

Resolution No. 2016-03
of the
Fox Canyon Groundwater Management Agency

**A RESOLUTION INCREASING FEE ON GROUNDWATER
EXTRACTIONS TO FUND THE COSTS OF A GROUNDWATER
SUSTAINABILITY PROGRAM**

WHEREAS, the Fox Canyon Groundwater Management Agency (the Agency) is a groundwater sustainability agency under the Sustainable Groundwater Management Act (the Act) for all of the basins within the Agency's statutory boundaries; and

WHEREAS, the Act authorizes a groundwater sustainability agency to impose a fee on groundwater extractions to fund the costs of a groundwater sustainability program; and

WHEREAS, the Agency currently collects a groundwater extraction charge of \$6.00 per acre-foot pursuant to authority granted by the Agency's enabling legislation, revenues from which fund groundwater management programs throughout the Agency; and

WHEREAS, the Agency Board of Directors approved a Fiscal Year 2016-17 Work Plan and Budget, of which are attached to this Resolution, which projects annual revenue from these charges of \$750,000 based on the 10 year average amount of groundwater pumped within the Agency of approximately 125,000 acre-feet per year; and

WHEREAS, the Agency's Fiscal Year 2016-17 Budget projects total annual operating expenditures of \$2,528,813, which amount includes costs of \$870,000 associated with development of a groundwater sustainability plan and other work related to the Agency's role as a groundwater sustainability agency; and

WHEREAS, the Agency anticipates incurring ongoing additional costs related to the development and implementation of its groundwater sustainability plan, including periodic evaluation of the plan, assessment of changing conditions that may warrant modification of the plan or the Agency's sustainable groundwater management objectives, additional enforcement activity, compliance assistance, public outreach, coordination with the Department of Water Resources and overall program administration; and

WHEREAS, the revenue generated from the Agency's current pump charge is not adequate to allow the Agency to carry out its responsibilities as a groundwater sustainability agency or fully exercise the powers and authorities granted under the Act; and

WHEREAS, a sustainability fee of \$4.00 per acre-foot on groundwater extractions was approved on September 23, 2015 and generates additional annual revenue of \$500,000 based on a 10-year average amount of pumping; and

WHEREAS, a sustainability fee increase of \$2.50 per acre-foot on groundwater extractions will generate additional annual revenue of \$312,500 based on 10-year average pumping, to partially fund the costs of the Agency's groundwater sustainability program; and

WHEREAS, the Agency's groundwater sustainability program will provide benefits to all water users within the territory of the Agency; and

WHEREAS, in order to adequately fund investigations and other activities necessary for preparation of the Agency's groundwater sustainability plan and allow for accurate calculation of groundwater charges, it is necessary to make this Resolution effective July 1, 2016, for Municipal and Industrial Operators, and August 1, 2016, for Agricultural Operators; and

WHEREAS, the data upon which the proposed fee is based was presented at a regular meeting of the Agency Board of Directors on June 22, 2016, and has been made available to the public for at least 10 days prior to adoption of this Resolution; and

WHEREAS, prior to adoption of this Resolution, the Agency held the public meeting required under Section 10730, subdivision (b), of the Act, notice of which was given as required by law.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED AND ORDERED that effective July 1, 2016, for Municipal and Industrial Operators, and August 1, 2016, for Agricultural Operators, a groundwater sustainability fee of six dollars and fifty cents (\$6.50) per acre-foot shall be imposed on groundwater extractions from facilities within the boundaries of the Fox Canyon Groundwater Management Agency. This fee shall not be imposed on any person who extracts, for domestic purposes, two (2) acre-feet per year or less.

On motion by Borchard, and seconded by Bennett, the foregoing resolution was passed and adopted on July 20, 2016 by the following vote.

AYES – Chair Craven, Director Eranio, Director Bennett, Director West, Director Borchard

NOES – Ø

ABSTAINS – Ø

ABSENT – Ø

By: Charlotte Craven
Charlotte Craven, Vice Chair, Board of Directors
Fox Canyon Groundwater Management Agency

ATTEST: I hereby certify that the above is a true and correct copy of Resolution No. 2016-03.

By: Erin Rodgers
Erin Rodgers, Clerk of the Board

Exhibit No. 1 – Adopted FCGMA Annual Work Plan Fiscal Year 2016-17

Exhibit No. 2 – Adopted Budget Fiscal Year 2016-17

FCGMA FISCAL YEAR 2016-17 PROPOSED ANNUAL WORK PLAN				
ANNUAL OPERATIONS				
Administration and Fiscal Services				
Task	Description	Labor Hours Estimate	Labor Cost Estimate	Contract Estimate
1. Board Meeting Administration	- Ten Regular Board meetings, Agendas, Minutes, Staff Reports, Presentations, Participation, Attendance, Pre and Post Debriefing meetings, Follow-up, and Three Workshops.	1660	\$166,954	\$0
2. Official Document Filings & Public Records Requests	- Process business record filings and certifications (i.e. 700 Forms, CEQA/NOEs, EIR/MND's per fiscal year, State Water Agency filings, Record Retention Policy and Schedule).	276	\$19,781	\$0
3. Budget	- Preparation and adoption of Annual Work Plan, Budget and quarterly performance reports.	143	\$12,116	\$0
4. CSD-Fiscal Staff Services-Fixed Cost Allocation Charge	Executive Officer Partipation CSD-FS: (1) submit 13-Monthly AP FSRs (incl. AP/AR) to the Agency; (2) provide AP/AR and Cash-Flow Management Services for the Agency; and (3) annual Audit SofW, Selection and Fiscal Reports for the Agency.	Fixed Cost	\$61,400	\$0
5. Committee Meetings	- Executive, Fiscal, Operations Committees, and Technical Advisory Group meetings coordination, support, documentation, progress reports, and technical evaluation memoranda in conjunction with GSP development.	90	\$8,318	\$0
6. Biennial Audit Report	- Preparation of Scope of Work - Auditor Selection Process - Assist Auditor with Inquiries, QA/QC of Draft Audit Report	90	\$8,318	\$0
Administration and Fiscal Services Subtotal		2259	\$276,887	\$0
Records Services				
Task	Description	Labor Hours Estimate	Labor Cost Estimate	Contract Estimate
1.Specialized Data Queries/Groundwater and Credit Transactions	Conduct specialized data queries and analyses. A) Irrigation Allowance Index B) Variance Requests to Emergency Ordinance E C) Credit Programs - Storage, In-lieu, Conservation, Injection, Recharge, Supplemental M&I D) HA Transfers E) Extraction Data	243	\$18,069	\$0
2. FCGMA Online Software Enhancements	A) Web page revisions and programming revisions. B) Custom Data Queries and small scale system enhancements performed by ITSD (\$10,000 in budget). C) Web Application Hosting Fee (\$10,959.96 annually).	297	\$22,085	\$10,960
3. Data Entry: Self Reporting System (SAES and Irrigation Allowance Index Applications)	TIER 1 Hours - Mail SAES in July & August (-01) and again in January and February (-02) - Process and enter SAES, IAI Applications and payments into the database. TIER 2 Hours - Follow-up regarding errors and omissions - IAI Applications Admin and Manager Reviews (~300 each) - Follow-up regarding incorrect or no payment	920	\$68,374	\$0
4. Well Registration	- Unregistered well follow-up and assist new well owners/operators with well registration, reporting and payment <u>Does not assume extra hours for compliance related work</u> . - Maintain a "Welcome" packet.	189	\$14,054	\$0
5. Late/Non-Reporters (SAES) Compliance	- Follow-up with non-reporters (2X per year). - Assess \$50 daily Civil Penalty (Resolution No. 2013-01) for late/non-filing and late/non-payment and send letters (by regular and certified mail return receipt). - Retroactive data entry (and billing) into FCGMA Online. - Recommendation to EO for enforcement action. - Process civil penalty waiver/reduction requests	594	\$44,170	\$0
6. Meter Calibration Program Maintenance	- Mail Flowmeter Calibration Notices (1st, 2nd, and 3rd). - Process and upload test results (including failed flowmeter reports) and repair/replacement flowmeter information into FCGMA Online. - Process and track flowmeter exemptions, and 5-year waiver requests	458	\$34,020	\$0
Records Services Subtotal		2700	\$200,772	\$10,960
Technical Services				

FCGMA FISCAL YEAR 2016-17 PROPOSED ANNUAL WORK PLAN

ANNUAL OPERATIONS

Task	Description	Labor Hours Estimate	Labor Cost Estimate	Contract Estimate
1. Annual Report Preparation	<div>- Compile and analyze resource data for Annual Report.</div> <div>- Prepare, review, finalize and publish.</div> <div>- Prepare Annual BMO Report Card done in conjunction with Annual Report.</div>	332	\$46,957	\$0
2. Data Collection, Studies and Investigations and Analysis	<div>- Routine data analysis (i.e. GW conditions, pumping trends, etc.)</div> <div>- Perform QA/QC review of monitoring programs, propose improvements, incorporate in GMP update done in conjunction with GSP.</div> <div>- Coordination of field investigations in support of tech studies.</div>	341	\$48,295	\$0
3. Groundwater and Well Project Reviews	<div>- No new wells for increased use.</div> <div>- Review supply projects, including City of Camarillo, Moorpark, Somis desalters, and Oxnard GREAT & ASR program.</div> <div>- Conduct California Environmental Quality Act (CEQA) Initial Study.</div> <div>- Project Reviews and technical comment letters.</div> <div>- Review Emergency Ordinance E exception from Article 4 requests.</div>	1109	\$162,655	\$0
4. Policy Development and Legislative Tracking	<div>- Track and evaluate Federal, State and Regional Legislation and Regulations.</div> <div>- Track Changes to Sustainability Groundwater Management Act</div>	68	\$10,383	\$0
5. Agency Flowmeter, Well Inspection Program, and AMI Operation	<div>- Comprehensive program to verify flowmeter and well conditions and to undertake ongoing AMI operation</div>	1098	\$129,716	\$0
6. Grant Administration (Proposition No. 84 and 1)	<div>- Review and evaluate grant opportunities, and prepare initial application and Board notification.</div> <div>- Contract administration.</div> <div>- Attend meetings, review work products and invoice processing.</div> <div>- Engagement with Watershed Protection District re Ag Efficiency Grant.</div>	51	\$7,795	\$0
7. Las Posas Sub-Basin Management Plan Development	<div>- Attend LPUG meetings.</div> <div>- Participate in Water Supply Feasibility Study development</div> <div>- Review draft work products & produce comments (Framework and Allocation Scheme).</div>	206	\$31,499	\$0

Technical Services Subtotal3205\$437,299\$0

Legal Services

Task	Description	Labor Hours Estimate	Labor Cost Estimate	Contract Estimate
1. Agency Ordinance Administration	<div>- Agency staff to provide County Counsel with technical and administrative support for Ordinance Code and Enforcement tasks. Includes development of Board Resolutions.</div>	82	\$10,800	\$150,000
2. Board Agendas, Policy Resolution and Ordinance Adoption Actions	<div>- Counsel review of all Board Letters</div> <div>- Counsel review of contracts and Resolution</div> <div>- Counsel attendance at Board meetings</div> <div>- Estimated at \$20,000</div>		Shown on Budget Spreadsheet	\$0
3. Dispute Resolution	<div>- Agency Counsel legal support for potential Dispute Resolution</div> <div>- Estimated at \$5,000</div>		Shown on Budget Spreadsheet	\$0
4. Enforcement Activities	<div>- Agency Counsel Enforcement action and/or litigation evaluation triggered by specific enforcement action</div> <div>- Estimated at \$5,000</div>		Shown on Budget Spreadsheet	\$0
5. Legal/CEQA Evaluation of Agency Groundwater Management Policy Proposals	<div>- Agency Counsel - Legal evaluations triggered by policy resolutions and ordinances</div> <div>- Estimated at \$5,000</div>		Shown on Budget Spreadsheet	\$0

Legal Services Subtotal82\$10,800\$150,000

Public Outreach

Task	Description	Labor Hours Estimate	Labor Cost Estimate	Contract Estimate
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FCGMA FISCAL YEAR 2016-17 PROPOSED ANNUAL WORK PLAN				
ANNUAL OPERATIONS				
1. Participation in Integrated Regional Groundwater Issues & Stakeholder Meetings	- Attend: (1) AWA Mtgs/events; (2) BofD / City council mtgs; (3) Stakeholder mtgs (incl. wholesalers); (4) WCVV/VCIRWP meetings; (5) State/Regional Water agency workshops; and (6) GW Forums and Committee Meetings.	151	\$21,274	\$0
2. Outreach and Trainings	- Routine administration and maintenance of Agency website and Facebook - Produce Semi-Annual Newsletter	140	\$19,345	\$0
Public Outreach Subtotal		291	\$40,619	\$0
Subtotal Agency Annual Operations		8537	\$966,378	\$160,960
SPECIAL EXPENDITURES				
Task	Description	Labor Hours Estimate	Labor Cost Estimate	Contract Estimate
1. Groundwater Sustainability Plan	This work task includes ongoing work to develop a Groundwater Sustainability Plan (GSP) for submittal to the Department of Water Resources. Efforts during FY 16/17 generally involve consultant contract oversight, project management and technical review, and committee participation and public review and participation. The following tasks will be performed during FY 16/17: stakeholder meetings; ongoing reviews to integrate stakeholder input on water budget parameters, definition of undesirable results, minimum thresholds, sustainability objectives, and basin specific groundwater allocation systems; development of management strategies; water market; and monitoring and reporting programs. During FY 16/17, the draft GSP will be circulated for public reviews and adoption by the FCGMA Board as well as the State.	691	\$107,757	\$790,000
2.Public Outreach	This work task would provide additional resources for GSP stakeholder engagement, beyond those already included in the existing GSP contract. This would include additional staff participation in stakeholder engagement, and limited financial support for chartered stakeholder work groups whose work includes (but may not be limited to) evaluating potential new pumping allocation systems and water market concept development. Additional resources also would be directed to FCGMA led public workshops and development of outreach materials such as newsletters, informational pamphlets, and notification items.	254	\$38,638	\$0
3. Allocation System	This work task would involve reviewing other groundwater allocation systems, evaluating their merits, and making recommendations on whether to replace current allocations. Evaluate and recommend groundwater basin specific allocation systems. A fixed line item of \$30,000 is proposed here for consultant services. This work is proposed for this FY and continue into future FY(s).	134	\$20,406	\$30,000
3. Las Posas Water Replacement Study	Provide cost sharing for study of replacement water sources being performed by contractor for Calleguas Municipal Water District.	0	\$0	\$110,613
4. Advanced Meter Infrastructure Development	Installation of Advanced Meter Infrastructure well meters and data transmission network - Staff time to oversee project	408	\$52,829	\$50,000
Subtotal Special Expenditures		1487	\$219,630	\$980,613
GRAND TOTAL: Annual Operations and Special Expenditures		10024	\$1,186,008	\$1,141,573

FCGMA FY 16-17 DRAFT BUDGET									
			B	C		D	E	F	G
			13-14 Year End Actuals	14-15 Year End Actuals	15-16 Adopted Budget	15-16 Year End PROJECTIONS (Based on AP#9 i.e. 3/31/16)	16-17 Draft Budget	17-18 PLANNING- LEVEL Budget PROJECTION	18-19 PLANNING- LEVEL Budget PROJECTION
AGENCY FISCAL RESOURCES								2.5%	3.00%
PUMPING FEES - \$ Per Acre-Feet (Note 1)			\$6.00	\$6.00	\$10.00	\$10.00	\$12.50	\$15.00	\$15.00
BYFB (Note 2)			\$3,257,781	\$3,976,430	\$3,768,826	\$3,768,827	\$4,254,448	\$3,566,885	\$3,715,693
DESIGNATED ACCOUNTS									
BEGINNING BALANCE			\$1,012,331	\$1,015,854	\$1,019,080	\$1,019,080	\$1,522,580	\$1,527,580	\$1,532,580
INTEREST EARNINGS			\$3,523	\$3,226	\$5,000	\$3,500	\$5,000	\$5,000	\$5,000
TRF ADDITIONAL FUNDS FOR GEMES					\$500,000	\$500,000			
DESIGNATED GEMES ENDING BALANCE			\$1,015,854	\$1,019,080	\$1,524,080	\$1,522,580	\$1,527,580	\$1,532,580	\$1,537,580
BEGINNING BALANCE							\$631,430	\$731,430	\$731,430
SURCHARGE (Note 3)					\$100,000	\$631,430	\$100,000	\$0	\$0
DESIGNATED SURCHARGES BALANCE					\$100,000	\$631,430	\$731,430	\$731,430	\$731,430
BEGINNING BALANCE							\$0	\$1,000,000	\$1,000,000
OPERATING RESERVES					\$1,000,000	\$1,000,000	\$1,000,000		
DESIGNATED RESERVE BALANCE					\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
OPERATING ACCOUNTS									
BEGINNING BALANCE			\$2,245,450	\$2,960,576	\$2,749,747	\$1,283,300	\$1,100,438	\$307,875	\$451,683
REVENUE									
PUMP CHARGES (Note 4)			\$782,024	\$692,239	\$1,000,000	\$900,000	\$750,000	\$750,000	\$750,000
GROUNDWATER SUSTAINABILITY FEE						\$265,846	\$656,250	\$968,750	\$1,125,000
GSP GRANT					\$250,000	\$0	\$250,000		
INTEREST EARNINGS (Note 5)			\$9,963	\$8,890	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000
SURCHARGE			\$881,011	\$162,284				\$0	\$0
PENALTIES/INTEREST						\$68,000	\$75,000	\$75,000	\$75,000
GEMES REVENUES							\$0	\$0	\$0
TRF TO DESIGNATED ACCOUNTS					-\$1,500,000		\$0	\$0	\$0
MISCELLANEOUS REVENUES						\$0	\$0	\$0	\$0
TOTAL OPERATING REVENUE			\$1,672,998	\$863,413	-\$240,000	\$1,238,846	\$1,736,250	\$1,798,750	\$1,955,000
EXPENDITURES									
Board Member Insurance			\$4,596	\$4,498	\$5,000	\$4,780	\$5,000	\$5,125	\$5,279
AWA Dues / Symposium/Conference			\$2,616	\$1,860	\$3,500	\$3,500	\$3,500	\$3,588	\$3,695
LAFCO Funding (Note 6)			\$583	\$765	\$1,000	\$811	\$1,000	\$1,025	\$1,056
Office Equipment/Supplies/Printing			\$432	\$205	\$2,000	\$2,000	\$2,000	\$2,050	\$2,112
GSA Charges / ISF			\$5,923	\$9,976	\$8,500	\$8,500	\$8,500	\$8,713	\$8,974
Legal (Note 7)			\$50,640	\$92,034	\$100,000	\$150,000	\$150,000	\$175,000	\$100,000
Biennial Audit			\$0	\$6,800			\$8,000		\$8,000
Public Notices			\$200	\$554	\$1,000	\$1,000	\$1,000	\$1,025	\$1,056
Computer Equipment, Software & Website			\$335	\$0	\$5,000	\$5,000	\$5,000	\$5,125	\$5,279
FCGMA Online Support/GIS (Note 8)			\$19,421	\$59,159	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000
Et Weather Station Contract			\$5,298	\$300		\$0	\$0	\$0	\$0
Irrig. Trng. Research Ctr. Contr.			\$0	\$0		\$0	\$0	\$0	\$0
Consultant Contracts (Note 9)			\$0	\$22,176	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
GMP 2012 5-Year Update Costs			\$125,000	\$0		\$0	\$0	\$0	\$0
Consultant Contracts for Meter & Well Inspection			\$50,745	\$40,248	\$100,000		\$0	\$0	\$0
Digitalization of FCGMA Files			\$12,960	\$0		\$0	\$0	\$0	\$0
GSEAP			\$32,114	\$138,371		\$0	\$0		
LPUG Feasibility Study			\$30,000	\$0	\$125,000	\$14,387	\$110,613		
Groundwater Sustainability Plan Development (Note 10)					\$925,000	\$376,000	\$790,000		
Automatic Meter Infrastructure Development							\$50,000		
Allocation Systems							\$30,000		
Watershed Contributions /Match (Note 11)			\$2,059	\$2,200	\$3,700	\$3,700	\$3,700	\$3,793	\$3,906
Misc. Expense / Misc. Payment			\$24	\$257	\$200	\$1,500	\$1,500	\$1,500	\$1,500
SERVICES AND SUPPLY SUB-TOTAL			\$342,946	\$379,403	\$1,352,900	\$644,178	\$1,242,813	\$279,943	\$213,856
Public Works Agency Charges (Note 12)			\$614,926	\$694,839	\$926,840	\$700,530	\$1,186,000	\$1,275,000	\$1,200,000
OPERATING EXPENSES SUB-TOTAL			\$957,872	\$1,074,242	\$2,279,740	\$1,344,708	\$2,428,813	\$1,554,943	\$1,413,856
CONTINGENCY			\$0	\$0	\$100,000	\$77,000	\$100,000	\$100,000	\$100,000
TOTAL OPERATING EXPENDITURES			\$957,872	\$1,074,242	\$2,379,740	\$1,421,708	\$2,528,813	\$1,654,943	\$1,513,856
ENDING OPERATING FUND BALANCE			\$2,960,576	\$2,749,747	\$130,007	\$1,100,438	\$307,875	\$451,683	\$892,827
GRAND TOTAL FUND BALANCE			\$3,976,430	\$3,768,827	\$2,754,087	\$4,254,448	\$3,566,885	\$3,715,693	\$4,161,837
FOOTNOTES:									
(1) FY 15-16 Pump Fees: Set at \$12.50, but will reflect blend of \$6.00 and \$12.50 per Acre-Foot (AF) = \$11.25 due to two reporting periods in one Fiscal Year.									
(2) FY 16-17 Projected BYFB of \$4,254,448									
(3) FY 16-17 Surcharge revenue projections totals \$100,000 from overpumpers.									
(4) FY 16-17 Projected pump charge revenues by 6/30/17 are estimated at \$750,000; assumes 125,000 acre-feet of self-reported groundwater times \$6.00 per AF.									
(5) FY 16-17 Groundwater Sustainability Fee began January 1, 2016, \$4.00 per Acre-Foot (AF)									
(6) FY 16-17 Projected payment of \$1,000 to LAFCO Per Govt. Code Section 56381 (b) (1), estimated .442% share of combined FY 11-12 VC special district revenues.									
(7) FY 16-17 Legal counsel fees projected at \$150,000 (\$120,000 for County Counsel and \$30,000 for outside special counsels).									
(8) FY 16-17 Estimate of \$43,000 required has been obtained from ITSD, includes \$13,000 Annual License Maintenance Agreement; \$10,000 for specific special data queries, data fixes and changes to online system web pages; and \$20,000 for specific software enhancements needed in FY 16-17.									
(9) FY 16-17 \$5,000 capacity for Board-delegated authority to EO to approve contracts in-between BofD mtgs including \$5,000 for Facilitator.									
(10) FY 16-17 The projected \$925,000 combines the budget totals for Groundwater Sustainability Plan Development \$ 500,000, Water Budget/Sustainable Yields Determination \$ 350,000 and Allocation System \$ 75,000.									
(11) Includes contributions to Watershed Coalition of Ventura County (\$2,200) and Santa Clara Watershed Committee (\$1,500)									
(12) FY 2016-17 Annual Work plan Tasks: \$1,186,000 in PWAC costs; Projection for Fy 17-18 includes AMI and GSP implementation task;									
Projection for FY 18-19 includes GSA operators tasks.									
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