

Ventura Local Agency Formation Commission

Ventura River Water District

Municipal Service Review



Prepared By:

Ventura Local Agency Formation Commission

801 S. Victoria Avenue, Suite 301

Ventura, CA 93003

Accepted by the Commission on November 16, 2022

Table of Contents

Introduction	1
Maps.....	3
Profile	5
Growth and Population Projections.....	7
Review of Municipal Services.....	8
Sphere of Influence	14
Written Determinations.....	15

Introduction

Purpose of the Municipal Service Review

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

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

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

A **sphere of influence** is a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCo (Government Code § 56076). Beginning in 2001, each LAFCo was required to review, and as necessary, update the sphere of each city and special district on or before January 1, 2008, and every five years thereafter (Government Code § 56425(g)). Government Code § 56430(a) provides that in order to determine or update a sphere of influence, LAFCo shall prepare a **Municipal Service Review (MSR)** and make written determinations relating to the following seven factors:

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

MSRs are not prepared for counties, but are prepared for special districts including those governed by a county Board of Supervisors. Additionally, while LAFCos are authorized to

prepare studies relating to their role as boundary agencies, they have no investigative authority.

LAFCo staff prepared this MSR for the Ventura River Water District (VRWD 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 Plans:** Ventura County and City of Ojai 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

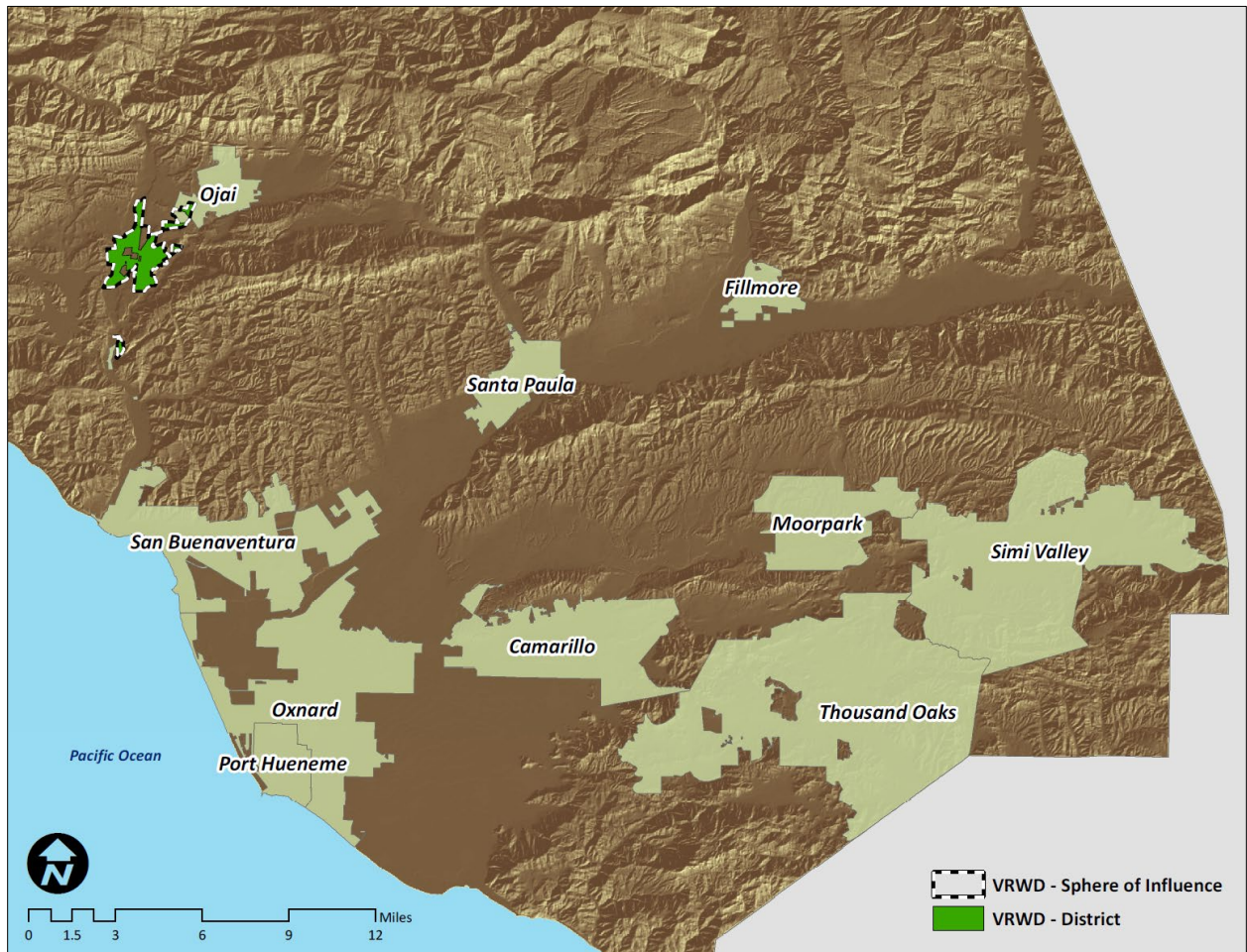


Figure 1: Location Map

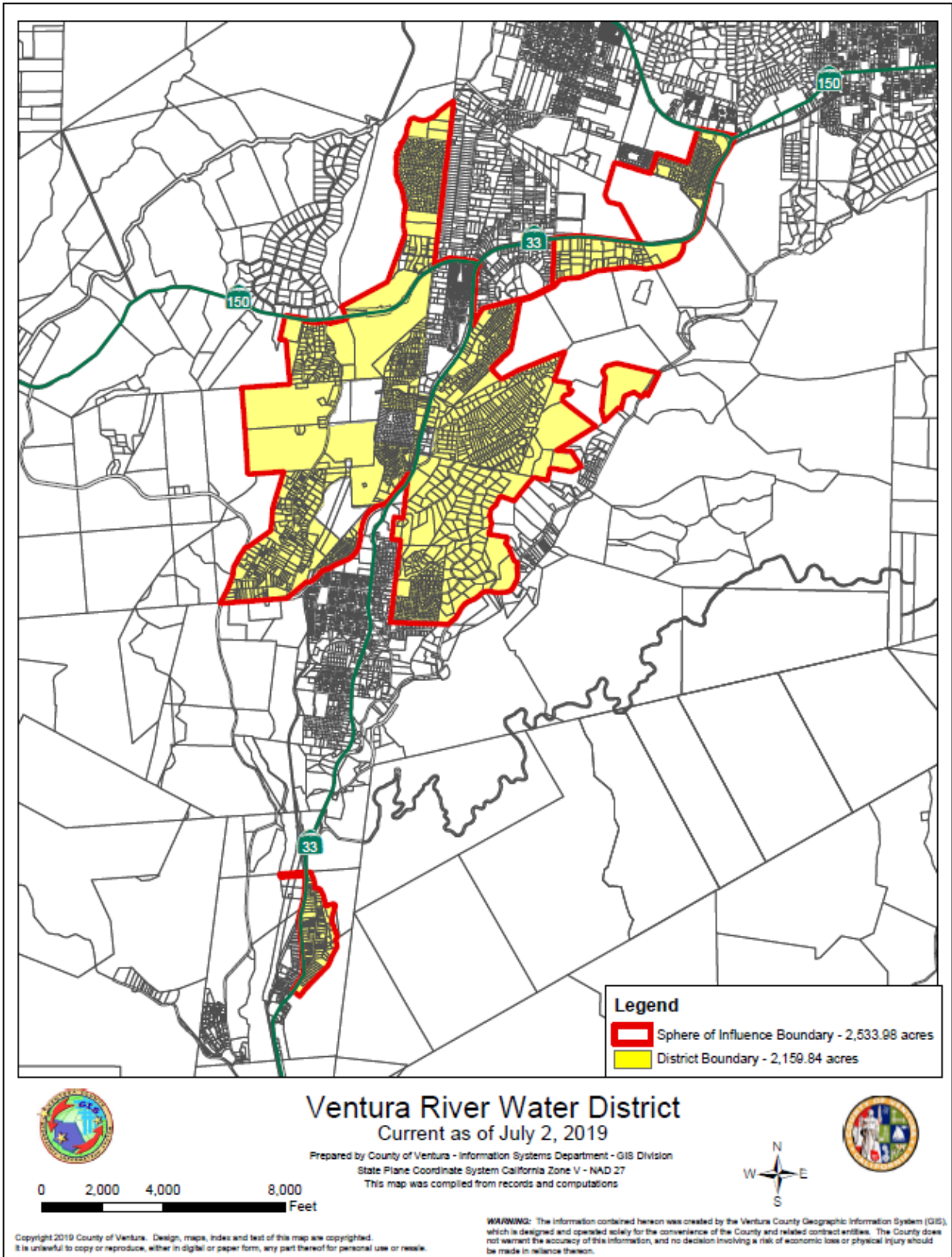


Figure 2: Official LAFCo Map

Profile

The Ventura River Water District (VRWD or District) operates and maintains a retail potable water distribution system for the communities of Casitas Springs, northern Oak View, and a portion of the City of Ojai near its western city limits. The District’s water is sourced from groundwater wells and the Casitas Municipal Water District (CMWD).

Contact Information

District Manager	Bert Rapp
District Office	409 Old Baldwin Road, Ojai, CA 93023
Mailing Address	409 Old Baldwin Road, Ojai, CA 93023
Phone Number	(805) 646-3403
Website	venturariverwd.com
E-mail Address	bert@venturariverwd.com

Governance Information

Formation Date	August 14, 1956
Legal Authority	<u>Water Code Section 30000</u> (County Water District Law)
Type of District	Independent
Board of Directors	Five members. Elected at-large to staggered, four-year terms of office (elections held in even-numbered years).
Board Meetings	3 rd Wednesday of each month, beginning at 3:00 p.m., located at 409 Old Baldwin Road, Ojai, CA 93023.

Services Provided

VRWD is authorized to provide potable water service.

Population and Area Information

	<i>Population</i> ¹	<i>Area (square miles)</i>
Jurisdictional Area	6,100	3.29
Sphere of Influence Area	7,383	3.95

Staffing – Full Time Equivalent Positions²

Executive/Management	Professional/Support	Operational	Total
1	2	3	6

Revenues

Primary Revenue Sources

- Water Charges
- Property Taxes
- Interest Income

Expenditures

Primary Expenses

- Salaries/Benefits
- Contract Labor
- Water Purchases

¹ Source: Population information provided by District staff.

² Source: VRWD Adopted Budget for FY 2020-21.

FY 2022-23 Revenues (Budget)
\$2,860,800

FY 2022-23 Expenditures (Budget)
\$2,770,936

Public Agencies with Overlapping Jurisdiction

Casitas Municipal Water District

City of Ojai

Meiners Oaks Water District

Gold Coast Transit District

Ojai Basin Groundwater Management Agency

Ojai Valley Sanitary District

Ventura County Air Pollution Control District

Ventura County Fire Protection District

Ventura County Resource Conservation District

Ventura County Service Area No. 14

Ventura County Service Area No. 32

Ventura County Transportation Commission

Ventura County Watershed Protection District

Ventura Regional Sanitation District

Growth and Population Projections

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

According to the District, the estimated 2022 population within its jurisdictional boundary is 6,100 and its sphere of influence is 7,383, which was calculated based on the number of housing units and type served by the District. The estimated population represents a growth of approximately 7 percent since 2010. Given the trend of a low growth rate and limited opportunities for development within its service area and sphere of influence, the District estimates the maximum future population within the existing sphere of influence to be 7,383.

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)).

Water Services

Service Area and Distribution System

The District, which was known as the Ventura River County Water District until it adopted a name change to Ventura River Water District (effective January 1, 2017), operates and maintains a retail potable water distribution system for the communities of Casitas Springs, northern Oak View, and a portion of the City of Ojai near the City's western boundary. The District was formed as a result of the consolidation of several mutual water companies and county water districts to provide water service. The District's website states that:

Water service in the Ojai Valley developed in a fragmented way as different areas and neighborhoods developed. The Ventura River Water District was formed on August 14, 1956, and this new District knitted together systems developed by 6 small mutual water companies and water districts which served the Casitas Springs, Mira Monte, Live Oak Acres, Los Encinos and Oak View unincorporated areas. Subsequent annexation by the City of Ojai of some of this territory led to the District serving a small part of the City.

The VRWD's jurisdictional area is entirely within the boundaries of the CMWD. At its northern jurisdictional boundary in the vicinity of Rice Road and Baldwin Road, the VRWD overlaps the jurisdictional area of the Meiners Oaks Water District (at the southern boundary of the Meiners Oaks Water District).³ The area of overlap is limited to right-of-way within Rice Road and Baldwin Road, within which both districts own water pipelines.

The District has two water sources: (1) groundwater (pumped from the Upper Ventura River Groundwater Basin (UVRGB)), and (2) surface water (supplied by the CMWD, as a water wholesaler, from its reservoir known as Lake Casitas).⁴ The VRWD's water distribution system consists of 33 miles of pipeline that serve 2,162 customers. It owns and operates six wells, two pump stations, and five reservoirs, and has five independent connections to the CMWD distribution system. The CMWD is the source of all of the water served by the VRWD to the Casitas Springs neighborhood and Monte Via neighborhood (immediately west of the Ojai Valley Trail, northwest of the intersection of Highway 33 and Santa Ana Boulevard), and

³ The Meiners Oaks Water District is a special district that provides retail potable water to the unincorporated community of Meiners Oaks.

⁴ The Casitas Municipal Water District is a water wholesaler and retailer that supplies water to the Ojai Valley, Ventura River valley, and the western portion of the City of San Buenaventura. The VRWD is a water retailer of the CMWD within the VRWD's service area.

typically supplies these neighborhoods, in combination, with 60 to 70 acre feet per year (AFY). The VRWD provides primarily groundwater to all other portions within its service area, relying on water from the CMWD only during well repair/maintenance activities and when groundwater wells are unable to meet water demand. On average over the past five years, the VRWD has sourced 81 percent of its total supply from groundwater and 19 percent of its total supply from the CMWD.

The District provides water service to two properties located outside its jurisdictional boundaries: (1) Assessor's Parcel Number (APN) 061-0-011-125 is served by a ¾-inch meter (service initiated in approximately 1956), and (2) APN 035-0-140-075⁵ is served by a ¾-inch meter (service initiated during or before 1999). Pursuant to Government Code Section 56133, a city or district may provide new or extended services outside its jurisdictional boundary only if it first requests and receives approval from LAFCo, except under limited circumstances (i.e., LAFCo approval is not required for services provided by an agency on or prior to January 1, 2001). Because District service initiation occurred prior to 2001 for both parcels, the service predates the requirement for LAFCo approval to provide the service.

Water Supply and Demand

Between 1995 and 2013, annual water demand by the District's customers ranged from approximately 1,300 AFY to 1,728 AFY. Since 2002, water demand has gradually trended downward, and has been consistently less than 1,000 AFY since 2016. District staff attributes the significant decline in water usage to the imposition of conservation pricing of water and the establishment of water budgets for customers (in which the District presents customers with a comparison of their water usage and actual water needs). District staff anticipates that continued implementation of these measures will allow water demand to remain between 700 AFY and 1,000 AFY until at least 2045, even with the anticipated annexation of developed territory currently served by the Tico Mutual Water Company (consisting of a 94-acre area located immediately south of Highway 150 (Baldwin Road) and west of Highway 33 (N. Ventura Avenue), which is expected to generate a demand on the District of approximately 17 AFY. The District's water supply consists primarily of groundwater from the UVRGB (approximately 81 percent), with remaining supply consisting of surface water from the CMWD (approximately 19 percent).

Groundwater Supply

The UVRGB is a medium-priority basin that is not considered by the Department of Water Resources to be in critical overdraft. According to the Upper Ventura River Groundwater Agency (UVRGA), a Groundwater Sustainability Agency (GSA) under the Sustainable

⁵ APN 035-0-140-075 is also located outside the VRWD's sphere of influence.

Groundwater Management Act (SGMA),⁶ water from the UVRGB is pumped by four major water suppliers (i.e., the City of San Buenaventura, VRWD, Meiners Oaks Water District, and CMWD) and three mutual water companies, as well as several other users. In general, the UVRGB acquires approximately 10,000 AFY, and is depleted of a similar amount. Flows from the Ventura River provide most of the surface and subsurface recharge of the UVRGB. The UVRGA adopted a Groundwater Sustainability Plan (GSP), which was submitted to and is currently undergoing review by the California Department of Water Resources (DWR). A map of the UVRGB underlying the District is provided in Figure 3, below.

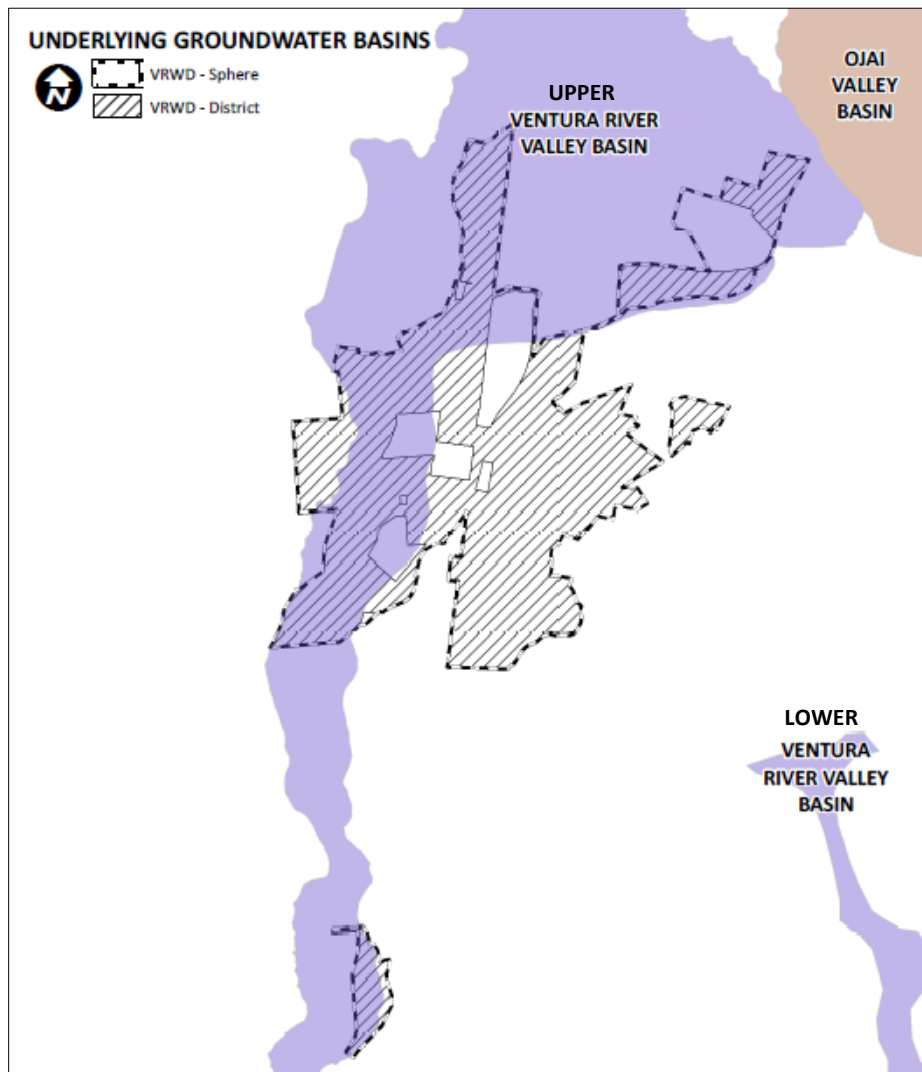


Figure 3: Underlying Groundwater Basins
(Source: California Department of Water Resources, 2019)

⁶ The VRWD is a member agency of UVRGA which is responsible for preparing a Groundwater Sustainability Plan (GSP) and managing the UVRGB pursuant to SGMA. The GSP must be adopted by January 31, 2022 and achieve sustainable groundwater management within 20 years of adoption of the GSP.

According to the GSP prepared for the UVRGA, the estimated storage in the UVRGB varies considerably, ranging between 14,000 AF and 35,000 AF. Groundwater is recharged through infiltration of precipitation and percolation from surface water flows, among other sources. The District operates six wells (Well Nos. 1 through 4, Well No. 6, and Well No. 7). The District's newest wells are Well No. 6 (online since 2019) and Well No. 7 (online since 2018), both of which are expected to provide a reliable supply of water, even during drought conditions. The District has a water storage capacity of 2.4 million gallons (MG). Actual storage volume ranges between 1.6 MG and 2.4 MG daily; however, the tanks are filled to capacity nightly. While the UVRGB has a capacity of between 14,000 AF and 35,000 AF, actual groundwater supply for the District is estimated to be 1,500 AF.

Surface Water Supply

The District's surface water supply is sourced from the CMWD. Surface water contained in Lake Casitas is currently estimated to be 80,000 AF,⁷ which is used to supply the CMWD's retail customers and retail water purveyors. The CMWD establishes a maximum annual delivery water volume to VRWD based on factors including but not limited to current drought conditions. According to the District, during 2020, 2021, and 2022, the VRWD's water budget from the CMWD was 898 AF. VRWD is not required to prepare an Urban Water Management Plan (UWMP); however, information contained in the UWMP prepared for the CMWD (adopted June 23, 2021) states that the CMWD service area is not expected to experience significant growth over the next 20 years (estimated population in 2020 was 11,042 and projected population in 2040 is 11,281). The District does not have its own Water Shortage Contingency Plan, but in accordance with its water service agreement with the CMWD, it implements mandatory use restrictions for drought conditions as prescribed by the CMWD. The CMWD Board of Directors adopted a resolution on May 11, 2022, to continue implementation of Stage 3 (30 percent) conservation levels through the summer of 2022. Given the current and predicted drought condition, persistent decline of the water volume in Lake Casitas will potentially result in the imposition of additional conservation measures and the risk of the lake going dry.

Capital Improvement Projects

District staff indicates that an additional tank will be installed at the Parker Pump Station, scheduled to occur in 2024, which will increase its storage capacity by 500,000 gallons (for a total storage capacity of 2.9 MG) as well as improve efficiency of pumping operations and pump station maintenance. This project is included in the \$10 million zero-interest loan package provided by the State as an incentive for annexation of the area currently served by the Tico Mutual Water Company.

The District intends to complete capital improvements over the next several years, including the addition of infrastructure to accommodate the annexation of territory currently served by

⁷ The capacity of Lake Casitas is approximately 237,761 AF. As of September 2022, the lake is 30.9 percent full.

the Tico Mutual Water Company (\$965,000), relocation of Santa Ana water main out of private properties (\$1,424,000), installation of a new water storage tank (\$537,000), and booster station flood-proofing (\$1,145,000), as well as several other pipeline replacements, system reliability upgrades, and solar projects. These projects are expected to be funded through a \$10 million, 20-year, zero-percent interest loan through the State's Clean Water Revolving Fund Loan Program.⁸

Because the District serves fewer than 3,000 customers and less than 3,000 AFY, it does not qualify as an urban water supplier and, as such, is not required, every five years, to prepare and adopt an UWMP pursuant to the Urban Water Management Planning Act enacted by the California State Legislature in 1983.⁹ 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.

Water Master Plan

The District adopted a Water Master Plan in 2010 (Ventura River County Water District Water System Evaluation Study Including Hydraulic Model), which contains a discussion of system components, operating conditions, system deficiencies, among other topics. While the District's system was determined to be in good working condition, the Master Plan identified necessary repairs and improvements. District staff plans to update to the water master plan before 2024. The update to the master plan will reflect current water supply and demand figures, infrastructure, population, and capital improvement needs.

Water Conservation Measures and Efforts

The District encourages water conservation by providing customers assistance with relandscaping plan design, grey water reuse, and stormwater capture, along with financial incentives associated with tiered rates that are not subsidized by monthly base rates. Tiered rates involve higher per-unit cost of water for greater overall water demand. The imposition of conservation pricing of water and the establishment of water budgets for customers provides incentives for customers to reduce water demand. In addition, the District coordinates with the CMWD to provide joint conservation workshops and outreach to customers.

The District's Rules and Regulations contain provisions pertaining to water waste. For example, the District prohibits: (1) landscape irrigation from causing off-site runoff and/or flows onto hardscapes and other non-permeable surfaces, (2) use of potable water in decorative water

⁸ According to information provided by the State Department of Water Resources, the Clean Water State Revolving Fund (SRF) provides low cost financing to protect California's waters from pollution. Public agencies are eligible to apply for SRF funding to support projects including those involving publicly-owned treatment works, wastewater treatment systems, water, energy conservation, and water reuse, and technical assistance to support such projects.

⁹ Water supply and demand by the District is generally acknowledged in the UWMP prepared by the CMWD.

features except if implementing a recirculating system, and (3) irrigation of ornamental landscapes in excess of two times per week. In June 2022, the District modified its water waste regulations to include prohibitions against: (1) general water waste, (2) cleaning of structures or vehicles without shut-off nozzles, (3) washing of hardscapes except if to address safety/sanitary issues, (4) unaddressed plumbing leaks, (5) daytime outdoor irrigation except if manually performed, (6) continuously running water, and (7) single-pass cooling systems.

Sphere of Influence

Several areas, as depicted in Figure 4 below, are located within the VRWD’s sphere of influence and jurisdictional boundaries but are not anticipated to be served by the VRWD. Reduction of the sphere based on the District’s anticipated future service would result in the exclusion of the following four areas totaling approximately 182.7 acres, as depicted in Attachments 2 and 3: (1) a 94-acre area located immediately south of Highway 150 (Baldwin Road) and west of Highway 33 (N. Ventura Avenue) (“Area 1”), (2) a 65-acre area located west of N. Ventura Avenue in the vicinity of Willey Street and Barbara Street (“Area 2”), (3) a 21-acre area of the Ventura River northwest of the intersection of N. Ventura Avenue and Santa Ana Boulevard (“Area 3”), and (4) a 2.7-acre area north of Santa Ana Boulevard, immediately east of the Ventura River (“Area 4”). Removal of these areas from the sphere is appropriate because the District has no plans to serve this territory. The existing sphere of influence boundary otherwise continues to reflect the District’s current and probable service area, and is justified based on this MSR report, which demonstrates that the District has the ability to provide urban services at acceptable levels.

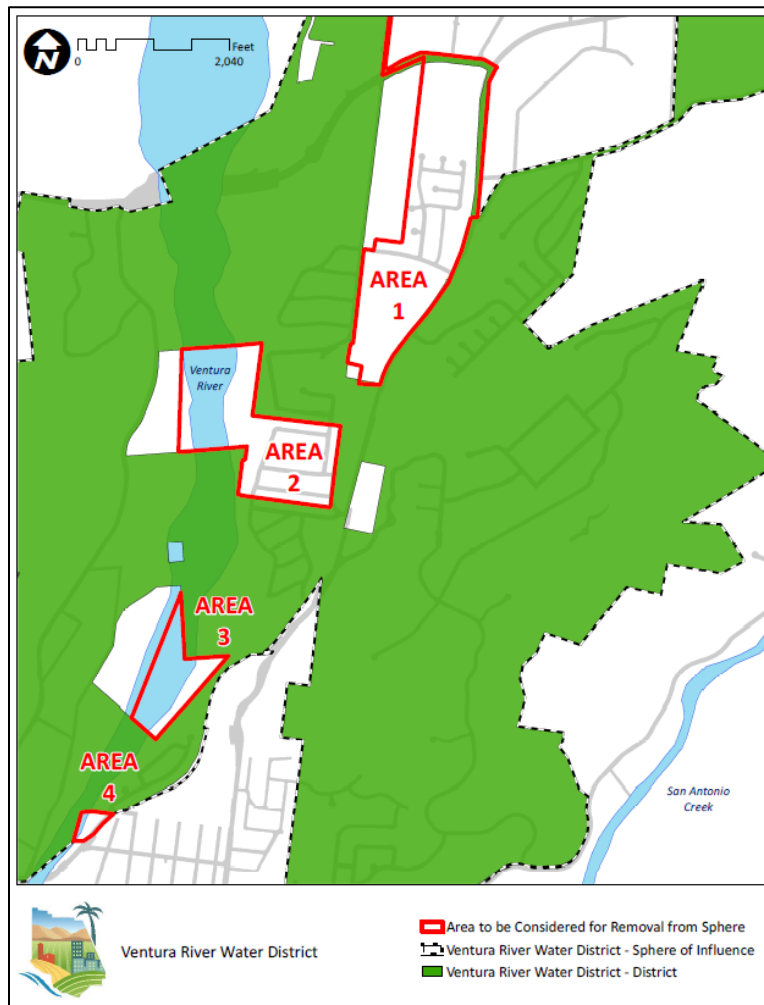


Figure 4: Sphere of influence recommended reduction

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 District, the estimated 2022 population within its jurisdictional boundary is 6,100 and its sphere of influence is 7,383, which was calculated based on the number of housing units and type served by the District. The estimated population represents a growth of approximately 7 percent since 2010. Given the trend of a low growth rate and limited opportunities for development within its service area and sphere of influence, the District estimates the maximum future population within the existing sphere of influence to be 7,383.

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), the Piru community, 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:

- The District operates and maintains a retail domestic water distribution system for the communities of Casitas Springs, northern Oak View, and a portion of the City of Ojai near the City's western limits.
- The District's water sources consist of groundwater pumped from water wells owned by the District and surface water from the CMWD (which is both a water wholesaler and retailer). The District's current water supply appears to be adequate to meet current demands.
- Between 1995 and 2013, annual water demand by the District's customers ranged from approximately 1,300 AFY to 1,728 AFY. Water demand dropped to 1,230 AFY in 2014 and 1,051 AFY in 2015. Since 2016, water demand has continued to steadily decrease, and has ranged between 862 AFY and 947 AFY.
- District staff anticipates that implementation of conservation measures will allow water demand to remain between 700 AFY and 1,000 AFY until at least 2045.

- To improve its transparency, the District should consider formalizing its water use projections for normal years, single-dry years, and multiple-dry years, and making this information available on its website.
- The District has a water storage capacity of 2.4 million gallons, and is in the process of increasing its storage capacity by 500,000 gallons.
- The District intends to make capital improvements over the next several years, including the addition of infrastructure to accommodate the annexation of territory currently served by the Tico Mutual Water Company (\$965,000), relocation of Santa Ana water main out of private properties (\$1,424,000), installation of a new water storage tank (\$537,000), booster station flood proofing (\$1,145,000), as well as several other pipeline replacements, system reliability upgrades, and solar projects. The District adopted a Water Master Plan in 2010 (Ventura River County Water District Water System Evaluation Study Including Hydraulic Model). VRWD staff intends to prepare an update to the District's water master plan prior to 2024.
- The District is equipped with back-up generators and batteries at its well sites and pump stations to enable its facilities to be operated during a power outage.

4. Financial ability of agencies to provide services

- The District has a balanced budget and appears to have the ability to finance the services it currently provides.
- The District has a steady stream of revenue through service fees collected from its customers. It has predictable expenses related to capital outlay, salaries/benefits, and supplies/services. Over the last three years, the District has maintained reserves ranging between 113 percent and 123 percent of total revenue. Because the District relies exclusively on tiered rates for its water sales revenue (rather than a base rate plus tiered rates), its revenues are more volatile and require higher levels of reserves to ensure the District's financial stability). On a monthly basis, the District tracks actual revenues compared to budgeted revenues, and keeps a water sales fluctuation reserve which enables the District to continue funding normal operations and planned capital improvements even if water demand decreases and water sales revenues decrease.
- The District has a 10-year capital improvement plan that includes water system improvements (e.g., replacement of pipes and hydrants, and well drilling and maintenance) and auto/equipment replacement. Ten percent of the capital improvement plan is currently funded, and service charges are expected to fully fund the planned improvement projects.
- The District is independently audited on an annual basis. According to the District, the most recent audit (December 15, 2021) prepared for the District was unqualified. An unqualified report reflects fair and transparent financial statements in compliance with generally accepted accounting principles and statutory requirements.
- Based on information that the Ventura County Special Districts Association provided the County in January 2021, the District has experienced an estimated financial impact (i.e., costs related to personal protective equipment, sick leave, custodial/sanitation activities, signage, education and enforcement, childcare, and technology) of

approximately \$1,000, related to the coronavirus (COVID-19) pandemic. This minimal impact did not result in a financial burden on the District.

5. Status of, and opportunities for, shared facilities

- The District shares training activities with the Meiners Oaks Water District (MOWD) (e.g., First Aid, back care, etc.), and is exploring additional shared training programs.
- The *Study of Special Districts in Ventura County: An Analysis with Recommendations for Changes of Organization* prepared by the Ventura County Executive Office in 1972 recommended that a committee be formed to “evaluate unification of retail water service in the Ventura River Drainage Area.” Although the VRWD appointed a representative to the committee, no record of committee activities or reorganization studies exist.
- The *Special Districts Study* prepared by LAFCo in 2001 recommended that the VRWD consider consolidating with the MOWD or CMWD; however, such a consolidation was never pursued.
- The MSR prepared by LAFCo in 2004 for water and wastewater agencies within Ventura County recommended that: (1) LAFCo should consider the reorganization of water purveyors in the Ojai Valley, and either: (a) LAFCo should form a reorganization committee composed of representatives from the governing bodies of each of the affected agencies and from other entities as determined by the Commission, or (b) the water agencies in the Ojai Valley should independently form a reorganization committee and present a report to LAFCo, and (2) government restructuring options for water service in the Ojai Valley should include an analysis of private and mutual water service providers and participation by representatives of the City of Ojai and the Ojai Valley Sanitary District. It does not appear that such further study toward reorganization of water service providers within the Ojai Valley was pursued.
- The 2004 MSR further stated that: (1) the service areas of the VRWD and MOWD are adjacent and have developed independent and occasionally duplicative facilities (i.e., these agencies both have pipeline running along certain roadway segments), and there are no interties between the two systems, and (2) consolidation of the VRWD and MOWD could provide the advantage of pooling staff, facilities, technology and other resources to achieve more streamlined service provision and improved economies of scale. The 2004 MSR acknowledged an apparent lack of interest in and effort toward consolidation, given that no perceptible progress has been made in that direction since the idea was first floated in 1972.
- The circumstances that prompted the initial discussion of reorganization among water agencies in the Ojai Valley have not changed since 1972, and the opportunity for consolidation of agencies continues to exist. Obstacles toward consolidation with the CMWD include the CMWD’s current focus on water supply concerns related to drought conditions and new responsibilities following its acquisition in 2017 of the City of Ojai service area. Challenges for consolidation with MOWD may include issues related to water rights, physical limitations of the water systems, differences in rate structures, and interest level of the districts’ governing bodies. VRWD should again consider

pursuit of consolidation with the MOWD and/or the CMWD. Within five years, LAFCo should re-evaluate the readiness of the districts for consolidation, and consider initiation of such a proposal if it deems appropriate and if none has been proposed by the agencies involved.

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

- The District is accountable to its constituents through its elected Board of Directors, adherence to applicable government code sections, open and accessible meetings, and dissemination of information.
- The District has adapted to the changing needs of public access as a result of the disease caused by the novel coronavirus (COVID-19) pandemic, by providing live internet access and public participation opportunities for its meetings.
- The District is equipped with emergency generators and batteries at the well sites and pump stations for the purpose of providing back-up power.
- As part of the District's proactive efforts to address issues raised by LAFCo staff during the MSR preparation process, in October 2022 the District Board of Directors adopted the following mission statement: "We Serve Water." In furtherance of the mission statement, the District plans to pursue development of a vision statement in order to better communicate its services to its customers.
- The District maintains a website that includes a history of and basic information about the District, a map of the district, current and recent Board of Directors meeting agendas, staff reports, and minutes, the current audit, and miscellaneous information (e.g., frequently-asked questions, water quality reports, drought status information, meter reading and backflow prevention tips, and a newsletter). In addition, it provides a free online bill-pay option for utility payments. As part of the District's proactive efforts to address issues raised by LAFCo staff during the MSR preparation process, the District improved its website by posting its current adopted budget, adding its enabling legislation, adding historical and current water demand figures, including a link to the CMWD UWMP, and adding a link to the LAFCo website which contains the most recent municipal service review completed by LAFCo. The District could improve its transparency by posting on its website documentation of anticipated water supply and demand (including a breakdown by source of water (i.e., groundwater and the CMWD)), recording and archiving Board meetings, posting its master plan, adding the State Controller's "By the Numbers" (agency financial reporting information) webpage, and featuring a Spanish translation option for its website content.
- VRWD coordinates with the CMWD to provide joint conservation workshops and outreach to the community. The District achieves operational efficiencies through shared training activities with the MOWD, and contracts with private providers (e.g., local engineering contractors for water system repairs). The District participates in the California Special District Risk Management Authority (which provides insurance coverage, training programs, and other practical resources for public agencies).

- The District adopted a Water Master Plan in 2010, which contains a discussion of system components, operating conditions, system deficiencies, among other topics. While the District's system was determined to be in good working condition, the Master Plan necessary repairs and improvements were identified. District staff plans to update to the water master plan before 2024. The update to the master plan will reflect current water supply and demand figures, infrastructure, population, and capital improvement needs.
- The District is not required to prepare an UWMP; however, some limited information regarding its water supply and demand is contained within the CMWD UWMP. The District should consider posting a link on its website to the CMWD UWMP, as well as providing historical and current usage and supply figures on its website.
- The District should consider participation in 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 Ventura County Grand Jury released a document entitled Final Report – Independent Special Districts (April 26, 2018), which was the result of an investigation by the Grand Jury into the transparency and public accountability of independent special districts within the County. The Grand Jury identified opportunities for improvement in these subject areas for many special districts in the County, but did not require a response from the VRWD. Regardless, the District provided a response and stated that, as a result of the report, it has made improvements to its website and has expanded its reach to those who may be interested in filling mid-term Board vacancies if and when they occur.
- Additional discussion regarding governmental structure and operational efficiencies is provided in the written determinations above concerning shared facilities.
- 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 UVRGB is listed as a medium-priority basin, pursuant to the State Department of Water Resources (DWR). The Upper Ventura River Groundwater Agency is the GSA for the UVRGB, and was formed through a joint powers agreement among the CMWD, Meiners Oaks Water District, Ventura River Water District, the City of San Buenaventura, and the County of

Ventura. The GSP prepared for the UVRGB in January 2022 is currently undergoing review by the DWR.

- In 2014, the Santa Barbara ChannelKeeper, a nonprofit organization with the mission to protect and restore the Santa Barbara Channel and its watersheds, sued the State Water Resources Control Board (an agency responsible for preserving, enhancing, and restoring the quality of California’s water resources) and the City of San Buenaventura, in an effort to require that the State Water Resources Control Board conduct further study (a “Reasonable Use Analysis”) of the City of San Buenaventura’s use of water from the Ventura River (i.e., alleged overpumping of the river). According to the Santa Barbara ChannelKeeper, the City has currently and historically overpumped water from the river. In its response to the litigation, the City denied it has overpumped water from the Ventura River, and filed a cross-complaint against other surface water and groundwater users in the Ventura River Watershed, including the CMWD, MOWD, and VRWD. As of the date of this document, the issue remains unresolved and adjudication of the Ventura River Watershed is pending.