AN ORDINANCE TO ESTABLISH AN ALLOCATION SYSTEM
FOR THE OXNARD AND PLEASANT VALLEY
GROUNDWATER BASINS

ARTICLE 1. FINDINGS

1.1. The Pleasant Valley Groundwater Basin and Oxnard Groundwater Subbasin (collectively, “the Basins”) are located within Fox Canyon Groundwater Management Agency (“Agency”) and have been designated by the California Department of Water Resources as high priority groundwater basins that are subject to critical conditions of overdraft.

1.2. The Agency is required under the Sustainable Groundwater Management Act (“SGMA”) to manage the Basins under a groundwater sustainability plan by January 31, 2020.

1.3. The groundwater sustainability plan must include an estimate of the sustainable yield for the Basins.

1.4. Based on current projections, the sustainable yield of the Basins will be less than recent average annual groundwater extractions from the Basins.

1.5. The 10-year period prior to January 1, 2015, the date SGMA became effective, includes a complete climate cycle and is representative of annual average precipitation, groundwater extractions from the Basins and deliveries of surface water from the Santa Clara River through United Water Conservation District’s Pleasant Valley Pipeline and Pumping Trough Pipeline in lieu of groundwater extractions from the Basins. During the 10-year period, these in lieu deliveries averaged 15,600 acre-feet annually and consisted of surface water that otherwise would have been used for groundwater recharge.

1.6. During the 10-year period prior to January 1, 2015, the Conejo Creek Project supplied an average of 4,978 acre-feet of surface water annually to Pleasant Valley County Water District for agricultural use which otherwise could have been supplied by pumping groundwater from the Basins. During that period, there was a corresponding decrease in groundwater use within Pleasant Valley’s service area.

1.7. The adoption of this ordinance is a necessary step in the transition from the Agency’s current groundwater management programs to sustainable groundwater management under SGMA. As part of that transition, the Agency intends to move from a wellhead-based to a land-based allocation system; however, implementation of that change is not feasible until such time as the Agency has developed sufficient parcel-based water-use data to allow for effective regulation of extractions on that basis.

1.8. The measures set forth in this ordinance are necessary to improve and protect the quantity and quality of groundwater supplies within the Basins.

1.9. This ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to Water Code section 10728.6 and CEQA Guidelines sections 15061(b)(3), 15307 and 15308.
1.10. The extraction allocations established under this ordinance are consistent with the land use elements of the applicable general plans to the extent that there is sufficient sustainable yield in the Basins to serve the land use designations therein.

ARTICLE 2. PURPOSE

The purpose of this ordinance is to facilitate adoption and implementation of the groundwater sustainability plan and to ensure that the Basins are operated within their sustainable yields. It is not the purpose of this ordinance to determine or alter water right entitlements, including those which may be asserted pursuant to California Water Code sections 1005.1, 1005.2 or 1005.4.

ARTICLE 3. PERIODIC REVIEW PROCEDURE

The Board will periodically review the effectiveness of this ordinance toward meeting its purpose. This review shall occur at least once every five years. If necessary, this ordinance will be amended to ensure that the sustainability goals of the groundwater sustainability plans are met.

ARTICLE 4. DEFINITIONS

4.1 “Agency” shall mean the Fox Canyon Groundwater Management Agency.

4.2 “Agricultural Operator” shall mean an owner or operator of an extraction facility used to produce groundwater for use on lands in the production of plant crops or livestock for market and uses incidental thereto.

4.3 “Assessor’s Parcel Map” shall mean an official map designating parcels by Assessor’s Parcel Number.

4.4 “Assessor’s Parcel Number” shall mean the number assigned to a parcel by the County of Ventura for purposes of identification.

4.5 “Base Period” shall mean calendar years 2005 through 2014.

4.6 “Base-Period Conejo Creek Deliveries” shall mean the average annual amount of Conejo Creek Water Deliveries during the base period.

4.7 “Base-Period Extraction” shall mean the average annual groundwater extraction based on reported extractions during the base period, excluding any extractions that incurred surcharges.

4.8 “Base-Period PTP Deliveries” shall mean the average annual amount of PTP deliveries during the base period as reported to the Agency by United.

4.9 “Base-Period PV Deliveries” shall mean the average annual amount of PV deliveries during the base period as reported to the Agency by United.
4.10 “Basins” shall mean the Pleasant Valley Groundwater Basin and the Oxnard Groundwater Subbasin.

4.11 “Board” shall mean the Board of Directors of the Agency.

4.12 “Conejo Creek Project” shall mean the Conejo Creek Diversion structure and appurtenances owned and operated by Camrosa Water District through which recycled water discharged from the Hill Canyon Wastewater Treatment Plant is diverted from Conejo Creek for delivery to Camrosa Water District and Pleasant Valley.

4.13 “Conejo Creek Water Deliveries” shall mean deliveries of water to Pleasant Valley from the Conejo Creek Project.

4.14 “Executive Officer” shall mean the individual appointed by the Board to administer Agency functions or his/her designee.

4.15 “Extraction Allocation” shall mean the amount of groundwater that may be obtained from an extraction facility during a given water year before a surcharge is imposed.

4.16 “Extraction Facility” shall mean any device or method (e.g. water well) for extraction of groundwater within the Basin.

4.17 “Groundwater Sustainability Plan” shall mean the plan or plans, and any amendment thereof, developed and adopted by the Agency for the Basins in accordance with SGMA.

4.18 “Management Area” shall mean an area within the Basins for which the groundwater sustainability plan may identify different minimum thresholds, measurable objectives, monitoring or projects and management actions in accordance with regulations adopted pursuant to chapter 10 of SGMA.

4.19 “Municipal and Industrial Operator” shall mean an owner or operator that supplied groundwater for domestic, industrial, commercial or other non-agricultural use.

4.20 “Municipal and Industrial (M&I) Use” shall mean any use other than agricultural irrigation.

4.21 “Mutual Water Company” shall mean a corporation organized for, or engaged in the business of, selling, distributing, supplying, or delivering water to its stockholders and members at cost for irrigation purposes or for M&I use.

4.22 “O-H Pipeline” means the water distribution system operated by United that supplies groundwater to contractors under the O-H Pipeline Agreement.

4.23 “O-H Pipeline Agreement” means the Water Supply Agreement for Delivery of Water Through the Oxnard/Hueneme Pipeline dated July 1, 1996, and any amendment thereto.

4.24 “Operator” shall mean a person operating an extraction facility. The owner of an extraction facility shall be conclusively presumed to be the operator unless a satisfactory showing is made to the Agency that the extraction facility actually is operated by some other person.
4.25 "Owner" shall mean a person owning an extraction facility or an interest in an extraction facility other than a lien to secure the payment of a debt or other obligation and shall include any mutual water company and incorporated ownership.

4.26 "Parcel" shall mean a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

4.27 "Person" shall mean any state or local governmental agency, private corporation, firm, partnership, individual, group of individuals, or, to the extent authorized by law, any federal agency.

4.28 "Pleasant Valley" shall mean Pleasant Valley County Water District.

4.29 "Pleasant Valley's Service Area" shall mean all lands shown on the map of the boundaries of Pleasant Valley on file with the Ventura Local Agency Formation Commission.

4.30 "PTP Deliveries" shall mean deliveries of surface water from the Santa Clara River through United's Pumping Trough Pipeline.

4.31 "PV Deliveries" shall mean deliveries of surface water from the Santa Clara River through United's Pleasant Valley Pipeline.

4.32 "Sustainable Groundwater Management Act" or "SGMA" shall mean Part 2.74 of Division 6 of the California Water Code, sections 10720 et seq.

4.33 "Sustainable Yield" shall mean the maximum quantity of water that can be withdrawn annually from the Basins as provided in the groundwater sustainability plan.

4.34 "United" shall mean United Water Conservation District.

4.35 "Water Market" shall mean a program which, by ordinance, allows the transfer of extraction allocations through a market administered by or on behalf of the Agency.

4.36 "Water Purveyor" shall mean a mutual water company, special district, or municipality that supplies groundwater to others for agricultural or municipal and industrial use.

4.37 "Water Year" shall mean the period from October 1 of one calendar year through September 30 of the following calendar year.
ARTICLE 5. GENERAL PROVISIONS

5.1 Notwithstanding any other Agency ordinance provision to the contrary, including article 2 of Emergency Ordinance E, the Executive Officer shall establish an operator's extraction allocation for each extraction facility located within the Basins as set forth herein. The alternative extraction allocations authorized under section 5.6 of the Agency Ordinance Code shall not be available to an operator for extracting groundwater from the Basins. Except as expressly provided herein, the provisions governing extraction allocations set forth in section 5.2 of the Agency Ordinance Code shall apply to groundwater extractions from the Basins.

5.2 Except as provided in section 5.5, an extraction allocation established under this ordinance is assigned to an extraction facility. An operator with more than one extraction facility in the same groundwater basin may combine the extraction allocations for the individual facilities. If the groundwater sustainability plan creates one or more management areas within the Basins, the Board may limit the ability to combine extraction allocations assigned to extraction facilities in different management areas. Limitations on combining extraction facilities in different management areas shall be set forth in a Resolution adopted by the Board based on a determination that the limitation is necessary in order to implement the groundwater sustainability plan.

5.3 All extractions in excess of an allocation established by this ordinance shall be subject to extraction surcharges in the same manner as provided in the Agency Ordinance Code for extractions that exceed the historical and/or baseline allocation.

5.4 Extraction allocations may be transferred or temporarily assigned only as provided in article 9 of this ordinance.

5.5 The extraction allocation assigned to extraction facilities operated by United to supply water through the O-H Pipeline is "held in trust [by United] for Any or All Contractors" as a "Suballocation" as those terms are defined in the O-H Pipeline Agreement. Upon termination of or withdrawal of any party from the O-H Pipeline Agreement, the distribution of the extraction allocation assigned to the O-H Pipeline extraction facilities shall be decided by mutual agreement of United and the affected parties or as determined by a court. Notwithstanding any such agreement or court determination or the O-H Pipeline Agreement, the extraction allocation assigned to the O-H Pipeline extraction facilities shall be subject to all applicable Agency rules and regulations for the use and adjustment of extraction allocations, including chapter 5 of the Agency Ordinance Code, and to any allocation reductions implemented in accordance with article 10 of this ordinance.

5.6 In the event of a local, State, or Federal declaration of emergency with the potential to affect water supplies within the Agency, at the next scheduled meeting, the Board will consider whether to allow an operator to request an adjustment of the extraction allocation as a result of the emergency. The information required in support of the request will be set forth in a Resolution adopted by the Board.
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 is called “base-period allocation.”

6.1.1 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 6.1.1.1.

6.1.1.1 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, its base-period allocation for that year shall be reduced in an amount equal to the Conejo Creek water deliveries during the year.

6.1.1.2 The Board may transfer a portion of the allocation established under subsection 6.1.1 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 6.1.1 of this ordinance and shall be subject to the procedures set forth in subsection 5.3.9 of the Agency Ordinance Code.

6.2 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 SGMA, 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.”

6.2.1 Santa Clara River Water Flex Allocation

6.2.1.1 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.

6.2.1.2 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.

6.2.1.3 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.

6.2.1.4 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.

6.2.1.5 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.

6.2.1.6 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.

6.2.1.7 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.

6.2.1.8 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.

6.2.2 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.

6.3 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.

6.4 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.

ARTICLE 7. ADDITIONAL REQUIREMENTS FOR REPORTING EXTRACTIONS

In order to facilitate a transition from a wellhead-based to a land-based allocation system, operators in the Basins shall comply with the following reporting requirements in addition to those specified in the Agency Ordinance Code.

7.1 Agricultural operators not subject to section 7.2 shall report the following:

7.1.1 Each assessor's parcel number being supplied with groundwater produced by the operator's extraction facility;

7.1.2 The number of irrigated acres within each parcel; and

7.1.3 The source of all water used to irrigate those lands.

7.2 Mutual water companies, special districts and municipalities supplying groundwater or in lieu deliveries for agricultural use shall report the following:

7.2.1 Total volume of water from each source being supplied by the mutual water company, special district, or municipality;

7.2.2 Location and identifier of each agricultural turnout and meter owned by the mutual water company, special district, or municipality;

7.2.3 Monthly water deliveries to and meter readings from each agricultural turnout;

7.2.4 List of assessor's parcel numbers served by each agricultural turnout and meter; and
7.2.5 Customer name associated with each parcel.

7.3 Mutual water companies, special districts and municipalities supplying groundwater or in lieu deliveries for municipal and industrial use shall report the following:

7.3.1 Total volume of water from each source being supplied by the mutual water company, special district, or municipality;

7.3.2 Monthly water deliveries for all water being supplied by the mutual water company, special district, or municipality; and

7.3.3 List of assessor’s parcel numbers (or a GIS shape file) served by the mutual water company, special district, or municipality.

7.4 Domestic and municipal and industrial well operators shall report the following:

7.4.1 Each assessor’s parcel number being supplied with groundwater produced by the operator’s extraction facility.

ARTICLE 8. ALLOCATION CARRYOVER

Except as otherwise provided and subject to the provisions of this article, an unused extraction allocation may be carried over for use in a subsequent water year. A maximum of fifty percent of an extraction allocation shall be available for carryover. The first water extracted during any year shall be deemed to be an exercise of the carryover authorized by this article. The cumulative allocation carryover shall not exceed one hundred percent of an extraction allocation. An unused carryover extraction allocation is not transferable between operators, except in an Agency-approved water market, and shall expire five (5) years after it was accrued. Annual allocation carryover for extraction facilities combined under a single operator in accordance with section 5.2 shall be evenly divided among the combined extraction facilities. The Board may limit the use of carryover allocations consistent with the provisions of the groundwater sustainability plan, provided that any such limitation shall be imposed on all operators on an equal basis.

ARTICLE 9. ALLOCATION TRANSFERS

9.1 Allocation transfers may be necessary to provide flexibility during and after the transition from the Agency’s current groundwater management program to sustainable groundwater management under SGMA. Notwithstanding section 5.3 of the Agency Ordinance Code, transfers of allocation established under this ordinance shall comply with the provisions of this article or be allowed under an Agency-approved water market.

9.2 Upon adoption of the groundwater sustainability plan, and except as otherwise provided, transfers or temporary assignments of an extraction allocation are authorized provided the Agency finds that it does not impede achievement of the sustainability goals of the groundwater sustainability plan and would not be detrimental to an Agency-approved water market. In making this determination, the Agency shall, at a minimum, consider the location
of the extraction facilities, the total quantity of groundwater extracted in any year, groundwater quality impacts of the transfer and whether the proposed transfer or temporary assignment could be approved under an Agency-approved water market. Requests for the transfer or temporary assignment of extraction allocations shall be submitted jointly by the operators and owners involved and shall include the specific details of their proposal. To ensure consistency with the sustainability goals of the groundwater sustainability plan, transfers or temporary assignments of an extraction allocation shall be subject to conditions as determined by the Executive Officer. A temporary assignment of allocation shall not exceed one year.

9.3 Where there is a sale or transfer of a part of the acreage served by any extraction facility, the extraction allocation for that facility shall be equitably apportioned between the real property retained and the real property transferred by the owner of the extraction facility. This apportionment shall be approved by the Executive Officer who may modify the apportionment to assure equity.

9.4 When irrigated acreage changes to M&I use, the extraction allocation used to irrigate the acreage shall be transferred from the agricultural operator to the M&I operator on a one-to-one basis.

9.5 Transfers or temporary assignments of allocations between extraction facilities located within the same groundwater basin shall be considered for approval by the Executive Officer. All other requests for transfers or temporary assignments shall be submitted to the Board for approval.

ARTICLE 10. REDUCTION OF ALLOCATIONS

10.1 If the sustainable yield is less than the total extraction allocations established in article 6, then extraction allocations, adjusted or otherwise, shall be reduced according to a schedule and method to be determined by the Board following adoption of the groundwater sustainability plan. An operator’s use of surface water in lieu of groundwater after the effective date of this ordinance shall not subject that operator to a greater allocation reduction than is imposed on other operators.

10.2 It is the intent of the Board to establish a minimum allocation for agricultural operators based on the sustainable yield and to exempt minimum allocations from the reductions contemplated in section 10.1 until such time as the Board determines that a reduction of the minimum allocation is necessary in order to facilitate implementation of the groundwater sustainability plan.

ARTICLE 11. VARIANCES

The Executive Officer may, on written request from a land owner or operator, grant a variance from the requirements of this ordinance based on the standards set forth in this article.

11.1 Variance Purpose and Standards - The sole purpose of any variance shall be to enable an owner or operator to make reasonable use of groundwater in the same manner as other users
of groundwater in the Basins. Before any variance may be granted, the owner or operator must establish and the Agency must determine that all of the following standards are met:

11.1.1 That there are special circumstances or exceptional characteristics applicable to the owner or operator which do not apply generally to comparable owners or operators in the Basins; and

11.1.2 That granting a variance will not confer a special privilege inconsistent with the limitations upon other owners and operators in the Basins; and

11.1.3 That denial of a variance will result in practical difficulties or unnecessary hardships inconsistent with the general purpose of this ordinance; and

11.1.4 That the granting of a variance will not be inconsistent with the groundwater sustainability plan or the provisions of SGMA or with other regulations or ordinances of the Agency or detrimental to the Agency’s ability to improve and protect the quantity or quality of groundwater supplies within the Basins; and

11.1.5 That the granting of a variance will not substantially impede the Agency’s ability to achieve sustainable groundwater management or the actual sustainability of groundwater in the Basins.

11.2 Burden of Proof – A person seeking a variance shall have the burden of proving to the satisfaction of the Executive Officer that the above standards can be met.

11.3 The Agency may recognize and consider other mitigating factors demonstrated or proposed by the applicant. The Agency at its discretion may include and impose those or other factors as conditions of granting the variance request.

11.4 The Executive Officer may consider any prior requests, permits, other Agency decisions, or enforcement actions associated with the owner or operator.

11.5 Any new or increased extraction allocation granted by the Agency pursuant to a variance request may not be transferred without prior Agency approval.

11.6 Variance Procedures – All requests for a variance shall be filed in writing with the Agency.

11.7 Application Period – For the water year beginning October 1, 2020, variances may be applied for by June 30, 2010. For all subsequent water years, variances may be applied for by June 30 for use in the following the water year.

11.8 Review Period – The Executive Officer shall make reasonable efforts to render a decision on all applications within 90 days from the date the variance is requested. The Executive Officer’s decision shall be in writing and include the findings made relative to the standards set forth in section 11.1.
11.9 Appeals – The Executive Officer’s decision under this article is appealable in accordance with chapter 6.0 of the Agency Ordinance Code.

ARTICLE 12. CONFLICTS

Should any conflicts occur between the provisions of this ordinance and any other duly enacted Agency code or ordinance, the provisions of this ordinance shall govern.

ARTICLE 13. SEVERABILITY

Should any provision, section, subsection, paragraph, sentence or word of this ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, subsections, paragraphs, sentences or words of this ordinance as hereby adopted shall remain in full force and effect.

ARTICLE 14. EFFECTIVE DATE; OPERATIVE DATE

This ordinance shall take effect on the thirty-first day after adoption and become fully operative on October 1, 2020.

PASSED AND ADOPTED this 23rd day of October, 2019, by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

Chair, Board of
Directors Fox Canyon
Groundwater
Management Agency

ATTEST:

By: Clerk of the Board