



DRAFT ENVIRONMENTAL IMPACT REPORT
LAFCO 3076

EXECUTIVE SUMMARY

1.0 EXECUTIVE SUMMARY

This section provides a brief summary of the proposed consolidation of the San Bernardino Valley Water Conservation District (Conservation District) and San Bernardino Valley Municipal Water District (Valley District) and the information presented in this Draft Environmental Impact Report (EIR). Refer to the appropriate EIR sections and technical appendices for additional discussion.

1.1 PROJECT SUMMARY

1.1.1 EXISTING CONDITIONS

Both Valley District and the Conservation District are located within the eastern portion of the San Bernardino Valley, which is located in the southwestern portion of San Bernardino County in Southern California, approximately 60 miles east of the City of Los Angeles; refer to Exhibit 3-1, *Regional Setting – Affected Cities*. Valley District includes approximately 352 square miles and is generally bounded by the Sphere of Influence boundary of the Inland Empire Utilities Agency (formally known as the Chino Basin Municipal Water District) on the west; the Crestline-Lake Arrowhead Water Agency and the Big Bear Municipal Water District boundaries on the north; section, quarter section and half sections lines on the east; and parcel boundaries along the south which include a portion of the Riverside/San Bernardino County line (refer to Exhibit 3-2, *Conservation District and Valley District Boundaries*). Included within Valley District are all or portions of the cities of Rialto, Fontana, Colton, San Bernardino, Grand Terrace, Loma Linda, Highland, Redlands, and Yucaipa. This boundary also encompasses all or portions of the communities of Bloomington, Mentone, Oak Glen, Lytle Creek, Muscoy, Baron Flats and Reche Canyon, which are all within unincorporated areas of San Bernardino and Riverside Counties. An estimated 600,000 residents live within the boundaries of Valley District.

The Conservation District is approximately 77.9 square miles in size and is generally bordered on the east by a combination of parcel boundaries and full and partial section lines within the cities of Redlands, Loma Linda and Colton, excluding the area of the Santa Ana River, from a point near the Guthrie Interchange easterly to the State Highway 30 bridge; refer to Exhibit 3-2, *Conservation District and Valley District Boundaries*. The Conservation District boundaries are encompassed entirely within the boundaries of Valley District.

The Project area is primarily within the San Bernardino Basin Area (SBBA). The SBBA is an alluviated lowland that extends northwestward from Yucaipa to the Devore area at the foot of Cajon Pass. It is bound on the north and northeast by the San Bernardino Mountains and on the northwest by the San Gabriel Mountains. The groundwater in the basin is bound by the San Andreas Fault on the north and the San Jacinto fault and Rialto-Colton fault on the southwest. Sedimentary materials filling up the basin store groundwater for the urbanizing San Bernardino-Fontana-Redlands-Yucaipa region.

The Project area occupies the more urbanized portion of the Upper Santa Ana River watershed. The predominant vegetation communities within the undeveloped areas include chaparral, coastal sage scrub, deciduous woodlands, grasslands, and wetlands. Vegetation in urbanized areas consists primarily of introduced landscape species. The most sensitive vegetation types found within the Project area include wetlands, including riparian woodland, riparian scrub, and freshwater marsh. The most dominant physical feature within the Project area is the Santa Ana River watershed. The Upper Santa Ana River Watershed is described in greater detail within the Santa Ana River Water Rights Applications for Supplemental Water Supply (Appendix E) and Upper Santa Ana River Watershed Integrated Water Management Plan (IRWMP, Appendix F).

1.1.2 PROPOSED PROJECT

The proposed Project is the consolidation of the Conservation District and Valley District. If LAFCO 3076 (the proposed consolidation) is approved by the Commission and the voters within the Conservation District do not oppose, the Conservation District would cease to exist as a separate entity and its current functions would be consolidated with those of Valley District (this is discussed in greater detail below, in Section 3.0 of this EIR, and in Appendix B of this EIR).

On March 15, 2006, the Local Agency Formation Commission (LAFCO) for San Bernardino County approved Resolution No. 2893 that made certain determinations on LAFCO 2919, a Service Review and Sphere of Influence update for the Conservation District. The Commission determined that “the sphere of influence for the San Bernardino Valley Water Conservation District shall be reduced to a “zero” sphere of influence with the direction that the consolidation of the District with the San Bernardino Valley Municipal Water District should be pursued.” In November 2006, Valley District submitted an application to LAFCO requesting the consolidation of the two districts. LAFCO assigned this application a proposal tracking number, LAFCO 3076, for processing purposes. Thus, the action being considered in this EIR is “LAFCO 3076 – Consolidation of the San Bernardino Valley Water Conservation District and the San Bernardino Valley Municipal Water District.”

The Plan for Service would result in the following (as described in Section 3.0 and in Appendix B, Plan for Service):

- 1) Per its principal act and LAFCO approval, Valley District will continue to provide all services currently provided by the Conservation District, including the operation and maintenance of all recharge facilities for the benefit of the entire San Bernardino Basin Area, as clarified further below, and in Section 3.2 of the Plan for Services;
- 2) The Groundwater Assessment presently being levied and collected by Conservation District will be eliminated, resulting in savings of approximately \$700,000 annually to groundwater producers and their constituents (Section 3.2 of the Plan for Service);
- 3) Surplus real property may be disposed of (Section 5.2 of the Plan for Service). The proposed post-consolidation disposition of Conservation District activities, operations and assets are described further in Section 3, *Project Description* (and in Section 5.2 of the Appendix B, *Plan for Service*), including sale of three parcels, transfer of Mill Creek spreading basin facilities to City of Redlands, transfer of Mill Creek water rights to historic water rights holders, and assuming the Conservation District’s role in various leases, management functions, agreements, committees and advisory boards;
- 4) One-time and ongoing revenue related to Conservation District assets will be placed in a segregated Basin Management Account to cover expenses necessary to provide the services of Conservation District;

- 5) Valley District will succeed to all rights, responsibilities, properties, contracts, assets and liabilities of Conservation District, and will implement an efficient Transition Plan in accordance with the goals of the consolidation (see Section 6.2 of the Plan for Service and Section 3.6 below);
- 6) All regular Conservation District employees will become employees of Valley District with retention of salaries and other benefits, and will immediately be offered enhanced benefits that are available to Valley District employees (Section 6.3 of the Plan for Service); and
- 7) An Advisory Board comprised of all current Conservation District Board Members will be formed to ensure access to and benefit from their knowledge and experience (Section 6.4 of the Plan for Service).

In various past and more recent correspondence, including comments received at the Project's Scoping Meeting, certain interested parties have suggested that the Project may result in potentially significant impacts. Refer to Appendix A, *Initial Study/NOP* of this EIR. The key issues raised are summarized in Section 1.5, *Areas of Controversy and Issues to be Resolved*. Given that the issues identified may raise a "fair argument," and considering prior litigation on LAFCO 2919, LAFCO has prepared this EIR as the CEQA compliance document. As discussed further in Section 3.3, *Background and History*, a water agency consolidation would typically be exempt under CEQA.

1.2 SUMMARY OF ENVIRONMENTAL IMPACTS

With consideration for the findings of the NOP/Initial Study and comments received during the public comment period (see Appendix A), the proposed Project was identified as having potentially significant impacts in the following issue areas, warranting further discussion in an EIR: Agricultural Resources; Biological Resources; Hydrology, Water Quality and Water Supply; Land Use and Relevant Planning; Mineral Resources; and Utilities and Service Systems. These issue areas were evaluated within the EIR to identify existing conditions and determine the anticipated environmental effects the proposed Project would have; refer to Chapter 4.0, *Environmental Impact Analysis* for more detailed discussion. Through this evaluation process, no significant environmental impacts were identified as a result of Project implementation. LAFCO 3076 does not authorize construction of any physical structures. The EIR evaluated actual and potential changes in ownership, operation and other factors noted by concerned parties, and did not find any substantial evidence to suggest that a significant environmental impact would result from LAFCO 3076. Section 4.0 of this EIR explores these topics in greater detail. Sections 3.0 and 4.0 describe the areas of concern raised by interested parties, and discuss the specific Project-related change.

Of special note is that, upon consolidation, Valley District would be bound by numerous environmental regulations (including CEQA and NEPA, the Endangered Species Act, Clean Water Act, Clean Air Act and others), as well as several major water resource related plans, agreements, court-stipulated judgments, and other similar documents, all of which suggest that it would be speculative to assert that a significant impact would occur as a result of this proposed agency consolidation. Excerpts of select water-related regulatory plans and documents are included as attachments to Appendix B, and in Appendices E and F, and are summarized in Table 4.3-1, *Summary of Various Regulations and Agreements*. Therefore, no significant environmental impacts are anticipated to occur as a result of LAFCO 3076, and no mitigation measures are required. However, even though LAFCO has not found any substantial evidence to suggest a potential physical environmental impact from authorizing the consolidation, recognizing the concerns expressed by interested parties and LAFCO's duties to

make required findings regarding the proposed consolidation, LAFCO intends to impose various special “terms and conditions” upon Valley District that directly address various areas of concern. These may include the following:

- 1) Establishing a groundwater management account to receive one-time and ongoing revenues related to Conservation District assets, to ensure that these revenues are used only for activities consistent with groundwater conservation;
- 2) Authorizing and directing Valley District, with respect to transfer various assets and operations from Conservation District, to amend relevant ordinances, rules, regulations, policies, procedures, practices, agreements, MOUs or other similar documents prior to the Effective Date of the consolidation;
- 3) Amend Valley District’s LAFCO authorized services to be consistent with those of Conservation District (see discussion in Section 3.4.3); and
- 4) Condition the transfer of certain assets (Mill Creek spreading basins) to be used for conservation purposes consistent with applicable prevailing governing regulations.

1.3 SIGNIFICANT UNAVOIDABLE ADVERSE ENVIRONMENTAL IMPACTS

Section 15126.2(b) of the CEQA Guidelines requires an EIR to “Describe any significant impacts, including those which can be mitigated but not reduced to a level of insignificance.” Chapter 4.0, *Environmental Impact Analysis*, of this document analyzes the potential environmental impacts of the proposed Project. No significant environmental impacts were identified as resulting from the Project. As such, no significant unavoidable adverse environmental impacts would occur as the result of Project implementation. All potential impacts would be less than significant and would not require mitigation to reduce such Project effects.

1.4 SUMMARY OF PROJECT ALTERNATIVES

In accordance with Section 15126.6 of the *CEQA Guidelines*, the EIR evaluates a number of alternatives to assess various options to the proposed project to further reduce potential adverse environmental effects; refer to Chapter 6.0, *Alternatives*, of this EIR for additional discussion. It should be noted that the primary purpose of an alternatives analysis is to evaluate alternatives that could reduce a project’s significant impacts, and the proposed Project does not have any significant environmental impacts. The following alternatives were considered and rejected from further evaluation, due to their failure to achieve the established project objectives (refer also to Section 3.5, *Project Objectives*):

1.4.1 ALTERNATIVE SITE ALTERNATIVE

The “Alternative Site” Alternative would place the affected Project area in a different geographical location than where the boundaries of Valley District and the Conservation District presently reach. Under this alternative, Valley District and the Conservation District would still be consolidated. This Alternative assumes that the responsibilities and daily operational characteristics of the Districts would remain the same as that under the proposed Project.

The existing boundaries of Valley District and the Conservation District are intended to apply to a specific geographic area, with the water resources contained within these respective Districts

subject to regulations established to protect and maintain them for the short- and long-term. As such, relocating the boundaries of the Districts to an alternative location would not be feasible. This alternative would not achieve any of the objectives identified for the proposed Project. As the proposed Project would not result in significant environmental impacts, the Alternative Site Alternative would not reduce environmental impacts to below that which would result from the proposed Project. As such, this alternative was considered to be infeasible and was therefore rejected by the applicant.

1.4.2 SANTA ANA RIVER WATER RIGHT APPLICATIONS FOR SUPPLEMENTAL WATER SUPPLY EIR ALTERNATIVE

The Draft EIR prepared for the Santa Ana River Water Rights project evaluates the potential environmental impacts from the San Bernardino Valley Municipal Water District (Valley District) and Western Municipal Water District of Riverside County (WMWD) joint applications with the State Water Resources Board. The result would be diversion of a maximum of 200,000 acre-feet per year of water from the Santa Ana River to the local area in order to provide an increase in water supply reliability by reducing dependence on imported water via the CWP and meet future demand needs through a long-term water supply and operational flexibility. Four alternatives are proposed in the Draft EIR for the Santa Ana River Water Rights Project relative to future water supply to the area; however, these alternatives were rejected from further consideration as they did not meet the Santa Ana River Water Rights project primary goals and objectives, resulted in similar environmental impacts as the proposed action, or were not feasible. Refer to Section 6.4.2, *Santa Ana River Water Rights Application EIR*, for additional discussion.

In addition, three alternatives to the proposed Project were analyzed as part of the preparation of this EIR. A summary of the proposed Project alternatives is provided below. Chapter 6.0, *Alternatives*, further describes and evaluates alternatives to the proposed Project. The alternatives considered in this EIR are:

- “No Project” Alternative
- “Expansion of Water Conservation District Boundaries” Alternative
- “Environmentally Superior” Alternative

1.4.3 NO PROJECT ALTERNATIVE

Under the “No Project” Alternative, the proposed Project would not be approved and the Conservation District would not be consolidated with Valley District. Both the Conservation District and Valley District would continue operating under the current conditions and each District would have the same authority and responsibilities as are currently held; refer to Chapter 3.0, *Project Description*, for a list of services provided and authority given to each District.

Without consolidation of Valley District and the Conservation District, this alternative would not achieve any of the objectives identified for the proposed Project. In addition, as the proposed Project would not result in significant environmental impacts, the No Project Alternative would not reduce potential environmental impacts to below that which would result from the proposed Project. As such, this alternative was rejected by the applicant.

1.4.4 EXPANSION OF WATER CONSERVATION DISTRICT BOUNDARIES ALTERNATIVE

In response to comments received from the Conservation District during the public review period, Valley District considered expansion of the boundaries of the Conservation District to be contiguous with the San Bernardino Basin. The Expansion of Water Conservation District Boundaries Alternative assumes that operational responsibilities would be shared by Valley District and the Conservation District.

On March 15, 2006, the San Bernardino Local Agency Formation Commission (LAFCO) approved Resolution No. 2893 that made certain determinations on LAFCO Action 2919, which established a zero sphere of influence for the Conservation District, with the direction that the consolidation with Valley District be pursued as the most cost-effective governmental structure. This item has been examined and litigated successfully, and the need to reinvestigate the issues does not exist. As such, expansion of the Conservation District to be contiguous with the San Bernardino Basin would conflict with the intended result of Resolution No. 2983. In addition, the Alternative would fail to meet any of the Project objectives, as a consolidated District would not occur. For these reasons, the Expansion of Water Conservation District Boundaries Alternative was rejected from further consideration.

1.4.5 ENVIRONMENTALLY SUPERIOR ALTERNATIVE

CEQA requires the identification of an "Environmentally Superior" Alternative to the proposed Project (Section 15126); however, through the analysis of the proposed alternatives, none of the alternatives considered in the EIR analysis represents an "Environmentally Superior" Alternative to the proposed Project; refer to Chapter 6.0, *Alternatives*. As the proposed Project would not result in significant environmental impacts, none of the alternatives would reduce such impacts to that below which would result from the proposed Project, thereby representing an alternative that would be "Environmentally Superior." As such, this Alternative was considered to be infeasible and was therefore rejected by the applicant.

1.5 AREAS OF CONTROVERSY AND ISSUES TO BE RESOLVED

Section 15123 of the *CEQA Guidelines* requires that an EIR contain a brief summary of the proposed actions and its consequences. Sections 15123(b)(2) and (3) also require that the EIR summary identify areas of controversy known to the Lead Agency, issues raised by agencies and the public, and issues to be resolved, including the choice among alternatives and whether, or how to, mitigate significant adverse physical impacts.

As noted previously, in a letter submitted to LAFCO in September 2005, during its consideration of LAFCO 2919, Municipal Service Review and Sphere of Influence Update for the Conservation District, the Conservation District raised several issues that it asserts may result in potential significant effects on the environment through consolidation. Given that the issues may raise a "fair argument," and considering the prior litigation on LAFCO 2919, LAFCO decided to prepare an Environmental Impact Report (EIR) as the CEQA compliance document. Refer also to Section 3.3, *Background and History*, and Section 3.3.1, *Summary of NOP Public Scoping Meeting and NOP Comments*, for a more detailed discussion of issues relative to the project. Appendix A, *Initial Study/NOP*, includes a copy of all comments received and a summary of the issues raised during the public scoping meeting.

1.5.1 PUBLIC SCOPING MEETING

Issues raised at the September 26, 2007 public scoping meeting included comments from the public and the Conservation District. Community concerns included questions as to who will be permitted to give final input on the EIR document, how and when information regarding the EIR document and process will be available, including the selection of the environmental consultant and environmental contractor, how information was incorporated into the Draft EIR, and how the EIR document will be released back to the community. In addition, an issue was raised as to whether the results of the LAFCO 2919 Committee report would be included in the EIR; these are provided in Section 3.3, *Background and History*, and have been addressed in the EIR. In addition, the Conservation District raised concerns regarding the potential for environmental effects if the State Board fails to grant water rights to Valley District, impacts of water rights, including transfer of Mill Creek water rights and spreading basins, project alternatives, and management of the Mill Creek Cooperative Water Project (CWP).

1.5.2 NOP COMMENTS

The San Bernardino County LAFCO distributed an NOP for the EIR to various public agencies, the public, and the State of California Governor's Office of Planning and Research on September 7, 2007. The NOP is included in Appendix A, *Initial Study/NOP*. The purpose of the NOP was to solicit comments from public agencies and the public in order to identify issues that should be considered in the preparation of the EIR. The public review period for the NOP ended on October 8, 2007.

Issues identified in the responses to the NOP included those provided by the Conservation District, public agencies, and members of the public during the public scoping meeting. Major issues identified during this process generally addressed management of water resources, transfer of management duties of the Conservation District, and potential effects on water availability (i.e. reduction in the volume of groundwater recharged to the Bunker Hill Basin; reduction of available diversions from the Santa Ana River for recharge, degradation of water quality). Section 2.4, *Public Scoping Process*, expands on these issues. Refer also to Appendix A, *Initial Study/NOP*, for copies of all public comments received.

1.5.2.1 Disagreement Among Experts

This EIR contains substantial evidence to support the conclusions presented herein; however, this does not preclude the possibility of disagreement among various parties regarding these conclusions. *CEQA Guidelines* and case law provide the standards for treating disagreements among experts. Where evidence and opinions of experts conflict on an environmental issue, and the agency is aware of such controversy in advance, the EIR must acknowledge controversies, summarize conflicting opinions of the experts, and include sufficient information to allow the public and decision-makers to intelligently account for the environmental consequences of their actions.

Evidence may be presented during the review of the Draft EIR that might create disagreement. In rendering a decision where a disagreement among experts occurs, decision-makers are not obligated to select the most environmentally protective viewpoint. The decision-makers must consider the comments received and address objections, but can ultimately disagree with said comments, so long as their decision is supported by substantial evidence.

At the time of this writing, the San Bernardino County LAFCO is not aware of any disagreement among experts concerning the content of this EIR.