

HANDOUT - ITEM 14, EXHIBIT 14B

CURRENT VERSION OF ARTICLE 6 OF THE OPV ALLOCATION ORDINANCE

NOTE: This version of Article 6 represents the most recent changes made to the ordinance by “An Ordinance Amending Articles 4 and 6 and Rescinding Section 10.2 of An Ordinance to Establish an Allocation System for the Oxnard and Pleasant Valley Groundwater Basins,” adopted March 27, 2024. The redline, strike-through changes noted below would result from adoption of the proposed Further Amended OPV Ordinance.

Article 6. Initial Allocations

- 6.1. Until such time as the reductions described in article 10 are implemented and except as otherwise provided in this article, an operator's extraction allocation shall be the base-period extraction as reported to the Agency pursuant to chapter 2 of the Agency Ordinance Code. The extraction allocation established under this section 6.1 is called "base-period allocation."
- 6.2. In recognition of the use of surface water from the Conejo Creek Project and the corresponding reduction in total agricultural extractions within Pleasant Valley's service area during the base period, Pleasant Valley's base-period allocation shall be increased in an amount equal to base-period Conejo Creek water deliveries, subject to the adjustment described in subsection 6.2.1.
 - 6.2.1. Pleasant Valley shall include in the Semi-Annual Extraction Statement required under section 2.3 of the Agency Ordinance Code a report on the use of Conejo Creek water during the reporting year. In each year in which Pleasant Valley receives Conejo Creek water deliveries, Pleasant Valley must accept for delivery and use Conejo Creek Water Deliveries up to the average amount of Base-Period Conejo Creek Deliveries. Pleasant Valley's base-period allocation for that year shall be reduced in an amount equal to the Conejo Creek water deliveries during the year.
 - 6.2.2. The Board may transfer a portion of the allocation established under section 6.2 from Pleasant Valley to an operator of an extraction facility located within Pleasant Valley's service area upon a showing that the operator reduced extractions during the base period as a result of taking deliveries from Pleasant Valley. The transfer will avoid a windfall allocation that may otherwise result under subsection 6.2.1 of this ordinance and shall be subject to the procedures set forth in subsection 5.3.9 of the Agency Ordinance Code.
- 6.3. In recognition of the benefits to the Basins resulting from an Operator's coordinated use of groundwater and surface water during the Base Period, an operator's base-period allocation may be increased by (i) the average annual amount that the operator reduced its groundwater extraction below its allocation effective during the Base Period due to its coordinated use of surface water or (ii) the average annual amount that the operator reduced its groundwater

HANDOUT - ITEM 14, EXHIBIT 14B

extraction below its allocation effective during the Basin Period due to a transfer of such allocation from a Management Area to a location outside a Management Area. The increased extraction allocation established under this section 6.3 is called "Adjusted Allocation."

- 6.3.1. In any year, an operator with an Adjusted Allocation must accept for delivery and use surface water made available by the underlying coordinated use program, up to the average amount of surface water used by the operator during the Base Period, to reduce its groundwater extractions below its allocation effective during Base Period or transfer its allocation effective during the Base Period from a Management Area to a location outside a Management Area.
- 6.3.2. An operator's Adjusted Allocation shall be reduced by an amount equal to the amount of surface water that it received during any year.
- 6.3.3. In order to obtain an Adjusted Allocation, an operator must submit a written request to the Agency with documentation, analyses, and/or other materials that demonstrate the operator's coordinated use of surface water during the Base Period either (i) reduced groundwater extractions below its allocation effective during the Base Period (including amounts) or (ii) resulted in a transfer of its allocation effective during the Basin Period from a Management Area to a location outside a Management Area (including amounts). Adjusted Allocations will be established only with the Agency's written approval, which will include the amount of the Adjusted Allocation.
- 6.3.4. An operator using an Adjusted Allocation shall include in the Semi-Annual Extraction Statement required by chapter 2 of the Agency Ordinance Code a report that includes, at a minimum, the amount of surface water made available by the underlying coordinated use program and the amount of surface water accepted and used by the operator from the coordinated use program during the reporting year.
- 6.4. The Agency may request additional documentation from Pleasant Valley and operators with Adjusted Allocations to confirm continued coordinated use of groundwater and surface water and for periodic review pursuant to article 3.
- ~~6.5. **Santa Clara River Water Flex Allocation Program.** In order to encourage the coordinated use of groundwater from the Basins and surface water supplies from the Santa Clara River while eliminating overdraft and maintaining the sustainability goals established under SCMA, Pleasant Valley and United may increase groundwater use in years when these surface water supplies are less than normal, provided that a corresponding reduction in extractions occurs in years when surface water supplies from the Santa Clara River are more abundant. The coordinated use of these water supplies shall be implemented through adjustments to the extraction allocation as provided in this section. This extraction allocation flexibility is called "Santa Clara River Water Flex Allocation."~~
 - ~~6.5.1. In any year in which the volume of surface water available for PV deliveries is less than base period PV deliveries, Pleasant Valley's base period allocation for that year shall be increased in an amount equal to the shortfall in available PV deliveries. The extraction allocation available under this subsection shall be subject to any allocation reductions implemented in accordance with article 10 of this ordinance.~~

HANDOUT - ITEM 14, EXHIBIT 14B

- ~~6.5.2. In any year in which the volume of surface water available for PV deliveries exceeds base period PV deliveries, Pleasant Valley's base period allocation for that year shall be reduced by the amount of excess available PV deliveries. In order to provide a minimum extraction allocation during periods when PV deliveries are not available, Pleasant Valley's allocation shall not be reduced below 50 percent of Pleasant Valley's base period extraction. The minimum extraction allocation available under this subsection shall not be eligible for carryover under article 8 of this ordinance.~~
- ~~6.5.3. Surface water shall be deemed available for PV deliveries as demonstrated in an annual report to be submitted by United pursuant to subsection 6.2.1.8. In any year in which Pleasant Valley does not make full use of the surface water available for PV deliveries, Pleasant Valley's base period allocation for that year shall be reduced by the amount of available surface water not taken by Pleasant Valley.~~
- ~~6.5.4. In any year in which the volume of surface water available for PTP deliveries is less than base period PTP deliveries, United's base period allocation for that year shall be increased in an amount equal to the shortfall in available PTP deliveries. The extraction allocation available under this subsection shall be subject to any allocation reductions implemented in accordance with article 10 of this ordinance.~~
- ~~6.5.5. In any year in which the volume of surface water available for PTP deliveries exceeds base period PTP deliveries, United's base period allocation for that year shall be reduced by the amount of excess available PTP deliveries. In order to provide a minimum extraction allocation during periods when PTP deliveries are not available, United's allocation shall not be reduced below 50 percent of United's base period extraction. The minimum extraction allocation available under this subsection shall not be eligible for carryover under article 8 of this ordinance.~~
- ~~6.5.6. Surface water shall be deemed available for PTP deliveries as demonstrated in an annual report to be submitted by United pursuant to subsection 6.2.1.8. In any year in which United does not make full use of the surface water available for PTP deliveries, United's base period allocation for that year shall be reduced by the amount of available surface water not used by United.~~
- ~~6.5.7. To provide Pleasant Valley and United with the operational flexibility to respond to annual variations in the availability of Santa Clara River water, any surcharge for excess extractions that would otherwise be assessed annually shall be determined at the end of each five-year period following the operative date of this ordinance. Surcharges for any excess extractions shall be assessed as provided in sections 6.3 and 6.4.~~
- ~~6.5.8. United shall submit an annual report on its diversion of Santa Clara River water during the preceding water year. The report shall state the total volume of river diversions, the total volume of surface water made available for PTP deliveries and PV deliveries and the total volume put to other uses. The report shall state these volumes in acre-feet, supported by meter readings, and include such other information determined by the Executive Officer to be reasonably necessary to carry out the intent of this article.~~

HANDOUT - ITEM 14, EXHIBIT 14B

- ~~6.5.9. Pleasant Valley and United shall include in the Semi Annual Extraction Statement required under section 2.3 of the Agency Ordinance Code a report on the use of Santa Clara River water and the resulting Santa Clara River Water Flex Allocation for the reporting year.~~
- ~~6.5.10. Pleasant Valley shall be subject to surcharges on extractions in excess of cumulative base period allocations, as adjusted in accordance with this article, during the preceding five year period. If excess extractions occur, Pleasant Valley shall be deemed to have exceeded the extraction allocation in each of the preceding five years. A surcharge assessed under this section shall be due and payable within 30 days of issuance of a notice of imposition of surcharges.~~
- ~~6.5.11. United shall be subject to surcharges on extractions in excess of cumulative base period allocations, as adjusted in accordance with this article, during the preceding five year period. If excess extractions occur, United shall be deemed to have exceeded the extraction allocation in each of the preceding five years. A surcharge assessed under this section shall be due and payable within 30 days of issuance of a notice of imposition of surcharges.~~
- ~~6.6. Calleguas Water Flex Allocation Program. In order to encourage the coordinated use of groundwater from the Basins and water supplies from Calleguas Municipal Water District to address overdraft conditions and maintain the sustainability goals established under SGMA, a Calleguas Operator may increase groundwater use in years when the amount of Calleguas water is less than normal, provided that a corresponding reduction in extractions occurs in years when Calleguas water supplies are greater than normal. The coordinated use of Calleguas water supplies shall be implemented through adjustments to extraction allocations as provided in this section. This extraction allocation flexibility is called "Calleguas Water Flex Allocation."~~
- ~~6.6.1. In any year in which the volume of Calleguas water available for delivery to a Calleguas Operator is less than Base Period Calleguas Deliveries to that operator, the Calleguas Operator's extraction allocation for that year shall be increased in an amount equal to the shortfall in available Calleguas deliveries to that operator. The extraction allocation available under this subsection shall not be eligible for carryover under article 8 of this ordinance but shall be subject to any allocation reductions implemented in accordance with article 10 of this ordinance.~~
- ~~6.6.2. In any year in which the volume of Calleguas water available for delivery to a Calleguas Operator exceeds Base Period Calleguas Deliveries to that operator, the Calleguas Operator's base period allocation for that year shall be reduced by the amount of excess available Calleguas deliveries to that operator.~~
- ~~6.6.3. In any year in which a Calleguas Operator does not make full use of the Calleguas water made available to it by Calleguas, the Calleguas Operator's extraction allocation for that year shall be reduced by the amount of Calleguas water made available by Calleguas but not taken by the Calleguas Operator.~~
- ~~6.6.4. To provide Calleguas Operators with the operational flexibility to respond to annual variations in the availability of Calleguas water, any surcharge for excess extractions~~

HANDOUT - ITEM 14, EXHIBIT 14B

~~that would otherwise be assessed annually shall be determined at the end of each five-year period following the operative date of this ordinance. Surcharges for any excess extractions shall be assessed as provided in section 6.6.6.~~

~~6.6.5. Each Calleguas Operator exercising a Calleguas Water Flex Allocation shall submit an annual report on its Calleguas water deliveries during the preceding water year. The report shall be included in the Calleguas Operator's Semi Annual Extraction Statement required under section 2.3 of the Agency Ordinance Code and state the total volume of Calleguas water delivered to the Calleguas Operator and the total volume of Calleguas water made available to the Calleguas Operator for delivery by Calleguas. The report shall state these volumes in acre feet, supported by meter readings, and include such other information determined by the Executive Officer to be reasonably necessary to carry out the intent of this article.~~

~~6.6.6. Operators exercising Calleguas Water Flex Allocations shall be subject to surcharges on extractions in excess of cumulative base period allocations, as adjusted in accordance with this article, during the preceding five year period. If excess extractions occur, Calleguas Operators shall be deemed to have exceeded the extraction allocation in each of the preceding five years. A surcharge assessed under this section shall be due and payable within 30 days of issuance of a notice of imposition of surcharges.~~