

Central Services  
Joan Araujo, Director

Engineering Services  
James O'Tousa, Director

Roads & Transportation  
Anitha Balan, Director

Water & Sanitation  
Joseph Pope, Director

Watershed Protection  
Glenn Shephard, Director

November 07, 2023

Board of Ventura County Waterworks District No. 1 (Moorpark)  
800 South Victoria Avenue  
Ventura, CA 93009

**Subject:** Approval, Ratification, and authorization the Ventura County Public Works Agency (PWA) Director or designee for execution of an Agreement for Purchase and Sale of Recycled Water with Rustic Valley Farms, LLC that Includes Authorization for Waterworks District No. 1 to Reimburse Purchaser for Construction of Related Recycled Water Improvements; Approval and Ratification of Amendment No. 1 to the Agreement, Increasing the Reimbursement Amount for Purchaser's Construction of the Recycled Water Improvements from \$119,000 to \$265,000 (an Increase of \$146,000); Finding that the Construction of Related Recycled Water Improvements (Project) is categorically exempt from the California Environmental Quality Act; Ventura County Waterworks District No. 1; Supervisorial District No. 4.

**Recommendations:**

1. Approve, ratify, and authorize the Ventura County Public Works Agency (PWA) Director or designee to execute an Agreement for Purchase and Sale of Recycled Water with Rustic Valley Farms, LLC that authorizes Waterworks District No. 1 to reimburse Purchaser for construction of related recycled water improvements (Agreement). (Exhibit 3)
2. Approve and ratify Amendment No. 1 to the Agreement, increasing the reimbursement amount for Purchaser's construction of the recycled water improvements from \$119,000 to \$265,000 (an increase of \$146,000). (Exhibit 4)
3. Find that approval of the Agreement and Amendment No. 1 are categorically exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines section 15302(c) as involving the replacement or reconstruction of an existing utility facility and direct the District to file a notice of exemption.



**Fiscal/Mandates Impact:**

Mandatory: No  
 Source of Funding: Recycled Water Connection Fees  
 Funding Match Required: No  
 Impact on Other Department(s): None

**Summary of Revenue and Total Costs:**

		<u>FY 2023-24</u>		<u>FY 2024-25</u>
Revenue:	\$	0	\$	0
Costs:				
Direct	\$	265,000	\$	0
Indirect – Agency/Dept.		0		0
Indirect – County CAP		0		0
Total Costs	\$	265,000	\$	0
Net Costs	\$	265,000	\$	0
Recovered Indirect Costs	\$	0	\$	0

Current Fiscal Year Budget Projections:

<b>Current FY 2023-24 Budget Projection for Waterworks District No. 1 Sanitation - Unit 4305</b>				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Expenditures	\$16,649,086	\$17,532,542	\$17,532,542	\$ 0
Revenue	\$12,218,700	\$12,218,700	\$12,218,700	\$ 0
Net Costs	\$4,430,386	\$5,313,842	\$5,313,842	\$ 0

Sufficient appropriations are included in the FY 2023-24 adopted budget.

**Discussion:**

Ventura County Waterworks District No. 1 (District) owns and operates the Moorpark Water Reclamation Facility (MWRf) in unincorporated Ventura County near the City of Moorpark. The District has the exclusive right to all recycled water produced by the MWRf and is authorized to sell its recycled water for beneficial use.



In April 2021, the District entered into an agreement with Rustic Valley Farms, LLC (Purchaser) for the sale of recycled water for Purchaser's agricultural irrigation purposes (Agreement). In accordance with the Ventura County Waterworks District's Rules and Regulations, the District requested that the Purchaser upsize the recycled water main being dedicated to the District from the originally designed 8-inch diameter pipe to a 12-inch diameter pipe in order to accommodate potential future recycled water customers in the area (Exhibits 1 and 2). Accordingly, the Agreement required the Purchaser to upsize the recycled water main in exchange for the District's commitment to reimburse the Purchaser's estimated costs to complete the upsizing, then estimated to be \$119,000, within six months of the District accepting dedication of the upsized pipeline.

Following execution of the Agreement in April 2021, the cost to upsize the pipeline rose significantly due to supply chain challenges and general inflation. In consideration of the mutual covenants, benefits, and valuable consideration of the Agreement, on June 16, 2022, the District agreed to amend the Agreement to increase the reimbursement amount from \$119,000 to \$265,000 and pay the Purchaser within three months of the District accepting the dedication of the upsized pipeline. Purchaser successfully completed upsizing work in August 2023.

The Agreement and Amendment No. 1 were previously reviewed and approved by County Counsel. Since the Amendment increases the total cost above \$200,000, your Board's approval and ratification of the Agreement and Amendment No. 1 are needed to authorize the District to reimburse Purchaser for its upsizing of the recycled water pipeline as described in the Agreement.

Staff recommends that your Board approve and ratify the Agreement, which includes the purchase and sale of recycled water to the Purchaser and authorizes the Ventura County Public Works Agency (PWA) Director or designee to reimburse Purchaser for the costs of upsizing the recycled water pipeline. Staff also recommends that your Board approve and ratify Amendment No. 1, increasing the amount of reimbursement to be paid by the District to Purchaser for upsizing the recycled water pipeline from \$119,000 to \$265,000.

**California Environmental Quality Act:**

CEQA Guidelines categorically exempt projects and actions that consist of replacement or reconstruction of existing structures and facilities where the new structure/facility will be located on the same site and will have substantially the same purpose and capacity as the structure or facility replaced or reconstructed. (CEQA Guidelines, § 15302.) This exception applies to the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity. (Id., § 15302(c).)

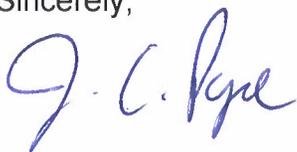


As explained above, the Agreement and Amendment No. 1 were related to the Purchaser's upsizing an existing 8-inch diameter pipe to a 12-inch diameter pipe to accommodate future deliveries of recycled water to customers in the area. The upsizing work occurred in the same location as the existing pipeline, involves the continued purpose of providing recycled water deliveries, and involved a negligible capacity expansion. Staff has also determined that no unusual circumstances or other factors set forth in CEQA Guidelines section 15300.2 preclude use of this categorical exemption in this case. Staff recommends that your Board find that approval of the Agreement and Amendment No. 1 are categorically exempt from CEQA as involving the replacement of an existing utility facility (CEQA Guidelines, § 15302(c)), and direct the District to file a Notice of Exemption with the County Clerk upon approval of the Agreement and Amendment No. 1.

This item has been reviewed by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

If you have any questions concerning this item, please contact the undersigned at (805) 378-3005.

Sincerely,



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

Attachments:

- Exhibit 1 – Vicinity Map
- Exhibit 2 – Location Map
- Exhibit 3 – Agreement for Purchase and Sale of Recycled Water
- Exhibit 4 – Amendment No.1 to Agreement for Purchase and Sale of Recycled Water

