

Ventura Local Agency Formation Commission

Ventura County Waterworks District No. 16

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. 16 (District or VCWD 16) 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 General Plan (including the Piru Area Plan) 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

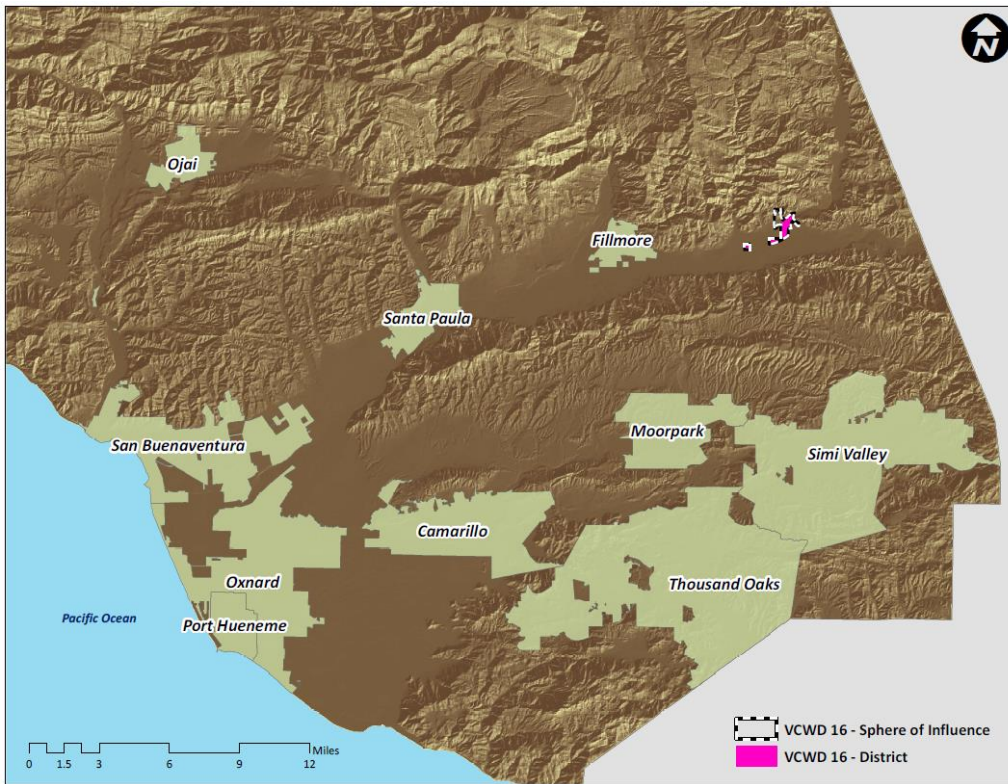


Figure 1: Location Map for Ventura County Waterworks District No. 16

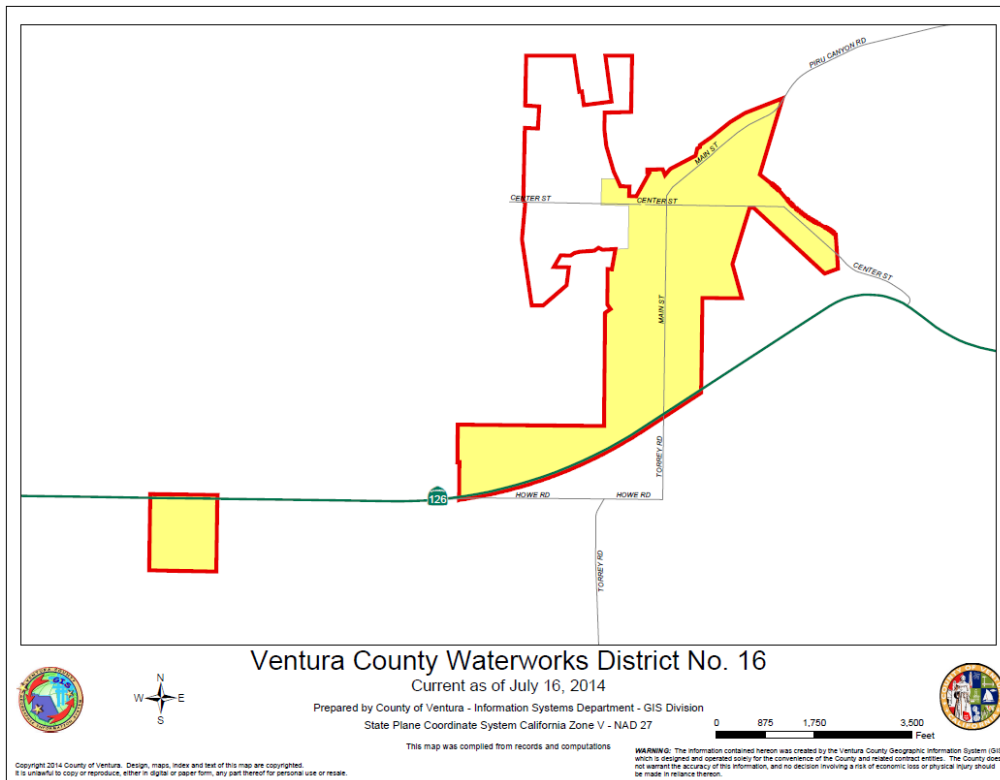


Figure 2: Official LAFCo Map

Profile

Ventura County Waterworks District No. 16 (District or VCWD 16), a dependent district of the County of Ventura, was formed on May 8, 1972, and provides sewer collection and treatment services to the unincorporated community of Piru. VCWD 16 provides services through the Water and Sanitation Department of the Ventura County Public Works Agency (VCPWA).

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.vcpwpublicworks.org/wsd
E-mail Address	joseph.pope@ventura.org

Governance Information

Formation Date	May 8, 1972
Legal Authority	<u>Government Code Section 25210</u> (County Service Areas)
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 16 is authorized to provide wastewater collection and treatment service.

Population and Area Information		
	<i>Population</i> ¹	<i>Area (square miles)</i>
Jurisdictional Area	3,052	0.75
Sphere of Influence Area	3,100	0.75

Staffing – Full Time Equivalent Positions ²			
Executive/Management	Professional/Support	Operational	Total
8	16	36	60

Revenues	Expenditures
Primary Revenue Sources	Primary Expenses
Intergovernmental Revenue	Fixed Assets
Charges for Services	Services and Supplies
Revenue Use of Money and Property	Other Charges
FY 2021-22 Revenues (Budget)	FY 2021-22 Expenditures (Budget) ³
\$ 4,817,000	\$ 4,976,900

Public Agencies with Overlapping Jurisdiction	
Fillmore-Piru Memorial District	Ventura County Resource Conservation District
Gold Coast Transit District	Ventura County Service Area No. 14
Piru Public Cemetery District	Ventura County Service Area No. 32
United Water Conservation District	Ventura County Transportation Commission
Ventura County Air Pollution Control District	Ventura County Watershed Protection District
Ventura County Fire Protection District	Ventura Regional Sanitation District

¹ Source: Calculated based on assumed indoor water usage.

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 Expenditures exceed revenues by \$159,900. VCWD 16 staff (i.e., County staff) indicates that the budgeted net cost is due to essential operating costs and loan repayment estimated to be approximately \$159,900 higher than estimated revenues for Fiscal Year 2021-22. Unrestricted net position, totaling (\$663,919) for the year ending June 30, 2021, has continued to improve. The District is operating from a general fund loan, that will be paid off by fiscal year 2028.

Growth and Population Projections

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

The District estimates a current population within its service area of 3,052, with an insignificant population difference within the District's larger sphere of influence. VCWD 16 reports that according to its permit issued through the California State Water Resources Control Board Waste Discharge Requirements Program, the estimated population within the District by 2030 will be 3,620. According to building intensity/population density summary information available in the Piru Area Plan (adopted by the Ventura County Board of Supervisors on September 2020), land covered by the Piru Area Plan can accommodate 5,855 residents (exclusive of land designated by the Area Plan as *Open Space* or *Agricultural*).

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

VCWD 16 provides wastewater collection and treatment services to the unincorporated community of Piru. The District's service area is entirely within the area covered by Ventura County's Piru Area Plan, and generally overlaps the existing community of Piru as reflected in the Ventura County General Plan and Piru Area Plan. The District's service area contains land that is designated for urban development, including various types of residential and commercial uses and a focal main street including retail mixed use.

From 1974 to 2010, the District operated a wastewater treatment plant that had a design capacity of 200,000 gallons per day (GPD). In 2010, the District began operation of a secondary treatment wastewater treatment facility, known as the Piru Wastewater Treatment Plant, located at 2815 E. Telegraph Road, in response to new regulations imposed by the Los Angeles Regional Water Quality Control Board. The facility entirely replaced the previous treatment plant and has the permitted capacity to treat dry weather flows of up to 0.5 million gallons per day (MGD) and a peak day wet weather flow of 1.75 MGD. Existing plant facilities include influent pumps, trash screens, two oxidation ditches, two clarifiers, two aerobic digesters, and a sludge drying system, and effluent is discharged into percolation ponds.



Figure 3: Location of Piru Wastewater Treatment Plant (Sources: Google Maps (2022) and Pictometry (2019))

The collection system includes 10.3 miles of pipeline, ranging in diameter from 6-inch collection lines to 18-inch trunk lines, and one lift station on Center Street. Precise design capacity and peak capacity of the collection system is unknown; a flow study would be necessary to document system capacity. Current flows generated through the District's 667 service connections average 0.2 MGD, well within the facility's permitted capacity of the treatment

plant of 0.5 MGD for dry weather flow and 1.75 MGD for peak day wet weather flow. VCWD 16 provides administrative, billing, customer service, maintenance, operation, design, construction and inspection, laboratory, and regulatory compliance services that support the collection, conveyance, treatment, and disposal of wastewater generated within its service area. The Ventura Regional Sanitation District (VRSD) provides sewer collection system cleaning services for the District.

District staff indicates that wastewater system capacity improvements are not necessary to accommodate buildout of the Piru community, and it has no plans to prepare a wastewater master plan. Using funding from a State Grant and Federal American Recovery Act Funding, a construction contract was awarded in December 2021 to construct a desalination facility to remove salts from treated wastewater prior to discharge to percolation (\$4.743 million expected project cost) and the installation of a belt press used to remove water from biosolid wastewater residuals to reduce volume (\$1.19 million). The project will satisfy the Los Angeles Regional Water Quality Control Board Waste Discharge Requirements (WDR) Order (R4-2009-0027-A01) requiring treatment plant effluent not exceed 100 mg/l chlorides and 1200 mg/l total dissolved solids (TDS). The project is estimated to be completed by early 2023.

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

- The District estimates a current population within its service area of 3,052, with an insignificant population difference within the District's larger sphere of influence. VCWD 16 reports that according to its permit issued through the California State Water Resources Control Board Waste Discharge Requirements Program, the estimated population within the District by 2030 will be 3,620. According to building intensity/population density summary information available in the Piru Area Plan (adopted by the Ventura County Board of Supervisors in September 2020), land covered by the Piru Area Plan can accommodate 5,855 residents (exclusive of land designated by the Area Plan as *Open Space or Agricultural*).

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). 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. While Ventura LAFCo has not formally recognized the Piru community (and related VCWD 16 service area) as a disadvantaged unincorporated community, an analysis conducted by the California Association of LAFCos (CALAFCO) completed in March 2022 documents the Piru community as constituting a disadvantaged unincorporated community. 2020 data from the U.S. Census Bureau documents a median household income for Piru of \$59,000. The Piru community receives fire protection services from the Ventura County Fire Protection District, police protection services from the Ventura County Sheriff's Office, wastewater collection and treatment services from VCWD 16, and water services from Warring Water Service, Inc., a mutual water company.

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

Wastewater services:

- VCWD 16 provides wastewater collection and treatment services to the unincorporated community of Piru.
- VCWD 16's wastewater system consists of a conventional gravity system (including approximately 10.3 miles of sewer pipeline) and a lift station to support 667 service

connections, and a wastewater treatment facility located at 2815 E. Telegraph Road in Piru.

- The Piru Wastewater Treatment Plant treats flows of approximately 0.2 million gallons per day (MGD) of wastewater and has the permitted capacity to treat dry weather flows of up to 0.5 MGD and a peak day wet weather flow of 1.75 MGD. Based on current land use designations and development potential, population within VCWD 16's boundaries may increase by a maximum of approximately 3,300 at buildout of the community (i.e., approximately double its current population). While the District has demonstrated that it likely can treat existing and anticipated wastewater flows into the foreseeable future, it should consider preparation of a flow study to document precise system capacity.
- VCWD 16 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.
- VCWD 16 has a five-year capital improvement plan (CIP) that details upgrades and future expansion. The CIP includes projects within the foreseeable future including implementation of a desalination project to remove salts from treated wastewater prior to discharge to percolation and the installation of a belt press. The District does not have a master plan and does not plan to develop one, because the CIP captures the future infrastructure upgrades and improvements of this system.
- Through the County, VCWD 16 recently began using a utility management system (i.e., Sedaru), which allows staff to digitally view its mapped infrastructure as an overlay to the County's GIS data, and assists VCWD 16 in analyzing its existing services and anticipated needs.

4. Financial ability of agencies to provide services

- VCWD 16 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 16 staff (i.e., County staff) indicates that the budgeted net cost is due to essential operating costs and loan repayment estimated to be approximately \$159,900 higher than estimated revenues for Fiscal Year 2021-22. Unrestricted net position, totaling (\$663,919) for the year ending June 30, 2021, has continued to improve. The District is operating from a general fund loan, that will be paid off by fiscal year 2028. New development projects have resulted in sewer connection fees collected by the District to accommodate sewer services, and continued development within the Piru community is anticipated. As part of the annual budget process, 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 16 Board of Directors (i.e., the Ventura County Board of Supervisors) subject to Proposition 218 (which, generally, establishes that new taxes are subject to voter approval). Service charges are reflected in the annual tax roll.
- VCWD 16's reserves policy adopted on June 22, 2021 (Resolution No. 21-093) 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 16 reserves include proceeds from an outstanding County of Ventura General Fund cashflow loan, with a five-year repayment date beginning August 2022 (\$1,737,000 balance as of June 30, 2021). The District will meet the target cash reserves with its own money by fiscal year 2028.

- VCWD 16 has a five-year (FY 2022-2026) capital improvement plan consisting of \$7.8 million, which is projected to be funded through grants.
- VCWD 16 has long-term debt involving financing by the California State Water Resources Control Board to accommodate the upgrade and expansion of the Piru wastewater treatment plant (i.e., \$5,399,000 in total funding). The principal balance as of June 30, 2021, was \$3,791,000, and VCWD 16 is responsible for annual payments through July 2040. Funding for repayment is covered by service charges.
- Based on the information above, VCWD 16 can finance the services it currently provides.
- VCWD 16 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

- No opportunities for shared facilities were identified, although VCWD 16 receives operational efficiencies through coordination with other providers (i.e., the County of Ventura and VRSD).

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

- VCWD 16 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.
- VCWD 16 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.
- VCWD 16 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, it receives the following services from the County of Ventura: office space, management, accounting/auditing, legal counsel, real estate, and insurance. Furthermore, it receives wastewater system cleaning services from VRSD. However, VCWD 16 is currently working to shift its operations in-house and limit its reliance on VRSD to occasional emergency services and period sewer line cleaning.
- VCWD 16, through the County of Ventura, 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 County Public Works Agency’s Water and Sanitation Department maintains a website that contains general information about VCWD 16, contact information, a summary of services, and projects recently completed and under construction. The website provides a Spanish translation option. VCWD 16 could improve its transparency by clarifying that it is a dependent district that is managed and operated by the County of Ventura, and by posting links to its history, mission, enabling legislation, boundary map, summary of facilities, Board of Directors meeting information (agendas, staff reports, minutes, and 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 VCWD 16 information, the utilities pages of the Water and Sanitation Department could be organized to include all VCWD 16 information (e.g., including rates and charges, construction projects, and citizens’ advisory committee meetings) into one central location.
- Development of a master plan would allow constituents to have a more transparent overview of the capacity and condition of the existing system operated by VCWD 16, as well as enable them to be aware of and provide input regarding future infrastructure maintenance and improvement projects.
- VCWD 16 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

- No other matters were identified.