Ventura Local Agency Formation Commission

Casitas Municipal Water District

Municipal Service Review

Prepared By:
Ventura Local Agency Formation Commission
801 S. Victoria Avenue, Suite 301
Ventura, CA 93003
Accepted by the Commission on November 16, 2022

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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 Casitas Municipal Water District (CMWD or District) using information obtained from multiple sources, including, but not limited to:

- **MSR Questionnaire:** A questionnaire supplied by LAFCo elicited general information about the District (e.g., contact information, governing body, financial information), as well as service-specific data;
- **Budget:** The adopted budget provided information regarding services and funding levels;
- **General Plans:** Ventura County, City of Ojai, and City of San Buenaventura General Plans provided information regarding land use, populations, and service levels;
- **District Documents:** Various District documents provided supplementary information relating to service provision;
- **Historical MSR:** The 2004 MSR provided certain data that remain relevant and accurate for inclusion in the current MSR;
- **District Website:** The District's website provided supplementary and clarifying information; and
- **District Staff:** District staff provided supplementary and clarifying information.

Organization of the MSR

This report is organized into several sections, as follows:

- **Maps:** A general location map and the official LAFCo map of the District;
- **Profile:** Summary profile of information about the District, including contact information, governing body, summary financial information, and staffing levels;
- **Growth and Population Projections:** Details of past, current, and projected population for the District;
- **Review of Municipal Services:** Discussion of the municipal services that the District provides;
- **Sphere of Influence:** Discussion of the existing sphere of influence of the District and potential modifications to the sphere; and
- **Written Determinations:** Recommended determinations for each of the seven mandatory factors for the District.

The Commission's acceptance of the MSR and adoption of written determinations will be memorialized through the adoption of a resolution that addresses each of the seven mandatory factors based on the Written Determinations section of the MSR.

Maps

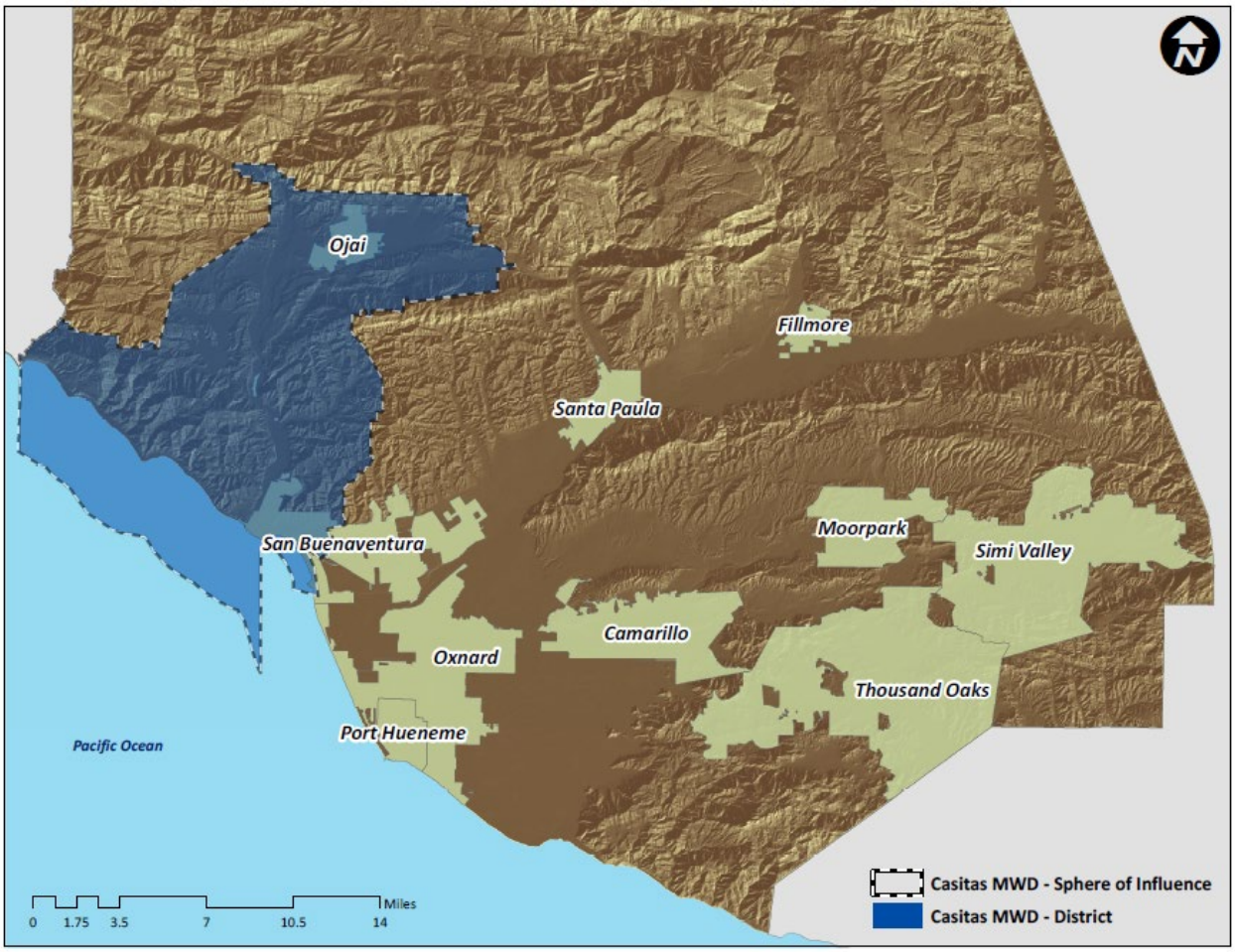

Figure 1: Location Map

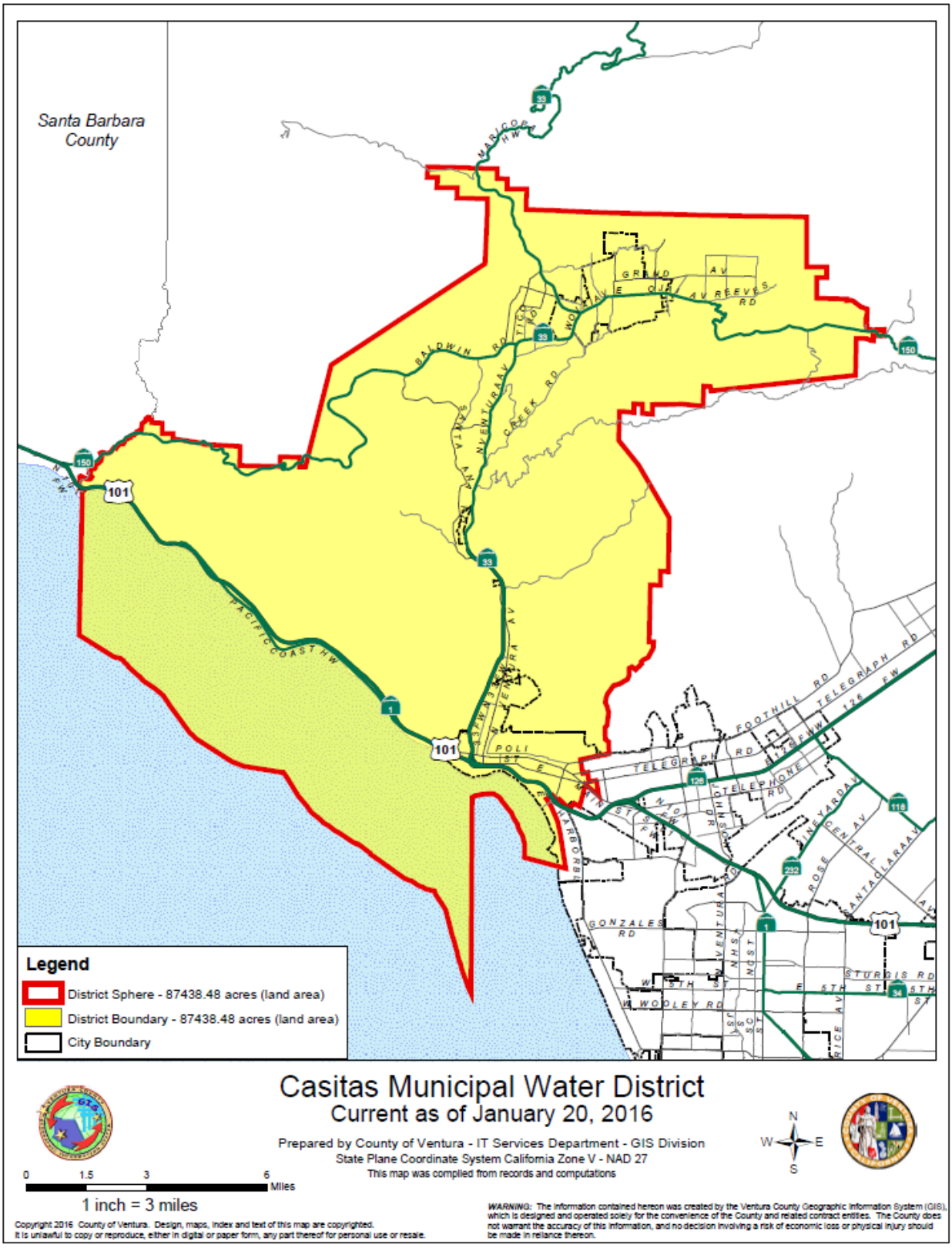

Figure 2: Official LAFCo Map

Profile

The District's mission is provided as follows:

> *To provide its service area with safe and reliable locally and regionally developed water and recreational opportunities in an environmentally and economically responsible manner.*

The CMWD was formed in 1952 as the Ventura River Municipal Water District, in response to persistent drought conditions as a method to establish reliable water sources that would support a growing population and local agriculture. Lake Casitas was established through the construction of the Casitas Dam in 1959. The District was renamed in 1971 as the Casitas Municipal Water District. It provides wholesale and retail water to municipal and individual customers. Additionally, it runs water conservation programs, provides recreational services related to its operation of the Lake Casitas Recreation Area (which contains amenities for overnight camping as well as day use facilities for walking, hiking, fishing, water-based activities, etc., at Lake Casitas), and provides limited wastewater collection services for portable wastewater facilities within the Lake Casitas Recreation Area. The CMWD's service area includes the City of Ojai, the unincorporated communities of Meiners Oaks, Oak View, and Casitas Springs, and the western portion of the City of Ventura.[1]

Contact Information	
District Manager	Michael Flood
District Office	1055 N. Ventura Avenue, Oak View, CA 93022
Mailing Address	1055 N. Ventura Avenue, Oak View, CA 93022
Phone Number	(805) 649-2251
Website	casitaswater.org
E-mail Addresses	firstinitiallastname@casitaswater.org

Governance Information	
Formation Date	October 14, 1952
Legal Authority	Water Code Section 71000 et seq. (Municipal Water District Law of 1911)
Type of District	Independent
Board of Directors	Five members. Elected by voting district to staggered, four-year terms of office (elections held in even-numbered years).
Board Meetings	2nd and 4th Wednesday of most months, beginning at 5:00 p.m., located in the Casitas Board Room at 1055 Ventura Avenue, Oak View, CA 93022.

[1] The portion of the City of San Buenaventura that lies within the jurisdictional area of the District generally represents the area covered by the City at the time the District was formed. City annexations eastward of this area did not include accompanying annexations to the District, and therefore the areas annexed to the City after the District's formation continue to be excluded from the District.

Services Provided
The Casitas Municipal Water District provides wholesale and retail water service, recreational services, and wastewater collection/conveyance services. It also provides water treatment, agricultural water, and water conservation services, and is authorized to provide recycled/reclaimed water, groundwater management, and water replenishment services throughout its distribution system and service area.

Population and Area Information		
	Population[2]	*Area (square miles)*
Jurisdictional Area	63,718	136.62
Sphere of Influence Area	63,718	136.62

Staffing[3]			
Executive/Management	Professional/Support	Operational	Total
10	14	81	105

Revenues	Expenditures
Primary Revenue Sources	Primary Expenses
Water Sales & Service	Salaries & Benefits
Recreation Operations (Lake & Water Park)	Capital Projects
Taxes & Assessments	Professional Services
FY 2022-23 Revenues (Budget)	FY 2022-23 Expenditures (Budget)
$38,514,404	$38,514,404

Public Agencies with Overlapping Jurisdiction	
City of Ojai	Ventura County Resource Conservation District
City of San Buenaventura	Ventura County Service Area No. 3
Meiners Oaks Water District	Ventura County Service Area No. 14
Gold Coast Transit District	Ventura County Service Area No. 32
Ojai Basin Groundwater Management Agency	Ventura County Transportation Commission
Ojai Valley Sanitary District	Ventura County Watershed Protection District
Ojai Water Conservation District	Ventura Regional Sanitation District
Ventura County Air Pollution Control District	Ventura River Water District
Ventura County Fire Protection District	

[2] Source: 2020 estimated population from the District's 2020 Urban Water Management Plan.

[3] The 105 total number of staff includes: (1) water-related services (46 employees (44 full-time and 2 part-time)), (2) recreation-related services (59 employees (19 full-time and 40 part-time)), and (3) wastewater-related services (included as part of recreation-related services).

Growth and Population Projections

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

According to the District's 2020 Urban Water Management Plan (UWMP), adopted June 23, 2021, the population within the District's service area and sphere of influence in 2020 was approximately 63,718, and is expected to reach 65,704 by 2030 and 67,758 by 2040. Given the trend of a low growth rate and limited opportunities for development within the Ojai area and Highway 33 corridor north of the City of San Buenaventura, the majority of the District's growth is anticipated to occur within the City of San Buenaventura's jurisdictional area and sphere of influence (which is limited to the western portion of the City). The 2020 UWMP documents that the District does not expect to experience significant development within its service area within the foreseeable future.

Review of Municipal Services

The review of the District's services is based on provisions of state law which require LAFCo to make determinations regarding the present and planned capacity of public facilities, the adequacy of public services, infrastructure needs and deficiencies, and the District's financial ability to provide these services (Government Code § 56430(a)(3)).

Recreational Services

Although the primary purpose of the CMWD is the provision of water service and water storage (through Lake Casitas) within the Ojai Valley and surrounding area, the District also provides recreational services within the approximately 300-acre Lake Casitas Recreation Area which contains the lake and surrounding areas, and offers activities such as day camping and overnight camping. The District maintains 12 campgrounds for day camping and overnight camping, with more than 400 campsites for maximum 14-night stays per month (many of which contain utility hook-ups, picnic areas, fire rings, grills, restrooms and showers, and playgrounds), with facilities for boating and fishing, hiking/biking, wildlife and bird watching, and frisbee golf. Pursuant to a policy of the District's Board of Directors, swimming and other body-contact activities in Lake Casitas are not permitted, because the lake is used as a source of drinking water. The Casitas Water Adventure outdoor water park was constructed to provide aquatic recreational opportunities for visitors.

The District also owns and operates the Lake Casitas Water Adventure outdoor water park (previously known as the Blue Heron water park upon its inauguration in 1997), which is open between May and September and includes a "lazy river," lagoon, and splash pad, along with related amenities including shaded decks, lounge chairs, showers, restrooms, and a snack bar. In 2021, the District removed the play structure located within the water park (as the structure had reached the end of its useful life) and the replacement play structure is expected to be operational by May 2023. The replacement efforts are expected to cost $2.8 million, which are being funded through a bank loan and will be covered through increased park entrance fees (which will increase from $15 per guest in 2022 to $23-$25 per guest in 2023). All other portions of the water park remain operational during play structure demolition and construction activities. The water park is open 80 days per year (i.e., during the summer months), and has a maximum daily occupancy of 1,500 people. The District's net revenue for the water park was $196,086 for FY 2021-22.

Additional recreational amenities available at Lake Casitas include the Marina Café (open 6:30 a.m. to 2:00 p.m.), the Park Store (containing camping and fishing supplies), and a rental facility that offers boat, kayak, and canoe rentals (which are operated by private vendors), and storage for RVs, boats/trailers, and kayaks (which is operated by the District). The CMWD also provides a venue for the Casitas Rowing Club (which provides rowing opportunities for adults, high school students, and middle school students) and offers a Junior Ranger Program for local youth.

Over the past four fiscal years, the District has recorded service volume as follows: 847,910 visitors during Fiscal Year (FY) 2018-19, 635,824 visitors during FY 2019-20 (which included several months of closure as a result of the coronavirus (COVID-19) pandemic), 1,107,585 visitors during FY 2020-21, and 996,574 visitors during FY 2021-22. While the District does not make formal projections regarding the number of visitors to the Lake Casitas Recreation Area, it anticipates that the number of visitors will remain stable at about 1 million each year.

Wastewater Collection and Conveyance Services

The District operates 14 restroom buildings and 104 portable toilets, all within the Lake Casitas Recreation Area, and can hold a total of 65,000 gallons of wastewater. Total holding capacity of the restroom building tanks is 30,000 gallons. Wastewater collected from portable toilets is stored in 10 on-site septic tanks which have the capacity to hold 35,000 gallons of wastewater. During FY 2021-22, the volume of wastewater generated within the Lake Casitas Recreation Area was 1,428,400 gallons.

The District relies on two sewage disposal trucks to collect and transport wastewater, including a Freightliner pump truck (which has a 3,400-gallon waste capacity and 100-gallon water capacity) and a Ford F-350 pump truck (which has a 1,100-gallon waste capacity and 400-gallon water capacity). All wastewater is trucked to the Ojai Valley Sanitary District (OVSD) wastewater treatment plant for disposal.[4] During FY 2021-22, the District made 442 trips to the OVSD wastewater treatment facility, consisting of 278 trips for an average of 46 trips per month during the higher-demand "summer season" (i.e., April through September) and 164 trips for an average of 27 trips per month during the lower-demand "off-season" (i.e., October through March).

Water Services

Water Service History

The District, originally known as the Ventura River Municipal Water District, operates and maintains a water distribution system within the City of Ojai, as well as the unincorporated communities of Meiners Oaks, Oak View, and Casitas Springs, and the western portion of the City of San Buenaventura. It supplies both retail water to end users as well as wholesale water to local purveyors including but not limited to the City of Ojai, City of San Buenaventura, Meiners Oaks Water District, and Ventura River Water District.[5]

According to the 2020 UWMP, adopted on June 23, 2021, the District operates the Ventura River Project, which supplies surface water within its boundaries through operation of the

[4] The Lake Casitas Recreation Area is outside the jurisdictional boundaries of the OVSD; however, the agreement to between the CMWD and OVSD has been in place since 1963, and therefore OVSD service to this area predates the requirement for approval by LAFCo.

[5] Retail customers of the CMWD include Casitas Mutual Water Company, Hermitage Mutual Water Company, Meiners Oaks Water District, Senior Canyon Mutual Water Company, Siete Robles Mutual Water Company, Sisar Mutual Water Company, Tico Mutual Water Company, City of Ventura, and Ventura River Water District.

Casitas Dam, Lake Casitas, and the Robles Diversion (all of which was completed in 1959) and the Fish Passage Facility (which was constructed in 2004). The Ventura River Project was designed and built to collect, distribute, and conserve local water supplies. The United States Bureau of Reclamation constructed the project for a total cost of more than $30 million, and then assigned the District the responsibility of operating and maintaining the project (including the right to the water made available by the project). Lake Casitas reached capacity for the first time in 1978 at approximately 254,000 acre-feet (AF).

By means of licenses granted by the State Water Resources Control Board, the District is authorized to divert a maximum of 107,800 acre-feet per year (AFY) from the Ventura River and its tributaries (e.g., Coyote Creek and Santa Ana Creek) into Lake Casitas (with 28,500 AFY allowed for beneficial use) and withdraw a maximum of 4,570 AFY diverted at Matilija Dam and re-diverted at Robles Diversion and Fish Passage Facility. On average, the District diverts approximately 30 percent of the permitted volume from these sources. The Robles Diversion, located northwest of the City of Ojai, supplies water to Lake Casitas through the 7-mile Robles Canal. The Robles Fish Passage Facility was constructed in 2004 to accommodate the migration of endangered steelhead trout. The National Oceanic and Atmospheric Administration (NOAA), through the National Marine Fisheries Service (NMFS), regulates the facility and requires minimum flows to allow for fish migration.[6]

Services, Service Area, and Distribution System

The District provides retail domestic potable water, wholesale water, water treatment, agricultural water, and water conservation services throughout its distribution system and service area. The District's service area consists of the Ventura River Valley (including the City of Ojai, the western portion of the City of San Buenaventura, and unincorporated areas and communities between and surrounding the cities), and the County's north coast. As discussed above, the District's wholesale customers include the City of San Buenaventura, Meiners Oaks Water District, Ventura River Water District, and several mutual water companies within its service area. The CMWD estimates that it provides water service to a total of 6,165 customers, which consist primarily of residential connections (i.e., 5,013 customers) but includes a range of land uses throughout its service area, including commercial and agricultural (e.g., irrigated crops, including avocados, lemons, oranges, strawberries, tangerines, walnuts, and hay) uses. The City of San Buenaventura is the District's largest customer, consisting of approximately half of the overall water demand on the District.

Surface water distribution infrastructure includes 97 miles of main and distribution pipelines, 11 pump plants, 15 storage tanks (for a total capacity of 30 million gallons and an average storage volume of 25 million gallons), and 27 pressure-regulating stations. The District anticipates its storage need to be approximately 17.5 million gallons (approximately half the volume of its estimated peak demand of 35 million gallons per day (MGD)). In 1995, the CMWD constructed a 65,000,000 gallon per day pressure filtration treatment plant (i.e., Marion Walker

[6] According to the *2021 Lake Casitas Water Supply and Demand Study* (adopted March 23, 2022), the Robles Diversion and Fish Passage Facility is under the jurisdiction of the 2003 non-jeopardy Biological Opinion prepared by the NMFS as a result of the presence of steelhead trout (an endangered species) within the Ventura River.

Water Treatment Plant) located at the base of Casitas Dam that treats filtered water with chloramination for disinfection and additives for corrosion control, in compliance with State standards. Water treated at the treatment plant is limited to surface water sourced from Lake Casitas. Groundwater supplies are treated in compliance with American Water Works Association disinfection procedures. Reservoirs located throughout the service area at various elevations regulate water system pressures within CMWD's distribution system. The CMWD meters all of its direct service customers and connections to other water agencies for which it is a wholesale provider (retail water agencies in the CMWD service area meter their own customers). The District has a peak demand capacity of 65 MGD.

The CMWD has historically held agreements with the City of San Buenaventura related to water provision within the City. The current agreement between the CMWD and the City became effective on May 10, 2017, and enables the CMWD to provide the City with a volume of water that meets the City's projected water demand (which is defined in the agreement as the total amount of water needed to meet the City's water needs within CMWD boundaries, based on the City's Comprehensive Water Resources Report or similar best management practice). City water service that includes water sourced from the CMWD is limited to the areas located within the CMWD's jurisdictional area (i.e., the western approximately one-third of the City and portions of the unincorporated North Ventura Avenue area).

The District operates two generally distinct water systems, which are discussed in greater detail later in this report:

(1) the "Casitas System" (also known as "Casitas Water System") which receives its supply primarily from Lake Casitas, is supplemented by one groundwater well (i.e., "Mira Monte Well" in the Upper Ventura River Groundwater Basin) and serves "Casitas wholesale" and "Casitas retail" customers; and
(2) the "Ojai System" (also known as "Ojai Water System" or "OWS"), acquired from Golden State Water Company in 2017, which receives its supply primarily from six groundwater wells in the Ojai Groundwater Basin, and is supplemented as needed from the Casitas System.

A map depicting the District's sphere of influence and jurisdictional area in relation to the underlying groundwater basins is provided in Figure 3, to the right.

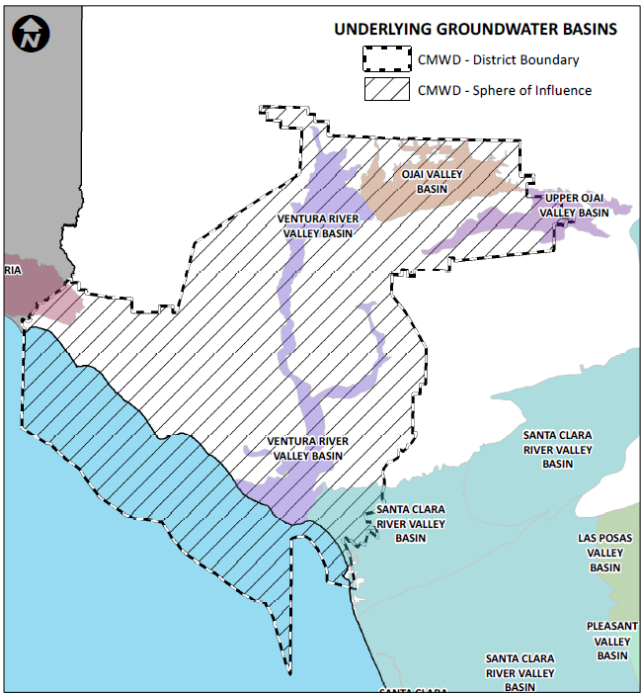

Figure 3: Underlying Groundwater Basins
Source: California Department of Water Resources, 2019

The 2020 UWMP is separated into various sections to provide detailed information for the District's three customer categories (i.e., (1) Casitas wholesale, (2) Casitas retail, and (3) OWS). These three service categories are depicted in Figure 4, below, and service areas differentiating overall wholesale and retail areas are provided in Figure 5, below:

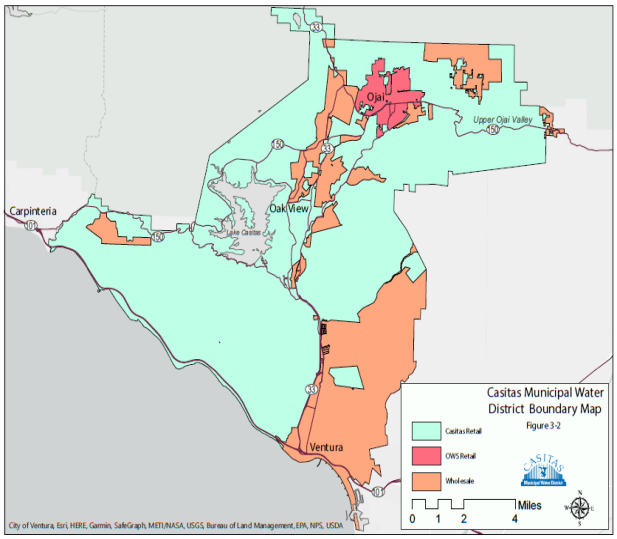

Figure 4: CMWD Water Customer Types
Source: 2020 CMWD UWMP

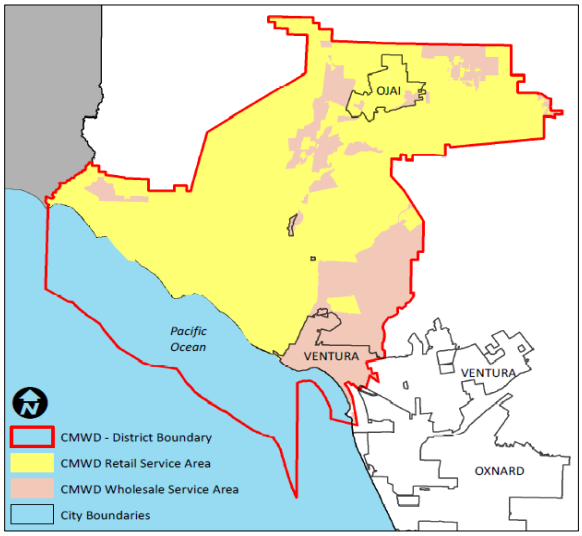

Figure 5: CMWD Wholesale and Retail Areas
Source: CMWD (2022)

Acquisition of Ojai Water System (OWS)

In June 2017, the District acquired the OWS from the Golden State Water Company's water system within the City of Ojai and surrounding areas, resulting in the District's current provision of retail water service to most parts of the City of Ojai using existing sources of water. The OWS supply consists of groundwater contained within the Ojai Groundwater Basin. The purveyor change was prompted by City of Ojai residents, who voted in favor of the acquisition because the District offered lower water rates than Golden State Water Company. Bond funding for the $34.4 million purchase and infrastructure improvement efforts are expected to be covered entirely by property tax revenue through Mello-Roos financing.

The District is in the process of conducting major improvements to the aging infrastructure that it acquired when it absorbed the OWS. This capital improvement project is intended to address system deficiencies that have resulted in frequent leaks and water main breaks, and the upgraded infrastructure will meet current standards for fire flow. The District is currently focusing its efforts on the replacement of pipeline within Ojai Avenue in the Ojai downtown area, and has not established an expected completion date for the OWS rehabilitation project.

Water Supply and Demand

Local water sources comprise all of the District's water supply. The primary water supply is Lake Casitas, which has a design capacity of 254,000 AF of water, and an actual capacity of

approximately 237,761 AF.[7] When full, the reservoir covers a surface area of 2,760 acres, has 32 miles of shoreline, and is 200 feet deep at its deepest point. Water in Lake Casitas is accumulated through direct rainfall on the lake surface, local watershed runoff from Coyote and Santa Ana Creeks, and diversions from the Ventura River made through the Robles Diversion Facility and canal. As of September 1, 2022, Lake Casitas was approximately 31.4 percent full at 74,811 AF in storage. Lake Casitas was developed in order to supplement unstable local groundwater supplies; however, water from the lake serves as the primary supply for many direct customers and as a supplemental supply for groundwater users.

According to the District's draft Comprehensive Water Resources Plan (June 8, 2020),[8] the District separates its analysis of the Casitas Water System from the Ojai Water System because the supply sources for these systems are not identical. Specifically, "[d]emands in areas served by the Casitas system are primarily met by water supplied by Lake Casitas, with a small supply from the Mira Monte Well located in the Upper Ventura River Groundwater Basin. Demands in the Ojai Water System are met primarily by Ojai Groundwater Basin wells and supplemented by Casitas Water System as needed."

The 2020 UWMP is organized in such a way as to provide separate supply and demand figures for the "Casitas System" and the "Ojai System." According to the 2020 UWMP, the District's supply sources consist of:

Casitas System:

- Surface water consisting of direct rainfall into Lake Casitas, runoff from the surrounding watershed (including Coyote Creek and Santa Ana Creek) (approximately 48 percent of total supply), and surface water from the Ventura River routed to Lake Casitas through the Robles Diversion and Robles Canal (approximately 33 percent of total supply), for a total available volume of 10,660 AFY, or 81 percent of the District's supply; and
- Groundwater from the Mira Monte Well in the Upper Ventura River Groundwater Basin (180 AFY, or about 2 percent of total District supply); and

Ojai System:

- Groundwater from the Ojai Wellfield (i.e., six wells) in the Ojai Groundwater Basin (1,800 AFY, or approximately 13.5 percent of total supply), supplemented by approximately 525 AFY from the Casitas System (in combination, Ojai System supply is 2,325 AFY, or approximately 17 percent of total District supply).[9]

[7] According to the 2020 UWMP, at the time the Casitas Dam was constructed, Lake Casitas had a design capacity of 254,000 AF, but a 2017 study demonstrated that capacity had reduced to 237,761 AF as a result of sedimentation.
[8] The District is not required to prepare a comprehensive water resources plan, but has opted to do so. No date for expected finalization of the plan has been established.
[9] While water from the Casitas System can supplement the Ojai System, groundwater pumped from within the Ojai Wellfield may not be exported from the jurisdictional area of the Ojai Groundwater Basin. According to the 2020 UMWP, the Ojai System and the Casitas System have two interconnections, which are used when Ojai System demand exceeds groundwater well capacity and during well repair activities.

The Lake Casitas safe yield figure in the District's 2020 UWMP establishes the amount of water that can be withdrawn from the lake without exceeding its ability to recharge over the long term. The 2020 UWMP states that in 2021, the District Board set the safe yield of Lake Casitas at 18,420 AFY, with a -15 percent safety factor and a climate change adjustment of -4.3 percent, resulting in an operational yield of 15,010 AFY.

According to the District, surface water demand has decreased from 20,417 AF in FY 2013-14 to 11,304 AF in FY 2021-22, reaching a low of 9,340 AF in FY 2018-19. During the period of 2017 through 2020, total groundwater demand ranged from 1,479 AFY to 1,672 AFY, following a demand of 979 AF in 2016. In FY 2019-20, total water demand within the District was 9,800 AF, down from 13,404 AF in FY 2020-21. District staff attributes the 3,604 AF difference to the decrease in precipitation between FY 2019-20 and FY 2020-21, and the corresponding increase in demand by agricultural water users within the District's service area. The UWMP documents that total District water demand for the Casitas retail system in 2020 was 10,626 AF (195 gallons per capita per day (GPCD)), meeting the District's 2020 target demand of 295 GPCD. Total demand within the Ojai System in 2020 was 1,669 AF, (209 GPCD), meeting the 2020 target demand of 257 GPCD. According to District staff, water demand within the District's service area fluctuates annually and depends on external factors such as precipitation volume and agricultural trends. While establishment of a reliable long-term water supply continues to be a concern, the District has demonstrated that it has sufficient water supply to meet demand for the foreseeable future, and is actively pursuing additional supply sources (discussed later in this report) that would diversify and strengthen the District's water portfolio.

According to the UWMP, through at least 2040, Casitas wholesale supply is expected to exceed demand during normal and single-dry years (with a supply of 5,103 AFY (consisting of 4,460 AFY from Lake Casitas, 43 AFY from the Mira Monte well, and 600 AFY anticipated from the State Water Project (SWP))[10] and demand of 4,356 AFY, for a difference of 747 AFY during that period). During multiple dry years, supply and demand are both anticipated to decrease, with supply continuing to exceed demand through at least 2040. During the same time period, normal year and single-dry year Casitas retail supply is also expected to exceed demand (with a supply of 11,907 AFY (consisting of 10,405 AFY from Lake Casitas, 102 AFY from the Mira Monte well, and 1,400 AFY from the SWP) and demand of 10,169 AFY, for a difference of 1,400 AFY). As with wholesale, during multiple-dry years, retail is expected to experience reductions in both supply and demand through 2040, with supply exceeding demand. Finally, OWS retail supply is expected to exceed demand during normal and single-dry years through at least 2040 (with a supply of 2,761 AFY and demand of 1,850 AFY, for a difference of 911 AFY), and supply is expected to exceed demand during multiple-dry years as well. Overall, by 2025, District water supply is expected to be 19,771 AF and demand is expected to be 16,375 AF and, with continued implementation of conservation measures established by the Board of Directors as part of its Stage 3 drought determination, is anticipated to remain constant through at least 2040, with supply anticipated to exceed demand for each supply type and user type category.

[10] Imported water provided through the SWP is discussed in more detail later in this report.

Surface Water Supply

Surface water harvested from Lake Casitas comprises approximately 81 percent of the District's supply. Lake Casitas has an estimated current capacity of about 237,761 AF of water. According to the 2020 UWMP, storage volume in Lake Casitas has generally exceeded 200,000 AF since its construction in 1959 through 2012 (except for the period between 1989 to 1993, when it dipped to approximately 125,000 AF). Since 2012, storage volume in the lake has declined, and for the last seven years has ranged between about 75,000 AF and 110,000 AF. As of September 1, 2022, Lake Casitas was filled to approximately 74,811 AF (i.e., 31.4 percent of current capacity).

The Robles Diversion and Fish Passage Facility at the north end of the Ventura River diverts river flow to the Robles Canal and into the reservoir. In 2004, taking into consideration inflows, outflows, and evaporation, the District determined that the safe yield of Lake Casitas was 20,480 AFY. However, according to the 2021 Lake Casitas Water Supply and Demand Study (adopted March 23, 2022) and as mentioned above, the District Board of Directors established a Lake Casitas safe yield of 18,420 AFY, a supply safety factor of -15 percent, and a climate change adjustment of -4.3 percent, resulting in a combined operational yield of 15,010 AFY.

Groundwater Supply

The District's jurisdictional area includes the UVRGB, which is a medium-priority basin that is not considered by the California Department of Water Resources (DWR) to be in critical overdraft. The UVRGB is overseen by the Upper Ventura River Groundwater Sustainability Agency (UVRGSA), a Groundwater Sustainability Agency (GSA) under the Sustainable Groundwater Management Act (SGMA).[11] Members of the UVRGSA include the CMWD, Meiners Oaks Water District, Ventura River Water District, City of San Buenaventura, and County of Ventura. Water from the UVRGB is pumped primarily by four major water suppliers (i.e., the City of San Buenaventura, CMWD, Meiners Oaks Water District, and Ventura River Water District) and three mutual water companies. In general, the UVRGB is replenished with approximately 10,000 AFY, and is depleted of a similar amount. Flows from the Ventura River provide most of the surface and subsurface recharge of the UVRGB.

According to the GSP prepared for the UVRGSA, the estimated storage in the UVRGB varies considerably, ranging between 14,000 AF and 35,000 AF. Groundwater is recharged through infiltration of precipitation and percolation from surface water flows, among other sources. The District owns and operates one well (i.e., the Mira Monte Well) that draws from the UVRGB. While the UVRGB has an estimated capacity of between 14,000 AF and 35,000 AF, actual groundwater supply is unknown.

[11] The CMWD is a member agency of UVRGSA which is responsible for preparing a Groundwater Sustainability Plan (GSP) and managing the UVRGB pursuant to SGMA, with the goal of achieving sustainable groundwater management within 20 years of adoption. The UVRGSA adopted a GSP, which was submitted to and is currently undergoing review by the DWR.

According to the 2020 UWMP, the Mira Monte Well has the ability to pump 300 AFY. The District typically pumps less than 300 AFY due to high nitrate levels in the groundwater, and blends pumped water with surface water from Lake Casitas to achieve regulatory drinking water standards. On average, between 2016 and 2020, the well's operational yield (i.e., output based on demand) was 39 AFY.

The District's remaining six wells are located within the Ojai Wellfield.[12] Wells acquired from Golden State Water Company in 2017, are located within the Ojai Valley Groundwater Basin (OVGB) in Ojai's East End. These wells are managed by the Ojai Basin Groundwater Management Agency (OBGMA) and supply a total of approximately 1,800 AFY. Pursuant to OBGMA requirements, groundwater extracted from the Ojai Basin may not be exported, and must therefore remain available to only District customers within the jurisdictional area of the OBGMA. According to the 2020 UWMP, water pumped from the OWS wells is treated for iron and manganese and meets drinking water requirements. Between 2016 and 2020, the OWS wells pumped between 944 AFY and 1,548 AFY, averaging 1,310 AFY, or about 17 percent of the CWMD's overall water supply.

Another potential groundwater source for the District is water from the Matilija Formation within the Eastern Santa Ynez Mountains. Existing water storage within the Matilija Formation is preliminarily estimated to be between 29,000 AF and 280,000 AF, and would be accessed by means of infrastructure reaching 15,000 feet in vertical depth below the earth's surface. Further study is necessary to determine a more precise anticipated yield and general project feasibility. The District expects that any water harvested from the Matilija Formation would be used as an emergency supply during drought conditions, and would be either treated and distributed immediately, or routed to Lake Casitas.

Imported Water Supply

The District does not currently receive any imported water for distribution to its customers. However, it is working toward implementation of a variety of projects that would improve the reliability and resilience of its water supply system.

In 1963, the Ventura County Flood Control District (now known as the Ventura County Watershed Protection District) entered into an agreement with the State of California to purchase entitlement to 20,000 AFY of State water through the SWP. The SWP is operated by the California Department of Water Resources SWP water and involves conveyance of water through the Sacramento-San Joaquin Delta in northern California to end users within the state, primarily within southern California. SWP water is occasionally supplemented with water from the California River Aqueduct and is currently delivered to retail customers in Ventura County by the Calleguas Municipal Water District (Calleguas) (a member agency of the Metropolitan Water District of Southern California (Metropolitan)).

[12] The six wells within the Ojai Wellfield include three wells within the San Antonio Wellfield and three wells within the Mutual Wellfield.

In 1971, the CMWD was assigned administration responsibility for the 20,000 AFY water supply contract, and the water shares were divided as follows: (1) Casitas (5,000 AFY), (2) City of San Buenaventura (10,000 AFY), and (3) United Water Conservation District (5,000 AFY). Despite its contractual share, the District does not have the infrastructure to deliver this water, and therefore it does not receive or distribute imported water. Because the District has no current physical means to accept its SWP water allocation, over the past several years has entered into "contractual exchanges" with the San Gorgonio Pass Water Agency (SGPWA), essentially selling its SWP allocation annually to allow the SGPWA to serve its customers in Riverside County (1,750 AFY in 2018, 650 AF in 2019, and 1,000 AF in 2020). While the District is entitled to 5,000 AFY of SWP water, and is working toward establishing access to that water, SWP deliveries are unreliable, with long-term delivery expected to be 52 percent of the allocation.

- State Water Interconnection Pipeline Project (City of San Buenaventura)

The City of San Buenaventura is currently in the design phase of the State Water Interconnection Pipeline Project. Such a project would allow SWP water to reach water purveyors in the westernmost portion of the County by means of a seven-mile-long pipeline connecting the City's water distribution system to the distribution infrastructure of the Calleguas. Essentially, the water would be "wheeled" through pipelines owned by Metropolitan and Calleguas (pursuant to Water Code Section 1810) to the City's new pipeline, where it would be delivered to the City, the United Water Conservation District, and the CMWD. The connection point to existing water infrastructure would occur within the City of Camarillo near the City's western boundaries. SWP water would reach the CMWD distribution system either directly or by means of "in-lieu delivery" (i.e., water allocated to the CMWD would be delivered to the City of San Buenaventura, and water that would otherwise be delivered by the CMWD to the City would be retained to serve other areas within CMWD's jurisdictional boundaries). Such an arrangement is intended to expand the water portfolios of the involved agencies to include imported water in addition to local water sources.

Pursuant to the water wheeling statutes and case law, the treatment of water solely for the purpose of transferring it through a wheeling agreement, and the construction/operation of a water pipeline extending outside its boundaries to be used to deliver water outside an agency's boundaries are not services that are subject to LAFCo approval so long as the amount of water supplied does not allow the total amount of water supplied to the agencies from all sources to exceed the amount contemplated by each agency (in the case of the CMWD, 5,000 AFY). Based on available information to date, it appears that LAFCo involvement will not be necessary for the pipeline project to be developed.

- Ventura-Santa Barbara Counties Intertie (Casitas Municipal Water District and Carpinteria Valley Water District)

The CMWD is coordinating with the Carpinteria Valley Water District (CVWD) to establish a 1.5-mile intertie between the CMWD and CVWD (known as the Ventura-Santa Barbara Counties Intertie), which would allow delivery of imported water to the CMWD through the CVWD, and,

according to the 2020 UWMP, is intended to "augment local supplies and mitigate impacts of droughts and emergencies."

According to District staff, the intertie would enable two-way water transfer between agencies to maintain service continuity during emergency situations, as well as to expand the water portfolios for both agencies for regular service. Furthermore, it would create a physical link in infrastructure between the CMWD and the SWP whereby the District could take delivery of its existing 5,000 acre-foot/year SWP water allocation through a water wheeling agreement with the CVWD. Such a wheeling agreement would benefit the CMWD by expanding its water supply sources, supplementing its existing supplies, and increasing its water storage volume.

The project description states that the project is not intended to increase the amount of water currently being supplied to existing customers or to provide water to areas currently not served by either the CMWD or CVWD. It is not clear whether the CMWD intends to receive SWP water through CVWD pursuant to the provisions of Water Code Section 1810 or how the proposed intertie would be consistent with Government Code Section 56133 (which addresses the ability of agencies to provide services outside their jurisdictional boundaries).

- Historical Agreement between the Casitas Municipal Water District and the Carpinteria Valley Water District

The 2020 UWMP documents that the District also operates under a 1973 agreement (amended in 1976) that allows the CVWD to supply water (consisting of blended water from both the SWP and local sources) to the District's customers in an area of overlap of the districts along Bates Road where the CVWD has distribution facilities, with the District obligated to return the same volume of water to the CVWD in another location. From 2016 to 2020, the CVWD averaged 35 AFY in water deliveries to approximately 40 of the District's customers (i.e., those residential properties located within the Rincon Point community south of Highway 101, as well as the residential properties known as Assessor's Parcel Numbers 008-0-160-01 and -26 north of Highway 101). The District currently owes, and has the ability to deliver, 160 AFY to the CVWD.

Capital Improvement Projects

The District intends to pursue a variety of capital improvement projects in the near term, including continued progress to complete pipeline replacements within Ojai Avenue ($4,500,000), the addition of three emergency generators ($1,000,000, 75 percent of which is to be funded through grants from the Federal Emergency Management Agency (FEMA), with the District responsible for the remaining 25 percent through use of reserves), implementation of the Ventura-Santa Barbara Counties Intertie ($1,500,000), as well as various upgrade, maintenance, repair, and rehabilitation projects. During FY 2022-23, capital improvement projects are expected to be $3,580,000; however, anticipated capital improvement projects over the long term are currently estimated at $13 million. Except for the Ojai Avenue pipeline replacements, which will be funded by bond proceeds, these projects will be funded by a combination of revenues from ratepayers and reserves.

Water Master Plan

The District adopted a Water Master Plan in 1970 (Master Plan for Water Facilities), which contains a discussion of water use, system components, operating conditions, system deficiencies, among other topics. The 52-year-old master plan is outdated and is in need of replacement. District staff plans to update to the water master plan within the next year. The update to the master plan will reflect current water supply and demand figures, infrastructure, population, and capital improvement needs.

Water Conservation Measures and Efforts

The District encourages water conservation by providing customers assistance with relandscaping plan design, grey water reuse, and stormwater capture, along with financial incentives associated with tiered rates that are not subsidized by monthly base rates. Tiered rates involve higher per-unit cost of water for greater overall water demand. The imposition of conservation pricing of water and the establishment of water budgets for customers provides incentives for customers to reduce water demand. In addition, the District coordinates with the Ventura River Water District to provide joint conservation workshops and outreach to customers.

The District implements mandatory use restrictions for drought conditions as prescribed within its Water Efficiency Allocation Plan (WEAP). The CMWD Board of Directors adopted a resolution on May 11, 2022, to continue implementation of Stage 3 (30 percent) conservation levels through the summer of 2022. The WEAP includes provisions and requirements, based on the established level of drought (Stages 1 through 5), with each stage building upon the requirements of the prior stage:

- Under Stage 1, reduction measures include a voluntary demand reduction of 20 percent, the requirement for use of shutoff nozzles, and prohibition against rinsing of sidewalks, driveways, and public roadways.
- Under Stage 2, the District requires a 20-percent reduction in water demand, enforces a moratorium on new water connections, restricts watering to two times per week between the hours of 6 a.m. and 9 a.m. (but prohibits watering during or within 48 hours of a rain event), and requires that plumbing leaks be repaired within 48 hours.
- Under Stage 3, the District requires a 30 percent reduction in water demand, restricts watering to one time per week and prohibits the use of potable water for dust control.
- Under Stage 4, the District requires a 40 percent reduction in water demand, prohibits the filling of new swimming pools and fountains, temporary construction meters, and watering of lawns, and allows the District to consider prohibiting water use for agricultural purposes.
- Under Stage 5, the District requires a 40 percent reduction in water demand, all outdoor watering, including for agricultural use, is prohibited.

The District is currently in a Stage 3 drought. Given the current and predicted drought condition, persistent decline of the water volume in Lake Casitas will potentially result in the imposition of additional conservation measures and the risk of the lake going dry.

Sphere of Influence

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

Written Determinations

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

1. Growth and population projections for the affected area

According to the 2020 UWMP, the population within the District's service area and sphere of influence in 2020 was approximately 63,718, and is expected to reach 65,704 by 2030 and 67,758 by 2040. Given the trend of a low growth rate and limited opportunities for development within the Ojai area and Highway 33 corridor north of the City of San Buenaventura, the majority of the District's growth is anticipated to occur within the City of San Buenaventura's jurisdictional area and sphere of influence (which is limited to the western portion of the City). The 2020 UWMP documents that the District does not expect to experience significant development within its service area within the foreseeable future.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

A disadvantaged unincorporated community is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income (Government Code § 56033.5). No disadvantaged unincorporated communities are located within or contiguous to the District's sphere of influence. According to Ventura LAFCo Commissioner's Handbook Section 3.2.5, Ventura LAFCo has identified Nyeland Acres (within the City of Oxnard's sphere of influence to the north of the city), the Piru community, and Saticoy (within the City of San Buenaventura's sphere of influence to the east of the city) as disadvantaged unincorporated communities.

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

Recreational services:

- The District provides recreational services within the approximately 300-acre Lake Casitas Recreation Area which contains the lake and surrounding areas, and offers activities such as day camping and overnight camping. It operates 12 campgrounds and a broad range of associated amenities, including but not limited to utilities, picnic areas, restrooms and showers, playgrounds, water activities.
- The District owns the Lake Casitas Water Adventure outdoor water park, which is operational during the summer months.
- Vendors under concessionaire agreements operate the Marina Café (open 6:30 a.m. to 2:00 p.m.), the Park Store (containing camping and fishing supplies), and a rental facility that offers boat, kayak, and canoe rentals. Additionally, the District offers storage for RVs, boats/trailers, and kayaks.
- Recreational service volume is estimated at 1 million visitors, which is anticipated to remain stable.

Wastewater collection/conveyance services:

- The District operates 14 restroom buildings and 104 portable toilets, all within the Lake Casitas Recreation Area, and can hold a total of 65,000 gallons of wastewater. Total holding capacity of the restroom building tanks is 30,000 gallons. Wastewater collected from portable toilets is stored in 10 on-site septic tanks which have the capacity to hold 35,000 gallons of wastewater.
- The District relies on two sewage disposal trucks to collect and transport wastewater. All wastewater is trucked to the Ojai Valley Sanitary District's wastewater treatment plant for disposal. During FY 2021-22, the District made 442 trips to the OVSD wastewater treatment facility.

Water services:

- The District operates the Ventura River Project, which supplies surface water within its boundaries through operation of the Casitas Dam, Lake Casitas, and the Robles Diversion and the Fish Passage Facility. The Ventura River Project was designed and built to collect, distribute, and conserve local water supplies. Lake Casitas has a design capacity of approximately 254,000 AF, but an actual current capacity of about 237,761 AF.
- The District operates and maintains a water distribution system within the City of Ojai, as well as the unincorporated communities of Meiners Oaks, Oak View, and Casitas Springs, and the western portion of the City of San Buenaventura.
- The District's water supply consists of surface water (approximately 81 percent) as well as groundwater (approximately 19 percent).
- The District is both a wholesale and retail water supplier. It provides water directly to end users as well as to various retail water providers (e.g., City of Ojai, City of San Buenaventura, Meiners Oaks Water District, and Ventura River Water District). It also provides water treatment, agricultural water, and water conservation services throughout its distribution system and service area.
- The District operates two generally distinct water systems: (1) the "Casitas system" which receives its supply primarily from Lake Casitas, is supplemented by one groundwater well (i.e., "Mira Monte Well" in the Upper Ventura River Groundwater Basin) and serves "Casitas wholesale" and "Casitas retail" customers; and (2) the "Ojai System" (also known as "Ojai Water Service" or "OWS"), acquired in 2017, which receives its supply primarily from six groundwater wells in the Ojai Groundwater Basin, and is supplemented as needed from the Casitas System.
- The CMWD estimates that it provides water service to a total of 6,165 customers, which consist primarily of residential connections (i.e., 5,013 customers) but includes a range of land uses throughout its service area, including commercial and agricultural uses.
- The CMWD has historically held agreements with the City of San Buenaventura related to water provision within the City. The current agreement between the CMWD and the City became effective on May 10, 2017, and enables the CMWD to provide the City with a volume of water that meets the City's projected water demand (which is defined in the agreement as the total amount of water needed to meet the City's water needs within CMWD boundaries, based on the City's Comprehensive Water Resources Report or similar best management practice). City water service that includes water sourced

from the CMWD is limited to the areas located within the CMWD's jurisdictional area (i.e., the western approximately one-third of the City and portions of the unincorporated North Ventura Avenue area).

- Surface water harvested from Lake Casitas comprises approximately 81 percent of the District's supply. As of September 1, 2022, Lake Casitas was approximately 31.4 percent full at 74,811 AF in storage. The 2020 UWMP states that in 2021, the District Board set the safe yield of Lake Casitas at 18,420 AFY, with a -15 percent safety factor and a climate change adjustment of -4.3 percent, resulting in an operational yield of 15,010 AFY.
- Surface water demand has decreased from 20,417 AF in FY 2013-14 to 11,304 AF in FY 2021-22, reaching a low of 9,340 AF in FY 2018-19. During the period of 2017 through 2020, total groundwater demand ranged from 1,479 AFY to 1,672 AFY, following a demand of 979 AF in 2016. In FY 2019-20, total water demand within the District was 9,800 AF, down from 13,404 AF in FY 2021. District staff attributes the 3,604 AF difference to the decrease in precipitation between FY 2019-20 and FY 2020-21, and the corresponding increase in demand by agricultural water users within the District's service area. The UWMP documents that total District water demand for the Casitas retail system in 2020 was 10,626 AF (195 gallons per capita per day (GPCD)), meeting the District's 2020 target demand of 295 GPCD. Total demand within the Ojai System in 2020 was 1,669 AF (209 GPCD), meeting the 2020 target demand of 257 GPCD. According to District staff, water demand within the District's service area fluctuates annually and depends on external factors such as precipitation volume and agricultural trends. While establishment of a reliable long-term water supply continues to be a concern, the District has demonstrated that it has sufficient water supply to meet demand for the foreseeable future, and is actively pursuing additional supply sources that would diversify and strengthen the District's water portfolio. Overall, by 2025, District water supply is expected to be 19,771 AF and demand is expected to be 16,375 AF and, with continued implementation of conservation measures established by the Board of Directors as part of its Stage 3 drought determination, is anticipated to remain constant through at least 2040, with supply anticipated to exceed demand for each supply type and user type category.
- The District owns and operates one well (i.e., the Mira Monte Well) that draws from the Upper Ventura River Groundwater Basin and is managed by the Upper Ventura River Groundwater Agency. According to the 2020 UWMP, the Mira Monte Well has the ability to pump 300 AFY. The District typically pumps less than 300 AFY due to high nitrate levels in the groundwater, and blends pumped water with surface water from Lake Casitas to achieve regulatory drinking water standards. On average, between 2016 and 2020, the well's operational yield (i.e., output based on demand) was 39 AFY.
- The District's remaining six wells, located within the Ojai Wellfield, are located within the Ojai Valley Groundwater Basin in Ojai's East End. These wells are managed by the Ojai Basin Groundwater Management Agency, and supply a total of approximately 1,800 AFY. Between 2016 and 2020, the OWS wells pumped between 944 AFY and 1,548 AFY, averaging 1,310 AFY, or about 17 percent of the CWMD's overall water supply.
- The District does not currently receive any imported water for distribution to its customers. The District is entitled to 5,000 AFY of State water, and is working toward

establishing access to that water. SWP deliveries are unreliable, with long-term delivery expected to be 52 percent of the allocation. The District is working toward implementation of a variety of projects that would improve the reliability and resilience of its water supply system, including the State Water Interconnection Pipeline Project and the Ventura-Santa Barbara Counties Intertie Project.

- The District's current water supply appears to be adequate to meet current demands.
- While the District provides detailed water supply and demand information regarding its variety of systems (i.e., Casitas System and OWS) and sources (surface water and groundwater), it would be beneficial for the District to provide summary information for the District as a whole with regard to historical, current, and projected water supply and demand.
- The District has a water storage capacity of 30 million gallons, which is sufficient to meet its needs.
- The District is equipped with back-up generators at its well sites and pump stations to enable its facilities to be operated during a power outage.
- The District intends to pursue a variety of capital improvement projects in the near term, including continued progress to complete pipeline replacements within Ojai Avenue ($4,500,000), the addition of three emergency generators ($1,000,000, 75 percent of which is to be funded through grants from the Federal Emergency Management Agency (FEMA), with the District responsible for the remaining 25 percent through use of reserves), implementation of the Ventura-Santa Barbara Counties Intertie ($1,500,000), as well as various upgrade, maintenance, repair, and rehabilitation projects. During FY 2022-23, capital improvement projects are expected to be $3,580,000; however, anticipated capital improvement projects over the long term are currently estimated at $13 million. Except for the Ojai Avenue pipeline replacements, which will be funded by bond proceeds, these projects will be funded by a combination of revenues (i.e., ratepayers) and reserves.
- The District adopted a Water Master Plan in 1970 (Master Plan for Water Facilities), which contains a discussion of water use, system components, operating conditions, system deficiencies, among other topics. The 52-year-old master plan is outdated and is in need of replacement. District staff plans to update to the water master plan within the next year. The update to the master plan will reflect current water supply and demand figures, infrastructure, population, and capital improvement needs.
- The District implements mandatory use restrictions for drought conditions as prescribed within its Water Efficiency Allocation Plan (WEAP). The CMWD Board of Directors adopted a resolution on May 11, 2022, to continue implementation of Stage 3 (30 percent) conservation levels through the summer of 2022.

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 through service charges collected through water sales and from property taxes. It has predictable expenses related to capital projects and salaries/benefits.

- Over the last three years, the District has maintained reserves ranging from 105 percent to 152 percent of total revenue. Reserves were calculated at $24,023,785 at end of FY 2021-22, and are estimated to be $15,279,644 at the end of FY 2022-23, with the amount of depletion occurring primarily as a result of the District's alternative water supply studies and bond repayments.
- A 3 percent increase in water rates starting in January 2023 is anticipate to defray increases in costs related to fuel, energy, and chemical treatment.
- The District has a five-year capital improvement plan that includes water system improvements, repairs, and maintenance work. Eighty percent of the capital improvement plan is currently funded, and service charges are expected to fully fund the improvement plan.
- The District's bond ratings are A and AA (Standard and Poor's), which reflect that bonds issued by the District are generally considered to be safe investments, and that the District has the ability to fulfill its financial obligations to its bond holders.
- The District is independently audited on a regular basis. According to the District, the most recent audit (December 7, 2021) prepared for the District was unqualified. An unqualified report reflects fair and transparent financial statements in compliance with generally accepted accounting principles and statutory requirements.
- The District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2020.
- Based on information that the Ventura County Special Districts Association provided the County in January 2021, the District has experienced an estimated financial impact (i.e., costs related to personal protective equipment, sick leave, custodial/sanitation activities, signage, education and enforcement, childcare, and technology) of approximately $328,000, related to the coronavirus (COVID-19) pandemic. The District has used reserves to fund these necessary expenditures, and is currently pursuing a grant from the Federal Emergency Management Agency to defray COVID-19-related costs.

5. Status of, and opportunities for, shared facilities

- The *Study of Special Districts in Ventura County: An Analysis with Recommendations for Changes of Organization* prepared by the Ventura County Executive Office in 1972 recommended that a committee be formed to "evaluate unification of retail water service in the Ventura River Drainage Area." Although the CMWD appointed a representative to the committee, no record of committee activities or reorganization studies exist.
- The *Special Districts Study* prepared by LAFCo in 2001 recommended that the Meiners Oaks Water District and Ventura River Water District consider consolidating with the CMWD; however, such a consolidation was not pursued.
- The MSR prepared by LAFCo in 2004 for water and wastewater agencies within Ventura County recommended that: (1) LAFCo should consider the reorganization of water purveyors in the Ojai Valley, and either: (a) LAFCo should form a reorganization committee composed of representatives from the governing bodies of each of the

affected agencies and from other entities as determined by the Commission, or (b) the water agencies in the Ojai Valley should independently form a reorganization committee and present a report to LAFCo, and (2) government restructuring options for water service in the Ojai Valley should include an analysis of private and mutual water service providers and participation by representatives of the City of Ojai and the Ojai Valley Sanitary District. It does not appear that further study toward reorganization of water service providers within the Ojai Valley was pursued.

- The circumstances that prompted the initial discussion of reorganization among water agencies in the Ojai Valley have not changed since 1972, and the opportunity for consolidation of agencies continues to exist. Obstacles toward consolidation include the District's current focus on water supply concerns related to drought conditions and new responsibilities following its acquisition in 2017 of the Ojai Water System, and issues related to water rights, physical limitations of the water systems, and interest level of the districts' governing bodies. The CMWD should again consider pursuit of consolidation with the Ventura River Water District and/or Meiners Oaks Water District. Within five years, LAFCo should re-evaluate the readiness of the districts for consolidation, and initiate such a proposal if it deems appropriate and none has been proposed by the agencies involved.

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 has adapted to the changing needs of public access as a result of the disease caused by the coronavirus (COVID-19) pandemic, by providing live internet access and public participation opportunities for its meetings.
- The District recently upgraded its website. The website includes basic information about the District, a summary of District services (i.e., services related to both water and recreation), an online bill-pay feature, leak and water-waste reporting features, current and recent Board of Directors meeting agendas and staff reports, current budget documents and financial policies, current and historical urban water management plans, and a link to current lake level readings (updated daily). The Board room was recently updated to accommodate video recording equipment and recorded Board meetings are available on the District's website starting in 2019. The District could further improve its website by posting historical budget documents, and formatting its budget to be more easily followed by the public, and posting its audits online.
- The District achieves operational efficiencies through participation in insurance pools including the Association of California Water Agencies and California State Association of Counties insurance pools, and contracts with private providers for some support-type services such as water quality testing and engineering (which vary annually). Additionally, the District has collaborated with other agencies to provide shared safety training courses, including with the County of Ventura, City of Oxnard, City of San Buenaventura, Calleguas Municipal Water District, Meiners Oaks Water District, United

Water Conservation District, Carpinteria Valley Water District, and Santa Clarita Valley Water Agency. Coordinated classes have included, but are not limited to, fall protection, traffic control, boom truck and crane operation, and heavy equipment safety, with classes offered at facilities operated by the District, the County, and the City of San Buenaventura.

- The District is a member of California Water/Wastewater Agency Response Network WARN (CALWARN), which supports and promotes statewide emergency preparedness, disaster response, and mutual assistance processes for public and private water and wastewater utilities in coordination with the State Office of Emergency Services.
- The Ventura County Grand Jury released a document entitled Final Report – Independent Special Districts (April 26, 2018), which was the result of an investigation by the Grand Jury into the transparency and public accountability of independent special districts within the County. The Grand Jury identified opportunities for improvement in these subject areas and required a response from the District. The District's response stated that expanded information is now available on the District's website, as a result of the report.
- The District has been in a Stage 3 declaration since 2016 with a demand target of 16,736 AFY. Current allocations exceed the demand target, but actual water use has been approximately 12,000 AFY. The District currently imposes a "conservation penalty" of $5.00 per unit (i.e., 100 cubic feet) of water. The conservation penalty has been in place since 2016. The District's Water Efficiency and Allocation Program (WEAP) describes the District's water demand reduction strategies and measures to address water shortage conditions, promote water conservation and efficient water use, and the application of a penalty for wasteful water use, and is based on water levels in Lake Casitas.

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

- The Sustainable Groundwater Management Act (SGMA) of 2014 requires the formation of local groundwater sustainability agencies (GSAs) for high- or medium-priority water basins, as determined by the state. GSAs are required to evaluate local water basin conditions and develop groundwater sustainability plans (GSPs). The purpose of a GSP is to define sustainability for an individual basin and establish a path toward sustainability by 2040 for high-priority basins, and 2042 for medium-priority basins. The UVRGB is listed as a medium-priority basin, pursuant to the State Department of Water Resources (DWR). The Upper Ventura River Groundwater Agency is the GSA for the UVRGB, and was formed through a joint powers agreement among the CMWD, Meiners Oaks Water District, Ventura River Water District, the City of San Buenaventura, and the County of Ventura. The GSP prepared for the UVRGB in January 2022 is currently undergoing review by the DWR.
- In 2014, the Santa Barbara ChannelKeeper, a nonprofit organization with the mission to protect and restore the Santa Barbara Channel and its watersheds, sued the State Water Resources Control Board (an agency responsible for preserving, enhancing, and restoring the quality of California's water resources) and the City of San Buenaventura, in an effort to require that the State Water Resources Control Board conduct further

study (a “Reasonable Use Analysis”) of the City of San Buenaventura’s use of water from the Ventura River (i.e., alleged overpumping of the river). According to the Santa Barbara ChannelKeeper, the City has currently and historically overpumped water from the river. In its response to the litigation, the City denied it has overpumped water from the Ventura River, and filed a cross-complaint against other surface water and groundwater users in the Ventura River Watershed, including the CMWD, Meiners Oaks Water District, and Ventura River Water District. As of the date of this document, the issue remains unresolved and adjudication of the Ventura River Watershed is pending.