

Ventura Local Agency Formation Commission

Ventura County Waterworks District No. 1

Municipal Service Review



Prepared By:

Ventura Local Agency Formation Commission
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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 Ventura County Waterworks District No. 1 (District or VCWD 1) 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:** Ventura County and City of Moorpark General Plans 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

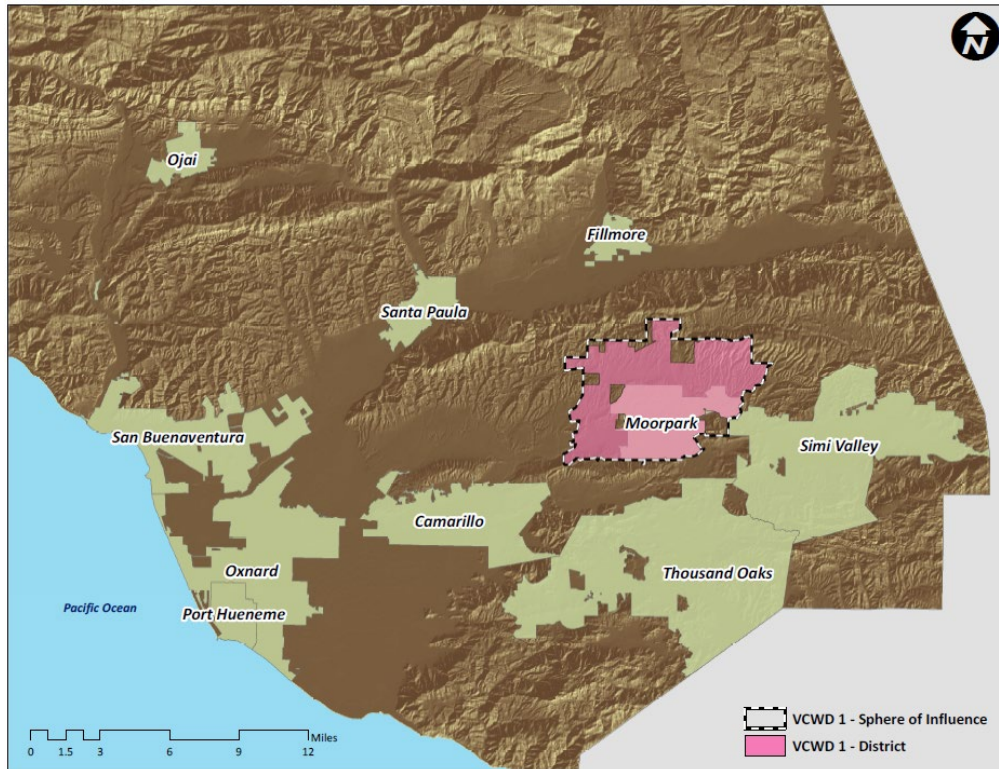


Figure 1: Location Map for Ventura County Waterworks District No. 1

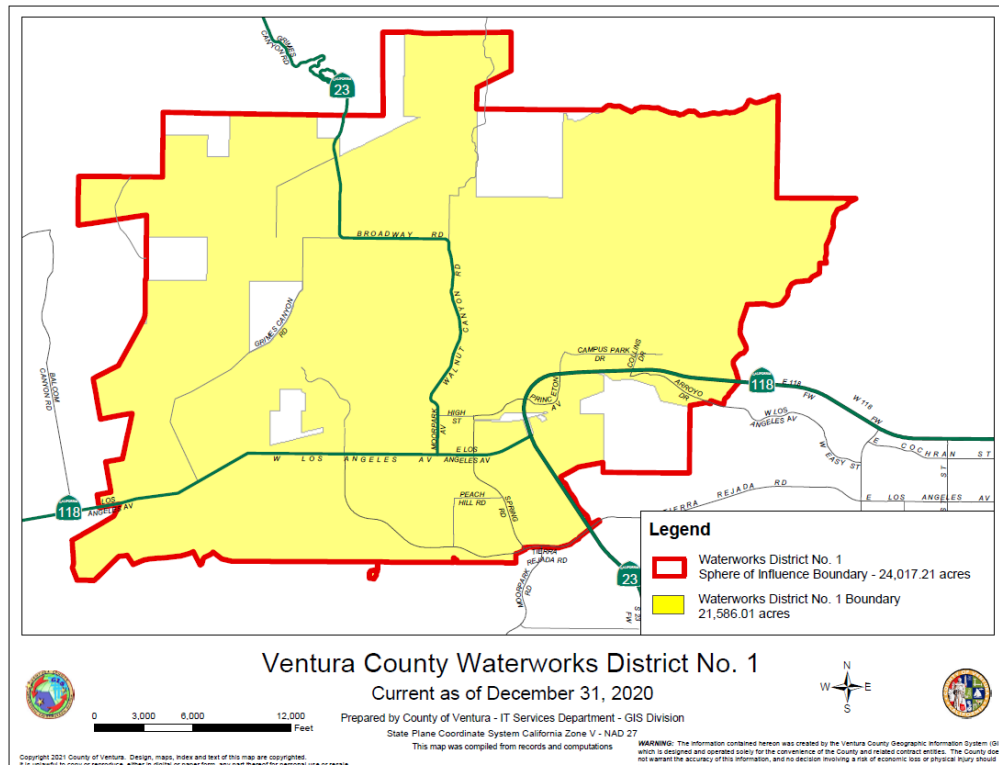


Figure 2: Official LAFCo Map

Profile

The Ventura County Waterworks District No. 1 (District or VCWD 1), a dependent district of the County of Ventura, was formed on November 22, 1921, and provides (1) potable water service to the City of Moorpark and unincorporated areas to the west, north, and east of the City, (2) wastewater collection and treatment services to the City of Moorpark (generally), and (3) recycled water within its service area. VCWD 1 provides services through the Water and Sanitation Department of the Ventura County Public Works Agency (VCPWA). Its jurisdictional area includes the City of Moorpark (38%) and contiguous unincorporated areas (62%) in eastern Ventura County.

The mission of the Water and Sanitation Department of the VCPWA is provided as follows:

To deliver efficient, responsive, and cost-effective public works services that protect and enhance the safety, health and quality of life in Ventura County.

Contact Information

District Manager	Joseph Pope
District Office	6767 Spring Road, Moorpark, CA 93020
Mailing Address	P.O. Box 250, Moorpark, CA 93020-0250
Phone Number	(805) 378-3000
Website	pwa.vcpublicworks.org/wsd
E-mail Address	joseph.pope@ventura.org

Governance Information

Formation Date	November 22, 1921
Legal Authority	<u>Water Code Section 55000</u> (County Waterworks District Law)
Type of District	Dependent
Board of Directors	Five members Board of Directors consists of the Ventura County Board of Supervisors Elected by voting district to staggered, four-year terms of office (elections held in even-numbered years).
Board Meetings	<u>Tuesdays as scheduled</u> , beginning at 8:30 a.m., in the Board of Supervisors Hearing Room located at 800 S. Victoria Avenue, Ventura, CA 93009 Webcast live on the County's website, and available for viewing anytime on the County's website

Services Provided

VCWD 1 is authorized to provide potable water service, wastewater collection and treatment service, and recycled water service.

Population and Area Information			
	<i>Population</i> ¹	<i>Area (square miles)</i>	
Jurisdictional Area	36,625	33.70	
Sphere of Influence Area	Unknown	37.53	
Staffing – Full Time Equivalent Positions ²			
Executive/Management	Professional/Support	Operational	Total
8	16	36	60
Revenues		Expenditures	
Primary Revenue Sources		Primary Expenses	
Service Charges		Services and Supplies	
Other Financing Sources		Other Charges	
Miscellaneous Revenues		Fixed Assets	
FY 2021-22 Revenues (Budget) ³		FY 2021-22 Expenditures (Budget) ⁴	
\$ 26,805,200		\$ 42,612,400	
Public Agencies with Overlapping Jurisdiction			
Bardsdale Cemetery District		Pleasant Valley Recreation and Park District	
Calleguas Municipal Water District		Ventura County Air Pollution Control District	
Camarillo Health Care District		Ventura County Fire Protection District	
Camrosa Water District		Ventura County Resource Conservation District	
City of Moorpark		Ventura County Service Area No. 32	
Fox Canyon Groundwater Management Agency		Ventura County Transportation Commission	
Gold Coast Transit District		Ventura County Watershed Protection District	
Metropolitan Water District of Southern California		Ventura Regional Sanitation District	
Pleasant Valley County Water District			

¹ Source: 2020 Urban Water Management Plan. The estimated population within the District’s sphere of influence is not known; however, it is likely not significantly greater than the population within the District’s jurisdictional area.

² The District is staffed by the Ventura County Water and Sanitation Department (VCWSD or Department). The duties associated with each of the positions within the VCWSD involves all of the projects and facilities managed by the VCWSD, including those associated with the District. Therefore, the number of employees identified above does not reflect full-time positions assigned to the District.

³ Total revenues consist of \$20,920,400 (water revenues) plus \$5,884,800 (sanitation revenues).

⁴ Total expenditures consist of \$30,378,500 (water expenditures) plus \$12,233,900 (sanitation expenditures). VCWD 1 staff (i.e., County staff) indicates that the budgeted net cost is due to capital improvement projects and nonroutine maintenance project costs being estimated approximately \$15,807,200 higher than estimated revenues for Fiscal Year 2021-22. Unrestricted net position, totaling \$18,754,486 for the year ending June 30, 2021, is used to cover the difference.

Growth and Population Projections

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

According to the U.S. Census Bureau, the estimated 2010 population within the District's jurisdictional area was 36,350. The District's 2020 Urban Water Management Plan (UWMP) (June 14, 2021) documented a 2020 population of 36,625 within its water service area, based on an analysis using the Department of Water Resources' Population Tool. The Urban Water Management Plan relied upon the Southern California Association of Government (SCAG) 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy to project the future population within the District's service area, and estimated a population of 38,500 by 2030 and 41,400 by 2045. An estimate for the District's sphere of influence is not available, but is anticipated to be only slightly greater than the District's population.

Review of Municipal Services

The review of VCWD 1'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

Since 1965, the District has provided wastewater collection, treatment, and disposal services to 9,802 customers within the City of Moorpark and surrounding areas. While the District is authorized to provide wastewater service throughout its service area, it provides this service within only a portion of its jurisdictional area (i.e., generally, within the City of Moorpark).

The District's wastewater system includes approximately 107 miles of sewer lines (ranging from 6-inch to 33-inch pipeline), four lift stations, and a treatment facility known as the Moorpark Water Reclamation Facility (MWRF). The MWRF (located at 9550 E. Los Angeles Avenue, west of the City of Moorpark, as shown below in Figure 3) was constructed in 1965 and was last expanded in 2009.

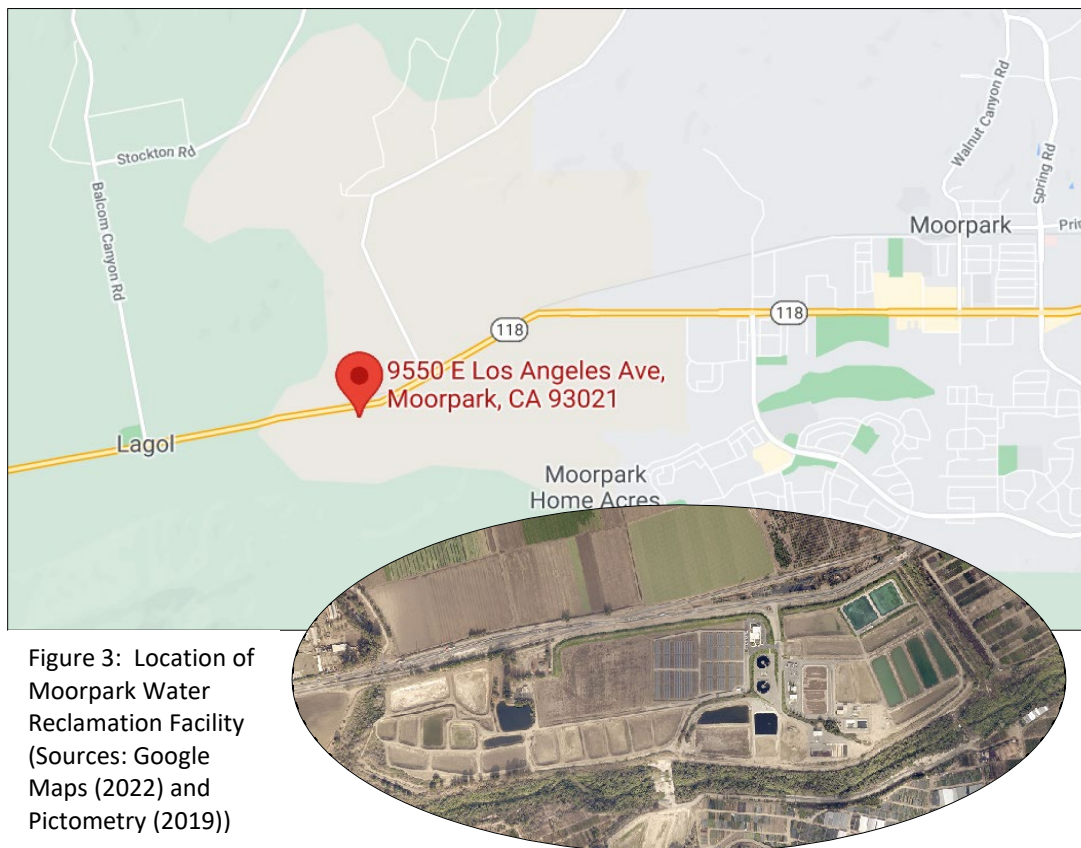


Figure 3: Location of Moorpark Water Reclamation Facility (Sources: Google Maps (2022) and Pictometry (2019))

The MWRF provides advanced primary, secondary, and tertiary wastewater treatment service. The facility generally treats approximately 2 million gallons per day (MGD). During 2021,

average wastewater flow was 1.95 MGD, with peak flow during the same period reaching 2.3 MGD. The facility has the capacity to handle 5.0 MGD (with peak design capacity of 8 MGD); therefore, the District has the ability to accommodate more than double the volume of wastewater that it currently handles.

In recent years, the City of Moorpark has approved large specific plan projects to accommodate new residential development, including two that have been completed (Carlsberg Specific Plan (534 residences) and Moorpark Highlands - Specific Plan Two (552 residences)), and one that is scheduled for public hearing (Hitch Ranch - Specific Plan One" (755 residences)). Using an average household size of 3.14 persons,⁵ the addition of 1,841 residential units would result in an increase in the population of approximately 5,781, which represents a 15-percent increase in the City's estimated 2020 population.⁶ The City is also processing several other smaller residential development proposals. While anticipated development will result in demand increases on the District's wastewater infrastructure, such development is not expected to result in the need for increased wastewater treatment capacity.

Since 2009, the Ventura County Planning Division has been processing a privately initiated application to: (1) change the zone of a 507-acre property, known as Butler Ranch, from AE-40 ac (Agricultural Exclusive, 40-acre minimum parcel size) to OS-20 ac (Open Space, 20-acre minimum parcel size), and (2) subdivide the land into 24 residential parcels and a 63.9-acre remainder parcel. The project site is located east of Highway 23 and south of Highway 118, within the District's sphere of influence but outside of its jurisdictional boundaries; therefore, annexation to VCWD 1 is required in order for the District to provide sewer service, as proposed, to the resulting parcels. Water service is proposed to be provided by Butler Ranch Mutual Water Company, and not by VCWD 1. If an annexation request to VCWD 1 for sewer service is not approved by LAFCo, the applicant plans to amend the project description to include installation of a private septic system for each residential site. Throughout the duration of County processing of the application, LAFCo has reviewed the project and submitted comments, and has identified concerns that include potential inconsistency of the project with the Ventura County General Plan. If the proposed development does not occur and/or if the project description is modified to specify the provision of septic systems for the resulting residential parcels, it would be appropriate during a future review of the District's sphere for LAFCo to consider the removal of the Butler Ranch territory from the District's sphere of influence.

Potable Water Services

Service Area and Distribution System

The District is a retail water provider that supplies water to the City of Moorpark (38%) of the District's service area and contiguous unincorporated area (62%) in eastern Ventura County, serving a total of 11,426 domestic, municipal/industrial, and agricultural customers. It has provided water service since 1921. According to District staff, its water distribution system

⁵ U.S. Census data estimate during the period of 2015 to 2019 for the City of Moorpark.

⁶ Based on the 2020 population estimate of 38,357 provided in LAFCo's 2018 MSR for the City of Moorpark.

consists of 175 miles of pipeline (ranging between 4-inch and 20-inch water lines), 10 booster pumping stations, 15 pressure reducing stations, four active production wells, two inactive wells (Well Nos. 96 and 97), 10 imported water turnouts, and 19 reservoirs. The District's total available storage capacity is 23.66 million gallons; however, actual average storage volume is estimated to be 16 million gallons. The District's current potable water sources include: (1) imported water from the Calleguas Municipal Water District (CMWD) (approximately 75 percent of its supply) and (2) groundwater from the East Las Posas Valley Basin through four active wells owned and operated by the District (approximately 25 percent of its supply). By 2030, the District anticipates expansion of its water portfolio through the addition of the Moorpark Desalter project (described in more detail below).

As discussed earlier in this report, the City of Moorpark is processing several large specific plans within its service area that are in various stages of the discretionary development process (including the Carlsberg Specific Plan (534 residences), Hitch Ranch - Specific Plan One (755 residences), and Moorpark Highlands - Specific Plan Two (552 residences), for a total of 1,841 residential units, as well as the Downtown Specific Plan (High Street/Old Town Moorpark revitalization). These projects are expected to result in an increase in water demand, which was considered as part of the water demand projections contained in the UWMP.

Water Supply and Demand

Specifically, according to the 2020 UWMP, total District water demand was 8,392 acre-feet (AF) in 2016 and reached 9,257 AF in 2020 (173 gallons per capita per day (GPCD)), meeting the District's 2020 target demand of 194 GPCD. Total per capita usage has decreased from 314.4 GPCD in 2005 to 173 GPCD in 2020. Projected total water use is expected to increase to 9,502 acre feet per year (AFY) by 2025, increasing incrementally to 10,462 AFY by 2045; however, total per capita water use is expected to remain constant. The 2020 UWMP projects that total water supply (including imported water, groundwater, and recycled water) will be 11,102 AFY by 2025, increasing incrementally to 12,662 by 2045. Supply is anticipated to exceed demand in each supply type and user type category.

The District anticipates that supply will continue to exceed demand during single-dry and multiple-dry years, in large part as a result of demand reduction accomplished through a public information campaign to increase awareness of water conservation measures, mandatory water use reductions, water rationing, requirements regarding installation of water-efficient fixtures, and outdoor water use limitations and prohibitions. The District expects it will continue to be able to meet water demand during single-dry years (with a supply of 13,367 AF and demand of 10,649 AF in 2025, and a supply of 13,643 AF and demand of 11,870 AF in 2045), and during multiple-dry years with supply exceeding demand by a minimum of 750 AFY and up to 3,712 AFY during each of the first five years of multiple-dry years between 2025 and 2045.

Imported Water Supply

According to the 2020 UWMP, in 2020 imported water (primarily from the State Water Project (SWP), which is occasionally supplemented with water from the Colorado River Aqueduct)⁷ totaled 7,112 AF and comprised 71 percent of total water supply. With persistent reductions in SWP allocations (i.e., 5 percent in 2022), the District expects to decrease by more than half its reliance on imported water (from 7,307 AFY by 2025 to 3,267 AFY by 2045), and instead increase its dependence on desalinated groundwater generated as part of the Moorpark Desalter Project, which is expected to generate 5,000 AFY beginning in 2030, and is discussed in more detail below.

Groundwater Supply

The District’s groundwater supply comes from the East Las Posas Valley Basin, which is pumped from the District’s four active wells. A map of the underlying groundwater basins is provided below in Figure 4.

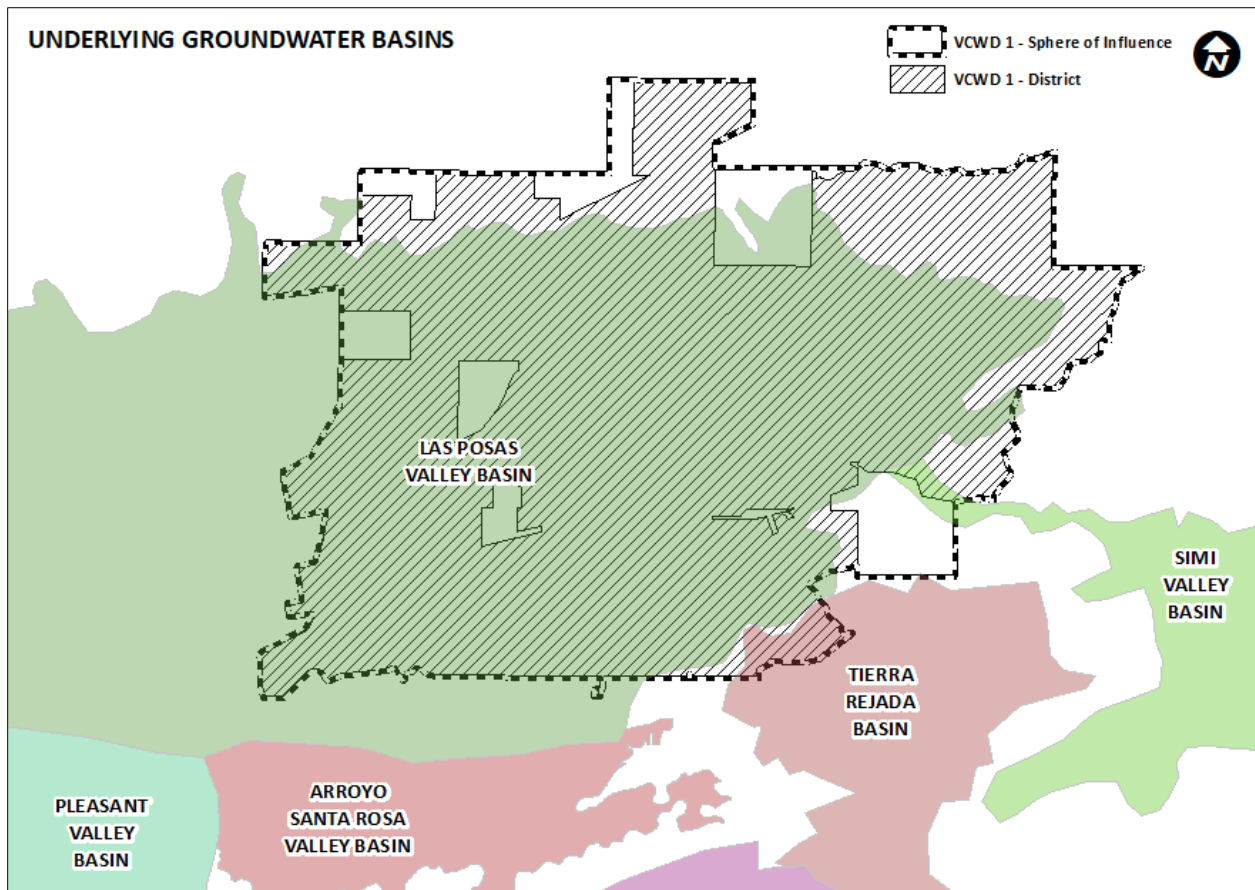


Figure 4: Underlying Groundwater Basins
(Source: California Department of Water Resources, 2019)

⁷ State Water Project water and Colorado River Aqueduct water are supplied by the Calleguas Municipal Water District (a wholesaler of the Metropolitan Water District of Southern California).

The District's groundwater extraction volume is controlled by the Fox Canyon Groundwater Management Agency (FCGMA), which sets allocation limits based on safe yield of the basin and consistent with the purpose of the Groundwater Sustainability Plan (GSP) for the Las Posas Valley Basin (December 2019). The FCGMA Board of Directors adopted Emergency Ordinance E in 2014 in response to severe drought conditions, declining water levels, and seawater intrusion, and imposed 20-percent reductions on groundwater extractions. Under the ordinance, VCWD 1's extraction allocation was 1,756 AFY, and the District pumped 1,744 AF, 1,526 AF, and 1,544 AF during the three years it was subject to that allocation. In 2019, the FCGMA adopted a new ordinance to establish a groundwater extraction allocation system for the Las Posas Valley Basin in support of long-term groundwater sustainability efforts, effective October 1, 2021, until such time as the adjudication of the basin is completed, replacing the allocations established through Emergency Ordinance E. The District's current allocation is 2,195 AFY, and it produced 1,966 AF in 2020 and 2,151.5 AF in 2021. The FCGMA will establish the safe yield and resulting allocation to the District at 5-year intervals, in compliance with the GSP.

The District chlorinates extracted groundwater and, in the case of water extracted through Well Nos. 15 and 20, treats it for high iron and manganese before it is released into the potable water distribution system. The CMWD's aquifer storage and recovery program (which stores surplus water underground for later use) allows groundwater yield to be maximized and increases water supplies to ensure that its customers, including the VCWD 1, are able to meet the demand of their customers.

Capital Improvement Projects

To help meet future water demands, the District is planning two water projects: (1) replacement of the existing 0.5-million-gallon storage Stockton Reservoir with a new 1.0-million-gallon steel tank, which will increase water storage capacity, and (2) development of the Moorpark Desalter Project, which is intended to enable use of additional groundwater, thereby reducing dependence on imported water. According to the 2020 UWMP, the Moorpark Desalter will consist of a groundwater production and treatment system that has the ability to extract approximately 6,000 AFY of poor-quality, brackish water from the South Las Posas Valley Basin, and treat the water to drinking water standards yielding a maximum of 5,000 AFY of potable water within the District's service area. The project includes the development of up to 18 extraction wells at a maximum depth of 250 feet and a treatment plant located adjacent to the MWRF. Brine by-product will be discharged into the CMWD's Regional Salinity Management Pipeline.⁸ The estimated \$50 million project will be funded through future revenue streams (e.g., service charges), existing capital funds, and grants. The Moorpark Desalter is expected to be operational by 2030.

⁸ The purpose of the Salinity Management Pipeline (SMP) is to collect brine (i.e., salty water) generated by water treatment facilities and convey that water for discharge into the Pacific Ocean. According to CMWD Ordinance No. 19, the SMP was developed "for the purposes of facilitating the development of local water supplies to enhance water supply reliability, protecting the Las Posas Aquifer Storage and Recovery wellfield from salts intrusion, and assisting in bringing the Las Posas Basin to safe yield."

Water Conservation Measures and Efforts

After the 2020 UWMP was approved by the Board on June, 22, 2021 (Resolution No. 21-095), the Ventura County Waterworks Districts Rules and Regulations (R&Rs) were revised and approved on September 14, 2021, per Resolution No. 21-126. The R&Rs refer to the 2020 UWMP and outline the Shortage Levels 1 through 6 that are imposed when water supply is reduced. For example, a Shortage Level 1 and 2 are imposed when the District expands public information asking for voluntary water restrictions. Shortage Level 3 and 4 are mandatory and prohibited measures imposed with noncompliance penalties. Shortage Level 5 is imposed when the District restricts outside irrigation with enforcement. Shortage Level 6 is imposed when the District demands reduction measures such as no new potable water services or annexations. The District's ongoing customer outreach program includes reminders for voluntary water conservation and information regarding Metropolitan Water District of Southern California's offers.

Water Master Plan

The *Ventura County Waterworks District No. 1 Water System Master Plan Update (August 2008)* documents an average water demand by the District of 13,140 AFY, based on monthly flow reports over the preceding three years. Average daily demands at the time of preparation of the Master Plan were 11.7 MGD with a maximum daily demand of 27.0 MGD. The Water Master Plan projected an average demand of 13.5 MGD (15,121 AFY) by 2020, increasing to 15.3 MGD (17,138 AFY) by 2030. Additionally, the Water Master Plan contains recommended capital improvements, including improvements to the Stockton Reservoir (\$2.8 million) and Home Acres Reservoir and pipelines (\$2.3 million), both of which are currently being pursued by the District. The District is in the process of updating the Water Master Plan, expected to be complete by July 2022.

Recycled Water Services

The District has provided recycled water service since 2003 (when the MWRf was upgraded from a secondary to a tertiary treatment plant) and currently provides recycled water to 13 customers. According to the 2020 UWMP, the District's recycled water distribution system consists of the MWRf, seven pumps, one recycled water tank, one 5,000-gallon hydropneumatic tank, and approximately eight miles of distribution main pipelines. The MWRf has the capacity to treat 3.0 MGD of secondary wastewater effluent to tertiary levels, but is currently permitted to treat a maximum of 1.5 MGD of the secondary effluent to tertiary levels. The resulting recycled water is used primarily for landscape irrigation, agricultural irrigation, and grading/dust control purposes. In 2015, the District supplied 599 AFY of recycled water, expanding its production to 941 AFY during 2020. The District anticipates increasing its recycled water distribution to 1,600 AFY by 2025 and to 2,200 AFY by 2040.

District staff received the 2018 Project of the Year award from the Ventura County Chapter of the American Public Works Association (environmental category) for its implementation of the Moorpark Recycled Water System Expansion Project. The project involved the expansion of the

MWRF's recycled water treatment, pumping, and distribution system to maximize beneficial use of recycled water by: (1) expansion of the use of tertiary treated plant flow at the facility for non-potable recycled water use during the high-demand summer season, and (2) discharge of unused treated plant effluent into the District's percolation ponds to contribute to recharge of the East Las Posas Valley Basin. Implementation of the project enables the District to increase its recycled water delivery volume from 600 AFY to 1,400 AFY to serve the Rustic Canyon Golf Course, agricultural properties, and landscaped areas within and surrounding the City of Moorpark.

The provision of non-potable/recycled water is exempt from Government Code § 56133, which otherwise requires LAFCo approval in order for a city or district to provide a new or extended service outside its jurisdictional boundary; therefore, the District is authorized to provide non-potable water outside its boundaries.

Sphere of Influence

There have been no changes to the District's service area that would require alterations to its sphere of influence boundary, and no changes are anticipated in the foreseeable 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 the U.S. Census Bureau, the estimated 2010 population within the District's jurisdictional area was 36,350. The District's 2020 Urban Water Management Plan (UWMP) (June 14, 2021) documented a 2020 population of 36,625 within its water service area, based on an analysis using the Department of Water Resources' Population Tool. The Urban Water Management Plan relied upon the Southern California Association of Government (SCAG) 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy to project the future population within the District's service area, and estimated a population of 38,500 by 2030 and 41,400 by 2045. An estimate for the District's sphere of influence is not available, but is anticipated to be only slightly greater than the District's population.

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 percent of the statewide annual median household income (Government Code § 56033.5). No disadvantaged unincorporated communities are located within or contiguous to the District's sphere of influence. 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.

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

Wastewater services:

- VCWD 1 provides wastewater collection and treatment services to 9,858 customers located primarily within, but also surrounding, the City of Moorpark.
- VCWD 1's wastewater infrastructure includes a treatment facility, known as the Moorpark Water Reclamation Facility (MWRf). The MWRf treats approximately 2 MGD of wastewater and has the capacity to treat 5.0 MGD; therefore, the District has the ability to treat existing wastewater flows and the capacity to handle more than twice that volume within its boundaries.
- VCWD 1 contracts with the Ventura Regional Sanitation District (VRSD) for routine cleaning of its sewer collection system; however, it is currently working to shift its operations in-house and limit its reliance on VRSD to occasional emergency services and periodic sewer line cleaning.

- The District has no plans to update its current wastewater master plan, which was prepared in 1996. While VCWD 1 does not currently anticipate the need for significant capital improvements, an update of its master plan would provide a current overview of the capacity and condition of the existing system, as well as identify current areas of focus for future infrastructure maintenance and improvement projects. The District recently completed capital improvement projects including a pump station upgrade, and lift station pump replacement. Current and planned capital improvement projects over the next several years include a booster pump station upgrade, storage warehouse addition, Highway 118 turn lane installation, generator replacement, sewer replacement and re-lining, and reclamation facility control system upgrades. Through the County, VCWD 1 recently began using a utility management system (i.e., Sedaru), which allows District staff to digitally view its mapped infrastructure as an overlay to the County's GIS data, and assists VCWD 1 in analyzing its existing services and anticipated needs.

Water Services:

- VCWD 1 provides water to the City of Moorpark and surrounding land, and has a total of 11,426 domestic, municipal/industrial, and agricultural customers.
- VCWD 1's water sources include imported water from the Calleguas Municipal Water District (CMWD)) and groundwater from the East Las Posas Groundwater Basin through four active wells owned and operated by the District.
- VCWD 1's water demand was 8,392 acre-feet (AF) in 2016, and reached 9,257 AF in 2020. Projected water use is expected to increase to 9,502 AF in 2025, increasing incrementally to 10,462 AF by 2045.
- VCWD 1's 2020 UWMP included a 2020 target water demand of 194 GPCD. The District met that target with a demand of 173 GPCD, and based on documentation provided in the District's 2020 UWMP, total per capita water use is expected to remain constant.
- The 2020 UWMP projects that total water supply (including imported water, groundwater, and recycled water) will be 11,102 acre feet per year (AFY) by 2025, increasing incrementally to 12,662 by 2045. Supply is anticipated to exceed demand in each supply type and user type category.
- The District anticipates that supply will continue to exceed demand during single-dry and multiple-dry years, as a result of implementation of measures to reduce demand and other conservation measures. The District expects it will continue to be able to meet water demand during single-dry years (supply of 13,367 AF and demand of 10,649 AF in 2025, and supply of 13,643 AF and demand of 11,870 AF in 2045) and during multiple-dry years (with supply exceeding demand by a minimum of 750 AFY and up to 3,712 AFY during each of the first five years of multiple-dry years between 2025 and 2045). Therefore, over the next 20 years, water supply is predicted to continue to meet the demands of the District's customers.
- In 2020, imported water totaled 7,112 AF and comprised 71 percent of total water supply. The District expects to decrease by more than half its reliance on imported water (from 7,307 AFY by 2025 to 3,267 AFY by 2045), and instead increase its dependence on desalinated groundwater generated as part of the Moorpark Desalter Project (expected to generate 5,000 AFY beginning in 2030).

- The District pumps groundwater from its wells in the East Las Posas Valley Basin. The District's current extraction allocation, established by the Fox Canyon Groundwater Management Agency, is 2,195 AFY, and it produced 1,966 AF in 2020 and 2,151.5 AF in 2021. To help meet future demands, the District is planning two water projects: (1) replacement of the existing 0.5-million-gallon storage Stockton Reservoir with a new 1.0-million-gallon steel tank, which will increase water storage capacity, and (2) development of the Moorpark Desalter Project, which is intended to enable use of an estimated 5,000 AFY of additional groundwater, thereby reducing dependence on imported water from the CMWD.
- The District has prepared a Water Shortage Contingency Plan contained within the Ventura County Waterworks Districts Rules and Regulations, and implements demand management measures including metering, public education and outreach, and water conservation program coordination. VCWD 1 encourages its customers to implement water-conserving practices and implements a water conservation rebate program rebates through the Metropolitan Water District of Southern California.
- The District is in the process of updating its 2008 Water Master Plan, expected to be complete by July 2022.
- Current and planned capital improvement projects over the next several years include a booster pump station upgrade, recoating of reservoirs, valve replacements, and miscellaneous water system improvements.
- The District implemented an automated meter infrastructure (AMI) system to better monitor leaks and assist customers to meet conservation targets. The system became operational on January 1, 2022.
- The District is equipped with emergency generators at the well sites and pump stations for the purpose of providing back-up power.
- The District recently began using a utility management system (i.e., Sedaru), which allows District staff to digitally view its mapped infrastructure as an overlay to the County's GIS data, and assists the District in analyzing its existing services and anticipated needs.

Recycled Water Services:

- The District has provided recycled water service since 2003 (when the Moorpark Water Reclamation Facility) was upgraded from a secondary to a tertiary treatment plant) and currently provides recycled water to 13 customers. Recycled water is used primarily for landscape irrigation, agricultural irrigation, and grading/dust control purposes.
- The District supplied 599 AFY of recycled water in 2015, expanding to 941 AFY during 2020. It anticipates increasing its recycled water distribution to 1,600 AFY by 2025 and to 2,200 AFY by 2040.
- District staff received the 2018 Project of the Year award from the Ventura County Chapter of the American Public Works Association (environmental category) for its implementation of the Moorpark Recycled Water System Expansion Project. The project involved the expansion of the MWRF's recycled water treatment, pumping, and distribution system to maximize beneficial use of recycled water. Implementation of the project enables the District to increase its recycled water delivery volume from 600 AFY to 1,400 AFY.

- The provision of non-potable/recycled water is exempt from Government Code § 56133, which otherwise requires LAFCo approval in order for a city or district to provide a new or extended service outside its jurisdictional boundary; therefore, the District is authorized to provide non-potable water outside its boundaries.
- The District recently began using a utility management system (i.e., Sedaru), which allows District staff to digitally view its mapped infrastructure as an overlay to the County's GIS data, and assists the District in analyzing its existing services and anticipated needs.

4. Financial ability of agencies to provide services

- VCWD 1 has a steady stream of revenue through service fees collected from its customers. It has predictable expenses related operation and maintenance services, as well as administrative and management services provided by the County.
- VCWD 1 staff (i.e., County staff) indicates that the budgeted net cost is due to capital improvement projects and nonroutine maintenance project costs being estimated approximately \$15,807,200 higher than estimated revenues for Fiscal Year 2021-22. Unrestricted net position, totaling \$18,754,486 for the year ending June 30, 2021, is used to cover the difference. As part of the annual budget process, water rates, sewer rates, and standby charge rates are reviewed to determine whether adjustments are needed to accommodate projected expenses. Rate adjustments are considered by the VCWD 1 Board of Directors (i.e., the Ventura County Board of Supervisors) subject to Proposition 218 (which, generally, establishes that new rates are subject to voter approval). Service charges are collected by VCWD 1 through monthly service bills mailed to customers.
- VCWD 1's reserves policy adopted on December 8, 2020 (Resolution No. 20-143) established reserve fund targets of 25 percent of operating expenses, 10 percent of operating revenue, and 2 percent of net assets. Over the last three years, VCWD 1 has maintained reserves ranging between 77 percent and 100 percent of total revenue, meeting the Board approved reserve targets.
- VCWD 1 has a five-year (FY 2022-26) capital improvement plan consisting of \$62.8 million, which is projected to be funded through service charges, grants, and low-interest loans.
- VCWD 1 indicates that it has no long-term debt.
- Based on the information above, it appears that VCWD 1 has the ability to finance the services it currently provides.
- VCWD 1 is independently audited on a regular basis as part of the annual audit of the County. The most recent audit (March 11, 2022) prepared for the County was unqualified. An unqualified report reflects fair and transparent financial statements in compliance with generally accepted accounting principles and statutory requirements.

5. Status of, and opportunities for, shared facilities

- According to the 2020 UWMP, The District currently does not participate with other water agencies on water exchanges or transfers into or out of the District's water

service area and none are planned. However, the District can provide well water to the CMWD in the event of an emergency and has the potential to establish distribution system interties with the Camrosa Water District and Ventura County Waterworks District No. 19 for emergency transfer of water.

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 (i.e., the Ventura County Board of Supervisors), 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.
- The District is supported by a Citizens' Advisory Committee, which meets monthly and serves as a liaison between the community and the District. The Citizens' Advisory Committee reviews staff recommendations regarding annual budgets, water and sanitation rate adjustments, capital improvement projects, annexation issues, new policy items, and other issues related to management of the District, and makes recommendations to the Board of Directors.
- The District achieves operational and management efficiencies by being managed and staffed by the County of Ventura. Additionally, it has arrangements with various service providers. For example, the District receives the following services from the County of Ventura: office space, management, accounting/auditing, legal counsel, real estate, insurance, and fleet services. Furthermore, the District receives wastewater system cleaning and inspection services from the Ventura Regional Sanitation District.
- The District promotes water conservation with the requirement that all new customers install water-efficient plumbing fixtures, prohibition of activities that promote water waste (e.g., overwatering of landscaping, washing of cars without a shut-off device on hoses, washing of paved surfaces), imposition of conservation pricing (i.e., a tiered residential rate structure that discourages high water use), and through public outreach and education programs.
- The District is in the process of updating its 2008 Water Master Plan, expected to be complete by July 2022.
- The District, through the County of Ventura, is a member of the California Water/Wastewater Agency Response Network WARN (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 County Public Works Agency's Water and Sanitation Department maintains a website that contains general information about the District, contact information, a summary of services, and projects recently completed and under construction. The website provides a Spanish translation option. The District could improve its transparency by clarifying that the District is a dependent district that is managed and operated by the County of Ventura, and by posting links to the District's history,

mission, enabling legislation, boundary map, summary of facilities and status of capital projects, Board of Directors meeting information (agendas, staff reports, and minutes, video recordings), current and historical budgets, studies and reports, 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. Much of this information could likely be provided by means of links to the appropriate webpages of the County's website. Additionally, to improve the public's ability to easily access District-specific information, the utilities pages of the Water and Sanitation Department could be organized to include all District information (e.g., including the Urban Water Management Plans, Water Quality Reports, master plans, rates and charges, construction projects, and citizens' advisory committee meeting details) into one central location.

- District staff was responsive in providing information for this MSR during the requested timeframe.

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

- The Sustainable Groundwater Management Act (SGMA) of 2014 requires the formation of local groundwater sustainability agencies (GSAs) for high- or medium-priority water basins, as determined by the state. GSAs are required to evaluate local water basin conditions and develop groundwater sustainability plans (GSPs). The purpose of a GSP is to define sustainability for an individual basin and establish a path toward sustainability by 2040 for high-priority basins, and 2042 for medium-priority basins. The Las Posas Basin is listed as a high-priority basin, pursuant to the State Department of Water Resources (DWR). The Fox Canyon Groundwater Management Agency is the GSA for all areas of the Las Posas Basin except for the portion located within the jurisdictional area of the Camrosa Water District. The Fox Canyon Groundwater Management Agency adopted a GSP for the entire Las Posas Basin in December 2019, which was approved by the DWR in January 2022.