

ANNUAL REPORT FOR CALENDAR YEAR 2005

FOX CANYON GROUNDWATER MANAGEMENT AGENCY ANNUAL REPORT FOR CALENDAR YEAR 2005

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EXECUTIVE SUMMARY

The Fox Canyon Groundwater Management Agency (FCGMA) is a public agency charged with the management of groundwater resources in the southwestern portion of Ventura County, California. This agency was established by the California State Legislature in 1982 to preserve and manage groundwater resources for the common benefit of agricultural, municipal, and industrial uses by the public within its territory. This report summarizes the technical, administrative, groundwater resource management, and financial activities of the Fox Canyon Groundwater Management Agency for calendar year 2005. The Agency performed many significant actions during 2005¹ including:

- Completed amendments to FCGMA Ordinance No. 8.0 and adopted FCGMA Ordinance 8.1; the Ordinance specifies the administration, operation, and management of the Agency and its objectives;
- Adopted eight resolutions; four of these recognized service of various individuals to the Agency; the remaining four supported various goals and objectives of the Agency;
- Received and managed groundwater extraction data and management fees for 597 accounts over two Semi-Annual reporting periods;
- Contributed to the preparation of the Integrated Regional Watershed Management Plan;
- Initiated preparation of an updated Groundwater Management Plan;
- Initiated work on a groundwater extraction meter calibration program;
- Received a total of \$448,088 in revenue from groundwater extraction charges, interest earnings, and surcharges;
- The revenue, combined with a fiscal year starting balance of \$464,168 and offset by \$472,517 in expenses, resulted in a year-end fund balance \$439,739; thus meeting or exceeding the fiscal objectives of the Agency; and
- Received an independent financial audit indicating the Agency's financial statements fairly reflected the Agency's financial position at the end of fiscal years 2002-2003 and 2003-2004.

This report represents the first written annual summary report of the Agency's activities since 2001. From 2001 to 2005, FCGMA staff presented annual summaries of the Agency's activities in the form of presentations to the Board of Directors at their monthly meetings. In the future, the FCGMA staff plan to prepare written annual reports to accompany these Board presentations. The annual reports will be based on the calendar year should be available by August of the following year once groundwater extraction and financial data from the subject year is received, compiled, and analyzed.

¹ Financial activities refer to the fiscal year which began on July 1, 2004 and ended on June 30, 2005.

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1.0 AGENCY BACKGROUND

1.1 Introduction

The Fox Canyon Groundwater Management Agency (FCGMA) is a public agency charged with the management of groundwater resources in the southwestern portion of Ventura County, California (Figure 1). The FCGMA is an independent special district, separate from the County of Ventura or any city government. It was created in 1982 by the California Legislature through the Fox Canyon Groundwater Management Agency Act for the preservation of groundwater resources in the central and southwestern portion of Ventura County. Groundwater resources within the boundary of the FCGMA account for more than half of the water needs for over 700,000 residents in the cities of Ventura, Oxnard, Port Hueneme, Camarillo, and Moorpark, plus the unincorporated communities of Saticoy, El Rio, Somis, Moorpark Home Acres, Nyeland Acres, Leisure Village, Point Mugu and Montalvo. The FCGMA is funded by fees paid by those who extract groundwater within the Agency boundaries. The fees are used to administer and manage the groundwater resource.

1.2 Purpose of this Report

The purpose of this report is to briefly summarize the background and natural setting of the FCGMA, and to present a synopsis of the historical and calendar year 2005 technical, administrative, and financial groundwater resource management activities.

1.3 Origin and History of the Fox Canyon Groundwater Management Agency (FCGMA)

The unique geographic and geologic characteristics of Southern California have created a significant and valuable groundwater resource in southwestern Ventura County. Winter storms associated with the warm Mediterranean climate move inland from the Pacific Ocean and drop precipitation over the region, with greater amounts falling in the mountain ranges in the northern and eastern portion of the County. The topography and geology of the area allow surface run-off and groundwater to flow south and westward towards the coastal Oxnard Plain where it resides in permeable sandy, alluvial aquifers that are vertically bounded by impermeable clays. Groundwater in the Oxnard Plain is contained in aquifers that are bounded by recharge areas to the north and east, the relatively impermeable rocks of the Santa Monica Mountains to the South, and the Pacific Ocean to the west and southwest (Figure 1).

Although the early indigenous people likely used springs and available surface water, groundwater was recognized as a resource by European settlers beginning in the mid-1800s. At that time, it was developed to create one of the most prolific agricultural regions in California. In 2004, this water resource supported greater than \$1.3 billion worth of agriculture in Ventura County (McPhail, 2005).

The FCGMA was created by the State of California legislature in response to overuse of the groundwater resource and declining water quality in the southern part of the Oxnard Plain, first recognized in the 1940s (DWR, 1954). Prior to the creation of the FCGMA, the California State Water Resources Control Board (SWRCB), as a condition to a State grant for the Seawater Intrusion Abatement Project, ordered the United Water Conservation District (UWCD) and Ventura County as grantees, to develop a Groundwater Management Plan for the purpose of controlling extractions and balancing water supply and demand in both the Upper Aquifer System (UAS) and Lower Aquifer System (LAS). As a result of continuing overdraft by groundwater users and resulting seawater intrusion into aquifers beneath the Oxnard Plain, the Fox Canyon Groundwater Management Agency Act (AB 2995 – Imbrecht) passed on September 13, 1982, and became effective January 1, 1983. The Act (enabling legislation) is now contained in the State Water Code Appendix, Chapter 121 et seq. As directed by Article 2, Section 202 of the enabling legislation, the boundary of the FCGMA was established by Resolution of the Ventura County Board of Supervisors (VCBOS, 1982) on December 21, 1982 and became effective by recordation in the Ventura County Office of the Recorder (VCOR) on January 1, 1983. The boundary

was revised in 1991 to reflect updated knowledge of the extent of the aquifer in the subsurface. (FCGMA, 1991; VCOR, 1996)

1.4 Mission Statement of the Agency

The original State legislation created the FCGMA to manage groundwater within Ventura County, specifically the areas or lands overlying the Fox Canyon aquifer. The prime objectives and purposes of the Agency are to preserve groundwater resources for agricultural, municipal, and industrial uses in the best interests of the public and for the common benefit of all water users. The FCGMA recently adopted a formally recognized mission statement as follows:

"The Fox Canyon Groundwater Management Agency (Agency), established by the State Legislature in 1982, is charged with the preservation and management of groundwater resources within the areas or lands overlying the Fox Canyon aquifer for the common benefit of the public and all agricultural, municipal and industrial users." (FCGMA, 2006a)

1.5 Agency Operations and Personnel

The FCGMA is directed by an elected five (5) member Board of Directors and staffed by technical and administrative personnel provided by the County of Ventura Watershed Protection District. Board Members for 2005 and main FCGMA technical and administrative staff are provided in Table 1.

As required by its defining legislation, the Fox Canyon Groundwater Management Agency Act of 1982 [AB 2995], the Board of Directors for the FCGMA is composed of one member from each of the following four groups:

- The Ventura County Board of Supervisors;
- The United Water Conservation District (UWCD) Board of Directors;
- The City Councils of the five cities that partially or totally overlie the FCGMA. These cities include Ventura, Oxnard, Camarillo, Port Hueneme, and Moorpark;
- The seven existing mutual water companies and special districts² within the FCGMA. They include the governing boards of the following mutual water companies and special districts not governed by the County of Board of Supervisors, which are engaged in water activities, and whose territory at least in part overlies the territory of the agency: (1) Alta Mutual Water Company, (2) Pleasant Valley County Water District, (3) Berylwood Mutual Water Company, (4) Calleguas Municipal Water District, (5) Camrosa County Water District and (6) Zone Mutual Water Company, and (7) Del Norte Mutual Water Company.

These four members select the fifth Board Member from a list of at least five candidates nominated by the Ventura County Farm Bureau and Ventura County Agricultural Association acting jointly. This fifth member must reside in, and be "actively and primarily engaged in" agriculture within the territory of the Agency. The requirement "actively and primarily engaged in agriculture" means that this member must derive at least seventy-five percent (75%) of their income from agriculture.

Five alternate Board members are selected according to the same criteria and serve in the absence of the primary Board members. All Board members serve for a two-year term, unless reappointed. There are no limits to the number of terms a member can serve.

² An eighth mutual water company or special district, Anacapa Mutual Water Company, active at the passage of the enabling legislation (AB 2995), is no longer in existence.

The Board normally conducts monthly public meetings with additional public input received through various committees and advisory groups. In 2005, an Ad-Hoc Committee was created to deal with potential violations of FCGMA Ordinance Code No. 8.1.

The technical, financial, and legal services for the FCGMA are provided under contract with the County of Ventura, Watershed Protection District and the Office of the County Counsel. The United Water Conservation District (UWCD) of Santa Paula, California provides additional technical resources to the Agency. UWCD is a public wholesale water agency that performs groundwater basin management activities in the Santa Clara River Valley and Oxnard Plain. In accordance with the enabling legislation, FCGMA does not involve itself in activities normally undertaken by member agencies, which includes construction, operation, and maintenance of capital facilities. Many of these facilities such as dams, spreading grounds, pipelines, flood control structures, and water distribution facilities are operated by UWCD and other member agencies both within and outside the FCGMA boundary.

2.0 GROUNDWATER RESOURCE MANAGEMENT

2.1 Location and Geographic Description of the FCGMA

The FCGMA is located in the southwestern portion of Ventura County in Southern California (Figure 1). At the time of its definition, the boundary of the Agency was defined by "all land overlying the Fox Canyon aquifer" (CWC Ch. 1023, Art. 2). The Agency encompasses a northeast-southwest oriented, wedge-shaped area that widens to the west and is bounded to the north by the Santa Clara River and South Mountain; to the east uplifted Tertiary and Quaternary-age consolidated rocks east of the City of Moorpark; to the south by the Bailey Fault and the Santa Monica Mountains; and to the west and southwest by the Pacific Ocean. The eastern portion of the FCGMA bifurcates into two separate lobes east of the City of Camarillo. The northern lobe, which includes the Las Posas Valley, terminates east of the City of Moorpark. The southern lobe, which includes the western portion of Pleasant Valley, terminates south of Moorpark. These two valleys merge near the city of Camarillo and open to form the broader alluvial Oxnard Plain. The Santa Clara River Valley intersects with the northeastern portion of the Oxnard Plain near the unincorporated area of Saticoy. The northern boundary of the Agency lies just north of the Santa Clara River at Saticoy and parallels its course westward. Southwest of the City of San Buenaventura, the boundary crosses back to the south bank of the river just east of its discharge into the Pacific Ocean.

The topography in the eastern portion of the FCGMA consists of narrow steep sided canyons that open into broader east-west trending Las Posas Valley and Pleasant Valley, with moderate relief (typically 300 to 1,500 feet difference) between the bordering mountain highlands and the westward-sloping valley floors. The canyons and valley floors are partially filled by colluvium, unconsolidated fluvial sediments, and coalesced alluvial fans comprised of material eroded from the surrounding uplifted Tertiary- and Quaternary-aged sedimentary rocks. The alluvial thickness in the eastern portion of the Agency is typically less than 600 feet thick and thins in close proximity to outcropping bedrock.

In the western portion of the FCGMA, the topography primarily consists of the broad, alluvial Oxnard Plain. The Oxnard Plain slopes to the southwest and terminates at the Pacific Ocean; however, semiconsolidated rocks of various aquifers outcrop beneath the ocean and groundwater discharge has been documented in this offshore area (Izbicki, 1996a, 1996b, 1991). The alluvial thickness in the Oxnard Plain is typically greater than 1,000 feet.

Two main drainages lie within or form boundaries to the FCGMA (Figures 1 and 2). The Santa Clara River originates in the San Gabriel Mountains east of Ventura County and flows westward through the Santa Clara River Valley, which lies north and northeast of the FCGMA. The Santa Clara River intersects the northeastern boundary of the FCGMA near the unincorporated area of Saticoy. The Santa Clara River supplies water for recharge to FCGMA aquifers by direct infiltration through the streambed

and through a man-made diversion, the Freeman Diversion, and several spreading grounds, all of which are owned and operated by the UWCD. Because of near constant flows from wastewater treatment plants, urban runoff, and periodic releases from Lake Piru, the Santa Clara River is a perennial stream; however, the majority of water flow occurs during runoff periods associated with winter storms. Calleguas Creek lies near the southern and southeastern boundaries of the FCGMA and also carries water during high-runoff periods as well as nearly-continuous discharge from wastewater treatment plants. Additional water is contributed to these streams by irrigation return flow and urban runoff. Although there are a number of small reservoirs and retention basins, there are no other major surface water bodies within the FCGMA boundary.

2.2 Geology and Hydrogeology

The FCGMA is located near the western margin of the Transverse Range Geologic Province of California. This province is characterized by east-west oriented mountain ranges separated by valleys, faults, and basins. The east-west trending folds and faults are common throughout the province and their surface expression is evident at many locations within the FCGMA boundary. The water-bearing sediments that comprise the valley fill and alluvial plains within the FCGMA consist of unconsolidated and semi-consolidated sediments that range from Pliocene to Recent (Holocene) in geologic age (Figure 3). The named formations from oldest to youngest include the Plio-Pleistocene-age Santa Barbara Formation, the Pleistocene-age San Pedro Formation, and semi-consolidated and unconsolidated sediments of Upper-Pleistocene and Recent (Holocene) ages. Local and regional unconformities (i.e. gaps in the geologic sedimentation record caused by uplift and subsequent erosion) occur between each of these formations (DWR, 1976).

Named water-bearing strata, or aquifers, occur within these geologic units and are identified on the basis of their composition, stratigraphic location, and lateral continuity. Within the FCGMA boundary, there are six named aquifers which include, from deepest depth of occurrence to the shallowest, the Grimes Canyon Aquifer, the Fox Canyon Aquifer, the Hueneme Aquifer, the Mugu Aquifer, the Oxnard Aquifer, and the Perched or Semi-Perched Zone (DWR, 1976). These aquifers have been combined into two main groups: the Lower Aquifer System (LAS) comprised of the Grimes Canyon, Fox Canyon, and Hueneme Aquifers, and the Upper Aquifer System (UAS) comprised of the Mugu and Oxnard Aquifers (Figure 3). The Semi-Perched zone is considered by some to be separate from the UAS because it is only locally extensive and of poorer quality than the deeper, more extensive aquifers (Turner, 1975). A hydrostratigraphic column showing the named geologic units and the corresponding aquifers is presented in Figure 3.

Faulting has significantly affected the Tertiary and Quaternary-aged formations and thus impacts the hydrogeology within the FCGMA. Some of the major faults that occur within or near the margins of the Agency include the Oak Ridge Fault, the Berylwood Fault, the Somis Fault, the Springville Fault, the Simi-Santa Rosa Fault Zones (includes Santa Rosa Fault, Northern Simi Fault, Southern Simi Fault) the Camarillo Fault, the Wright Road Fault, and the Bailey Fault, (Figure 2). In general, faults may form partial or complete barriers to groundwater flow. UWCD has demonstrated anomalous groundwater elevations within the Oxnard Plain and subparallel northeast extension of the Hueneme Canyon Fault. (UWCD, 2004) and others likely exist within the FCGMA. Ultimately, the effects of faulting on groundwater flow can only be quantified through detailed hydrostratigraphic analysis and aquifer testing.

Eight different groundwater basins lie partially within the FCGMA (Figure 2). These include the Arroyo Santa Rosa Basin, the East Las Posas Basin, the West Las Posas Basin, the South Las Posas Basin, the Pleasant Valley Basin, the Oxnard Forebay Basin, the Oxnard Plain Pressure Basin, and the Mugu Forebay Basin. Each basin has significant groundwater resources with unique physical and water quality characteristics. The majority of the groundwater extraction occurs in the Oxnard Plain Pressure Basin, which contains a complete set of the six previously-identified aquifers. The remaining five basins contain incomplete hydrostratigraphic sections and thinner, less-extensive aquifers. Descriptions of the physical, hydrogeologic, and water quality characteristics of each of these groundwater basins are extensively

described in other documents (FCGMA, in prep; VCWPD, in prep.; UWCD, 2004; Izbicki, 1996a, 1996b; FCGMA, 1985; et al).

2.3 Groundwater Resource Management

The enabling legislation, now Appendix 121 of the California Water Code, established the ability of the FCGMA to perform groundwater management activities including, but not limited to, registration of facilities, control of extractions, regulation of extraction facility construction, prosecution of legal actions against unreasonable use, imposition of reasonable operating regulations, and collection of fees. Through this legislation and a series of ordinances, the FCGMA has developed a groundwater management system to record groundwater facility owner/operator information; collect and record extraction data; regulate groundwater extraction through the application of an annual allocation system; assign credits for non-use of the resource and/or replenishment actions; collect fees for overuse of the resource (surcharges), and collect management fees.

There are three specific allocation methods used to calculate the allowed volume of water each operator may extract in a given year. Although many operators are limited to one allocation method, some operators may use one or a combination of allocation methods depending on the intended use of the groundwater they extract (agricultural, municipal/industrial, or domestic), the type of operator, the ownership of the extraction facility, the history of land use on a particular land parcel where a well resides, and acreage served by groundwater extraction from a particular well. The allocation methods and their specific rules for qualification and application are detailed in FCGMA Ordinance No. 8.1 (Appendix A) and include Historical Allocation, Baseline Allocation, and Irrigation Efficiency (the last of which is only available to agricultural operators).

Historically, the FCGMA has used various tools to assist with this management task since its inception in 1983. Currently, the FCGMA uses a commercially available database program customized to suit the needs of the Agency.

The FCGMA currently has a total of 1155 wells registered within its boundary. At the end of 2005, 758 wells were reported as active, 157 wells were reported as inactive, and 240 wells were reported as destroyed. The FCGMA currently requires all extraction facility operators to voluntarily report their groundwater extraction on a semi-annual basis using a Semi-Annual Statement (SAS). The two six-calendar-month SAS reporting periods cover January 1 through June 30 (-01 Period) and July 1 through December 31 of each year (-02 Period). Each SAS summarizes any available allocation, the reported groundwater extraction (in acre-feet) by well, the application of any available credits, and the specific allocation method being used to calculate the permitted groundwater extraction. Based on the groundwater extraction beyond their specified allocation. Agricultural operators are exempt from extraction allocations and surcharges if they use the Irrigation Efficiency allocation method for a particular year. This is provided they maintain an 80% or greater irrigation efficiency³ for that year. Agricultural operators cannot accrue new conservation credits during years they use the Irrigation Efficiency allocation (see Section 2.3.2).

2.3.1 Current and Historic Groundwater Extraction in the FCGMA

For the calendar year 2005, a total of approximately 106,018 acre-feet⁴ (AF) of groundwater extraction was reported to the FCGMA; with approximately 41,453 AF extracted for January 1 through June 30 (2005-01), and approximately 64,565 AF extracted for July 1 through December 31 (2005-02) (Table 2). The total annual reported groundwater extraction for 2005 is 79% of the mean reported annual extraction

³ Irrigation Efficiency is determined using the formula specified in FCGMA Ordinance 8.1, Section 5.6.

⁴ 1 acre-foot (AF) equals 325,851 U.S. gallons at Standard Temperature and Pressure (STP).

from 1985 through 2004 (the historical range of complete extraction records in the FCGMA) and 88% of the mean reported extraction from 1991 through 2004 (the period of managed groundwater extraction⁵ in the FCGMA) (Table 3). The annual extraction for 2005 is the fourth lowest annual value observed since 1985 (Table 2).

For reporting period 2005-01, the reported groundwater extraction is 72% of the mean for the -01 semiannual periods from 1985 through 2004 and 82% of the mean for the -01 semi-annual periods from 1991 through 2004 (Table 3). It is the second lowest -01 semi-annual period extraction value observed since 1985. For reporting period 2005-02, the reported groundwater extraction is 85% of the mean for the -02 semi-annual periods from 1985 through 2004 and 92% of the mean for the -02 semi-annual periods from 1991 through 2004 (Table 3). It is the fourth lowest -02 semi-annual extraction value observed since 1985 (Table 2).

The high precipitation in the early part of 2005 likely explains the low annual and 2005-01 extraction values (Figure 4). It may also explain, to a certain extent, the slightly lower than average groundwater extraction values in the 2005-2 period; however, there are likely a number of other factors that effect extraction during this period including other climate characteristics (i.e. temperatures, cloud cover, etc.) crop types, and demand from non-agricultural users since little precipitation occurs between July and December.

2.3.2 Credits for Non-Use of Groundwater Resources

As part of the groundwater management system, a credit system exists to grant benefits to operators and stakeholders for non-use of the groundwater resources within the FCGMA. Credits, in the form of groundwater extraction volumes, can be used to extract groundwater free of the surcharge. Since 1998⁶ credits have been automatically granted to operators that extract less groundwater in a calendar year than the historical allocation assigned to their wells, operators that recharge aquifers within the FCGMA boundary, and operators that provide water to others who do not use their full historical allocation for a particular calendar year. Credits are granted on an AF basis and can be used in future years to offset overuse of the groundwater resource (i.e. 1 AF credit is granted for each 1 AF of groundwater extracted that is less than the historical allocation for a particular calendar year. In addition, 1 AF credit is granted for each 1 AF of water injected into FCGMA aquifers per calendar year⁷).

For 2005, a net total of approximately 54,630 credits were earned by operators in the Agency (Table 4). At the end of 2005, an aggregate total of approximately 501,926 AF of unused credits were held by operators in the FCGMA. Figure 5 shows the historical growth of accumulated credits.

The accumulation of credits represents a long-term resource management challenge for the Agency and its stakeholders. Should there be an extended period with limited groundwater recharge by either natural or anthropogenic sources, a significant number of credits could be used in a short period of time, ultimately overstressing, and possibly permanently damaging the resource. Although the effects of such an occurrence have not been quantified through rigorous quantitative modeling, the significance cannot be overstated. For example, even a modest 5% use of the total amount of credits currently available would result in a 25,000 AF increase in extraction in a given year. Given the mean annual groundwater extraction observed from 2000 through 2005 inclusive (approximately 116,673 AF), this additional 25,000 AF extraction based on credit usage would represent a net 21% increase in annual extraction. The consequences of overuse has already been documented through the development of persistent

⁵ Refers to the period of time that FCGMA had used a methodical approach to collect groundwater extraction data from registered operators, to manage groundwater extraction according to an allowance or allocation-based system, and charge management fees according to the volume of groundwater extracted.

⁶ Prior to 1998, operators were required to request credits from the FCGMA Board. The policy changed resulted with the passage of FCGMA Ordinance 5.7 in 1998.

⁷ Credits are granted per acre-foot or part thereof to a resolution of 0.001 acre-feet.

depressions in both the UAS and LAS groundwater elevations (UWCD, 2004), land subsidence (Hanson, 1992), and seawater intrusion (Izbicki, 1996 a, b; 1992; UWCD, 2004; and others). The FCGMA staff hopes to address this condition through the implementation of a new groundwater management plan (FCGMA, *in prep.*), new extraction management strategies, groundwater replenishment programs, and stakeholder education.

2.3.3 Extractions and Credits by Groundwater Basins within the Agency

FCGMA data indicates the Oxnard Plain Pressure Basin had the greatest amount of extraction, net positive credits earned in 2005, and total accumulated credits through the end of calendar year 2005 (Table 5). The extraction in this basin accounted for approximately 48% of the total extraction and the 33% of the net credits earned in 2005. The Oxnard Forebay Basin, East Las Posas Basin, Pleasant Valley Basin, and West Las Posas Basin as a group account for nearly all of the remaining extraction within the Agency. As a group, the extraction in these four basins account for nearly 49% of the extraction and 65% of the net credits earned in 2005. Individually, these four basins reported similar extraction values ranging from 10% to 16% of the total Agency extraction. The range of net credits earned is slightly wider and ranges from 4% to 26% of the Agency total for 2005. The South Las Posas Basin and Arroyo Santa Rosa Basin accounted for approximately 3% of the total extraction and about 2% of the net credits earned 2005.

2.3.4 Groundwater Use in the FCGMA

Ventura County relies on groundwater as the primary source for its water needs with lesser amounts derived from surface water, reclaimed water from treatment plants, and water imported from outside the County by pipeline from the California State Water Project (VCWPD, in prep). Although it is impossible to precisely quantify the demand for groundwater in the FCGMA, it is possible to examine the agencywide use of groundwater by volume extracted for each type of operator. Within the FCGMA, groundwater users have been divided into three general categories: agricultural, municipal, and industrial (M & I), and domestic. The definitions of each type of user or user's facility as specified in Ordinance No. 8.1 are as follows:

- <u>Agricultural Facility:</u> "a facility whose groundwater is used on lands in the production of plant crops or livestock for market, and uses incidental thereto";
- Municipal and Industrial User (M & I): a person or other entity that used or uses water for any
 purpose other than agricultural irrigation. An M & I Operator is defined as "an owner or operator
 that supplied groundwater for M & I use during the historical allocation period (1985-1989
 inclusive), and did not supply a significant amount of agricultural irrigation during the historic
 period." An M & I Provider is defined as an entity or person which provides water for domestic,
 industrial, commercial, or fire protection purposes within the boundaries of the Agency."
- **Domestic User or Domestic Extraction Facility:** Not specifically defined in Ordinance No. 8.1; however, the Agency has used the extraction facility metering requirements as a substitution for this definition. According to Ordinance No. 8.1, Sec. 3.1.1, a domestic extraction facility supplies a single family dwelling on one acre or less, with no income producing operations.

FCGMA 2005 data indicates there were 430 wells actively operated by agricultural facilities, 131 wells actively operated by M & I users, and 88 wells actively operated by domestic users (Table 6). For 2005, all agricultural operators reported approximately 65,811 AF of extraction, which represents approximately 62.1% of the total reported groundwater extraction. M & I operators reported 39,687 AF of extraction or 37.4% of the total groundwater extraction. The estimated extraction by domestic operators was approximately 520 AF or 0.5% of the total groundwater extraction. Since the domestic operators are not necessarily required to use flow meters or report groundwater extractions, their extraction value is derived from an estimate of consumptive use. The consumptive-use estimate is based on the number of

persons known to reside in a dwelling(s) supported by a domestic extraction facility. For 2005, the assumed consumptive use value was 0.5 AF per person.

The FCGMA extraction data reflects the varied groundwater uses in each basin (Table 6). The basins have been divided into three classifications based on predominance of groundwater use in 2005. These classifications are described as follows:

- <u>Agricultural-Use Basins</u>: The agricultural-use basins include the Arroyo Santa Rosa, East Las Posas, South Las Posas, and West Las Posas Basins. These basins have the vast majority of groundwater extraction (nearly 80% or greater) by agricultural operators, little domestic extraction, and limited M & I extraction. The Arroyo Santa Rosa basin is unique among this group since its groundwater extraction is performed exclusively by agricultural operators. As a group, the total extraction in these four basins accounted for approximately 25% of the total Agency extraction (all use types), 37% of the total Agency agricultural extraction, 6% of the total Agency M & I extraction, and 3% of the total Agency domestic extraction in 2005.
- <u>Mixed-Use Basins</u>: The mixed-use basins include the Oxnard Plain Basin and the Pleasant Valley Basin. These basins have significant groundwater extraction by both agricultural and M & I operators in roughly similar amounts and relatively little domestic extraction. In the Pleasant Valley Basin, the amount of agricultural extraction is nearly equal to that of the M & I extraction. In the Oxnard Plain Basin, the agricultural extraction is greater than the M & I extraction; however, the M & I extraction is significant because it accounts for nearly 20% of the total Agency extraction (i.e. all use types) and nearly 50% of the Agency M & I extraction. As a group, the total extraction in these two basins accounted for nearly 60% of the total Agency extraction (all use types), 55% of the total Agency agricultural extraction, 65% of the total Agency M & I extraction, and 88% of the total Agency domestic extraction for 2005.
- <u>M & I-Use Basin</u>: The Oxnard Forebay Basin has a majority of its groundwater extraction by M & I operators, lesser agricultural extraction, and little domestic extraction. For this basin, M & I extraction was twice that of agricultural extraction. This basin accounted for approximately 16% of the total estimated Agency groundwater extraction (all uses), 9% of the total Agency agricultural extraction, 28% of the Agency M & I extraction, and 9% of the total Agency domestic extraction for 2005.

3.0 ADMINISTRATIVE ACTIONS FOR CALENDAR YEAR 2005

3.1 Significant Administrative Actions

3.1.1 Adopted Resolutions

The FCGMA Board of Directors formally adopted eight Resolutions during 2005 (Table 7). One additional resolution, Resolution No. 2005-05 was forwarded to 2006 when it was passed as Resolution No. 2006-01 (FCGMA, 2006b). Of these eight, four resolutions recognized various individuals for service to the Agency. The four remaining resolutions are summarized as follows:

- Resolution No. 2005-01 expressed FCGMA's support for the Saticoy Sanitary District program to recycle water that would otherwise be lost to the ocean. The Saticoy Sanitation District proposed to divert raw wastewater from the City of Ventura's collection system to an improved Jose Flores Treatment Plant, where the wastewater would be treated for use as groundwater recharge.
- Resolution No. 2005-06 maintained the groundwater extraction charge at \$4.00 per acre-foot for all groundwater extracted from inside the FCGMA boundaries.

- Resolution No. 2005-08 designated the director of the Watershed Protection District as the Executive Officer of the Agency, and delegated executive powers and duties required to carry out the purposes of the agency pursuant to applicable statutes, Board Ordinances, and policies.
- Resolution No. 2005-9 expressed support for the El Rio Groundwater Contamination Elimination Project as a high priority groundwater quality and quantity protection project of regional significance to Ventura County.

A copy of the FCGMA Resolutions approved during 2005 is provided in Appendix A.

3.1.2 Amendments to the FCGMA Ordinance

The FCGMA Board of Directors formally adopted Ordinance No. 8.1 on July 17, 2005 (Appendix B). This Ordinance amended the previous Ordinance No. 8.0 in many respects. A summary of the most significant changes introduced by Ordinance No. 8.1 is included in Appendix B on pages B-23 and B-24.

3.2 FCGMA Board Members and Staff

Numerous staff changes occurred during 2005, including the following:

- Directors Schwabauer and Mikos vacated their positions; Directors Craven and Borchard were named as replacements (February 2005);
- The retirement of FCGMA Legal Counsel Tony Waters and assignment of Alberto Boada to the position of FCGMA Agency Counsel (March 2005).
- The retirement of the Agency Coordinator, Lowell Preston, Ph D. (July 2005).
- Promotion of David Panaro, P.G., former FCGMA Staff Geologist, to acting Manager of Groundwater Resources Division of the VCWPD (August 2005).
- The appointment of VCWPD Director Jeff Pratt, P.E., to the position of FCGMA Agency Coordinator (September 2005).
- The hiring of Gerhardt Hubner, P.G., as Deputy Director of the VCWPD. In this role, Mr. Hubner serves as deputy to the Executive Officer of the FCGMA on an as-needed basis (November 2005).

3.3 **Project Reviews Performed for 2005**

In 2005, the Groundwater Section of the Ventura County Watershed Protection District (VCWPD, in prep.) performed approximately 214 Project Reviews for potential impacts of proposed or active projects to groundwater resources in Ventura County. At least one-third of these involved proposed or active projects within the FCGMA boundary. FCGMA staff contributed considerable effort to the review process. Typically, these projects are reviewed to identify the following groundwater-related issues: changes to the well ownership/operator, property-use changes that effect allocation or type of use, potential short- and long-term impacts to water quality and/or water quantity, changes or modifications to active wells, changes to groundwater distribution systems, and construction of structures that might impair infiltration to FCGMA aquifers. Ultimately, these projects are approved, denied, or approved with conditions and/or modifications based in-part on the potential impact to the FCGMA groundwater resources.

3.4 Permitting and Registration of Facilities

As part of the FCGMA role in groundwater management within Ventura County, Agency staff assists VCWPD with the review of installation/abandonment permits for wells within the FCGMA boundary. Most

new wells, regardless of the intended use, are required to meet the State of California Well Standards (DWR, 1991) and Ventura County Well Ordinance No. 4184 (1999). FCGMA Ordinance No. 8.1 also requires the registration of all groundwater extraction facilities in addition to semi-annual reporting of extraction volumes. For 2005, nine new wells were installed and 13 wells were destroyed within the Agency boundary.

3.5 Other Administrative Activities Performed in 2005

The FCGMA performed a number of other administrative activities during 2005. These included the following:

- Contributed to the development of the Integrated Regional Watershed Management Plan (currently identified as the Watershed Coalition of Ventura County).
- Examined groundwater contamination issues caused by the use of septic systems in the Oxnard Forebay area near the unincorporated community of El Rio area north of the City of Oxnard.
- Increased the discretionary spending limit for the Executive Officer from \$500.00 to \$5,000.00.
- Initiated development of the Groundwater Management Plan and allocated \$20,000 for the preparation of the plan.
- Negotiated a preliminary settlement with Spanish Hills Country Club regarding overuse of the groundwater resource. This issue reached a final resolution in early 2006.

3.6 Progress of Groundwater Metering Program

FCGMA Ordinance No. 8.1 requires the use of flow meters for all extraction facilities except inactive wells and facilities supplying a single family dwelling on one acre or less providing that property has no income producing operations. The use of flow meters for reporting groundwater extractions is critical to the FCGMA for a number of reasons. First, it provides a relatively uniform method of reporting for all stakeholders. Second, it increases the efficiency of data management. Third, it allows FCGMA staff to critically analyze the extraction and use of the groundwater resource and make meaningful recommendations to the Board regarding its use. Fourth, it is the most effective way to link extraction data and the associated fees. Finally, it provides a means for enforcement of misuse of the groundwater resource.

The status of wells using meters or reporting using recognized methods is summarized in Table 8. This data indicates approximately 792 or 87% of the 915 known active or inactive wells report extraction data using flow meters, power meters, or consumptive-use methods. The remaining 123 wells, or approximately 13% of the 915 known active or inactive wells, have not reported their meter type to the FCGMA, do not use metered measurements, or do not use consumptive use methods to report extraction. In order to increase the effectiveness of the metering program, the FCGMA took the following actions in 2005:

- Analyzed rate of flow meter usage;
- Created a committee to examine the flow meter accuracy calibration and testing process;
- Amended Ordinance No. 8.1 to require testing of accuracy for flow meters;
- Developed a resolution to address and formalize the flow meter calibration process.

In early 2006, the Agency adopted Resolution No. 2006-1, which contains a flow-meter implementation and operation policy, a flow-meter calibration and testing program, and an enforcement policy.

3.7 FCGMA Groundwater Management Plan

Upon its passage, the enabling legislation for the FCGMA (CWC 10750 et seq., 1982) required the development of a groundwater management plan (GMP) to control extractions from the Oxnard and Mugu aquifers within three years. In addition, the Agency was required to develop a lower aquifer system management plan for future extractions from the lower aquifer system. In 1985, the Agency completed its first GMP (FCGMA, 1985). This initial plan addressed the following items:

- 1. The limitation of future groundwater extractions from each basin;
- 2. The encouragement of both wastewater reclamation and water conservation;
- 3. The importance of the Oxnard Plain Seawater Intrusion Control Project;
- 4. The adoption of operating criteria for the Oxnard Plain required by the SWRCB for the Seawater Intrusion Control Project as a necessary UAS Management Plan element;
- 5. The incorporation of Ventura County Well Ordinance No. 3739 as part of the UAS Management Plan;
- 6. The development of an annual groundwater monitoring program required by the SWRCB;
- 7. The development of an LAS water quality monitoring program at coastal locations;
- 8. The creation of a five-stage LAS Contingency Plan associated with onland seawater intrusion;
- 9. The creation of North Las Posas Basin⁸ Pumping Restrictions;
- 10. The creation of a semi-annual GMA water well extraction monitoring program and establishment of a pumping restriction or "water duty" for each parcel of land in that basin.
- 11. The implementation of drilling and pumping restrictions which will be accomplished through modification of the existing County water well ordinance; and
- 12. The requirement that groundwater extractions will be accurately metered and reported in the Semi-Annual statement in areas of the GMA where pumping restrictions are imposed.

In an attempt to improve management of the groundwater resources and develop a forward-looking groundwater management strategy, the FCGMA resumed the development of a comprehensive Groundwater Management Plan (GMP). The activities associated with this effort included allocating funds for the preparation of an update to the 1985 plan, creating a scope of work for assistance by outside parties, completing a contractual arrangement with UWCD for assistance on the GMP, and developing a draft outline. A series of workshops to discuss the initiatives, policies, and progress towards completion of the GMP were held in 2006. A completed and Board-approved plan is anticipated by the end of May, 2007.

4.0 FINANCIAL STATUS OF THE AGENCY FOR 2005

The FCGMA's fiscal year begins July 1st and ends on June 30th of the proceeding calendar year. Fiscal administration and oversight of the Agency's financial transactions is performed by the Agency's management in consultation with the Fiscal Services Section of the Central Services Department, Public Works Agency, pursuant to an existing and ongoing contractual arrangement between the Agency and

⁸ The area formerly identified as the North Las Posas Basin has been divided and renamed the East Las Posas Basin and the West Las Posas Basin.

the County of Ventura. Quarterly budget performance reports are presented to the Agency's Board of Directors for their information, review, and where necessary, budgetary adjustments.

A summary of the Agency's financial transactions for the fiscal year period beginning July 1, 2004 and ending June 30, 2005 was provided to the Board of Directors during its September 28, 2005 meeting. Table 9 provides a summary of the financial status of the Agency at the end of fiscal year 2004-05 and the adopted budget for fiscal year 2005-2006. Revenues for fiscal year 2004-05 were generated through the payment of pump charges (i.e. charges for extraction of groundwater from wells within the FCGMA boundary), the payment of surcharges, penalties for extraction of groundwater beyond the FCGMAestablished allocation where applicable, and interest earnings. Expenditures are summarized in Table 9 and include, but are not limited to, insurance, operational expenses, subcontracted weather and database services, salaries, computer and field equipment, audit fees, and legal service fees.

4.1 Financial Status

Overall, the FCGMA recognized a total receipt of \$912,256 in revenues from all sources during the fiscal year ending June 30, 2005. This figure included \$464,168 in year-end fund balance for fiscal year 2003-04 that was available for financing fiscal year 2004-05 expenditures. After deducting a total of \$472,517 in expenses incurred during fiscal year 2004-05, the Agency's actual June 30, 2005 year end fund balance available for funding fiscal year 2005-2006 expenditures amounted to \$439,739. That figure was \$38,321, or approximately 10%, greater than originally projected for the year-end in the adopted budget (FCGMA, 2005).

4.2 Financial Audits

Pursuant to applicable sections of State law and Board policy, the Agency is required to undergo a financial audit of fiscal transactions experienced during its preceding fiscal period. The financial audit completed during 2005 reflected financial transaction information for fiscal years 2002-2003 (ending June 30, 2003) and 2003-2004 (ending June 30, 2004)⁹. The Agency's most recent audit was performed, under contract, by Lutz, Law and Erlbaum, CPA, of Camarillo, California.

For this period of time, the audit of the FCGMA provided the following summary findings:

- Total net assets in 2004 increased \$71,323; a 13.4% increase from 2003;
- Revenues in 2004 increased \$98,842; a 28.1% increase from 2003;
- Expenditures in 2004 increased 0.6% from 2003.

Under Governmental Accounting Standards Board Statement 34 (GASB 34), the Agency is considered a special purpose government, and it is operated on a cash-accounting basis. The GASB 34 definitions require the Agency provide financial statements in an enterprise format. Preparation of the Agency's financial statements is the responsibility of its management. The Agency's independent audit is performed according to auditing standards generally accepted in the United States of America. These standards require the auditors perform an audit to obtain reasonable assurances about whether the statements are free of material misstatement.

Using these standards, the auditors found the Agency's financial statements presented fairly, in all material respects, the financial position of the Agency as of June 30, 2003 and June 30, 2004. Further, they found the financial position and cash flows as presented in the financial statements for the above referenced years were in conformity with generally accepted accounting principles. The audit for fiscal years 2004-2005 and 2005-2006 will be completed in 2007. A copy of the of the auditor's report is provided in Appendix C.

⁹ Financial auditing for fiscal years 2004-2005 and 2005-2006 are scheduled to be performed during the early portion of calendar year 2007.

5.0 PLANNED ACTIVITIES FOR 2006

The FCGMA has multiple goals for 2006 in addition to the long-term administrative task of managing, recording, and reporting groundwater extractions. These include the following:

- Development of long-term strategies for the management of FCGMA aquifers;
- Completion of an Initial Draft Groundwater Management Plan;
- Development of a policy for use of groundwater credits;
- Examination of the Irrigation Efficiency allowance to better manage the resource;
- Development of the meter-calibration program;
- Increase enforcement activity to better administer the provisions of Ordinance No. 8.1;
- Maintain budget performance levels;
- Adoption of a Mission Statement; and
- Evaluation of the database and the Extraction and Conservation Credit Program.

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FIGURES







FOX CANYON GROUNDWATER MANAGEMENT AGENCY (A State Of California Water Agency)

800 S. Victoria Avenue Ventura, CA 93009-1600 Phone: (805) 654-2088 Fax: (805) 677-8762 www.foxcanyongma.org www.publicworks.countyofventura.org/fcgma

Prepared By: JPD JAnuary, 2007 Reviewed By: CSL Date Prepared: January, 2007 Date Reviewed: January, 2007

DISCLAIMER: The information contained herein was created by the Fox Canyon Groundwater Management Agency solely for its own use. The FCGMA assumes no liability for damages incurred directly or indirectly as a result of errors, omissions or discrepancies.

City limits: Ventura County Geographic Information Sysytems, 2007 2. FCGMA Boundary VCBOS, 1992; Revised 1996. 3. Faults & Folds compiled from multiple sources including Dibblee, 1990; 1992a; 1992b; 1992c; USGS - various sources; Some interpretation by FCGMA Staff.



FIGURE 3

Generalized Stratigraphy and Aquifers in the FCGMA

| GEOLOGIC AGE | GEOLOGIC FORMATION | MAXIMUM THICKNESS | ROCK/SEDIMENT TYPES | AQUIFER | AQUIFER SYSTEM |
|-------------------|--|----------------------|--------------------------|---------------|----------------------------|
| Recent (Holocene) | Unnamed Alluvium, Colluvium, Fluvial, and Deltaic Deposits | 260 feet | Gravel, Sand, Silt, Clay | Semi-Perched | Not Assigned |
| | 1992a; Qls and Qc after Dibblee, 1990a) | | | Oxnard | |
| Upper Pleistocene | Unconformity Unnamed Terrace and Flood Plain Deposits (Qoa after Dibblee, 1992) | 300 feet | Gravel, Sand, Silt, Clay | Mugu | Upper Aquifer System (UAS) |
| | San Pedro Formation | | | Hueneme | |
| Lower Pleistocene | (QTs after Dibblee, 1992b) | 1,300 feet | Gravel, Sand, Silt, Clay | Fox Canyon | |
| | Local Unconformity | | | | Lower Aquifer System (LAS) |
| Pliocene | Santa Barbara Formation | 1,600 feet | Gravel, Sand, Silt, Clay | Grimes Canyon | |

NOTES:

1. Stratigraphy and aquifer designation adapted from DWR, 1976.



Figure 4 Rainfall and Reported Groundwater Extraction in the FCGMA

Note: Rainfall data represents the median average rainfall observed at the six FCGMA weather stations. Rainfall period and extraction periods concurrent. Rainfall data prior to 1997-1 not currently available.

FIGURE 5 Historic Accumulation of Credits in the FCGMA



TABLE 1 SUMMARY OF FCGMA AGENCY PERSONNEL FOR CALENDAR YEAR 2005

| NAMES | AFFILIATION | CONTACT NUMBER |
|----------------------------------|--|----------------|
| DIRECTORS ¹ | | |
| Lynn Maulhardt (Chair) | Representing the United Water Conservation District | (805) 485-5728 |
| David Borchard | Representing the Farming Interests | (805) 485-3525 |
| Charlotte Craven | Representing the Five Cities within the Agency | (805) 482-4730 |
| John Flynn | Representing the Ventura County Board of Supervisors | (805) 487-6331 |
| AI Fox (Vice Chair) | Representing the Small Water Districts within the Agency | (805) 987-4369 |
| ALTERNATE DIRECTORS ¹ | | |
| Steve Bennett | Ventura County Board of Supervisors | (805) 654-2703 |
| Mike Conroy | Farmers | (805) 482-2669 |
| Sam McIntyre | Small Water Districts | (805) 484-1779 |
| Daniel Naumann | United Water Conservation District | (805) 488-1424 |
| Murray Rosenbluth | Cities | (805) 985-7588 |
| STAFF | | |
| Alberto Boada | Agency Legal Counsel | (805) 654-2578 |
| Tammy Butterworth | Agency Deputy Clerk of the Board | (805) 654-2002 |
| Sheila Lopez | Agency Engineering Technician | (805) 645-1372 |
| Kathy Miller | Agency Clerk of the Board | (805) 654-2088 |
| David Panaro, P.G. | Agency Staff Geologist | (805) 654-2327 |
| Jeff Pratt, P.E. | Agency Executive Officer | (805) 654-2040 |
| Lowell Preston ² | Agency Coordinator (now retired) | None |
| Tony Waters ² | Agency Legal Counsel (now retired) | None |

Notes:

1. Table lists active Board Members and Alternate Board Members at the end of 2005. The current two-year term of office for all Board Members and Alternate Board Members expires in February 2007.

2. Lowell Preston retired from FCGMA service in July 2005; Tony Waters retired from FCGMA service in March 2005.

SUMMARY OF REPORTED GROUNDWATER EXTRACTION WITHIN THE FCGMA SINCE 1983

| | | Total Reported | Total Reported |
|----------|----------------------------|-------------------------------|------------------------|
| | | Groundwater Extraction | Groundwater Extraction |
| Colondor | FCCMA | per Reporting Period | |
| Calendar | FCGWA Demonsting Devied | $(in A \Gamma/Daria d)^{1,2}$ | |
| rear | Reporting Period | (In AF/Period) | (In AF/Year) |
| 2005 | 2005-2 | 64,565.405 | 106,018.276 |
| 2005 | 2005-1 | 41,452.871 | |
| 2004 | 2004-2 | 67,875.801 | 125,609.629 |
| 2004 | 2004-1 | 57,733.828 | |
| 2003 | 2003-2 | 68,276.929 | 113,957.632 |
| 2003 | 2003-1 | 45,680.703 | |
| 2002 | 2002-2 | 68,355.401 | 128,101.411 |
| 2002 | 2002-1 | 59,746.010 | |
| 2001 | 2001-2 | 58,647.164 | 102,630.631 |
| 2001 | 2001-1 | 43,983.467 | |
| 2000 | 2000-2 | 75,370.718 | 123,747.524 |
| 2000 | 2000-1 | 48,376.805 | |
| 1999 | 1999-2 | 81,367.617 | 131,261.198 |
| 1999 | 1999-1 | 49,893.581 | |
| 1998 | 1998-2 | 68,802.775 | 106,271.381 |
| 1998 | 1998-1 | 37,468.606 | |
| 1997 | 1997-2 | 70,011.719 | 133,646.971 |
| 1997 | 1997-1 | 63,635.252 | |
| 1996 | 1996-2 | 57,822.320 | 103,928.151 |
| 1996 | 1996-1 | 46,105.831 | |
| 1995 | 1995-2 | 61,968.174 | 104,175.438 |
| 1995 | 1995-1 | 42,207.264 | |
| 1994 | 1994-2 | 77,910.017 | 138,580.630 |
| 1994 | 1994-1 | 60,670.613 | |
| 1993 | 1993-2 | 73,432.659 | 119,192.633 |
| 1993 | 1993-1 | 45,759.974 | |
| 1992 | 1992-2 | 70,815.648 | 115,550.476 |
| 1992 | 1992-1 | 44,734.828 | |
| 1991 | 1991-2 | 83,025.119 | 144,687.250 |
| 1991 | 1991-1 | 61,662.131 | |
| 1990 | 1990-2 | 99,262.177 | 178,337.438 |
| 1990 | 1990-1 | 79,075.261 | |
| 1989 | 1989-2 | 100,249.811 | 178,550.138 |
| 1989 | 1989-1 | 78,300.327 | |
| 1988 | 1988-2 | 87,907.534 | 161,008.309 |
| 1988 | 1988-1 | 73,100.775 | |
| 1987 | 1987-2 | 82,585.087 | 165,266.336 |
| 1987 | 1987-1 | 82,681.249 | |
| 1986 | 1986-2 | 84,136.050 | 141,719.713 |
| 1986 | 1986-1 | 57,583.663 | |
| 1985 | 1985-2 | 84,279.825 | 162,618.543 |
| 1985 | 1985-1 | 78,338.718 | |
| 1984 | 1984-2 | 35,506.032 | 71,882.935 |
| 1984 | 1984-1 | 36,376.903 | |
| 1983 | 1983-2 | 28,984.417 | 29,269.237 |
| 1983 | 1983-1 | 284.820 | |
| | Cumulative to Date | 2,886,011.878 | |

Notes:

AF = acre feet; 1 acre foot equals 325,851 gallons

1. Table summarizes groundwater extraction reported to FCGMA. Other groundwater extraction may exist

(i.e. groundwater extraction that occurred within the boundary of the FCGMA, but was not reported to the FCGMA).

2. Reporting Periods are: (1) Jan. 1 - June 30; (2) July 1 - Dec. 31 of each Calendar Year

3. Data for reporting periods 1983-1, 1983-2, 1984-1, and 1984-2 provided by UWCD. Data determined to be incomplete due to low extraction values and low number of registered operators compared to proceeding years.

Comparison of Current Year (2005) Groundwater Extraction to Historical Groundwater Extraction in the FCGMA

| | Annual Extraction (in AF/Year) | Extraction for -01 Periods (in AF/Period) | Extraction for -02 Periods (in AF/Period) |
|---|-----------------------------------|--|--|
| Current Year (2005) | 106,018 | 41,453 | 64,565 |
| Long Term Mean ³ (1985 - 2004) | 133,942 | 57,837 | 76,105 |
| Comparison of Current Year (2005) to Long Term Mean ³ (reported as %) | 79% | 72% | 85% |
| Managed Extraction Mean ⁴ (1991 - 2004) | 120,810 | 50,547 | 70,263 |
| Comparison of Current Year (2005) to Managed Extraction Mean ⁴ (reported as %) | 88% | 82% | 92% |

Notes:

AF = acre feet; 1 acre foot equals 325,851 gallons

1. Table summarizes groundwater extraction reported to FCGMA. Other groundwater extraction may exist

(i.e. groundwater extraction that occurred within the boundary of the FCGMA, but was not reported to the FCGMA).

2. Reporting Periods are: (1) Jan. 1 - June 30; (2) July 1 - Dec. 31 of each Calendar Year

3. Compares Current Year groundwater extraction to mean annual groundwater extraction reported to FCGMA 1985 through 2004. Data for reporting periods 1983-1, 1983-2, 1984-1, and 1984-2 determined to be incomplete due to low extraction values and low number of registered operators compared to proceeding years.

4. Compares Current Year groundwater extraction to mean annual groundwater extraction reported to FCGMA 1991 through 2004; the time period during which FCGMA has set limits on groundwater extraction using a resource allocation management system.

SUMMARY OF GROUNDWATER EXTRACTION CREDITS ACCUMULATED IN THE FCGMA SINCE 1990¹

| Year | Net Annual Credits Granted/Earned ² (AF) | Agency Aggregate Total Positive Credit Balance ³ (+ AF) |
|------|---|--|
| 2005 | 54 630 402 | 501 926 022 |
| 2000 | 39 929 604 | 447 295 620 |
| 2004 | 44 753 316 | 407 366 016 |
| 2000 | 39 867 302 | 362 612 700 |
| 2002 | 49 462 858 | 322 745 398 |
| 2000 | 39,202,901 | 273,282,540 |
| 1999 | 38.661.028 | 234.079.639 |
| 1998 | 28.417.810 | 195.418.611 |
| 1997 | 15,382.214 | 167,000.801 |
| 1996 | 29,501.339 | 151,618.587 |
| 1995 | 22,802.808 | 122,117.248 |
| 1994 | 17,500.897 | 99,314.440 |
| 1993 | 31,728.470 | 81,813.543 |
| 1992 | 29,075.015 | 50,085.073 |
| 1991 | 19,531.390 | 21,010.058 |
| 1990 | 1,478.668 | 1,478.668 |
| 1989 | 0.000 | 0.000 |
| 1988 | 0.000 | 0.000 |
| 1987 | 0.000 | 0.000 |
| 1986 | 0.000 | 0.000 |
| 1985 | 0.000 | 0.000 |
| 1984 | 0.000 | 0.000 |
| 1983 | 0.000 | 0.000 |

Notes:

AF - acre feet of water; 1 Acre-foot =325,851 US gallons of water @ STP

1. Credit Program Initiated in 1991. Initial credits granted for 1990 extraction less than allocation and injection credits.

2. Net Annual Credits Granted/Earned = Net credits earned/granted each year after application to any reported overpumping that year. Prior to 1998, operators were required to apply for credits. For 1998-2005 (present), credits are automatically earned for groundwater use less than allocation or grounewater injected. No credits were granted prior to 1990.

3. Aggregate Total Positive Credit Balance: Sums current and historic credits for all FCGMA Operator accounts with positive credit balance at the end of 2005.

TABLE 5SUMMARY OF GROUNDWATER EXTRACTION ANDCREDITS BY GROUNDWATER BASIN FOR CALENDAR YEAR 2005

| Basin | 2005 Total Reported Groundwater Extraction (in AF/Year ⁾¹ | % of Total Agency Extraction | 2005 Estimated Net Credits Earned (in AF) ^{2,5} | % of Net Credits Earned in 2005 | Aggregate Positive Credit Balance by Basin (in AF) ³ |
|------------------------------|--|---------------------------------|---|------------------------------------|---|
| Oxnard Plain Pressure Basin | 51,106.788 | 48% | 18,015.285 | 33% | 229,730.951 |
| Oxnard Plain Forebay Basin | 16,912.669 | 16% | 14,271.592 | 26% | 74,282.363 |
| East Las Posas Basin | 13,269.727 | 13% | 7,874.894 | 15% | 71,457.575 |
| Pleasant Valley Basin | 11,438.280 | 11% | 11,076.468 | 21% | 96,074.356 |
| West Las Posas Basin | 10,331.909 | 10% | 2,020.139 | 4% | 25,196.508 |
| South Las Posas Basin | 1,796.149 | 2% | 367.390 | 1% | 3,756.625 |
| Arroyo Santa Rosa Basin | 1,162.754 | 1% | 326.485 | 1% | 1,427.645 |
| 2005 Cumulative ⁴ | 106,018.276 | 100% | 53,952.253 | 100% | 501,926.023 |

Notes:

AF = acre feet; 1 acre foot equals 325,851 gallons

1. Sums groundwater extraction reported to FCGMA. Other groundwater extraction may exist (i.e. groundwater extraction that occurred within the boundary of the FCGMA, but was not reported to the FCGMA).

2. Estimates all FCGMA Operator Credit Accounts for Calendar Year 2005 that have net positive credit balance after considering 2005 extraction by groundwater basin.

3. Sums current and historic credits by groundwater basin for all FCGMA Operator Accounts that have a positive credit balance at the end of Calendar Year 2005.

4. Values vary from FCGMA (2006c) due to new and revised Calendar Year 2005 reporting since 12/6/2006.

5. Cumulative 2005 Estimated Net Credits Earned value varies slightly from 2005 Net Annual Credits Granted in Table 4 due to some accounts operating facilities in multiple basins. 2005 Net Annual Credits Granted/Earned in Table 4 more representative of actual Calendar Year 2005 Net Credits Earned.

SUMMARY OF REPORTED GROUNDWATER EXTRACTION AND USE-TYPE WITHIN THE FCGMA FOR CALENDAR YEAR 2005

| Basin Type | Groundwater Basin | Groundwater Use- Type | Total Reported Groundwater Extraction for 2005 (in AF/Year) ¹ | % of Individual Groundwater Basin Extraction | % of Total Agency-wide Groundwater Extraction | Total # of Wells | Total # of Active Wells |
|---------------|---------------------------|------------------------------|---|---|--|---------------------|----------------------------|
| | Arroyo Santa Rosa | Basin Total | 1,162.754 | | 1.1% | 12 | 9 |
| | | Agricultural | 1,162.754 | 100.0% | 1.1% | 12 | 9 |
| | | Domestic | 0.000 | 0.0% | 0.0% | 0 | 0 |
| | | M & I | 0.000 | 0.0% | 0.0% | 0 | 0 |
| | East Las Posas | Basin Total | 13,269.727 | | 12.5% | 123 | 110 |
| | | Agricultural | 12,961.007 | 97.7% | 12.2% | 90 | 78 |
| Agricultural- | | Domestic | 7.134 | 0.1% | 0.0% | 7 | 7 |
| lleo | | M & I | 301.586 | 2.3% | 0.3% | 26 | 25 |
| Besins | South Las Posas | Basin Total | 1,796.149 | | 1.7% | 26 | 22 |
| Dasins | | Agricultural | 1,729.998 | 96% | 1.6% | 21 | 19 |
| | | Domestic | 0.000 | 0% | 0.0% | 1 | 1 |
| | | M & I | 66.151 | 4% | 0.1% | 4 | 2 |
| | West Las Posas | Basin Total | 10,331.909 | | 9.7% | 67 | 54 |
| | | Agricultural | 8,171.322 | 79% | 7.7% | 50 | 40 |
| | | Domestic | 10.859 | 0% | 0.0% | 5 | 4 |
| | | M & I | 2,149.728 | 21% | 2.0% | 12 | 10 |
| | Oxnard Plain ² | Basin Total | 51,106.788 | | 48.2% | 415 | 311 |
| | | Agricultural | 30,516.152 | 59.7% | 28.8% | 274 | 207 |
| | | Domestic | 346.447 | 0.7% | 0.3% | 59 | 54 |
| Mixed-Use | | M & I | 20,244.189 | 39.6% | 19.1% | 82 | 50 |
| Basins | Pleasant Valley | Basin Total | 11,438.280 | | 10.8% | 85 | 66 |
| | | Agricultural | 5,652.633 | 49% | 5.3% | 58 | 41 |
| | | Domestic | 109.585 | 1% | 0.1% | 17 | 16 |
| | | M & I | 5,676.062 | 50% | 5.4% | 10 | 9 |
| | Oxnard Plain Forebay | Basin Total | 16,912.669 | | 16.0% | 110 | 77 |
| M & I-Use | | Agricultural | 5,617.723 | 33.2% | 5.3% | 49 | 36 |
| Basin | | Domestic | 46.091 | 0.3% | 0.0% | 7 | 6 |
| | | M & I | 11,248.855 | 66.5% | 10.6% | 54 | 35 |
| | | 2005 Cumulative ⁴ | 106,018.276 | | 100.0% | 838 | 649 |

Notes:

AF = acre feet; 1 acre foot equals 325,851 gallons

M & I - Municipal and Industrial

1. Table summarizes groundwater extraction reported to FCGMA. Other groundwater extraction may exist (i.e. groundwater extraction that occurred within the boundary of the FCGMA, but was not reported to the FCGMA)..

2. Oxnard Plain Basin includes totals for Mugu Forebay Groundwater Basin

3. Agency-wide totals by use type: Agricultural - 65,811.59 AF; Domestic 520.12 AF; M & I - 39,686.57 AF.

4. Values vary slightly from FCGMA (2006c) due to new and revised Calendar Year 2005 reporting since 12/6/2006.

SUMMARY OF FCGMA RESOLUTIONS

CALENDAR YEAR 2005

| RESOLUTION NO. | SUBJECT SUMMARY | ADOPTION DATE | EFFECTIVE DATE |
|----------------|---|--------------------------|-------------------|
| 2005-01 | Supported the Saticoy Regional Recycling Facility and the improved Jose Flores Wastewater Treatment Plant that recycles water that would otherwise be lost to the ocean. | 1/26/2005 | 1/26/2005 |
| 2005-02 | Honored David Schwabauer for serving 3 terms as an Alternate, and 1 term as a Director of the FCGMA representing the farming interests within the Agency. | 2/23/2005 | 2/23/2005 |
| 2005-03 | Honored Dr. Roseann Mikos, Ph.D. for serving 2 distinguished terms as an Agency Director representing the City interests within the FCGMA. | 2/23/2005 | 2/23/2005 |
| 2005-04 | Honored Mr. William A. (Tony) Waters for 22 years of distinguished service as Agency Counsel and congratulating him on his retirement (March 31, 2005). | 3/23/2005 | 3/23/2005 |
| 2005-05 | Required Accuracy Testing of Water Flow Meters (Postponed to 2006). | Forwarded to Res. 2006-1 | Not Applicable |
| 2005-06 | Continued the groundwater extraction charge of \$4.00/AF for Semi-Annual reporting period 2005-2. | 9/28/2005 | 1/1/2006 |
| 2005-07 | Honored Dr. R. Lowell Preston, Ph.D. for 14 years of distinguished service as Agency Coordinator and congratulating him on his retirement July 15, 2005. | 9/28/2005 | 9/28/2005 |
| 2005-08 | Formally defined the duties and responsibilities of the position of Agency Executive Officer and designated executive authority. | 9/28/2005 | 9/28/2005 |
| 2005-09 | Supported the El Rio groundwater contamination elimination project as a high priority groundwater quality and quantity protection project of regional significance to Ventura County. | 9/28/2005 | 9/28/2005 |

SUMMARY OF METERING STATUS FOR ACTIVE OR INACTIVE WELLS IN THE FCGMA FOR CALENDAR YEAR 2005

| | | % of Total Active or Inactive FCGMA |
|---|-----------------|--|
| Meter Type (if known) | Number of Wells | Wells |
| Water ¹ | 651 | 71% |
| Power ² | 52 | 6% |
| Other (not specified) | 1 | 0% |
| Consumptive Use ³ | 88 | 10% |
| Total Metered or CU Wells | 792 | 87% |
| Unknown⁴ | 123 | 13% |
| Total Active or Inactive Wells Registered in FCGMA | 915 | |

Notes:

1. Directly measures extraction in AF, gallons, cubic feet, meiners inches, or similar units.

2. Indirectly estimates groundwater extraction;

Measures pump operation in kilowatt hours (KWh); Converts kWh to AF of water extracted based on pump/motor efficiency tests.

- 3. Calculation of extraction varies;
- Domestic use estimated based on persons in household;
- Agricultural use estimated based on land area planted and type of crops.

4. May include backup or stand by wells that are not necessarilly required to have a flow meter including domstic wells, new wells not yet in service, abandoned wells, or wells with unknown meter types.

AF - 1 acre-foot = 325,851 gallons

CU - Consumptive Use

| ltom | 2004-2005 Adopted Budget | 2004-2005 | 2005-2006 Adopted Budget |
|--|-----------------------------|-----------------|-----------------------------|
| | | | |
| PUMPING FEES - \$ Per Acre-Feet ** | \$3.00 | \$3.00/\$4.00 | \$4.00 |
| REVENUE: | | | |
| PUMP CHARGES ⁽²⁾ | \$310,000 | \$379,058 | \$440,000 |
| INTEREST EARNINGS ⁽³⁾ | \$6,500 | \$9,066 | \$12,028 |
| STATE GRANT FUNDS | \$0 | \$0 | \$0 |
| SURCHARGES/INTEREST | \$0 | \$59,964 | \$0 |
| TOTAL REVENUE | \$316,500 | \$448,088 | \$452,028 |
| PLUS: BEGINNING FUND BALANCE (4) | \$264,000 | \$464,168 | \$439,739 |
| TOTAL FUNDS AVAILABLE | \$580,500 | \$912,256 | \$891,767 |
| EXPENDITURES: | | | |
| BOARD MEMBERS INSURANCE | \$4,952 | \$5,493 | \$6,000 |
| MEMBERSHIPS AND SUBSCRIPTIONS | \$250 | \$100 | \$250 |
| MISCELLANEOUS PAYMENTS | \$0 | \$356 | \$0 |
| PRINTING & BINDING | \$1.500 | \$331 | \$500 |
| OFFICE SUPPLIES & EQUIPMENT | \$1.500 | \$328 | \$1.500 |
| POSTAGE | \$500 | \$699 | \$1.000 |
| GSA SPACE RENTAL/PURCHASING ISF | \$500 | \$925 | \$500 |
| SOFTWARE | \$500 | \$440 | \$500 |
| I FGAL FEES | \$3.000 | \$22.669 | \$20.000 |
| AUDIT FEES | \$2.500 | <u>,</u> \$0 | \$3.000 |
| PUBLIC NOTICES | \$500 | \$1.667 | \$750 |
| COMPUTER EQUIPMENT | \$1.000 | \$2.091 | \$500 |
| AWA DUES & SYMPOSIUM | \$650 | \$1.140 | \$850 |
| CONFERENCES /SEMINARS | \$1.500 | \$1.700 | \$1.500 |
| INTERNET SERVICES | \$5.000 | \$0 | \$0 |
| | \$0 | \$425 | \$0 |
| DATA BASE CONTRACT | \$0 | \$0 | \$0 |
| GIS | \$0 | \$4.093 | \$13.000 |
| AFRIAI PHOTOS | \$15.000 | \$0 | \$15.000 |
| LAFCO Funding | \$300 | \$302 | \$400 |
| Ft DATA CONTRACT | \$26,400 | \$37.500 | \$36.000 |
| OTHER PROF SERVICES | \$0 | \$3.000 | \$0 |
| CONSULTANT CONTRACT | \$0 | \$0 | \$40.000 |
| MANAGEMENT PLAN | \$0 | \$0 | \$20.000 |
| CONTINGENCY | \$150.000 | \$0 | \$100.000 |
| SUB TOTAL | \$215.552 | \$83.260 | \$261.250 |
| PUBLIC WORKS CHARGES | \$356,988 | \$389,257 | \$353,000 |
| TOTAL EXPENDITURES | \$572,540 | \$472,517 | \$614,250 |
| FY ENDING FUND BALANCE ⁽⁵⁾ | \$7,960 | \$439,739 | \$277,517 |
| MINIMUM FUND BALANCE NEEDED FOR WORKING CAPITAL | \$50,000 | \$100,000 | \$100,000 |
| EXCESS/(DEFICIT) OF WORKING CAPITAL NEEDS | -\$42,040 | \$339.739 | \$177,517 |

TABLE 9 FCGMA MULTI-YEAR BUDGET PERFORMANCE SHEET

Notes: (1) Pump Fees vary: \$3.00/AF in first half of FY 04-05 (i.e. thru 12/31/04); then \$4.00AF in the 2nd half of FY04-05 (i.e. beginning 1/1/05). (2) Pump Charge Revenues: \$379,058 Actual Revenues Received in FY 04-05; \$440,000 estimate in FY 05-06 and beyond is based on 110,000 AF of water subject to the \$4.00/AF charge.

(3) Interest Earnings Percentage 4-5% during FY 04-05.

(4) Fiscal Year Beginning Fund Balance Figure = Last Fiscal Year's Ending Fund Balance (including \$100K in working capital cash reserve).

(5) Fiscal Year Ending Fund Balance Figure = Actual Revenues Received - Actual Expenses (not including \$100K working capital).

(6) Year End Actual Data provided by PWA-CSD Fiscal Services and reported to the Board of Directors during the 9/28/05 FCGMA Board meeting.

2004-2005 Fiscal Year - July 1, 2004 through June 30, 2005. 2005-2006 Fiscal Year - July 1, 2005 through June 30, 2006. AF - acre-foot; 1AF = 325,851 U.S. gallons FY - Fiscal Year
Appendix A

Resolutions Passed by the Fox Canyon Agency Board of Directors in Calendar Year 2005

RESOLUTION 2005-01 of the FOX CANYONGROUNDWATER MANAGEMENT AGENCY

SUPPORT FOR THE SATICOY REGIONAL RECYCLING FACILITY

WHEREAS, the Fox Canyon Groundwater Management Agency appreciates the regional benefits of recycling treated wastewater; and

WHEREAS, the Saticoy Sanitary District proposes to divert raw wastewater from the City of Ventura's collection system to an improved Jose Flores Treatment Plant and treat the wastewater for groundwater recharge; and

WHEREAS, the project reclaims water that would otherwise be lost to the ocean; and

WHEREAS, the Saticoy Sanitary District has a \$2 million Proposition 13 grant and may obtain additional grants for recycle or recharge of wastewater that would otherwise flow to the ocean at its wastewater treatment plant;

NOW, THEREFORE, IT IS HEREBY PROCLAIMED that the Fox Canyon Groundwater Management Agency supports the efforts of the Saticoy Sanitary District to recycle water that would be lost to the ocean.

On motion by Director Mikos, seconded by Director Schwabauer, the foregoing Resolution was passed and adopted on January 26, 2005.

Lýnn Maulhardt, Chair, Board of Directors Fox Canyon Groundwater Management Agency

ATTEST: I hereby certify that the above is a true and correct copy of Resolution 2005-1.

by:

Resolution 2005-2 of the

Fux Canyon Groundwater Management Agency **Anard of Airectors**

HONORING

David Schwabauer

(2001 to 2003), and more recently as a Director and Vice Chair for one term (2003 to 2005) representing the Farming and Agricultural interests WHEREAS, Director Schwabauer has faithfully served as an Alternate Director for three terms (1997 to 1999), (1999 to 2001), on the Board of Directors of the Fox Canyon Groundwater Management Agency, and

WHEREAS, Director Schwabauer has given freely of his time, experience, and knowledge at the expense of his family and business activities in order to contribute to the success and accomplishments of the Agency, and

WHEREAS, Farmer, Businessman, Agronomist, Horticulturist, and sometime Chair or Vice Chair, David was a key participant in drafting several significant Ordinances, Resolutions, and Policies of the Fox Canyon Groundwater Management Agency, and WHEREAS, during his tenure, Director Schwabauer has served with dignity and distinction and has contributed significantly to the successful operation of the Fox Canyon Groundwater Management Agency, especially as it relates to farming in the Ventura County, now

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Fox Canyon Groundwater Management Agency take great pleasure in honoring David Schwabauer for his dedicated, loyal and honorable service.

PRESENTED BY THE BOARD OF DIRECTORS THIS 23rd DAY OF FEBRUARY, 2005.

Lynn E. Maulhardt, Chair

Director John R. Frynn,

Sirector Roseann Mikos

Director Al Fox

Regulation 2005-3

aft the

Rox Canyon Groundwater Management Agency Courd of Airectors

HONORING

Roseann Mikos, 3h. 9

WHEREAS, Director Mikos has faithfully served as a Director for 2 terms (2001 to 2003) and (2003-2005), representing the interests of the five cities within the GMA on the Board of Directors of the Fox Canyon Groundwater Management Agency, and

WHEREAS, Director Mikos has given freely of her time, experience, and knowledge at the expense of family and business activities in order to contribute to the success and accomplishments of the Agency, and WHEREAS, during her tenure, Dr. Mikos has served with distinction and contributed significantly to the successful operation of the Fox Canyon Groundwater Management Agency, now

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Fox Canyon Groundwater Management Agency take great pleasure in honoring Dr. Roseann Mikos for her dedicated, loyal and honorable service.

PRESENTED BY THE BOARD OF DIRECTORS THIS 23rd DAY OF February, 2005.

Director John K. Flynd Lynn E. Maulhardt, Chair

Director Schwabauer

Director Al Fox

`

Resolution 2005-6

of the

Hox Canyon Groundwater Management Agency

A RESOLUTION CONTINUING THE GROUNDWATER EXTRACTION CHARGE AT \$4.00 PER ACRE-FOOT

WHEREAS, the Fox Canyon Groundwater Management Agency desires to continue the groundwater extraction charge for those extraction facilities located within the boundary of the Fox Canyon Groundwater Management Agency, and

WHEREAS, The increase in extraction charge is needed to continue of \$4.00 per acrefoot for all groundwater pumped until changed by the Board, and

WHEREAS, Assembly Bill 2734 (Strickland, 2004) granted the Board of Directors of the Fox Canyon Groundwater Management Agency the authority to levy a groundwater extraction charge not to exceed six dollars (\$6.00) per acre-foot extracted per year, and this new charge fits within those limits,

NOW, THEREFORE, IT IS HEREBY PROCLAIMED AND ORDERED that effective July 1, 2005, the groundwater extraction charge shall be four dollars (\$4.00/AF) per acre-foot for groundwater extracted from facilities within the boundary of the Fox Canyon Groundwater Management Agency until changed by the Board of Directors.

On motion by Director Craven, seconded by Director Flynn, the foregoing Resolution was passed and adopted on June 22, 2005.

willag

Lynn Maulhardt, Chair, Board of Directors Fox Canyon Groundwater Management Agency

ATTEST: I hereby certify that the above is a true and correct copy of Resolution 2005-06.

| Regulation 2005-7 |
|---|
| of the Nox Canyon Groundwater Manayement Agency Toard of Tirectors |
| HONORING |
| Robert Lowell Preston, Nr.D. |
| WHEREAS, Doctor Preston served faithfully as the Agency Coordinator for 14 years, and with personal commitment and innovation managed to keep the Fox Canyon Groundwater Management Agency at the forefront of many unique water issues, and |
| WHEREAS, Doctor Preston has applied his experience and knowledge in many disciplines in an effort to resolve several seemingly vexing groundwater matters that contributed to the success, reputation, and accomplishments of this Agency, and during his tenure as Agency Coordinator was a key participant in drafting several significant Ordinances, Resolutions, and Policies of the Fox Canyon Groundwaten Management Agency, and |
| WHEREAS, Doctor Preston represented the interests of the Board of Directors, worked collaboratively with the Agricultura Community, worked to address the needs of the Municipal and Industrial water providers, and strived to help Domestic well owners comply with Agency regulations, with dignity and distinction, and |
| WHEREAS, Doctor Preston has contributed significantly to the successful operation of the Fox Canyon Groundwater Management Agency, especially in the areas of Ordinance development and groundwater protection, now |
| THEREFORE , BE IT RESOLVED, that with warm regards and best wishes the Board of Directors of the Fox Canyon Groundwater Management Agency take great pleasure in honoring Robert Lowell Preston , Ph.D . for his dedicated and loyal service to the Agency, and for establishing a strong foundation for the Agency's future endeavors. |
| PRESENTED BY THE BOARD OF DIRECTORS THIS 28 th DAY OF September, 2005. Image: Second Sector Director Sector Director Charlotte Craven Image: Second Sector Sector Director Al Fox Image: Sector Director Charlotte Craven Director Charlotte Craven Director Director Al Fox |
| |

Resolution 2005-8

of the

Hox Canyon Groundwater Management Agency

A RESOLUTION DESIGNATING THE DIRECTOR OF THE WATERSHED PROTECTION DISTRICT AS THE EXECUTIVE OFFICER OF THE AGENCY AND DELEGATING THE EXECUTIVE POWERS AND DUTIES REQUIRED TO CARRY OUT THE PURPOSES OF THE AGENCY PURSUANT TO APPLICABLE STATUTES, BOARD ORDINANCES AND POLICIES

WHEREAS, pursuant to the authority of Water Code Appendix, section 121-102, *et seq.*, the Agency has been granted certain powers for purposes of groundwater management within the boundaries of the Agency; and

WHEREAS, Agency Ordinance No. 8.1 (the Ordinance Code), enumerates certain executive functions to be performed by an Executive Officer in order to administer the Ordinance; and

WHEREAS, prior to adoption Agency Ordinance No. 8.1, the title of the manager of the Agency charged to perform such executive functions was "Agency Coordinator;" and

WHEREAS, the Board now wishes to designate the title of the position charged with performing executive duties and managing the Agency as the "Executive Officer" rather than "Agency Coordinator".

NOW, THEREFORE, THE FOX CANYON GROUNDWATER MANAGEMENT AGENCY BOARD OF DIRECTORS RESOLVES:

- 1. That the individual appointed by the Board to act as the manager of the Agency and to perform its executive functions shall be known as the Executive Officer.
- 2. That the Director of the Watershed Protection District shall be designated as the Agency's Executive Officer, and delegated the executive powers and duties required to carry out the purposes of the Agency, as provided by applicable State statutes, Agency Ordinances and Board Policies, as amended.
- 3. That the Executive Officer shall be charged with carrying out the duties, performing the functions and exercising the executive powers enumerated in the Agency's Ordinance Code, as amended.

On motion of Director Flynn, seconded by Director Craven, the foregoing resolution was passed and adopted by the Board of Directors on this 28th DAY OF SEPTEMBER, 2005.

Lynn E. Maulhardt, Chair, Board of Directors Fox Canyon Groundwater Management Agency

ATTEST: I hereby certify that the above is a true and correct copy of Resolution 2005-8.

by: Kathy Miller. Clerk of the Board

Resolution 2005-09

of the

Hox Canyon Groundwater Management Agency

A RESOLUTION SUPPORTING THE EL RIO GROUNDWATER CONTAMINATION ELIMINATION PROJECT AS A HIGH PRIORITY GROUNDWATER QUALITY AND QUANTITY PROTECTION PROJECT OF REGIONAL SIGNIFICANCE TO VENTURA COUNTY

WHEREAS, pursuant to the authority of Water Code Appendix, section 121-102, *et seq.*, the Fox Canyon Groundwater Management Agency (hereinafter referred to as the Agency) has been granted certain powers for purposes of groundwater management within the boundaries of the Agency; and

WHEREAS, California Code of Regulations, Title 23, Division 4, Chapter 1, Article 4, Section 3924, which became effective on May 11, 2001, prohibits new septic systems and discharges from existing systems into the Oxnard Forebay area after January 1, 2008; and

WHEREAS, based on its unique geologic and hydrological characteristics, the Oxnard Plain Forebay Groundwater Basin plays a critical role in recharging both the Upper and Lower Aquifer Systems found on the Oxnard Plain, which supply the majority of groundwater used for beneficial agricultural, municipal, and industrial uses for the entire southwestern portion of Ventura County; and

WHEREAS, the El Rio-Nyeland and Strickland Acres unincorporated communities are the major populated areas overlaying the Oxnard Plain Forebay area, and are subject to the terms and conditions of the Los Angeles Regional Water Quality Control Board Order prohibiting septic tank discharges into the Oxnard Plain Forebay area beginning January 1, 2008; and

WHEREAS, the Agency's Board of Directors expressed its support for Director Flynn's efforts to seek direct federal financial assistance for the El Rio Groundwater Contamination Elimination Project (ERGCEP) during its December 9, 2003 meeting; and

WHEREAS, the ERGCEP has been identified as a high priority groundwater quality and quantity protection project of regional significance by a broad coalition of local agencies and water suppliers dependent on the groundwater basins found under the Oxnard Plain; and

WHEREAS, written support for the ERGCEP has been provided by the Calleguas Municipal Water District (CMWD); the County of Ventura; the Fox Canyon Groundwater Management Agency (FCGMA); the United Water Conservation District (UWCD); and the Ventura County Watershed Protection District (VCWPD); and

WHEREAS, elected and staff representatives from the County of Ventura, Ventura County Watershed Protection District and other local water supply agencies have made a concerted effort to obtain Federal and State funding for this project, including the coordinated ongoing advocacy of the ERGCEP; and

WHEREAS, the Agency's Board of Directors wishes to re-affirm, memorialize and enhance its previous written support for the ERGCEP by adopting this formal resolution which strongly endorses any and all reasonable efforts to secure maximum Federal and State grant funding available for the ERGCEP.

NOW, THEREFORE, THE FOX CANYON GROUNDWATER MANAGEMENT AGENCY BOARD OF DIRECTORS RESOLVES:

- 1. That the Agency's Board of Directors re-affirms its strong support for the expeditious completion of the ERGCEP as a high priority groundwater quality and quantity protection project of regional significance to Ventura County.
- 2. That the Agency's staff be given policy direction to provide groundwater quality and quantity technical information and staff support required to facilitate efforts by representatives of the County of Ventura seeking maximum Federal and State grant funding available for the ERGCEP.

On motion of Director Craven, seconded by Director Flynn, the foregoing resolution was unanimously passed and adopted by the Board of Directors on this 28th day of September, 2005.

Lynn Maulhardt, Chair, Board of Directors Fox Canyon Groundwater Management Agency

ATTEST: I hereby certify that the above is a true and correct copy of Resolution 2005-09.

by: Kathy Miller, Clerk of

Appendix B

Fox Canyon Groundwater Management Agency Ordinance No. 8.1

ORDINANCE NO. 8.1

An Ordinance to Adopt the Fox Canyon Groundwater Management Agency Code

The Board of Directors of the Fox Canyon Groundwater Management Agency ordains as follows:

- 1. The Board hereby repeals Ordinance No 8.0.
- 2. The Board will periodically review the effectiveness of this Ordinance toward meeting its purpose and intent. This review shall occur at least once every five years. If necessary, this Ordinance will be amended by the Board to ensure that the goals of the Agency are met.
- 3. The Board hereby adopts the Fox Canyon Groundwater Management Agency Ordinance Code as follows:

Fox Canyon Groundwater Management Agency Ordinance Code

Adopted July 27, 2005

CHAPTER 1.0 Definitions

As used in this code, the following terms shall have the meanings stated below:

- 1.1. "Agency" means the Fox Canyon Groundwater Management Agency.
- 1.2. "Agency Boundary" shall be as depicted on the map adopted by the Ventura County Board of Supervisors and recorded as an official record with the Ventura County Recorder's Office, and as may be updated as provided in the Agency's enabling legislation.
- 1.3. **"Agricultural extraction facility**" means a facility whose groundwater is used on lands in the production of plant crops or livestock for market, and uses incidental thereto.
- 1.4. **"Annual"** means the calendar year January 1 through December 31.
- 1.5. **"Aquifer**" means a geologic formation or structure that yields water in sufficient quantities to supply pumping wells or springs. A confined aquifer is an aquifer with an overlying less permeable or impermeable layer.
- 1.6. "**Board**" means the Board of Directors of the Fox Canyon Groundwater Management Agency.
- 1.7. "Developed Acreage" means that portion of a parcel within the boundaries of the Agency that is receiving water for reasonable and beneficial agricultural, domestic or municipal and industrial (M & I) use.

- 1.8. **"East Las Posas Basin"** That part of the former North Las Posas Basin that is East of the subsurface anomaly described by significant changes in groundwater levels and located for record purposes on maps in the Agency Offices.
- 1.9. **"Excess extraction**" means those extractions in excess of an operator's extraction allocation or adjusted extraction allocation.
- 1.10. **"Executive Officer"** means the individual appointed by the Board to administer Agency functions. Replaces the former title of Agency Coordinator.
- 1.11. "Exempt well operators" means all well operators operating extraction facilities supplying a single family dwelling on one acre or less, with no income producing operations and those operators granted an exemption by the Board of Directors.
- 1.12. "Expansion area" means the lower aquifer system (LAS) outcrop in the north and northeasterly portion of the Agency. Map Number Two, entitled Fox Canyon Outcrop, Las Posas Basin, 1995 shows the expansion area and is available in the County Water Resources Division office.
- 1.13. "Extraction" means the act of obtaining groundwater by pumping or other controlled means.
- 1.14. **"Extraction allocation"** means the amount of groundwater that may be obtained from an extraction facility for a given calendar year, before a surcharge is imposed.
- 1.15. "Extraction facility" means any device or method (e.g. water well) for extraction of groundwater within a groundwater basin or aquifer.
- 1.16. "Foreign Water" means water imported to Ventura County through the State Water Project facilities or other newly available water as approved by the Board, such as recycled water that would otherwise be lost to the Ocean.
- 1.17. "Groundwater" means water beneath the surface of the earth within the zone below the water table in which the soil is completely saturated with water.
- 1.18. **"Groundwater basin"** means a geologically and hydrologically defined area containing one or more aquifers, which store and transmit water yielding significant quantities of water to extraction facilities. For the purposes of this Ordinance Code, groundwater Basins inside the Agency Boundary shall include but not be limited to the Forebay Basin, Oxnard Plain Pressure Basin, Pleasant Valley Basin, East Las Posas Basin, West Las Posas Basin, South Las Posas Basin and the Arroyo Santa Rosa Basin. The boundaries of these basins are shown on maps that have been recorded with the County Recorder. Copies of the maps may be viewed in the Agency Offices and portions of the maps may be available at the Agency web site.
- 1.19. **"Historical extraction**" means the average annual groundwater extraction based on the five (5) calendar years of reported extractions from 1985 through 1989 within the boundaries of the Agency. This average will be expressed in acre-feet per year. *All historical extraction allocations became effective on January 1, 1991.*

- 1.20. **"Inactive Well**" An inactive well is a well that conforms to the County of Ventura Ordinance Code requirements for an active well, but is being held in an idle status in case of future need. Inactive wells are not required to have a flow meter. Pumping to meet Ventura County Ordinance Code requirements shall not exceed 12 hours in a 12 month period. Meters shall be installed on inactive wells and the well shall revert to a groundwater extraction facility if the requirement exists to pump the well for more than 12 hours in any 12 month period. The pumping to meet Ventura County Ordinance Code requirements shall be for beneficial use and the 12 hour pumping limitation shall not be used to justify the lack of a meter for any well that serves a primary purpose. The application of an inactive well status implies that there is a minimum of one additional source of water to serve as a primary supply.
- 1.21. "Injection/storage Program" means any device or method for injection/storage of water into a groundwater basin or aquifer within the boundaries of the Agency, including a program to supply foreign water in lieu of pumping.
- 1.22. **"Las Posas outcrop"** or "**outcrop"** means the area of Lower Aquifer System surface exposure as defined by Map Number One, Fox Canyon Outcrop, Las Posas Basin, 1982. This map is available for inspection in the Ventura County Water Resources Division office.
- 1.23. "May" as used in this Ordinance Code, permits action but does not require it.
- 1.24. **"Metering Equipment"** or **"Meters"** means a manufactured instrument for accurately measuring and recording the flow of water in a pipeline.
- 1.25. "Municipal and Industrial (M & I) Provider" means an entity or person which provides water for domestic, industrial, commercial, or fire protection purposes within the boundaries of the Agency.
- 1.26. "Municipal and Industrial (M & I) Operator" An owner or operator that supplied groundwater for M & I use during the historical allocation period and did not supply a significant amount of agricultural irrigation during the historical period."
- 1.27. "Municipal and Industrial (M & I) User" means a person or other entity that used or uses water for any purpose other than agricultural irrigation. "Municipal and Industrial (M & I) use" means any use other than agricultural irrigation.
- 1.28. **"Operates"** means to manage the use of groundwater and report the well extraction data to the Agency.
- 1.29. "**Operator**" means a person who operates a groundwater extraction facility. In the event the Agency is unable to determine who operates a particular extraction facility, then "operator" shall mean the person to whom the extraction facility is assessed by the County Assessor, or, if not separately assessed, the person who owns the land upon which the extraction facility is located.

- 1.30. "Overdraft" means the condition of a groundwater basin or aquifer where the average annual amount of water extracted exceeds the average annual supply of water to a basin or aquifer.
- 1.31. "**Owner**" means a person who owns a groundwater extraction facility. Ownership shall be determined by reference to whom the extraction facility is assessed by the County Assessor, or if not separately assessed, the person who owns the land upon which the extraction facility is located.
- 1.32. "Perched or Semi-Perched Aquifer" means the water bearing area that is located between the earth's surface and clay deposits that exist above an Aquifer.
- 1.33. "**Person**" includes any state or local governmental agency, private corporation, firm, Partnership, individual, group of individuals, or, to the extent authorized by law, any federal agency.
- 1.34. "**Recharge**" means natural or artificial replenishment of groundwater in storage by percolation or injection of one or more sources of water.
- 1.35. **"Safe Yield**" means the condition of groundwater basin when the total average annual groundwater extractions are equal to or less than total average annual groundwater recharge, either naturally or artificially.
- 1.36. "Section" as used in this Ordinance Code, is a numbered paragraph of a chapter.
- 1.37. "Semi Annual Report of Groundwater Extractions" is a statement filed by each well operator containing the information required by Section 2.2 and 2.3.1 and shall cover the periods from January 1 to June 30 and from July 1 to December 31 annually.
- 1.38. "Shall" as used in this Ordinance Code, is an imperative requirement.
- 1.39. **"West Las Posas Basin**" is that part of the former North Las Posas Basin that is West of the subsurface anomaly described by significant changes in groundwater levels and located for record purposes on maps in the Agency Offices.

CHAPTER 2.0 Registration of Wells and Levying of Charges

2.1. **Registration of Wells**

2.2. All groundwater extraction facilities within the boundaries of the Agency shall be registered with the Agency. All new extraction facilities constructed within the Agency Boundary shall obtain a no-fee permit from the Agency prior to the issuance of a Well Permit by the Ventura County Watershed Protection District. No extraction facility may be operated or otherwise utilized so as to extract groundwater within the boundaries of the Agency, or in the Expansion Area unless that facility is registered with the Agency, metered and permitted, if required, and all extractions reported to the Agency as required. The operator of an extraction facility shall register his extraction facility and

provide in full, the information required to complete the form provided by the Agency that includes the following:

- 2.2.1. Name and address of the operator(s).
- 2.2.2. Name and address of the owner(s) of the land upon which the extraction facility is located.
- 2.2.3 A description of the equipment associated with the extraction facility.
- 2.2.4 Location, parcel number and state well number of the water extraction facility.
- 2.3. **Reporting Extractions -** The method for computing extractions shall be as specified by Chapter 3. The Agency shall send a "Semi-Annual Report of Groundwater Extractions" form to each well owner on or about the first of January and the first of July each year. Each operator of a registered extraction facility shall enter the necessary information and return the "Semi Annual Report of Groundwater Extractions" covering all wells they operate on or before the due date. Statements are due on or before February 1st or August 1st annually or thirty days after the date on top right of the Semi Annual report form. Statements shall contain the following information on forms provided by the Agency:
 - 2.3.1. The information required under Section 2.2 above.
 - 2.3.2. The method of measuring or computing groundwater extractions.
 - 2.3.3. The crop types or other uses and the acreage served by the extraction facility.
 - 2.3.4. Total extractions from each extraction facility in acre-feet for the proceeding six (6) month period.

2.4. Groundwater Extraction Charges

- 2.4.1. All persons operating groundwater extraction facilities shall pay a groundwater extraction charge for all groundwater extracted after July 1, 1993, in the amount as established by Resolution of the Board. Payments are due semi-annually, and shall accompany the statement required pursuant to Section 2.3.
- 2.4.2. Payments not received or postmarked by the date due forty-five days after the billing date shall be charged interest in the amount of 1.5 percent per month, or part of month that the charge remains unpaid. Late Penalty. The operator shall pay a late penalty for any extraction charge not satisfied by the due and payable date. The late penalty shall be 1½ percent per month, or any portion thereof, of the amount of the unsatisfied extraction charge. The late penalty shall not exceed 100% of the original charge, provided the penalty is paid within 60 days of the due date. If the fee is not paid within the 60 days, the penalty will continue to accrue at 1.5 percent per month with a final maximum of 200% of the original penalty due.

- 2.4.3. Owners of extraction facilities are ultimately responsible for payment of pumping charges and penalties should an operator not pay. Consequently, owners must consider this liability in respect to their agreements with well operators and water users.
- 2.5 Collection of Delinquent Extraction Charges and Late Penalties - The Board may order that any given extraction charge and/or late penalty shall be a personal obligation of the operator or shall be an assessment against the property on which the extraction facility is located. Such assessment constitutes a lien upon the property, which lien attaches upon recordation in the office of the County Recorder. The assessment may be collected at the same time and in the same manner as ordinary ad valorem taxes are collected, and shall be subject to the same penalties and the same procedure and sale, in case of delinquency as provided for such taxes. All laws applicable to the levy, collection and enforcement of ad valorem taxes shall be applicable to such assessment, except that if any real property to which such lien would attach has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrance for value has been created and attaches thereon, prior to the date on which the first installment of such taxes would become delinguent, then the lien which would otherwise be imposed by this section shall not attach to such real property and an assessment relating to such property shall be transferred to the unsecured roll for collection.
- 2.6 **Use of Extraction Charges and Late Penalties -** Revenues generated from extraction charges and late penalties shall be used exclusively for authorized Agency purposes, including financial assistance to support Board approved water supply, conservation, monitoring programs and water reclamation projects that demonstrate significant reductions in overdraft.

CHAPTER 3.0

Installation and Use of Metering Equipment for Groundwater Extraction Facilities

3.1. Installation and Use of Metering Equipment

- 3.1.1. Installation Requirement Operators of extraction facilities shall install metering equipment on each well that extracts groundwater. Meters are not required on inactive wells as defined in this Ordinance Code, nor are meters required for extraction facilities supplying a single family dwelling on one acre or less, with no income producing operations. If more than one operator uses the same extraction facility, meters shall be installed to record the water use of each operator. Well operators were required to install metering equipment on wells by July 1, 1994.
- 3.1.2. Back-up Metering Equipment Water meters occasionally fail, losing periods of record before the disabled or inaccurate meter is either replaced or repaired. Well operators shall be prepared to provide another acceptable method of computing extractions during these periods of meter failure to avoid the loss of record on wells that require metering under this Ordinance Code.
- 3.1.3. Back-up Methods It is the operator's responsibility to maintain the flow meter. Any allowable or acceptable method for backup metering will be specified in a

separate resolution of the Board, and may be changed as technology improves or changes.

- 3.1.4. Special Cases If special circumstances exist where specified back-up procedures cannot be used or are impracticable to use, the operator shall request the Executive Officer's approval of another alternative back-up procedure.
- 3.1.5. Meter Readings Functional meters shall be read and the readings reported semiannually on the extraction statements required under Section 2.3 above.
- 3.1.6 Inspection of Metering Equipment The Agency may inspect metering equipment installations for compliance with this Ordinance Code at any reasonable time.
- 3.2. **Meter Testing and Calibration -** All water flow meters shall be tested for accuracy at a frequency interval determined by the Board to meet specific measurement standards. Calibration methods and procedures approved by the Board of Directors shall be detailed in an adopted Resolution of the Board.
- 3.3 **Altering Metering Equipment** Any person who alters, removes, resets, adjusts, manipulates, obstructs or in any manner interferes or tampers with any metering equipment affixed to any groundwater extraction facility required by this Ordinance Code, resulting in said metering equipment to improperly or inaccurately measure and record groundwater extractions, is guilty of an intentional violation of this Ordinance Code, and will be subject to any and all penalties as described in Chapter 8.
- 3.4 **Costs Of Testing and Calibration**. All costs incurred with flow meter testing or calibration shall be the personal obligation of the well owner. Non-compliance with any provision of the meter calibration requirements will subject the owner to financial penalties and/or liens as described below or in Chapter 8 of the Ordinance Code.
- 3.5 **Fees and Enforcement.** If any water production facility within the Agency's boundaries is used to produce water without a flow meter, or with a non-operating flow meter, the Agency shall assess a Non-Metered Water Use Fee against the water production facility owner. The Non-Metered Water Use Fee shall be assessed during each Meter Report period until the first full Meter Report period after the Agency meter is installed. The amount of the fee shall be calculated as follows:
 - 3.5.1 Ground water extraction facilities The fee shall be equal to double the current ground water extraction charge for all estimated water used. Estimates of water used shall be calculated by the Agency staff using best available information about site use and conditions. Any delinquent extraction charge obligations shall also be charged interest at the rate of 1.5 percent per month on any unpaid balances.
- 3.6 Upon violation of any meter provision, the Agency may, as allowed by law, petition the Superior Court of the County for a temporary restraining order or preliminary or permanent injunction prohibiting the well owner from operating the facility or for such other injunctive relief as may be appropriate.

CHAPTER 4.0 Protection of the Las Posas Basins

4.1 This chapter has the following purpose and intent:

- 4.1.1 To eliminate overdraft from the aquifer systems within the boundary of the East and West Las Posas basins and bring these basins to a "safe yield" condition by the year 2010.
- 4.1.2 To protect the Las Posas outcrop as a source of groundwater recharge into the East and West Las Posas basins.
- 4.1.3 To prevent groundwater quality degradation of the East and West Las Posas basins by influence from the Expansion area.
- 4.1.4 This Ordinance Code is only one means by which these goals will be met.

4.2 Anti-degradation and Extraction Prohibition

- 4.2.1 Extraction Facility Permits.
 - 4.2.1.1 Permit Required Prior to: (a) initiating any new or increased use of groundwater in the Expansion area, obtained from any source within the Agency including the Expansion area; or (b) constructing a new or replacement extraction facility in the East or West Las Posas basins, or the Expansion area, a permit must be obtained from the Agency as provided in this Chapter. For the purpose of this Chapter, a new or increased use is that which did not exist or occur before June 30, 1988.
 - 4.2.1.2 Permit Application Application shall be made to the Agency on the approved Ventura County Water Well Ordinance form available from the Ventura County Public Works Agency and shall include all information required by the Ventura County Well Ordinance and the following:
 - 4.2.1.2.1 Location of each water well to be used, along with the associated state well number.
 - 4.2.1.2.2 Location(s) of groundwater use, including acreage accurately plotted on copy of the Ventura County Assessor's Parcel Map.
 - 4.2.1.2.3 The proposed crop type(s) or Municipal and Industrial use(s) at each location.
 - 4.2.1.2.4 A brief description of the type of irrigation or distribution system and metering equipment to be used.
 - 4.2.1.2.5 The estimated average annual quantity of water use proposed for each location of use.

- 4.2.1.2.6 An identification of the source of historical allocation to supply the proposed water use by the well.
- 4.2.1.2.7 An analysis of the potential impacts on the water balance in the Las Posas Basins resulting from the proposed use(s).
- 4.2.1.3 Findings A permit may only be granted if the Executive Officer finds that the proposed groundwater use will result in no net detriment to the East or West Las Posas Basins by determining that:
 - 4.2.1.3.1 The Las Posas outcrop is not exposed to potential degradation of water quality of any type, and
 - 4.2.1.3.2 Recharge to the East and West Las Posas Basins from the Las Posas outcrop is not diminished, and
 - 4.2.1.3.3 Neither baseline nor efficiency allocation will be used, directly or indirectly, to support groundwater use on the Expansion Area, and (an example of indirect use is using efficiency to supply a demand inside the Agency and using the replaced historical allocation on the outcrop)
 - 4.2.1.3.4 No increased or new uses of groundwater from inside the Agency boundary will be applied on any area outside the Expansion area (or outside the East or West Las Posas boundary).
- 4.2.1.4 Permit Conditions. The Executive Officer may include in the permit granted, any conditions consistent with the purpose of this Chapter, including:
 - 4.2.1.4.1 Any proposed agricultural use shall include the installation of irrigation systems that employ irrigation best management practices consistent with then current industry standards.
 - 4.2.1.4.2 Any proposed municipal or industrial use shall include the installation of systems that employ municipal and industrial best management practices consistent with the then current industry standards.
 - 4.2.1.4.3 A permit term, not to exceed 10 years from the date of issuance.
 - 4.2.1.4.4 Mitigation, monitoring, and periodic reporting, as may be appropriate given the proposed use.
- 4.2.2 Permit Renewal Permits may be renewed pursuant to the requirements of Section 4.2.1.

- 4.3 **Registration of Existing Uses** The owners of groundwater wells located within the East or West Las Posas basins shall register their wells with the Agency no later than January 1, 2006, through the following procedure:
 - 4.3.1 Registration Form The Agency shall make available a registration form which shall be completed, and filed with the Agency for each well, which shall include the following:
 - 4.3.1.1 Location(s) of all water well(s), along with the associated state well number(s) including offsite well(s) serving the proposed use. Information concerning wells shall also include any other use for the water well.
 - 4.3.1.2 Location(s) of groundwater use for the well including acreage accurately plotted on a copy of the Ventura County Assessor's Parcel Map.
 - 4.3.1.3 The proposed crop type(s) or Municipal and Industrial use(s) at each location.
 - 4.3.1.4 A brief description of the type of irrigation or distribution system and metering equipment in use.
 - 4.3.1.5 The estimated average annual quantity of water use at each location and for each well.
- 4.4 **Monitoring** The Agency shall monitor compliance with this Chapter by reviewing County well permit applications and reported groundwater extractions and by conducting field surveys as may be necessary.
- 4.5 **Unreasonable Uses** The Agency may commence and prosecute legal actions to enjoin unreasonable uses or methods of use of water within the agency or outside the territory of the agency to the extent those uses or methods of use adversely affect the groundwater supply within the Agency.

CHAPTER 5.0 Reduction of Groundwater Extractions

5.1. **Purpose** - The purpose of this Chapter is to eliminate overdraft from the aquifer systems within the boundaries of the Agency and bring the groundwater basins to safe yield by the year 2010. It is not the purpose of this Chapter to determine or allocate water right entitlements, including those, which may be asserted pursuant to California Water Code sections 1005.1, 1005.2 or 1005.4.

5.2. Extraction Allocations

- 5.2.1. General Limitations
 - 5.2.1.1. The Executive Officer shall establish an operator's extraction allocation for each extraction facility located within the boundaries of the Agency. The extraction allocation shall be the historical extraction as reported to the United Water Conservation District and/or to the Agency pursuant to Chapter 2 (or its successor), reduced as provided by Section 5.4, or as otherwise provided for in Section 5.6 of this Ordinance Code. An alternative allocation, either baseline or efficiency, may also be approved as explained in Sections 5.6.1.1 and 5.6.1.2. All extraction facilities have an allocation of zero unless the Executive Officer determines otherwise. The operator may determine whether the annual allocation used shall be either a combination of baseline and historical allocation, or based on an efficiency allocation. All wells used by an operator in any given basin shall be operated on either a combination of historical and baseline or an efficiency allocation except water purveyors as approved by the Executive Officer. As explained by Section 5.6.1.2, an efficiency allocation may not be combined with either a baseline or a historical allocation. Extraction allocations may be adjusted or transferred only as provided in Section 5.3.
 - 5.2.1.2. Regardless of allocation, the total water use for agricultural purposes must be at least 60 percent efficient as determined by the formula described in Section 5.6.1.2.4. This 60 percent irrigation efficiency is totally unrelated to the 80 percent efficiency described in Section 5.6.1.2, "Annual Efficiency Extraction Allocation".
 - 5.2.1.3. Where an operator operates more than one extraction facility in the same basin, the extraction allocations for the individual facilities may be combined.
 - 5.2.1.4. Where there is more than one operator for any agricultural extraction facility, each operator shall be entitled to a pro rata share of the facility's historical allocation based on either usage or acreage irrigated during the historical extraction period. Such pro rata shares shall be determined by the owner of the extraction facility, and this determination shall be subject to the approval of the Executive Officer.
 - 5.2.1.5. When an operator is no longer entitled to use an extraction facility, that operator is no longer entitled to any portion of the extraction allocation attributed to that extraction facility.
 - 5.2.1.6. A historical allocation is assigned to an extraction facility and a baseline allocation is assigned to the land, both may be used, but neither is owned by the operator.

- 5.2.1.7. Where there is a sale or transfer of a part of the acreage served by any extraction facility, the extraction allocation for that facility shall be equitably apportioned between the real property retained and the real property transferred by the owner of the extraction facility, This apportionment shall be approved by the Executive Officer who may modify the apportionment to assure equity.
- 5.2.1.8. The name of the owner of each extraction facility, the parcel number on which the well is located along with the names of all operators for each extraction facility shall be reported to the Agency with each semi-annual report and upon any change of ownership or operators, together with such other information required by the Executive Officer.
- 5.2.1.9. The Executive Officer may, on written request from a land owner or well operator, waive allocation requirements for the extraction of groundwater from the Perched or Semi-perched aquifer of Sealing Zone III when the pumping of that groundwater is specifically for the purpose of lowering the water table to reduce the high water table threat to property, including the root zone of crops, or for dewatering construction sites. The Executive Officer shall require that the groundwater extraction facility used for this purpose be perforated only in the Perched or Semi-perched zone, and shall also require the landowner and/or the operator to protect the Agency from damage potentially caused by transferring water to another location.
- 5.2.2 General Limitations: Special Board Approval Requirements Notwithstanding any other provisions of this Ordinance Code, the following uses of water resources associated with the aquifers within the Agency may only be undertaken with prior Board approval of and subject to the conditions and restrictions established by the Board.
 - 5.2.2.1 Direct or indirect export of groundwater extracted from within the Agency boundary for use outside the Agency boundary.
 - 5.2.2.2 The direct or indirect use of surface water or Foreign Water from within the Agency outside the Agency in a manner that may adversely affect the groundwater supply within the Agency.
 - 5.2.2.3 Application to the Board To obtain the approval of the Board for any use provided in Sections 5.2.2.1 and 5.2.2.2, application shall be made to the Agency describing the details of the proposed use, including all the following information:
 - 5.2.2.3.1 The location of each water well to be used, along with the associated state well number, and/or the location of each surface diversion and a description of the associated water right.

- 5.2.2.3.2 Location(s) of groundwater use, including acreage, accurately plotted on copy of the Ventura County Assessor's Parcel Map.
- 5.2.2.3.3 The proposed crop type(s) or Municipal and Industrial use(s) at each location.
- 5.2.2.3.4 A brief description of the type of irrigation or distribution system and metering equipment to be used.
- 5.2.2.3.5 The estimated average annual quantity of water use proposed for each location of use.
- 5.2.2.3.6 An identification of the source of historical allocation, if any, to supply the proposed water use by the well.
- 5.2.2.3.7 An analysis of the potential impacts on the water balance in any Basin or Subbasin within the Agency Boundaries resulting from the proposed use(s).
- 5.2.2.4 Findings The Board may approve the proposed use if, after a public hearing, it finds that the proposed use will result in no net detriment to the Basin, or any subbasin, or aquifer associated with the use, by determining that:
 - 5.2.2.4.1 The proposed use does not result in the material degradation of water quality of any type, or
 - 5.2.2.4.2 Recharge to any aquifer within the Agency is not materially diminished.
 - 5.2.2.4.3 In granting approval to projects subject to this subsection, the Board may impose any conditions as may be appropriate, including limitations on the quantity of water use, term of the approval, and periodic reporting to the Agency.
- 5.2.3. An operator shall comply with all provisions of this Ordinance Code and Resolutions prior to receiving an extraction allocation.

5.3. Adjustments to Extraction Allocations

- 5.3.1 Adjustments to extraction allocations may be necessary to provide some flexibility, while still maintaining the goal of reaching a safe yield condition by the year 2010. Adjustments may be accomplished by a transfer, an assignment of historical extraction allocation, or a demonstration of a new water source.
- 5.3.2 Subject to the provisions in this Section 5.3, transfers of extraction allocation are authorized provided they result in no net detriment to the Basins within the Agency. In making this determination, consideration shall be given to the location

of extraction facilities, the aquifer systems being used, potential groundwater quality impacts, and the overall assessment of the cumulative impacts of transfers of extraction allocation.

- 5.3.3 Types of Transfers of Allocation. When irrigated agricultural land(s) changes to M & I use, a basic extraction allocation of 2 acre-feet per acre shall be transferred. In addition, a historical extraction allocation shall be transferred from the agricultural extraction facility(s) operators to the M & I provider in accordance with the following conditions:
 - 5.3.3.1 When the extraction facility is located on the land transitioning and did not serve other land during the historical allocation determination period, the M & I Operator shall receive a historical extraction allocation of 2 acre-feet per acre per year for the acreage transitioning to M & I use. Any historical allocation in excess of 2 acre-feet per acre for the land transitioning to M & I use shall be eliminated.
 - 5.3.3.2 When the extraction facility is located on the land transitioning and served other land during the historical allocation determination period, the historical allocation associated with the transitioning property shall be allocated on a pro rata basis by acreage to the total property served. The pro rata share for the property transitioning shall be eliminated. Two acre-feet per acre per year, based upon the acreage being transferred, shall be provided to the M & I provider.
 - 5.3.3.3 When the extraction facility serving the lands transitioning is not located on the land transitioning, the Executive Officer shall determine the allocation on an equitable basis for the remaining properties not transitioning to M & I. Two acre-feet per acre per year, based upon the acreage being transferred, shall be provided to the M & I provider.
 - 5.3.3.4 The transfer shall be effective upon the approval of the Executive Officer, taking into account the ongoing use of the property.
 - 5.3.3.5 Allocation originating from an agricultural extraction facility shall not be transferred to an M & I use except as provided in this Section 5.3.3.
- 5.3.4 Allocation may be transferred between M & I extraction facilities provided there is no net detriment to the aquifer system. In making this determination, the Executive Officer shall, at a minimum, consider the location of extraction facilities, the aquifer system being used and groundwater quality impacts of the transfer.
- 5.3.5 Transfer of Allocation Upon request, the Executive Officer may transfer allocation from one agricultural operator to another agricultural operator or from one M & I operator to another M & I operator provided there is no net detriment to the basins and the transfer is equitable. The transfer of allocation will be of indefinite duration, approved on a "case-by-case" basis, and the Executive Officer shall determine the rate of extraction and the point or points of extraction. Requests for the transfer of allocations shall be submitted jointly by the parties

involved and shall include the specific details of their proposal. To ensure that there is no net detriment to the aquifer systems, transfers of allocation shall be subject to other conditions as approved by the Board. Transfers of allocation from Agricultural use to M & I use shall only be approved as provided by Section 5.3.3.

- 5.3.6. The Executive Officer may approve a temporary assignment of allocation from one operator to another operator when there is no net detriment to the aquifer system. The temporary assignment shall not exceed one year.
- 5.3.7 Adjustments to M & I Allocations The Board may adjust the historical allocation of an M & I operator when that operator has supplied groundwater to either an agricultural or M & I user during the historical allocation period and discontinues service to that user. This adjustment may be made by transferring the supplied portion of the historical allocation from the M & I operator to the new user. This adjustment will avoid increased pumping due to windfall allocations that could otherwise result when the M & I operator discontinued service to a user prior to July 1, 2005, the amount of the supplied portion of the historical allocation may be allocated to both the M & I operator and the user.
- 5.3.8 Historical allocation is subject to adjustment as provided in Section 5.4 below.
- 5.3.9 Procedures for Adjustment
 - 5.3.9.1 It shall be necessary for the operator of the extraction facility to file a verified Application for Adjustment with the Executive Officer.
 - 5.3.9.2 Adjustments of extraction allocations, pursuant to the Applications for Adjustment, shall be considered for approval by the Board after reviewing the findings and recommendations of the Executive Officer and, if approved, shall be effective for the remainder of the calendar year and for all subsequent calendar years until modified by a subsequent Board approved adjustment.

5.4 **Reduction of Extraction Allocations**

5.4.1 Historical extraction allocations, adjusted or otherwise, shall be reduced in order to eliminate overdraft from the aquifer systems within the boundaries of the Agency for agricultural and M & I uses. The reductions shall be as set forth below:

1992 - 1994 extraction allocation = 95% of historical extraction, as adjusted. 1995 - 1999 extraction allocation = 90% of historical extraction, as adjusted. 2000 - 2005 extraction allocation = 85% of historical extraction, as adjusted. 2005 - 2009 extraction allocation = 80% of historical extraction, as adjusted. After 2009 extraction allocation = 75% of historical extraction, as adjusted.

5.4.2 Following the appropriate public review, the Board may exempt historical extraction allocations from these adjustments on a basin-by-basin basis.

5.5 **Exemptions from Reductions**

- 5.5.1 The following types of extraction allocations are exempt from the reductions set forth in Section 5.4.1:
 - 5.5.1.1 Baseline Extraction Allocations as set forth in 5.6.1.1.
 - 5.5.1.2 Annual Efficiency Extraction Allocations as set forth in 5.6.1.2.
 - 5.5.1.3 Non-metered Extraction Facilities. Reductions in extraction allocations shall not apply to those extraction facilities as identified in Chapter 3 that do not require meters. Neither retroactive adjustments nor refunds will be made, except that any outstanding surcharges for non-metered extractions that existed prior to June 26, 2002 will be waived.

5.6 Alternative Extraction Allocations

- 5.6.1 As an alternative to historical extractions, the Executive Officer may establish a Baseline or an Annual Efficiency extraction allocation for an operator, as follows:
 - 5.6.1.1 Baseline Extraction Allocations. If no historical extraction exists, or the historical allocation is less than one acre-foot per acre per year, a Baseline extraction allocation may be established by the Executive Officer at one acre-foot per acre per year.
 - 5.6.1.1.1 A Baseline Extraction Allocation specifically applies to undeveloped acreage that is being developed and once approved shall remain with that developed acreage. A Baseline allocation may be combined with a historical allocation for commonly operated facilities in the same basin. A baseline allocation shall not be used with an efficiency allocation.
 - 5.6.1.1.2 To obtain a Baseline Extraction Allocation, a detailed report must be submitted to the Executive Officer. The report shall describe the historical extraction of groundwater use, if any, during the period between the end of calendar year 1984 and the end of calendar year 1989, the type (crop type or M & I) and the amount of water use and acreage involved. The report shall include copies of Assessor's maps identifying the parcels where groundwater is presently being used. For the purpose of this ordinance, one (1) acre-foot per acre per year represents a reasonable use of water for a Baseline extraction allocation.
 - 5.6.1.1.3 Application for the initial Baseline Extraction Allocation must be submitted prior to submission of the annual report of pumping. If approved, the Baseline Extraction Allocation shall apply beginning with the current calendar year.

- 5.6.1.1.4 To facilitate accounting procedures, an operator shall use Baseline Extraction Allocation before using Historical Allocation.
- 5.6.1.2 Annual Efficiency Extraction Allocation If an operator can demonstrate to the Executive Officer that water used for agriculturally developed land is at least 80 percent overall irrigation efficient, based on evapotranspiration requirements, an Annual Efficiency extraction allocation shall be established for one calendar year. An 80 percent overall irrigation efficiency has been determined by the Agency to be reasonable on agricultural lands within the Agency's boundaries.
 - 5.6.1.2.1 An Efficiency Allocation may be used when no historical allocation exists or when the historical allocation is not sufficient for the crop being grown. A historical allocation shall not be used in conjunction with an efficiency allocation.
 - 5.6.1.2.2 To prove that irrigation efficiency is at least 80 percent, the operator must submit a detailed report covering a minimum period of the immediately preceding calendar year. This report shall be submitted to the Executive Officer no later than February 1st of the following year unless otherwise extended by the Board of Directors. The report shall include a complete crop and irrigation history for the extraction facility and actual acreage irrigated. The report shall include the reference evapotranspiration (ETo) rates and crop factors (Kc) for the calendar year period similar to that provided by the California Irrigation Management Information System (CIMIS) as developed and modified by the California Department of Water Resources. The report shall include a summary sheet that compares the water use to the evapotranspiration requirements for each crop and the corresponding acreage covered in the calendar year. The Board may extend the time to apply for an efficiency allocation for any year.
 - 5.6.1.2.3 Irrigation efficiency will include an appropriate amount of water necessary to avoid salt build-up based on the quality of irrigation water used.
 - 5.6.1.2.4 Irrigation Efficiency (I.E.) will be calculated using the following formula:

I.E. = [ETo x Kc] - ER x 100 Actual Water Applied (inches)

Where:

ETo is the reference evapotranspiration measured in inches

Kc is a crop factor, which is a dimensionless number that relates water use by a given plant in comparison to ETo.

ER is the effective rainfall measured in inches as determined by the Executive Officer.

5.6.2 Exceptions - The Board may grant exceptions to Sections 5.6.1.1 and 5.6.1.2 on a case-by-case basis. However, individual exceptions shall not become the norm. Where agricultural efficiency cannot be measured as set forth in Section 5.6.1.2, then the most efficient practices of record for the type of agricultural use shall be the measurement of efficiency utilized by the Board in its deliberations.

5.7 Credits

- 5.7.1 Credits can be obtained by operators, but are not considered as extraction allocations or adjustments to extraction allocations. Credits are not subject to any reductions as set forth in Section 5.4.1. Credits, if available, shall be used to avoid paying extraction surcharges. Credits shall be accounted for through the normal reporting and accounting procedure and are carried forward from year to year. Except as provided below, credits may be transferred between commonly operated extraction facilities and within the basin where the credits were earned.
- 5.7.2 The Board may transfer credits between facilities that are not commonly operated within a basin or beyond the basin where such credits were earned, provided that there is no net detriment to the aquifers within the Agency. In determining whether there is no net detriment, the Board may, among other things, consider whether the transfer will help bring the aquifers within the Agency into equilibrium or whether the transfer is a part of an Agency or inter-Agency management plan or program to bring the aquifers of the Agency into balance. Also, in making this determination of no net detriment the Board may consider quality of water as well as the quantity. The transfer of credits will be of indefinite duration, approved on a "case-by-case" basis, and the Executive Officer shall determine the rate of extraction and the point or points of extraction.
 - 5.7.2.1 Requests for the transfer of credits shall be submitted jointly by the parties involved and shall include the specific details of their proposal. To ensure that there is no net detriment to the aquifer systems, transfers of credits shall be subject to other conditions as approved by the Board. Under no circumstances shall credits earned as a result of agricultural use be transferred to an M & I Provider, M & I Operator or an M & I User unless the transfer is specifically approved by the Board and no net detriment to the aquifer systems involved can be shown. Credits earned by an M & I facility shall remain with that facility unless transferred by the Board or transferred as part of a program such as an Agency or inter-Agency management plan or program approved by the Board. The types of credits are:
 - 5.7.2.1.1 Conservation credits. An operator can obtain conservation credits by extracting less groundwater than the historical

extraction allocation. Annual Efficiency, Baseline, or an allocation assigned to an extraction facility that is not required to have a meter shall not earn credits. Credits shall be determined by the Executive Officer after receipt of annual extraction data. Subsequent to determining the amount of credits earned, a confirmation shall be mailed to the operator indicating the current allocation, the groundwater extracted during the previous calendar year, and the credits or surcharges for the previous year.

- 5.7.2.1.2 Storage credits An operator may obtain storage credits for water that has been determined by the Board to qualify for credits or foreign water stored, injected or spread and percolated or delivered in lieu of pumping in a Board approved injection/storage program used within the boundaries of the GMA. A written application for approval of a program or an injection/storage facility shall include:
 - 5.7.2.1.2.1 Operator of proposed injection/storage program.
 - 5.7.2.1.2.2 Purpose of proposed injection/storage program.
 - 5.7.2.1.2.3 Location, depth, casing diameter, perforated interval and other information regarding proposed injection/extraction facilities, if applicable.
 - 5.7.2.1.2.4 Method of operation including source, quantity and quality of water, planned scheduling of storage, injection/extraction, delivery or percolation operations and proposed use of extracted water.
 - 5.7.2.1.2.5 Any other information deemed necessary by the Executive Officer.
- 5.7.3 Following Board approval of the application, successful storage, delivery or injection of water and reporting of results, an operator will obtain credit as determined by the Executive Officer.

5.8 **Extraction Surcharges and Late Penalty**

- 5.8.1 Necessity for Surcharges
 - 5.8.1.1 Extraction surcharges are necessary to achieve safe yield from the groundwater basins within the Agency and shall be assessed annually when annual extractions exceed the historical and/or baseline allocation for a given extraction facility or the combined sum of historical allocation and baseline allocation for combined facilities. The extraction surcharge

shall be fixed by the Board and shall be based upon (1) the cost to import potable water from the Metropolitan Water District of Southern California, or other equivalent water sources that can or do provide nonnative water within the Agency jurisdiction; and (2) the current groundwater conditions within the Agency jurisdiction.

- 5.8.2 At the discretion of the Board, the extraction surcharge may be structured, tiered, and varied between basins and or aquifers.
- 5.8.3 The Board shall fix the surcharge by resolution at a cost sufficiently high to discourage extraction of groundwater in excess of the approved allocation when that extraction will adversely affect achieving safe yield of any basin within the Agency and may adjust the surcharge by resolution; provided however, that the then existing extraction surcharge shall remain in effect until adjusted by the Board.
- 5.8.4 Surcharge for No Allocation In circumstances where an individual or entity extracts groundwater from a facility(s) having no valid extraction allocation, the extraction surcharge shall be applied to the entire quantity of water extracted. Imposition and acceptance of payment of the surcharge imposed on an individual or entity that extracts water from a facility(s) that holds no extraction allocation shall not be deemed a waiver of the Agency's authority to limit or enjoin the unauthorized extractions.
- 5.8.5 Efficiency Surcharge Facilities relying on the annual, efficiency, allocation shall also be subject to surcharge for inefficient use. The extraction allocation for efficiency is the amount of water used at 80% efficiency as defined in 5.6.1.2 of this ordinance. Extraction surcharges will be applied to the difference between the water extracted which correlates with the actual efficiency achieved and the water that would have been extracted to attain the 80% efficiency allocation. For example, an actual efficiency of 70% would be subject to surcharges on the difference between the amount of water used at 70% efficiency and the amount of water that would have been used at 80% efficiency. If an efficiency of less than 60% is achieved, no efficiency allocation will be available, and the operator shall revert to a historical, baseline or to no allocation whichever applies to that facility. Extraction surcharges would then apply to the difference between actual water used and the applicable allocation, if any. For example, a facility operating at an actual efficiency of 59% with no historical or baseline allocation, would be subject to surcharges on all water used.
- 5.8.6 Payment of Extraction Surcharges
 - 5.8.6.1 Surcharges are assessed annually in respect to the annual allocation and shall become due and payable by the owner/operator on February 1st each year or 30 days after the date shown on the upper right of the "Semi Annual Report of Groundwater Extractions" statement. Payments shall be made with credits, if available. The Board may extend the 30day time allowed to pay surcharges for a period of up to twelve months when circumstances exist that in the opinion of the Board warrant such

extension. The Board may also approve the payment of surcharges in installments of up to 24 months with terms suitable to the Board.

- 5.8.6.2 Late Penalty The operator shall pay a late penalty for any extraction surcharge not satisfied by the due and payable date. The late penalty shall be 1.5 percent per month, or any portion thereof, of the amount of the unsatisfied extraction surcharge. The late penalty shall not exceed 100% of the original surcharge, provided the penalty is paid within 60 days of billing. If the fee is not paid within the 60 days, the penalty will continue to accrue at 1.5 percent per month with a final maximum of 200% of the original penalty due.
- 5.8.6.3 Collection of Delinquent Extraction Surcharges and Late Penalties - The Board may order that any given extraction surcharge and/or late penalty shall be a personal obligation of the operator or shall be an assessment against the property on which the extraction facility is located. Such assessment constitutes a lien upon the property, which lien attaches upon recordation in the office of the County Recorder. The assessment may be collected at the same time and in the same manner as ordinary ad valorem taxes are collected, and shall be subject to the same penalties and the same procedure and sale, in case of delinguency as provided for such taxes. All laws applicable to the levy, collection and enforcement of ad valorem taxes shall be applicable to such assessment, except that if any real property to which such lien would attach has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrance for value has been created and attaches thereon, prior to the date on which the first installment of such taxes would become delinquent, then the lien which would otherwise be imposed by this section shall not attach to such real property and an assessment relating to such property shall be transferred to the unsecured roll for collection.
- 5.8.6.4 Use of Extraction Surcharges and Late Penalties. Revenues generated from extraction surcharges and late penalties shall be used exclusively for authorized Agency purposes, including financial assistance to support Board approved water supply, conservation, monitoring programs and water reclamation projects that demonstrate significant reductions in overdraft.

CHAPTER 6.0 Appeals

6.1 Any person aggrieved by a decision or determination made by the Executive Officer may appeal to the Board within forty-five (45) calendar days thereof by filing with the Clerk, or Deputy Clerk, of the Board a written request that the Board review the decision of the Executive Officer. The Board shall equitably act on the appeal within 120 days after all relevant information has been provided by the appellant.

CHAPTER 7.0 Severability

7.1 If any section, part, clause or phrase in this Ordinance Code is for any reason held invalid or unconstitutional, the remaining portion of this Ordinance Code shall not be affected but shall remain in full force and effect.

CHAPTER 8.0 Penalties

- 8.1 Any operator or other person who violates the provisions of this Ordinance Code is subject to the criminal and civil sanctions set forth in the Agency's enabling act and its Ordinances.
- 8.2 Any person who intentionally violates any provision of this Ordinance Code shall be guilty of an infraction and may be required to pay a fine to the Agency in an amount not to exceed five hundred dollars (\$500).
- 8.3 Any person who negligently or intentionally violates any provision of this Ordinance Code may also be liable civilly to the Agency for a sum not to exceed one thousand dollars (\$1,000) per day for each day of such violation, in addition to any other penalties that may be prescribed by law.
- 8.4 Upon the failure of any person to comply with any provision of this Ordinance Code, the Agency may petition the Superior Court for a temporary restraining order, preliminary or permanent injunction, or such other equitable relief as may be appropriate. The right to petition for injunctive relief is an additional right to those, which may be provided elsewhere in this Ordinance Code or otherwise allowed by law. The Agency may petition the Superior Court of the County to recover any sums due the Agency.

This Ordinance Code shall become effective on the thirty-first day after adoption.

ADOPTED this 27^{TH} day of July 2005 by the following vote:

- AYES: Directors Maulhardt, Borchard, Craven, Flynn and Fox
- NOES: None
- ABSENT: None

Lynn Maulhardt, Chair, Board Of Directors Fox Canyon Groundwater Management Agency

ATTEST: I hereby certify that the above is a true and correct copy of Ordinance 8.1

SUMMARY OF CHANGES TO THE ORDINANCE CODE

- 1. Agency Coordinator has been changed to "Executive Officer" throughout the document.
- 2. A new term of "current historical allocation" has been added and defined as the historical allocation after having been reduced by the scheduled cutbacks.
- 3. The definition of Groundwater Basin has been expanded to provide for the determination of the basin boundaries by the Executive Officer.
- 4. The definition of a "Municipal and Industrial (M & I) Operator" has been modified by changing the words "owner or operator" to "person".
- 5. Section 2.1.1 has been modified to require the owner to register an extraction facility rather than the operator.
- 6. Section 2.1.1.4 has been changed to require the State Well Number and parcel number rather than the generic location.
- 7. Section 3.1.1 responsibility for the installation of meters was changed from operators to owners. A new requirement to install a meter for each operator was added.
- 8. Section 5.2.1 was changed to make it clear that the well owner held the allocation for an extraction facility.
 - 5.2.1.1 A provision allowing an owner to assign allocation to one or more agricultural operators. The Section was also modified to require that all wells used by an operator in any given basin must be operated on the same kind of annual allocation.
 - 5.2.1.3 A requirement for an operator with more than one extraction facility in the same basin to combine the extraction allocations for the operator's individual facilities for reporting purposes has been added.
- 9. Section 5.2.1.4 allows each operator an entitlement to a pro rata share of the historical allocation of an agricultural extraction facility when there are multiple operators of a single extraction facility.
- 10. Section 5.2.1.6 eliminates the assignment of allocation when an operator no longer uses an agricultural extraction facility.
- 11. Section 5.2.1.7 requires apportionment of historical allocation when a portion of a parcel receiving water from an extraction facility is sold.

- 12. Section 5.2.1.8 requires owners to report the operators of their extraction facilities.
- 13. Section 5.3.2.1 changes entire section from a study based system to a two component criteria: 1) Is the use documented?; 2) Known to have been used but not documented? The former remains at 2AF/acre, the later requires all wells supplying water to the property to use efficiency and requires that all historical be deleted. Then the provision allows 2AF/acre to be transferred.
- 14. Section 5.3.2.2 deletes the alternative of effecting allocation transfer when a well is taken out of service.
- 15. Section 5.3.2.4 changes net benefit to net detriment.
- 16. Section 5.7.1 restricts the transfer of credits to commonly operated facilities in the basin where they were earned.
- 17. Section 5.7.2 allows inter-basin transfer of credits and transfer between noncommon facilities by the Board. Changes further state the consideration the Board may make in their determination of allowing credit transfer.
- 18. Section 5.7.3 does not allow credits for efficiency, or wells without a meter.
- 19. Section 5.7.3.2 allows efficiency from a meter provided the appropriate historical allocation is deducted from the purveyor's historical allocation.

Appendix C

Auditor's Report for Fiscal Years 2002-2003 and 2003-2004
FOX CANYON GROUNDWATER MANAGEMENT AGENCY

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BASIC FINANCIAL STATEMENTS

Years Ended June 30, 2004 and 2003

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| Statements of Cash Flows | 10 |
| Notes to Financial Statements | 11 |

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Fox Canyon Groundwater Management Agency (Agency) financial performance provides an overview of the Agency's financial activities for the fiscal years ending June 30, 2003 and June 30, 2004. Please read it in conjunction with the financial statement following this section.

FINANCIAL HIGHLIGHTS

- Total net assets in 2004 increased \$71,323, which represents a 13.4 percent increase from 2003.
- Revenues increased \$98,842, which represents a 28.1% over 2003.
- Expenditures remained relatively constant with only a 0.6 percent increase over 2003.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of two components: 1) Enterprise financial statements, and 2) Notes to the financial statements.

The **Enterprise financial statements** are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to private-sector business.

The <u>statements of net assets</u> presents information on all Agency assets and liabilities, with differences between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The <u>statements of revenues</u>, <u>expenses</u>, <u>and changes in net assets</u> presents information on how net assets changed during the most recent two fiscal years. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement include some items that will only result in cash flows in future fiscal periods.

The <u>statements of cash flows</u> presents information on how cash changed during the most recent two fiscal years.

Under Governmental Accounting Standards Board Statement 34 (GASB 34), the Agency is considered a special purpose government engaged in the preservation of groundwater resources within the territory of the Agency. The GASB 34 definitions require that the Agency provide its financial statements in an enterprise (business activity) format. The Agency is funded primarily through user extraction charges.

The basic financial statements can be found on pages 8 - 10 of this report.

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Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements begin on page 6 of this report.

FINANCIAL ANALYSIS

The Fox Canyon Groundwater Management Agency (the "Agency") was created by the State of California on September 13, 1982, under Assembly Bill No. 2995 Chapter 1023. The Agency was created to manage the groundwater in over drafted and potentially seawater intruded areas in Ventura County. The prime Agency objective is to preserve groundwater resources for agricultural, municipal, and industrial uses in the best interests of the public and for the common benefit of all water users. A five-member board of directors governs the Agency. The Agency has no employees but contracts with the County of Ventura for staff services to provide technical expertise, legal, administrative and fiscal services needed to run the day-to-day operations of the organization.

Revenue is generated primarily from a \$3.00 per acre-foot extraction charge that is assessed against all well users within the geographic boundaries of the Agency. In March 2004, the Agency instituted a 1.5 percent per month penalty on all past due payments. This penalty generated \$24,245 in new revenue for 2004.

The Agency's expenses consist primarily of contract services through the County of Ventura for staff services. Expenses remained relatively constant from 2003 to 2004, increasing only \$2,438 – a modest 0.6 percent increase.

The Table 1 below compares the 2004 Change in net assets to the 2003 change in net assets.

| | 2004 | 2003 | Change | | |
|--------------------------------------|-----------|------------|----------|--|--|
| Operating Revenues: | | | | | |
| Extraction charges | \$417,594 | \$340,712 | \$76,882 | | |
| Non-Operating | | | | | |
| Revenues: | | | | | |
| Penalties | 25,368 | | 25,368 | | |
| Interest Earnings | 7,234 | 10,642 | (3,408) | | |
| Total Revenues | \$450,196 | \$351,354 | \$98,842 | | |
| Program Expenses | | | | | |
| General Government | 378,873 | 376,435 | 2,438 | | |
| Total Expenses | 378,873 | 376,435 | 2,438 | | |
| Increase/(Decrease) in Net Assets | \$71,323 | (\$25,081) | \$96,404 | | |

Table 1 Changes in Net Assets for 2004 Compared with 2003 Activity

As the chart shows, for the period ending June 30, 2004, Net Assets increased by a positive \$71,323 this compares very favorably against the \$25,081 decrease in Net Assets experienced for the period ending June 30, 2003. The favorable increase is a result of the implementation of the 1.5 percent per month penalty, increase in acre feet extracted and collection of prior year accounts receivable.

The graph below illustrates the relationship between expenses and revenue for 2003 and 2004.



As depicted in the graph, 2003 expenses exceed revenue by approximately \$25,000. This trend was reversed in 2004 with revenues exceeding expenses by approximately \$71,300.

Charts 1 and 2 provide a graphic view of 2004 revenue sources and 2004 expenses categories.



As shown in Chart 1, the major revenue source comes from extraction charges - making up 91 percent of the Agency's revenue. The Agency's expenses are displayed in Chart 2. The largest expense category is for contract services with the Ventura County Public Works Agency – accounting for 74 percent of expenses.

BUDGETARY INFORMATION

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Tables 1 and 2 present the Agency's original/final budget and actual results for fiscal years 2003 and 2004.

| Table 1 |
|---|
| Original/Final Budget versus Actual Results |
| FY 2003 |

| | Original/Final Budget | Actual | Variance |
|--------------------------------------|--------------------------|-----------|----------|
| Revenues: | | , | |
| Extraction charges and surcharges | \$300,000 | \$339,970 | \$39,970 |
| Interest income | 11,309 | 10,642 | (667) |
| Total Revenue | \$311,309 | \$350,612 | \$39,303 |
| Expenses: | | | |
| Public works agency charges | 272,890 | 277,501 | 4,611 |
| Professional specialty services | 44,500 | 35,823 | (8,677) |
| Management & administrative services | 28,900 | 28,900 | - |
| Depreciation | - | 11,813 | 11,813 |
| Supplies and minor equipment | 6,500 | 3,477 | (3,023) |
| Liability insurance | 3,050 | 3,100 | 50 |
| Miscellaneous | 5,300 | 15,820 | 10,520 |
| Total Expenses | \$361,140 | \$376,434 | \$15,294 |

The positive revenue variance of \$39,303 is primarily attributable to increased extraction charges. The negative expense variance of \$15,294 is primarily attributable to increase in legal and public works cost and unbudgeted contract labor and depreciation expense.

Table 2 Original/Final Budget versus Actual Results FY 2004

| | Original/Final Budget | Actual | Variance |
|--------------------------------------|--------------------------|-----------|------------|
| Revenues: | | | |
| Extraction charges and surcharges | \$300,000 | \$434,741 | \$134,741 |
| Interest income | 4,000 | 7,234 | 3,234 |
| Total Revenue | \$304,000 | \$441,976 | \$137,976 |
| Expenses: | | | |
| Public works agency charges | 316,190 | 276,675 | (39,515) |
| Professional specialty services | 44,500 | 46,239 | 1,739 |
| Management & administrative services | 30,400 | 30,400 | - |
| Depreciation | - | 11,813 | 11,813 |
| Supplies and minor equipment | 5,500 | 980 | (4,520) |
| Liability insurance | 3,050 | 4,952 | 1,902 |
| Miscellaneous | 6,300 | 7,814 | 1,514 |
| Total Expenses | \$405,940 | \$378,873 | (\$27,067) |

The positive revenue variance of \$137,976 is primarily attributable to increased extraction charges, implementation of penalty charges on unpaid balances and collection of prior year revenue. The positive expense variance of \$27,067 is the net effect of public works cost and office supplies and equipment being lower than budget offset somewhat by unbudgeted depreciation expense.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets consist solely of six monitoring wells that were donated to the Agency in September 1990. The wells are being depreciated over a 15 useful life. No new capital assets are planned. The Agency has no outstanding debt.

FUTURE ACTIONS

On December 15, 2004 the Agency Directors approved increasing the \$3.00/acre foot extraction fee to \$4.00/acre foot. The increase was effective January 1, 2005. It is estimated that the \$1.00 increase will generate an additional \$45,000 in revenue in calendar year 2005 based on an estimated 45,000 acre feet pumped between January 2005 – June 2005 and additional \$110,000 in 2006 based on a normal year pumping at an estimated 110,000 acre-feet.

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REQUEST FOR INFORMATION

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If you have any question about this repost or need additional information, contact the Fox Canyon Groundwater Management Agency, 800 South Victoria Avenue Ventura, CA 93009-1600.

Partners James E. Lutz II, CPA David M. Erlbaum, CPA Shalene M. Hayman

LUTZ, LAW & ERLBAUM

CERTIFIED PUBLIC ACCOUNTANTS 1000 PASEO CAMARILLO, SUITE 235 CAMARILLO, CALIFORNIA 93010

(805) 388-8822 FAX (805) 388-8548

Board of Directors Fox Canyon Groundwater Management Agency Ventura, California

Independent Auditor's Report

We audited the accompanying statements of net assets of Fox Canyon Groundwater Management Agency (the "Agency"), as of June 30, 2004 and 2003, and the related statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These basic financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of June 30, 2004 and 2003, and the changes in its financial position and cash flows for the years then ended in conformity with generally accepted accounting principles.

The management's discussion and analysis on pages 1 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

z, Jan

LUTZ, LAW & ERLBAUM Certified Public Accountants

February 9, 2005

FOX CANYON GROUNDWATER MANAGEMENT AGENCY STATEMENTS OF NET ASSETS

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June 30, 2004 and 2003

| | . | 2004 | | 2003 |
|---|---------------|--------------------------------------|-------------|-----------------------------|
| ASSETS | - | | | |
| CURRENT ASSETS Cash in County Treasury Accounts receivable Interest receivable | \$ | 6 464,168 183,378 <u>1,833</u> | \$ | 411,332 137,485 2,082 |
| TOTAL CURF | ENT ASSETS | 649,379 | | 550,899 |
| EQUIPMENT: Well equipment | | 177,200 | | 177,200 |
| Less Accumulated Depreciation | _ | 159,805 | | 147,992 |
| Equipment Net | - | 17,395 | | 29,208 |
| TC | DTAL ASSETS | 666,774 | <u>\$</u> | 580,107 |
| LIABILITIES AND FUND EQUITY | | | | |
| CURRENT LIABILITIES Accounts payable Due to County of Ventura Deferred revenue | \$ | 6,532 50,264 <u>6,467</u> | \$ | 3,461 31,524 6,467 |
| TOTAL CURRENT | LIABILITIES | 63,263 | | 41,452 |
| Deferred Revenue | _ | 1,077 | | 7,544 |
| TOTAL | LIABILITIES | 64,340 | | 48,996 |
| NET ASSETS: Net assets-unrestricted | - | 602,434 | | 531,111 |
| TOTAL | NET ASSETS | 602,434 | | 531,111 |
| TOTAL LIABILITIES AND | NET ASSETS \$ | 666,774 | \$ | 580,107 |

See accompanying notes to financial statements and auditors' report.

FOX CANYON GROUNDWATER MANAGEMENT AGENCY STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

| For the | Years Ended J | June 30, 2004 and 2003 | |
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| | 2004 | 2003 |
|--|-------------------|-------------------|
| Extraction charges and surcharges | <u>\$ 442,962</u> | <u>\$ 340,712</u> |
| TOTAL OPERATING REVENUES | 442,962 | 340,712 |
| OPERATING EXPENSES | | |
| Public works agency charges | 276.650 | 277,501 |
| Professional specialty services | 46,264 | 47,863 |
| Management and administrative services | 30,400 | 28,900 |
| Depreciation | 11,813 | 11,813 |
| Supplies and minor equipment | 56 | 2,555 |
| Liability insurance | 4,952 | 3,100 |
| Miscellaneous | 8,738 | 4,703 |
| TOTAL OPERATING EXPENSES | 378,873 | 376,435 |
| OPERATING INCOME/(LOSS) | 64,089 | (35,723) |
| NON-OPERATING REVENUES | | |
| Interest income | 7,234 | 10,642 |
| TOTAL NON-OPERATING REVENUES | 7,234 | 10,642 |
| CHANGE IN NET ASSETS | 71,323 | (25,081) |
| NET ASSETS AT BEGINNING OF YEAR | 531,111 | 556,192 |
| NET ASSETS AT END OF YEAR | <u>\$ 602,434</u> | <u>\$ 531,111</u> |

FOX CANYON GROUNDWATER MANAGEMENT AGENCY STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2004 and 2003

(City Service)

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| | 2004 | 2003 |
|--|------------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating Income/(Loss) | \$ (60,917) | \$ (25,081) |
| Adjustments to reconcile operating income/(loss) | | |
| to net cash provided by operating activities | | |
| Depreciation | 11,813 | 11,813 |
| Loss on disposal of equipment | - | 6,021 |
| Change in assets and liabilities | | |
| (Increase)/decrease in accounts receivable | (68,163 <u>)</u> | 27,063 |
| Decrease in grants receivable | - | 61,308 |
| Decrease in Due from County of Ventura | - | 11,452 |
| Decrease in interest receivable | 3,168 | 1,782 |
| Increase in accounts payable | - | 154 |
| Increase/(decrease) in Due to County of Ventura | 12,574 | (15,593) |
| Decrease in deferred revenue | (6,467) | (6,467) |
| NET CASH USED BY OPERATING ACTIVITIES | (107,992) | (31,651) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest income | 18,033 | 26,687 |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | 18,033 | 26,687 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (89,959) | (4,964) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 484,364 | 489,328 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 394,405 | \$ 484,364 |

See accompanying notes to financial statements and auditors' report.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER GENERAL MATTERS

Nature of Organization. Fox Canyon Groundwater Management Agency (the "Agency") was created by the State of California for the preservation of groundwater resources within the territory of the Agency of agricultural, municipal and industrial uses. The Agency was approved by the Governor on September 13, 1982, under Assembly Bill No. 2995, Chapter 1023. The Agency is exempt from federal and state income taxes as a political subdivision of the State of California as described in the Health and Safety Code, Section 32000.

Reporting Entity. The Agency is an independent special district, separate from the County of Ventura or any city government. All powers of the Agency are exercised by the Board of Directors. The Board consists of five directors who represent the County of Ventura, the United Water Conservation District, the seven Small Water Districts within the Agency, the five incorporated cities within the Agency, and Local Farmers. Each Board member has an alternate that can fill in when they are absent, and all members serve a two-year term. All Board members are appointed by their respective organizations or groups, except for the Farmer representatives, who are appointed by the other four seated members from a list of candidates jointly supplied by the County Farm Bureau and the County Agricultural Association.

Governmental Accounting Standards Board (GASB) Statements. The Fox Canyon Groundwater Management Agency has adopted GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for the years ended June 30, 2004 and 2003.

Basis of Accounting. The Agency is accounted for as an enterprise special purpose government. The financial statements for enterprise funds include the basic financial statements. The basic financial statements consist of the statement of net assets, statement of revenues, expenses, and changes in net assets, and statement of cash flows, as well as notes to the financial statements. The Agency's financial statements use the flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities are included on the statement of net assets. Under this basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER GENERAL MATTERS - Continued

Cash and Cash Equivalents. For purposes of the statement of cash flows, cash and cash equivalents includes cash in the County Treasury and investments with original maturities of three months or less.

Equipment and Depreciation. Equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 15 years.

NOTE 2 - DEFERRED REVENUE

A provision has been made for the contributions the County of Ventura, City of Oxnard, and City of Ventura made toward the construction of monitoring wells. The contributions were recorded as deferred revenues until the wells were actually constructed at which time the revenues are amortized over the life of the wells.

NOTE 3 - DEPOSITS

The Agency's pooled deposits are held by the County of Ventura and are considered category one for purposes of GASB 3. Category one deposits are insured or collateralized with securities held by the Agency of by its agent in the Agency's name.

NOTE 4 - RISK MANAGEMENT

The Agency maintains an errors and omissions policy in the amount of \$1,000,000.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Agency contracts with the County of Ventura for professional specialty services.