

1.0 EXECUTIVE SUMMARY



Riverside LAFCO

Water & Wastewater Municipal Service Review

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1.1 Service Review Process

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code §56000 et seq.) mandates that each LAFCO conduct service reviews prior to or in conjunction with Sphere of Influence (SOI) studies and updates. LAFCOs are also required to review and update the SOI for all agencies not less than once every five years. The statutory authority (§56430) for service reviews states that LAFCO must prepare an analysis and a written statement of determinations regarding each of the following:

- Infrastructure needs or deficiencies
- Growth and population projections for the affected area
- Financing constraints and opportunities
- Cost avoidance opportunities
- Opportunities for rate restructuring
- Opportunities for shared facilities
- Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers
- Evaluation of management efficiencies
- Local accountability and governance

Service reviews are intended to result in options and future studies which will promote more efficient service patterns, identify areas where service improvement is needed and assess the adequacy of service provision in relation to SOIs. Service reviews are **not** intended to directly change how services are provided; they are a tool to comprehensively review the major services, the delivery of those services, any issues with the efficient provision of service and potential actions by LAFCO that might address these issues, if any.

The Riverside LAFCO water and wastewater service review process started in July of 2003. Due to the diversity of agencies, services and issues, Riverside LAFCO divided the County into three regions—Western Riverside County, Pass/Mountain and Coachella Valley. This report addresses the Western Riverside and Coachella Valley regions. The service review for the Pass/Mountain area is a separate report.

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The agencies included within the Western Riverside and Coachella Valley regions are shown in *Table 1.1, Water and Wastewater Municipal Service Review Agencies.*

Table 1.1 – Water and Wastewater Municipal Service Review Agencies

Riverside LAFCO Water and Wastewater Service Review Agencies	WATER SERVICES	Retail Domestic Potable Water	Wholesale Water	Water Treatment	Recycled-Reclaimed Water	Groundwater Management	WASTEWATER SERVICES	Sanitary Sewer Collection	Sanitary Sewer Treatment	MULTI-COUNTY SERVICE AREA
WESTERN RIVERSIDE COUNTY										
1. City of Corona	X	•		•	•		X	•	•	
2. City of Hemet	X	•			•		X	•		
3. City of Perris	X	•					X	•		
4. City of Riverside	X	•	•	•	•		X	•	•	
5. City of San Jacinto	X	•					X	•		
6. Eastern Municipal Water District*	X	•	•		•	•	X	•	•	
7. Edgemont Community Services District							X	•		
8. Elsinore Valley Municipal Water District	X	•	•	•	•		X	•	•	
9. Elsinore Water District	X	•			•					
10. Home Gardens County Water District	X	•								
11. Home Gardens Sanitary District							X	•		
12. Jurupa Community Services District	X	•					X	•		
13. Lake Hemet Municipal Water District	X	•					X	•		
14. Lee Lake Water District*	X	•			•		X	•	•	
15. Murrieta County Water District	X	•		•		•	X	•		
16. Rancho California Water District	X	•			•		X	•	•	
17. Rubidoux Community Services District	X	•		•			X	•		
18. San Bernardino Valley Municipal Water District	X		•			•				X
19. West Valley Water District	X	•		•		•				X
20. Western Municipal Water District	X	•	•	•	•	•	X	•	•	
COACHELLA VALLEY										
1. City of Coachella (Coachella Water Authority and Coachella Sanitation District)	X	•		•			X	•	•	

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2. Coachella Valley Water District	X	•		•	•	•	X	•	•	X
3. City of Indio (Indio Water Authority)	X	•				•				
4. Desert Water Agency	X	•			•	•	X	•		
5. Mission Springs Water District	X	•				•	X	•	•	
6. Valley Sanitary District							X	•	•	

* Multi-region service area

The West Valley Water District and the San Bernardino Valley Municipal Water District are cross-county agencies with the majority of their service areas located in San Bernardino County. San Bernardino LAFCo is the principal LAFCo for determining the sphere of influence for the Districts, therefore Riverside LAFCo is not asked to adopt determinations for these two Districts. They are included in the report to ensure a comprehensive review of water service in Riverside County.

A draft questionnaire to collect data was prepared and reviewed by an informal technical advisory group comprised of representatives from the water and wastewater agencies. Two initial kick-off meetings with all agencies were held. The first meeting addressed the service review process and the second the draft questionnaire.

The final questionnaire, which was distributed to all agencies, was divided into three parts. Part I asked for quantitative data about the agency's services, finances and governance structure and formed the basis of the subsequent database. The second part included questions based on the service review determinations and was intended to give the agencies an opportunity to provide qualitative responses.

Part III consisted of a map with the agency's boundaries and SOI. Each agency was asked to note locations of facilities, overlapping areas of service and any illogical boundaries.

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Twenty-five (25) of the 26 agencies in the Western Riverside and Coachella service review areas returned questionnaires although the format, quantity and quality of information varied significantly. The City of Perris did not respond.

The draft service review report was sent to the technical advisory group and then to all the agencies for review and comments. Revisions were received by phone, email and fax. In addition, a meeting was held on June 4th in the Coachella Valley and another on June 7th in Western Riverside to meet with agencies, receive comments and discuss the process and report.

Various sources of information were used to prepare the service review reports. When data from the questionnaire was incomplete, copies of master plans, Urban Water Management Plans (UWMPs) and other sources of data were also used. All information collected from the questionnaires was entered into the database which will be used for future SOIs studies, service reviews and LAFCO reports.

1.2 Summary

This Summary addresses:

1. Areas of improvement in the service review process
2. Determinations for the Western Riverside service review area
3. Determinations for the Coachella Valley service review area

1) AREAS OF IMPROVEMENT IN THE SERVICE REVIEW PROCESS

- **Reduce the amount of information agencies must submit**
While the draft questionnaire was reviewed by all agencies, it was cumbersome for agencies to use and some of the questions did not yield useful data. Updating the service review “profiles” of each agency annually would allow Riverside LAFCO to maintain an accurate database, provide the Commission, the agencies and the public with annual information about the agencies and could be the basis, in conjunction with UWMPs, for future service review reports.
- **Utilize Urban Water Management Plans (UWMP)**
UWMPs must be completed every five years by water agencies with more than 3,000 connections or delivering more than 3,000 AF of water per year. Agencies in Riverside County completed UWMPs in 2000 and are scheduled to complete the next round in 2005. The UWMPs are required to analyze water supply and demand and are an important source of data. Riverside LAFCO should consider

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scheduling future water and wastewater service reviews to more closely coincide with the schedule for UWMP updates.

Some suggestions received were beyond the scope of the Riverside LAFCO's authority. Projections of population growth are critical for efficient future water and wastewater service and in Riverside County those projections are provided by a variety of agencies including the Department of Finance (DOF), Western Riverside Council of Governments (WRCOG) and the Coachella Valley Association of Governments (CVAG), Southern California Association of Governments (SCAG), Riverside County and the individual water and wastewater providers. While there is some coordination among the agencies in the source and methodology, the service review found fluctuations in population projections which make regional estimates of future service demands more difficult. In addition, population estimates for the boundaries of special districts are rarely provided by regional agencies. It is suggested that the LAFCO Commission work with the WRCOG and CVAG to develop a regional means of providing population projections for special districts, communities of interest and unincorporated community boundaries as well as for cities.

Another issue that is beyond the scope of LAFCO to address is the need to have a source of easily obtainable information about private/mutual water purveyors. In Riverside County there are approximately 300 small (less than 200 connections) and 15 private/mutual water purveyors. The service review process is only applicable to public water purveyors that come under the purview of LAFCO. Since groundwater is a predominant source of water, analysis of future supplies must include all water purveyors. Estimates of the use by private and mutual water companies are difficult to integrate into the public planning process.

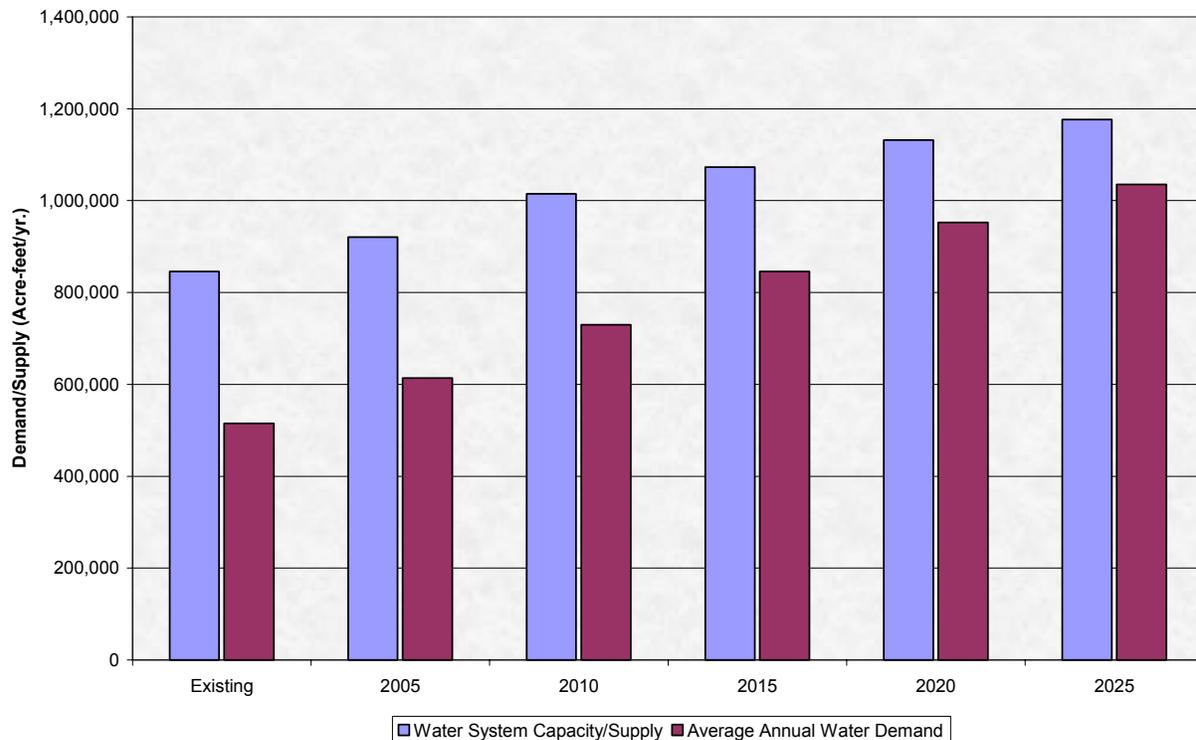
2) DETERMINATIONS FOR THE WESTERN RIVERSIDE SERVICE REVIEW AREA

The following chart shows the forecasted regional water supply and demand for the Western Riverside service review area. Based on expected supplies from the Metropolitan Water District of Southern California and the San Bernardino Valley Municipal Water District, and on data supplied by the agencies, there is expected to be an adequate water supply for future development.

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Figure 1.2.1
Western Riverside – Regional Supply/Demand Forecast



The service review also looked at infrastructure needs and deficiencies. Infrastructure needs and deficiencies have been addressed through master plans, CIPs and other long range planning documents.

As a region, financing sources identified by the agencies are adequate to meet future needs. Approximately 67% of revenues come from fees and charges and approximately 23% from property taxes. For most of the agencies within the Western Riverside service review area, the amount of reserves is matched to CIP and other infrastructure improvements.

Population and growth projections used by the agencies in the service review were generally similar. However, to more accurately predict future regional service needs, developing a regional source of future growth and population projections for all agencies would be invaluable.

The rates for water and wastewater service in the Western Riverside service review area are generally similar; variations are attributed to the cost of providing service, service area, system and other unique characteristics of each agency. No significant issues regarding rates were noted.

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Agencies in the Western Riverside service review area collaborate extensively through a variety of formal and informal groups and agreements. Excess capacity, facilities and staff are made available by agencies whenever possible.

A range of governmental structure options were examined. Some options have been discussed in the past by the Riverside LAFCO. In 1998, LAFCO formally considered a reorganization application submitted by Elsinore Valley Municipal Water District involving Elsinore Water District. While the disadvantages of reorganization may still outweigh the advantages, Riverside LAFCO and the agencies should discuss the following options:

- Home Gardens County Water District, Home Gardens Sanitary District and/or the City of Corona
- Elsinore Valley Municipal Water District and Elsinore Water District
- Lee Lake Water District, City of Corona and/or the Elsinore Valley Municipal Water District
- Murrieta County Water District, Western Municipal Water District and the Rancho California Water District
- Edgemont Community Services District and the City of Riverside
- Jurupa Community Services District and the Rubidoux Community Services District.

Several agencies noted areas outside their current boundaries where services are provided. Riverside LAFCO should compile a list of existing, non-exempt service agreements to simplify future sphere of influence updates.

All the agencies are pursuing management efficiencies, cost avoidance opportunities and shared facilities to the extent possible. Local accountability and governance were also found to be efficient. The agencies are locally accountable through adherence to applicable government code sections, open and accessible meetings, and dissemination of information. However, the Lee Lake WD, Jurupa CSD, Home Gardens CWD, Home Gardens SD and Edgemont CSD should consider developing websites to increase communication with customers.

Based on the service review process, it can be concluded that the agencies addressed in the Western Riverside service review area are providing efficient, cost-effective services.

3) DETERMINATIONS FOR THE COACHELLA VALLEY SERVICE REVIEW AREA

Infrastructure needs and deficiencies are assessed on a regular basis by agencies in the Coachella Valley. The water supply is primarily groundwater and supplies for the region are adequate to meet expected demand. However, the aquifer is currently being overdrafted and while the issue is being effectively addressed, agencies whose sole source of water is

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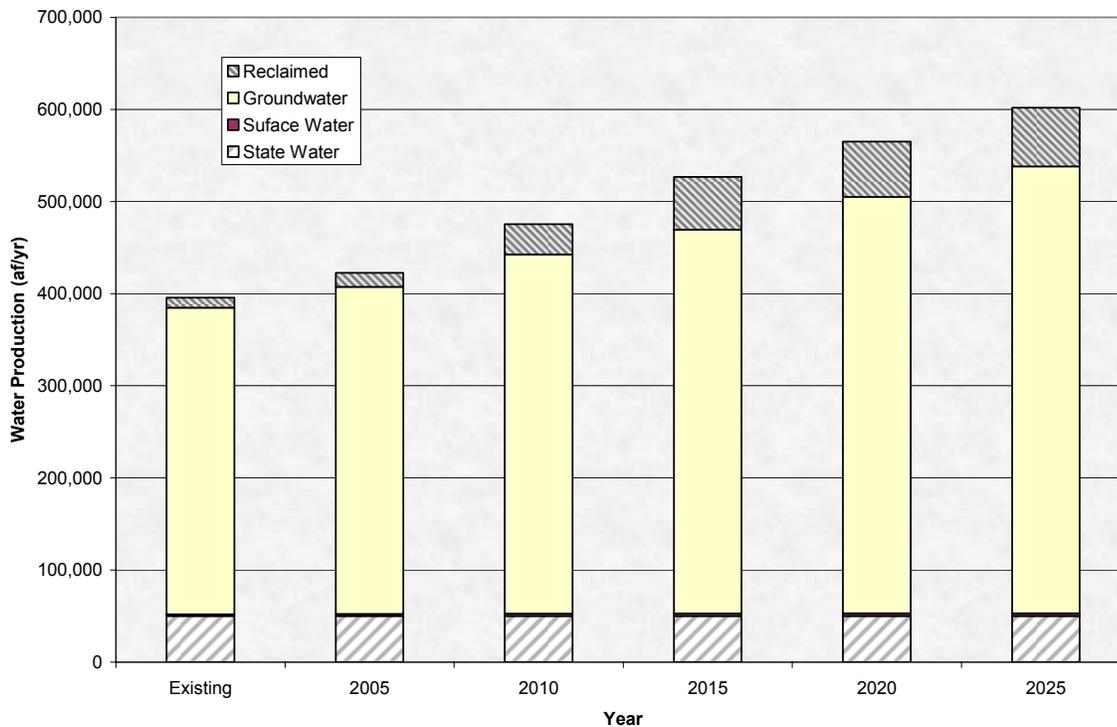
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groundwater should begin to develop additional supplies including the use of reclaimed water and its associated infrastructure, and negotiate agreements with the agencies that import water into the valley. No other significant infrastructure issues were noted. Table 1.3.1 and Figure 1.3.1 show the expected demand and the sources of the projected water supply for the region.

Table 1.3.1 – Regional Water Demand Projections for Coachella Valley

Agency	Existing Demand AF	Existing Supply AF	Future Demand (2025) AF	Future Supply (2025) AF	Future Demand Based on Population Projections (2025) AF
City of Coachella	3,572	9,416	8,968	28,810	28,893
City of Indio*	18,390	20,000	73,000	77,000	44,273
Coachella Valley Water District	129,000	257,000	187,000	360,000	154,686
Desert Water Agency	42,260	85,115	70,500	85,115	41,560
Mission Springs Water District	5,597	20,159	10,034	37,142	14,475

Figure 1.3.1 – Coachella Regional Area Water Supply by Source



Population and growth projections used by the agencies in the service review were generally similar. However, as noted in previous paragraphs, a regional source of future growth and population projections for all agencies is needed.

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Rates are the primary financing opportunities for all public enterprise funds; constraints are numerous and include infrastructure upgrades/replacements, meeting water quality regulations as well as future demand and operating and maintenance costs. The agencies all reported on-going internal practices to avoid costs. Rates among the agencies are generally similar and no significant issues were noted.

Governmental structure options in the Coachella Valley include clarifying out-of agency services area, possible spheres of influence amendments and potential reorganizations. While there may be legal, economic and service provision issues that could prevent governmental structure options, the discussion of service provision, overlapping boundaries and future reorganizations is a central part of future sphere of influence updates. In the past, agencies in the Coachella Valley service review area have had disagreements about service areas. Riverside LAFCO should consider forming a working group of representatives from all six agencies to map areas where spheres may need to be amended and to discuss possible reorganizations.

Based on the service review process, it can be concluded that the agencies addressed in the Coachella Valley service review area are providing efficient, cost-effective services. All the agencies are effectively pursuing management efficiencies, cost avoidance opportunities and shared facilities to the extent possible. Local accountability and governance were also found to be efficient.

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REGIONAL MAP