

# FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



## BOARD OF DIRECTORS

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**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 **Fiscal Committee Meeting at 2:00 p.m. on Monday, June 10, 2024** in the Atlantic Conference room, at the Ventura County Government Center, Hall of Administration at 800 South Victoria Avenue, Ventura, California.

## FISCAL COMMITTEE MEETING AGENDA

**June 10, 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.

### Las Posas Valley Watermaster Items

- D. Fiscal Year 2023-24 Year-End LPV Watermaster Fund Balances and Funding of Watermaster Rules Appeal** – A discussion about the LPV Watermaster's responsibility for funding the appeal of the Watermaster Rules and its impact to the LPV Fund balance.
- E. Fiscal Year 2024-25 LPV Watermaster Budget Development Study Session** – Evaluation of the Proposed Draft LPV Watermaster Budget for Fiscal Year 2024-25 and opportunity to provide recommendations for any modifications prior to submittal to the PAC for Committee consultation.

### Fox Canyon Groundwater Management & Las Posas Valley Watermaster Items

- F. Collection Remedies and Enforcement Efforts** – Discussion on tools available to the LPV Watermaster and the FCGMA to attain timely payments of assessments.
- G. Adjourn Meeting**

## **STANDING NOTICES**

The next Regular Meeting of the Fox Canyon Groundwater Management Agency Board of Directors will be held Wednesday, June 26, 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:** June 10, 2024  
**To:** LPV Watermaster Fiscal Committee  
**From:** Arne Anselm, Interim Executive Officer  
**Subject:** Item D – FY 2023-24 Year-End LPV Watermaster Fund Balances and Funding of Watermaster Rules Appeal

### **Background**

The Fiscal Committee met on May 14, 2024, to discuss the Initial Water Year 2023 LPV Basin Assessment, and the current LPV Watermaster Budget adopted by your Board on December 15, 2023. During the discussion, significant policy issues arose. Among other things, these issues related to the funding of LPV Watermaster work and programs required by the LPV Adjudication Judgment (Judgment), the Sustainable Groundwater Management Act (SGMA), and FCGMA's enabling legislation; they related to the reimbursing of FCGMA accounts for funds expended on LPV Watermaster activities prior to the collection of an LPV Basin Assessment; and they related to establishing and maintaining a positive fund balance (operating reserve) in the LPV Watermaster Budget. The Committee made recommendations on many of these policy issues for the FCGMA Board's consideration at the May 22, 2024, Board regular meeting. The Fiscal Committee scheduled a follow-up meeting on Monday, June 10, 2024, to continue the discussion on the Basin Assessment and the Proposed Draft LPV Watermaster Budget for Fiscal Year 2024-25.

Your Board provided direction at its May 22, 2024, regular meeting for implementation of the LPV Basin Assessment and for the development of the LPV Watermaster Budget. These directives include:

- The LPV Basin Assessment should only fund efforts in the Judgment which are in addition to tasks required by the Agency's enabling legislation, SGMA, or those tasks which are in addition to work historically performed by the Agency.
- LPV Watermaster Fund should reimburse the Agency for staff time spent implementing the Judgment and other Basin Management Actions since the Judgment was entered on July 10, 2023.
- Reimbursements should be accomplished in this Fiscal Year 2023-24.
- The LPV Watermaster Budget should maintain a reserve.
- The LPV Watermaster Basin Assessments should be broken into quarterly installments to maintain steady cash flow and build the reserve.

To help understand the implications of the LPV Watermaster Fund reimbursing the Agency for expenditures related to the appeal of the Judgment, your Board directed Agency staff to present the LPV Watermaster fund balance with alternative year-end balances reflecting different levels of funding the appeal of the Watermaster Rules incurred in Fiscal Year 2023-24.

### **Discussion**

At its February 28, 2024, regular meeting, your Board directed the Initial LPV Basin Assessment be invoiced in two installments (each 50% of the Assessment), the first on March 1, 2024, with a plan to invoice the second installment on June 1, subject to differences based on an accounting after the Board reviews a cost assessment prepared by Agency staff.

**FY 23-24 Year-End Projections and The Second FY 23-24 LPV Basin Assessment**

At the May 14, 2024, Fiscal Committee meeting, estimates of expenditures and revenue were discussed. The reimbursement of legal costs paid by the FCGMA for the appeal of the LPV Watermaster Rules was identified as an expense that may not be appropriate to be paid in full by the LPV Watermaster Fund.

On May 17, 2024, the LPV Watermaster Policy Advisory Committee submitted a letter (attached as Exhibit D1) expressing the opinion that any legal fees related to the FCGMA’s appeal be strictly confined to the FCGMA Budget and not be borne by the PAC. FCGMA’s appeal was limited to challenging the Watermaster Rules adopted as part of the Judgment, which included several deadlines that Agency staff deemed impractical or infeasible. Agency Counsel anticipates resolving the issues which led to the appeal as part of a settlement with key stakeholders in the LPV Basin.

If these legal fees are not paid through the Basin Assessment, they can then be paid through the GEMES Fund which is used to pay the cost of legal proceedings related to the implementation of the groundwater sustainability plans adopted by FCGMA. As Watermaster, FCGMA is responsible for implementing the GSP for the LPV Basin in a manner that will achieve the sustainability goals mandated by SGMA. Whether the cost of FCGMA’s appeal in the LPV Basin Adjudication, estimated at around \$400,000 through the end of the current Fiscal Year, should be paid from the LPV Basin Assessment or the GEMES Fund is therefore within the Board’s discretion. Factors to consider in making the determination include: (1) whether these costs advanced the Watermaster’s compliance with the Judgment; (2) whether these costs should be paid by all FCGMA pumpers or just those who obtained water rights under the Judgment; and (3) whether FCGMA should continue to include the LPV Basin Adjudication in future budgets for the GEMES Fund.

The table below provides the estimated expenditures through June 30, 2024, and current revenue collected from the first installment of the Initial Water Year 2023 LPV Basin Assessment. As of June 5, 2024, a total of \$1,036,138 has been collected from the \$1.28 million invoiced. The amount invoiced does not include assessed outstanding Basin Interest Charges, which total approximately \$30,463.

Three scenarios are presented regarding the legal fees associated with the appeal: full reimbursement to the FCGMA GEMES Fund, 50% reimbursement as suggested at the May 22, 2024, Board regular meeting, and no reimbursement.

LPV Legal Fee Reimbursement Options		Revenue Collected as of June 5, 2024	Estimated year-end Expenditures for Appeal Paid Back to FCGMA	Estimated year-end Expenditures	Projected Ending Balance
1	Full Reimbursement	\$ 1,036,138	\$ 400,000	\$ 996,667	\$ 39,471
2	50% Reimbursement	\$ 1,036,138	\$ 200,000	\$ 796,667	\$ 239,471
3	No Reimbursement	\$ 1,036,138	\$ 0	\$ 596,667	\$ 439,471

LPV Watermaster Funds are held in a separate account from FCGMA Funds. No operating reserves have been established for the LPV Watermaster Fund. Sufficient funds must be carried over to the next Fiscal Year for operations until revenue from the next Basin Assessment is received, following the adoption of the FY 24-25 budget and the establishment of FY 24-25 Basin Assessments.

**FCGMA Resolution 2020-05 (GEMES)**

On October 28, 2020, your Board approved Resolution 2020-05 for a \$20.00 Acre-Foot charge (GEMES Fee) to fund “actions and proceedings related to the Agency’s implementation of groundwater sustainability plans for the Basins.” (Resolution 2020-05 is attached as Exhibit D2.) Because the LPV Judgment “incorporates the GSP, as it may be amended from time to time, as a material component of the Physical Solution to achieve Sustainable Groundwater Management,” the GEMES Fund may be used to pay for the appeal or any other post-judgment proceedings in the LPV Adjudication, including fees for judicial review of Watermaster’s implementation of the judgment.

The LPV Basin is still subject to SGMA mandates for groundwater sustainability, including the requirement to coordinate management of all the basins within FCGMA’s jurisdiction. Using GEMES funds, which are collected pursuant to the FCGMA’s SGMA authority, to pay for Watermaster legal fees aligns with the importance of the GSP in the Physical Solution.

**Summary**

This item is to discuss how the appeal of the Watermaster Rules are to be funded. If full reimbursement of Agency staff time and legal support spent on LPV Watermaster activities is completed, projections of year-end expenditures are expected to be very close to revenue collected from the first initial assessment due to additional revenue generated from interest charged to delinquent payments, if the Basin Interest Charges are paid. The new LPV Watermaster Fund has no operating reserve. The second installment of the WY 2024 Basin Assessment has not been invoiced. The LPV Watermaster Fund will likely reach a zero-balance due to nonpayment of the first installment by some Water Rights Holders early in the next Fiscal Year.

**Attachments**

- Exhibit D1 – LPV PAC Fiscal Committee Response Letter, dated May 17, 2024
- Exhibit D2 – Resolution 2020-05

Exhibit D1 – LPV PAC Fiscal Committee Response Letter, dated May 17, 2024

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

May 17, 2024

Chair West:

As you know, Las Posas Valley Watermaster Policy Advisory Committee (PAC) representatives attended the May 14, 2024 Watermaster/FCGMA Fiscal Committee meeting. We appreciate the opportunity to be involved and would like to extend our thanks to you and Director Trembley for your incisive questions, requests for even greater detail, cogent framing of the policy questions, and openness to feedback from the PAC and other members of the public. We also appreciate staff's responsiveness to PAC's request for detail ahead of the committee meeting, Mr. Anselm's and Mr. Kaseke's willingness to provide additional detail during the discussion and ahead of future meetings of the Board and committee, and the generally collegial and collaborative atmosphere of the meeting. We thought it was a very productive and encouraging meeting.

At its May 16, 2024 meeting, the PAC discussed some of the questions coming out of the committee meeting. The main policy question the PAC would like to express an opinion on is that any **legal fees related to the FCGMA's appeal be strictly confined to the FCGMA budget and not be borne by the PAC**. This should resolve the revenue shortfall described during the committee meeting and therefore make it unnecessary to collect the second half of the initial basin assessment. More importantly, however, it stands to principle that the Watermaster should not bear the costs associated with legal action taken on behalf of the FCGMA against the Judgment.

In addition, we confirmed our previously state preference for quarterly billing; support the proposed approach to building operating reserves; and particularly appreciate the request to further itemize some of the line items under "Allocation & Recordkeeping" to better inform the segregation and/or duplication of effort between the FCGMA and Watermaster budgets.

Lastly, regarding the collection and enforcement of late payments, the PAC appreciates Watermaster staff's approach to sending a friendly reminder notice. Beyond that, we encourage the Watermaster to follow the remedies outlined in the Judgment.

Again, we appreciate the productivity of the May 14 fiscal committee and look forward to resolving these policy issues ahead of dialing in the FY2024-25 budget.

Sincerely,



Ian Prichard, Chair, LPV PAC

## **Resolution No. 2020-05**

### **of the Fox Canyon Groundwater Management Agency**

#### **A RESOLUTION IMPOSING A FEE ON GROUNDWATER EXTRACTIONS TO ESTABLISH A RESERVE FUND TO BE USED TO PAY THE COST AND EXPENSES OF ACTIONS AND PROCEEDINGS RELATED TO THE AGENCY'S GROUNDWATER SUSTAINABILITY PROGRAM**

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

**WHEREAS**, the Agency has entered into a joint powers agreement with the County of Ventura through which the Agency exercises all powers of a groundwater sustainability agency in areas overlying the Basins that are outside the Agency's statutory boundaries; and

**WHEREAS**, the Act at Water Code section 10730(a) authorizes a groundwater sustainability agency to impose fees on groundwater extractions to fund the costs of a groundwater sustainability program, including, but not limited to, preparation, adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve; and

**WHEREAS**, the Act at Water Code section 10726.2(f) authorizes a groundwater sustainability agency to commence, maintain, intervene in, defend, compromise, and assume the cost and expenses of any and all actions and proceedings; and

**WHEREAS**, beginning in calendar year 2018, and continuing to the present, the Agency has been named in a series of actions and proceedings which challenge the Agency's implementation of, and authority under, the Act; and

**WHEREAS**, the Agency reasonably anticipates the filing of additional actions and proceedings in response to its adoption and implementation of groundwater sustainability plans for the Basins, including, but not limited to, actions and proceedings in response to the Agency's adoption and implementation of groundwater management actions described therein; and

**WHEREAS**, beginning in fiscal year 2017/18, and continuing to the current fiscal year, the Agency has incurred significant legal expenses related to the pending and anticipated actions and proceedings; and

**WHEREAS**, the Agency anticipates incurring ongoing significant legal expenses over the next several fiscal years related to actions and proceedings which challenge the Agency's ability to fully exercise the powers and authorities granted under the Act; and

**WHEREAS**, the Agency's existing groundwater extraction fees are currently adequate to fund administration of the Agency's groundwater sustainability program, but do not generate sufficient revenue to fund the ongoing cost and expenses of legal actions and proceedings brought against the Agency; and

**WHEREAS**, the continued legal representation of the Agency's interests in these actions and proceedings is necessary to allow the Agency to carry out its groundwater sustainability program and to achieve sustainable groundwater management in accordance with the Act; and

**WHEREAS**, the continued legal representation of the Agency's interest in these pending and anticipated actions and proceedings will provide benefits to all water users within the Basins because, among other things, the claims that have been or are anticipated are capable of repetition and resolution of these matters has the potential to create binding precedent and/or create a model for dispute resolution, resolving issues of importance to all operators and further define the scope of the Agency's authority; and

**WHEREAS**, it is necessary to impose a fee on groundwater extractions to establish a reserve fund to be used to pay the cost and expenses of legal actions and proceedings related to the Agency's groundwater sustainability program; and

**WHEREAS**, the legal reserve fee was calculated based on the best honest viewpoint of the anticipated costs in light of the facts and circumstances currently known about existing and threatened litigation, reasonable assumptions based on those facts, and expert opinion regarding the costs associated with complex groundwater litigation and writ proceedings and related groundwater sustainability plan enforcement efforts; and

**WHEREAS**, the Board found and determined that based on the evidence presented, the proposed fee is a legitimate regulatory fee to be imposed on the groundwater extractions that is: (a) reasonably related and not more than necessary to the cost of enforcing actions and proceedings related to the Agency's implementation of groundwater sustainability plans for the Basins, (b) bears a fair or reasonable relationship to the payor's burdens on the groundwater system or benefits from implementation of the Agency's groundwater sustainability plans, and (c) is not levied for unrelated revenue purposes because the funds will be earmarked and placed in a designated legal reserve fund; and

**WHEREAS**, the data upon which the proposed fee is based has been made available to the public for at least 20 days prior to adoption of this Resolution; and

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

**NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED** as follows:

1. The above recitals are true and correct and material to this Resolution.
2. In making its findings, the Board relied up on and hereby incorporates by reference the staff report and attachments, staff presentation, public comments and other related materials presented at the public meeting.
3. Effective January 1, 2021, a fee of twenty dollars (\$20.00) per acre-foot shall be imposed on groundwater extractions from facilities within the Basins. The fee imposed by this Resolution shall be due and payable to the Agency by each owner or operator of an extraction facility in the manner provided in chapter 2.0 of the Agency Ordinance Code.



4. The revenue derived from the fee imposed under this Resolution shall be earmarked and placed in a separate fund used solely for the purpose of paying the cost and expenses of actions and proceedings related to the Agency's implementation of groundwater sustainability plans for the Basins.
5. The fee imposed under this Resolution shall not be collected from any person who extracts, for domestic purposes, two (2) acre-feet per year or less.
6. The fee imposed under this Resolution shall terminate automatically on October 1, 2024, and shall be applied only to groundwater extracted through September 30, 2024, unless the Agency Board of Directors takes affirmative action to terminate the fee, or to extend it to such other date as the Board selects.
7. Every twelve (12) months following adoption hereof, the Agency shall hold a public meeting to consider the continued need for, and adjustments to, the fee imposed by this Resolution.

On motion by Director Mobley, and seconded by Director Trembley the foregoing resolution was passed and adopted on October 28, 2020, by the following vote.

AYES – 5  
NOES – 0  
ABSTAINS - 0  
ABSENT – 0

By:   
Eugene F. West, 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. 2020-05.

By:   
Keely Royas, Clerk of the Board

# LAS POSAS VALLEY WATERMASTER

## MEMORANDUM

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**Date:** June 10, 2024  
**To:** LPV Watermaster Fiscal Committee  
**From:** Arne Anselm, Interim Executive Officer  
**Subject:** Item E – Fiscal Year 2024-25 LPV Watermaster Budget Development Study Session

### **Watermaster Budget**

Agency staff presented a proposed Draft Watermaster Budget for Fiscal Year 2024-25 at the May 14, 2024, Fiscal Committee meeting. Comments heard at that meeting and the direction from the Board are reflected in the Proposed Draft LPV Watermaster Budget for Fiscal Year 2024-25, presented for discussion in Exhibit E1.

The budget has been divided into seven principal tasks consistent with the requirements in the Judgment:

1. Watermaster Administration
2. Allocations & Record Keeping
3. Basin Management
4. Committee Coordination and Consultations
5. Budget and Assessments
6. Calleguas Aquifer Storage & Recovery Project
7. 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 a 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 Exhibit E1. Charge rates include indirect and overhead costs; only time spent directly working on Watermaster tasks is charged.

The Proposed Draft LPV Watermaster Budget for FY 2024-25 was developed substantially from the Initial FY 23-24 Watermaster Budget adopted December 15, 2023. Changes made include updated PWA charge rates; the inclusion of a PAC Administration line item; a data management system; a proposed Operating Reserve of 10% of the budget; and a line for insurance for PAC and TAC members. Also included is \$50,000 for contract support to assist with implementing quarterly Basin Assessments. Other refinements include significant reductions to the labor hours estimated primarily in Watermaster Administration and Allocations and Record Keeping. Contract support has been included to match the recently approved modification to the Dudek contract to support the GSP 5-Year Evaluation and Annual Report, and to provide funding for the LPV Watermaster's non-voting member to the TAC.

The PAC submitted a letter dated February 16, 2024, which is attached as Exhibit E2. The PAC determined to appoint Chad Taylor 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.

The total initial Watermaster Budget for FY 2024-25 is estimated at \$2,390,595, consisting of \$1,059,328 in estimated labor costs, of \$1,113,940 in estimated contract costs, and \$217,327 in operating reserves.

This Proposed Draft Budget is an estimate of the labor hours and contract costs it will take to implement the Judgment in FY 2024-25. In the implementation of the Judgment, it is possible some tasks may take

significantly more time than estimated. It is also anticipated that the Basin Management Budget may need to be adjusted with the addition of Basin Optimization Project costs, following Committee consultation. Any mid-year 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 are 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 LPV Watermaster tasks. Consultant and contractor invoices are coded and logged similarly. Any Basin Assessment funds that may remain at the end of the current Fiscal Year will be held in the LPV Watermaster Fund and will 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).

### **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 Proposed Draft LPV Watermaster Budget for Fiscal Year 2024-25 is estimated at \$2,390,595. 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 Judgment (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 \$59.76 per acre-foot of Annual Allocation.

### **Summary**

The Fiscal Committee’s LPV Watermaster Budget Development Study Session provides opportunity for the Committee to evaluate the current Proposed Draft LPV Watermaster Budget for Fiscal Year 2024-25 and to 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).

### **Attachments**

Exhibit E1 – Proposed Draft LPV Watermaster Budget for FY 2024-25  
Exhibit E2 – LPV PAC Letter, dated February 16, 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		8	32	384	\$ 212	\$ 81,408
Review of Records	Ex A 2.4	96	\$ 20,352		2	8	96	\$ 212	\$ 20,352
Website	Ex A 2.4.1	24	\$ 5,088		0.5	2	24	\$ 212	\$ 5,088
<b>Subtotal - Watermaster Administration</b>		<b>504</b>	<b>\$ 106,848</b>	<b>\$ -</b>					
<b>Allocations &amp; Record Keeping</b>									
Annual Allocations & Allocation Schedule	4.2, 4.3	40	\$ 8,480				40	\$ 212	\$ 8,480
New Uses / Subscription Projects	4.6	40	\$ 8,480		1	4	40	\$ 212	\$ 8,480
Carryover	4.11	192	\$ 40,704		4	16	192	\$ 212	\$ 40,704
Transfers	4.12	96	\$ 20,352		2	8	96	\$ 212	\$ 20,352
Change of Point of Extraction	4.13	96	\$ 20,352		2	8	96	\$ 212	\$ 20,352
New or Replacement Well	4.14	96	\$ 20,352		2	8	96	\$ 212	\$ 20,352
Overuse	4.15	80	\$ 16,960				80	\$ 212	\$ 16,960
Extraction Monitoring and Reporting	Ex A, Article V	384	\$ 81,408	\$ 20,000	8	32	384	\$ 212	\$ 81,408
Data Management and Support		192	\$ 40,704	\$ 200,000	4	16	192	\$ 212	\$ 40,704
<b>Subtotal - Allocations &amp; Record Keeping</b>		<b>1,216</b>	<b>\$ 257,792</b>	<b>\$ 220,000</b>					
<b>Basin Management</b>									
GSP Update (5-year evaluation) <sup>6</sup>	4.9.1	220	\$ 46,640	\$ 43,440			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	\$ 48,860			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>\$ 292,300</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 <sup>9</sup>				\$ 170,000					
Technical Advisory Committee <sup>6</sup>	6.11, Ex A Article IV	48	\$ 10,176	\$ 97,440	1	4	48	\$ 212	\$ 10,176
TAC Member Cost <sup>7</sup>				\$ 259,200					
Insurance <sup>10</sup>				\$ 5,000					
<b>Subtotal - Committee Coordination and Consultations</b>		<b>336</b>	<b>\$ 71,232</b>	<b>\$ 526,640</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	80	\$ 16,960				80	\$ 212	\$ 16,960
Basin Assessments	7.1-7.3, 7.6, Ex A 2.8	192	\$ 40,704	\$ 50,000	4	16	192	\$ 212	\$ 40,704
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>644</b>	<b>\$ 136,528</b>	<b>\$ 70,000</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		576	\$ 149,184		12	48	576	\$ 259	\$ 149,184
Judicial Review (challenges to court)	9.2	384	\$ 99,456		8	32	384	\$ 259	\$ 99,456
<b>Subtotal - Legal Services</b>		<b>960</b>	<b>\$ 248,640</b>	<b>\$ -</b>					
<b>TOTALS:</b>		<b>4,784</b>	<b>\$ 1,059,328</b>	<b>\$ 1,113,940</b>	FTEs: 2.12 PWA 0.53 County Counsel				
				<b>Total:</b>	<b>\$ 2,173,268</b>				
				<b>Operating Reserves<sup>11</sup>:</b>	<b>\$ 217,327</b>				
				<b>Grand Total:</b>	<b>\$ 2,390,595</b>				
				<b>Total Annual Allocation (AF):</b>	<b>40,000</b>				
				<b>Basin Assessment per AF:</b>	<b>\$ 59.76</b>				
					2.66 Total				

**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.
- 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.
- 6 Contract costs for Dudek for assisting with Response Reports (approved 5/22). Assumes one TAC meeting and response reports.
- 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.

Gene West, Chair  
Fox Canyon Groundwater Management Agency  
800 South Victoria Avenue  
Ventura, CA 93009

February 16, 2024

Chair West:

The Las Posas Basin Watermaster Policy Advisory Committee (PAC) is pleased to present, after a thorough vetting process, our nominees to the Technical Advisory Committee (TAC).

The PAC established a nomination subcommittee, in December 2023, composed of four members representing the East, West, and Basinwide Constituency Groups. The subcommittee solicited recommendations, resulting in an initial pool of 17 candidates. From there, the subcommittee held initial interviews with seven candidates, ultimately bringing six before the entire PAC for formal interviews.

From the beginning, the PAC proceeded as a unit, evaluating candidates with an eye to how they would work together as a team, rather than simply relying on the East and West Constituency Groups to nominate their TAC representative in a vacuum. The latter process one reading of the Judgment certainly would have allowed, but the PAC hoped to model the kind of collaboration and consensus-building in the selection of the TAC members that we expect of them in their work on our constituents' behalf. Ultimately, the East and West Constituency Groups conferred separately and nominated their TAC representative independently, but there was consensus across the PAC that the three individuals we landed on as a group were the best three, in terms of qualifications, experience, and complimentary skillsets, that we could have chosen. The PAC was unanimous in its selection of TAC Administrator.

With sincere thanks to all the candidates who applied and went through the process with us; to Rob Grether, chair of the nomination subcommittee, for all his work organizing us, the candidates, and their materials; and to Care Wesley for setting up the meetings and her meticulous notetaking; and with congratulations to the nominees, it is my pleasure to nominate to the TAC the following individuals:

- For TAC Administrator, Chad Taylor
- Representing the West Constituency Group, Robert Abrams
- Representing the East Constituency Group, Tony Morgan

The candidates' resumes, billing rates, and contact information have been forwarded to Watermaster staff to fulfill contracting. We request and anticipate that our TAC nominees receive consent to appointment by Watermaster at the February 28, 2024 Watermaster Board meeting.

Sincerely,



Ian Prichard, Chair  
Las Posas Valley Basin Watermaster Policy Advisory Committee

# LAS POSAS VALLEY WATERMASTER

## MEMORANDUM

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**Date:** June 10, 2024  
**To:** LPV Watermaster Fiscal Committee  
**From:** Arne Anselm, Interim Executive Officer  
**Subject:** Item F – Discussion on Collection Remedies and Enforcement Efforts

### Background

The lack of timely payments of the first installment of the Water Year 2023 Initial Basin Assessment has created a cash flow issue for the LPV Watermaster. Total processed payments as of June 5, 2024, are \$1,036,138. Payments have not been received from 42 WMIDs and are considered delinquent (see Exhibit F1, attached); delinquency notices and invoices have been sent to the 42 delinquent WMIDs (Exhibit F2, attached). At the May 22, 2024, FCGMA Board meeting it was requested a discussion be held by the Fiscal Committee on collection remedies and enforcement efforts available to the LPV Watermaster.

### Discussion

The Judgment in the LPV Basin Adjudication authorizes the Watermaster to take any necessary actions to ensure the collection of any delinquent assessments pursuant to the enforcement powers set forth in Section 5.2.6 of the Judgment [Jdg., § 7.3].

Section 5.2.6 provides in part:

Watermaster may petition the Court to issue enforcement orders, upon a motion and hearing, as necessary to remedy any non-compliance with the Judgment terms, including: (i) to seek a judgment lien from the Court pursuant to Code of Civil Procedure section 697.310 et seq.; or (ii) to foreclose an Allocation to be Transferred to Watermaster to either be retired or Transferred to another Party to satisfy any delinquent Basin Assessments, Overuse Assessments, or any associated fees related to the Allocation, as is necessary and equitable under the circumstances.

The Watermaster Rules provide that if the Watermaster is required to take legal action for the collection delinquent assessments, it shall also recover interest thereon, costs of suit, attorney's fees, and reasonable costs of collection [Watermaster Rules § 2.8.2]. Finally, the Watermaster may also withhold approval of any transfer until full payment of any delinquent assessments [Jdg. § 4.12.3].

Watermaster also has the authority to enforce the terms of the Judgment, using the enforcement authority granted to a Groundwater Sustainability Agency (GSA) under the Sustainable Groundwater Management Act (SGMA), and the authorities granted to the FCGMA under its enabling legislation [Jdg. § 5.2.6]. SGMA allows the Agency to bring suit for the collection of delinquent fees (along with interest of 1% per month and a 10% penalty) and provides for the additional remedy of allowing the Agency to seek a writ of attachment against the defendant [Water Code § 10730.6(c)]. In addition, SGMA authorizes the Agency, after a public hearing, to order an operator to cease and desist pumping until all delinquent fees are paid [Water Code § 10730.6(e)].

FCGMA's enabling legislation provides that the Agency may seek a temporary restraining order and an injunction restraining and prohibiting the operation of any well by anyone who is delinquent in the payment of pump fees to the Agency [Cal. Water Code § 121-1005; Water Code §§ 75630 and 75631]. FCGMA may also bring suit for the collection of delinquent pump charges (along with interest of 1% per month and a 10% penalty) [Cal. Water Code § 75633].

**Summary**

This item is to provide background for a discussion on how the LPV Watermaster can employ the tools available through its authorities granted by the court and Judgment, and by authorities granted to the FCGMA under SGMA and its enabling legislation.

**Attachments**

Exhibit F1 – WY 2023-1 LPV Basin Assessment Delinquency List, as of 6/4/2024

Exhibit F2 – Example Notice of Delinquent Basin Assessment and Delinquency Invoice



**WY 2023-1 LPV Basin Assessment Delinquency List, as of 6/4/2024**

WMID	Invoice #	Water Company or Landowner	Amount Due	Basin Interest Charge	Amount Paid	Balance Due
1008	LPV-2023-1-000008	Rancho Resplendor Sand Canyon	\$ 877.44	\$ 87.74		\$ 965.18
1009	LPV-2023-1-000009	Rancho Resplendor Moorpark	\$ 6,558.40	\$ 655.84		\$ 7,214.24
1013	LPV-2023-1-000013	Berkshire Investments	\$ 2,472.96	\$ 247.30		\$ 2,720.26
1018	LPV-2023-1-000018	William Miller	\$ 1,245.76	\$ 124.58		\$ 1,370.34
1032	LPV-2023-1-000031	John-Yon Chang	\$ 6,914.88	\$ 691.49		\$ 7,606.37
1043	LPV-2023-1-000041	Del Norte	\$ 5,532.48	\$ 553.25		\$ 6,085.73
1054	LPV-2023-1-000051	Farmland Reserve, Inc.	\$ 8,986.24	\$ 898.62		\$ 9,884.86
1057	LPV-2023-1-000312	Spanish Hills Country Club	\$6,165.12	\$ 616.51	\$6,165.12 paid 5/31/24; Basin interest balance due as of 6/4/2024	\$ 616.51
1059	LPV-2023-1-000055	Balcom-Bixby	\$ 4,174.72	\$ 417.47		\$ 4,592.19
1061	LPV-2023-1-000057	Bard Ranch	\$ 1,066.56	\$ 106.66		\$ 1,173.22
1071	LPV-2023-1-000066	Balcom-Bixby	\$ 282.24	\$ 28.22		\$ 310.46
1073	LPV-2023-1-000068	Zone	\$ 6,525.44	\$ 652.54		\$ 7,177.98
1082	LPV-2023-1-000076	Los Angeles Avenue Ranch LP	\$ 15,341.44	\$ 1,534.14		\$ 16,875.58
1094	LPV-2023-1-000088	Mastro Culbert Farms, LLC	\$ 6,998.08	\$ 699.81		\$ 7,697.89
1105	LPV-2023-1-000097	Benchmark Partners Ag, LLC	\$ 1,328.96	\$ 132.90		\$ 1,461.86
1119	LPV-2023-1-000109	Mark Ratto	\$ 2,079.68	\$ 207.97		\$ 2,287.65
1123	LPV-2023-1-000113	Santa Clara Avenue Oxnard LP	\$ 9,126.72	\$ 912.67		\$ 10,039.39
1129	LPV-2023-1-000116	Berylwood	\$ 7,316.80	\$ 731.68		\$ 8,048.48
1130	LPV-2023-1-000317	Saticoy CC Golf - Saticoy Partners LLC	\$ 9,334.08	\$ 933.41		\$ 10,267.49

## Exhibit F1

WMID	Invoice #	Water Company or Landowner	Amount Due	Basin Interest Charge	Amount Paid	Balance Due
1131	LPV-2023-1-000295	Balcom Canyon Ranch - James Waters Trustee for J&H Revocable and Andrew Exempt Trusts	\$ 32.96	\$ 3.30		\$ 36.26
1141	LPV-2023-1-000309	Balcom-Bixby	\$ 546.56	\$ 54.66		\$ 601.22
1142	LPV-2023-1-000125	Balcom Ranch Road - Stagola, Inc.	\$ 13,707.52	\$ 1,370.75		\$ 15,078.27
1148	LPV-2023-1-000130	Main Ranch: Sunshine Agriculture, Inc.	\$ 61,326.72	\$ 6,132.67		\$ 67,459.39
1153	LPV-2023-1-000134	Zone	\$ 4,824.00	\$ 482.40		\$ 5,306.40
1158	LPV-2023-1-000139	Waters & Sons Farms LP	\$ 2,842.88	\$ 284.29		\$ 3,127.17
1159	LPV-2023-1-000140	Magana Ranch, LLC	\$ 4,377.28	\$ 437.73		\$ 4,815.01
1169	LPV-2023-1-000147	Wonderful Citrus, LLC	\$ 12,893.12	\$ 1,289.31		\$ 14,182.43
1170	LPV-2023-1-000148	Lemon 500, LLC	\$ 34,760.00	\$ 3,476.00		\$ 38,236.00
1171	LPV-2023-1-000149	Jeffrey Yong	\$ 3,688.64	\$ 368.86		\$ 4,057.50
1172	LPV-2023-1-000324	ZIP TWO, LLC	\$ 10,003.84	\$ 1,000.38		\$ 11,004.22
1182	LPV-2023-1-000293	Meadows of Moorpark	\$ 30.72	\$ 3.07		\$ 33.79
1184	LPV-2023-1-000298	Marlene Valter	\$ 30.72	\$ 3.07		\$ 33.79
1185	LPV-2023-1-000291	Fox Canyon Farms, LLC	\$ 30.72	\$ 3.07		\$ 33.79
1191	LPV-2023-1-000157	Empty Saddle Ranch - Lee Family Trust	\$ 1,119.36	\$ 111.94		\$ 1,231.30
1196	LPV-2023-1-000162	Lynch Ranch	\$ 1,215.68	\$ 121.57		\$ 1,337.25
3203	LPV-2023-1-000177	Balcom-Bixby	\$ 143.04	\$ 14.30		\$ 157.34

Exhibit F1 – WY 2023-1 LPV Basin Assessment Delinquency List, as of 6/4/2024

Exhibit F1

WMID	Invoice #	Water Company or Landowner	Amount Due	Basin Interest Charge	Amount Paid	Balance Due
3204	LPV-2023-1-000178	Balcom-Bixby	\$ 652.16	\$ 65.22		\$ 717.38
3207	LPV-2023-1-000181	Balcom-Bixby	\$ 28.48	\$ 2.85		\$ 31.33
3210	LPV-2023-1-000182	Balcom-Bixby	\$ 59.20	\$ 5.92		\$ 65.12
3500	LPV-2023-1-000328	Del Norte	\$ 74,126.40	\$ 112.55	\$ 73,000.93	\$ 1,238.02
4201	LPV-2023-1-000251	Zone	\$ 723.20	\$ 72.32		\$ 795.52
4263	LPV-2023-1-000282	Zone	\$ 3,204.48	\$ 320.45		\$ 3,524.93

# EXAMPLE

## LAS POSAS VALLEY WATERMASTER

# NOTICE OF DELINQUENT BASIN ASSESSMENT

On December 15, 2023, Fox Canyon Groundwater Management Agency (FCGMA), acting as the court-appointed Watermaster for the Las Posas Valley Groundwater Basin (LPV Basin), adopted a Basin Assessment of \$64 for Water Year 2023 [October 1, 2023 – September 30, 2024] to fund implementation and administration of the Las Posas Valley Adjudication Judgment (Judgment). On February 28, 2024, FCGMA approved invoicing the WY2023 Basin Assessment in two equal installments of \$32. Invoices for the first installment were sent electronically to Water Right Holders on March 8, 2024, and payments were due on or before April 5, 2024. Under the Judgment, unpaid Basin Assessment amounts become delinquent 30 days after they are due and shall bear interest at the current real property tax delinquency rate for Ventura County. (Judgment, Exh. A, § 2.8.2.)

FCGMA records indicate you did not pay the full amount of your WY2023 Basin Assessment on or before May 6, 2024. Accordingly, your WY2023 Basin Assessment is delinquent and shall bear interest at the current real property tax delinquency rate for Ventura County, which is 10% per year. The attached invoice has been prepared to include the amount of your delinquency payment and the new total amount for your WY2023 Basin Assessment. Please remit payment to FCGMA as provided in the attached invoice as soon as possible.

Failure to pay your Basin Assessment in full may result in (i) adverse impact to your “Good Standing” under the Judgment; (ii) prevent the purchase, sale, or transfer of your Water Right Allocation; (iii) the Watermaster petitioning the Court for an enforcement order to lien your property or foreclose your Allocation; and/or (iv) other injunctive or monetary relief to ensure compliance with the Judgment. (Judgment, §§ 4.12.3, 5.2.6; Exh. A, §2.8.2.)

Please contact the Watermaster at [LPV.Watermaster@ventura.org](mailto:LPV.Watermaster@ventura.org) with any questions.

**EXAMPLE****Las Posas Valley Watermaster**

800 S. Victoria Avenue | Ventura, CA 93009-1610 | Tel: (805) 654-2010 | LPV.Watermaster@ventura.org

**WATER YEAR 2023 BASIN ASSESSMENT INVOICE - 1st INSTALLMENT PAST DUE**

<b>WMID:</b> 0000	<b>Invoice Number:</b> LPV-2023-1-000000
<b>Landowner:</b> Example Landowner Name	<b>Invoice Date:</b> March 08, 2024
	<b>Due Date:</b> April 05, 2024
	<b>Delinquency Assessment Date:</b> May 06, 2024

**GENERAL AUTHORITY AND INSTRUCTIONS**

The Las Posas Valley Adjudication Judgment authorizes Fox Canyon Groundwater Management Agency (FCGMA), acting as the Las Posas Basin Watermaster, to levy and collect Basin Assessments to fund implementation of the Judgment. Basin Assessments are calculated by multiplying each Water Right Holder's Annual Allocation by the Basin Assessment Amount approved by the Watermaster Board. For Water Year 2023, the Watermaster Board approved a \$64/AF Basin Assessment to be invoiced in two equal installments.

Payments are due to FCGMA by the **Due Date** provided above. Payments not received within a month of the **Due Date** will be delinquent and shall bear interest at the current real property tax delinquency rate for Ventura County.

**WY 2023 BASIN ASSESSMENT (1st INSTALLMENT)**

<b>1</b>	<b>Allocation Basis WY 2023:</b>	218.69	AF	
<b>2</b>	<b>Basin Assessment:</b>	<u>218.69</u>	AF X \$32.00	+ \$ <u>6,998.08</u>
<b>3</b>	<b>Amount Paid to Date:</b>			- \$ <u>0.00</u>
<b>4</b>	<b>Delinquent Amount:</b>			= \$ <u>6,998.08</u>

**Section 3 applies if one month or more past **Due Date** (Judgment, Exh. A, § 2.8.2)**

<b>5</b>	<b>Basin Interest Charge:</b>			+ \$ <u>699.81</u>
	[Delinquent Amount x 10% tax delinquency rate]			

**PAYMENT**

<b>6</b>	<b>Total Amount Due:</b>			= \$ <u>7,697.89</u>
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[Total of lines 4 &amp; 5]

Include WMID and Invoice Number in memo line of check payment.

Limit one (1) WMID per payment.

**Check No:** \_\_\_\_\_

Date: \_\_\_\_\_

Mail a copy of this invoice with payment made payable to:

Fox Canyon Groundwater Management Agency

800 S. Victoria Avenue

Ventura, CA 93009-1610