

# FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



## BOARD OF DIRECTORS

**Eugene F. West, Chair**, *Director, Camrosa Water District*  
**Kelly Long, Vice Chair**, *Supervisor, County of Ventura*  
**David Borchard**, *Farmer, Agricultural Representative*  
**Lynn Maulhardt**, *Director, United Water Conservation District*  
**Tony Trembley**, *Mayor, City of Camarillo*

## INTERIM EXECUTIVE OFFICER

**Arne Anselm**

## NOTICE OF MEETING

**NOTICE IS HEREBY GIVEN** that the Fox Canyon Groundwater Management Agency (FCGMA), also sitting as watermaster for the Las Posas Valley Basin and the groundwater sustainability agency for the Las Posas Valley Basin, the Pleasant Valley Basin, and the Oxnard Subbasin, will hold a **Las Posas Valley Watermaster Fiscal Committee Meeting** at **2:00 p.m. on Tuesday, May 14, 2024** in the Atlantic Conference room, at the Ventura County Government Center, Hall of Administration at 800 South Victoria Avenue, Ventura, California.

## LAS POSAS VALLEY WATERMASTER FISCAL COMMITTEE MEETING AGENDA

**May 14, 2024**  
**2:00 P.M.**

**Members:** Chair Eugene West  
Vice Chair Tony Trembley

- A. Call to Order**
- B. Introductions**
- C. Public Comments** – Audience members may speak about LPV Watermaster and FCGMA-related matters not on today's Agenda.
- D. Reconciliation of LPV Basin Assessment with FCGMA Charges** – An evaluation of efforts funded by the LPV Watermaster Basin Assessment to identify potential changes to the Agency's current fees.
- E. LPV Watermaster Fiscal Year 2023-24 Mid-Year Budget Review and Assessment Evaluation** – An estimate of expenditures and revenue through the end of the fiscal year and into the next fiscal to inform a discussion on potential reductions to the second installment of the FY 23-24 LPV Basin Assessment currently scheduled for June 1, 2024.
- F. LPV Watermaster Fiscal Year 2024-25 Budget Development Study Session** – Evaluation of staff-proposed Draft LPV Budget for Fiscal Year 2024-25 and opportunity to provide recommendations for any modifications prior to submittal to the PAC for committee consultation.
- G. Adjourn Meeting**

## **STANDING NOTICES**

The next Regular Meeting of the Fox Canyon Groundwater Management Agency Board of Directors will be held Wednesday, May 22, 2024.

The FCGMA Board and its less-than-a-quorum advisory committee groups, such as the Fiscal Committee, strive to conduct accessible, orderly, and fair meetings where everyone can be heard on the issues. The Board Chair will conduct the meeting and establish appropriate rules and time limitations for each item. The Committee can only act on items designated as Action Items. Action items on the agenda are staff proposals and may be modified by the Committee as a result of public comment or Board member input.

**Public Comments** – Public comment is the opportunity for members of the public to participate in meetings by addressing the Fox Canyon Fiscal Committee in connection with one or more agenda or non-agenda items.

If you wish to make a written comment, please follow the steps below.

1. If you wish to make a written comment on a specific agenda item, please submit your comment via email by 5:00 p.m. on the Monday prior to the Fiscal Committee Special Meeting. Please submit your comment to the Clerk of the Board at [FCGMA@ventura.org](mailto:FCGMA@ventura.org). Please indicate in the subject line of your email the agenda item number (e.g., Item No. 9). Your email will be read by the Committee members and placed into the record.
2. If you would like to make a general public comment (Item 4) for items not on the day's agenda or to comment on a specific agenda item as it is being heard, please submit your comment via email, limited to 250 words or less, to the Clerk of the Board at [FCGMA@ventura.org](mailto:FCGMA@ventura.org). Every effort will be made to read your comment into the record, but some comments may not be read due to time limitations. Comments received after an agenda item will be made part of the record if received prior to the end of the meeting.

**Administrative Record:** Material presented as part of testimony will be made part of the Agency's record, and 10 copies should be left with the Board Clerk. This includes any photographs, slides, charts, diagrams, etc.

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**ADA Accommodations:** Persons who require accommodation for any audio, visual, or other disability in order to review an agenda or to participate in the Board of Directors meeting per the Americans with Disabilities Act (ADA), may request such accommodation in writing addressed to the Clerk of the FCGMA Board, 800 So. Victoria Avenue, Location #1610, Ventura, CA 93009-1610, via emailing [FCGMA@ventura.org](mailto:FCGMA@ventura.org) or via telephone by calling (805) 654-2014. Any such request should be made at least 24 hours prior to the meeting so staff can make the necessary arrangements.

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**Continuance of Items:** The Committee will endeavor to consider all matters listed on this agenda. However, time may not allow the Committee to hear all matters listed. Matters not heard at this meeting may be carried over to the next Board meeting or to a future Board meeting. Participating individuals or parties will be notified of the rescheduling of their item prior to the meeting. Please contact the FCGMA staff to find out about rescheduled items.

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**Electronic Information and Updates:** Our website address is <https://fcgma.org/>. Information available online includes the Board's meeting schedule, a list of the Board members and staff, general information, and various Agency forms. If you would like to speak to a staff member, please contact the FCGMA Clerk of the Board at (805) 654-2014 or via email at [FCGMA@ventura.org](mailto:FCGMA@ventura.org).

# LAS POSAS VALLEY WATERMASTER

## MEMORANDUM

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**Date:** May 14, 2024

**To:** Fiscal Committee, Las Posas Valley Watermaster

**From:** Arne Anselm, Interim Executive Officer

**Subject:** Item D – Reconciliation of the LPV Basin Assessment with the FCGMA charges

The Adjudication Judgment for the LPV Basin (Judgment) appointed the FCGMA as Watermaster to implement the Judgment in the Basin. The Judgment requires the Watermaster to take certain Basin Management Actions and requires the Watermaster to set, levy, and collect Basin Assessments and fees from Water Rights Holders in the LPV Basin to fund these Basin Management Actions and Basin Optimization Projects (Judgment § 7.1).

The Las Posas Valley Watermaster Adopted the initial Watermaster Budget on December 15, 2023, (Attachment 1) along with an initial Basin Assessment of \$64 per acre-foot of Annual Allocation for Water Right Holders in the Las Posas Valley Basin.

The Las Posas Valley Policy Advisory Committee (PAC), in a letter dated February 5, 2024, to the Chair of your Board recommended:

- A first installment to be limited to non-duplicative portions of the Basin Assessment compared to the regular FCGMA charges;
- Future installments be invoiced after Watermaster trues up the charges for budgeted services between the FCGMA regular assessment and the Basin Assessment;
- Future installments of the Basin Assessment only cover any remaining non-duplicative charges;
- Payment for WY 2023 invoices be split into 3rd and 4th quarter; and
- Quarterly payments for all future Basin Assessments after WY 2024.

Your Board discussed these issues at its April 24, 2024, meeting and concluded with the action to levy an initial Basin Assessment of 50% of the Assessment on March 1, 2024, with a plan to bill the remaining amount of the Assessment on June 1, subject to a mid-year accounting of expenditures prepared by Agency staff and reviewed by your Board.

The initial Watermaster Budget is consistent with the requirements in the Judgment and references the applicable sections of the Judgement. On May 7, 2024, the PAC sent a letter (Attachment 2) requesting all relevant details behind the FY 2023-24 Watermaster Initial Budget. The Initial Budget in Attachment 1 includes the estimated weekly and monthly hours and calculations for the blended rate used to develop the initial Watermaster Budget.

### **FCGMA Fees**

The Judgment provides that Watermaster's levying of a Basin Assessment does not affect the Agency's ability to collect fees under its current authorities, provided that the Agency shall implement changes to the Agency's current fees to "avoid inequitable, duplicative, or disproportionate financial burdens on Groundwater users" in the basin:

*Watermaster's ability to impose such Basin Assessment, acting as an agent of the Court and under its auspices and oversight, does not modify or amend the FCGMA's separate, existing authority to*

*adopt assessments or pursue funding including under SGMA and/or deriving from the FCGMA's enabling legislation (collectively, "FCGMA Assessments"), provided that the FCGMA shall implement changes to the FCGMA Assessments to avoid inequitable, duplicative, or disproportionate financial burdens upon Groundwater users in the Las Posas Basin after taking into account funds raised for administration of the Basin through the Basin Assessment. (Judgment § 7.2)*

The FCGMA Board's currently adopted fees total \$55 per AF and include the following three fees assessed per AF of groundwater extracted:

- \$6 per AF Pump Fee (only fee charged to domestic operators pumping 2 AF per year or less)
- \$29 per AF Groundwater Sustainability Fee
- \$20 per AF GEMES Reserve Fee

Staff are prepared to walk through Judgment language requiring each of the budget items for potential duplication with existing FCGMA actions. It is staff's opinion that the majority of these are new requirements that would not be done in absence of the Judgment. However, staff have identified the potential duplicative elements identified below:

### **Watermaster Administration – Meetings and Notices**

The initial Watermaster Budget was written with the assumption its Board meetings would be held and noticed separately. In practice this has not been the case. There have been 93 agenda items discussed during the 2023-2024 Fiscal Year through May 8, 2024 (excluding the items on every standard Board agenda). Of those 93 Agenda items, 29 items directly discussed Las Posas Valley Basin, LPV Watermaster, or the LPV Adjudication Judgement. This is roughly one third of the Board's meeting agenda items. This budget line item was overestimated and can be reduced. LPV Watermaster budget should fund one third of the Board meetings at a total of \$69,596, at FY 23-24 rates. A reduction of \$146,980 is shown in table 1 below. Future tracking of actual meeting time spent on LPV Watermaster items can improve the accuracy of this recommendation. This reduction applies to the Watermaster Budget but not a duplicative charge with the FCGMA fees.

### **Basin Management**

Under the Judgement the FCGMA retains all responsibilities of a Groundwater Sustainability Agency including the preparing and submitting of the Annual Reports and the GSP 5-Year Evaluations and Updates. These items are also called out in the Judgment and include extra tasks. Staff have identified some tasks in the current GSP Implementation contract with Dudek which may overlap with the initial Watermaster Budget. The GSP 5-year Evaluation and Update can be considered replacing the Dudek contract item *Task 10: Las Posas Valley Basin 5-Year GSP Evaluation* budgeted at \$218,813 in FY24.

In addition, staff recommends removing 1/3 of FCGMA Special Expenditures, item *Task 1: Implementation of GSP including monitoring well installation, project review and coordination, address data gaps, modeling analysis, GSP Evaluations & Updates, etc.* Budgeted at \$164,130. One third of which equals \$54,710. These reductions are shown in table 1 below.

These efforts are currently in both the FCGMA budget and the Watermaster Budget. Because this work effort is required by the Judgment, they should be funded through the Watermaster Budget and removed from the FCGMA Budget.

**Total Identified Potential Reductions**

Potential Duplication	Potential Watermaster Budget Reduction	Potential FCGMA Budget Reduction
Administration – Meetings and notices	\$146,980	
GSP 5-year Evaluation		\$218,813
GSP Implementation		\$ 54,710
<b>Total</b>	<b>\$146,980</b>	<b>\$273,523</b>

Table 1.

Staff recommend applying the reduction of \$146,980 to the Watermaster Budget Administration line item. For the reductions identified for the GSP efforts, staff recommends the FCGMA’s Groundwater Sustainability fee be reduced to not collect that amount from just the Las Posas Water Rights Holders. Assuming the total initial allocation of 40,000 acre-feet will be pumped, collecting \$273,523 less would equate to reducing the FCGMA pump charges applied to just Las Posas Water Rights Holders by \$6.84 per AF ( $\$273,523 / 40,000\text{AF} = \$6.84 \text{ per AF}$ ).

Staff recommends any other efforts required by the Judgment identified through this exercise as duplications with existing FCGMA actions should be handled the same way, ensuring the efforts required by the Judgment are funded by the LPV Basin Assessment.

Attachment D1 – FY 2023-24 Watermaster Initial Budget with Hours  
 Attachment D2 – PAC letter regarding Fiscal Committee comparison of FCGMA and WM Budgets, dated May 7, 2024

**Las Posas Valley Basin  
Initial Watermaster Budget FY 2023-24<sup>1</sup>**

Task	Reference <sup>2</sup>	Labor Hours Estimate <sup>3</sup>	Labor Cost Estimate <sup>4</sup>	Contract Cost Estimate <sup>5</sup>	Hours / Week	Hours / Month	Hours / Year	Blended Rate	Cost
<b>Watermaster Administration</b>									
Watermaster Meetings and Notice	Ex A 2.5	1,152	\$ 216,576		24	96	1,152	\$ 188	\$ 216,576
Review of Records	Ex A 2.4	192	\$ 36,096		4	16	192	\$ 188	\$ 36,096
Website	Ex A 2.4.1	192	\$ 36,096		4	16	192	\$ 188	\$ 36,096
<b>Subtotal - Watermaster Administration</b>		<b>1,536</b>	<b>\$ 288,768</b>	<b>\$ -</b>					
<b>Allocations &amp; Record Keeping</b>									
Annual Allocations & Allocation Schedule	4.2, 4.3	80	\$ 15,040				80	\$ 188	\$ 15,040
New Uses / Subscription Projects	4.6	384	\$ 72,192		8	32	384	\$ 188	\$ 72,192
Carryover	4.11	160	\$ 30,080				160	\$ 188	\$ 30,080
Transfers	4.12	384	\$ 72,192		8	32	384	\$ 188	\$ 72,192
Change of Point of Extraction	4.13	192	\$ 36,096		4	16	192	\$ 188	\$ 36,096
New or Replacement Well	4.14	192	\$ 36,096		4	16	192	\$ 188	\$ 36,096
Overuse	4.15	160	\$ 30,080				160	\$ 188	\$ 30,080
Extraction Monitoring and Reporting	Ex A, Article V	768	\$ 144,384		16	64	768	\$ 188	\$ 144,384
<b>Subtotal - Allocations &amp; Record Keeping</b>		<b>2,320</b>	<b>\$ 436,160</b>	<b>\$ -</b>					
<b>Basin Management</b>									
GSP Update (5-year evaluation) <sup>6</sup>	4.9.1	220	\$ 41,360	\$ 220,000			220	\$ 188	\$ 41,360
2025 Basin Optimization Yield Study <sup>6</sup>	4.10	220	\$ 41,360	\$ 122,000			220	\$ 188	\$ 41,360
Annual Report <sup>6</sup>	5.2.3, Ex A 2.7.10	120	\$ 22,560	\$ 53,990			120	\$ 188	\$ 22,560
Initial Basin Optimization Plan <sup>6</sup>	5.3	180	\$ 33,840	\$ 78,000	0	-	180	\$ 188	\$ 33,840
<b>Subtotal - Basin Management</b>		<b>740</b>	<b>\$ 139,120</b>	<b>\$ 473,990</b>					
<b>Committee Coordination and Consultations</b>									
Policy Advisory Committee	6.1, Ex A Article III	288	\$ 54,144		6	24	288	\$ 188	\$ 54,144
Technical Advisory Committee <sup>6</sup>	6.11, Ex A Article IV	288	\$ 54,144	\$ 86,400	6	24	288	\$ 188	\$ 54,144
TAC Member Cost <sup>7</sup>				\$ 259,200					
<b>Subtotal - Committee Coordination and Consultations</b>		<b>576</b>	<b>\$ 108,288</b>	<b>\$ 345,600</b>					

**Las Posas Valley Basin  
Initial Watermaster Budget FY 2023-24<sup>1</sup>**

Task	Reference <sup>2</sup>	Labor Hours Estimate <sup>3</sup>	Labor Cost Estimate <sup>4</sup>	Contract Cost Estimate <sup>5</sup>	Hours / Week	Hours / Month	Hours / Year	Blended Rate	Cost
<b>Budget and Assessments</b>									
Watermaster Budget	7.5, Ex A 2.7.6	120	\$ 22,560				120	\$ 188	\$ 22,560
Basin Assessments	7.1-7.3, 7.6, Ex A 2.8	576	\$ 108,288		12	48	576	\$ 188	\$ 108,288
Processing Fees	7.4	192	\$ 36,096		4	16	192	\$ 188	\$ 36,096
Audits	7.7	180	\$ 33,840	\$ 20,000			180	\$ 188	\$ 33,840
<b>Subtotal - Budget and Assessments</b>		<b>1,068</b>	<b>\$ 200,784</b>	<b>\$ 20,000</b>					
<b>Calleguas Aquifer Storage &amp; Recovery Project</b>									
Calleguas ASR Project Operations Study	8.4	384	\$ 72,192		8	32	384	\$ 188	\$ 72,192
<b>Subtotal - Calleguas Aquifer Storage &amp; Recovery Project</b>		<b>384</b>	<b>\$ 72,192</b>	<b>\$ -</b>					
<b>Legal Services<sup>8</sup></b>									
Advisory		768	\$ 198,912		16	64	768	\$ 259	\$ 198,912
Judicial Review	9.2	600	\$ 276,000			-	-	\$ 259	\$ -
<b>Subtotal - Legal Services</b>		<b>1,368</b>	<b>\$ 474,912</b>	<b>\$ -</b>					
<b>TOTALS:</b>		<b>7,992</b>	<b>\$ 1,720,224</b>	<b>\$ 839,590</b>					
				<b>Grand Total:</b>					
				<b>\$ 2,559,814</b>					
				<b>Total Annual Allocation (AF):</b>					
				<b>40,000</b>					
				<b>Initial Basin Assessment per AF:</b>					
				<b>\$ 64.00</b>					

FTEs: 3.68 PWA  
0.76 County Counsel  

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4.44 Total

**Footnotes**

- 1 The Initial FY 2023-24 Budget is for estimated Watermaster administration expenses. It is anticipated that the Basin Assessment may need to be adjusted with addition of Basin Optimization Projects costs following Committee Consultation. Additionally presumes that FCGMA pumping fees may need to be adjusted for LPV operators.
- 2 Reference to LPV Adjudication Judgment section, "Ex A" is Exhibit A of the Judgment.
- 3 Estimated annual hours for Ventura County staff.
- 4 Labor cost estimate based on Ventura County Public Works Agency providing LPV Watermaster staff at a blended rate.
- 5 Contract cost estimate for outside services through the current water year ending Sept. 30, 2024.
- 6 Contract cost estimate for Dudek for assisting with Response Reports. Assumes two meetings per month.
- 7 Contract cost estimate for three TAC members including preparation of Recommendation Reports. Assumes two meetings per month.
- 8 Legal Services labor costs based on Ventura County Counsel providing LPV Watermaster legal services; Judicial Review includes outside counsel costs.

Eugene West, Chair  
Las Posas Basin Watermaster/Fox Canyon Groundwater Management Agency  
800 S. Victoria Ave.  
Ventura, CA 93009

May 7, 2024

Re: FCGMA Fiscal Committee

Chair West:

At its May 2, 2024 meeting, the Policy Advisory Committee (PAC) discussed the mid-year budget review that Mr. Anselm presented at the April 24, 2024 FCGMA Board meeting. The PAC understands that the Fiscal Committee will begin its work of comparing Watermaster and FCGMA budgets at its next meeting, scheduled for May 14, 2024.

The PAC expressed, through a carried motion, that I, via this letter, encourage the Fiscal Committee to provide all relevant detail behind the April 24, 2024 “FY 2023-24 Mid-Year Budget Review” Board letter (item 4) and “FY 2023-24 Budget Performance Report” (item 4A), as well as behind the Watermaster budget worksheets attached to the December 15, 2023 special meeting, in particular “Item 1A-Proposed FY 2023-24 Watermaster Initial Budget.”

The PAC expressed a strong willingness to “get into the weeds” with the FCGMA and Watermaster budgets for two main reasons: a lack of clarity on apparently duplicative tasks between the budgets and the impending second part of the initial basin assessment. The PAC has been assured since last fall that a detailed description of Watermaster expenditures to date and an analysis of any redundant tasks and charges in the FCGMA and Watermaster budgets would take place before the FY24-25 budget was established; this assurance was reiterated regarding the second assessment. The PAC understands Watermaster staff anticipates billing the full second half of the assessment in June, and yet we still have not seen expenditures to date or projections that would support collection of the remainder. We recognize that the processes behind long-established FCGMA tasks and newly developed Watermaster tasks may differ; if this is the case, the PAC encourages Watermaster to provide sufficient detail to demonstrate the differentiation between tasks that seem so similar on paper.

As a body representing a cross-section of users and producers of groundwater, the PAC is answerable to its constituents. They seek clarity on the charges being assessed pursuant to the Judgement, and the PAC looks forward to rolling up our sleeves to help the Watermaster provide that clarity.

Thank you for your consideration,



Ian Prichard, Chair, LPV PAC



# LAS POSAS VALLEY WATERMASTER

## MEMORANDUM

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**Date:** May 14, 2024

**To:** Fiscal Committee, Las Posas Valley Watermaster

**From:** Arne Anselm, Interim Executive Officer

**Subject:** Item E – LPV Watermaster Fiscal Year 2023-24 Mid-Year Budget Review and Assessment Evaluation

### INTRODUCTION

The Posas Valley Watermaster adopted the initial Watermaster Budget on December 15, 2023, along with an initial Basin Assessment of \$64 per acre-foot of Annual Allocation for Water Right Holders in the Las Posas Valley Basin. At its April 30, 2024, meeting your Board directed 50% of the Assessment be levied on March 1, 2024, with a plan to levy the remaining amount of the Assessment on June 1, subject to a mid-year accounting of expenditures prepared by Agency staff and review by your Board. Presented here is an estimate of expenditures and revenue through the end of the fiscal year and into the next fiscal to inform a discussion regarding potential reductions to the second installment of the FY 23-24 LPV Basin Assessment currently scheduled for June 1, 2024.

When developed, the initial Watermaster Budget (Attachment 1) was based on estimates for a full year of implementation of the responsibilities of the LPV Watermaster under the Judgement. A significant amount of that initial Watermaster Budget has not yet been expended, however, a significant amount of the first initial assessment has not been received. The shortfall of projected revenue and the timing of the second half of the initial assessment create a cash flow issue as the LPV Watermaster budget was adopted with no operating reserves.

### EXPENDITURES

Time spent on Watermaster tasks have been tracked separately, and as of March 2024 are broken down into the line items identified in the Watermaster budget. Attachment 2 shows the staff charges applied to the LPV Watermaster through April and part of May 2024. Through March, the third quarter of FY 23-24, \$171,852 has been expended. Note this does not include any overtime hours for staff who are not paid hourly or the flat rate charges applied by the County Public Works Fiscal and IT departments nor the past Executive Officer. Labor charges as of this report total \$209,401.26. Staff has estimated the Fiscal charges to be \$65,525 and IT charges to be \$50,000. Charges for LPV Watermaster legal services are approximately \$412,000, through March 2024 (charges for April are unavailable at this time). This total includes \$106,000 for County Counsel and \$306,000 for Stoel Rives. Consultant contract support has been minimal primarily due to the delay in implementing the Judgement, including contracting the Technical Advisory Committee (TAC) members whose input is required for the 2025 Basin Optimization Yield Study and the Initial Basin Optimization Plan. In total, through the third quarter of FY 23-24 an estimated \$671,217 has been expended on LPV Watermaster Activities.

Forecasting to the end of the fiscal year, staff expenses will total \$250,000; Fiscal \$86,667; IT services \$65,000 and legal services \$540,000. In addition, a contract for \$25,000 with Regional Government Services for the development of an electronic Water Use Reporting Tool will be completed and an estimated \$30,000 billed by TAC representatives. Total fiscal year end expenditures for FY 23-24 Las Posas Watermaster are estimated to be \$996,667.

**REVENUES**

The Judgment requires the Watermaster “shall assess all Water Right Holders a uniform Basin Assessment per acre-foot of Annual Allocation held by the Water Right Holder” (Judgment § 7.2). The Judgment defines the initial Operating Yield of the LPV Basin as 40,000 acre-feet per year through at least Water Year 2024 (Judgment § 4.9.1.1). The first payment of the initial assessment was set at \$32 by your Board on April 24, 2024. Full payment of the first half of the initial assessment is calculated to yield \$1.28 million. Total revenue collected from the initial assessment as of May 6, 2024, is \$894,607.01. Assessments are considered delinquent if not received by May 6, 2024.

**DISCUSSION**

Projections of year-end expenditures are expected to exceed revenue collected from the first initial assessment due to delinquencies. The new Watermaster fund has no operating reserves. The second half of the initial assessment is scheduled to be assessed on June 1, 2024, due July 1, 2024, and considered delinquent August 1, 2024. Even with no adjustments to the second installment of the initial assessment, the LPV Watermaster fund will likely have a cash flow problem due to nonpayment of the first installment of the initial assessment by some water rights holders and the timing of the second installment of the initial assessment.

When the assessment will be levied in the next fiscal year has not been established by the LPV Watermaster. Aligning payments with the water year would have the first installment of the assessment levied on October 1, 2024, due November 1, 2024, and considered delinquent December 1, 2024. If this is the case the second installment of the initial assessment will need to collect sufficient funds to cover operations for the first five months of FY 24-25.

The LPV Watermaster funds are held separate from the FCGMA funds. With your Board's approval, a loan from the FCGMA Operating Reserves (current balance \$1,000,000) to LPV Watermaster could cover the shortfall until sufficient revenues are received from the LPV Assessment. How much the LPV Watermaster will need depends upon what level the second installment of the initial assessment will be set at and when the first installment of water year 2024-25 assessment will be levied.

Attachment E1 – FY 2023-24 Watermaster Initial Budget

Attachment E2 – LPV PWA Labor Charges

**Las Posas Valley Basin  
Initial Watermaster Budget FY 2023-24<sup>1</sup>**

Task	Reference <sup>2</sup>	Labor Hours Estimate <sup>3</sup>	Labor Cost Estimate <sup>4</sup>	Contract Cost Estimate <sup>5</sup>
<b>Watermaster Administration</b>				
Watermaster Meetings and Notice	Ex A 2.5	1,152	\$ 216,576	
Review of Records	Ex A 2.4	192	\$ 36,096	
Website	Ex A 2.4.1	192	\$ 36,096	
<b>Subtotal - Watermaster Administration</b>		<b>1,536</b>	<b>\$ 288,768</b>	<b>\$ -</b>
<b>Allocations &amp; Record Keeping</b>				
Annual Allocations & Allocation Schedule	4.2, 4.3	80	\$ 15,040	
New Uses / Subscription Projects	4.6	384	\$ 72,192	
Carryover	4.11	160	\$ 30,080	
Transfers	4.12	384	\$ 72,192	
Change of Point of Extraction	4.13	192	\$ 36,096	
New or Replacement Well	4.14	192	\$ 36,096	
Overuse	4.15	160	\$ 30,080	
Extraction Monitoring and Reporting	Ex A, Article V	768	\$ 144,384	
<b>Subtotal - Allocations &amp; Record Keeping</b>		<b>2,320</b>	<b>\$ 436,160</b>	<b>\$ -</b>
<b>Basin Management</b>				
GSP Update (5-year evaluation) <sup>6</sup>	4.9.1	220	\$ 41,360	\$ 220,000
2025 Basin Optimization Yield Study <sup>6</sup>	4.10	220	\$ 41,360	\$ 122,000
Annual Report <sup>6</sup>	5.2.3, Ex A 2.7.10	120	\$ 22,560	\$ 53,990
Initial Basin Optimization Plan <sup>6</sup>	5.3	180	\$ 33,840	\$ 78,000
<b>Subtotal - Basin Management</b>		<b>740</b>	<b>\$ 139,120</b>	<b>\$ 473,990</b>
<b>Committee Coordination and Consultations</b>				
Policy Advisory Committee	6.1, Ex A Article III	288	\$ 54,144	
Technical Advisory Committee <sup>6</sup>	6.11, Ex A Article IV	288	\$ 54,144	\$ 86,400
TAC Member Cost <sup>7</sup>				\$ 259,200
<b>Subtotal - Committee Coordination and Consultations</b>		<b>576</b>	<b>\$ 108,288</b>	<b>\$ 345,600</b>

**Las Posas Valley Basin  
Initial Watermaster Budget FY 2023-24<sup>1</sup>**

Task	Reference <sup>2</sup>	Labor Hours Estimate <sup>3</sup>	Labor Cost Estimate <sup>4</sup>	Contract Cost Estimate <sup>5</sup>
<b>Budget and Assessments</b>				
Watermaster Budget	7.5, Ex A 2.7.6	120	\$ 22,560	
Basin Assessments	7.1-7.3, 7.6, Ex A 2.8	576	\$ 108,288	
Processing Fees	7.4	192	\$ 36,096	
Audits	7.7	180	\$ 33,840	\$ 20,000
<b>Subtotal - Budget and Assessments</b>		<b>1,068</b>	<b>\$ 200,784</b>	<b>\$ 20,000</b>
<b>Calleguas Aquifer Storage &amp; Recovery Project</b>				
Calleguas ASR Project Operations Study	8.4	384	\$ 72,192	
<b>Subtotal - Calleguas Aquifer Storage &amp; Recovery Project</b>		<b>384</b>	<b>\$ 72,192</b>	<b>\$ -</b>
<b>Legal Services<sup>8</sup></b>				
Advisory		768	\$ 198,912	
Judicial Review	9.2	600	\$ 276,000	
<b>Subtotal - Legal Services</b>		<b>1,368</b>	<b>\$ 474,912</b>	<b>\$ -</b>
<b>TOTALS:</b>		<b>7,992</b>	<b>\$ 1,720,224</b>	<b>\$ 839,590</b>
			<b>Grand Total:</b>	<b>\$ 2,559,814</b>
			<b>Total Annual Allocation (AF):</b>	<b>40,000</b>
			<b>Initial Basin Assessment per AF:</b>	<b>\$ 64.00</b>

**Footnotes**

- 1 The Initial FY 2023-24 Budget is for estimated Watermaster administration expenses. It is anticipated that the Basin Assessment may need to be adjusted with addition of Basin Optimization Projects costs following Committee Consultation. Additionally presumes that FCGMA pumping fees may need to be adjusted for LPV operators.
- 2 Reference to LPV Adjudication Judgment section, "Ex A" is Exhibit A of the Judgment.
- 3 Estimated annual hours for Ventura County staff.
- 4 Labor cost estimate based on Ventura County Public Works Agency providing LPV Watermaster staff at a blended rate.
- 5 Contract cost estimate for outside services through the current water year ending Sept. 30, 2024.
- 6 Contract cost estimate for Dudek for assisting with Response Reports. Assumes two meetings per month.
- 7 Contract cost estimate for three TAC members including preparation of Recommendation Reports. Assumes two meetings per month.
- 8 Legal Services labor costs based on Ventura County Counsel providing LPV Watermaster legal services; Judicial Review includes outside counsel costs.

June

FUND: 0171 UNIT: 5796 LPV WATERMASTER	ACCUMULATED			EXPENDITURES BY ACCOUNTING PERIOD												
	OBJ	PROG	TOTAL	AP 01	AP 02	AP 03	AP 04	AP 05	AP 06	AP 07	AP 08	AP 09	AP 10	AP 11	AP 12	AP 13
CASH BALANCE 03-01-2024			0.00	0.00	(22,895.88)	(51,136.95)	(57,692.43)	(73,234.09)	(101,615.08)	(123,468.19)	(136,013.70)	(152,369.58)	136,290.74	686,980.54	674,445.46	674,445.46
<b>REVENUE:</b>																
INTEREST EARNINGS	8911		0.00									0.00	0.00			
Basin Assessment Fee- P6020670	9790	P6020670	883,846.72									308,142.40	575,704.32			
<b>TOTAL REVENUE</b>			883,846.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	308,142.40	575,704.32	0.00	0.00	0.00
<b>TOTAL FUNDS AVAILABLE</b>			883,846.72	0.00	(22,895.88)	(51,136.95)	(57,692.43)	(73,234.09)	(101,615.08)	(123,468.19)	(136,013.70)	155,772.82	711,995.06	686,980.54	674,445.46	674,445.46
<b>EXPENDITURES:</b>																
MISCELLANEOUS EXPENSE	2159		0.00													
ENGINEERING AND TECHNICAL SURVEYS - CONSULTING CONTRACT	2183		0.00													
ATTORNEY SERVICES - COUNTY COUNSEL	2185		0.00													
OTHER PROFESSIONAL AND SPECIALIZED SERVICES NON ISF	2199		0.00													
<b>LAS POSAS VALLEY BASIN ADJUDICATION</b>		P6020864	164,014.54	22,895.88	28,241.07	6,555.48	15,541.66	28,380.99	21,853.11	12,545.51	16,355.88	6,789.72	2,967.08	1,888.16		
PUBLIC WORKS CHARGES - LPV Watermaster Administration	2205	P6020660	38,605.99									9,799.43	18,808.16	9,998.40		
PUBLIC WORKS CHARGES - LPV Allocations & Record Keeping	2205	P6020661	575.96									575.96	0.00			
PUBLIC WORKS CHARGES - LPV Basin Management	2205	P6020662	1,097.51									0.00	1,097.51			
PUBLIC WORKS CHARGES - LPV Committee Coordination & Consultations	2205	P6020663	2,662.17									934.34	1,631.83	96.00		
PUBLIC WORKS CHARGES - LPV Budget & Assessments	2205	P6020664	797.61									383.95	0.00	413.66		
PUBLIC WORKS CHARGES - LPV Service & Support	2205	P6020667	1,647.48									998.68	509.94	138.86		
<b>SUBTOTAL EXPENDITURES</b>			209,401.26	22,895.88	28,241.07	6,555.48	15,541.66	28,380.99	21,853.11	12,545.51	16,355.88	19,482.08	25,014.52	12,535.08	0.00	0.00
<b>TOTAL REVENUE</b>			883,846.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	308,142.40	575,704.32	0.00	0.00	0.00
CONTINGENCY			0.00													
<b>ENDING CASH BALANCE</b>			674,445.46	(22,895.88)	(51,136.95)	(57,692.43)	(73,234.09)	(101,615.08)	(123,468.19)	(136,013.70)	(152,369.58)	136,290.74	686,980.54	674,445.46	674,445.46	674,445.46
				7/23	8/23	9/23	10/23	11/23	12/23	1/24	2/24	(159,159.30) 3/24	(162,126.38) 4/24	5/24	6/24	7/24

# LAS POSAS VALLEY WATERMASTER

## MEMORANDUM

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**Date:** May 14, 2024  
**To:** LPV Watermaster Fiscal Committee  
**From:** Arne Anselm, Interim Executive Officer  
**Subject:** Item F – LPV Fiscal Year 2024-25 Budget Development Study Session

The Adjudication Judgment for the LPV Basin (Judgment) appointed the FCGMA as Watermaster to implement the Judgment in the Basin. The Judgment requires the Watermaster to take certain Basin Management Actions and includes deadlines and important dates to implement many of these Basin Management Actions (Judgment § 7.1).

### **WATERMASTER BUDGET:**

Agency staff prepared a proposed Draft Watermaster Budget for Fiscal Year 2024-25 attached as Attachment 1. This is divided into seven principal tasks consistent with the requirements in the Judgment:

- Watermaster Administration
- Allocations & Record Keeping
- Basin Management
- Committee Coordination and Consultations
- Budget and Assessments
- Calleguas Aquifer Storage & Recovery Project
- Legal Services

Each principal task is broken into subtasks listing the reference to the applicable Judgment section(s), the annual labor hours estimate, the annual labor cost estimate, and contract cost estimate, as applicable. For the Watermaster Budget, the labor cost estimate is based on a blended hourly rate of \$212 for Ventura County Public Works Agency (PWA) staff. The calculation of this blended rate is shown in Attachment 1. Charge rates include indirect and overhead costs; only time spent directly working on Watermaster tasks is charged.

The proposed draft FY 24-25 Watermaster Budget was developed substantially from the Initial FY 23-24 Watermaster Budget adopted December 15, 2023. The changes that were made include updated PWA charge rates, the inclusion of a PAC administration line item, a data management system, and a proposed Operating Reserve of \$300,000.

The total initial Watermaster Budget for FY 2024-25 is estimated at \$3,307,382 consisting of \$1,716,384 estimated labor costs and \$1,290,998 estimated contract costs and \$300,000 in operating reserves. It is anticipated that the Basin Watermaster Budget may need to be adjusted with addition of Basin Optimization Project costs following Committee Consultation. Any adjustment of the Watermaster Budget may require an adjustment of the Basin Assessment as appropriate.

### **ADMINISTRATION OF WATERMASTER BUDGET:**

Funds from the LPV Basin Assessments are held in a separate LPV Watermaster Fund, separate from the accounts in the FCGMA Fund and administered in accordance with the Judgment (Judgment § 7.6). As with work conducted for FCGMA, County staff only charge for time spent on specific tasks with separate billing codes for Watermaster tasks. Consultant and contractor invoices are coded similarly. Any Basin Assessment funds that may remain at the end of the fiscal year will be held in the LPV Watermaster Fund and be available for the following fiscal year. Watermaster finances are subject to an annual audit by a certified public auditing firm with a full certified audit every three years (Judgment § 7.7).

**POLICY ADVISORY COMMITTEE LETTER:**

The PAC submitted a letter on May 3, 2024, which is attached as Attachment 2. The PAC determined to appoint Tony Morgan, of Daniel B. Stephens & Associates, as the PAC Administrator and a “PAC Administrative Assistant” in addition to the PAC Administrator. To fund these positions the PAC requested a line item for PAC Administration in the Watermaster budget of \$170,000 per year.

**BASIN ASSESSMENT:**

The Judgment requires that the Watermaster “shall assess all Water Right Holders a uniform Basin Assessment per acre-foot of Annual Allocation held by the Water Right Holder” (Judgment § 7.2). The FY 24-25 Watermaster Budget is estimated at \$3,307,382. The Judgment defines the initial Operating Yield of the LPV Basin as 40,000 acre-feet per year through the first two years of the Judgement (Judgment § 4.9.1.1). Therefore, the Basin Assessment equals the budget total divided by the Operating Yield which is projected from the draft budget at \$75.18 per acre-foot of Annual Allocation.

**Conclusion:**

The Fiscal Committee’s LPV Watermaster budget development study session provides opportunity for the Committee to evaluate the staff proposed Draft LPV Budget for Fiscal Year 2024-25 and provide recommendations for any modifications prior to submittal to the PAC for committee consultation. Following committee consultation, the Watermaster Budget will be adopted at the same meeting that the FCGMA adopts its annual budget (Judgment Exhibit A § 2.7.6).

Attachment F1 – Proposed Draft Watermaster Budget for FY 2024-25

Attachment F2 – PAC Letter RE: PAC Administrator Appointment and Budget Request, dated May 3, 2024

**Las Posas Valley Basin  
Watermaster Budget FY 2024-25<sup>1</sup>**

Task	Reference <sup>2</sup>	Labor Hours Estimate <sup>3</sup>	Labor Cost Estimate <sup>4</sup>	Contract Cost Estimate <sup>5</sup>	Hours / Week	Hours / Month	Hours / Year	Blended Rate	Cost
<b>Watermaster Administration</b>									
Watermaster Meetings and Notice	Ex A 2.5	384	\$ 81,408	69690	8	32	384	\$ 212	\$ 81,408
Review of Records	Ex A 2.4	192	\$ 40,704	\$ 11,718	4	16	192	\$ 212	\$ 40,704
Website	Ex A 2.4.1	192	\$ 40,704		4	16	192	\$ 212	\$ 40,704
<b>Subtotal - Watermaster Administration</b>		<b>768</b>	<b>\$ 162,816</b>	<b>\$ 81,408</b>					
<b>Allocations &amp; Record Keeping</b>									
Annual Allocations & Allocation Schedule	4.2, 4.3	80	\$ 16,960				80	\$ 212	\$ 16,960
New Uses / Subscription Projects	4.6	384	\$ 81,408		8	32	384	\$ 212	\$ 81,408
Carryover	4.11	160	\$ 33,920				160	\$ 212	\$ 33,920
Transfers	4.12	384	\$ 81,408		8	32	384	\$ 212	\$ 81,408
Change of Point of Extraction	4.13	192	\$ 40,704		4	16	192	\$ 212	\$ 40,704
New or Replacement Well	4.14	192	\$ 40,704		4	16	192	\$ 212	\$ 40,704
Overuse	4.15	160	\$ 33,920				160	\$ 212	\$ 33,920
Extraction Monitoring and Reporting	Ex A, Article V	768	\$ 162,816		16	64	768	\$ 212	\$ 162,816
Data Management and Support				\$ 200,000					
<b>Subtotal - Allocations &amp; Record Keeping</b>		<b>2,320</b>	<b>\$ 491,840</b>	<b>\$ -</b>					
<b>Basin Management</b>									
GSP Update (5-year evaluation) <sup>6</sup>	4.9.1	220	\$ 46,640	\$ 220,000			220	\$ 212	\$ 46,640
2025 Basin Optimization Yield Study <sup>6</sup>	4.10	220	\$ 46,640	\$ 122,000			220	\$ 212	\$ 46,640
Annual Report <sup>6</sup>	5.2.3, Ex A 2.7.10	120	\$ 25,440	\$ 53,990			120	\$ 212	\$ 25,440
Initial Basin Optimization Plan <sup>6</sup>	5.3	180	\$ 38,160	\$ 78,000	0	-	180	\$ 212	\$ 38,160
<b>Subtotal - Basin Management</b>		<b>740</b>	<b>\$ 156,880</b>	<b>\$ 473,990</b>					
<b>Committee Coordination and Consultations</b>									
Policy Advisory Committee	6.1, Ex A Article III	288	\$ 61,056		6	24	288	\$ 212	\$ 61,056
PAC Administration				\$170,000					
Technical Advisory Committee <sup>6</sup>	6.11, Ex A Article IV	288	\$ 61,056	\$ 86,400	6	24	288	\$ 212	\$ 61,056
TAC Member Cost <sup>7</sup>				\$ 259,200					
<b>Subtotal - Committee Coordination and Consultations</b>		<b>576</b>	<b>\$ 122,112</b>	<b>\$ 515,600</b>					



**Las Posas Valley Basin  
Watermaster Budget FY 2024-25<sup>1</sup>**

Task	Reference <sup>2</sup>	Labor Hours Estimate <sup>3</sup>	Labor Cost Estimate <sup>4</sup>	Contract Cost Estimate <sup>5</sup>	Hours / Week	Hours / Month	Hours / Year	Blended Rate	Cost
<b>Budget and Assessments</b>									
Watermaster Budget	7.5, Ex A 2.7.6	120	\$ 25,440				120	\$ 212	\$ 25,440
Basin Assessments	7.1-7.3, 7.6, Ex A 2.8	576	\$ 122,112		12	48	576	\$ 212	\$ 122,112
Processing Fees	7.4	192	\$ 40,704		4	16	192	\$ 212	\$ 40,704
Audits	7.7	180	\$ 38,160	\$ 20,000			180	\$ 212	\$ 38,160
<b>Subtotal - Budget and Assessments</b>		<b>1,068</b>	<b>\$ 226,416</b>	<b>\$ 20,000</b>					
<b>Calleguas Aquifer Storage &amp; Recovery Project</b>									
Calleguas ASR Project Operations Study	8.4	384	\$ 81,408		8	32	384	\$ 212	\$ 81,408
<b>Subtotal - Calleguas Aquifer Storage &amp; Recovery Project</b>		<b>384</b>	<b>\$ 81,408</b>	<b>\$ -</b>					
<b>Legal Services<sup>8</sup></b>									
Advisory		768	\$ 198,912		16	64	768	\$ 259	\$ 198,912
Judicial Review	9.2	600	\$ 276,000				-		
<b>Subtotal - Legal Services</b>		<b>1,368</b>	<b>\$ 474,912</b>	<b>\$ -</b>			-	\$ 259	\$ -
	<b>TOTALS:</b>	<b>7,224</b>	<b>\$ 1,716,384</b>	<b>\$ 1,290,998</b>					
			<b>Total:</b>	<b>\$ 3,007,382</b>	FTEs:	3.25 PWA			
			<b>Operating Reserves:</b>	<b>\$ 300,000</b>		0.76 County Counsel			
			<b>Grand Total:</b>	<b>\$ 3,307,382</b>					
			<b>Total Annual Allocation (AF):</b>	<b>40,000</b>		4.01 Total			
			<b>Basin Assessment per AF:</b>	<b>\$ 75.18</b>					

**Footnotes**

- 1 The FY 2024-25 Budget is for estimated Watermaster administration expenses. It is anticipated that the Basin Assessment may need to be adjusted with addition of Basin Optimization Projects costs following Committee Consultation. Additionally presumes that FCGMA pumping fees may need to be adjusted for LPV operators.
- 2 Reference to LPV Adjudication Judgment section, "Ex A" is Exhibit A of the Judgment.
- 3 Estimated annual hours for Ventura County staff.
- 4 Labor cost estimate based on Ventura County Public Works Agency providing LPV Watermaster staff at a blended rate.
- 5 Contract cost estimate for outside services through the current water year ending Sept. 30, 2024.
- 6 Contract cost estimate for Dudek for assisting with Response Reports. Assumes two meetings per month.
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- 8 Legal Services labor costs based on Ventura County Counsel providing LPV Watermaster legal services; Judicial Review includes outside

Dep Dir	Eng Mgr III	Eng Mgr I	Hydro IV	Hydro III	Eng III	S/S Spec I	WRS III	AA III	AA II	WRS II	MA II
308.359494	263.4787986	218.6362851	197.9169227	179.7318	181.8643	160.8055713	141.8695	142.402644	118.896056	\$ 111.16	91.28898

13%	18%	27%	9%			14%		9%	10%		100%	
860	1200	1800	600			900		620	644		6624	
\$ 265,189.16	\$ 316,174.56	\$ 393,545.31	\$ 118,750.15	\$ -	\$ -	\$ 144,725.01	\$ -	\$ 88,289.64	\$ 76,569.06	\$ -	\$ -	\$ 212

6624 total hours

Eugene West, Chair  
Las Posas Basin Watermaster  
800 S. Victoria Ave.  
Ventura, CA 93009

May 3, 2024

**Re: PAC Administrator Appointment and Budget Request**

Chair West:

At its April 4, 2024 meeting, the Las Posas PAC determined to appoint Tony Morgan, of Daniel B. Stephens & Associates, as the PAC Administrator. Mr. Morgan's role as a Technical Advisory Committee member, his knowledge of the basin and its stakeholders, and his exceptional interpersonal skills make him an ideal candidate to carry the PAC's message to the Watermaster board and the community.

The Watermaster budget does not currently include funding for a PAC Administrator. At its December 15, 2023 meeting, the Watermaster Board requested that the PAC develop a work plan and budget and submit them along with the nomination for PAC Administrator. The attached table categorizes the main functions of the PAC Administrator. In the interest of efficiencies, the PAC determined to name a "PAC Administrative Assistant" in addition to the PAC Administrator. At its April 4 meeting, the PAC appointed Caroline Wesley to this role. Ms. Wesley has been serving as the de facto clerk of the PAC since our establishment last fall, and the PAC hopes to continue availing itself of her organizational prowess and clear communication. It is anticipated she will subcontract to Mr. Morgan/DBS&A.

To establish a budget for the PAC Administrator and Administrative Assistant, the PAC reviewed the duties listed in Section 6.10.3.2 of the Judgment and, based on our collective experience of PAC activities to date and similar efforts elsewhere, estimated work hours required to fulfill them. Assuming no more than **four days a month** for each position, and using \$317 for the PAC Administrator, based on our understanding of Mr. Morgan's rate, and \$125 for the PAC Administrative Assistant, the PAC requests a line item for PAC Administration in the Watermaster budget of **\$170,000 per year**.

Section 6.10.3.1 of the Judgment requires that the Watermaster, absent a demonstration of cause not to, consent to this appointment. I will be available for consultation before the Watermaster board when you agendaize this item, hopefully May 22, 2024.

Thank you for your consideration,

Ian Prichard, Chair

<b>LAS POSAS WATERMASTER POLICY ADVISORY COMMITTEE ADMINISTRATOR DUTIES</b>		
<b>DUTIES</b>	<b>TECHNICAL RESPONSIBILITIES</b>	<b>ADMINISTRATIVE RESPONSIBILITIES</b>
<b><u>PAC Administrator</u></b>		
Determine, in consultation with PAC Chair, agenda for PAC meetings	X	
Prepare draft and final PAC Recommendation Reports	X	
Present Recommendation Reports to the WM Board during WM meetings	X	
Provide reports to PAC on TAC's findings/recommendations	X	
Address technical issues/questions from the PAC	X	
Other duties as assigned by PAC or as defined in WM Rules	X	
<b><u>PAC Administrative Assistant</u></b>		
Organize PAC meeting materials, coordinate with host venue as necessary		X
Prepare and distribute meeting agendas		X
Take and produce meeting minutes		X
Circulate draft reports and other data for PAC approval		X
Coordinate and liaise with PAC and constituents as required		X
Other duties as assigned by PAC or as defined in WM Rules		X