

Oxnard Subbasin and Pleasant Valley Basin Facilitated Process

Recommendation: Replenishment Fee for Supplemental Water

Date: 12/15/20 – Consensus Recommendation of Core Stakeholder Group.

About this Recommendation: *The Core Stakeholder Group of the Oxnard and Pleasant Valley Basins would recommend that the Fox Canyon Groundwater Management Agency (GMA) consider advancing a replenishment fee for supplemental water consistent with these elements.*

- 1) **Purpose.** Create a funding pool to purchase supplemental water for Oxnard and Pleasant Valley (OPV) when available. This would initiate a replenishment assessment fee to set aside funds to be ready for the purchase of supplemental water for use within OPV whenever it is available. The equitable application of any replenishment fee is of paramount importance to stakeholders.

Sources: The supplemental water could come from any source. The State Water Project, known as “Article 21” water could be a source. (Article 21 water is made available during years when water supply exceeds SWP contractors’ total entitlements.) In addition, United Water Conservation District might be able to purchase other State Water Project water for recharge.

- 2) **FCGMA as the Groundwater Sustainability Agency would implement the fee.**

The GMA, with SGMA authorities, would collect the replenishment fee. The GMA would work with the United Water Conservation District to secure the supplemental surface water. Funds would be held in a special purpose account for this effort.

- 3) **Prop 218, 26 compliance required.** The Core Stakeholder Group understands that the GMA would need to conduct a Prop 218 and Prop 26 study to consider levying this fee and that the GMA has been considering hiring a Prop 218 /26 consultant and is scheduled to consider this possibility at an upcoming board meeting.

- 4) **Uniform groundwater pump fee.** The same fee would be charged on all groundwater pumping (\$/acre-foot pumped). The Prop 218 / 26 analysis would help determine the amount. The assessment would be anchored to the potential quantity and purchase amount for the supplemental water. Suggestions have ranged from \$100-200/AF for the pump fee.

Further definition is needed on how to consider those who are treating or remediating groundwater to create additional water yet avoid a large body of exemptions to the fees. The proposed Oversight Advisory Committee might be able to recommend how the application of fees would apply to water created with those projects.

Assessment on Santa Clara River surface water deliveries. In an effort to move to a one water approach in the Oxnard-Pleasant Valley, a replenishment fee would also apply to surface water deliveries from the Santa Clara River. However, fixed costs associated with these delivery systems should be considered in establishing the uniform assessment fee.

- 5) **Term** – This would be an initial fee to take advantage of potential supplemental water. The fee would likely be revisited when projects are approved to come online, and funding for those projects is necessary. The Core Stakeholder Group would encourage the GMA to consider a threshold or cap should a large amount of fees accrue, and the GMA / United is unable to purchase supplemental water for whatever reason.
- 6) **Geographic area.** This initiative would focus on the Oxnard and Pleasant Valley sub-basins. Outreach to West Las Posas stakeholders might also be considered should they wish to participate, depending on the quantity of water flowing from Oxnard to West Las Posas.
- 7) **Oversight advisory committee.** The Core Stakeholder Group would recommend convening an Oversight Advisory Committee. Recognizing that the GMA Board cannot usurp its fiduciary responsibility, the purpose would be to oversee the management of funds and ensure funds are used as intended. In the future, the Oversight Advisory Committee could also speak to replenishment fees for projects and other forms of new water supply.

The committee would have representation from different types of pumpers, financial expertise, and technical staff. The committee would deliver its advisory recommendations and input publicly, and the GMA Board would consider and respond to the committee's recommendations in public as well.

- 8) **Qualified support.** Support for this proposed interim replenishment assessment is qualified by the understanding that the replenishment assessment is for an interim period to target the sources identified above in the near term. Support for this interim replenishment assessment does not indicate support for a longer-term replenishment assessment. Various issues remain unresolved concerning a longer-term replenishment assessment, including how one would be administered, who would administer it, how much revenue should be generated over what period, what sources would be targeted, whether the assessment would be uniform or tiered based on quantity of pumping, and how the benefits (new water supply) generated by a replenishment assessment would be distributed.

(See Core Group Meeting Summaries for 12/1/20 and 11/17/20 at FCGMASustainability.org for more detail on the development of the recommendation.)