

September 16, 2021

**NOTICE OF A MEETING OF THE  
VENTURA COUNTY WATERWORKS DISTRICT NO. 19  
SOMIS CITIZENS' ADVISORY COMMITTEE**

NOTICE IS HEREBY GIVEN that a meeting of the Ventura County Waterworks District No. 19 Somis Citizens' Advisory Committee will be held **Thursday, September 23, 2021 from 3:30 p.m. to adjournment** via Zoom. To electronically join the meeting please follow the provided steps – At the specific time (3:30 p.m.) dial the number (669) 900-6833, when prompted enter the meeting ID 470 052 7072. You can also join the meeting by visiting this link - **Join Zoom Meeting** <https://us02web.zoom.us/j/4700527072>

Advisory Committee Members: Please contact the District Office by telephone at (805-378-3005), or by email at [wspc@ventura.org](mailto:wspc@ventura.org), no later September 22, if you are unable to participate on the call.

Sincerely,



Joseph C. Pope, P.E.  
Director, Water and Sanitation

**AGENDA OF MEETING**

1. CALL TO ORDER
2. APPROVAL OF THE MINUTES OF THE AUGUST 26, 2021 MEETING
3. PUBLIC COMMENTS - Members of the public may address the Citizens' Advisory Committee on items of interest to the public that are within the subject matter jurisdiction of the Committee but do not appear on the agenda. With respect to



agenda items, the public will be given an opportunity to address the Committee when the item is reached in the meeting.

4. COMMITTEE MEMBER'S COMMENTS - Members of the Citizens' Advisory Committee may address the meeting with information or observations relevant to the operation of District 19 but do not appear on the Agenda.
5. DISCUSSION OF WATER RATES - Members of the Citizens' Advisory Committee will discuss together the water rate model, planning assumptions, the timing of future planned projects, and staff's proposed water rates.
6. FUTURE AGENDA ITEMS
7. ADJOURNMENT

**\*\*NOTICES:** The following information is provided to help you understand, follow, and participate in the Board meeting: Public Comments – Public comment is the opportunity for members of the public to participate in meetings by addressing the Citizens Advisory Committee in connection with one or more agenda or non-agenda items.

- Observe the Citizens Advisory Committee meeting live at: <https://us02web.zoom.us/j/4700527072>
- If you wish to make a comment on a specific agenda item, please submit your comment via email by 5:00 p.m. on the day prior to the Committee meeting. Please submit your comment to [WSPC@ventura.org](mailto:WSPC@ventura.org). Please indicate in the Subject Line, the Agenda item number (e.g., Item No. 3A). Your email will be read by the Water and Sanitation Director and placed into the record.
- If you are watching the live stream of the Committee meeting and would like to make a general public comment for items not on the day's agenda or to comment on a specific agenda item as it is being heard, please submit your comment to [WSPC@ventura.org](mailto:WSPC@ventura.org). Please indicate in the Subject Line, the Agenda item number (e.g., Item No. 3A). Every effort will be made to read your comment into the record, but some comments may not be read due to time limitations. Comments received after an agenda item will be made part of the record if received prior to the end of the meeting.



Draft

**SOMIS CITIZENS' ADVISORY COMMITTEE  
VENTURA COUNTY WATERWORKS DISTRICT NO. 19  
MINUTES OF THE AUGUST 26, 2021 MEETING**

COMMITTEE MEMBERS IN ATTENDANCE: Diana Enos, Lynette Buchanan-Roth,  
Kathy Janowski, David Hutter

COMMITTEE MEMBERS ABSENT: Kirby Thomas

COMMITTEE MEMBER VACANCY: None

STAFF: Joseph Pope, Director  
Scott Meckstroth, Deputy Director  
Ryan Lippincott, Engineer Manager  
Jean Fontayne, Staff Services Manager  
Julie Taylor, Management Assistant

GUESTS: None

\* \* \*

1. CALL TO ORDER

The meeting was called to order at 3:30 p.m.

2. APPROVAL OF THE MINUTES OF THE JUNE 17, 2021 MEETING

- Ms. Janowski moved to approve the Minutes as presented. Ms. Buchanan-Roth seconded the motion. There were no objections.

3. PUBLIC COMMENTS

- There were no public comments.

4. COMMITTEE MEMBER'S COMMENTS

- Ms. Buchanan-Roth stated that she will provide information at a later date regarding seeking funding for the District. The Somis Farmworker Housing Project could be a possible avenue to secure additional funding.

5. District Staff Report

**A. Financial Review**

- Mr. Pope stated that the District finances are healthy.
- The various financial reports included in the Agenda Packet were discussed.
- Mr. Pope described some significant aspects of the District's financial situation:
  - The Adjudication surcharges will sunset at the end of 2021.

- The Well 2 surcharge is being collected, but payments have not yet started toward the debt service.
- Since it is a dry year, the District is selling more water. The District is currently importing very little water.
- Labor charges were lower than budgeted.
- Systems maintenance repairs and replacements were also lower than budgeted.
- In response to a question asked by Ms. Janowski, Mr. Pope replied that the USDA loan has been paid off. Mr. Pope stated that this loan is being replaced by a new loan with a lower interest rate (RCA loan for the Well 2 Project). This is beneficial to the finances of the District.
- Ms. Buchanan-Roth requested that future financial reports included in the Agenda Packets indicate the effective time period of the reports. Mr. Pope responded that he will ask his Fiscal Staff to include the time period of reports in the future. Mr. Pope explained that the current reports being discussed are for the time period through June 30, 2021.
- Mr. Pope mentioned that after he meets with his staff to discuss water rates, Mr. Pope would like to meet with the Financial Sub-Committee to discuss the possibility of any water rate increases. Ms. Buchanan-Roth suggested that instead of holding a meeting with the Financial Sub-Committee, that this issue be taken up by the entire committee, in a Special Meeting. Mr. Pope agreed.

### **B. Capital Projects Review**

- Well 2 Fe and Mn Treatment Facility
  - The contractor has installed underground electrical and put concrete around it. Next steps will be to work on the ringwall foundation for the reclaim tank and the underground electrical. Regarding any possible shutdowns, the contract specifies that the contractor is limited to an eight-hour shutdown; however, there could be several eight-hour shutdowns, or even longer, such as a multi-day shutdown for special situations. PWA-W&S is working with the contractor as much as possible to try to coordinate and limit shutdowns.
- 538 Pressure Zone Reservoir Replacement
  - Approximately 3,300 feet of pipeline on Somis Road will also be replaced. The Somis Farmworker Housing Project developer, as part of their studies, must determine their fire flow requirements. They will be required to build a 300,000 gallon reservoir at the 538 Pressure Zone site.

- The current reservoir at the 538 Pressure Zone is in poor condition. PWA-WS's plan is to require the Somis Farmworker Housing Project developer to build their new tank right alongside the existing tank, which will defer for some period of time the replacement of the older tank.
- At some point in the future, when the new tank is online, the older tank can be taken offline and replaced.
- Somis Farmworker Housing Project
  - This project will pay the District approximately \$877,620\* just to buy into the District system at the current connection fees. (\*Mr. Pope misstated this number during the meeting. The fees are projected to be approximately half this amount.)
  - Ms. Buchanan-Roth suggested adding stipulations to the contract with the developer that the water provided for this project will only be used for indoor use, not for irrigation. Mr. Pope stated that his current understanding is that the project will use recycled water for irrigation, and that his staff will follow up to ensure that this occurs.
- Pipe Replacement in Cal Trans ROW
  - With regard to the water rate analysis, Mr. Pope stated he would like to have the Cal Trans Pipeline replacement be the next project to be worked on after the Well 2 Project, then the second 538 Pressure Zone Reservoir Replacement after that.

**C. State of Water District 19 Infrastructure Quarterly Update by Scott Meckstroth**

- There was one major line break on Bradley Road. PWA-W&S staff responded quickly, and resolved the problem even before the contractor called in to report the problem. PWA-W&S staff billed the contractor for the extra work, which was paid.
- PA-W&S completed maintenance on the AirVac system.
- Well 3 was the most productive during this quarter.
- The District used 5.7 acre feet of Calleguas water during this quarter.
- With regard to Customer Service and Meter Reading, labor charges were as expected.
- The Well 2 Groundbreaking took place on June 24, 2021.
- Valve maintenance will be taking place this quarter.
- Mr. Meckstroth stated he has the goal to roll out the the Advanced Metering Infrastructure (AMI) to District 19 customers by 1/1/2022.
- The Somis Farmworker Housing developer has stated the goal to have everything online by February of 2024. The groundbreaking on the initial phase will take place in 2022.

## **D. Water Facts**

### **1. Water Supply**

- For July, District wells produced 259.9 acre feet of water and the District purchased .8 acre feet from Calleguas

### **2. Water Quality Report**

- There were two complaints, one in July and one in August. One was a water pressure complaint, and it turned out to be a valve problem. There was also a color complaint. The nearest hydrant was flushed. Mr. Pope stated that he hopes Well 2 will help with any color problems.

### **3. Water Costs**

- The fiscal spreadsheet shows 2.09 acre feet of water purchased in July. However, Mr. Meckstroth's numbers indicated .8 acre feet purchased in July, so one of the numbers unfortunately must be wrong. There have been 1.75 acre feet purchased so far in August.

## **E. Administrative Update**

- Aged Report – \$5,668 in overdue unpaid bills over 61+ days. These customers are mostly residential.

## **F. Director's Informational Items**

- The Governor's Office has called for voluntary cutbacks. Mr. Pope stated he does not believe that this District will be affected by any mandatory cutbacks.

## 6. AVENUES OF PUBLIC OUTREACH -

- PWA-W&S is reaching out to customers concerning water conservation, including sending out emails.

## 7. FUTURE AGENDA ITEMS

- PWA-W&S will reach out to schedule a special meeting to discuss water rates. The purpose of this meeting will be to receive input and feedback on the assumptions going into the rates. The meeting should take place in mid to late September.

## 8. ADJOURNMENT

- The meeting adjourned at 4:43 p.m.

3. PUBLIC COMMENTS - Members of the public may address the Citizens' Advisory Committee on items of interest to the public that are within the subject matter jurisdiction of the Committee but do not appear on the agenda. With respect to agenda items, the public will be given an opportunity to address the Committee when the item is reached in the meeting.
  
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*Ventura County Waterworks District No.19*

# Rate Analysis Study Session for Fiscal Year 2022

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Joe Pope  
Director, Water and Sanitation Department  
County of Ventura Public Works Agency  
*September 2021*

September 2021

# Financial Conditions of the District

- End of Fiscal year 2020 (6/30/20) ended with negative cash reserve balance
- Dec 2020 Waterworks District Board Approved:
  - Minimum Reserve policy of 25% Operating Costs, 10% Revenue, and 2% of net assets
  - Well 2 Surcharge (ends after 30 years)
  - Las Posas Adjudication Surcharge (ends 12/31/2021)
- Ended Fiscal Year 2021 (6/30/21) with cash reserve balance of \$1.18M

# Rate Analysis Assumptions

- Calleguas Municipal Water District Rate increase of 3.5% for 2022
- Assumes steady water demand of 2,296 AF/year after SFWH is complete
- Assumes average inflationary increases used for rate analysis:
  - Labor 3.5%, Electricity 4%\*, materials 3%, and new capital loans 30-year @ 2% fixed
- Assumes groundwater pumping allocation remains at 2,300 acre-feet per year
- Assumes 360-unit Farmworker Housing is completed by Fiscal Year 2024
- Capital Project Timing Recommendations:
  - 538 New Reservoir for Farmworker Housing (funded by developer): FY 2022-23
  - Pipeline Replacement Hwy 118: FY 2023-24
  - 538 Reservoir #2 Replacement: FY 2025-26

\* SCE tariff for Ag and Pumping accounts has increased 19.5% since March 2019

# Rate Analysis Assumptions (continued)

- Operations and Maintenance Project Timing Recommendations:
  - Balcom Canyon Reservoir Repair/Recoat: FY 2023 (rate funded)
  - Well #4 Pump Replacement: FY 2023 (rate funded)
  - Bradley Pump Station Greentree Reservoir: FY 2024/25 (debt funded)

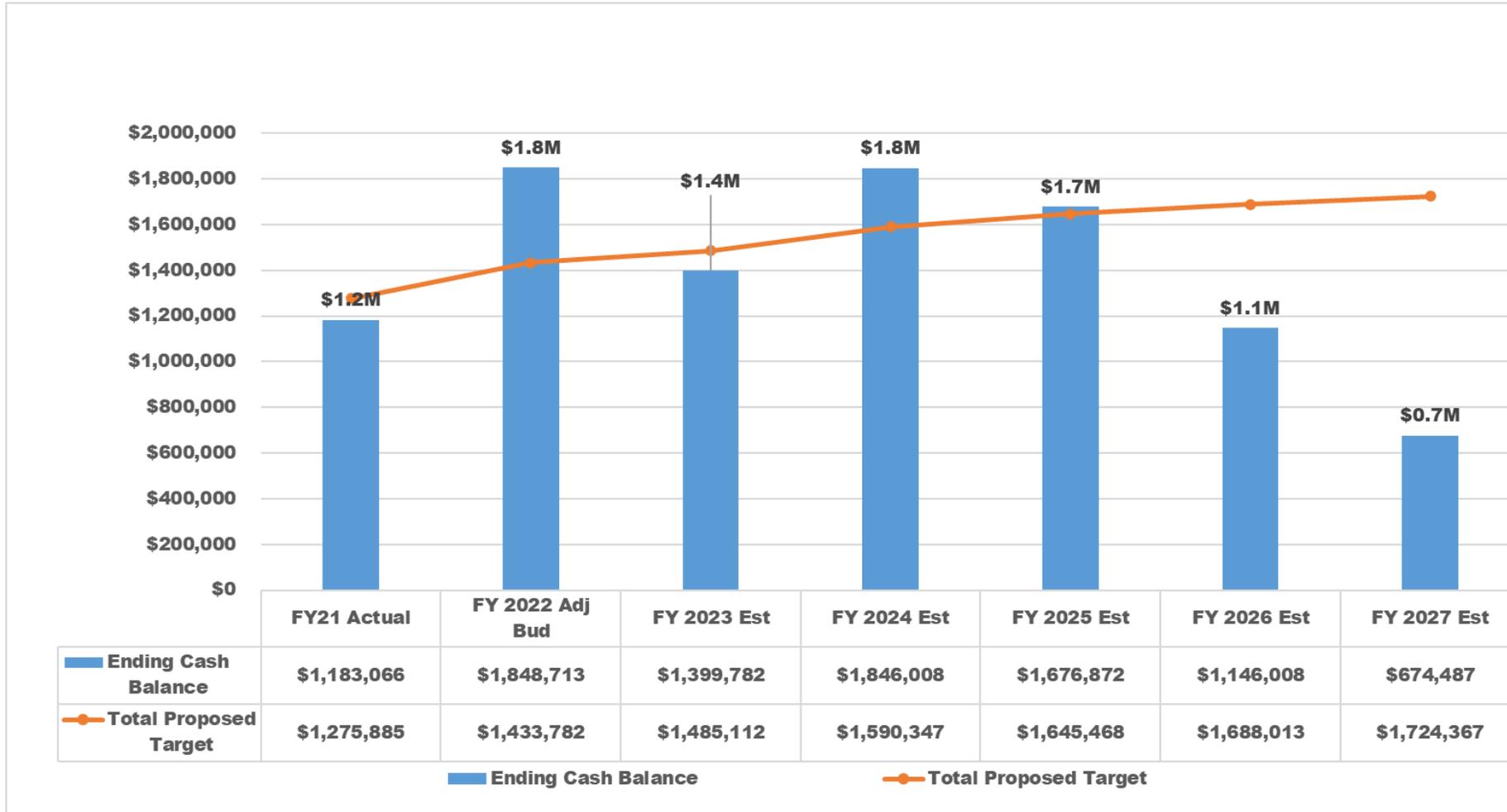
# Known Risks

- Wet years result in lower sales / reduction in revenues
- Higher incidence of main line breaks during wet years
- Increases in customer demand above 2,300 acre-feet per year (+ system losses) will result in increased imported water purchases
- Adjudication of Las Posas Valley (LPV) Groundwater Basin is still on-going
- Fox Canyon (or the Courts) will set LPV sustainable pumping yield, which could result in lower than 2,300 acre-feet pumping allocation
- Failure of any Well during peak irrigating time periods will result in increased purchases of Calleguas water
  - Recommend additional \$1.5M in cash reserve to cover emergency well replacement.
- Failure of aging infrastructure (“old pipes”) could result in unplanned emergency repairs and water losses
- Magnitude of Calleguas and SCE rates increases are uncertain (but certainly going up)
- Variable interest rates for debt service (Well 2 and USDA Re-Finance)

# Discussion on Capital Project Financing

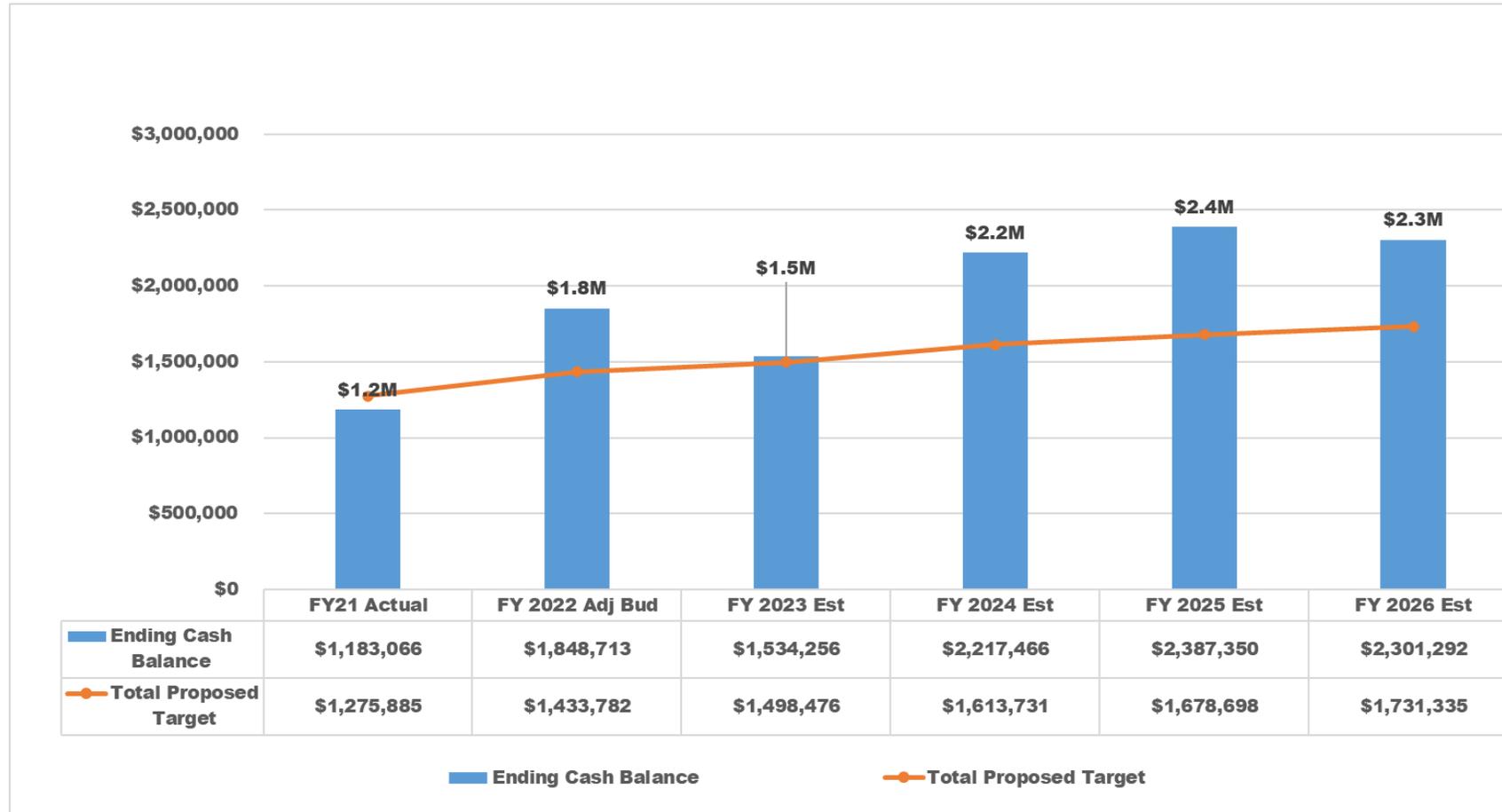
- Options for Project Financing
  - Rate / Cash Reserve Funded - takes long time to build up savings
  - Grants - Uncertainty in timing, eligibility, and can require matching funds, but ‘free’ \$
  - Loans - Spreads project costs over 20 to 30 years; interest rates can be fixed (SRF) or variable (County RCA loan)
- Any loan requires pre-approval by County Financial Planning Committee
  - Must be able to show District’s long-term ability to pay off debt service
- Staff Recommendation: rate analysis should assume loans for all capital projects

### Cash Reserves Forecast Without Rate Increases



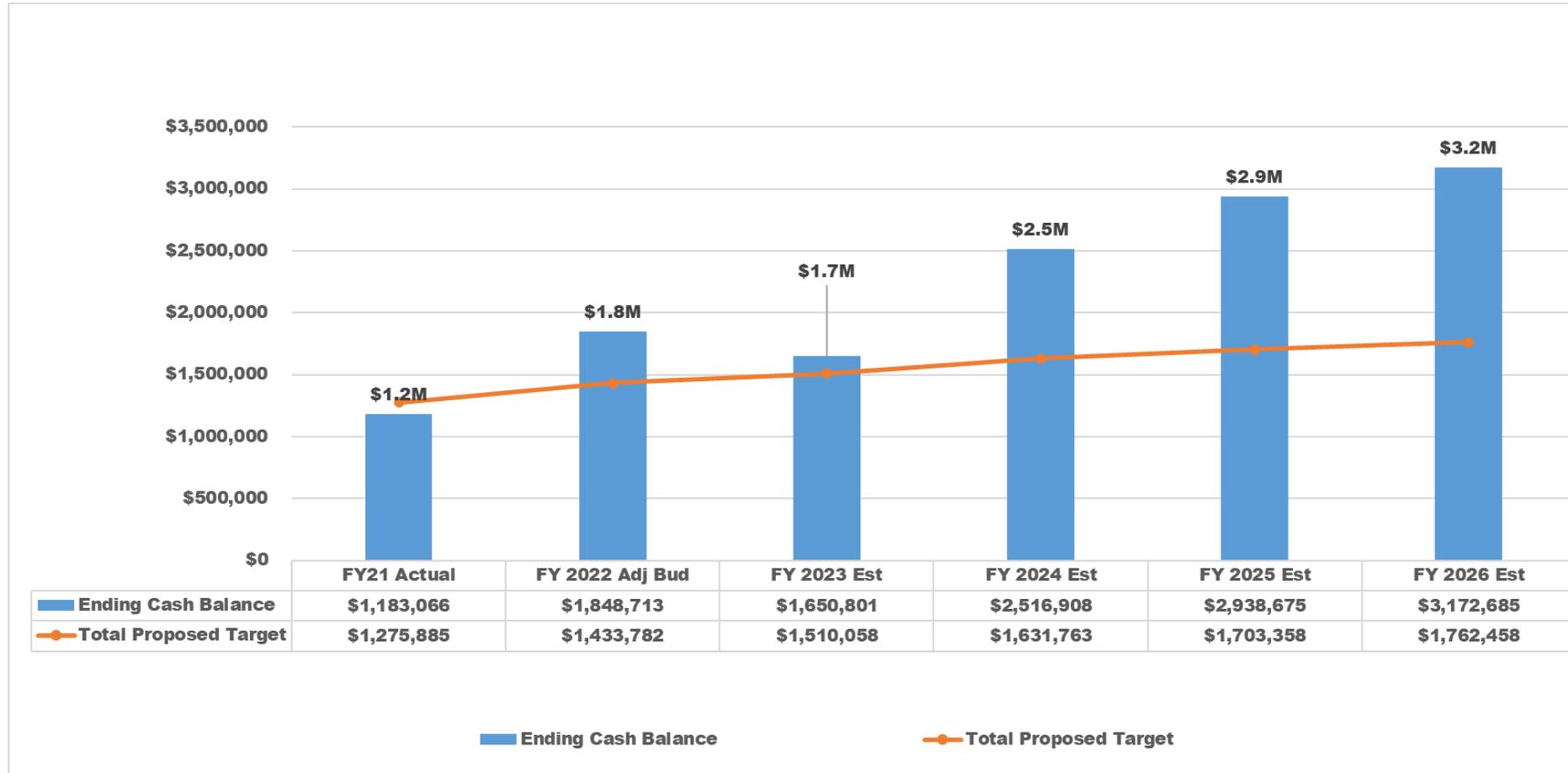
Reduction in Cash Reserves due to inflationary factors and debt service

### Cash Reserve Forecast With 2.5% Rate Increases 2022 to 2026



Exceeds Minimum Reserve Requirement  
 \$930k below recommended for Emergency Well Replacement Fund by 2026

## Cash Reserve Forecast With 5% Rate Increase 2022 4% Rate Increase 2023-2026



Achieves Recommended Cash Reserve for Emergency Well Replacement Fund by 2026

# **PUBLIC** **VENTURA COUNTY** **WORKS**



*Administration Team*

# Questions?

September 2021

## 6. FUTURE AGENDA ITEMS

## 7. ADJOURNMENT

The next regularly scheduled WWD19 CAC Meeting will be held on October 14, 2021.