

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



BOARD OF DIRECTORS

Eugene F. West, **Chair**, Director, Camrosa Water District
David Borchard, **Vice Chair**, Farmer, Agricultural Representative
Steve Bennett, Supervisor, County of Ventura
Charlotte Craven, Councilperson, City of Camarillo
Robert Eranio, Director, United Water Conservation District

EXECUTIVE OFFICER

Jeff Pratt, P.E.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Fox Canyon Groundwater Management Agency (FCGMA) will hold an **Operations Committee Meeting** at **9:00 a.m. on Friday, March 09, 2018** in the **Atlantic Conference Room**, at the Ventura County Government Center, Hall of Administration, Main Plaza at **800 South Victoria Avenue, Ventura, California**.

FCGMA OPERATIONS COMMITTEE MEETING AGENDA

March 09, 2018

Members: Chair Steve Bennett
Co-Chair Robert Eranio

A. Call to Order / Introductions

B. Public Comments – Audience members may speak about FCGMA-related matters not on today's Agenda.

C. Approval of Minutes – Consider approval of minutes from the February 05, 2018 Operations Committee meeting

D. Agenda Review

E. NRCS Grant Implementation – A discussion on the efforts and decisions needed to ensure success of meeting the grant timeline for AMI implementation and the Phase 2 of the Water Market.

- a. **Outreach and March 27th Workshop**
- b. **AMI Incentive Approval and Installation Workflow**
- c. **Ranch Systems AMI Contract Elements**

F. Water Supply and Infrastructure Projects – Development of a process for identification and prioritization of projects for inclusion in Groundwater Sustainability Plan forecasting of sustainable yield – continued discussion from the February 5, 2018 meeting.

G. Adjourn Operations Committee Meeting

NOTICES

The FCGMA Board strives 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 Board can only act on items designated as Action Items. Action items on the agenda are staff proposals and may

be modified by the Board as a result of public comment or Board member input. Additional information about Board meeting procedures is included after the last agenda item.

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.*

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 South Victoria Avenue, Location #1610, Ventura, CA 93009-1610, or via telephone by calling (805) 654-2014. Any such request should be made at least 48 hours prior to the meeting so staff can make the necessary arrangements.*

Availability of Complete Agenda Package: *A copy of the complete agenda package is available for examination at the FCGMA office during regular working hours (8:00 a.m. to 5:00 p.m. Monday through Friday) beginning five days before the Board meeting. Agenda packet contents are also posted on the FCGMA website as soon as possible, and left there for archival retrieval in case reference is needed on previously considered matters. Questions about specific items on the agenda should be directed to the Agency's Executive Officer.*

Continuance of Items: *The Board will endeavor to consider all matters listed on this agenda. However, time may not allow the Board 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.*

Electronic Information and Updates: *Visit <http://www.fcgma.org> (for home page information) or Facebook (for meeting updates). Information available online includes the Board's meeting schedule, a list of the Board members and staff, weather station data, general information, and various Agency forms. If you would like to speak to a staff member, please contact the Clerk of the Board at (805) 654-2014.*

Draft Project Evaluation Checklist

| Background Information |
|---|
| Project Name |
| Description |
| Purpose of Project |
| Water supply, infrastructure, water quality, etc. |
| Implementation Trigger (if applicable) |
| Location |
| Sponsoring Agency |

| Evaluation Ranking | Ranking / Weighting |
|--|---------------------|
| Benefits | |
| Sustainability indicators addressed | |
| Annual increase in Sustainable Yield (AF/year) | |
| DWR basin priority, critical overdraft | |
| Is it to be located in an area identified in GSP as having a special need? | |
| Will it benefit the entire basin, or only a portion? | |
| Technical | |
| Construction feasibility | |
| Appropriateness of location | |
| Ability to accomplish purpose | |
| Life expectancy of project | |
| Level of uncertainty | |
| Environmental | |
| CEQA requirements and status | |
| Sensitivity of location | |
| ESA concern | |
| Political | |
| Consistent with adopted jurisdictional plans | |
| Consistent with planning agency regulations | |
| Stakeholder support | |
| Permitting | |
| Permits required | |
| Status / time required | |
| Construction | |
| Time table to implement | |
| Total capital cost | |
| Capital cost per AF/year produced | |
| Operation and Maintenance | |
| Description | |
| Annual cost | |
| O&M cost per AF | |
| Funding | |
| Funding source(s) | |
| Timeline to secure funding | |
| Project Status | |
| Estimated Time to Project Completion | |

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



BOARD OF DIRECTORS

Eugene F. West, Chair, Director, Camrosa Water District
David Borchard, Vice Chair, Farmer, Agricultural Representative
Steve Bennett, Supervisor, County of Ventura
Charlotte Craven, Councilperson, City of Camarillo
Robert Eranio, Director, United Water Conservation District

EXECUTIVE OFFICER

Jeff Pratt, P.E.

MINUTES

Minutes of the Fox Canyon Groundwater Management Agency's (FCGMA) Operations Committee meeting held **Monday, February 05, 2018 at 2:00 p.m.** in the Atlantic Conference Room at the Ventura County Government Center, Hall of Administration, 800 South Victoria Avenue, Ventura California.

Members: Chair Steve Bennett
Vice Chair Robert Eranio

A. Call to Order

Chair Bennett called the meeting to order at 2:00 p.m.

In attendance were: (1) Steve Bennett, FCGMA Operations Committee Chair; (2) Robert Eranio, FCGMA Operations Committee Vice Chair; (3) Arne Anselm, WPD, Deputy Director; (4) Kim Loeb, FCGMA, Groundwater Manager; (5) Keely Royas, FCGMA Clerk of the Board; (6) Tony Stafford, Camrosa; (7) Tony Morgan, United Water Conservation District (UWCD); (8) Mike Ellis, UWCD; (9) Brian Collins, UWCD; (10) Tony Goff, Calleguas Municipal Water District (CMWD); (11) Bryan Bondy, CMWD; (12) Thien Ng, City of Oxnard; (13) Jeannette Lombardo, Global Water Innovations (GWI); (14) Henry Graumlich, CMWD; (15) Clark Easter, GWI; (16) Susan Pan, VCWD #1; (17) Jennifer Tribo, City of Ventura.

B. Public Comments

There were no public comments.

C. Approval of Minutes

Vice Chair Eranio made a motion to approve the minutes. Chair Bennett seconded the motion, and the motion as amended were approved.

D. Agenda Review

There were no changes made to the agenda.

E. AMI Performance Specifications

Mr. Anselm recapped what happened at the prior meeting concerning this item. He then stated that after the last meeting it went to County Counsel for their review. One of the issues identified by County Counsel was having a different pathway for compliance of SCADA spelled out in the resolution when it is not in the draft ordinance. Mr. Anselm stated that the comments made by County Counsel were that if SCADA could meet the basic requirements of AMI, there is no need for a separate section. Mr.

Anselm stated that he knew that Mr. Stafford had concerns about the latest draft of the resolution, but he wanted to resolve one right away. Mr. Anselm stated that the ordinance and resolution are only for AMI and the capabilities that must be present for compliance. Reporting requirements are going to be addressed through a revision of the ordinance code. Mr. Anselm spoke to one of the other issues raised by Mr. Stafford. If a SCADA is alerted to pumping without extractions, the meter stops and the system stops the pump, there are no extractions being made and a notification does not need to be sent to the GMA, but if the meter stops and pumping does not and extractions are continuing the GMA does need to be notified.

Vice Chair Eranio stated that there needs to be a way that an operator can continue to pump water if it is just a meter issue and calculations can be made to determine how much water is pumped.

Mr. Anselm stated that would be acceptable as long as the GMA is notified.

There were concerns voiced that there are differences between the language of County Counsel and how stakeholders think it should be written.

Mr. Stafford commented that because SCADA systems are in place on some meters, that the AMI specifications would be somewhat built around some of the SCADA functions. He was also concerned that the redlined draft that he did to the latest draft from County Counsel was not provided at the meeting. Mr. Stafford had some concerns that he wanted to go over in the draft resolution, specifically sections 4C, 4E, 4F, and 4G. Under 4C the timeline of "within 24 hours" was added. Under 4E "RTU" was taken out and replaced with "data". There was also concern that a month's worth of data is required to be stored internally. It was agreed upon that data shall be backed up and stored for a month. Under 4F "RTU" was replaced with "data" and there was a question of why data needs to be sent twice a day. There was some discussion as to the necessity and Chair Bennett suggested to park the issue and resolve through email with the group. The same change regarding the "RTU" being replaced with "data" was made under 4G.

Mr. Loeb commented that the resolution spells out what the system needs to be capable of doing, but the ordinance is going to spell out what the system will be required to actually do. Just because your system needs to be capable of doing something doesn't mean that you will actually be required to do it.

Mr. Anselm stated that he has not received any comments regarding the ordinance.

Vice Chair Eranio stated that if you meet the resolution than you automatically meet the ordinance.

Chair Bennett stated that Mr. Anselm will send out a clarifying email.

F. NRCS Grant Implementation

a. Vendor selection

Mr. Anselm stated that an RFQ was sent out in late November 2017. He stated that there were six total applicants that were graded against the selection criteria matrix that the Operations Committee had previously approved. He stated that the Selection Committee approved by the Operations Committee held interviews the week prior with the top two contenders. There was a unanimous decision that Ranch Systems would be the selected vendor. Mr. Anselm stated that his recommendation of the Operations Committee was to listen to the recommendation of the Selection Committee and to move forward with Ranch Systems as the vendor. He stated that the next step would be to hopefully get a contract to go before the FCGMA Board at the February 28, 2018 meeting.

Vice Chair Eranio accepted the recommendation and asked staff to bring it to the Board.

b. Grower Application Process

Mr. Anselm stated that for the AMI being funded by the grant there would be the same requirements as set forth by the pilot water market, everyone needs to have their flowmeters in compliance and no outstanding monies owed to the GMA. Mr. Anselm asked that if someone is out of calibration, but they can show that they have an appointment for calibration, is it fair to reserve their place in line for the tiered structure for incentives.

Chair Bennett stated it is easy to make an appointment, and that it doesn't guarantee that they will be in compliance. He said that having an appointment is not good enough, compliance must be met in order to hold their place in line for the tiered structure for incentives.

Jeanette Lombardo asked if an applicant has multiple wells and some are in compliance and some aren't, would that stop them from getting incentives for those that are in compliance.

Mr. Anselm stated that the incentives will go from well head to well head and not by combcode, but none of the wells will be eligible for the water market until all were in compliance.

c. Timeline

Mr. Anselm noted the timeline keeps getting pushed back. He stated that there is a commitment under the grant to get AMI installed by March 30, 2019. He said that he created a little bit of a problem because the phase 2 of the water market pilot is slated to start in the 2018 water year, yet the vendor has committed to get the AMI systems installed by December 2018, which creates a two month window with launch of water market, but not the completion of AMI. His recommendation is to continue with the verbal commitment date of December 1, 2018 for AMI installation and will change the date in the ordinance. Directors Bennett and Eranio consented to the change.

G. Water Supply and Infrastructure Projects

Mr. Loeb presented the "Water Supply and Infrastructure Projects Identification and Prioritization for GSPs" PowerPoint presentation to the committee.

Mr. Loeb stated that the objective for the Operations Committee is to define a process for the identification and prioritization of projects that are going to be included in the forecast of sustainable yield for the GSPs. He went through a list of example types of projects. He went over the GSP regulations for the inclusion of projects. Mr. Loeb discussed a list of currently identified proposed projects that was compiled by the Technical Advisory Group (TAG) and the joint FCGMA/Calleguas MWD funded "Las Posas Replacement Water Study." There are other considerations to take into account when looking at project aspects. Mr. Loeb stated that for the project to be included it has to increase the sustainable yield, has to be implemented in 20 years, there needs to be an agency proponent, there has to be a funding mechanism, and should be cost effective.

Mr. Loeb proposed a process for identification and prioritization of projects:

- Begin with currently identified projects
- Define process and timeline for new project proposals
- Develop initial screening checklist
- Develop scoring criteria

- Task existing or new committee for review and scoring of projects

Henry Graumlich asked if projects that are going to be included in the GSPs will affect the ramp down. Mr. Loeb stated that yes, the idea is to identify projects that will increase sustainable yield and reduce the ramp down.

Mr. Graumlich asked if it is going to be critical that a project has an agency proponent so that funding is more attractive as it benefits the agency.

Chair Bennett stated that it is not necessarily a criteria, but it would make it more appealing.

Jeanette Lombardo stated that individual farmers may want to do a project. She asked if there was a certain volume of water needed to be produced for the project to be considered.

Chair Bennett reminded everyone that this is a time to invite thoughts about the process, but it is not a time to advocate for projects. He stated that the biggest challenge is realistic effect on the sustainable yield. Is it going to offset current demand or increase demand? Two of the big process components are how it effects sustainable yield and if it is feasible.

Chair Bennett solicited thoughts from everyone of what the process steps should be.

Vice Chair Eranio stated that he could see a matrix being built with the criteria having points for each one of the columns that go into it. He said that dollars per acre foot is going to be a huge consideration, political appetite, permitting, and the ability to address undesirable results. He suggested that the top three or four go into the modeling aspect of it. He also said that it needs to be decided who is going to evaluate to results and that it needs to be a cross section so that it represents who the stakeholder are, staff and representatives for Ag and M&I, as well as the TAG.

Chair Bennett said that if you took a normal government agency they would use the government resources to hire an expert to do an objectable analysis. He said that the analysis would then get vetted by the group that Vice Chair Eranio mentioned.

Ms. Tribo stated that one main concern is that if these projects are going to affect sustainable yield, then there needs to be a high amount of certainty. Mr. Ng stated that the City of Oxnard echoes the same concern as Ms. Tribo.

Mr. Bondy stated to try not to design the whole process. He asked what does feasible mean in the process and that geography is important.

Mr. Stafford stated that there is a large group of people accepting the idea of replenishment fees. He said that the concerns are, who is going to benefit, how the public is going to be brought in, and what projects get in.

Mr. Easter stated that he is equally concerned about salts as he is with quantity of water.

Ms. Lombardo stated that the list of currently identified projects was a year and a half to two years old and that the list of proposed projects needs to be relooked at. She stated that there is better technology now that hasn't been looked at yet. Mr. Loeb said the TAG list was compiled in late summer 2017 and was not that old.

Mr. Anselm stated that potential partnerships, especially with the municipal storm water agencies, can assist creating larger projects with multiple benefits.

Ms. Pan stated that in this process, perhaps that the matrix that is going to be developed should include who the proponent is, who is going to provide funding, and who will benefit.

Mr. Loeb asked what should be accomplished at the next meeting. He stated that staff is working on compiling matrix components.

Chair Bennett proposed at the next meeting to have staff have an item to start designing the matrix. He thanked everyone for their comments. Lastly, he stated that to be included in the GSPs as a project that is going to increase safe yield and how much we are going to draw out of the aquifer, the standard has to be high.

H. Adjourn Operations Committee Meeting

Chair Bennett adjourned the Operations Committee meeting at 3:58 p.m.

DRAFT

Water Supply and Infrastructure Projects Identification and Prioritization for GSPs

Operations Committee Meeting
Item F – March 9, 2018



Kim Loeb
Groundwater Manager

Objective

- Define process for identification and prioritization of projects to be included in GSP forecast of sustainable yield
- Purpose is to identify projects in GSP forecast of sustainable yield
 - Not a commitment to specific projects
 - Will be reevaluated in future
- Not to be confused with future identification of projects for funding by potential Replenishment Fee

Project Criteria

- Increases sustainable yield
 - Can be implemented within 20 years
 - Agency proponent
 - Can be funded
 - Is cost effective (benefit cost ratio)
-
- Additionally, a list of concept projects can be included in the GSPs, but they will not be included in forecast of basin sustainable yield

Process for Identification & Prioritization

- Develop initial screening checklist
- Develop scoring criteria
- Task existing or new committee for review and scoring of projects
- Begin with currently identified projects
- Define process and timeline for new project proposals

Operations Committee

NRCS Grant Implementation

AMI Installation Contract Elements

March 9, 2018



Arne Anselm, Deputy Director
Watershed Protection District

NRCS CIG Grant

- Water Market
- Automated Metering Infrastructure
 - Funds approximately 700 wells
 - Installation over one year
 - Ordinance effective December 31, 2018

Unknowns

- Total Cost
 - How many wells will apply and be eligible
 - What incentives will be applied to each well
 - What type of equipment Operators will select
- Scheduling
 - How quickly applications will come in
 - How quickly Operators will decide on equipment
 - When Operators will provide access

Knowns

- Maximum incentives
- Applications are currently being received
- Ranch Systems
 - Three month lead time on production
 - Standard order requires 50% down
- Grant deadline

Tiered Incentives Maximums

| Tiered Incentive | AMI Installation | AMI Installation and Water Market |
|-------------------------------------|------------------|-----------------------------------|
| First 100 wells before May 30, 2018 | \$2500 | \$3500 |
| wells 101 – 200 before August 30th | \$2000 | \$3000 |
| wells 201-400 | \$2000 | \$2000 |
| wells 401-700 | \$1000 | \$1000 |

Considered and Rejected

- Ranch Systems produces as applications are approved
 - Will not meet deadline
- Operators order directly from Ranch
 - Operators pay full amount
 - Requires FCGMA to cut rebate checks
 - Will not meet deadline
- FCGMA orders and takes delivery of equipment
 - Not a deposit, but commitment to buy
 - Requires FCGMA to invoice Operators
 - Creates liability for the FCGMA as middleman

Proposed Purchase Agreement

- FCGMA commits to fund an initial amount of incentives (commitment to purchase)
- FCGMA provides Ranch Systems 50% down payment on incentives
- Ranch begins production on full amount
- After installation, down payment applied as 50% incentive, FCGMA pays other 50%
- As down payment is drawn down FCGMA
 - Reviews applications, projects future need
 - Orders with 50% down payment as appropriate

Example – initial order

| FCGMA | Ranch |
|---|--------------------------------------|
| FCGMA orders for 300 wells for next production to begin | |
| Down payment of 50% of first 300 incentives \$350,000 (\$3,500 1-100) \$300,000 (\$3,000 101-200) +\$200,000 (\$2000 201-300) <hr/> \$850,000 x 50% = \$425,000 | Ranch begins production on 300 units |

Example – high participation

| FCGMA | Ranch |
|--|---|
| June 325 applications received 300 units ordered \$425,000 deposited | |
| FCGMA orders for 200 applications for next production to begin | |
| Down payment of 50% of next 200 incentives \$200,000 (\$2,000 301-400) +\$100,000 (\$1,000 401-500) <hr/> \$300,000 x 50% = \$150,000 | Ranch begins production on next 200 units |

Example – high participation

| FCGMA | Ranch |
|---|---|
| July 1 (four months) 400 applications received 500 units ordered \$575,000 deposited | 100 total units installed Half incentives paid from deposit (\$175,000) Half incentives paid by FCGMA (\$175,000) |
| FCGMA orders for next 100 applications for production to begin | |
| Down payment of 50% of next 100 incentives $\$100,000 \times 50\% = \$50,000$ | Ranch begins production on 100 units |

Example – high participation

| FCGMA | Ranch |
|---|---|
| September (six months) 550 applications received 600 units ordered \$625,000 deposited \$175,000 deposit credited \$450,000 on deposit | 300 additional units installed (400 total) Half paid from deposit (\$350,000) Half paid by FCGMA (\$350,000) |
| FCGMA does not order | |

Example – high participation

| FCGMA | Ranch |
|---|---|
| October (six months) 700 applications received 600 units ordered \$625,000 deposited \$525,000 deposit credited \$100,000 on deposit | 100 additional units installed (500 total) Half paid from deposit (\$50,000) Half paid by FCGMA (\$50,000) |
| FCGMA orders for next 100 applications for production to begin | |
| Down payment of 50% of next 100 incentives $\$100,000 \times 50\% = \$50,000$ | Ranch begins production on last 100 units |

Example – high participation

| FCGMA | Ranch |
|---|---|
| December 700 applications received 700 units ordered \$675,000 deposited \$575,000 deposit credited \$100,000 on deposit | 200 additional units installed (700 total) Half paid from deposit (\$100,000) Half paid by FCGMA (\$100,000) |

Example low participation

– initial order

| FCGMA | Ranch |
|---|--------------------------------------|
| FCGMA orders for 300 wells for next production to begin | |
| Down payment of 50% of first 300 incentives \$350,000 (\$3,500 1-100) \$300,000 (\$3,000 101-200) +\$200,000 (\$2000 201-300) <hr/> \$850,000 x 50% = \$425,000 | Ranch begins production on 300 units |

Example – low participation

| FCGMA | Ranch |
|--|---|
| September 1 250 applications received 300 units ordered \$425,000 deposited | 200 total units installed Half incentives paid from deposit (\$325,000) Half incentives paid by FCGMA (\$325,000) |
| FCGMA does not orders | |

Example – low participation

| FCGMA | Ranch |
|--|---|
| October 310 applications received 300 units ordered \$425,000 deposited \$325,000 deposit credited \$100,000 on deposit | 100 additional units installed (300 total) Half paid from deposit (\$100,000) Half paid by FCGMA (\$100,000) |
| FCGMA orders for next 10 for production to begin | |
| Down payment of 50% of next 10 incentives \$20,000 x 50% = \$10,000 | Ranch begins production on next 10 units |

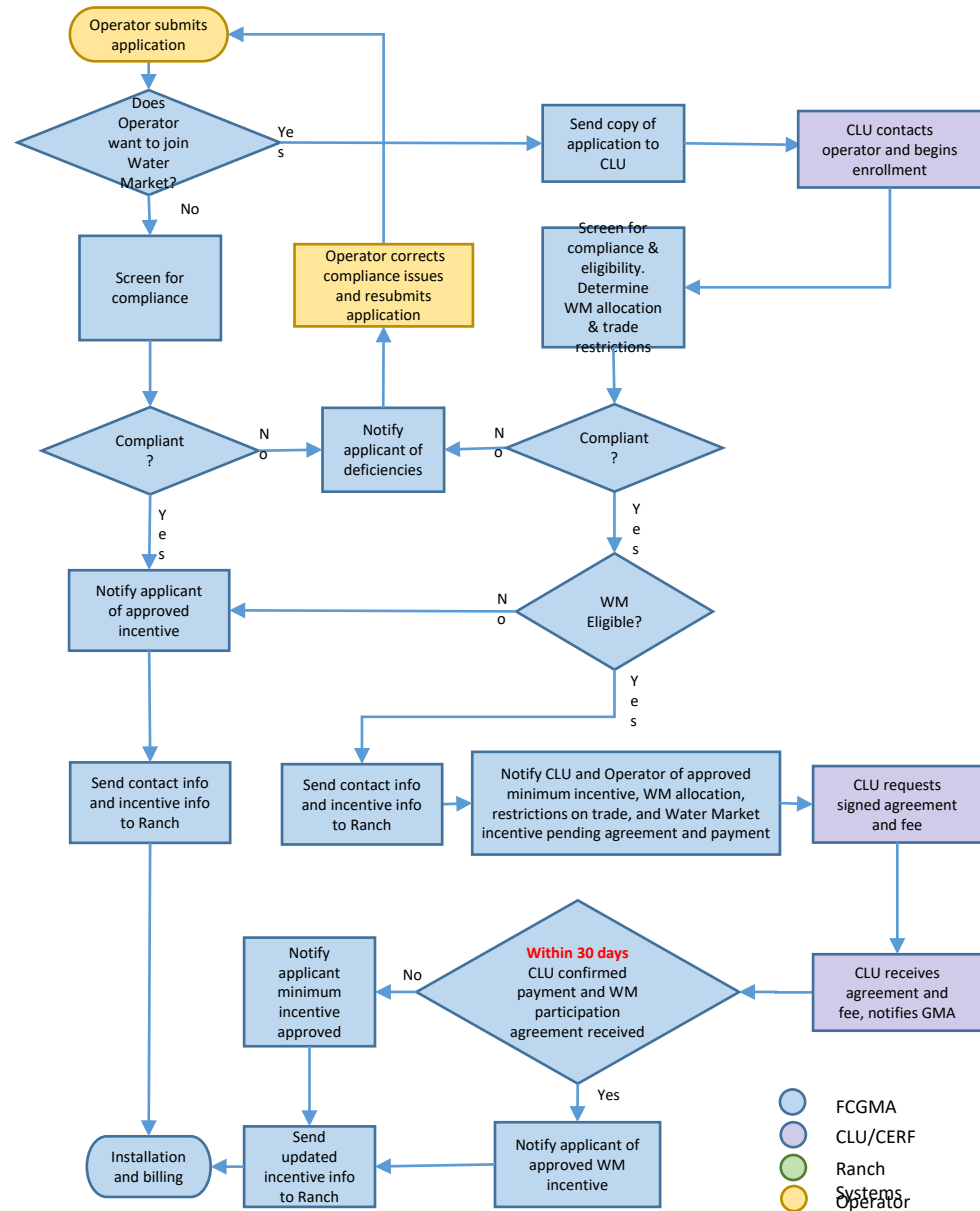
Other issues for contract

- Equipment and pricing
- Installation requirements
 - Do not disrupt operations
 - Direct invoicing
- Liability
- Warrantee
- Performance criteria
- Water Market support
- FCGMA's role

Incentive and Water Market Application Process

Decision deadlines

- Water Market Participation
- Select equipment
- Agree to pay



Decision deadlines

- Water Market Participation
- Select equipment
- Agree to pay

Installation and Billing Process

