

CRESTVIEW MUTUAL WATER COMPANY

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August 25, 2021

Mr. Dave Ward

Planning Director

Planning Division, County of Ventura Resource Management Agency

800 S. Victoria Avenue

Ventura, CA 93009

Re: SUMMARY of Crestview Mutual Water Company Responses to Findings of Planning Commission / PL19-0039, Minor Modification of Conditional Use Permit 4858

Dear Mr. Ward:

We appreciated your staff's previous recommendation to the Ventura County Planning Commission (PC) in support of issuing a categorical exemption and approving a minor modification of the Crestview Conditional Use Permit (CUP). Please accept this letter and attachments as a high-level summary of Crestview's response to the denial findings made by the PC following its hearing on June 25, 2020, which Crestview timely appealed. Crestview will additionally submit a comprehensive response letter to the Board of Supervisors (Board) in the coming days.

We are providing this summary and our studies well in advance of the Board appeal hearing on September 14, 2021, to ensure Planning and Board staff have adequate time to review and consider the facts. We have also provided copies of the attached studies to the Crestview stakeholders, including the project's neighbors, well in advance of the hearing and will continue to share additional information as soon as it is received. We have requested a meeting of the HOA, and with the immediate neighbors. To date, those requests have not been accepted. Please know that we will keep trying.

Last summer, the PC did not have the benefit of the attached studies/reports that are now available for consideration. These studies were developed in response to the information and comments submitted by opponents shortly before the PC meeting. Due to these last-minute objections during the height of the pandemic, Crestview did not have adequate time to obtain and provide technical, factual responses to the opposition comments, or, in turn, to provide fully documented responses to questions raised by members of the PC. With the continued support of the Planning Division, we are certain that if this hearing were to take place today, with the focus of review to be factual and science-based, there would be a completely different result and set of findings.

Project Context. As the attached studies confirm, our replacement Well 7 project is essential to Crestview's ability to continue to provide reliable water at an affordable cost to the 625 parcels that constitute our service area. Existing Crestview Wells 4 and 6 are not able to meet the water needs given their depths and the current low water level conditions. Reliance on purchased, rather than locally

pumped, water creates excessive cost and uncertainty for our ratepayers, especially in these times of scarcity, drought and fire risk. The critical replacement well need is underscored by two of our most compelling studies. One is a water rate comparison of the property owners' costs with and without our replacement well. It reveals an immediate 63% increase in their water costs without the new well, and an anticipated exponential increase in their costs over time. The second study summarizes the results from a project-related survey of all Crestview customers. The survey results clearly show that there is solid support from HOA survey respondents for the proposed project, and overwhelming support from our far larger number of non-HOA customers. The opposition to this project is led by a handful of HOA neighbors with a history of opposing any sort of development on the subject lot, despite what one may hear from the opposition's counsel.

PC Findings and Facts. In the absence of our new studies, the PC was unable to make the numbered findings listed below:

- (2) the proposed development is compatible with the character of surrounding, legally established development;
- (3) the proposed development would not be obnoxious or harmful or impair the utility of neighboring property or uses;
- (4) the proposed development would not be detrimental to the public interest, health, safety, convenience, or welfare; and
- (5) the proposed development is compatible with existing and potential land uses in the general area where the development is to be located.

Following are the facts upon which the Planning Commission based its findings for denial, as set forth in the Planning Commission Resolution Case Number PL19-0039:

1. The proposed land use and structures for Well No. 7 are inconsistent with established covenants, conditions, and restrictions of the Las Posas Hills Homeowner's Association.
2. Adjacent property owners with existing septic systems within 200 feet of the proposed Well No. 7 would be burdened with the preparation of additional technical studies subject to County review and determination at the time their affected septic systems would need future repair and or replacement. This issue was addressed in the hydrogeologic Review of Crestview Mutual Water Company's "Well No. 7" Camarillo Hills, Ventura County, California by Kear Groundwater, dated June 22, 2020 (Exhibit 35 of the Planning Commission staff report).
3. Temporary 24-hour construction and ongoing operational noise of Well No. 7 would be a nuisance to neighboring properties.
4. The proposed periodic delivery and indoor storage of chlorine for Well No. 7 lacks technical information from the Applicant, including information regarding chemical delivery and operational odors to ensure compatibility with the surrounding existing residential development.

5. Nuisance to the community for the proposed grading activities, volume, and truck trips for construction of Well No. 7.

Summary of Crestview Responses. Crestview has developed technical reports, based on science and facts, to support the Planning staff's original determination that the required findings have been met and that the actual facts do not support a contrary conclusion. Please consider each fact presented in the following:

1. **Role of HOA CC&Rs.** Crestview continues to hope that HOA approval for the replacement well will be provided, even as we are aware that the HOA has refused Crestview's request to call a meeting of the HOA members to allow Crestview to present the latest well studies and information. At the same time, we guide you to the original Staff Report to the PC which notes that any private disputes regarding the HOA and covenants, conditions, and restrictions (CC&Rs) are not pertinent to the County's review processes (pg. 20). In addition, the stakeholder survey results clearly show that there is compelling support from HOA survey respondents (85%) for the proposed project which indicates that there is also adequate support among homeowners to warrant an important, but narrow, revision of CC&Rs. (See Attachment A).

We also note that Crestview has the power of eminent domain and could exercise it, with the support of the Board of Supervisors, to condemn the HOA rule prohibiting well development. As a mutual water company, Crestview has been given this authority precisely because essential infrastructure projects for the common good might otherwise be blocked by a small number of specially interested opponents, as is the case here. We hope not to exercise this power, but we are mindful that it exists for the precise purpose at issue here – providing reliable water for everyone when this resource has become scarce.

2. **Burden on Septic System Owners.** Technical studies have been completed that show the Crestview replacement well can be safely installed and operated with no groundwater quality concerns for neighboring lot septic systems. There is simply no known pathway that pathogens travel that might cause a groundwater quality impact. County staff also found that the State Water Resource Control Board (SWRCB) – Division of Drinking Water agreed with project technical consultants and found that the proposed well design "would provide the same level of public health protection as 150 feet of horizontal separation" and would be coupled with "an increased frequency of water quality monitoring during the initial operational years of Well No. 7 to ensure the well's construction is protective of public health" (pg. 34). The proposed configuration was also assessed for nitrate intrusion and found that Well No. #7 will safely produce water that meets drinking water standards. Further, the separate study analyzing pathogen intrusion found that Well No. #7 will safely produce water without pathogen contamination from septic systems (See Attachments B and C).

To address the horizontal separation and setback issues identified in opposing public comments to the PC, Crestview proposes to drill the well 1,400 feet deep with a 940-foot cement grout serving as a sanitary seal to meet minimum setback or separation requirements. Due to this, the State Division of Drinking Water has determined that the proposed construction of the well meets the required level of public health protection.

To supplement the SWRCB, water quality and pathogen science, and to eliminate any potential risk of burden to the neighbors of concern to the PC, Crestview has agreed to indemnify and reimburse all septic system future use and permitting costs for neighbors with septic systems within 200 feet of the Well No. 7 project. A copy of the Indemnity Resolution, provided to all affected neighbors for their feedback and any requested changes, is Attachment D. There are no hurdles or impediments to reimbursement once such a septic system owner establishes that a cost arises from the existence of Crestview's well. The Staff Report also found that County Environmental Health Division staff concurred with the SWRCB findings above and agreed to keep the SWRCB letter on file for reference to further facilitate future permitting.

3. **Potential Noise Impacts.** To safeguard against temporary construction noise becoming a nuisance, Crestview has taken two steps. One, it has imposed compliance with all applicable noise ordinances as a condition in its project bid documents, together with a steep daily penalty and construction shutdown in the event of non-compliance. Crestview has received responsive bids that acknowledge and commit to these obligations, and that offer prior successful experience in noise reduction to the levels required here. Two, Crestview has offered hotel lodgings to house immediate neighbors that so desire during construction. In short, the County noise ordinances will be complied with at all times during construction and operation.

Various noise and vibration impact assessments found that the project will be "unnoticeable" to "barely noticeable" during ongoing operations. The study also finds that the construction of the new system (approximately 4 months) will employ measures to ensure that the noise and vibration impacts are less than significant and occur with the existing regulatory parameters. This finding is consistent with the Staff Report prepared for the June 25, 2020, PC hearing in that "noise impacts would not impact surrounding noise-sensitive uses such as single-family residences. No aspect of the Project has been identified that would be obnoxious or harmful or affect the use of neighboring properties" (pg. 30).

4. **Chemical Storage and Odors.** The Well No. 7 site can be operated safely, without chemical delivery, storage or odor impact to neighbors. The supporting technical analysis appears in Attachment E. Crestview utilizes only industry-standard treatment chemicals (e.g., Sodium Hypochlorite NaOCl - 12.5%) to serve its water wells. Materials are properly delivered and stored; they are not exposed to open air, which eliminates the potential threat of odor. As documented by the Ventura County Environmental Health Division (EHD), Crestview maintains chemicals in accordance with County standards and undergoes yearly inspections by EHD to ensure full compliance and identify any potential hazards. The recent inspections of Crestview's chlorine storage by EHD on August 9, 2021 at Crestview's other sites demonstrate that this can be and is currently done safely. The Planning Staff Report recognized this, finding that Crestview "will be required to store, handle and dispose of hazardous materials and waste in compliance with applicable state and local regulations" (pg. 15). This safety obligation is reflected in Crestview's actual inspection records, which demonstrate decades of successful operation.

Crestview operates other wells immediately adjacent to residential uses without conflict, Notice of Violation or a Citation for Noise, Chemical Spill, or any Safety Regulation from any regulatory

agency . Further, Crestview's existing facilities do not have the benefit of the advanced design and compatibility measures that have been incorporated into this project.

5. **Nuisance Concerns.** Crestview submits revised architectural drawings and elevations to ensure the site is developed in a manner that is aesthetically consistent and compatible with the surrounding neighborhood. Architectural renderings from overhead along with views from both neighbors are provided as Attachments F, G and H. The Staff Report affirmed this finding of consistency and that there would be no conflicts "with any County policies or regulations related to community character or scenic resources" (pg. 25). Crestview's ongoing revisions to the project design, to address opposition comments, add further weight to this prior finding.

Grading for the subject site will be 500 cubic yards which is, 1,200 cubic yards less than the grading and earthwork required for the construction of a typical single-family home of similar size to the neighbors. The increased grading impacts created by a single family residence would be allowed by right without any discretionary action or project conditions. Construction of the project will take approximately 4 months which is much less time than would the construction of a single-family lot, and the impacts would be similar if not less than the construction of a house. The proposed well house was designed by an architect to resemble neighboring homes and is slightly over 1,000 feet, thus allowing for the shorter construction time. The prepared Staff Report found that construction noise would be less than the County thresholds of significance (pg. 17). This continues to be true.

During the period of 24-hour drilling, noise will be controlled to meet County standards (Attachment M) AND neighbors will be offered compensation for temporary relocation should they desire. Staff found that the technical studies provided "address construction and operational noise associated with the Project and conclude that, with proposed attenuation measures, County thresholds of significance for noise would not be exceeded" (pg. 23).

Once the facility is constructed, traffic, noise, and other impacts from the operation of the project would be less than that of a single-family dwelling if the typical size in the neighborhood. The proposed conditions of approval would impose restrictions on traffic to be limited to one operator per day, one landscape contractor trip per week, and one (1) delivery of chemicals every two (2) weeks on weekdays between the hours of 9:00 am to 3:00 pm. Staff also found that the project operations will utilize project design features, best management practices, and attenuation to ensure that the project would not exceed existing County thresholds (pg. 24).

6. **Well Need and Siting Considerations.** The PC did not address need, cost or the contention that another site exists that would more appropriately satisfy Crestview's need for a replacement well. We nonetheless commissioned studies to shed light on any such debate. An economic analysis has been prepared (Attachment I) to demonstrate that the financial impact of not drilling Well No. 7 is significant and infeasible. The Water Rate Review Report by Meridian Consultants concludes that, if Crestview does not construct Well No. 7, its ratepayers will experience an additional cost of \$82.3 million over the next 50-years for water. This would result in an additional average annual cost of \$2,655 per year per shareholder (or an average

\$221.29/month) for the 50-year life cycle period. These added costs would be borne by all Crestview customers, not just the handful that are opposing this project.

In response to opponent claims that there is a better alternative site for locating Well No. 7, geologic (Attachment J) and engineering studies (Attachment K) of alternative sites have been developed. These reports dispel the suggestion of a preferred alternative site and unambiguously support the proposed location of Well No. 7 as the best and most practical location, both from a geologic and economic perspective. Dreaming Tree Civil concluded in their analysis that based on rudimentary siting criteria, the operational characteristics of Crestview's system, and the existing regulatory parameters, 191 Alviso Drive is the most reasonable, responsible and viable location for the new Well No. 7 production facility.

In evaluating the opponents' suggested golf course site for a new well with the site proposed by Crestview, the report by DB Stephens made the following findings:

The 191 Alviso Drive site is the superior well site because:

- Groundwater levels should remain relatively stable (especially given the implementation of the Las Posas Groundwater Sustainability Plan [GSP]) with the normal water level fluctuations expected during drought periods;
- The target groundwater production rate of 1,000 gpm is consistent with other CMWC wells located in a similar hydrogeologic setting;
- There is no material difference in seismic risk or advantage to either location, both are similar;
- The water quality at the Las Posas Country Club location is anticipated to have similar TDS content and pH as Crestview's well, not supporting the contention of superior water quality at the golf course site;
- Nitrates are known not to exceed the MCL (and are rarely detected) for the wells currently or historically operating in the Crestview service area, even with nearby septic systems, while nitrates are commonly detected in groundwater at wells near the Las Posas Country Club well site;
- Modeling of potential nitrate loading to the aquifer from the septic systems near the Alviso Drive location (DBS&A, 2020c) indicates that nitrate concentrations in pumped groundwater will not exceed the MCL and likely continue to be non-detect; and
- Siting Well No. 7 at the Alviso Drive location prevents the need for significant pipeline costs and disruption of neighboring residents from extensive construction activities. (See Attachment L).

In summary, we trust that staff and the Board understand that the majority of Crestview ratepayers, including the HOA members, support this project. Crestview currently operates, out of necessity and like so many local water companies, close to residences, in this same neighborhood, with a verifiable track record of safe and successful water operations. The Well No. 7 project has many benefits that will be realized by the hundreds of residents that are members of the mutual water company.

Crestview hopes that the HOA leadership will approve this project, for the sake of all of their homeowners, for whom reliable water is a must, not a luxury or optional. We will continue our efforts to meet with representatives of the HOA at any time, as well as our ongoing willingness to share any information or data.

We are available to you at your convenience to answer any questions.

Respectfully,



Robert Eranio
Consulting General Manager
Crestview Mutual Water Company

cc: Mindy Fogg, Ventura Planning Department
John Kessler, Ventura Planning Department

Attachments:

A – Rincon Strategies, Shareholder Survey Results
B – DB Stephens, Pathogen Transport
C – DB Stephens, Nitrate Transit Study
D – Crestview Resolution to Reimburse
E – Technical Memo Information Chlorine
F – ArchFx Rendering from 179 Alviso
G – ArchFX Rendering from Overhead
H – ArchFX Rendering from 217 Alviso
I – Meridian Consultants, Water Rate Review
J – DB Stephens, Well #7 Feasibility Evaluation
K – Dreaming Tree Civil, Well #7 Siting Study
L – DB Stephens, Pipeline Costs Tech Memo
M – Zim Noise Control Letter