



**STAFF REPORT**

Meeting Date: February 16, 2005

**TO:** LAFCO Commissioners  
**FROM:** Everett Millais, Executive Officer  
**SUBJECT:** Municipal Service Review – Oxnard Drainage Districts No. 1 & No. 2

**RECOMMENDATIONS:**

- A. Accept the Municipal Service Review report for Oxnard Drainage Districts No. 1 & No. 2.
- B. Adopt separate resolutions for each of the following two agencies making findings that the action is exempt under the “general rule” exemption of the California Environmental Quality Act (CEQA) Guidelines (§15061(b)(3)) and approving statements of determinations as required by Government Code §56430:
  - Oxnard Drainage District No. 1
  - Oxnard Drainage District No. 2.

**DISCUSSION:**

Background:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code §56000 et seq.) mandates that each LAFCO conduct municipal service reviews prior to or in conjunction with sphere of Influence (SOI) updates. LAFCOs are also required to review and update, as necessary, the SOI for all agencies not less than once every five years.

In May 2002, after holding several public study sessions on how to best implement the municipal service review and sphere of influence update mandates, the Commission approved an overall work plan. The work plan divided the tasks into three phases.

**COMMISSIONERS AND STAFF**

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Debbie Schubert

**LEGAL COUNSEL:**  
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Phase 1 included municipal service reviews of all 36 agencies (including cities and special districts) in Ventura County that provide water and/or wastewater services. Municipal Service Reviews for all such agencies were completed in December 2003. During 2004, the Commission reviewed and updated, as necessary the spheres of influence for 26 agencies.

Phase 2 of the updated the Municipal Service Review and Sphere of Influence Update Work Plan includes municipal service reviews of 17 special districts that provide a variety of services in several categories. The Commission entered into a professional services contract with Joyce Crosthwaite, the project manager for the phase 1 service reviews, to prepare the phase 2 municipal service reviews. The process being used for phase 2 is similar to what was done for phase 1. It consists of gathering information from each agency based on a comprehensive questionnaire, preparing draft reports and written determinations in accordance with the law based on the agency information provided or gathered from other sources, reviewing the draft reports and determinations with the staff or representatives of each agency, and preparing final drafts for action by the Commission.

#### The Report & Actions by the Commission

Oxnard Drainage Districts No. 1 and No. 2 are similar in that they each provide agricultural related drainage services in the Oxnard Plain. Thus, the municipal service review for each of these Districts has been grouped into a single report. It is recommended that the Commission accept the report. Formal adoption of the report itself is not required.

The Commission is required to make written determinations for nine factors as discussed in the report. In essence, these determinations are the municipal service review for a service or services provided by an agency. A separate resolution is recommended for each Drainage District. Each resolution contains the written determinations for each required factor for the services provided by each District. Once approved the municipal service review for both Drainage Districts will be complete.

It is important to note that the actions recommended at this time relate only to municipal service reviews. No sphere of influence review is a part of any of the recommended actions. Once the service reviews are completed for all of the special districts in phase 2 of the Work Plan, sphere of influence reviews and, as necessary, update actions for each of these two Districts will be scheduled for Commission action.

#### CEQA:

The Ventura LAFCO is the lead agency under CEQA for municipal service reviews. The Commission must therefore address CEQA requirements before taking any action. In

Staff Report

Municipal Service Review – Oxnard Drainage Districts No. 1 & No. 2

February 16, 2005

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staff's opinion it could easily be argued that the municipal service review actions being recommended are not a project under CEQA in that the actions will not result in a direct or reasonably foreseeable indirect physical change in the environment. Such a determination, however, would not result in any further public CEQA notice of action and potentially could be challengeable over an extended period of time. Thus, a more conservative approach of having the Commission determine that the municipal service review determinations being made are exempt from CEQA is recommended. This will result in the filing of a Notice of Exemption with the County Clerk and, significantly, a 30-day period for anyone to challenge the CEQA determination. If no challenge to the CEQA determination is filed by the end of the 30-day period, the Commission's action on the municipal service review is not subject to subsequent CEQA challenge.

Staff, in conjunction with legal counsel, reviewed both the CEQA Guidelines and the CEQA discussion in the State Guidelines for Municipal Service Reviews. Based on this review it is recommended that the Commission find that each of the recommended municipal service review determinations are exempt from CEQA under what is referred to as the "general rule" exemption. Specifically, CEQA Guidelines §15061(b)(3) provides that a project (each individual service review) is exempt from CEQA if:

"The activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

Each of the recommended resolutions contains a finding that the action is exempt from CEQA based on this "general rule" exemption.

#### Public Hearing Notice:

Unlike for sphere of influence changes, there are no special notice or public hearing requirements for actions on municipal service reviews. Notwithstanding this fact, the entire service review process is intended to be public and the State Municipal Service Review Guidelines recommend taking action on service reviews at a noticed public hearing. Thus, the Municipal Service Reviews for Oxnard Drainage District No. 1 and No. 2 have been noticed and scheduled as a public hearing. Both legal and display ad notices were published in the Ventura County Star on Sunday, January 23, 2005. The notice and the Final Draft Report were posted on the Ventura LAFCO web site. Notice of the hearing was also posted at the County Government Center. Copies of the Final Draft Report have been distributed to the Districts and to other interested agencies and individuals.



FINAL DRAFT

# **MUNICIPAL SERVICE REVIEW**

**DRAINAGE SERVICES**

**SPECIAL DISTRICTS**

Oxnard Drainage District No. 1

Oxnard Drainage District No. 2

*Prepared for:*

**Local Agency Formation Commission**

of

Ventura County

800 South Victoria Avenue

Ventura, California 93009-1850

February 7, 2005

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## I. EXECUTIVE SUMMARY

The Municipal Service Review for Drainage Services includes two drainage districts located in Oxnard. Both Districts were formed under the Drainage District Act of 1903, and are among the oldest special districts in Ventura County. Oxnard Drainage District No. 1 was formed in 1918 and Oxnard Drainage District No. 2 was formed in 1926. Both are single-purpose, independent, landowner-voter districts, with a three person governing board elected to four year terms from the landowners within each district.

Both Drainage Districts were formed to install and operate sub-surface drains to lower the water table in the Oxnard Plain so the surface lands could be tilled for agricultural purposes. Bonds were originally sold to pay for installing the system of sub-surface drains in each District, and the bonds were fully paid years ago. Today the primary function of the Districts is to maintain the drainage systems.

Municipal service reviews are a new requirement for LAFCoS and are intended to promote more efficient services, to identify areas of improvement and to assess service provision in relation to boundaries and spheres of influence (SOI). Service reviews do not directly change the provision of service but are a source of comprehensive information LAFCo can use in future actions.

LAFCo must conduct service reviews prior to or in conjunction with the mandated five-year schedule for updating SOIs. The service review report must include an analysis of the issues and written determinations for each of the following:

- Infrastructure needs or deficiencies;
- Growth and population projections for the affected area;
- Financing constraints and opportunities;
- Cost avoidance opportunities;
- Opportunities for rate restructuring;
- Opportunities for shared facilities;
- Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance.

The service review process for the Drainage Districts began in June and will be completed in February of 2005. A four-part questionnaire was sent to the agencies requesting data on quantitative, qualitative and boundary issues. All the agencies were contacted individually and meetings arranged as available. All data received was entered into the Ventura LAFCo database. The database will be used for subsequent service reviews, sphere of influence studies and other Ventura LAFCo studies and analysis.

No significant infrastructure issues were identified for either of the Drainage Districts. Increasing run-off from urbanizing areas and associated impervious surfaces can overwhelm the existing drainage facilities of the Districts which were sized for draining the agricultural land only. Due to on-going lack of coordination between the City of Oxnard and each District, areas have been annexed

## I. Executive Summary

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into the City of Oxnard and developed, but remain within the boundaries of each District even though District services are no longer necessary or being provided. As a result of this lack of coordination both Districts should now pursue detachment of developed territory within their respective boundaries and pay for all costs relating to detachments. In the future, the Districts and the City should coordinate changes in governmental boundaries in a timelier manner as development occurs.

There is the potential for future land use conflicts between development inside the City of Oxnard's CURB (City Urban Restriction Boundary) line and adjacent existing agricultural uses within the Districts. As areas develop, adequate buffers should be provided between the urban uses in the City and agricultural uses remaining in the Districts.

No significant financing constraints were noted for either District. However as lands annex to the City of Oxnard for development and detach from the Districts, the financial burden on the remaining District landowners will increase. The Districts have discussed a potential consolidation or reorganization between the agencies in the past and the subject should be re-examined as detachments continue.

In addition to further examination of potential consolidation or reorganization by each District for government structure options, several changes in the spheres for each District have been noted. These are areas of existing urban development that have not been detached from the District, areas that are inside the City of Oxnard CURB that should be removed from the sphere of each District and areas where urban development is not expected and the sphere of the District should be amended.

No significant issues in management efficiency, local accountability and governance, shared facilities or rate restructuring were noted.

## II. SERVICE REVIEW PROCESS

The Ventura LAFCo's municipal service review process is being completed in phases. The Commission completed the first round of municipal service review reports, which addressed water and wastewater services, in January of 2004. The second phase includes the following services and related service providers:

SERVICES	AGENCIES
Park/Recreation	<ul style="list-style-type: none"> <li>• Casitas Municipal Water District*</li> <li>• Conejo Recreation and Park District</li> <li>• County Service Area (CSA) #33</li> <li>• Pleasant Valley Recreation and Park District</li> <li>• Rancho Simi Recreation and Park District</li> <li>• United Water Conservation District*</li> </ul>
Cemetery	<ul style="list-style-type: none"> <li>• Bardsdale Public Cemetery District</li> <li>• Piru Public Cemetery District</li> <li>• El Rancho Simi Cemetery District</li> </ul>
Solid Waste	<ul style="list-style-type: none"> <li>• Ventura Regional Sanitation District*</li> <li>• Channel Islands Beach Community Services District*</li> </ul>
Drainage	<ul style="list-style-type: none"> <li>• Oxnard Drainage District No. 1</li> <li>• Oxnard Drainage District No. 2</li> </ul>
Roads	<ul style="list-style-type: none"> <li>• County Service Area (CSA) # 3</li> <li>• County Service Area (CSA) # 4</li> <li>• County Service Area (CSA) # 14</li> </ul>
Community Services	<ul style="list-style-type: none"> <li>• Bell Canyon Community Services District</li> </ul>

\* Also included in the Water/Wastewater Service Review report

The process used to prepare the water and wastewater service review report was also used for the agencies listed above. A four-part questionnaire was distributed to all 17 agencies. The first part collected general information about the agency (contact information, governing body, financial, etc.), the second part asked for service specific data, the third part included a both questions and a map relating to boundary issues and the fourth part was a signature page. The questionnaire was designed to ensure the efficient transfer of data into the LAFCo database.

A meet and confer process was offered to all agencies and included interviews and email/phone conversations. Of the 17 agencies, 15 returned questionnaires although the format, quantity and quality of information returned varied significantly. Agencies which had previously completed the water/wastewater service review questionnaire were asked to just complete those portions of the questionnaires applicable to the service addressed in current service review.

All information collected from the questionnaires was entered into the Ventura LAFCo database which has been improved to increase its efficiency and facilitate future LAFCo reports.

### **III. VENTURA COUNTY DRAINAGE DISTRICTS**

#### **A. BACKGROUND**

Oxnard Drainage District No. 1 was formed in 1918, and Oxnard Drainage District No. 2 was formed in 1926, pursuant to the Drainage District Act of 1903. There was an Oxnard Drainage District No. 3 formed in 1937 under this same Act, but because most of the territory in its boundaries had been developed for urban uses that District was dissolved and its remaining agricultural lands were merged into Oxnard Drainage District No. 2 in 1984.

The Drainage District Act of 1903 provides for the organization and governmental structure of special districts whose sole purpose is to drain agricultural lands. The Act does not grant authority to perform other services, including any urban service functions. Districts formed under the Act are governed by a three member board of directors elected from the landowners of the district and, therefore, are considered as landowner-voter, independent districts. The Act provides for these types of districts to issue bonds for capital improvements and to use eminent domain as necessary for public purposes. The Act also provides for the districts to levy taxes, but this ability was limited by the passage of Proposition 13 and Proposition 218.

An unusual restriction in the Drainage District Act of 1903 is that only lands that are susceptible to one general mode of drainage by the same system of works may be included within a district. The districts are formed along topographic lines that allow the drainage of agricultural lines within a common system of drainage. Lands that cannot be served by the common system of drainage may not be included within the district.

At the time of the formation of the Oxnard Drainage Districts, the water table in the Oxnard Plain was sufficiently high to prevent agricultural development in many areas. Thus, a system of lowering the water table was necessary in order that the surface lands could be tilled. The water table was lowered by the installation of clay or tile pipe approximately six to ten feet below the surface of the ground. A small space was allowed between each joint of the pipe to allow the water above the level of the pipe to seep into the pipe and thus be carried to a drainage ditch or other drains away from the agricultural lands. By this means thousands of acres of land were made suitable for agriculture in the Oxnard Plain.

Shortly after the formation of each of the Oxnard Drainage Districts bonds were issued to construct the necessary drainage facilities. All of these bonds have been redeemed, with the last bond payment being made in 1958. The current activities of both Districts consist primarily of conducting the day-to-day business activities, including maintenance of facilities. Little maintenance is required for the underground tile drains, but on-going maintenance is required for the open ditches. The Boards of Directors perform largely caretaker functions. The Districts have no staff and District operations are performed by contract.

Over time portions of the territory within the boundaries of the Drainage Districts have been developed for urban uses. The transition of properties from agriculture use to urban use has a continuing impact on the operations of the Drainage Districts. As lands are developed for urban uses, agricultural drainage facilities are no longer necessary and the installation of more sophisticated systems of surface drainage is required. An on-going issue for the Districts and the neighboring City of Oxnard is to ensure that developing lands are detached from the Districts and that urban uses do not impact District facilities or the viability of adjoining agriculture.

**B. AGENCY PROFILES**

Profiles of Oxnard Drainage District No. 1 and Oxnard Drainage District No. 2 follow along with *Map 1* which shows the location, current boundaries and sphere of influence for each agency.

**OXNARD DRAINAGE DISTRICT No. 1**

<b>Contact:</b>	William B. Smith, Ferguson Case Orr Paterson & Cunningham LLP
<b>Mailing Address:</b>	1050 S. Kimball Road, Ventura, CA 93004
<b>Site Address:</b>	Same
<b>Phone Number:</b>	805-659-6800
<b>Fax Number:</b>	805-659-6818
<b>Email/Website</b>	wsmith@fcopc.com
<b>Types of Services:</b>	Agricultural and subsurface drainage
<b>Population Served:</b>	NP
<b>Size of Service Area (sq miles):</b>	3.1
<b>Date of Formation</b>	December 3, 1918

**STAFF AND FACILITIES**

<b>Number of Paid Staff</b>	0 (all work done by contractors)
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**FINANCIAL INFORMATION**

<b>Budget: (FY 2003-2004)</b>	<b>Revenues:</b>	<b>Expenses</b>
	\$38,061	\$38,061
<b>% Revenue Property Taxes:</b>		8%
<b>% Revenue Assessments</b>		91%

*NP – Not Provided*

**OXNARD DRAINAGE DISTRICT No. 2**

**Contact:** John Orr, Ferguson Case Orr Paterson & Cunningham LLP  
**Mailing Address:** 1050 S. Kimbal Road, Ventura CA 93004  
**Site Address:** Same  
**Phone Number:** 805-659-6800  
**Fax Number:** 805-659-6818  
**Email/Website:** jorr@fcopc.com  
**Types of Services:** Agricultural and subsurface drainage  
**Population Served:** 200  
**Size of Service Area (sq miles):** 12.5  
**Date of Formation:** 1926

**STAFF AND FACILITIES**

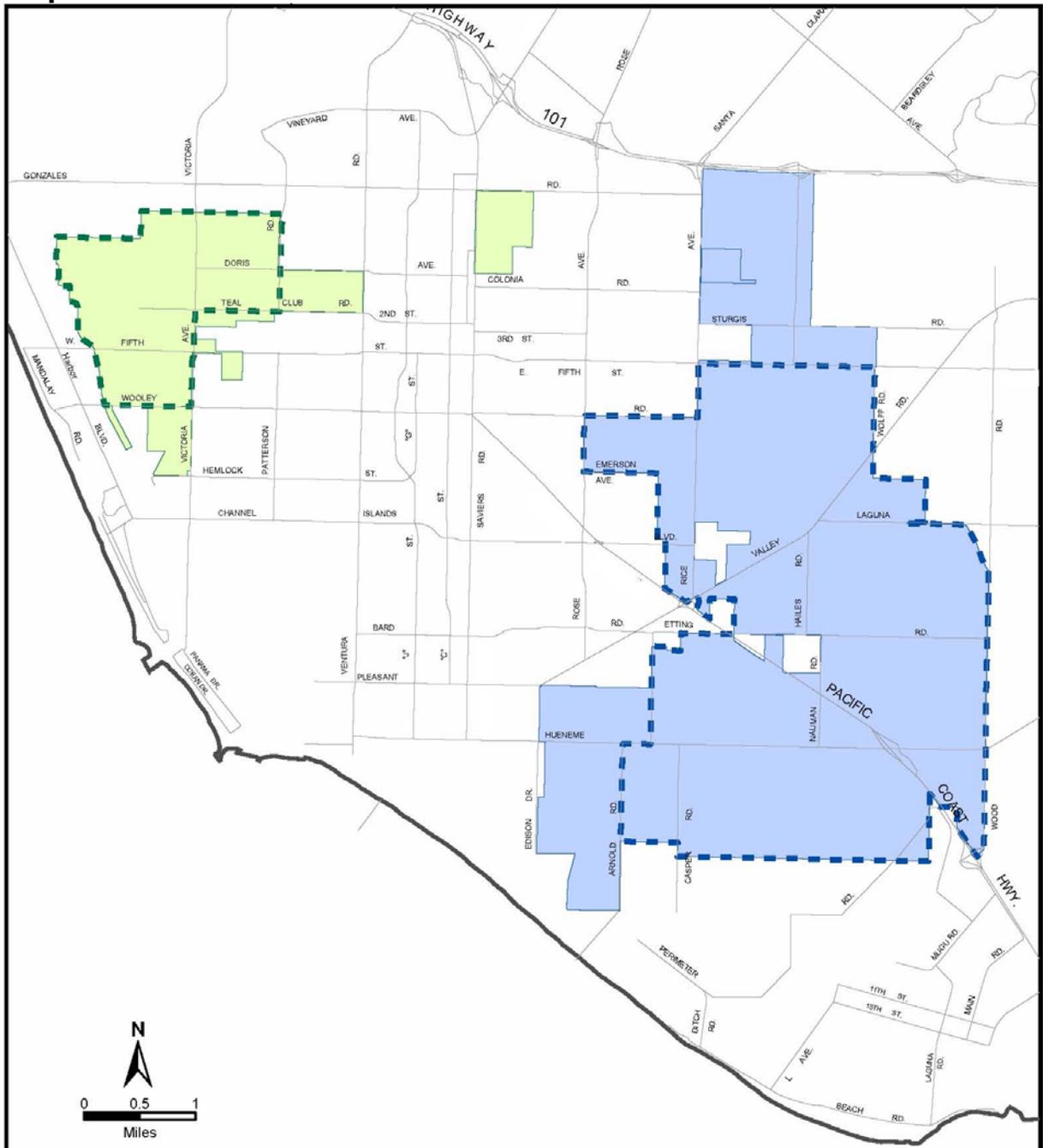
**Number of Paid Staff:** 0 (all work done by contractors)

**FINANCIAL INFORMATION**

<b>Budget: (FY 2003-2004)</b>	<b>Revenues:</b>	<b>Expenses</b>
	\$110,764*	\$126,415*
<b>% Revenue Property Taxes:</b>	0%	
<b>% Revenue Assessments</b>	92%	

\* *Oxnard Drainage District No. 2 was required to relocate its drainage facilities as a result of the Rice Road/Highway 1 construction. The imbalance in the budgets, starting in FY 2000-01 and ending in FY 2003-04, is a result of that work which was paid for by Caltrans.*

Map 1:



**Legend**

- Oxnard Drainage District #1 - District Boundary
- Oxnard Drainage District #1 - Sphere Boundary
- Oxnard Drainage District #2 - District Boundary
- Oxnard Drainage District #2 - Sphere Boundary

**Ventura LAFCO Municipal Service Review**

Oxnard Drainage Districts #1 and #2

December 2004

## **C. GROWTH AND POPULATION**

The area included within both Drainage Districts is used primarily for agricultural purposes and no significant changes in the population are expected.

Growth patterns are also not expected to change significantly for either Drainage District. A majority of both Districts' territory is located outside the City of Oxnard's City Urban Restriction Boundary (CURB), adopted as a part of the Oxnard Save Open Space and Agricultural Resources (SOAR) Ordinance; it is designated for agricultural use by the County of Ventura's General Plan and, thus, is subject to the County's SOAR Ordinance. The City of Oxnard's SOAR Ordinance and CURB is in effect until 2020 and, with limited exemptions, cannot be changed except by a majority vote of the voters in Oxnard. The County of Ventura's SOAR Ordinance is also in effect until 2020 and lands designated for agricultural or open space uses by the County's General Plan cannot, with limited exceptions, be changed to other designations without a majority vote of voters in the County.

Given the restrictions of both the City and County SOAR ordinances the potential for urban growth to extend into most of the service areas of the Drainage Districts is considered limited. However, there are discrepancies between the boundaries and spheres of influence of each District and the Oxnard CURB. These discrepancies are addressed in *Section F* under *Government Structure Options*.

## **D. INFRASTRUCTURE NEEDS AND DEFICIENCIES**

Ventura County's farmland contributes approximately \$4 billion to the local economy annually, and as a result of the voter approved SOAR Ordinances, agriculture is not viewed as an interim land use as it is in other areas of California.

However, continued residential development adjacent to farmland can have negative impacts for agriculture's long-term viability if restraints are placed on the grower as the result of complaints. Both Districts include relatively large blocks of farmland that can continue as viable agricultural operations if future land use conflicts are minimized by the City of Oxnard. Buffers and the strict application of zoning controls are necessary between agriculture and urban uses. Barriers, such as rivers, major roads and freeways, drainage channels and airports are natural and easily recognizable boundaries between agricultural and urban uses. For example, the Edison Canal on the western side of the Oxnard Drainage District No. 1 provides a recognizable boundary between the agricultural land and other land uses. Where such types of buffers do not exist, the responsibility for a buffer must rest with the new urban use, not with the pre-existing agricultural use.

Another impact on both Districts is the increase in surface drainage from urban development on District facilities. The facilities of both Districts were not sized to handle increased run-off from urban development and associated impervious surfaces. When drainage systems for urban uses are not properly sized or when such systems tie into drainage systems that are the responsibility of the Districts, the Districts should take a more proactive role in the environmental review of urban projects and other entitlement processes to protect their systems. Also, as development occurs, it is necessary for the City of Oxnard, Ventura County and other agencies to ensure that urban run-off does not negatively impact the existing facilities of the Districts.

No other significant issues were noted for infrastructure specific to the Districts. The Board of each District annually reviews the projects necessary for the continuation of agriculture and prepares the budget and annual assessments (based on a per parcel amount) needed to fund the necessary infrastructure. While neither agency has a formal Master Plan, the small size and number of landowners make such documents superfluous.

**E. FINANCING CONSTRAINTS AND OPPORTUNITIES, COST AVOIDANCE OPPORTUNITIES AND RATE RESTRUCTURING**

Both Drainage Districts are funded through assessments on individual landowners. Oxnard Drainage District No. 1 receives some property tax revenue; however this amounts to less than 1% of the total budget. Fees are set annually by dividing the cost of needed infrastructure maintenance and repairs by the number of parcels in the District.

When urban development of territory in either District occurs, the effect is to reduce both the amount of farmland in the County and the special assessment revenue available to each District. Lands developed for urban uses reduce the service area of each District when the agricultural sub-surface facilities are removed. However, each District must still maintain its master drainage facilities and the reduction in farmland results in an increased financial burden on the remaining farmlands in each District. This impacts the viability of the remaining farmland overall and can impact the future financing capacity of each District.

The State’s budget act of 2004 includes significant changes in how local revenues are allocated. For FYs 2004-2005 and 2005-2006, special districts throughout the state are required to contribute an aggregate of \$350 million each year to the Educational Revenue Augmentation Fund (ERAF). This is paid directly out of the district’s tax increment. The State provided the Ventura County Auditor-Controller with the following estimated FY 2004-2005 contributions from the two Drainage Districts:

- Oxnard Drainage District No. 1: \$3,723.40
- Oxnard Drainage District No. 2: \$10,407.10

The State estimates provided to the Auditor-Controller were based on information filed with the State by the Districts. Somewhere in this reporting, an error occurred for Oxnard Drainage District No. 2. Because Oxnard Drainage District No. 2 does not receive any property tax revenues or any revenues that the Auditor-Controller can collect under the ERAF formula, ERAF will have no impact during the next two fiscal years on this District. According to the Auditor-Controller this means that the State ERAF fund will be under funded by a corresponding amount from Ventura County.

Oxnard Drainage District No. 1 does receive a small amount of property tax (\$13,647.54 for FY 2004-2005 according to the Auditor-Controller) and, thus, will be affected by ERAF for the amount indicated. The District can address this impact through the use of reserves, deferring maintenance expenditures, or increasing assessments in following years. However, in the near term the loss of this revenue over the next two fiscal years can be considered a financing constraint.

The landowners in Drainage District No. 1 maximize cost avoidance opportunities by performing some of the work themselves, by using independent contractors rather than hiring staff and by having the City of Oxnard maintain some district facilities.

**TABLE III-1  
Oxnard Drainage District No. 1 Financial Data**

GENERAL FUND	FY 02-03 <sup>1</sup>	FY 01-02 <sup>2</sup>	FY 00-01 <sup>3</sup>
Total Operating Revenue	\$43,535	\$40,700	\$39,274
Total Operating Expenses	\$38,229	\$35,380	\$31,409
Operating Income (Loss)	\$14,333	\$5,320	\$7,865
Fund Balance, End of Year	\$5,306	\$42,728	\$37,408

Oxnard Drainage District No. 1 appears to be in stable condition although its small size makes reaching economies of scale difficult.

**TABLE III-2  
Oxnard Drainage District No. 2 Financial Data**

GENERAL FUND	FY 02-03 <sup>4</sup>	FY 01-02 <sup>5</sup>	FY 00-01 <sup>6</sup>
Total Operating Revenue	\$102,625	\$110,924	\$492,037*
Total Operating Expenses	\$123,962	\$283,920	\$456,708
Operating Income (Loss)	\$21,337	(\$172,996)*	\$35,329
Fund Balance, End of Year			\$297,528

\* Rice Road/State Highway 1 project required the District to relocate its lines within the project area. Caltrans paid the District funds to accomplish this work in year 2001 and the District completed the expenditure in 2002. Accordingly, the budget appears unbalanced when, in fact, it is just a question of the timing of one time revenues (from Caltrans) and corresponding district expenditures.

Oxnard Drainage District No. 2 appears to have a stable financial situation and no significant issues were noted.

**F. OPPORTUNITIES FOR SHARED FACILITIES, EVALUATION OF MANAGEMENT EFFICIENCIES AND GOVERNMENT STRUCTURE OPTIONS**

Some facilities of Oxnard Drainage District No. 1 are maintained by the City of Oxnard which increases the efficiency of the operations of the agency.

Both agencies use the same law firm and have periodically discussed some form of consolidation between the two agencies to reduce costs and reach economies of scale. As additional territory is developed and detached from the agencies, the need to more closely examine the possibility of some form of shared operations may be necessary to ensure an adequate revenue base.

<sup>1</sup> Provided by District on MSR questionnaire.

<sup>2</sup> Independent Auditor's Report, Ferguson, Case, Orr, Paterson & Cunningham, LLP, November 15, 2002.

<sup>3</sup> Independent Auditor's Report, Ferguson, Case, Orr, Paterson & Cunningham, LLP, November 15, 2002.

<sup>4</sup> Provided by District on MSR questionnaire.

<sup>5</sup> California State Controller's Data.

<sup>6</sup> Independent Auditor's Report, Vance, Thrift and Biller LLP, February 6, 2002.

Another measure of management efficiencies was the presence and opinion of audits. *Table III-3* summarizes the audit status for both agencies:

**TABLE III-3  
Drainage District Audits**

DISTRICT	AUDIT CYCLE	LAST AUDIT SUBMITTED TO COUNTY AUDITOR	NEXT AUDIT DUE	AUDIT COMMENTS
Oxnard Drainage District No. 1	2 yr.	June '02	Jun '04	Qualified
Oxnard Drainage District No. 2	2 yr.	June '03	Jun '05	Qualified

The qualifications of the audits are not considered significant.

**Government Structure Options**

As noted, increased urbanization has steadily reduced the amount of territory within each of the two Oxnard Drainage Districts. This trend is expected to continue, especially for any lands within the Oxnard CURB. As the Districts continue to shrink in size, their ability to function as independent units of local government will lessen. The two Districts have discussed consolidation of the agencies in the past. Both agencies are formed under the same enabling legislation and provide similar services. They share similar forms of assessments and share staff (same law firm). Some economies of scale might be reached through a consolidation of the two agencies or through a functional consolidation of the agency functions. A possible constraint may be the provision in the Drainage District Act of 1903 that may require a common system of drainage. It is recommended that both Districts again review the potential for consolidation of the agencies with LAFCo.

**District Boundaries and Spheres of Influence**

A governmental structure issue for both Districts has resulted from poor coordination between the City of Oxnard and the Districts over the timing for detaching territory from the Districts as development occurs. This poor coordination and timing problem is well documented in LAFCo records for at least the last 30 years.

Ideally, when territory to be developed is annexed to the City of Oxnard it would simultaneously be detached from the respective Drainage District (i.e. a LAFCo reorganization action). However, this has been previously discussed by LAFCo and the Districts and rejected as a course of action. The reason is that after an annexation to the City of Oxnard is approved, there is often a lag time of months to a year or more before actual development occurs. During this lag time period the territory involved may continue in agricultural use and utilize a District’s sub-surface drainage facilities. In other words the cessation of the agricultural use does not occur with annexation to the City of Oxnard. Given this fact, the Districts and LAFCo have previously agreed that the Districts would coordinate with the City of Oxnard and file with LAFCo for detachment of the lands to be developed as urban development occurs. This process is more expensive for the Districts but, if properly timed, it provides for maximum use of District facilities.

Unfortunately, the Districts’ actions to request detachment upon urbanization are not always coordinated or timed to coincide with actual development. The result has been that there are areas

remaining in the boundaries of each District that have been developed in the City of Oxnard and where the Districts no longer provide services. In several cases these developed lands have been subdivided into many parcels and in at least some cases are now inhabited (i.e. contain twelve or more registered voters). This means that the Districts will not necessarily be able to obtain the consent of all the affected property owners and that the process for detachment with LAFCo will require protest hearings and significantly more time and expense. Also, the Districts may not be able to pass on the costs of detachment to the affected property owners and this will result in an additional expense burden for the Districts. It is recommended that LAFCo, in conjunction with the Districts and the City of Oxnard, re-examine policies about not requiring detachment from the respective Drainage District whenever a reorganization with the City of Oxnard affects territory in a Drainage District boundary. One possible solution is that areas annexed to the City could be concurrently detached from the District but the recordation could occur when actual development occurs and agricultural uses cease.

In addition to the issue of boundaries for each of the Districts, it has been more than twenty years since the spheres of influence for each District were updated. The current spheres of influence for both Districts were adopted in 1982 and were based on the City of Oxnard's General Plan and anticipated urban development. Since that time the City of Oxnard has adopted a new General Plan and both the Oxnard and County SOAR ordinances have been approved. There are now several areas for each District where the sphere of influence should be updated to reflect the Oxnard CURB. Territory within the Oxnard CURB can be developed in the future and should be outside the sphere of influence boundary of each of the Districts. Such an update will alleviate the need for the Districts to seek amendment of their respective spheres of influence in the future, but will have no impact on District services to the lands remaining in the boundaries of each District.

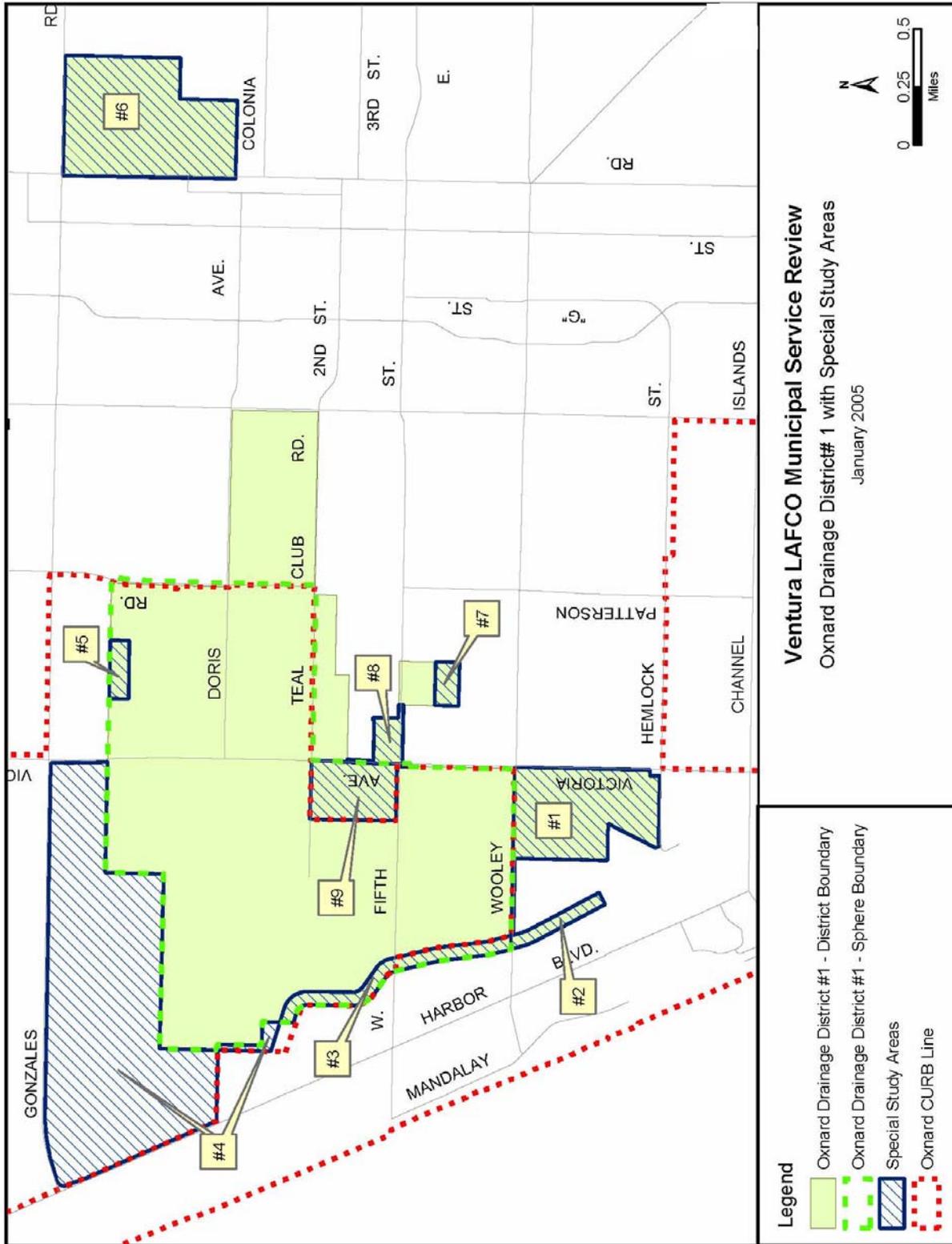
Areas that should be detached from each District and areas where the sphere of influence should be updated to either remove or to consider adding territory based on the Oxnard CURB and/or the County SOAR ordinance, should be considered as special study areas as a part of LAFCo's sphere of influence updates. These special study areas are described in the following *Table III-4* and the related *Map 2* for Oxnard Drainage District No. 1 and *Table III-5* and related *Map 3* for Oxnard Drainage District No. 2.

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**TABLE III-4  
Oxnard Drainage District No. 1 Special Study Areas (Map 2)**

SPECIAL STUDY AREA #	DESCRIPTION
1	Approximately 142 acres west of Victoria Avenue between Wooley Road and Hemlock Street – This area is currently being developed and is no longer in agricultural use. Drainage District No. 1 should promptly seek the consent of the current property owner and file with LAFCo to have this area detached before the area is sold to multiple owners.
2	Approximately 16 acres of the former Edison Canal southerly of Wooley Road – This portion of the former Edison Canal is entirely outside the Oxnard CURB and outside the existing sphere of influence. The District should consider detaching this portion of the Canal from its boundaries.
3	Approximately 40 acres of the former Edison Canal from north of W. Fifth Street to Wooley Road – This portion of the Canal is now entirely within the sphere of influence. LAFCo should consider changing the sphere boundary to the easterly side of the canal. The canal serves as a logical buffer for areas to the west that are within the Oxnard CURB
4	Approximately 560 acres south of Gonzales Road and east of Harbor Boulevard – In consultation with the District, LAFCo should consider adding this large area to the sphere of influence. The area is outside the Oxnard CURB and will remain in agricultural use for the foreseeable future. If the agricultural lands in this area could benefit from extension of the District’s services, the area could be annexed to the District.
5	Approximately 13 acres south of Oxnard High School on Gonzales Road – This property is developed and is part of Oxnard High School. The District should seek the consent of Oxnard Union High School District and file with LAFCo to have this area detached.
6	Approximately 216 acres east of Oxnard Blvd. south of Gonzales Road – This area has been almost entirely developed, including Pacifica High School and single-family homes. The District should file with LAFCo to have all the developed portions of this area detached. Because the City of Oxnard and the District failed to coordinate the detachment of this area prior to development, detachment will be subject to protest proceedings with LAFCo and will be more expensive for the District.
7	Approximately 12 acres south of W. Fifth Street and along Monte Carlo Drive and Naples Drive – The District should file with LAFCo to have this area detached as it has been developed with single family homes. Because the City of Oxnard and the District failed to coordinate the detachment of this area prior to development, detachment will be subject to protest proceedings with LAFCo and will be more expensive for the District.
8	Approximately 17 acres at the north easterly corner of W. Fifth Street and Victoria Avenue - The District should file with LAFCo to have this area detached as it has been developed with a commercial center. Because the City of Oxnard and the District failed to coordinate the detachment of this area prior to development, detachment will likely be subject to protest proceedings with LAFCo and will be more expensive for the District
9	Approximately 59 acres west of Victoria Avenue and north of W. Fifth Street – LAFCo should consider removing this area from the District’s sphere of influence. While it is currently used for agricultural purposes it is within the Oxnard CURB and development is possible.

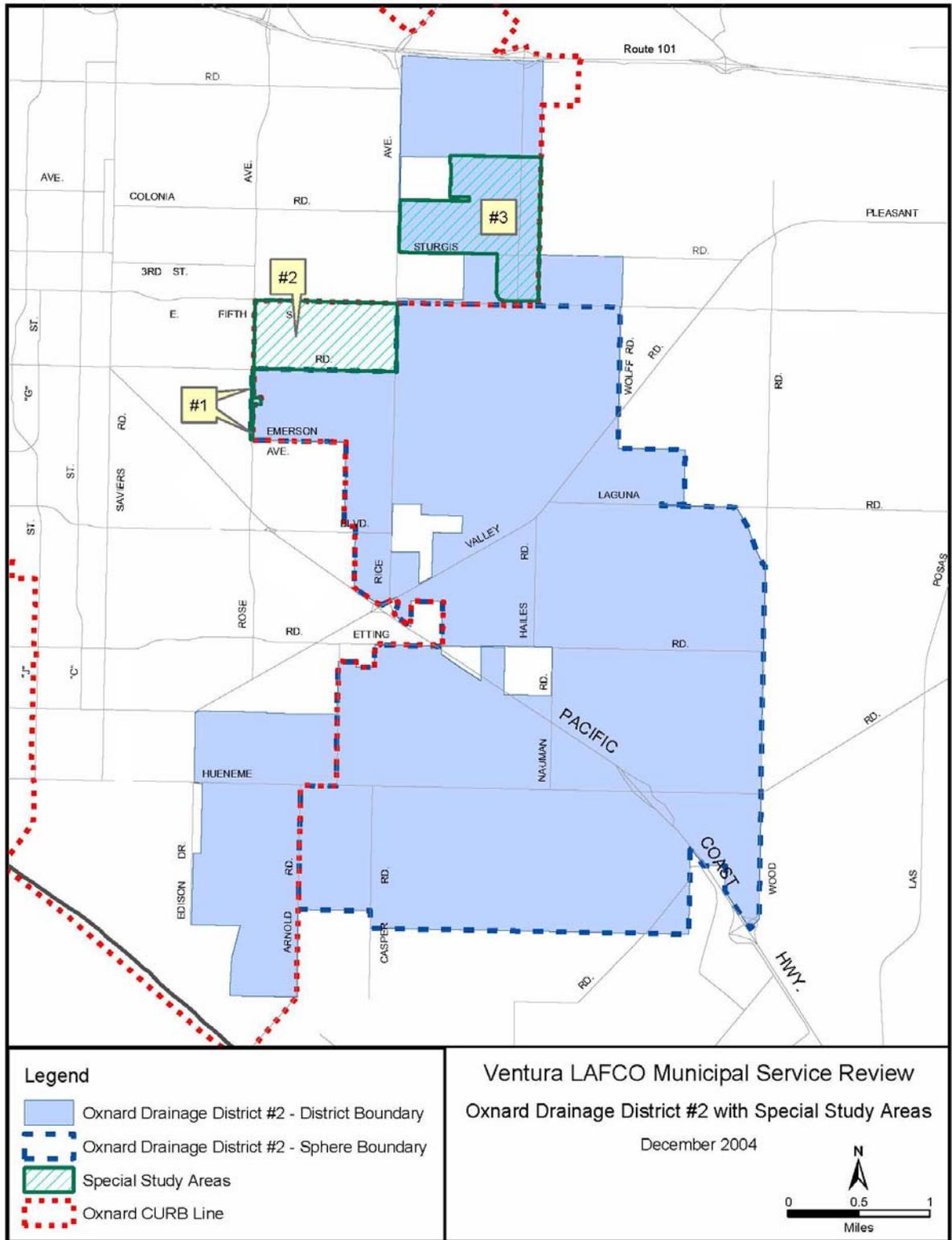
Map 2:



**TABLE III-5  
Oxnard Drainage District No. 2 Special Study Areas (Map 3)**

<b>SPECIAL STUDY AREA #</b>	<b>DESCRIPTION</b>
1	Approximately 6.5 acres along Rose Avenue between Wooley Road and Emerson Avenue – LAFCo should consider updating the District’s sphere of influence to coincide with the Oxnard CURB in this area.
2	Approximately 311 acres east of Rose Avenue between E. Fifth Street and Wooley Road - In consultation with the District, LAFCo should consider adding this large area to the sphere of influence. The area is outside the Oxnard CURB and will remain in agricultural use for the foreseeable future. If the agricultural lands in this area could benefit from extension of the District’s services, the area could be annexed to the District.
3	Approximately 424 acres between Rice Avenue on the east and the Oxnard CURB on the west and north of Sturgis Road - The District should file with LAFCo to have this area detached as it has been almost entirely developed with industrial uses. Because the City of Oxnard and the District failed to coordinate the detachment of this area prior to development, detachment will likely be subject to protest proceedings with LAFCo and will be more expensive for the District.

Map 3:



**G. LOCAL ACCOUNTABILITY AND GOVERNANCE**

The board members of each Drainage District, their terms of office and compensation are shown in the following tables:

**TABLE III-6  
Oxnard Drainage District No. 1 – Board Members and Terms**

<b>BOARD MEMBER</b>	<b>TITLE</b>	<b>TERM OF OFFICE</b>	<b>COMPENSATION</b>
John Dullam	President	2007	\$0
Frank Hiji	Vice President/Board Member	2005	\$0
Thomas McGrath	Board Member	2007	\$0

Meetings of the Oxnard Drainage District No. 1 are held quarterly (January, April, July and October) on the last Tuesday of the month starting at 4:00 pm at 1050 South Kimbal Road in Ventura. Notification of the public is through posting at the meeting location and published in the newspaper. The Board of Directors receives no compensation. Reviews of the laws applicable to Board members (Brown Act, Fair Political Practices Commissions and Public Disclosure Act) are held regularly. The last audit was completed in July of 2003.

**TABLE III-7  
Oxnard Drainage District No.2 – Board Members and Terms**

<b>BOARD MEMBER</b>	<b>TITLE</b>	<b>TERM OF OFFICE</b>	<b>COMPENSATION</b>
James Naumann	President	2005	\$0
Jesse DeBusschere	Director	2007	\$0
Jurgen Gramckow	Director	2007	\$0

Meetings of the Oxnard Drainage District No. 2 are held quarterly (January, April, July and September) on the last Tuesday of the month starting at 11:00 am at 1050 South Kimbal Road in Ventura. Notification of the public is through posting at the meeting location and published in the newspaper. The Board of Directors receives no compensation. Reviews of the laws applicable to Board members (Brown Act, Fair Political Practices Commissions and Public Disclosure Act) are held regularly. The last audit was completed in April of 2004.

Generally no significant issues regarding local accountability and governance were noted for either Drainage Districts. The governing boards of the Districts are elected by the landowners and appear to be as locally accountable as possible. Neither of the Districts has a website but with the structure of the Districts, it is not needed to ensure local accountability.

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## IV. DETERMINATIONS

*Determinations are based on data provided by the districts.*

### A. OXNARD DRAINAGE DISTRICT NO. 1

- **Infrastructure needs or deficiencies**
  1. That the Oxnard Drainage District No. 1 bases its assessment of maintenance of drainage facilities on annual evaluations by landowners.
  2. That encroaching urban development can impact the services of the Oxnard Drainage District No. 1.
  3. That the Oxnard Drainage District No. 1 currently provides adequate levels of services for its customers.
- **Growth and population projections for the affected area**
  1. That growth in the Oxnard Drainage District No. 1 is limited due to both the City of Oxnard and County of Ventura SOAR Ordinances, and the continued viability of agricultural operations.
- **Financing constraints and opportunities**
  1. That the Oxnard Drainage District No. 1 prepares an annual budget based on estimated maintenance needs and on the assessment of individual landowners.
  2. That continued detachments of land from the Oxnard Drainage District No. 1 may negatively impact the financial resources of the District and jeopardize its ability to continue operations.
- **Cost avoidance opportunities**
  1. That the Oxnard Drainage District No. 1 uses cost sharing programs with other agencies wherever possible.
  2. That the Oxnard Drainage District No. 1 uses contractors for services when shown to be cost effective.
- **Opportunities for rate restructuring**
  1. That the rates and fees of the Oxnard Drainage District No. 1 are set annually.
- **Opportunities for shared facilities**
  1. That the Oxnard Drainage District No. 1 collaborates with the City of Oxnard and other agencies about facilities.
- **Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers**
  1. That the Oxnard Drainage District No. 1 should reexamine the potential benefits of consolidation with Oxnard Drainage District No. 2.
  2. That the Oxnard Drainage District No. 1 and the City of Oxnard should collaborate more effectively about the timing of development of territory in the District's boundaries and the related need to detach such territory from the District's boundaries.
  3. That LAFCo, in conjunction with the Oxnard Drainage District No. 1 and the City of Oxnard, should re-examine policies about not requiring detachment from the District whenever a reorganization with the City of Oxnard affects territory in the District's boundary.

4. That the Oxnard Drainage District No. 1 should promptly file with LAFCo for the detachment of all territory within the District's boundaries that has been developed or that is no longer benefiting from District services.
  5. That LAFCo, in conjunction with the Oxnard Drainage District No. 1, should consider updating the District's sphere of influence to include territory adjacent to existing District boundaries that is located outside the Oxnard CURB, that is likely to remain in agricultural use for the foreseeable future, and that could potentially benefit from the extension of District facilities.
- **Evaluation of management efficiencies**
    1. That the current management structure of the Oxnard Drainage District No. 1 is adequate to serve the present and future needs of the agency.
  - **Local accountability and governance**
    1. That the Oxnard Drainage District No. 1 is locally accountable through adherence to applicable government code sections, open and accessible meetings, and dissemination of information and encouragement of participation in their process.

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**B. OXNARD DRAINAGE DISTRICT NO. 2**

- **Infrastructure needs or deficiencies**
  1. That the Oxnard Drainage District No. 2 bases its assessment of maintenance of drainage facilities on annual evaluations by landowners.
  2. That encroaching urban development can impact the services of the Oxnard Drainage District No. 2.
  3. That the Oxnard Drainage District No. 2 currently provides adequate levels of services for its customers.
  
- **Growth and population projections for the affected area**
  1. That growth in the Oxnard Drainage District No. 2 is limited due to both the City of Oxnard and County of Ventura SOAR Ordinances, and the continued viability of agricultural operations.
  
- **Financing constraints and opportunities**
  1. That the Oxnard Drainage District No. 2 prepares an annual budget based on estimated maintenance needs and on the assessment of individual landowners.
  2. That continued detachments of land from the agency may negatively impact the financial resources of the District and jeopardize its ability to continue operations.
  
- **Cost avoidance opportunities**
  1. That the Oxnard Drainage District No. 2 uses cost sharing programs with other agencies wherever possible such as the watershed plan.
  2. That the Oxnard Drainage District No. 2 uses contractors for services when shown to be cost effective.
  
- **Opportunities for rate restructuring**
  1. That the rates and fees of the Oxnard Drainage District No. 2 are set annually.
  
- **Opportunities for shared facilities**
  1. That the Oxnard Drainage District No. 2 collaborates with the City of Oxnard and other agencies about facilities.
  
- **Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers**
  1. That the Oxnard Drainage District No. 2 should reexamine the potential benefits of consolidation with Oxnard Drainage District No. 1.
  2. That the Oxnard Drainage District No. 2 and the City of Oxnard should collaborate more effectively about the timing of development of territory in the District's boundaries and the related need to detach such territory from the District's boundaries.
  3. That LAFCo, in conjunction with the Oxnard Drainage District No. 2 and the City of Oxnard, should re-examine policies about not requiring detachment from the District whenever a reorganization with the City of Oxnard affects territory in the District's boundary.
  4. That the Oxnard Drainage District No. 2 should file with LAFCo for the detachment of all territory within the District's boundaries that has been developed or that is no longer benefiting from District services.
  5. That LAFCo, in conjunction with the Oxnard Drainage District No. 2, should consider updating the District's sphere of influence to include territory adjacent to

existing District boundaries that is located outside the Oxnard CURB, that is likely to remain in agricultural use for the foreseeable future, and that could potentially benefit from the extension of District facilities.

- **Evaluation of management efficiencies**
  1. That the current management structure of the Oxnard Drainage District No. 2 is adequate to serve the present and future needs of the agency.
  
- **Local accountability and governance**
  1. That the Oxnard Drainage District No. 2 is locally accountable through adherence to applicable government code sections, open and accessible meetings, and dissemination of information and encouragement of participation in their process.

**RESOLUTION OF THE VENTURA LOCAL AGENCY  
FORMATION COMMISSION DETERMINING THAT THE  
MUNICIPAL SERVICE REVIEW FOR OXNARD  
DRAINAGE DISTRICT NO. 1 IS EXEMPT FROM THE  
CALIFORNIA ENVIRONMENTAL QUALITY ACT AND  
APPROVING THE MUNICIPAL SERVICE REVIEW,  
INCLUDING STATEMENTS OF DETERMINATION FOR  
THE SERVICES PROVIDED BY OXNARD DRAINAGE  
DISTRICT NO. 1**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code §56000 et seq.) requires each Local Agency Formation Commission (LAFCO) to conduct municipal service reviews prior to or in conjunction with Sphere of Influence studies and updates; and

WHEREAS, LAFCOs are also required to review and update, as necessary, the Sphere of Influence for all agencies not less than once every five years; and

WHEREAS, the Ventura LAFCO has approved and periodically updated a three-phase work plan to conduct municipal service reviews and Sphere of Influence Updates and the municipal service review of the services provided by Oxnard Drainage District No. 1 is a part of phase 2 of this work plan; and

WHEREAS, the Ventura LAFCO entered into a professional services agreement with Joyce Crosthwaite to conduct municipal service reviews for all special districts included in phase 2 of the work plan; and

WHEREAS, Joyce Crosthwaite in conjunction with the Ventura LAFCO staff has prepared a report titled “Municipal Service Review – Drainage Services” for the services provided by the Oxnard Drainage District No. 1; and

WHEREAS, the “Municipal Service Review – Drainage Services” report contains draft statements of determinations as required by California Government Code §56430 for the services provided by the Oxnard Drainage District No. 1; and

WHEREAS, the Ventura LAFCO Executive Officer gave notice of a public hearing by the Commission to consider the “Municipal Service Review – Drainage Services” report and the statements of determinations necessary to comply with California Government Code §56430 for Oxnard Drainage District No. 1; and

WHEREAS, the Ventura LAFCO Executive Officer has recommended that the municipal service review for Oxnard Drainage District No. 1 be determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to §15061(b)(3) of the CEQA Guidelines; and

WHEREAS, the municipal service review of the services provided by Oxnard Drainage District No. 1 and the related recommended statements of determination were duly considered on February 16, 2005, as specified in the notice of hearing; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony for and against the recommended exemption from CEQA, the municipal service review and the written determinations for the services provided by Oxnard Drainage District No. 1 including, but not limited to, the "Municipal Service Review – Drainage Services" report and the Executive Officer's report and recommendations;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Ventura Local Agency Formation Commission as follows:

- (1) The service review of the services provided by Oxnard Drainage District No. 1 as contained in the Municipal Service Review – Drainage Services report, together with the related statements of determination, are determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to §15061(b)(3) of the CEQA Guidelines.
- (2) The Commission directs staff to file a Notice of Exemption as the lead agency under Section 15062.
- (3) The Commission accepts the Municipal Service Review – Drainage Services report as presented to the Commission on February 16, 2005. The Executive Officer is authorized to make minor corrections and additions to this report for accuracy and completeness.
- (4) The Executive Officer's Staff Report and Recommendation for approval of the municipal service review of the services provided by Oxnard Drainage District No. 1, dated February 16, 2005, is hereby adopted.
- (5) Pursuant to California Government Code §56430 the following statements of determination are hereby adopted for the services provided by Oxnard Drainage District No.1:
  - **Infrastructure needs or deficiencies**
    1. That the Oxnard Drainage District No. 1 bases its assessment of maintenance of drainage facilities on annual evaluations by landowners.
    2. That encroaching urban development can impact the services of the Oxnard Drainage District No. 1.
    3. That the Oxnard Drainage District No. 1 currently provides adequate levels of services for its customers.

- **Growth and population projections for the affected area**
  1. That growth in the Oxnard Drainage District No. 1 is limited due to both the City of Oxnard and County of Ventura SOAR Ordinances, and the continued viability of agricultural operations.
  
- **Financing constraints and opportunities**
  1. That the Oxnard Drainage District No. 1 prepares an annual budget based on estimated maintenance needs and on the assessment of individual landowners.
  2. That continued detachments of land from the Oxnard Drainage District No. 1 may negatively impact the financial resources of the District and jeopardize its ability to continue operations.
  
- **Cost avoidance opportunities**
  1. That the Oxnard Drainage District No. 1 uses cost sharing programs with other agencies wherever possible.
  2. That the Oxnard Drainage District No. 1 uses contractors for services when shown to be cost effective.
  
- **Opportunities for rate restructuring**
  1. That the rates and fees of the Oxnard Drainage District No. 1 are set annually.
  
- **Opportunities for shared facilities**
  1. That the Oxnard Drainage District No. 1 collaborates with the City of Oxnard and other agencies about facilities.
  
- **Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers**
  1. That the Oxnard Drainage District No. 1 should reexamine the potential benefits of consolidation with Oxnard Drainage District No. 2.
  2. That the Oxnard Drainage District No. 1 and the City of Oxnard should collaborate more effectively about the timing of development of territory in the District's boundaries and the related need to detach such territory from the District's boundaries.
  3. That LAFCO, in conjunction with the Oxnard Drainage District No. 1 and the City of Oxnard, should re-examine policies about not requiring detachment from the District whenever a reorganization with the City of Oxnard affects territory in the District's boundary.
  4. That the Oxnard Drainage District No. 1 should promptly file with LAFCO for the detachment of all territory within the District's boundaries that has been developed or that is no longer benefiting from District services.

5. That LAFCO, in conjunction with the Oxnard Drainage District No. 1, should consider updating the District's sphere of influence to include territory adjacent to existing District boundaries that is located outside the Oxnard CURB, that is likely to remain in agricultural use for the foreseeable future, and that could potentially benefit from the extension of District facilities.

- **Evaluation of management efficiencies**

1. That the current management structure of the Oxnard Drainage District No. 1 is adequate to serve the present and future needs of the agency.

- **Local accountability and governance**

1. That the Oxnard Drainage District No. 1 is locally accountable through adherence to applicable government code sections, open and accessible meetings, and dissemination of information and encouragement of participation in their process.

This resolution was adopted on February 16, 2005.

AYES:

NOES:

ABSTAINS:

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Date

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Chair, Ventura Local Agency Formation Commission

Copies:

Oxnard Drainage District No. 1 & Oxnard Drainage District No. 2

Board of Supervisors

City of Oxnard – City Manager

Chief Executive Officer – Ventura County

Auditor-Controller – Ventura County

Ventura LAFCO Resolution Adopting CEQA Exemption and Approving Municipal Service Review for Oxnard Drainage District No. 1

February 16, 2005

Page 4 of 4

**RESOLUTION OF THE VENTURA LOCAL AGENCY  
FORMATION COMMISSION DETERMINING THAT THE  
MUNICIPAL SERVICE REVIEW FOR OXNARD  
DRAINAGE DISTRICT NO. 2 IS EXEMPT FROM THE  
CALIFORNIA ENVIRONMENTAL QUALITY ACT AND  
APPROVING THE MUNICIPAL SERVICE REVIEW,  
INCLUDING STATEMENTS OF DETERMINATION FOR  
THE SERVICES PROVIDED BY OXNARD DRAINAGE  
DISTRICT NO. 2**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code §56000 et seq.) requires each Local Agency Formation Commission (LAFCO) to conduct municipal service reviews prior to or in conjunction with Sphere of Influence studies and updates; and

WHEREAS, LAFCOs are also required to review and update, as necessary, the Sphere of Influence for all agencies not less than once every five years; and

WHEREAS, the Ventura LAFCO has approved and periodically updated a three-phase work plan to conduct municipal service reviews and Sphere of Influence Updates and the municipal service review of the services provided by Oxnard Drainage District No. 2 is a part of phase 2 of this work plan; and

WHEREAS, the Ventura LAFCO entered into a professional services agreement with Joyce Crosthwaite to conduct municipal service reviews for all special districts included in phase 2 of the work plan; and

WHEREAS, Joyce Crosthwaite in conjunction with the Ventura LAFCO staff has prepared a report titled "Municipal Service Review – Drainage Services" for the services provided by the Oxnard Drainage District No. 2; and

WHEREAS, the "Municipal Service Review – Drainage Services" report contains draft statements of determinations as required by California Government Code §56430 for the services provided by the Oxnard Drainage District No. 2; and

WHEREAS, the Ventura LAFCO Executive Officer gave notice of a public hearing by the Commission to consider the "Municipal Service Review – Drainage Services" report and the statements of determinations necessary to comply with California Government Code §56430 for Oxnard Drainage District No. 2; and

WHEREAS, the Ventura LAFCO Executive Officer has recommended that the municipal service review for Oxnard Drainage District No. 2 be determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to §15061(b)(3) of the CEQA Guidelines; and

WHEREAS, the municipal service review of the services provided by Oxnard Drainage District No. 2 and the related recommended statements of determination were duly considered on February 16, 2005, as specified in the notice of hearing; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony for and against the recommended exemption from CEQA, the municipal service review and the written determinations for the services provided by Oxnard Drainage District No. 2 including, but not limited to, the "Municipal Service Review – Drainage Services" report and the Executive Officer's report and recommendations;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Ventura Local Agency Formation Commission as follows:

- (1) The service review of the services provided by Oxnard Drainage District No. 2 as contained in the Municipal Service Review – Drainage Services report, together with the related statements of determination, are determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to §15061(b)(3) of the CEQA Guidelines.
- (2) The Commission directs staff to file a Notice of Exemption as the lead agency under Section 15062.
- (3) The Commission accepts the Municipal Service Review – Drainage Services report as presented to the Commission on February 16, 2005. The Executive Officer is authorized to make minor corrections and additions to this report for accuracy and completeness.
- (4) The Executive Officer's Staff Report and Recommendation for approval of the municipal service review of the services provided by Oxnard Drainage District No. 2, dated February 16, 2005, is hereby adopted.
- (5) Pursuant to California Government Code §56430 the following statements of determination are hereby adopted for the services provided by Oxnard Drainage District No. 2:
  - **Infrastructure needs or deficiencies**
    1. That the Oxnard Drainage District No. 2 bases its assessment of maintenance of drainage facilities on annual evaluations by landowners.
    2. That encroaching urban development can impact the services of the Oxnard Drainage District No. 2.
    3. That the Oxnard Drainage District No. 2 currently provides adequate levels of services for its customers.

- **Growth and population projections for the affected area**
  1. That growth in the Oxnard Drainage District No. 2 is limited due to both the City of Oxnard and County of Ventura SOAR Ordinances, and the continued viability of agricultural operations.
  
- **Financing constraints and opportunities**
  1. That the Oxnard Drainage District No. 2 prepares an annual budget based on estimated maintenance needs and on the assessment of individual landowners.
  2. That continued detachments of land from the agency may negatively impact the financial resources of the District and jeopardize its ability to continue operations.
  
- **Cost avoidance opportunities**
  1. That the Oxnard Drainage District No. 2 uses cost sharing programs with other agencies wherever possible such as the watershed plan.
  2. That the Oxnard Drainage District No. 2 uses contractors for services when shown to be cost effective.
  
- **Opportunities for rate restructuring**
  1. That the rates and fees of the Oxnard Drainage District No. 2 are set annually.
  
- **Opportunities for shared facilities**
  1. That the Oxnard Drainage District No. 2 collaborates with the City of Oxnard and other agencies about facilities.
  
- **Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers**
  1. That the Oxnard Drainage District No. 2 should reexamine the potential benefits of consolidation with Oxnard Drainage District No. 1.
  1. That the Oxnard Drainage District No. 2 and the City of Oxnard should collaborate more effectively about the timing of development of territory in the District's boundaries and the related need to detach such territory from the District's boundaries.
  2. That LAFCO in conjunction with the Oxnard Drainage District No. 2 and the City of Oxnard, should re-examine policies about not requiring detachment from the District whenever a reorganization with the City of Oxnard affects territory in the District's boundary.
  3. That the Oxnard Drainage District No. 2 should file with LAFCO for the detachment of all territory within the District's boundaries that has been developed or that is no longer benefiting from District services.

4. That LAFCO, in conjunction with the Oxnard Drainage District No. 2, should consider updating the District's sphere of influence to include territory adjacent to existing District boundaries that is located outside the Oxnard CURB, that is likely to remain in agricultural use for the foreseeable future, and that could potentially benefit from the extension of District facilities.

- **Evaluation of management efficiencies**

1. That the current management structure of the Oxnard Drainage District No. 2 is adequate to serve the present and future needs of the agency.

- **Local accountability and governance**

1. That the Oxnard Drainage District No. 2 is locally accountable through adherence to applicable government code sections, open and accessible meetings, and dissemination of information and encouragement of participation in their process.

This resolution was adopted on February 16, 2005.

AYES:

NOES:

ABSTAINS:

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Date

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Chair, Ventura Local Agency Formation Commission

Copies:

Oxnard Drainage District No. 1 & Oxnard Drainage District No. 2

Board of Supervisors

City of Oxnard – City Manager

Chief Executive Officer – Ventura County

Auditor-Controller – Ventura County

Ventura LAFCO Resolution Adopting CEQA Exemption and Approving Municipal Service Review for Oxnard Drainage District No. 2

February 16, 2005

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