

Ventura Local Agency Formation Commission

The Metropolitan Water District of Southern California

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 The Metropolitan Water District of Southern California (MWDSC or District) using information obtained from multiple sources, including, but not limited to:

- **Budget:** The adopted budget provided information regarding services and funding levels;
- **General Plans:** General Plans of Ventura County, and the cities of Camarillo, Moorpark, Oxnard, Port Hueneme, Simi Valley, and Thousand Oaks 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 for the Calleguas Municipal Water District (CMWD) provided certain data that remain relevant and accurate for inclusion in this 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:

- **Map:** A general location 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 of that portion of the District that lies within Ventura County;
- **Review of Municipal Services:** Discussion of the municipal services that the District provides;
- **Sphere of Influence:** Discussion regarding determination of the sphere of influence of the District; 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.

Map

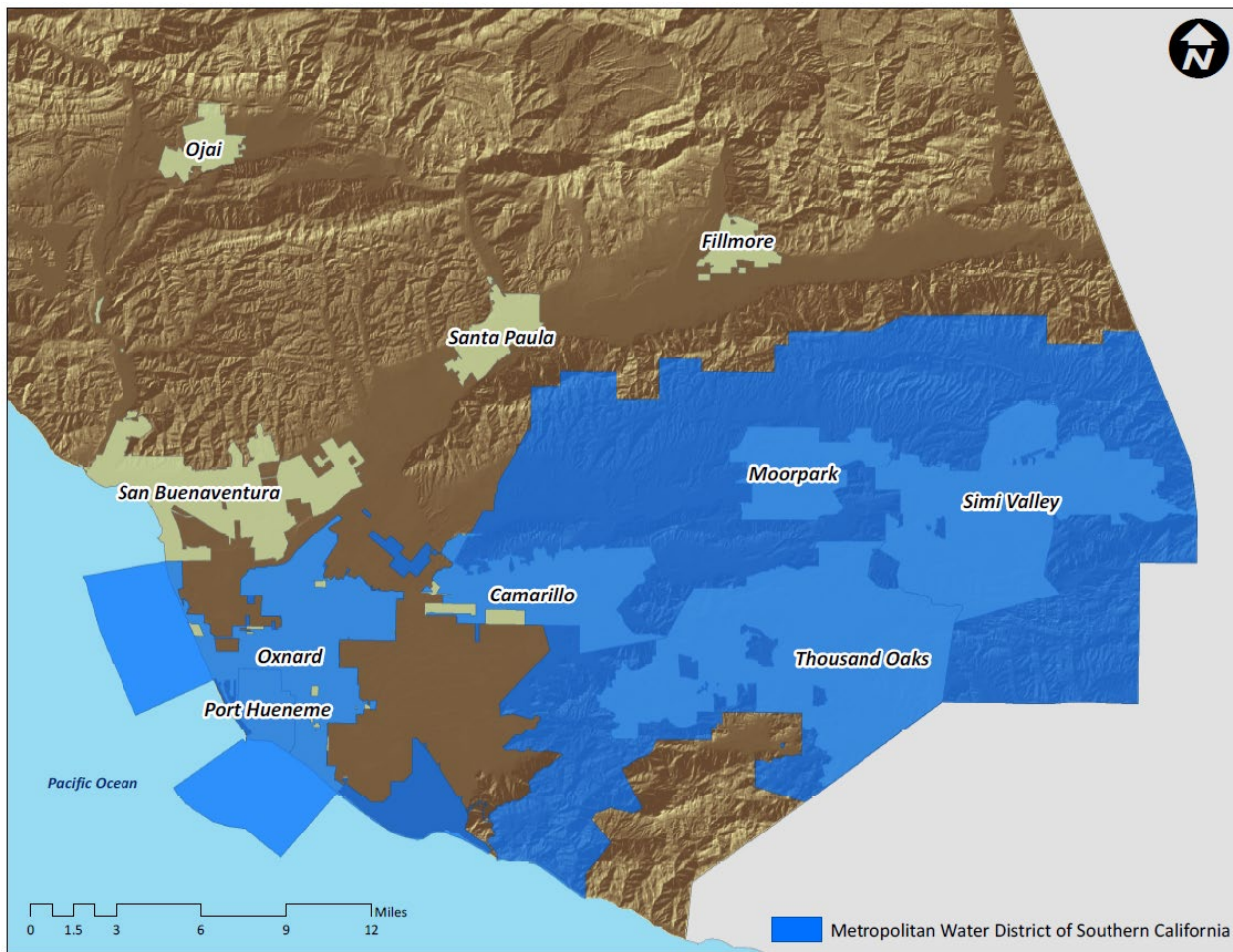


Figure 1: Location Map for MWDSC

Profile

The MWDSC's mission is provided as follows:

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

The MWDSC is a public agency and regional water wholesaler. It is composed of 26 member public agencies that serve approximately 19 million people in portions of six counties in Southern California, including Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura. The District owns and operates a water system that includes the 242-mile-long Colorado River Aqueduct (from Lake Havasu on the California/Arizona border to Lake Mathews in Riverside County), 16 hydroelectric facilities, nine reservoirs, 830 miles of large-scale pipes and five treatment plants, and is the largest distributor of treated drinking water in the United States. It also has participation rights in the State Water Project (SWP), owned and operated by the California Department of Water Resources (DWR), which captures and conveys water from the Feather River in Northern California through the California Aqueduct for the benefit of its participants. The MWDSC imports water from the Colorado River and the SWP, and delivers both raw and treated water to its member agencies. The MWDSC began providing service in 1941, and now delivers an average of 1.5 billion gallons of water each day within its 5,200-square-mile service area.

The Calleguas Municipal Water District (CMWD) is one of the MWDSC's 26 member agencies and is the only agency within Ventura County that supplies water from the District. Imported water deliveries to the CMWD represent approximately six percent of the MWDSC's total water deliveries to its member agencies. The CMWD's service area (and by extension, the MWDSC's service area) covers 255,521 acres.

Contact Information

General Manager	Adel Hagekhalil
District Office	700 N. Alameda Street, Los Angeles, CA 90012
Mailing Address	P.O. Box 54143, Los Angeles, CA 90054
Phone Number	(213) 217-6000
Website	mwdh2o.com
E-mail Address	OfficeoftheGeneralManager@mwdh2o.com

Governance Information

Formation Date	December 6, 1928
Legal Authority	<u>Metropolitan Water District Act of 1928</u>
Type of District	Independent
Board of Directors	38 members. Each of the district's 26 member agencies selects one representative. In addition, each member agency may appoint an additional representative for each full five percent of assessed

valuation of property within the member agency’s service area. (Voting share is determined by assessed property valuation). In lieu of the appointment of representatives for an indefinite term at the pleasure of the appointing member agency, the member agency may appoint representatives to four-year terms of office (elections held in even-numbered years) and staggered if the member agency has more than one director.

Board Meetings

Generally held 2nd Tuesday of most months (August meetings are generally the third Tuesday to allow for assessed valuations to be received for purposes of property tax considerations), beginning at 9:00 a.m., located at 700 N. Alameda Street (Room 2-145), Los Angeles, CA 90012

Broadcast live on the District’s website and archived for viewing at any time.

Services Provided

The MWDSC is authorized to provide wholesale water, which it does through the operation of the Colorado River Aqueduct, hydroelectric plants, reservoirs, pipeline system, and water treatment plants, by its participation in the State Water Project, and through its distribution system within its service area. The MWDSC provides wholesale water service to its member agencies by importing water through the Colorado River Aqueduct and through the State Water Project to supplement water supplies of its member agencies, and by supporting the development of programs that promote regional and local water conservation, water recycling, desalination, groundwater recovery, and water storage.

Population and Area Information in Ventura County

	<i>Population</i>	<i>Area (square miles)</i>
Jurisdictional Area	644,441 ¹	399.23
Sphere of Influence Area ²	N/A	N/A

Staffing³

Administrative Support (7), Officials and Administrators (327), Paraprofessionals (114), Professionals (642), Protective Service (6), Service Maintenance (46), Skilled Craft (462), Technicians (222), Total (1,826)

¹ Source: 2020 CMWD Urban Water Management Plan. According to the MWDSC’s 2020 UWMP, the estimated 2020 population of the MWDSC across its entire service area was 19 million (almost half of the total population of California).

² LAFCo has not yet established a sphere of influence for the MWDSC. The Commission’s acceptance of an MSR for the District will allow it to establish a sphere of influence.

³ Source: MWDSC staff.

Revenues	Expenditures
Primary Revenue Sources	Primary Expenses
Water Sales & other transactions	State Water Contract
Fixed Charges (RTS ⁴ & Capacity Charges)	Departmental Operation & Maintenance
Property Taxes	Debt Service
FY 2022-23 Sources of Funds – Includes Fund Withdrawals and Bond Proceeds (Budget)	FY 2022-23 Uses of Funds – Includes Fund Deposits and Debt-Financed Capital (Budget)
\$2,413,400,000	\$2,413,400,000

Public Agencies with Overlapping Jurisdiction

Bardsdale Cemetery District	Oxnard Harbor District
Bell Canyon Community Services District	Piru Public Cemetery District
Blanchard/Santa Paula Library District	Pleasant Valley County Water District
Calleguas Municipal Water District	Pleasant Valley Recreation and Park District
Camarillo Health Care District	Rancho Simi Recreation and Park District
Camarillo Sanitary District	Triunfo Water and Sanitation District
Camrosa Water District	United Water Conservation District
Channel Islands Beach Community Services District	Ventura County Air Pollution Control District
City of Camarillo	Ventura County Fire Protection District
City of Moorpark	Ventura County Resource Conservation District
City of Oxnard	Ventura County Service Area No. 4
City of Port Hueneme	Ventura County Service Area No. 14
City of Simi Valley	Ventura County Service Area No. 30
City of Thousand Oaks	Ventura County Service Area No. 32
Conejo Recreation and Park District	Ventura County Service Area No. 34
El Rancho Simi Cemetery District	Ventura County Transportation Commission
Fillmore-Piru Memorial District	Ventura County Watershed Protection District
Fox Canyon Groundwater Management Agency	Ventura County Waterworks District No. 1
Gold Coast Transit District	Ventura County Waterworks District No. 8
Hidden Valley Municipal Water District	Ventura County Waterworks District No. 17
Lake Sherwood Community Services District	Ventura County Waterworks District No. 19
Oxnard Drainage District No. 1	Ventura County Waterworks District No. 38
Oxnard Drainage District No. 2	Ventura Regional Sanitation District

⁴ The Readiness-to-Serve (RTS) charge is a charge intended to recover the principal and interest payments on MWDSC's non-tax supported debt service that had been or would be issued to fund capital improvements necessary to meet the continuing reliability and water quality needs associated with current and projected demands.

Growth and Population Projections

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

Growth estimates for the District are estimated using data produced by the *2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)* (adopted by the Southern California Association of Governments in 2020). The 2020 Metropolitan Water District of Southern California Urban Water Management Plan (UWMP) (June 2021) estimates the population within the portion of its service area that lies within Ventura County (i.e., the area within the CMWD service area) to be 630,000 as of July 2020. The 2020 Calleguas Municipal Water District UWMP (June 2021), estimates a 2020 population of 644,441 and projects that the population will increase to 679,367 by 2030 and to 699,089 by 2040.

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

Water Service History

According to the District's 2020 UWMP, the MWDSC was formed in 1928 by an act of the California Legislature and the voters of 13 cities within Southern California to allow imported water to supplement local water supplies during a time when the region was experiencing both great population growth and depleted groundwater conditions. Through the Metropolitan Water District (MWD) Act, the MWDSC fulfills its purpose of developing, storing and distributing water for domestic and municipal purposes. Additionally, the MWD Act authorizes the MWDSC to sell "surplus water not needed or required for domestic or municipal uses within the district for beneficial purposes."

Following its formation, the MWDSC began construction of the Colorado River Aqueduct (CRA) to allow provision of water from the Colorado River to the Southern California region. The first deliveries from the CRA to member agencies occurred in 1941. Additional population growth (and a corresponding increase in water demand) within Southern California spurred the MWDSC to pursue a contract for participation in the State Water Project (SWP), which is owned and operated by the DWR, for an allocation and delivery of additional water by means of the California Aqueduct. The first SWP deliveries to the MWDSC occurred in 1972.

Today, the MWDSC delivers water to its 26 member public agencies, who serve approximately 19 million people in portions of six counties in Southern California, including Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura. The MWDSC continues to rely on imported water supplies through both the CRA and SWP. The District owns and operates a water system that includes the 242-mile-long CRA (extending from Lake Havasu on the California/Arizona border to Lake Mathews in Riverside County), 16 hydroelectric facilities, nine reservoirs, 830 miles of large-scale pipes and five treatment plants. It also has participation rights in the SWP, owned and operated by the DWR, which captures and conveys water from the Feather River in Northern California through the California Aqueduct for the benefit of its participants. The MWDSC imports water from the Colorado River and the SWP and delivers both raw and treated water to its member agencies. The District is the largest distributor of treated drinking water in the United States and delivers an average of 1.5 billion gallons of water each day within its 5,200-square-mile service area.

The CMWD is one of the MWDSC's member agencies and is the only agency within Ventura County that supplies imported water from the MWDSC. Imported water deliveries to the CMWD represent approximately six percent of the MWDSC's total water deliveries to its 26

member agencies, which ranks it fourth in terms of annual imported water delivery volume.⁵ The CMWD’s service area (and by extension, the MWDSC’s service area within Ventura County) covers 255,521 acres.

According to the CMWD’s 2020 UWMP, the CMWD was formed in 1953 in response to recurring droughts, declining groundwater supplies, and a growing population that resulted in the urbanization of areas previously dominated by agricultural uses. The purpose of the District’s formation was to establish a reliable supply of water for southeastern Ventura County that would supplement local potable water supplies (e.g., surface water coming from rainfall and seasonal drainages, as well as groundwater). In 1960, the CMWD became a member agency of the MWDSC in order to gain access to imported water described above. In the years that followed, the CMWD constructed the necessary infrastructure to transport and deliver imported water to its service area. The CMWD 2020 UWMP states that due to the location of its service area,

under normal circumstances the MWDSC delivers water to it exclusively from the SWP. Water delivered through the CRA is typically used to address variability of the SWP supply; however, due to constraints within the MWDSC distribution system, CMWD is considered a “SWP-dependent” agency and can only meet a small portion of its demand from the CRA. A map depicting the CMWD as it relates to the MWDSC service area is provided in Figure 2.

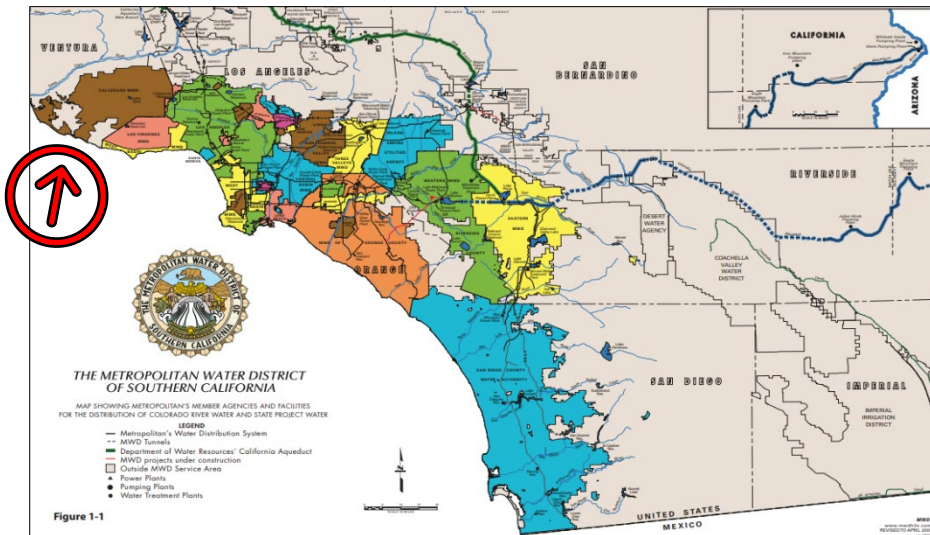


Figure 2: Metropolitan Water District of Southern California Service Area (Source: 2020 MWDSC UWMP)

Pursuant to LAFCo law (i.e., Government Code Section 56123), for an agency that crosses county boundary lines, the LAFCo of the principal county (defined as that county which contains the highest assessed value of land within the agency), is vested with the authority to determine the sphere of influence for the entire district. Los Angeles County is the principal county with respect to the MWDSC and, therefore, the LAFCo of Los Angeles County (LALAFCo) would normally be vested with the authority to establish a sphere of influence for the MWDSC. However, pursuant to Government Code Section 56124, exclusive authority to determine a sphere of influence may be vested with the LAFCo of a county other than the principal county if certain conditions are met. In 2020, LALAFCo and Ventura LAFCo executed a memorandum of agreement (MOA) applicable to districts that crossed the Los Angeles County-Ventura County

⁵ Source: MWDSC 2021 Annual Report

line. By virtue of this MOA, Ventura LAFCo was vested with the authority to determine the sphere of influence for the portion of each district that is located within Ventura County where Los Angeles County is the principal county. LALAFCo also has such an arrangement with the LAFCos of Orange, Riverside, San Bernardino, and San Diego.

Service Area

As described above, the MWDSC’s service area covers 5,200 square miles of the Southern California region, and includes portions of the following counties: Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura. According to the District’s 2020 UWMP, its service area extends about 200 miles along the Pacific Ocean from the city of Oxnard at its northernmost point to the international boundary with Mexico on the southern end, and it reaches inland areas approximately 70 miles from the coast of the Pacific Ocean. The MWDSC’s service area includes only about 14 percent of the land area within the six Southern California counties it covers; yet, its member agencies serve approximately 86 percent of the total population within those counties. Within Ventura County, its jurisdictional area totals approximately 400 square miles, covering much of the County’s southern and eastern portions, including portions or all of the cities of Simi Valley, Moorpark, Thousand Oaks, Camarillo, Oxnard, and Port Hueneme, and surrounding unincorporated areas (e.g., Bell Canyon, Lake Sherwood, Oak Park, Santa Rosa Valley, Somis, and Naval Base Ventura County). As mentioned above, the CMWD is entirely responsible for wholesale water service within the Ventura County portion of the MWDSC’s service area. CMWD uses MWDSC imported water supplies to provide water to approximately 75 percent of Ventura County’s population, and water distribution consists of municipal and industrial customers (95 percent) and agricultural customers (5 percent).

Retail Water Purveyors of the CMWD

Through the CMWD, the MWDSC distributes potable water strictly on a wholesale basis to 19 retail water purveyors, who in turn deliver water to area residents, businesses, and agricultural customers. The CMWD’s retail customers consist of both public and private water purveyors, as listed in Table 1, below, and as depicted in Figure 3 on the next page:

Table 1: Calleguas Municipal Water District Retail Customers	
Berylwood Heights Mutual Water Company	Golden State Water Company
Brandeis Mutual Water Company	Pleasant Valley Mutual Water Company
Butler Ranch Mutual Water Company	Solano Verde Water Company
California American Water Company	Triunfo Water and Sanitation District
California Water Service Company	Ventura County Waterworks District No. 1
Camrosa Water District	Ventura County Waterworks District No. 8
City of Camarillo	Ventura County Waterworks District No. 19
City of Oxnard	Ventura County Waterworks District No. 38
City of Thousand Oaks	Zone Mutual Water Company
Crestview Mutual Water Company	

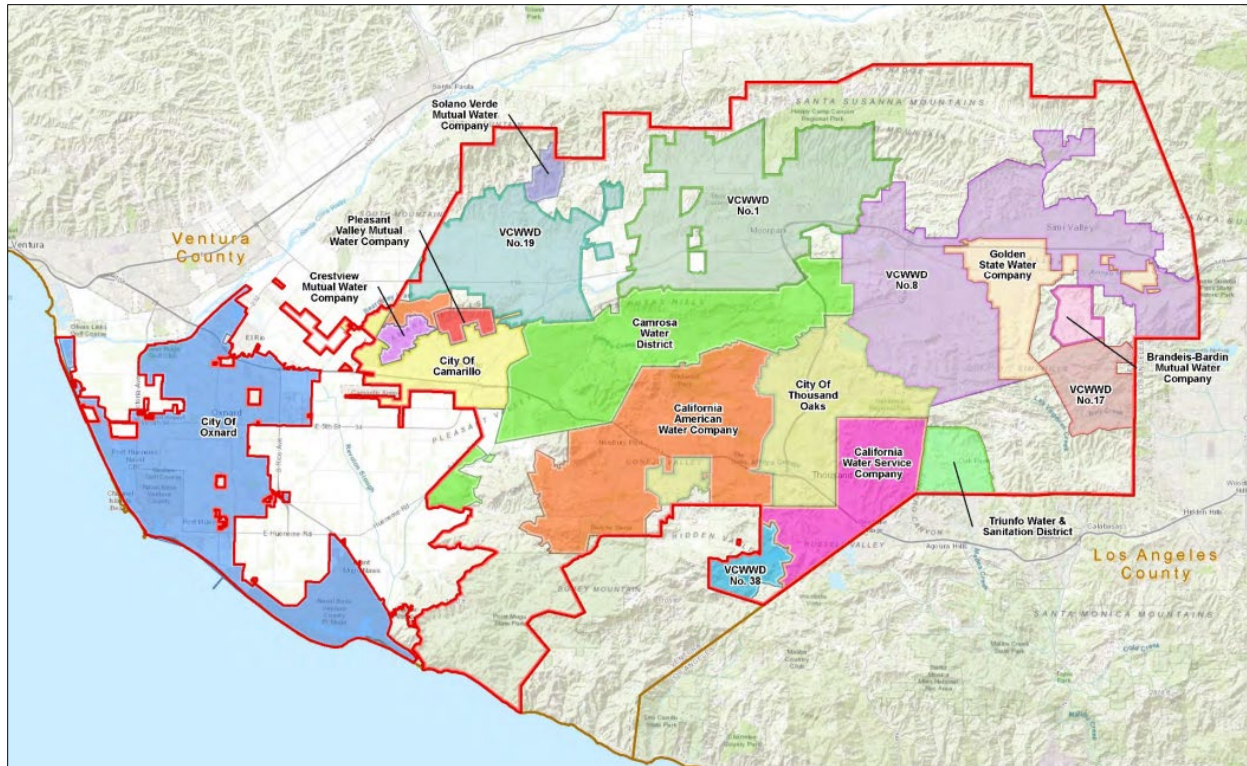


Figure 3: CMWD Retail Purveyors (Source: Calleguas Municipal Water District 2020 UWMP)

Imported Water Sources and Water Delivery System

Water provided by the MWDSC is sourced through the SWP and CRA; however, to supply Ventura County, the District relies almost exclusively on water from the SWP with only limited supply from the CRA and is considered to be SWP-dependent. The MWDSC’s system includes reservoirs, water treatment plants, hydroelectric facilities, large-diameter pipelines, tunnels, and approximately 400 service connections for the distribution of imported water.

- *Colorado River Aqueduct (CRA)*

Colorado River water originates in the Rocky Mountains of Colorado, Wyoming, Utah, and New Mexico, and generally flows southwest to the Arizona/Nevada border, and then flows south to the U.S./Mexico border into the Gulf of California. The “Law of the River” that governs the shared water resource includes interstate compacts, statutes, Supreme Court decisions, and a treaty between the U.S. and Mexico.

The MWDSC provides water from the Colorado River to its service area by conveying it through the 242-mile CRA (constructed in the 1930s) from a pumping facility in Lake Havasu which is located at the California/Arizona border. The CRA includes 92 miles of tunnels, 63 miles of concrete canals, 54 miles of concrete conduits, 29 miles of siphons, and five pumping stations. Using electricity generated at Hoover Dam, Parker Dam, and other sources, pumps lift water over 1,600 feet so the aqueduct can convey the water to Southern California. The CRA’s major features include: Whitsett Intake Pumping Plant, Gene Wash Dam and Reservoir, Gene Pumping Plant, Copper Basin Reservoir, Iron Mountain Pumping Plant, Eagle Mountain Pumping

Plant, Julian Hinds Pumping Plant, San Jacinto Tunnel, and Lake Mathews in Riverside County. The CRA system map is generally depicted in Figure 4, below.

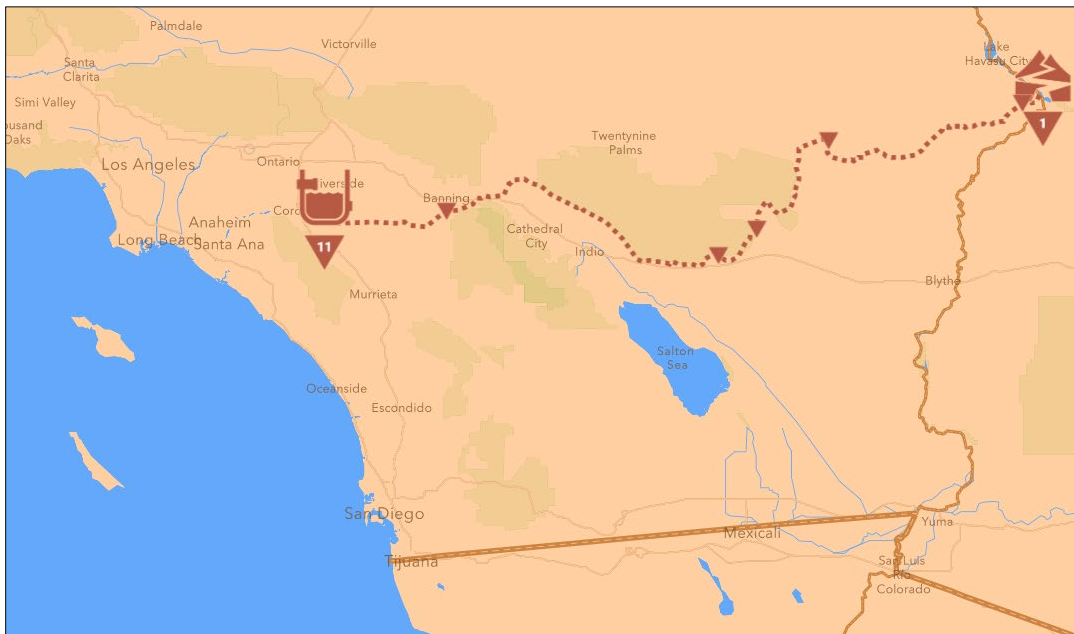


Figure 4: Colorado River Aqueduct System Map (Source: MWDSC website)

- *State Water Project (SWP)*

In 1960, the MWDSC became the first of 30 public agencies to sign a long-term contract with the DWR, enabling the construction of the SWP’s 444-mile California Aqueduct. Today, the California Aqueduct delivers SWP water to SWP contractors from the San Francisco Bay Area to Southern California. The SWP continues to be owned and operated by the DWR. The District retains just under half of all SWP allocations.

SWP water originates in northern California where it is captured and released into rivers and streams that reach the Delta of the Sacramento and San Joaquin Rivers. The water is then transported south through the California Aqueduct to SWP contractors (including the MWDSC) by means of a 500-mile conveyance network that includes reservoirs, aqueducts, and pump stations. Major features of the SWP include: Lake Oroville (which receives water from the



Figure 5: SWP System Map (Source: MWDSC website)

Feather River), Clifton Court Forebay, Harvey O. Banks Pumping Plant, California Aqueduct, San Luis Reservoir, A.D. Edmonston Pumping Plant, Castaic Lake, Silverwood Lake, Devil Canyon Power Plant, and Lake Perris in Riverside County. The SWP system map is generally depicted in Figure 5 on the previous page. The MWDSC’s water treatment plants are provided below in Table 2.

Table 2: MWDSC Water Treatment Plants		
Treatment Plant	Location	Rated Capacity⁶ (in Million Gallons per Day)
F.E. Weymouth Treatment Plant	La Verne	520
Robert B. Diemer Water Treatment Plant	Yorba Linda	520
Joseph Jensen Water Treatment Plant	Granada Hills	750
Robert A. Skinner Water Treatment Plant	Winchester	350
Henry J. Mills Water Treatment Plant	Riverside	220

The MWDSC treats and disinfects all SWP water that reaches Ventura County at the Joseph Jensen Filtration Plant in Granada Hills in Los Angeles County. The MWDSC then delivers water to the CMWD through MWDSC’s West Valley Feeder No. 2 Pipeline to the 1.3-mile long, 96-inch diameter Santa Susana Tunnel⁷ completed in 1962. The tunnel transports the water from Chatsworth into Simi Valley where it enters the CMWD’s distribution system. In times of limited SWP supplies, MWDSC can move CRA supplies treated at the F.E. Weymouth Treatment Plant to the same West Valley Feeder No. 2 for deliveries to CMWD.

SWP facilities were designed in the 1970s to meet the needs of SWP contractors at that time, with the idea that additional facilities would be constructed later to support supply reliability, according to the CMWD’s 2020 UWMP. As additional facilities were not constructed, and environmental regulations⁸ have limited the export of water from the delta, the SWP does not routinely deliver the full amount of contracted water to its contractors. Instead, DWR provides a percentual allocation of the total contractual value, commonly referred to as “SWP allocation.”

Efforts are underway for the SWP to evolve to meet the water demands of its contractors, as well as to improve environmental conditions related to the operation of the SWP. This work to modernize the Delta conveyance infrastructure is discussed below under “Strategic Water Initiatives.”

⁶ Volume consists of the permitted design capacity of the water entering the treatment plant.

⁷ The West Valley Feeder No. 2 has the capability to deliver a maximum of 300 cubic feet per second to the East Portal of the CMWD’s Santa Susana Tunnel.

⁸ Native fish reliant on the Delta include the Delta smelt, Chinook salmon, and splittail, which are listed as threatened or endangered by the federal and state Endangered Species Acts. Protections for these species result in limitations on the SWP’s water delivery system.

Water Supply and Demand Volume

According to the CMWD’s 2020 UWMP, imported water supply to the CMWD from the MWDSC in 2020 was 89,630 acre-feet (AF).⁹ CMWD staff reports that it delivered 89,666 AF in 2017, 91,338 AF in 2018, and 82,236 AF in 2019. Pursuant to the CMWD’s 2020 UWMP, water demand within the CMWD was 91,940 AF in 2020.

The CMWD’s 2020 UWMP further states that the CMWD anticipates relatively stable imported water demand for the foreseeable future: 87,461 AFY by 2025, 88,585 AFY by 2030, 90,766 AFY by 2035, 92,227 AFY by 2040, and 92,689 AFY by 2045.

According to Table 7-2 of the CMWD 2020 UWMP, it estimates that through at least 2045, water supply during normal years (i.e., demand under average hydrologic conditions, based on the historical average year conditions from 1922 through 2004) will exceed demand. As demonstrated below, during normal years, the CMWD anticipates maintaining more than 26,000 AFY in excess supply for the foreseeable future:

Table 3: Normal Year Supply and Demand Comparison (in AF)					
	2025	2030	2035	2040	2045
Supply	114,187	115,300	117,460	118,906	119,364
Demand	87,541	88,665	90,846	92,307	92,769
Difference	26,646	26,635	26,614	26,599	26,595

The CMWD’s 2020 UWMP provides an estimate of supply and demand for single dry years (i.e., demand under the single driest hydrologic year, based on 1977 conditions) through 2045 in Table 7-3. As compared with normal years, supply and demand are reduced by approximately 1,000 AFY, resulting in an excess of supply that is nearly identical to that anticipated for normal years:

Table 4: Single Dry Year Supply and Demand Comparison (in AF)					
	2025	2030	2035	2040	2045
Supply	113,080	114,190	116,346	117,791	118,244
Demand	86,435	87,556	89,734	91,193	91,651
Difference	26,645	26,634	26,612	26,598	26,593

In multiple dry year conditions (i.e., demand under five consecutive drought year conditions, based on 1988 through 1992 conditions), estimated difference in supply and demand is expected to remain stable, despite fluctuations in supply and demand projections during the five-year period covered by such an estimated period. Table 7-4 of the CMWD 2020 UWMP provides the following:

⁹ An acre-foot is defined as the volume of water that would cover a one-acre area in one foot of water, or approximately 326,000 gallons.

Table 5: Multiple Dry Years Supply and Demand Comparison (in AF)						
		2025	2030	2035	2040	2045
Year 1	Supply	117,282	117,293	119,045	120,784	121,644
	Demand	90,679	90,690	92,460	94,216	95,085
	Difference	26,603	26,603	26,585	26,568	26,559
Year 2	Supply	124,402	124,414	126,305	128,182	129,111
	Demand	97,871	97,883	99,793	101,688	102,626
	Difference	26,531	26,531	26,512	26,494	26,485
Year 3	Supply	125,797	125,809	127,727	129,631	130,573
	Demand	99,279	99,291	101,229	103,152	104,103
	Difference	26,518	26,518	26,498	26,479	26,470
Year 4	Supply	102,480	102,489	103,952	105,404	106,123
	Demand	75,729	75,739	77,216	78,683	79,408
	Difference	26,751	26,750	26,736	26,721	26,715
Year 5	Supply	111,027	111,036	112,608	114,167	114,938
	Demand	84,331	84,341	85,928	87,503	88,282
	Difference	26,696	26,695	26,680	26,664	26,656

In all cases, supply totals do not consider system losses, which are estimated to be one percent of supply. Based on the evaluation contained in the CMWD’s 2020 UWMP, estimated water supply from MWDSC is expected to be sufficient to meet projected demands within the CMWD through at least 2045.

Strategic Water Initiatives

MWDSC has dedicated staff to support strategic water initiatives that manage and protect the District’s water delivery systems and supplies. While the District’s mission is to provide water to its member agencies to meet demand, it recognizes the importance of broadening its reach to ensure long-term reliability of water deliveries within its service area. MWDSC has a variety of programs that are intended to either directly or indirectly augment water supply within the District’s service area and regionally. Despite these investments, the recent drought impacting California highlighted the need for improvements to MWDSC’s conveyance infrastructure to support the SWP-dependent area agencies with Colorado River water. These SWP-dependent area agencies, such as CMWD, were placed under an Emergency Water Conservation Program in 2022 due to two consecutive years of extremely low SWP allocation (5 percent of the contractual amount) and MWDSC’s inability to provide the SWP-dependent area agencies with normal-demand deliveries. In addition to MWDSC’s improvement to its distribution system, investments in the Delta Conveyance Plan would allow additional supplies to be delivered to the SWP contractors, such as MWDSC, when atmospheric rivers reach California. The discussion that follows provides a summary of some of the major programs and planning efforts completed or to be developed to support water reliability:

- *Colorado River Drought Contingency Plan*

According to data from the U.S. Bureau of Reclamation (USBR), in July 2022 Lake Mead (one of the primary reservoirs used to support the CRA) reached its lowest level since filling in the 1930s. The Colorado River Drought Contingency Plan, effective since May 20, 2019, along with other recent measures, aimed to increase water storage levels in Lake Mead and thereby improve the Colorado River's water supply reliability. However, Lake Mead levels have continued to drop in response to drought, aridification, and overuse within the Colorado River Basin, prompting USBR to initiate additional efforts to shore up the reservoir. These efforts are ongoing.

- *Delta Conveyance Modernization*

Since 2005, the DWR, together with the U.S. Fish and Wildlife Service, National Marine Fisheries Service, and USBR, has been pursuing a project intended to restore the ecosystem and make improvements to the reliability of water for human use, including the correction of "reverse flows" that redirect fish from their migratory paths. This effort, consistent with the Delta Protection Act of 1992, was prompted by concerns about the existing water system as it relates to inefficiencies in freshwater capture, lack of redundancy in the conveyance infrastructure, trapping of endangered fish in pumping equipment, potential levee failure and saltwater contamination, and climate change. The project was split into two in 2015, consisting of the Bay Delta Conservation Plan (BDCP) (the habitat restoration component) and California WaterFix (the water delivery infrastructure component).

In 2019, California Governor Newsom issued Executive Order N-10-19, which altered the scope of the project to include the modernization of conveyance facilities within the Bay Delta, including new intake facilities in the north Delta along the Sacramento River and a single main water pipeline (i.e., conveyance tunnel) that would transport the diverted water to pumping plants and ultimately through the SWP and potentially Central Valley Project (CVP) infrastructure to end users. The proposed project, now known as the Delta Conveyance Project (DCP), would have the ability to convey a maximum of 6,000 cubic feet per second (cfs) from the Sacramento River to SWP facilities.

- *Pure Water Southern California*

Pure Water Southern California (previously known as the Regional Recycled Water Program) consists of a partnership between the MWDSC and the Los Angeles County Sanitation Districts to develop a proposed project to purify treated wastewater and generate up to 150 million gallons of water per day, enough to single-handedly support 1.5 million people. According to the District, this program would: (1) provide a new, climate-resilient supply of water readily available rain or shine, (2) increase water reliability by ensuring diversified water supplies, (3) generate water to replenish groundwater basins which provide approximately 30 percent of Southern California's water supply, and (4) preserve imported water supplies from the Colorado River and Sierra Nevada for other uses. The District anticipates certification of an

environmental impact report in 2024 and if approved by the District's Board of Directors, start of construction by 2025, and service to first customers by 2032.

- *Water-Saving Campaign*

Through bewaterwise.com and also by working directly with its member agencies, the District provides financial incentives for residential and commercial customers to replace fixtures such as toilets and washing machines, to models that use less water. The District also offers financial incentives for replacement of turf with less water consuming plants, customized incentives for commercial, industrial, and agricultural customers to modify their processes with less water intensive technologies or different processes. The website also offers information on free landscaping classes, water-wise garden inspiration, and generally educates the public on making water conservation a way of life. Some of these programs are described in more detail below under "Water Conservation Measures and Efforts/Demand Management." The District markets water-saving solutions through radio spots, social media, display advertisements, public transit bulletins, emergency declarations, and videos in both English and Spanish.

- *Climate Action Plan*

Adopted in 2022, the District's Climate Action Plan (CAP) is a comprehensive long-range planning document that furthers the MWDSC's commitment to sustainability by adopting a near-term greenhouse gas (GHG) reduction target of 40 percent below 1990 levels by 2030 and sets a long-term target of carbon neutrality by 2045. The CAP describes in detail the reduction activities and policies that the District will implement to achieve its GHG reduction targets. The CAP also meets the requirements of a Qualified Greenhouse Gas Reduction Plan under the California Environmental Quality Act which allows the District to streamline the environmental review process and mitigate GHG impacts for future capital projects. The CAP includes an inventory of the MWDSC's historic and current GHG emissions, as well as a comprehensive forecast of future projected emissions. The emissions data was used to identify GHG reduction measures that the District can implement to achieve its goals. The CAP serves as a planning document that will guide policy and planning decisions on operations, water resources, capital investments, and conservation and resource programs to ensure that the MWDSC will meet its GHG reduction commitment.

- *Water Storage and Transfer/Exchange Programs*

The MWDSC’s 2020 UWMP documents that the District is involved with flexible SWP storage and transfer and/or exchange programs to improve water supply reliability. For example, the District has formed a partnership with Central Valley agricultural districts along the California Aqueduct, which allows the District to store its SWP supplies during wet years for retrieval in future dry years when supplies are low. A visual summary of the District’s statewide groundwater banking partners is provided in Figure 3-3 of the District’s 2020 UWMP, and is also provided in Figure 6.

Water Conservation Measures and Efforts/Demand Management

The District has developed strategies for demand management through conservation in order to reliably manage delivery of water supplies to its member agencies. To that end, according to the District’s 2020 UWMP, the MWDSC has planned for conservation efforts costing \$823 million over a 30-year period. Results of this investment include the replacement of more than 3.8 million toilets with more water-efficient models, issuance of rebates for more than 620,000 high-efficiency clothes washers and 109,000 irrigation controllers, and removal of more than 195 million square-feet of residential and commercial turf. The District also provides free residential and commercial audits which assess the water savings potential of a property, check for leaks, and provide water efficiency recommendations to residential and commercial property owners. Over the last 30 years, 533 of these surveys have been conducted.

In addition, MWDSC provides funding to CMWD through the Member Agency Administered Program (MAAP) which funds local projects such as Camarillo’s CLEAR program. The CLEAR program is an audit, direct install, and incentive program for the installation of both indoor and outdoor water efficient devices. This is just one example of how MWDSC supports CMWD conservation efforts through funding provided by MAAP while also administering the regional rebate program mentioned above. Conservation efforts within the MWDSC’s service area are expected to reduce reliance on imported water by nearly 1.2 million AFY by 2030.

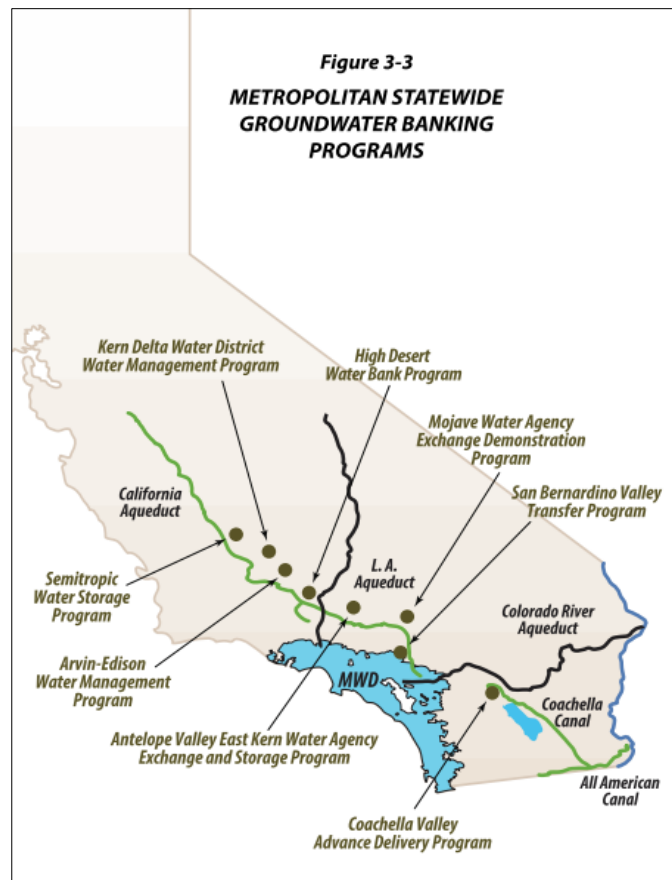


Figure 6: MWDSC Statewide Groundwater Banking Programs (Source: 2020 MWDSC UWMP)

Furthermore, the District's conservation efforts are anticipated to help it achieve its water consumption goal of less than 145 gallons per capita per day.

Finally, the District actively pursues methods of public education and outreach, including: contributing to the K-12 water education curriculum related to science, math, language arts, and social studies reaching more than 170,000 participants), tours of its facilities, sponsorship of the Los Angeles Galaxy major league soccer team and partnerships with all other Los Angeles based professional sports teams, broadcast of information through news media, social media, and websites (e.g., bewaterwise.com) to emphasize that community members can conserve water by taking shorter showers, watering less, taking advantage of rebate programs such as for turf replacement, and generally establishing water conservation as a way of life.

Water Shortage Contingency Plan (WSCP)

The District has developed a WSCP that establishes a set of actions for the District to take during water shortage conditions.¹⁰ While, according to the District's 2020 UWMP, the District has the ability to meet projected demands during various hydrologic conditions, the "WSCP is part of its resiliency strategy to improve preparedness for droughts and other impacts on water supplies." The MWDSC's WSCP includes a water supply reliability analysis (which documents the District's ability to meet water demands during the single driest year scenario and droughts lasting five consecutive years, through 2045), annual water supply and demand assessment procedures, establishment of six standard water shortage levels and shortage response actions (which include supply augmentation actions (e.g., access to water through reserves from storage facilities and transfer/exchange programs), and demand reduction actions (e.g., prohibition against specific water use practices)). The MWDSC's Water Surplus and Drought Management Plan, adopted in 1999, guides the management of regional water supplies in order to achieve reliability. Furthermore, as part of the WSCP, the District has planned for catastrophic interruption of water supplies (e.g., as a result of regional power outages and earthquakes) including the development of a seismic risk assessment and mitigation plan that assesses the vulnerability of system facilities.

Capital Improvement Plan

The MWDSC's FY 2022-23 budget contains a variety of programs that support the continued operations of the District. These programs are categorized into 13 project groups, with anticipated improvements expected to total \$600 million over a two-year period, as summarized below, to be funded by a combination of operating revenues and debt. The District's adopted budget explains that the implementation of projects is prioritized with consideration given to timing of nearby projects and facility shutdowns, urgency, aging infrastructure, updated service demand projections, and regulatory requirements. Major capital projects include, but are not limited to, those related to CRA reliability, system reliability, prestressed concrete cylinder pipe rehabilitation, and treatment plant reliability.

¹⁰ The District's WSCP was prepared in compliance with California Water Code Section 10632, which requires that every urban water supplier prepare and adopt a WSCP as part of its UWMP.

Sphere of Influence

LAFCo has not yet established a sphere of influence for the MWDSC. As the CMWD is the exclusive wholesale supplier of imported water served by the MWDSC in Ventura County, the recommended sphere for the MWDSC is coterminous with that of updated sphere of the CMWD, as recommended in Item 14 of the LAFCo agenda for March 15, 2023.

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

- Growth estimates for the District are estimated using data produced by the *2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)* (adopted by the Southern California Association of Governments in 2020). The 2020 Metropolitan Water District of Southern California UWMP (June 2021) estimates the population within the portion of its service area that lies within Ventura County (i.e., the area within the CMWD service area) to be 630,000 as of July 2020. The 2020 Calleguas Municipal Water District UWMP (June 2021), estimates a 2020 population of 644,441 and projects that the population will increase to 679,367 by 2030 and to 699,089 by 2040.

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 Section 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), 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. Of the three identified disadvantaged unincorporated communities, only the community of Nyeland Acres, which has a median household income of \$42,043, is within the recommended sphere of influence of the MWDSC (although it is outside the MWDSC's jurisdictional area). The Nyeland Acres community receives fire protection services from both the Ventura County Fire Protection District and the City of Oxnard under a mutual aid agreement, police protection services from the Ventura County Sheriff's Office, wastewater collection services from Ventura County Service Area No. 30 (CSA 30), wastewater collection and treatment from the City of Oxnard (through an agreement between CSA 30 and the City whereby CSA 30 discharges to the City's collection system), and water services from the Garden Acres Mutual Water Company and Nyeland Acres Mutual Water Company.

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

Water Services:

- The District is a wholesale water provider that operates pursuant to the Metropolitan Water District Act of 1928.

- The District owns and operates a water system that includes the 242-mile-long Colorado River Aqueduct (from Lake Havasu on the California/Arizona border to Lake Mathews in Riverside County), 16 hydroelectric facilities, nine reservoirs, 830 miles of large-scale pipes and five treatment plants, and is the largest distributor of treated drinking water in the United States. It also has participation rights in the State Water Project (SWP), owned and operated by the California Department of Water Resources, which captures and conveys water from the Feather River in Northern California through the California Aqueduct for the benefit of its participants. The MWDSC imports water from the Colorado River and the SWP and delivers both raw and treated water to its member agencies.
- The District is composed of 26 member public agencies that serve approximately 19 million people in portions of six counties in Southern California, including Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura. The District's service area is approximately 5,200 square miles.
- The CMWD is one of the MWDSC's 26 member agencies and is the only agency within Ventura County that supplies water from the District. Imported water deliveries to CMWD represent approximately six percent of the MWDSC's total water deliveries to its member agencies. The District's water supply within Ventura County (supplied exclusively through the CMWD) comes from the SWP and through the CRA.
- Water delivered to the CMWD is treated at the MWDSC's Joseph Jensen Filtration Plant in Granada Hills and is delivered to CMWD through MWDSC's West Valley Feeder No. 2 Pipeline to the 1.3-mile long, 96-inch diameter Santa Susana Tunnel completed in 1962. The tunnel transports the water from Chatsworth into Simi Valley where it enters the CMWD's distribution system. In times of limited SWP supplies, MWDSC can move CRA supplies treated at the F.E. Weymouth Treatment Plant to the same West Valley Feeder No. 2 for deliveries to CMWD.
- SWP facilities were designed in the 1970s to meet the needs of SWP contractors at that time, with the idea that additional facilities would be added later to support supply reliability, according to the 2020 UWMP. As additional facilities were not constructed, and environmental regulations have limited the export of water from the delta, the SWP does not routinely deliver the full amount of contracted water to its contractors. Instead, DWR provides a percentual allocation of the total contractual value, commonly referred to as "SWP allocation."
- Imported water supply for CMWD from the District was 89,630 AF in 2020. Supply to CMWD is expected to be 87,461 AFY by 2025, increasing incrementally into the foreseeable future, reaching 88,585 AFY by 2030, 90,766 AFY by 2035, 92,227 AFY by 2040, and 92,689 AFY by 2045.
- The CMWD, and therefore the MWDSC, anticipates relatively stable imported water demand in Ventura County for the foreseeable future.
- The District supports strategic water initiatives to manage and protect the District's water delivery systems and supplies. The MWDSC is actively pursuing and implementing a variety of projects that are intended to either directly or indirectly augment water supply within the District's service area and regionally. Despite these investments, the recent drought impacting MWDSC's both sources of imported water highlighted the need for improvements to MWDSC's conveyance infrastructure to support the SWP-

dependent area agencies with Colorado River water. In addition to MWDSC's improvement to its distribution system, investments in the Delta Conveyance Project would allow additional supplies to be provided for the SWP contractors, such as MWDSC, when atmospheric rivers reach California. The District's programs and planning efforts completed or to be developed in support of water reliability include the Colorado River Drought Contingency Plan, Delta conveyance modernization, Pure Water Southern California, a water saving campaign, a climate action plan, and water storage and transfer/exchange programs.

- The District has developed strategies for demand management through conservation in order to reliably manage water supplies to its member agencies, including the development of a Water Shortage Contingency Plan (WSCP) to prepare for potential reductions in imported water deliveries by the MWDSC resulting from severe water shortage conditions or catastrophic interruption of water supply conditions. The District's WSCP is the basis for the CMWD WSCP.
- The District's capital improvement plan includes anticipated improvements totaling \$600 million over a two-year period. Major capital projects include, but are not limited to, those related to CRA reliability, system reliability, prestressed concrete cylinder pipe rehabilitation, and treatment plant reliability.
- Based on information provided by the District and data available in its 2020 UWMP, it appears that water supply is currently sufficient to meet current potable water demand, and will remain so for the foreseeable future.

4. Financial ability of agencies to provide services

- The District prepares a comprehensive biennial budget and maintains a capital improvement plan. It has a balanced budget and appears to have the ability to fund the services it currently provides.
- The District is independently audited on a regular basis. According to the District, the most recent audit (December 13, 2022) for FY 2020-21 and FY 2021-22 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. For the MWDSC's FY 2020-21 annual comprehensive financial report (ACFR), the Government Finance Officers Association awarded the District a Certificate of Achievement for Excellence in Financial Reporting, acknowledging the readability and efficiently-organized ACFR.
- The District has a steady stream of revenue through water sales and other transactions, fixed charges, and property taxes. It has predictable expenses including its state water contract, operation and maintenance, and debt service.
- The District's bond rating is Aa1 (Moody's), as of June 2022, which reflect that bonds issued by the District are generally considered to be safe investments, and that the District has the ability to fulfill its financial obligations to its bond holders.

5. Status of, and opportunities for, shared facilities

- The District is primarily responsible for wholesale water provision; therefore, its operations are by nature closely tied to wholesale and retail water purveyors within its service area, and its activities have direct impacts on those agencies, although it does not generally share facilities with other agencies. The MWDSC's 2020 UWMP documents that the District is involved with flexible SWP storage and transfer and/or exchange programs to improve water supply reliability.

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.
- Meeting notices are posted at the District's office and on its website, and are sent to purveyors and individuals who have requested notification.
- 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 call-in telephonic and in-person access for the public to make comments and to listen; and providing livestreaming of the meetings over the internet to ensure access for the public.
- The District maintains a website that provides detailed information about the District. It contains the District's history, mission, summary of services, current budget and historical budgets, studies and reports, roster of current Board members, jurisdictional boundary map, current and historical Board meeting agendas, minutes, and recorded meeting videos, upcoming meeting information, news and announcements, current project information, and educational materials. The District could improve its transparency by maintaining contact information for its Board members, by posting its enabling legislation, financial audit documents, and the State Controller's "By the Numbers" (agency financial reporting information) and "Public Pay" (employee salary) webpages on its website, and by adding a Spanish translation feature to its web content.
- The District has prepared a Water Shortage Contingency Plan that spells out the District's planned actions during water shortage conditions.
- The District sponsors and/or coordinates outreach programs intended to increase public awareness of water resource issues and encourage water use efficiency. Information regarding MWDSC's water saving and efficiency programs is available at bewaterwise.com.
- The District participates in 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).
- 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

- According to the CMWD's 2020 UWMP, the CMWD projects that imported water will be wheeled through its system to the City of San Buenaventura through the SWP interconnection starting in 2025 and has the potential to provide a long-term average of 5,400 AFY. This project would enable the City of San Buenaventura to take delivery of its SWP contracted water (i.e., rights to a maximum of 10,000 AFY, which the City has owned since 1971) through the construction of a pipeline connecting existing CMWD infrastructure in the City of Camarillo to the City of San Buenaventura. As designed, SWP water would be wheeled through MWDSC and CMWD infrastructure to reach the City. Such a project would improve opportunities for system redundancy for both agencies and would enable the City to expand its water supply portfolio beyond its currently limited local sources. Government Code Section 56133(a) requires that a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from LAFCo. In the case of the interconnection project, LAFCo approval under Government Code Section 56133 is not necessary because: (1) the treatment by MWDSC of the City's SWP water pursuant to the wheeling statutes does not constitute a new service because the service is required by the wheeling statutes, particularly Water Code Section 1810, which applies "[n]otwithstanding any other provision of law," and (2) the construction of the new pipeline and the conveyance of water through the pipeline from the CMWD to the City of San Buenaventura (and indirectly to the Casitas Municipal Water District and United Water Conservation District) is intended to compensate for reduced supplies, such as during severe drought conditions, and to provide access to a replacement supply source for water supplies that have been reduced or have otherwise become less available.