

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Fox Canyon Groundwater Management Agency (FCGMA) will hold a **VideoConference Operations Committee Special Meeting** at **2:00 p.m.** on **Monday, October 19, 2020** **Via VideoConference (Zoom)** in **Conference Room 263**, at the Ventura County Government Center, Hall of Administration at **800 South Victoria Avenue, Ventura, California.**

IN ACCORDANCE WITH THE CALIFORNIA GOVERNOR'S EXECUTIVE STAY AT HOME ORDER AND THE COUNTY OF VENTURA HEALTH OFFICER DECLARED LOCAL HEALTH EMERGENCY AND BE WELL AT HOME ORDER RESULTING FROM THE NOVEL CORONAVIRUS, THE HALL OF ADMINISTRATION BUILDING IS CLOSED TO THE PUBLIC. TO FIND OUT HOW YOU MAY ELECTRONICALLY ATTEND THE MEETING AND PROVIDE PUBLIC COMMENT PLEASE REFER TO "NOTICES" ON PAGE 2 OF THIS AGENDA

FCGMA OPERATIONS COMMITTEE SPECIAL MEETING AGENDA

October 19, 2020

Members: Chair Steve Bennett
Co-Chair Michael Mobley

- A. Call to Order / Introductions**
- B. Public Comments** – Audience members may speak about FCGMA-related matters not on today's Agenda.
- C. Agenda Review**
- D. Water Market Participant's Allocations**
- E. Criteria for Domestic Meters for AMI Ordinance Exemption**
- F. Adjourn Operations Committee Special Meeting**

NOTICES

The following information is provided to help you understand, follow, and participate in the meeting:

Public Comments – Public comment is the opportunity for members of the public to participate in meetings by addressing one or more agenda or non-agenda items.

The following options allow for public participation:

1. *Join the Zoom Meeting as an Attendee*

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/87546084515?pwd=R2ZITGVxWdV0RE1jVFVoRlVTVWIEyUT09>

Password: 599621

With this option you will be able to raise your hand, and the Clerk of the Board will give you speaking abilities to make a public comment.

2. *Call-In to listen to the meeting:*

Telephone: 1 669 900 6833

Conference ID: 875 4608 4515

Password: 599621

*With this option you will be able to raise your hand (Press *9), and the Clerk of the Board will give you speaking abilities to make a public comment (*6 to unmute).*

If you wish to make a comment please submit your comment to the Clerk of the Board at fcgma@ventura.org. Please indicate in the Subject Line, the Agenda item number (e.g., Item No. 9). Your email will be read and placed into the record.

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.*



FOX CANYON GROUNDWATER MANAGEMENT AGENCY

MEMORANDUM

Date: October 19, 2020
To: Operations Committee
From: Arne Anselm, Deputy Director
Subject: Item D – Water Market Participant’s Pumping Allocation

Background

On October 25, 2017, your Board approved a grant subaward agreement with The Nature Conservancy (TNC) to implement a Pilot Water Market, install AML, and develop requirements for a new data management system. On July 22, 2020 your Board adopted an ordinance to extend the Phase 2 Water Market to the 2020-2021 Water Year beginning October 1, 2020.

During the 2020 Program Period for the extended Phase 2 Water Market Pilot, participants are designated to use the same allocation system as non-participants under the Ordinance to Establish an Allocation System for the Oxnard and Pleasant Valley Groundwater Basins (OPV) adopted by your Board on October 23, 2019. In all previous years, Water Market participants used a Market Allocation which was designated by the Agency’s Executive Officer and which was different than the IAI allocation system used by non-participants. Last year, Market Allocation was defined as the total pumping allowed under the Irrigation Allowance Index (IAI) during the 2017/18 water year. Using a separate allocation for Water Market participants created challenges for staff identifying and communicating the allocation, and challenges for participants in understanding they do not have the flexibility allowed under IAI, although the allocation was actually more generous in many situations since 2017/18 was a drought year allocation and flexibility was provided via the opportunity to buy and sell allocation. The new OPV allocation ordinance was seen as a benefit to testing the Water Market by having all pumpers under the same allocation system.

Discussion

At the September 11, 2020 Board meeting, your Board directed that most surcharges be waived during the first year of the new OPV allocation ordinance. An ordinance to implement the surcharge waiver will be on the October 28, 2020, agenda. The surcharge waiver is intended to reduce uncertainty and potentially adverse economic impacts during transition to the new OPV allocation system and allow time to process variance applications. The proposed ordinance would waive surcharges for extractions over the new OPV allocation, as long as those extractions do not exceed reported extractions in crop year 2017/18 which did not incur surcharges. It is important for pumpers to recognize that the waiver is a reduction in surcharges, but not a grant of additional allocation under the new OPV allocation system. The first-year surcharge waiver should not be confused with a permanent increase in allocation.

At the September 11 meeting, concerns were raised by TNC that the surcharge waiver may create confusion for Water Market participants which could cause potential costly errors on the part of pumpers. California Lutheran University, the Exchange Administrator, also expressed concern this could cause liability for them. Your Board directed staff to return with modifications to the allocation ordinance for

surcharge waiver if extractions do not exceed the operator's previous year's allocation, and also directed staff to work with the Water Market stakeholders to try to address their concerns.

Accurately communicating water available for trade to Water Market participants is critical for the market to function. Using AMI data, the AMI data portal calculates each pumper's year-to-date pumping and the water available for trade relative to the pumper's annual Market Allocation. With the surcharge waiver, the AMI data portal will not show the additional water that may be pumped under the surcharge waiver. TNC and the Exchange Administrator are concerned a pumper may make a costly decision to purchase water to avoid surcharges, when those surcharges would be waived under the proposed ordinance.

The Water Market Exchange Administrator's proposal is to have the Executive Officer define "Market Allocation" to be equal to a single number, the allocation provided under the OPV allocation ordinance passed on October 23, 2019, or the amount which may be extracted without incurring surcharges per the ordinance under consideration, whichever is greater. Article 4.B of an Ordinance to Establish a Phase 2 Water Market Pilot Program provides that "The Executive Officer shall establish a program participant's market allocation that is available for transfer under this ordinance." The Exchange Administrator's proposal would continue the policy implemented during each of the previous phases of the water market. This definition of Market Allocation would only apply to those who return a signed Participation Agreement and would not in any way modify an individual's permanent allocation under the new OPV allocation system. Adopting this proposal would not change to total amount of water that may be extracted during the 2020/21 water year without incurring surcharges.

Input from the Operations Committee is sought to establish the Water Market participants' market allocations available for trading in the 2020/21 water year. Following your guidance, the Executive Officer will establish the program participant's market allocation as allowed by the Water Market Ordinance and outlined in the previous paragraph.



FOX CANYON GROUNDWATER MANAGEMENT AGENCY

MEMORANDUM

Date: October 19, 2020
To: Operations Committee
From: Kim Loeb, Groundwater Manager *KL*
Subject: Item E – Criteria for Domestic Meters for AMI Ordinance Exemption

Background

On February 28, 2018, your Board adopted an ordinance to require that flowmeters be equipped with advanced metering infrastructure (AMI) telemetry. The ordinance has phased implementation schedule requiring all extraction facilities required to be equipped with a flowmeter: December 31, 2018; for agricultural extraction facilities; October 1, 2019, for municipal and industrial (M&I) extraction facilities; and October 1, 2020, for domestic extraction facilities. The Agency funded installation of most agricultural AMI through a grant subaward agreement with The Nature Conservancy for funds from a Natural Resources Conservation Service (NRCS) Conservation Innovation Grant. M&I and domestic operators are required to install AMI at their cost.

Discussion

The Agency Ordinance Code exempts domestic extraction facilities supplying a single-family dwelling on one acre or less, with no income producing operations from the requirement to be equipped with a flowmeter, and therefore from the AMI requirement. However, there are currently 83 domestic wells required to be equipped with flowmeters. 61 of these wells typically report extractions of less than 2 acre-feet per year (AFY); 15 typically report extractions between 2 and 5 AFY; and 7 report extractions of more than 5 AFY. Total reported domestic extractions averaged 347 AF in 2018 and 2019, approximately 0.3% of all reported extractions.

Installation of AMI typically costs around \$2,300 with annual data fees of about \$200. Many domestic operators state that installation of AMI would be a hardship. For this reason and because extractions from domestic wells are a fraction of a percent of total extractions, staff recommends that your Board adopt a revised ordinance exempting most domestic extraction facilities from the requirement to install AMI. Operators of these wells would still be required to submit semi-annual extraction statements (SAES) including photos of their flowmeter reading. On September 23, 2020, the Executive Officer issued a six-month extension for domestic extraction facilities to install AMI, per the authority provided in the AMI ordinance, to provide time to modify the ordinance and your Board to consider a permanent exemption.

Staff requests that your Committee consider criteria for the exemption and provide recommendations for an ordinance revision. Staff recommends consideration of a two-tier exemption policy for domestic flowmeters.

Tier 1 – Exemption

1. Per the AMI ordinance, wells that do not require a flowmeter also do not require AMI installation.
2. Domestic extraction facilities with:

- a. Pump discharge pipe and flowmeter diameter of 2 inches or less;
- b. Pump motor of 10 HP or less; and
- c. Reported annual extractions of 2 AF or less.

Tier 2 – Conditional Exemption

Authorize the Executive Officer to exempt a domestic flowmeter from the requirement to install AMI based on the following criteria:

1. Must be classified as a domestic well, but may include water usage for:
 - a. Office with restroom and kitchen (not designated a regulated small water system); or
 - b. Up to four residences connected to the well (not designated a regulated small water system); and
 - c. Water use not for income-producing purposes.
2. Pump discharge pipe and flowmeter diameter of 4 inches or less.
3. Pump motor of 15 HP or less.
4. Annual extractions of 5 AF or less.

Staff proposes that the ordinance include a variance procedure for case-by-case considerations by the Executive Officer.

10-2-20

TO THE FOX CANYON OPERATION COMMITTEE.

MY NAME IS WILLIAM POOLE AND I OWN
A SMALL DOMESTIC WATER WELL AND USE A
MINIMAL AMOUNT OF WATER, ABOUT ONE
ACRE FOOT A YEAR. IT WOULD BE A
REAL HARDSHIP TO HAVE TO ^{INSTALL} A M.I.
UNIT ON SUCH A SMALL WELL.

MY WELL HAS JUST A 1" METER INTO
A 1½" WATER LINE TO MY TANK.

I AM ASKING TO BE EXEMPT FROM
THIS COSTLEY EXPENDITURE.

I DONT USE COMPUTERS, THAT'S WHY
IM WRITING THIS LETTER.

William W. Poole
7621 BRADLEY RD.
SOMIS, CA. 93066
805-386-4852

RECEIVED

OCT 05 2020

FOX CANYON GROUNDWATER
MANAGEMENT AGENCY

This is a comment for the October 19, 2020 Operations Committee Special Meeting.

To Fox Canyon Groundwater Management Agency:

My name is David Nose and I am with Nose Family LLC, a third generation family farm based in Oxnard, CA. We currently grow roughly 30 acres of lemons.

We are the owner of a domestic well. I greatly appreciate the Executive Officer granting a six-month blanket extension to the October 1, 2020, deadline in Section 4.1.3. of the Agency's *Ordinance to Require Flowmeters Be Equipped with Advanced Metering Infrastructure (AMI) Telemetry* for Domestic flowmeters. I would like to request a permanent exemption to the AMI requirement for domestic flowmeters. Practically speaking, more and more farmers are not living on their farms full time or the amount of personal consumption is not material relative to how much is pumped to grow agriculture. The cost to upgrade a meter was manageable when there was a subsidy. Unless I misunderstood the requirements, there is no subsidy to upgrade a domestic meter. Until a vaccine is found for COVID, many farms have been negatively impacted due to the steep loss of sales. Nose Family LLC had to apply for CFAP1 and CFAP2 to survive this year. Further, the rollout of AMI was not without incident, namely the meter that was recommended by Ranch Systems and endorsed by FCGMA was fully digital and the digital display would go to sleep mode so the camera could not capture the meter face. Any future meters would have to have a digital face so the camera would be pointless and the annual maintenance cost from Ranch Systems year over year would be more than what was remitted to FCGMA for water usage fees.

I respectfully ask the Operations Committee to permanently exempt domestic flowmeters as a matter of practicality.

Thank you for your time.

Respectfully submitted,
David Nose
General Manager and Member
Nose Family LLC
(215) 219-6663 (mobile)
david@davidnose.com

The two wells reported on by Ken Hassid should not be required to install AMI devices as minimal annual use is record and the production capacity of each well is limited as you can see on the two attached meter photos, 28 and 34 gpm being the well capacity as that is what was recorded when the photos were taken. The highest year of use was 2018 and the combined total of these two wells was less than 20 AF.

The investment in AMI equipment is many times more than all other discharge equipment on these wells, putting an extreme burden on a small well owner. I think all 2' and smaller meters should be exempt from the AMI requirement. Monthly photos of the meter readings would be a more reasonable requirement and if meter were to stop for mechanical reasons a requirement to replace. Anything but the Ranch Systems equipment as a lot of times those photos are not legible.

Please let us know what should be done next so this message gets to the meeting on the 19th?

Frank B & Associates

Water Management Consulting

Frank Brommenschkel

134 Davis St

Santa Paula, CA 93060

805-525-4200

03N20W28Q01 6-30-2020



03N20W28P03 6-30-2020



2"

PIPE

October 12, 2020

To FCGMA Operations Committee:

As a domestic well owner/operator, we are in favor of a permanent exemption to the AMI based on any or all of the requirements mentioned in your recent communication. Historically we've paid an average of \$6 annually for the water we extract at our rental. Although it is a rental home and we do receive income, the cost associated with the AMI system seems excessive based on the amount of water we use. For comparison, our quote for AMI is \$2,516 including the \$180 annual subscription fee. Please consider not placing these requirements on small residential users.

Sincerely

Daniel and Karyn Aeschleman

FCGMA Operations Committee

October 19, 2020



E. Criteria for Domestic Meters for AMI Ordinance Exemption

Background

- AMI ordinance adopted Feb 2018 requires installation on flowmeters by:
 - Dec 31, 2018, for agricultural wells
 - Oct. 1, 2019, for M&I wells
 - Oct. 1, 2020, for domestic wells
- Agency Ordinance Code exemption to flowmeters (and therefore AMI):
 - Domestic extraction facilities supplying a single-family dwelling on one acre or less, with no income producing operations

Discussion

- Currently 83 domestic wells required to be equipped with flowmeters
 - 61 with typical extractions <2 AFY
 - 15 with typical extractions between 2 and 5 AFY
 - 7 with typical extractions >5 AFY
- Total reported domestic extractions avg 347 AF in 2018 & 2019, approx. 0.3% of all reported extractions
- AMI installation typically \$2,300 with annual data fees of \$200
- Many domestic operators state these costs would be a hardship
- Exec Officer issued six-month extension for domestic wells on Sep 23, 2020

Recommendations

- Staff recommends exemption from AMI for certain domestic wells because:
 - Extractions from domestic wells represent fraction of a percent of total extractions
 - Costs are potential hardship for many domestic operators
- Operators of domestic wells exempted from AMI would still be required to submit:
 - Semi-annual extraction statements (SAES), including
 - Photos of flowmeter readings
- Two-tier exemption policy proposed for domestic flowmeters
- Variance procedure for case-by-case considerations by Exec Officer

Proposed Tier 1 Exemption

1. Domestic wells not required to have flowmeter exempted by Ordinance Code
2. Domestic extraction facilities with:
 - a) Pump discharge pipe and flowmeter diameter of 2 inches or less;
 - b) Pump motor of 10 HP or less; and
 - c) Reported annual extractions of 2 AF or less

Proposed Tier 2 Conditional Exemption

- Authorize the Executive Officer to exempt a domestic flowmeter from the requirement to install AMI based on the following criteria:
 1. Must be classified as a domestic well, but may include water usage for:
 - a. Office with restroom and kitchen (not designated a regulated small water system); or
 - b. Up to four residences connected to the well (not designated a regulated small water system); and
 - c. Water use not for income-producing purposes
 2. Pump discharge pipe and flowmeter diameter of 4 inches or less
 3. Pump motor of 15 HP or less
 4. Annual extractions of 5 AF or less

Next Steps

- Staff will draft ordinance modification based on Ops Committee recommendations
- Revised ordinance will go to full Board for consideration of adoption