

Ventura Local Agency Formation Commission

Ventura County Waterworks District No. 17

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. 17 (VCWD 17 or 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 Plan:** Ventura County General 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

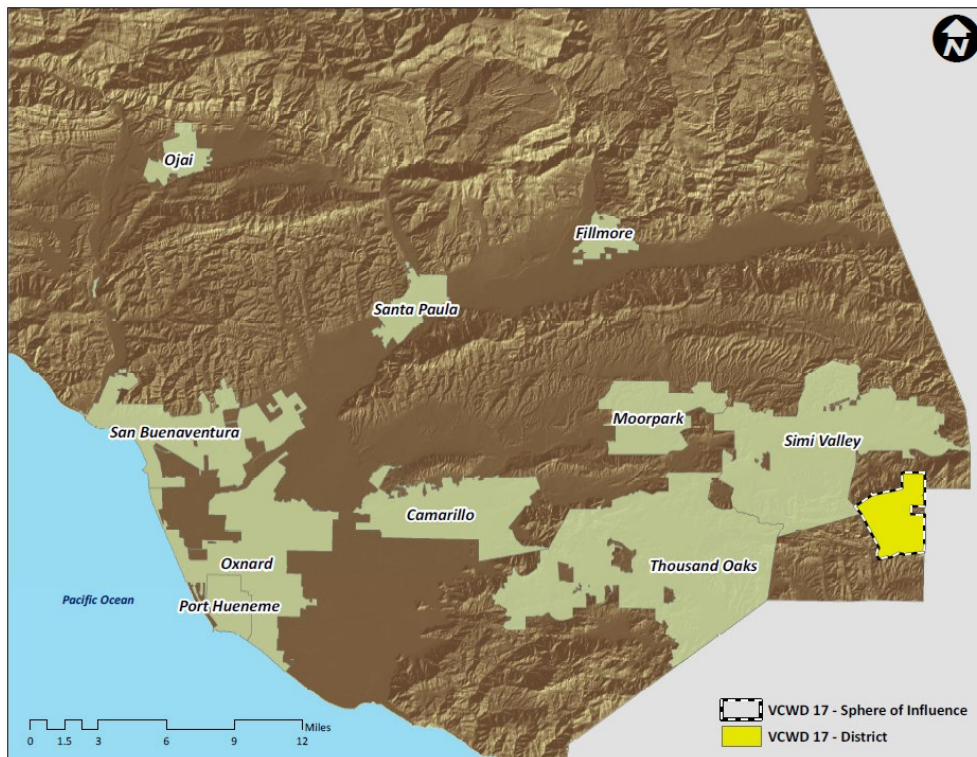


Figure 1: Location Map for Ventura County Waterworks District No. 17

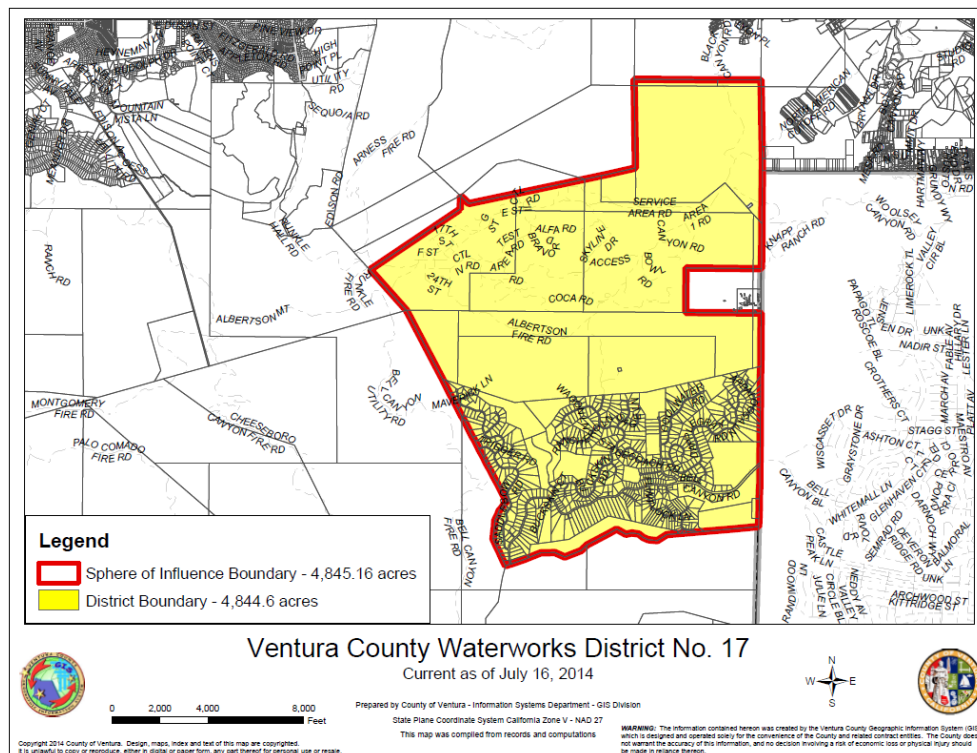


Figure 2: Official LAFCo Map

Profile

Ventura County Waterworks District No. 17 (District or VCWD 17), a dependent district of the County of Ventura, was formed on April 11, 1977, and provides domestic water service to customers in the unincorporated community of Bell Canyon and contiguous areas to the north. VCWD 17 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 Ventura County Public Works Agency 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	April 11, 1977
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 17 is authorized to provide potable water service.

Population and Area Information			
	Population ¹		Area (square miles)
Jurisdictional Area	1,946		7.57
Sphere of Influence Area	1,946		7.57

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	Fixed Assets
Revenue Use of Money and Property	Other Charges
FY 2021-22 Revenues (Budget)	FY 2021-22 Expenditures (Budget) ³
\$ 4,014,300	\$ 4,449,700

Public Agencies with Overlapping Jurisdiction	
Bell Canyon Community Services District	Ventura County Air Pollution Control District
Calleguas Municipal Water District	Ventura County Fire Protection District
El Rancho Simi Cemetery District	Ventura County Resource Conservation District
Gold Coast Transit District	Ventura County Service Area No. 32
Metropolitan Water District of Southern California	Ventura County Transportation Commission
Rancho Simi Recreation and Park District	Ventura County Watershed Protection District
United Water Conservation District	Ventura Regional Sanitation District
Triunfo Water and Sanitation District	

¹ Source: 2020 U.S. Census data

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 VCWD 17 staff (i.e., County staff) indicates that the budgeted net cost is due to capital improvement projects being estimated approximately \$435,400 higher than estimated revenues for Fiscal Year 2021-22. Unrestricted net position, totaling \$2,445,054 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)).

Nearly all of the developed area within the District is located within the private residential community of Bell Canyon, which encompasses approximately 1,677 acres and includes about 698 single-family residences. According to the District, the U.S. Census Bureau estimated the 2010 population within the District's jurisdictional boundary and sphere of influence to be 2,049. Updated U.S. Census Bureau information documents an estimated 2020 population of 1,946. The District's service area is largely developed and is not anticipated to experience notable additional population growth, although potential future development of vacant residential parcels would likely result in a population of about 2,500 at buildout.

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)).

Potable Water Services

Service Area and Distribution System

The District is a retail water provider that supplies potable water to 710 customers within the unincorporated community of Bell Canyon (located in eastern Ventura County, immediately north of Hidden Hills and west of West Hills in Los Angeles County) and contiguous areas to the north that include land owned by Boeing Company (e.g., the Santa Susana Field Laboratory) and the Mountains Recreation Conservation Authority (MRCA). Additionally, the District supplies water to the Las Virgenes Municipal Water District (LVMWD), which is in turn provided to the Summit Mobile Home Park located east of the District's boundaries in Los Angeles County. The District's entire water supply consists of imported water from the State Water Project (which is occasionally supplemented with water from the Colorado River Aqueduct),⁴ delivered by the Metropolitan Water District of Southern California to Calleguas Municipal Water District (CMWD), and through Ventura County Waterworks District No. 8 (VCWD 8)⁵ in Simi Valley.

According to District staff, the District's water distribution system consists of 18 miles of pipeline. The *Ventura County Waterworks District No. 17 Water Master Plan* (July 2010) documents that all of its water is transmitted through a 51-inch diameter pipeline owned by the CMWD in Simi Valley. The water is then piped through VCWD 8 infrastructure to the VCWD 17 turnout, and from there it is pumped through a 10-inch and 12-inch diameter pipeline by three separate pumping stations and one reservoir to the mainline serving the district. The District's water storage infrastructure consists of two reservoirs (a 1 million gallon (MG) tank and a 2 MG tank). While the District's total storage capacity is 3 MG, actual storage volume is estimated to be 2 MG. The Master Plan states that an additional 1.73 MG (for a total of 4.73 MG) in storage is necessary to maintain the desired water storage of 1.2 times the current maximum daily demand plus fire flow of 120,000 gallons. In January 2022, the District began development of a site plan and an environmental survey for a third reservoir.

Water Supply and Demand

The Bell Canyon residential community generates approximately 90 percent of the water demand within the District, with the remaining 10 percent of demand generated from surrounding areas. Normal historical demand for the District since 1993 has averaged

⁴ 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).

⁵ VCWD 8 is a dependent district of the City of Simi Valley and is governed by the City Council as its Board of Directors.

approximately 1,280 acre-feet per year (AFY). More recently, total water demand was 1,337 acre-feet (AF) in 2018, 946 AF in 2019, 1,071 AF in 2020, and 1,097 AF in 2021. Through 2045, demand during single-dry years is estimated to be approximately 1,340 AFY, and demand during multiple-dry years is projected to be 1,110 AFY. District staff documents that supply is limited to 2.45 million gallons per day (MGD) (2,744 AFY), pursuant to a contract with VCWD 8, and that peak supply in emergency situations is approximately 4 MGD (4,480 AFY).

The LVMWD purchases water from the District in order to serve the Summit Mobile Home Park in Los Angeles County. This service was initiated in 1969 and water is transmitted by VCWD 8 through a pipeline that has been owned and operated by VCWD 17 since 1977. VCWD 17 service to LVMWD consists of an average of 125 AFY, delivered through a 3-inch pipeline to LVMWD where it is accepted and transferred to a LVMWD reservoir located within Ventura County (i.e., Assessor's Parcel Number 685-0-051-09). The District, CMWD, and LVMWD are currently developing a plan to provide redundancy in the water systems serving VCWD 17 and the Summit Mobile Home Park.

Because the District serves fewer than 3,000 customers and less than 3,000 AFY, it does not qualify as an urban water supplier that is required, every five years, to prepare and adopt an urban water management plan (UWMP) pursuant to the Urban Water Management Planning Act enacted by the California State Legislature in 1983. Therefore, a comprehensive and up-to-date discussion of current and expected water supply and demand, supply reliability, and water shortage contingency planning and conservation efforts is not regularly consolidated into a single report that is easily accessible to the public. While the District's master plan guides its actions related to operation, maintenance, and infrastructure improvements to meet its service needs, the District and its customers would benefit from an update to the master plan to reflect current water supply and demand figures, infrastructure, population, and capital improvement needs, availability of the master plan on the VCPWA's website, and/or formal reporting/updates that are easily accessible to the public.

Capital Improvement Projects

The District has several planned capital improvements including: (1) construction of a new 1.74 MG reservoir (\$625,000, funded by grants, reserves, and revenue), (2) addition of a chlorine generation system (\$120,000) funded by revenue and reserves, and (3) implementation of general water system improvements (\$200,000, funded by revenue and reserves).

Water Conservation Measures and Efforts

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 changes outlined the Supply 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.

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

- Nearly all of the developed area within the District is located within the private residential community of Bell Canyon, which encompasses approximately 1,677 acres and includes about 698 single-family residences. According to the District, the U.S. Census Bureau estimated the 2010 population within the District's jurisdictional boundary and sphere of influence to be 2,049. Updated U.S. Census Bureau information documents an estimated 2020 population of 1,946. The District's service area is largely developed and is not anticipated to experience notable additional population growth, although potential future development of vacant residential parcels would likely result in a population of about 2,500 at buildout.

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

Water services:

- VCWD 17 operates a public water system that provides domestic water service to 710 customers within the unincorporated community of Bell Canyon, as well as to surrounding properties to the north. Additionally, it provides water service to the LVMWD in order to serve the Summit Mobile Home Park located in Los Angeles County.
- The District's water is sourced exclusively from the Calleguas Municipal Water District (CMWD), which has not imposed supply limitations on the District. The District has demonstrated that it has the capacity to provide additional service and facilities, as needed.
- Currently, District staff anticipates demand of 1,280 acre feet per year (AFY) during normal years, 1,340 acre-feet per year (AFY) during single-dry years, and 1,100 AFY during multiple-dry years. Recent total water demand was 1,337 acre-feet (AF) in 2018, 946 AF in 2019, 1,071 AF in 2020, and 1,097 AF in 2021. Supply is limited to 2.45 million

gallons per day (MGD) (2,744 AFY), pursuant to a contract with Ventura County Waterworks District No. 8 (VCWD 8), and that peak supply in emergency situations is approximately 4 MGD (4,480 AFY).

- To improve its transparency, the District should consider formalizing its water use projections for normal years, single-dry years, and multiple-dry years.
- Existing infrastructure appears to be adequate to serve the District's customers. However, the District is pursuing additional water storage to ensure sufficient back-up water supply is available. The District has several planned capital improvements, including construction of a new 1.74 million gallon reservoir, the addition of a chlorine generation system, and implementation of general water system improvements.
- The District has implemented automated meter infrastructure (AMI) system to allow for better monitoring of leaks and to assist customers in meeting conservation targets. The system is operational for billing use and for customers to access water usage data online.
- The District has a water shortage contingency plan, which is contained within the Ventura County Waterworks Districts Rules and Regulations.
- The District is equipped with an emergency generator for the purpose of providing back-up power to its water distribution system.
- 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 17 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 17 staff (i.e., County staff) indicates that the budgeted net cost is due to capital improvement projects being estimated approximately \$435,400 higher than estimated revenues for Fiscal Year 2021-22. Unrestricted net position, totaling \$2,445,054 for the year ending June 30, 2021, is used to cover the difference. As part of the annual budget process, water rates are reviewed to determine whether adjustments are needed to accommodate projected expenses. Rate adjustments are considered by the VCWD 17 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 17 through monthly service bills mailed to customers.
- VCWD 17's reserves policy adopted on December 8, 2020 (Resolution No. 20-142) 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 17 has maintained reserves ranging between 74 percent and 99 percent of total revenue. The District has met these cash reserve targets.
- VCWD 17 has a five-year capital (FY 2022-26) improvement plan consisting of \$9.9 million which is projected to be funded through service charges and loans.
- VCWD 17 indicates that it has no long-term debt.

- Based on the information above, it appears that VCWD 17 can finance the services it currently provides.
- VCWD 17 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

- The District obtains its water (sourced entirely from the CMWD) through infrastructure that is owned and operated by VCWD 8 in Simi Valley. Shared use of VCWD 8's infrastructure enables VCWD 17 to accept imported water delivery without the need to construct redundant pipeline infrastructure.

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 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, and insurance. Furthermore, the District contracts with VCWD 8 to deliver its imported water from CMWD.
- 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 rate structure that discourages high water use), and through public outreach and education programs.
- The District's Water Master Plan was prepared in July 2010. There are no efforts currently underway to update the master plan. While the District's master plan guides its actions related to operation, maintenance, and infrastructure improvements to meet its service needs, the District and its customers would benefit from an update to the master plan to reflect current water supply and demand figures, infrastructure, population, and capital improvement needs, availability of the master plan on the VCPWA's website, and/or formal reporting/updates that are easily accessible to the public.
- 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, Board of Directors meeting information (agendas, staff reports, minutes, and 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 information, the utilities pages of the Water and Sanitation Department could be organized to include all District information (e.g., including Water Quality Reports, rates and charges, construction projects, and citizens’ advisory committee meetings) into one central location.
- The District is supported by a Citizens’ Advisory Committee, which meets in alternating months 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 management of the District, and makes recommendations to the Board of Directors.
- 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

- No other matters were identified.