

Ventura Local Agency Formation Commission

Channel Islands Beach Community Services District

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 (LAFCOs) 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 Channel Islands Beach Community Services District (CIBCSO 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 the City of Oxnard provided information regarding land use, populations, and service levels;
- **District Documents:** Various District documents provided supplementary information relating to service provision;
- **Historical MSR:** The 2003 MSR (pertaining to water and wastewater services) and 2005 MSR (pertaining to solid waste services) 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

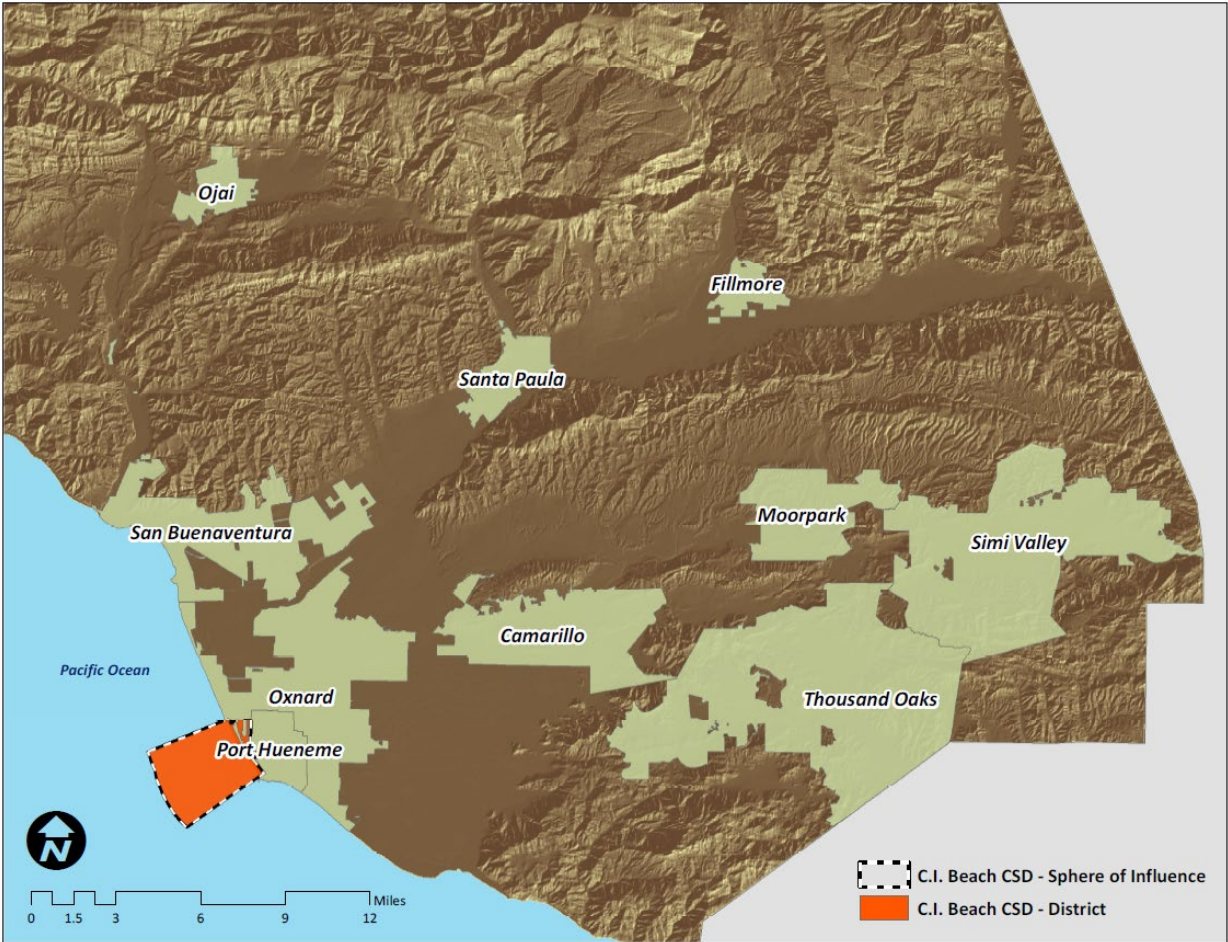


Figure 1: Location Map

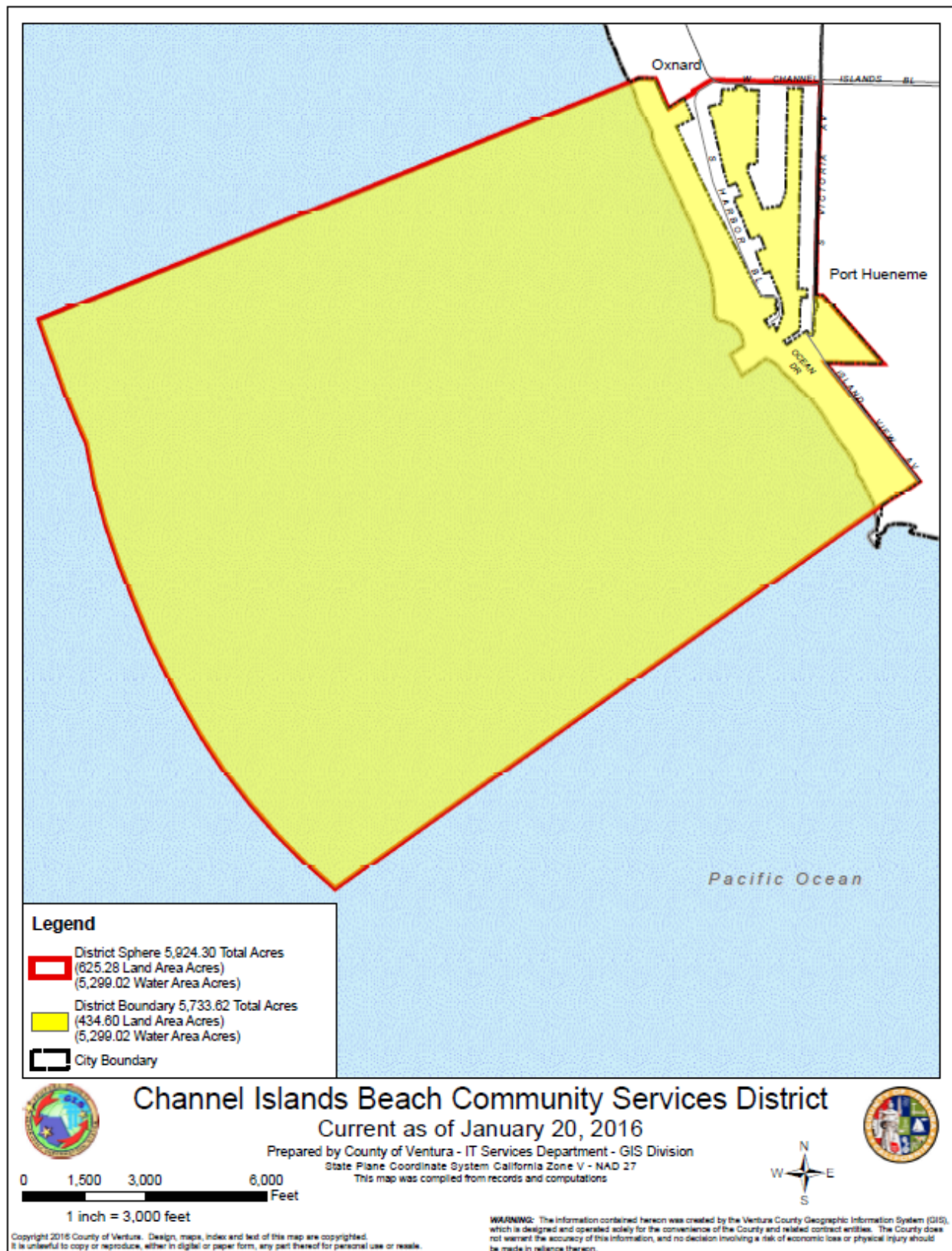


Figure 2: Official LAFCo Map

Profile

In general, the CIBCSO provides water, wastewater collection and conveyance, and solid waste (i.e., trash or refuse) collection and disposal services to the unincorporated communities of Hollywood Beach, Hollywood-by-the-Sea, and Silver Strand, and water service only to the land areas of the Channel Islands Harbor within the City of Oxnard. It also provides parks services, limited to Wanda Pirkle Park within the City of Oxnard.

The District's mission is provided as follows:



"The Channel Islands Beach Community Services District is responsible for providing water distribution, sanitation, and refuse collection to the people of the District."

Contact Information

District Manager	Peter Martinez
District Office	353 Santa Monica Drive, Oxnard, CA 93035 ¹
Mailing Address	353 Santa Monica Drive, Oxnard, CA 93035
Phone Number	(805) 985-6021
Website	cibcsd.com
E-mail Addresses	pmartinez@cibcsd.com

Governance Information

Formation Date	December 13, 1982
Legal Authority	Government Code § 61000 et seq.
Type of District	Independent
Board of Directors	Five members. Elected at-large to staggered, four-year terms of office (elections held in even-numbered years).
Board Meetings	2 nd Tuesday of most months, beginning at 5:00 p.m. 353 Santa Monica Drive, Oxnard, CA 93035

Authorized Services Provided

Water, wastewater collection and conveyance, and solid waste (i.e., trash or refuse) collection and disposal services, and parks service at Wanda Pirkle Park.²

¹ The District's administration and operations facility recently underwent demolition and reconstruction, with the new facility becoming operational in January 2025.

² A previous MSR accepted by the Commission for the District (on December 12, 2003) documents that the District is authorized to provide retail domestic potable water, recycled-reclaimed water, groundwater management, sanitary sewer collection directly, and water treatment and sanitary sewer treatment by contract. However, the District has not provided, does not currently provide, and does not plan to provide services involving recycled-reclaimed water or groundwater management.

Population and Area Information		
	<i>Population</i> ³	<i>Area (square miles)</i> ⁴
Jurisdictional Area	3,000	0.38 (land area only)
Sphere of Influence Area	5,000	0.98 (land area only)

Staffing – Full Time Equivalent Positions			
Executive/Management	Professional/Support	Operational	Total
1	4	3	8

Revenues	Expenditures
Primary Revenue Sources	Primary Expenses
Water Revenue	Salaries and Benefits
Sewer Revenue	Water System Expenses
Solid Waste Revenue	Trash Expenses
FY 2024-25 Revenues (Budget)	FY 2024-25 Expenditures (Budget) ⁵
\$4,740,000	\$4,300,100

Agencies with Overlapping Jurisdiction	
Calleguas Municipal Water District	Oxnard Harbor District
City of Oxnard	Oxnard Drainage District No. 2
Fox Canyon Groundwater Management Agency	Oxnard Harbor District
Gold Coast Transit District	Ventura County Fire Protection District
Metropolitan Water District of Southern California	Ventura County Resource Conservation District
Oxnard Harbor District	Ventura County Service Area No. 14
Port Hueneme Water Agency	Ventura County Service Area No. 32
United Water Conservation District	Ventura County Watershed Protection District
Ventura County Air Pollution Control District	Ventura Regional Sanitation District

³ Source: District staff, based on annual water sales per capita calculation and 2021 Master Plan and information available regarding the Channel Islands Beach Census Designated Place (CDP) as identified by the U.S. Census Bureau.

⁴ The District’s jurisdictional area covers approximately 5,733 acres (434 land area acres and 5,299 water area acres), and its sphere of influence covers approximately 5,924 acres (625 land area acres and 5,299 water area acres). The boundary lines within the water area (i.e., the Pacific Ocean) coincide with the boundaries of the State of California, which extend three nautical miles from the coast.

⁵ The District’s website link for the FY 2024-25 budget is identified as “FY 2024-25 Adopted Budget”; however, the posted document makes reference only to “draft” figures for FY 2024-25.

Growth and Population Projections

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

The United States Census Bureau estimates a 2023 population of 2,936 within the Channel Islands Beach Census Designated Place (CDP); the CDP is entirely within the District's service area, and while it covers much of the District's service area, it does not include all of it. According to the District's Water and Sewer Master Plan Update (adopted June 2021), the area served by the District contains an estimated maximum population of 5,000. The population of the District is not expected to change significantly given that it is largely built out. However, planned construction of the Hyatt House Hotel at the southern terminus of Peninsula Road (which will contain approximately 210 guest rooms, meeting space, recreational facilities, and a restaurant) and redevelopment of Fisherman's Wharf at the southwest corner of the intersection of Victoria Avenue and Channel Islands Boulevard (anticipated to include restaurants, retail shops, a hotel, and recreational features) is expected to result in demand for water provided by the District. District staff anticipates that water demand for these new developments will be approximately 33 acre-feet⁶ per year (AFY) (for the Hyatt House Hotel) and approximately 5 AFY (for Fisherman's Wharf).

⁶ 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.

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)).

District History⁷

The unincorporated Oxnard beach communities were developed as Hollywood Beach, Hollywood-by-the-Sea, and Silver Strand as a result of land subdivisions that occurred in the 1920s to create more than 2,000 residential parcels, following a period of commercial filming where sand dunes were used to replicate desert landscapes (Figure 3,⁸ below).



Figure 3: Hollywood-by-the-Sea
Source: Museum of Ventura County

⁷ The history of the community currently served by the District and the timeline of the District's history are based upon information provided by District staff and made available by the Ventura County Harbor Department, as well as information contained within the 2020 Port Hueneme Water Agency Urban Water Management Plan (UWMP) and materials available in the agency file maintained by LAFCo (including historical agreements).

⁸ Miller, Jack, "Street Scene at Hollywood by the Sea," *Research Library at The Museum of Ventura County*, accessed April 23, 2025, <https://photographs.venturamuseum.org/items/show/4916>.

Several private mutual water companies were established to provide potable water from groundwater sources to these communities. Over time, municipal service provision to the beach communities transformed, adjusting in order to accommodate the provision of more economical water service to the local beach and harbor community and expanding to include imported water (in addition to local groundwater) as a water source. Much of this change occurred concurrently with development of the Channel Islands Harbor in the 1960s (which established a separation between the Hollywood-by-the-Sea and Silver Strand communities at the harbor's water entrance from the Pacific Ocean), as well as the County's creation of leaseholds that allowed private developers to build and fund public improvements to support development of harbor-related and harbor-adjacent facilities.

A series of events (e.g., formation of several municipal service providing agencies in the unincorporated Channel Islands Harbor area), and agreements and contracts involving those agencies, the City of Oxnard, the County of Ventura, and other water-serving agencies have led to the existing multifaceted framework of service provision within this area. Historical events, agreements, and contracts that have shaped municipal service provision and the service area of the District are summarized in the table on the next page (Figure 4), with key events expanded upon later in this report.

Historical Events, Agreements and Contracts				
Name	Purpose	Parties	Date	Status
Oxnard Beach County Water District (OBCWD) Formation			1960	Dissolved
1963 Agreement	Accommodated water provision by OBCWD to Channel Islands Harbor lessees	County of Ventura & OBCWD	On or about June 25, 1963	Superseded
Agreement for Disposal of Waste and Sewage	District allows the City to connect and dispose of wastewater into the District's line	City of Oxnard & OBCWD	July 8, 1968	Superseded
Channel Islands County Water District (CICWD) Formation			1973	Dissolved
Memorandum of Agreement	Establishment of areas of water and sewer service provision responsibility	CICWD & City of Oxnard	December 18, 1973	Superseded
Cooperative Agreement	Phase III development of Channel Islands Harbor	CICWD & County of Ventura	1982	Superseded
Channel Islands Beach Community Services District (CIBCSD) Formation			1982	Existing
Port Hueneme Water Agency (PHWA) Formation (Joint Powers Agreement)	Establishment of a JPA to serve water to the "Port Hueneme Subregion" including the customers of the CIBCSD	CIBCSD & City of Port Hueneme	July 20, 1994	Existing
Imported Water Service Agreement	Annexation of PHWA to State Water Supply (40-year term)	CMWD and PHWA	February 1996	Existing
Water Sales Agreement (Harbor)	Obligates District to provide up to 465 AFY for use within Channel Islands Harbor	CIBCSD & County of Ventura	April 1996	Existing
Water Sales Contract	Sale of water	CIBCSD & PHWA	June 10, 1996	Existing
Water Supply Agreement	Improve the quality of the water supplied by UWCD ⁹ to PHWA's BWRDF, ¹⁰ expiring in 2036	PHWA & UWCD	July 1996	Existing
Water Service Agreement	Supersede 1963 Agreement and 1982 Cooperative Agreement, reaffirm that the CIBCSD is to provide water to the County and District's other harbor customers, and establishes terms and conditions including duration and termination provisions	CIBCSD & County of Ventura	October 22, 1996	Existing
Three-Party Water Supply Agreement	To accommodate delivery of State Water to PHWA through the City of Oxnard's transmission pipelines	CIBCSD, CMWD, and City of Oxnard	March 2003	Existing
Extension of Memorandum of Agreement	Extension of 1973 Memorandum of Agreement	CIBCSD & City of Oxnard	December 10, 2003	Superseded
Agreement A-6680	Agreement regarding conveyance of wastewater generated within the service area of CIBCSD and City of Oxnard	CIBCSD & City of Oxnard	July 11, 2006	Superseded
Amendment to Agreement A-6680	Amendment to reflect anticipated capital improvement projects for wastewater facilities	CIBCSD & City of Oxnard	December 16, 2008	Superseded
Sewer Use Agreement (Agreement A-8503)	Supersedes all previous agreements and amendments related to City's receipt of District's wastewater	CIBCSD & City of Oxnard	November 8, 2022	Existing

Figure 4: Historical Events, Agreements, and Contracts

Sources: CIBCSD Staff and LAFCo Records

⁹ United Water Conservation District

¹⁰ Brackish Water Reclamation Demonstration Facility

Oxnard Beach County Water District and Channel Islands County Water District

The Oxnard Beach County Water District (Oxnard Beach CWD) was formed in 1960 to assume water service from several mutual water companies to the overall Channel Islands Harbor area, in the general area that is now served by the CIBCSD. In 1963, the County, on behalf of the lessees at the harbor, entered into an agreement with the Oxnard Beach CWD for the Oxnard Beach CWD to provide water service to the unincorporated portions of the Channel Islands Harbor.¹¹ In 1973, the Channel Islands County Water District (Channel Islands CWD) became the designated successor to the Oxnard Beach CWD when it was formed to provide both water and sewer service to the harbor area.

Formation of Channel Islands Beach Community Services District

In 1982, nearly a decade after the Channel Islands CWD assumed responsibility for municipal water and sewer service provision in the harbor area, residents of the beach communities reevaluated opportunities for municipal service provision to their communities. This effort resulted in the identification of the following four options for the community: (1) no change/status quo (i.e., municipal services to continue to be provided by the Channel Islands CWD); (2) annexation of the unincorporated communities to the City of Oxnard; (3) annexation of the unincorporated communities to the City of Port Hueneme, or (4) formation of a community services district to provide municipal services (which presumably would differ from the then-existing Channel Islands CWD only in that the newly-formed district would have the ability to potentially provide additional services). Ultimately, the CIBCSD was formed in accordance with the provisions of Government Code Section 61000, passing with a 58-percent majority vote during an election held on November 2, 1982; the CIBCSD began operation on December 13, 1982, to provide water, wastewater collection and conveyance, and trash collection and disposal services, and has throughout its existence never provided the other services it was authorized to provide upon its formation. Upon establishment of Wanda Pirkle Park in 1992, the District has been responsible for landscaping, maintenance, and lighting of the park (discussed in greater detail on page 27 of this report).

Water Sales Agreement Between County of Ventura and CIBCSD

Upon formation of the CIBCSD in 1982, the District and the County expanded the 1963 arrangement described above (which was originally executed in 1963 by the Oxnard Beach CWD and the County) to provide water service to the harbor lessees. Also in 1982, the CIBCSD and the County entered into a Cooperative Agreement in support of further development of the Channel Islands Harbor, which was superseded by the Water Sales Agreement that became effective in April 1996 and continues to govern the CIBCSD's obligation to provide water within the Harbor to the County and its harbor lessees for an additional 25 years with automatic

¹¹ The County of Ventura owns and operates the land and water areas of the Channel Islands Harbor. In general, the water area is within the unincorporated County area, and the land area is within the City of Oxnard's jurisdictional boundaries.

10-year renewals (unless termination is mutually agreed upon), even though the water service area extended beyond the jurisdictional boundaries of the District.¹² The existing agreement is set to expire in October 2031.

Port Hueneme Water Agency (PHWA) Water Treatment Plant

Upon development and during much of the history of the beach communities now served by the CIBCSD, groundwater supplies were the source of potable water. Recognition of the threat of seawater intrusion and potential contamination of local groundwater resulted in the development of a water treatment plant in order to ensure the reliability of water supply to the region (including to the District's customers) through the establishment of the Port Hueneme Water Agency (PHWA) in July 1994, which purchases water from the United Water Conservation District (United WCD or UWCD) and Calleguas Municipal Water District (Calleguas MWD or CMWD), and operates a groundwater treatment facility among other facilities in support of water provision to its customers.

Channel Islands Beach Community Services District Summary of Services

As a result of the foregoing events and actions, the CIBCSD's jurisdictional area now covers the unincorporated areas in and surrounding the Channel Islands Harbor, including the beach communities of Hollywood Beach, Hollywood-by-the-Sea, and Silver Strand. The District also serves portions of the Channel Islands Harbor and surrounding areas within the City of Oxnard, which are outside the District's boundaries, pursuant to existing service agreements with the County of Ventura (for water service, through the Water Service Agreement) and the City of Oxnard (for sewer service, through the Sewer Use Agreement), according to District staff. While the Channel Islands Harbor is owned by the County, most of its land areas are within the jurisdictional area of the City of Oxnard, and most of the water areas are within the unincorporated County area.¹³ The District directly provides water and wastewater related services, and indirectly provides solid waste collection and disposal services by means of a contract between the District and a private hauler. The District bills its customers for all three service categories.

Upon its formation in 1982, the District was authorized to provide a broad range of services that may be provided by community services districts, as listed in Figure 5 on the next page and

¹² This agreement predated the enactment of Government Code Section 56133, which since 2001 generally precludes a public agency from providing municipal services outside its jurisdictional boundaries without LAFCo authorization.

¹³ While the Channel Islands Harbor is owned by the County, most of its land areas are within the jurisdictional area of the City of Oxnard, and most of the water areas are within the unincorporated County area. This boundary corresponds with the District's jurisdictional boundary. Continued development within the harbor since the District's formation has resulted in changes to the layout of the harbor without corresponding changes in the City's boundaries, resulting in the City's boundaries only generally following the division of land and water (i.e., portions of the water area are within the City of Oxnard and portions of the land area remain within unincorporated County).

consistent with Government Code Section 61100 et seq (known as Community Services District law). When LAFCo accepted MSRs for the District related to water and wastewater services (in 2004) and for solid waste services (in 2005), it recognized the specific services that the CIBCSD was providing at that time and was authorized to provide; as a result, all other services became latent services¹⁴ pursuant to LAFCo law, meaning that LAFCo authorization would be required in order for any of these additional services to be provided in the future. The District is currently authorized to provide services related to water provision, wastewater collection and conveyance, solid waste collection and disposal, and parks services limited to Wanda Pirkle Park, as described on page 27 of this report.

Government Code Section	CIBCSD Historically Authorized Services (Upon Formation) ¹⁵	CIBCSD Services Historically Provided	CIBCSD Services Currently Authorized	CIBCSD Services Currently Provided
61100(a)	Water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation	Since District formation	Yes	Yes
61100(b)	Collection, treatment or disposal of sewage, waste, or storm water	Since District formation	Yes	Yes
61100(c)	Collection or disposal of garbage or refuse	Since District formation	Yes	Yes
61100(d)	Fire protection	No	No	No
61100(g)	Streetlighting	No	No	No
61100(i)	Equipment and maintenance of a police department or other police protection to protect and safeguard life and property	No	No	No
61100(l)	Opening, widening, extending, straightening, surfacing, and maintaining, in whole or in part, of any street, subject to the consent of the Ventura County Board of Supervisors	No	No	No
61100(l)	Construction and improvement of bridges, culverts, curbs, gutters, drains, and work incidental to the purposes described in the item above, subject to the consent of the Ventura County Board of Supervisors	No	No	No
61100(m)	Conversion of existing overhead electric and communication facilities, with the consent of the public agency or public utility that owns the facilities, to underground locations	No	No	No

Figure 5: CIBCSD Historically-Authorized Services and Currently-Authorized Services
Sources: CIBCSD Formation Documents, 2004 MSR, and 2005 MSR

¹⁴ Government Code Section 61002(h) within the Community Services District principal act defines latent powers as “those services and facilities authorized by Part 3 (commencing with Section 61100) that the local agency formation commission has determined, pursuant to subdivision (i) of Section 56425, that a district did not provide prior to January 1, 2006.” Government Code Section 56050.5 in LAFCo law defines latent services or powers as “those services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, as determined by the commission pursuant to subdivision (i) of Section 56425.”

¹⁵ The listed services as described were authorized at the time of District formation in 1982, pursuant to Resolution No. LAFCo 82-2. Additional current service includes parks services limited to Wanda Pirkle Park (beginning in 1992) pursuant to Government Code Section 61100(e), described later in this report. No other service categories contained in Government Code Section 61100 have been requested of or approved by LAFCo.

District Services

The District is authorized to provide (and does provide) water, wastewater collection and conveyance, solid waste (i.e., trash or refuse) collection and disposal, and parks services in the Channel Islands Harbor vicinity; however, it does not provide all of these services throughout its entire jurisdictional area. These services are discussed in greater detail later in this report where each service category is fully described. The District's services by geographic area are summarized below, and shown in Figure 6 (to the right) and Figure 7 (on the next page). A portion of the District's service occurs outside its jurisdictional area; however, the extraterritorial service predates the requirements of Government Code Section 56133, which provides that, in general, since 2001, any new or extended service provided by the District outside its jurisdictional boundary is subject to LAFCo approval.

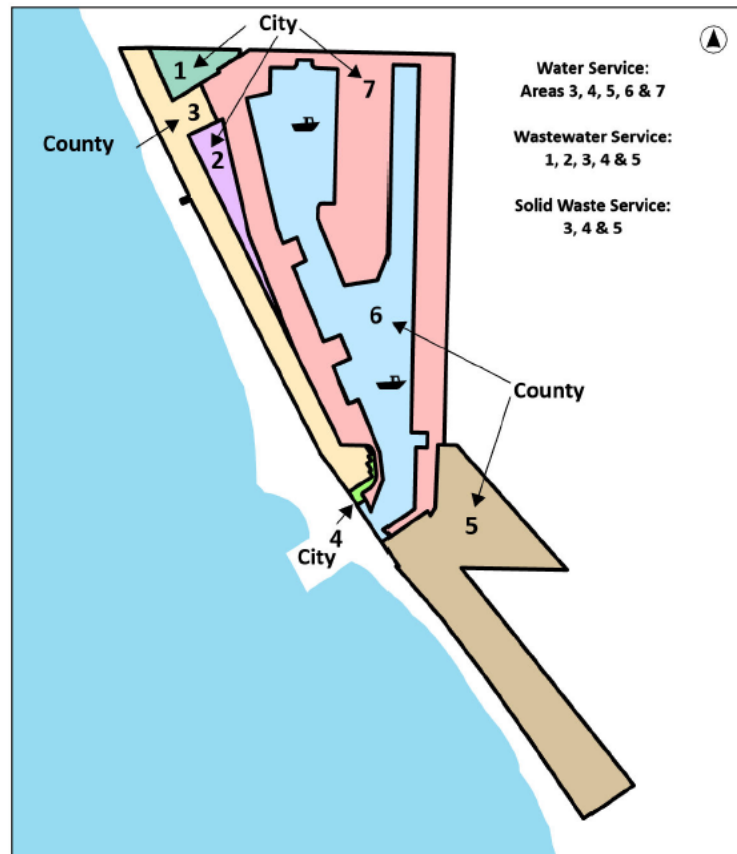


Figure 6: Map Supplement to Figure 7 (next page)
Sources: CIBCSD Staff and LAFCo Records

- **Water:** Unincorporated communities of Hollywood Beach, Hollywood-by-the-Sea, and Silver Strand; several parcels at the south end of Harbor Boulevard within the City of Oxnard; the unincorporated water areas of the Channel Islands Harbor; and the land areas of the Harbor within the City of Oxnard.
- **Wastewater Collection and Conveyance:** Unincorporated communities of Hollywood Beach, Hollywood-by-the-Sea, and Silver Strand; several parcels at the south end of Harbor Boulevard within the City of Oxnard; the area of Hollywood Beach between Sunset Lane and Harbor Boulevard within the City of Oxnard; and the Hollywood Beach Mobile Home Park, located immediately north of the District at 4501 W. Channel Islands Boulevard.¹⁶

¹⁶ The Hollywood Beach Mobile Home Park is located outside the District's sphere of influence and jurisdictional boundaries; however, according to District staff, the mobile home park has been receiving wastewater service from the District since approximately 1982. The mobile home park owns and operates its own wastewater infrastructure, and connects to the District's infrastructure within the adjacent roadway.

- **Solid Waste Collection and Disposal:** Unincorporated communities of Hollywood Beach, Hollywood-by-the-Sea, and Silver Strand; and several parcels at the south end of Harbor Boulevard within the City of Oxnard.
- **Parks:** Landscaping, maintenance, and lighting of Wanda Pirkle Park, an approximately 2,500 square-foot community park located within the public road right-of-way at the intersection of Lakeshore Drive and Victoria Avenue.

District Service Areas by Service Type			Water	Wastewater	Solid Waste (Trash)	Parks
Map Area	Location	Jurisdiction				
1	Hollywood Beach Mobile Home Park	City of Oxnard				
2	Hollywood Beach	City of Oxnard				
3	Hollywood Beach/Hollywood-by-the-Sea	Unincorporated County				
4	Hollywood-by-the-Sea	City of Oxnard				
5	Silver Strand	Unincorporated County				
6	Channel Islands Harbor	Unincorporated County				
7	Channel Islands Harbor	City of Oxnard				
N/A	Wanda Pirkle Park	City of Oxnard				

Figure 7: CIBCSD Service Areas by Service Type
Source: CIBCSD Staff and LAFCo Records

District Service Area

The CIBCSD's service area includes the unincorporated Oxnard beach communities of Hollywood Beach, Hollywood-by-the-Sea, and Silver Strand (including adjacent sandy beach areas), as well as the unincorporated water areas of the Channel Islands Harbor, and Pacific Ocean extending three miles seaward from the mean high tide line where it aligns with the State of California's jurisdictional boundary. The District provides several types of municipal services (i.e., water, wastewater collection and conveyance, solid waste, and parks). It provides one or more of these services within all portions of its jurisdictional area and sphere of influence, and provides wastewater service outside both its boundaries and sphere of influence in the area containing the Hollywood Beach Mobile Home Park. In general, the District's jurisdictional area is within the unincorporated County, and the portions of the District's sphere of influence that are located outside the District's jurisdiction are within the City of Oxnard.¹⁷

¹⁷ By means of historical agreements, the District provides services to some harbor-adjacent areas within the City of Oxnard, including water service to the land areas of the Channel Islands Harbor and wastewater collection and conveyance service to the Hollywood Beach Mobile Home Park immediately north of the District and west of the intersection of Channel Islands Boulevard and Harbor Boulevard. Government Code Section 56133 provides that LAFCo approval is required in order for a city or district

According to the 2020 Urban Water Management Plan (UWMP) for the PHWA, the CIBCSD's water service area includes the land uses shown in Figure 8 below:

Developed Land Use Summary within CIBCSD Water Service Area¹⁸		
Land Use Category	Gross Acres	Percent of Total
Multi-Family Residential	45	13
Visitor Serving Boating	89	26
Visitor Service Non-Boating Dependent	6	2
Boating Dependent Industrial	10	3
Visitor Serving Harbor Oriented – General	17	5
Visitor Serving Harbor Oriented – Hyatt Hotel/Yacht Marina	12	4
Parking/Landscaping	23	7
Launch Ramp	8	2
Mixed Use – Low	5	1
Mixed Use – High (Fisherman's Wharf)	7	2
School	5	1
Residential	101	30
Commercial	3	1
Park	7	2
Total	338	100

Figure 8: Developed Land Use Summary within CIBCSD Service Area

Source: Table 3-4 of 2020 Port Hueneme Water Agency Urban Water Management Plan, as corrected by District staff.

to provide new or extended services outside its jurisdictional boundaries; however, services provided on or prior to January 1, 2001, are not subject to Government Code Section 56133.

¹⁸ The information in this table reflects the District's service area as it relates to water service only.

Water Services

The District provides retail water service directly to all water users within the unincorporated communities of Hollywood Beach, Silver Strand, and Hollywood-by-the-Sea, the unincorporated Channel Islands Harbor area, and the restroom building on the sand at Hollywood Beach (past the terminus of La Brea Street), as well as portions of the harbor within the City of Oxnard (as depicted in Figure 6 on page 14 (Areas 3 through 7) above and in Figure 9 to the right). It serves the developed land portions of the Harbor under contract with the County of Ventura,¹⁹ and provides water to the live-aboards who reside on docked boats. The land areas of the Channel Islands Harbor are not within the District's jurisdictional boundaries, but the District has provided water to these areas since its formation; the District otherwise provides water service within its jurisdictional boundaries, and all District water service is provided within its sphere of influence.

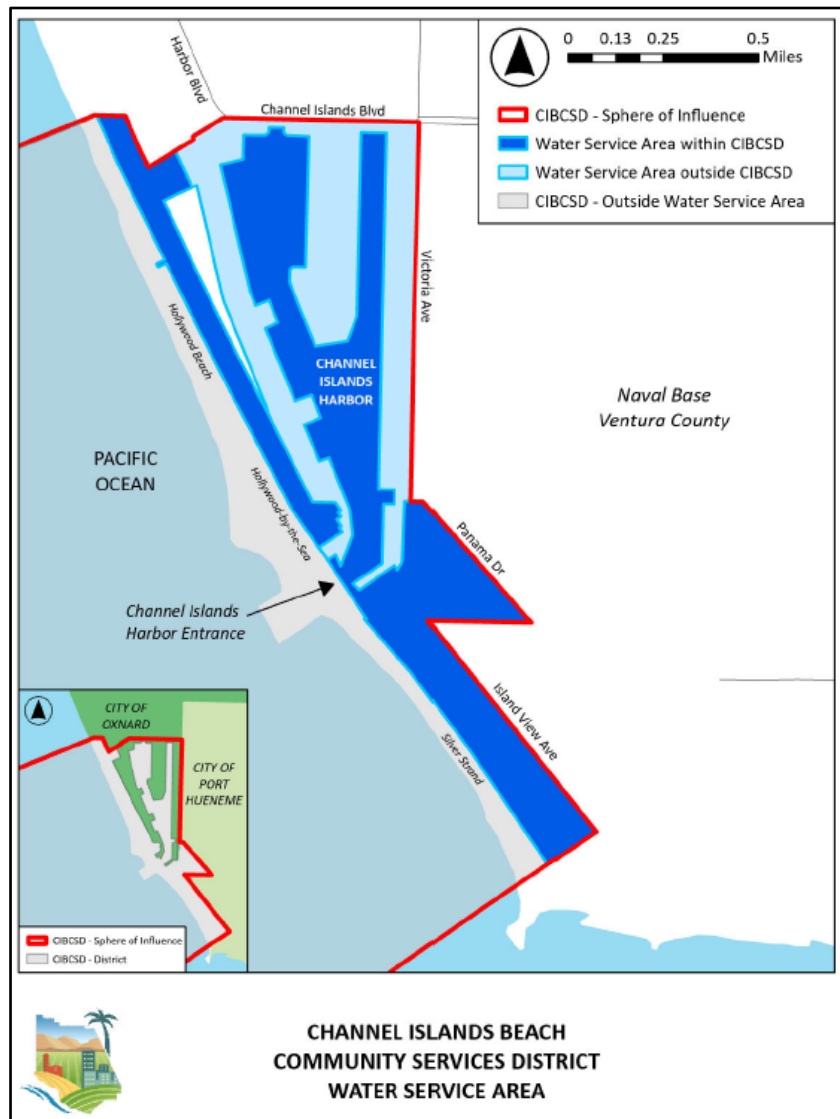


Figure 9: CIBCSO Water Service Area
Source: Ventura LAFCo in Consultation with CIBCSO

¹⁹ Water service provided outside the District's boundaries as described predates the requirement in Government Code Section 56133 for LAFCo authorization.

Water is treated and delivered to the District by the PHWA, and the District then provides water service to its customers. As illustrated and described below, water is sourced, treated, and distributed as follows:



Additionally, the District has interconnections for emergency water service with the City of Oxnard (as a primary back-up water supply) through a mutual aid agreement and the City of Port Hueneme (as a secondary back-up water supply). Emergency water service from the City of Oxnard is triggered when the District’s system experiences a specified loss in pressure.

As described above, the predecessors of the District supplied water to the local beach communities and Channel Islands Harbor area using groundwater sources. Today, the CIBCSO provides water to its customers using a variety of sources, supplied through the PHWA, which was formed in July 1994 and operates under a Joint Powers Agreement.²⁰ PHWA blends the water from its sources at its treatment facility, with approximately 80 percent provided by the United WCD (i.e., groundwater) and 20 percent from the Calleguas MWD (i.e., imported water).

A 1996 water sales contract²¹ governs water provision by the PHWA. The contract states that the “service area of the Purchaser [CIBCSO] is the areas within the boundaries of the Purchaser

²⁰ According to the 2020 Urban Water Management Plan prepared by the PHWA and the District’s 2021 Water and Sewer Master Plan, the PHWA was formed in July 1994 in order to improve management of urban water supplies to serve its customers (e.g., by reducing historical seawater intrusion along the coast, enhancing fire protection, improving water quality, encouraging wastewater reclamation, and complying with the county-wide extraction reduction schedule). The PHWA board of directors consists of three members of the Port Hueneme City Council and two members of the CIBCSO Board of Directors, and serves the City of Port Hueneme, CIBCSO, and Naval Base Ventura County (NBVC) (i.e., Naval Construction Battalion Center Port Hueneme and Naval Air Weapons Station Point Mugu). The PHWA supplies water blended from the following sources: groundwater purchased from the United WCD and delivered through the United WCD’s Oxnard-Hueneme Pipeline (which is treated at the PHWA’s Brackish Water Reclamation Demonstration Facility (BWRDF) located at 5751 Perkins Road in Oxnard), and imported water purchased from the Calleguas Municipal Water District (Calleguas MWD) (i.e., the regional wholesale water provider for most of eastern Ventura County that receives imported water from the Metropolitan Water District of Southern California (Metropolitan)). The CIBCSO’s jurisdictional area extends into the undeveloped beach area adjacent to the developed communities and approximately three miles into the Pacific Ocean that is not within the jurisdictional boundaries of the Metropolitan or the Calleguas MWD; however, imported water within this area is unlikely to be necessary to serve CIBCSO customers.

²¹ The 1996 Water Sales Contract relies upon the following agreements involving the PHWA: Water Supply Agreement (City of Oxnard, City of Port Hueneme, PHWA, and United WCD), Water Lease Agreement (PHWA and UWCD), Imported Water Service Agreement (Calleguas Municipal Water District

as well as that are in the Channel Islands Harbor (“Harbor area”) owned and operated by the County of Ventura, for which Purchaser provides water under the June 25, 1963 service agreement between Purchaser’s predecessor (Oxnard Beach County Water District) and the County of Ventura, all of which areas have been annexed by [Calleguas Municipal Water District] (CMWD) and [Metropolitan Water District of Southern California] (MWD).” The District’s infrastructure connects to the PHWA’s infrastructure in the Silver Strand community near the District’s headquarters. The 40-year contract is set to expire in 2036, with neither party obligated to extend the contract, but an extension of the contract beyond 2036 is anticipated to be negotiated with PHWA. The contract specifies that the District’s estimated annual consumption is 800 AFY. The 2021 Water and Sewer Master Plan states that the District’s estimated annual water use between 2005 and 2014 was approximately 12 percent (i.e., 489 AF) of the PHWA’s total available supply, and estimates that future water supply apportionment from the PHWA will range from 12 percent to 23.4 percent of total supply.

According to the District’s 2021 Water and Sewer Master Plan, in 1963, the now-dissolved Oxnard Beach CWD entered into a water service agreement regarding water service provision to Channel Islands Harbor customers (using the Oxnard Beach CWD’s groundwater sources). This agreement was replaced with a new water service agreement in 1996 between the County and the District following establishment of the PHWA, and governs existing water delivery service to the harbor.²²

The water services agreement between the County and the CIBCSD requires the District to create and maintain a water utility rate review committee, consisting of the Director of the County Harbor Department, three harbor lessee representatives, four residents or property owners within the District, and a member of the CIBCSD Board of Directors. According to the District, all water sales revenues come from a combination of flat meter charges and volumetric water sales. Following the preparation of a rate study, the District established rates for the period spanning 2022 to 2026, pursuant to Proposition 218 requirements, and justified increases based on the need for repair and replacement of aging infrastructure, compliance with regulatory requirements, and in order to meet increases in costs of wholesale water, electricity, and fuel. The water utility rate review committee is anticipated to meet in the spring of 2025 in anticipation of setting a new 5-year rate model.

and PHWA), and the Water Treatment and Plant Site Agreement (City of Oxnard and PHWA) (Source: Section 19(a) of 1996 Water Sales Contract).

²² The 1996 agreement requires that the District provide Channel Islands Harbor customers with up to 465 AFY of the District’s PHWA entitlement to meet demands within the harbor. The agreement (which was subject to an initial 25-year term) included a provision for automatic renewal and extension for an additional 10-year period ending in 2031. The contract will auto-renew for an additional 10-year period if no action is taken upon the contract term end in 2031. The agreement may be terminated upon one-year advance written notice by the County to the District; if the agreement expires or is terminated, the District is obligated to convey to the County all of the water system facilities within the Channel Islands Harbor upon the expiration or termination of the agreement.

According to the District's 2021 Master Plan, the District is involved in several regional water distribution system interconnections, such as two with the City of Oxnard and one with the City of Port Hueneme. These interconnections support continued water provision during periods of service interruption or insufficiency for any of the service-providing agencies (e.g., in the event of an emergency supply shortage, outage, or to supplement fire flow volume). The interconnections (which consist of an 8-inch connection at the intersection of Channel Islands Boulevard and Victoria Avenue and a 12-inch pipe at the intersection of Channel Islands Boulevard and Harbor Boulevard) predate the PHWA's provision of imported water and are supplied by the City of Oxnard and serve to benefit the CIBCSO, the City of Port Hueneme, and NBVC. Additionally, the District maintains an emergency water interconnection directly with the City of Port Hueneme at the intersection of Channel Islands Boulevard and Victoria Avenue, which allows the District to maintain water service through the City in the event of a failure and/or repair of the Cross Base Pipeline.

The District has approximately 1,866 water customers within the area it serves, consisting primarily of single-family and multi-family residential, and commercial/institutional uses. According to the 2021 Master Plan, water demand during the period of 2013 through 2019 ranged a low of 399 AF (in 2017) to a high of 523 AF (in 2013). District staff reports that water demand was 455.31 AF in 2020, 476.82 AF in 2021, 448.52 AF in 2022, and 387.62 AF in 2023. The Master Plan concludes that water demand figures demonstrate a trend of decreasing demand, which is likely related to increasing water rates, regulatory cutbacks on imported water due to drought conditions, new regulations to encourage water conservation, and limited new development. The Master Plan estimates that upon buildout (anticipated to occur around 2040), annual water demand within its service area will be 625 AFY, as shown in Figure 10, on the next page. The 2020 PHWA UWMP contains an independent set of projections, and anticipates future water sales to CIBCSO reach 564 AF by 2025, 633 AF by 2030, 701 AF by 2035, 770 AF by 2040, and 767 AF by 2045.

CIBCSD Water Demand			
Land Use Type	Average Daily Demand (gallons/day/acre)	Land Area (acres)	Annual Demand (AFY)
Multi-Family Residential	2,855	45	144
Visitor Serving Boating	77	89	8
Visitor Serving Non-Boating Dependent	198	6	1
Boating Dependent Industrial	160	10	2
Visitor Serving Harbor Oriented - General	2,204	17	42
Visitor Serving Harbor Oriented Hyatt Hotel/Yacht Marina	2,496	12	34
Parking/Landscaping	490	23	13
Launch Ramp	550	8	5
Mixed Use – Low	3,000	5	17
Mixed Use – High (Fisherman’s Wharf)	12,126	7	95
School	1,080	5	6
Residential	1,980	101	224
Commercial	2,714	3	9
Park	3,125	7	25
Total		338	625

Figure 10: CIBCSD Water Demand
Source: 2021 CIBCSD Water and Sewer Master Plan

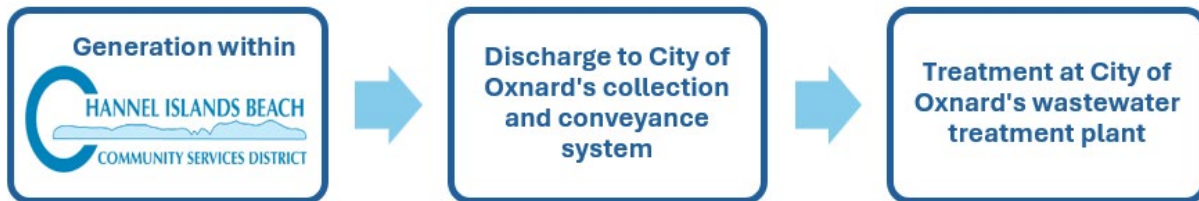
According to the 2021 Master Plan, the existing water system contains approximately 17.5 miles of 4-inch to 12-inch diameter pipelines; however, most pipelines are 8 inches in diameter. The majority of the pipelines are either known or estimated to be 30 to 50 years in age. There are 167 fire hydrants in the District’s system.

According to the Master Plan, the District is served by two fire departments: (1) the City of Oxnard Fire Department serves areas of the District’s service area which include areas surrounding the Channel Islands Harbor, and (2) the Ventura County Fire Protection District serves the remainder of the District’s service area, which consists primarily of residential areas surrounding Silver Strand Beach and Hollywood Beach. According to the 2021 Water and Sewer Master Plan Update, the current water system has the ability to deliver adequate velocity and pressure.

Following approval by the Board of Directors of Resolution 23-04 to rescind Level 2 water shortage restrictions, the District is currently operating under Level 1 water shortage conditions. Level 1 water shortage restrictions include limits on watering hours and duration, prohibition against excessive water runoff, requirement to use landscape irrigation systems with rain sensors or evapotranspiration sensors to set an efficient water use schedule, obligation to fix leaks, breaks, or malfunctions, and the requirement to use self-closing spray nozzles for vehicle washing. As part of the District’s use of smart water meters, the District offers customer tracking of water usage in real-time by means of the EyeOnWater application.

Wastewater Services

The District owns and operates a wastewater collection system that serves areas within a portion of its jurisdictional boundaries as well as areas outside the District (as depicted in Figure 6 on page 14 (Areas 1 through 5), and in Figure 11 on the next page. As illustrated and described below, wastewater is collected, conveyed, and treated, as follows:



Within its boundaries, it transports wastewater generated in areas south of Channel Islands Boulevard in the vicinity of the Channel Islands Harbor. Additionally, it provides wastewater service to the restroom building on the sand at Hollywood Beach (past the terminus of La Brea Street). Outside its boundaries (but within its sphere of influence), it provides wastewater collection services for wastewater that is generated within the land portions of the Channel Islands Harbor and residents of the City of Oxnard, pursuant to historical agreements.²³ Outside the District's sphere of influence and jurisdiction, the District's force main also accepts wastewater generated in some areas north of Channel Islands Boulevard (i.e., within the City of Oxnard). All of the wastewater conveyed by the District's infrastructure is transferred to the City's collection system at the intersection of Victoria Avenue and Channel Islands Boulevard, which transports the wastewater to the City of Oxnard's wastewater treatment plant, consistent with the provisions of the Sewer Use Agreement. The District has approximately 2,236 sewer connections.

²³ Wastewater service provided outside the District's boundaries as described predates the requirement in Government Code Section 56133 for LAFCo authorization. From 1976 through 2004, wastewater collection and conveyance infrastructure within the Channel Islands Boulevard area was owned and operated by the City of Port Hueneme. In 2004, the District purchased the infrastructure and treatment capacity from the City, consisting of "an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated for the existing service provider" consistent with Government Code Section 56133(e)(1).

The District owns and operates a wastewater collection and conveyance system to serve its customers. Its infrastructure includes seven wastewater lift stations, 133 manholes, and approximately 11 miles of 8-inch pipelines, most of which were installed in 1966, pursuant to the 2021 Master Plan. It relies on service contracts with other agencies for some functions of overall wastewater service; however, most work is performed directly by District staff. Furthermore, the District does not provide treatment and disposal of wastewater generated by its customers; instead, it contracts with the City of Oxnard for these services.²⁴ Historically, the District's wastewater was transported to the City of Oxnard's treatment plant through the City of Port Hueneme's conveyance infrastructure; however, ownership of a portion of those facilities was transferred to the District as part of a settlement of litigation between the City of Port Hueneme and the District in 2004.²⁵

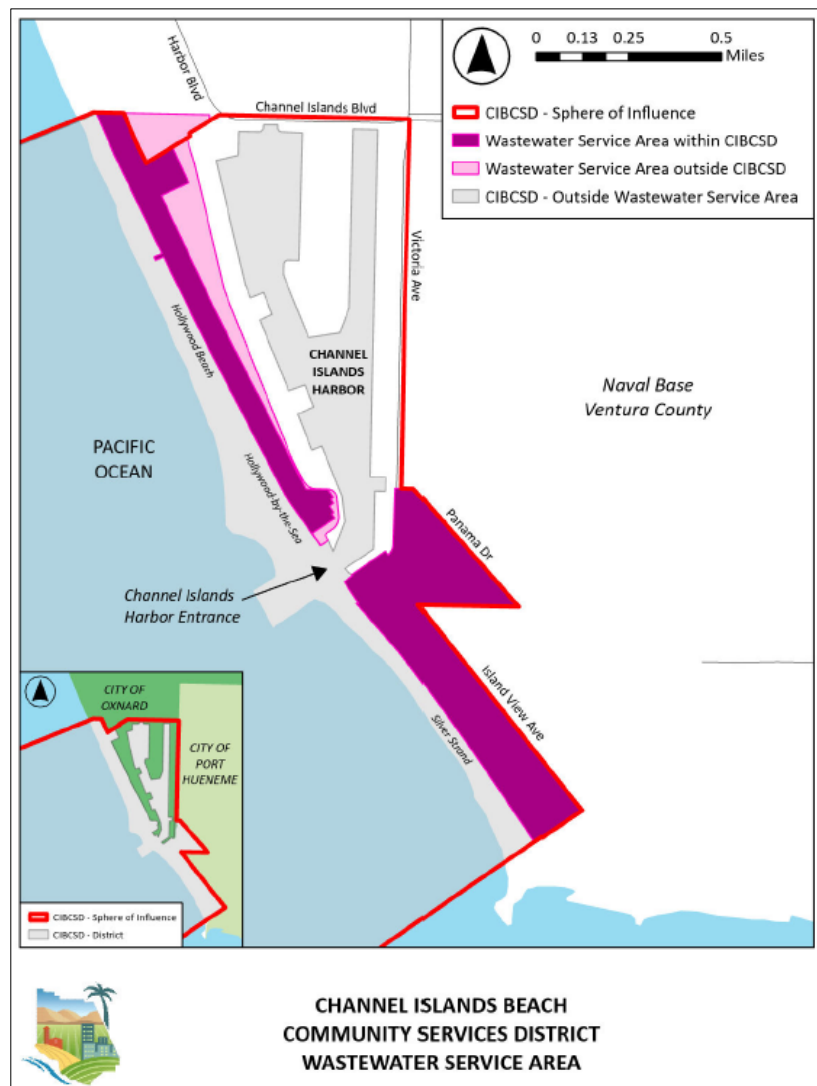


Figure 11: CIBCSD Wastewater Service Area
Source: Ventura LAFCo in Consultation with CIBCSD

²⁴ According to the City of Oxnard's 2016 Public Works Integrated Master Plan and LAFCo's 2018 municipal service review of the City of Oxnard, the Oxnard Wastewater Treatment Plant (OWTP) has a current average dry weather capacity of 31.7 million gallons per day (mgd) and a peak wet weather flow of 68.2 mgd. The City anticipates gradually increasing flows that correspond with an increase in the service area population, reaching an average of 27.4 mgd by 2040. It appears that the OWTP has adequate capacity to accommodate the maximum volume of wastewater anticipated to be generated within its boundaries as well as within the other areas for which it provides wastewater treatment. The City of Oxnard also provides wastewater treatment and disposal service by contract with the City of Port Hueneme.

²⁵ The District does not discharge its wastewater independently and therefore is not regulated as a discharger by the California Regional Water Quality Control Board (RWQCB). The City of Oxnard, which owns and operates the regional wastewater treatment plant, is responsible for compliance with the

At three locations, the District accepts wastewater generated within the City of Oxnard which is conveyed by City-owned infrastructure to the District: (1) in Hollywood Beach, the City transfers wastewater to the District at a District-owned and operated lift station (i.e., Lift Station B), and the District's pipelines transport the flow back to the City's collection system at the intersection of Victoria Avenue and Channel Islands Boulevard;²⁶ (2) in Silver Strand, the City transfers wastewater to the District at a District-owned and operated lift station (i.e., Lift Station A), and the District's pipelines transport the flow back to the City's collection system at the intersection of Victoria Avenue and Channel Islands Boulevard; and (3) within the City on Peninsula Road on both the north and south sides of Channel Islands Boulevard, the City transfers wastewater to the District at a District-owned and operated lift station (i.e., Lift Station H), and upon exiting the lift station, the flow is transferred back to the City's collection system at the intersection of Victoria Avenue and Channel Islands Boulevard. City staff and District staff are investigating the possibility of transferring ownership and operation of Lift Station H to the City, given that Lift Station H is responsible only for conveyance of wastewater generated within the City of Oxnard and does not support service provided by the District to its customers.

In 1966, the District and the City of Port Hueneme entered into an "Agreement for Disposal of Water and Sewage" which provided the now-dissolved Oxnard Beach County Water District with wastewater services provided by the City of Port Hueneme. In 1968, the City of Oxnard joined that agreement, which allowed the City of Oxnard to connect and use District sewer infrastructure in the Channel Islands Harbor area. Several updates to wastewater agreements among the parties have been executed since 1966. Most recently, on November 8, 2022, the District entered into a sewer use agreement (i.e., A-8503) with the City of Oxnard, to replace and supersede Agreement A-7864 (consisting of a series of agreements and amendments beginning in 1982) that was set to terminate in December 2022. Agreement A-8503 establishes the contractual right, through December 2033, for the District to discharge wastewater from its service area as described in Exhibit A of the agreement to the City's sewer system. The agreement documents the ownership, operation, maintenance, and repair of infrastructure and facilities by each agency within the service area limits depicted in Exhibit A, as it relates to the District's conveyance of wastewater for treatment at the City's wastewater treatment facility. As part of Agreement A-8503, the District is entitled to discharge to the City's wastewater treatment plant in the amount of 0.5 million gallons per day (MGD) for peak dry weather flow and 0.9 MGD for peak wet weather flow, and the City agrees to receive,

requirements of the RWQCB; however, the District is responsible for ensuring that it does not cause the City to violate RWQCB requirements.

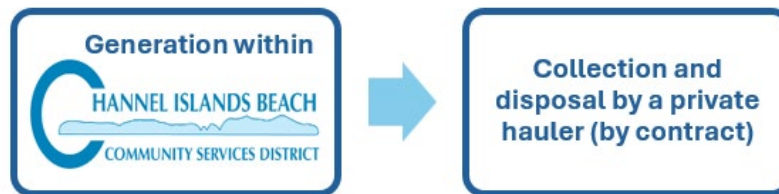
²⁶ The City is currently working toward completion of a capital project within Hollywood Beach (anticipated for completion during 2025) that would allow wastewater generated within the City to entirely bypass discharge to Lift Station B and instead be conveyed directly to the District's force main through a rehabilitated City-owned and operated pump station and force main. Elimination of City flow through the District's pump station will allow the District's future capital improvements related to Lift Station B to be designed and sized solely in accordance with the District's capacity and need.

treat, and dispose of wastewater from the District pursuant to its standard operating procedures. According to District staff, treatment plant usage records demonstrate that the District's capacity entitlement is sufficient to meet the District's existing and projected demands. No sewer collection and conveyance service shall be provided by the District outside of the service area (Exhibit A) without prior agreement from the City. While not explicitly stated in Agreement A-8503, pursuant to LAFCo law, any new or extended sewer service outside the District's jurisdictional boundaries would be subject to LAFCo approval pursuant to Government Code Section 56133.

Pursuant to the sewer agreement, sewer costs for FY 2024-25 are estimated to be \$340,000, which includes all operational, maintenance, and administrative expenses, and reflects provisions of the sewer use agreement that require the District to pay for wastewater treatment services at the City's wastewater treatment plant and the City to pay for its use of District-owned infrastructure. According to the District, all sewer revenues come from fixed charges and volumetric sewer use fees charged to the District's customers, and are based on factors including meter size, type of use, and location. Every five years the District prepares a cost-of-service study, and adjusts its rates accordingly, consistent with the requirements of Proposition 218. On average, sewer rates increase approximately three percent annually. The next cost-of-service study is anticipated to be prepared for the period of FY 2027-31.

Solid Waste Collection and Disposal Services

The District provides solid waste collection and disposal services by way of a contract with a private hauler, as illustrated and described below:



It provides the service within the unincorporated communities of Hollywood Beach, Silver Strand, and Hollywood-by-the-Sea, and several parcels within the City of Oxnard at the southernmost point of the Hollywood Beach community, as depicted in Figure 6 on page 14 (Areas 3, 4, and 5) and in Figure 12 on the next page. The entire solid waste service area (except for approximately a dozen parcels within the City of Oxnard) are within the District's boundaries, and all portions of the District's service area are within its sphere of influence.

The District's role in service provision is limited to administrative activities relating to contract administration, scheduling collection services, and billing; it provides no equipment or operational support. Solid waste collection and disposal service costs were increased by 2.5 percent in 2018 and 2021, in both instances pursuant to Proposition 218 requirements, in order to offset increased service fees charged by the hauler. The District's expenses related to solid waste were budgeted at \$615,000 for FY 2022-23, \$631,000 for FY 2023-24, and \$663,000 for FY 2024-25.

The District evaluates and establishes rates for service on an annual basis as part of its budgetary process. According to District staff, in 2021, the District adopted a five-year rate adjustment schedule for solid waste service that included a 2.5-percent increase annually through FY 2025-26. In July 2024, the District's Board of Directors approved increased pass-through costs from E.J. Harrison (the contracted solid waste hauler) consisting of a 5-percent increase in residential rates and a 7.79-percent increase in commercial rates in response to increases in tipping fees at waste-receiving facilities, with the increased rates covered by reserves estimated to be \$23,000 annually for two years. Increased rates beginning in July 2026, which allow for a maximum 4-percent annual increase, are anticipated to remedy the issue of solid waste operating at a deficit.

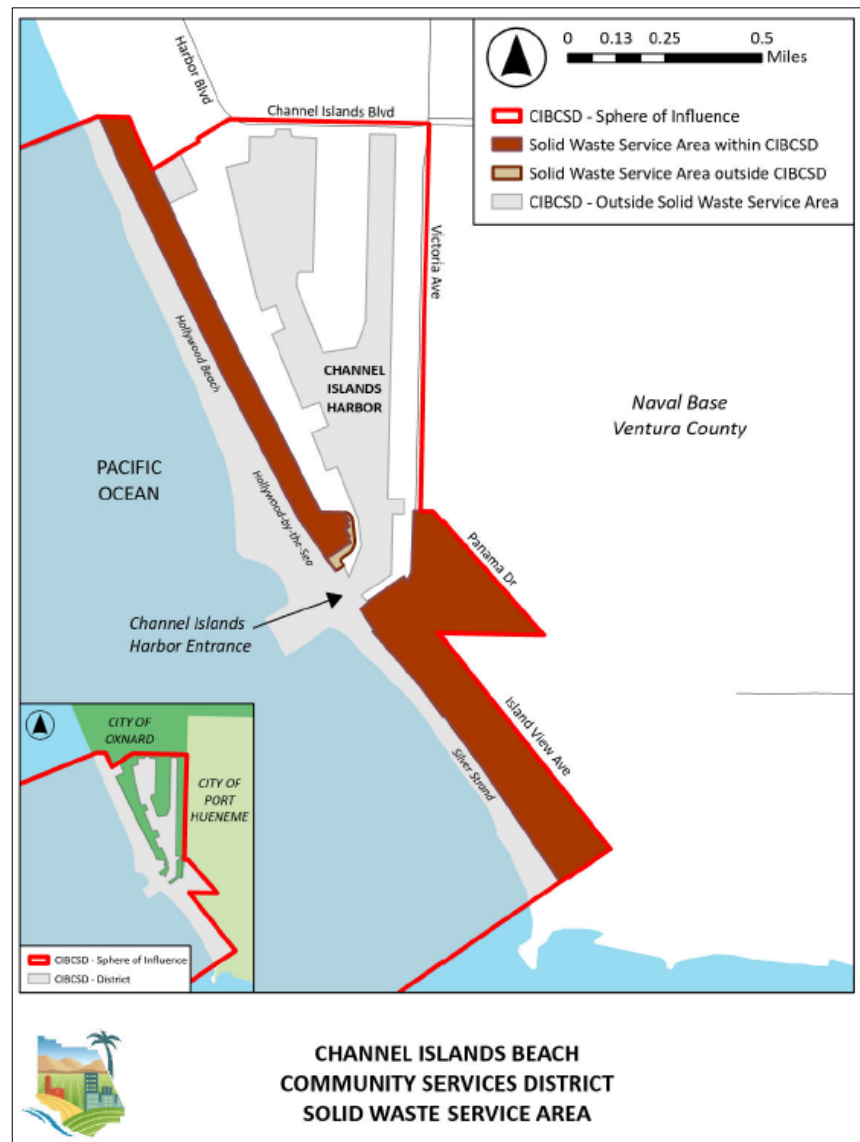


Figure 12: CIBCSD Solid Waste Service Area
Source: Ventura LAFCo in Consultation with CIBCSD

According to the California Department of Resources Recycling and Recovery (CalRecycle), Senate Bill (SB) 1383 includes the requirement for a 75-percent reduction in landfilled organic waste by 2025, to be achieved through a variety of supporting activities (e.g., organics collection service to residents and businesses, establishment of an edible food recovery program, and education and outreach). According to District staff, the District began organic waste hauling consistent with the provisions of SB 1383 in 2023, which has not thus far resulted in an increase in rates to customers for the addition of organic waste barrels and associated service. In 2024, the District's Board of Directors voted to use its Trash Rate Stabilization Reserve to offset recent trash-hauling rate increases.

Parks Services

At the northeast corner of Victoria Avenue and Lakeshore Drive, east of Hobie Beach in the Silver Strand community within the City of Oxnard, is Wanda Pirkle Park, which consists of an approximately 2,500-square-foot community park that separates a row of single-family residences on Lakeshore Drive from Victoria Avenue (Figure 13, below), named for a former District board member. The park contains mature trees, landscaping, a gravel path, a concrete bench, and a lit monument sign welcoming visitors to the CIBCSO. The park and roadway are all located within the public road right-of-way and are not owned by the District. The District has maintained the area since 1992, and continues to maintain the park today. District staff states that expenses to maintain the park (including landscaping, electricity to light the sign, and general upkeep) total less than \$2,000 annually.



Figure 13: Wanda Pirkle Park
Source: Google Maps

As discussed above in this report, in 2004 and 2005 through its previously-prepared MSRs for the District, LAFCo acknowledged the specific services that the District is authorized to provide within its service area. The District's responsibilities involving landscaping, maintenance, and lighting of Wanda Pirkle Park commenced in 1992, prior to the requirement for LAFCo approval; however, LAFCo was not aware of this service at the time that previous MSRs were prepared for the District. The District's authority to provide park services at Wanda Pirkle Park is consistent with the requirements of Government Code Section 56133, but any additional park services other than those currently being provided at Wanda Pirkle Park would be subject to LAFCo approval.

Capital Improvement Projects

Construction of Administration Building and Operation Building

In 1986, the District began operating a service yard under a County-authorized 10-year Conditional Use Permit (CUP). The CUP lapsed in 1996, and the District continued to operate under an expired permit from that time forward. In 2022, the Ventura County Planning Commission granted approval to the District of a new CUP for redevelopment of the District's property to include the demolition of the existing administration building, construction of a new 2,842 square-foot (sq.ft.) administration building, interior remodel of the 900 sq.ft. operations building, construction of a 1,317 sq.ft. carport, and the addition of other supporting components including solar panels and a gate, for a 25-year term. Construction began in October 2023 and concluded in January 2025. The new facility became operational in January 2025 (see simulation in Figure 14, below).

The total construction cost was approximately \$3,222,327. District staff reports that it annually evaluates its Capital Improvement Plan to ensure that reinvestment into its water and wastewater infrastructure is sustainable, and has confirmed that development of the new facility is consistent with the District's 2021 Water and Sewer Master Plan.



Figure 14: CIBCSD Administration Building and Operations Building (completed in 2025)

Source: CIBCSD website

Other Capital Improvement Projects

The District relies on its 2021 Water and Sewer Master Plan for a general analysis of, and recommendations regarding, its infrastructure and systems. It uses the information contained in the master plan to guide prioritization and development of its capital improvement efforts, with need and funding playing a significant role in the timing for pursuit of capital projects.

District staff reports that, as of 2018, it has completed replacement of its nearly 2,000 mechanical water meters with new Advanced Smart Meters, which are measuring devices that have the ability to store and frequently transmit consumption data. Because these meters can be read remotely and frequently, they can provide customers and the District with instant access to water consumption information. The \$950,000 project cost was covered through a \$750,000 State Revolving Fund (SRF) low-interest loan and \$200,000 in enterprise funding. Also as of 2018, District staff completed installation of installing Supervisory Control and Data Acquisition (SCADA) Control Systems, at a cost of \$150,000 covered through sewer capital reserves, at all seven sewer stations within the Channel Islands Beach CSD service area, which are designed to remotely monitor, control, and gather data in real time for wastewater infrastructure and equipment operations. Other recently-completed capital improvements include the Sewer Rehabilitation Project in the Silver Strand and Hollywood-by-the-Sea neighborhoods in 2020 (total cost of \$481,000) and the Hollywood Beach Waterline Improvement Project in 2023 (total cost of \$525,301).

A major project currently being pursued by the District is the rehabilitation of approximately 1,839 feet of 8-inch vitrified clay sewer pipeline and the rehabilitation of six sewer manholes within the Hollywood Beach area of the District's sewer service area, in order to correct deficiencies identified during inspection (e.g., cracks/fractures, root intrusion, deposits). The cost to perform the work is anticipated to be \$265,835, and the project duration is expected to be two months (i.e., May 2025 through June 2025).

Finances and Budget

The District's Financial Audit for fiscal year ended June 30, 2024, states that the District's net position was \$17,446,406 as of June 30, 2024, \$16,539,948 as of June 30, 2023, and \$15,891,180 as of June 30, 2022. It also provides a breakdown of the District's operating revenues and expenditures during that period. It demonstrates that during FY 2023-24, the District's revenues and expenditures for water services were generally equal at 49 percent and 48 percent,

Actual Operating Revenues and Expenditures (Percent of Total) for FY 2022-23 and FY 2023-24			
		FY 2022-23	FY 2023-24
Water	Revenues	43%	49%
	Expenses	43%	48%
Wastewater	Revenues	39%	32%
	Expenses	35%	28%
Solid Waste	Revenues	18%	19%
	Expenses	21%	23%
Community Service	Revenues	0%	0%
	Expenses	1%	1%

Figure 15: Actual Operating Revenues and Expenditures (Percent of Total) for FY 2022-23 and FY 2023-24

Source: Percentages Derived from Data Contained in Financial Audit for FY 2022-23 and FY 2023-24

respectively, of the total of each; that wastewater revenues were 32 percent of the operating revenues compared with expenditures of 28 percent of the expenditure total; that solid waste expenditures were 23 percent of total expenditures compared with revenues of 19 percent of the revenue total; and that miscellaneous community services represented one percent of total expenditures while generating no revenues²⁷ (see Figure 15 on the previous page).

In 2021, the District conducted a 5-year rate study to calculate the cost-of-service provision and cost of future capital expenditures, infrastructure, and maintenance. The rate study culminated in a rate adjustment schedule for the period of 2021 through 2026, and is being implemented in compliance with Proposition 218. Rate changes included a 3-percent increase in water, 3-percent increase in wastewater, and 2.5-percent increase in solid waste removal rates for billing periods beginning in each of September 2021 and July 2022. District staff anticipates that additional changes in the rate structure will occur by July 2026 based on a cost-of-service study, in order to maintain the District's level of service for each service type, and as part of an effort to ensure that water, wastewater, and solid waste revenues support their corresponding expenditures.

The District's audit for fiscal year ended June 2024 documents that most of the District's investments were moved to an account with California Cooperative Liquid Assets Securities System (CLASS) and are anticipated to generate a higher rate of return than the Ventura County Treasurer's Investment Pool.

²⁷ The Community Service category contained within the District's budget includes expenses related to maintenance of Wanda Pirkle Park as described above in this report, and miscellaneous expenses including those related to providing general community support/guidance/information, hosting public forums, training staff in emergency preparedness/first aid/cardiopulmonary resuscitation (CPR), and providing public outreach through billing inserts.

Sphere of Influence

The Special Districts Study (prepared by LAFCo in 1972) included recommendations that the City of Oxnard initiate proceedings to detach areas of overlap between the City and the District, and that future annexations to the City include related detachments from the District (to avoid the creation of new overlapping jurisdictional areas). The study also included a recommendation that the water areas of the Channel Islands Harbor be detached from the District and developed areas should be included within the District. The previous MSR for the District (accepted on December 12, 2003 and January 19, 2005) documented an apparent simplification of service provision and cost savings that would result if service were to be provided by the District were to be assumed by either the City of Oxnard or the City of Port Hueneme; however, although these circumstances have remained unchanged, such an effort has never been seriously pursued because of a lack of interest of such an endeavor by registered voters and landowners (who have the ability, with sufficient protest, to terminate such a reorganization). The 2005 MSR acknowledged that “services could be provided by other agencies at potentially the same or reduced costs” and the 2003 MSR included a recommendation that LAFCo consider adoption of a “zero” sphere of influence to communicate that “at some point in the future, when financial, service or other issues reach the tipping point, that the Channel Islands Beach CSD should be reorganized with another agency.” Ultimately, the Commission decided not to determine a “zero” sphere of influence because it had not established any policies about the meaning or significance of zero spheres of influence.

In 2006, the Commission updated the CIBCSD’s sphere to better reflect the area where the CIBCSD was providing services. This resulted in slight reductions to the CIBCSD’s sphere at the northern end of Hollywood Beach and the southern end of Silver Strand to follow property lines and to better align the sphere with the CIBCSD’s service boundary in those areas. Additionally, the sphere was enlarged to follow the northern side of the Channel Islands Boulevard road right-of-way and the eastern side of the Victoria Avenue road right-of-way, as CIBCSD service lines are located within the right-of-way. In 2011 and 2016, the Commission reviewed, but did not update, the CIBCSD sphere.

LAFCo’s historical evaluations of the CIBCSD suggest that while service provision would likely be more economical if service were provided by other entities (i.e., the City of Oxnard and the City of Port Hueneme), the unincorporated communities served by the CIBCSD have in general expressed an aversion to annexation to a city, citing the potential for loss of community character. Because the registered voters and landowners within the District have significant influence over the success of any proposal for a city annexation through the protest process, LAFCo has historically determined that it would be impractical and fruitless for LAFCo to encourage such a reorganization. However, if in the future, the City of Oxnard, the City of Port Hueneme, and/or the landowners and residents of these communities desire to seek annexation, the option to pursue annexation through the LAFCo process is available to them.

The District may wish to consider pursuing annexation of the areas of the Channel Islands Harbor that are currently being provided service by the District but are not formally included in the District's jurisdictional area, as discussed earlier in this report, in order to better reflect the District's actual service area. Annexation of these areas served by the District within the City of Oxnard would enable the District's customers in this area to have more direct influence over their governance, including through the opportunity to vote for representation on the District's Board of Directors.

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

- The United States Census Bureau estimates a 2023 population of 2,936 within the Channel Islands Beach Census Designated Place (CDP); the CDP is entirely within the District's service area, and while it covers much of the District's service area, it does not include all of it. According to the District's Water and Sewer Master Plan Update (adopted June 2021), the area served by the District contains an estimated maximum population of 5,000. The population of the District is not expected to change significantly given that it is largely built out. However, planned construction of the Hyatt House Hotel at the southern terminus of Peninsula Road (which will contain approximately 210 guest rooms, meeting space, recreational facilities, and a restaurant) and redevelopment of Fisherman's Wharf at the southwest corner of the intersection of Victoria Avenue and Channel Islands Boulevard (anticipated to include restaurants, retail shops, a hotel, and recreational features) is expected to result in demand for water provided by the District. District staff anticipates that water demand for these new developments will be approximately 33 acre-feet per year (AFY) (for the Hyatt House Hotel) and approximately 5 AFY (for Fisherman's Wharf).

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). 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), Saticoy (within the City of San Buenaventura's sphere of influence to the east of the city), and the Piru community 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 provide only water, wastewater, and solid waste services, as well as parks services involving Wanda Pirkle Park.
- The CIBCSO provides water, wastewater collection and conveyance, and solid waste (i.e., trash or refuse) collection and disposal services to the unincorporated communities

of Hollywood Beach, Hollywood-by-the-Sea, and Silver Strand; water service additionally to the remainder of its jurisdictional area as well as to most areas outside its jurisdiction area but within its sphere of influence, and wastewater collection and conveyance additionally to the western portion of the Channel Islands Harbor land area and the Hollywood Beach Mobile Home Park. Of the area served by the District, the land portions of the Channel Islands Harbor, the Hollywood Beach Mobile Home Park, and approximately a dozen parcels at the southern end of Hollywood Beach are located within the City of Oxnard. Parks services at Wanda Pirkle Park include landscaping, maintenance, and lighting of an approximately 2,500-square-foot park within the public road right-of-way.

Water Services:

- The District provides retail water service directly to all water users within the unincorporated communities of Hollywood Beach, Silver Strand, and Hollywood-by-the-Sea, the unincorporated Channel Islands Harbor area, and the restroom building on the sand at Hollywood Beach (past the terminus of La Brea Street), as well as portions of the harbor within the City of Oxnard. It serves the developed land portions of the Harbor under contract with the County of Ventura, and provides water to the live-aboards who reside on docked boats. Water service provided outside the District's boundaries as described predates the requirement in Government Code Section 56133 for LAFCo authorization. In general, the land areas of the Channel Islands Harbor and the Hollywood Beach Mobile Home Park are not within the District's jurisdictional boundaries, but the District has provided water to these areas since the District was formed; the District otherwise provides water service within its jurisdictional boundaries, and all water service is provided within the District's sphere of influence.
- Water is treated and delivered to the District by the Port Hueneme Water Agency (PHWA). The PHWA provides water by means of a Joint Powers Agreement, and is governed by a board of directors consisting of three members of the City of Port Hueneme City Council and two directors from the CIBCSO. The PHWA distributes water sourced from the United Water Conservation District and Calleguas Municipal Water District.
- The District owns, operates, and maintains water distribution infrastructure, and directly provides water service to its customers.
- The District's existing water system contains approximately 17.5 miles of pipelines ranging in size from 4 inches to 12 inches in diameter; however, most pipelines are 8 inches in diameter. The majority of the pipelines are either known or estimated to be 30 to 50 years in age. The District's system includes 167 fire hydrants. The current water system has historically demonstrated the ability to deliver adequate velocity and pressure.
- The District has approximately 1,866 water customers within its service area, and serves primarily single-family and multi-family residential, and commercial/institutional uses. According to the District's 2021 Master Plan, water demand during the period of 2013 through 2019 ranged from a low of 399 AF (in 2017) to a high of 523 AF (in 2013). District staff reports that water demand was 455.31 AF in 2020, 476.82 AF in 2021,

448.52 AF in 2022, and 387.62 AF in 2023. The Master Plan concludes that water demand figures demonstrate a trend of decreasing demand, which are likely related to increasing water rates, regulatory cutbacks on imported water due to drought conditions, new regulations to encourage water conservation, and limited new development. The Master Plan anticipates that upon buildout (estimated to occur around 2040), annual water demand within its service area will be 625 AFY. The 2020 PHWA UWMP contains an independent set of projections, and anticipates future water sales to CIBCSO reach 564 AF by 2025, 633 AF by 2030, 701 AF by 2035, 770 AF by 2040, and 767 AF by 2045.

- To improve its transparency, the District should consider formalizing its water use projections for normal years, single-dry years, and multiple-dry years, and making this information available on its website.

Wastewater Services:

- The District provides wastewater collection and conveyance services within the unincorporated communities of Hollywood Beach, Hollywood-by-the-Sea, and Silver Strand, as well as some areas of the City of Oxnard near the Channel Islands Harbor, including the Hollywood Beach Mobile Home Park.
- The District has approximately 2,236 sewer connections, and serves primarily single-family and multi-family residential, and commercial uses.
- The District owns and operates a wastewater collection system that serves areas within a portion of its jurisdictional boundaries as well as areas outside the District (i.e., within the City of Oxnard). Within its boundaries, it transports wastewater generated in areas south of Channel Islands Boulevard in the vicinity of the Channel Islands Harbor. Outside its boundaries (but within its sphere of influence), it provides wastewater collection services for wastewater that is generated within the land portions of the Channel Islands Harbor and residents of the City of Oxnard, pursuant to historical agreements.
- Outside the District's sphere of influence and jurisdiction, the District's force main also accepts wastewater generated in some areas north of Channel Islands Boulevard (i.e., within the City of Oxnard), which is conveyed to the City of Oxnard's wastewater treatment plant.

Solid Waste Collection and Disposal Services:

- The District provides solid waste collection and disposal services for the unincorporated communities of Hollywood Beach, Hollywood-by-the-Sea, and Silver Strand, by way of a contract with a private hauler.
- The District's role in solid waste collection and disposal service provision is limited to administrative activities relating to contract administration, scheduling collection services, and billing; it provides no equipment or operational support.

Parks Services:

- The District maintains Wanda Pirkle Park, located at the northeast corner of Victoria Avenue and Lakeshore Drive, east of Hobie Beach in the Silver Strand community. The park consists of an approximately 2,500 square-foot community park that separates a row of single-family residences on Lakeshore Drive from Victoria Avenue, and contains mature trees, landscaping, a gravel path, a concrete bench, and a lit monument sign welcoming visitors to the CIBCS. The park and roadway are all located within the public road right-of-way and are not owned by the District. The District has been providing park landscaping, maintenance, and lighting since 1992.
- The District is authorized to provide parks services involving Wanda Pirkle Park only.

4. Financial ability of agencies to provide services

- The District has a balanced budget and appears to have the ability to finance the services it currently provides.
- The District has a steady stream of revenue, primarily through service fees collected from its customers and a portion of property taxes. It has predictable expenses related to operating expenses including operations/maintenance (which includes the cost of water) and salaries/benefits.
- The District's bond rating is AA (Standard and Poor's), which reflects 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.
- The District is independently audited on a regular basis. The most recent audit of the District (March 20, 2025), prepared for FY 2022-23 and FY 2023-24, 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.
- According to the District's most recent audit, its net position (i.e., the difference in assets and liabilities) was \$17,446,406 as of June 30, 2024, \$16,539,948 as of June 30, 2023, and \$15,891,180 as of June 30, 2022, and it reported positive balances in all categories of net position. Its net position increased by \$906,458 from the prior year. Over the last several years, the District has continued to reduce its long-term debt; the overwhelming majority of debt consists of 2016 Wastewater Refunding Bonds (i.e., sewer capital improvement project for sewer force mains A and B involving sewer relining and installation of a new sewer line). Additionally, the value of the District's total assets has increased.
- The District Board of Directors has established expense category restrictions based on utility type, as follows: (1) water (\$2,251,271 for capital and future unanticipated repairs/maintenance of the water distribution system, \$379,614 for operating reserves, \$398,000 for debt service, and \$165,845 for rate stabilization); (2) wastewater (\$4,149,371 for capital and future unanticipated repairs/maintenance of the wastewater system, \$330,769 for operating reserves, \$191,000 for debt service, and \$146,308 for rate stabilization); (3) solid waste (\$18,000 for capital and future unanticipated

repairs/maintenance, \$193,508 for operating reserve, and \$91,403 for rate stabilization), and (4) community service (e.g., outreach regarding water conservation, maintenance of Wanda Pirkle Park) (\$205,443 for capital and future unanticipated repairs/maintenance and \$7,460 for operating reserve).

- In 2021, the District conducted a 5-year rate study to calculate the cost-of-service provision and cost of future capital expenditures, infrastructure, and maintenance. The rate study culminated in a rate adjustment schedule for the period of 2021 through 2026, implemented in compliance with Proposition 218. Rate changes included a 3-percent increase in water, 3-percent increase in wastewater, and 2.5-percent increase in solid waste removal rates for billing periods beginning in each of September 2021 and July 2022. District staff anticipates additional changes in rate structure will occur by July 2026 based on a cost-of-service study, in order to maintain the District's level of service for each service type, and as part of an effort to ensure that water, wastewater, and solid waste revenues support their corresponding expenditures.
- In order to ensure sufficient funding of scheduled and unscheduled expenses, the District has a policy to maintain reserves in the following amounts: (1) 25 percent of the operating budget in the operating reserve, (2) 3.5 percent of asset value in the capital reserve, (3) 10 percent of the annual operating budget in the rate stabilization reserve, and (4) 100 percent of the annual debt service in the debt service reserve. The District currently has a balance of approximately \$8 million in reserves, which represents a decrease over previous years given the District's heavy reliance on reserves to fund construction of its new operations and maintenance facility; however, it remains in compliance with its reserves policy.
- According to District staff, based on water conservation goals, new smart meter technology, and the near-buildout status of the District's service area, the District does not anticipate a significant increase in overall demand for services beyond the estimates provided in the 2021 Master Plan; however, development and corresponding consumption and revenues is expected over the long-term, as discussed in the 2021 Master Plan. Implementation of water conservation programs and compliance with requirements to reduce water consumption have resulted in decreased water demand by the District's customers.
- The District relies on its 2021 Water and Sewer Master Plan for a general analysis of, and recommendations regarding, its infrastructure and systems. It uses the information contained in the master plan to guide prioritization and development of its capital improvement efforts, with need and funding playing a significant role in the timing for pursuit of capital projects. Recent and ongoing projects include construction of a new District headquarters (administration building and operations building), sewer pipeline rehabilitation at Hollywood Beach, sewer system rehabilitation at Silver Strand and Hollywood-by-the-Sea, waterline improvements at Hollywood Beach, and video inspections of infrastructure. Funding for capital improvement projects is provided through ratepayer revenues and reserves.

5. Status of, and opportunities for, shared facilities

- The District is a member of the Port Hueneme Water Agency (PHWA). The PHWA provides water by means of a Joint Powers Agreement, and is governed by a board of directors consisting of three members of the City of Port Hueneme City Council and two directors from the CIBCS. purchases water from the United Water Conservation District (UWCD) and Calleguas Municipal Water District (CMWD), and operates a water treatment facility among other facilities in support of water provision to its customers.
- The District shares wastewater conveyance infrastructure with the City of Oxnard.
- The District has interconnections for emergency water service with the City of Oxnard (as a primary back-up water supply) through a mutual aid agreement and the City of Port Hueneme (as a secondary back-up water supply).
- The District relies on service contracts with other agencies for some functions of overall wastewater service. For example, the District does not provide treatment and disposal of wastewater generated by its customers; instead, it contracts with the City of Oxnard for these services.
- According to the audit prepared for the District for FY 2022-23 and FY 2023-24, the District uses the services of the County of Ventura for tax assessment and collection (property taxes and special benefit assessments).

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

- The District is accountable to its constituents through its elected Board of Directors, adherence to applicable government code sections, open and accessible meetings, and dissemination of information.
- The District maintains a user-friendly website that includes basic information about the District, its mission, and a summary of District services; a link to the enabling act for community services districts; current and recent Board of Directors meeting agendas, staff reports, and minutes; current and historical budget and audit documents; a library of relevant documents related to the District (agreements and policies) the State Controller's "Public Pay" (employee salary) webpage; fact sheets regarding current capital projects; information regarding rates and rebates; online bill-pay option for utility payments; regular updates regarding District services and schedules; the official map of the District (i.e., depicting the District's jurisdictional area); and a link to the Ventura LAFCo website containing municipal service reviews prepared by LAFCo for the District. The District could improve its transparency by replacing references of "draft" figures to "final" in the final budget, replacing the posted service area map with the official LAFCo-established map of the District and a map of the District's service areas by service type (i.e., water, wastewater, and solid waste); posting the State Controller's "By the Numbers" (agency financial reporting information); providing contact information and terms for board members; recording and archiving Board meetings to be available on the District's website, posting a link to the 2020 UWMP PHWA and summary of

current and historical water use; and a Spanish translation option for its website content.

- Within the City on Peninsula Road on both the north and south sides of Channel Islands Boulevard, the City transfers wastewater to the District at a District-owned and operated lift station (i.e., Lift Station H), and upon exiting the lift station, the flow is transferred back to the City's collection system at the intersection of Victoria Avenue and Channel Islands Boulevard. City staff and District staff should continue to investigate the possibility of transferring ownership and operation of Lift Station H to the City, given that Lift Station H is responsible only for conveyance of wastewater generated within the City of Oxnard and does not support service provided by the District to its customers.
- The PHWA provides water by means of a Joint Powers Agreement, and is governed by a board of directors consisting of three members of the City of Port Hueneme City Council and two directors from the CIBCSO. Water users of the PHWA include the City of Port Hueneme, the CIBCSO, and Naval Base Ventura County (i.e., Naval Construction Battalion Center Port Hueneme and Naval Air Weapons Station Point Mugu). Because the PHWA supplies more than 3,000 AFY of water, it is required to prepare a UWMP. The 2020 PHWA UWMP is posted on the City of Port Hueneme's website, and it is recommended that it also be posted on the District's website.
- The District owns emergency generators for the purpose of providing back-up power.
- The District achieves operational and management efficiencies through participation in an insurance pool with other organizations, shared training activities offered through the Association of California Water Agencies Joint Powers Insurance Authority (ACWA-JPIA), and arrangements with other providers for services (e.g., the City of Oxnard provides wastewater conveyance and treatment, the PHWA provides imported water to the District for distribution).
- 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 District annually produces an annual drinking water quality report and posts the current version on its website. This report summarizes water quality tests conducted by the CIBCSO, PHWA, UWCD, and CMWD, and provides information about the District's water sources and contents.
- 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, as a result of the report, it has adopted a reserve policy and this information is available on the District's website.

- District staff was responsive in providing information for this MSR during the requested timeframe.

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

- No other matters were identified.