

Ventura Local Agency Formation Commission

Ojai Water Conservation District

Municipal Service Review



Prepared By:
Ventura Local Agency Formation Commission
801 S. Victoria Avenue, Suite 301
Ventura, CA 93003
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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 Ojai Water Conservation District (OWCD 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

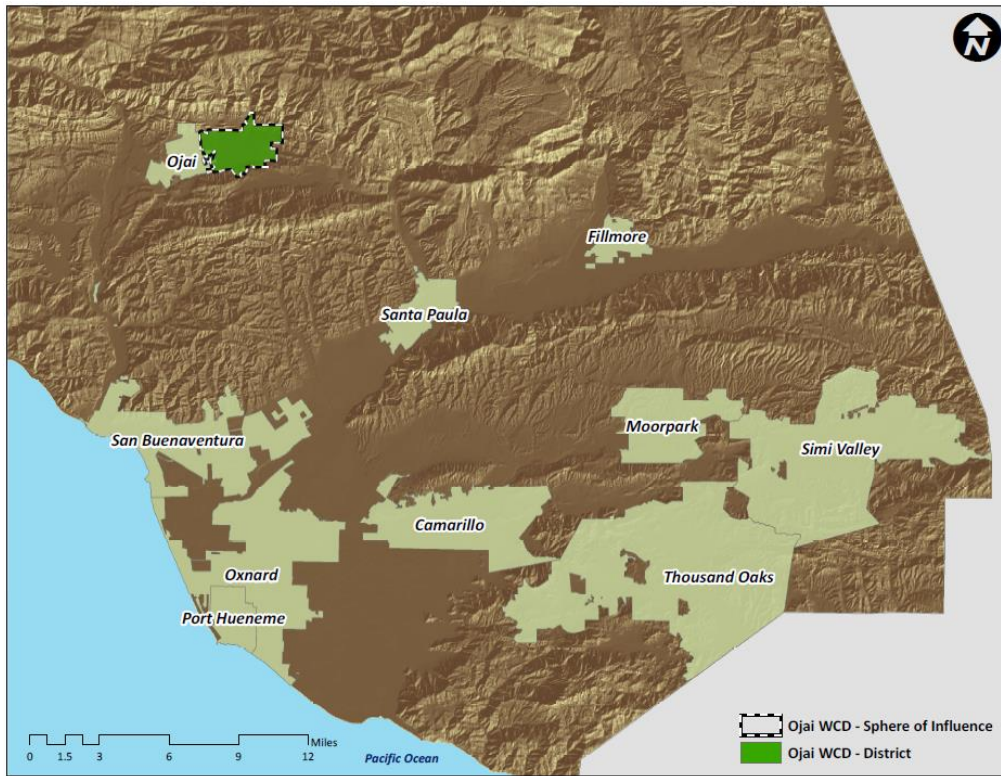


Figure 1: Location Map

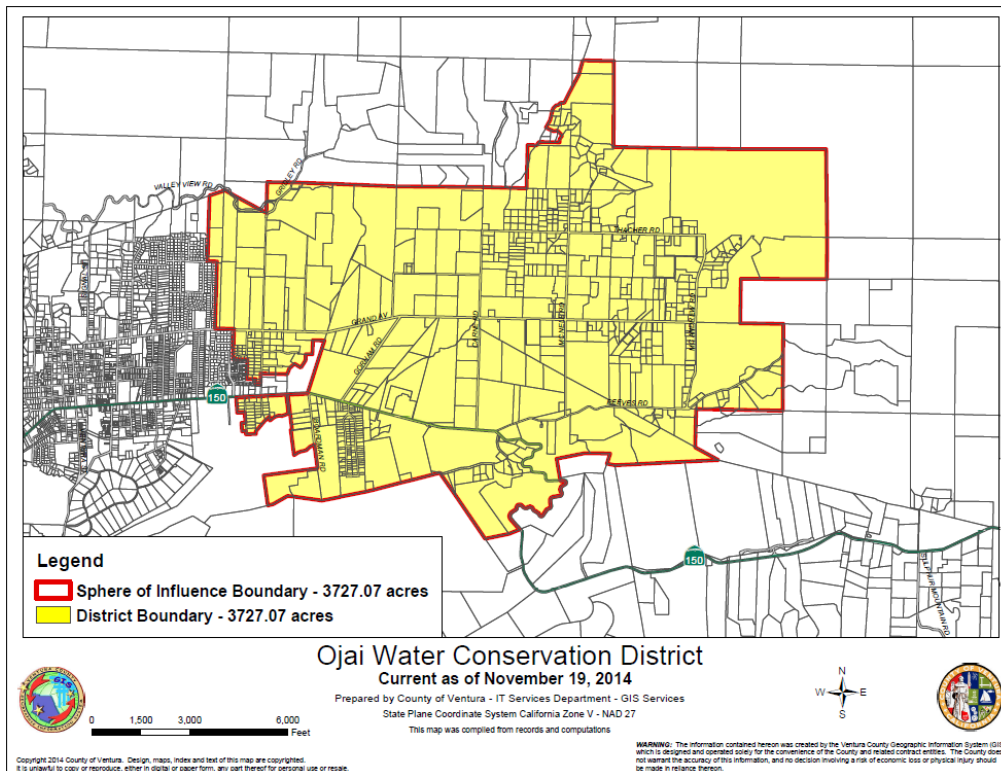


Figure 2: Official LAFCo Map

Profile

The OWCD, which was previously known as the San Antonio Water Conservation District, is authorized to monitor the use of groundwater, acquire water rights, store and spread water, and construct dams or other water facilities in the Ojai Valley area, generally east of (but partially within) the City of Ojai’s jurisdictional boundaries, in order to recharge underground water resources in the eastern Ojai Valley (i.e., Ojai Valley Groundwater Basin) by diverting water into settling ponds along San Antonio Creek. However, it does not appear that the District is providing any of these services or functions.

Contact Information

District Manager	N/A
District Office	417 Bryant Circle, Suite 112, Ojai, CA 93023
Mailing Address	P.O. Box 1779, Ojai, CA 93024
Phone Number	(805) 798-1262
Website	owcd.org
E-mail Addresses	owcd.ojai@gmail.com

Governance Information

Formation Date	January 18, 1949
Legal Authority	<u>Water Code § 74000</u> (Water Conservation District Law)
Type of District	Independent
Board of Directors ¹	Seven members. Elected by voting district to staggered, four-year terms of office (elections held in even-numbered years).
Board Meetings	Meetings are scheduled on an as-needed basis, approximately one to four times annually, generally beginning at 2:00 pm, located at 417 Bryant Circle, Ojai, CA 93023. ²

Services Provided

The OWCD does not currently provide any of the services that it is authorized to provide. Currently, its only function is the appointment of a board member to the Ojai Basin Groundwater Management Agency board of directors.

Population and Area Information

	<i>Population</i> ³	<i>Area (square miles)</i>
Jurisdictional Area	2,561	5.82
Sphere of Influence Area	2,561	5.82

¹ Pursuant to Section 10515 of the Elections Code, because the number of candidates did not exceed the number of offices to be filled, the Ventura County Board of Supervisors appointed all candidates to serve as though elected at a landowner general district election (which would have been scheduled on May 4, 2021).

² Pursuant to Government Code Section 54954, meetings of the District are to be held within its jurisdictional boundaries; however, given that no meeting facility is available within the District’s jurisdictional boundaries, the District’s board of directors meets at the principal office of the District (i.e., 417 Bryant Circle, Ojai, CA 93023).

³ Source: 2010 U.S. Census data.

Staffing – Full Time Equivalent Positions			
Executive/Management	Professional/Support	Operational	Total
0	½	0	½

Revenues	Expenditures
Primary Revenue Sources	Primary Expenses
Unknown (District did not provide) ⁴	Unknown (District did not provide)
FY 2023-24 Revenues (Budget)	FY 2023-24 Expenditures (Budget)
Unknown (District did not provide)	Unknown (District did not provide)

Public Agencies with Overlapping Jurisdiction	
Casitas Municipal Water District	Ventura County Resource Conservation District
City of Ojai	Ventura County Service Area No. 14
Gold Coast Transit District	Ventura County Service Area No. 32
Ojai Basin Groundwater Management Agency	Ventura County Transportation Commission
Ojai Valley Sanitary District	Ventura County Watershed Protection District
Ventura County Air Pollution Control District	Ventura Regional Sanitation District
Ventura County Fire Protection District	

⁴ Although the District did not provide to LAFCo any of the requested financial data, according to the office of the Ventura County Auditor-Controller, the District receives a portion of the one-percent property tax revenue collected on properties within the District’s jurisdiction. This appears to be the District’s primary, if not only, source of revenue. The amount of property tax distributed to the District over the last four years ranged from a low of \$10,845 in fiscal year 2019-20 to \$13,821 for fiscal year 2022-23.

Growth and Population Projections

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

According to a rough estimate based on U.S. Census Bureau data, the 2010 population within the District's jurisdictional boundary and sphere of influence was 2,561. The District did not provide estimated current or future population figures. Based on a general trend of non-growth in the Ojai Valley area, the estimated population is not expected to have significantly changed since 2010 or to significantly change in the foreseeable future.

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

The OWCD, originally known as the San Antonio Water Conservation District, was formed in 1949 to accommodate the diversion of water from San Antonio Creek into settling ponds for groundwater recharge within the Ojai Valley Groundwater Basin (OVGB). The OWCD is authorized to provide groundwater management, water replenishment, and water conservation services in the Ojai Valley's East End, through the monitoring of groundwater use, acquisition of water rights, storing and spreading of water, and construction of dams and other water facilities within its jurisdictional area. An undated fact sheet prepared by the Ventura County Watersheds Coalition documents that while local groundwater supply in the Ojai Valley is extracted from wells and recharged primarily by rainfall, it is vulnerable to inconsistent precipitation and excessive pumping. Water supplies within the Ojai Valley consist of surface water sources (i.e., from Lake Casitas and the Ventura River) and groundwater sources.

The Ventura River Watershed Council, a stakeholder group including government agencies and various other organizations interested in watershed planning prepared the Ventura River Watershed Management Plan (March 2015), which provides details regarding the history of the District. The Ventura River Watershed Management Plan explains that the OWCD was formed as the San Antonio Water Conservation District to establish a series of coordinating stair-stepped settling basins (each 20 to 30 feet by 50 to 60 feet, and 6 to 10 feet deep) adjacent to upper San Antonio Creek (shown in Figure 3, to the right). Groundwater recharge was originally accomplished between 1951 and 1963 through diversion of approximately 10,000 acre-feet (AF)⁵ of surface water from Matilija Lake; however, the pipeline that delivered that water was abandoned in 1963.



Figure 3: Settling Ponds (January 16, 2023)
Source: Report of Operations – January 2023 San Antonio Creek Spreading Grounds Project Pilot Diversion Test (February 21, 2023)

Between 1963 and 1985, spreading basins were used to divert excess surface flows from San Antonio Creek through a 24-inch diameter pipe to recharge groundwater in the OVGB.

⁵ An acre-foot (AF) is the volume of water that would cover a one-acre area in one foot of water, or approximately 326,000 gallons.

According to the Groundwater Sustainability Plan (GSP) prepared by the OBGMA in 2022 (and approved by the California Department of Water Resources (DWR) in October 2023) in compliance with the Sustainable Groundwater Management Act (SGMA),⁶ in 1985, amid concerns of debris flow following the Wheeler Fire, the Ventura County Flood Control District (now known as the Ventura County Watershed Protection District or VCWPD) acquired the 11.4-acre property used as spreading grounds to construct a debris basin to protect properties adjacent to San Antonio Creek using Federal Emergency Management Agency funds. The process to construct the debris basin along San Antonio Creek, southwest of the confluence of Gridley Canyon and Senior Canyon, resulted in the destruction of most of the percolation ponds, as excavated material was deposited into the settling basins and then abandoned. In the early 1990s, the VCWPD and the OWCD attempted to reconstruct the spreading grounds; however, the project was not successfully completed until 2014, as described below.

After securing grant funding, the VCWPD constructed a new spreading facility (known as the San Antonio Creek Spreading Grounds Rehabilitation Project) in 2014. The project included the installation of a diversion intake structure and recharge pipeline to four infiltration ponds and four percolation recharge wells, in order to recharge the OVGB (shown in Figure 4, below). The fact sheet prepared by the Ventura County Watersheds Coalition regarding the San Antonio

Creek Spreading Grounds Rehabilitation Project and the OBGMA Groundwater Management Plan 2018 Update states that the \$1.4 million project was funded by a \$1.3 million Proposition 50 Implementation Grant from the California State Water Resources Control Board (SWRCB) and approximately \$100,000 in local match contributions.

Implementation of the project involved permit approvals from the California Department of Fish and Wildlife (CDFW), United States Army Corps of Engineers (USACE), the Los Angeles Regional Water Quality Control Board (LARWQCB), and the SWRCB. According

to the OBGMA's GSP, the spreading grounds are anticipated to recharge an average of 126 AF of water to the OVGB per year, and up to a maximum of 914 AF per year, primarily through infiltration of diverted surface water.



Figure 4: San Antonio Creek Diversion Structure (January 15, 2023)
Source: Report of Operations – January 2023 San Antonio Creek Spreading Grounds Project Pilot Diversion Test, prepared by Rincon Consultants, Inc. (February 21, 2023)

⁶ 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 OVGB is listed as a high-priority basin, pursuant to the DWR. The OBGMA adopted a GSP for the OVGB in January 2022, which was approved by the DWR in October 2023.

Once the diversion facility is completed and operational, the VCWPD plans to transfer ownership and operation to one or more local entities, potentially including the OWCD.⁷ However, based on a February 21, 2023, report prepared for the VCWPD regarding the spreading grounds project, “diversion of measurable volumes has not occurred since the completion of the project.” Therefore, the usefulness of the diversion facility has yet to be demonstrated. The OWCD agrees with this assessment. Furthermore, based on consultation with the Chair of the OWCD Board of Directors and LAFCo’s evaluation of the OWCD’s ability to provide services, the District is not in a financial or staffing position to assume responsibility for the diversion facility at this time or within the foreseeable future.⁸ In February 2024, the VCWPD retained a consultant to prepare a feasibility study to determine if the diversion facility is expected to ultimately operate as originally contemplated. Completion of the feasibility study is expected later in 2024. Given that possible participation in the maintenance and operation of the facility appears to be the only function that the OWCD might provide in the future, the results of the VCWPD’s feasibility study are necessary to determine if the OWCD has a future role to play in the facility’s operation and maintenance.

The District acknowledges that its current purpose is limited to assignment of a District board member to represent private well pumpers on the OBGMA Board of Directors,⁹ which further confirms the District’s limited utility. Therefore, absent a role in the operation and/or maintenance of the diversion facility, it appears that, other than appointment of an OWCD board member to the OBGMA Board of Directors, the District has no recent, current, or anticipated role in the provision of services that it is authorized to provide, and moreover, lacks the ability to provide those services.

⁷ In 2008, an agreement was signed by the OWCD, the OBGMA, the Casitas Municipal Water District (CMWD), and the Golden State Water Company, under which the parties agreed to a cost sharing plan for maintenance and operation of the facility once completed. However, the agreement was never signed by the VCWPD and thus was never fully executed or binding.

⁸ LAFCo staff consulted with the staff of the OBGMA and CMWD, the two local agencies other than the OWCD that appear to be candidates to operate and manage the diversion facility, and neither is in a position to assume such a role. While there is overlap in the purposes of the OWCD and OBGMA, OBGMA does not have a history of being involved in any capital projects in support of groundwater management, and does not have the financial or staffing ability to oversee the diversion facility. Similarly, the CMWD has limited financial and staffing resources, and is generally reluctant to assume responsibility for a facility that has not been proven to be effective in recharging the OVBG.

⁹ The OBGMA Board of Directors consists of one member appointed by each of the governing boards of the Ojai City Council, Casitas Municipal Water District, Ojai Water Conservation District, one member chosen by the OBGMA Board as the Community Facilities District resident director, and one member chosen by the governing boards of the following mutual water companies: Senior Canyon Mutual Water Company, Siete Robles Mutual Water Company, and Hermitage Mutual Water Company.

Sphere of Influence

There have been no changes to the District's service area that would require alterations to its sphere of influence boundary, and no changes are anticipated in the foreseeable future.

Written Determinations

The Commission is required to prepare a written statement of its determinations with respect to each of the subject areas provided below (Government Code § 56430(a)).

1. Growth and population projections for the affected area

- According to a rough estimate based on U.S. Census Bureau data, the 2010 population within the District's jurisdictional boundary and sphere of influence was 2,561. The District did not provide estimated current or future population figures. Based on a general trend of non-growth in the Ojai Valley area, the estimated population is not expected to have significantly changed since 2010 or to significantly change in the foreseeable future.

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

- The District is authorized to monitor the use of groundwater, acquire water rights, store and spread water, and construct dams or other water facilities in the Ojai Valley area, generally east of (but partially within) the City of Ojai's jurisdictional boundaries, in order to recharge underground water resources in the eastern Ojai Valley (i.e., Ojai Valley Groundwater Basin) by diverting water into settling ponds along San Antonio Creek. However, the District is not providing any of these services or functions.
- While it appears that the multi-agency efforts to initiate and implement the San Antonio Creek Spreading Grounds Project were intended to result in the OWCD's eventual assumption of management of that capital improvement project, it remains unclear how the District would fund and provide continued maintenance and oversight of the project given its lack of staff and limited revenues. Furthermore, the ability of the diversion facility of the San Antonio Creek Spreading Grounds Rehabilitation Project to function as designed are questionable, and the VCWPD is currently pursuing a feasibility study to determine whether it could eventually operate as originally contemplated. The District should produce publicly available information to clarify how it conducts and financially

supports its maintenance and capital improvement activities, if in fact, it performs any of these tasks.

4. Financial ability of agencies to provide services

- The District does not regularly prepare a budget. It is unknown if the District has a balanced budget as its budget is not available.
- The District does not regularly prepare audits. The most recent available financial audit of the District was prepared for the five-year period that included FY 2008-09, FY 2009-10, FY 2010-11, FY 2011-12, and FY 2012-13.
- The District does not regularly prepare financial statements. It is unclear whether the District has the ability to finance the services it is authorized to provide.

5. Status of, and opportunities for, shared facilities

- None were identified.

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

- The District's accountability to its constituents is limited. It has an elected Board of Directors and conducts open and accessible meetings, although it does not appear to have an adopted meeting calendar. It adheres to some applicable government code sections, but notably does not regularly prepare audits or adopt budgets, and did not respond to LAFCo staff's public records act request for current and historical meeting agendas and minutes, audits, budgets, monthly financial statements, and contracts/agreements with other agencies, apparently due to a limited and changing staffing situation. The most recent available financial audit of the District was prepared for the five-year period that included FY 2008-09, FY 2009-10, FY 2010-11, FY 2011-12, and FY 2012-13, and documented net assets of \$22,069 for FY 2012-13. It does not appear that the District regularly prepares any financial documents.
- The District may wish to develop a formal mission statement that summarizes its goals, services, and responsibilities to the public.
- Mail sent by LAFCo to the District at its designated address (e.g., ballot for special district member election) was returned. The District should ensure that it has a reliable and monitored address and is reachable by the public.
- Until recently, the District held its Board meetings at the St. Joseph's Health and Retirement Center within the District's service area, but that facility is now closed and is unavailable to accommodate the District's Board meetings. Pursuant to Government Code Section 54954, meetings of the District are to be held within its jurisdictional boundaries; however, given that no meeting facility is available within the District's jurisdictional boundaries, the District's Board of Directors now meets at the City of Ojai City Council chambers.
- Several years ago, the District launched a website that provides information about the District. The website contains the District's history, summary of services, maps, links to

studies and reports (all of which are located on the OBGMA's website), contact information and roster of current Board members, some Board meeting agendas, and some historical meeting minutes, and upcoming meeting information.

- The District could improve its transparency on its website by identifying Board member term expiration dates, identifying its staff and providing the address of its office location, by posting links to the District's enabling legislation, the District's budget, providing staff reports associated with Board agenda items, the most recent municipal service review completed by LAFCo, and the State Controller's "By the Numbers" (agency financial reporting information) and "Public Pay" (employee salary) webpages, and by recording and archiving Board meetings to be available on the District's website. Additionally, the District could improve its transparency by posting on its website documents, studies, reports regarding the District's operations and activities, and adding a subscription feature to allow the public to receive notification of upcoming Board meeting agendas. Furthermore, it should be noted that the District's website is outdated and does not contain an organized and complete list of Board meeting agendas and adopted minutes, and does not include any adopted meeting minutes after December 2020. Agendas and minutes are located on at least two different pages of the website (i.e., on the "Home" page and the "Meeting Agendas" page), each page covers different time periods, and several links point to outdated information or contain broken links. For example, the District's November 10, 2022, meeting agenda was unavailable on the District's website prior to and following the meeting, and a request made to the District within 72 hours prior to the meeting requesting a copy of the agenda did not generate a reply by District staff. Based on the information on the website, it appears that Board meetings are held sporadically (e.g., one meeting held in 2018, two in 2019, none in 2020, 2021, and 2022, and two in 2023).
- 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 and required a response from the District. The District's response stated that it plans to provide expanded information on its website, as a result of the report, and that it would like consideration from the Grand Jury regarding the requirement to establish a reserves policy and post revenue information.
- The OWCD appoints one of its board members to a seat on the 5-member OBGMA board of directors. Other than fulfilling this role, OWCD does not appear to have a function or role. Given what appears to be substantial overlap between the services provided by the OBGMA and intended to be provided by the OWCD, the District should explore opportunities for consolidation of the districts, or more clearly define and document its relationship with the OBGMA and describe how its services are distinct and separate from those of the OBGMA. Additionally, the District should consider pursuing opportunities to enable another public agency to assume responsibilities of the District, to be coordinated with dissolution of the District and exploration of methods to accommodate continued private well operators' representation on the OBGMA Board of Directors.

- The District appears to achieve operational efficiencies by sharing management and staffing resources with the OBGMA. The functions and operation of the OWCD are closely tied to and coordinated with the OBGMA, and the OWCD is represented on the OBGMA Board of Directors. One person staffs both agencies. Except for Board meeting agendas and minutes, all of the information on the OWCD’s website links directly to data managed by the OBGMA located on the OBGMA’s website. Furthermore, given its limited staff resources, it appears that the District may contract for work involving construction, maintenance, and monitoring, as well as document preparation related to the District’s services. According to the MSR prepared by LAFCo in 2003 for water and wastewater agencies within Ventura County, the OBGMA is authorized to “preserve the quantity and quality of groundwater in the Ojai Basin and to protect and maintain the long-term water supply for all the water users in the Basin” and the OWCD is authorized to “monitor the use of groundwater, acquire water rights, store/spread water, and construct dams or other water facilities.” The MSR acknowledged that: (1) the OWCD’s service area overlaps (i.e., is contained almost entirely within) that of the OBGMA, (2) these two agencies provide “apparently duplicative services,” (3) a reorganization involving these two agencies (e.g., dissolution of one agency and assignment of the other as a successor agency) would be logical and would potentially reduce costs, and (4) a reorganization would involve challenges and complexities; however, it does not appear that efforts to further evaluate this issue have been made. The circumstances surrounding potential reorganization involving the OWCD and OBGMA do not appear to have changed since 2003 when the concept was first identified, and the opportunity to explore reorganization of agencies continues to exist. Potential challenges for reorganization may include issues related to water rights, differences in principal acts, composition of the governing boards, and interest level of the districts’ governing bodies. Facilitating aspects may include existing overlap of purpose, authority, jurisdictional area, governing board members, staff, and consultants. The OWCD and OBGMA should investigate government restructuring options to address these overlaps, to potentially provide the advantage of pooling staff, facilities, technology, and other resources to achieve more streamlined service provision and improved economies of scale, up to and including the dissolution of the OWCD.

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

- None were identified.