipts and internal transfers for payments of deposits or other charges that cover the period of June 1, 2018 through June 30, 2018

Staff is recommending that the Commission ratify the payments for June 2018 as outlined on the attached listings and note the revenues received.

SM/Ilj


Attachment

MONTH OF JUNE 2018 PAYMENTS PROCESSED						
Document Number	Account	Posting Date	Activity	Reference	Vendor	Amount
1900205604	52002085	6/20/2018	DAILY JOURNAL	B3135788-1	DAILY JOURNAL	\$1,016.40
1900200499	52002180	6/14/2018	SOUTHERN CALIFORNIA EDISON UTILITY BILL	2-39-945-2309	SO CAL EDISON	\$311.04
1900185527	52002305	6/14/2018	CROWN CONNECT	INVOICE 105547	CROWN CONNECT	\$87.48
1900185541	52002424	6/14/2018	TOM DODSON & ASSOCIATES	LAFCO18-2R	TOM DODSON	\$1,700.00
1900193548	52002444	6/5/2018	CITY COM GUARD SERVICE FOR 5/15/2018 MEETING	UNIT 150	CITY COM	\$98.58
1900195834	52002445	6/7/2018	LOUISA AMIS STIPEND FOR MEETING ON 5/16/2018	AMIS 5/16/2018	LOUISA AMIS	\$200.00
1900198126	52002445	6/12/2018	ALDRICH & ASSOCIATES	INVOICE 66	ROBERT ALDRICH	\$3,600.00
1900185526	52002895	6/14/2018	KONICA MINOLTA COPIER	INVOICE 31872332	KONICA MINOLTA	\$497.26
1900205602	52002895	6/20/2018	KONICA MINOLTA COPIER	INVOICE 32013910	KONICA MINOLTA	\$515.14
1900193522	52002905	6/5/2018	INLAND VALLEY DEVELOPMENT AGENCY	INVOICE 578	IVDA	\$405.00
1900204564	52942940	6/19/2018	MILEAGE REIMBURSEMENT TRAVEL FROM 1/29/18 - 4/24/18	TRIP #500120	SAMUEL MARTINEZ	\$201.67
	52942943	6/19/2018	MEALS REIMBURSEMENT - CALAFCO STAFF WORKSHOP	TRIP #500120	SAMUEL MARTINEZ	\$32.58
	52942944	6/19/2018	CAR RENTAL REIMBURSEMENT - CALAFCO STAFF WORKSHOP	TRIP #500120	SAMUEL MARTINEZ	\$150.75
	52942946	6/19/2018	AIRPORT PARKING REIMBURSEMENT	TRIP #500120	SAMUEL MARTINEZ	\$56.02
TOTAL						\$7,855.52
MONTH OF JUNE 2018 INTERNAL TRANSFERS PROCESSED						
	4200012042	6/1/2018	MAIL SERVICES - FLAT (MAY)	COUNTY MAIL	COUNTY MAIL	\$438.25
	4200012043	6/1/2018	MAIL SERVICES - DEL (MAY)	COUNTY MAIL	COUNTY MAIL	\$206.80
	4200012301	6/5/2018	MAIL SERVICES - HAN (MAY)	COUNTY MAIL	COUNTY MAIL	\$701.72
	4200014389	6/25/2018	MAIL SERVICES - FLAT (JUNE)	COUNTY MAIL	COUNTY MAIL	\$74.01
	4200014390	6/25/2018	MAIL SERVICES - DEL (JUNE)	COUNTY MAIL	COUNTY MAIL	\$197.40
	4200014392	6/25/2018	MAIL SERVICES - HAN (JUNE)	COUNTY MAIL	COUNTY MAIL	\$121.87
	4100382867	6/1/2018	ISD BILLING APR 2018 DIALTONE	ISD	ISD	\$328.40
	4100382867	6/1/2018	ISD BILLING MAY 2018 DIALTONE	ISD	ISD	\$328.40
	4100384965	6/26/2018	ISD BILLING JUNE 2018 DIALTONE	ISD	ISD	\$328.40
	4100382867	6/1/2018	ISD BILLING - DIRECTORY, MAY 2018	ISD	ISD	\$37.80
	4100383807	6/1/2018	APRIL, MAY & JUNE 2018 EXCHANGE ACTIVE SYNC	ISD	ISD	\$49.83
	4100383807	6/1/2018	DESK TOP SUPPORT APRIL, MAY & JUNE 2018	ISD	ISD	\$3,916.56
	4200012693	6/11/2018	NOTICE OF EXEMPTION LAFCO SC#425	COB	COB	\$50.00
	4200013817	6/21/2018	NOTICE OF EXEMPTION LAFCO 3225	COB	COB	\$50.00
	4200013818	6/21/2018	NOTICE OF DETERMINATION LAFCO 3226	COB	COB	\$50.00
TOTAL						\$6,879.44
MONTH OF JUNE 2018 CASH RECEIPTS						
	40709545	6/19/2018	LAFCO 3220 INDIVIDUAL NOTICE COSTS		INDIVIDUAL NOTICE	\$925.26
	40709660	6/19/2018	LAFCO 3220 ENVIRONMENTAL FEES		ENVIRONMENTAL	\$214.11
	40709555	6/12/2018	CITY OF UPLAND LAFCO 3216		LEGAL	\$1,472.79
	40709555	6/13/2018	REFUND FOR OVERPAYMENT FOR LAFCO 3216		BEST BEST & KRIGER	\$1,121.91
	40709555	6/25/2018	CITY OF HESPERIA LAFCO 3218		LEGAL	\$685.80
TOTAL						\$4,419.87
MONTH OF JUNE 2018 INTERNAL TRANSFERRED RECEIVED						
	4200014661	6/27/2018	REIMBURSEMENT ON INVOICE #2651		ROV	\$99.11
	40709555	6/8/2018	COUNTY FIRE FISCAL LAFCO 3216		LEGAL	\$2,049.44
	40709555	6/8/2018	COUNTY FIRE FISCAL LAFCO 3218		LEGAL	\$685.80
	40759930	6/22/2018	LAFCO CONDUCT OF SPECIAL DISTRICT ELECTION		MISCELLANEOUS	\$1,000.00

	40709595	6/25/2018	LAFCO 3218 ANNEXATION		PROTEST DEPOSIT	\$1,500.00
	40709655	6/25/2018	LAFCO 3218 ANNEXATION		LAFCO FEE	\$3,700.00
TOTAL						\$9,034.35
						
LA TRICI JONES, Clerk to the Commission				8/7/2018		
				DATE		
RECONCILIATION APPROVED BY:						
						
SAMUEL MARTINEZ, Executive Officer				8/7/2018		
				DATE		

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: AUGUST 6, 2018 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #6: LAFCO SC#424 – City of Colton Extra-Territorial Water Service Agreement (APN 1178-371-15)

INITIATED BY:

City of Colton, on behalf of the property owner

RECOMMENDATION:

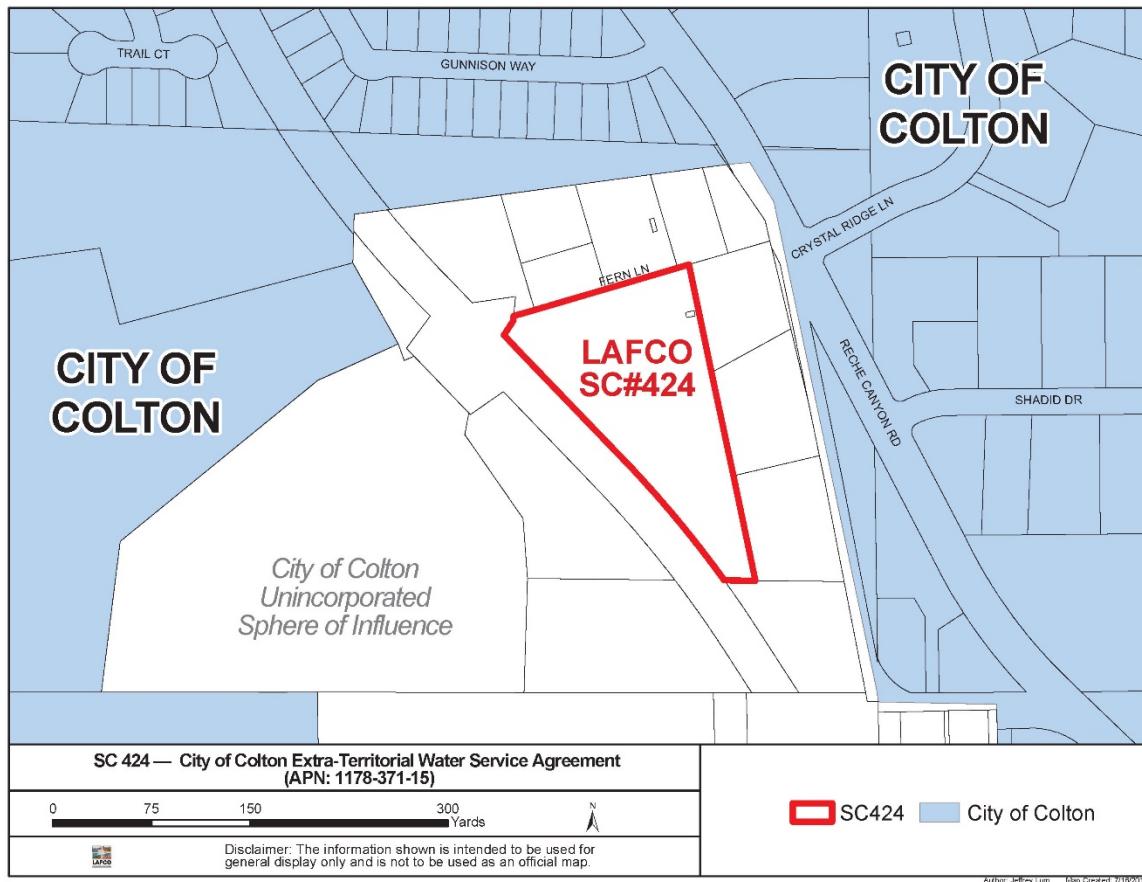
Staff recommends that the Commission approve LAFCO SC#424 by taking the following actions:

1. Certify that LAFCO SC#424 is statutorily exempt from environmental review and direct the Executive Officer to file a Notice of Exemption within five (5) days of this action.
2. Approve LAFCO SC #424 authorizing the City of Colton to extend water service outside its boundaries to Tentative Parcel Map 19850, a proposal to create three (3) parcels on Assessor Parcel Number 1178-371-15.
3. Adopt LAFCO Resolution #3272 setting forth the Commission's findings, determinations, and approval of the agreement for service outside the City of Colton's boundaries.

BACKGROUND:

The City of Colton (hereinafter the "City") has submitted a request for approval of an out-of-agency service agreement that outlines the terms by which it will extend water service. The agreement relates to Assessor Parcel Number (APN) 1178-371-15, generally located south of Fern Lane and westerly of Reche Canyon Road, within the City of Colton's southeastern sphere of influence. The map below, which is also included as Attachment #1, provides a location and vicinity map of the site. In addition,

Attachment #2 outlines the City's application including a map that provides the location of the infrastructure to be extended.



The County Land Use Services Department has processed and approved Tentative Parcel Map (TPM) 19850, which is a proposal to create three parcels on the approximately 4.57-acre parcel. The Conditions of Approval placed upon this project include the requirement to connect to the City's water facilities (Conditions # 36, 37, and 43). A copy of the County's Conditions of Approval is included as Attachment #3 to this report. Although the Conditions of Approval also outlines the option to connect to the City's sewer facilities, it has been identified that connection to the City's sewer system is not available at this time.

Therefore, the City, on behalf of the property owner, has requested that the Commission authorize the extension of water service to the parcel pursuant to the provisions of Government Code Section 56133. Authorization of this agreement is required before the City can take the final actions to implement the terms of the agreement.

PLAN FOR SERVICE:

The City's application indicates that TPM 19850 will be served through construction of water laterals from the existing 12-inch water main in Reche Canyon Road to the three parcels within the proposed subdivision.

Pursuant to the Commission's application requirements for service contracts, information has been provided regarding all financial obligations for the extension of service outside the agency's boundaries. The City has submitted an estimated cost of \$11,035 for the extension of water service to the parcel map. Following is a table with a detailed calculation of the fees:

Description of Fees/Charges	Total Cost
1-inch meters (3)	\$8,700
Frontage Fee	\$1,075
Water meter and box	\$510
Inspection/ miscellaneous charge	\$750
TOTAL	\$11,035

In addition to the cost outlined above, the property owner will be responsible for the entire cost of the construction and installation of the lateral extensions from the sewer main in Reche Canyon Road.

ENVIRONMENTAL DETERMINATION:

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Dodson and Associates, has reviewed this proposal and has indicated that it is his recommendation that the review of LAFCO SC#424 is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the Commission's approval of the out-of-agency service agreement does not have the potential to cause a significant adverse impact on the environment; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061(b)(3).

CONCLUSION:

The future development of three parcels within the proposed TPM 19850 requires that it receive water service from the City of Colton. In order for the proposed development to proceed to record the Final Parcel Map, the property owner must show proof of her ability to connect to the City of Colton's water facilities—which is the Commission's authorization for this agreement.

Staff has reviewed this request for authorization to provide water service from the City of Colton outside its corporate boundaries against the criteria established by Commission policy and Government Code Section 56133. The area to be served is within the sphere of influence assigned the City of Colton and is anticipated to become a part of the City sometime in the future. Staff supports the City's request for authorization to provide water service to the proposed TPM 19850 since its facilities are close to the anticipated development, and there is no other existing entity available to provide this service within the area.

DETERMINATIONS:

1. The project area, identified as APN 1178-371-15, which encompasses TPM 19850—a proposal to create three (3) parcels—is within the sphere of influence assigned the City of Colton and is anticipated to become a part of that City sometime in the future.

The application requests authorization to receive City of Colton water service. This requirement is a condition of approval placed upon the project being proposed on said parcel by the County Land Use Services Department. Therefore, approval of the City's request for authorization to provide water service is necessary in order to satisfy this condition of approval and allowing the project to record the Final Parcel Map.

2. The City of Colton's Extra-Territorial Agreement being considered is for the provision of water service by the City of Colton to APN 1178-371-15, generally located south of Fern Lane and westerly of Reche Canyon Road, within the City of Colton's southeastern sphere of influence. This contract will remain in force in perpetuity or until such time as the area is annexed. Approval of this application will allow the property owner and the City of Colton to proceed in finalizing the contract for the extension of water service.
3. The fees charged this project by the City of Colton for the extension of water service are identified as totaling \$11,035 (for a breakdown of charges, see table on page 3). Payment of these fees is required prior to connection to the City's water facilities. In addition, the property owner will be responsible for the entire costs of the construction and installation of the lateral extensions.
4. As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the service contract submitted by the City of Colton and recommended that this application is statutorily exempt from environmental review. A copy of Mr. Dodson's response is included as Attachment #4 to this report.

Attachments:

1. [Vicinity Map](#)
2. [City of Colton's Application and Contract](#)
3. [County's Conditions of Approval for Tentative Parcel Map 19850](#)
4. [Response from Tom Dodson and Associates](#)
5. [Draft Resolution #3272](#)

Vicinity Map

Attachment 1



**LAFCO SC#424 - City of Colton Extra-Territorial Water Service Agreement
APN 1178-371-15**

0 75 150 300 Yards



Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.

 **LAFCO SC#424**

 **City of Colton**

City of Colton's Application and Contract

Attachment 2

**SAN BERNARDINO LAFCO
APPLICATION FOR
EXTENSION OF SERVICE BY CONTRACT**

(A certified copy of the City Council/District Board of Directors resolution or a letter from the City Manager/General Manager requesting approval for an out-of-agency service agreement must be submitted together with this application form.)

AGENCY TO EXTEND SERVICE:

AGENCY NAME: City of Colton
CONTACT PERSON: Jess Sotto
ADDRESS: 160 South 10th Street
Colton, CA 92324

PHONE: (909) 370-5551
EMAIL: jsotto@coltonca.gov

CONTRACTING PARTY:

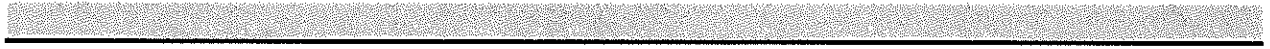
NAME OF
PROPERTY OWNER: Susan Knapp, Trustee of the Susan Family Trust
CONTACT PERSON: Susan Knapp
MAILING ADDRESS: P.O. Box 1522
Loma Linda CA 92354

PHONE: Home - (951) 333-2993
EMAIL: teddysusan@gmail.com
ADDRESS OF PROPERTY
PROPOSED FOR CONTRACT: 23933 Fern Lane
Colton CA 92324

CONTRACT NUMBER/IDENTIFICATION: _____
PARCEL NUMBER(S): 1178-371-15-0000
ACREAGE: 4.57

*Extension of Service by Contract
Application Form*

(FOR LAFCO USE ONLY)



*Extension of Service by Contract
Application Form*

(FOR LAFCO USE ONLY)

The following questions are designed to obtain information related to the proposed agreement/contract to allow the Commission and staff to adequately assess the proposed service extension. You may include any additional information which you believe is pertinent. Please use additional sheets where necessary.

1. (a) List the type or types of service(s) to be provided by this agreement/contract.

Water

- (b) Are any of the services identified above "new" services to be offered by the agency? ☐ YES ☒ NO. If yes, please provide explanation on how the agency is able to provide the service.

2. Is the property to be served within the agency's sphere of influence? ☒ YES ☐ NO

3. Please provide a description of the service agreement/contract.

Water service shall be provided by City of Colton to the property being subdivided into three (3) lots.

4. (a) Is annexation of the territory by your agency anticipated at some point in the future? ☐ YES ☒ NO. If yes, please provide a projected timeframe when it anticipates filing an application for annexation of territory that would include the area to be served. If no, please provide an explanation as to why a jurisdictional change is not possible at this time.

The property is within the County of San Bernardino, within the Reche Canyon area where there are no plans for annexation at this time.

- (b) Is the property to be served contiguous to the agency's boundary? ☐ YES ☒ NO. If yes, please provide explanation on why annexation to the agency is not being contemplated.

5. Is the service agreement/contract outside the Agency's sphere of influence in response to a threat to the public health and safety of the existing residents as defined by Government Code Section 56133(c)?

☐ YES ☒ NO. If yes, please provide documentation regarding the circumstance (i.e. letter from Environmental Health Services or the Regional Water Quality Control Board).

N/A

6. (a) What is the existing use of the property?

Vacant lot.

- (b) Is a change in use proposed for the property? ☒ YES ☒ NO. If yes, please provide a description of the land use change.

see attached

7. If the service agreement/contract is for development purposes, please provide a complete description of the project to be served and its approval status.

Yes, the property is being subdivided into three (3) lots.

8. Are there any land use entitlements/permits involved in the agreement/contract?

☒ YES ☐ NO. If yes, please provide documentation for this entitlement including the conditions of approval and environmental assessment that are being processed together with the project. Please check and attach copies of those documents that apply:

Tentative Tract Map / Parcel Map

☒

Permit (Conditional Use Permit, General Plan Amendment, etc.)

☐

Conditions of Approval

☒

Negative Declaration (Initial Study)

☐

Notice of Determination (NOD)/Notice of Exemption (NOE)

☒

Department of Fish and Game (DFG) Receipt

☐

Others (please identify below)

☐

9. Has the agency proposing to extend service conducted any CEQA review for this contract? ☐ YES ☒ NO. If yes, please provide a copy of the agency's environmental assessment including a copy of the filed NOD/NOE and a copy of the DFG Receipt.

10. Plan for Service:

- (a) Please provide a detailed description of how services are to be extended to the property. The response should include, but not be limited to, a description of: 1) capacity of existing infrastructure, 2) type of infrastructure to be extended or added to serve the area, 3) location of existing infrastructure in relation to the area to be served, 4) distance of infrastructure to be extended to serve the area, and 5) other permits required to move forward with the service extension.

City of Colton – Public Utilities owns and maintains the water system at Reche Canyon Pressure Zone. There is a 12-inch waterline located along the west side of Reche Canyon road.

To accomplish the proposed connection and water service, water lateral and meter shall be install at the public right of way at the intersection of Fern and Reche canyon Road. The property is approximately 220 feet from the existing water main line at Reche canyon Road.

- (b) Please provide a detailed description of the overall cost to serve the property. The response should include the costs to provide the service (i.e. fees, connection charges, etc.) and also the costs of all improvements necessary to serve the area (i.e. material/equipment costs, construction/installation costs, etc.).

<i>Description of Fees/Charges</i>	<i>Cost</i>	<i>Total</i>
1" Meters (3)		\$8,700.00
Frontage Fee		\$1,075.00
Water Meter and Box (1-inch)		\$510.00
Inspection/Miscellaneous Charge		\$750.00
Total Costs		\$11,035.00

- (c) Please identify any unique costs related to the service agreement such as premium outside City/District rates or additional 3rd-party user fees and charges (i.e. fees/charges attributable to other agencies).

N/A

- (d) If financing is to occur, please provide any special financial arrangement between the agency and the property owner, including a discussion of any later repayment or reimbursement (If available, a copy of the agreement for repayment/reimbursement is to be provided).

n/a

- 11 Does the City/District have any policies related to extending service(s) outside its boundary? ☒ YES ☐ NO. If yes, has a copy been provided to LAFCO? ☒ YES ☐ NO. If not, please include a copy of the policy or policies (i.e. resolution, municipal code section, etc.) as part of the application.

CERTIFICATION

As a part of this application, the City/Town of Colton, or the City of Colton/Colton Utility Authority District/Agency agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

The agency signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

*Extension of Service by Contract
Application Form*

(FOR LAFCO USE ONLY)

I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this evaluation of service extension to the best of my ability, and that the facts, statement and information presented herein are true and correct to the best of my knowledge and belief.

SIGNED



NAME:

JESS SOTTO

POSITION TITLE:

UTILITIES ENGINEER

DATE:

May 23, 2018

REQUIRED EXHIBITS TO THIS APPLICATION:

1. Copy of the agreement/contract.
2. Map(s) showing the property to be served, existing agency boundary, the location of the existing infrastructure, and the proposed location of the infrastructure to be extended.
3. Certified Plan for Service (if submitted as a separate document) including financing arrangements for service.

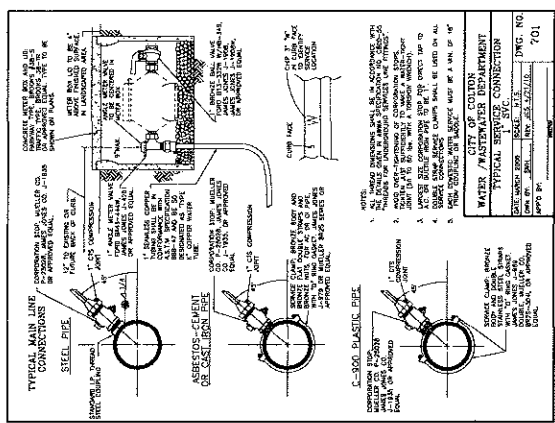
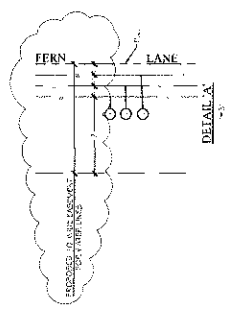
Please forward the completed form and related information to:

Local Agency Formation Commission for San Bernardino County
215 North D Street, Suite 204
San Bernardino, CA 92415-0490

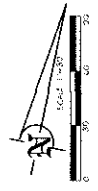
PHONE: (909) 388-0480 • FAX: (909) 885-8170

Rev: krm – 8/19/2015

422



- ① INSTALL 1" PLATE SCREW
- ② INSTALL 1" DONATING NUTS & SCREWS PER CITY AND JO:
- ③ DONOR NUTS ARE 4" LONG AND 1/2" CONNECTION

[illegible]

CITY OF COLTON
PUBLIC WORKS DEPARTMENT
CITY ENGINEER

HEET 2 OF 2

Recording Requested By:
 City of Colton)
)
 When Recorded Mail To:)
)
 CITY OF COLTON)
 650 North La Cadena Drive)
 Colton, California 92324)
 Attn: City Clerk)

Exempt from Filing Fees
 Gov't Code Section 6103

(Space Above for Recorder's Use Only)

**EXTRA-TERRITORIAL WATER SERVICE AGREEMENT
 BY AND BETWEEN
 CITY OF COLTON AND KNAPP FAMILY TRUST**

1. PARTIES AND DATE.

This Extra-Territorial Water Service Agreement ("Agreement") is made on this ____ day of _____, 2018 by and between the **CITY OF COLTON** ("City") and **THE KNAPP FAMILY TRUST** ("Property Owner"). The City and Property Owner are sometimes collectively referred to as "Parties" and individually as "Party" throughout this Agreement.

2. RECITALS.

2.1 Property Owner and Property. Property Owner is the legal owner of certain real property described in Exhibit "A" ("Property") attached hereto and incorporated by reference, which is located outside of the City's boundaries.

2.2 Water Service. Property Owner wants water service to be provided to the Property. The City and Property Owner believe that the City can provide efficient water service to the Property.

2.3 Property Outside of City's Boundaries. The Property will remain outside of the City's boundaries.

2.4 Annexation Not Required. Annexation of the Property to the City is not required, so long as water service under this Agreement is strictly limited to the Property.

2.5 No Opposition to Future Annexation. Property Owner will not oppose any future annexation proceeding concerning the annexation of the Property to the City.

2.6 LAFCO Approval. City's water service to the Property is subject to approval by the Local Agency Formation Commission ("LAFCO") pursuant to California Government Code Section 56133.

2.7 Additional Agreements. City is agreeing to provide water service pursuant to this Agreement and thereby subject to certain terms and conditions set forth in additional agreements provided for in Section 3.3 below.

2.8 Terms and Conditions. Property Owner and the Property shall be subject to all terms and conditions of this Agreement, including the additional agreements provided for in Section 3.3 below, as well as all applicable federal, state and local laws, rules and regulations, including, but not limited to, all ordinances and regulations of the City, the County of San Bernardino, and all other public agencies governing properties and water service within the City.

2.9 Colton Utility Authority. Property Owner understands that the City has entered into a Utility System Management Agreement, dated as of September 1, 2000, with the Colton Utility Authority ("CUA") for the maintenance, management and operation of its Water Enterprise and Wastewater Enterprise ("CUA Management Agreement"). To the extent that this Agreement is deemed to be a "material contract" under the CUA Management Agreement, City enters into this Agreement on behalf of the CUA and subject to the terms of the CUA Management Agreement.

3. **TERMS.**

3.1 Recitals. The above recitals are incorporated herein by reference.

3.2 Legal Description. The Property (APN 1178-371-15-000), which is located outside of the City's boundaries, is more fully described in Exhibit "A" attached hereto and incorporated by reference.

3.3 Additional Agreements.

3.3.1 Connection Agreement. The Property shall be connected to the City's public water main lines pursuant to terms and conditions provided for in a separate agreement between the City and Property Owner.

3.3.2 Fee Agreement. Property Owner and the City will enter into a separate agreement providing for the payment of all applicable fees, including, but not limited to, an agreement processing fee, an extra-territorial acreage fee, a monthly water service fee, a capacity fee and a saddle fee.

3.4 Annexation.

3.4.1 Property Owner Consent. Property Owner hereby irrevocably consents to the annexation of the Property to the City. Property Owner agrees to covenant for herself and her agents, employees, contractors, heirs, successors and assigns who obtain title to the Property

("Successors") to not in any way object to, protest, delay, frustrate or otherwise impede any annexation proceedings concerning the annexation of the Property to the City. Property Owner and her Successors shall cooperate in every reasonable way with the requests of the City, LAFCO or any other public agency in any proceedings to annex the Property to the City. The Property Owner's and the Successors' cooperation shall include, but not be limited to, the filing of all necessary applications, petitions, plans, drawings and any other documentation or information required by the City, LAFCO or other public agency at Property Owner's sole cost and expense. If Property Owner wishes to commence proceedings to annex the Property to the City, Property Owner shall be responsible for all applicable fees, including those fees which may be imposed by LAFCO and the City.

3.4.2 No City Obligation. The City shall not have any obligation to annex the Property to the City at any particular time or at all. The City shall retain, in its sole and absolute discretion, the right to annex the Property when and if the City believes annexation is appropriate.

3.5 City's AND Property Owners Obligations. The City shall provide domestic water service to the Property when, and as long as, all required agreements are executed, fees are paid and the Property is connected to the City's water system.

3.6 Applicable Laws, Rules & Regulations. The intent and purpose of this Agreement is for the Property to enjoy the same benefits and be subject to the same obligations and restrictions as a property located within the City's boundaries which receives water service. Therefore, Property Owner, the Property's discharge of sewage into the City's sanitary sewer, and the Property's receipt of water service from the City shall be subject to all applicable federal, state and local laws, rules and regulations, including, but not limited to, all ordinances and regulations of the City, the County of San Bernardino, and all other public agencies governing properties and water service within the City.

3.7 Notices Under Agreement. Notices required under this Agreement shall be sufficient if in writing and either served personally upon the parties to whom they are directed or by deposit in the United States mail, postage prepaid, certified, return receipt requested, addressed to the following:

City: City Clerk
City of Colton
650 N. La Cadena Dr.
Colton, CA 92324

Property Owner: Susan Knapp, Trustee of the Knapp Trust
Reche Canyon Road
Colton, CA 92324

3.8 Authority; Termination; Colton Utility Authority. This Agreement is entered into pursuant to the authority granted to the City by California Government Code Section 56133(a). This Agreement shall terminate with the written consent of both Parties or in the event the Property is annexed to the City. To the extent that this Agreement is deemed to be a "material contract" under the CUA Management Agreement, Property Owner has no right to terminate this Agreement, either with or without cause, based upon the existence or non-existence of the CUA Management Agreement. Therefore, if the CUA Management Agreement expires or terminates for any reason, Property Owner shall remain fully obligated to perform under this Agreement on behalf of the CUA or another third party contracted by the CUA for the maintenance, management and operation of the Water Enterprise and/or Wastewater Enterprise.

3.9 Recordation; Assignment. This Agreement shall be binding upon the Parties, their heirs, successors and assigns. While this Agreement is intended to be recorded against the Property with the County Recorder, it need not be in order to be effective. This Agreement shall expressly apply only to the Property described herein. Property Owner shall have the right to assign her rights, duties and obligations under this Agreement to Successor owners or legal occupants of the Property.

3.10 No Additional Connections. No additional water service connections are permitted pursuant to this Agreement, other than those expressly provided for herein.

3.11 Modification. This Agreement may be modified only by a subsequent written amendment duly approved and executed by both Parties.

3.12 Governing Law and Venue. This Agreement shall be governed by and construed under the laws of the State of California. Any action commenced to enforce the terms of this Agreement shall be filed in the County of San Bernardino, State of California.

3.13 Attorneys' Fees. Should the Parties commence litigation and/or arbitration to enforce the provisions of this Agreement, the prevailing Party shall be entitled to receive the costs of such litigation or arbitration, including reasonable attorneys' fees, expert fees and other costs and expenses.

3.14 Further Cooperation. Each Party covenants and agrees to prepare, execute, acknowledge, file, record, publish, deliver to the other Party such other instruments or documents, including, but not limited to, the additional separate agreements referred to herein, as is required and may be reasonably necessary to carry out this Agreement.

3.15 Integration. This Agreement represents the entire understanding between the City and Property Owner as to those matters contained herein, and supersedes and cancels any prior oral or written understandings, promises or representations with respect to those matters covered hereunder.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

**SIGNATURE PAGE FOR
EXTRA-TERRITORIAL WATER SERVICE AGREEMENT
BY AND BETWEEN
CITY OF COLTON AND KNAPP FAMILY TRUST**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the
_____ day of _____, _____.

CITY OF COLTON

By: _____
Richard DeLa Rosa, Mayor

Attest: _____
Carolina R. Padilla
City Clerk

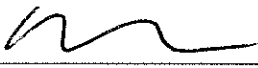
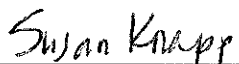
Recommended for Approval:

Executive Director
Colton Utility Authority

Approved as to Form:

Carlos Campos
City Attorney

**Susan Knapp, Trustee
of the Knapp Family Trust**

By:  _____
Signature
 _____
Name (Print)

This is a detailed land survey map of a 100-acre tract. The map is divided into 29 numbered lots, each with its acreage specified. A dashed line running diagonally from the bottom left towards the center is labeled 'FLOOD CONTROL DISTRICT'. To the right of this line, a narrow strip of land is labeled 'PEACHE CANYON'. Further to the right, a road is labeled 'CRYSTAL RIDGE'. The map also shows 'Ptn. Lot C' and 'Ptn. Lot B' at the top right, and 'Lot E' on the right side. A circular stamp on the right side of the map contains the number '0284' over '67'. Various boundary measurements and lot numbers are visible throughout the map.

Lot Number	Acreage
05	1.70
06	1.10
08	1.70
09	1.20
10	1.20
11	1.22
12	1.22
13	1.29
14	1.26
15	4.57
16	1.20
17	1.20
18	1.20
19	1.20
20	1.20
21	1.83
22	2.52
23	1.28
24	1.28
25	1.28
26	1.28
27	1.28
28	1.28
29	1.28

California All-Purpose Certificate of Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Bernardino

S.S.

On March 23, 2018 before me, Gary W. Mansfield, Notary Public

Name of Notary Public, Title

personally appeared Susan Knapp

Name of Signer (1)

N/A

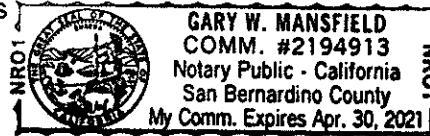
Name of Signer (2)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Signature of Notary Public



Seal

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of Signature Page For Extra-Territorial Water Service Agreement - Colton containing 3 pages, and dated 03/23/2018.

The signer(s) capacity or authority is/are as:

- ☒ Individual(s)
☐ Attorney-in-fact
☐ Corporate Officer(s) _____
 Title(s)

- ☐ Guardian/Conservator
☐ Partner - Limited/General
☐ Trustee(s)
☐ Other: _____

representing: _____

Name (and Person(s) Entitled to Sign) is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:

- ☒ form(s) of identification ☐ credible witness(es)

CDL

Notarial event is detailed in notary journal on:

Page # 37-38 Entry # 6

Notary contact: Gary W. Mansfield

Other (909) 558-5192

- ☐ Additional Signer ☐ Signer(s) Thumbprints(s)

☐ _____

**County's Conditions of
Approval for Tentative Parcel
Map 19850**

Attachment 3



Land Use Services Department
Planning

Terri Rahhal
 Director

June 28, 2018

Effective Date: July 10, 2018
Expiration Date: July 10, 2021

James and Susan Knapp
 P. O. Box 1522
 Loma Linda, CA 92354

Thatcher Engineering & Associates, Inc.
 1461 Ford Street, Suite 105
 Redlands, CA 92373

**RE: TENTATIVE PARCEL MAP 19850 TO CREATE 3 PARCELS ON 4.56 ACRES; ASSESSOR
 PARCEL NUMBER 1178-371-15; PROJECT NUMBER: P201700344**

Dear Property Owners and Representative:

After completion of the appropriate environmental and land use reviews, the above-referenced project has been found in conformance with the County General Plan and is **CONDITIONALLY APPROVED** by the Planning Division subject to completion of the attached Conditions of Approval. These conditions are considered final if they are not appealed by the effective date listed above. After the effective date, please contact the County Surveyor to begin working toward recordation of a final map.

This approval shall become null and void if all conditions have not been met within thirty-six (36) months from the effective date of this conditional approval. County Planning may grant time extensions, each for a period not exceeding an additional twelve (12) months in compliance with the State Map Act Section 66452.6. An extension of time may be granted upon a successful review of an Extension of Time application which shall include a justification for the delay in recordation, a plan of action for project completion and submittal of the appropriate fees. The Extension of Time application shall be submitted no less than 30 days prior to the expiration date. The granting of an extension is a discretionary action and may be subject to additional or revised conditions of approval. **PLEASE NOTE: This is the only notice given of the expiration date, listed above. The applicant is responsible for initiating an Extension of Time application without any further reminder.**

Pursuant to San Bernardino County Code Title 8, Sections 86.08.010 and 86.08.020, any interested person including the applicant may, within 10 days prior to the Effective Date, appeal this decision to the Planning Commission. The appeal, together with the appropriate fee, must be made in writing on forms available from the Land Use Services Counter. This approval action becomes effective upon completion of the appeal period. The applicant and representative shall ascertain and comply with all applicable requirements of Federal, State, County and Local Agencies.

Should you need assistance or have questions, please call me directly at (909) 387-4180, or email me at oxso.shahriari@lus.sbcounty.gov.

Sincerely,

Oxso Shahriari, Planner

OS/drp/mh

Enclosure: Conditions of Approval and Signed, Stamped Tentative Map(s)

CC: Building & Safety Division; Fire Department; EHS Division; Land Development Division (2 copies);
 Surveyor Division

CONDITIONS OF APPROVAL**JAMES AND SUSAN KNAPP****Tentative Parcel Map No.19850****PROJECT DESCRIPTION**

1. Project Approval Description. The Tentative Parcel Map 19850 to create three (3) resultant parcels on 4.56 acres is conditionally approved and may be recorded in compliance with the conditions of approval enclosed herein, the signed, stamped, and conditionally approved tentative map to be finalized through the required Composite Development Plan. The parent parcel is located on the south side of Fern Lane, approximately 220 feet west of Reche Canyon Road within the unincorporated area of the County, in the Community of Colton, Third Supervisorial District.

NOTICES

2. Expirations/TPM. This conditional approval of the Tentative Parcel Map shall become null and void unless all conditions have been completed and the Tentative Map has been deemed complete by the County Surveyor for recordation, and is recorded before the above-referenced expiration date.

PLEASE NOTE: This will be the ONLY notice given of the expiration date. The developer is responsible for initiation any Extension of Time request application.

3. Extension of Time/TPM. Where circumstances cause delays, which do not allow compliance with the required recordation time limit, the developer may submit for review and approval an application requesting an extension of time. The County Land Use Services may grant such requests for extensions of time in compliance with the State Map Act Section 66452.6. An Extension of Time may be granted upon a successful review of an Extension of Time application, which includes a justification of the delay in recordation, a plan of action for completion and submittal of the appropriate fee, not less than 30 days prior to the expiration date. The granting of an extension request is a discretionary action that may be subject to additional or revised conditions of approval.
4. Revisions/TPM. Any changes to the conditionally approved Tentative Parcel Map and/or the conditions of approval shall require that an additional land use application (e.g. Revision to an Approved Action) be submitted to the County Land Use Services for review and approval.
5. Condition Compliance. Condition compliance confirmation for purposes of Parcel Map recordation will be coordinated by the County Surveyor.
6. Project Account. The Project account number is P201700344. This is an actual cost project with a deposit account to which hourly charges are assessed by various county agency staff (e.g. Land Use Services, Public Works and County Counsel). Upon notice, the developer shall deposit additional funds to maintain or return to a positive account balance. The developer is responsible for all expenses charged to this account. Processing of the project shall cease, if it is determined that the account has a negative balance and that an additional deposit has not been made in a timely manner. A minimum balance of \$500.00 shall be in the project account at the time of project approval and initiation of the Condition Compliance Review. Sufficient funds shall remain in the project account to cover all estimated charges that may be made during each condition compliance review. All fees required for processing shall be paid in full prior to recordation.

7. **Indemnification.** In compliance with SBCC §81.01.070, the developer shall agree, to defend, indemnify, and hold harmless the County or its "indemnitees" (herein collectively the County's elected officials, appointed officials (including Planning Commissioners), Zoning Administrator, agents, officers, employees, volunteers, advisory agencies or committees, appeal boards or legislative body) from any claim, action, or proceeding against the County or its indemnitees to attack, set aside, void, or annul an approval of the County by an indemnitee concerning a map or permit or any other action relating to or arising out of County approval, including the acts, errors or omissions of any person and for any costs or expenses incurred by the indemnitees on account of any claim, except where such indemnification is prohibited by law. In the alternative, the developer may agree to relinquish such approval.

Any condition of approval imposed in compliance with the County Development Code or County General Plan shall include a requirement that the County acts reasonably to promptly notify the developer of any claim, action, or proceeding and that the County cooperates fully in the defense. The developer shall reimburse the County and its indemnitees for all expenses resulting from such actions, including any court costs and attorney fees, which the County or its indemnitees may be required by a court to pay as a result of such action.

The County may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the developer of their obligations under this condition to reimburse the County or its indemnitees for all such expenses.

This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The developer's indemnification obligation applies to the indemnitees' "passive" negligence but does not apply to the indemnitees' "sole" or "active" negligence or "willful misconduct" within the meaning of Civil Code Section 2782.

GENERAL REQUIREMENTS
Conditions of Operation and Procedures
(Not subject to Condition Compliance Sign Off)

LAND USE SERVICES DEPARTMENT – Land Development Division – Drainage Section
(909) 387-8311

8. **Tributary Drainage.** Adequate provisions should be made to intercept and conduct the tributary off site - on site drainage flows around and through the site in a manner, which will not adversely affect adjacent or downstream properties at the time the site is developed.
9. **Natural Drainage.** The natural drainage courses traversing the site shall not be occupied or obstructed.
10. **Additional Drainage Requirements.** In addition to drainage requirements stated herein, other "on-site" and/or "off-site" improvements may be required which cannot be determined from tentative plans at this time and would have to be reviewed after more complete improvement plans and profiles have been submitted to this office

PRIOR TO RECORDATION OF THE PARCEL MAP
The Following Shall Be Completed

LAND USE SERVICES DEPARTMENT – Planning Division (909) 387-8311

11. **Composite Development Plan (CDP).** To comply with the County Development Code, a Composite Development Plan ("CDP") shall be submitted to the County Surveyor for review and approval; and filed with Land Use Services prior to recordation of the Parcel Map.

LAND USE SERVICES DEPARTMENT – Building and Safety Division (909) 387-8311

12. **Geology Report.** A geology report shall be submitted to the Building and Safety Division for review and approval by the County Geologist and fees paid for the review.
13. **Geology (Soil) Report.** A geotechnical (soil) report shall be submitted to the Building and Safety Division for review and approval.

LAND USE SERVICES DEPARTMENT – Land Development Division – Drainage Section
(909) 387-8311

14. **Drainage Improvements.** A Registered Civil Engineer shall investigate and design adequate drainage improvements to intercept and conduct the off-site and on-site drainage flows around and through the site in a safety manner, which will not adversely affect adjacent or downstream properties. Submit drainage study for review and obtain approval. A \$550 deposit for drainage study review will be collected upon submittal to the Land Development Division. Deposit amounts are subject to change in accordance with the latest approved fee schedule.

15. Drainage Easements. Adequate San Bernardino County Drainage Easements (minimum fifteen [15] feet wide) shall be provided over the natural drainage courses, drainage facilities/or concentration of runoff from the site. Proof of recordation shall be provided to the Land Development Division.
16. Topo Map. A topographic map shall be provided to facilitate the design and review of necessary drainage facilities.
17. CDP/LDD - Drainage. A Composite Development Plan (CDP) is required and the following shall be delineated or noted on the CDP with confirmation and approval obtained from the LDD, prior to recordation of the Parcel Map (Statements in quotations shall be verbatim):

"Land Use Services Department – Land Development Division – Drainage Section (909) 387-8311"

- "Natural Drainage. Natural Drainage Course(s) and/or Easement(s) shall not be occupied or obstructed, unless specific approval is given by County Land Use Services Department - Land Development Division/Drainage Section for each lot/parcel."
- "FEMA Flood Zone. The project is located within both Flood Zones AE and X-Shaded according to FEMA Panel Number 0070G dated 08/28/2008. Any structure constructed within the AE will require the first floor of structure to be elevated 1 foot above highest known base flood elevation in compliance with FEMA/SBC regulations and an Elevation Certificate will be required. Any structure constructed within the X-shaded will require the first floor to be elevated a minimum 1 foot above natural highest adjacent ground in compliance with SBC regulations. The requirements may change based on the recommendations of a drainage study accepted by the Land Development Division and the most current Flood Map prior to issuance of grading permit."
- "Grading Plans. Grading plans shall be submitted to Land Use Services/Land Development Division for review and approval obtained prior to issuance of grading permits for each parcel. Submit necessary fees per the latest fee schedule for review, inspection and approval."
- "Additional Drainage Improvements. At the time each lot/parcel is developed, a California Registered Civil Engineer (RCE) shall prepare/design complete drainage improvement plans and profiles. After these are submitted for review and approval additional "on-site" and/or "off-site" improvements may be required which cannot be determined from tentative plans at this time."
- "Drainage Improvements. All required drainage improvements shall be completed by the applicant. The private registered engineer shall inspect improvements outside the County right-of-way and certify that these improvements have been completed according to the approved plans. Certification letter shall be submitted to Land Development."

LAND USE SERVICES DEPARTMENT – Land Development Division – Road Section
(909) 387-8311

18. Road Dedication/Improvements. The developer shall submit for review and obtain approval from the Land Use Services Department the following dedications and plans for the listed required improvements, designed by a Registered Civil Engineer (RCE), licensed in the State of California.
Private St (50')
 - Road Dedication. A 50 foot grant of easement is required to provide a full-width right-of-way for the full length of the street.
 - Street Improvements. Design AC dike with match up paving 18 feet from centerline.

- **Curb Returns.** AC dike returns shall be designed to facilitate drainage flow.
 - **Curb returns and sidewalk ramps** shall be designed per Caltrans Standard A88A.
 - **Driveway Approach.** Design driveway approach per San Bernardino County Standard 128, and located per San Bernardino County Standard 130.
 - **Cul-de-sac Design.** The proposed cul-de-sac shall be designed and constructed full width to County Standard 120.
 - **CMRS Exclusion.** Road improvements required for this development shall not be entered into the County Maintained Road System (CMRS).
19. **Road Standards and Design.** All required street improvements shall comply with latest San Bernardino County Road Planning and Design Standards and the San Bernardino County Standard Plans. Road sections shall be designed to Valley Road Standards of San Bernardino County, and to the policies and requirements of the County Department of Public Works and in accordance with the General Plan, Circulation Element.
20. **Street Improvement Plans.** The developer shall submit for review and obtain approval of street improvement plans prior to construction. Final plans and profiles shall indicate the location of any existing utility facility or utility pole which would affect construction. Any utility affecting construction shall be relocated as necessary without cost to the County. Street improvement plans shall not be approved until all necessary right-of-way is acquired unless required to facilitate securities for recordation of the Parcel Map.
21. **CMRS Exclusion.** Road improvements required for this development shall not be entered into the County Maintained Road System (CMRS).
22. **Improvement Securities.** Any required road, drainage, and/or utility improvements for subdivisions shall be bonded in accordance with County Development code unless constructed and approved prior to recordation. All necessary fees shall be provided in accordance with the latest fee schedule.
23. **Maintenance Bond.** Once all required road, drainage, and/or utility improvements have been constructed and approved, a maintenance bond for a period of one year shall be required to insure satisfactory condition of all improvements. Submit necessary fees, per the latest fee schedule, for new securities.
24. **Turnarounds.** Turnarounds at dead end streets shall be in accordance with the requirements of the County Department of Public Works and Fire Department.
25. **Transitional Improvements.** Right-of-way and improvements (including off-site) to transition traffic and drainage flows from proposed to existing, shall be required as necessary.

26. **CDP/LDD - Roads.** A Composite Development Plan (CDP) is required and the following shall be delineated or noted on the CDP with confirmation and approval obtained from the LDD prior to recordation of the Parcel Map (Statements in quotations shall be verbatim):

"Land Use Services Department / Land Development Division – Roads Section (909) 387-8311"

- **"Private Roads/Improvements.** Prior to occupancy, construction of private roads and private road related drainage improvements shall be inspected and certified by the engineer. Certification shall be submitted to Land Development by the engineer identifying all supporting engineering criteria."
- **"CMRS Exclusion.** Roads within this development shall not be entered into the County Maintained Road System (CMRS)."
- **"Regional Transportation Fee.** This project falls within the Regional Transportation Facilities Mitigation Plan for the Colton Subarea. This fee shall be paid by a cashier's check to the Department of Public Works Business Office prior to the issuance of building permits."

COUNTY FIRE DEPARTMENT – Community Safety Division (909) 386-8465

27. **Fire/Composite Development Plan (CDP).** The following notes shall be included on the CDP and the project shall comply with these requirements:

- **Jurisdiction.** The above referenced project is under the jurisdiction of the San Bernardino County Fire Department, herein ("Fire Department"). Prior to any construction occurring on any parcel, the applicant shall contact the Fire Department for verification of current fire protection requirements. All new construction shall comply with current Uniform Fire Code requirements and all applicable statutes, codes, ordinances and standards of the Fire Department."

DEPARTMENT OF PUBLIC WORKS – Surveyor (909) 387-8140

28. A Parcel Map is required in compliance with the Subdivision Map Act and the San Bernardino County Development Code.
29. All encroachments need to be relocated/removed prior to the filing of the Parcel Map.
30. The well site boundary appears to be in a different location than the existing well site. This would need to be corrected prior to the recordation of the Parcel Map. If it will be corrected with the filing of the Parcel Map, the owner(s) of the well site will be required to sign the Parcel Map.
31. Subdivider shall present evidence to the County Surveyor's Office that he has tried to obtain a non-interference letter from any utility company that may have rights of easement within the property boundaries.
32. Easements of record not shown on the tentative map shall be relinquished or relocated. Lots affected by proposed easements or easement of record, which cannot be relinquished or relocated, shall be redesigned.
33. Review of the Parcel Map by our office is based on actual cost, and requires an initial \$3000.00 deposit. Prior to recordation of the map all fees due to our office for the project shall be paid in full.

34. A current Title Report prepared for subdivision purposes is required at the time the map is submitted to our office for review.
35. If any activity on this project will disturb any land survey monumentation, including but not limited to vertical control points (benchmarks), said monumentation shall be located and referenced by or under the direction of a licensed land surveyor or registered civil engineer authorized to practice land surveying prior to commencement of any activity with the potential to disturb said monumentation, and appropriate documents shall be filed with the County Surveyor pursuant to Section 8771(b) Business and Professions Code.

DEPARTMENT OF PUBLIC HEALTH – Environmental Health Services (800) 442-2283

36. Water Purveyor. Water purveyor shall be the City of Colton.
37. Water Verification Letter. Applicant shall procure a verification letter from the water service provider. This letter shall state whether or not water connection and service shall be made available to the project by the water provider. This letter shall reference the File Index Number and Assessor's Parcel Number(s). For projects with current active water connections, a copy of water bill with project address will suffice. For information, contact the Water Section at 1-800-442-2283.
38. Wells. If an approved water company cannot serve the project, individual wells are authorized for each daughter parcel providing that County Development Code infrastructure requirements can be met. Conceptual plans, showing that wells and septic system locations meet setback requirements, may be required (§ 83.09.060). If wells are approved, the following notes shall be placed on the Composite Development Plan (CDP), "An individual well shall be utilized as the domestic water source for each lot. The well shall be installed, pump tested, and the pump test results reviewed and approved by DEHS prior to the issuance of building permits for each lot."
39. Existing Wells. Any existing wells on the lot shall (1) be properly destroyed under permit OR (2) have been constructed to "California Well Standards" and be used as a source of water (industrial and/or domestic) for the project. Contact DEHS/Water Section for more information at 1-800-442-2283.
40. Sewage Disposal. Method of sewage disposal shall be City of Colton or if not available, EHS approved onsite wastewater treatment system (OWTS).
41. Sewer Verification Letter. Applicant shall procure a verification letter from the sewer service provider identified. This letter shall state whether or not sewer connection and service shall be made available to the project by the sewer provider. The letter shall reference the Assessor's Parcel Number(s).
42. Percolation Report. If sewer connection and/or service is unavailable, Onsite Wastewater Treatment system(s) in conformance with the Local Agency Management Program May 2017 will be allowed under the following conditions: A soil percolation report shall be submitted to DEHS for review and approval. The following note shall be placed on a Composite Development Plan (CDP): "An approved percolation report, (DEHS reference number) prepared by (person/firm name & credentials) on (date prepared), is on file with DEHS." For information, please contact DEHS at 1-800-442-2283.

43. Water and/or Sewer Service Provider Verification. Please provide verification that the parcel(s) associated with the project is/are within the jurisdiction of the water and/or sewer service provider. If the parcel(s) associated with the project is/are not within the boundaries of the water and/or sewer service provider, submit to DEHS verification of Local Agency Formation Commission (LAFCO) approval of either:
- a) Annexation of parcels into the jurisdiction of the water and/or sewer service provider; or,
 - b) Out-of-agency service agreement for service outside a water and/or sewer service provider's boundaries. Such agreement/contract is required to be reviewed and authorized by LAFCO pursuant to the provisions of Government Code Section 56133. Submit verification of LAFCO authorization of said Out-of-Agency service agreement to DEHS.
44. Composite Development Plan (CDP) – Vector Clearance. The following note shall be placed on a Composite Development Plan (CDP): "The project area has a high probability of containing vectors. DEHS Vector Control Section will determine the need for vector survey and any required control programs. A vector clearance letter shall be submitted to DEHS/Land Use." For information, contact Vector Control at (800) 442-2283."
45. Installation and/or Finance – Other Agencies. The following are the steps that must be completed to meet the requirements for installation and/or finance of the on-site/off-site water system and/or sewer system.
- a) Where the water and/or sewer system is to be installed prior to recordation, it is the developer's responsibility to submit to the TRANSPORTATION/FLOOD CONTROL DEPARTMENT, SURVEYOR DIVISION, a copy of the approved plan and a signed statement from the utility of jurisdiction confirming that the improvement has been installed and accepted.
 - b) Where a bond is to be posted in lieu of installation of the improvement, the developer shall submit the approved plans and determined amount or a signed statement from an acceptable governmental entity, that financial arrangements have been completed and submitted to the TRANSPORTATION/FLOOD CONTROL DEPARTMENT, SURVEYOR DIVISION.
46. Installation and/or Finance – EHS. The following are the steps that must be completed to meet the requirements for installation and/or finance of the on-site/off-site water system and/or sewer system.
- a) Where the water and/or sewer system is to be installed prior to recordation, submit a signed statement to DEHS from the approved utility of jurisdiction confirming the improvement has been installed and accepted.
 - b) Where a bond is to be posted in lieu of installation of the improvement, the developer shall submit evidence of financial arrangements agreeable to the water purveyor and/or sewerage entity to DEHS for review and approval.

ADDITIONAL NOTICES

47. Development Impact Fees. Additional fees may be required prior to issuance of development permits. Fees shall be paid as specified in adopted fee ordinances.
48. Additional Permits. The property owner, developer, and land use operator are all responsible to ascertain and comply with all laws, ordinances, regulations and any other requirements of Federal, State, County and Local agencies as are applicable to the development and operation of the approved land use and project site. These may include:
- a) FEDERAL: None Identified
 - b) STATE: Regional Water Quality Control Board, California Department of Transportation (Caltrans), and Air Quality Management District (South Coast)
 - c) COUNTY: Land Use Services-Building and Safety/Code Enforcement, County Fire; Public Health-Environmental Health Services, Public Works, County Fire, and
 - d) LOCAL: LAFCO, (sewer and water service)

END OF CONDITIONS

**Response from
Tom Dodson and Associates**

Attachment 4

TOM DODSON & ASSOCIATES

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



August 4, 2018

Mr. Samuel Martinez
Local Agency Formation Commission
1170 West 3rd Street, Unit 150
San Bernardino, CA 92415-0490

RECEIVED
AUG 04 2018

LAFCO
San Bernardino County

Dear Sam:

I have completed the California Environmental Quality Act (CEQA) review of out-of-area service contract, SC#424 for the Commission. LAFCO SC#424 would permit the City of Colton to extend water service to single parcel of land (currently, although the property owner is seeking to create three parcels through a subdivision of the approximately 4.57 acre parcel) located in unincorporated territory on the west side of Reche Canyon Road within the City of Colton Sphere of Influence. If approved, the service extension would provide water service that could ultimately serve three single family residences to be constructed in the future. The County is considering approval of Tentative Parcel Map (TPM) 19850 which could allow the three lots to be developed in the future. If approved, these facilities would be connected to City of Colton potable water distribution. In return, the owner makes a commitment to not oppose annexation of this parcel to the City in the future. At the present time the property is noncontiguous with the City's boundary.

Based on the above proposal and the findings presented below, it appears that LAFCO SC#424 can be implemented without causing significant adverse environmental impacts. The administrative record does not identify any previous action to comply with the California Environmental Quality Act (CEQA) for this proposed project. Therefore, LAFCO will consider this extension of service contract as the CEQA lead agency. Based on the limited number of units that can ultimately be developed on this property (three, based on TPM19850), this project has no potential to cause a significant adverse impact on the environment. Therefore, I conclude that LAFCO SC#424 does not constitute a project under CEQA and adoption of the Statutory Exemption (under the "General Rule") and filing of a Notice of Exemption is the most appropriate determination to comply with the CEQA exemption found in Section 15061(b)(3) for this action. The Commission can approve this review and finding for this action and I recommend that you notice LAFCO SC#424 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption (NOE) with the County Clerk to the Board for this action once a decision is made for this out-of-area service agreement.

Thus, after independent review of this proposed action, the proposed water service extension does not appear to have any potential to significantly alter the existing physical environment. Extending water service has no effect on land uses which are governed by the County. Thus, this service extension does not involve any change in the authorized end use of the property, which may ultimately consist of three single family residences in the near future. Since no other project is pending or will occur as a result of approving this application, no other potential significant physical changes in the environment are forecast to result from this action. Further, extending water service to this parcel is not forecast to create growth inducement because most of the land in the vicinity of the project site is already developed with residential uses.

Based on a review of LAFCO SC#424 and the pertinent sections of CEQA and the State CEQA Guidelines, I believe it is appropriate for the Commission's CEQA environmental determination to cite the "General Rule" exemption, as adequate documentation in accordance with the Commission's CEQA lead agency status. If you have any questions regarding these recommendations, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dodson". The signature is fluid and cursive, with the first name "Tom" and last name "Dodson" clearly distinguishable.

Tom Dodson

/TD

Draft Resolution
No. 3272

Attachment 5

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

PROPOSAL NO.: LAFCO SC#424

HEARING DATE: AUGUST 15, 2018

RESOLUTION NO. 3272

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO SC#424 – CITY OF COLTON EXTRA-TERRITORIAL WATER SERVICE AGREEMENT (APN 1178-371-15)

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

WHEREAS, Government Code Section 56133 requires the Local Agency Formation Commission to review and approve or deny applications for agencies to provide services outside their existing boundaries; and,

WHEREAS, an application for the proposed service extension in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.), and the Executive Officer has examined the application and determined that the filings are sufficient; 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 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 called for August 15, 2018 at the time and place specified in the notice of public hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the contract, in evidence presented at the hearing;

RESOLUTION NO. 3272

NOW, THEREFORE, BE IT RESOLVED, that the Local Agency Formation Commission for San Bernardino County does hereby determine, find, resolve and order as follows:

DETERMINATIONS:

SECTION 1. The following determinations are noted in conformance with Commission policy:

1. The project area, identified as Assessor Parcel Number 1178-371-15, which encompasses Tentative Parcel Map 19850—a proposal to create three (3) parcels—is within the sphere of influence assigned the City of Colton and is anticipated to become a part of that City sometime in the future.

The application requests authorization to receive City of Colton's water service. This requirement is a condition of approval placed upon the project by the County Land Use Services Department. Therefore, approval of the City's request for authorization to provide water service is necessary in order to satisfy this condition of approval.

2. The Extra-Territorial Agreement being considered is for the provision of water service by the City of Colton to Tentative Parcel Map 19850. This contract will remain in force in perpetuity for the future owners of the parcels within Tentative Parcel Map 19850 or until such time as the area will be annexed. Approval of this application will allow the property owner and the City of Colton to proceed in finalizing the contract for the extension of water service.
3. The fees charged this project by the City of Colton for water service are identified as totaling \$11,035 (a breakdown of charges is on file in the LAFCO office). Payment of these fees is required prior to connection to the City's water facilities. In addition, the property owner shall bear all costs to complete improvements needed to extend the water service to the parcel.
4. The Local Agency Formation Commission for San Bernardino County has determined that this service contract is statutorily exempt from environmental review since it does not have the potential for resulting in physical changes in the environment ((Section 15161(b)(3) of the State California Environmental Quality Act Guidelines). Therefore, this proposal is not subject to environmental review under the provisions of the State CEQA Guidelines section cited above or the Commission's adopted CEQA Guidelines. The Commission hereby adopts the Statutory Exemption and directs its Executive Officer to file a Notice of Exemption within five (5) working days with the San Bernardino County Clerk of the Board of Supervisors.

SECTION 2. CONDITION. The City of Colton shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this service contract, including any reimbursement of legal fees and costs incurred by the Commission.

SECTION 3. The Local Agency Formation Commission for San Bernardino County does hereby determine to approve the service extension contract submitted by the City of Colton to provide

RESOLUTION NO. 3272

water service to Tentative Parcel Map 19850, a proposal to create three (3) parcels on Assessor Parcel Number 1178-371-15.

SECTION 4. The Commission instructs the Executive Officer of this Local Agency Formation Commission to notify the affected agencies that the application identified as LAFCO SC#424 – City of Colton Extra-territorial Water Service Agreement (Assessor Parcel Number 1178-371-15), has been approved.

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

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

* * * * *

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


I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, 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 regular meeting of August 15, 2018.

DATED:

SAMUEL MARTINEZ
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: AUGUST 8, 2018 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #7: LAFCO 3190 - Countywide Service Review for
Wastewater (Collection, Treatment, Disposal)

RECOMMENDATIONS:

Staff recommends that the Commission take the following actions related to LAFCO 3190:

1. For environmental review, certify that the service review is statutorily exempt from environmental review and direct the Executive Officer to file the Notice of Exemption within five (5) days.
2. Accept and file the Countywide Wastewater Service Review (Collection, Treatment, Disposal) which sets forth the written statements for the six determinations outlined in Government Code Section 56430 made by the Commission.
3. As outlined in the service review presented to the Commission, take the following actions for specific agencies/entities:
 - a) Initiate a sphere of influence amendment for the City of Adelanto to determine the appropriate sphere of influence for the City.
 - b) Direct LAFCO staff to continue to monitor the Victorville Water District and the City of Victorville, and direct staff to return to the Commission six months following the completion of this service review.
 - c) Direct LAFCO staff to continue to monitor the Victor Valley Wastewater Reclamation Authority, and direct staff to return to the Commission six months following the completion of this service review.
 - d) Identify the Twentynine Palms community as a "hot spot" and recognize that an opportunity exists for the community to develop a joint wastewater system with the nearby Marine Corps base.

e) For the Inland Empire Utilities Agency ("IEUA"):

(1) Determine the following for IEUA service outside its boundary, as shown in Figure 3-3 to the service review in yellow color:

- i. Parcels connected on or before January 1, 2001 are exempt from LAFCO review pursuant to Gov. Code §56133(e)(4).
- ii. Parcels connected after January 1, 2001, including the currently developed parcels as listed by the City of Fontana per maps included in Attachment #1 to the staff report for LAFCO 3190 dated August 8, 2018, as a result of the 1995 settlement agreement between IEUA and the City of Fontana which outlines an agreement for services to be rendered by IEUA.
- iii. Connecting the remaining unserved area will come under the provisions of Gov. Code §56133.5, which can be considered by the Commission through a blanket authorization for the entire area.

(2) Reflect the following functions and services for IEUA in the LAFCO Policy and Procedure Manual, Section VI (Special Districts), Chapter 3 (Listing of Special Districts within San Bernardino County LAFCO Purview – Authorized Functions and Services), as these are the functions and services that IEUA has historically and actively provides:

<u>Water</u>	Wholesale, replenishment
<u>Sewer</u>	Collection, regional treatment, reclamation, disposal, recycled water, composting, non-reclaimable wastewater collection
<u>Energy</u>	Energy recovery and production
<u>Total Basin Management</u>	Planning for Chino hydrological basin

f) For the City of San Bernardino:

- (1) Determine that the parcels identified in Section III of the service review were provided service on or before January 1, 2001 and are exempt from LAFCO review pursuant to Gov. Code §56133(e)(4).
- (2) Request the City of San Bernardino submit an Out-of-Agency Service Application to LAFCO to encompass all of the parcels that were provided wastewater service after January 1, 2001, to date, as identified in Section III of this report.

- g) For the City of Upland, determine that its 1982 agreement with the City of Claremont and Los Angeles County Sanitation District is exempt from LAFCO review as it is:

- (1) Service between two public agencies where the public service provided is an alternative to, or substitute for, public services already being provided by an existing public service provider (the City of Upland) and where the service provided is consistent with the level of service of the existing service provider (the City of Upland). (Gov. Code §56133(e)(1)
- (2) An extended service that was provided on or before January 1, 2001. (Gov. Code §56133(e)(4)

- h) For the City of Rialto:

- (1) Determine that the three parcels identified in Section III of the service review provided service by the City of Rialto are exempt from LAFCO review as they are an extended service that was provided on or before January 1, 2001 pursuant to Gov. Code §56133(e)(4).
- (2) Determine that the 1991 Rialto/Fontana Extraterritorial Wastewater Service Agreement is exempt from LAFCO review as it is:
 - i. Service between two public agencies where the public service provided is an alternative to, or substitute for, public services already being provided by an existing public service provider (the City of Rialto) and where the service provided is consistent with the level of service of the existing service provider (the City of Rialto). (Gov. Code §56133(e)(1).
 - ii. An extended service that was provided on or before January 1, 2001. (Gov. Code §56133(e)(4).
- (3) Request the City of Rialto submit an Out-of-Agency Service application to LAFCO to encompass all of the City's other extraterritorial service agreements that have not been authorized by LAFCO to date.

4. Adopt LAFCO Resolution No. 3270 reflecting the Commission's determinations and directions as required by Government Code Section 56430 and Commission policy.

BACKGROUND:

This item was continued from the July 18, 2018 hearing, and staff provided notice of this item as a part of the August 15, 2018 hearing.

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 within those defined communities. In April 2016, in an effort to more efficiently conduct the mandatory service reviews as well as addressing changes to the statutes affecting them, the Commission modified the scope of the second round service

reviews to address individual services on a countywide basis. The Countywide Service Review for Wastewater is organized by San Bernardino County's four regions (Valley, Mountain, North Desert and South Desert). Each region and its wastewater systems are reviewed and considered in the service review as a distinct geographic area.

Each agency and stakeholder were provided a copy of the draft service review for review and comment, and a meeting with LAFCO staff and affected agency representatives was held in each of the four regions to review the draft staff report and receive input. LAFCO staff provided responses to comments received on the draft staff report (Appendix A to the service review).

The Executive Summary identifies: what was learned from this process, staff recommendations for Commission action, and opportunities for future consideration (no recommended Commission action). The Introduction (Section I) provides the purpose of the report, report objective, methodology, and report organization.

Each of the four regions is presented separately and includes an overview of the region, a listing of wastewater 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 to address the identified service concerns.

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 Appendix F.

Due to the size and scope, LAFCO published the service review on June 20, 2018 in advance of the staff report to allow for additional time for review.

COMMENTS RECEIVED SINCE THE JUNE 20, 2018 RELEASE

Since the June 20, 2018 publication of the service review, four agencies have provided comments. The comments with LAFCO staff's response are included as Attachment #1 to this staff report and will be included in the finalized service review document. Below is a summary of the comments and LAFCO staff's responses.

City of Ontario

The City provided comments to its portion of the service review. LAFCO staff's response to the City agrees with the City's suggested corrections, and the final service review document will include a revised Table 3-2 (Section III), updated service area maps for the City and Cucamonga Valley Water District (which have overlapping jurisdictions), and non-substantive corrections to its profile sheet and narrative.

County Department of Public Health

The County Department of Public Health requests that an excerpt from the County's LAMP regarding replacement of cesspools be included in the service review. LAFCO staff's response complies with the request. The excerpt will be added under the "County of San

Bernardino LAMP” header of Section IV (Valley), Section VI (Mountain), Section VII (North Desert), and Section X (South Desert).

Inland Empire Utilities Agency

The draft service review has two recommendations for Commission actions related to the Inland Empire Utilities Agency (“IEUA”). The first recommendation from the draft service review relates to the Commission’s determination of the functions and services provided by IEUA as a part of the first round of service reviews in 2002. The discourse at that time between IEUA and LAFCO is not documented, and the functions and services identified in the 2002 service review did not accurately reflect IEUA’s historical services or its current services.

As a part of this service review, IEUA and LAFCO staffs recommend that the Commission reflect the following functions and services for IEUA in the LAFCO Policy and Procedure Manual, Section VI (Special Districts), Chapter 3 (Listing of Special Districts within San Bernardino County LAFCO Purview – Authorized Functions and Services), as these are the functions and services that IEUA has historically and actively provides:

<u>Water</u>	Wholesale, replenishment
<u>Sewer</u>	Collection, regional treatment, reclamation, disposal, recycled water, composting, non-reclaimable wastewater collection
<u>Energy</u>	Energy recovery and production
<u>Total Basin Management</u>	Planning for Chino hydrological basin

The second recommendation in the service review regards service outside of the IEUA boundary and sphere. A good number of the parcels were served before the grandfather year of 2001, some parcels were provided service after 2001, and the remaining area has not yet been connected. IEUA requests clarifying language to the second category – Service Provided After 2001 – in order to include all currently developed parcels. LAFCO staff has reviewed IEUA’s proposed language clarification and has revised the service review accordingly.

Santa Ana Regional Board

The Santa Ana Regional Water Quality Control Board has adopted discharge prohibitions for the Mill Creek Area. The draft service review includes this information in the Valley Region discussion, but the Regional Board identified in its comments that this information should be included in the Mountain Region as well. LAFCO staff will update the final service review in kind.

INFORMATION RECEIVED SINCE THE JUNE 20, 2018 RELEASE

Since the June 20, 2018 publication of the service review, the Victor Valley Wastewater Authority (“VWVRA”) has provided additional information. The service review identifies

VVWRA as a hot spot and substantiates the identification on three factors. One factor is shown below:

Pending determination by the Federal Emergency Management Agency ("FEMA") to disallow \$32 million in grant awards as recommended in a draft report issued by the Department of Homeland Security's Office of the Inspector General ("OIG").

The OIG found that VVWRA did not comply with federal regulations in the bidding and procurement of three contracts totaling \$31.7 million. FEMA awarded the funds to VVWRA after its pipeline ruptured due to severe flooding, mud, and debris flows in December and January 2010, sending 42 million gallons of wastewater into the Mojave River.

In July 2018 VVWRA provided a copy of a Final Inspection Report prepared by the California Office of Emergency Services, dated June 28, 2018 (copy included as Attachment 2). That report includes the following recommendation:

"Cal OES has reviewed VVWRA's response to the OIG audit and back-up documentation and concurs with its explanation, claims, evidence, and documentation and finds that the OIG audit misstates law, does not accurately portray the events at issue and failed to acknowledge critical facts that invalidate the OIG's position. Therefore, Cal OES recommends FEMA refute the OIG's position that VVWRA did not properly manage \$33 million in FEMA grant funds."

According to VVWRA management, the next step is for FEMA review.

After reviewing the Cal OES recommendation, LAFCO staff is not recommending a change in hot spot identification in the service review for VVWRA, since this is a recommendation from a state agency for FEMA review. Nonetheless, while circumstances have not changed, the recommendation from Cal OES on this matter may carry significant weight.

ENVIRONMENTAL CONSIDERATION:

The Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has indicated his recommendation that LAFCO 3190 is statutorily exempt from California Environmental Quality Act (CEQA). This recommendation is based on the finding that the service review is not judged to pose any adverse changes to the physical environment; therefore, the service review is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). A copy of Mr. Dodson's analysis is included as Attachment #3 to this report.

ADDITIONAL DETERMINATIONS:

1. A stakeholder group was convened within each region (Valley on June 4, 2018; Mountain on May 31, 2018; North Desert on June 5, 2018; and South Desert on May 31, 2018) to review the draft service review.
2. As required by State Law, notice of the hearing was provided through publication in newspapers of general circulation within the area, the *Big Bear Grizzly*, *Daily Press*, *Hi-Desert Star*, *Inland Valley Daily Bulletin*, *Mountain News*, and *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 State Law and Commission Policy, in-lieu of individual notice the notice of hearing publication was provided through an eighth page legal ad.

3. As required by State law, individual notification of the hearing was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.
4. Due to the size and scope of the service review, the service review document was provided in advance of the staff report to allow for additional time for review. The service review document was published June 20, 2018 and a copy was provided to affected and interested agencies and County departments, as well as those agencies and individuals requesting mailed notice. The service review was also made accessible on the LAFCO website and at the LAFCO office.
5. This staff report was published August 8, 2018 and a copy was provided to affected and interested agencies and County departments, as well as those agencies and individuals requesting mailed notice. This staff report was also made accessible on the LAFCO website.
6. Comments from landowners/registered voters and any affected agency will be reviewed and considered by the Commission in making its determinations.

CONCLUSION:

Staff recommends that the Commission take the action outlined on pages 1-3 to provide for the completion of the Countywide Service Review for Wastewater and other actions for continued monitoring.

SM/MT

Attachments:

1. [Comments Received Since the June 20, 2018 Publication](#)
 - a. [City of Ontario](#)
 - b. [County of San Bernardino Department of Public Health](#)
 - c. [Inland Empire Utilities Agency](#)
 - d. [Santa Ana Regional Board](#)
2. [Information Received Since the June 20, 2018 Publication](#)
 - a. [Victor Valley Wastewater Reclamation Authority](#)
3. [Environmental Recommendation from Tom Dodson](#)
4. [Countywide Service Review for Wastewater](#)
5. [Draft Resolution No. 3270](#)

Comments Received Since the June 20, 2018 Publication

- a. City of Ontario**
- b. County of San Bernardino
Department of Public Health**
- c. Inland Empire Utilities
Agency**
- d. Santa Ana Regional Board**

City of Ontario



LAFCO

August 7, 2018

Katie Gienger, P.E.
City of Ontario
1425 South Bon View Avenue
Ontario, CA 91761-4406

RE: Response to Comments regarding LAFCO Draft
Countywide Service Review for Wastewater

Dear Ms. Gienger:

Thank you for taking the time to review the draft Countywide Service Review for Wastewater. LAFCO and City staffs have been working together to update the City's portions of the draft service review. Your letter dated August 6 provides suggested corrections to the draft service review. This response letter addresses the numbered items from your comment letter in kind:

1. You comment that in Table 3-2 (Section III), the Cucamonga Creek should not be identified as having "high" septic proximity to an impaired water body. LAFCO staff agrees with the City's reasoning and will revise Table 3-2 accordingly.
2. You also comment that although the "DWR Priority" factor in Table 3-2 is currently correct, SGMA prioritization is undergoing revision and is currently in the draft/public comment stage. LAFCO staff has verified the City's comment and will comply with the City's request by adding a footnote to Table 3-2 regarding the pending revision to SGMA prioritization.
3. The City and Cucamonga Valley Water District have overlapping jurisdictions in the general north Ontario area. Both agencies have reviewed and cooperated on minor revisions to actual service area. The final service review document will include the updated service areas that you have identified.
4. LAFCO accepts the City's non-substantive corrections to its profile sheet and narrative.

This letter will be included in the LAFCO report dated August 8, 2018 and be made a part of Appendix A of the final service review. Should you have any questions on this letter or the service review

Local Agency Formation Commission

for San Bernardino County

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MICHAEL TIERPE
Project Manager

LA TRICI JONES
Clerk to the Commission

LEGAL COUNSEL

PAULA DE SOUSA MILLS

in general, please feel free to contact me at mtuerpe@lafco.sbcounty.gov or 909-388-0488.

Sincerely,



MICHAEL TUERPE
Project Manager

MT/

c: Praseetha Krishnan, Cucamonga Valley Water District

CITY OF



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ONTARIO

2018 AUG -7 AM 11:42

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August 6, 2018

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CITY CLERK

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TREASURER

SCOTT BURTON
UTILITIES GENERAL MANAGER

Michael Tuerpe
Project Manager
San Bernardino County LAFCO
1170 West 3rd Street, Unit 150
San Bernardino, CA 92415

RE: Countywide Service Review for Wastewater Draft Report

Dear Mr. Tuerpe,

The City is in receipt of your May 7, 2018, letter regarding the Countywide Service Review for Wastewater, including the invitation to participate in a stakeholder group. We appreciate the invitation, although due to scheduling conflicts, a City representative was unable to attend the stakeholder group meeting.

City staff has reviewed the draft service review and submits the following comments to be incorporated into the final draft.

1. On page III-9, Table 3-2 "Hot Spot Summary – Valley Region" identifies the sphere of influence of the City of Ontario as having "high" septic proximity to an impaired water body. The water body, Cucamonga Creek Reach 1, is on the State's 303(d) list for some impairments; however, it is not listed for the impairments that the State's OWTS Policy is concerned with or at the relevant thresholds. The OWTS Policy is concerned with 303(d) listed Impaired Water Bodies with TMDLs for nitrogen or pathogens only.
2. On page III-9, Table 3-2 "Hot Spot Summary – Valley Region" lists the sphere of influence for the City of Ontario and other agencies in the Chino Basin as overlying a groundwater basin with a DWR priority of "High." Please clarify in the report that the SGMA basin prioritization is undergoing revision and is currently in the draft/public comment stage. The prioritization is expected to be finalized in mid-November.

3. The City has coordinated with LAFCO staff on minor adjustments needed to clarify areas within Ontario that are provided sewer service by the Cucamonga Valley Water District. Please include the revised maps in the final Countywide Service Review for Wastewater.
4. The City has coordinated with LAFCO staff on changes to the City's profile sheets, which are enclosed with this letter. Please include the revised profile sheets in the final Countywide Service Review for Wastewater.

If you have questions or require additional information, feel free to contact me at (909) 395-2694. It has been a pleasure working with you.

Sincerely,



Katie Gienger, P.E.
Water Resources Manager

Enclosures

c: Praseetha Krishnan, Cucamonga Valley Water District (via e-mail, w/ encl.)

County Department of Public Health

From: Tuerpe, Michael
To: [Maass, Scott](#)
Cc: [Dugas, Joshua](#); [Almond, Diana](#)
Subject: FW: Cesspool elimination
Date: Wednesday, August 8, 2018 10:04:00 AM
Attachments: [image001.png](#)

Scott,

Thank you for taking the time to review the draft Countywide Service Review for Wastewater. This email serves as response to your comments from your email dated August 7 below.

You request that an excerpt from the County's LAMP regarding cesspools be included in the service review. LAFCO staff has reviewed your request, and the following will be included under the "County of San Bernardino LAMP" header of Section IV (Valley), Section VI (Mountain), Section VIII (North Desert), and Section X (South Desert):

Cesspool Elimination

The following excerpt is taken from the County's LAMP (page 63):

"Cesspools are not permitted in the County of San Bernardino. When County staff discovers a cesspool is still in use, the property owner will be required to replace the cesspool with an OWTS, which meets current standards. The timeframe for complying with this requirement will vary based on the condition of the cesspool and the potential threat it represents to water quality, public health and safety. While the County does not have a point of sale requirement for existing septic systems certification, voluntary certifications are performed routinely and system upgrades are permitted and replacements are constructed under Building permit."

This email will be included in the LAFCO report dated August 8, 2018 and be made a part of Appendix A of the final service review. Should you have any questions on this email or the service review in general, please feel free to contact me.

Michael Tuerpe

Project Manager

Local Agency Formation Commission for San Bernardino County
1170 West Third Street, Unit 150
San Bernardino, CA 92415-0490
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From: Martinez, Samuel
Sent: Tuesday, August 7, 2018 12:52 PM
To: Tuerpe, Michael <mtuerpe@lafco.sbcounty.gov>
Subject: FW: Cesspool elimination

FYI.

From: Maass, Scott
Sent: Tuesday, August 7, 2018 11:21 AM
To: Martinez, Samuel <smartinez@lafco.sbcounty.gov>

Cc: Almond, Diana <Diana.Almond@dph.sbcounty.gov>

Subject: Cesspool elimination

Sam I would like to resend this email below and clarify a few things.

Hi Sam,

Per the OWTS Policy and our LAMP cesspools are no longer permitted and there is a requirement that they will need to be eliminated and replaced with an approved OWTS. (see section code from our LAMP and section code from the OWTS policy below). Santa Ana wants them eliminated within 6 months of discovery although I think we have some flexibility. We would like to suggested Cesspools to be considered in the LAFCO 3190 Countywide Service Review for Wastewater. Most of these will be in DUCs and DACs and we have a concern that this can and will create a hardship for our residents and small businesses. I have been in touch with the SWRCB staff overseeing the State Revolving Fund and they are not able to fund private property owners and do require a public entity make an application for funding and then it is placed on a list by Regional Water Board. I am unsure who would be best suited to manage this. We manage grants well, but this is/may be beyond our expertise. I will forward e-mail correspondence from Jennifer Comey with the SWRCB, Division of Financial Assistance to Mike T for his information. Please advise. Thank you.

Cesspool Elimination

Cesspools are not permitted in the County of San Bernardino. When County staff discovers a cesspool is still in use, the property owner will be required to replace the cesspool with an OWTS, which meets current standards. The timeframe for complying with this requirement will vary based on the condition of the cesspool and the potential threat it represents to water quality, public health and safety. While the County does not have a point of sale requirement for existing septic systems certification, voluntary certifications are performed routinely and system upgrades are permitted and replacements are constructed under Building permit.

Regards,



Scott Maass

Department of Public Health
REHS III

Phone: 800.442.2283 | Fax: 909.387.4323
385 N. Arrowhead Avenue Second Floor
San Bernardino, CA, 92415
www.SBCounty.gov

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Inland Empire Utilities Agency



LAFCO

August 8, 2018

Halla Razak, General Manager
Inland Empire Utilities Agency
6075 Kimball Ave
Chino, CA 91708

RE: Response to Comments regarding LAFCO Draft
Countywide Service Review for Wastewater

Dear Ms. Razak:

Thank you for taking the time to review the draft Countywide Service Review for Wastewater. LAFCO has received your letter dated August 6, 2018 regarding LAFCO staff's recommendations for Commission action in the service review.

For Item 1, Clarification of Services, LAFCO staff has reviewed IEUA's service review file from 2002. The discourse at that time between IEUA and LAFCO is not documented, and the functions and services identified in the 2002 service review did not accurately reflect IEUA's historical services or its current services.

As a part of the *Countywide Service Review for Wastewater* (LAFCO 3190), IEUA and LAFCO staffs have worked together to clarify this service issue. The staff report for LAFCO 3190 will state that both IEUA and LAFCO staffs recommend that the Commission reflect the following functions and services for IEUA in the LAFCO Policy and Procedure Manual, Section VI (Special Districts), Chapter 3 (Listing of Special Districts within San Bernardino County LAFCO Purview – Authorized Functions and Services), as these are the functions and services that IEUA has historically and actively provides:

<u>Water</u>	Wholesale, replenishment
<u>Sewer</u>	Collection, regional treatment, reclamation, disposal, recycled water, composting, non-reclaimable wastewater collection
<u>Energy</u>	Energy recovery and production
<u>Total Basin Management</u>	Planning for Chino hydrological basin

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Clerk to the Commission

LEGAL COUNSEL

PAULA DE SOUSA MILLS

For Item 2, Recognition of Service outside Boundary, you request that the second bullet point in Section III(D)(5) be revised to include the currently developed parcels as listed by the City of Fontana. LAFCO staff has revised the second bullet point as requested.

Further, LAFCO and IEUA staffs have worked together to identify the extraterritorial areas where IEUA provides service outside its boundary. Your letter states that IEUA will work with LAFCO to complete the application for blanket authorization for out-of-agency service. My office is ready to assist in this matter.

Additionally, your agency previously provided suggested corrections to the agency's narrative that is part of Appendix B. All of the suggestions have been accepted except for the size of the agency boundary. LAFCO's GIS file identifies 239 square miles. Therefore, that figure will remain in the agency profile portion of the service review.

This letter will be included in the LAFCO report dated August 8, 2018 and be made a part of Appendix A of the final service review. Should you have any questions on this letter or the service review in general, please feel free to contact me at smartinez@lafco.sbcounty.gov or 909-388-0480.

Sincerely,



SAMUEL MARTINEZ
Executive Officer

SM/MT

cc: Chris Berch, IEUA, Executive Manager of Engineering/Assistant General Manager
Kathy Besser, IEUA, Executive Manager of External Affairs/Assistant General Manager
Sylvie Lee, IEUA, Manager of Planning & Environmental Resources
Ken Tam, IEUA, Sr. Associate Engineer
Richardo Sandoval, City of Fontana, Director of Engineering/City Engineer
Kathy Raasch, City of Fontana, Senior Engineer
Dawn Rowe, City of Fontana, Senior Planner (LAFCO Contact)



6075 Kimball Avenue • Chino, CA 91708
P.O. Box 9020 • Chino Hills, CA 91709
TEL (909) 993-1600 • FAX (909) 993-1985
www.ieua.org

August 6, 2018

Mr. Samuel Martinez, Executive Officer
San Bernardino County LAFCO
1170 W. 3rd Street, Unit 150
San Bernardino, CA 92415

Subject: IEUA Comments to SBCLAFCO Countywide Service Review Recommendations

Dear Mr. Martinez:

Inland Empire Utilities Agency (IEUA) has carefully reviewed San Bernardino County LAFCO's (SBCLAFCO) countywide wastewater service review and the staff recommendations in the report. There are two issues in the proposed staff recommendations that IEUA strongly believes need to be resolved prior to the finalization of the service review.

1. Section III(D)(4) – IEUA – Clarification of Services

IEUA acknowledges SBCLAFCO's findings that LAFCO Resolution No. 2739 incorrectly established wastewater collection as service provided in the service area. Based on the meeting at your offices on July 19, 2018, it was agreed that due to an error in identifying services in 2002, there was an opportunity to update the approved functions and services via a request letter. The approved wastewater services should be the following:

Sewer: Collection, regional treatment, reclamation, disposal, recycled water, composting, non-reclaimable wastewater collection

As it has been acknowledged, since SBCLAFCO provisions allow for inadvertent errors to be corrected without going through a formal process, it is IEUA's request that SBCLAFCO will update the current wastewater service review to include the correct fundamental services that IEUA has traditionally provided prior to final approval by the SBCLAFCO Commission.

It is IEUA's understanding that there will be no impact to the current services provided by IEUA.

2. Section III(D)(5) – IEUA – Recognition of Service Outside Boundary

IEUA has reviewed SBCLAFCO's recommendation for the extra-territorial sewer service area that was approved in 1997 for certain portions of the city of Fontana's service area. IEUA agrees with the first bullet point of SBCLAFCO's recommendation. IEUA is requesting that the second bullet point be revised to the following and include maps (see attached) provided by the city of Fontana:

Water Smart - Thinking in Terms of Tomorrow

Steven J. Elie
President

Michael E. Camacho
Vice President

Jasmin A. Hall
Secretary/Treasurer

Paul Hofer
Director

Kati Parker
Director

Halla Razak
General Manager



6075 Kimball Avenue • Chino, CA 91708
P.O. Box 9020 • Chino Hills, CA 91709
TEL (909) 993-1600 • FAX (909) 993-1985
www.ieua.org

"Parcels connected after January 1, 2001, including the currently developed parcels as listed by the City of Fontana per attached maps, as a result of the 1995 settlement agreement between IEUA and the City of Fontana which outlines an agreement for services to be rendered by IEUA."

IEUA will work with SBCLAFCO to complete the out of service area application for the remaining undeveloped areas for blanket authorization per Government Code Section 56133.5.

Please contact Kathy Besser at (909) 993-1638 or kbesser@ieua.org should you have any questions regarding the comments above.

Sincerely,

Halla Razak
General Manager

Attachments: Maps of Current City of Fontana Extra-Territorial Developments.

cc: Chris Berch, IEUA Executive Manager of Engineering/Assistant General Manager
Kathy Besser, IEUA Executive Manager of External Affairs/Assistant General Manager
Sylvie Lee, IEUA Manager of Planning & Environmental Resources
Ricardo Sandoval, City of Fontana
Kathy Raasch, City of Fontana
Ken Tam, IEUA Sr. Associate Engineer

Water Smart - Thinking in Terms of Tomorrow

Steven J. Elie
President

Michael E. Camacho
Vice President

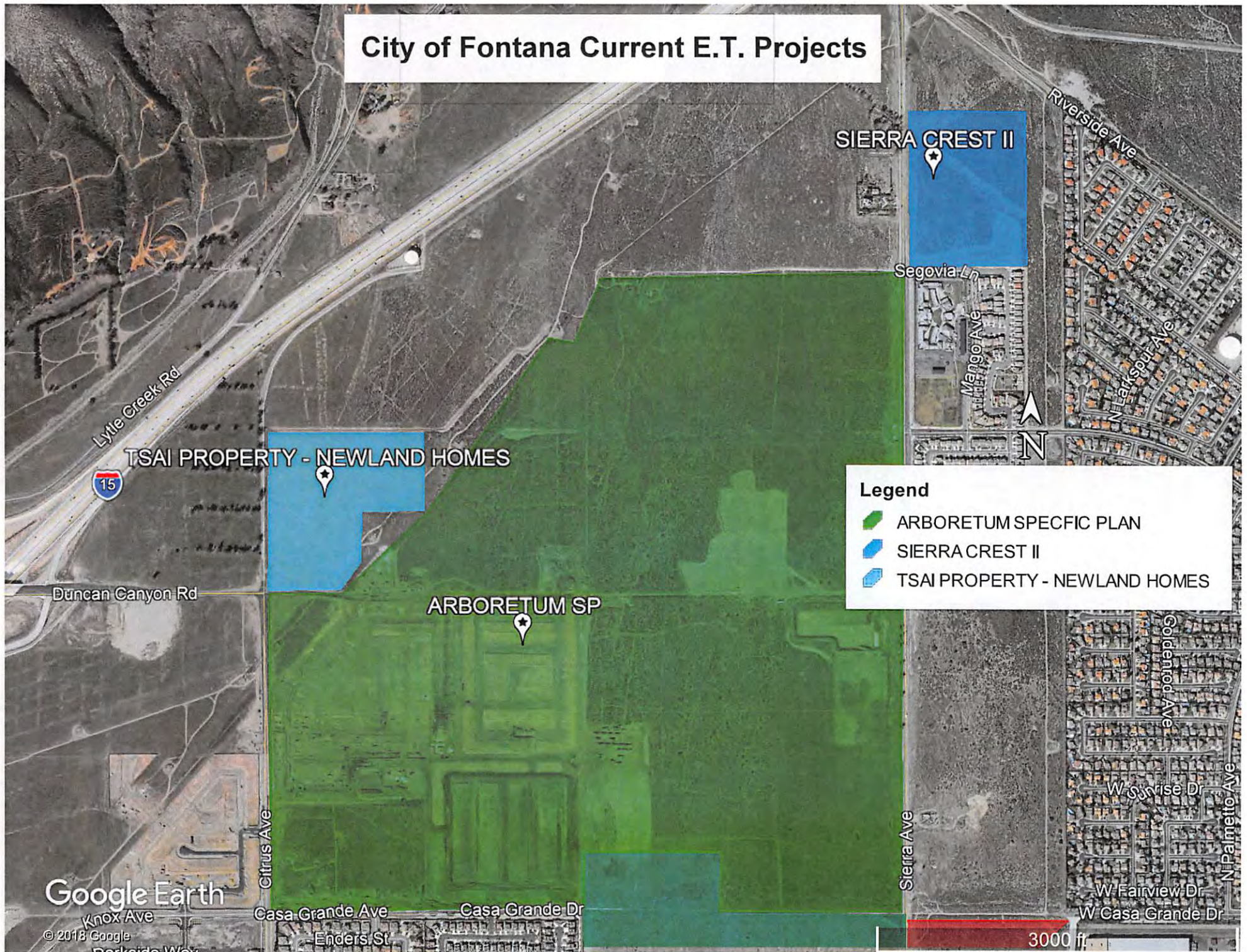
Jasmin A. Hall
Secretary/Treasurer

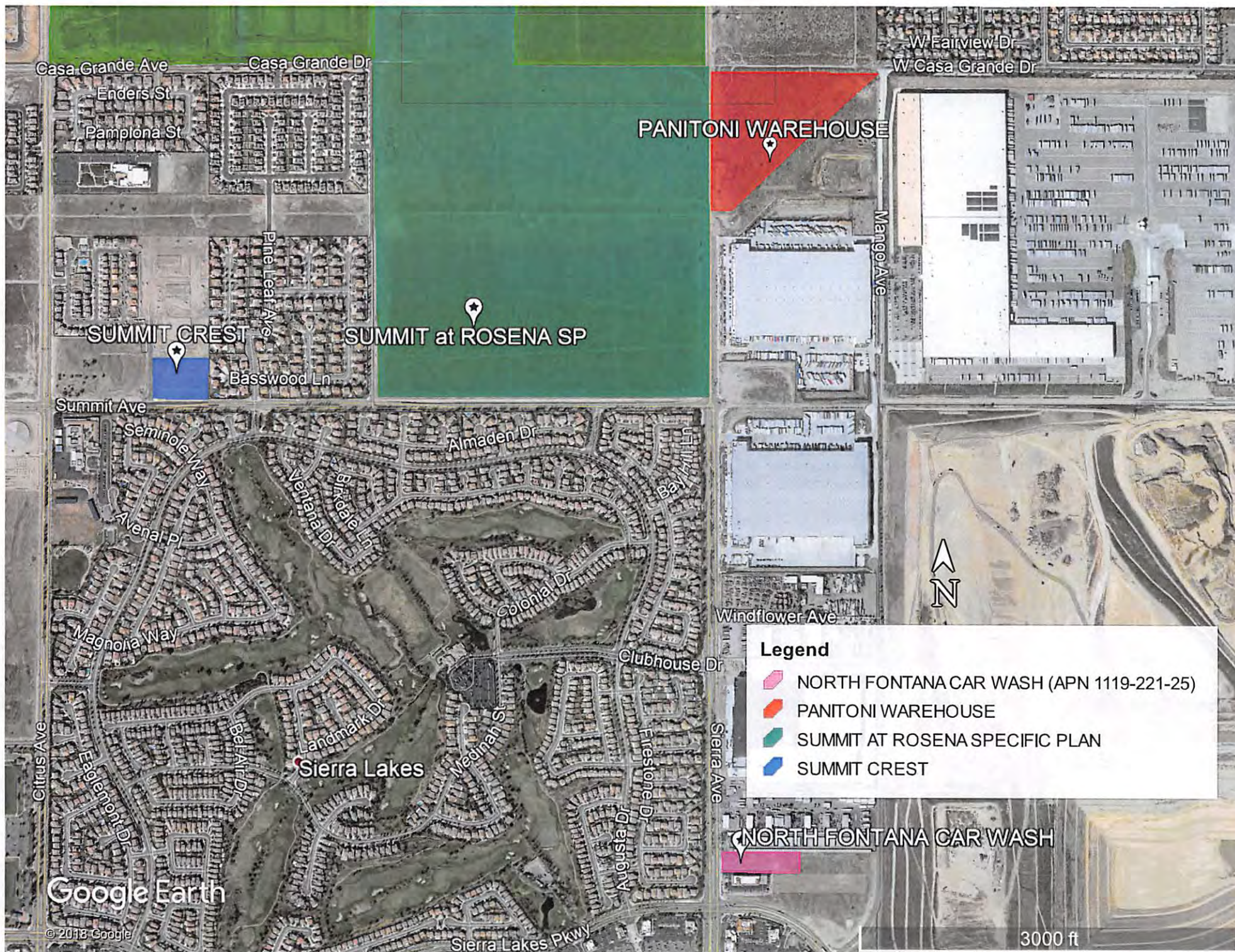
Paul Hofer
Director

Kati Parker
Director

Halla Razak
General Manager

City of Fontana Current E.T. Projects





PANITONI WAREHOUSE

SUMMIT CREST

SUMMIT at ROSENA SP

Legend

- NORTH FONTANA CAR WASH (APN 1119-221-25)
- PANITONI WAREHOUSE
- SUMMIT AT ROSENA SPECIFIC PLAN
- SUMMIT CREST

NORTH FONTANA CAR WASH

Google Earth


© 2018 Google

3000 ft



28 UNIT Apt - ALDER AND MARYGOLD

Legend

 28 UNIT Apt - ALDER AND MARYGOLD



500 ft

Google Earth

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Santa Ana Regional Water Quality Control Board

From: Tuerpe, Michael
To: ["Beeson, Susan@Waterboards"](mailto:Beeson.Susan@Waterboards)
Cc: [Perez, Michael@Waterboards](mailto:Perez.Michael@Waterboards); [Maass, Scott](mailto:Maass.Scott)
Subject: RE: LAFCO Wastewater Service Review
Date: Tuesday, August 7, 2018 1:06:00 PM

Susan,

Thank you for taking the time to review the draft Countywide Service Review for Wastewater. This email serves as response to your comments from your email below.

You identify that the Regional Board has adopted discharge prohibitions for the Mill Creek Area, and that this is not identified in the Mountain portion of the service review. The service review does include information on the discharge prohibitions for the area identified in the 1973 Discharge Prohibitions as "Mill Creek – above 2,600". LAFCO's mapping sources do not have the Mill Creek extending into the Mountain Region. Upon further review, we understand that the "Mill Creek – above 2,600" is to include the Mill Creek and its tributaries, which extend into the Mountain Region and include Forest Falls, Angeles Oaks, and Mt. Home Village. Section VI (Mountain Region), under the header "Prohibitions and Exemptions" will be revised accordingly. Section IV (Valley Region) under the header "Prohibitions and Exemptions" will remain as presented.

We are aware of the Designated Maintenance Areas (DMA) for these prohibition areas, and the file for LAFCO 3190 contains this information. Additionally, Table 6-5 (Large OWTS – Mountain Region) identifies the large onsite systems in the Mountain Region.

This email will be included in the LAFCO report dated August 8, 2018 and be made a part of Appendix A of the final service review. Should you have any questions on this email or the service review in general, please feel free to contact me.

Michael Tuerpe

Project Manager

Local Agency Formation Commission for San Bernardino County

1170 West Third Street, Unit 150

San Bernardino, CA 92415-0490

(909) 388-0488 Direct

(909) 388-0481 Fax

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From: Beeson, Susan@Waterboards [mailto:susan.beeson@waterboards.ca.gov]

Sent: Tuesday, July 24, 2018 12:10 PM

To: Tuerpe, Michael <mtuerpe@lafco.sbcounty.gov>

Cc: Perez, Michael@Waterboards <Michael.Perez@waterboards.ca.gov>

Subject: RE: LAFCO Wastewater Service Review

Good Morning Michael,

I was reviewing the Mountain area report and just wanted to provide you with some updates. Our agency adopted a waste discharge prohibition for the Forest Falls, Angelus Oaks, Mountain. Home Village known as the Mill Creek Area (as well as other areas), copy attached. I didn't see any mention of Mtn. Home Village but note these prohibition areas have high OWTS use.

As part of an old MOU between our agency and San Bernardino County, County developed a Designated Maintenance Area (DMA) for these prohibition areas and currently reviews and inspects each mountain property every other year for compliance.

It should also be noted that there are also quite a few Camps in the area that are overseen by the County. County indicated they forwarded that info to you in recent comments.

Susan Beeson

RWQCB-Santa Ana Region
3737 Main St, Suite 500
Riverside, CA 92501-3348
(951) 782-4902 direct
(951) 782-4130 office

From: Tuerpe, Michael [<mailto:mtuerpe@lafco.sbcounty.gov>]

Sent: Monday, July 16, 2018 10:56 AM

Subject: LAFCO Wastewater Service Review

The LAFCO hearing for the *Countywide Service Review for Wastewater* will be continued from its July 18 hearing to its **August 15** hearing.

In the meantime, should you have any questions or comments regarding the service review, please contact the LAFCO office at 909-388-0480 or reply to this email.

Michael Tuerpe

Project Manager

Local Agency Formation Commission for San Bernardino County
1170 West Third Street, Unit 150
San Bernardino, CA 92415-0490
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**Information Received Since the
June 20, 2018 Publication**

**a. Victor Valley Wastewater
Reclamation Authority**

FINAL INSPECTION REPORT

Application Closeout

Applicant Name: Victor Valley Wastewater Reclamation Auth. **Applicant Representative:** Logan Olds
PA ID #071-U198M-00 **Applicant Phone:** (760) 246-8638
CDA# ID # 071-91117 **Cal EMA Inspector:** David Rogers
FEMA- DR. - 1952 **Report Preparation Date:** 6/1/2018

Background

During the incident period beginning December 17th, 2010 to January 4th, 2011 severe winter storms, flooding, debris and mud flows resulting in damages to Victor Valley Wastewater Reclamation District's Facilities at various sites. This report contains two (2) small projects and four (4) large projects. All projects were completed within the approved scope of work and the authorized time requirements and extensions.

Note: On July 31, 2017 (FEMA Log 310200.06) FEMA Granted a time extension to PW #828 until April 30, 2017.

The backup documentation is provided with this FIR in multiple binders and is also available electronically on thumb drive attached to binder #1 or Drop Box provided by VVWRA.

Small Projects

Small projects were all completed within the approved scope of work and time requirement. All projects were 100% complete at the time of the original inspection. Backup was reviewed at the time of writing and is available on request.

PW#	Approved Amount	Claimed Amount	Eligible Amount	Overrun/ Under run
890	\$1,010.00	\$1,010.00	\$1,010.00	\$0.00
906	\$23,930.36	\$23,929.00	\$23,929.36	\$0.00
TOTALS	\$24,940.36	\$24,939.00	\$24,940.36	\$0.00

Total FIR Eligible for Small Projects is: \$24,940.36
Recommendation: No Adjustment Required.

Large Projects

PW #828	Category F	Approved For \$11,135,937.00
PW #828 -1	Category F	Approved For \$21,988,065.00
Combined Approved:		<u>\$33,124,002.00</u>

On December 29th, 2010 a break in a 36 inch vitrified clay pipe (VCP) occurred 640 feet downstream of the intersection of the Apple Valley sewer line with the main sewer line underneath the Mojave River. The break was caused by high velocity river flows carrying debris that scoured the bottom of the Mojave River. The break allowed sand, sediment and debris to fill four sections of sewer line of different diameters for a total of 4,541 feet. The force of the flow and weight of the debris caused 13 manholes to tilt causing several more breaches to the sewer line at the manholes.

The scope of work was to restore the function and capacity of the damaged Mojave River sewer line. The applicant proposed an alternate method of repair that would be less costly than returning the sewer line to its pre-disaster condition leaving it exposed in the river and would mitigate future damage in a similar future storm event.

To determine the cost effectiveness of the proposed alternative repair, two scopes of works were prepared with associated cost estimates. Alternate 1: Return the sewer line to its pre-disaster condition in the riverbed. Alternate 2: Create a bypass by relocating the sewer line outside the riverbed. The associated cost estimate were prepared using FEMA's CEF (Cost Estimating Format) based on RS Means and get A Quote cost data (As indicated in the PW). Alternate 1 estimated cost: \$12,080,299.00 and Alternate 2 cost: \$11,135,937.00.

FEMA & Cal OES agreed Alternate 2 repair appeared to be the most cost effective repair and also mitigates from future similar damage and was the most environmentally friendly.

The project was then put out to bid and five contractors submitted bid estimates. The bids resulted in highest bid of \$39,356,260.00 and low bid of \$26,482,075.00. The low bidder J.W. Fowler was then awarded the contract.

The Applicant requested a version to be considered for the increase due to the actual bid results. FEMA completed a new CEF for the project applying the low bid and additional CEF factored cost for engineering and project management. This estimate for Version 828-1 was approved for: \$21,124,002.00 brings the total project cost to \$33,124,002.00.

The actual total project cost submitted by the Sub-recipient is \$35,991,733.57 indicating an overrun of 8%: \$2,867,731.57. (See Claim Backup documentation Summary Binders 1-3 containing 28 claims) and (Complete Documentation to Summaries PW #828 invoicing 4 binders 1-28) and (1PW #828 Contract Binder & 1 Tetra Tech Amendment Binder).

Project #828 Cost Summary:

Dodson (Environmental Services)	\$191,332.00
Cornerstone (Easements & Right Away)	\$32,875.00
BNSF (Railroad Easements and Permits)	\$98,326.00
Tetra Tech (Project Engineering)	\$1,127,818.82
Misc. /Easements (Residential & Business)	\$58,450.84
J. W. Fowler (Construction)	\$30,440,441.11
URS/AECOM (Project Management)	\$2,063,814.83
Newspaper (Notice to Bid)	\$404.45
Jericho (Environmental)	\$800.00
Apple Valley Construction (BNSF Alt. Crossing)	\$1,950,537.05

Total = \$35,964,800.01

Less -\$26,589.50 (Tetra Tech Adjustment)

Plus \$53,523.00 (Direct Administration)

Actual Cost = \$35,991,733.57

The overrun appears to be due mainly for unforeseen construction changes and time delays due to several events. The various impacts to the construction project are as noted in brief:

Impact 1) 152 days: Nesting Birds, Delayed – No Work 2/14/14 thru 9/15/14.

Impact 2) 72 days: JWF damages HDD, Filled HDD Pipe with grout – 11/26/14 thru 1/1/15. (This had no impact on project cost)

Impact 3) 155 days: Differing Site Conditions for tunneling machine caused delay 3/28/14 thru 10/30/14.

Impact 4) 14 days: Flooding onsite, Contractor clears site and repairs damaged equipment. 12/29/14 thru 1/15/15

Impact 5) 10 Days: Death on Job Site – OSHA Investigation 6/24/15 thru 7/7/15.

Impact 6) 54 Days: JWF – BNSF Crossing 1st Attempt Bore & Jack Method Failed 11/27/14 thru 2/10/15.

Impact 7) 145 Days: Alternate BNSF Crossing 2nd Attempt Connect to Existing Pipeline Failed. 12/2/15 thru 6/21/16.

Impact 8) 98 Days: Alternate BNSF Crossing 3rd Attempt New Alignment Successful 3/15/16 thru 7/28/16.

These difficulties the project incurred are addressed in the contractors change orders; there were a total of six change orders. The following Change Orders were all negotiated between Victor Valley Waste Water and the contractors and then approved by VVWRA's Board of Directors. (See Change Order Backup documentation Binders 1-6)

J. W. Fowler Construction PW #828 Change Orders 1 – 6 Summaries:

Change Order No. 1 Decrease
\$(506.00)

J. W. Fowler

Change Order No. 2 Increase J. W. Fowler
\$30,806.84

Change Order No. 3 Increase J. W. Fowler
\$47,078.95

Change Order No. 4 Increase J. W. Fowler
\$2,222,674.00

Change Order No. 5 Increase J. W. Fowler
\$1,190,307.65

Change Order No. 6 Increase J. W. Fowler
\$468,021.24

Total Change Orders = \$3,958,382.68

Background:

The original contractor, J. W. Fowler, had difficulties with pipe ramming under the Burlington Northern Santa Fe railroad (BNSF) tracks. While J. W. Fowler contemplated a viable re-start procedure for the pipe ramming effort under the original contract, BNSF modified the permit issued to VVWRA on February 24, 2015, and excluded the pipe ramming alternative. The newly issued permit from BNSF required a pressure balanced micro-tunneling system, instead of the previously permitted pipe ramming. The implementation of a pressure balanced micro-tunneling system imposed by the permitting agency, BNSF, is an extremely expensive procedure estimated at \$2,365,000.00. The change in methodology required by the permit would also impose significant delays on the overall project completion.

VVWRA proposed a cost and time saving solution utilizing an abandoned, existing 48-inch steel casing to cross underneath the railroad. The existing 48-inch steel casing crossing is within the limits of the staging area delineated for the original project.

VVWRA determined a competitive sealed bid was necessary, instead of allowing J. W. Fowler a sole source change order, in order to comply with FEMA's intent of competitive pricing. Competitive sealed bids were received by four construction companies and DDH Apple Valley Construction Inc. was the lowest responsive bidder in the amount of \$863,371.00.

Increase = \$863,371.00

J.W. Fowler and VVWRA deducted the remaining work relative to the uncompleted pipe ramming from its contract. URS, the on-site Construction Manager, provided information relative to the amount of credit due from J.W. Fowler to deduct the original pipe ramming activities from their scope of work. The following change orders are revisions to the original J.W. Fowler contract:

Change Order No. 1: Total (\$506.00)

Contract specs 1300 Part 1.08 requires the contractor to provide photographs in 35mm color negative film with digital backup, copy is in pages CO1 - 11 of Tab 3. The requirement for 35mm color negative is outdated, as photos are now taken in digital form. This change resulted to a credit of \$506.00. See attached documentation.

Deduction = -\$506.00

Change Order No. 2: Total \$30,806.84 (54 days @ 663.09 = 35,806.84 - 5,000.00 credit)

1. 24 days delayed due to engineers review overtime hours.

No Change

2. 30 days delayed as the original drawings required revisions. The original drawings had 2 manholes too close to the BNSF center line of the railroad tracks. One was 30 feet and the other was 43 feet from centerline. BNSF requires them to be no closer than 50 feet from center line of the nearest track.

Increase = \$35,806.84

3. Credit for changing 72" steel casing to 60" steel casing for the micro tunnel; and changing steel casing to rib and lag lining for the rock tunnel. These changes were approved by the engineer resulting in a credit of -\$5,000.00.

Deduction = -\$5,000.00

Contract Change Order #3: Total \$47,078.95

This Change Order Contains Six (6) Items.

Item #1: Environmental delays of work starting on the alternate critical path of the project, Time Extension only. The contract plans and specifications require no work proceed that disturbs nesting Raptor birds. Nesting Raptor birds prevented work from starting at 7th and E Street on the Micro tunnel receiving shaft after the submittal was approved and work commenced on the launch shaft. The 60" steel casing pipe was on site and the tunneling equipment was ready to proceed with the Micro tunneling on 7th Street.

Note: The alternate critical path was a method used in the scheduling that helped identify items that could be worked on to progress the project when those items on the critical path were held up. In this case the micro-tunneling was identified as the critical path for the overall project but it could not be worked on when nesting birds were discovered. The Contractor wanted to stop production and claim a delay until the critical path could be worked on. By identifying the alternate critical path they reduced the impact of this delay.

No Change Of Cost

Item #2: Change order to contract for submittal re-reviews over the second review. Specification 0130G-1.03-F requires the contractor to pay VVWRA the cost of resubmittal reviews after the second review To date 16 submittals have been reviewed 3 and 4 times before approval. The cost for these additional reviews is shown in this contract deduction.

Decrease = (\$17,600.00)

Item #3: Revise the contract requirements for factory witness for project pipes and equipment. The Specifications for Fusible PVC pipe (02716) and for High Density Polyethylene pipe (02769) require the contractor to provide for four (4) people/trips to the factory, including all expenses. VVWRA requested only one (1) trip for each type of pipe and add a trip for two (2) people to review the Rock Tunnel machine fabrication at the factory.

Decrease = (\$5,000.00)

Item #4: Additional cost to provide roadway monitoring that Cal Trans required after bid as a permit requirement.

The contract bid documents have a Design estimated fixed allotment for work required by Caltrans for the permit to cross their right of way. The permit conditions were established by Caltrans, after the bid, and required more monitoring than was shown on the plans and specifications.

Increase = \$69,678.95

Item # 5: Additional Submittal Reviews on Critical Path Over 30 Days.

No Adjustment.

Item # 6: The Addition of the Davis -- Bacon Language and Wage Determination to the Contract Document.

No Adjustment.

Contract Change Order #4 Total \$2,222,674.00

This change order contains two (2) Items.

Item #1: Additional costs for the different site conditions on "C" Street in Victorville for Micro-tunnel in clay material.

The contract specifications reference Appendix #1 as the underground soil condition information for the contract. The two underground soil borings made on "C" Street (8th and "C" Street and 11th and "C" Street) show a soil condition of dense silt sand poorly graded, and fine gravel. There was no determination that any clay was present in either location. The micro-tunnel bore head that will work in sand and gravel is very different from the configuration that will work with clay or one that will work with both types of soil. The contractor developed the cutter head for the MTBM (micro-tunnel bore machine) to work with sand and gravel, and that configuration plugged up with the clay and developed extra heat and strain on the micro-tunnel machine which reduced forward progress and resulted in seventeen (17) additional days required to tunnel "C" Street to the rock location east of 11th Street in Victorville.

These are direct job-related cost for an additional 17 day and night shifts required to complete the 60" casing pipe installation under "C" Street. There is no time extension related to this changed condition because it is not the critical path, and it was concurrent with other delays that were on the critical path.

Increase = \$769,114.00

Item #2: Additional costs for direct job related costs associated with the delayed procurement of a different type of tunnel bore machine for increased cost and time.

This sewer pipeline replacement project was designed with the best information possible, since geotechnical borings (See Geo-Tech Report Binder) were limited due to surface access restrictions along the planned pipe route (See Geo Tech Binder 1 & 2). The contract documents required the contractor (J. W. Fowler) to do additional subsurface borings at additional locations and to a depth that had now been established for the pipe tunnel elevation; J. W. Fowler followed up with a "Rock Characterization Report". The additional testing brought information that the rock on the East end of the tunnel route was more weathered and less dense than the original reports had shown for this installation. After evaluation, it was determined a different type of tunnel boring machine was required, and installation of the steel casing pipe may not work in the weathered rock condition. J. W. Fowler's recommended alternate boring machine and tunnel lining system were evaluated and approved by the design engineer. The newly accepted rock boring machine was fabricated for use on this project. The manufacturer estimated fabrication of the new boring machine would take 21 weeks to complete, but manufacturing resulted in an additional 12 week delay before the new machine was delivered to the job site. This change order is for 207 days of the 228 day impact for this changed condition, less 105 concurrent delay days allowed in change orders #2 and #3. A time reduction of 21 days was negotiated based on expediting other work items to improve the substantial completion date and start flow in the system which is the critical path. This change order also details the direct job cost resulting from the 228 days of delayed procurement of the TBM. This change order does not include any cost or scheduled impacts of the DSC that occurred after the delivery of the TBM on December 22, 2014.

Increase = \$1,453,560.00

Contract Change Order #5 Total \$1,190,916.10 (Increases of \$1,961,188.00 less decreases of \$770,271.90)

This Change Order Contains Seventeen (17) Items

Item #1: Additional cost for the haul-off and disposal of contaminated material removed during the micro tunneling operation.

The Project Bid documents noted contaminated material would be encountered during the work effort within the City of Victorville. An estimated quantity for the amount of this material was put into the bid schedule to establish a bid price for the units of work. The exact quantity encountered was not known at bid time. The actual quantities were tracked and recorded by truck weight at the disposal facility, and actual truck quantities were shown in the back-up data for various payment requests. This item adjusts the quantities to show the cost for the quantity that was over the bid quantities. Bid Item 11B.

Increase = \$465,345.56

Item #2: Additional cost for the extra systems Purge of the MTBM Slurry System.

The Project Bid documents listed the quantity for item 11D as requiring 3 system purges during the Micro tunnel work on 7th and "C" streets. The large amount of contaminants in water that was run back through the slurry system resulted in 5 purges and special disposition of the purged material, so the Bid quantity of purges was increased by 2. Increase = \$100,000.00

Item #3: Additional costs for rental of water storage tanks until the disposition location and responsible party to sign the manifests was established for the water removed during micro tunneling.

The ground water removed during the "C" Street Micro tunnel operation had a trace of solvent and hydrocarbon contamination. It was low enough that it was not hazardous, but still required off site disposition by manifested load haul off. The City of Victorville had been listed as a known responsible party, but they choose not to accept that position. The water had to be stored in 11 tanks on site until VVWRA ultimately signed the manifests for shipping and the water could be disposed of. This Item relates to both Bid items 11B and 11D

Increase = \$27,750.00.

Item #4: Additional cost for correcting the information on the 5 existing project signs as requested by the California State Water Board as a condition of their SRF loan requirements.

In February 2014 at the start of the project, the Engineer and VVWRA gave the Contractor the details for the project sign information and 5 signs were prepared and mounted at various locations on the site. During an April 2015 project record review by the State Water Board personnel, it was noted some Logos and funding information had not been put on the signs. The California State Water board sent notice to VVWRA that project signs needed to be changed to include all required Logos and the missing funding information. The Contractor provided an additional sign board section to be added to all 5 signs bringing them into compliance.

Increase = \$1,232.74. Note: The specifications called out the agencies for the Contractor to show on the project sign. This is what the Contractor submitted and it was approved, printed, and installed. During the site visit over a year later it was brought to our attention that during sometime between bidding and that visit the information should have been changed. The request was made to update the signs. To comply with this request the Contractor was directed to make this revision. This was a change from the bidding conditions.

Item #5: Additional cost associated with the rental to replace the contract stated staging area that was not available when the construction started.

The project plan sheet listed a 1.5 acre lot at D Street and 7th Street that the Contractor could use as a Staging Area. When the construction started and the Contractor wanted to use that lot, the City of Victorville could not release the lot for use, and the Contractor had to locate another close Staging Area and pay the lease on that property for the seven (7) months that it was needed. The project stated Staging Area did not have a monthly lease cost for its use, so this will be an after bid extra cost for rent and extra travel distance to the site.

Increase = \$21,000.00 Note: The area in question was being donated by the City for our use without a fee. When it came time to permit the use for stockpiling the City found that the parcel did not have a clear title in their name. The parcel had been a park that was created with the use of Development Block Grant funding. When that State program was terminated the actual ownership of the property came into question. Because the City did not have clear ownership they felt they could not permit it for our use. As it was close to the micro-tunneling portion of the project the Contractor had a claim that he was impacted.)

Item #6: Reduction and Adjustments in cost due to an alternate method of crossing under the BNSF Railroad is planned so the Reach 1-B pipe Ram Bid items will be deleted from the contract and from change order #2.

BNSF Railroad early in the project and resulted in the changes in CO #2. BNSF and J. W. Fowler still had concerns with crossing under the double Trans-Continental railroad tracks. VVWRA proposed the use of an alternate method of using an existing casing under the railroad with a reduced pipe size. This work was bid out and a separate contractor will do this work. The following work items will be deleted from this contract:

4A Manhole VV5-9 supply and construct, from CO #2	-\$50,000.00
4 60" steel casing ram under railroad, from CO #2	-\$304,313.00
5 48" HDPE in casing, from CO #2.	-\$25,119.90
5A Man Hole UNI-10 delete from CO #2	-\$50,000.00
5E 4" HDPE, Shoring, excavate, Backfill, CO #2	-\$65,040.00

Decrease = -\$494,472.90

Material and work items that occurred or were encumbered by the Contractor or subcontractor before the pipe ram was deleted.

60" steel casing on site but not used	\$52,201.26
48" HDPE pipe on site that will go to Alternate BNSF project	\$48,655.94
Cost to pull casing and pipe ram push plate	\$6,548.94
Pipe Ram Subcontractor mobilizes and stand-by costs	\$110,916.54
Rent and de-water for pipe ram shafts for month of 9/2015	\$11,436.20
Link Seals for 48" pipe on deleted MHs,	\$11,782.04
Cathodic protection materials to be turned over to Alt.	\$789.77
BNSF Man-Hole lining materials for deleted MHs UNI-10, VV-5-9	\$5,758.88
Increase in contract time with no concurrent overhead 35 CD	

Increase = \$248,088.94. Note: The Contractor incurred these costs prior to performing the work of crossing under the BNSF railroad. This portion of the work was deleted from his contract and moved to the Alternate BNSF Crossing project (which was still a portion of the overall

work). The material was conveyed to the Alternate BNSF Crossing project and used there with an associated reduction in that project price. All of the material was used on the overall project, but by a different contractor (Apple Valley Construction). The sub-contractor costs, labor, and rent were incurred by this Contractor (Fowler Construction) in work effort before the pipe ram was deleted from his contract.

Item #7: Additional costs due to extra time to complete the tunnel bore 1249 feet through the mountain to the MTBM to remove it.

The June 2014 recovery schedule for the Rock Tunnel set the time of 43 calendar days (CD) to complete the tunnel operation from station 140+43 to the location of the MTBM at station 128+02 for the removal of the MTBM. The actual time required to tunnel that distance due in part to the different types of ground material tunneled through was 111 CD which is 68 CD longer than was in the schedule. From that 68 CD we subtracted 16 days because J. W. Fowler did not work Sundays as a safety measure and available for repair, and 4 days that the equipment did not work with mechanical problems not related to the different ground conditions. This resulted in 49 CD that were true days of work beyond the schedule and can be considered extra time and project cost \$993,305.76. Additional delay time added as a result of the different site condition. With reduced direct project impact for stand by equipment rate and the charge for the labor extended for the 15 Sundays they did some work \$43,900.93.

Total Tunneling Duration	111 days
Scheduled Duration	-43 days
Days not worked	-1 day
Sundays at Reduced Rate	-15 days
Equipment unrelated down	-4 days
Total days considered for delay	48 days

Increase = \$1,037,206.69

Item #8: This item is brought forward from Change Order # 4 as part of the time extension that was not granted because the intent to improve the project end date was not realized.

Change Order #4 justified a total of 228 CD of delay from the differing site condition. A total of 105 days were concurrent and were granted in Change Orders #2 and #3, and 102 days was included in Change Order #4. A 21 day time reduction was held back from CO #4 based on expediting other work items to improve the substantial completion date and start flow in the system. Additional site conditions delayed the project and the expedited time was not realized so the 21 CD needs to be added back as a time extension here in this Change Order.

No Change Of Cost

Item #9: Additional costs due to the project shutdown for JW Fowler Co. and the three (3) Sub-Contractors for the executive tunnel tour after all 3,200 feet of tunnel was completed.

The VVWRA Board of Directors, City of Victorville, and The Town of Apple Valley Managers and Engineers requested hands on information as to the extent of the work that has been going on in and under their community. The work was disrupted for the first half of the contractors work day for a tour of the tunnel.

Increase = \$3,285.57. Note: This site visit and tunnel walk was an important informational tool in maintaining a good public image with the community. Up to this point the member agencies had answered several questions on the project schedule, project need, and total costs. This tour demonstrated some of the major difficulties that the project had faced and showed that substantial progress had been completed.)

CalOES considers this an elective outside cost and not a direct disaster recovery project cost and therefore not an eligible cost (-\$3,285.57).

Item #10: Replacement of the sidewalk sections to meet ADA requirements on the west side of Seventh Street. The sidewalk sections were removed for the installation of the bore launch shaft. When they were to be replaced after shaft removal the City of Victorville noted it must now meet the new ADA requirements. The only pavement replacement in the Bid Schedule was for asphalt paving and did not address concrete paving replacement or ADA accessible ramps which have a higher unit value than asphalt paving. There are two ADA accessible sections that were replaced on the west side of Seventh Street.

Increase = \$9,495.00. Note: Updating removed concrete to current ADA regulations was missed. At this intersection they had a micro-tunnel launch shaft so they knew that the surrounding area would be impacted. The Contractor made the surface repairs which included replacement of sidewalk that they had removed or damaged during construction. After installation the City made an inspection for their acceptance. During that inspection it was pointed out that the wheelchair ramp did not meet current ADA requirements. The Contractor

removed and replaced the concrete to meet the requirements. Note: CalOES considers this a minor specification oversight & recommends reimbursement.

Item #11: Adjust the substantial completion time to move relative to the final completion date as adjusted by change order.

The substantial completion date was revised in Change Order #1 to 350 calendar days, or ten (10) days before final completion date. This change item will adjust the Substantial completion date to move with the final completion date if time extensions are granted. Substantial Completion will stay at 10 calendar days before the revised Final Completion date.

No Change Of Cost

Item #12: Adjust the Contract Liquidated Damages to remove the responsibility transferred to the Alternate BNSF Crossing contract and is no longer controlled by work effort on this contract.

Specifications Section 00500, Article 4, Addendum No.4 set the project Liquidated Damages for substantial completion at \$5,000 per day based on the cost to run both pump station #1 and #2 if the ability to shut one or both pump stations down was delayed. The deletion of the pipe ram and award of the Alternate BNSF Crossing contract removed control to shut down pump station #1 from this contract. The Liquidated Damages are adjusted to \$2,500 per day to reflect the responsibility for shut-down of only pump station #2 as related to this contract.

No Change Of Cost

Item #13: This Item will delete part of Bid Item #37 for the site restoration at the Kemper-Campbell Ranch so it can be completed after the Alternate BNSF Crossing is completed.

Bid line #37 covered both the subcontract work to prepare the site for the construction work, and restoration work for the Ranch after the project sewer construction was complete. The Alternate BNSF Crossing Phase-2 project will not complete this railroad crossing until June of 2016. The restoration work will need to be completed after that time, so it will be removed from the Upper Narrows pipeline relocation project and added to the Alternate BNSF Crossing Phase-2 project by change order.

Decrease = -\$85,323.00

Item #14: Adjusts the bid Item quantities that have changed from those listed in the project bid documents, there are 7 items that have changed, and not listed above.

The Bid Documents provide the projected Bid Quantities as they are noted during the design phase. As the field and site conditions change these quantities may change, including the Lump Sum items. This final change Bid Item order will adjust these quantities to match the actual site conditions.

Bid Item #6: Pipe Ram pit and shoring was not completed because pipes ram deletion	-\$7,500.00
Bid #14A: Grind and overlay pavement restoration quantities were 896 SF less than bid.	- \$7,168.00
Bid #14B: Trench Pavement restoration quantities were 581 SF more than the bid total.	+\$2,905.00
Bid #27: Clean and abandon existing VVWR A Interceptor, 01% moved to Alt. BNSF.	-\$7,500.00
Bid #11C: Import clean fill, none was required for this project.	- \$37,500.00
Bid #33: Permit and fee Reimbursement was only 23% of the bid value.	-\$30,808.00
Bid #36: MTBM or TBM Rescue, this operation was not required.	-\$100,000.00

Increase = \$2,905.00

Decrease = -\$190,476.00

Item #15: Additional funding for the costs for the pre-cast Man Hole Cones manufactured for Man Holes VV-5-9 and UNI-10 which were transferred to the Alternate BNSF Crossing project.

These 2 Man holes were not transferred from the Upper Narrows Pipe project until August 05, 2015. The shop drawings were approved and fabrication was started in June of 2015. These are T-Lock lined concrete cones and the Alternate BNSF Phase-2 Man Holes have the coated interior, but the T-Lock lining cones can be compatible when set on top of the flat top MH cover. These will be delivered as additional material to VVWRA for use on BNSF Phase-2.

Increase = \$5,627.89

Item #16: Additional funding covers the 5/8" double braid nylon ropes placed into each of the 16" siphon pipes under the river and railroad tracks.

The contractor was requested to purchase and install 2-2000' lengths of 5/8" double braid nylon ropes with 5' spliced soft eyes at each end. The 2000' length of each is required because of the Contractors repair to the Siphon pipes could result in additional maintenance as the Hydraulics of the Siphon could reduce over the years. VVWRA tested these ropes to confirm they would work in the 16" siphon pipes, and then removed them to put with the maintenance equipment for future use with these Siphon pipes.

Increase = \$4,401.65. Note: This was not called out in the specifications but requested in keeping with the overall project concept of not improving the project but in being made whole. Prior to damage our interceptor had manholes for access at usable spacing. The installed inverted siphon is 1700 feet between manholes and completely inaccessible. Having a line installed gives VVWRA a useful starting point for any maintenance of this inaccessible pipe.) CalOES considers this an elective outside cost and not a direct disaster recovery project cost and therefore not an eligible cost (-\$4,401.65).

Item #17: Additional funding for the costs related to the upper Narrows pipeline project coordination with the Alternate BNSF Crossing Phase-1 project where two contracts intersect at the Man Hole UNI-9.

The Alternate BNSF Crossing contract installed the new 48" HDPE sanitary sewer and got to the connection point before the Upper Narrows Pipeline project had completed the construction of the new MH UNI-9. At that time the Upper Narrows contractor still had the steel 'Z' pile shoring in place. The Alternate BNSF contractor (Apple Valley Construction) had to cut the top off of 4.5' of these 50 foot long 'Z' piles to install the 48" HDPE pipe to MH UNI-9. Once the top is cutoff the bottom section cannot be removed either so the shoring subcontractor lost 4.5' complete 50 foot long shoring piles, and the cost associated with those cut piles is \$29,295.30. The Man Hole subcontractor also had extra cost for overtime work and to form a thimble to connect the new 48" HDPE into MH UNI-9 and the cost related to that subcontractor work is \$5,554.29.

Increase = \$34,849.59. Note: The coordination of these two contractors was done on best available information for scheduling the interconnection of the projects. The Alternate Crossing project was aggressively scheduled so that the overall project would not be negatively impacted. As it developed, the original Contractor ran into more delay items than the Alternate Crossing Contractor. These could not have been foreseen. When these delays developed it was determined it could not delay the tie-in of the two projects without incurring a new set of unidentified costs and possibly impact the important and sensitive crossing under the BNSF railroad. The decision was made to make the connection and accept that there would be a loss of some of the shoring material but that the BNSF crossing would not be impacted and the project schedule would not be further impacted.) Sub-recipient stated: We knew that in this situation that either contractor would be able to claim additional costs. The KEY was that by moving forward with this option we were able to connect all the flow from all of Hesperia, all of Spring Valley Lake and about 60% of the flow from Victorville in to the new pipeline. This equates to about 7mgd of the 8 mgd flowing through the emergency HDPE bypass pipe at this location. As you know the emergency HDPE pipe conveying this flow had been exposed to sunlight for over three years longer than it was manufactured to do. We were concerned that the emergency bypass pipe could develop issues which might lead to a spill of sewage in to the Mojave River again and we wanted to eliminate as much flow as possible through that line.

Secondly due to the damage done to the inverted siphon we were uncertain when we would be able to perform that connection. Therefore we felt it was prudent to reduce the flow in the emergency bypass pipeline ASAP and therefore reduce the impact of that pipeline having to continue to carry the significantly less flow from Apple Valley.

Contract Change Order #6 Total \$468,021. Increase

Item #1 Direct cost related to the Rock Differing Site Conditions.

There was additional impact and cost to the contract due to the differing actual soil conditions as to the core samples. This increase = \$180,595.24

Item #2 Additional indirect costs directly related to the rock differing site conditions for rock tunneling. This increase = \$222,103.00.

Item #3 this item relates to the cost of the restoration of Kemper Campbell Ranch after the construction work was completed. This increase = 65,323.00.

Conclusion: Due to the scope and complexity of the project and the numerous obstacles that were encountered the cost overruns are reasonable and reimbursable for this project.

F.I.R. Eligible = \$35,984,046.35

CalOES Opinion Regarding OIG Audit Reports:

Cal OES recommends FEMA refute the OIG's position that VVWRA officials provided FEMA incorrect information about the cost of the executed project and alternatives along with the OIG's position that VVWRA did

not properly manage \$32 million in FEMA grant funds. As such, Cal OES recommends FEMA approve \$44,547,395.71 in eligible Public Assistance funding for VVWRA.

After reviewing VVWRA's responses to the OIG audits and back-up documentation, Cal OES has determined that VVWRA did not mislead FEMA or provide incorrect information. Further, Cal OES has determined that VVWRA complied with federal regulations in the administration of awarded Public Assistance grant funds. Below is a brief summary that touches on the highlights of the OIG's findings and summarizes Cal OES' baseline arguments in support of its recommendation. The summary below does not encompass or detail all claims, arguments, testimony, evidence, or item of back-up documentation the VVWRA has provided to Cal OES, the OIG, and FEMA in support of its rebuttals to the OIG audit reports.

The OIG's January 24, 2017 Report

On January 24, 2017, the OIG published its first audit report of the VVWRA. In that report, the OIG found that the VVWRA did not perform cost/price analyses of bid proposals to ensure fair and reasonable costs; follow its own procurement policy and federal regulations when evaluating and selecting its contractors; include all mandatory federal provisions in contracts to document rights and responsibilities of the parties; maintain records sufficient to detail the significant history of its procurements; maintain an adequate contract administration system that included careful review of invoices; or include a ceiling price in time-and-material contracts that contractors exceed at their own risk.¹

1) The OIG allegation that VVWRA did not did not perform cost/price analyses of bid proposals to ensure fair and reasonable costs.

VVWRA has demonstrated that its construction contracts were procured through a competitive bid process and its engineering contract was procured pursuant to the emergency procurement process afforded during a local and state declared emergency. The OIG claims a cost/price analysis was not performed on any of its contracts and nor were the contracts consistent with federal cost principles. However, VVWRA ensured fair and reasonable prices and costs when they compared bids submitted by competitors and relied on other hired contractors to provide independent cost estimates. Furthermore, federal cost principles were honored through the "not to exceed" structure of its contracts. Subsequent change orders and modifications made to VVWRA's contracts that caused the "not to exceed amounts" to be exceeded were created by unforeseen conditions at the job site, a topic argued at length by VVWRA in the provided back-up.

2) The OIG allegation that VVWRA did not follow its own procurement policy and federal regulations when evaluating and selecting its contractors.

VVWRA established that they followed their own procurement process. The OIG finding that VVWRA did not is based solely on VVWRA's scoring and evaluation of its engineering proposals, however, the OIG omitted the fact that VVWRA procured its engineering contract under the local and state laws that waive certain procurement requirements, such as competitive bidding. Though not required to do so under the emergency procurement laws, VVWRA took extra steps to ensure fair and competitive procurement of its engineering contract.

3) The OIG allegation that VVWRA did not include all mandatory federal provisions in contracts to document rights and responsibilities of the parties.

The OIG report also highlights that VVWRA did not include all mandatory federal provisions in contracts, but disregarded VVWRA's actions to immediately rectify any deficiencies related to federal provisions that may have been omitted from their contracts. VVWRA amended all of its contracts and retroactively inserted the mandatory provisions.

4) The OIG allegation that VVWRA did not maintain records sufficient to detail the significant history of its procurements.

¹ OIG-17-25-D, January 24, 2017, "Victor Valley Wastewater Reclamation Authority in Victorville, CA, Did Not Properly Manage \$32 Million in FEMA Grant Funds"

the OIG basis its allegation that VVWRA did not maintain records sufficient to detail the significant history of its procurements on the fact that VVWRA did not supply the OIG with all of its rating sheets used for evaluating its engineering contract. Again, since VVWRA procured its engineering contract under state and local emergency procurement laws, it was not under any obligation to follow its typical procurement process.

5) The OIG allegation that VVWRA did not maintain an adequate contract administration system that included careful review of invoices; or include a ceiling price in time-and-material contracts that contractors exceed at their own risk.

VVWRA asserts that the human error caused inadvertent inadequate contract administration that in total, accounted for approximately \$152,025 of a \$44 million dollar project. The percentage of error equates to approximately 3% of the total project and cover errors that are easily remedied at project closeout.

Again, subsequent change orders and modifications made to VVWRA's contracts that caused the "not to exceed amounts" to be exceeded were created by unforeseen conditions at the job site. This is a topic VVWRA argues at length in the back-up provided herein.

Recommendation

Cal OES has reviewed VVWRA's response to the OIG audit and back-up documentation and concurs with its explanation, claims, evidence, and documentation and finds that the OIG audit is not accurate in its portrayal of events that lead to its conclusion, failed to acknowledge relevant information and facts that could have reversed its findings, and did not acknowledge VVWRA actions to correct various findings. Therefore, Cal OES recommends FEMA refute the OIG's position that VVWRA did not properly manage \$32 million in FEMA grant funds.

The OIG's April 26, 2018 Report

On April 26, 2018, the OIG published its second audit report of the VVWRA. In that report, the OIG claimed VVWRA, through its main engineering contractor, provided incorrect information to the FEMA. FEMA relied on this information and awarded the Authority more than \$33 million to replace and relocate its wastewater pipeline.²

1) The OIG allegation that VVWRA overstated the costs for Alternatives #1 and #3.

The OIG claims VVWRA overstated two alternative projects by about 9 million dollars and understated the cost for alternative #2, the chosen alternative. VVWRA refutes this allegation extensively, stating essentially that, with the benefit of hindsight, the OIG's allegation mischaracterizes the facts and chose to focus on cost overruns with respect to alternative #2 without evaluating the very real potential practical and regulatory issues that may have hindered or substantially increased the costs of the other alternatives. The alternative that was chosen was developed over a period of two years with the involvement of Cal OES, FEMA, VVWRA, and VVWRA's engineering contractor, and at the start, represented a scope of work and cost that evolved for various legitimate and unpredicted reasons as time passed.

It should be noted that in its report, the OIG cites several legal and regulatory references to support their position that VVWRA misinformed FEMA. The citations used are only partial and, in some instances, they actually misstate FEMA's role and functions. This is important to emphasize as the legal authority relied on by the OIG contributed to their decision to de-obligate funding. One example of misstated law includes:

The OIG statement: "only disaster-related repair work is eligible for FEMA funding (44 CFR 206.223 (a) (1))."³

44 CFR 206.223(a) (1) actually reads, in pertinent part:

"to be eligible for financial assistance, an item of work must: (1) Be required as the result of the emergency or major disaster event;"

² OIG-18-62, April 26, 2018, "Victor Valley Wastewater Reclamation Authority, California, Provided FEMA Incorrect Information for Its \$33 Million Project"

³ Page 5, 8, OIG-18-62

There is a subtle difference between the OIG's paraphrasing and the actual text. The actual text better substantiates the concept of incidental repairs. The OIG claims ineligible, incidental repairs were used to inflate the costs of alternatives #1 and #3. When properly cited, 44 CFR 206.223(a)(1) would dictate that incidental repairs required as a result of an emergency or major disaster, are eligible costs.

2) The OIG allegation that VVWRA understated costs for Alternative #2.

According to the OIG, VVWRA's engineering contractor understated the costs of alternative #2 by millions. The OIG claims that VVWRA's engineering contractor represented to FEMA that the cost for alternative #2 would be around 13 million. VVWRA refutes these facts entirely and has provided significant back-up that demonstrates its engineer communicated with FEMA on many occasions regarding the potential costs involved with alternative #2 and cites to an email sent from its engineer to FEMA wherein the engineer estimates the cost of alternative #2 to be approximately \$20,000,000.

The OIG claims VVWRA repeatedly misinformed FEMA about the cost of the alternatives. However, VVWRA refutes each and every claim of misinformation, something the OIG failed to acknowledge in their report. VVWRA has provided significant documentation, evidence, and back-up that documents its claim that FEMA was never mislead or misinformed.

the OIG also states that VVWRA withheld information regarding the discovery of increased costs associated with alternative #2 and did not inform FEMA or Cal OES with updated cost estimates that would have informed them of the substantially high cost associated with alternative #2. VVWRA asserts FEMA and Cal OES were informed of the high cost associated with option #2 and that FEMA played a role in developing the cost estimates for alternative #2.

The OIG misstates the legal authority it relies on to discredit VVWRA when they accuse it of not communicating with FEMA and Cal OES. This is important to emphasize as the legal authority relied on by the OIG contributed to their decision to de-obligate funding. The OIG asserts, "FEMA policy requires applicants (e.g., [VVWRA]) to notify California (and thus FEMA) as soon as possible when they discover additional work or funds are needed."⁴ The OIG goes on to conclude that VVWRA "did not comply with this requirement."⁵ The OIG's conclusions are based on an inaccurate representation of FEMA policy under FEMA 322. The provision of FEMA 322 cited by the OIG provides in relevant part as follows:

"For large projects, when a change in scope or a need for additional funding is discovered, the applicant *should* notify the State as soon as possible."⁶

The use of the term "should" in FEMA 322 demonstrates the intended purpose of the provision is to recommend, versus mandate, applicants notify the State when a change in scope or a need for additional funding is discovered. If the regulation intended to impose a mandatory obligation on the applicant, the term "must" would have been used.

Recommendation

Cal OES has reviewed VVWRA's response to the OIG audit and back-up documentation and concurs with its explanation, claims, evidence, and documentation and finds that the OIG audit misstates law, does not accurately portray the events at issue and failed to acknowledge critical facts that invalidate the OIG's position. Therefore, Cal OES recommends FEMA refute the OIG's position that VVWRA did not properly manage \$33 million in FEMA grant funds.

Conclusion

Cal OES recommends FEMA refute the OIG's position that the VVWRA provided FEMA with incorrect information and recommends it approve \$44,547,395.71 in eligible Public Assistance funding. Cal OES basis this

⁴ Page 13, 15, OIG-18-62

⁵ Page 13, OIG-18-62

⁶ FEMA Public Assistance Guide, FEMA 322, June 2007 at 140.

recommendation on the Final Inspection Report and associated documentation, VVWRA responses to the OIG audits, and approximately 1,300 pages of back-up documentation provided by the VVWRA.

Note: Cal OES asked VVWRA various questions regarding the April 26, 2018 OIG Report. VVWRA response to the questions can be found in the accompanied binder titled: VVWRA response to CalOES questions regarding OIG report April 26, 2018.

Large Project

<u>PW #1136</u>	Category B	Approved For \$2,414,395.52
<u>PW #1136 -1</u>	Category B	Approved For \$3,522,877.48
<u>PW #1136 -2</u>	Category B	Approved For \$2,017,467.00

Combined Approved:

\$7,954,740.00

The damaged sewer pipeline required an immediate response to stop the raw sewage release into the Mojave River. To eliminate this imminent threat to public health a temporary emergency bypass was immediately constructed to pump the sewage to the wastewater treatment plant. The bypass temporally replaces the 5000 lineal feet of damaged sewer pipeline.

VVWRA provided force account labor, materials, force account and rented equipment and contracted services to construct a temporary, above grade, force main, bypass pipeline. Access to the area and a portion of the staging area is located on the BNSF railroad property. The system included two pump stations, constructed of 3000 feet of 28 inch High Density Polyethylene Pipe (HDPE) that connected site 1 to site 3, the construction of 2000 feet of 18 inch HDPE that MH 5-8 to MH 4, the construction of 120 feet of 36 inch pipe bridge that spans the Mojave River and is supported by three 12 inch by 12 inch steel I-beams, two guard sheds, one storage shed, personnel to monitor the system, and 24 hour security services.

The temporary bypass was required to stay operational until completion of the permanent repair project PW 828 had been completed and online. PW 1136-2 was funded to 5-25-2015 for the current approved amount \$7,954,740.00 the actual completion date was 10-26-2016. Last time extension was to 11-6-2016. The actual cost came to \$8,336,217.00 indicating an overrun of \$ 381,477.00. The overrun was due to the additional operating days past the last funding adjustment.

A sampling of the invoicing was conducted and reviewed 17 out of 57 claims or 30% totaling \$4,630,847.47 of the actual amount \$8,336,217.00 or 56%.

Conclusion: Due to the additional operating time from the last funding adjustment to the actual end of construction the overrun is reasonable and reimbursable.

Note: See Binder 2 of 3 for complete Summary.

F.I.R. Eligible = \$8,336,217.00

Large Projects

<u>PW #891</u>	Category F	Approved For \$65,029.37
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This project was for the damage caused from a damaged 36 inch sewer main infiltrated by sand and silt under the Mojave River. The sand and silt traveled through the pipeline to the wastewater treatment plant destroying impellers in seven pumps. The actual cost \$47,819.00 came in less than the estimated approved amount of \$65,029.37 resulting in an underrun of \$17,210.37. This project was 85% complete at the time of original inspection. The project was completed using the approved scope and time allowance.

Conclusion: De-obligate \$17,210.37 to adjust for actual cost of \$47,819.00.

Note: See Binder 3 of 3 for complete Summary.

F.I.R. Eligible = \$47,819.00

Large Projects

<u>PW #892</u>	Category F	Approved For \$163,387.03
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During the event a rockslide covered and damaged the 36 inch main sewer line at several locations. The repairs were 85% complete at the time of the original site inspection. The actual repair costs totaled \$154,373.00 less than the estimated approved amount \$163,387.03 resulting in an underrun of \$9,014.03. The project was completed using the approved scope and time allowance.

Conclusion: De-obligate \$9,014.03 to adjust for actual cost of \$154,373.00.

Note: See Binder 3 of 3 for complete Summary.

F.I.R. Eligible = \$154,373.00

Conclusion/Recommendation:

At the time of the Final Inspection, all projects are 100% complete and within the approved SOW and approved time limits prescribed in 44CFR 206.205. It is the recommendation of this inspector that this application be funded as noted in the table below:

Conclusion/Recommendation:				
	FEMA Initial Approved Amount	Sub-grantee Claimed Amount	Cal EMA Recommended Amount	Adjustment
Total for All Small Projects	\$24,940.36	\$24,939.00	\$24,940.36	\$0.00
Total for All Large Projects	\$41,307,158.40	\$44,530,142.57	\$44,522,455.35	\$3,215,296.95
Total	\$41,332,098.76	\$44,555,081.57	\$44,547,395.71	\$3,215,296.95

All pertinent information and supporting documentation are attached to the original PW or this FIR and are on file with the sub-grantee and ready for review. In accordance with 44 CFR 206.205, the recommended eligible amount for this application is **\$44,547,395.71** Cal OES considers this application closed.

Note: See Sub-Recipient's response to the OIG report located in 3 binders titled: Memorandum to CalOES & FEMA regarding OIG Reports & Recommendations.

State Inspector: *David Rogers*, DAPSII

Signed _____

Date:

6/28/18

The undersigned has reviewed this FIR and concurs with the recommendation.

Reviewed by: David Gillings, PMII

Signed: _____

Date:

6/29/18

**Environmental
Recommendation from
Tom Dodson**

Attachment 3

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



June 6, 2018

Ms. Kathleen Rollings-McDonald
Local Agency Formation Commission
1170 West Third Street, Unit 150
San Bernardino, CA 92415-0490



Dear Kathy:

The Local Agency Formation Commission (LAFCO) is conducting a Countywide Service Review for Wastewater management agencies. This service review is segregated by the County's subregions for presentation purposes as follows:

- Valley
- Mountains
- North Desert
- South Desert

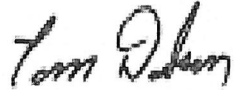
This Service Review will be accepted and filed by the Commission without taking any action that could change the environment. As we have learned from previous service reviews, only when the subsequent step is taken to physically revise the jurisdictional boundary or to provide new services does a potential for physical change in the environment occur. Thus, the proposed action presented above is not judged to pose any identifiable adverse changes to the physical environment.

Therefore, I recommend that the Commission find that a Statutory Exemption (as defined in the California Environmental Quality Act, CEQA, the "General Rule") applies to this Service Review under Section 15061(b)(3) of the State CEQA Guidelines, which states: "A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." It is my opinion, and recommendation to the Commission, that this circumstance applies to the Countywide Service Review for Wastewater.

In this case, adopting the proposed action does not alter the existing operations or obligations of the affected wastewater management agencies and does not adversely affect any existing physical facilities. Based on this Service Review and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that it does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate determination to comply with CEQA for this action. The Commission can approve this review and finding for this action and I recommend that you notice the Service Review as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline section cited above. The Commission needs to file a Notice of Exemption (NOE) with the County Clerk of the Board for this action once it is completed.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dodson". The signature is written in a cursive, slightly slanted style.

Tom Dodson

Countywide Service Review for Wastewater

Attachment 4

LAFCO 3190

ATTACHMENT 4 – Countywide Service Review for Wastewater

Due to the size (537 pages) and scope of the service review, the document was provided in advance of the staff report to allow additional time for review. The service review was published July 20, 2018 with a copy provided to affected and interested agencies and County departments, as well as those agencies and individuals requesting mailed notice. A copy of the report was also available at the LAFCO office. The service review was made accessible on the LAFCO website on July 21, 2018, via the link below:

<http://www.sbclafco.org/Proposals/ServiceReviews/WWSR.aspx>

Draft Resolution
No. 3270

Attachment 5

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

PROPOSAL NO.: LAFCO 3190

HEARING DATE: AUGUST 15, 2018

RESOLUTION NO. 3270

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3190 – COUNTYWIDE SERVICE REVIEW FOR WASTEWATER (COLLECTION, TREATMENT, DISPOSAL).

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

WHEREAS, a service review mandated by Government Code 56430 has been conducted by the Local Agency Formation Commission for San Bernardino County (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 his 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 15, 2018 at the time and place specified in the notice of public hearing and in any order or orders continuing the hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written support and opposition; 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 service review, in evidence presented at the hearing; and,

WHEREAS, at this hearing, this Commission certified that the service review 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 15, 2018. The Commission directed its Executive Officer to file a Notice of Exemption within five working days of its adoption; and,

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 June

RESOLUTION NO. 3270

20, 2018 and was recommended for acceptance and filing by the Commission on August 15, 2018, a complete copy the service review is on file in the LAFCO office.

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

- Each wastewater system identified in this review was provided a draft of the report for review and comment. Comments from the water purveyors are included in Appendix A of the service review.
- A meeting with LAFCO staff and affected agency representatives was held within each region (Valley on June 4, 2018; Mountain on May 31, 2018; North Desert on June 5, 2018; and South Desert on May 31, 2018) to review the draft service review and receive input.
- As required by State Law, notice of the hearing was provided through publication in newspapers of general circulation within the area, the *Big Bear Grizzly*, *Daily Press*, *Hi-Desert Star*, *Inland Valley Daily Bulletin*, *Mountain News*, and *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 State Law and Commission Policy, 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 of the hearing was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.
- Due to the size and scope of the report, the service review document was provided in advance of the staff report to allow additional time for review. The service review document was published June 20, 2018 and a copy was provided to affected and interested agencies and County departments, as well as those agencies and individuals requesting mailed notice. The service review document was also made accessible on the LAFCO website.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission for San Bernardino County, State of California, that this Commission shall:

1. Accept and file the Countywide Service Review for Wastewater, included as Exhibit A to this resolution, which sets forth the written statements for the six determinations outlined in Government Code Section 56430 as presented and as amended at the hearing.
2. Initiate a sphere of influence amendment for the City of Adelanto to determine the appropriate sphere of influence for the City.
3. Direct LAFCO staff to continue to monitor the Victorville Water District and the City of Victorville, and direct staff to return to the Commission six months following the completion of this service review.
4. Direct LAFCO staff to continue to monitor the Victor Valley Wastewater Reclamation Authority, and direct staff to return to the Commission six months following the completion of this service review.

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5. Identify the Twentynine Palms community as a “hot spot” and recognize that an opportunity exists for the community to develop a joint wastewater system with the nearby Marine Corps base.
6. For the Inland Empire Utilities Agency (“IEUA”):
 - a) Determine the following for IEUA service outside its boundary, as shown in Figure 3-3 to the service review in yellow color:
 - i. Parcels connected on or before January 1, 2001 are exempt from LAFCO review pursuant to Gov. Code §56133(e)(4).
 - ii. Parcels connected after January 1, 2001, including the currently developed parcels as listed by the City of Fontana per maps included in Attachment #1 to the staff report for LAFCO 3190 dated August 8, 2018, as a result of the 1995 settlement agreement between IEUA and the City of Fontana which outlines an agreement for services to be rendered by IEUA.
 - iii. Connecting the remaining unserved area will come under the provisions of Gov. Code §56133.5, which can be considered by the Commission through a blanket authorization for the entire area.
 - b) Reflect the following for IEUA in the LAFCO Policy and Procedure Manual, Section VI (Special Districts), Chapter 3 (Listing of Special Districts within San Bernardino County LAFCO Purview – Authorized Functions and Services), as these are the functions and services that IEUA has historically and actively provides:

<u>Water</u>	Wholesale, replenishment
<u>Sewer</u>	Collection, regional treatment, reclamation, disposal, recycled water, composting, non-reclaimable wastewater collection
<u>Energy</u>	Energy recovery and production
<u>Total Basin Management</u>	Planning for Chino hydrological basin

7. For the City of San Bernardino:

- a) Determine that the parcels identified in Section III of the service review were provided service on or before January 1, 2001 and are exempt from LAFCO review pursuant to Gov. Code §56133(e)(4).
- b) Request the City of San Bernardino submit an Out-of-Agency Service application to LAFCO to encompass all of the parcels that were provided

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wastewater service after January 1, 2001, to date, as identified in Section III of this report.

8. For the City of Upland, determine that its 1982 agreement with the City of Claremont and Los Angeles County Sanitation District is exempt from LAFCO review as it is:

- a) Service between two public agencies where the public service provided is an alternative to, or substitute for, public services already being provided by an existing public service provider (the City of Upland) and where the service provided is consistent with the level of service of the existing service provider (the City of Upland). (Gov. Code §56133(e)(1))
- b) An extended service that was provided on or before January 1, 2001. (Gov. Code §56133(e)(4))

9. For the City of Rialto:

- a) Determine that the three parcels identified in Section III of the service review provided service by the City of Rialto are exempt from LAFCO review as they are an extended service that was provided on or before January 1, 2001 pursuant to Gov. Code §56133(e)(4).
- b) Determine that the 1991 Rialto/Fontana Extraterritorial Wastewater Service Agreement is exempt from LAFCO review as it is:
 - i. Service between two public agencies where the public service provided is an alternative to, or substitute for, public services already being provided by an existing public service provider (the City of Rialto) and where the service provided is consistent with the level of service of the existing service provider (the City of Rialto). (Gov. Code §56133(e)(1)).
 - ii. An extended service that was provided on or before January 1, 2001. (Gov. Code §56133(e)(4)).
- c) Request the City of Rialto submit an Out-of-Agency Service application to LAFCO to encompass all of the City's other extraterritorial service agreements that have not been authorized by LAFCO to date.

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

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

RESOLUTION NO. 3270

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


I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, 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 August 15, 2018.

DATED: August ___, 2018

SAMUEL MARTINEZ
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: AUGUST 8, 2018 
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8: Update on LAFCO 3187 –
Countywide Service Review for Water Continued Monitoring

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Note receipt of status report and file.
2. Set the next status report for the February 2019 hearing for County Service Area 70 Zone W-4 (Pioneertown) and Daggett Community Services District.
3. Set the next status report for the February 2019 hearing for County Service Area 70 Zone J (Oak Hills). Should the amended agreement between County Special Districts Department and the City of Hesperia/Hesperia Water District be received by LAFCO in the interim, then an update at the February 2019 hearing would not occur.

BACKGROUND:

July 2017: Service Review

As a part of its Countywide Service Review for Water (LAFCO 3187), the Commission at its July 19, 2017 hearing directed staff to:

1. Monitor two board-governed agencies and provide an update to the Commission in six months:
 - a) County Service Area 70 Zone CG (Cedar Glen)
 - b) County Service Area 70 Zone J (Oak Hills)

2. Coordinate with Mojave Water Agency (“MWA”) to seek further assistance for the Daggett Community Services District through MWA’s Small Water Assistance Program.

Additionally, during the service review’s presentation significant public comment was provided regarding the water quality challenges of County Service Area 70 Zone W-4 (Pioneertown). The service review classifies CSA 70 W-4 as a “hot spot”, and the Commission questioned if there was a LAFCO solution for the matter. Staff responded that multiple agencies are involved, including the Federal Environmental Protection Agency, and that the Commission cannot initiate a change of organization related to this matter. However, due to significant challenges identified in the service review coupled with public comments, LAFCO staff also provided the Commission with an update on Zone W-4 as part of this report.

March 2018: First Updates to the Commission

The first updates were provided in March 2018 (staff report included as Attachment #1 to this report). Significant progress was made in improving the County Service Area 70 Zone CG system in Cedar Glen; therefore, the Commission closed monitoring of Zone CG.

August 2018: Second Updates to the Commission

The following includes the second updates to the Commission from LAFCO 3187 and includes the following agencies:

- County Service Area 70 Zone CG (Cedar Glen)
- Daggett Community Services District
- County Service Area 70 Zone W-4 (Pioneertown)

County Service Area 70 Zone J (Oak Hills)

July 2017: Service Review Summary

Below is the summary from the water service review for Zone J:

- Issue - 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.
- Staff Recommendation - *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.

March 2018: First Update to the Commission

The County Special Districts Department provided information identifying that the water contaminants do not currently exceed the MCL. However, staff's understanding of the State's reevaluation of the hexavalent chromium MCL is that the State will be re-adopting a lower MCL level but with adequate substantiation to support that level. As for the boundary irregularities and water exchange with the City of Hesperia subsidiary Hesperia Water District, progress towards forming a JPA is occurring.

While progress has been made, LAFCO staff recommends that the Commission direct staff to return at the August 2018 hearing, with an update on the Zone J system and the potential contractual relationship with the Hesperia Water District.

August 2018: Second Update to the Commission

Water Quality

County Special Districts Department has finalized its last pilot study on July 5, 2018 after meeting and reviewing it with the State on June 29, 2018 (see Attachment #2). No further actions are planned until such time as an MCL for Hexavalent Chromium is established.

Agreement with City of Hesperia/Hesperia Water District

Special Districts Department provided the following update:

“Based on the advice of County Counsel, the [Water and Sanitation] Division has made a few more format changes to the Agreement with the City of Hesperia so now it will be an amendment to the original 2004 agreement. This will be amendment number 2 and it adds annexation area [LAFCO] 3166 to the agreement and also addresses the water exchange details necessary to continue providing water service to the annexed areas until Hesperia physically separates the water systems. The language of the amendment is essentially the same as the MOU that we previously drafted. This amendment was sent back to the City of Hesperia earlier this week. If Hesperia has no further changes then they'll provide a date for their City Council to approve and we'll then send the amendment to LAFCO for consideration of the Commission.”

LAFCO Analysis

As a part of the Countywide Service Review for Water, Zone J was classified as a “hot spot” due to the water quality challenges it faces, as well as lingering boundary irregularities that have patch work fixes.

County Special Districts Department has finalized its last pilot study, and is waiting for the revised MCL for Hexavalent Chromium to be established by the State.

For lingering boundary issues between County Special Districts Department and the City of Hesperia/Hesperia Water District, the City is anticipated to consider the agreement for approval in late August. The County Board would then need to approve the agreement. LAFCO staff anticipates that the amended agreement will be received by LAFCO in the near future for review.

While progress has been made, LAFCO staff recommends that the Commission direct staff to return at the February 2019 hearing with an update on the Zone J system. Should the amended agreement between County Special Districts Department and the City of Hesperia/Hesperia Water District be received by LAFCO in the interim, then an update at the February 2019 hearing would not occur.

Daggett Community Services District

July 2017: Service Review Summary

Below is the summary from the water service review for Daggett CSD:

- Issue - 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.
- Staff Recommendation - *Reaffirm the Commission's position that Daggett CSD and Yermo CSD have a combined sphere of influence signaling the Commission's position for consolidation. Further, the Commission directed LAFCO staff to coordinate with Mojave Water Agency to seek further assistance for the Daggett Community Services District through MWA's Small Water Assistance Program.*

March 2018: First Update to the Commission

The CSD is taking any and all efforts not to be on the radar for a potential SB 88 consolidation required by the State Water Board with the adjacent Yermo System of Liberty Utilities (private water company). Mojave Water Agency ("MWA") and the California Rural Water Association ("CRWA") are actively engaging with the CSD on its water and managerial challenges.

For water challenges, a Proposition 1 Technical Assistance Grant was awarded to the CSD in the amount of \$325,657 from the State Water Resources Control Board in December 2016. The Technical Assistance Funding Agreement describes water distribution system and water quality deficiencies as well as anticipated solutions to these issues. CRWA is the non-profit that is performing the technical assistance work with the CSD.

According to the data provided by MWA, water quality treatment does not appear to be a viable option for the CSD and that locating good quality groundwater in the service area, or near the service area, of Daggett CSD was necessary. In January 2018, MWA provided CRWA with data of wells and associated water quality within or near the CSD.

The next steps are for submission of an Engineering Report to the SWRCB which would identify a plan of action to include new well locations. If approved, the construction schedule for the potential project would be based on a timeline established by SWRCB.

As for managerial challenges, CRWA assisted the CSD in developing mechanisms for more efficient billing, organization, and rate setting. However, the CSD is a small office and recently hired a new general manager. Further, LAFCO has requested the 2015 and 2016 audits from the CSD, and the CSD was not able to provide these documents. Therefore, managerial challenges persist.

August 2018: Second Update to the Commission

Mojave Water Agency has provided the following update on Daggett CSD's participation in MWA's Small Water System Assistance Program.

- Since the last LAFCO update, the Engineering Report created by California Rural Water Association ("CRWA") has been finalized and submitted to the State Water Resources Control Board.
- CRWA staff spent a day with Daggett CSD staff to inspect and identify production wells both currently in production and not in service. This gave CRWA a better understanding of the wells in the area and which Daggett CSD wells are not in service. They also looked for viable locations for a new production well based off of water quality and water level data provided by Mojave Water Agency.
- CRWA met with Mojave Water Agency staff to discuss alternative water supplies in the region as well as the water rights situation that is currently effecting Daggett CSD.
- Engagement of Daggett CSD Board and staff have increased since the Small Water System Assistance Program and CRWA has been more involved. They now have a State Water Resources Control Board Distribution 1 operator on staff.
- Daggett CSD has brought on a tank manufacturer, Paso Robles Tank, to assess their storage tank conditions and propose possible solutions.

The next step for Daggett CSD is to utilize Proposition 1 grant funding. They are slated to undergo a rate study with a rate increase that can comply with Proposition 218. MWA and CRWA will continue to be actively engaged with the Daggett CSD on their technical, managerial, and financial challenges into the future.

LAFCO Analysis

The adjacent Yermo CSD is not a water provider; rather, Liberty Utilities (a private company) is the water provider for a portion of the Yermo community that is not provided service through wells or the Daggett CSD. A potential consolidation of the two systems could be undertaken by the State Water Board under the provisions of SB 88.

The managerial issues persist at the Daggett CSD and require outside assistance. In addition, assistance from outside entities is needed to increase the water system's supply source, safety, and effectiveness.

While progress has been made, LAFCO staff recommends that the Commission direct staff to return at the February 2019 hearing with an update on the Daggett CSD system.

County Service Area 70 Zone W-4 (Pioneertown)

July 2017: Service Review Summary

Below is the summary from the water service review for CSA 70 Zone W-4:

- Issue - 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.
- Staff Recommendation – *No Commission action because zones do not have spheres of influence. See “Opportunities” below.*
- Opportunities - 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.

March 2018: First Update to the Commission

On October 31, 2017, the County Board of Supervisors took actions related to the Zone W-4 water system, to include:

- Approving the submittal of a grant application to the United States Department of Agriculture (USDA)-Rural Development requesting federal funding in the amount of \$2,500,000 for the Pioneertown Pipeline and Water System Improvement Project.
- Approving the Water Exchange Agreement with the Hi-Desert Water District (HDWD) allowing Zone W-4 access to groundwater within the Warren Valley Sub-basin in exchange for an equal amount of groundwater provided to HDWD from within the Ames/Reche Basin pursuant to the water rights of Zone W-4 for a term of 20 years, with an annual service and exchange charge to Zone W-4 of \$1,000 that increases by 5% after each five years of the agreement.

The Water Exchange Agreement with HDWD is a required stipulation to both SWRCB and USDA grant funding, as the Project is not viable without securing a clean water source. On December 12, 2017, the HDWD approved the Water Exchange Agreement with the County.

August 2018: Second Update to the Commission

At its June 26, 2018 hearing, the County Board of Supervisors:

- Rejected all bids submitted for the Pioneertown Water Pipeline Project and found they are nonresponsive for omitting one or more of the specialty contractors licenses as required by the bid documents.
- Approved revised plans and specifications for the Pioneertown Water Pipeline Project and authorize the Special Districts Department to advertise for competitive bids.

Sealed bids are currently scheduled to be submitted by 2:00 p.m. on August 15, 2018.

LAFCO Analysis

As a part of the Countywide Service Review for Water, Zone W-4 was classified as a “hot spot” due to the water quality challenges it faces. No Commission action was recommended as the water system is a county service area zone, which do not have spheres of influence. Further, Zone W-4 is already within the sphere of influence of HDWD. Therefore, the service review did not have any recommendations for Commission action.

While the bid process is moving forward, LAFCO staff recommends that the Commission direct staff to return at the February 2019 hearing, with an update on the Zone W-4 system.

CONCLUSION:

Due to issues identified in the Countywide Service Review for Water in July 2017, the Commission directed staff to return in six months with updates for three water systems. Additionally, staff included an update for the CSA 70 Zone W-4 system due to the gravity of the situation related to water quality.

Staff recommends that the Commission:

- Set the next status report for the February 2019 hearing for County Service Area 70 Zone W-4 (Pioneertown) and Daggett Community Services District.
- Set the next status report for the February 2019 hearing for County Service Area 70 Zone J (Oak Hills). Should the amended agreement between County Special Districts Department and the City of Hesperia/Hesperia Water District be received by LAFCO in the interim, then an update at the February 2019 hearing would not occur.

SM/MT

Attachments:


1. [LAFCO Staff Report from March 2018 Hearing \(with links to the attachments\)](#)
2. [County Service Area 70 Zone J \(Oak Hills\) - Pilot Study Report July 2018 \(without appendices\)](#)
3. [County Service Area 70 Zone W-4 \(Pioneertown\) - County Board Agenda Item 68 from June 26, 2018](#)

**LAFCO Staff Report from
March 2018 Hearing
(with links to the
attachments)**

Attachment 1

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MARCH 12, 2018 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #5: Update on LAFCO 3187 – Countywide Service Review for Water Continued Monitoring
(Continued from February 21, 2018 hearing)

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Note receipt of status report and file.
2. Close monitoring of County Service Area 70 Zone CG (Cedar Glen).
3. Set the next status report for the August 2018 hearing for County Service Area 70 Zone J, County Service Area Zone W-4, and Daggett Community Services District.

BACKGROUND:

At the February 21, 2018 hearing, the Commission continued this item to the March hearing. The report in its entirety is presented below.

As a part of its Countywide Service Review for Water (LAFCO 3187), LAFCO at its July 19, 2017 hearing directed staff to:

1. Monitor two board-governed agencies and provide an update to the Commission at the February 2018 hearing:
 - A. County Service Area 70 Zone CG (Cedar Glen)
 - B. County Service Area 70 Zone J (Oak Hills)

2. Coordinate with Mojave Water Agency (“MWA”) to seek further assistance for the Daggett Community Services District through MWA’s Small Water Assistance Program.

Resolution No. 3248 for LAFCO 3187 memorialized the Commission’s actions, and this staff report provides the updates directed by the Commission.

Additionally, during the service review’s presentation significant public comment was provided regarding the water quality challenges of County Service Area 70 Zone W-4 (Pioneertown). The service review classifies CSA 70 W-4 as a “hot spot”, and the Commission questioned if there was a LAFCO solution for the matter. Staff responded that multiple agencies are involved, including the Federal Environmental Protection Agency, and that the Commission cannot initiate a change of organization related to this matter. However, due to significant challenges identified in the service review coupled with public comments, LAFCO staff is also providing the Commission with an update on CSA 70 W-4.

County Service Area 70 Zone CG (Cedar Glen)

Agency and Area Description

County Service Area 70 Zone CG (“Zone CG”) is governed by the County Board of Supervisors, and is located in the Mountain Region adjacent to the Lake Arrowhead community. In 2005 the County Board formed CSA 70 Zone CG for the purposes of providing water and future road maintenance service to the area impacted by the Old Fire of 2003 (Cedar Glen Disaster Recovery Redevelopment Project Area). The Zone provides water service to the community of Cedar Glen and serves approximately 1,221 customers (330 connections).

Service Review Recap

Below is the summary from the water service review for Zone CG:

- Issue - 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.
- Staff Recommendation - *Direct staff to continue to monitor the Zone CG system and provide an update to the Commission by February 2018.*

Update

The County Special Districts Department is continuing to improve the water system with many projects to ensure that customers in Cedar Glen have a safe potable water supply now and in the future. The Department has already completed numerous pipeline projects, valve and hydrant projects, and the construction of Western Tank. The following is a list of current projects now in process:

Project	Location	Project Stage	Anticipated Construction Completion
Cypress Tank Construction	Located on Cypress Road	Construction phase	March 2018
Cypress Tank Pipeline Project	Located on Cypress Road	Design phase – 100%	October 2018
Hook Creek Pneumatic Tank Site	Located on Hook Creek Road	Design phase – 100% completed	October 2018
Horizontal Well Site - Pump Station	Located off of Pineridge	Design phase – 100% completed	December 2018
Cypress Tank Site – Pump Station	Located on Cypress Road	Design phase – 100% completed	January 2019

LAFCO Analysis

As a part of the Countywide Service Review for Water, Zone CG was classified as a “hot spot” due to the infrastructure challenges it faces. No Commission action was recommended as the water system is a county service area zone, which do not have spheres of influence.

The County Special Districts Department has provided information that shows improvements to the failing system that the County purchased. Therefore, LAFCO staff recommends that no further formal monitoring occur.

County Service Area 70 Zone J (Oak Hills)

Agency and Area Description

County Service Area 70 Zone J (“Zone J”) is governed by the County Board of Supervisors,. The zone provides funding for retail water service to 12,143 customers (3,282 connections) in Oak Hills within the Hesperia community.

Service Review Recap

Below is the summary from the water service review for Zone J:

- Issue - 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.

- Staff Recommendation - 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.

Update

County Special Districts Department provide the following update to the Zone J system:

While the district currently does not exceed the MCL for total chromium and is not currently in violation of hexavalent chromium, the Department continues to evaluate the elevated hexavalent chromium in CSA 70 J and continues to monitor the State's re-evaluation of the hexavalent chromium MCL. The Department conducted three pilot studies in CSA 70 J in 2017 to evaluate the removal of hexavalent chromium, including: Layne Christensen Company conducted Zone Testing at Well #1; Layne Christensen Company conducted a pilot of Weak Based Anion hexavalent chromium removal; and Water Remediation Technology (WRT) pilot tested packed-bed media filtration for hexavalent chromium removal. The Department is continuing to keep apprised of the State's action regarding this issue and should the State set an MCL for hexavalent chromium, the Department is evaluating and monitoring Coachella Valley Water District's pilot test in which stannous chloride is being used to convert chromium-6 to chromium-3, which is a nutrient that the body needs to process certain sugars, fats, and proteins.

The Department is continuing to work with the City of Hesperia [Hesperia Water District] on a Joint Powers Agreement to manage the water system and water exchange in those areas where CSA 70 J is providing water service within the City of Hesperia. County Counsel has reviewed the agreement and it was sent to the City of Hesperia. The City had comments and questions that the County is currently answering. The County is anticipating to have the agreement sent back to the City in March 2018 for their review

LAFCO Analysis

As a part of the Countywide Service Review for Water, Zone J was classified as a "hot spot" due to the water quality challenges it faces, as well as lingering boundary irregularities that have patch work fixes. No Commission action was recommended as the water system is a county service area zone, which do not have spheres of influence.

The County Special Districts Department has provided information identifying that the water contaminants do not currently exceed the MCL. However, staff's understanding of the State's reevaluation of the hexavalent chromium MCL is that the State will be re-adopting a lower MCL level but with adequate substantiation to support that level. As for the boundary

irregularities and water exchange with the City of Hesperia subsidiary Hesperia Water District, progress towards forming a JPA is occurring.

While progress has been made, LAFCO staff recommends that the Commission direct staff to return at the August 2018 hearing, with an update on the Zone J system and the potential contractual relationship with the Hesperia Water District.

Daggett Community Services District

Agency and Area Description

Daggett is an unincorporated community located in the North Desert Region of San Bernardino County. The town is located along Interstate 40, ten miles east of Barstow. The community has a population of approximately 300 residents. The community was founded in 1883 just after the discovery of silver in the mines near Calico to the north. The Daggett Community Services District ("CSD") is authorized by LAFCO to provide water, streetlighting, fire protection, and park and recreation services. The CSD's water service area includes 26 square miles, extending into the Yermo CSD territory which includes Yermo High School and the Silver Valley Unified School District offices. The CSD serves potable water through 196 residential and commercial service connections serving a population of approximately 500 residents. The CSD's groundwater basin is adjudicated, and Mojave Water Agency is the Watermaster.

Service Review Recap

Below is the summary from the water service review for the CSD:

- Issue - 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.
- Staff Recommendation - *Reaffirm the Commission's position that Daggett CSD and Yermo CSD have a combined sphere of influence signaling the Commission's position for consolidation.*

Senate Bill 88 (2015) authorizes the State Water Board to order consolidation with a receiving water system where a public water system¹, or a state small water system² within a disadvantaged community³, consistently fails to provide an adequate supply of safe drinking water. This law expedites permanent solutions for failing water systems and those

¹ A public water system is a system that supplies water that has 15 or more service connections or regularly serves 25 individuals daily at least 60 days out of the year.

² A state small water system is a system which provides water to the public that serves 5 to 14 service connections and does not serve more than an average of 25 people for more than 60 days of the year.

³ "Disadvantaged community" means a disadvantaged community, as defined in Section 79505.5 of the Water Code, which is located in an unincorporated area or is served by a mutual water company.

that have run out of water. Consolidation may involve physical consolidation of the participating water systems, management of the participating water systems, or both.

Update

The CSD is taking any and all efforts not to be on the radar for a potential SB 88 consolidation required by the State Water Board with the adjacent Yermo System of Liberty Utilities (private water company). MWA and the California Rural Water Association ("CRWA") are actively engaging with the CSD on its water and managerial challenges.

For water challenges, a Proposition 1 Technical Assistance Grant was awarded to the CSD in the amount of \$325,657 from the State Water Resources Control Board in December 2016. The Technical Assistance Funding Agreement describes water distribution system and water quality deficiencies as well as anticipated solutions to these issues. California Rural Water Association ("CRWA") is the non-profit that is performing the technical assistance work with the CSD. CRWA has been intermittently on-site at the CSD since late 2017 performing multiple tasks that are outlined in the approved Needs Assessment and Work Plan.

According to the data provided by MWA, water quality treatment does not appear to be a viable option for the CSD and that locating good quality groundwater in the service area, or near the service area, of Daggett CSD was necessary. In January 2018, MWA provided CRWA with data of wells and associated water quality within or near the CSD.

The next steps are for submission of an Engineering Report to the SWRCB which would identify a plan of action to include new well locations. If approved, the construction schedule for the potential project would be based on a timeline established by SWRCB.

As for managerial challenges, CRWA assisted the CSD in developing mechanisms for more efficient billing, organization, and rate setting. However, the CSD is a small office and recently hired a new general manager. Further, LAFCO has requested the 2015 and 2016 audits from the CSD, and the CSD was not able to provide these documents. Therefore, managerial challenges persist.

LAFCO Analysis

As a part of the Countywide Service Review for Water, the Commission reaffirmed its position that Daggett CSD and Yermo CSD have a combined sphere of influence signaling the Commission's position for consolidation. Although a consolidation of Daggett CSD and Yermo CSD would provide pooled resources for improved management of the entities the communities have expressed distaste for such a measure. Historically San Bernardino LAFCO has been reluctant to move forward to initiate a consolidation, opting instead to try to encourage districts or communities to resolve their issues. Initiation by the Commission to consolidate would bypass the boards and place the matter for final approval by a protest vote of the registered voters. Further, a proposal initiated by the Commission (consistent with the recommendations or conclusions of the Water Service Review) and subsequently

approved by the Commission would change the protest process to a lower threshold. Therefore, this option has the least chance of success.

However, the adjacent Yermo CSD is not a water provider; rather, Liberty Utilities (a private company) is the water provider for a portion of the Yermo community, not provided service through wells or the Daggett CSD. Any potential consolidation of the two systems would be through the State Water Board under the provisions of SB 88.

The managerial issues persist at the Daggett CSD and require outside assistance. In addition, assistance from outside entities is needed to increase the water system's supply source, safety, and effectiveness.

While progress has been made, LAFCO staff recommends that the Commission direct staff to return at the August 2018 hearing, with an update on the Daggett CSD system.

County Service Area 70 Zone W-4 (Pioneertown)

Agency and Area Description

The domestic water system of County Service Area 70 Zone W-4 (Zone W-4), which has been maintained and managed under the County Special Districts Department's Water and Sanitation Division since 1980, has 120 service connections in the desert community of Pioneertown northwest of Yucca Valley. Zone W-4 is within the sphere of influence of Hi-Desert Water District, but not its boundary.

Service Review Recap

Below is the summary from the water service review for the CSD:

- Issue - 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.
- Staff Recommendation – *No Commission action because zones do not have spheres of influence. See "Opportunities" below.*
- Opportunities - 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.

Update

On October 31, 2017, the County Board of Supervisors took actions related to the Zone W-4 water system, to include:

- Approving the submittal of a grant application to the United States Department of Agriculture (USDA)-Rural Development requesting federal funding in the amount of \$2,500,000 for the Pioneertown Pipeline and Water System Improvement Project.
- Approving the Water Exchange Agreement with the Hi-Desert Water District (HDWD) allowing Zone W-4 access to groundwater within the Warren Valley Sub-basin in exchange for an equal amount of groundwater provided to HDWD from within the Ames/Reche Basin pursuant to the water rights of Zone W-4 for a term of 20 years, with an annual service and exchange charge to Zone W-4 of \$1,000 that increases by 5% after each five years of the agreement.

The Water Exchange Agreement with HDWD is a required stipulation to both SWRCB and USDA grant funding, as the Project is not viable without securing a clean water source.

On December 12, 2017, the HDWD approved the Water Exchange Agreement with the County. The board agenda items from the County and HDWD are included as attachments to this report. According to County Special Districts Department, a project job walk was conducted on March 7, 2018.

LAFCO Analysis

As a part of the Countywide Service Review for Water, Zone W-4 was classified as a “hot spot” due to the water quality challenges it faces. No Commission action was recommended as the water system is a county service area zone, which do not have spheres of influence. Further, Zone W-4 is already within the sphere of influence of HDWD. Therefore, the service review did not have any recommendations for Commission action.

While progress has been made, LAFCO staff recommends that the Commission direct staff to return at the August 2018 hearing, with an update on the Zone W-4 system.

CONCLUSION:

Due to issues identified in the Countywide Service Review for Water in July 2017, the Commission directed staff to return in six months with updates for three water systems. Additionally, staff included an update for the CSA 70 Zone W-4 system due to the gravity of the situation related to water quality.

Significant progress has been made on improving the County Service Area 70 Zone CG system; therefore, LAFCO staff recommends no further monitoring. LAFCO staff does recommend, however, that the Commission direct staff to return at the August 2018 hearing, with an update on Daggett Community Services District, CSA 70 Zone J, and CSA 70 Zone W-4 systems.

KRM/MT

Attachments:

1. LAFCO Resolution 3248 for LAFCO 3187 and Executive Summary from LAFCO 3187
2. County Service Area 70 Zone CG (Cedar Glen)
 - a. Map
3. County Service Area 70 Zone J (Oak Hills)
 - a. Map
4. Daggett Community Services District
 - a. Map
5. County Service Area 70 Zone W-4 (Pioneertown)
 - a. Map
 - b. County of San Bernardino Board Item 53 from October 31, 2017
 - c. Hi-Desert Water District Board Item from December 12, 2017
 - d. Copy of Contract between the County and Hi-Desert Water District

**County Service Area 70 Zone
J (Oak Hills) –
Pilot Study Report July 2018
(without appendices)**

Attachment 2



Pilot Study Report

on

WRT's SMR™ Hexavalent Chromium Reduction and Removal System



conducted by

**Water Remediation Technology LLC
Arvada, Colorado**

for the

**County of San Bernardino Water / Sanitation Division
Victorville, California**

July 5, 2018



Executive Summary

California water district authorities have been working with water treatment researchers and water service/equipment providers in assessing available drinking water treatment methods for the removal of hexavalent chromium from their groundwater supplies. Water Remediation Technology LLC (WRT) has worked with California water districts in developing a hexavalent chromium removal system with the primary objective of reducing operating costs and waste treatment residual volumes when compared to standard anion exchange technology. The results have been very positive and led to the formation of WRT's Selective Metals Reduction™ (SMR™) hexavalent chromium removal system. This latest on-site SMR™ demonstration pilot test was conducted in cooperation with the County of San Bernardino Water/Sanitation Division in California at one of their drinking water service wells. Water produced from this well tests positive for hexavalent chromium in excess of the 2013 proposed California drinking water MCL standard of 10 µg/L. During the course of on-site testing, the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW) hexavalent chromium limit of 10 µg/L has been rescinded, thus returning the statewide MCL limits to 50 µg/L total chromium. It is however the expressed intent of the SWRCB Division of Drinking Water to revisit the hexavalent chromium MCL regulation in the immediate future. The County of San Bernardino Water/Sanitation Division continued the on-site SMR™ pilot work to conclude the testing should hexavalent chromium removal be implemented at a later date. The WRT SMR™ hexavalent chromium removal system specifically targets hexavalent chromium for chemical reduction and removal using a unique, high efficiency media contactor and simple, packed-bed media filtration for effective and complete removal of all chromium metal constituents from the raw water source.

WRT installed a 1.20 gallon per minute (gpm) pilot test system at CSA 70 Zone J Well 5; a County of San Bernardino Water/Sanitation Division groundwater well, which operates daily. The hexavalent chromium concentration of water produced from this well tests consistently between 18 and 22 µg/L. The pilot test equipment was placed into service in late June of 2017, treating a small bleed stream from the main well water supply. An automated control system accommodates interruptions in flow from the well water source.

The objectives of this pilot study are to 1) document the effectiveness of the WRT SMR™ hexavalent chromium removal system on the removal of chromium contaminant from the Division's well water to meet regulatory compliance and general chromium metal removal to non-detectable levels, 2) document the operational efficiency of the removal system with continuous service operation including shutdown and restart conditions, and 3) develop the water treatment residuals waste determinations for estimating waste material disposal requirements and overall operating costs.

The results of this study show very successful removal of hexavalent chromium contaminant from the well water on a continuous basis for water treatment to laboratory non-detection levels, well below the proposed SWRCB - DDW lower limit MCL. Once adjusted for the particular water conditions at the well and automated filtration backwash



rate requirements, the WRT proprietary media contactor performed very efficiently at rapid reaction for hexavalent chromium reduction with minimal chemical reagent addition rates. Non-detectable levels of chromium constituents in the finished water occurred in all conditions where the reagent injection system was operating as designed, and the media filter unit was operating within the recommended range. The WRT SMR™ proprietary media reactor performed very efficiently at rapid chemical reaction for hexavalent chromium reduction with minimal chemical reagent addition rates of less than 1.0 mg/L.

The solids waste collection analysis portion of the pilot study allowed full characterization of the waste residuals generated and removed in the treatment process. Non-hazardous disposal options are available for the waste material based upon the RCRA TCLP testing performed. The waste material quantity generated is quite modest, potentially allowing for economical disposal in California hazardous waste disposal.

Efficient removal of hexavalent chromium along with low quantities of waste material generated and requiring disposal are established characteristics of the WRT SMR™ process. We have successfully met and in some cases exceeded our objectives in developing this process through multiple site pilot testing and are at a point in process development for demonstration of full-scale well treatment.

The SMR™ Chromium Removal System and Study Overview

Water Remediation Technology is testing a hexavalent chromium removal system using select reducing agent addition, a high efficiency SMR™ media contactor and a media filtration system. Hexavalent chromium is quickly and safely reduced to trivalent chromium and adsorbed within a formed solid adsorbant to be collected on the downstream media filter. The solid adsorbant product is removed from the media filter with a backwash cycle for collection of solids and final settling, solids dewatering and preparation for disposal. Disposal material volumes are small; amounting to less than 40 grams per 1,000 gallons treated. The system is designed for water to move through the treatment equipment using the water pressure generated from the well source. Water treatment chemical reagent added to the water for the treatment process, the proprietary contactor media and post treatment filtration media are NSF/ANSI-44/60 and NSF/ANSI-44/61 certified for use in drinking water systems. The WRT proprietary contactor media is not regenerated and will have a nearly unlimited service life. Hexavalent chromium removal is simply based upon the consistent water treatment chemical reagent addition rate and effective adsorbant filtration and removal. WRT developed an on-site pilot test apparatus designed to simulate actual reagent chemical addition rates, the proposed high efficiency media contactor and an automatically operated downflow media filtration unit. Raw water and treated water testing for total and hexavalent chromium in addition to soluble iron are used to monitor system performance. The settled solids from a collected filter backwash is tested for California wet test leaching standard and TCLP criteria for characterization and suitability of non-hazardous solid waste disposal.



Test Equipment Overview

The pilot test treatment equipment was erected in WRT's pilot operations facility in a self-contained enclosed trailer unit and transported to the County of San Bernardino Water Division's Well 5 site for setup. The pilot-scale treatment system consists of a prefilter, a reducing agent injection system to precisely meter reducing agent upstream of an in-line mixer, a 4-inch diameter by 40-inch vertical height contactor column, containing approximately 24-inches (4,500 grams) of WRT proprietary inorganic contactor media and a downflow 6-inch diameter by 48-inch vertical height media filter unit containing approximately 24-inches of sized filter media. Refer to Figure 1 for an illustration of the pilot test equipment. A final cartridge filter unit is used to assess the effectiveness of the media filter system. The source water enters the pilot test unit from a connection on the main well discharge piping through a flexible hose, a pressure reducing valve and a flow meter totalizer. The process is upflow through the media contactor, with the flow exiting the top of the column, then directed through flexible tubing to the downflow filter media column. During the service cycle the test samples were collected at the raw water source prior to the chemical addition and at the treated water discharge point downstream of the media filter unit.

The media filter column is backwashed automatically using one of several backwash trigger points set at the PLC controller. Set points for filter backwash can be initiated manually, by operating time interval, by treated volume throughput or by filter differential pressure loss. A filter backwash frequency of approximately once per operating day was chosen as a target set point with filter differential pressure not to exceed 4 psid. The well system is continually operational providing 24-hours of operation for the pilot system. Backwashing is accomplished by directing raw water upflow through the media column to expand the media bed and release the collected solids to exit the out of the top of the filter media column. The backwashed liquid and solids are collected separately in one of two cone bottom settling tanks for solids settling and final collection. Collected solids are further settled and clear liquid decanted from the solids that are retained for laboratory testing to determine solids settling rate, and for characterization.

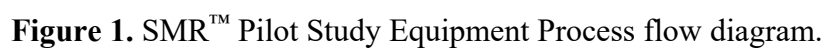




Figure 2. Photographs of SMR™ Pilot Study Equipment and PLC Control panel.

Statement of Purpose

The hexavalent chromium levels in several County of San Bernardino Water Division wells exceed the 10 µg/L, which is the previously enacted MCL by the state of California. Hexavalent chromium levels in the raw water from Well 5 consistently test between 18 and 22 µg/L, exceeding this MCL.

The purposes of this study are to:

- Demonstrate the ability of the WRT SMR™ Hexavalent Chromium Treatment Process to consistently and effectively reduce the hexavalent chromium levels to near non-detect on water from the County of San Bernardino Water Division well water supplies.
- Demonstrate consistent hexavalent chromium removal through shutdown and restart.
- Comply with California SWRCB Division of Drinking Water regulatory testing requirements for process pilot testing protocol.
- Provide a solution to disposal concerns over collected chromium containing water treatment residuals and finalize estimated overall water treatment costs.



Analytical

Inorganic water analyses were performed by external laboratories certified by the National Environmental Laboratory accreditation Program. Hexavalent and total chromium in the raw and treated water were sampled normally three times weekly during continuous service runs between daily backwash operations and analyzed immediately. Test samples are submitted to the Clinical Laboratory of San Bernardino, Inc. using USEPA and California Water Resources Control Board recognized testing methods for drinking water.

Methods for analysis are:

Hexavalent chromium	EPA 218.6
Total chromium (low level)	SM 3113B
Iron (total and dissolved)	EPA 200.7

Results and Discussion

Pilot System Operation and Specifics

Operation of the pilot system consists of injecting the requisite quantity of the reducing agent prior to entering the SMR™ contactor vessel. The treated water exiting the contactor vessel must be filtered to remove adsorbant solids formed during the oxidation-reduction process. These solids contain the adsorbed chromate material. A downflow media filter unit is selected to achieve this, which provides simple backwash removal of the collected solids and immediate reuse of the filter for subsequent service periods. The media filter service period and filtration efficiency is wholly dependent upon the quantity, size and characterization of the solids collected. For the initial test equipment, a single size of silica sand media was selected from various filter media types and particle sizes. This first run test filter is not necessarily optimized for the specific particle size solids formed in the process but provides a starting point and backwash frequency method for determining the most effective filter media sizing for the conditions involved. Media filter backwash frequency can be varied to control collected solids accumulation within the filter media and optimize the media filter service run length.

Pilot testing at the County of San Bernardino Water Division well site was conducted in three phases of study corresponding to changes or modifications in pilot test apparatus in response to analytical performance results obtained in periodic water sampling of the treated water. An approximate one-week time delay between water sample submittal and return of the analytical test report is typical. As a result of this delay, three sampling days may be submitted before a treatment process change can be implemented. The testing phases reflect these periods of time.

In response to results obtained during testing and some observed iron solids leakage from the downflow filter unit, two modifications were made to the filtration step of the SMR™ process. These changes are best described in the analytical results obtained, categorized by the separate phases of the pilot test. All the iron collected and sent in for testing was analyzed to be fully oxidized ferric oxide form. This suggests that the media filter is not performing full filtration of the iron particle but allowing some passage of filterable solids. revised media filter backwash schedule, increasing the backwash frequency to an equivalent once per day frequency, was enacted after the first two weeks of operation. Some improvement of the filtration efficiency was observed but residual iron particulates are present in some samples. Following the 8/7/2017 sampling it was decided that a modification of the filter media was necessary to assure full iron particle filtration to non-detect levels in all final treated water samples as has been demonstrated on a number of samples.

The Phase 1 portion of the pilot system operated from the initial start of testing for 25 consecutive days. The pilot equipment was comprised of the components and design originally constructed. Data obtained from sampling during this operating period are provided in Table 1. It became clear at the return of the 8/2/2017 sample results that the process was no longer functioning in reducing the hexavalent chromium for removal. Two additional samples were drawn before the results could be analyzed and the pilot system was stopped to assess the problem. Data provided showed adequate hexavalent chromium reduction during the first 2 weeks of operation. However, filtration of the reactant products is incomplete as shown from the continued passage of total chromium (trivalent species) in the filter discharge. Of more relevant concern was the 8/2/2017 and subsequent results suggesting that the reduction reaction of hexavalent chromium was no longer occurring. A complete evaluation of the chemical injection system was scheduled and completed. It was initially thought that the filter was passing much of the suspended reactant products. A decision was made to additionally test for total iron (the primary reactant product of chemical reduction) in the discharge water. All samples drawn of the discharge water would now include total iron analysis from the 8/2/2017 sampling.

Sample Date	Cumulative Throughput (gal)	Raw Water		Treated Water		
		Hexavalent Chromium (Cr ⁶⁺ µg/L)	Total Chromium (Total Cr µg/L)	Hexavalent Chromium (Cr ⁶⁺ µg/L)	Total Chromium (Total Cr µg/L)	Iron (Fe µg/L)
7/14/2017	2,936	21	21	ND	3.7	
7/17/2017	6,509	20	22	ND	6.6	
7/19/2017	8,687	19	19	ND	2.3	
7/21/2017	10,980	19	19	ND	4.0	
7/24/2017	15,346	20	20	ND	6.8	
7/26/2017	18,248	20	21	ND	6.0	
7/31/2017	25,268	19	19	ND	6.1	
8/2/2017	27,757	19	19	14	15.0	ND
8/4/2017	30,763	19	19	13	14.0	ND
8/7/2017	35,974	18	18	14	18.0	130

Table 1. Phase 1 SMR™ Pilot Testing Raw and Treated Water Analytical Results

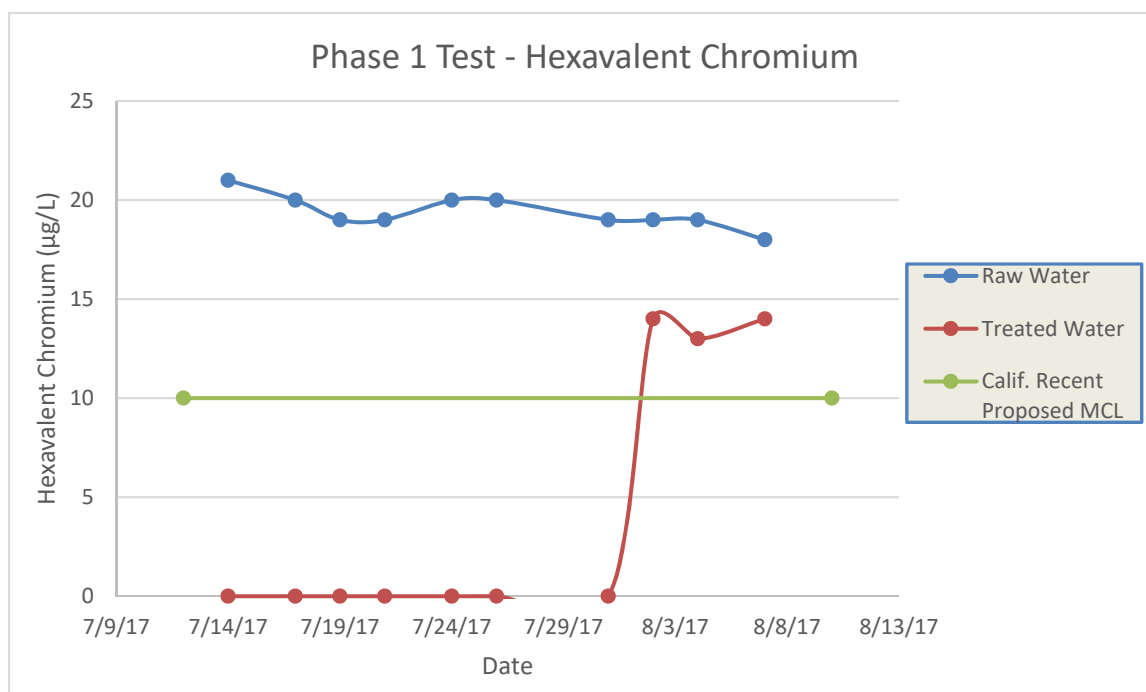


Figure 3. Phase 1 SMR™ Pilot Testing Raw and Treated Water Analytical Results

The incomplete filtration of the treated water was addressed using a slightly larger filter unit containing smaller filter media to provide more effective impedance of very small entrained particulates. The filter operation remained as originally envisioned with estimated backwash frequency at 24 hours of operation, although a greater backwash flow rate is required to obtain equivalent filter media bed expansion and full purging of particulate contaminants from the media. The changes to the chemical injection system involved correcting injection rates to avoid excessive reagent pre-dilution. A newly installed reagent injection pump, now sized for less than one-half the initial flow rate range, provided the ability to inject a more concentrated chemical accurately at very low volumes. The fact that such low volumes of reagent chemical are needed at these low pilot test flow rates, the 5 percent chemical concentration required more than 50 to 1 dilution for a 2.5 mL/min injection rate. The pre-dilution of the reagent chemical allowed the mixed solution to become unstable. The reagent prematurely oxidized in the reagent holding tank rendering the chemical nearly ineffective. A revised reagent injection pump sized to accurately meter 1.2 mL/min of reagent allowed for less pre-dilution of the reagent chemical. As a precaution, premixed reagent chemical volumes were kept very small and distilled water was used for all subsequent reagent chemical dilutions. This concern is a symptom created by the reduced flow rate of the pilot scale system and should not be an issue with larger full-scale treatment as pre-dilution of the reagent chemical is not required. The correction to the chemical injection system was completely successful as no further results were obtained showing inadequate hexavalent chromium reduction in the discharge water.

Phase 2 of the pilot testing is defined from the restart date of the test unit on 8/28/2017 through the 9/29/2017 sampling. During this part of the pilot testing, the pilot unit operation was suspended over weekend days and restarted on the following Monday as weekend daily monitoring of the test equipment would not be continued. The analytical results for Phase 2 testing are tabulated in Table 2.

Sample Date	Cumulative Throughput (gal)	Raw Water		Treated Water		
		Hexavalent Chromium (Cr ⁶⁺ µg/L)	Total Chromium (Total Cr µg/L)	Hexavalent Chromium (Cr ⁶⁺ µg/L)	Total Chromium (Total Cr µg/L)	Iron (Fe µg/L)
8/28/2017*	51,649	19	19	ND	ND	ND
8/29/2017*	52,748	18	19	ND	ND	ND
8/30/2017*	54,572	19	19	ND	2.3	130
8/31/2017*	56,178	20	20	ND	2.5	110
9/1/2017	57,907	17	19	ND	ND	ND
9/6/2017	59,562	19	19	ND	ND	ND
9/8/2017	62,861	19	20	ND	1.8	ND
9/11/2017	63,136	19	19	ND	1.4	ND
9/13/2017	66,310	19	19	ND	ND	ND
9/15/2017	69,946	18	20	ND	4.1	190
9/18/2017	70,039	18	21	ND	2.8	120
9/20/2017	73,688	18	18	ND	1.6	ND
9/26/2017	77,272	19	19	ND	2.1	110
9/29/2017	82,316	20	22	ND	2.1	ND

* Analytical samples drawn by WRT during the pilot test service period

Table 2. Phase 2 SMR™ Pilot Testing Raw and Treated Water Analytical Results

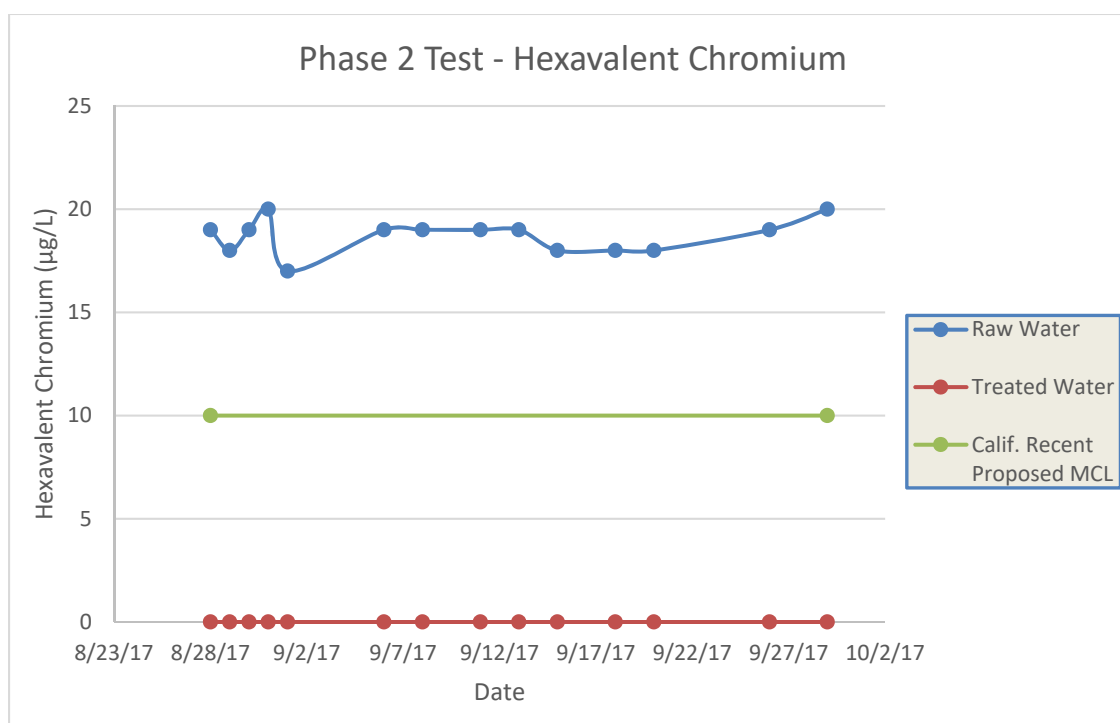


Figure 4. Phase 2 SMR™ Pilot Testing Raw and Treated Water Analytical Results

Pilot test samples from the Phase 2 portion of the testing show mixed performance results. All treated water sample analyses returned hexavalent chromium results at or below the EPA 218.6 reportable limit of 1.0 µg/L. Reduction of hexavalent chromium in the raw water appears to be complete. Revised chemical injection measurements and monitoring were structured to maintain measurable ferrous entering the SMR™ media column below 0.50 mg/L. The results also indicate that a small fraction of the reduced chromium exits the filtration unit. Occasional samples showing measurable reactant product iron from 0.1 to 0.2 mg/L suggest some passage of small particulate from the filter. This reactant products passage is most likely accounting for the presence of measurable particulate chromium. The passage of total chromium averaged less than 2.0 µg/L, never exceeding 5 µg/L at any point of the testing. After review of the results with the County of San Bernardino Water Division management, a final pilot system equipment change was decided upon for a final optimization of the filtration system in an attempt to approach near non-detect chromium and reactant product results in the finished water.

The changes proposed for this final portion of testing involved replacement of a smaller filtration media type into the final media filter. Although many filter media types and sizes are commercially available, a compromise between operating pressure loss, backwash volume requirements and particle size range limit the selection to a few common filter media types. It was decided to replace the filter media with an incrementally smaller, similar material to tighten the pore volume of the media bed in an attempt to trap smaller suspended particulate from the water exiting the SMR™ reactor column. Phase 3 of the pilot testing includes results obtained using the revised filter media column.

Phase 3 testing occurred from the restart of the pilot test unit on 10/5/2017 until the pilot study was terminated on 11/1/2017. Results are shown in Table 3.

Sample Date	Cummulative Throughput (gal)	Raw Water		Treated Water		
		Hexavalent Chromium (Cr ⁶⁺ µg/L)	Total Chromium (Total Cr µg/L)	Hexavalent Chromium (Cr6+ µg/L)	Total Chromium (Total Cr µg/L)	Iron (Fe µg/L)
10/5/2017	87,930	19	21	ND	ND	ND
10/10/2017	91,395	19	19	7.3	7.9	410
10/11/2017	93,140	18	19	ND	3.1	150
10/18/2017	99,936	18	19	ND	1.5	ND
10/19/2017	101,615	18	20	ND	1.4	ND
10/20/2017	102,998	19	22	ND	2.4	100
10/23/2017	104,799	20	21	ND	1.6	ND
10/25/2017	108,300	18	18	ND	1.6	ND
10/27/2017	111,491	19	20	ND	1.2	ND
10/31/2017	114,725	20	20	ND	1.7	ND
11/1/2017	116,628	19	19	ND	1.7	ND

Table 3. Phase 3 SMR™ Pilot Testing Raw and Treated Water Analytical Results

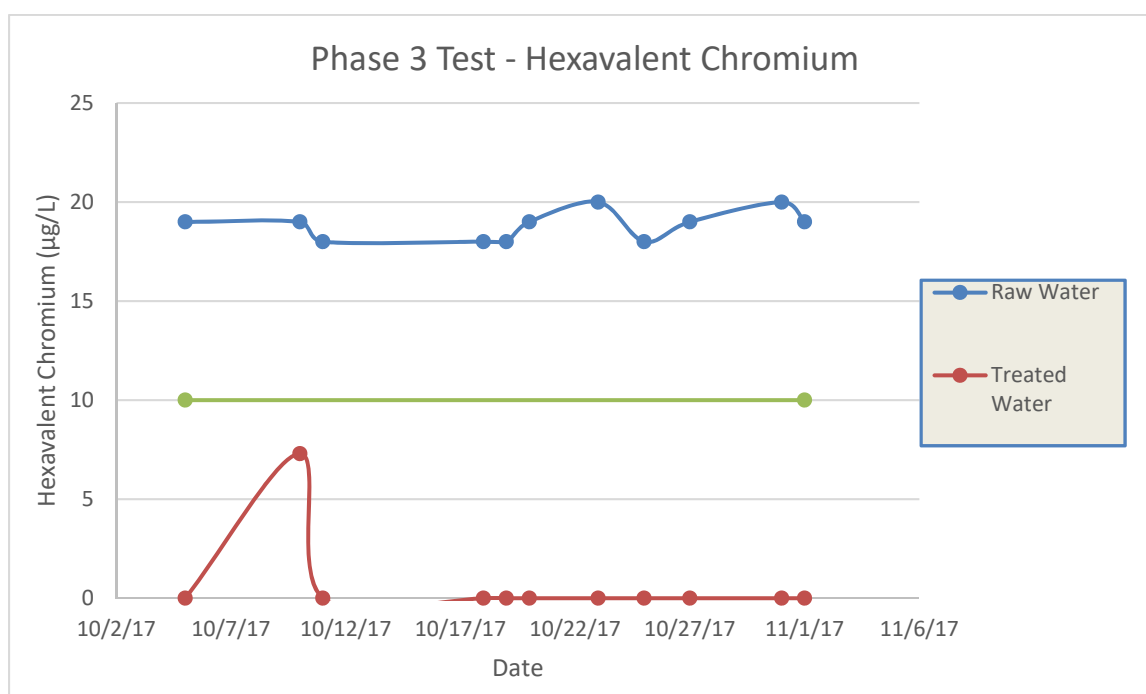


Figure 5. Phase 3 SMR™ Pilot Testing Raw and Treated Water Analytical Results

Apart from the 10/10/2017 and 10/11/2017 sampling, the effluent results were improved averaging 1.4 $\mu\text{g/L}$ total chromium. The 10/10/2017 and 10/11/2017 sample results were a concern and initiated a review of the pilot equipment. It was revealed during this review that a malfunctioning backwash control valve was not allowing daily filter cleaning. This condition precipitated high solids and carry-through of precipitated reactant products and chromium. The malfunctioning valve was refurbished, put back into service and the testing resumed. The media pressure filter functioned very well for the remainder of the testing; performing iron solids removal to at or below 0.10 mg/L.

This final version of the pilot testing equipment performed very well, averaging selective removal of greater than 99.4 percent of hexavalent chromium and 90 percent of total chromium during the testing including the pilot test malfunctioning equipment. The results are very consistent with reagent injection rates of less than 0.5 mg/L reducing agent entering the SMR™ contact reactor column. Phase 3 testing results are most representative of optimized operation of the SMR™ process and can be expected in a full-scale system installed at this well site.

A volume of water processed and treated at the County of San Bernardino Water Division well site from the start of testing totaled 116,600 gallons. Reagent addition rates varied between 0.3 and 1.2 mg/L measured reducing agent sampled downstream of the injection point. All reactant product collected through daily filter backwash operations were settled and separated from the decanted water for characterization and laboratory testing.

Reactant Solids Filtration, Collection and Analysis

The SMR™ process utilizes coprecipitation of reactant products and reduced chromium solids which exit the top of the upflow SMR™ media contactor. These solids contain the converted chromium solids and are separated from the treated water using common downflow media filtration. Filtration and solids removal efficiency can be measured using a simple total iron sampling of the untreated and treated water. Should iron particles remain in the treated water, the filtration of the chemically treated water is incomplete. From the 8/2/2017 sampling, the effluent sample was tested for total iron content. Refer to Table 4 for the residual total iron in both the raw untreated water and the finished treated water. Occasionally treated water samples showed a residual iron up to 0.170 mg/L and during a malfunctioning filter backwash valve, a single effluent sample measured 0.419 mg/L total iron. Much attention was given to the downflow media filter performance to reduce passage of reactant solids as low as possible. When the filter operated as designed with a full deep cleaning backwash cycle and consistent reagent injection to the reactor contact column, the effluent results could reasonably be predicted as non-detectable low-level chromium and non-detectable total iron values. When detectable quantities of low-level chromium were present, it would usually be accompanied with measurable total iron. Presence of either material is an indication of incomplete particulate filtration and therefore the pilot testing phases were specifically obtaining results for particulate filter modifications and changes. In general observation, the filtration system did function more efficiently post changes in each case.

The media filter backwash operations consisted of isolating the filter column from service, introducing raw water to the bottom column collector nozzle and opening the top backwash outlet valve. Backwash flow regulation was automatically controlled and adjusted to provide approximately 30 percent filtration media bed expansion to release the collected solids from the filter media bed. About 20 gallons of backwash water volume was generally required to purge the media bed of collected particulate solids to the point where the backwash water runs essentially clear. The backwash flow was set to 2.8 gpm for a total time of 8 minutes. This volume corresponds to a 5.6 BV of total filter backwash water.

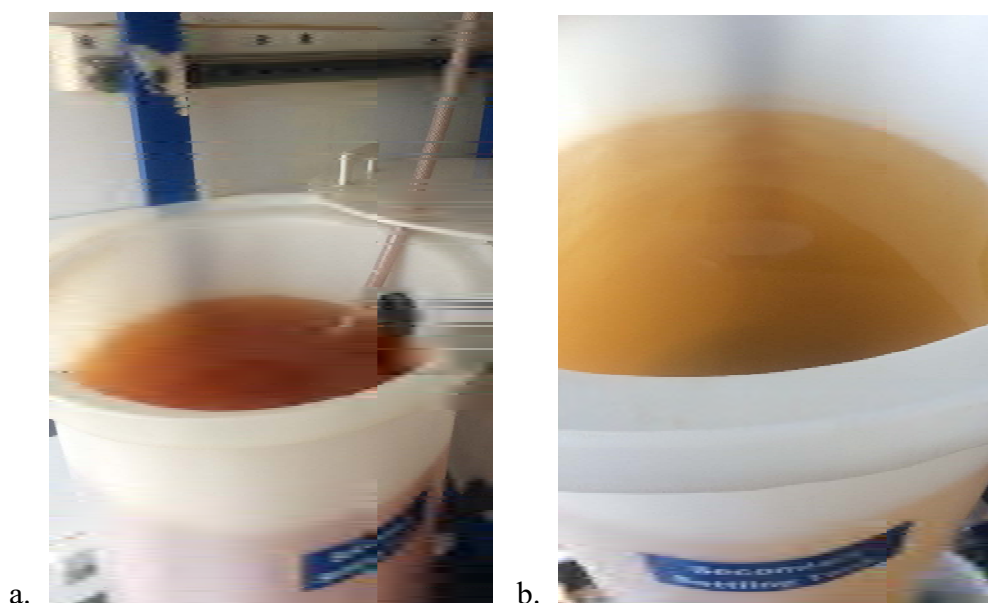


Figure 6. Photographs of recovered filter backwash water as a. first collected and b. after 2 hours settling time.

Waste solids collected can be described as very small particulate iron oxide material having deep reddish-brown color. All filtered solids were collected in one of two backwash collection tanks where the solids were allowed to settle, and the supernatant backwash water decanted from the settled solids. Initially the backwashed solids were settled without coagulant aids. A backwash frequency of once per 24-hour operating period proved to be too numerous and did not provide sufficient settling time for the solids. A small addition of a cationic polymer was then used to assist in clarification of the backwash solids. After a 0.6 ml addition of 100:1 diluted cationic polymer, the solids quickly settled within 2 hours for backwash collection tank decanting in preparation for the next backwash sequence. Weekly, the settled solids were drawn off the bottom of the backwash tank in a collection bucket for further concentration. At the conclusion of the pilot test, all solids sludge was consolidated in a single mass sample. At each treated water sampling, the backwash supernatant liquid was submitted for chromium analysis.

Given adequate time (greater than 24 hours), the waste solids will settle in quiescent holding. Settling was found to be remarkably improved using a small addition of a polymer coagulant filtration aid. Suspended solids settling in the backwash collection tank volume visually clarified within 2-3 hours of settling sufficient for decanting of the clear supernatant liquid. 7 to 8 drops of 100:1 diluted coagulant polymer was used in each backwash collection of approximately 20 gallons.

The results of the decanted backwash supernatant liquid analysis are provided in Table 4. In general, the backwash supernatant liquid did contain some chromium material. In all samples analyzed, the hexavalent chromium content never exceeded that measured in the



raw water. Some chromium in trivalent reduced form was present. Most likely this material was bound to the small reactant solids still present in the sample as suspended material. Clearer samples from the decanted supernatant were observed to test lower in total chromium over more turbid decant samples. The conclusion from these results should provide support for full recovery of the backwash water volume to the treatment process. Reinjection of the backwash supernatant to either upstream of the reaction contact vessel or just upstream of the particulate solids filter will have no measurable effect on the treated water chromium concentration once reinjection dilution ratios are realized.

Sample Date	Decant Water	
	Hexavalent Chrome (Cr ⁶⁺ µg/L)	Total Chrome (Total Cr µg/L)
7/17/2017	19	360
7/19/2017	18	130
7/26/2017	14	22
7/31/2017	10	21
8/4/2017	9	55
8/7/2017	20	99
8/31/2017	12	
9/1/2017	4.2	19
9/6/2017	4	23
9/11/2017	1.7	16
9/13/2017	2	22
9/15/2017	3	62
9/18/2017	11	17
9/26/2017	16	26
9/29/2017	16	61
10/5/2017	9.2	9.4
10/10/2017	7.8	19
10/11/2017	9.4	24
10/18/2017	9.5	31
10/19/2017	12	50
10/20/2017	12	35
10/23/2017	10	31
10/25/2017	14	55
10/27/2017	8	35
10/31/2017	13	16
11/1/2017	0	58

Table 4. Decant supernatant water chromium content sample analysis.

Reactant Solids Characterization

A total of 7,925g of settled sludge of approximately 7,500 mL volume was collected over the course of the pilot testing. About one third of the total wet sludge (2,500 mL) was filtered to concentrate a wet cake for laboratory solids and leachate testing. Vacuum filtration yielded an 18 percent solids cake. Two small samples of the cake were dried at 300 deg. F in a laboratory oven for solids surface analysis. An additional small dried sample was prepared and submitted for elemental solids surface analysis using X-Ray Fluorescence (XRF).



Elemental Constituents

Dried solids XRF analysis as expected revealed elevated metals for chromium. 0.48 percent by weight of the dry solids sample is chromium metal. However other metals measured significantly high. Copper, zinc, arsenic and notably vanadium were present in elevated quantity. Refer to Appendix B for the detailed XRF laboratory report. This does show the concentrating effect the SMR™ process has on selectively removing trace metals from the water stream. Presumably, most of the metal materials collected in the SMR™ waste solids not attributed to the precipitated iron contribution of the reagent material originate from the source water as the SMR™ contactor media and the post treatment filtration media through NSF 61 certification testing show negligible metal leaching characteristics. The clear majority of the waste solid material is iron oxide with more than 10 percent of the solids silica and titanium oxide sand from the well water. The balance being insoluble calcium, magnesium and potassium salts.

The vanadium content in the collected solids measure more than twice the chromium content at 10,000 ppm or approximately 1% by weight of the solids on a dry weight basis. Although vanadium is not a RCRA regulated metal it is listed as a Detection Limit for Reporting (DLR) as a drinking water constituent. In the event the decanted water is reinjected to the SMR™ treatment process, we can estimate the carryover concentration of the vanadium contained in the entrained solids to be approximately twice the chromium content. Not accounting for filtration efficiency on the reinjected solids, the dilution effect of the backwash volume in comparison to the treated water throughput of more than 80 to one or about 1.2 percent, the net effect of reinjection could potentially raise the vanadium concentration less than 1 µg/L. Decant water reinjection can be employed in this process for nearly complete water savings without consequence to the treated water quality.

Waste Disposal Criteria Testing

The waste sludge material submitted for leachate testing returned mixed results consistent with those on previous pilot tests. Refer to Appendix C for the leachate testing report. Samples from this collected sludge showed no hits or leached RCRA metals from the TCLP Leachate SW846 1311 test. All metal constituents tested below the leachate MCL criteria. This is not the case with the California specified STLCE Extraction test. Here the sample is subjected to a more rigorous leaching medium.

The test results reveal leachate results above reportable limits for several metals. As expected the concentration of chromium in the leachate exceed reportable limits by greater than two orders of magnitude. In addition, limits for arsenic, beryllium, copper, mercury and zinc all exceed the allowable reportable limit concentrations. It can be surmised that waste sludge material generated at this well using the SMR™ process will require disposal as hazardous metal waste by California waste disposal standards.

Quantitative Waste Analysis

Based on the total waste material generated throughout the duration of the pilot study, an estimated expected quantity in full-scale system operation can be extrapolated. This value is subject to operational conditions originally selected and modified in the testing. Careful attention to the collection of all waste solids was exercised with no known loss of waste solids apart from trace suspended solids in the decanted supernatant.

116,628 gallons of water was recorded as the throughput from the start of testing. The total volume of 7,500 mL of collected sludge, weighing 7,925 grams was collected. 113.7 grams of dried solids was extracted from a 2,500 mL settled sludge sample. The total volume of settled sludge of 7,500 mL thus calculates to 341.1 grams of dried solids collected from the pilot test or an extrapolated equivalent of 2.92 Kg of dried solids for every 1 million gallons treated. The settled sludge volume for this treated water throughput is 64 liters or 17 gallons. As the settled sludge is allowed to further settle and concentrate, some portion of this volume will be naturally reduced.

Alternatively, filter press dewatering can significantly reduce the total volume of material for more infrequent disposal periods. The 2,500 mL sample of settled sludge was vacuum filtered to simulate equivalent filter press concentration of the solids where the filter cake dewatered to approximately 18 percent solids. This solid material will meet solid waste disposal requirements for free moisture content.

Conclusion and Summary of Testing Objectives

The results obtained for WRT's SMR™ chromium removal treatment have demonstrated consistent and effective removal of chromium contaminant from the San Bernardino well water to very low levels. Some improvements to the overall chromium removal were accomplished through the course of the testing. The removal of hexavalent chromium is complete, providing non-detectable levels in the treated water. The pilot testing revealed effective levels of reagent injection for optimizing chemical use rates. Additional reductions in the reagent injection rate are for all intents and purposes unnecessary, as the reagent injection cost is comparatively small. The modifications to the post media filtration system were fully capable of filtering all solids generated in the reactor process without filtration aids. Simple media sand filtration of the treated water is all that is required. The SMR™ pilot test unit operated reliably during all phases of testing without concern of water supply shutdown or interruption. Restart following a service flow interruption was immediate with no noticeable increase in residual solids carryover from the filter unit. A single backwash inlet valve failure did cause some processing issues resulting in three errant sample results. This type of valve failure is unlikely on a full-scale treatment system and is not representative of a system-wide single point failure concern.

CWRB requirements for hexavalent chromium testing of the decanted supernatant filter backwash water revealed little chromium residual reoxidation to hexavalent state. All



water used for filter backwash tested lower than the raw water inlet hexavalent chromium concentration and can be easily returned to the treatment process. This operational option provides a zero-liquid wastewater process where no wastewater volume collected requires disposal.

The concept of using simple chemical reduction and post waste adsorbent solids filtration appears to generate the least quantity of water treatment residuals per water volume treated. Manageable volumes of waste solids are characterized as containing elevated contaminate metal precipitate and are suitable for non-hazardous waste disposal in all state jurisdictions except California. The WRT SMR™ treatment process specifically targets easily reduced trace metal anion constituents in the raw water without bulk dissolved solids removal or exchange removal of untargeted anion constituents. The final testing objectives for this pilot testing included full system concept verification to provide data for full-scale process development. With the data obtained from waste solids characterization for further developing waste disposal options, these objectives were fulfilled.

WRT continues development of a full-service arrangement for waste residual handling and dewatering methods that should reduce the operating costs and limit the required on-site solids handling equipment at each treatment location. The results of the County of San Bernardino Water/Sanitation District pilot testing for WRT's SMR™ chromium removal process has led us to the conclusion that this treatment method offers the water provider the most cost effective and simple process for reliable hexavalent chromium treatment compared to other more complex and traditional water treatment technologies. The results of our pilot testing here confirm the results obtained in previous pilot testing for this unique and novel treatment method. WRT is confident that the process is ready for full-scale treatment implementation of all portions of the process. Should the County of San Bernardino Water/Sanitation District be prepared to install full-scale hexavalent chromium treatment, we trust that the WRT SMR™ treatment process is given proper consideration.

**County Service Area
70 Zone W-4 (Pioneertown) –
County Board Agenda Item 68
from June 26, 2018**

Attachment 3

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE BOARD GOVERNED COUNTY SERVICE AREAS
AND RECORD OF ACTION**

68

June 26, 2018

**FROM: JEFFREY O. RIGNEY, Director
Special Districts Department**

**SUBJECT: COUNTY SERVICE AREA 70, ZONE W-4 – PIONEERTOWN WATER PIPELINE
PROJECT REBID**

RECOMMENDATION(S)

Acting as the governing body of County Service Area 70, Zone W-4 (Pioneertown):

1. Reject all bids submitted for the Pioneertown Water Pipeline Project and find they are nonresponsive for omitting one or more of the specialty contractors licenses as required by the bid documents.
2. Approve revised plans and specifications for the Pioneertown Water Pipeline Project and authorize the Special Districts Department to advertise for competitive bids.

(Presenter: Jeffrey O. Rigney, Director, 387-5967)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS AND OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Pursue County Goals and Objectives by Working with Other Agencies.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). Included in the 2018-19 budget for County Service Area 70, Zone W-4 (CSA 70 W-4) is \$5.2 million in appropriation for the Pioneertown Water Pipeline Project (Project). The Project has the following potential funding sources:

- On September 1, 2015 (Item No. 45), the Board of Supervisors (Board) approved the submittal of a grant application to the State Water Resources Control Board (SWRCB) requesting \$5.0 million under the Drinking Water State Revolving Fund for the Project. Of the \$5.0 million requested, initial indications are that SWRCB may commit up to \$3.6 million in grant funding.
- On October 31, 2017 (Item No. 53) the Board approved submittal of a companion grant application to the United States Department of Agriculture (USDA) requesting \$2.5 million to augment the SWRCB funding.

If one or both of these grant applications is successful, the Special Districts Department (Department) will return to the Board for acceptance of the grant(s) in accordance with County policy.

BACKGROUND INFORMATION

The domestic water system of CSA 70 W-4, which has been maintained and managed under the Department's Water and Sanitation Division since 1980, currently provides water to 120 service connections in the desert community of Pioneertown north of Yucca Valley. The existing CSA 70 W-4 well water sources supplying Pioneertown contain elevated levels of fluoride, arsenic, and uranium that either exceed or are approaching the maximum contaminant levels (MCL) set by the Environmental Protection Agency and the California Department of Public Health. The tap water from these well sources is not potable and CSA 70 W-4 is currently providing bottled water for residents and businesses to meet their daily consumption needs.

In response to drinking water deficiencies, and in partnership with the Hi-Desert Water District (HDWD), the Wildlands Conservancy (Conservancy), and SWRCB through grant funds sought under the Drinking Water State Revolving Fund, CSA 70 W-4 developed the Project that entails construction of a four-mile long water distribution pipeline to convey water from a HDWD water well in the Town of Yucca Valley by way of a new transfer tank and pump station located on a 1.5-acre site purchased from the Conservancy. The Project also entails the installation of approximately 21,000 linear feet of eight-inch diameter pipeline aligned with Pioneertown Road and includes two booster stations to move water from the HDWD Well 2w site to CSA 70 W-4 existing pipe infrastructure in Pioneertown.

PROCUREMENT

On February 13, 2018 (Item No. 75), the Board approved the Project's plans and specifications and authorized the Department to advertise for bids. On April 4, 2018, four bids were received. However, all bidders omitted one or more of the specialty contractors licenses required as part of the bid submittal. In order to be found responsive, the bid documents required each bidder to have a California Class "A" contractor's license and also have either certain specialty contractors licenses themselves or list, under the designation of subcontractors section of the bid proposal, subcontractors with the following California specialty licenses: Class 'C-34' (Pipeline), 'C-57' (Well Drilling), and 'C-7' (Low Voltage Systems). After checking licenses of bidders and associated subcontractors listed, all bidders were considered non-responsive for not complying with the license requirements.

The bid process for the Project's revised plans and specification, which will begin upon approval of this item, includes issuance of the advertisement for bids in the County's Electronic Procurement (ePro) Network, in addition to publication of the advertisement for bids in the High Desert Star and designated plan rooms as required by the Public Contract Code. A mandatory pre-bid meeting will be held on July 17, 2018 (10:00 a.m.) at the HDWD Well 2w site nearest 55914 Sunland Drive in Yucca Valley. Sealed bids are currently scheduled to be submitted by 2:00 p.m. on August 15, 2018.

In the revised bid documents, license requirements are slightly modified to accept an "A" contractor license in place of the supplemental 'C-34' license for pipeline specific work through completion of a qualification sheet detailing extensive experience in pipeline installations under regulated public water systems. As a special condition to the bid proposal process, CSA 70 W-4 will be requiring bids to be valid for up to six months following receipt to accommodate potential grant funding constraints that do not allow construction to begin before funding is awarded.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Julie J. Surber, Supervising Deputy County Counsel, 387-5455) on May 17, 2018; Finance (Tom Forster, Administrative Analyst, 387-4635) on June 7, 2018; and County Finance and Administration (Matthew Erickson, Chief Administrative Analyst, 387-5423) on June 11, 2018.