

Ordinance No. 8.5

AN ORDINANCE TO AMEND THE FOX CANYON GROUNDWATER MANAGEMENT AGENCY ORDINANCE CODE RELATING TO EXTINGUISHMENT OF CONSERVATION CREDITS FOR DESTROYED, INACTIVE OR ABANDONED WELLS WITH NO ACTIVE OPERATOR

The Board of Directors of Fox Canyon Groundwater Management Agency hereby ordains as follows:

SECTION ONE: Findings: The Board of Directors hereby finds as follows:

- A. Under the current Ordinance Code, operators can obtain conservation credits by extracting less groundwater than the historical allocation. Conservation credits so obtained are accounted for by the Agency and are carried forward from year to year. As a result, the number of accumulated conservation credits now exceed the annual safe yield from the aquifer systems within the boundaries of the Agency.
- B. The large number of conservation credits that have accumulated in operator accounts complicates the Agency's goal of eliminating overdraft from the aquifer systems.
- C. A significant portion of the accumulated conservation credits are associated with extraction facilities (wells) that have been destroyed, abandoned or are otherwise no longer active. Operators of these facilities no longer need these credits in order to manage their extractions.
- D. The elimination of accumulated credits in these accounts will clarify the number of conservation credits that may be redeemed.
- E. The adoption of this Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, sections 15307 and 15308 which exempt actions taken for the protection of natural resources and the environment. This Ordinance will help eliminate overdraft from the aquifer systems within the boundaries of the Agency and bring the groundwater basins to safe yield.

SECTION TWO. Section 5.7.1 of Chapter 5.0, Reduction of Groundwater Extractions, is hereby amended to read as follows:

- 5.7.1. Credits can be obtained by operators, but are not considered as extraction allocations or adjustments to extraction allocations. Credits are not subject to any reductions as set forth in Section 5.4.1, Credits, if available, shall be used to avoid paying extraction surcharges. Credits shall be accounted for through the normal reporting and accounting procedure and are carried forward from year to year unless extinguished as provided in section 5.7.2.1.1.1. Except as provided below, credits may be transferred between commonly operated extraction facilities and within the basin where the credits were earned.

SECTION THREE: Section 5.7.2.1.1.1. of Chapter 5.0, Reduction of Groundwater Extractions, is hereby added to read as follows:

- 5.7.2.1.1.1. The Executive Officer shall extinguish all accumulated conservation credits obtained by an operator with a destroyed or abandoned well of record who fails to submit extraction data for five (5) consecutive years. Notice of the action taken by

the Executive Officer pursuant to this section shall be sent by first class mail to the address stated on the most recent registration filed with the Agency and shall advise that the action being taken may be appealed within 120 days thereof in the manner specified in section 6.1. Notice of the Executive Officer's intended action shall also be provided as a Consent Item on the Board meeting agenda preceding the extinguishment of the conservation credits. This agenda item shall include a list of the last known Operator, the last known Owner, the State Well Number, and a map depicting the location of the well, along with number of conservation credits to be extinguished and a tabulation of the last reported activity on the well.

This Ordinance shall become effective thirty days after adoption.

ADOPTED this 7th day of December 2011 by the following vote:

AYES: Directors Maulhardt, Craven, Kelley, and Borchard
NOES: None
ABSENT: Director Bennett

By: 
Lynn Maulhardt, Chair, Board of Directors
Fox Canyon Groundwater Management Agency

ATTEST: I hereby certify that the above is a true and correct copy of Ordinance No. 8.5.


Miranda Nobriga, Clerk of the Board