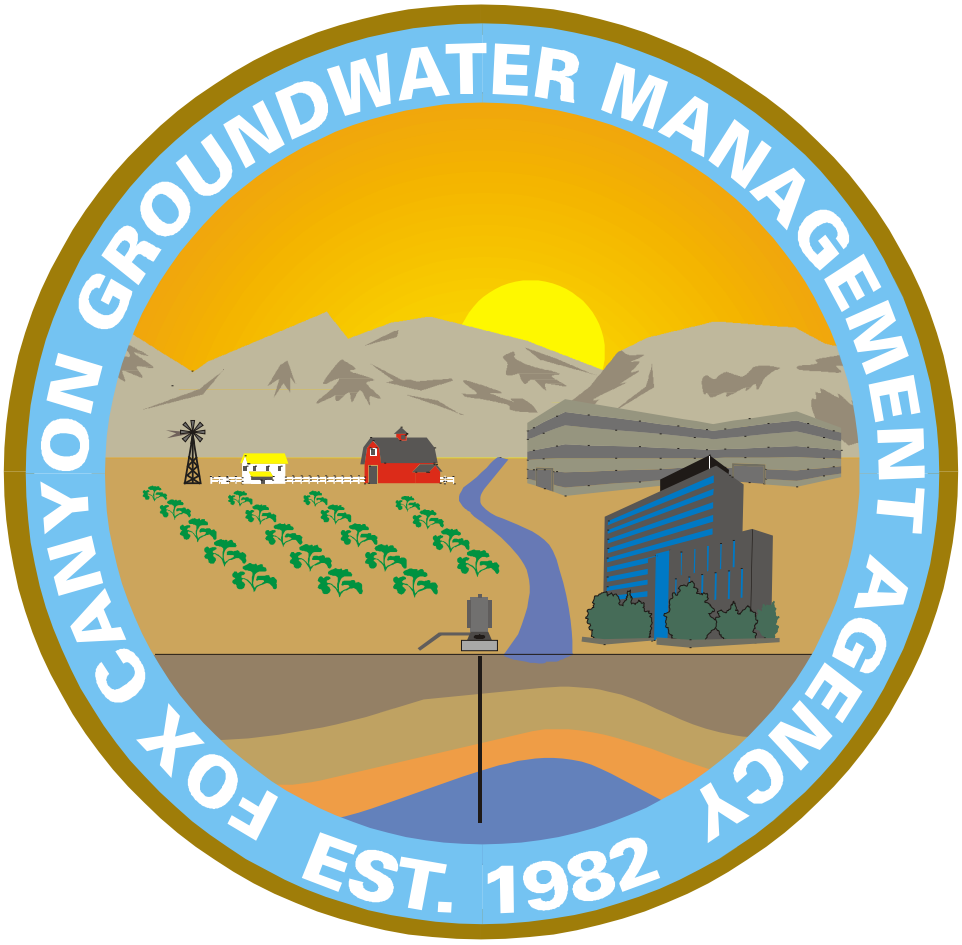

CALENDAR YEAR 2008

ANNUAL REPORT

FOX CANYON GROUNDWATER MANAGEMENT AGENCY
ANNUAL REPORT FOR CALENDAR YEAR 2008

2008 Board of Directors	Representing	Alternate Directors
Lynn Maulhardt, (Chair)	United Water Conservation District	Daniel Naumann
Dr. Michael Kelley	Small Water Districts	Sam McIntyre
David Borchard	Agricultural & Farm Interests	David Schwabauer
Charlotte Craven, (Vice Chair)	Incorporated Cities	Neal Andrews
Steve Bennett	County Board of Supervisors	John Zaragosa

Current FCGMA Staffing is provided under contract by the Ventura County Watershed Protection District (VCWPD)

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EXECUTIVE SUMMARY

The Fox Canyon Groundwater Management Agency (FCGMA) was created to manage the groundwater in both overdrafted and potentially seawater-intruded areas within Ventura County. The prime objectives and purposes of the FCGMA 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. Protection of water quality and quantity along with maintenance of long-term water supply are included in those goals and objectives. The purpose of this Annual Report is to fulfill the annual report requirement in the Agency's enabling legislation. Due primarily to a combination of a continuing drought and cutbacks in imported State Water, groundwater pumping within the Agency hit an all-time high of 63,695 AF for the first half of the year[1]. (See **Table 2 – Summary of Reported Groundwater Extractions within the FCGMA since 1983**).

In this report, we summarize the technical, administrative and groundwater resource management activities that took place during calendar year 2008 along with budget details for fiscal years 2007-2008 and 2008-2009. Highlights from 2008 include:

- The total self-reported groundwater extractions are 139,055 acre-feet. This extraction value is 114% of the "managed extraction mean" (121,841 AF) which is the period from 1991 through 2008 wherein extraction allocations have been in place. Extractions in the first half of 2008 were 125% of the managed extraction mean and in the second half of the year, the extractions were 106%.

- The Agency adopted nine resolutions during 2008. Resolution 2008-02 prematurely terminated collection of the GEMES fee and limited how these funds could be used. Resolution 2008-03 enacted the last 5-percent reduction in Historical Allocations and added an option that allowed proposing an alternative water supply source in-lieu of that reduction. Resolution 2008-04 rescinded and revised the previous well metering Resolution (2006-01). Resolution 2008-05 approved an amendment to what was termed the "Miller Agreement." Resolution 2008-06 commended the Ventura County Regional Energy Alliance on their fifth anniversary. Resolution 2008-07 honored Ms. Dana Wisehart for her contributions to the FCGMA as the retiring General Manager of the United Water Conservation District. Resolution 2008-08 certified an FCGMA ballot associated with an election of a Special District representative to LAFCO. Resolution 2008-09 increased the FCGMA surcharge rate from $725 per acre-foot to $950 per acre-foot. And finally, Resolution 2008-10 supported the United Water Conservation District in their efforts to balance a limited water supply.

- There were seven SAG meetings and eleven TAG meetings in 2008. Notable accomplishments are listed in Section 3.2 of this report.

- Agency staff participated in, supported, and attended a series of three Drought Preparedness and Water Use Efficiency Workshops in conjunction with the Watersheds Coalition of Ventura County (WCVC), the Association of Water Agencies (AWA), and other water and energy industry groups.

- Approved an independent financial audit report for Fiscal Years 2007-2008 and 2008-2009.

- The Board of Directors adopted an expanded list of 10 additional extra Work Plan items for staff.

- The surcharge rate was raised to $950.00 per acre-foot (effective January 1, 2009) to reflect increases in imported State water costs.

[1] Extractions January 1, 1991-2008

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1.0 AGENCY BACKGROUND

1.1 Introduction

The Fox Canyon Groundwater Management Agency (FCGMA) is a public agency located in the southwestern portion of Ventura County, California (**Figure 1 – Fox Canyon Groundwater Management Agency Boundary**), tasked with managing groundwater resources, controlling seawater intrusion, and helping to restore aquifers to a state of safe-yield. The FCGMA is an independent State "Special District", separate from the County of Ventura or any city government. It was created in 1982 by the California Legislature via the Fox Canyon Groundwater Management Agency Act [AB-2995] for the express purposes of regulating, conserving, managing, and controlling the use and extraction of groundwater to help preserve resources and to counter seawater intrusion beneath the Oxnard Plain. Groundwater resources within the boundary of the FCGMA are used by the cities of Ventura, Oxnard, Port Hueneme, Camarillo, and Moorpark, along with the unincorporated communities of Saticoy, El Rio, Somis, Moorpark Home Acres, Nyeland Acres, and Montalvo. The FCGMA is funded solely by fees (including surcharges) paid by those who extract groundwater within the Agency boundaries. These extraction fees are used by the Agency to fund staff necessary to administer FCGMA programs, complete Agency work plan items, and manage local groundwater resources.

1.2 Purpose of this Report

The purpose of this report is to provide an annual report discussing the technical data regarding 2008 groundwater extractions and payments, administrative groundwater resource management activities for calendar year 2008, and budget data for fiscal year 07/08 and 08/09

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

The FCGMA was created by the State of California in response to groundwater resource concerns such as aquifer overdraft, seawater intrusion, and declining water quality (especially in the southern part of the Oxnard Plain) recognized in the early 1940's (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) directed 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 that 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 has been revised and legally re-recorded in 1996 (VCOR, 1996) and again in 2002 to reflect updated information.

1.4 Mission Statement of the Agency

The FCGMA formally adopted the following mission statement in 2006:

> *"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."*

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 Ventura County Watershed Protection District (see full listing in **Table 1 – Summary of FCGMA Personnel for Calendar Year 2008**) at the end of this report.

As required by its enabling legislation (the Fox Canyon Groundwater Management Agency Act of 1982 [AB-2995]), the Board of Directors for the FCGMA is composed of five members, four of which are selected from each of the following four stakeholder groups:

- The Ventura County Board of Supervisors.
- The United Water Conservation District (UWCD) Board of Directors.
- The City Councils of the five incorporated cities that partially or totally overlie the FCGMA. These cities include Ventura, Oxnard, Camarillo, Port Hueneme, and Moorpark.
- The seven[2] existing mutual water companies and special districts 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 (CMWD), (5) Camrosa County Water District, (6) Zone Mutual Water Company, and (7) Del Norte Mutual Water Company.

These four stakeholder groups 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 farm members 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. In 2007, the Board offset the terms of the City Council and the Agricultural representatives from the remaining three representatives by one year to ensure continuity of Agency operations and to prevent a complete turnover of all FCGMA Directors at the same time.

The Board normally conducts monthly public meetings with additional public input received through various stakeholder-based committees and advisory groups. Two committees formed in 2007 to help implement the revised Groundwater Management Plan (GMP) have continued throughout 2008 to

[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.

function as the stakeholder policy arm [Strategic Advisory Group (SAG)] and the more scientific arm [Technical Advisory Group (TAG)].

In addition to providing personnel, the technical, financial, and legal needs of the FCGMA are provided under contract with the Ventura County Watershed Protection District and the Office of the County Counsel. The United Water Conservation District (UWCD) provides additional technical resources to the Agency as needed. UWCD is a public wholesale and retail water agency that also provides groundwater basin management activities in the Santa Clara River Valley and northern or central Oxnard Plain.

2.0 GROUNDWATER RESOURCE MANAGEMENT

2.1 Geographic Description of the Agency Boundary

The FCGMA Boundary includes the southwestern portion of Ventura County. **Figure 2, Major Hydrogeologic Features and Groundwater Basins within the FCGMA** shows the Agency Boundary and basins within it. At the time of the Boundary definition, it was defined as "all land overlying the Fox Canyon aquifer" (CWC Ch. 1023, Art. 2), however to account for overlying (or adjoining) jurisdictions and/or political reasons, not all areas above the Fox Canyon aquifer were included. The Agency Boundary is made up of a series of roughly northeast southwest trending inland basins, plus the coastal Oxnard Plain Basin. The Agency Boundary is bounded to the north by the South Mountain and the Santa Clara River (approximately) in areas west of the topographic expression of South Mountain. To the east, the Agency Boundary includes Quaternary, and uplifted Tertiary rocks north and east of the City of Moorpark. To the south the Agency Boundary is made up by the Bailey Fault and the uplifted Santa Monica Mountains. The western and southwestern Agency Boundary is the coastline.

2.2 Groundwater Basins and Hydrogeology

The basins within the FCGMA Boundary are part of the Transverse Range geomorphic province, in which the mountain ranges and basins are oriented in an east-west rather than the typical northeast-southwest trend in much of California and the western United States. Active thrust faults border the basins of the Santa Clara River, causing rapid uplift of the adjacent mountains and down-dropping of the basins. The alluvial basins are filled with substantial amounts of Tertiary and Quaternary sediments deposited in both marine and terrestrial settings. The basins beneath the Oxnard Plan are filled with sediments deposited on a wide delta complex formed at the terminus of the Santa Clara River and was heavily influenced by alternating episodes of advancing or retreating shallow seas that varied with world-wide sea level changes over many millions of years.

There are seven significant groundwater basins within the FCGMA. These groundwater basins have been called different names over time, but the Agency uses the terminology of the United States Geological Survey from their work in the 1990s and early 2000s (e.g., Hanson et al., 2003) because it is the most recent comprehensive study of the basins. These groundwater basins include the Oxnard Plain, the Oxnard Plain Forebay, the Pleasant Valley, the Santa Rosa, and the East, West and South Las Posas basins. These basins generally contain two major aquifer systems, the Upper Aquifer System (UAS) and the Lower Aquifer System (LAS). Separate aquifers locally named within these systems include the Oxnard and Mugu aquifers (UAS) and the Hueneme, Fox Canyon, and Grimes Canyon aquifers (LAS). A shallower, unconfined aquifer is also present locally underlying rivers and creeks. Underlying the Oxnard Plain and Pleasant Valley basins are sand layers of the "semi-perched zone," which may locally contain poor-quality water. This zone extends from the surface to no more than 100 ft in depth. These sands overlie confining clay of the upper Oxnard Aquifer which generally protects the underlying aquifers from contamination from surface land uses. The Semi-perched zone is rarely used for water supply.

The aquifers comprised of sand and gravel deposited along the ancestral Santa Clara River, within alluvial fans along the flanks of the mountains, or in a coastal plain/delta complex at the terminus of the Santa Clara River and Calleguas Creek. The aquifers are recharged by infiltration of stream flow (primarily the Santa Clara River), artificial recharge of diverted stream flow, mountain-front recharge along the exterior boundary of the basins, direct infiltration of precipitation on the valley floors of the basins and on bedrock outcrops in adjacent mountain fronts, return flow from agricultural and household irrigation in some areas, and in varying degrees by groundwater underflow from adjacent basins.

For a more detailed description of the individual groundwater basins including their boundaries, faulting and other details please see the 2007 Update to the Fox Canyon Groundwater Management Agency Groundwater Management Plan.

2.3 2007 Update to the Fox Canyon Groundwater Management Agency Groundwater Management Plan (aka Groundwater Management Plan)

Upon passage in 1982, the enabling legislation for the FCGMA (AB-2995, Imbrecht, 1982) required the Agency develop 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 plan to manage future groundwater extraction from the lower aquifer system (LAS). In 1985, the Agency completed its first GMP. By 2004, significant regional land use changes, the need for additional water supply, emerging water quality and quantity challenges, and developing stakeholder groundwater utilization projects caused the Agency to evaluate the need for an update to its original GMP. The goal of the GMP evaluation/update was to develop new groundwater strategies and to amend previously existing strategies with recent data and more rigorous groundwater flow model information to better assist the Agency in bringing the groundwater basins into balance by year 2010. In June 2005, the Board set aside funds for UWCD staff (primarily Dr. Steve Bachman) to revise the regional groundwater model and allotted time for Agency staff to work with UWCD, CMWD, and the FCGMA stakeholders to develop a comprehensive document that incorporated the model results and the proposed strategies.

A completely revised and updated FCGMA Groundwater Management Plan (GMP) was formally adopted by the Board on May 23, 2007.

The GMP contains a background of the FCGMA, a brief overview of the regional hydrogeology, and summarizes the groundwater quality and quantity issues currently facing the Agency. The main components of the GMP include:

- Presentation of Basin Management Objectives (quantitative groundwater quality and quantity targets used to measure and evaluate the “health” of the basins and the potential effectiveness of various groundwater management strategies);
- An estimate of groundwater yield from basins within the FCGMA;
- A description of historic and current groundwater management strategies;
- Brief summary of six groundwater management strategies currently under development;
- Summary of strategies that could potentially be developed and/or implemented in the future;
- A listing of Best Management Practices (BMP’s) as recommendations to well operators;
- Overview of an action plan to attain Basin Management Objectives; and
- Appendices containing plots of the estimated progress of seawater intrusion beneath the South Oxnard Plain, discussion of estimates and results of the quantitative groundwater modeling efforts (Ventura Regional Groundwater Model [VRGM]), and a proposed management plan for the East Las Posas Basin, in addition to many maps, tables, and graphs.

The GMP identifies a series of short-term and long-term groundwater management projects and strategies designed to address the current imbalance between water supply and demand. Evaluation and implementation of the listed management strategies was the focus for much of 2008. Most activity involved ranking of strategies via a custom matrix process by the TAG, and discussion of costs and importance of such strategies by the SAG committees.

2.4 Groundwater Resource Management and Groundwater Allocations

The FCGMA's enabling legislation established the FCGMA's ability to perform groundwater management activities including, but not limited to:

- registration of extraction facilities (wells),
- control of groundwater extractions,
- regulation of extraction facility construction,
- prosecution of legal actions against unreasonable use of water resources,
- imposition of reasonable operating regulations, and
- collection of fees

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 the California State Water Project. There are three specific groundwater allocation types used by the FCGMA. Some operators have one allocation type; others may use a combination of allocations. The type of allocation available depends upon the intended use of the groundwater, the type of operator, the ownership of the extraction facility, the history of land and water use, and the size of acreage served by a particular well or wells. The allocation descriptions are detailed in FCGMA Ordinance No. 8.1 (included as **Appendix B** – Fox Canyon Groundwater Management Agency Ordinance 8.1). Allocation types include Historical Allocation (HA), Baseline Allocation (BA), and Irrigation Efficiency (IE).

Within the FCGMA, groundwater user accounts (aka operator accounts) have been divided into three general categories: agricultural (AG), municipal/industrial (M & I), and domestic (DOM). The definitions of each type of operator type as specified in Ordinance No. 8.1 are as follows:

- **Agricultural Facility (AG):** *"a facility whose groundwater is used on lands in the production of plant crops or livestock for market, and uses incidental thereto."* Agricultural facilities may be entitled to HA, BA, or IE depending on the history of land ownership and well water use. Agricultural facilities may use HA, BA, or HA and BA together in a given year if they hold such allocations. They can also accumulate credits on any unused HA[3] in a particular calendar year. If they choose to use the IE allocation method, they are not eligible to use either of the other allocation methods or to accumulate groundwater extraction credits in that particular calendar year. Typically, agricultural extraction facilities are responsible for approximately sixty percent of the total groundwater extracted within the Agency during any given calendar year.
- **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,*

[3] Unused HA refers to the difference between the total HA held by a registered facility including any adjustments made by the Agency, minus the actual reported groundwater extraction reported by that facility in a particular year.

industrial, commercial, or fire protection purposes within the boundaries of the Agency." M & I users may be entitled to HA, BA, or HA and BA together and can accumulate extraction credits for any unused HA in a particular year. M & I users are not eligible for IE. Typically, M & I facilities are responsible for about forty percent of the total groundwater extracted within the Agency during any given calendar year.

- **Domestic User (DOM):** Though not specifically defined in Ordinance No. 8.1 the Agency generally uses Sec. 3.1.1 of the Ordinance Code which states: *"a domestic extraction facility supplies a single family dwelling on one acre or less, with no income producing operations."* Typically, domestic users are responsible for a very small amount of the Agency-wide groundwater extractions relative to total groundwater extracted.

The FCGMA uses a commercially available relational database program customized to suit the needs of the Agency. The Agency tracks well ownership for all known groundwater extraction wells within its boundary, along with well identification and location; groundwater basin location; applicable groundwater allocation methods; self-reported semi-annual extraction data; and, number of available groundwater extraction credits (if applicable).

As of year-end 2008, the FCGMA had a total of 1,224 known wells within its boundary: 702 wells are reported as active; 144 wells are listed as inactive; and 378 wells are listed as destroyed. FCGMA staff registers new wells permitted by the County of Ventura[4] and the City of Oxnard. Staff also investigates unregistered wells.

All extraction facility (well) operators are required by Ordinance No. 8.1 to report their groundwater extraction on a semi-annual basis. 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 a list of all wells under a particular operator code, any available allocations, the reported groundwater extraction (in acre-feet) for each 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 reported, each operator is required to calculate the management fees due, plus and any surcharges, interest, or late fees associated with their user account and then remit payment to the FCGMA along with the completed SAS form.

2.4.1 Current and Historic Groundwater Extraction in the FCGMA

For the calendar year 2008, a total of 139,055 acre-feet[5] (AF) of groundwater extraction was reported to the FCGMA. A significant 63,695 AF was reportedly extracted (highest since 1991) for January 1 through June 30 and 75,360 AF was reportedly extracted for July 1 through December 31. Extraction data is presented in **Table 2.** When compared to the historic range of reported groundwater extractions within the FCGMA, the total annual reported groundwater extraction for 2008 was 114% from the mean reported annual extraction (121,841 AF), which is defined as the mean reported extractions for the period 1991 through 2008 (see **Table 3** – Comparison of Current Year 2008 to Historic Groundwater Extractions in the FCGMA for more details). The annual extraction for 2008 was the second highest annual extraction observed since 1991 (**Table 2**).

Many factors affect groundwater extraction within the Agency. Data from the FCGMA's weather stations shows that lower-than-average rainfall equates to higher atmospheric temperatures and thus higher evapotranspiration values observed in 2008 vs. 2007. Higher evapotranspiration means more water loss from crops and that leads to more groundwater extractions. Higher volumes of groundwater extraction

[4] Refers to wells permitted in accordance with the County of Ventura Ordinance No. 4184. All permitting in accordance with this ordinance is performed by the Ventura County Watershed Protection District.

[5] 1 acre-foot (AF) equals 325,851 U.S. gallons at Standard Temperature and Pressure (STP).

between 2007 and 2008 (approximately 3,000 AF more in 2008) are shown in **Table 2.** Additional factors affecting groundwater extraction include changes in land use, crop-types, irrigation practices, and cost and availability of State Water Project Water.

2.4.2 Rainfall and Evapotranspiration

The Agency funds the operation of, and collection of meteorological data from, five (5) weather stations. Information from an additional six (6) private weather stations within the FCGMA supplements data.. Each station captures meteorological data such as air temperature, rainfall, humidity, wind velocity, wind direction, dew point, and solar radiation at 30-minute intervals and calculates daily[6] location-specific evapotranspiration (ETo)[7] values according to a Modified Penman formula (Pruitt and Doorenbos, 1977).

Weather station-derived evapotranspiration (ETo) values are used in the calculation of annual Irrigation Efficiency (or I.E.) based groundwater extraction allocation as provided for in FCGMA Ordinance No. 8.1.

Data collected at FCGMA weather stations indicated that rainfall for calendar year 2008 (January 1 through December 31) was slightly below the average observed from 1993 through 2008. The annual rainfall observed at each of the stations ranged from a high of 15.54 inches at the Somis station to a low of 13.21 inches at the Camarillo Airport station, with a median of 14.69 inches for the values observed at the five stations (**Table 4 – Summary of Rainfall and Evapotranspiration Observed at FCGMA Weather Stations 1993-2008**). This median value from the five FCGMA weather stations was 95% of the average annual median rainfall of 15.40 inches observed during the FCGMA timeline between 1993 and 2008.

Data collected at the FCGMA weather stations also indicates that evapotranspiration (ETo) for calendar year 2008 (January 1 through December 31) was below the average observed from 1993 through 2008. Annual ETo observed at each of the stations during 2008 ranged from a high of 48.29 inches at the Moorpark station to a low of 40.31 inches at the Etting Road station with the median of 44.64 inches for the annual total values observed at all five stations (**Table 4**). This value is approximately 85% of the average annual median value of 52.63 inches observed from 1993 through 2008.

Collected weather data is provided to agricultural well operators at the end of each year in the form of **Table 8 – Summary of 2008 Eto, Effective Rain, and Allowed Water for Irrigation Efficiency** to assist anyone who needs to file under an efficiency allocation. A visual presentation of rainfall compared to groundwater extractions is shown herein as **Figure 3 – Annual Rainfall and Reported Groundwater Extractions in the FCGMA**. Further breakdowns of this data into 6-month increments can be found in **Figure 4 – Rainfall and Reported Groundwater Extraction in the FCGMA for -01 Reporting Period (1984-2008)**, and **Figure 5 – Rainfall and Reported Groundwater Extraction in the FCGMA for -02 Reporting Period (1984-2008)**.

2.4.3 Credits

Well operators with a Historical Allocation can earn groundwater conservation credits and then use those credits as an additional allocation. Since 1998,[8] credits have been automatically calculated and granted to operators that extract less groundwater than the operator's historical allocation. Operators that recharge aquifers within the FCGMA boundary through direct injection of water earn injection credits.

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[6] Currently data are collected at 30-minute intervals and daily ETo summary values are calculated based on some measurements being averaged over the midnight to midnight 24-hour period (e.g. wind speed), and others (rainfall, ETo) aggregated over the same time period.

[7] Evapotranspiration (ET) is a term used to describe the sum of evaporation and plant transpiration from the earth's land surface to the surrounding atmosphere. Evaporation accounts for the movement of water to the air from sources such as the soil, the plant coverage, leaf canopy interception, and exposed (uncovered) water bodies. Transpiration accounts for the movement of water within a plant and the subsequent loss of water as vapor through stomata (tiny holes or pores) in its leaves.

[8] Prior to 1998, operators were required to request credits from the FCGMA Board. The policy change resulted with the passage of FCGMA Ordinance 5.7 in 1998.

Operators that provide water to other operator's in lieu of those operators extracting groundwater can also earn credits (often called in lieu credits). One AF of credit is granted for each one AF of water injected into FCGMA aquifers per calendar year[9]. Conservation and Injection Credits can be traded for imported water where infrastructure exists. When previously earned credits are sold to UWCD to replace normally required groundwater extractions, they are called Supplemental Credits.

For 2008, a net total of 75,423 AF of credits were earned by operators within the Agency (**Table 5 – Summary of Groundwater Extraction Credits Accumulated in the FCGMA since 1990**). This figure is 38,171 AF which is substantially greater than the 2007 value due to the reconciliation of Calleguas Municipal Water District's FCGMA account. At the end of 2008, an aggregate total of approximately 660,712 AF of credits were available to operators in the FCGMA. Redemption of earned credits to avoid surcharge penalties reflects the additional groundwater extractions that occurred during 2008. **Table 5** shows the historical growth of accumulated credits since the initiation of the FCGMA credit system in 1991. 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 a significant number of credits could be used in a short period of time that could easily overstress aquifer resources. Thus, although the credit system represents a low-cost groundwater-use option that can assist individual operators during extended dry periods, it also represents a potential threat to the regional groundwater resource.

The effect of any large-scale credit use would be significant. For example, even a modest 5% use of the total amount of credits currently available could easily result in a nearly 33,036 AF increase in extraction in any given year. Given the mean annual groundwater extraction observed from 2000 through 2008 (approximately 122,125 AF), this additional 33,036 AF extraction based on credit usage would represent a net 27.1% increase in annual extractions. One documented consequence of groundwater over extraction, is groundwater basin overdraft 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). One of the goals of the Agency's recently approved Groundwater Management Plan (May, 2007) is to assist FCGMA stakeholders in developing new groundwater management strategies, groundwater replenishment/replacement programs, conservation incentive programs, and stakeholder education that will increase their water-use efficiency and decrease overuse of the resource.

2.4.4 Extractions and Credits by Groundwater Basins within the Agency

FCGMA data indicates the Oxnard Plain Pressure Basin had the greatest amount of extractions, and credits earned in 2008 (**Table 6 – Summary of Groundwater Extraction and Estimated Credits by Groundwater Basin for Calendar Year 2008**). The extractions in this basin accounted for approximately 41% of total Agency extractions and 65.3% of the net credits earned in 2008. 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 57% of the extraction and 33.1% of the net credits earned in 2008. Individually, these four basins reported similar extraction values ranging from 10% (WLP) to 19% (Forebay) of the total Agency extraction. The range of net credits earned is somewhat wider and ranges from 3.8% to 17.6% of the Agency total for 2008. The South Las Posas Basin and Arroyo Santa Rosa Basin accounted for approximately 3% of the total extraction and about 1.5% of the net credits earned 2008. A quick visual of the breakdown of groundwater extractions by basin can be seen in **Figure 6 – Summary of Reported Groundwater Extractions within the FCGMA**.

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

2.4.5 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 wastewater treatment plants, and water imported from outside the County via the California State Water Project. Precisely quantifying the demand for groundwater in the FCGMA is not feasible, it is possible however to examine the agency-wide use of groundwater by volume extracted for each type of operator. Within the FCGMA, groundwater user types can be divided into three general categories: agricultural (AG), municipal and industrial (M & I), and domestic (DOM).

FCGMA 2008 data indicates there were 580 wells registered as agricultural extraction facilities, 203 wells registered as M & I extraction facilities, and 97 wells registered as domestic extraction facilities. For 2008, agricultural operators collectively reported 85,295 AF of extractions (down from 88,656 AF in 2007), which represents 61% of the total reported groundwater extractions for 2008 (4% less than 2007). M & I operators reported 53,251 AF of extractions (up more than 7,000 AF from 46,316 AF in 2007) or 4% higher than the 34% share of total groundwater extractions when compared to 2007. The estimated extraction by domestic well operators was approximately 509 AF (66% of the 766 AF 2007 residential extractions), which equates to 0.37% of the total groundwater extractions for 2008. Domestic well owners are not required by Ordinance No. 8.1 to install flowmeters on their wells; however, their total annual extractions are not considered minimal.

The FCGMA extraction data can also be used to reflect groundwater use in each basin (**Table 7 – Summary of Groundwater Extractions and Use-Type within the FCGMA for Calendar Year 2008**). These primary classifications are described as follows:

- **Agricultural-Use Basins:** The primarily agricultural-use basins (based on reported extractions) include the Arroyo Santa Rosa, East Las Posas, South Las Posas, and West Las Posas Basins. Operators in these basins report the majority of agricultural groundwater extraction and report minimal domestic and limited M & I extractions. Total extractions in these four basins account for approximately 37.3% of the total Agency agricultural extractions, 16.7% of the total Agency M & I extractions, and 3.5% of the total Agency domestic extractions in 2008.

- **Mixed-Use Basins:** The larger mixed-use basins include the Oxnard Plain Basin and the Pleasant Valley Basin. These two basins have significant groundwater extraction by both agricultural and M & I operators in roughly similar amounts and relatively little domestic extraction. Total extractions in these two basins account for 54.5% of the total Agency agricultural extractions, 48% of the total Agency M & I extractions, and 84% of the total Agency domestic extractions for 2008. In the Pleasant Valley Basin, the amounts of agricultural extractions are nearly twice the M & I extractions. In the Oxnard Plain Basin, the agricultural extractions are greater than the M & I extractions however the M & I accounts for over 37% of the total Agency M & I extractions.

- **M & I-Use Basin:** The Oxnard Forebay Basin yields the majority of its groundwater to M & I operators, a lesser amount to agricultural extraction, and only nominal volumes to domestic demands. In 2008, Forebay M & I extractions were more than twice that of agricultural extractions. This basin accounted for approximately 18.6% of the total estimated Agency groundwater extractions in 2008 (from all uses), 8.2% of the total Agency agricultural extractions, 35.3% of the Agency M & I extractions, and 12.5% of the total Agency domestic extractions for the calendar year.

3.0 ADMINISTRATIVE ACTIONS FOR CALENDAR YEAR 2008

3.1 Adopted Resolutions

The FCGMA Board of Directors formally adopted nine Resolutions during calendar year 2008, all of which are attached under **Appendix A** – Resolutions Passed by the Fox Canyon Groundwater Management Agency Board of Directors in Calendar Year 2008 and summarized as follows:

- Resolution No. 2008-02: Prematurely terminated the Groundwater Extraction Management Enforcement Surcharge (GEMES) as of December 31, 2007 in-lieu of the proscribed termination date of July 1, 2009. In addition, it limited how the collected funds could be used, stated that all expenditures of the fund must be Board approved, and capped GEMES revenue at $200,000 (principal only with gained interest left to accrue) specifying placement of such funds into a separate restricted-use interest bearing account.
- Resolution No. 2008-03: Established an additional 5% reduction on Historical allocations effective January 1, 2009. This would be the last of the previously planned allocation cutbacks and would bring the total reductions to original Historical Allocations to 75% (a 25% reduction). It also authorized or allowed for an alternative water supply project certification project as a means of offsetting or postponing some portion of the FCGMA scheduled cutback in Historical Allocation (NOTE: to date, no person or entity has applied for any such allowed certification as yet).
- Resolution No. 2008-04: Rescinded and embellished upon previous Resolution No. 2006-01. More regulations concerning the accuracy testing of water flowmeters, and the addition of firm compliance dates and penalties for non-compliance were primary modifications. Note that two versions or revisions were adopted; the first in May 2008 and the second in September 2008 with no number change to the 2008-04 designation.
- Resolution No. 2008-05: Amended an earlier Settlement Agreement between the Agency and various affected water districts and Mr. Stephen T.B. Miller and his associated holding companies to resolve any ambiguity concerning application of a financial penalty once the payment was received in full.
- Resolution No. 2008-06: Commended the Ventura County Regional Energy Alliance on their fifth anniversary and for their contributions to water savings, water recycling, and for supporting the parallel efforts of the FCGMA in saving or using available resources in the most efficient ways.
- Resolution No. 2008-07: Honored Mrs. Dana Wisehart upon retirement for her many years as General Manager of UWCD while also supporting the FCGMA in many efforts, plans, and policies.
- Resolution No. 2008-08: Certified the Board's ballot election of a Special District Alternate Commissioner to the Local Area Formation Commission (LAFCO) per election rules and laws governing LAFCO agencies.
- Resolution No. 2008-09: Adjusted the FCGMA Groundwater Extraction Surcharge Rate by increasing the existing number ($750 per AF) to $950 per AF consistent with the increased cost of imported water as specified in Chapter 5.8 of FCGMA Ordinance 8.1.
- Resolution No. 2008-10: Supported UWCD efforts to balance water supply by acknowledging that river diversion and groundwater recharge operations are vital to protection and enhancement of aquifers and essential for local water supply.

  Note: 2008-1 was not used.

3.2 Strategic and Technical Advisory Groups (SAG & TAG)

Adoption of an update to the Groundwater Management Plan (GMP) in mid 2007 led to creation of the SAG and TAG. The SAG and TAG allow necessary public participation and a collaborative venue needed to implement GMP strategies. The TAG members are charged with evaluating and examining the technical details of each specific strategy listed in the GMP. Completed TAG projects are sent to SAG whose activities focus on policy decisions and review. It is the SAG's responsibility to recommend finalized strategies to the FCGMA Board of Directors.

Sag held seven meetings during 2008, while TAG held eleven. Some notable accomplishments by the SAG and TAG during 2008 included examination of the merits of allowing Waterworks Districts No.1 and No.19 to file Irrigation Efficiency on the agricultural properties they supply water to each year. After TAG reviewed the technical aspects, SAG recommended approval of this concept, and on February 27, 2008 the Board of Directors ratified a prior approval by the Executive Officer. The TAG worked diligently on a priority ranking for all the water improvement strategies listed in the Agency's Groundwater Management Plan. A point system was eventually developed to help rank the financial, timeframe, and urgency of need aspects of each possible strategy. The ranking allowed important groundwater management strategies to rise to the top of the Agency's to-do list. The TAG also served as a forum to hear about a Northeast Pleasant Valley Basin Surface and Groundwater Study commissioned by the Calleguas Municipal Water District. FCGMA Personnel Changes

3.3 Personnel changes

- County Supervisor John Flynn was unseated in the November elections by John Zaragosa who filled the Alternate Board Member position when Supervisor Steve Bennett moved up from Alternate into the regular FCGMA Board Member seat.
- A new Agenda format debuted in February to include the addition of regular Consent items to expedite noncontroversial and/or routine topics; a change in Item order to show Public Comments and Board Comments before the Consent Agenda. Any Board member may pull an item from the Consent list if they want to discuss it.
- New Alternate Director Neal Andrews (Ventura) replaced Murray Rosenbluth (Port Hueneme) in the City Alternate position.
- A new Groundwater Manager (Rick Viergutz) was hired by the County to help assist and manage FCGMA activities and functions.
- Created a new Joint Technical Staff Position via an MOU (Memorandum of Understanding) with UWCD to allow for a shared employee who will work 50% of the time for FCGMA and 50% of the time for UWCD. The impetus of this shared employee will be to effect and implement strategies and projects detailed in the FCGMA Groundwater Management Plan (GMP) and to assist with Annual Work Plan tasks. Hiring and payroll will be handled by UWCD, with primary supervision and project direction coming from FCGMA.

3.4 Project Reviews Performed in 2008

In 2008, the Groundwater Section of the Ventura County Watershed Protection District performed approximately 90 reviews of proposed development projects as part of the County Planning Division's implementation of the General Plan and Zoning Ordinance. Of these projects, 30 involved proposed or active projects within the FCGMA boundary. Typically, these projects are reviewed to identify the following groundwater-related issues: changes to the well ownership/operator, property-use changes that may increase groundwater extraction, changes to land or crops, potential short or long-term impacts to water quality and/or water quantity, alterations or modifications in well status, changes to water distribution systems, and construction of structures that might impair infiltration of water to FCGMA

aquifers. These projects are approved with no further action needed, denied, or approved with conditions based on impacts to groundwater resources in the FCGMA Boundary.

3.5 Permitting and Registration of Wells

Agency staff assists VCWPD in groundwater management within the larger scope of the county, with the review of installation plans for any new wells, and with abandonment permits for old wells within the FCGMA boundary. New wells are required to meet the State of California Well Standards (DWR, 1991) and Ventura County Well Ordinance No. 4184 (BOS, 1999) conditions. In addition, FCGMA Ordinance No. 8.1 also requires registration of all groundwater extraction facilities in addition to semi-annual reporting of well extraction volumes and payment of appropriate extraction fees. During 2008, a total of 211 Ventura County well permits were issued. Of that number, 7 permits were within the FCGMA (compared with 43 in 2007): Only two of the 7 permits were for new well installations, another two were for repairs to existing wells, and the remaining 3 permits were issued for well destructions within the Agency.

3.6 Other Administrative Activities Performed in 2008

The FCGMA Board of Directors and/or Staff performed a number of other administrative activities during 2008. These included the following:

- The Agency Executive Officer's (on January 8, 2008) approved the use of annual irrigation efficiency (IE) extraction allocations for agricultural customers served by County Waterworks District Nos. 1 and 19.
- In February a letter was sent from the Board Chair to the County Board of Supervisors regarding transfer of WPD Zone 2 District funding in support of the El Rio Groundwater Contamination Elimination Project (letter recommended greater County financial contributions in the efforts to replace septic tanks with sanitary sewers in the El Rio area).
- Staff surveyed current agricultural water rates charged by major water purveyors within the Agency boundary to provide the Board with greater financial background information needed to assist in decision-making.
- During the May board meeting the board approved ten additional priority work tasks for staff. The Board Chair provided direction to staff re-finalizing the fiscal year 2008-2009 Workplan and budget documents, including (1) incorporating up to $150,000 in additional work plan task cost estimates into the PWAC charge portion of the budget, (2) maintaining $100,000 "above the line" reserve for operating contingencies, (3) incorporate the "credit refund" of $175,178 in GEMES overages towards future pump charge statements, (4) utilize the non-GEMES fund portion (anything other than $200,000) of the FY 07-08 year end fund balance as a source of subsequent year's end funding, and (5) project the use of up to $50,000 of the $80,000 Thornhill-Miller Settlement Payment revenue stream to fund additional work plan costs..
- During the June board meeting the board adopted the FY 2008-2009 budget.
- Continued with increased enforcement actions in a concentrated effort to obtain uniform ordinance compliance by all well operators/owners, which included approval of an increase in the surcharge rate from $725/AF to $950/AF (effective 1-1-09).

3.7 Progress of Flowmeter Calibration Program

FCGMA Ordinance No. 8.1 requires the use of flowmeters for all extraction facilities except inactive wells and wells supplying a single-family dwelling on one acre or less providing that property has no income producing operations (domestic wells). The use of accurate flowmeters 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 analyze the extraction and use of the groundwater resources to help make meaningful recommendations to the Board regarding its use. Fourth, it is the most effective way to link extraction data to management fees.

The status of wells using meters or reporting groundwater extractions using recognized measurement methods is summarized in **Table 9 – Summary of Metering Status for Active or Inactive Wells in the FCGMA for Calendar Year 2008**. This data indicates approximately 673 (60%) of 1224 known wells were actively being used in 2008. In the past, well extractions were reported using water flowmeter measurements, electrical use records, or a consumptive-use method that estimated annual water use for domestic or farm use based on number of people in a home or number of acres irrigated times average water use per acre for a crop. Because of a concerted effort by the FCGMA there are no known operators within the Agency that still use consumptive use methods to report extractions. In order to increase the effectiveness of the metering program, the FCGMA took the following actions in 2008:

- Added the second and third planned group mailings together (Zones 2 and 3 were combined) under a stepped-up timeline to make up for delays that occurred during the Zone 1 effort. The same compliance and reminder intervals were allowed as before, however all remaining un-noticed well operators in both Zone 2 and Zone 3 were sent letters in the same mailing effort to prevent delays in completing the meter calibration program;
- A greater number than originally anticipated well owners received 60-day extension notices because those well owners/operators had failed to comply with the first and/or second meter calibration notifications. Third and fourth notices were needed in many cases; and
- Staff verification of each returned meter calibration test result revealed that some of these test sheets were not within the allowable accuracy range of plus or minus 5-percent. Failing tests required more staff follow-up and additional notifications to repair/replace and retest these out-of-tolerance meters.
    - Flowmeter Calibration Program Continued
    - In 2008, approximately 220 notices were mailed to operators providing 120 days to get their flowmeters calibrated. Later, second notices were sent granting an additional 60 days. All remaining not-previously noticed well operators were notified about the meter calibration program by the end of the first quarter of 2008. Staff activities continued throughout the year collecting passing calibration test results and re-mailing notices to those who had failed to comply. Despite significant Agency efforts, compliance was not as great as was expected and Resolution No. 2008-04 was adopted superseding Resolution No. 2006-01. 2008-04 clarified the methods and rules governing the meter program. 2008-04 was revised, again significant agency effort was put forward, results were not as great as expected, and Resolution No. 2008-04 was revised at the September 24, 2008 Board meeting to actually assess civil penalties for failure to submit proof of flowmeter calibration. Ultimately this effort helped the Agency gain much better compliance with meter calibration.

4.0 FINANCIAL STATUS OF THE AGENCY FOR 2008

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

Quarterly budget comparisons to actual performance reports are presented to the FCGMA Board of Directors for their information, review, and where necessary, adjustments. Quarterly summaries of the Agency's financial transactions for the FY 2007-2008 Initial Budget were presented on July 25, 2007, with subsequent reports made to the Board of Directors during the following regular meetings: 1st Quarter on December 5, 2007, Mid-Year on February 27, 2008, 3rd Quarter on April 23, 2008 and Year End Actuals on September 24, 2008 respectively. Similarly, for FY 2008-09, quarterly summaries of the Agency's financial transactions were provided to the Board of Directors during the following regular meetings: 1st Quarter on December 3, 2008, Mid-Year on February 25, 2009, 3rd Quarter on April 22, 2009 and Year End Actuals on September 23, 2009.

This report summarizes the Agency's financial transactions for the last two fiscal years. Specifically, it covers the financial status of the Agency for the fiscal period beginning July 1, 2007 and ending June 30, 2008 (FY 2007-2008) and the period beginning July 1, 2008, and ending June 30, 2009 (FY 2008-2009). The financial transaction figures from the most recent Fiscal Year 2008-09 reporting period contained in this report reflect *unaudited* information. Accordingly, Fiscal Year 2008-09 figures will be subject to potential accounting adjustments resulting from a regular final audit to be conducted annually by an independent Certified Public Accounting firm under future contract with the Agency.

Table 10 – **FCGMA Multi-Year Budget Performance Sheet** provides a summary of the financial status of the Agency at the end of FY 2007-2008 and FY 2008-2009. Revenues for both FY 2007-2008 and FY 2008-2009 were generated through the payment of pump charges (i.e. charges for extraction of groundwater from wells within the FCGMA boundary), surcharges for over-pumping beyond an allowed annual allocation, late payment penalties and/or interest earnings. Expenditures are also summarized in **Table 10** and included, but were not limited to, Public Works Agency Charges (salaries and benefits) insurance, miscellaneous operational expenses, contracted weather station and database services, computers and field equipment, professional audit, and legal counsel fees, etc.

4.1 Financial Status

The FCGMA began FY 2007-2008 with a fund balance of $553,727 available for funding Agency expenditures. During Fiscal Year 2007-08 the Agency experienced:

- Receipt of $1,035,052 in operating revenues obtained through payment of pump charges, surcharges, and interest earnings. This operating revenue, combined with the $553,727 year-end fund balance carried forward from fiscal year 2006-2007, provided a total of $1,588,779 in total funding resources available for financing Fiscal Year 2007-08 expenses; and
- Incurred expenses totaled $508,765 during Fiscal Year 2007-2008 (slightly less than the previous fiscal year period).

After deducting total expenses incurred from available funding resources, the resultant year-end fund balance on June 30, 2008 was $1,080,014.

The FCGMA began FY 2008-2009 with a fund balance of $1,080,014. During Fiscal Year 2008-09, the Agency experienced:

- Receipt of $1,068,821 in operating revenues obtained through payment of pump charges, surcharges, and interest earnings. This operating revenue, combined with the $1,080,014 in year-end fund balance carried forward from fiscal year 2007-2008, provided a total of $2,148,835 in total funding resources available for financing Fiscal Year 2008-09 expenses; and
- Incurred expenses totaling $562,682 during fiscal year 2008-2009.

After deducting total expenses incurred from available funding resources, the resultant year-end fund balance on June 30, 2009 was $1,586,153.

4.2 Status of GEMES Funds

4.2.1 Background of the GEMES Fund:

Beginning in 2004, the Agency identified a growing trend of increased groundwater extractions from wells located within its boundary being used on parcels outside the boundary. Unless pre-existing and approved through a grandfather allowance, groundwater exports are in direct violation of the FCGMA Ordinance and, if left unchecked, could have a significant likelihood of permanently impairing groundwater resources.

The FCGMA Board of Directors maintained that such an adverse consequence was not an acceptable policy option for the Agency. Agency staff estimated the time, efforts, and expenses needed to develop effective ordinance enforcement compliance were beyond the Agency's current fiscal resources. It was soon decided an additional and separate fund would be needed to cover anticipated legal and enforcement fees. At their April 26, 2006 regular meeting, the Board adopted Resolution No. 2006-02, establishing the Groundwater Extraction Management Enforcement Surcharge (GEMES).

This GEMES surcharge temporarily increased the Agency's groundwater extraction charges by $2.00 per acre-foot on all groundwater extractions within the Agency's boundary.

Resolution No. 2006-02 specified that revenues derived from the GEMES would be used solely to fund Board-approved groundwater extraction management enforcement activities above and beyond the normal operating costs of the Agency. Through the adoption of Resolution No. 2006-04, the Board further specified and restricted the uses of GEMES funds as follows:

> *Agency expenditures that may be eligible for GEMES funding may include, but are not limited to:*
>
> *a. Agency staff time directly attributable to enforcement activities.*
> *b. Specialized engineering and technical studies or surveys required in support of enforcement activities.*
> *c. Legal fees (both Agency Counsel and outside specialized counsel costs) required in support of enforcement activities.*
> *d. Enforcement activity costs, including litigation or court fees.*

4.2.2 GEMES Fund Accounting and Current Status:

The GEMES fee was first collected for groundwater extractions that occurred on or after July 1, 2006. In accordance with FCGMA Resolution No. 2006-02, the GEMES charges were set to "Sunset" automatically on July 1, 2009, and were to be applied only to groundwater extracted through June 30, 2009.

The GEMES fee was billed and collected in the same manner as the Agency's existing groundwater extraction charges at 6-month intervals. At the time of implementation, Agency staff estimated that the GEMES surcharge would generate approximately $210,000 each fiscal year, with an estimated total of about $450,000 collected by June 30, 2009.

During their February 28, 2008 regular meeting however, the Board adopted a REVISED Resolution 2008-02, which prematurely terminated the GEMES Fund to only groundwater extracted up through December 31, 2007. Further, since the Board felt that a sufficient fund balance had been gathered in the fund by that date, it "capped" the amount that should be reserved in the GEMES fund at a $200,000 limit, plus earned interest up to that date and any subsequent interest earned into the future.

Despite termination, the Board agreed that the obligation to pay all amounts due under the GEMES Fund through December 31, 2007 should remain in effect until all fees due were collected. Subsequent to receipt of all payments from the 2007-02 Semi-Annual Statement (SAS) billing period, the Board directed

Agency staff to return with options regarding the disposition of amounts then in the GEMES Fund above the $200,000 cap established by the Board.

During the May 28, 2008 regular meeting, based on the above policy actions, and forensic confirmation of a "net" total of $375,178 in the GEMES Fund as of March 30, 2008, (i.e. $405,363 actually collected LESS $30,185 in extraordinary expense payments authorized by the Board) Agency staff presented the Board of Directors with the following options regarding disposition of the $175,178 excess in the GEMES Fund above the $200,000 cap:

1. Proportional cash refunds to all pumpers who paid the GEMES fee.
2. Proportional cash credits applied towards subsequent pump charge payments (SAS 2008-01 period and beyond if applicable).
3. Retention of this $175,178 "overage" amount to fund specific groundwater extraction management enforcement actions authorized by the Board.

After considering the Agency staff's report and hearing comments from Agency stakeholders, the Board of Directors voted to have Agency staff to implement Option No. 2 above. Accordingly, a $175,178 credit refund was applied against the amount of groundwater extraction charges due by well owners who had paid these special fees in their previous payment submittals.

- Terminated collection of GEMES fund fees as of December 31, 2007 and decreed that, "all expenditures of the GEMES fund must be approved by the Board." GEMES funds are kept in a separate restricted-use account within the County of Ventura Treasury, with the money to be used only for extraordinary legal expenses;

4.3 Financial Audits

In accordance with California Government Code Section 26909, the FCGMA submits financial records to an independent contract auditor on a biennial basis. The FCGMA is considered a special purpose government, engaged in the management of groundwater extracted within its boundary, and operates on a cash-accounting basis.

Pursuant to applicable provisions of the Governmental Accounting Standards Board Statement 34 (GASB 34), Agency management provides financial statements in an enterprise format to the auditors who perform standard audit verification assurances that the statements are free of material misstatements. The financial audits completed during 2008 reflected financial transaction information for fiscal years 2006-2007 (ending June 30, 2007) and 2007-2008 (ending June 30, 2008). The Certified Public Accounting (CPA) firm of Rivera & Company, of Oxnard, California performed an independent analysis of the Agency's statements and financial transactions for the above reporting periods.

Rivera and Company was recommended by the County Auditor-Controller's Office to perform the FCGMA audit of the Agency's statements of revenues, expenses, and changes in net assets and cash flows. Results of the biennial audit performed according to California Government Code Section 26909 for the above two fiscal years was presented to the Board of Directors for their receipt and filing during their March 25, 2008 regular meeting.

The auditors found the respective changes in financial position and cash flows as presented in the financial statements for the above referenced fiscal years, "…*were in conformity with generally accepted accounting principles."* A copy of Rivera & Company's biennial audit report is available upon request. Because annual revenues *exceeded* the $150,000 annual limit found in Government Code Section 26909 (c) (1) (B), it will be necessary to conduct annual rather than biennial audits in future years. The next independent fiscal audit will thus be conducted during calendar year 2009, and will cover only the 2008-2009 fiscal-year period.

4.4 Notation Concerning "Annual" Reports

This Annual Report covers activities during the "Calendar Year" which is January 1 2008 through December 31 2008. Groundwater extraction fees that make up the main base income for the FCGMA are collected during this calendar year every 6-months. The 01 period runs from January 1 through June 30 and Semi-Annual Groundwater Extraction Statements are mailed to well operators in early July so they can self-report within 30 days of receipt of these notices. The FCGMA 02 reporting period runs from July1 through December 31, and Semi-Annual reporting statements are mailed in early January of the following calendar year with another 30-day allowance to report and pay for groundwater extractions that occurred during the previous 6-months.

The "Fiscal Year" for the FCGMA is July 1 of each calendar year to June 30 of the following calendar year. Budget periods adhere to this fiscal schedule.

The FCGMA cannot complete its annual report until completion of the Fiscal year and the Calendar Year. Extraction reporting and payments for groundwater extracted during calendar year 2008 are not collected until about the end of February 2009, and resolution of fiscal accounting is not completed until approximately August of 2009. Rainfall and stream runoff data for water year 08-09 cannot be totaled until the water year ends on September 30, 2009; so charts and graphs cannot be prepared till about October of 2009. Only after all of the available data is collected can an Annual Report for 2008 be finalized (last quarter of 2009).

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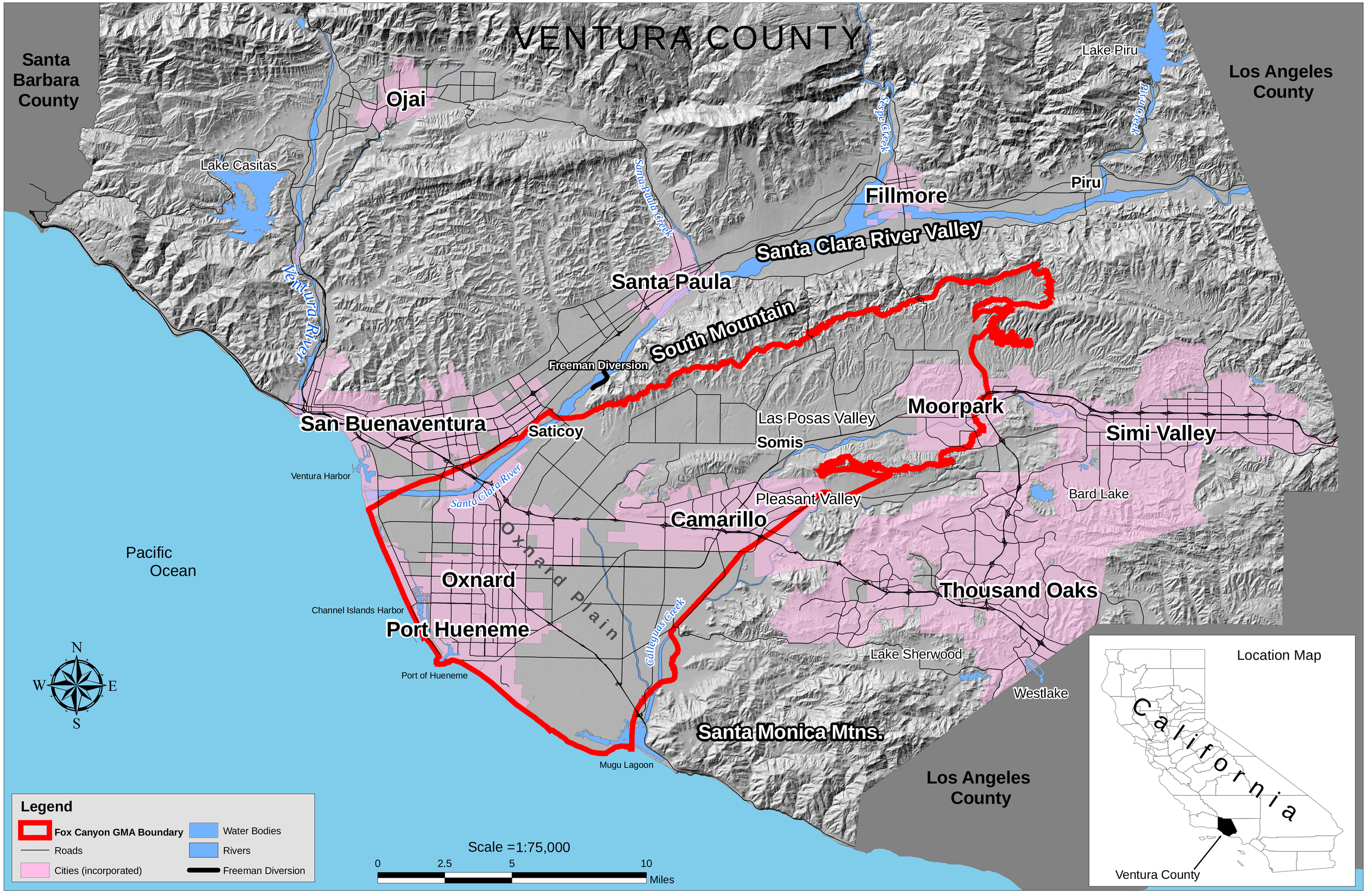
FIGURES



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

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Prepared By: JPD January, 2007
Revised By: JPD January, 2009
Reviewed By: DJP
Date Prepared: January, 2009

1. City limits: Ventura County Geographic Information Sysytems, 2007
2. FCGMA Boundary VCBOS, 1992; Revised 1996.

Figure 1: Fox Canyon Groundwater Management Agency Boundary

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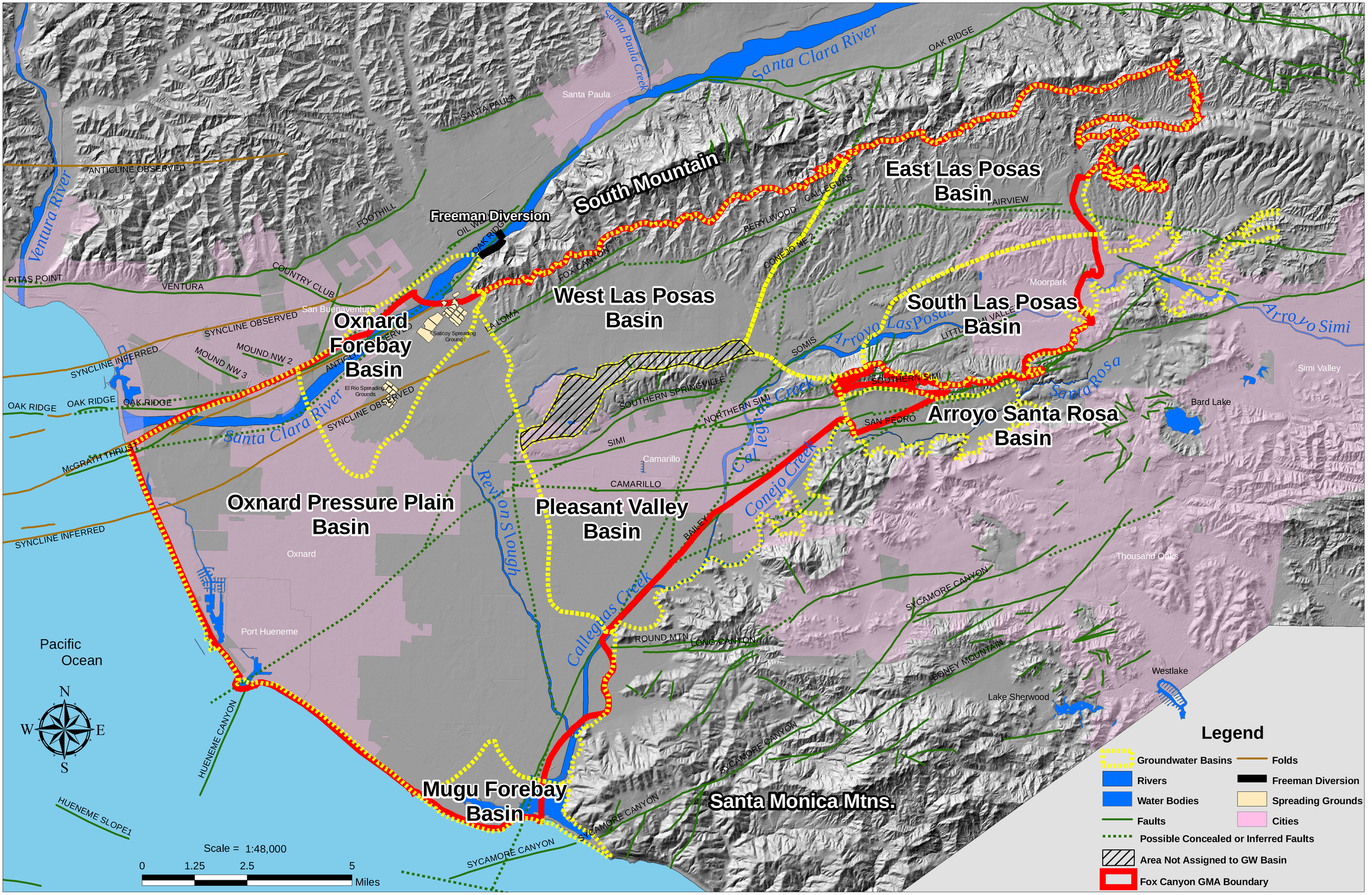

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Date Prepared: January, 2007
Date Reviewed: January, 2007

1. 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 2: Major Hydrogeologic Features and Groundwater Basins Within the FCGMA

K:\GW\GR\Map Database\Map Master Copies\FCGMA_ANNUAL_Report2005_Figure2.pdf

FIGURE 3
Annual Rainfall and Reported Groundwater Extractions in the FCGMA

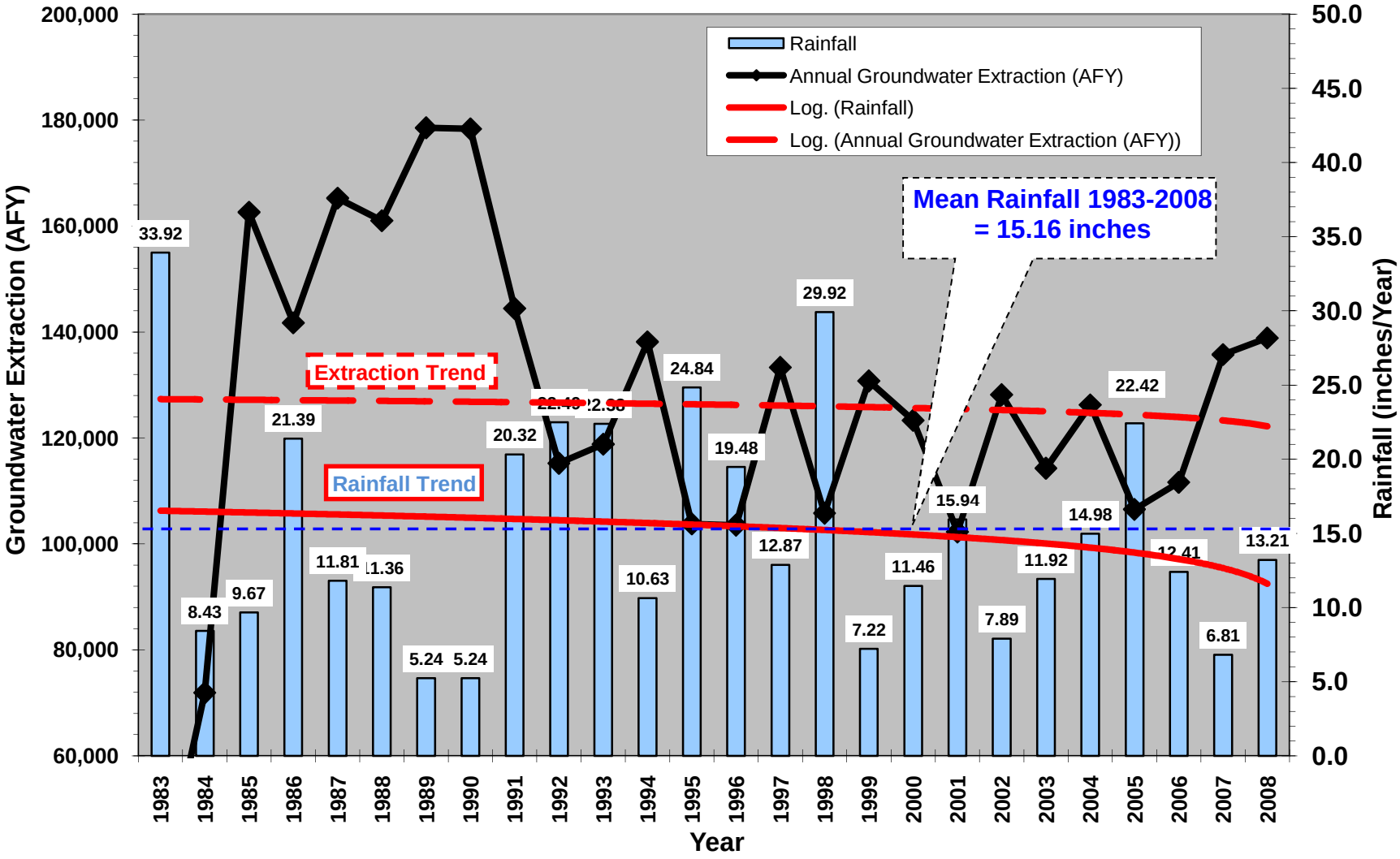


FIGURE 4
Rainfall and Reported Groundwater Extraction in the FCGMA for -01 Reporting Period 1984-2008

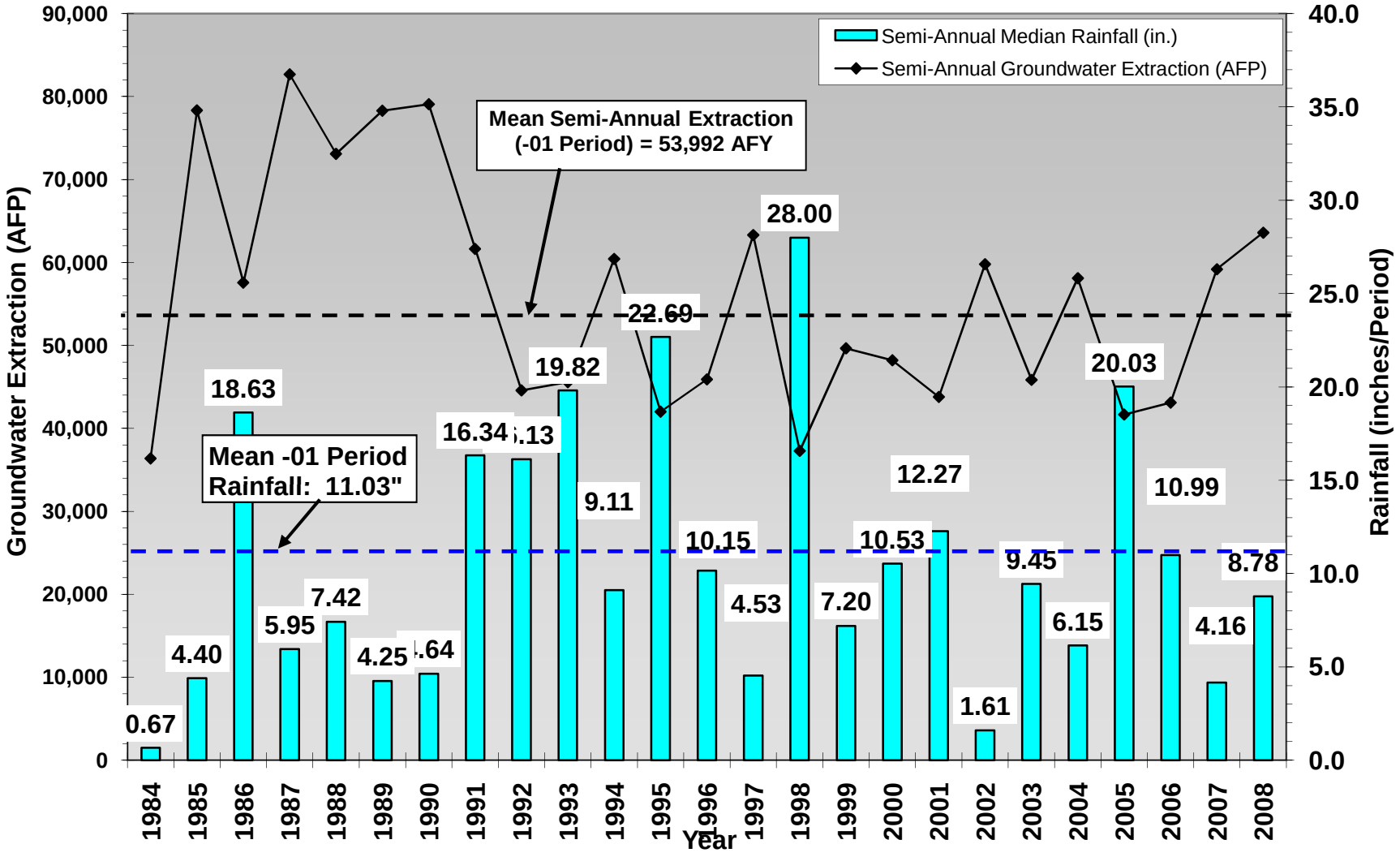
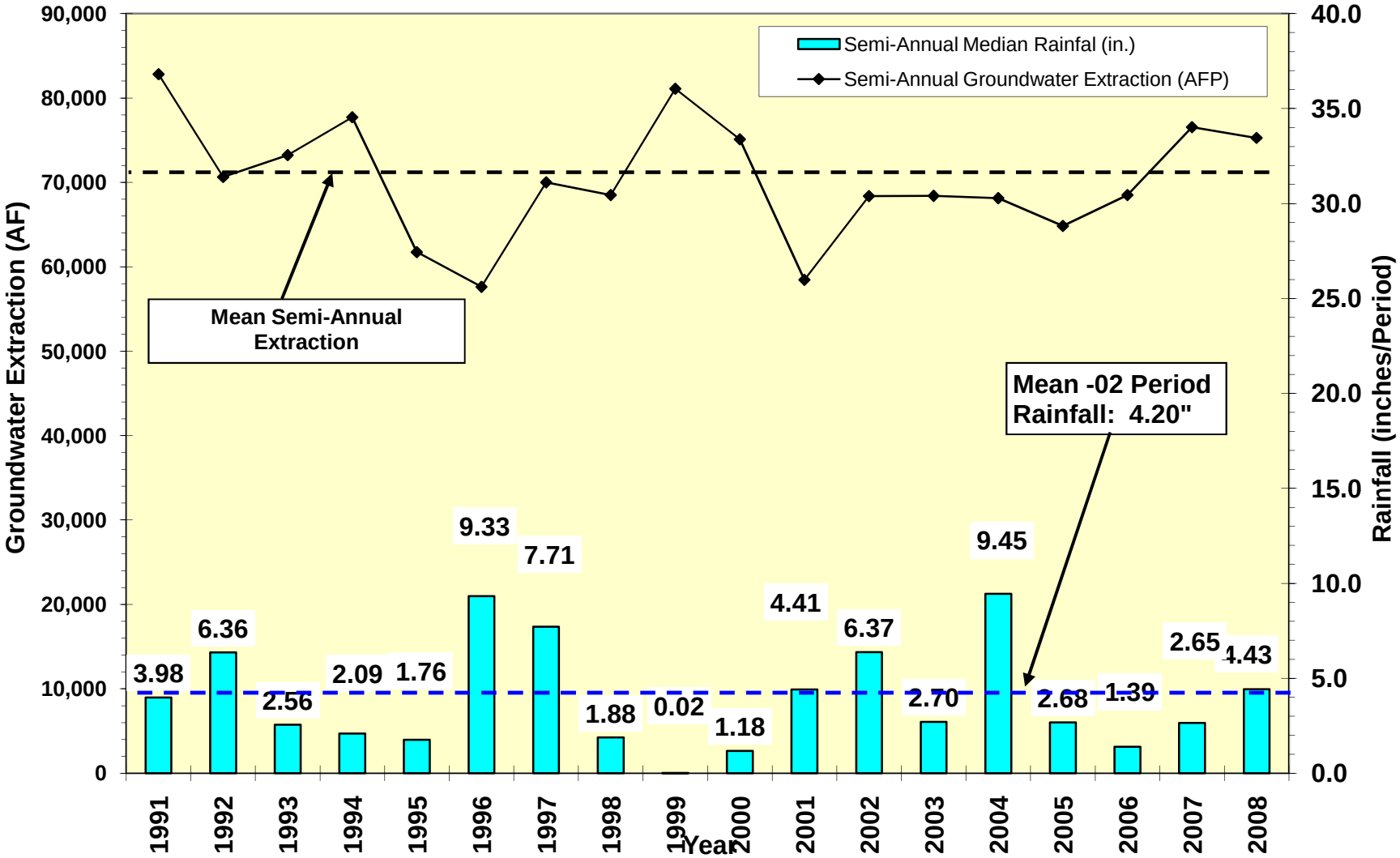


FIGURE 5
Rainfall and Reported Groundwater Extraction in the FCGMA for -02 Reporting Period



N
W E
S

Dom 0.1%
M & I 16.5%
Ag 83.4%

Dom 0.0%
M & I 27.9%
Ag 72.1%

Dom 0.2%
Ag 27.0%
M & I 72.7%

Freeman Diversion

East Las Posas Basin
Total Extractions - 23,898 AF

West Las Posas Basin
Total Extractions - 13,244 AF

South Las Posas Basin
Total Extractions - 2,212 AF

Oxnard Forebay Basin
Total Extractions - 25,843AF

Saticoy Spreading Grounds

El Rio Spreading Grounds

Santa Clara River

Arroyo Las Posas

Arroyo Simi

Calleguas Creek

Santa Rosa

Bard Lake

Arroyo Santa Rosa Basin
Total Extractions - 1,338 AF

Revlon Slough

Pleasant Valley Basin
Total Extractions - 15,668 AF

Conejo Creek

Calleguas Creek

M & I 1.5%
Dom 0.0%
Ag 98.5%

Oxnard Pressure Plain Basin
Total Extractions - 56,851 AF

Pacific Ocean

M & I 0 %
Dom 0 %
Ag 100 %

Dom 0.4%
M & I 36.7%
Ag 62.9%

Dom 0.6%
M & I 34.9%
Ag 64.5%

Legend

- Freeman Diversion
- Area Not Assigned to GW Basin
- Spreading Grounds
- Fox Canyon GMA Boundary
- Water Bodies
- Rivers

Groundwater Basins
2008 Extractions Within FCGMA

- 1338.00 - 5000.00
- 5000.01 - 15000.00
- 15000.01 - 25000.00
- 25000.01 - 40000.00
- 40000.01 - 57000.00

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

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Ventura, CA 93009-1600
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Fax: (805) 677-8762
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www.publicworks.countyofventura.org/fcgma

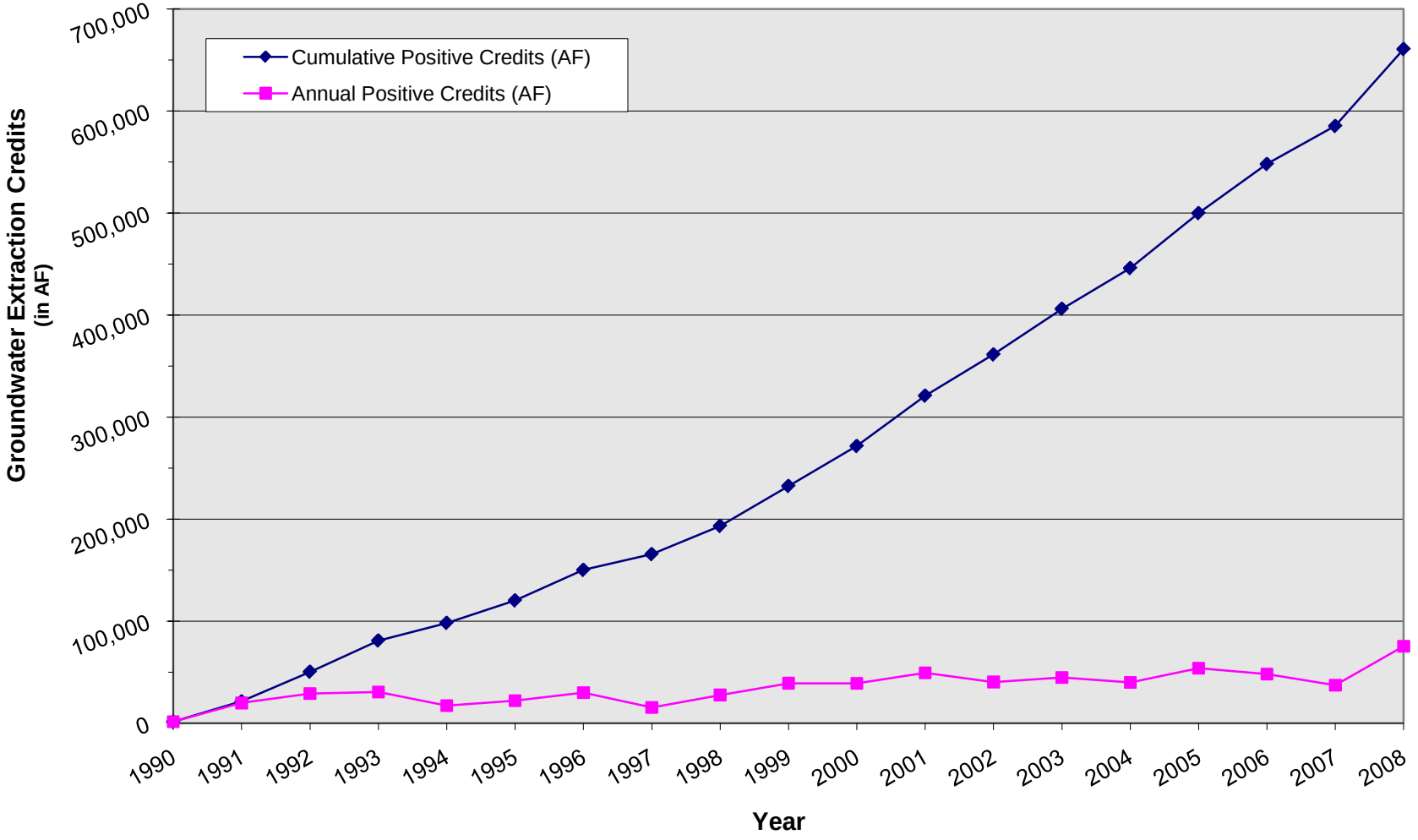
Prepared By: JPD
Reviewed By: DJP
Date Prepared: March, 2010
Date Reviewed: March, 2010

Scale = 1:42,000
0 1.25 2.5 5 Miles

Figure 6: Summary of Reported Groundwater Extractions By Basin

FIGURE 7

Historic Accumulation of Credits in the FCGMA



TABLES

TABLE 1
SUMMARY OF FCGMA PERSONNEL
FOR CALENDAR YEAR 2008

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 (Vice Chair)	Representing the Five Cities within the Agency	(805) 482-4730
Steve Bennett	Representing the Ventura County Board of Supervisors	(805) 654-2226
Dr. Michael Kelley	Representing the Small Water Districts within the Agency	(805) 890-6095
ALTERNATE DIRECTORS [1]		
John Zaragosa	Ventura County Board of Supervisors	(805) 654-2613
Mike Conroy	Farmers	(805) 482-2669
Sam McIntyre	Small Water Districts	(805) 484-1779
Daniel Naumann	United Water Conservation District	(805) 488-1424
Neil Andrews	Cities	(805) 654-7827
STAFF		
Alberto Boada	Agency Legal Counsel	(805) 654-2578
Tammy Butterworth[2]	Agency Clerk of the Board	(805) 654-2002
Gerhardt Hubner, P. G.	Deputy Director, WPD, Water & Environmental Resources	(805) 654-5051
Gerard Kapuscik	Special Projects Manager	(805) 648-9284
Sheila Lopez	Agency Engineering Technician	(805) 645-1372
Kathy Miller[2]	Agency Deputy Clerk of the Board	(805) 654-2088
David Panaro, P.G.	Manager, WPD, Water Resources Division	(805) 654-2327
Jeff Pratt, P.E.	Agency Executive Officer	(805) 654-2040
Rick Viergutz, C.E.G.[2]	County Groundwater Manager	(805) 650-4083

Notes:

1. Table lists active Board Members and Alternate Board Members at the end of 2008. Since terms are staggered, only the Farmer and City seats were up for renewal in 2008. County Supervisor John Flynn was unseated by John Zaragosa in the November elections, after which Steve Bennett moved from Alternate to fill the active Board member seat and Supervisor Zaragosa was appointed to the Alternate

2. Rick Viergutz was assigned part-time FCGMA duties as the new County Groundwater Manager when he was hired in July 2008; Kathy Miller served as Deputy Clerk of the Board January - April 2008 (until her retirement).

TABLE 2

SUMMARY OF REPORTED GROUNDWATER EXTRACTION WITHIN THE FCGMA SINCE 1983

Calendar Year	-01 Period [in AFY][1,2,3]	-02 Period [in AFY][1,2,3]	Annual [in AFY][1,2,3]	Amount of Reduced Historical Allocation per FCGMA Ordinance[4]
2008	63,694.739	75,360.156	139,054.895	15%
2007	59,604.129	77,337.273	136,941.402	15%
2006	43,655.265	69,457.474	113,112.739	15%
2005	41,691.615	64,905.739	106,597.354	15%
2004	59,356.707	70,804.774	130,161.481	15%
2003	46,121.995	69,540.433	115,662.428	15%
2002	61,642.114	70,515.434	132,157.548	15%
2001	43,702.595	58,497.346	102,199.941	15%
2000	48,203.387	75,021.767	123,225.154	15%
1999	49,658.560	81,129.736	130,788.296	10%
1998	37,315.909	68,530.053	105,845.962	10%
1997	63,321.631	70,013.866	133,335.497	10%
1996	45,906.861	57,635.792	103,542.653	10%
1995	42,028.138	61,737.751	103,765.889	10%
1994	60,484.470	77,720.386	138,204.856	5%
1993	45,574.299	73,274.386	118,848.685	5%
1992	44,588.924	70,635.614	115,224.538	5%
1991	61,638.338	82,842.625	144,480.963	0%
1990	79,074.061	99,262.177	178,336.238	0%
1989	78,301.327	100,251.311	178,552.638	NA
1988	73,101.775	87,908.534	161,010.309	NA
1987	82,682.249	82,586.087	165,268.336	NA
1986	57,584.663	84,137.050	141,721.713	NA
1985	78,338.718	84,280.825	162,619.543	NA
1984	36,376.903	35,506.032	71,882.935	NA
1983	284.820	28,984.417	29,269.237	NA

Notes:

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

AFY = Acre-feet per year

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. FCGMA Reporting Periods are: (1) Jan. 1 - June 30; (2) July 1 - Dec. 31 of each Calendar Year; Annual refers to extraction occurring from January 1 through December 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 based on low extraction values and low number of registered operators compared to proceeding years.

4. Historical Allocation (HA) is one of three methods employed by the FCGMA to allocate groundwater extraction (1990-present) (See text Section 2.3). Reductions stipulated by FCGMA Ordinance and Resolutions. 1985-1989: Historical Allocation Determination Period.

TABLE 3

COMPARISON OF CURRENT YEAR (2008) TO HISTORIC GROUNDWATER EXTRACTION IN THE FCGMA

	Extraction for -01 Periods (AF/Period)[1]	Extraction for -02 Periods (AF/Period)[1]	Annual Extraction (AF/Year)[1]
Current Year (2008)	**63,694.739**	**75,360.156**	**139,054.895**
Managed Extraction Mean[2] (1991 - 2008)	51,010.538	70,831.145	121,841.682
Comparison of Current Year (2008) to Managed Extraction Mean[2] (reported as %)	125%	106%	114%
Rank of Current Year Extraction to Annual Extraction[3] (1991-2008)	1	5	2
Long Term Mean[4] (1985 - 2008)	56,970	75,558	132,527
Comparison of Current Year (2008) to Long Term Mean[4] (reported as %)	112%	100%	105%

Notes:

AF = acre feet

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).

1. Reporting Periods are: (-01) Jan. 1 - June 30; (-02) July1 - Dec. 31 of each Calendar Year.

2. Managed Extraction Mean refers to arithmetic average of the reported Agency-wide groundwater extraction per year from 1991 through 2008 which represents the period where the Agency uses groundwater extraction allocations.

3. Rank (from highest to lowest) of the current year's reported annual extraction to the annual extraction reported from 1991-2008; For this analysis the highest extaction value for the time period is 1.

4. Long Term Mean refers to mean Agency-wide groundwater extraction per period or year from 1985 through 2008. Groundwater extraction data for 1983-1 through 1984-2 determined to be incomplete and not included in this analysis.

TABLE 4

SUMMARY OF RAINFALL AND EVAPORATION OBSERVED AT FCGMA WEATHER STATIONS (1993 - 2008)

ANNUAL RAINFALL (in inches)

Station	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Mean Annual Station Values 1993-2008
Camarillo	23.68	7.41	19.26	21.76	14.13	22.36	5.85	10.68	15.94	5.47	11.92	13.68	21.78	13.26	Discontinued	Discontinued	**14.92**
Camarillo Airport	22.98	10.97	25.70	15.76	11.98	28.51	5.59	11.46	15.00	7.53	11.62	12.88	16.31	11.33	6.81	13.21	**14.23**
Etting_Rd	19.98	11.36	25.48	17.57	12.28	ND	ND	ND	ND	8.25	13.21	15.50	21.59	11.59	7.38	13.55	**14.81**
Moorpark	21.67	10.29	23.00	19.34	15.74	33.03	7.50	10.92	15.90	6.75	9.74	16.89	30.92	13.22	6.80	14.69	**16.03**
Saticoy	23.95	13.74	26.92	21.34	13.46	31.01	7.22	12.13	23.50	8.47	14.62	14.46	23.06	9.09	7.90	14.87	**16.61**
Somis	21.78	9.68	24.20	19.61	10.32	29.92	7.39	12.08	20.03	9.84	11.92	20.26	33.52	17.14	8.66	15.54	**16.99**
Annual Maximum	23.95	13.74	26.92	21.76	15.74	33.03	7.50	12.13	23.50	9.84	14.62	20.26	33.52	17.14	8.66	15.54	**18.62**
Annual Median	**22.38**	**10.63**	**24.84**	**19.48**	**12.87**	**29.92**	**7.22**	**11.46**	**15.94**	**7.89**	**11.92**	**14.98**	**22.42**	**12.41**	**7.38**	**14.69**	**15.40**
Annual Minimum	19.98	7.41	19.26	15.76	10.32	22.36	5.59	10.68	15.00	5.47	9.74	12.88	16.31	9.09	6.80	13.21	**12.49**

ANNUAL EVAPOTRANSPIRATION (in inches)

Station	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Mean Annual Station Values 1993-2008
Camarillo	57.49	54.95	52.86	54.22	53.28	54.14	65.96	58.22	55.7	59.97	49.23	50.79	46.86	44.92	Discontinued	Discontinued	**54.90**
Camarillo Airport	55.22	48.02	51.46	54.08	53.89	54.86	66.96	66.91	62.36	67.01	48.56	49.08	42.24	41.60	43.79	44.97	**53.19**
Etting_Rd	42.53	36.41	ND	45.76	43.44	ND	ND	ND	ND	52.5	39.72	48.33	41.96	39.80	39.09	40.31	**42.71**
Moorpark	51.49	49.09	50.58	53.60	56.68	50.14	58.79	55.31	63.92	65.75	50.27	51.49	45.66	43.97	46.81	48.29	**52.62**
Saticoy	54.65	52.31	57.86	56.52	52.78	56.4	65.94	64.32	59.58	64.54	47.35	55.70	44.88	43.20	42.68	44.06	**53.92**
Somis	52.46	51.08	49.18	52.64	52.70	57.31	62.75	60.22	54.89	61.47	49.67	52.26	44.21	43.82	45.83	44.64	**52.20**
Annual Maximum	57.49	54.95	57.86	56.52	56.68	57.31	66.96	66.91	63.92	67.01	50.27	55.7	46.86	44.92	46.81	48.29	**56.15**
Annual Median	**53.56**	**50.09**	**51.46**	**53.84**	**53.03**	**54.86**	**65.94**	**60.22**	**59.58**	**63.01**	**48.90**	**51.14**	**44.55**	**43.51**	**43.79**	**44.64**	**52.63**
Annual Minimum	42.53	36.41	49.18	45.76	43.44	50.14	58.79	55.31	54.89	52.5	39.72	48.33	41.96	39.80	39.09	40.31	**46.14**

Notes:

ND - No data available.

1. Annual summary values are a compilation of observed or supplemental data for a particular year. For each station, annual values represent the sum of daily observed data or supplemental data for each year.
2. Historically, each station had missing data each year, typically amounting to 5-10 days on average. Data gaps were replaced with supplemental data (See Notes #3-4). Equipment malfunctions or breakdown was cause for missing data in most cases.
3. **Supplemental Data:** Data derived from geographically nearest FCGMA weather station or calculated from multiple nearby FCGMA stations to replace lack of observed data. In the case of 1 nearby station, supplemental data replaces "no data" at FCGMA station. In the case of multiple nearby stations, a median of multiple station observations is used unless two of those observation values are zero. In that case, the highest value is used.
4. **Supplemental Data Process:** Where practical, missing data from FCGMA weather stations was replaced with data from geographically closest VCWPD weather stations including 17C, 17B, 223A, 177, 49A, 141, 190, 259, 261, and 263.
5. Etting Road station not in operation 1998-2001. Rain data from 9/28/1997- 12/31/1997 derived from median of VCWPD weather stations (17C, 223A, and 177).
6. No supplemental data used for Etting Road 1998-2001 since no original data exists. For these years, Agency Annual Median, Annual Maximum, and Annual Minimum represent summaries of data from five other stations with observed data.

TABLE 5

SUMMARY OF GROUNDWATER EXTRACTION CREDITS ACCUMULATED IN THE FCGMA SINCE 1990[1]

Year	Net Annual Credits Granted/Earned[2,4] (AF)	Agency Aggregate Total Positive Credit Balance[3] (+ AF)
2008	75,423	660,712
2007	37,252	585,288
2006	48,166	548,037
2005	53,829	499,871
2004	39,893	446,042
2003	44,763	406,149
2002	40,396	361,386
2001	49,355	320,990
2000	39,132	271,635
1999	39,178	232,502
1998	27,632	193,324
1997	15,464	165,693
1996	29,903	150,228
1995	22,036	120,326
1994	17,283	98,290
1993	30,593	81,007
1992	29,070	50,414
1991	19,866	21,345
1990	1,479	1,479
1989	0	0
1988	0	0
1987	0	0
1986	0	0
1985	0	0
1984	0	0
1983	0	0

Notes:

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

1. Credit Program Initiated in 1991. Initial credits were granted for 1990 extraction of less than available annual Historical allocation.

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 1999-2008 (present), credits are automatically earned for groundwater use of less than available Historical allocation or for groundwater injected. Credits did not exist 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 2008.

4. 2008 Estimated Net Credits Earned value is substantially greater than 2007 value due to the reconciliation of Calleguas Municipal Water District's FCGMA account.

TABLE 6
SUMMARY OF GROUNDWATER EXTRACTION AND ESTIMATED CREDITS BY GROUNDWATER BASIN FOR CALENDAR YEAR 2008

Basin	2008 Total Reported Groundwater Extraction (in AF/Year)[1]	% of Total Agency Extraction	2008 Estimated Net Credits Earned (in AF)[2,4]	% of Net Credits Earned in 2008	Approximate Aggregate Positive Credit Balance by Basin (in AF)[3]
Oxnard Plain Pressure Basin	56,851.364	41%	30,064.860	65.3%	331,253.018
Oxnard Plain Forebay Basin	25,842.834	19%	8,077.107	17.6%	99,337.978
Pleasant Valley Basin	15,668.088	11%	3,646.204	7.9%	78,766.437
West Las Posas Basin	13,244.029	10%	1,761.310	3.8%	28,592.958
East Las Posas Basin[5]	23,898.094	17%	1,743.949	3.8%	116,048.084
South Las Posas Basin	2,212.203	2%	376.793	0.8%	4,181.829
Arroyo Santa Rosa Basin	1,338.283	1%	342.667	0.7%	2,013.621
2008 Cumulative[4]	**139,054.895**	**100%**	**46,012.890**	**100%**	**660,193.925**

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 2008 that have net positive credit balance after considering 2008 extractions 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 2008. 2008 Agency Aggregate Total Positive Credit Balance in Table 5 more representative of credits available for future extraction.

4. 2008 Estimated Net Credits Earned value varies slightly from 2008 Net Annual Credits Granted in Table 5 due to some accounts operating facilities in multiple basins. 2008 Net Annual Credits Granted in Table 5 are more representative of credits earned in 2008.

5. 2008 Estimated Net Credits Earned value is substantially greater than 2007 value in the East Las Posas Basin due to the reconciliation of Calleguas Municipal Water District's FCGMA account.

TABLE 7

SUMMARY OF REPORTED GROUNDWATER EXTRACTION AND USE-TYPE WITHIN THE FCGMA FOR CALENDAR YEAR 2008

Basin Type	Groundwater Basin	Groundwater Use-Type	Total Reported Groundwater Extraction for 2008 (in AF/Year)	% of Individual Groundwater Basin Extraction	% of Total Agency-wide Groundwater Extraction	Total # of Wells[6]	Total # of Active Wells[7]
Agricultural-Use Basins	**Arroyo Santa Rosa**	Basin Total	**1,338.283**	**--**	**1.0%**	**15**	**9**
		Agricultural	1,338.283	100.0%	1.0%	15	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	**23,898.094**	**--**	**17.2%**	**156**	**122**
		Agricultural	17,235.835	72.1%	12.4%	112	86
		Domestic	5.281	0.0%	0.0%	12	10
		M & I	6,656.978	27.9%	4.8%	32	26
	South Las Posas	Basin Total	**2,212.203**	--	**1.6%**	**24**	**15**
		Agricultural	2,177.857	98.4%	1.6%	19	13
		Domestic	0.000	0.0%	0.0%	1	0
		M & I	34.346	1.6%	0.0%	4	2
	West Las Posas	Basin Total	**13,244.029**	--	**9.5%**	**74**	**53**
		Agricultural	11,048.863	83.4%	7.9%	55	38
		Domestic	12.445	0.1%	0.0%	5	5
		M & I	2,182.721	16.5%	1.6%	14	10
Mixed-Use Basins	**Oxnard Plain[3]**	Basin Total	**56,851.364**	--	**40.9%**	**412**	**289**
		Agricultural	36,656.186	64.5%	26.4%	269	192
		Domestic	365.510	0.6%	0.3%	53	46
		M & I	19,829.668	34.9%	14.3%	90	51
	Pleasant Valley	Basin Total	**15,668.088**	--	**11.3%**	**90**	**62**
		Agricultural	9,854.213	62.9%	7.1%	62	40
		Domestic	61.657	0.4%	0.0%	18	15
		M & I	5,752.218	36.7%	4.1%	10	7
M & I-Use Basin	**Oxnard Plain Forebay**	Basin Total	**25,842.834**	--	**18.6%**	**109**	**75**
		Agricultural	6,983.588	27.0%	5.0%	48	36
		Domestic	63.841	0.2%	0.0%	8	4
		M & I	18,795.405	72.7%	13.5%	53	35
		2008 Cumulative	**139,054.895**	--	**100.0%**	**880**	**625**

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 undocumented groundwater extraction may exist.
2. Reporting Periods are: (1) Jan. 1 - June 30; (2) July 1 - Dec. 31 of each Calendar Year
3. Oxnard Plain Basin includes area formerly identified as Mugu Forebay Groundwater Basin
4. Agency-wide totals by use type: Agricultural - 85,294.825 AF (61.3%); Domestic 507.442 AF (0.4%); M & I - 53,251.336 AF (38.3%).
5. Extraction data current as of 03/04/2010.
6. Total number of wells for operators reporting for 2008.
7. Considers wells reporting extraction greater equal to or greater than 0.000 AF for 2008.

TABLE 8

Fox Canyon Groundwater Management Agency
2008 Eto, Effective Rainfall & Allowed Water for Various Crops

(All values in Inches or Feet, unless otherwise noted)

Station	Total Eto	Total Rain	Total Effective Rain					Total Allowed Water *(Acre-Inches or Acre-Feet)*				
			Avocados	Lemons	Oranges	Straw/Sod /Celery	Veges	Avocados	Lemons	Oranges	Straw/Sod /Celery	Veges
Moorpark Total	48.29	14.69	10.79	10.79	10.79	5.87	7.18	37.49"*or* 3.124'	37.49"*or* 3.124'	37.49"*or* 3.124'	42.42"*or* 3.535'	41.11"*or* 3.426'
Somis Total	44.64	15.54	10.52	10.52	10.52	5.79	7.14	34.11"*or* 2.843'	34.11"*or* 2.843'	34.11"*or* 2.843'	38.84"*or* 3.237'	37.50"*or* 3.125'
Saticoy Total	44.06	14.87	9.99	9.99	9.99	5.68	6.89	34.06"*or* 2.838'	34.06"*or* 2.838'	34.06"*or* 2.838'	38.38"*or* 3.198'	37.16"*or* 3.097'
Etting Rd Total	40.31	13.55	11.01	11.01	11.01	6.19	7.32	29.29"*or* 2.441'	29.29"*or* 2.441'	29.29"*or* 2.441'	34.12"*or* 2.843'	32.98"*or* 2.748'
Camarillo Airport Total	44.97	13.21	10.66	10.66	10.66	5.76	7.07	34.31"*or* 2.859'	34.31"*or* 2.859'	34.31"*or* 2.859'	39.21"*or* 3.268'	37.90"*or* 3.158'

$$\text{Irrigation Efficiency} = \frac{(\text{Allowed Water}^{**}) \times (\text{No. of Acres Irrigated})}{\text{Water Applied}} \times 100$$

** The allowed water for a particular crop is the total Eto for 2008 times a coefficient (Kc) of 1.0 less adjustments for effective rainfall

Note: Differences in Total Allowed Water values are due to negative allowed water in rainy periods.

TABLE 9

SUMMARY OF METERING STATUS FOR ACTIVE OR INACTIVE WELLS IN THE FCGMA FOR CALENDAR YEAR 2008

Meter Type	Number of Wells	% of Total Wells
Water[1]	776	69%
Power[2]	38	3%
Other (not specified) or N/A	63	6%
Consumptive Use (CU)[3]	62	5%
Unmetered[4,5]	196	17%
Wells Checked for Meter Calibration	**1,129**	**100%**

Notes:

1. Directly measures extraction in AF, gallons, cubic feet, miners 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. CU = Consumptive Use (annual water volume based on the number of people per household or business times average water use per day obtained from local water provider, national or State averages, or other available studies)

4. Includes backup or standby wells that are not required to have a flow meter including domstic wells, new wells not yet in service, or abandoned wells.

5. Crop Factor Method = a calculation of water use based on acreage planted times average water use per acre per year for the particular crop (used only when a flowmeter or direct reading is not available).

Appendix A

Resolutions Passed by the Fox Canyon Agency Board of Directors in Calendar Year 2008

Resolution 2008-02
of the
Fox Canyon Groundwater Management Agency

A RESOLUTION TERMINATING THE COLLECTION OF GROUNDWATER EXTRACTION MANAGEMENT ENFORCEMENT SURCHARGE (GEMES) ON DECEMBER 31, 2007 AND LIMITING FOX CANYON GROUNDWATER MANAGEMENT AGENCY EXPENSES ELIGIBLE FOR GEMES FUNDING

WHEREAS during the April 26, 2006 regular meeting, the Board adopted Resolution 2006-02, a Resolution establishing a Groundwater Extraction Management Enforcement Surcharge (GEMES) of $2.00 per Acre-Foot effective July 1, 2006 and terminating on July 1, 2009 ; and

WHEREAS during the July 26, 2006 regular meeting, the Board adopted Resolution 2006-04, a Resolution defining the class of extraordinary Agency expenses eligible for GEMES funding, directing the administration of those funds and authorizing the Executive Officer to expend funds consistent with the resolution; and

WHEREAS subsequent to those actions, the Board now desires to terminate the GEMES earlier than July 1, 2009, to provide the Agency with additional policy direction defining the class of extraordinary groundwater extraction management enforcement expenses eligible for GEMES funding and limit such expenditures to Board authorized legal actions.

NOW, THEREFORE, the Board of Directors of the Fox Canyon Groundwater Management Agency hereby resolves that:

1. GEMES revenues shall only be utilized to fund Board authorized legal action by the Agency to enforce the Agency's groundwater extraction management ordinances, resolutions, policies, plans, and programs.
2. The class of Agency expenditures eligible for GEMES funding shall be limited to:
    a. Agency staff time directly attributable to legal action authorized by the Board.
    b. Specialized engineering and technical studies and surveys required in support of legal action.
    c. Legal fees (both Agency Counsel and possibly outside specialized counsel costs) in support of legal action.
    d. Enforcement activity costs associated with litigation.
3. All expenditures of the GEMES fund must be approved by the Board.
4. The GEMES shall terminate as of January 1, 2008, and shall be applied to groundwater extracted through December 31, 2007, unless otherwise directed by the Board. The obligation to pay all amounts due under the GEMES shall not terminate on December 31, 2007, but shall remain in effect until paid.
5. The GEMES revenues are capped at $200,000 and such amount shall be placed in a separate "restricted use" interest-bearing account.

On motion of Director Borchard and seconded by Director Kelley, the foregoing Resolution was passed and adopted on this 27th day of February 2008.

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 2008-02.

By: _____
Tammy Butterworth, Clerk of the Board

Resolution 2008-03
of the
Fox Canyon Groundwater Management Agency

A RESOLUTION ESTABLISHING AN ADDITIONAL 5% REDUCTION IN HISTORICAL EXTRACTION ALLOCATIONS WITHIN THE BOUNDARIES OF THE AGENCY, EFFECTIVE JANUARY 1, 2009, AND AUTHORIZING THE ESTABLISHMENT OF AN ALTERNATIVE WATER SUPPLY PROJECT CERTIFICATION PROJECT IN LIEU THEREOF

WHEREAS, the Fox Canyon Groundwater Management Agency (Agency) was created by the State Legislature in 1982 to manage groundwater basins encompassing an approximate 183 square mile portion of southern Ventura County; and

WHEREAS, the statutory mission of the Fox Canyon Groundwater Management Agency (Agency) includes the protection and preservation of groundwater resources within the boundary of the Agency; and

WHEREAS, pursuant to AB 2995, (i.e. Annotated California Codes Water Appendix, Chapter 121-102 et seq) the Agency was charged by the State Legislature with developing, adopting, and implementing a plan to control groundwater extractions from the Upper Aquifer System (UAS) to achieve a balanced water supply and demand in the UAS by the year 2000. And, additionally, to adopt a Lower Aquifer System (LAS) Management Plan governing future extractions from the LAS designed to achieve safe-yield in the LAS by 2010; and

WHEREAS, the Agency's Board of Directors adopted the original Groundwater Management Plan (GMP) in December of 1985, which among other things, specified several major "*best management practices*" including the adoption of an ordinance designed to incrementally restrict groundwater extractions in both the UAS and the LAS; and

WHEREAS, Ordinance No. 5, referred to as the "Groundwater Extraction Reduction Ordinance" was initially adopted by the Agency's Board of Directors on August 24, 1990 pursuant to the applicable provisions of the GMP; and

WHEREAS, the Agency's Board has periodically reviewed the effectiveness of the *Groundwater Extraction Reduction Ordinance*, with the most recent review resulting in the adoption of a comprehensive Agency Ordinance Code, (Ordinance No. 8.1) during the July 28, 2005 regular meeting; and

WHEREAS, Section 5.4.1 of Ordinance No. 8.1 provides for the implementation of an additional 5% reduction in historical extraction allocations within the basins governed by the Agency within the 2005-09 time period, with the intent of achieving a cumulative total of 20% reduction in groundwater pumping within those basins as compared to the 1985-89 base period; and

WHEREAS, the Agency's Board elected to defer the additional 5% reduction for the 2005-09 time period pending completion of the update to the Groundwater Management Plan (GMP); and

WHEREAS, the update to the GMP has identified the need to continue the reductions mandated by Section 5.4.1 of Ordinance No. 8.1; and

WHEREAS, the Agency's Board finds that the adoption of this resolution will help the Agency achieve its statutory mission of protecting and preserving groundwater resources by reducing groundwater pumping in overdrafted basins within the boundaries of the Agency.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED THAT pursuant to Section 5.4.1 of Ordinance No. 8.1, the Agency's Board of Directors establishes January 1, 2009 as the effective date for the reduction of historical extraction allocations from 85% to 80% of historical extraction.

In lieu of the further 5% pumping reduction to historical extraction allocation, an Operator(s) may propose an Alternative Water Supply Project subject to the Certification Process as outlined in Attachment No. 1 to this Resolution. Certification of a proposed Alternative Water Supply Project shall be determined by the Agency Board.

On motion of Director Craven, and seconded by Chair Maulhardt, the foregoing Resolution was passed and adopted on this 26th day of March 2008.

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 2008-03.

By: _____
Tammy Butterworth, Clerk of the Board

Attachment No. 1 – Resolution No. 2008-03
Alternative Water Supply Project Certification Process
In-Lieu of Implementation of
2005-2009 5% Historic Reduction

Who – Any operator(s) with sufficient institutional and financial ability to develop Alternative Water Supply project(s) and/or deliver water within Ventura County. An Alternative Water Supply project may be developed by individual operators or collectively by a group of operators. The option for Certification in lieu of this 5% reduction will only apply to operators with FCGMA historical allocations. Other entities without FCGMA historical allocations may provide assistance to other operators in developing Alternative Water Supply projects.

Where – Alternative Water Supply Project(s) must deliver the supplemental water supply within the boundaries of the Fox Canyon GMA.

What – Alternative Water Supply project(s) must deliver supplemental water supply not yet allocated or utilized (Examples – Recycled Water, Imported Water, In-lieu Surface Water, Conservation program). The volume of water must supplement/replace groundwater historically extracted.

How Much - An equivalent volume of supplemental water supply equal to an Operator's 5% 2005-2008 Historical Allocation Reduction.

When – Alternative Water Supply Project(s) must be capable of delivering equivalent water. Alternative Water Supply Projects must be capable of delivering this equivalent volume for no less than five years.

Certification - Operator(s) must initially submit a report (and annually thereafter) containing sufficient data, information, and project details proving their Alternative Water Supply project(s) deliver an equivalent volume of water equal to their 2005-2009 5% Historical Allocation Reduction. Agency staff may request additional information to confirm/verify project(s) will produce equivalent water. Agency staff may also conduct periodic inspections to confirm Certification. Water Certifications, when approved, are good for a five-year period and renewable in five-year increments.

Written Requests for Certification – All Certification requests must be submitted in writing, including data and information to support request, as determined by the Executive Officer.

Process – Initial requests for Certification will first be evaluated by the FCGMA's TAG regarding the technical merits of the projects. SAG and TAG will have 60 days to provide recommendations to the Executive Officer on any Water Certification request. The Executive Officer will then make a final recommendation to the Board. In absence of obtaining a Water Certification, all 2005-2009 5% Historical Reduction will take place on January 1, 2009. Written requests for Water Certification approved by the Board shall be implemented at the next scheduled Semi-Annual reporting period. Operators shall allow at least 90 days for the processing of a Water Certification request.

Amended Resolution 2008-04
of the
Fox Canyon Groundwater Management Agency

A RESOLUTION ADOPTING REVISED POLICIES AND PROCEDURES FOR REQUIRING AND IMPLEMENTING ACCURACY TESTING OF WATER FLOWMETERS PURSUANT TO CHAPTER 3.0 OF ORDINANCE NO. 8.1 AND RESCINDING RESOLUTION 2006-1

WHEREAS, the mission of the Fox Canyon Groundwater Management Agency (Agency) includes the protection and preservation of groundwater resources within the boundary of the Agency; and

WHEREAS, the Agency desires to ensure water flowmeter accuracy through a means flexible enough to allow changes as needed; and

WHEREAS, pursuant to the Agency Ordinance Code (Chapter 3.0, Sections 3.1 through 3.6 et seq.), rules governing water meter installation, inspection, calibration, and repair shall be detailed within an adopted resolution of the Board; and

WHEREAS, a resolution that spells out specific requirements to accomplish the necessary goals of accurate groundwater measurement and protection fits within the core mission goals of the Agency and is seen as the best available means to accomplish those goals; and

WHEREAS, on March 22, 2006, the Agency adopted Resolution No. 2006-1 requiring and implementing accuracy testing of water flowmeters; and

WHEREAS, the Agency has determined that revisions to the previously adopted methods and procedures for accuracy testing of water flowmeters are necessary; and

WHEREAS, it is advantageous for the Agency to have a compilation of clear methods and procedures in place, all in one resolution, to ensure flowmeter accuracy; and

WHEREAS, all water flowmeters shall be tested for accuracy at a frequency interval determined by the Board to meet specific measurement standards.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED THAT:
This resolution shall become effective 30 days following adoption and will remain in force until changed by the Agency's Board of Directors or by a change to the Agency's Ordinance Code.

SECTION 1. Revised Agency policies and procedures for requiring and implementing accuracy testing of water flowmeters are hereby adopted to read as follows:

1. Flowmeter Testing and Calibration Requirements

A. **General Procedures**

All required groundwater extraction flowmeters shall be tested for accuracy every three years to demonstrate accuracy within a range of plus or minus 5%. After the initial calibration, a waiver may be granted to this requirement to those well owners

or operators with a pump motor of less than or equal to 10 horsepower and that extract less than or equal to 10 acre-ft of groundwater, averaged over a period of five years. In addition, after a five-year period has expired from initial calibration, the well owner can apply for an additional five-year waiver. In no case shall the flowmeter be calibrated less than every 10 years. The well owner must apply for the waiver and provide proof of meeting waiver requirements.

Written certification of water meter accuracy by a qualified flowmeter testing company or person approved by the Agency Executive Officer, or designee, shall be submitted within 120 days of written notification by the Agency to the well operator or owner. Notification shall be sent by regular U.S. Mail to the address on file within the Agency records.

Flowmeters found to be within the required accuracy range will be sealed by an Agency staff person or a designated agent of the Agency via a method sufficient to prevent unauthorized removal of or tampering with the flowmeter.

If the flowmeter testing seal is broken, the flowmeter shall be retested and proof of accuracy submitted to the Agency within 30 days of discovery of the broken seal. Upon receipt of proof of accuracy, Agency staff or a designated agent of the Agency will reseal the flowmeter.

The Agency Executive Officer, or designee, may, on a showing of good cause, grant additional time to comply with these provisions.

B. **Approved Methods of Testing and Testing Requirements**

Method(s) of accuracy testing and calibration shall be determined by the Agency Executive Officer, or designee, and may be changed at any time to accommodate technological improvements or better methods.

Some flowmeter tests may require a pipe tap or access fitting on either the upstream or downstream side of the well flowmeter, or both. If such portals are not available, the well operator or owner shall provide them at his or her own expense.

In cases where more than one flowmeter is utilized to measure groundwater extractions, every flowmeter in that well and/or plumbing configuration must be tested and calibrated to required tolerances during the same visit or time interval when the order to test has been received from the Agency.

C. **Testing Option Via Southern California Edison (SCE)**

If the well pump motor is tested for electrical demand efficiency by Southern California Edison (SCE), a copy of the SCE Efficiency Report may be submitted to the Agency in-lieu of the required flowmeter calibration report; however, an adequate comparison of the SCE-determined flow measurement against the customer's existing well flowmeter must be provided within the submitted report.

Submitted SCE Efficiency Report(s) must not be older than one year from the date of the Agency flowmeter calibration test notification letter. If the SCE test results indicate that the flowmeter exceeds the plus or minus 5% accuracy range, the flowmeter must be repaired or replaced and retested per section "1A" above at the owner's expense.

Special Note: Failure to obtain passing test results within the Agency-specified time frame due to SCE's workload or backlog schedule is not justification for a time extension request. However, if a letter from SCE confirming a scheduled test date after the Agency specified time frame is submitted to the Agency within the original 120 day testing window, the Agency Executive Officer, or designee, may authorize a test date time extension.

D. **New Flowmeter Installations**

When any operator or owner installs a new water flowmeter on the discharge piping of a well, proof of flowmeter accuracy shall be submitted to the Agency within 30 days of the installation date along with a request for a new security seal.

E. **Required Documentation To Certify Calibration Accuracy Standards**

Documentation to indicate that existing flowmeters meet accuracy or calibration standards (without flowmeter replacement, repair, or refurbishment) shall be provided to the Agency by submitting a copy of the successful test/calibration results that are provided to the flowmeter owner/operator by either an agency-approved flowmeter tester or SCE, as noted in Resolution Section 1C.

Documentation that indicates a flowmeter is new and/or has been repaired/refurbished to meet accuracy or calibration standards will be acceptable to the Agency provided the flowmeter was installed per the flowmeter manufacturer's specifications. Acceptable proof shall include name of meter manufacturer; meter serial and model numbers; unit of measure for the meter; photographs of the flowmeter installation that show beyond a reasonable doubt that the installation meets the manufacturer's specifications; an invoice and/or work order indicating that the flowmeter was installed or repaired/refurbished on a certain date.

If the new or refurbished flowmeter was **not** installed per the flowmeter manufacturer's specifications, the well owner or operator shall obtain a flowmeter test for accuracy, and if necessary, re-calibrate the new or refurbished flowmeter to reflect actual in-place conditions. The passing test results shall be submitted to the Agency within 30 days of new or refurbished flowmeter installation.

F. **Flowmeter Maintenance Between Required Calibration Testing Intervals**

Written notification shall be provided to the Agency at least two (2) weeks prior to any planned maintenance requiring removal and reinstallation of the flowmeter.

If the maintenance **does not** alter the piping diameters or configuration, the well operator shall request a new Agency seal placement immediately upon completion of the existing flowmeter re-installation.

If the maintenance **does** alter the piping diameters or configuration, the flowmeter shall be retested, and if necessary, recalibrated, as per any and all applicable Resolution requirements.

2. Approved Flowmeter Testers

A. Any person, firm, or organization that can demonstrate experience and competence in the methodology of testing and/or repairing all possible makes and models of water flow measuring devices shall be approved by the Agency Executive Officer, or designee, to test flowmeters. Potential test agents or firms must successfully

perform at least one or more demonstration or example calibration test(s) in the presence of persons designated by the Agency to examine, certify, and qualify all methods, equipment, tools, and technicians used for the sample test.

The name, address, and telephone number of all such Agency approved testers shall be maintained at, and be available from, the Agency offices and shall be furnished upon request.

B. Re-qualification of approved flowmeter testers may be required at periodic intervals by the Agency Executive Officer, or designee, to ensure that approved testers remain qualified and are addressing any changes in technology and water flowmeter testing methods and procedures.

3. Backup Measurement Methods

When necessary, temporary in-place flowmeters shall be installed to provide back-up water flow measurement. The use of temporary flowmeters shall not exceed 60 days.

4. Inspection of Flowmetering Equipment

Agency staff or their designated agents may, at their discretion, inspect flowmetering equipment installations for compliance with this Resolution or the Agency Ordinance Code at any reasonable time. A minimum of 24-hours notice will be provided to the well owner or operator prior to any well visit or inspection.

5. Assessment Fee Retroactivity or Reimbursement

If a flowmeter is found to have been out-of-tolerance for some period of time prior to the adoption of this resolution, no back charges or penalties will be assessed against the well operator or well owner, and no attempts by the Agency to recover lost income or revenue will be made. Conversely, the Agency will not compensate or refund extraction fees already paid by any well operator or well owner for past overpayment of management fees caused by a flowmeter that has historically produced higher than normal volume measurements.

6. Non-Compliance

Failure to turn in proof of accurate flowmeter calibration within the allotted 120-day time period will warrant the delivery of a second notice to well owner/operator extending the date for submittal of written certification of flow meter accuracy an additional 60 days.

Non-compliance at the end of the additional 60 days shall subject the owner to enforcement action including financial or other penalties and/or liens not to exceed the maximums described in the Agency Ordinance Code (Meter Chapter Sections 3.4, 3.5, 3.6, and Penalties Chapter 8.0).

Any flowmeter for which the required proof of accuracy is not submitted shall be deemed a non-operating flowmeter for purposes of Section 3.5 of the Agency Ordinance Code.

SECTION 2. Resolution No. 2006-01 is hereby rescinded in its entirety. The original version of Resolution 2008-04 previously adopted on May 24, 2008 has been amended by this version as detailed below.

A. On a motion by Director Kelley and seconded by Director Craven, a previous version of Resolution 2008-04 was duly passed and adopted by the Board of Directors at a regularly scheduled meeting of the Board held on the 28th day of May 2008 in Ventura, California. That resolution was subsequently amended on a motion by Director Kelley and seconded by Director Flynn to adopt this Amended Resolution 2008-04 at their regularly scheduled Board meeting on September 24, 2008.

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 Amended Resolution No. 2008-04.

By: _____
Tammy Butterworth, Clerk of the Board

This document was reviewed by Agency Legal Counsel on March 27, 2009.

Resolution 2008-05
of the
Fox Canyon Groundwater Management Agency

A RESOLUTION APPROVING AN AMENDMENT TO THAT CERTAIN SETTLEMENT AGREEMENT ENTERED INTO EFFECTIVE SEPTEMBER 12, 2007.

WHEREAS, Fox Canyon Groundwater Management Agency ("Agency") was created by the State Legislature in 1982 to manage groundwater basins encompassing an approximate 183 square mile portion of southern Ventura County; and

WHEREAS, the statutory mission of the Agency includes the protection and preservation of groundwater resources within the boundary of the Agency; and

WHEREAS, effective September 12, 2007 the Agency, together with Pleasant Valley County Water District, United Water Conservation District, Stephen T. B. Miller, West Bay Company, LLC, Carlyle Farming Company, LLC, and Thornhill Mutual Water Company, entered into that certain Settlement Agreement ("Settlement Agreement"), reference to which, including the Exhibits thereto, it is made for further particulars; and

WHEREAS, at Section 1 thereof, Settlement Agreement provides for payment to the Agency of the total sum of $510,000 ("Settlement Payment"), in annual installments, the final of which must be paid in full no later than June 30, 2012; and

WHEREAS, the Settlement Agreement, at Section 10.2 thereof, provides for a fixed monetary penalty ("Penalty") in the event that any such installment payment, or the full amount of the Settlement payment, is not paid on or before June 30, 2012; and

WHEREAS, at the time that the parties entered into the Settlement Agreement, it was the intent of the parties that in the event that the parties required to do so failed to pay the entire Settlement Payment within the time required therefore, the Penalty would be imposed, less such portion of the Settlement Payment actually paid and that upon full payment of the Settlement Payment the Penalty would no longer be applicable, and

WHEREAS, the Settlement Agreement provides to the Agency and others the right to enforce the Settlement Agreement, and to recover any damages suffered by the Agency or others as the result of such violation, by and through any administrative proceeding or action in law of equity, including, but not limited to, actions for damages, or for injunctive or declaratory relief, to the fullest extent then allowed or provided for by ordinance, regulation, statute or common law; and

WHEREAS, the Settlement Agreement is ambiguous concerning the non-applicability of the Penalty once the Settlement Payment has been paid in full; and

WHEREAS, the Agency's board finds that the adoption of an amendment to the Settlement Agreement, a true and correct copy of which is attached hereto, labeled Exhibit A, and incorporated herein by reference, will resolve such ambiguity, without compromising the power or ability of the Agency to achieve its statutory mission of protecting and preserving groundwater resources:

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED THAT the Agency's Board of Directors adopts the Amendment to Settlement Agreement set forth in Exhibit A, attached hereto.

On motion of Director Craven, and seconded by Director Kelley, the foregoing Resolution was passed and adopted on June 25, 2008.

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 2008-05.

By: _____
Tammy Butterworth, Clerk of the Board

Resolution 2008-06

of the

Fox Canyon Groundwater Management Agency

A RESOLUTION COMMENDING THE VENTURA COUNTY REGIONAL ENERGY ALLIANCE ON THEIR FIFTH ANNIVERSARY

WHEREAS, the Fox Canyon Groundwater Management Agency is dedicated to the preservation and protection of all resources both natural and manmade; and

WHEREAS, the water, natural gas, and electricity resources of the County of Ventura are vital to business and society; and

WHEREAS, the efforts of the Ventura County Regional Energy Alliance have enhanced the objectives of the Fox Canyon Groundwater Management Agency along with many peoples' lives and businesses; and

WHEREAS, the Ventura County Regional Energy Alliance has exhibited vision and leadership in the areas of resource conservation, promotion of the regional economy, and the role of individuals and companies in supporting best-use management practices that protect and preserve local water and energy supplies; and

WHEREAS, the Ventura County Regional Energy Alliance has strategically and successfully partnered with local business, farming, and utility interests to obtain and/or fund many key infrastructure investments and improvements that now use existing resources more efficiently because of their efforts.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED AND ORDERED that the Ventura County Regional Energy Alliance be highly commended for their innovation, their vision, their dedication to resource preservation and efficiency, and for their perseverance in helping to maintain a high standard of living for thousands of people using available water, electrical, and natural gas supplies without requiring large investments in new facilities and infrastructure – all within just five years of influential operation.

On motion by Director Flynn, seconded by Alternate Director Andrews, the foregoing resolution was unanimously passed and adopted on July 23, 2008.

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

I hereby certify that the above is a true and correct copy of Resolution No. 2008-06.

Tammy Butterworth, Clerk of the Board

Resolution 2008-7

Fox Canyon Groundwater Management Agency

HONORING

Dana Wisehart

WHEREAS, United Water Conservation District General Manager Dana Wisehart has worked for many years promoting water issues at the State and local levels while assisting and supporting the Fox Canyon Groundwater Management Agency, and

WHEREAS, Mrs. Wisehart used her considerable experience and knowledge of politics, parliamentary procedures, and water management acumen to accomplish the many tasks required of a water industry leader, and

WHEREAS, Dana has been a key player and participant in crafting the many rules, regulations, policies, and proceedings associated with regulating groundwater, pricing water, ensuring water deliveries, or promoting cooperation amongst the many water factions, and

WHEREAS, during her tenure, Dana has significantly contributed to the success and accomplishments of the Fox Canyon Groundwater Management Agency in so many public and volunteer ways that added to the successful operation of the Agency, especially in relation to Ordinance development, effective Resolutions, and water management Policies, that upon her retirement from the public spotlight we now decree and confer special recognition upon her by officially declaring the following,

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Fox Canyon Groundwater Management Agency take great pleasure in thanking, and publicly honoring, **Mrs. Dana Wisehart** for her dedicated, distinguished, and honorable service to the water industry within Ventura County, and especially to this Agency , and wish her well in whatever plans and adventures await her in retirement.

PRESENTED BY THE FCGMA BOARD OF DIRECTORS THIS 22nd DAY OF OCTOBER 2008.

Lynn Maulhardt, Chair | Director John Flynn | Director Michael Kelley | Director Charlotte Craven | Director David Borchard

Resolution 2008-08
of the
Fox Canyon Groundwater Management Agency

CERTIFICATION OF THE AGENCY BALLOT FOR ELECTION OF A SPECIAL DISTRICT ALTERNATE COMMISSIONER TO THE VENTURA LOCAL AGENCY FORMATION COMMISSION (LAFCO)

WHEREAS, the Fox Canyon Groundwater Management Agency (FCGMA) by virtue of being designated a Special District is automatically a member of the Ventura County Independent Special Districts Selection Committee, with inherent rights to one vote for available nominees vying for positions as Alternate or Special District Commissioner to the Ventura Local Agency Formation Commission (LAFCO); and

WHEREAS, the law allows the Executive Officer of LAFCO to call for nominations in writing and to conduct a mail-in ballot to meet the election requirements of LAFCO representatives in lieu of convening a meeting of the Selection Committee; so,

Therefore, Be It Resolved that the Fox Canyon Groundwater Management Agency (FCGMA) Board of Directors does choose to participate in the election and does hereby vote for Gail Pringle to serve in the position of Special District Alternate Commissioner to the Ventura LAFCO.

Be It Further Resolved that a copy of this Resolution be forwarded immediately to the President of the Ventura County Special Districts Association and the LAFCO Executive Director to verify the preferred or selected FCGMA candidate.

On motion by Chair Maulhardt, and seconded by Director Craven, the foregoing candidate selection and official vote was unanimously agreed upon and recorded in this Resolution No. 2008-08 then was passed and adopted onSeptember 24, 2008.

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 No. 2008-08.

by: _____
Tammy Butterworth, Clerk of the Board

Resolution 2008-09
of the
Fox Canyon Groundwater Management Agency

A RESOLUTION ADJUSTING THE GROUNDWATER EXTRACTION SURCHARGE RATE PURSUANT TO CHAPTER 5.8 OF ORDINANCE NO. 8.1

WHEREAS, the mission of the Fox Canyon Groundwater Management Agency (Agency) includes the protection and preservation of groundwater resources within the boundary of the Agency; and

WHEREAS, the Fox Canyon Groundwater Management Agency is charged with bringing the groundwater basins within its jurisdiction into safe yield; and

WHEREAS, the groundwater basins within the Agency continue to be in overdraft condition; and

WHEREAS, the existing groundwater surcharge rates are not sufficient to deter over pumping or excessive groundwater extractions when compared to the ability an operator or well owner has to purchase alternative retail or imported water; and

WHEREAS, an economic disincentive is deemed the best means to discourage over extraction or over pumping of groundwater; and

WHEREAS, Ordinance No. 8.1 provides for setting groundwater extraction surcharge rates by Resolution.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED THAT:
A groundwater extraction surcharge rate be fixed at $950.00 on all groundwater extractions in excess of the combined allocation for all water wells within the Agency.

This groundwater extraction surcharge shall become effective on January 1, 2009 and will remain in force until changed by the Agency's Board of Directors, or by a change to the Agency's Ordinance Code.

On a motion by Director Craven and seconded by Director Kelley, the foregoing Resolution was duly passed and adopted by the Board of Directors at a regularly scheduled meeting of the Board held on this 22nd day of October 2008 in Ventura, California.

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 No. 2008-09.

By: Tammy Butterworth
Tammy Butterworth, Clerk of the Board

Resolution 2008-10
of the
Fox Canyon Groundwater Management Agency

A RESOLUTION
IN SUPPORT OF THE UNITED WATER CONSERVATION DISTRICT
EFFORTS TO BALANCE A LIMITED WATER SUPPLY
FOR PEOPLE AND THE ENVIRONMENT

WHEREAS, The Fox Canyon Groundwater Management Agency (FCGMA) is responsible for managing groundwater extractions and preserving and protecting vital water supplies within its boundaries; and

WHEREAS, The United Water Conservation District (United) owns and operates important facilities that supplement local water demand, in particular the Vern Freeman Diversion across the Santa Clara River which serves to offset and minimize seawater intrusion into the Oxnard Plain aquifers by providing significant quantities of surface water for both farming and groundwater recharge; and

WHEREAS, United Water has undergone a difficult and lengthy Section 7 consultation process with the National Marine Fisheries Service (NMFS) and the U.S. Bureau of Reclamation (Bureau) to deal with Freeman Diversion issues related to the Endangered Species Act for steelhead trout; and

WHEREAS, After the NMFS issuance of a biological opinion concluding that measures proposed by United and the Bureau for the benefit of steelhead are insufficient and are likely to jeopardize the continued existence of the species, the Bureau decided to withdraw from further participation in the process leaving United with no authorization for its diversion operations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS, that the FCGMA acknowledges and declares that United's operations are important for protecting aquifers essential for local cities and farms; further, that water resources managed by United are essential to the economy of Ventura County; and the FCGMA Board supports United's mission to conserve local water resources in an environmentally balanced manner; thus, we call upon all parties to work together towards common-sense solutions to protecting riparian habitat while maintaining water supplies needed to replenish critically over-drafted aquifers.

On a motion by Director Craven and seconded by Director McIntyre, Resolution No. 2008-10 was duly passed and adopted by the Board of Directors at a regularly scheduled meeting of the Board held on this 3rd day of December 2008 in Ventura, California.

L E Maulhardt

Lynn E. Maulhardt, Chair
Fox Canyon Groundwater Management Agency

ATTEST: I hereby certify that the above is a true and correct copy of Resolution No. 2008-10.

By: Tammy Butterworth

Tammy Butterworth, Clerk of the Board

Appendix B

Fox Canyon Groundwater Management Agency Ordinance 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 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.

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 semi-annually 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 discontinues service. To avoid retroactive inequities, where an M & I operator has 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:

$$I.E. = \frac{[ETo \times Kc] - ER \times 100}{\text{Actual Water Applied (inches)}}$$

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 non-native 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 30-day 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 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 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 27TH 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

Kathy Miller, Clerk of the Board