

Ventura Local Agency Formation Commission

# Ojai Valley Sanitary District

Municipal Service Review



Prepared By:  
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**Accepted by the Commission on February 16, 2022**

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## Introduction

### *Purpose of the Municipal Service Review*

Local Agency Formation Commissions (LAFCo) exist in each county in California and were formed for the purpose of administering state law and local policies relating to the establishment and revision of local government boundaries. According to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code § 56000 et seq.), LAFCo's purposes are to:

- discourage urban sprawl;
- preserve open space and prime agricultural land;
- ensure efficient provision of government services; and
- encourage the orderly formation and development of local agencies.

To achieve these purposes, LAFCos are responsible for coordinating logical and timely changes in local government boundaries (such as annexations), conducting special studies that identify ways to reorganize and streamline governmental structure, and determining a sphere of influence for each city and special district over which they have authority.

A **sphere of influence** is a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCo (Government Code § 56076). Beginning in 2001, each LAFCo was required to review, and as necessary, update the sphere of each city and special district on or before January 1, 2008, and every five years thereafter (Government Code § 56425(g)).

Government Code § 56430(a) provides that in order to determine or update a sphere of influence, LAFCo shall prepare a **Municipal Service Review (MSR)** and make written determinations relating to the following seven factors:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by Commission policy.

MSRs are not prepared for counties, but are prepared for special districts including those governed by a county Board of Supervisors. Additionally, while LAFCos are authorized to prepare studies relating to their role as boundary agencies, they have no investigative authority.

LAFCo staff prepared this MSR for the Ojai Valley Sanitary District (District) using information obtained from multiple sources, including, but not limited to:

- **MSR Questionnaire:** A questionnaire supplied by LAFCo elicited general information about the District (e.g., contact information, governing body, financial information), as well as service-specific data;
- **Budget:** The adopted budget provided information regarding services and funding levels;
- **General Plans:** The general plans of the County of Ventura, the City of Ojai, and the City of San Buenaventura provided information regarding land use, populations, and service levels;
- **District Documents:** Various District documents provided supplementary information relating to service provision;
- **Historical MSR:** The 2004 MSR provided certain data that remain relevant and accurate for inclusion in the current MSR;
- **District Website:** The District's website provided supplementary and clarifying information; and
- **District Staff:** District staff provided supplementary and clarifying information.

### ***Organization of the MSR***

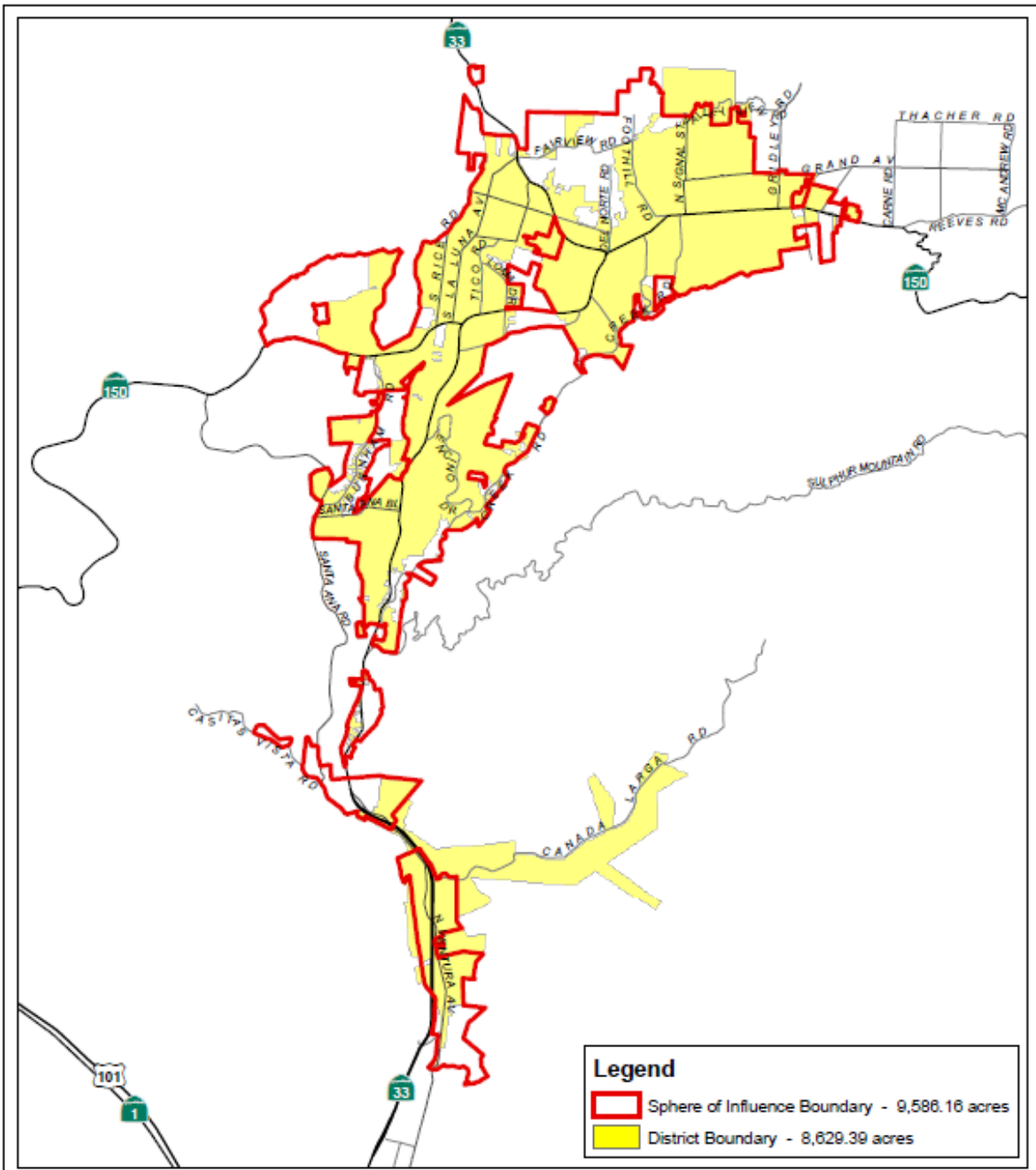
This report is organized into several sections, as follows:

- **Maps:** A general location map and the official LAFCo map of the District;
- **Profile:** Summary profile of information about the District, including contact information, governing body, summary financial information, and staffing levels;
- **Growth and Population Projections:** Details of past, current, and projected population for the District;
- **Review of Municipal Services:** Discussion of the municipal services that the District provides;
- **Sphere of Influence:** Discussion of the existing sphere of influence of the District and potential modifications to the sphere; and
- **Written Determinations:** Recommended determinations for each of the seven mandatory factors for the District.

The Commission's acceptance of the MSR and adoption of written determinations will be memorialized through the adoption of a resolution that addresses each of the seven mandatory factors based on the Written Determinations section of the MSR.

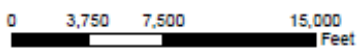
# Maps





### Ojai Valley Sanitary District Current as of December 16, 2019

Prepared by County of Ventura - IT Services Department - GIS Division  
State Plane Coordinate System California Zone V - NAD 27  
This map was compiled from records and computations



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WARNING: The information contained herein was created by the Ventura County Geographic Information System (GIS), which is designed and operated solely for the convenience of the County and related contract entities. The County does not warrant the accuracy of this information, and no decision involving a risk of economic loss or physical injury should be made in reliance thereon.

## Profile

The Ojai Valley Sanitary District (OVSD or District) provides wastewater collection and treatment services to the Ojai Valley and areas north of the City of San Buenaventura. Its service area includes the City of Ojai, and the unincorporated communities of Meiners Oaks, Oak View, Casitas Springs, and the North Ventura Avenue area within the City of San Buenaventura’s sphere of influence. The OVSD was formed as a result of the 1985 consolidation of the Ventura Avenue Sanitary District, Oak View Sanitary District, Meiners Oaks Sanitary District, and City of Ojai Sanitation Department.

### Contact Information

District Manager	Jeff Palmer
District Office	1072 Tico Road, Ojai, CA 93023
Mailing Address	1072 Tico Road, Ojai, CA 93023
Phone Number	(805) 646-5548
Website	<a href="http://ojaisan.org">ojaisan.org</a>
E-mail Address	jeff.palmer@ojaisan.org

### Governance Information

Formation Date	May 15, 1985
Legal Authority	<u>Health and Safety Code § 6400</u> (Sanitary District Act of 1923)
Type of District	Independent
Board of Directors	Seven members. Elected by voting district to staggered, four-year terms of office (elections held in even-numbered years).
Board Meetings	4 <sup>th</sup> Monday of most months, beginning at 6:00 p.m., located at 1072 Tico Road, Ojai, CA 93023

### Services Provided

The District is authorized to provide wastewater collection and treatment services

### Population and Area Information

	<i>Population<sup>1</sup></i>	<i>Area (square miles)</i>
Jurisdictional Area	27,378	13.47
Sphere of Influence Area	28,969	14.97

### Staffing – Full Time Equivalent Positions<sup>2</sup>

Executive/Management	Professional/Support	Operational	Total
3	9	9	21

<sup>1</sup> Source: 2010 U.S. Census data.

<sup>2</sup> Source: Current and historical City budget documents, and City staff.

Revenues	Expenditures
Primary Revenue Sources	Primary Expenses
Service Charges	Salaries and Benefits
Property Taxes	Maintenance
Transfer from Reserves	Equipment and Supplies
FY 2020-21 Revenues (Budget)	FY 2020-21 Expenditures (Budget)
\$9,882,629	\$9,882,629

Public Agencies with Overlapping Jurisdiction	
Casitas Municipal Water District	Ventura County Fire Protection District
City of Ojai	Ventura County Resource Conservation District
City of San Buenaventura	Ventura County Service Area No. 14
Meiners Oaks Water District	Ventura County Service Area No. 32
Gold Coast Transit District	Ventura County Transportation Commission
Ojai Basin Groundwater Management Agency	Ventura County Watershed Protection District
Ojai Valley Sanitary District	Ventura Port District
Ojai Water Conservation District	Ventura Regional Sanitation District
Ventura County Air Pollution Control District	Ventura River Water District



## **Growth and Population Projections**

*LAFCo is required to project the growth and population for the affected area (Government Code § 56430(a)(1)).*

According to a rough estimate based on U.S. Census data, the 2010 population within the District's jurisdictional boundary was 27,378 and sphere of influence was 28,969. The District estimates a population of 30,000 within its service area. Based on a general trend of slow-growth in the Ojai Valley area and limited opportunities for growth along the North Ventura Avenue corridor, the estimated population is not expected to change significantly in the foreseeable future.

## Review of Municipal Services

The review of the District's services is based on provisions of state law which require LAFCo to make determinations regarding the present and planned capacity of public facilities, the adequacy of public services, infrastructure needs and deficiencies, and the District's financial ability to provide these services (Government Code § 56430(a)(3)).

### Wastewater Services

The OVSD provides wastewater collection and treatment services within its service area. According to the District's Sewer System Management Plan (August 2019), the collection system includes 120 miles of collection pipelines (ranging from 6 inches to 24 inches in diameter). The majority of the system flow occurs by gravity, which is supplemented by four sewage lift stations and 14,102 feet of associated force mains. District staff provides line cleaning, enhanced maintenance area cleaning, response to blockages, and maintenance of lift stations and siphons. Wastewater is transported to and treated at the OVSD Treatment Plant, located at 6363 North Ventura Avenue, generally north of the City of San Buenaventura. From there, the treated wastewater is discharged into the Ventura River, as required by the District's discharge permit issued by the State Water Resources Control Board. The oldest portions of the collection system were constructed in the 1920s and require ongoing maintenance and upgrade. The wastewater treatment facility was originally constructed in 1963 and was rebuilt in 1997.

According to District staff, the OVSD's treatment facility has a capacity of 3 million gallons per day (MGD) and treats an average of 1.5 MGD. The District composts approximately two-thirds of biosolids generated by the treatment plant, yielding approximately 1,100 cubic yards of compost, available at no cost to the public for soil amendment purposes.

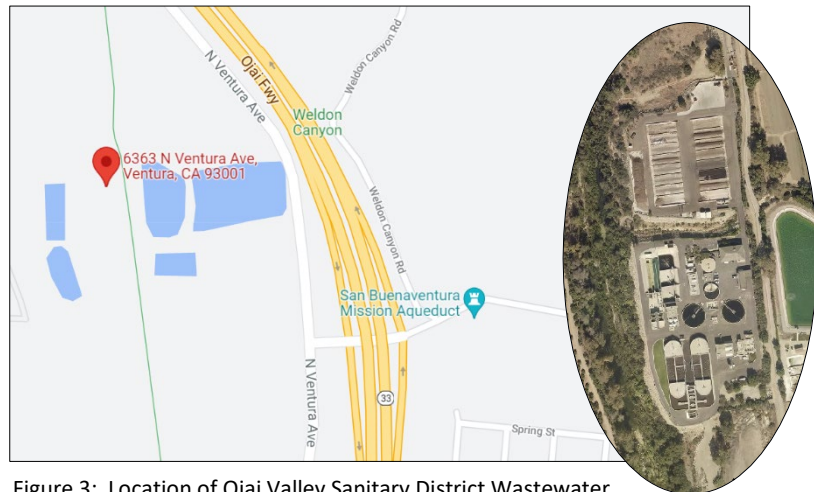


Figure 3: Location of Ojai Valley Sanitary District Wastewater Treatment Plant (Sources: Google Maps (2021) and Pictometry)

According to the District's Sewer System Management Plan (August 2019), the District reviews its Capital Improvement Plan at least once annually. Recent capital projects include: replacement of various treatment plant components, an upgrade to the filter influent channel to increase flow velocity, installation of an above-ground fuel storage tank to enhance disaster preparedness efforts, installation of chemical storage tanks and pump systems to replace units that have reached their design life, installation of mechanically cleaned screens with compactors/washers which will improve overall treatment performance of the plant, ultraviolet disinfection system improvements with more effective and energy efficient equipment,

replacement of laboratory equipment, replacement of a tractor that manages biosolids and compost, installation of energy efficient pumps and other upgrades. Additionally, the District is in the process of developing a facilities plan update that offers treatment process alternatives to improve the plant.

The District provides wastewater service to a property developed with a winery/tasting room (“Old Creek Ranch Winery”) located at 10024 Old Creek Road (Assessor’s Parcel Number 035-0-100-31). The property is located between the unincorporated communities of Casitas Springs and Oak View, south of the City of Ojai, outside the jurisdictional boundaries of the OVSD but within its sphere of influence. According to OVSD records, the District has provided sewer service to this property since at least 1994, and sewer service charges to the property were historically calculated at a service volume of three capacity units,<sup>3</sup> which remained constant until the District performed an audit of the site in 2019. Pursuant to Government Code Section 56133, a city or district may provide new or extended services outside its jurisdictional boundary only if it first requests and receives approval from LAFCo, except under limited circumstances (i.e., LAFCo approval is not required for services provided by an agency on or prior to January 1, 2001). Therefore, the District’s service to this parcel of three capacity units predates the requirement for LAFCo approval. During the District’s audit of fixtures and structures at the facility in 2019, it calculated that the property owner is now responsible for sewer service charges based on six capacity units (i.e., double that of the historical use), which includes a combination of permitted and unpermitted facilities. OVSD staff indicated that Old Creek Ranch Winery began generating the additional volume of wastewater and discharging it to the District’s collection system without informing or seeking approval from the District. The expansion in service of three additional capacity units has likewise not been approved by LAFCo.

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<sup>3</sup> The District computes capacity units using a standard formula (e.g., a single-family residence is considered to be equivalent to one capacity unit, and a tally of additional plumbing fixtures allows the District to figure the total number of capacity units for a property).

## Sphere of Influence

In 2005, the Commission updated the OVSD sphere of influence, determining generally that all parcels designated for some type of urban use by the City of San Buenaventura's General Plan and the City of Ojai's General Plan (for territory within the spheres of influence of each of the two cities) or the County's General Plan and Ojai Valley Area Plan were to be included within the OVSD's sphere of influence. The Commission also determined that all parcels that were not designated for urban-type uses (i.e., parcels designated for agricultural or open space uses) were to be removed from the sphere of influence, unless they were already receiving service from the OVSD. As a result of the update, approximately 2,000 acres were removed from the OVSD's sphere of influence.

However, several properties outside the District's jurisdictional boundaries remained within the District's sphere, although they were not served by the District, are not subject to historical agreements for future service, and are not designated for urban uses by the general plan of any city or the County. These properties are shown in Figures 4 and 5 as Areas 1, 2, and 3:

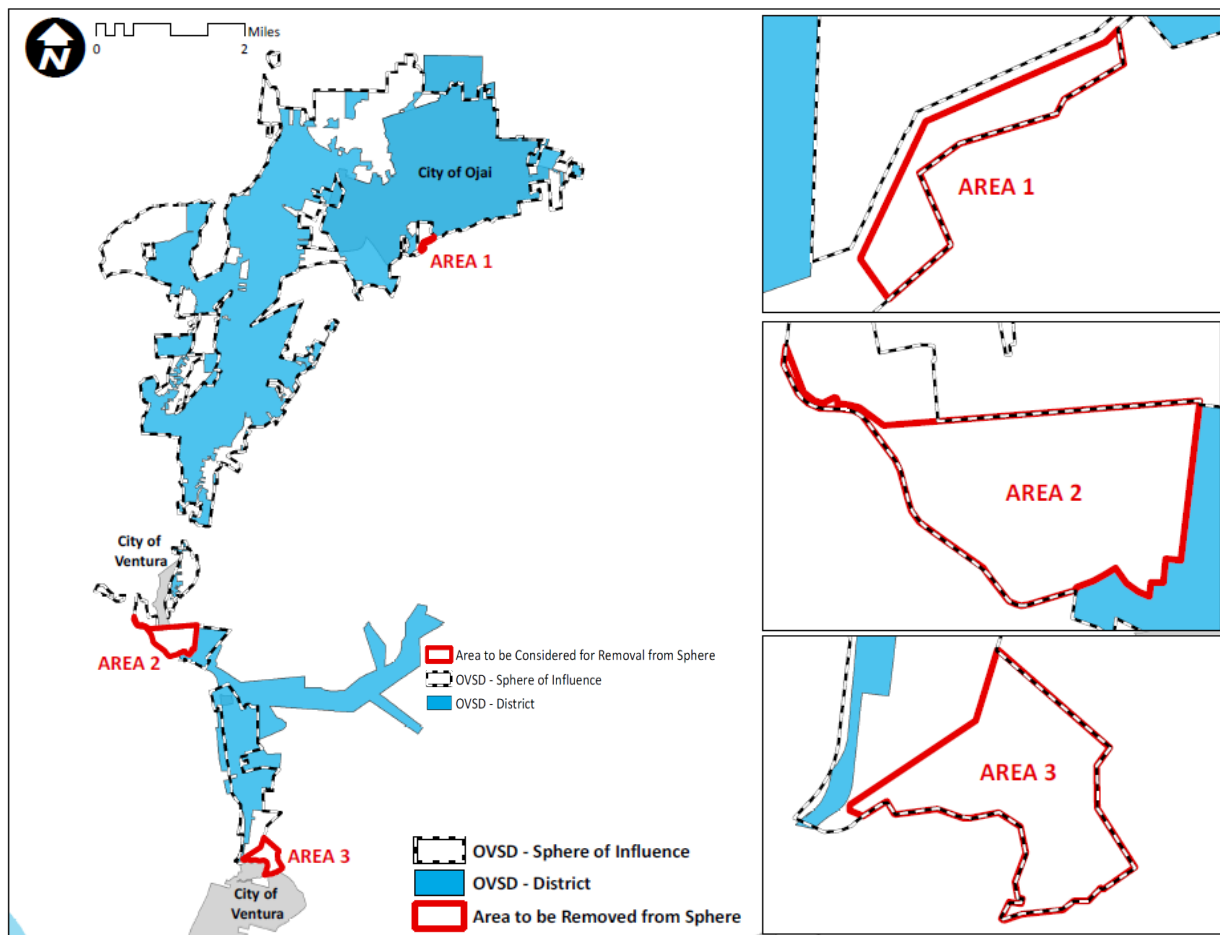
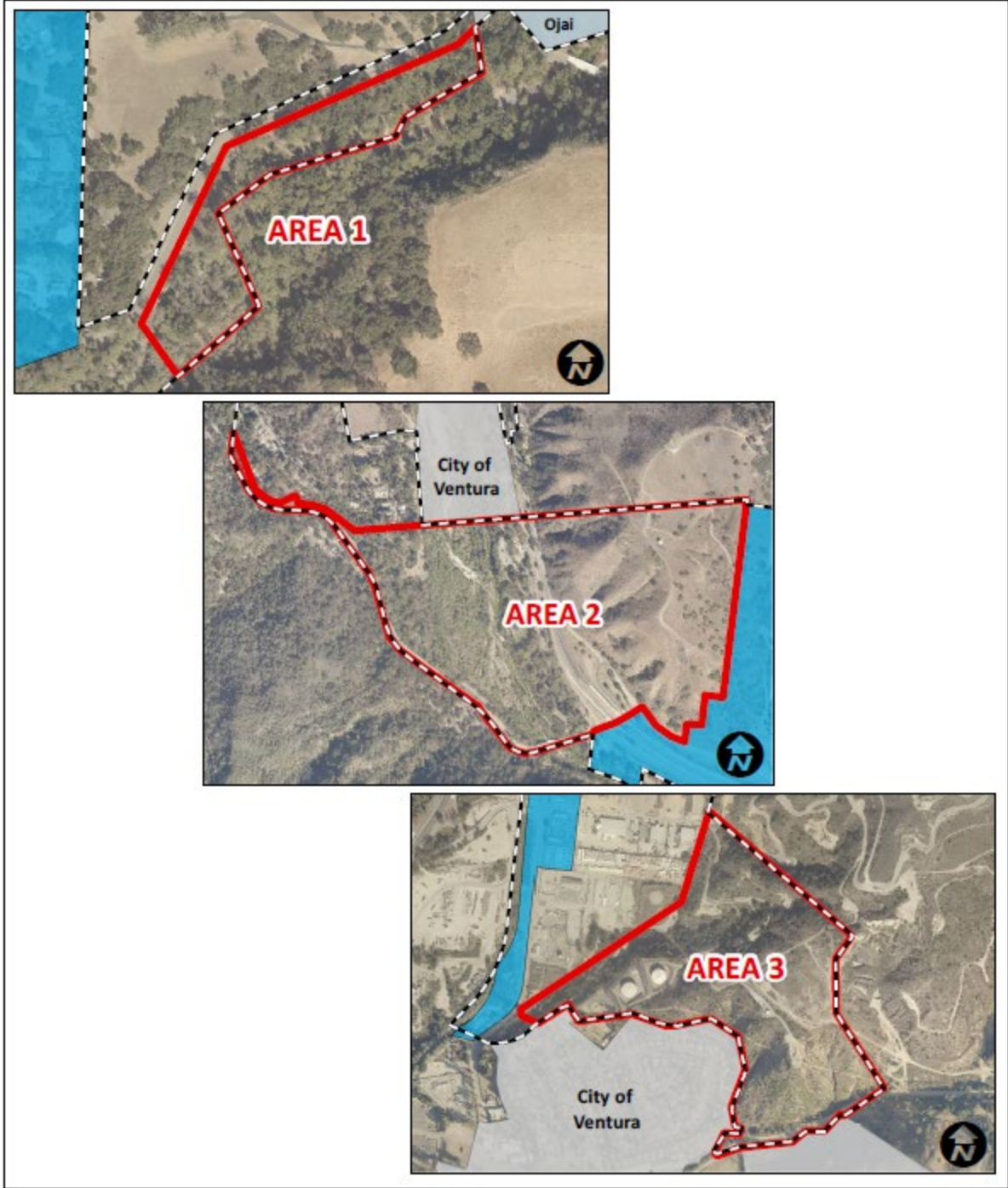


Figure 4: Area to be Considered for Removal from Ojai Valley Sanitary District Sphere of Influence



LAFCo 22-045  
 Ojai Valley Sanitary District (OVSD)  
 Sphere of Influence Update  
 February 16, 2022

- Area to be Considered for Removal from Sphere
- OVSD - Sphere of Influence
- OVSD - District
- City Boundaries

Figure 5: Area to be Considered for Removal from Ojai Valley Sanitary District Sphere of Influence

These properties consist of undeveloped open space land. Ventura LAFCo policies do not support the extension of municipal services into areas that would result in a premature intrusion of urbanization into a predominantly agricultural or rural area, and/or conversion of existing open space; therefore, development of these properties is unlikely to involve sewer service.

Therefore, the Commission may consider removal of these properties from the District's sphere of influence, to reflect that it is unlikely that the District would serve them in the future.

## Written Determinations

The Commission is required to prepare a written statement of its determinations with respect to each of the subject areas provided below (Government Code § 56430(a)).

### 1. Growth and population projections for the affected area

According to a rough estimate based on U.S. Census Bureau data, the 2010 population within the District's jurisdictional boundary was 27,378 and sphere of influence was 28,969. The District estimates a population of 30,000 within its service area. Based on a general trend of slow-growth in the Ojai Valley Area and limited opportunities for growth along the North Ventura Avenue corridor, the estimated population is not expected to change significantly in the foreseeable future.

### 2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

A disadvantaged unincorporated community is defined as a community with an annual median household income that is less than 80% of the statewide annual median household income (Government Code § 56033.5). No identified disadvantaged unincorporated communities are located within or contiguous to the District's sphere of influence.<sup>4</sup>

### 3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies

Wastewater services:

- The District provides wastewater collection and treatment services within the Ojai Valley (including the City of Ojai) and surrounding areas including the North Ventura Avenue corridor between the cities of Ojai and San Buenaventura.
- The District has a treatment capacity of 3 MGD and treats an average of 1.5 MGD.
- The District appears to have the ability to handle the volume of wastewater generated within its service area.

### 4. Financial ability of agencies to provide services

- The District has a balanced budget.
- It appears that the District has the ability to finance the services it currently provides.
- The District is independently audited on a regular basis. According to the District, the most recent audit (December 21, 2020) prepared for the District was unqualified. An unqualified report reflects fair and transparent financial statements in compliance with generally accepted accounting principles and statutory requirements.

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<sup>4</sup> According to Ventura LAFCo Commissioner's Handbook Section 3.2.5, Ventura LAFCo has identified Nyeland Acres (within the City of Oxnard's sphere of influence to the north of the city) and Saticoy (within the City of San Buenaventura's sphere of influence to the east of the city) as disadvantaged unincorporated communities.

- The District has a steady stream of revenue through property taxes as well as service fees collected from its customers. It has predictable expenses, such as those related to salaries and benefits, maintenance, and equipment and supplies. Over the last three years, the District has maintained reserves ranging between 192 percent and 223 percent of total revenue, which supports projects including repair/replacement and upgrade of treatment facility and collection system components, as well as provides for a contingency and stabilization reserve to offset unexpected (and unfunded) costs.
- The District has a 6-year capital improvement plan, 100 percent of which is funded through service charges.
- The District's bond rating is AA (Standard and Poor's), which reflect that bonds issued by the District are generally considered to be safe investments, and that the District has the ability to fulfill its financial obligations to its bond holders.
- Based on information that the Ventura County Special Districts Association provided the County in January 2021, the District has not experienced financial impacts related to the novel coronavirus (COVID-19) pandemic.

#### **5. Status of, and opportunities for, shared facilities**

- None were identified.

#### **6. Accountability for community service needs, including governmental structure and operational efficiencies**

- The District is accountable to its constituents through its elected Board of Directors, adherence to applicable government code sections, open and accessible meetings, and dissemination of information.
- The District has adapted to the changing needs of public access as a result of the disease caused by the novel coronavirus (COVID-19) pandemic, by providing live internet access and public participation opportunities for its meetings.
- District staff and equipment directly provide services, and the District does not have arrangements or agreements with other service providers.
- Due to the high costs of treatment plant operation related to power consumption, the District ensures that its systems perform at optimal levels and operates high energy consuming components during off-peak hours whenever possible in order to reduce electrical cost.
- According to the District's 2020-21 Fiscal Year budget, the District uses a computerized maintenance management system that stores equipment specifications, history, and maintenance activities, which allows for organized implementation of maintenance activities. The District intends to expand its use of the program to guide the District's budgetary projections.
- The District achieves operational efficiencies by collecting the majority of service charges and hook-up charges as assessments through the County's property tax collection system. In exchange for a percentage of the dollar amount collected, the County mails bills, records payments, follows up on checks issued from accounts with



insufficient funds, and tracks delinquent accounts, all of which eliminates the need for the District to hire staff to complete these tasks.

- The District has established a back-up chemical disinfection system in order to respond to disruption of the wastewater treatment facility's operations. The District has also developed a Sanitary Sewer Overflow and Backup Response Plan, which sets forth a process for prompt response, containment, mitigation, and reporting of sewage overflows that may occur, in order to protect the public, responding District employees, surface waters, and the storm drain system. Additionally, the District has developed a Disaster Operations Plan, which provides District employees with information and instruction in the event of a local disaster that impact the treatment plant and/or other District facilities. The District provides employee training for safety, operations, and spill response.
- The District maintains a website that provides detailed information about the District. It contains the District's history, summary of services and a description of wastewater treatment and other educational material, a Sewer System Management Plan (August 2019), an Infiltration and Inflow Master Plan (2014), contact information and roster of current Board members, historical meeting agendas and minutes, upcoming meeting information, a budget, library of ordinances and resolutions, and news and announcements. The District could improve its transparency by identifying Board member term expiration dates (if applicable), by posting links to the District's enabling legislation, most recent municipal service review completed by LAFCo, and the State Controller's "By the Numbers" (agency financial reporting information) and "Public Pay" (employee salary) webpages, by recording and archiving Board meetings to be available on the District's website, and by offering a Spanish translation option for its website content. Additionally, the District could provide its current and historical budget documents as downloadable pdf files to simplify public accessibility to the documents.
- The District is a member of the California Water/Wastewater Agency Response Network (CALWARN) program (which supports and promotes statewide emergency preparedness, disaster response, and mutual assistance processes for public and private water and wastewater utilities in coordination with the State Office of Emergency Services).
- The Ventura County Grand Jury released a document entitled Final Report – Independent Special Districts (April 26, 2018), which was the result of an investigation by the Grand Jury into the transparency and public accountability of independent special districts within the County. The Grand Jury identified opportunities for improvement in these subject areas and required a response from the District. The District's response stated that expanded information is now available on the District's website, as a result of the report.
- The District may wish to develop a formal mission statement that summarizes its goals, services, and responsibilities to the public.

**7. Any other matter related to effective or efficient service delivery, as required by Commission policy**

- No other matters were identified.