

Ventura Local Agency Formation Commission

Pleasant Valley County Water District

Municipal Service Review



Prepared By:
Ventura Local Agency Formation Commission
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Accepted by the Commission on March 20, 2024

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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 Pleasant Valley County Water District (PVCWD 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:** The general plans of the County of Ventura and City of Camarillo 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

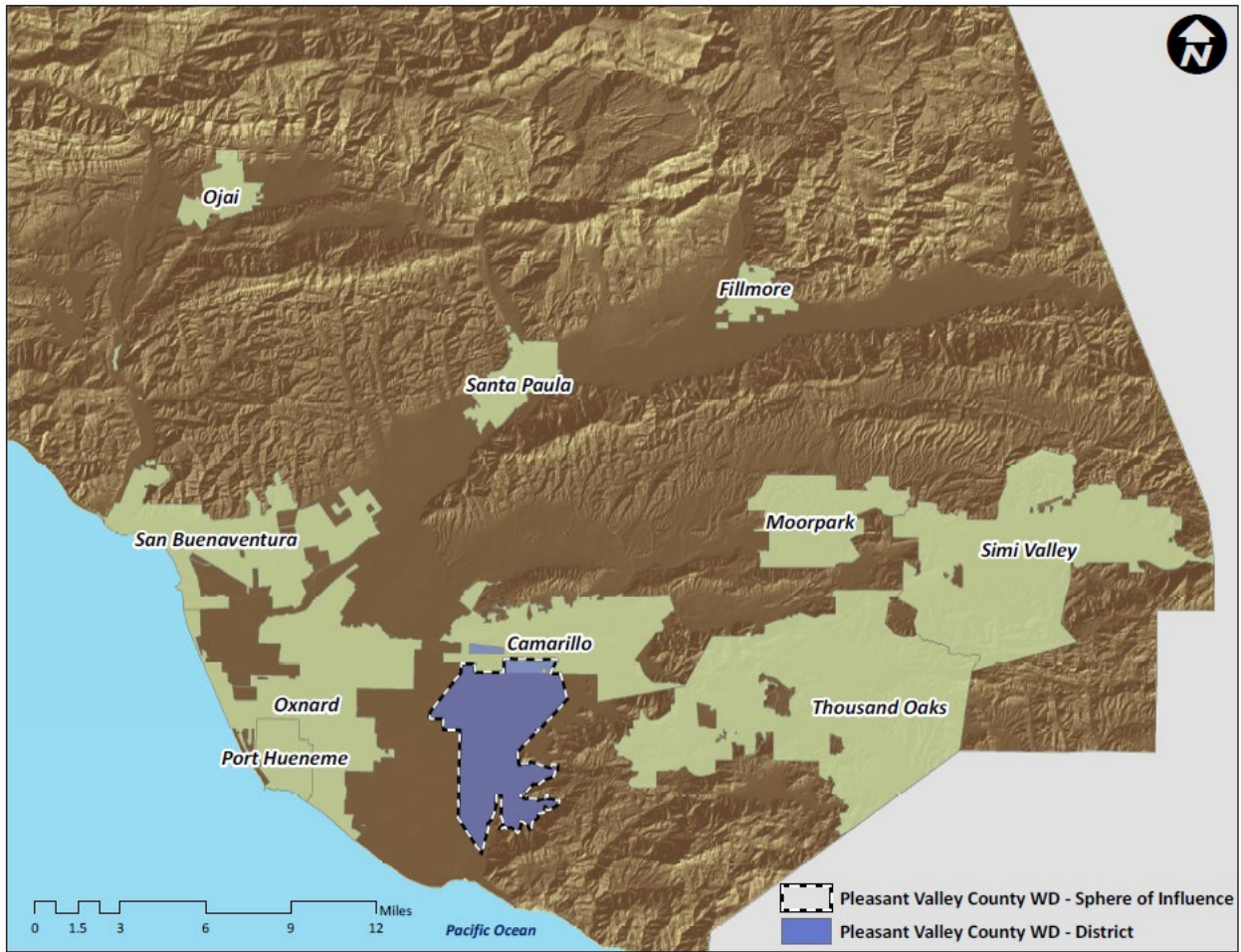


Figure 1: Location Map

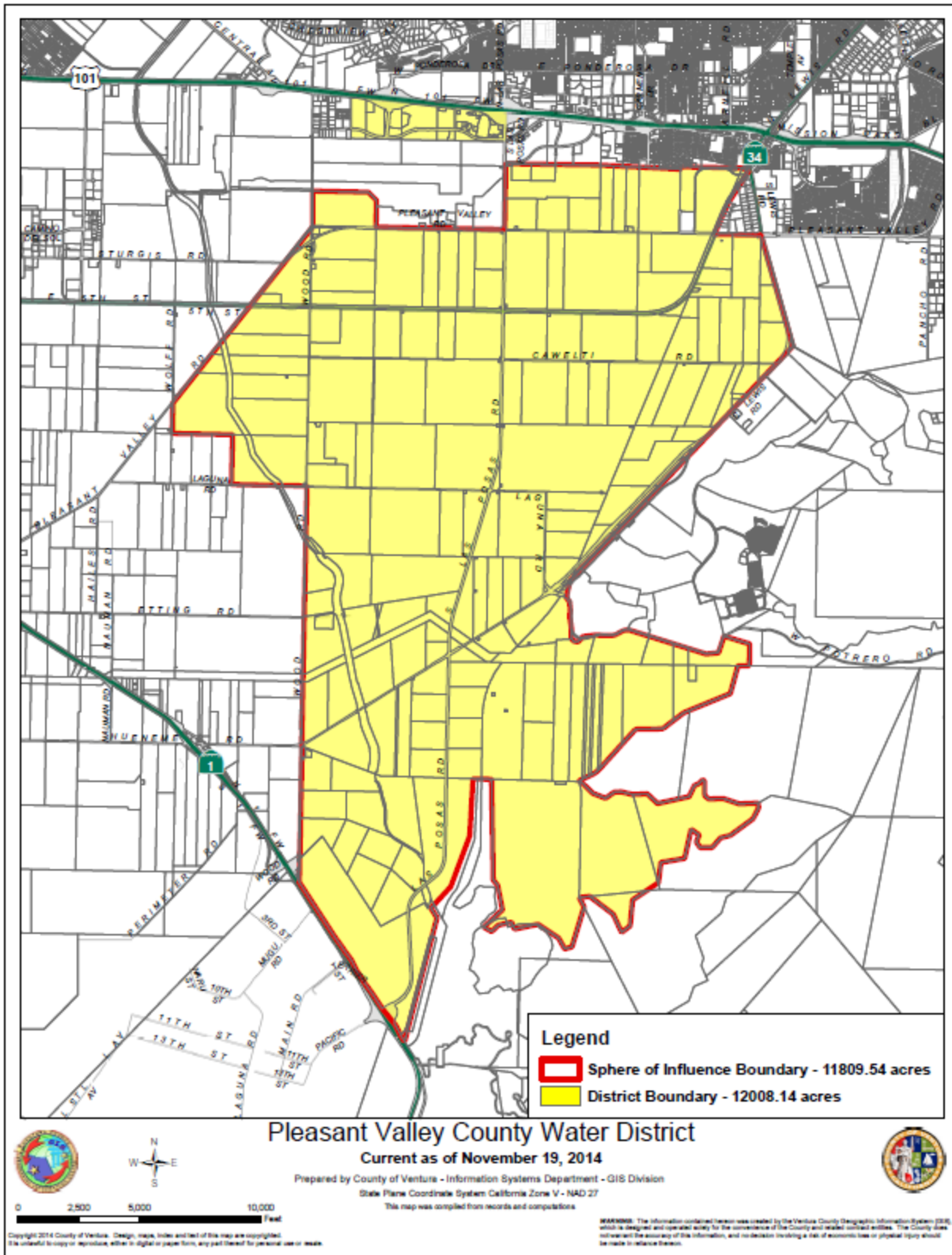


Figure 2: Official LAFCo Map of the Pleasant Valley County Water District

Profile

The Pleasant Valley County Water District (PVCWD or District) operates and maintains a distribution system for irrigation water that serves approximately 12,000 acres of land within and south of the City of Camarillo, on both sides of Las Posas Road between Highway 1 and Highway 101. The water that the District serves to its agricultural customers consists of: (1) supplemental water coming from a combination of groundwater wells (that draw from the Pleasant Valley Groundwater Basin and Oxnard Subbasin), (2) surface water (from the Santa Clara River and Conejo Creek), and (3) recycled water (from the Camarillo Sanitary District, Camrosa Water District, and City of Oxnard).

Contact Information

District Manager	Jared Bouchard
District Office	154 S. Las Posas Road, Camarillo, CA 93010
Mailing Address	154 S. Las Posas Road, Camarillo, CA 93010
Phone Number	(805) 482-2119
Website	www.pleasantvalleycountywaterdistrict.com
E-mail Address	jared@pvcwater.com

Governance Information

Formation Date	August 10, 1956
Legal Authority	<u>Water Code Section 30000</u> (County Water District Law)
Type of District	Independent
Board of Directors	Five members. Elected ¹ at-large to staggered, four-year terms of office (elections held in even-numbered years). ²
Board Meetings	Wednesdays (meetings are scheduled quarterly, in general), beginning at 10:00am, located at 154 S. Las Posas Road, Camarillo, CA 93010.

Services Provided

The Pleasant Valley County Water District is authorized to provide agricultural (non-potable) water service for irrigation purposes.

¹ PVCWD board members are appointed by the Ventura County Board of Supervisors “in lieu of election” when the number of persons who have filed a declaration of candidacy does not exceed the number of such offices to be filled during an election (Elections Code Section 10515). Pursuant to Elections Code provisions, the Board of Supervisors most recently appointed three board members to the PVCWD in lieu of election on March 14, 2023. According to Ventura County Elections Division records, an election to seat PVCWD board members has not occurred since at least 1969, and all current PVCWD board members have been appointed in lieu of election.

² The District is a landowner-voter district (Water Code Section 30700.5). A landowner-voter district is defined in Government Code Section 56050 as “a district whose principal act provides that owners of land within the district are entitled to vote upon the election of district officers, the incurring of bonded indebtedness, or any other district matter.”

Population and Area Information		
	<i>Population</i> ³	<i>Area (square miles)</i>
Jurisdictional Area	100	18.76
Sphere of Influence Area	100	18.45

Staffing – Full Time Equivalent Positions ⁴			
Executive/Management	Professional/Support	Operational	Total
1	1	2	4

Revenues	Expenditures
Primary Revenue Sources	Primary Expenses
Water Sales	Supplies/Services
Property Taxes	Salaries/Benefits
Miscellaneous (i.e., late charges)	Professional Services
FY 2023-24 Revenues (Budget)	FY 2023-24 Expenditures (Budget) ⁵
\$5,786,855	\$5,925,979

Public Agencies with Overlapping Jurisdiction	
Calleguas Municipal Water District	United Water Conservation District
Camarillo Health Care District	Ventura County Air Pollution Control District
Camarillo Sanitary District	Ventura County Fire Protection District
Camrosa Water District	Ventura County Resource Conservation District
City of Camarillo	Ventura County Service Area No. 32
Fox Canyon Groundwater Management Agency	Ventura County Transportation Commission
Gold Coast Transit District	Ventura County Watershed Protection District
Metropolitan Water District of Southern California	Ventura County Waterworks District No. 19
Pleasant Valley Recreation and Park District	Ventura Regional Sanitation District

³ Sources: 2020 U.S. Census Bureau data and District staff.

⁴ Source: District employees consist of one General Manager, two professional/support staff, and two operational staff.

⁵ The District’s 2023-24 adopted budget reflects a budget shortfall of \$139,124. PVCWD staff states that expenditures exceed revenues as a result of pass-through charges imposed by the United Water Conservation District and Fox Canyon Groundwater Management Agency, for which revenues could not be collected to balance the budget in the current budget cycle. However, the District adopted a rate increase (effective November 1, 2023), to be implemented over a multi-year period, in compliance with the provisions of Proposition 218, in order to capture additional revenues in subsequent budget years to address the shortfall.

Growth and Population Projections

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

According to 2020 data available from the U.S. Census Bureau, consultation with District staff, and a review of aerial imagery, the estimated population of the District is less than 100. The jurisdictional area of the District consists of: (1) agricultural land within the unincorporated County area south of the City of Camarillo, (2) agricultural land within the City of Camarillo (immediately east of the Camarillo Airport), and (3) land developed with and contemplated for commercial and research/development uses (immediately north of the Camarillo Airport). The District's sphere covers largely the same area, but excludes the area in the City north of the airport that is already developed and is anticipated to be developed with non-residential urban uses. Based on the information above, population growth within the District and its sphere of influence is anticipated to be minimal for 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)).

Non-Potable Water Services

Water Service History

The PVCWD provides exclusively non-potable water to agricultural customers through the operation and maintenance of a distribution system for irrigation water. The District was formed in 1956 with the primary purpose of promoting groundwater conservation and reducing demand pressure on underlying groundwater basins (i.e., the Pleasant Valley Groundwater Basin and the Oxnard Subbasin). The PVCWD achieves its goals through the development and distribution of alternative water supplies that supplement irrigation water obtained from private groundwater wells located within its service area. Customers' use of the supplemental water supplied by the District contributes to the overall sustainability of groundwater resources upon which agricultural users within the District's service area rely, through the: (1) mitigation of groundwater overdraft, and (2) combating of saltwater intrusion into the groundwater basins. The District's water supply sources include groundwater extracted from District-owned wells, surface water (drawn from the Santa Clara River and Conejo Creek), and recycled water (generated at wastewater treatment facilities operated by the Camarillo Sanitary District, Camrosa Water District, and City of Oxnard), each of which is described in more detail later in this report.

Service Area

The PVCWD provides non-potable water service to approximately 12,000 acres (i.e., more than 300 individual parcels), on both sides of Las Posas Road between Highway 101 and Highway 1. The majority of the District's service area is outside of and south of the City of Camarillo's jurisdictional boundaries, and consists of agricultural land. Most of the land within the District's jurisdiction, including portions covering the Pleasant Valley Groundwater Basin and the Oxnard Subbasin, falls under the jurisdiction of the Fox Canyon Groundwater Management Agency (FCGMA). The FCGMA was formed in 1982 to regulate, conserve, manage, and control the use and extraction of groundwater to help preserve resources, and to impede seawater intrusion within seven groundwater basins beneath the Oxnard Plain.

Water Distribution System

The PVCWD's gravity-fed water distribution system consists of approximately 30 miles of pipeline that ranges in diameter from 8 inches to 48 inches. The majority of the District's transmission pipelines run along Wood Road, Las Posas Road, Pleasant Valley Road, Fifth Street, and Cawelti Road.

The PVCWD operates two reservoirs (known as the Pleasant Valley Terminal Reservoirs), located immediately east of the Camarillo Airport on the east side of Las Posas Road, that are owned by the United Water Conservation District (UWCD)⁶ and were constructed to provide supplemental agricultural water within the Pleasant Valley area. The Pleasant Valley Terminal Reservoirs have a combined capacity of approximately 250 acre-feet (AF)⁷ of water. Typical daily water demand on the District ranges between approximately 50 AF to 60 AF. The sources and volume of water stored in the reservoirs at any given time depend on the combination of available supply and water demand, which fluctuate throughout the year and in response to weather conditions. The PVCWD maintains reservoir levels based on seasonal demands and forecasted rain events, ensuring that it maintains adequate supply for delivery and maximum storage availability to accommodate anticipated volume in advance of rain events.

Water Sources, Supply, and Demand

The District relies on a variety of water types and sources to provide its customers with a consistent supply of water for irrigation purposes. These types and sources, described in detail later in this report, are summarized in Figure 3 as follows:

PVCWD Water Supply Types and Sources		
Groundwater	Surface Water	Recycled Water
<ul style="list-style-type: none"> District-owned wells 	<ul style="list-style-type: none"> Conejo Creek Source: Camrosa Water District Santa Clara River Source: UWCD 	<ul style="list-style-type: none"> Source: Camarillo Sanitary District, delivered by Camrosa Water District Source: Camrosa Water District Source: City of Oxnard

Figure 3: PVCWD Water Supply Types and Sources

The District’s breakdown of water delivery volume by source varies, sometimes dramatically, depending on many factors, and includes variables such as precipitation, crop rotation patterns, the extent of fallowed agricultural fields, availability of surface water and recycled water, and the status of the economy. Figure 4 on the following page provides a summary of total water delivery percentages by source, for the period of 2018 through 2023.

⁶ The UWCD is a special district that provides services related to the conservation of surface and groundwater resources, groundwater replenishment, and wholesale water delivery to the Oxnard, Port Hueneme, and Camarillo areas, and recreation and potable water services at the Lake Piru Recreation Area.

⁷ 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.

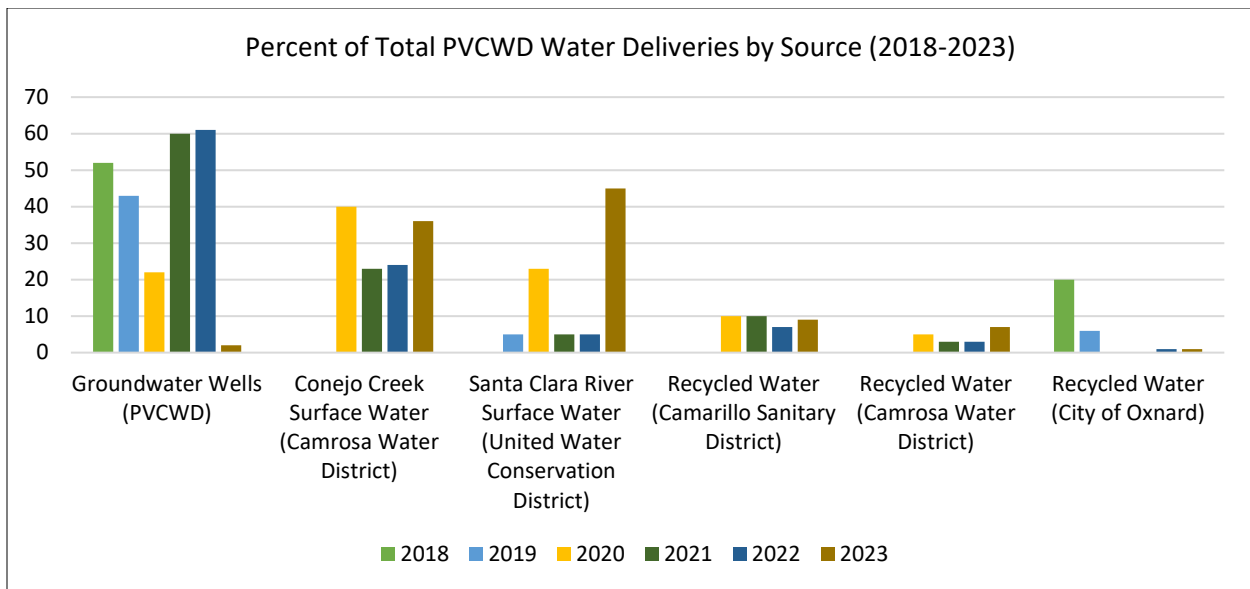


Figure 4: Percent of Total PVCWD Water Deliveries by Source (2018-2023)
Source: PVCWD Water Use Totals (2023)

- *Groundwater*

The District owns and operates 11 groundwater wells (see Figure 5, below). Of these, five wells are located within the Pleasant Valley Groundwater Basin and six are within the Oxnard Subbasin. The District’s wells are used to supplement its surface water deliveries to its agricultural customers, and are not used as a primary water supply source for the District’s customers. The District pumps water from these wells for direct distribution to customers or for storage in the Pleasant Valley Terminal Reservoirs, depending on the need at any given time.

In response to severe drought conditions, declining water levels, and seawater intrusion, in 2014, the FCGMA Board of Directors adopted Emergency Ordinance E, resulting in the imposition of a 20-percent reduction on allowed groundwater extractions (i.e., allocations) implemented incrementally over a two-year period (i.e., a 5-percent reduction during each 6-month interval). Upon adoption of Emergency Ordinance E, extraction allocations were reassigned for agricultural users from historical allocations, effectively eliminating historical allocations, and accrual of groundwater pumping credits was suspended. At the time of FCGMA’s adoption of Emergency Ordinance E, PVCWD had a balance of 30,953.176 AF of accumulated pumping credits that functioned, until then, as a reserve to allow the District to increase its ability to pump groundwater when needed.

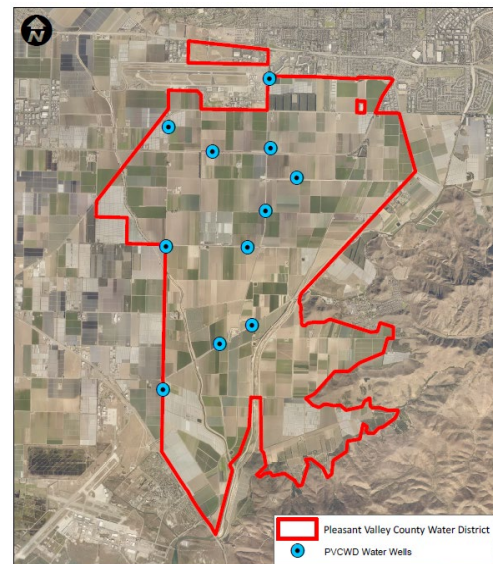


Figure 5: PVCWD Groundwater Wells
Source: PVCWD

Under FCGMA’s Emergency Ordinance E, applicable from 2014 through 2020, the FCGMA established an irrigation allowance index (also known as IAI) for all agricultural well operators. IAI rules applied to all agricultural operators who pumped from the groundwater basins. According to PVCWD staff, operators could choose to report under historical allocations or report under IAI; however, PVCWD was required to report under IAI during the period of 2014 to 2019. The intent of the IAI was to establish efficiency standards and regulation for each crop type, and require agricultural operators to demonstrate the efficient application of water for those crop types. Operators who demonstrated that they stayed within the allowed limits for each crop type were not levied surcharges for their water use. The PVCWD has achieved compliance with pumping limitations set by the FCGMA pursuant to Emergency Ordinance E.

The FCGMA in 2019 adopted (and in 2021 amended) an Ordinance to Establish an Allocation System for the Oxnard and Pleasant Valley Groundwater Basins. The ordinance established a new allocation program that was developed based on a 10-year baseline (i.e., 2005 through 2014) of reported extractions with consideration given to existing pumping credits and debits. FCGMA is implementing the ordinance incrementally, and is expected to implement it fully over a 20-year time period. Because the ordinance has not yet been fully implemented, long-term effects on PVCWD are not yet known. The PVCWD’s allocation under the ordinance is currently 21,434 AFY (but is subject to potential future reductions), and consists of 7,040 AFY of pumped groundwater, 4,974 AFY of surface water from Conejo Creek, and 9,420 AFY of surface water from the Santa Clara River. Under the FCGMA’s current allocation ordinance, private well owners within the District’s service area, in combination, have an extraction allocation of 5,542 AFY. This allocation together with the District’s allocation of 21,434 AFY provides 26,976 AFY of total extraction allocation within the District’s jurisdictional area.

The District’s groundwater deliveries to its customers have varied over the last 10 years (ranging from a high of 15,008 AF in 2014 to a low of 319 AF in 2023), as shown in Figure 6 to the right. As described above in this report, the dramatic fluctuation during this period is a product of many variables that include amount of precipitation, crop rotation patterns, the extent of fallowed agricultural fields, availability of other types of water (i.e., surface water and recycled water), and the status of the economy. The relatively low total of groundwater delivered in 2023 reflects that significantly higher volumes of other water (i.e., surface water) were available following the rain events of 2023, which allowed the District to rely primarily on surface water deliveries to serve its customers.

PVCWD Groundwater Deliveries	
Year	AFY
2014	15,008
2015	13,687
2016	12,704
2017	9,671
2018	6,291
2019	4,772
2020	2,791
2021	8,946
2022	10,002
2023	319

Figure 6: Groundwater Deliveries
Source: PVCWD

- *Conejo Creek Surface Water*

The District obtains and delivers water sourced from Conejo Creek through its involvement in the Conejo Creek Diversion Facility and the Conejo Creek Water Pumping Program, described below. In total, water sourced from Conejo Creek generally comprises approximately one quarter of the District's water deliveries.

Surface water from Conejo Creek is a key component of the District's water portfolio, and supports the District through the Conejo Creek Diversion Facility, which became operational in 2002. The diversion structure, built into the west bank of the Conejo Creek approximately 150 feet south of the 101 Freeway, draws approximately 10,000 AFY from Conejo Creek, which consists of flows generated primarily from treated effluent discharged from the City of Thousand Oaks' Hill Canyon Wastewater Treatment Plant and surface runoff from the Conejo Valley and Santa Rosa Valley. From the diversion structure, non-potable surface water is pumped to the Camrosa Water District's storage ponds located adjacent to California State University at Channel Islands and then delivered to the Camrosa Water District's customers for non-potable irrigation at municipal and agricultural properties within the unincorporated Santa Rosa Valley and the Leisure Village retirement community within the City of Camarillo.

The Camrosa Water District delivers excess volume of non-potable irrigation water to the PVCWD for storage in its reservoir for future use. Water from Conejo Creek is introduced into the PVCWD distribution system through a pipeline located at the intersection of Laguna Road and Las Posas Road. The water is then either conveyed directly to end users or transported to the PVCWD reservoirs for future use. Over the past four years, the Conejo Creek Diversion Facility has provided a reliable supply of water for use by the PVCWD's customers: 5,086 AF in 2020, 3,442 AF in 2021, 4,002 AF in 2022, and 4,685 AF in 2023. District staff anticipates that, for the foreseeable future, Conejo Creek deliveries will be generally consistent with the recent historical trend; however, deliveries may fluctuate because the Conejo Creek water flow is generated primarily from the City of Thousand Oaks' Hill Canyon Water Treatment Plant, which releases reduced treated wastewater flows during drought/water shortage conditions.

Since 2014, with the FCGMA's establishment of the Conejo Creek Water Pumping Program through FCGMA Resolution 2014-01, the Camrosa Water District receives one acre-foot of pumping credits in the Pleasant Valley Groundwater Basin for each acre-foot of Conejo Creek water that it delivers to PVCWD. Water harvested pursuant to these groundwater credits is pumped after and in addition to the Camrosa Water District's historical FCGMA allocation in the Pleasant Valley Groundwater Basin. The District accepts all water provided by the Camrosa Water District when available, and prioritizes Conejo Creek Water Pumping Program water as the first water received to meet customer demands.⁸ This program is mutually beneficial as it allows the PVCWD to reduce groundwater extractions in the southern portion of the Pleasant Valley Groundwater Basin where groundwater levels are depressed and allows the Camrosa

⁸ The District prioritizes use of water from Conejo Creek because that water would otherwise flow to the Pacific Ocean if not used by the PVCWD, whereas water from the District's other sources can be stored for future use if not delivered to the PVCWD.

Water District to pump additional water from its wells in the northeast Pleasant Valley Groundwater Basin where groundwater levels are higher.

The Camrosa Water District delivers non-potable water it provides from Conejo Creek to the PVCWD together in a single pipe with recycled water generated at its treatment plant and recycled water it wheels from the Camarillo Sanitary District.

- *Santa Clara River Surface Water*

Surface water diverted by the UWCD from the Santa Clara River generally comprises more than one-third of the District's water deliveries. The UWCD delivers water from the Santa Clara River to the PVCWD through its surface water delivery pipeline (known as the Pleasant Valley Pipeline, or PVP). Water from the UWCD is either delivered directly to agricultural customers through the PVCWD's distribution system or stored in the Pleasant Valley Terminal Reservoirs for future use. Water delivery volume supplied by the UWCD from the Santa Clara River for the past four years consisted of 2,948.49 AF in 2020, 708.9 AF in 2021, 751.9 AF in 2022, and 5,880 AF in 2023. The substantial increase in delivery volume during 2023 reflects significantly higher river flow volume resulting from rain events in early 2023. District staff reports that long-term forecasting of Santa Clara River water supplies is unreliable as a result of changing climatic cycles, ongoing regulatory challenges, and potential projects involving the Freeman Diversion.

- *Recycled Water*

The District has historically diversified its water portfolio to decrease its reliance on groundwater, including recycled water deliveries that it accepts whenever available to reduce demand on other types of water that can be reserved for future use.

∴ *Camarillo Sanitary District Recycled Water*

In 2019, the Camrosa Water District completed the Camarillo Sanitary District Recycled Water Interconnection project, which allows the Camrosa Water District to receive surplus recycled water provided by the Camarillo Sanitary District as a byproduct of the Camarillo Sanitary District's wastewater treatment processes. The Camrosa Water District then sells water received from the Camarillo Sanitary District to the PVCWD, which has maintained a reliable demand for this water: 1,327 AF in 2020, 1,444 AF in 2021, 1,190 AF in 2022, and 1,245 AF in 2023. The Camrosa Water District delivers recycled water it wheels from the Camarillo Sanitary District to the PVCWD together in a single pipe with recycled water generated at its treatment plant and non-potable water it provides from Conejo Creek.

This project is mutually beneficial in that it provides an additional source of non-potable water supply to the Camrosa Water District's portfolio, reduces groundwater pumping including that extracted by the PVCWD, and allows the Camarillo Sanitary District to comply with requirements to cease discharge into Conejo Creek as well as avoid fees to discharge into the

CMWD's Salinity Management Pipeline.⁹ Additionally, this program supports regional water supply resilience. The District anticipates that recycled water from the Camarillo Sanitary District will be consistently available to the District for the foreseeable future. If and when the City of Camarillo expands its recycled water distribution system (by serving treated wastewater from the Camarillo Sanitary District as recycled water) for use by the City, the District may experience reductions in availability of recycled water from this source.

∴ Camrosa Water District Recycled Water

The Camrosa Water District owns and operates the Camrosa Water Reclamation Facility, which is the treatment plant that processes wastewater generated within the Camrosa Water District's sewer service area. The treated wastewater is sold as recycled water, and the PVCWD is one of the Camrosa Water District's recycled water customers. The Camrosa Water District delivers recycled water generated at its treatment plant to the PVCWD together in a single pipe with recycled water it wheels from the Camarillo Sanitary District and non-potable water it provides from Conejo Creek. During 2023, the District delivered approximately 938 AFY of recycled water sourced from the Camrosa Water District to its customers.

∴ City of Oxnard Recycled Water

The City of Oxnard developed the Groundwater Recovery Enhancement and Treatment (GREAT) program in an effort to improve water reliability given concerns regarding groundwater quality and quantity, the high cost of imported water, and population increase. Components of the GREAT program include use of treated wastewater as recycled water (processed at the City's Advanced Water Purification Facility), groundwater injection, storage and recovery, and groundwater desalination. In 2016, the PVCWD began receiving recycled water from the City of Oxnard. As the cost of the recycled water is significantly higher than that of groundwater, the District considers this water source to be supplemental. The District blends recycled water with groundwater prior to distribution to its customers. Recycled water from the City of Oxnard generally comprises approximately five percent of the District's water deliveries.

Due to operational challenges and construction of the recycled pipeline, the City of Oxnard did not deliver recycled water during 2020 and 2021. The City installed a new recycled pipeline which became operational in October 2022, at which time the City's recycled water delivery to the PVCWD was reinstated. In 2022, the District delivered 88.76 AF of recycled water from the City of Oxnard to its customers. Currently, the PVCWD accepts an average of 1 AF daily from the City's Advanced Water Purification Facility (AWPF). Once the facility is fully operational, the District anticipates a significant increase in deliveries. As the District is considered a "Tier 4 user" (e.g., low on the list of priority for distribution) of the City's recycled water, an estimate of

⁹ According to the Calleguas Municipal Water District's 2020 draft UWMP, the CMWD operates a regional Salinity Management Pipeline (SMP) that collects brine (i.e., salty water, or "waste water" (distinct from untreated sewage/"wastewater")) generated by groundwater desalting facilities located within its service area, as well as recycled water, and conveys that water for beneficial reuse or safe discharge to the ocean, where natural salt levels are higher.

future deliveries through this system is highly variable, as the PVCWD only takes delivery of water that other customers cannot accept, and at this time new users are still being added to the City's recycled water customer base.

Capital Improvement Projects and Water Programs

While the District does not maintain a master plan or adopt a capital improvement plan, it recognizes that capital projects are necessary in order to support the District's operations for the foreseeable future. To that end, the District is continuing to pursue a variety of projects and programs in furtherance of its existing operations, expansion and development of access to alternative water supplies, and to reinforce its ability to provide reliable service to its customers.

Since the early 1990s, the District has encouraged prioritization of the use of the District's water supply (consisting of water from a variety of sources, including groundwater, surface water, and recycled water) over that of private groundwater wells. This strategy spreads demand across the District's water portfolio, and reduces overall groundwater pumping demand by private well owners. Additionally, the District is implementing a variety of other projects and is participating in groundwater storage programs, which demonstrate the District's dedication to supporting the overall health and sustainability of the Oxnard Subbasin and Pleasant Valley Groundwater Basin. A summary of several notable projects and programs is provided below.

- *Supplemental Water Availability Ordinance*

The District overlies portions of the Oxnard Subbasin and the Pleasant Valley Groundwater Basin, which are subject to the Sustainable Groundwater Management Act (SGMA).¹⁰ As a groundwater extractor, the District is required to comply with requirements of the FCGMA, which has been designated as the Groundwater Sustainability Agency (GSA) for these two groundwater basins. In response to and in order to comply with the FCGMA's ordinance adopted in 2019 (amended in 2021) to establish an allocation system for the Oxnard Subbasin and Pleasant Valley Groundwater Basin, the District in September 2022 adopted a Supplemental Water Availability Ordinance (Ordinance 22-01), effective October 2022, that

¹⁰ The Sustainable Groundwater Management Act (SGMA) of 2014 requires the formation of local groundwater sustainability agencies (GSAs) for high-priority or medium-priority water basins, as determined by the California Department of Water Resources (DWR). 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 District extracts groundwater from within the Oxnard Subbasin and the Pleasant Valley Groundwater Basin, which are partially located within the District's service area and are listed as high-priority basins pursuant to the DWR. The FCGMA, the Camrosa Water District-Oxnard Subbasin GSA, and the Oxnard Outlying Areas GSA have jurisdiction over different portions of the Oxnard Subbasin. The FCGMA adopted a GSP for the entire Subbasin in December 2019, which was approved by the DWR on November 22, 2021. The FCGMA, County of Ventura, Camrosa Water District have jurisdiction over different portions of the Pleasant Valley Groundwater Basin. The FCGMA adopted a GSP for the entire Subbasin in December 2019, which was approved by the DWR on November 22, 2021.

established its own allocation system. The District's ordinance establishes the volume, in acre-feet, of supplemental water that the District will provide for irrigation annually within a set Water Use Area (WUA)¹¹ without penalty. The intent of the District's ordinance is to ensure: (1) compliance with the FCGMA ordinance, (2) equitable access to groundwater, and (3) maintenance of Conejo Creek and Santa Clara River surface water supplies to avoid FCGMA surcharge penalties. The District developed its ordinance through an effort that included identification of private wells and allocations (i.e., extraction volume limits) assigned to each water well, a tally of water sources, and turnouts capable of delivering water to any distinct parcel or group of parcels to establish WUAs on parcels within the District's service area and a calculation of irrigated acres. The District assigns supplemental water availability limits per irrigated acre within a WUA. During the 2022-23 water year, implementation of the District's ordinance resulted in a supplemental water availability limit of 2.4 AF per irrigated acre, applicable to all WUAs.

- *Interconnection Pipeline Project*

The PVCWD is pursuing development of a pipeline that would interconnect two of the District's existing transmission laterals along Wood Road and Las Posas Road. Installation of such a pipeline would accommodate increased transfer of recycled water from west to east (i.e., recycled water provided by the City of Oxnard) and from east to west (i.e., surface water diversions from Conejo Creek), through improved hydraulic capacity. The new pipeline would accommodate improved conservation because less water is necessary for irrigation when the water is of higher quality (e.g., high quality water such as recycled water supplied by the City of Oxnard results in reduced salts loading (i.e., sufficiently diluted salt in the water supply) and an overall reduction in the need for soil leaching). Additionally, the project aims to create the necessary capacity in order to further supply recycled water through an interconnection being funded and constructed by the UWCD. The model will be used to confirm pipeline sizing and evaluate options related to controls and design features that will be required to manage water quality and connection to the UWCD Pumping Trough Pipeline (PTP) system.¹² The project, which involves the PVCWD's westerly extension of pipeline and would connect to the UWCD's separately-funded easterly pipeline extension, is estimated to cost \$4.6 million and would be funded through a grant from the State Water Resources Control Board (SWRCB) to FCGMA (PVCWD is a subgrantee to the FCGMA).

¹¹ According to the District's Supplemental Water Availability Ordinance, a Water Use Area (or WUA) is defined as "...a Parcel or group of Parcels located within the Pleasant Valley County Water District Service Area that are supplied water for irrigation by a common and unique set of Turnouts and/or Private Extraction Facilities. Water Use Areas shall be established and adjusted by the District based on information provided by Owners and Operators."

¹² The UWCD owns and operates the PTP, which consists of non-potable surface water from the Santa Clara River and non-potable groundwater pumped from groundwater wells, in support of agricultural users in the Oxnard Plain.

- *Supervisory Control and Data Acquisition (SCADA) System*

In 2019, the District completed installation of its SCADA system, which consists of 12 integrated field interrogation units, and allows the District to remotely and efficiently monitor, control, analyze and respond to diverse operational conditions within the PVCWD system, including implementation of the Groundwater Sustainability Program. The Southern California Regional Energy Network supported the District's efforts with regard to installation of the District's SCADA equipment, by providing engineering, planning and project management services at no cost to allow for maximized energy efficiency as well as rebates and incentive programs offered to public utilities through Southern California Edison. The SCADA Energy Efficiency project yielded \$58,919 in rebates on a project that had a total capital outlay of approximately \$110,000. It is estimated that PVCWD's annual cost savings as a result of energy savings projects is approximately \$238,000 annually with an overall reduction in energy demand (and a corresponding savings) of 31 percent. In addition to those savings, the PVCWD has secured an additional \$60,000 in rebates for participation in demand response programs (e.g., programs that allow utilities to be financially rewarded for conserving or shifting energy use away from periods of high-demand) which were made possible by the District's use of the SCADA system.

- *Groundwater Sustainability Improvement Program (GWSIP)*

The Groundwater Sustainability Improvement Program (GWSIP) allows the PVCWD to store surface water during wet periods for later use, thereby reducing overall reliance on groundwater. Specifically, it involves the expansion of surface water storage and capture within the District's service area through partnership between the District and landowners within the PVCWD who have private reservoirs, in order to expand the ability to capture and store surface water immediately following rain events when surface water is abundant and demand is low. The District's water customers are notified in advance of projected rain events, at which time they begin to utilize existing supplies in their reservoirs (rather than District deliveries) to meet immediate irrigation needs, making room to receive water immediately following the event.

This program is most effective for agricultural customers whose water demand is not weather-dependent (e.g., growers who do not benefit from direct precipitation and whose demand is constant, such as those who grow crops under hoop houses). In addition, PVCWD has modified its operations to perform in the same way of drawing down reservoirs in advance of rain events to accommodate surface water deliveries immediately following rain events. GWSIP participants benefit from an adjusted rate (75 percent) of the PVCWD current rate per AF for the period of the rain event (generally lasting two to three days following the rain event). Total water storage capacity in support of the GWSIP is estimated to be approximately 100 AF.

Funding for the modeling, outreach, engineering, necessary meters, initial pilot study and implementation is through a grant from the SWRCB to FCGMA and PVCWD is a subgrantee to the FCGMA. The total project cost estimate is \$590,000, the majority of which is funded by the Department of Water Resources (DWR) SGMA Implementation Grant Program SWRCB grant (\$550,000), and the remaining \$40,000 is covered by the PVCWD.

Sphere of Influence

The PVCWD's sphere of influence is coterminous with its service boundary, except in two areas:

- A 213-acre area located east of Las Posas Road and south of Highway 101 is within the District's jurisdictional boundaries but outside its sphere of influence. This area is entirely within the City of Camarillo, and contains commercial development known as the Camarillo Town Center (Figure 7, below). Additional commercial development (i.e., a new Costco store) is anticipated to be constructed with the vacant portion of this area, located immediately west of existing development. The District should pursue detachment of the entire 213-acre area that no longer benefits from inclusion in the District, to reflect the existing and expected urban development of this area within the City.

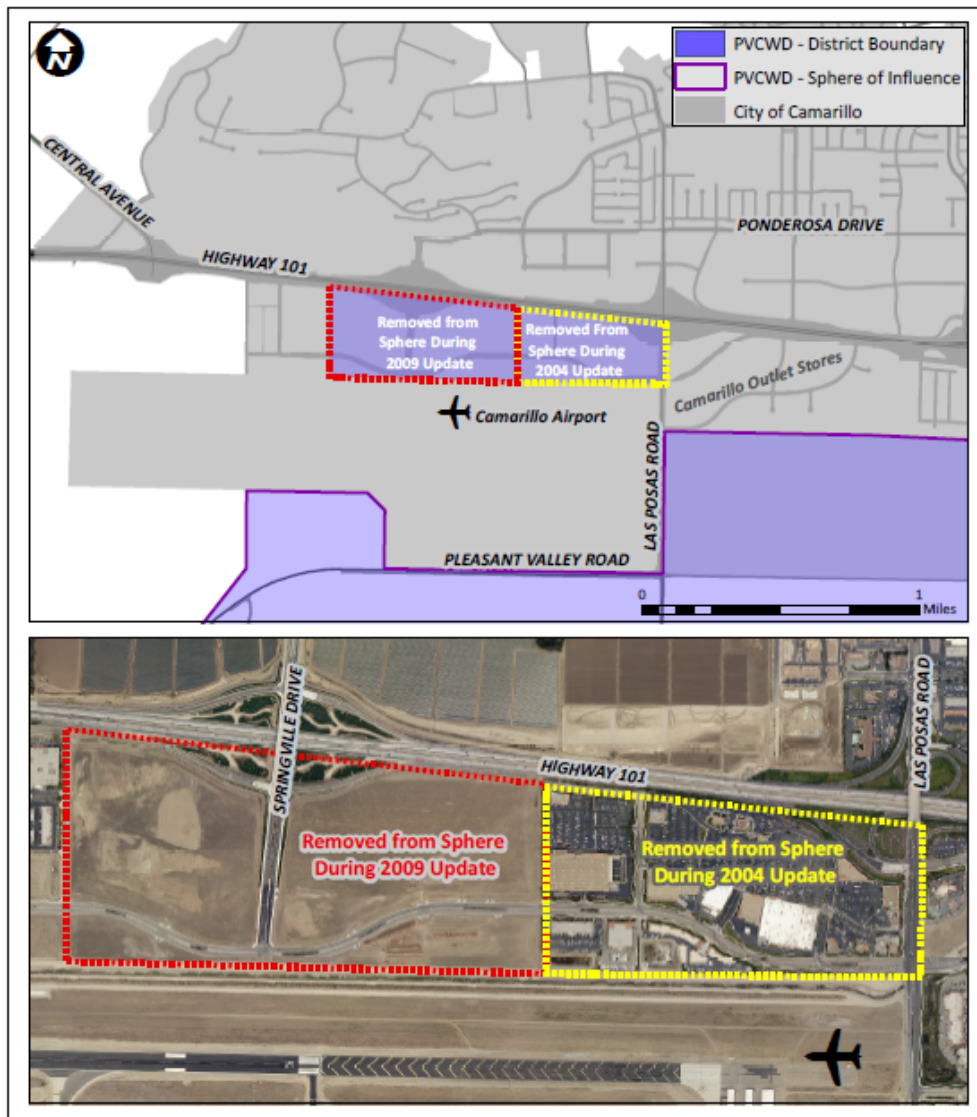


Figure 7: LAFCo Sphere Updates in 2004 and 2009

- A 13.5-acre area (i.e., a 10.81-acre parcel plus 2.69 acres of contiguous roadway), located at the northeast corner of Pleasant Valley Road and Southfield Road, contains developed industrial land that is within the City of Camarillo that is outside the District’s jurisdictional boundaries but within its sphere of influence (Figure 8, below). This area no longer has a demand for irrigation water services from the District. If the sphere is modified as recommended, the District’s jurisdictional area and sphere of influence would be aligned in this area to exclude the 13.5-acre area. The existing sphere of influence boundary otherwise continues to reflect the District’s current and probable service area, and is justified based on the MSR report which demonstrates that the District has the ability to provide services at acceptable levels.

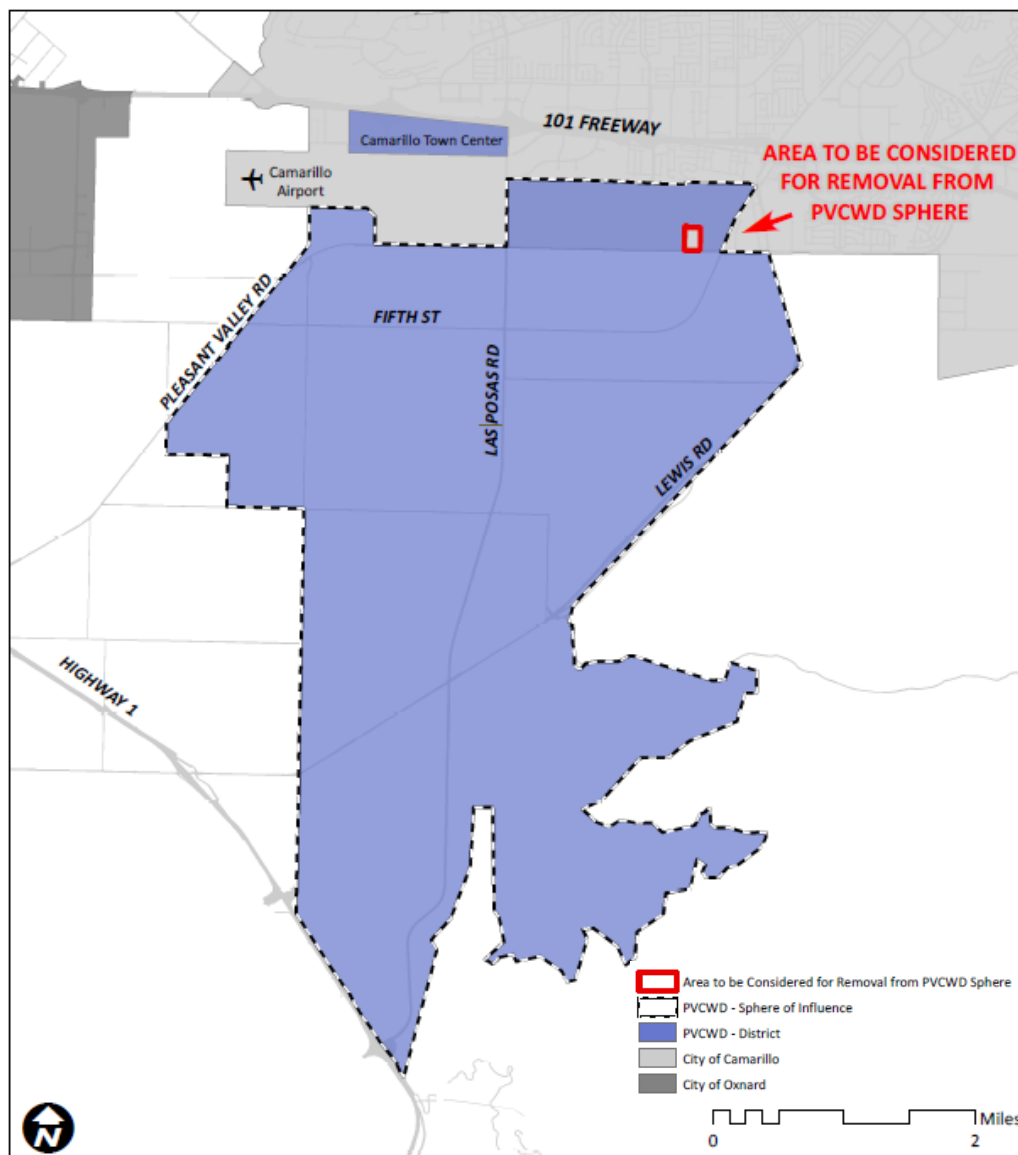


Figure 8: Area to be Considered for Removal from PVCWD Sphere

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 2020 data available from the U.S. Census Bureau, consultation with District staff, and a review of aerial imagery, the estimated population of the District is less than 100. The jurisdictional area of the District consists of: (1) agricultural land within the unincorporated County area south of the City of Camarillo, and (2) agricultural land within the City of Camarillo (immediately east of the Camarillo Airport), and land developed with and contemplated for commercial and research/development uses (immediately north of the Camarillo Airport). The District's sphere covers largely the same area, but excludes the area in the City north of the airport that is already developed and is anticipated to be developed with non-residential urban uses. Based on the information above, population growth within the District and its sphere of influence is anticipated to be minimal for 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 operates and maintains a non-potable retail water distribution system that supports irrigation of approximately 10,000 acres of agricultural land within the Pleasant Valley area, located generally south of the City of Camarillo.
- The District owns approximately 30 miles of steel reinforced concrete pipes and one pump station, and operates two reservoirs (known as the Pleasant Valley Terminal Reservoirs) which have a combined storage capacity of approximately 250 acre-feet. The sources and volume of water stored in the reservoirs at any given time depend on the combination of available supply and water demand, which fluctuate throughout the year and in response to weather conditions. The PVCWD maintains reservoir levels based on seasonal demands and forecasted rain events, ensuring that it maintains

adequate supply for delivery and maximum storage availability to accommodate anticipated volume in advance of rain events.

- The District provides non-potable supplemental water to about 130 agricultural customers within its jurisdictional boundaries, using a combination of groundwater from 11 wells, surface water obtained from Conejo Creek and the Santa Clara River through the United Water Conservation District, and recycled water from the Camarillo Sanitary District, Camrosa Water District, and the City of Oxnard to meet customer demands.
- The PVCWD's allocation under the ordinance is currently 21,434 AFY (but is subject to potential future reductions), and consists of 7,040 AFY of pumped groundwater, 4,974 AFY of surface water from Conejo Creek, and 9,420 AFY of surface water from the Santa Clara River. During 2023, the District delivered an approximately 13,204 AF of water to its customers, in the following categories: Groundwater (approximately 319 AF), Conejo Creek surface water (about 4,685 AF), Santa Clara River surface water (approximately 5,881 AF), Camarillo Sanitary District recycled water (1,245 AF), Camrosa Water District recycled water (938 AF), and City of Oxnard recycled water (136 AF). The District's water supply is adequate to meet its current and anticipated future demands.

4. Financial ability of agencies to provide services

- The District's 2023-24 adopted budget reflects a budget shortfall of \$139,124. PVCWD staff states that expenditures exceed revenues as a result of pass-through charges imposed by the UWCD and FCGMA, for which revenues could not be collected to balance the budget in the current budget cycle. However, the District adopted a rate increase to be implemented over a multi-year period, in compliance with the provisions of Proposition 218, in order to capture additional revenues in subsequent budget years to address the shortfall. The District's FY 2022-23 volumetric rate for water service was \$355.00/AF. In September 2023, the District established a new volumetric rate of \$360.18/AF for FY 2023-24, and an additional 9.75 percent increase to \$395.30/AF for FY 2024-25. It appears that, with implementation of adopted rate increases in the near term, the District will have the ability to finance the services it currently provides.
- The District has a steady stream of revenue through service charges collected from its customers and property taxes. It has predictable expenses related to supplies and services, salaries and benefits, and professional services. According to the most recent audit prepared for the District (May 5, 2023), total revenues exceeded total expenses in FY 2020-21 by \$390,000 and in FY 2021-22 by \$230,000.
- As part of the 2023 Rate and Cost of Service Study, the District established reserve policies and a target of \$2.8 million for those reserves. The District currently has a balance of \$1.8 million in reserves, and through the implementation of the rate plan identified in the 2023 Cost of Service and Rate Study, the District is anticipated to reach its target reserve balances over the next five years.
- The District is independently audited on a regular basis. According to materials available on the District's website, the most recent audit (May 5, 2023) prepared for the District for years ending June 30, 2022, and 2021, was unqualified. An unqualified opinion is an independent auditor's judgment that a company's financial statements are fairly and

appropriately presented, without any identified exceptions, and in compliance with generally accepted accounting principles (GAAP).

- The most recent audit prepared for the District (May 5, 2023) documents that the District experienced an increase in net position from FY 2020-21 (\$4.6 million) to FY 2021-22 (\$4.96 million), which reflects an increase in operating revenue from water sales.

5. Status of, and opportunities for, shared facilities

- Although the District operates independently, it maintains contracts to purchase water from the United Water Conservation District, Camarillo Sanitary District, Camrosa Water District, and the City of Oxnard. The District is involved in several shared facilities and water delivery programs, including operation of the Pleasant Valley Terminal Reservoirs (owned by the UWCD), participation in the Conejo Creek Diversion Facility and Conejo Creek Water Pumping Program (owned and operated by the Camrosa Water District), and recycled water delivery systems owned and operated by the Camarillo Sanitary District, Camrosa Water District, and City of Oxnard. The District relies on water distribution infrastructure that is owned and maintained by others, but operates its own conveyance and storage facilities to serve its customers. Additionally, the District is pursuing an interconnection pipeline project that is anticipated to accommodate more efficient and redundant (i.e., back-up) delivery of water to the mutual benefit of the District and the UWCD.

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

- The District is accountable to its constituents through its Board of Directors (appointed in-lieu of election), adherence to applicable government code sections, open and accessible meetings, and dissemination of information.
- The District maintains a website that provides detailed information about the District. It contains a summary of the District's services, the current budget and historical budgets as of Fiscal Year 2019-20, independent audits, boundary map, contact information and roster of current Board members, current Board meeting agendas and staff reports and historical meeting agendas and minutes as of 2018. The District could improve its transparency by posting on its website its enabling legislation, the State Controller's "By the Numbers" (agency financial reporting information) and "Public Pay" (employee salary) webpages, by providing a summary of each of the water sources that it uses, by recording and archiving Board meetings to be available on the District's website, by offering the public the ability to subscribe online to receive electronic meeting agenda distributions, by including the District's annual water delivery totals by source, by replacing the service area map on the website with the official map of the District as established by LAFCo, by posting the most recent municipal service review completed by LAFCo, and by adding a Spanish translation option for its website content.
- 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 and required a response from the District. The District has not provided a response to the Grand Jury, although it is required by the California Penal Code that it do so.
- The District achieves operational efficiencies through shared training activities with United Water Conservation District , Ventura County Farm Bureau and California Special District Association It also participates in the ACWA JPIA (which provides insurance coverage, training programs, and other practical resources for public agencies) and contracts with private providers (e.g., local engineering contractors for water system repairs).
- The District may wish to develop a formal mission statement that summarizes its goals, services, and responsibilities to the public.

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

- The OPV Coalition, consisting of agricultural landowners and operators, initiated the adjudication of the Oxnard Subbasin and Pleasant Valley Groundwater Basin, with the intent for the court to determine access to groundwater either through a determination of water rights or allocations subject to judicial oversight within the Oxnard Subbasin and Pleasant Valley Groundwater Basin. The adjudication lawsuit against the FCGMA includes the argument that the OPV Coalition’s allocation plan meets the requirements of SGMA.