



New Meters & Expansion of Services Committee Agenda

April 27, 2022 at 1:00 p.m.

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Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public that is within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2.

Please Note: If you have comments on a specific agenda item(s), please fill out a comment card and return it to the Board Secretary. The Board President will call on you for your comments at the appropriate time, either before or during the Board's consideration of that item.

If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance at (805) 646-2114

(Govt. Code Section 94594.1 and 94594.2 (a))

A. Call To Order

B. Public Comments

C. Discussion Items:

a. Discuss draft "New Meters and Expansion of Services" policy revisions and next steps.

D. Closed Session Items: None.

E. Adjourn

Meiners Oaks Water District

Policy on New Meters and Expansions of Service

DRAFT V1

April 22, 2022

Introduction

This *Policy on New Meters and Expansions of Service* applies to existing and potential customers of Meiners Oaks Water District who wish to build a new residence, granny flat or business, or who need a new or larger water meter. The following categories are covered:

- A new residence on an empty lot.
- An Auxiliary Dwelling Unit (ADU) on a lot with a primary residence.
(Also called a “granny flat”)
- A garage conversion into an ADU.
- Multiple-family dwelling units.
- Affordable housing.
- Construction of a new business.
- Expansion of an existing business.
- Agricultural demand limits.

This Policy describes requirements and procedures for applying for new or larger meters. If conditions are met, MOWD will provide an applicant with a Will-Serve Letter to facilitate permitting with the County of Ventura.

Background

Key background information and talking points are summarized below:

- ◆ Though the development of this Policy was motivated by the current drought, it is intended to maintain the Policy in effect after the drought ends.
- ◆ MOWD has no authority for regulating land use.

- ◆ Due to the housing shortage, State legislators have passed laws to ease the construction of new housing and ADUs. Portions of those laws apply to MOWD, as cited herein.
- ◆ MOWD is dependent upon Casitas MWD for a backup water supply. Therefore, any water connection to MOWD is also a connection to Casitas MWD's water supply, and appropriate connection and/or allocation fees must be paid to Casitas MWD.
- ◆ MOWD has a limited water allocation from Casitas MWD, and has no surplus water supply or allocation to support increased demands. Any new allocations must be purchased from Casitas MWD, and only when available.
- ◆ The current drought has called into question the safe yield of Lake Casitas. This issue is under review and may affect the reliability of MOWD's future water supply.

This Policy is presented here with only a brief explanation. The attached Appendix A to this policy provides a more detailed discussion and explanation to support the policies that have been adopted.

General Conditions and Requirements

To apply for a new meter and/or a Will-Serve Letter, the following conditions must be met:

- ◆ The parcel to be served must be located within the boundaries of Meiners Oaks Water District.
- ◆ The lot must be a legal lot as defined ADD HERE
- ◆ Any existing dwelling or structure to be supplied with water must be fully permitted by the County of Ventura.
- ◆ Any proposed new dwelling or structure must receive permits from the County of Ventura before a new or larger meter is installed. AT WHAT POINT MUST THIS HAPPEN FOR A NEW DWELLING? HOW DO WE PREVENT SOMEONE FROM RECEIVING A METER JUST TO INCREASE THE VALUE OF THEIR PROPERTY IF THEY'RE NOT SERIOUS ABOUT BUILDING SOMETHING? SHOULD WE PREVENT THAT?
- ◆ An application fee must be paid to Meiners Oaks Water District.
- ◆ The customer must not be in arrears for previous water bills. (TOO PICKY?)

Application Process

To request a new meter or a Will-Serve Letter, an applicant must provide MOWD with the following information:

- ◆ Ventura County Assessor's Parcel Number(s) for Affected Properties. (Note: Adjacent properties owned by a single landowner may be aggregated for the purpose of reassigning water allocations.)
- ◆ Street addresses for the affected properties.
- ◆ MOWD Account Numbers for existing water meters (found on your water bills).
- ◆ A brief description of the historic water uses since 2010: residential, irrigation, orchards, pools, etc.
- ◆ A description of what changes will be made to the property: new dwellings, commercial use, etc. The applicant should provide a plot plan to scale showing existing and future land uses of the property, including future dwellings, structures, and new irrigated areas.
- ◆ An estimate of future water use on the property, if available.

In summary, the District should be provided with sufficient information to evaluate the impact of the proposed land use on its future water demands. The attached Application Form should be used as a template, with attachments as needed to explain the proposed project.

Customers' Existing Allocations

Each of MOWD's customer accounts has an assigned water allocation. A customer's baseline allocation (before reduction during drought stages) is comprised of a fixed allocation and a variable allocation. The fixed allocation is 10 HCF/month for a primary residence, roughly corresponding to indoor water use, and is normally not reduced during drought stages. The variable part of the allocation roughly corresponds to outdoor water use and is reduced during drought stages. MOWD's *Allocation Program* is posted on its website. Customers may use the allocation calculator on MOWD's website to confirm the allocation assigned to their account number.

Determination of Allocation Adequacy

After an application is filed with MOWD, a determination will be made by MOWD staff whether the customer's existing water allocation is adequate to support the new dwelling or land use. If the existing allocation is adequate, then the allocation would be reassigned within the property. Approval by MOWD's Board would be required for the allocation reassignment, but no additional allocation would need to be acquired to proceed with the Will-Serve Letter and new meter.

As an example of how this would work, consider an existing residence on a large lot with a total baseline allocation of 300 HCF/year, consisting of 120 HCF/yr fixed allocation and 180 HCF/yr of variable allocation. Now suppose the homeowner wishes to build a granny flat (ADU) on the

property. The fixed allocation for an auxiliary dwelling is 7 HCF/month, or 84 HCF/yr. It turns out that a fixed allocation of 84 HCF/yr is equivalent to a variable allocation of 100 HCF/yr over a long-term drought cycle, since the variable allocation is reduced with drought stage, whereas a fixed allocation is not. So, to offset the water use of the granny flat, 100 HCF/yr would be subtracted from the variable allocation for the property. The results would be as follows:

Example of Allocation Reassignment

Category of Water Use	Existing Allocation (HCF/yr)	Reassigned Allocation (HCF/yr)
Primary dwelling (Fixed)	120	120
Outdoor irrigation (Variable)	180	80
Granny flat (Fixed)		84
TOTAL	300	284

In the above example, the property has enough water allocation to support a second dwelling. In essence, the property owner will have to reduce outdoor irrigation – or other water uses – to offset the water use of the new dwelling.

Acquiring Additional Allocation

In the previous example, a large lot has sufficient allocation to support a second dwelling. In the case of small lots, however, there may not be sufficient irrigation use to offset the new water demand of a second dwelling. The adequacy of the existing allocation to support changes in land use will have to be determined by MOWD on a case-by-case basis.

In the event that a property does not have a sufficient water allocation to support a new dwelling or land use, by reassigning existing allocations, then the Project Applicant would have to acquire additional allocation from Casitas MWD. The process would proceed approximately as follows:

- 1) The Project Applicant will submit a detailed written application, as previously described.
- 2) The Applicant will discuss the project with District staff, who will provide a preliminary assessment of the adequacy of available allocations, or whether additional allocation must be purchased from Casitas MWD.
- 3) If the Applicant is still interested in proceeding with an application, he/she must pay the MOWD application fee, and the formal application process will begin.
- 4) MOWD will advise the Applicant in writing how much additional allocation must be acquired from Casitas MWD for the project.

- 5) The Applicant would then meet with Casitas MWD and receive some sort of written assurance that sufficient additional allocation is available for the Applicant to acquire from Casitas MWD.
- 6) Once MOWD has heard from Casitas MWD that additional Casitas allocation is available, and that the Applicant is eligible to apply for it, then MOWD will provide the Applicant with a Conditional Will-Serve Letter. The conditions in the letter will include the following:
 - A new or larger meter will be installed only after MOWD has received full credit for the additional allocation transferred from Casitas MWD.
 - The applicant's water allocations will be reassigned only after MOWD has received full credit for the additional allocation transferred from Casitas MWD.

IS A CONDITIONAL WILL SERVE OK? I HATE TO HAVE PEOPLE PAY A LOT FOR CASITAS WATER ONLY TO HAVE THEIR PROJECT REJECTED BY THE COUNTY.

Minimum Allocation To Be Acquired from Casitas MWD

It is not reasonable to saddle future MOWD customers with allocations that are unreasonably low. Therefore, if the existing allocation is not sufficient to serve a new dwelling, then a minimum allocation should be acquired from Casitas MWD. The minimum baseline allocation should be calculated for a property using the procedures provided in MOWD's Allocation Program. The existing allocation plus the new allocation acquired from Casitas MWD must together be adequate to supply the baseline allocation calculated using the Allocation Plan procedures. The calculated allocation should consider any irrigable area removed from service due to the footprint of any new dwelling or structure.

MOWD Acquired Casitas Allocations

It might seem burdensome to ask someone to acquire allocation from Casitas MWD on MOWD's behalf, especially if the existing allocation is nearly adequate and just a fraction of an acre-foot of new allocation is needed. One option for addressing these cases would be for MOWD to acquire one or two acre-feet of allocation on its own, in advance, to be sold to Project Applicants for use with future ADU's. One acre-foot of baseline allocation (About \$16,000) would supply enough water for 4 ADU's.

What if Casitas Has No Allocations Available?

Casitas MWD's *Water Efficiency and Allocation Program*, which is normally posted on CMWD's website, provides for the purchase of additional allocation for new dwellings. The

amount of new allocation is limited to 10 AF/year of new baseline demand. That is not much compared to a pre-drought district-wide demand of nearly 20,000 AF/yr.

CITE THE WEAP RELEVANT PORTIONS HERE.

If Casitas MWD does not have sufficient allocation available for purchase, a Project Applicant may have to wait until allocation becomes available in a following year, or until the current drought ends, or until new water projects, like the State Water Project, augment the regional water supply.

Categories of meters within MOWD

MOWD serves water to existing residential, commercial and agricultural customers. MOWD's interim policy for will-serve letters, new meters, and expansion of service is discussed below for each meter category.

Existing Residential Meters

The MOWD Board believes that MOWD's Allocation Program is sufficient to supply the water needs of a typical family with a reasonable amount of outdoor irrigation. Therefore, we do not encourage residential customers to purchase additional water allocation from Casitas MWD if they want to irrigate a large orchard, water-intensive landscaping, etc. Residential customers who need more water to support a business could consider acquiring a commercial meter for that purpose.

Existing Residential Meters – Small Remodels

Any residential customer with an existing water meter who constructs a remodel, room addition, garage conversion, etc., which does not require a will-serve letter from MOWD to obtain building permits, may receive water from the existing meter for those new purposes. However, no additional water allocation will be granted for those purposes. Outside irrigation must be reduced to stay within allocation limits.

Existing Commercial Meters

Commercial baseline water allocations are determined as specified by the AP then in effect. Any modifications to allocation amounts to meet current demands are to be approved by the Board using the waiver process provided in the AP. If any existing commercial customers plan to expand their business and need to increase their water allocation, those commercial customers may purchase additional allocation from Casitas MWD, if any is available. Once the purchased allocation is transferred to MOWD by Casitas MWD, the same amount of allocation will be added to the customer's baseline allocation.

Existing Agricultural Meters

MOWD serves several agricultural customers. Until we can be assured of an adequate, secure water supply in times of drought, MOWD will not encourage any increase in water demand by existing agricultural customers.

Agricultural allocations are determined as specified by the AP then in effect. Any modifications to allocation amounts shall be approved by the Board using the waiver process provided in the AP. Except as provided through the waiver process, no additional allocations may be acquired from MOWD or purchased from Casitas MWD by existing agricultural customers,.

New Residential Meters

New residential meters may be provided to new customers on empty lots. If the property does not have a MOWD baseline allocation, the Project Applicant will need to acquire sufficient allocation from Casitas MWD, as described in the preceding sections. The new meter will be installed after sufficient allocation has been transferred from Casitas MWD to MOWD.

If the proposed project includes both a new primary dwelling and an ADU, then the available allocation transfer should be adequate for both. The District will determine whether 2 different water meters will be necessary, depending on the site layout.

New Stand-Alone Auxiliary Dwelling Units

An existing customer may construct a stand-alone ADU, separate from the primary dwelling. If the existing water allocation can be redistributed between the primary dwelling and ADU, with some left over for outside irrigation, then no additional allocation need be purchased from Casitas MWD. If the existing allocation is inadequate, then additional allocation must be purchased and transferred to MOWD. The District will determine whether 2 different water meters and service laterals will be necessary, depending on the site layout.

New ADU Conversion

If a new ADU is constructed mostly within the footprint of an existing dwelling, as described in Section ____ of the CA Government Code, then MOWD will issue a Will-Serve letter with minimal delay. MOWD will not require a separate meter and water service line for the ADU. No connection fee will be charged. If the customer wishes MOWD to install a separate meter, that would done at the customer's expense.

New Tiny Homes

Tiny homes (under 500 SF) with permanent foundations will be treated the same as other types of homes, whether existing or new, primary or secondary residences, etc., except that the monthly fixed baseline allocation will be set at 5 Units/mo, as established in the Allocation Program. This policy applies only for County-permitted tiny homes.

New Commercial Meters

A Project Applicant may receive a new commercial meter to support a new or expanded business. If the property does not have a MOWD baseline allocation, the Project Applicant will need to acquire sufficient allocation from Casitas MWD, as described in the preceding sections. The new meter will be installed after sufficient allocation has been transferred from Casitas MWD to MOWD.

New Agricultural Meters

It is MOWD's policy that no new agricultural meters will be installed by MOWD. An exception may be considered when the new meter is a replacement for convenience only and will not support additional water demands (above pre-drought levels) and will not support increases to planted acreage. Any new agriculture within MOWD would have to be supplied from private wells, until we can be assured of an adequate, secure water supply in times of drought.

New Meters for Affordable Multiple-Family Dwellings

In consideration of the current housing shortage in California, MOWD will consider issuing Will-Serve Letters, on a case by case basis, for new multiple-family dwellings or new mobile home parks of 5 or more units that dedicate 100% of their units for affordable housing as defined in Section 50052.5 of the California Health and Safety Code.

State law required agencies to place a priority on affordable housing, so the steps are provided in some detail below. A proposed project would proceed with the following steps:

1) Initial Submittal to MOWD

The following information shall be submitted to MOWD before the Board will consider a Will-Serve Letter:

- ◆ A letter in writing describing the project in detail and summarizing available information on it.
- ◆ A project site plan.
- ◆ A calculation of the baseline water allocation for that project.

- ◆ A description of water metering arrangements for the project.
- ◆ Any Initial Study or CEQA documents prepared for environmental review.
- ◆ A detailed project schedule.
- ◆ A discussion of any Net Zero Plan for water supply mitigation, including a plan that guarantees their long-term maintenance and viability.
- ◆ A detailed description of what is requested from MOWD.

Before formally submitting this information to the Board, it is recommended that the project proponent meet with the general manager and possibly with a Board committee, at the general manager's discretion. The general manager may make recommendations of additional information that should be provided.

2) Determination of Project Requirements

After reviewing the submitted project application, the Board will make a determination by voice vote at a regularly scheduled Board meeting whether or not (a) the information is adequate (b) the proposed project meets MOWD's requirements for a Will-Serve Letter for affordable housing, and (c) the project would be allowed to proceed to the next stage of the process. The required baseline allocation would also be approved. The Board may impose additional requirements on the project at that time. MOWD reserves the right to develop its own water demand projections for the project. The Board will impose a connection fee that reflects the cost of developing new well capacity and related facilities.

3) Confirm Allocation Available from Casitas MWD

MOWD must receive a written letter from Casitas MWD confirming that they will approve the purchase of the required baseline allocation by the project proponent and, after its purchase, a transfer of the baseline allocation to MOWD's account. The amount of baseline allocation shall be the larger of the project proponent's County-approved water demand estimate or a baseline allocation calculated using the MOWD *Allocation Program* then in effect.

4) Board Approval of the Will-Serve Letter

Once written confirmation is received that Casitas MWD is willing to allow the project proponent to purchase the necessary baseline water allocation and to transfer that allocation to MOWD, then MOWD will approve issuance of the Will-Serve Letter to the project proponent. Approval shall be by voice vote at a regularly scheduled MOWD Board meeting.

5) Issue Will-Serve Letter

Once Board approval is obtained, the general manager will provide the project proponent with a written Will-Serve Letter. The letter will expire after two years, but may be extended with Board approval. MOWD's connection fee must be paid, or a bond provided, before the letter will be issued. DISCUSS

6) Acquire Allocation from Casitas MWD

Within 2 years, or more if an extension is granted, the project proponent shall purchase a baseline allocation from Casitas MWD and arrange for its transfer to MOWD. The project proponent is responsible for negotiating a sales agreement with CMWD including cancellation and buyback provisions in case the project is abandoned.

7) Install the Water Meter(s)

The water meter(s) for the project will be constructed and activated once the allocation from Casitas MWD has been received by MOWD, the connection fees have been paid, and all other project requirements have been met.

Other Requirements

- 1) To ensure the developer's compliance with MOWD's conditions, MOWD may require the developer to provide a suitable bond to ensure conformance.
- 2) For multiple-family dwelling units, it is preferable for each apartment to have a separate water meter. The Homeowners Association may have a separate meter for communal landscape irrigation. The total baseline allocation will be distributed among those meter in an appropriate manner, as determined by MOWD staff.
- 3) Will-Serve Letters for new Multiple-Family dwellings will be limited to one per year, on a first-come-first-served basis, as established by Step 2 above. (Completing Step 2 provides evidence that the project is a serious one.) If the quota for these projects is filled, the project proponent may wait until space becomes available. Nevertheless, to maintain priority the project proponent must make regular progress in advancing the project. Priority will not be granted for projects that are not serious.

Unique Customer Conditions

Some customers may have unique conditions not clearly encompassed within the preceding meter categories. Some projects might offset existing water demands in some way. The Board will consider such unique cases providing a way is found to offset any future demand increases above historical levels with reduced irrigation, purchase of allocation from Casitas MWD, etc. The customer must provide a letter explaining his/her unique circumstances and the proposed solution.

Fire Flow Requirements

Meiners Oaks Water District provides fire hydrants distributed throughout the District. These should be adequate to support most residences and new dwellings. The following requirements apply:

- ◆ If a larger water meter is required on a residential or commercial property solely to upgrade fire protection to indoor, automatic fire sprinklers, without any other expectation of increased water use, then no additional water allocation is required and a more simple application process would be followed. HOW DO WE MAKE SURE THIS ISN'T ABUSED?
- ◆ The Project Applicant is responsible for ensuring that the location of the nearest fire hydrant meets any requirements of the Ventura County Fire Protection District, as part of the County permitting process.
- ◆ If a new residence requires the installation of a new hydrant, the applicant will be responsible for funding the new hydrants and associated pipelines to existing water mains.
- ◆ New residences high on hillsides, where adequate fire pressures cannot be reliably maintained, shall require special consideration. The Project Applicant may be required to fund new facilities needed to increase pressures. Alternately, Applicants may need to install their own booster pumps and hydropneumatic tanks. MOWD is required only to supply a minimum pressure in the water main, not at the residence.

Utility Connection Fees and Meter Expenses

Utility connection fees shall be established for new meters or for larger meters with a significant expansions of water service. Those fees are associated with the capital cost of producing and delivering water. MOWD does not charge any impact fees.

In accordance with Section _____ of the Government Code, MOWD charges a connection fee for a stand-alone ADU, even if no second meter is installed.

In accordance with Section _____ of the Government Code, MOWD does not charge a connection fee for new ADUs built nearly entirely within the footprint of a primary residence.

Cost of Meters

The Project Applicant must pay for the purchase and installation of any new meter and related facilities: corp-stop, service lateral, isolation valves, etc.

Once the meter is installed, MOWD will assume the cost of maintenance.

Other Related Policy Issues

Allocations Subject to Change

All assigned baseline and reduced drought-stage allocations are subject to change by Board action, if required due to worsening drought, new State laws, changes to the policies of Casitas MWD, etc.

Net Zero Impact of New Development

As a condition for obtaining approvals for new development, the County of Ventura may require a “Net Zero Impact” for the development. MOWD may also impose a Net Zero Impact requirement before issuing a Will-Serve Letter. Under that requirement, the developer must retrofit other facilities and provide water conservation off-site to compensate for proposed water use by the development.

Before MOWD will issue a Will-Serve Letter to a developer who has a Net-Zero Impact requirement, the developer must commit to implementing the associated mitigation within the boundaries of MOWD in a way that reduces water demands on MOWD. The Will-Serve Letter will include a condition that the meter will not be installed until the mitigations within MOWD have been completed and certified by the County.

In addition, a project proponent shall provide a detailed plan that guarantees the long-term viability of the Net Zero Impact measures implemented. Approval of this plan by the County and by MOWD is required before a conditional Will-Serve Letter will be approved by MOWD.

Validity Dates of Outstanding Will-Serve Letters

Prior to the current drought, MOWD issued some Will-Serve Letters without expiration dates. With current water supply limitations, those letters committed MOWD to deliver water it does not have available. Therefore, MOWD hereby adopts a policy that all outstanding Will-Serve Letters without expiration dates will expire (or have expired) 5 years after the date of issuance. If a Will-Serve Letter does not have an issue date on it, MOWD will assign an issue date based on associated correspondence.

Once a Will-Serve letter has expired, the Board may consider issuing a new Will-Serve letter to that customer with updated terms and conditions that incorporate the latest information on drought reliability, water allocations, drought stage and the requirements of Casitas MWD. The customer should apply for the replacement Will-Serve letter and provide all relevant project information. The Board will use its discretion to decide whether or not to issue a new letter.

Lot Splits

It is MOWD’s policy that additional allocations will not be provided to a customer who has completed a lot split after the adoption of this policy and the Allocation Program. Note that the County does not normally notify MOWD of lot splits. This issue would typically be brought to MOWD’s attention by a customer requesting revised allocations for the new amended lot(s).

TO ADD

WEAP REFs

Legal lot def

84 to 100

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